UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS
SECOND SESSION

VOLUME 104—PART 4

MARCH 13, 1958, TO MARCH 26, 1958

(PAGES 4173 TO 5528)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1958

J
11
.R
v.104
pt.4

DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

SENATE

THURSDAY, MARCH 13, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all, whose righteous laws condemn and will at last break whatsoever bars Thy children from abundant life: In these days freighted with destiny, for whose decisions the future will judge us, by Thine enabling might may Thy servants here in the ministry of public affairs maintain their integrity unsullied by personal animosities, prejudices, or selfish ambitions. May they always regard public office as a sacred trust. As our fallible hands have a part in the shaping of the world that is to be, grant us the vision, the wisdom, and the courage that will make for both justice and lasting peace. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 12, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

STAY OF REDUCTIONS IN PRICE SUPPORTS AND ACREAGE ALLOTMENTS

Mr. MANSFIELD. Mr. President, Senate Joint Resolutions 162 and 163, concerning reductions in support prices or acreage allotments on certain agricultural products, were reported, under an order of the Senate, on March 7, during an adjournment of the Senate. They are shown as having been read twice and placed on the calendar.

I wish to make this announcement. It has been called to the attention of the minority leader. It is agreeable to him.

Mr. JAVITS. Mr. President, it is agreeable to the minority leader.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I desire to notify the Senate that the session today will last until a late hour; tomorrow the session will last until a late hour; and there will be a session on Saturday.

I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 a. m. tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Commerce, reporting, pursuant to law, on the overobligations of appropriations in the Department of Commerce; to the Committee on Appropriations.

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Reconstruction Finance Corporation Liquidation Fund, for the quarter ended December 31, 1957 (with an accompanying report); to the Committee on Banking and Currency.

EXTENSION OF RENEGOTIATION ACT OF 1951

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to extend the Renegotiation Act of 1951 for 2 years (with an accompanying paper); to the Committee on Finance.

REPORT ON REVIEW OF SELECTED ACTIVITIES OF GOVERNMENT OF THE VIRGIN ISLANDS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of selected activities of the Government of the Virgin Islands of the United States, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON SPOKANE VALLEY PROJECT, WASHINGTON

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Spokane Valley project, Washington, dated August, 1956 (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Ether Kwang-Tzu Yang from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF WOODROW WILSON CENTENNIAL COMMISSION

A letter from the Chairman, Woodrow Wilson Centennial Celebration Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission, dated December 28, 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, National Council, Boy Scouts of America, New Brunswick, N. J., transmitting, pursuant to law, a report of that organization, for the year 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 532. A bill to revise and modernize the fish and game laws of the District of Columbia, and for other purposes (Rept. No. 1388).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 3100. A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation (Rept. No. 1389).

REPORT ENTITLED "ADMINISTERED PRICES — STEEL" — INDIVIDUAL VIEWS (S. REPT. NO. 1387)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 57, as extended, I submit a report entitled "Administered Prices—Steel," together with

the individual views of the Senator from Illinois [Mr. DIRKSEN] and the Senator from Wisconsin [Mr. WILEY]. I ask unanimous consent that the report together with the individual views and illustrations, be printed.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Tennessee.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BUSH, from the Committee on Armed Services:

Maj. Gen. Oliver S. Picher, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President, in the rank of lieutenant general; and

Maj. Gen. James Francis Collins, United States Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general.

Mr. BUSH. Mr. President, from the Committee on Armed Services, I report favorably a total of 1,112 nominations for appointment in the Regular Air Force in grades of major and below and the nomination of Col. Robert F. McDermott as permanent professor at the Air Force Academy.

All of these names have already appeared in the CONGRESSIONAL RECORD; so, to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk, for the information of any Senator.

The PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Connecticut.

The nominations ordered to lie on the desk are as follows:

Col. Robert F. McDermott, for appointment as permanent professor of the United States Air Force Academy; and

Robert O. Amdall and sundry other persons, for appointment in the Regular Air Force.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina:

S. 3467. A bill to make certain exceptions to the appellate jurisdiction of the Supreme Court of the United States and of the United States courts of appeals in actions relating to the public schools; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3468. A bill to provide for the construction and improvement of certain roads on the Navajo and Hopi Indian Reservations; and

S. 3469. A bill to amend the act of of July 31, 1953, relating to the Arch Hurley Conservancy District, Tucumcari reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 3470. A bill to provide for the construction by the United States of a sanitary sewer system for the Zuni Indian Tribe, Zuni, N. Mex.; and

S. 3471. A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMATHERS:

S. 3472. A bill to encourage private United States investment in foreign countries by restricting the incidence of double taxation on taxpayers with gross income from sources outside the United States; to the Committee on Finance.

By Mr. LANGER:

S. 3473. A bill for the relief of Philip Chieng-Chung Wei; to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. BRICKER. Mr. President, I submit, for appropriate reference, an amendment intended to be proposed by me, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes.

The proposed amendment of section 50 of H. R. 8381 is designed to correct a hardship situation arising under sections 1341 and 1481 of the Internal Revenue Code. This matter was brought to my attention by an Ohio machine tool company. I ask unanimous consent that there be printed in the RECORD at this point a brief memorandum explaining the amendment I have offered.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the memorandum will be printed in the RECORD.

(The memorandum presented by Mr. BRICKER is as follows:)

MEMORANDUM RE PROPOSED AMENDMENT TO SECTION 1341 OF THE INTERNAL REVENUE CODE OF 1954

Early in 1953 the company took a subcontract from a first-tier subcontractor. The prime contract was with the Air Force and called for the furnishing of military aircraft. At the instance of the Air Force, the first-tier subcontractor included in the company's subcontract a provision for price redetermination in favor of the first-tier subcontractor. The subcontract was almost entirely performed in 1953.

The company included its 1953 profit from the subcontract in its 1953 tax return. In July 1954, the company and the first-tier subcontractor concluded price redetermination negotiations, the company being required to refund a substantial amount to the first-tier subcontractor. The two contractors are entirely unrelated to each other.

Refunds pursuant to price redetermination provisions made under circumstances such as those stated above are considered by the Treasury not to be subject to a tax credit under section 1481, since they are not paid to the United States (see Rev. Rul. 54-82, 1954-1 C. B. 286).

Section 1341 was enacted to relieve the taxpayer who, having received income under a claim of right, paid a tax thereon for the year in which it was received, but who is required to refund such income in a subsequent year. The report of the Committee on Ways and Means states the underlying objection of section 1341 in the following language:

"Under present law if a taxpayer is obligated to repay amounts which he had received in a prior year and included in income because it appeared that he had an unrestricted right to such amounts, he may take a deduction in the year of restitution. In many instances of this nature, the deduction allowable in the later year does not compensate the taxpayer adequately for the tax paid in the earlier year." (P. 86, H. Rept. No. 1337, 83d Cong., 2d sess.)

Refunds under price determination provisions would seem to be excellent examples of the kind of problem aimed at by section 1341; in point of fact, that section explicitly covers refunds or repayments made by a regulated public utility where the same are required to be made by a regulatory agency. Nevertheless, refunds made pursuant to price redetermination provisions are not subject to the relief afforded by section 1341 because of the exclusion therein of income arising from the sale of inventoriable items. The result is that as between section 1481 and section 1341 there remains a significant area in which taxpayers who receive income in one year and who are required to repay it in another must suffer the consequences of distortion of income.

The exception in section 1341 for inventoriable items was apparently put in because it was felt that the abortive section 462 would take care of situations arising with respect thereto. Section 462 was repealed retroactively in 1955, but the exception in section 1341 was left untouched.

The proposed amendment to section 1341 would eliminate the exception referred to above for all years covered by the 1954 code with respect to taxpayers who find themselves in the position described in this memorandum. Specifically the amendment would apply only in cases where:

1. A refund has been made pursuant to a price redetermination in a subcontract.
2. The subcontract is for military items.
3. The parties to the subcontract are unrelated. (For example, the amendment would not apply if one party was a subsidiary of the other.)
4. No adjustment is available under section 1481 of the 1954 code solely because the refund is not ultimately paid to the United States.

PRINTING AS A SENATE DOCUMENT PAPERS RELATING TO THE LIFE AND CAREER OF THEODORE ROOSEVELT (S. DOC. NO. 82)

Mr. JAVITS. Mr. President, this year commemorates the 100th anniversary of the birth of Theodore Roosevelt. The Theodore Roosevelt Centennial Commission, established by Public Law 183, 84th Congress, has compiled a number of documents which relate to the work and the effect upon the American people and our national life of Theodore Roosevelt.

Theodore Roosevelt was born at Oyster Bay, N. Y., and we in New York have a special interest in him.

Mr. President, I ask unanimous consent to have a compilation of papers relating to the life and career of Theodore Roosevelt printed as a Senate document, with illustrations. The cost of the printing is estimated to be $528. I have been advised by the staff of the Rules Committee that, since the publication consists of only 36 pages, a formal resolution will not be necessary. I have also consulted with the majority leader and the minority leader, and there is no objection to the request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Article entitled "Federal Drive on Racketeers Starts in April," written by Harold L. Dutkin and published in the Washington Evening Star of March 12, 1958.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON HOUSING

Mr. SPARKMAN. Mr. President, as chairman of the Subcommittee on Housing, I desire to give notice that it is planned to commence public hearings on April 15, 1958, at 10 a. m. in room 301, Senate Office Building, on the bills listed below and on bills that may be subsequently introduced and referred to the subcommittee.

All persons who wish to appear and testify at this hearing are requested to notify Mr. Jack Carter, staff director, Subcommittee on Housing, room 15–A, Senate Office Building, telephone Capitol 4–3121, extension 6348, as soon as possible.

The bills presently pending before the subcommittee are: S. 2791, S. 2865, S. 2872, S. 2992, S. 3064, S. 3213, S. 3281, S. J. Res. 153, S. 3351, S. 3398, and S. 3399.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Pervie Lee Dodd, of Alabama, to be United States marshal for the northern district of Alabama, for a term of 4 years.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, March 20, 1958, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF OLIVER D. HAMLIN, JR., TO BE UNITED STATES CIRCUIT JUDGE, NINTH CIRCUIT, VICE WILLIAM DENMAN, RETIRED

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, March 24, 1958, at 10 a. m., in room 424 Senate Office Building, upon the nomination of Oliver D. Hamlin, Jr., of California, to be United States circuit judge, ninth circuit, vice William Denman, retired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was, to strike out all after the enacting clause and insert:

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

NAVIGATION

Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

Baltimore Harbor and Channels, Md.: House Document No. 86, 85th Congress, at an estimated cost of $28,161,000.

Herring Creek, Md.: House Document No. 159, 84th Congress, at an estimated cost of $110,000;

Betterton Harbor, Md.: House Document No. 333, 84th Congress, at an estimated cost of $78,000;

Delaware River Anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

Hull Creek, Va.: House Document No. 287, 85th Congress, at an estimated cost of $269,800;

Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

Intracoastal Waterway, Jacksonville to Miami, Fla.: House Document No. 222, 85th Congress, maintenance;

Port Everglades Harbor, Fla.; House Document No. 346, 85th Congress, at an estimated cost of $6,683,000;

Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

Chefuncte River and Bogue Falia, La.: Senate Document No. 54, 85th Congress, at an estimated cost of $48,000;

Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

Galveston Harbor and Houston Ship Channel, Tex.: House Document No. 350, 85th Congress, at an estimated cost of $17,196,000;

Matagorda Ship Channel, Port Lavaca, Tex.: House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;

Port Aransas-Corpus Christi Waterway, Tex.: Report of the Chief of Engineers dated February 10, 1958, at an estimated cost of $6,272,000;

Port Aransas-Corpus Christi Waterway, Tex., La Quinta Channel: Senate Document No. 33, 85th Congress, at an estimated cost of $954,000;

Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of $317,000;

Mississippi River between Missouri River and Minneapolis, Minn, damage to levee and drainage districts: House Document No. 135, 84th Congress, at an estimated cost of $2,476,000;

Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of $246,000;

Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of $62,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Mississippi River at Clinton, Iowa, Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of $241,000;

Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of $147,000;

Mississippi River between St. Louis, Mo., and lock and dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of $5,802,000;

Mississippi River between the Missouri River and Minneapolis, Minn.: Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn., House Document No. 33, 85th Congress;

Minnesota River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of $2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

Vermilion Harbor, Ohio: House Document No. 231, 85th Congress, at an estimated cost of $474,000;

Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of $66,000;

Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of $393,500;

Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of $66,000;

Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of $1,760,000: *Provided*, That local interests shall contribute 43½ percent of the total cost of the project;

St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of $101,500;

Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000;

Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of $859,000;

Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of $1,865,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Santa Cruz Harbor, Santa Cruz, Calif.: Report of the Chief of Engineers dated February 27, 1958, at an estimated cost of $1,612,000;

Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of $19,800,000;

Siuslaw River, Oreg.: House Document No. 204, 85th Congress, at an estimated cost of $1,693,100.

Port Townsend Harbor, Wash.: House Document No. 418, 84th Congress, at an estimated cost of $387,000;

Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of $83,700;

Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of $1,394,000;

Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $372,000;

Naknek River, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $19,000;

Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of $5,199,200;

San Juan Harbor, P. R.: House Document No. 38, 85th Congress, at an estimated cost of $6,476,000;

BEACH EROSION

State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of $12,000;

Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of $229,000;

Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of $2,724,000;

Atlantic Coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document No. 332, 85th Congress, at an estimated cost of $6,755,000;

Delaware Coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of $28,000;

Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Fla.: House Document No. 342, 85th Congress, at an estimated cost of $222,500;

Berrien County, Mich.: House Document No. 336, 85th Congress, at an estimated cost of $226,000;

Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of $50,000;

Fair Haven Beach State Park, New York: House Document No. 134, 84th Congress, at an estimated cost of $114,000;

Hamlin Beach State Park, New York: House Document No. 138, 84th Congress, at an estimated cost of $404,000;

Humboldt Bay, Calif.: House Document No. 282, 85th Congress, at an estimated cost of $38,200;

Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of $516,000;

San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of $289,000;

Waimea Beach and Hanapepe Bay, Island of Kauai, T. H.: House Document No. 432, 84th Congress, at an estimated cost of $20,000;

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now underway of $1,350,000 annually for 5 years, of which 75 percent, presently estimated at $1,012,500, shall be borne by the United States and 25 percent, presently estimated at $337,500, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood-control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across St. George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction, in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided*, That such payment shall not exceed the sum of $44,000: *Provided further*, That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further*, That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided*, That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further*, That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance, and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within two years after the date of enactment of this Act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further*, That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

SEC. 109. The projects for the Illinois Waterway and Grand Calumet River, Ill., and

Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in acordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges, in part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

SEC. 110. (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of an appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through navigation.

(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

(f) There is hereby authorized to be appropriated the sum of $2 million to carry out the provisions of this section.

SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided*, That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

Stave Island Harbor at South Goldsboro, Maine.

Short Sands section of York Beach, York County, Maine.

Tashmoo Pond, Martha's Vineyard, Mass.

Sachem's Head Harbor at Guilford, Conn.

Poquonock River at Groton, Conn.

Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

Indian River Bay via Pepper's Creek to Dagsboro, Del.

Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

Currioman Bay, Va.

Tabbs Creek, Lancaster County, Va.

Wrights Creek, N. C.

Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

Little Gasparilla Pass, Charlotte County, Fla.

Frenchman Creek, Fla.

Trinity River, Tex.

Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

Small-boat channel from the port of Panacea, Fla., into Apalachee Bay, Fla.

Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

Tampa Bay, Fla., with a view to determining the feasibility of a fresh water lake at that location.

Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Blountstown.

Streams at and in the vicinity of Gulfport, Fla.

Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, S. Dak.-Nebr.

Channel from Port Inland, Mich., to deep water in Lake Michigan.

Connecting channel between Namakan Lake and Ash River, Minn.

Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

SEC. 113. Title I may be cited as the "River and Harbor Act of 1958."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the

Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

NEW BEDFORD, FAIRHAVEN, AND ACUSHNET, MASS.

The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Mass., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 59; 85th Congress, at an estimated cost of $15,490,000.

NARRAGANSETT BAY AREA, RHODE ISLAND AND MASSACHUSETTS

The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 230, 85th Congress, at an estimated cost of $16,180,000.

CONNECTICUT RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24 million for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of $5,090,000.

The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of $5,430,000.

HOUSATONIC RIVER BASIN

The project for the flood control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,960,000.

The project for the flood control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,780,000.

HUDSON RIVER BASIN

The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of $2,069,000.

PANTEGO AND CUCKLERS CREEK, NORTH CAROLINA

The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of $413,000.

SAVANNAH RIVER BASIN

In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of $44,300,000.

CENTRAL AND SOUTHERN FLORIDA

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Fla., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of $3,172,000: *Provided*, That cost sharing for the works herein authorized shall be on the same basis as that prescribed for works authorized in the Flood Control Act of 1954.

MOBILE RIVER BASIN

(Tombigbee, Warrior, and Alabama-Coosa)

The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi, and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document Numbered 167, 84th Congress, at an estimated cost of $19,199,000: *Provided*, That in lieu of the cash contribution contained in item (f) of the recommendations of the Chief of Engineers, local interests contribute in cash or equivalent work, the sum of $1,585,000 in addition to other items of local cooperation.

The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 83, 85th Congress, at an estimated cost of $1,300,000.

LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

(a) Modification of the White River Backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated cost, over that now authorized, of $2,380,000 for construction and $57,000 annually for maintenance: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Arkansas, such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project.

(b) Modification and extension of plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Arkansas, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of $1,212,000.

(c) In addition to the previous authorization, the sum of $28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin approved in the act of May 17, 1950.

(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of $1,932,000:

(f) The project for Greenville Harbor, Miss., substantially in accordance with the recommendations of the Mississippi River Commission, dated April 12, 1957, at an estimated cost of $2,530,000: *Provided*, That the amount to be contributed by local interests shall not be in excess of 12 percent of the cost of construction, the amount of 12 percent being presently estimated at $358,000.

The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of $547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

TRINITY RIVER BASIN, TEX.

Notwithstanding clause (b) of paragraph 5 of the report of the Chief of Engineers dated May 28, 1954, with respect to the project for the Navarro Mills Reservoir on Richland Creek, Tex., authorized by section 203 of the Flood Control Act of 1954, local interests shall not be required to pay any portion of the total cost of the project attributable to increase in net returns from higher utilization of the downstream valley lands.

RED-OUACHITA RIVER BASIN

The general plan for flood control on Red River, Tex., Okla., Ark., and La., below Denison Dam, Tex. and Okla., as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and Alternate Reservoirs, Little River, Okla. and Ark., except as follows:

(1) The Sherwood Reservoir on Mountain Fork River is authorized in addition to the six other reservoirs upstream from the Millwood Reservoir, recommended by the Chief of Engineers.

(2) In the case of such reservoirs, the basis for determining the cost allocated to hydroelectric power and water supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited

to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable.

GULF OF MEXICO

The project for hurricane-flood protection on Galveston Bay, Tex., at and in the vicinity of Texas City, is hereby authorized sustantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 85th Congress, at an estimated cost of $6,166,000.

ARKANSAS RIVER BASIN

The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized sustantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of $16,628,000.

The first section of the act entitled "An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma," approved July 6, 1954 (68 Stat. 450), is amended by inserting after "as recommended by the Chief of Engineers," the following: "or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers,", and the third section of said act is amended by striking out after "all claims heretofore or hereafter" the words "asserted of whatever nature including but not limited to" and inserting in lieu thereof the following: "arising from or out of the".

WHITE RIVER BASIN

In addition to previous authorizations, there is hereby authorized the sum of $57 million for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress, and such comprehensive plan is hereby modified to provide for the generation of power in conjunction with flood control at the Lone Rock Reservoir and the addition of Gilbert Reservoir for flood control, power generation, and other purposes as recommended by the District Engineer in House Document No. 499, 83d Congress.

PECOS RIVER BASIN

The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of $2,066,000.

RIO GRANDE BASIN

The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of $3,152,000.

UPPER MISSISSIPPI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21 million for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of $6,996,000.

The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 52, 84th Congress, at an estimated cost of $6,690,000.

The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress, at an estimated cost of $1,620,000.

The projects for flood protection on the Mississippi River at St. Paul and South St. Paul, Minn., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 223, 85th Congress, at an estimated cost of $5,705,500.

The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress, at an estimated cost of $1,870,000.

The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $44,500,000.

The project for the Kaskaskia River, Ill., is hereby authorized substantially as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of $23 million.

The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers, in House Document No. 431, 84th Congress, at an estimated cost of $796,000.

GREAT LAKES BASIN

The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of $917,000.

The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of $5,358,000.

The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of $9,825,000.

The project for flood protection on the Saginaw River, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $16,085,000.

The project for flood protection on Owasco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of $305,000.

MISSOURI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The Secretary of the Army, acting through the Corps of Engineers, is authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of the St. Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding $42,000 in cost: *Provided*, That the Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this section out of any sums appropriated for the construction of the Oahe and Fort Randall Dam and Reservoir projects, Missouri River.

The project for flood protection on the Sun River, at Great Falls, Mont., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 343, 85th Congress, at an estimated cost of $1,405,000.

The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of $434,000.

The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of $8,060,000.

The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of $850,000.

The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of $1,214,000.

The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of $13,314,000.

The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of $2,025,000.

RED RIVER OF THE NORTH BASIN

The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of $632,000.

OHIO RIVER BASIN

The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of $5,970,000: *Provided*, That in lieu of the cash contribution recommended by the Chief of Engineers, local interests contribute in cash, the sum of $233,000, in addition to other items of local cooperation.

The project for the Upper Wabash River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of $45,500,000.

The project for flood protection on Brush Creek at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 122, 84th Congress, at an estimated $917,000.

The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of $708,000.

The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of $4,796,000.

The project for flood protection on the West Branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, at an estimated cost of $12,585,000.

The project for flood protection on Chartiers Creek, at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 286, 85th Congress, at an estimated cost of $1,286,000.

The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of $1,188,000.

The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Indiana, in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of $4,359,000.

SACRAMENTO RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of $1,560,000.

EEL RIVER BASIN

The project for flood protection on the Eel River in the Sandy Prairie Region, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of $707,000.

WEBER RIVER BASIN, UTAH

The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of $520,000.

SAN JOAQUIN RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $13 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for the Buchanan Reservoir on the Chowchilla River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $10.9 million: *Provided*, That prior to starting construction, assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

The project for the Hidden Reservoir on the Fresno River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $12.5 million: *Provided*, That prior to starting construction assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

KAWEAH AND TULE RIVER BASINS

In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of $28 million.

LOS ANGELES RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

SANTA ANA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

SAN DIEGUITO RIVER BASIN

The project for the San Dieguito River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 288, 85th Congress, at an estimated cost of $1,961,000.

COLUMBIA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112 million for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood-control goals not less than those contained in said House Document No. 531.

SAMMAMISH RIVER BASIN

The project for flood protection and related purposes on the Sammamish River, Wash., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of $825,000.

TERRITORY OF ALASKA

The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of $9,727,000.

The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of $60,000.

SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken without 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood-control, or multiple-purpose projects.

(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread general, and non-exclusive benefits from such increases in low flow.

(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers to impound water for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army.

(d) The provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944 (58 Stat. 887).

SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

1. No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by

the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to revestment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term "present record owner of land" shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) This section shall terminate 3 years after the date of its enactment.

SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

Deep Creek, St. Marys County, Md.

Mills Creek, Fla.

Streams in Seminole County, Fla., draining into the Saint Johns River.

Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

Lake Ponchartrain, La., in the interest of protecting Salt Bayou Road.

San Felipi Creek, Tex., at and in the vicinity of Del Rio, Tex.

El Paso, El Paso County, Tex.

Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

Missouri River Basin, South Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

Bird, Caney, and Verdigris Rivers, Okla. and Kans.

Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill., and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

All streams flowing into Lake Saint Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

Pescadero Creek, Calif.

Soquel Creek, Calif.

San Gregorio Creek and tributaries, Calif.

Redwood Creek, San Mateo, Calif.

Streams at and in the vicinity of San Mateo, Calif.

Streams at and in the vicinity of South San Francisco, Calif.

Streams at and in the vicinity of Burlingame, Calif.

Kellogg and Marsh Creeks, Contra Costa County, Calif.

Eastkoot Creek, Stinson Beach area, Marin County, Calif.

Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

Kihei District, Island of Maui, T. H.

SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public Law 534, 78th Cong.), as amended and supplemented by subsequent acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 210. Title II may be cited as the "Flood Control Act of 1958."

Mr. CHAVEZ. Mr. President, I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. CHAVEZ, Mr. KERR, Mr. GORE, Mr. MARTIN of Pennsylvania, and Mr. CASE of South Dakota conferees on the part of the Senate.

THE IMPORTANCE OF PUBLIC-WORKS PROGRAMS

Mr. MANSFIELD. Mr. President, yesterday, after receipt from Montana of the newspapers for Sunday, March 9, I was pleased to learn that on Saturday, March 8, Gov. J. Hugo Aronson, of my State, reported that he had been informed that President Eisenhower would, within a few days, ask Congress to vote $918,000 more for two Montana reclamation projects.

According to the article carried in the Montana newspapers, the Governor said "a highly reliable administration source" telephoned from Washington that an appropriation in the amount of $538,000 would be requested for the Helena Valley irrigation project, and an appropriation in the amount of $380,000

would be requested for the Fort Peck-Dawson County power transmission line.

The Governor also said that "the high administration source," whom he did not identify, also informed him that the Bureau of the Budget would release nearly $65,000 between now and July 1 for 3 other Montana projects—on the Northern Cheyenne and Crow Reservations and the Fort Peck Wildlife Refuge. Fifteen thousand dollars of this amount is to be allocated for the Crow meter loops, the article stated. Meter loops were not explained by the Washington source, according to the article.

Mr. President, I desire to express the hope that the statesmanlike proposals, made last Thursday by the majority leader, the senior Senator from Texas [Mr. JOHNSON], to speed up projects which have been authorized, and for which the Congress has appropriated funds, will not become political footballs. After all, I must repeat, the Congress has authorized these projects in Montana and elsewhere, has appropriated the funds, and has carried out its responsibilities as a coequal branch of the Government of the United States.

It is my understanding that this highly reliable administration source has not been the White House, but has been the Department of the Interior, which very likely acted under White House instruction. I would be surprised if it should be disclosed that Secretary Seaton was a party to a political propaganda stunt of that kind, because I have a high regard for him, and I know my regard for him is shared by Senators on both sides of the aisle.

Mr. President, I would have thought that members of the Montana Congressional delegation who have fought and voted for these projects and these appropriations would at least have been accorded the courtesy of being notified by the administration of what it intended to do in the wake of the sound proposals advanced by the majority leader.

Mr. President, according to what information I can gather, the same procedure was followed in the States of New Mexico and Wyoming; the Republican governors were notified, but the Democratic members of the Congressional delegations from those States were not notified.

Mr. President, in this field of recession and depression—and in Montana it is a depression—we are not seeking to make political capital out of the distress conditions of our people. We do not seek charity. We are interested in jobs.

Such petty sniping, as typified by the release last Saturday, does no one any good, but only brings the unpleasant odor of politics into a question which affects the welfare of the people. It is to be hoped that such a small, petty tactic will not be repeated.

It is also to be hoped that this administration will get away from its pious platitudes and its too-little and too-late pronouncements.

Mr. President, the times call for economic statesmanship of a high order. The road has been shown by the proposals of the majority leader. Now it is up to all of us—Republicans and Democrats alike—to travel that road, not in the interest of either party, but in the interest of the people as a whole.

May I say again, Mr. President, that though I am pleased with the governor's statement I believe the courteous and the decent procedure would have been to notify the Montana Congressional delegation as well.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article which was published in the Great Falls Tribune, of Great Falls, Mont., on March 9, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARONSON TOLD $918,000 TO BE SPENT

HELENA.—Gov. J. Hugo Aronson on Saturday reported he had been informed that President Eisenhower next week would ask Congress to vote $918,000 more for two Montana reclamation projects.

He said "a highly reliable administration source" telephoned from Washington that these appropriations for July 1 would be asked:

1. $538,000 for the Helena Valley irrigation project to continue lateral and drainage system construction at a somewhat accelerated rate.

2. $380,000 for contract payments on the Fort Peck-Dawson County power transmission line at the Fort Peck project.

The Republican governor said these recommendations would probably be part of the President's request for reclamation project appropriations throughout the West. Aronson said this would be in line with thinking of governors attending the Western Governors Conference at Colorado Springs recently.

Aronson said "the high administration source" whom he did not identify also informed him that the Bureau of the Budget would release nearly $65,000 for use between now and July 1 on 3 other Montana projects.

These are $42,000 for the Northern Cheyenne Indian Reservation No. 8 road; $15,000 for the Crow meter loops, and $7,200 for the Fort Peck Wildlife Refuge. Meter loops were not explained by the Washington source.

PRESIDENTIAL INABILITY

Mr. ERVIN. Mr. President, recent events have drawn the attention of the Congress to the question of whether it is needful or desirable to amend the Constitution of the United States to clarify the somewhat indefinite provisions of article II, section 6, in respect to how the inability of the President to discharge the powers and duties of his office is to be determined in case a disabling accident or disease deprives him of the capacity to make such determination, and in respect to the ultimate, legal effect of the action of the Vice President in assuming the powers and duties of the Presidential Office in case the President suffers a temporary inability to discharge them.

No one can gainsay the desirability of clarifying these matters. It may be argued with much show of reason, however, that Congress itself is empowered by article I, section 8, clause 18, and even by article II, section 6, to clarify them by a simple legislative act; and that for this reason, resort need not be had to a constitutional amendment. Be this as it may, I am convinced that the importance of these matters in our governmental system demands that the clarification be made by amendment.

I submit that the amendment should vest in the Congress the power to pass upon and determine the question of the inability of the President to discharge his official powers and duties, in case there are reasonable grounds for believing that a disabling accident or disease has deprived the President of the capacity to make the determination himself.

This power should be vested in the Congress because its members are duly elected constitutional officers who can be held responsible by the people for any action they may take. It certainly ought not to be entrusted to Presidentially appointed cabinet members answerable to the President alone, or to a newly created commission answerable to nobody.

In advocating that the power to pass upon and determine the inability of the President be vested in the Congress, rather than in the cabinet or in a commission, I am not unaware of the argument that such a course would offend the constitutional doctrine of the separation of governmental powers. However, this argument, it seems to me, is heavily outweighed by the significant circumstance that committing this power to the Congress will harmonize in full measure with our constitutional system of checks and balances. This is made crystal clear by amendment XII, which commits to the House of Representatives the power to choose a President when none of the candidates for the office secures a majority of the electoral votes; by article I, section 2, clause 5, which confers on the House of Representatives the power to impeach the President; by article I, section 3, clause 6, which entrusts to the Senate the power to try the impeachment of the President; and by article II, section 2, clause 2, which vests in the Senate the power to ratify or reject treaties made by the President, and to confirm or reject Presidential nominations of executive or judicial officers.

Entertaining these views, as I do, I expect to support the amendment proposed by one of America's greatest constitutional lawyers, the able and distinguished Senator from Wyoming, JOSEPH C. O'MAHONEY.

In closing, I wish to call the attention of the Senate to an article entitled "Presidential Inability", written by Dr. Ruth C. Silva, professor of political science at Pennsylvania State University. The article was published in the December 1957 issue of the University of Detroit Law Journal. While Dr. Silva and I may disagree as to the means for declaring Presidential inability, I have found her article a most penetrating analysis of the subject, and I wish all Members of the Congress to have the benefit of her brilliant work in this field. For these reasons, I ask unanimous consent that Dr. Silva's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENTIAL INABILITY

(By Ruth C. Silva)

(EDITOR'S NOTE.—Professor Silva received her bachelor of arts, master of arts, and

doctor of philosophy degrees from the University of Michigan. She has taught at Wheaton College (Massachusetts) as well as at Cairo University (Egypt) where she was Fulbright professor of political science. She is presently a professor of political science at Pennsylvania State University. Author of Presidential Succession, published by the University of Michigan Press, and articles published in the American Political Science Review, Journal of Politics, the Review of Politics, the Harvard Law Record, Michigan Law Review, and Law and Contemporary Problems. Also she is the author of articles published in Spanish and Arabic abroad as well as various studies published by Congressional committees, and has served as a consultant for these committees and various governmental agencies.)

President Eisenhower's heart attack in 1955 and his subsequent operation for ileitis have focused attention on the problem of providing for the exercise of Presidential power during a President's inability. Although the newspapers and politicians have concentrated their attention on procedures for declaring a President disabled, a more important aspect of the problem relates to the Vice President's constitutional status while the President is incapacitated. In the only serious cases of Presidential inability to date, the Vice President was not asked to exercise Presidential power largely because of the fear that he would actually become President and replace the disabled incumbent for the remainder of the term.

THE GARFIELD CASE

When Garfield was shot in 1881, three Vice Presidents had, upon the death of a President, been recognized as having succeeded to the higher office and as possessing the right to exercise Presidential power until the end of the deceased President's term. As a result of the precedents established whenever a President had died, it was easy to argue that a Vice President actually becomes President for the remainder of the term whenever he acts in that capacity. Since Garfield was not dead, had not resigned, had not been removed, but was merely disabled, the Presidential office was not vacant. This unavoidably raised questions about Vice President Chester A. Arthur's status and tenure. If he acted as President during Garfield's inability, would he actually succeed to the high office? Would Garfield also remain President? Would there be two Presidents at the same time? Could Garfield resume the exercise of Presidential power if his disability ceased?

When Garfield's illness had already lasted 2 months and was expected to continue for another 2, all 7 members of his Cabinet agreed on the desirability of having Arthur act as President during Garfield's recuperation. Three members of the Cabinet, Secretary of State James G. Blaine, Secretary of the Navy William H. Hunt, and Secretary of War Robert T. Lincoln thought Arthur could temporarily discharge the Presidential duties until Garfield recovered. On the other hand, Attorney General Wayne MacVeagh, Secretary of the Treasury William Windom, Postmaster General Thomas L. James, and Secretary of the Interior Samuel J. Kirkwood thought that Arthur's exercise of Presidential power would be equivalent to removing Garfield from office. Since a majority of the Cabinet held this latter opinion, it was decided that Arthur should not be asked to act as President without Garfield's knowledge and consent. Because the physicians thought he was too ill for such discussions, the whole matter was dropped.[1]

During the 80 days of Garfield's fatal illness, his only official act was the signing of an extradition paper. The reason for Garfield's inactivity was not the lack of urgent public business. Although Congress was not in session and there was no occasion for him to exercise his legislative powers, yet important executive matters demanded attention. There were postal frauds; officers were unable to perform their duties because the President was unable to commission them; there was a serious deterioration in the country's foreign relations. It was reported that the Central Pacific Railway actually considered suing for a writ of mandamus directing Vice President Arthur to assume the President's duties and appoint an Auditor of Railway Accounts since Garfield was unable to do so. Yet the department heads transacted only such routine business as could be handled without Presidential supervision. Important questions of public policy requiring the President's personal attention were ignored.[2] The important thing is that the public interest was jeopardized by having no active President.

Equally important, editorial opinion was sharply divided about the manner in which public business was being transacted—a division of opinion which only aggravated the crisis caused by Garfield's prolonged infirmity. The New York Times and New York Herald objected to having governmental affairs managed by the Cabinet, which is an extra-legal body. They particularly objected to Secretary Blaine's position as a sort of de facto President. The Herald even went so far as to label Blaine's action as "usurpation" and called for the immediate succession of Vice President Arthur.[3] The New York Tribune and Boston Evening Transcript, however, defended Blaine's activities, noted that he had not committed the Government on any matter of policy, and asserted that public business was being transacted satisfactorily during the President's illness.[4]

The fear that Arthur's exercise of Presidential power might oust the disabled Garfield caused Garfield's friends to minimize the need for an active President. Similarly, they refused to recognize the full extent of his disability because of personal loyalty to him. Mental disability probably did not exist during the early part of his illness. Secretary Kirkwood claimed that Garfield was rational, his mind clear, and his judgment unimpaired. The President would be able to make a decision if absolutely necessary, Kirkwood said, but his physicians forbade him to discuss public affairs.[5] Two weeks later, the Boston Evening Transcript reported that Garfield's mind was clear and that at no time would he have been incapable of making decisions if any important public question had been presented to him.[6] Garfield's mind may have been clear in July and August; but the daily bulletins of his physicians clearly indicate that he was physically unable to discharge the duties of his office. Even the Boston Evening Transcript, which had maintained from the beginning that Arthur could not act as President because Garfield was not mentally disabled, admitted in September that the President was suffering from hallucinations.[7]

Even if there had been no dispute about Garfield's right to resume the exercise of Presidential power if and when he recovered, Arthur still would have been in a particularly embarrassing position. Garfield belonged to the so-called halfbreed wing of the Republican Party. It was popularly believed that Arthur had been nominated for Vice President only to placate Roscoe Conkling, leader of the stalwart wing, and to heal the schism in the party. Charles J. Guiteau, Garfield's deranged assassin, had proclaimed his loyalty to Arthur and to stalwartism. This gave rise to the false rumor that Garfield's assassination had been deliberately planned to put Conkling's puppet in the White House. Because of this nasty situation, Arthur had little choice but to be self-effacing during Garfield's illness.[8]

After the President's death, Arthur repeatedly asked Congress to formulate legal answers to the questions which had so recently alarmed the country.[9] The 47th, 48th, and 49th Congresses discussed the meaning of inability, its effect on the status and tenure of the Vice President, its effect on the status and tenure of the disabled President, and how a disability should be established. Instead of solving these problems, however, Congress named a statutory successor to act as President in case of vacancy or disability in both the Presidency and Vice Presidency. After the enactment of this law, the subject of Presidential disability was again ignored until Woodrow Wilson fell ill in 1919.[10]

THE WILSON CASE

There can be no doubt that important public business suffered as a result of Wilson's illness. The chief usher at the White House, Irwin Hoover, reports that absolutely no business was presented to the President for a month following his stroke. Thereafter, official papers requiring the President's attention were read to him but only those that Mrs. Wilson thought should be. In Hoover's opinion, there was "very little even of this sort of business."[11] During the special session of the 66th Congress, 28 acts became law without the President's passing on them within the requisite 10 days. Although he vetoed the Prohibition Enforcement Act on October 27, he did not pass on 15 of the 16 acts sent to the White House between October 28 and November 18.[12] He did not meet his Cabinet for 8 months after his collapse.[13]

---

[1] New York Times, Sept. 2, 1881, p. 1, col. 3; id., Sept. 4, 1881, p. 1, cols. 2–3; New York Herald, Sept. 2, 1881, p. 3, col. 1; New York Tribune, Sept. 2, 1881, p. 5, col. 2; Pittsburgh Post, Sept. 3, 1881, p. 1, col. 2; id., Sept. 5, 1881, p. 1, col. 3.

[2] George F. Howe, Chester A. Arthur, 152–153, 181 (1934); New York Herald, Sept. 1, 1881, p. 5, col. 3, and p. 6, cols. 2–3; id., Sept. 5, 1881, p. 4, cols. 1–3, and p. 6, cols. 2–3; New York Times, Aug. 11, 1881, p. 1, col. 6, and p. 4, cols. 2–3; Boston Evening Transcript, Aug. 25, 1881, p. 4, col. 3.

[3] For example: New York Times, Aug. 1, 1881, p. 4, cols. 2–3; New York Herald, Sept. 5, 1881, p. 6, cols. 2–3.

[4] For example: Boston Evening Transcript, Aug. 1, 1881, p. 4, col. 2; New York Tribune, Sept. 6, 1881, p. 4, cols. 2–3.

[5] New York Tribune, July 15, 1881, p. 1, col. 6.

[6] Aug. 1, 1881, p. 4, col. 2.

[7] Sept. 16, 1881, p. 1, col. 5.

[8] Howe, op. cit., supra, note 2, 151–152; Peter R. Levin, Seven by Chance, pp. 154, 157 (1948); Donald B. Chidsey, The Gentleman From New York: A Life of Roscoe Conkling, pp. 226–356 (1935).

[9] 10 James D. Richardson, Messages and Papers of the Presidents 4652; 11 id. 4734, 4840 (1897).

[10] A few legislators, however, persisted in their demands for Congressional action to define the powers and duties of a Vice President during periods of Presidential inability and to clarify the role of various governmental bodies in declaring the existence of such inability. See, for example, the comments of Congressman Joseph H. Gaines, Succession to the Presidency, 79 Outlook 252–253 (Feb. 4, 1905); the resolution of Senator John J. Ingalls, 14 CONGRESSIONAL RECORD, 1042 (1883); also H. Rept. No. 3633, 58th Cong., 3d sess, p. 1 (1905), and H. Rept. No. 7531, 59th Cong., 1 sess, p. 1 (1907).

[11] Irwin Hoover, 42 Years in the White House, pp. 103–105 (1934).

[12] Lindsay Rogers, Presidential Inability, 2 Weekly Review 481, 482 (May 8, 1920); and Rogers' note, The President's Illness, 14 American Political Science Review 87–88 (February 1920).

[13] 2 David Houston, Eight Years With Wilson's Cabinet 69-70 (1926); David Lawrence, True Story of Woodrow Wilson, p. 298 (1924).

He failed to answer the Senate Foreign Relations Committee's repeated requests that he take some action or supply the committee with some information about the Shantung settlement, a situation which prompted Senator Albert B. Fall to suggest that the Senate should recess until the President became able to resume the duties of his office. Although the Constitution says that the President shall receive the representatives of foreign states, the New York Times reported that Wilson's illness prevented him from seeing the Belgian sovereigns and the Prince of Wales when they visited the United States.[14]

This evidence is only a small part of that which could be presented to show that neither foreign nor domestic affairs received the President's proper attention. The Versailles Treaty was probably the most important casualty of Wilson's disability. He was forced to abandon his western tour in behalf of the treaty. A month later the Democratic leader in the Senate, Gilbert M. Hitchcock, believed he could work out a compromise with the treaty's foes in the Senate. But Wilson's physicians would not allow Hitchcock to see the President. Hitchcock complained that he would have to consult with the President before he could agree to any compromises.[15] Although it was reported 5 days later that Hitchcock had seen Wilson 3 times,[16] many students of the period agree that the treaty was defeated largely because of Wilson's isolation from public opinion, from his advisers, and from Congressional leaders whose advice he so badly needed in his enfeebled condition.[17]

The exact degree of Wilson's disability was carefully guarded. It is now known that he suffered a cerebral thrombosis and that his left side was paralyzed. There is some evidence that he was unconscious or only semiconscious during a part of his illness.[18] There are, however, denials of this.[19] Although Democratic spokesmen even to this day have usually minimized his disability, the Democratic Digest recently admitted that "President Wilson was completely or partially disabled for many months following a stroke on September 26, 1919."[20] Franklin D. Roosevelt is reported to have said that he and James M. Cox visited Wilson in the summer of 1920 and that Wilson was unable to speak except to mumble a few broken words.[21] Whatever Wilson's condition, the Vice President, the Cabinet, and the public were not informed about it.[22]

The aura of secrecy which surrounded the White House served only to disturb public confidence. The country was flooded with rumors that Wilson was insane or that he was dead and his death was being kept a secret.[23] The New York Times published a front-page story reporting that Republican Senators were examining Wilson's signature on several Presidential communications to the Senate, believing that the signatures might be forged. According to the Times, one Senator expressed the opinion that two of the signatures were not Wilson's and that, if they were his, he had been assisted in signing his name.[24]

Such rumors and suspicions resulted at least in part from the White House circle's having established a sort of regency with Mrs. Wilson in charge. Her own story indicates that, from September 25, 1919, to March 4, 1921, the executive branch did not function in the manner stipulated by the Constitution and laws. The channel of communication to the White House was Joseph P. Tumulty, the President's secretary, who gave official papers to Mrs. Wilson. If she thought her husband could pass judgment on a given question without excitement, she digested the relevant documents and presented the problem to him. If she was doubtful of the effect a paper might have on him, she passed it on to Dr. Cary T. Grayson. If Grayson thought the paper was not likely to upset the President, Mrs. Wilson presented her digest of it to her husband. If Grayson thought otherwise, she passed the paper on to Secretary of the Treasury David Houston or to someone else in whom she had confidence. Similarly, Mrs. Wilson and the physicians decided whom the President might and might not see and how long he might converse with those whom he was permitted to see.[25]

Wilson's health rather than the public interest seems to have been the basis of decision. On some days the newspapers reported that Wilson's condition was so improved that Dr. Grayson allowed him to transact official business.[26] On other days, they reported that Wilson was permitted to sit up but no official business was placed before him.[27] According to Mrs. Wilson, she and Dr. Francis X. Dercum, a nerve specialist, discussed the possibility of Wilson's resignation but decided that he should continue as President lest the shock of resigning prove fatal. In recounting how she refused to allow officials and Congressional leaders to see the President, she says: "I carried out the directions of the doctors. * * * Woodrow Wilson was, first, my beloved husband * * * after that he was the President of the United States."[28] Prof. Irving G. Williams has suggested that this was a perfectly understandable attitude for a wife, "but to the Nation and its people Woodrow Wilson was, first of all, President, and secondly, a husband."[29]

The record indicates that the entire problem was handled largely on the basis of personal loyalty to the disabled President. Because Wilson's friends thought the devolution of Presidential power on the Vice President might be equivalent to removing Wilson from office forever, they viewed talk of inability as disloyalty to their stricken friend. When Secretary of State Robert Lansing suggested the possibility of the Vice President's acting as President, Joseph P. Tumulty answered: "You may rest assured that while Woodrow Wilson is lying in the White House on the broad of his back I will not be a party to ousting him. He has been too kind, too loyal, and too wonderful to me to receive such treatment at my hands." Although Wilson's being "on the broad of his back" was evidence of his disability, Grayson not only told Lansing that he would never certify to the disability but Tumulty also said that, if anyone outside the White House circle attempted to so certify, "Grayson and I would stand together and repudiate it."[30] Tumulty did not suggest that Wilson might be able to repudiate the certification for himself. Tumulty's objection to establishing Wilson's disability appears to be that he thought it would involve "ousting" his friend. Wilson apparently shared Tumulty's view. For, when Lansing resigned, Wilson said: "Tumulty, it is never the wrong time to spike disloyalty. When Lansing sought to oust me, I was upon my back. I am on my feet now and I will not have disloyalty about me."[31] Neither Wilson nor Tumulty seems to have thought that the Vice President might exercise Presidential power only until the President recovered.

The Wilson-Tumulty interpretation of the inability clause of the Constitution places any Vice President in a delicate position during periods of Presidential disability. Although Vice President Thomas R. Marshall was not in so embarrassing a position as Vice President Arthur had been, yet Marshall was reluctant to take any action which might appear to some as usurpation. He was reported as saying that he would not act unless requested to do so by Wilson or the Cabinet and only then if he had the express support of both Houses of Congress[32]

---

[14] On the Shantung affair, New York Times, Oct. 14, 1919, p. 1, col. 7. On visit of foreign royalty, id., Oct. 19, 1919, p. 1, col. 5; id., Oct. 29, 1919, p. 4, col. 3; id., Dec. 21, 1919, III, p. 2, col. 1. According to Mrs. Wilson, all three visited her husband in his bedroom at the White House while he was in bed. Edith B. Wilson, My Memoir, pp. 292–296 (1938).

[15] New York Times, Nov. 30, 1919, p. 1, col. 4.

[16] Id., Dec. 5, 1919, p. 1, cols. 6–7.

[17] 4 Charles Seymour, The Intimate Papers of Colonel House 506–507, 509–512 (1928); Lawrence, op. cit., supra, note 13, 299; Edith G. Reid, Woodrow Wilson, pp. 224–230 (1934); William Allen White, Woodrow Wilson, pp. 448–450 (1925); John K. Winkler, Woodrow Wilson, pp. 286–299 (1933).

[18] Hoover, op. cit., supra, note 11, 100–104. A byline article by "pollio" reports that starting Oct. 4, 1919, Wilson was unconscious for a week and only semiconscious for over a month. New York Times, Mar. 29, 1921, p. 14, col. 7. See also id., Oct. 13, 1919, p. 1, col. 6, and p. 2, cols. 4–5; id., Oct. 14, 1919, p. 1, cols. 7–8.

[19] Gilbert M. Hitchcock and Wilson's Physicians, New York Times, Oct. 13, 1919, p. 1, col. 5 and p. 2, cols. 4–5; Dr. Cary T. Grayson, id., Oct. 14, 1919, p. 1, col. 8. Joseph P. Tumulty says: "As a matter of fact, there was not a whole week during his entire illness that he was not in touch with every matter upon which he was called to act and upon which he was asked to render judgment." Woodrow Wilson As I Knew Him, p. 446 (1921). According to the testimony of Mrs. Wilson and others, apparently very little or no business was presented to Wilson so that Tumulty's statement may be technically true but misleading. Wilson, op. cit., supra, note 14, 289–297. See also note 11, supra.

[20] David Koonce, Who Shall Determine if a President Is Disabled? Democratic Digest (June 1956), p. 57.

[21] Raymond Moley reports that Roosevelt told him this personally. Presidential Inability, National Review (Dec. 28, 1955), pp. 15–16.

[22] Charles M. Thomas, Thomas Riley Marshall: Hoosier Statesman, pp. 206–208, 211 (1939); 2 Houston, op. cit., supra, note 13, 36–37; Attorney General A. Mitchell Palmer, New York Times, Oct. 14, 1919, p. 2, cols. 1–3; former Secretary of Commerce William C. Redfield, id., Dec. 6, 1921, p. 21, col. 6. See also James Kerney, Government by Proxy, 111 Cent. 481, 481–482 (February 1926).

[23] An account of these rumors can be found in a number of sensational magazine articles. For a summary of some of them, see White, op cit. supra, note 17, 448. As one might expect, cranks exploited the situation. See, for example, the account of an anonymous telephone call falsely reporting Wilson's death to Vice President Marshall. New York Times, November 24, 1919, p. 1, cols. 4–5.

[24] October 14, 1919, p. 1, col. 7.

[25] Wilson, op. cit. supra, note 14, 288–90; Hoover, op. cit. supra, note 11, 105–07; 2 Houston, op. cit. supra, note 13, 60–66; Tumulty, op. cit. supra, note 19, 437–38; Kerney, op. cit. supra, note 22, 483–86; Lawrence, op. cit. supra, note 13, 283–309; Reid, op. cit. supra, note 17, 224–30; Winkler, op. cit. supra, note 17, 287–88.

[26] See, for example, such a report in the New York Times, October 28, 1919, p. 1, col. 2; December 5, 1919, p. 1, col. 6.

[27] See, for example, such a report, id., November 13, 1919, p. 2, col. 4.

[28] Wilson, op. cit. supra, note 14, 289–90.

[29] Irving G. Williams, The American Vice Presidency: New Look 59 (1954).

[30] Tumulty, op. cit, supra, note 19, 443–444.

[31] Id, 445. In 1885, Wilson wrote that the Vice President's importance consists in the fact that he may cease to be Vice President. Congressional Government, 240–241 (1885). See also, Reid op. cit. supra, note 17, 223.

[32] New York Times, Oct. 7, 1919, p. 1, col. 7.

Congress not only failed to act but it was doubted that Congress had the constitutional power to declare the President's inability. Since the Constitution devolved Presidential power on Marshall, it was suggested that he should indirectly determine the President disabled by undertaking the exercise of this power. But Marshall refused to act. Ira E. Bennett, editor of the Washington Post at the time, later said that Marshall told him that he was afraid to act as President lest he be assassinated.[32] Marshall is reported to have told his wife that such action "could throw this country into civil war." [34] When it was suggested that a writ could be issued directing him to act as President, he replied that he would "never do such a thing in a thousand years." [35] He later told his secretary that he "would assume the Presidency" only upon the resolution of Congress and with the written approbation of Mrs. Wilson and Dr. Grayson. "I am not going to seize the place," Marshall said, "and then have Wilson—recovered—come around and say 'get off, you usurper'." [36] Like Wilson and Tumulty, Marshall seems to have thought that he would actually become President and not merely act in that capacity until Wilson recovered.

Marshall's fear that Wilson might accuse him of usurpation was not an idle one. This is precisely what happened to Secretary of State Lansing. During the first 4 months of Wilson's illness, Lansing called 21 Cabinet meetings to transact interdepartmental business. It was generally conceded that Lansing's action had helped to keep the Government functioning and had thereby helped to forestall a Congressional move to declare the President disabled.[37] When Wilson heard of these meetings, however, he accused Lansing of usurping Presidential power. Although Congress and the press supported Lansing almost unanimously,[38] Wilson forced him to resign. The President took the stand that the Constitution allowed the Cabinet to do nothing in his absence and, consequently, that Government business was suspended during his illness.[39]

THE EISENHOWER CASE

Wilson's view of the Cabinet's role may be contrasted with Eisenhower's view. The executive branch of the Government functioned relatively smoothly during Eisenhower's illnesses, at least partially because he had shared policymaking powers and responsibilities with the Cabinet from the beginning of his administration. Policies had been so clearly defined by the Cabinet as a group that it was able to carry on governmental business relatively easily without the President's active supervision. The Cabinet and the National Security Council met during Eisenhower's hospitalization, with Vice President Richard M. Nixon presiding as he had done on previous occasions when the President had been absent.[40]

[32] Ira E. Bennett, The Vacancy in the White House, Christian Science Monitor Magazine (Sept. 6, 1941) 6, 15.

[34] Thomas, op. cit., supra, note 22, 211.

[35] See note 33, supra.

[36] Thomas, op. cit., supra, note 22, 226–27.

[37] Lawrence, op. cit., supra, note 13, 283–88; Rogers, op. cit., supra, note 12, 482–83. See also an editorial in the New York Times, Feb. 15, 1920, II, p. 2, col. 1.

[38] See the statements of Congressmen and the reprint of editorial comment from a number of newspapers, id., Feb. 14, 1920, p. 4, col. 5; id., Feb. 15, 1919, p. 1, cols. 5–8, p. 2, cols. 1–8.

[39] For texts of the pertinent letters, see id., Feb. 14, 1920, p. 1, cols. 6–7, p. 2, cols. 1–4.

[40] Robert J. Donovan, Eisenhower: The Inside Story 64–72, 362–86 (1956); Edward S. Corwin & Louis W. Koenig, The Presidency Today 115–17 (1956); Clinton Rossiter, The American Presidency 130–31 (1956).

It is uncertain, of course, that this system could have continued to work if the President's illness had been prolonged.[41] Such an arrangement may function rather well during the disability of a President who has depended heavily on his Cabinet. It is doubtful, however, if the system could operate satisfactorily during the disability of a President like Lincoln, the two Roosevelts, or even Truman, who believes that the American system does not morally or constitutionally permit the President to delegate his powers or share the burdens of his office with the members of his Cabinet.[42] In any case Lansing tried the Eisenhower system in Wilson's time and was dismissed for doing so.

The Cabinet's discharge of Presidential duties in the Garfield and Eisenhower cases and the White House circle's assumption of these responsibilities in the Wilson case were used as a substitute for the devolution of Presidential power on the Vice President, largely because of the fear that inability works forfeiture. Since this fear arises from the so-called presidential succession precedent, it is important to understand how this precedent was established and to determine whether it is in harmony with the intent of the framers of the Constitution.

THE CONSTITUTIONAL PROVISION

The controversial clause of the Constitution provides: "In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected." [43]

[41] Although 143 days elapsed between Eisenhower's heart attack and the announcement of his recovery, he was freed from the transaction of official business for only 6 days. He was stricken on September 24 and signed some official papers on September 30. Irving G. Williams, The Rise of the Vice President 3–4, 254–55 (1956).

[42] 1 Memoirs of Harry S. Truman 545–47 (1955). See also R. H. Pear, The American Presidency Under Eisenhower, 28 Pol. Q. 5 at 9–12 (Jan.-Mar. 1957). Lucius Wilmerding suggests adoption of a constitutional amendment which would change "the regent" from the Vice President to the Secretary of State and authorize this high-ranking member of the President's own administration to carry on the Government during the disability. When Wilmerding says that such a solution would have commended itself to those members of the Federal Convention who favored a Council of State to assist the President, he seems to imply that Presidential power would be vested in the Cabinet rather than in the Secretary of State. Presidential Inability, 72 Pol. Sci. Q. 161 at 180 (1957). Such an arrangement would be a variant of the Eisenhower system but is not likely to have commended itself to the Convention, which adopted a resolution providing that "The executive power of the United States shall be vested in a single person." 2 Max Farrand, The Records of the Federal Convention of 1787 401 (1911 and 1937).

Since the disability question never arose during Franklin D. Roosevelt's term, his alleged inability is not discussed in the present paper. Although there is some evidence that Roosevelt was a very ill man during the last year of his life, there is no published evidence to indicate that his illness was severe enough to constitute "inability" in the constitutional sense. Corwin & Koenig, op. cit., supra, note 40, 114–115; Neil Hurley, Government by Proxy, 94 America 98–99 (Oct. 22, 1955).

[43] Art. II, sec. 1, cl. 6.

The records of the Constitutional Convention show that this clause was not intended to transform a Vice President into a President. Of the various plans submitted to the Convention, only the Pinkney and Hamilton plans made provision for disability or vacancy in the Executive Office; and both plans used language indicating that the "successor" would merely act as President ad interim.[44] Similarly, the reports of the Committee on Detail and of the Committee of Eleven provided that he should exercise Presidential power only until another President be chosen or until the actual President's inability ceased. He was not to become President. Similarly, he was not to act as such for the remainder of the term.[45] There was no provision for succession beyond the Vice President until the Convention adopted Edmund Randolph's resolution to empower Congress to designate an officer to act as President in case of vacancy or disability in both the Presidential and Vice Presidential offices.[46]

When the draft Constitution went to the Committee on Style, it contained two clauses dealing with the exercise of Presidential power during periods of inability or vacancy in the Executive Office. One provided that "the Vice President shall exercise those powers and duties until another President be chosen, or until the inability of the President be removed." [47] The other provided that, in case of vacancy or disability in both of these officers, an officer designated by law should "act as President * * * until such disability be removed, or a President shall be elected." [48] The Committee consolidated the 2 provisions into a single sentence consisting of 4 clauses: 1 providing for the devolution of Presidential power on the Vice President, 2 providing for succession beyond the Vice President, and 1 dependent clause restricting the tenure of the acting President. The Committee also substituted "the same shall devolve on the Vice President" for "the Vice President shall exercise those powers and duties." [49]

It has been argued that the Presidential Office and not merely its powers and duties devolve on the Vice President, who thereby becomes President.[50] The Constitution says: "In case of * * * [the President's] inability to discharge the powers and duties of the said Office, the same shall devolve on the Vice President * * *." The Convention's records clearly show that the antecedent of "the same" was intended to be powers and duties of the said Office" rather than "said Office." Each of the original plans as well as the reports of the Committee on Detail and of the Committee of Eleven used words synonymous with "powers and duties." It was the Committee on Style which substituted "the same" for "powers and duties" and "devolve" for "exercise." The Committee had no authority, however, to alter substantive provisions. The Committee was authorized merely to put the provisions as approved by the Convention into clear and concise language. Consequently, the Committee's changes cannot be interpreted to mean that the Convention intended for the

[44] 3 Farrand, op. cit., supra, note 42, 600, 625.

[45] 2 id. 186, 495, 499. See also the notes of the Committee on Detail, 2 id. 146, 172; 4 id. 47.

[46] 2 id. 535.

[47] 2 id. 575.

[48] 2 id. 573.

[49] 2 id. 598–99.

[50] See, for example, the arguments of the following: Representative Henry A. Wise and Senator Robert J. Walker, CONGRESSIONAL GLOBE, 27th Cong., 1st sess. 4–5 (1841); Senator Charles W. Jones, 13 CONGRESSIONAL RECORD 142 (1881), 14 id. 918 (1883); Theodore W. Dwight, Presidential Disability, 133 No. Am. Rev. 436, 443 (Nov. 1881).

Presidential Office, together with its powers and duties, to devolve on the Vice President, who would thereby become President.

It has also been argued that the dependent clause, "until the disability be removed, or a President shall be elected," refers only to an officer designated by law to act as President in certain contingencies. As a necessary consequence, it has been contended, the Vice President should take office without limitation for the remainder of the term.[51] The records of the Constitutional Convention show, however, that the adverbial clause was intended to limit the Vice President's period of Presidential service as well as that of the officer designated by statute. This limitation is found in each draft of the provision relating to the succession of the President of the Senate. Even after the Committee of Eleven substituted the Vice President for the President of the Senate, the new officer was to exercise Presidential power only until another President be chosen, or until the inability of the President be removed.

Randolph's original resolution to empower Congress to designate an officer to act as President stipulated that the officer was to serve until the time of electing a President shall arrive. James Madison pointed out that this phraseology would prevent the filling of a vacancy by special election. Therefore, he moved to substitute "until such disability be removed, or a President shall be elected." Madison's motion passed over the objections of those who opposed the calling of a special election.[52] This phraseology seems to have been adopted specifically for the purpose of allowing a special election when both the Presidency and Vice Presidency were vacant. It is significant that this language was substantially the same as that found in the dependent clause limiting the tenure of the Vice President. Therefore, if a special election was intended when there is neither a President nor a Vice President, a special election must also have been intended when there was a Vice President but no President. For the adverbial clauses were essentially the same in providing for both cases.[53] When the Committee on Style consolidated the two provisions, it used the adverbial clause only once and substituted "until * * * the period for chusing another president arrive." The Convention, however, changed the clause to "until * * * a President shall be elected" in conformity with the Convention's previous action on Madison's motion.[54]

Although the Committee used the adverbial clause "until the disability be removed * * *" only once instead of using it to modify each of the preceding clauses separately, the Committee did change the only semicolon to a comma so that the limiting clause would be part of a continuous sentence and would refer both to the Vice President and to the officer designated by law.[55] Thus, the evolution of the so-called succession clause seems to vitiate the thesis that the Presidential office devolves on the Vice President who thereby becomes President for the remainder of the term. Similarly, the debates in the convention as well as in the ratifying conventions lend support to the proposition that the Vice President was intended merely to exercise Presidential power until the vacancy could be filled or until the actual President's inability ceased.[56]

THE PRESIDENTIAL SUCCESSION PRECEDENT: THE TYLER CASE

This interpretation of the Constitution was not generally accepted in 1841, however, when President William Henry Harrison fell ill. On April 1, there was hope for the President's recovery; but public business had already been largely suspended for almost a month and his convalescence was expected to require at least another month. Therefore, the Cabinet discussed possible means of transacting executive business while the President was recuperating. Although no record of these discussions is available, Secretary of State Daniel Webster was reported to have expressed the opinion that Vice President John Tyler could not temporarily act as President. Webster seems to have thought that, if Tyler assumed the Presidential duties, he would be the President for the remainder of the term even if Harrison survived and became capable of performing these duties during the term for which he had been elected.[57] Before any action was taken, Harrison died.

The Cabinet announced the President's death and summoned Vice President Tyler,[58] who was sworn in as the 10th President of the United States. Although Tyler thought himself qualified to act as President without taking the Presidential oath,[59] it appears that the Cabinet decided that he should take the oath.[60] As Herbert W. Horwill has indicated, Tyler's conviction that his Vice Presidential oath was sufficient seems to vitiate his contention that he had actually become President. If this previous oath to faithfully discharge the duties of the Vice Presidency was adequate, then acting as President was merely one of the contingent duties of the Vice Presidency. If, on the other hand, he had actually become President, then the Constitution required him to take the oath incumbent upon all new Presidents.[61] Whatever Tyler's reasoning about the oath may have been, throughout the remainder of his life he stoutly maintained that he had been a genuine President of the United States.[62]

Although some newspapers at the time did not view Tyler as the President, they neither objected to his taking the Presidential oath nor suggested that a special election should be called. Even those newspapers which were hostile to Tyler conceded that he should exercise Presidential power until the end of Harrison's term.[63] At the climax of Tyler's controversy with the Whigs, nine impeachment charges against "John Tyler, Vice President, acting as President" were presented.[64] Yet none of his enemies suggested that special election of a President might be used to displace him before March 4, 1845.

When the 27th Congress convened, various Senators and Representatives objected to recognizing Tyler as President and contended that he was merely a Vice President exercising Presidential power. They pointed out the danger of establishing the precedent by which a Vice President would become President when the Presidential powers and duties devolve upon him. Senator William Allen asked what would happen in case of a President's temporary disability. Would the Vice President become President? Would there be two Presidents? What would be the status of the disabled President? Would he resume the exercise of his powers when he recovered? Since the present case involved complete vacancy, there was no question concerning the resumption of power. There seemed to be no question about the nature and extent of the powers devolved upon Tyler. It was assumed that he would exercise all and not merely some of the Presidential powers. No question was raised about the period of time during which he should exercise these powers. It appears to have been assumed that he would exercise them for the remainder of Harrison's term. Nobody proposed to deny him either the President's salary or the use of the Executive Mansion. Consequently, there seemed little to discuss except the question of his title. In these circumstances, Congress showed little inclination to argue a point which was apparently of so little practical importance. Thus, by the first of June, Tyler was acknowledged by Congress to be the President of the United States.[65]

STATUS AND TENURE OF ONE WHO ACTS AS PRESIDENT UNDER THE INABILITY CLAUSE

The precedent established by Tyler has since been confirmed six times. Seven Vice Presidents have, upon the death of a President, been recognized as actually succeeding to the higher office for the remainder of the term. These precedents have virtually nullified the constitutional provision for the exercise of executive power while a President is disabled. They may lack logic [66] and be contrary to the intent of the Constitution's framers; yet they have been cited as authority for the proposition that a disabled President loses his claim to Presidential power once the Vice President exercises that power.[67] This has caused the President

---

[51] See, for example, the arguments of the following: Senator Charles W. Jones, 13 CONGRESSIONAL RECORD 191–193 (1881); 14 id. 959, 1007 (1883); Senator John T. Morgan, 14 id. 691 (1882), 882, 884 (1883), 17 id. 224 (1885); Congressman John R. Eden, 17 id. 669 (1886); Judge Abram J. Dittenhoefer, New York Herald, Sept. 13, 1881, p. 5, cols. 1–2; Hannis Taylor, 57 CONGRESSIONAL RECORD 28 (1918).

[52] 2 Farrand, op. cit. supra, note 42, 535.

[53] Art. X, sec. 2: "* * * the Vice President shall exercise those powers and duties until another President be closen, or until the inability of the President be removed." Art. X, sec. 1: "* * * such officer shall act accordingly, until such disability be removed, or a President shall be elected."

[54] 2 id. 626.

[55] 2 id., pp. 598–99.

[56] For a more detailed consideration of the framing and ratification of the so-called succession clause, see Ruth C. Silva, Presidential Succession, 4–13 (1951).

[57] Reported by Thomas Ewing III, grandson of Harrison's Secretary of the Treasury. For a discussion of the credibility of this report, see id. 15–16.

[58] 5 Richardson, op. cit., supra, note 9, 1877–78.

[59] 5 id., pp. 1886–87.

[60] 2 George Ticknor, Curtis, Life of Daniel Webster, 67n (1870). For evidence that the Cabinet approved Tyler's taking the oath and did not view him as a usurper, see Silva, op. cit., supra, note 56, 16–18.

[61] Usages of the American Constitution, 70–71 (1925).

[62] See, for example, his letter to James Buchanan protesting a message addressed to him as ex-Vice President. 2 Lyon Tyler Letters and Times of the Tylers, 13 n (1885).

[63] For a survey of the editorial stand taken on this subject by a dozen of America's major newspapers, see Silva, op. cit., supra, note 56, 18–20. See also the Philadelphia Public Ledger, April 7, 1841, p. 2, col. 2; p. 4, col. 1; id., April 8, 1841, p. 2, col. 3; id., April 10, 1841, p. 2, col. 1.

[64] Williams, op. cit. supra note 41, 50. The resolution was rejected by a vote of 127 to 83.

[65] Congressional Globe, 27th Cong., 1st sess. 3–5 (1841).

[66] On the law and logic of the succession precedent, see Silva, op. cit. supra note 56, 31–47, 67–81, a summary of which can be found in Presidential Succession and Disability 21 Law & Contemp. Prob. 646, 653–58 (1956).

[67] Although the State courts have sanctioned the temporary devolution of gubernatorial power and have never denied a disabled governor the right to assume his powers when his inability ceased, they have reached conflicting conclusions concerning the status of the successor in case of vacancy in the governor's office. Silva, op. cit., supra, note 56, 42–47, 80–81. As Armistead W. Gilliam and Jonathan W. Sloat have indicated, some State courts have cited Federal

and his advisers to minimize or deny actual inabilities rather than risk a transfer of power to the Vice President. It has led them to view the problem in terms of its effect on the President rather than in terms of its impact on the public interest.

Any solution to the inability problem clarify that the Vice President would serve merely as acting President and that he would do so only until the actual President was able to resume his powers and duties. Unless the President, his friends, and the public are absolutely certain of his status when he recovers, they will oppose any attempt to declare inability, viewing such declaration as perhaps equivalent to removing him from office. Attorney General Herbert Brownell told the House Committee on the Judiciary that, as long as there is any doubt about the disabled President's right to resume his powers when he recovers, "you are not going to get any Vice President to take over; you are not going to get any Attorney General to advise the President that he should turn over the powers." [69]

Eight measures, proposed statutes and constitutional amendments, pending in the 85th Congress specify that the powers and duties (rather than the office) of the President shall devolve on the Vice President, who should exercise the same only for the duration of the disability.[69] Brownell's proposal contains even more unequivocal language in providing that such powers and duties shall be discharged by the Vice President as Acting President and that he shall discharge the powers and duties of the office as Acting President.[70] Adoption of such provisions would give the President, his friends, and the public an assurance which was lacking in the Garfield and Wilson cases.

Brownell's plan would provide additional assurance by authorizing the President to resume the exercise of Presidential power whenever he declares that his own disability has terminated.[71] The Attorney General said he thought that there should be no strings attached to the President's resuming the powers of the office to which the people elected him.[72] More important, any plan which makes the President's resumption of his powers subject to the concurrence of another official or group is likely to result in opposition to the recognition of actual disabilities lest the President be prevented from resuming his powers upon recovery.[73] This objection applies with even greater force to proposals whereby the Vice President would actually hold the Presidential office for the remainder of the term.[74] While such an arrangement might avoid the problem of having to determine if and when the disability has passed, it would insure that no inability, however severe or prolonged, would ever be declared except over the opposition of the President's personal and political friends. If such a proposal were adopted, they not only would fear but would actually know that recognition of inability would amount to the President's removal from office.

MEANS FOR DECLARING A PRESIDENT DISABLED

If it is established that the Vice President does not become President in case of the President's inability and that the President can regain his powers upon his own motion, then the means for determining the existence of such inability becomes less of a problem. Once it is recognized that the Vice President is a substitute for rather than a successor to the disabled President, the latter could usually be expected to invite his substitute to act for him knowing that he remains President and that his powers will be restored to him when he recovers. There seems to be general agreement that a President should be able to declare his own disability. The Attorney General's plan and six other measures now pending in Congress would give legal recognition to that right.[75] As the Attorney General told the committee, recognition of the President's right to declare his own disability and to resume his powers would cover most cases.[76]

The more controversial question relates to how a President's disability should be declared if the President is unable or unwilling to do so himself. It has been suggested that the existence of such an inability should be decided by the Vice President, the Supreme Court, the Congress, some sort of a special "Inability Commission," the Cabinet, or by the concurrence of several of these bodies. As a matter of fact, one of the major reasons for Congress' failure to act on the disability problem is that there are so many competing views on how this aspect of the problem should be handled.[77]

In 1881, when Garfield was incapacitated, the great weight of opinion supported the position that the one on whom Presidential power devolves should determine when a President is disabled. Most students of the Constitution maintained that the Vice President was obligated to exercise Presidential power during the President's illness just as he had the duty of presiding in the Senate. They contended further that no enabling action by the courts, the Congress, the Cabinet, or the disabled President was necessary. Whenever a President's inability is notorious, they reasoned, the Vice President is obligated to exercise executive power if the public interest requires the exercise of that power. When these conditions exist, the argument continued, the Cabinet should notify the Vice President just as it does when a President dies. The Constitution, however, does not require this notification. Consequently, they held that it is purely extra-legal and adds nothing to the Vice President's right to exercise Presidential power. It is merely a custom, they affirmed, which has been followed whenever a President has died and one which might well be followed when a President becomes disabled.[78]

All 26 people who recently submitted opinions to the House Judiciary Committee had suggestions about where the power to declare inability should be vested.[79] Only eight, however, expressed opinions about where the power is vested as the Constitution now stands. Prof. William W. Crosskey thought that the courts had the power; [80] Prof. Mark DeW. Howe said it belonged to Congress; [81] and the other six claim^d that it

---

custom of the Vice President's "becoming President" as authority for ruling that the Governor's successor actually became Governor in case of vacancy in the governorship. Other State courts have denied that the successor became Governor but have not questioned Federal practice. They either ignored the Presidential succession precedent or cited it illogically and incorrectly. Presidential Inability, 24 Geo. Wash. L. Rev. 448, 454–56 (1956). On gubernatorial inability see: Clyde F. Snider, Gubernatorial Disability, 8 U. Chi. L. Rev. 521 (1941); Joseph E. Kallenbach, Presidential Inability, House Committee Print, 84th Cong., 2d sess. 40–44 (1956); Jack W. Peltason, id. 48–51; Margaret M. Conway, id. 66–74.

[69] Hearing before the Special Subcommittee on Study of Presidential Inability of the House Committee on the Judiciary, 85th Cong., 1st sess. 17 (1957).

[69] S. J. Res. 100. Similar phraseology is found in S. 238, H. R. 6510, H. R. 7352, H. J. Res. 38, H. J. Res. 293, H. J. Res 295, and H. J. Res. 296. H. J. Res. 309 does not specify that the powers may revert to the President when he recovers.

[70] H. J. Res. 294. Similar phraseology is found in H. J. Res. 334.

[71] Sec. 4 of H. J. Res. 294. A similar provision is contained in S. 238, H. J. Res. 293, and H. J. Res. 295. H. J. Res. 296, which provides for the declaration of disability by a commission in certain cases, also provides that no finding of the commission can override the President's declaration of his own disability or of its termination.

[72] Hearing, op. cit., supra, note 68, 29–30.

[73] H. R. 6510, H. R. 7352, and H. J. Res. 334 would vest a commission with power to determine removal of disability. S. J. Res. 100 provides that Congress should initiate and the Supreme Court should decide the question of an inability's termination. H. J. Res. 38 requires the concurrence of the Supreme Court. All measures, 85th Cong.

[74] Harry S. Truman's proposal, New York Times, June 24, 1957, p. 14, col. 3. Also Williams, op. cit. supra note 41, 10–12, and op. cit. supra note 29, 63–64. Democratic National Chairman Paul M. Butler suggested that the Constitution should be amended to provide for the special election of a President to replace a President who became disabled during the first 30 months of his term. New York Times, April 23, 1957, p. 10, col. 4. Such a plan would, of course, make declaration of a disability during the first 30 months equivalent to removal from office. Sec. 3 (a) (3) of H. R. 6830, 85th Cong., suggests that perhaps the Vice President should exercise Presidential power for the remainder of the term and not merely until the disability is removed.

[75] S. 238, H. J. Res. 38, H. J. Res. 293, H. J. Res. 294 (Brownell plan), H. J. Res. 295, H. J. Res. 296, and H. J. Res. 334.

[76] Hearing, op. cit. supra, note 68, 24.

[77] An equally important deterrent to Congressional action seems to be the captious idea that Eisenhower might resign and that enactment of a disability plan might somehow help RICHARD M. NIXON to become the Acting President and thereby make him the leading contender for the Republican Presidential nomination in 1960. New York Times, March 24, 1957, IV, p. 3, col. 1; id., March 30, 1957, p. 1, col. 4, and p. 12, col. 4; id., April 4, 1957, p. 32, col. 5; id., April 7, 1957, IV, p. 1, col. 7; id., May 17, 1957, p. 15, col. 3; id., June 11, 1957, p. 18, cols. 6–7. Wilmerding states quite categorically that this natural enmity of every politician for the Vice President has been the only real impediment to the devolution of Presidential power in actual cases of inability and that all other impediments were feigned. Op. cit. supra note 42, 171, 179–80.

[78] For example: Benjamin Butler, Presidential Inability, 133 No. Am. Rev. 428, 431–33 (1881); Lyman Trumbull, Presidential Inability, 133 id. 417, 420–22 (1881); Thomas A. Hendricks, N. Y. Herald, Aug. 21, 1881, p. 7, col. 2; John Davis Long and Samuel Shellabarger, id., Sept. 5, 1881, p. 8, cols. 1–2; A. Schoonmaker, Jr., id., Sept. 17, 1881, p. 6, cols. 1–2; George M. Robeson, Boston Evening Transcript, Sept. 2, 1881, p. 1, col. 6; William W. Eaton, N. Y. Times, Sept. 2, 1881, p. 1, col. 3; Augustus H. Garland, 13 CONGRESSIONAL RECORD 139 (1881); Elbridge G. Lapham, 14 id. 917 (1883). See also Henry Davis, Inability of the President, S. Doc. 308, 65th Cong., 3d sess. 13–15 (1918); John Brooks Leavitt, N. Y. Times, Dec. 6, 1921, p. 18, col. 6; James Reston, id., Mar. 20, 1957, p. 4, col. 3.

[79] Messrs. Thomas K. Finletter and Sidney Hyman and Profs. Richard G. Huber, Roger P. Peters, C. Herman Pritchett, and John Romani said that the Vice President should both initiate and decide the question of a President's alleged inability. Senator FREDERICK G. PAYNE and Prof. Arthur N. Holcombe thought the Vice President should initiate the question, which should then be decided by another body. Presidential Inability, House committee print, 85th Cong., 1st sess., pp. 13–15, 24–27 (1957).

[80] Hearings before Special Subcommittee to Study Presidential Inability of the House Committee on the Judiciary, 84th Cong., 2d sess., pp. 99–105, 112–19 (1956).

[81] Presidential Inability, House committee print, 84th Cong., 2d sess., pp. 35–36 (1956).

was vested in the Vice President.[82] No member of the committee challenged Attorney General Brownell when he argued that the Constitution makes the Vice President the sole judge of a President's inability.[83] As a matter of fact, Chairman EMANUEL CELLER and Congressman WILLIAM MCCULLOCH expressly agreed with Brownell's interpretation of the Constitution. President Eisenhower likewise accepted this view.[84]

The Attorney General took the position that, since the Vice President has the duty of exercising Presidential power in certain contingencies, he also has authority to determine whether such a contingency actually exists. He cited the well-established rule of law that, in contingent grants of power, the one to whom the power is granted must decide when the emergency has arisen. Since the Constitution mentions only the successor, Brownell continued, it makes him the judge of the facts. "I believe," he concluded, "the Constitution now vests the power of determining inability in the Vice President." [85] Although some objections to this position were raised outside the committee,[86] the Attorney General's position seems legally sound.[87]

Opposition to the Vice President's deciding, or even to his participation in deciding, cases of Presidential inability has been based largely on grounds of policy rather than legality. These objections are usually founded on the assumption that the primary problem is to guard against the Vice President's usurpation of Presidential power. It has been argued, for example, that the Vice President might be the President's worst enemy or an outright villain.[88] Recognizing the Vice President's power to declare a President disabled may present some hypothetical risks; but there are also safeguards.

The Attorney General advocates providing an additional safeguard by legally recognizing the President's right to declare the removal of his own inability and to resume the exercise of his powers without the concurrence of any other person or group—a more important guaranty than provided by such extreme remedies as impeachment and removal or the withholding of appropriations. Yet Congress does have these ultimate weapons and could refuse to cooperate with a Vice President who usurped power on the pretext of inability. As the Attorney General pointed out, the force of popular opinion and the people's sense of constitutional propriety are more important safeguards than any mechanical or procedural device. There can be no absolute guaranty against usurpation or coup d'etat, he continued, if one assumes hypothetical cases in which the parties are rogues operating in an environment in which there is no sense of constitutional morality.[89] As a matter of fact, the more ambitious a Vice President is, the more careful he will be not to destroy his political future by declaring a President disabled without popular and Congressional support. Moreover, the Vice President must be presumed to have an honest devotion to the public interest. To assert that he may be overly ambitious and abuse his power is not to deny that power. No power can be denied merely because it might be abused, for all power is susceptible of abuse.[90]

The Garfield and Wilson cases indicate that the problem is not how to guard against possible usurpation but rather how to relieve the Vice President of the embarrassing duty of taking the initiative and how to protect him against baseless accusations of usurpation. Both Vice Presidents Arthur and Marshall were deterred from exercising Presidential power by their sense of propriety and by the fear of being accused of disloyalty, political opportunism, and illegal assumption of power. Brownell and CELLER agreed at the hearings that the danger is not that the Vice President may usurp power but rather that the public interest will suffer from his failure to act.[91]

The embarrassment which the Vice President must now endure in periods of Presidential inability [92] would be alleviated by legal recognition that he would not become President but merely would act in that capacity until the President announced his own recovery and resumed the exercise of his powers. EMANUEL CELLER seems to think that such recognition and a Congressional declaration saying that the Vice President has the duty of deciding whether a President is disabled would remove impediments to the Vice President's taking the initiative in future cases of inability. CELLER contends that public opinion would have supported the Vice President's assumption of Presidential power in both the Garfield and Wilson cases. He argues further that Arthur and Marshall would have acted as President if they had been confronted with a Congressional declaration which said that it was their duty to act.[93]

Because of the fear either that a Vice President's sense of propriety would prevent him from declaring a President disabled or that a Vice President might usurp Presidential power, it has been suggested that the power to make the decision should be vested in another body. Of the 26 people submitting opinions to the Celler subcommittee, 19 suggested either creating an ad hoc or permanent commission to decide the question or empowering the Supreme Court, the Congress, or the Cabinet to do so.[94]

It has been suggested that the Supreme Court should decide whether a President is disabled upon request from Congress,[95] in an action for mandamus [96] or in quo warranto proceedings.[97] Under the first plan, the initiative would be vested in Congress. Under the second, presumably anyone injured by the President's failure to discharge his duties could file a petition for mandamus. In the absence of legislation to the contrary, quo warranto proceedings probably could be instituted only by the Government.[98]

Adoption of any one of these plans would doubtless require a constitutional amendment. The Supreme Court has already ruled that its original jurisdiction is limited to that set forth in the Constitution and cannot be enlarged by mere statute.[99] Moreover, it is doubtful that the question of

---

[82] Thomas K. Finletter, id., pp. 27–28; Joseph E. Kallenbach, id., pp. 45–47, and hearings, op. cit. supra note 80, pp. 86–87; Sidney Hyman, id., pp. 48–49, 53–54; Roger P. Peters, id., p. 122; C. Herman Pritchett, id., p. 71; John H. Romani, id., pp. 43–44, and Presidential Inability, op. cit. supra note 81, 58.

[83] New York Times, Apr. 2, 1957, p. 1, col. 4.

[84] Id., Apr. 4, 1957, p. 16, col. 2, transcript of Eisenhower's press conference; hearing, op. cit. supra note 68, 20–21.

[85] Id., pp. 20–22; Statement of the Attorney General on Presidential Inability (U. S. Department of Justice, mimeographed) pp. 16–17, 29 (note) (Apr. 1, 1957).

[86] Martin Taylor, chairman of the New York State Bar's special committee on Presidential inability, hearing, op. cit. supra note 68, 35–36. The New York Times reported opposition based on political rather than legal grounds, see notes 88 and 91 infra.

[87] *Aurora* v. *United States* (11 U. S. (7 Cranch) 382 (1813)); *Martin* v. *Mott* (25 U. S. (12 Wheat.) 19, 31–32 (1827)); *Mullan* v. *United States* (140 U. S. 240, 245 (1891)); *Field* v. *Clark* (143 U. S. 649, 682–94 (1891)); *J. W. Hampton, Jr. & Co.* v. *United States* (276 U. S. 394, 405–10 (1928)); *Ex parte Orozco* (201 Fed. 106, 110 (W. D. Tex., 1912)). See also Disability of the President, 23 Law Notes 141–42 (1919); George M. Robeson, New York Tribune, Sept. 2, 1881, p. 5, col. 1.

[88] Arthur Krock, N. Y. Times, Mar. 30, 1957, p. 30, col. 5; id., Mar. 24, 1957, IV, p. 8, col. 1; id., Mar. 31, 1957, p. 62, col. 6; id., Apr. 7, 1957, IV, p. 3, col. 1; id., June 11, 1957, p. 18, cols. 6–7.

[89] Hearings, op. cit., supra, note 68, 31.

[90] *Martin* v. *Mott* (25 U. S. (12 Wheat.)) 19, 31–32.

[91] Hearings, op. cit. supra note 68, 17.

[92] Williams, op. cit. supra note 41, 12–13.

[93] An interview with CELLER, U. S. News & World Report (June 15, 1956) 71, CELLER's plan is embodied in a proposed statute, H. J. Res. 293, and in a proposed constitutional amendment, H. J. Res. 295, each of which contains four major provisions: (1) In case of vacancy in the Presidency, the Vice President shall become President. This would give Congressional sanction to the Presidential succession precedent. Perhaps it is academic to point out that this section would be unconstitutional if enacted by mere statute. (2) The Presidential powers and duties shall devolve on the Vice President whenever the President declares his own disability. (3) "Whenever the Vice President or the [person next in line of succession to the Presidency] is satisfied that the President, or the person then discharging the powers and duties of said office, as the case may be, is unable to discharge said powers and duties, such person shall convene both Houses of Congress and announce that the powers and duties of the office have devolved upon him." In order to be accurate, CELLER should substitute "officer next on the list of officers designated by Congress to exercise Presidential power" for the bracketed words above. (4) When the President announces that his disability has terminated, he shall resume the exercise of his powers.

[94] Presidential Inability, op. cit. supra, note 79, 23, 27–32.

[95] Stephen K. Bailey, Peter Frelinghuysen, and Jack Peltason, id., 13, 27. Such a plan is embodied in H. J. Res 38, 85th Cong., which requires a two-thirds vote of each House. For an explanation and defense of this plan, see PETER FRELINGHUYSEN, JR., Presidential Disability, 307 Annals 144, 151–155 (September 1956). J. WILLIAM FULBRIGHT has introduced a plan, S. J. Res. 100, 85th Cong., which would require only a simple majority of each House. The Fulbright plan provides that removal of the disability should be established in the same manner. The Frelinghuysen plan, however, would authorize the President to request the Supreme Court to determine whether his disability had terminated.

[96] George W. Wickersham, New York Times, November 27, 1918, p. 1, col. 5; vol. 1, David K. Watson, The Constitution of the United States, pp. 893–895 (1910); Louis C. Wyman, When a President Is Too Ill To Handle the Job., U. S. News & World Report. (Mar. 9, 1956), pp. 44–45. The precedent usually cited is *Attorney General* v. *Taggart* (66 N. H. 362 (1890)), in which the New Hampshire Supreme Court issued a mandamus directing the Lieutenant Governor to assume gubernatorial power during the Governor's illness.

[97] Prof. William W. Crosskey, Hearings, op. cit. supra, note 80, 99–119.

[98] *Wallace* v. *Anderson* (18 U. S. (5 Wheat.) 291 (1820)); *Territory* v. *Lockwood* (70 U. S. (3 Wall.) 236 (1866)); *Newman* v. *United States ex rel. Frizell* (238 U. S. 537 (1915)); *Johnson* v. *Manhattan Ry. Co.* (289 U. S. 479, 502 (1933). Crosskey says that the Attorney General can now file an information in the nature of a quo warranto and suggests the enactment of legislation authorizing the Vice President or the opposition party in Congress to do so. He also advocates legislation to clarify that such a case would be a case in law arising under the Constitution. Hearings, op. cit. supra, note 80, 117–118.

[99] *Marbury* v. *Madison* (5 U. S. (1 Cranch) 137 (1803)).

a President's alleged inability is justiciable even if properly raised in a case involving actual parties litigant.[100] The courts are likely to decide that the question is political and submitted to the judgment of the Vice President alone. If they so decide, they will rule that they are bound by his decision.[101] Furthermore, it is doubtful that the courts would look beyond the presumption of the regularity of official action.[102]

These plans raise additional constitutional questions. As the Constitution now stands, no Federal court could hand down an opinion upon a request from Congress. For the judicial power of the United States extends only to cases and controversies involving actual parties litigant.[103] Similarly, no court could issue a writ of mandamus to the Vice President directing him to act as President during the incumbent's inability. The courts have ruled that they can direct the performance only of ministerial functions but not of executive acts in which the executive officer has discretion. The courts are to decide on the rights of individuals, not to inquire how executive officers perform their duties. Questions which the Constitution submits to the executive branch cannot be decided in the courts.[104] Since the Vice President's exercise of Presidential power would not be purely ministerial, it could not be compelled by mandamus and, consequently, the question of a President's alleged inability could not be determined in an action for mandamus.

There have been various other suggestions for the judiciary's participation in declaring a President disabled. Senator FREDERICK G. PAYNE has suggested that, if the President fails to declare his own inability, the Vice President should notify the Chief Justice, who would then appoint a panel of at least three and no more than five civilian medical specialists. Each specialist would be required to submit to the Chief Justice an individual report on the President's health and ability to discharge his duties. If all reports agree that the President is disabled, then the Chief Justice is to notify Congress that the Presidential powers have developed upon the Vice President.[105] This suggestion unavoidably raises questions about the constitutionality of assigning nonjudicial duties to the Chief Justice.[106] Since the decision of the panel may be controversial, appointments to the panel may likewise be controversial. And it has already been established that a judge cannot be obliged to perform nonjudicial functions which may involve him in situations that may reflect on his reputation for independence and freedom from politics.[107]

To say that the courts do not now have power to participate in declaring a President disabled is not to say that they should not be given this power by constitutional amendment. In defense of the Supreme Court's participation in making the decision, it has been said that the decision must be made by a nonpartisan and impartial body in order to be accepted by the people. The Supreme Court, it is argued, is removed from the stresses of partisanship and is the body most likely to undertake an impartial consideration of the facts. Because this is true and because of the prestige accorded to the Court, it is contended, the people would be more prone to accept a decision made by the Court than one made by any other body.[108] Rather than insure public acceptance of the decision, the Court's participation is likely to be destructive of the judiciary's prestige and to vitiate respect for its nonpartisan character. As the late Justice Arthur T. Vanderbilt pointed out, Justice Joseph P. Bradley's decisive vote favoring Rutherford B. Hayes in the Electoral Commission subjected the Court to a great deal of criticism.[109]

Attorney General Brownell suggested three additional reasons for not empowering the courts to participate in deciding cases of Presidential disability. First, a court or judge who participated in making the initial decision might subsequently be called upon to rule on the validity of that finding in a case involving actual parties litigant. Second, the procedure established should be flexible enough to meet all contingencies and to allow the Vice President to assume Presidential power promptly in time of national emergency. Brownell did not think that the courts are adapted to meet the requirements of either flexibility or promptness. Finally, he said, the initial declaration of inability should be an executive matter. Allowing the judiciary to make the initial finding, he argued, would not only violate separation of powers but would also be an encroachment upon the Presidency itself.[110]

Objections on the ground of separation of powers apply also to plans for empowering Congress to decide cases of Presidential disability. Nevertheless, five of the 26 people submitting statements to the Celler subcommittee thought Congress should initiate the question of a President's inability[111] and three thought Congress should decide the question.[112] Those who favor Congressional participation in declaring a President disabled often try to extend British parliamentary precedents to the American system of separation of powers. Both Thomas M. Cooley and Lucius Wilmerding, for example, cite the debates on the regency bill occasioned by the derangement of George III when it was decided that a vote of parliament must precede the exercise of the powers of regency. Wilmerding states that "the construction placed on the Constitution by the dewenders of the vice-presidential prerogative has no merit at all" and cites parliament's rejection of the doctrine that the Prince of Wales had the right to assume the regency without waiting for a declaration of either House.[113]

British precedents frequently are also cited in defense of varous plans patterned after the British Regency Act of 1937.[114] These plans call for some sort of a commission composed of legislative, judicial, and perhaps

---

[100] Once the Vice President had exercised Presidential power, the legality of one of his acts might be challenged by a litigant on the ground that the actual President was not disabled at the time of the act. Even before the Vice President had assumed Presidential power, a litigant might attack the legality of some act of the President on the ground that the President was disabled at the time of the act.

[101] *Foster & Elam* v. *Neilson* (27 U. S. (2 Pet.) 253 (1829)); *United States* v. *Arrendondo* (31 U. S. (6 Pet.) 691, 711 (1832)); *Luther* v. *Borden* (48 U. S. (7 How.) 1 (1849)); *Georgia* v. *Stanton* (73 U. S. (6 Wall.) 50 (1868)); *Jones* v. *United States* (137 U. S. 202, 212–14 (1890)); *Neeley* v. *Henkel* (180 U. S. 109, 124 (1901)); *Oetjen* v. *Central Leather Co.* (246 U. S. 297 (1918)); *United States* v. *Pink* (315 U. S. 203, 230 (1942)); *Colegrove* v. *Green* (328 U. S. 549 (1946)); *Z & F Assets Corp.* v. *Hull* (114 F. 2d 464 (D. C. Cir. 1940)); *Werner* v. *United States* (119 F. Supp. 894 (S. D. Cal., 1954)). See also Brownell, op. cit. supra note 68, 25; Glendon A. Schubert, Jr., The Presidency in the Courts, 321–23 (1957); Thomas M. Cooley, Presidential Inability, 133 No. Am. Rev. 422, 426 (1881); Butler, op. cit. supra note 78, 431–33; George M. Robeson, N. Y. Tribune, Sept. 2, 1881, p. 5, col. 1; Samuel Shellabarger, N. Y. Herald, Sept. 5, 1881, p. 6, cols. 1–2. Also *State ex rel. Cyr* v. *Long* (174 La. 169, 186 (1932)).

[102] *Martin* v. *Mott* (25 U. S. (12 Wheat.) 19, 32–33 (1827)); *Philadelphia & Trenton Ry. Co.* v. *Stimpson* (39 U. S. (14 Pet.) 448, 458 (1840)); *Wilkes* v. *Dinsman* (48 U. S. (7 How.) 89, 130 (1849)); *United States* v. *Chemical Foundation* (272 U. S. 1, 16 (1926)); Schubert, op. cit. supra note 101, 317–18.

[103] *United States* v. *Ferreira* (54 U. S. (13 How.) 40 (1951)); *United States* v. *Evans* (213 U. S. 297 (1909)); *Muskrat* v. *United States* (219 U. S. 346 (1911)); *Willing* v. *Chicago Auditorium* (277 U. S. 274, 288–89 (1928)); *Nashville C. & St. L. Ry.* v. *Wallace* (288 U. S. 249 (1933)); *Keller* v. *Potomac Electric Power Co.* (261 U. S. 428 (1923)); *Arizona* v. *California* (283 U. S. 423, 464 (1931)); *Alabama* v. *Arizona* (291 U. S. 286, 291 (1934)); *United Public Workers* v. *Mitchell* (330 U. S. 75, 89–91 (1947)); *Chicago & Southern Air Lines* v. *Watermann S. S. Corp.* (333 U. S. 103, 113–14 (1948)); *Amalgamated Association of Street, Electric, Railway and Motor Coach Employees* v. *Wisconsin Employment Relations Board* (340 U. S. 416 (1951)).

[104] *Decatur* v. *Paulding* (39 U. S. (14 Pet.) 497 (1840)); *Reeside* v. *Walker* (52 U. S. (11 How.) 272 (1850)); *United States ex rel. Tucker* v. *Seaman* (58 U. S. (17 How.) 225 (1854)); *Gaines* v. *Thompson* (74 U. S. (7 Wall.) 347 (1869)); *Cox* v. *United States ex rel McGarrahan* (76 U. S. (9 Wall.) 298 (1870)); *Carrick* v. *Lamar* (116 U. S. 423, 426 (1886)); *United States ex rel. Dunlap* v. *Black* (128 U. S. 40 (1888)); *United States ex rel. Alaska Smokeless Coal Co.* v. *Lane* (250 U. S. 549, 555 (1919)); *Work* v. *United States ex rel. Rives* (267 U. S. 175 (1925)); *Wilbur* v. *United States ex rel. Kadrie* (281 U. S. 206 (1930)); *United States ex rel. McLennan* v. *Wilbur* (283 U. S. 414, 420 (1931)); *United States ex rel. Chicago Great Western Ry. Co.* v. *Interstate Commerce Commission* (294 U. S. 50 (1935)); *United States ex rel. Girard Trust Co.* v. *Helvering* (301 U. S. 540 (1937)). See also Harry J. Cole, To What Extent Can the President of the United States Perform the Duties of His Office While Abroad? (4 Mass. L. Q. 180, 194 (1919)).

Crosskey points out that this objection would not apply to quo warranto proceedings because the Court would not command the performance of official functions but would merely ascertain whether the person holding the office is entitled to exercise the functions claimed. Op. cit. supra note 80, 115.

[105] S. 238, 85th Cong., Stephen K. Bailey suggested that the Chief Justice be empowered by a concurrent resolution to appoint an ad hoc body of seven citizens to certify the President's ability or inability which would finally be decided by the Supreme Court. Presidential Inability, op. cit. supra. note 81, 4.

[106] *Hayburn's Case* (2 U. S. (2 Dall.) 409 (1792)); *In re Richardson* (247 N. Y. 401, 160 N. E. 655 (1928)); O. G. Voss, Exercise of Non-Judicial Functions by Court and Judges (7 J. B. A. Kan. 172–180 (1939)).

[107] *State ex rel. White* v. *Barker* (116 Iowa 96, 111–13, 89 N. W. 204, 209–10 (1902)); Thomas W. Shelton, Spirit of the Courts (1918); Judge Spilman, 2 Kan. L. J. 57, 58 (1885) as cited in *Sartin* v. *Snell*, 87 Kan. 485, 489, 125 Pac. 47, 49 (1912); Arthur T. Vanderbilt, the Doctrine of Separation of Powers and Its Present-Day Significance 113–20 (1953).

[108] FRELINGHUYSEN, op. cit., supra, note 95, 152.

[109] Vanderbilt, op. cit. supra, note 107, 119–20.

[110] Hearing, op. cit., supra, note 68, 26. For a discussion of separation of powers in relation to this program, see pp. 165–168 infra.

[111] Congressman Peter Frelinghuysen and Profs. Charles Aiken, Stephen K. Bailey, Mark DeW. Howe, and Jack W. Peltason. Presidential Inability, op. cit. supra note 79, 13.

[112] Aiken, Howe, and Arthur N. Holcombe, id. 23. Also Judge Augustus N. Hand, Nat'l Rev. (Dec. 14, 1955) 17.

[113] Cooley, op. cit. supra note 101, 425–27; Wilmerding, op. cit. supra note 42, 176–77.

[114] 1 Edw. VII and 1 Geo. VI, Cap. 16, sec. 2 (1).

executive officers to decide cases of Presidential inability.[115] These British precedents are not necessarily good American law and their application here would not necessarily be a wise policy for a number of reasons. First of all, participation in declaring a President disabled by personnel drawn from the legislative or judicial branches would encroach on the integrity of the executive branch in a system based on separation of powers. The British system, on the other hand, is one of parliamentary supremacy. Moreover, the monarch inherits his position for life and is not subject to those political controls afforded by popular election. Furthermore, the monarch is a formal rather than an operating executive. Finally, a partisan President's tenure is likely to be less secure in the hands of a partisan legislature than a nonpartisan monarch's is.

Not all of the proposals for a panel or commission to declare a President disabled are patterned after the British Regency Act. Some appear to be patterned after lunacy commissions used by various States for committing persons to institutions for the insane. One suggestion, for example, calls for an ad hoc panel composed of "qualified medical specialists."[116] Proposals for vesting power to declare disability in a panel of physicians assume that only the determination of a medical fact is involved. This view is based on three mistaken assumptions: (1) that physicians will never mix politics with medicine; (2) that the Presidential powers and duties devolve upon the successor the moment a disability is established; and (3) that all inabilities are the result of poor health.

That physicians can and do mix medicine with politics was clearly illustrated in the Wilson case. Dr. Francis X. Dercum decided that Wilson should continue in office for both therapeutic and political reasons. Mrs. Wilson reports that Dercum told her that the President's recovery depended on his being released from every disturbing problem. When she said that this treatment was impossible for a President and suggested that perhaps her husband should resign and allow Vice President Marshall to succeed to the Presidency, Dercum answered:

"No. * * * For Mr. Wilson to resign would have a bad effect on the country, and a serious effect on our patient. He has * * * made his promise * * * to get the Treaty ratified. * * * If he resigns, the greatest incentive to recovery is gone; and as his mind is clear as crystal he can still do more with even a maimed body than any one else." [117]

As Professor Williams suggests, the good doctor was treating the * * * country's health as well as Wilson's by his prognosis of the effects of a resignation on the people, on the Treaty, and on the President.[118]

It has always been rather generally agreed that mere illness, however severe or extended, does not constitute an inability in the constitutional sense unless the urgency of public affairs calls for action.[119] In time of serious national emergency, for example, an illness of a few days may jeopardize the public interest more than an illness of several months at another time. In short, there seem to be two requirements for an inability in the constitutional sense: (1) that the President is actually unable to exercise his powers; (2) that he be unable at a time when the public interest requires the exercise of these powers. In some cases, physicians may be able to answer the first question. The second, however, is never a medical question. Physicians are not particularly competent to determine whether there is any pending public business which requires a Presidential decision. For this reason, Gilliam and Sloat have suggested that medical authorities should be merely advisory since policy as well as medical considerations are involved.[120]

To assume that inability can result only from physical or mental illness is hardly realistic. In the past, it has been quite generally agreed that the term covers any case in which the public interest suffers because of the President's inability to exercise his powers and that the cause of the inability is immaterial. Such a definition of inability would include a case in which the President was captured by the enemy in time of war as well as other cases in which the President might be physically and mentally sound yet prevented from exercising Presidential power.[121] As the Attorney General and Congressman FRANCIS E. WALTER pointed out at the hearings, one cannot enumerate all of the various situations which might constitute inability but the legal principles governing definition of the term have been well established.[122] Since the existence of an inability is not simply a medical question, a commission of physicians is not necessarily the best group to make the decision.

In addition to commission plans patterned after the British Regency Act and after State lunacy laws, there are those which appear to be patterned after the bipartisan commissions of the Progressive era and its aftermath.[123] One plan provides for a commission consisting ex officio of the governors of the 48 States.[124] A second would create a 10-member commission composed of the Vice President, three Cabinet members, and six Congressmen.[125] A third plan also calls for a 10-member commission but the 10 would include two Supreme Court Justices as well as the Vice President, three Cabinet officers, and four Members of Congress.[126]

The objections most frequently made to this type of commission are that it would be inflexible, that its deliberations would be time consuming, and that it would constitute an encroachment on the Presidency. The Attorney General took the position that it would be ill-advised to establish any complicated procedure that would prevent immediate action in case of emergency. "The great need is for continuity in the exercise of Executive power and leadership in time of crisis," he said, "and investigations and hearings and findings and votes of a commission, I am afraid, could drag on for days, or even weeks, and result in a governmental crisis, during which no one would have the clear right to exercise Presidential power." Moreover, as Brownell pointed out, such a hiatus, with newspaper accounts of conflicting testimony before the commission, would divide public opinion and create serious doubts at home and abroad.[127]

The extent of the encroachment on the Presidency presented by an inability commission would depend on the nature of the commission. A permanent commission with power to require the President to submit to physical and mental examinations would be

---

[115] Wilmerding proposes a commission composed of "the highest persons in the Government acting ex officio." Such commission would investigate the facts "on behalf of Congress." It would proceed by taking evidence including medical evidence and then would declare in writing whether it found the President disabled or not, Wilmerding thinks the elastic clause (art. 1, sec. 8, cl. 18) authorizes Congress to decide whether the commission's finding should be sufficient to devolve Presidential power on the Vice President or merely constitute conclusive evidence upon which Congress might subsequently act. Op. cit. supra note 42, 178.

Also appealing to the Regency Act as authority, David Fellman suggests a five-member commission consisting of the President's spouse or next-of-kin, the Chief Justice, the senior Associate Justice, and the leaders of the President's party in the House and Senate. Thus, members of the opposition party would be excluded. Presidential Inability, op. cit. supra note 81, 22–24. See also the remarks of James Hart, appealing to the Regency Act as precedent for his proposed Commission on Presidential Inability. Hearings, op. cit. supra note 80, 97.

[116] S. 238, 85th Cong.

[117] Wilson, op. cit. supra note 14, 289. See also New York Times, October 14, 1919, p. 2, col. 1; id., December 7, 1919, p. 8, col. 3.

[118] Williams, op. cit. supra note 29, 59.

[119] See, for example: Cooley, op. cit. supra note 101, 424–25; Trumbull, op. cit. supra note 78, 420; George M. Robeson, New York Tribune, September 2, 1881, p. 5, col. 1; Disability of the President, 28 L. Notes 141 (December 1919); Simeon D. Fess, Hearings before Committee on the Judiciary on H. R. 12609, 12629, 12647, and H. J. Res. 297, 66th Cong., 2d sess. 39 (1920). In *Attorney General* v. *Taggart*, it was proved by testimony of the Secretary of State and the State treasurer that there was executive business of the State demanding immediate attention and that the Governor's duties should not remain unperformed. 66 N. H. 362, 25 L. R. A. 610 (1890). See also Wyman, op. cit. supra note 96, 45.

[120] Op. cit. supra note 67, 463.

[121] For a discussion of the meaning of "inability," see Silva, op. cit. supra note 56, 88–100.

[122] Hearing, op. cit. supra note 68, 24.

[123] Of the 26 people submitting opinions to the Celler subcommittee, five thought some sort of an inability commission should both initiate and decide the question: David Fellman, James Hart, Arthur Krock, Arnold J. Lien, and Arthur E. Sutherland. Four others—Charles Fairman, Joseph E. Kallenbach, and Senators John J. Sparkman and Frederick G. Payne—thought such a commission should make the decision only after the question had been raised by another body. Payne, Hart, and Lien proposed a commission composed of private citizens while the others proposed a commission composed of governmental officials. Presidential Inability, op. cit. supra note 79, 15–17, 27–33. See also Beverly Smith, Jr., If a President Collapses * * *, Saturday Evening Post (March 23, 1957), 20+ at 111–12; Arthur Krock, New York Times, March 30, 1957, p. 30, col. 5, id., March 24, 1957, IV, p. 3, col. 1, id., April 7, 1957, IV, p. 3, col. 1. Arthur E. Sutherland, see note 140 infra. Although KENNETH KEATING originally agreed with CELLER that the power should be vested in the Vice President, he now favors vesting it in a commission. New York Times, March 26, 1957, p. 25, col. 4; Hearing, op. cit. supra note 68, 29.

[124] H. R. 7552, 85th Cong., by USHER L. BURDICK.

[125] H. J. Res. 296, 85th Cong., by Sterling Cole. The three Cabinet officers would be the Secretaries of State, Treasury, and Defense. The six Congressional members would be the Speaker of the House, the President pro tempore of the Senate, and the majority and minority leaders in each House.

[126] H. R. 6510, a proposed statute, and H. J. Res. 334, a proposed constitutional amendment, 85th Cong., by KENNETH B. KEATING. The commission members are listed as the Vice President or the next person in line of succession, the Chief Justice, the Senior Associate Justice, the Speaker or majority leader in the House, the minority leader in the House, the majority and minority leaders in the Senate, the Secretary of State, the Secretary of the Treasury, and the Attorney General.

[127] Hearing, op. cit. supra note 68, 26–27.

in a position to harass him at all times. Even if the commission acted reasonably, as we must assume, there would doubtless be irresponsible demands for the commission to act. These demands alone would be an affront to the President's personal dignity and demeaning to the Presidential Office. An ad hoc commission might be less subject to this objection if initiative for activating the commission were properly hedged. Yet the officer who was supposed to activate even an ad hoc commission might find himself accused of acting or failing to act out of partisan motives. If the Chief Justice were designated as the officer to perform this duty, the Supreme Court would probably be plunged into political imbroglios whenever the President is alleged to be disabled.

The extent of this encroachment on the Presidency would also depend on the membership of the commission. Brownell pointed out that allowing officials outside the executive branch to participate in making the original decision would be a violation of separation of powers.[128] This would be particularly true if legislative or judicial officials constituted a majority of the commission.[129] If an inability commission is to be established, at least a majority of its members should come from the executive branch in order to safeguard the administration's interest.

The purpose of having members of the opposition party on the commission is presumably to prevent the commission from attempting to cover up an actual inability. In the Garfield and Wilson cases the extent of the inability and the need for Executive action were minimized because of the fear that devolution of Presidential power on the Vice President would make him President for the remainder of the term. If this fear were vitiated by legally recognizing that the Vice President would merely act as President ad interim, then the President's personal and political friends could be expected to view the facts more objectively. Moreover, the presence of hostile partisans on the commission would enable them to badger the chairman to convene the commission merely for the purpose of embarrassing the administration.

In conformity with the Democratic Party's recent tradition of a strong Executive, most Democrats have defended the integrity of the Presidency and have rejected disability plans which would encroach upon the Office even though the President is a Republican while Congress is controlled by Democrats.[130] The Democratic Digest, for example, says: "Congress might be the proper * * * body [to determine that a President is disabled], but what would that do to our historical ideas of separation of powers? It is also conceivable that this might prove too tempting to a Congress not controlled by the party of the President, especially when there is bad blood between such a Congress and President." [131]

While the Democratic chairman of the House Judiciary Committee favors keeping the declaration of disability within the executive branch which is now Republican controlled,[132] Congressional Republicans are promoting plans to vest this power in a nonexecutive body.[133] In conformity with the post World War I Republican tradition of a weak Executive and a strong Congress, several Republican-sponsored plans offer an opportunity for Congressional encroachment on the Presidency. One would give Congress power to initiate the question of a President's alleged inability.[134] This would enable a hostile Congress to nettle the President constantly. Two others would give Congressmen a majority or plurality of votes in an inability commission.[135] And another would empower Congress to provide by law for the discharge of Presidential power during periods of Presidential disability in whatever way Congress might see fit.[136]

Republican Congressman PETER FRELINGHUYSEN claims that Congress' initiating and the Supreme Court's deciding the question is in harmony with the doctrine of checks and balances, because all three branches of the Government would participate in declaring a President disabled. The executive's only possible participation in the process, however, would be the Vice President's convening the Senate if that body were not in session. FRELINGHUYSEN argues that the integrity of the Executive would, nevertheless, be protected by requiring a two-thirds vote of Congress to initiate the question.[137] A simple majority of one House would be sufficient, however, to embarrass the President politically by having the question debated in that House. Moreover, partisan maneuver might secure a two-thirds vote for a baseless disability charge. Andrew Johnson missed being removed from office by only a single vote although no "high crimes and misdemeanors" were proved. To say that the plan is in harmony with checks and balances is not to say that it does not violate separation of powers. To empower the Congress or the Supreme Court to decide whether the President is able to exercise the powers of his office is just as great an encroachment on the Presidency as empowering the President to disqualify judges from sitting in cases or making him the judge of the election and qualification of Congressmen would be an encroachment upon the other two branches.

In providing a means for declaring a President disabled, Attorney General Brownell is the only prominent Republican to express concern about protecting the integrity of the Presidential Office. He argues that the declaration is an executive matter and should be kept in the executive branch of the Government.[138] He has, therefore, suggested that the Vice President and the Cabinet should perform this function. Proposals for Cabinet participation in declaring a President disabled have been of two kinds: (1) those authorizing the Cabinet to invite the Vice President to act if he fails to take the initiative and (2) those empowering the Cabinet to make the decision. The first would give the Cabinet only an advisory role and would not divest the Vice President of the power either to initiate the question or to make the decision. It would, however, relieve him of the embarrassment of taking the first step and would protect him against serious accusations of usurpation.[139] The second would make the Cabinet's decision binding.[140] The Brownell plan is a combination of these two proposals. Either the Cabinet or the Vice President could take the initiative; but the concurrence of both would be necessary for declaring the President disabled.[141]

The first objection to the Cabinet's participation in deciding cases of Presidential disability has been that Cabinet members are presumed to be too loyal to the President ever to certify his disability.[142] Study of the Garfield and Wilson cases indicates, however,

---

[128] Id. 26.

[129] H. J. Res. 296 provides that six of the 10 members shall be Congressmen and that the existence and termination of an inability be decided by a vote of five or more members. Under H. R. 6510, two of the 10 members would come from the Supreme Court and four would be from Congress, making a total of six nonexecutive officers.

[130] JOHN J. SPARKMAN, Can We Afford to Shrink the Presidency?, Democratic Digest (May 1956) 26–35; Ralph McGill, The Presidency Grew to Fit America's Needs, id. 37–41; Leadership Is a Full Time Job, id. (February 1956) 85–89; Government By Regency, id. (March 1956) 73–80; Even Eisenhower Worries Over Plan to Trim Presidency, id. (May 1956) 54–60; Who's in Charge at the White House? id. (August 1956) 73–79.

[131] Koonce, op. cit. supra note 20, 58.

[132] CELLER says that determination of Presidential inability by judges, Members of Congress, or a combination of these individuals involves "impinging upon the constitutional separability of powers." 14 Congressional Quarterly Weekly Report 1457 (Dec. 21, 1956). See also an interview with CELLER. U. S. News & World Report (June 15, 1956) 71.

Although KENNETH KEATING introduced a resolution embodying the Brownell plan, H. J. Res. 294, 85th Cong., discussed on pp. 168–170 infra, he did so only as a matter of courtesy to the administration and reserved the right to promote his own plan for an inability commission. New York Times, Apr. 2, 1957, p. 1, col. 4.

[133] Usher L. Burdick, Kenneth Keating, and Sterling Cole, who favor vesting this power in a disability commission; PETER FRELINGHUYSEN, who would vest this power in the Supreme Court; and FREDERICK G. PAYNE, who favors vesting the power in an ad hoc panel of physicians appointed by the Chief Justice. J. WILLIAM FULBRIGHT, who introduced a resolution to give this power to the Supreme Court, is the only Congressional Democrat in this group. Former President Harry S Truman, a Democrat, favors a plan similar to the Keating and Cole plans. New York Times, June 24, 1957, p. 14, col. 3.

[134] H. J. Res. 38, 85th Cong.

[135] H. J. Res. 296, 85th Cong., would give six out of 10 votes to Members of Congress; H. J. Res. 334, 85th Cong., would give four out of 10 votes to Members of Congress. Democrat Harry S Truman advocates a plan giving five out of seven votes to Members of Congress. New York Times, June 24, 1957, p. 14, col. 3.

[136] H. J. Res. 309, 85th Cong.

[137] FRELINGHUYSEN, op. cit. supra note 95, 153–154.

[138] At the hearings, he said: "* * * Allowing the judicial branch or, I might say, even the legislative branch to make the initial finding would violate the doctrine of separate powers, which is so fundamental to our constitutional system, and allowing officials outside the executive branch to participate in the initial decision would be an encroachment on the Presidency itself." Op. cit. supra note 68, 26.

[139] See, for example, Silva, op. cit. supra note 56, 107–110; C. Herman Pritchett, hearings, op. cit. supra note 80, 71–72, 75–76; John H. Romani, id., 45.

[140] Former President Herbert Hoover, id., 1–2, and Presidential Inability, op. cit. supra note 81, 35. J. Roland Pennock suggested that either Congress or the Cabinet should initiate the question, which should then be decided either by the Cabinet or by the concurrence of Congress and the Vice President. Id., 52. Edward S. Corwin thought the question should be raised by the Vice President or by anyone designated by Congress to do so and then should be decided by the Cabinet or National Security Council. Id. 16 and note 156 infra. Arthur E. Sutherland originally favored the Cabinet's both initiating and deciding the question, id. 61–62, but said that he was persuaded by Pundit Arthur Krock to favor a commission. Hearings, op. cit. supra note 80, 78, 80–83.

[141] Brownell's explanation of his plan, hearing, op. cit. supra note 68, 22, 27, 30–31.

[142] CELLER, U. S. News & World Report (June 15, 1956) 71, and 14 Congressional Quarterly Weekly Report 1457–58 (December 21, 1956); Raymond Moley, Presidential Inability, National Review (December 28, 1955) 15–16; N. Y. Times, March 31, 1957, IV, p. 10, col. 5; id., April 3, 1957, p. 17, col. 3; id., April 7, 1957, IV, p. 3, col. 1; FRELINGHUYSEN, op. cit. supra note 95, 150.

that a declaration of disability was viewed as disloyalty on both occasions because it was feared that such a declaration would mean ousting the disabled President from office for the remainder of the term. The Cabinet's reluctance to declare a President disabled would be lessened by recognition that the disabled President would remain President and could resume the exercise of his powers upon his own declaration of the inability's termination.

Citing President Wilson's removal of Secretary Lansing, Congressman FRELINGHUYSEN argues that a Cabinet member would be deterred from voting to recognise a disability by the fear that he might be removed by the Acting President, that his influence in the administration might be lessened, and that the President might dismiss him for having voted to recognize the disability.[145] Wilson viewed Lansing as disloyal because he thought Lansing had attempted to oust him. If Wilson had known that the devolution of power on Marshall would have been on a temporary basis, he likely would have viewed Lansing's action quite differently. Similarly, an Acting President's actions would be conditioned by his knowledge that the President could resume his powers.

Since the Cabinet is the President's official family and is composed of his own appointees, the Cabinet's declaration would be free from the suggestion of hostile partisanship. It is true that the Cabinet's loyalty to the President is likely to make it slow to act. This is doubtless desirable, however, for there should be no devolution of power unless the disability is obvious and the need for the exercise of Presidential power is urgent. The public is not likely to tolerate the frequent transfers of Presidential power for light and transient reasons; and such transfers could serve only to weaken the Presidency itself. Consequently, the Cabinet's probable slowness to declare a disability would seem to be an advantage rather than a disadvantage of the Brownell plan.

The second objection to the Cabinet's participation in declaring Presidential disability seems to be exactly contrary to the first. It has been argued that an ambitious Cabinet might conspire with the Vice President to disseize the President.[146] As both President Eisenhower and Attorney General Brownell have said, we must assume that we are dealing with honest people who are not jockeying against each other to seize power. No plan will provide sure safeguards against usurpation if we assume that our public officials are Latin caudillos and that power is transferred in the United States by coup d'etat rather than by constitutional processes.[147]

A third objection to vesting the power of deciding Presidential disability in the Cabinet relates to the Presidential Succession Act of 1947, which places the Speaker of the House and the President pro tempore of the Senate immediately after the Vice President in the line of succession.[148] It has been argued that a Cabinet of one political party is not likely to make a declaration of disability which would result in transferring Presidential power to a Speaker who belonged to the other party. Eisenhower's Republican Cabinet, for example, is not likely to declare Eisenhower disabled if NIXON were dead and thereby make Democratic Speaker SAM RAYBURN the Acting President.[149] This may be true but seems more of an argument against the Presidential Succession Act of 1947, which places legislative officers in the line of succession, than a flaw in the Brownell plan. The act of 1947 has been seriously criticized on grounds of both constitutionality and policy.[150] It would seem, therefore, that the act of 1947 should be amended to make it conform to the Constitution rather than vice versa. Moreover, the act of 1947, like the 22d amendment, the Bricker amendment, and proposals for empowering nonexecutive officers to declare a President disabled, seems to be another attempt to whittle down the Presidency and to upset our separation and balance of powers.[150]

STATUTE OR CONSTITUTIONAL AMENDMENT?

A final question relates to whether Congress has constitutional power to solve the problem of Presidential disability without resort to a constitutional amendment. Five bills and resolutions pending in the present Congress are based on the assumption that a mere statute is adequate,[150] while six call for a constitutional amendment.[151] Congressional power to legislate on the subject is debatable. The only power expressly given to Congress to provide for Presidential succession is the power to declare what officer shall act as President when there is neither a functioning President nor a functioning Vice President. This would seem to deny Congressional power to deal with inability, because enumeration in the Constitution of certain powers denies all others unless incident to an express power or necessary to its execution—inclusio, unius, exclusio alterius.[152]

Even if Congress has power to legislate on the subject of Presidential inability,[153] that power is not without limitation. As previously indicated, a constitutional amendment would be required for the adoption of any plan which enlarged the Supreme Court's original jurisdiction, imposed nonjudicial functions on Federal judges, or obligated the courts to render advisory opinions or decide nonjusticiable questions. Similarly, a constitutional amendment would be necessary for the constitutional adequacy of any plan which restricted the Acting President's exercise of Presidential power.[154] Furthermore, a constitutional amendment would be required for the adoption of any plan vesting power to declare a President disabled in the courts, the Congress, an inability commission, or the Cabinet.

Since the Constitution seems to make the Vice President the sole judge of the President's disability,[155] he probably cannot be divested of this power without a constitutional amendment. When Brownell told the Celler subcommittee that the Vice President alone has the constitutional right to declare the President disabled and that intervention of the Cabinet or of an inability commission would require a constitutional amendment, both the chairman and the ranking minority member expressly agreed with the Attorney General. Moreover, no member of the subcommittee challenged his statement.[156] If

---

[145] Loc. cit.

[146] New York Times, Mar. 31, 1957, p. 62, col. 6; id., Apr. 7, 1957, IV, p. 3, col. 1.

[147] Eisenhower, New York Times, Apr. 4, 1957, p. 17, col. 1; Brownell, Hearing, op. cit. supra note 68, 31.

[148] 61 U. S. Stat. 380 (1947), 3 U. S. C. § 20 (1952).

[149] James Reston, New York Times, Apr. 3, 1957, p. 17, col. 3.

[150] Kallenbach, Hearings, op. cit., supra, note 80, 88–90; Hoover, id. 2; Wilmerding, op. cit. supra note 42, 180n; Ruth C. Silva, The Presidential Succession Act of 1947, 47 Mich. L. Rev. 451–76 (1949); Silva, op. cit. supra note 56, 152–65 on policy of succession statutes.

[150] Joseph E. Kallenbach, Constitutional Limitations on Reeligibility of National and State Chief Executives, 46 Am. Pol. Sci. Rev. 438–54 (1952); Arthur E. Sutherland, The Bricker Amendment, 67 Harv. L. Rev. 281–92 (Dec. 1953). These are only part of a recent pattern of Congressional encroachment on the Executive—a pattern which has included the unconstitutional use of Congressional committees, of concurrent resolutions to evade possible Presidential vetoes, et cetera. For a study of the constitutional setting and the legal and political consequences of statutory provisions for control of the Executive, see Robert W. Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees, 66 id. 569–611 (Feb. 1953).

[150] 85th Cong.: S. 238, PAYNE; H. R. 6510, KEATING; H. R. 7352, BURDICK; H. J. Res. 293, CELLER; and H. J. Res. 296, COLE.

[151] 85th Cong.: S. J. Res. 100, FULBRIGHT; H. J. Res. 38, FRELINGHUYSEN; H. J. Res. 294, KEATING; H. J. Res. 295, CELLER; H. J. Res. 309, COLE; and H. J. Res. 334, KEATING.

[152] *United States* v. *Harris* (106 U. S. 629, 635–36 (1883)); 3 Joseph Story, Commentaries on the Constitution of the United States, § 1243 (1833); 3 Westel W. Willoughby, The Constitutional Law of the United States, 1467–68 (2d ed., 1929); Butler, op. cit. supra note 78, at 431–33; J. Hampden Daugherty, Presidential Succession Problems, 42 Forum 523, 525 (Dec., 1909); Davis, op. cit. supra note 78, 13–15; Urban A. Lavery, Presidential Inability, 8 A. B. A. J. 13–17 (Jan., 1922); Augustus H. Garland, 13 CONGRESSIONAL RECORD 139 (1881); William M. Evarts and John R. Eden, 17 id. 248–49 (1885), 669 (1886); Charles F. Reavis, Hearings, op. cit. supra note 119, 32; Herbert Brownell and EMANUEL CELLER, Hearing, op. cit., supra, note 68, 16.

[153] It has been argued that the elastic clause gives Congress power to implement the inability clause. 2 John Randolph Tucker (a strict constructionist), The Constitution of the United States 713 (1899); Cooley, op. cit. supra note 101, 425–27; George Ticknor Curtis, Presidential Inability, 25 Harper's Weekly 583, 631 (1881); Samuel Shellabarger and John Davis Long quoted in New York Herald, Sept. 5, 1881, p. 8, cols. 1–2; A. Schoonmaker, Jr., id., Sept. 17, 1881, p. 6, cols. 1–2; George M. Robeson, New York Tribune, Sept. 2, 1881, p. 5, col. 1; Schuyler Colfax, id., Sept. 8, 1881, p. 5, col. 3; Samuel B. Maxey, 13 CONGRESSIONAL RECORD 131 (1181); John T. Morgan and Samuel B. Maxey, 14 id. 882, 916 (1883); Martin B. Madden and John J. Rogers, Hearings, op. cit. supra note 119, 4, 32. Clifton N. McArthur thought the elastic clause gave Congress power to define inability just as it gave Congress power to define "interstate commerce" and "intoxicating liquor." Id. 35.

[154] It has been objected that Presidential appointees would be reluctant to declare a President disabled, lest the Acting President remove them from office. Consequently, section 8 of H. J. Res. 296, 85th Cong., forbids an Acting President to remove those Cabinet members (Secretaries of State, Treasury, and Defense) who participated in the decision except with the approval of a majority of the 6 Congressional members of the 10-member Commission on Presidential Disability. Enactment of this provision would require a constitutional amendment because it would constitute an unconstitutional limitation on the Acting President's removal power. *Myers* v. *United States* (272 U. S. 52 (1926).) See also *Porter* v. *Coble* (246 Fed. 244 (8th Cir., 1917)); *Shurtleff* v. *United States* (189 U. S. 311 (1903)); *Parsons* v. *United States* (167 U. S. 324 (1897)).

[155] See note 87, supra.

[156] Hearing, op. cit. supra note 68, 11–12, 20–23, and notes 83–86 supra. Prof. Edward S. Corwin has stated that the Constitution vests the Vice President with power to declare a President disabled. Corwin says he doubts that Congress has constitutional power to establish a method for determining inability but thinks that the elastic clause does empower Congress to designate some body to inquire into the facts of an alleged inability and report thereon to the Vice President in order to relieve the Vice President of the

these opinions are correct, the only plan which could be adopted without resort to constitutional amendment is the Celler plan, which merely clarifies what the Constitution appears already to provide—that the President or Vice President shall decide whether a disability exists.[157]

Since the Celler plan would be declarative of old law rather than enactive of new law, the question of Congressional power to legislate on the subject is avoided and, consequently, a statute or even a mere concurrent resolution theoretically would be constitutionally sufficient to solve the disability problem. As a practical matter, however, the Presidential succession precedent makes it desirable to declare by constitutional amendment that the Vice President would merely act as President and would do so only until the actual President's disability is removed. If this declaration were embodied in a mere statute or concurrent resolution, questions would be raised about the constitutionality of that statute or resolution. The result is likely to be that no inability would ever be recognized because of doubt concerning the disabled President's constitutional right to resume the exercise of Presidential power upon removal of the disability.[158]

CONCLUSION

Of the various inability plans now pending in Congress, Brownell's and Celler's seem to be superior to the others because their operation would not encroach upon the Presidency. These two plans are more similar than they may appear to be at first glance. Both would give express legal sanction to the Presidential succession precedent by stating that the Vice President shall become President in case of vacancy in the Presidential Office. Both would clarify that, in case of the President's inability, the Vice President would merely act as President and would so act only for the duration of the inability. Both would recognize the President's right to declare the existence and termination of his own disability. Finally, both provide that, if the President fails to make this declaration, the Vice President shall have the primary responsibility to do so.

Although Brownell's proposal would require the Cabinet's confirmation of the Vice President's decision while Celler's would not, the two plans doubtless would operate alike in practice. In order to protect himself against accusations of usurpation, the Vice President would seek the Cabinet's approval before undertaking the exercise of Presidential power even if not legally required to do so. Surely no Vice President would assume Presidential power without the Cabinet's prior consent. Moreover, there is nothing in Celler's proposal to prevent the Cabinet from inviting the Vice President to act if he should fail to take the initiative, while Celler's plan has the theoretical advantage of not requiring a constitutional amendment. Either plan should be written into the Constitution if it is ever to be operative. For no disability is likely to be recognized unless the disabled President's constitutional right to resume the exercise of his power is beyond dispute. In summary, the two plans are very much alike except that Brownell's has the advantage of at least partially allaying the unfounded fears of the many who imagine that American Vice Presidents are potential tyrants lying in wait to seize power on the pretext of inability.

---

embarrassment of taking the initiative. Presidential Inability, Nat'l Rev. (Nov. 26, 1955) 9–10. In a subsequent statement to the Celler subcommittee, however, Corwin took a confusing position. Although he argued that Congressional power is limited to providing for cases in which there is neither a funtioning President nor a functioning Vice President, yet he suggested that Congress might designate some body such as the Cabinet or the National Security Council not only to raise the question of a President's inability but also to make the decision even when there is a functioning Vice President. Presidential Inability, op. cit. supra note 81, 16–17.

[157] See note 93 supra.

[158] It has been argued that, as the Constitution now stands, the Vice President must serve for the remainder of the disabled President's term and that a constitutional amendment would be absolutely necessary if the Vice President were to exercise Presidential power only for the duration of the inability. See, for example, Charles W. Jones, 13 Congressional Record 142–143, 191–193 (1881); John T. Morgan, 14 id. 691 (1882), 882, 884 (1883), 17 id. 224 (1885); Hannis Taylor, 57 id. 28 (1918); Abram J. Dittenhoeffer, New York Herald, Sept. 13, 1881, p. 5, cols., 1–2; Theodore W. Dwight, Presidential Inability, 133 No. Am. Rev. 436, 442–46 (1881). Regardless of its lack of merit, this interpretation of the succession clause has been so repeatedly and so persistently presented by respected constitutional lawyers that questions would surely be raised concerning the constitutionality of any statute which provided for the temporary devolution of Presidential power. See Brownell's comments, hearing, op. cit. supra note 68, 17–20.

DEATH OF FORMER SENATOR LAWRENCE C. PHIPPS, OF COLORADO

Mr. ALLOTT. Mr. President, Colorado was saddened last week by the death of one of our great men and a great Senator. Death came to Lawrence C. Phipps on Saturday, March 1, closing a long life of public service and benefaction. Here in this Chamber, where he so often stood and where he zealously devoted himself to the service of his State and his country, I should like to recall today the highlights of his illustrious life.

Lawrence Cowle Phipps was born in Washington County, Pa., on August 30, 1862, the son of an English minister and his Scottish wife. After graduating from high school, he began a career that reads like an American legend. At age 16 he was employed in the Carnegie steel mills as a night weighing clerk. His salary was $1 a night. Even with this inauspicious beginning, he was not long in attracting the notice of his supervisors, and then of Andrew Carnegie himself. Carnegie challenged him to rise as fast and as far as he could. By 1901, when the Carnegie Co. became the United States Steel Corp., he was vice president, treasurer, and one of the major owners of the Carnegie Co.

He retired at that time. The Phipps family then came to Denver, drawn to our climate by the ill health of his first wife. With his business career behind, he devoted his immense talents to promoting Colorado and its prosperity. One of his early acts of public benefaction was the foundation of the Agnes Memorial Sanatorium, named in honor of his wife. This institution stood on ground that has since become Lowry Air Force base, Senator Phipps' generous offer having allowed the Government to purchase it at less than the appraised price.

He was one of the active developers of the Moffat Road, which gave Denver a direct and adequate route to the Pacific coast. The American Red Cross was one of his principal interests. When President Wilson made him a member of the National Finance Committee and chairman of the mountain division, he saw his area's quota oversubscribed by 236 percent. In order to encourage this result, he had matched every dollar contributed with 10 cents from his own funds.

He had long been interested in Republican politics, and was a close associate of Presidents Harding and Coolidge. When he ran for office himself for the first time in 1918, his many friends in Colorado were happy to elect him to the Senate. He served 2 terms, leaving the Senate in 1931.

Senator Phipps was determined to be guided in his actions and decisions by facts, not by emotions or pressures, and he could not be swayed from his convictions. He became one of the leading representatives of the West, and did much to make the particular needs and problems of our part of the country understood in the Congress. Some of the areas in which he did impressive work were appropriations, banking and currency, irrigation and reclamation, mines and mining, education and labor, post offices and post roads. National parks, oil and oil shale, postal salaries, irrigation and reclamations, and highways, came under his special attention, and his achievements in these fields were notable. He saw that the agricultural and mineral products of the West were in need of tariff protection equal to that afforded Eastern industries, and was one of those responsible for legislation on this subject.

In international affairs, he feared American involvement in European feuds, and preferred no participation in international agreements unless full justice was the sole basis of the arrangements. He favored the four-power pact, but opposed the League of Nations, fearing it left the United States no outlet from European entanglements.

When he retired from the Senate and returned to Denver, he played a less conspicuous part, but Colorado still continued to feel his influence. He was sought by business leaders for his advice, and he continued his charitable donations. Children's Hospital was a special concern of his, and many other institutions benefited from his generosity. In these benefactions he made only one restriction—his donation was to be kept secret. The building of Phipps Auditorium in Denver, which he gave to the city, was one effort for which he became well known. In 1948 he established the Lawrence Phipps Foundation, which has carried on his pattern of charitable giving, the principal beneficiaries being institutions in Colorado.

In recent years, his health failed, and his doctors advised him to live in California. He still considered Colorado his home, and Colorado happily continued to claim him as one of her notable citizens. When Senator Phipps celebrated his 95th birthday last August, he said he would live to see his 100th year. This was not to be. Last Wednesday he was laid to rest in the State he had loved and served so well.

He left behind him his wife, Margaret Rodgers Phipps, and three sons, Lawrence C., Jr., Allan R., and Gerald H., all of Denver. Two daughters, Mrs. Dorothy Garrett and Mrs. Donald C. Bromfield, are also Denver residents, and a third, Mrs. William White, lives in Haverford, Pa.

He leaves behind him, as well, a memory that will not soon grow dim. He will continue to live in the hearts of those who were helped or healed by his assistance. In the West, where we still profit from his pioneering work, he will be recalled for his share in establishing our national parks, our highways, and the reclamation projects that are vital to our economic life. He will be remembered in these halls as a courageous statesman, a loyal representative of his State, a generous friend and colleague. There are few men of whom these things can be said, and I am proud to be here today to pay the respect due to a noble Senator and a dear friend.

EDITORIAL ATTACKS ON JENNER BILL TO LIMIT SUPREME COURT JURISDICTION

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield the floor for 5 minutes to the Senator from Indiana [Mr. JENNER], and that I may regain the floor at the end of that time.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, I should like to read to the Senate an editorial which appeared in the Baltimore Sun, attacking S. 2646, my bill to take from the Supreme Court appellate jurisdiction on questions of protecting our country against Communist subversion. The editorial reads:

[From the Baltimore Sun of March 11, 1958]

THE JENNER BILL

The Jenner bill is an effort to clip the wings of the Supreme Court by denying it the power of reviewing certain types of cases involving the civil liberties. It is inspired by Senator JENNER'S violent disagreement with a series of cases decided by the Supreme Court during the past year. The bill is a bad one, and it is being opposed by the American Bar Association, the Department of Justice, the deans of most American law schools and a host of distinguished and conservative practicing lawyers. We cite several of the arguments against the bill.

There have been many editorials on this subject, and this is typical of the attacks on the bill, so I want to read to the Senate the exact editorial. The editorial continues:

1. The power of judicial review is a necessity in a Federal union operating under a constitution. The discovery of this is our country's greatest contribution to the art of government. Only the Supreme Court can perform this necessary function.

2. With no court to interpret the law for the whole country, legal chaos would follow. Justice in one part of the country would not be justice in another.

3. Legislation of this sort, limiting the Supreme Court in specified areas, would strike at the independence of the judiciary. Once curbed in this way, the Supreme Court would lie under the threat of further curbs whenever it handed down an unpopular decision. Justice loses out when transient popularity becomes a consideration.

4. To cripple the power of review would be to enhance the legislative and executive authority and thus throw our system of checks and balances out of balance.

What Senator JENNER is doing is to lash out at an institution, an institution which has served us well, because he objects to some things that the institution has done. He has got the thing wrong way around. Every decision of the Supreme Court is, and should be, subjected to searching criticism. That is in the nature of legal decisions. If there weren't conflict in the first place, a case would never go to court; and judges can be wrong. But to strike at the Court itself because of disagreement with a handful of its acts is like tearing the telephone off the wall when one gets a wrong number.

On getting a wrong number, the sensible course is to try again. And though one says that Supreme Court decisions are "final," they certainly are not in the long view. On the whole, this paper applauds the findings of law in most of the decisions which Senator JENNER so ardently dislikes, while conceding that the Court has been altogether too lavish in tossing out dicta, in some cases has gone further than was required by the questions under test, and in some cases may be guilty of bad law as well. For all of these objections, there are remedies. Decisions handed down in the absence of statutory guidance can be modified by appropriate statutory guidance. Refinement of the decisions themselves can be, and is being, undertaken by way of lower courts. The Supreme Court itself can, as occasions present themselves, qualify in the light of criticism, generalizations going beyond the needs of a given case. It can even—and in the past often has—change its mind.

I continue to read from the editorial:

The law does not stand still. The decisions currently arousing so much controversy are not immutable. Men who think they have grounds for objection will do better to keep their attention focused on those "wrong numbers" (maybe even looking them up again), and leave the telephone intact.

To demonstrate what the press is doing to America, I wish to answer the editorial. I am a little surprised that the Baltimore Sun would publish such an editorial. I would not be surprised at what the New York Times might print, but usually the Baltimore Sun is a rather fair newspaper. I desire to answer the Baltimore Sun, the New York Times, the Washington Post and Times Herald, and many other newspapers which have contained articles and editorials which have appeared over the country and misinformed the people as to this very important question.

These arguments are typical of the arguments being used against the bill in many quarters.

I should like to answer this and all similar attacks.

The Sun has made a few mistakes in this editorial.

The category of cases with respect to which appellate jurisdiction of the Supreme Court would be affected by my bill, S. 2646, is not civil liberties, but subversion and communism.

The bill was not inspired by my disagreement with the decisions in the cases cited, but by my concern for the preservation of our form of government. I am concerned, not because the Supreme Court has been deciding cases against me—I have not been a party to any cases before the Supreme Court—but because the Supreme Court has been making law, which it has no right to do, and the law it has been making has had a crippling effect on efforts to preserve the internal security of my country.

The Sun confuses the power of judicial review with appellate jurisdiction. The two are not the same. And when the Sun says "only the Supreme Court can perform this necessary function," the Sun is wrong again.

There is far more judicial review by lower courts than by the Supreme Court. The right of judicial review is not a right of the courts, but the right of an individual to be able to go into a court and have an impartial review by that court of any decision or action by which he has been injured.

Any lawyer knows that there is no "right" to any appellate procedure. The right of judicial review involves only the right to go into a single court. Any grant of a right to appeal to a higher court from the decision of a lower court is a matter of legislative grace, and can exist only because it has been granted by legislation.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. JENNER. Mr. President, will the Senator from New York yield to me for 2 or 3 additional minutes?

Mr. JAVITS. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator ask for time in his own right? How much time does the Senator desire?

Mr. JENNER. Mr. President, I ask unanimous consent that I may proceed for 3 or 4 more minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? Without objection, it is so ordered.

Mr. JENNER. Mr. President, the Sun says that "with no court to interpret the law for the whole country, legal chaos would follow. Justice in one part of the country would not be justice in another." The fact is that we have no court to interpret the law for the whole country today. The primary function of the Supreme Court of the United States is to decide constitutional questions. The Supreme Court has no original jurisdiction except in cases affecting ambassadors, other public ministers and consuls, and cases in which a State is a party. And all of the Court's appellate jurisdiction is subject to such exceptions and regulations as the Congress may make.

As for justice in one part of the country being justice in another—there is wide disparity today in many fields between the decisions of the various State courts. It is a part of the genius of our form of government that each State determines for itself matters of public policy within its borders—including how its laws shall be drawn, enforced, and interpreted. What is the law in California is not uniformly what the laws is in Indiana, and the Baltimore Sun should know that.

The Sun says my bill would "strike at the independence of the judiciary." The fact is that the bill could not hurt the Court or the Justices. The bill would not affect the pay or hours or volume of work of any judge. It would not hamper the Court in the performance of any of its work. It would only change the jurisdiction of the Court in certain respects. But the Court has no vested interest in having jurisdiction over any particular subject matter. This is, by the express terms of the Constitution, a political decision for the Congress to make.

The Sun reverts to its misconception that my bill would "cripple the power of review"; and then says that "to enhance the legislative and executive authority" would "throw our system of checks and balances out of balance." But this cannot be true if the "system" is already unbalanced as a result of unjustified incursions by the Supreme Court into the legislative and executive areas—and this is precisely the situation. My bill would push the Supreme Court back into its own sphere.

What the Sun is concerned with appears to be not preservation of a balance, but preservation of an imbalance—and an imbalance which leans toward the growth of strong centralized Federal Government and the withering away of States rights.

The Sun upbraids me for attacking an institution—and the Sun italicizes "institution." The Supreme Court is no more an institution than the Congress or the Senate, or the Presidency. Does the Sun think the Congress is above criticism? Or that the Presidency is? I cannot understand the significance of the Sun's use of the term "institution", as applied to an arm of the Government of the United States. I do, however, understand the Sun's viewpoint quite well if by "institution" the Sun really means "establishment"—and I suspect this is the situation.

The Sun tells me I may criticize individual decisions of the Supreme Court but should not act against the Court no matter what it does, any more than I should act against a telephone because I get a wrong number. But it is not the individual cases I am concerned with. In fact, my bill will not affect the decision in any of those cases. All of them will remain res adjudicata. What I am trying to do is to stop the Supreme Court from grabbing for power outside its own sphere, and seeking to subjugate one or another of the two branches of government which should be, under the Constitution, coordinate with it, and to tear from the States rights reserved to them when the Constitution was adopted and protected specifically under the 10th amendment.

This is not a case of getting a wrong number; this is a case of the telephone coming down off the wall and stirring the soup, beating the baby, lighting matches in the basement, and opening the back door to burglars.

The Sun may applaud, if it wishes—and it says it wishes—the findings in the line of Supreme Court cases which I have criticized, the cases through which the Court's judicial lawmaking has impinged most harmfully upon the internal security of the United States. In every one of those cases, communism and subversion were arrayed against the Government of the United States, and the Government of the United States lost. In every one of those cases, the Constitution of the United States took a beating. I am more than willing to aline myself with the Government of the United States and the Constitution of the United States, against communism and subversion, even though this means I shall lack the applause of the Baltimore Sun.

Mr. JAVITS subsequently said: Mr. President, I heard with great interest the speech delivered this morning by the Senator from Indiana [Mr. JENNER] with reference to his bill seeking to curb the appellant jurisdiction of the Supreme Court. I regret very much that the Senator from Indiana is not in the Chamber at the moment.

As a lawyer and former attorney general of the State of New York, I feel that the enactment of the bill would be a great disservice to our country. I oppose it, and shall, at the proper time, more fully detail my views upon the subject. In the meantime I ask unanimous consent to have printed in the RECORD at this point a letter entitled "Upholding Supreme Court," published in the Christian Science Monitor. It was written by Harry J. Carman, cochairman, American Liberal Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UPHOLDING SUPREME COURT

To the CHRISTIAN SCIENCE MONITOR:

The American Liberal Association is deeply concerned with the attacks recently made on the Supreme Court of the United States. The Court is frequently called upon to adjudicate difficult legal issues which involve divisive social or economic problems. We understand the basis for the differing opinions concerning these decisions. Although no institution of our Government, including the judiciary, should be beyond the reach of criticism, the attacks upon the Supreme Court have been so reckless and disrespectful of its proper functions and necessary role as to affect the orderly acceptance of its decisions.

It has been the historic responsibility of the Supreme Court to sit in final judgment upon cases which lie within areas of popular disagreement and thereby to interpret and clarify the law of the land in support of our supreme law, the Constitution. The current attacks ignore the accepted fact that a decision of the Supreme Court is an authoritative statement of what is the law of the Constitution. If the rule of law, so basic in any society and revered in ours, is to stand, this law must be respected and obeyed.

Moreover, in a governmental structure of dual sovereignties, Federal and State, there must be a final arbiter of the constitutional area of each; without that single voice the Union could fall to pieces through the dispersal of conflicting powers. There are peaceful and proper ways of changing the law as by constitutional amendment or persuading the Court to modify its interpretation.

The American people should realize the danger in these unwarranted and abusive attacks on the Supreme Court and should rally to its support, not as an indication of agreement with any particular verdict but with the deep conviction that the maintenance of order under law is necessary in every civilized society.

HARRY J. CARMAN,
Cochairman, American Liberal Association.

NEW YORK, N. Y.

IMPLICATIONS OF THE RECESSION

Mr. PROXMIRE. Mr. President, the distinguished junior Senator from Montana [Mr. MANSFIELD] has written an article which appeared in last night's Washington Evening Star in the Statesmen's Series currently being conducted by columnist Thomas L. Stokes. In this article Senator MANSFIELD discusses the implications of the recession with remarkable clarity and perception.

Mr. President, I think it is very important that among the most serious implications of this recession is the extremely serious danger this constitutes to world peace. I quote two short paragraphs from Senator MANSFIELD'S splendid article to underline the serious consequences of this recession if it is allowed to continue:

The United States is at the center of the complex Free-World trading relations. Any prolonged slump in this country will hit others many times harder than it hits us. It will jeopardize their free existence and propel them into a desperate rivalry for trade wherever they can find it.

If that happens, what will be the impact on the defense and political arrangements which sustain freedom in the world? With people abroad, as with people at home, spuds are likely to become more important than sputniks. In short, any prolonged slump in this country is bound to wreak havoc with the position of the United States and freedom in the world.

Mr. President, I ask unanimous consent that the text of this article by the Senator from Montana appear in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPLICATIONS OF THE RECESSION—INJURY TO POLITICAL AND ECONOMIC TIES FOR PEACE FEARED AS SLUMP SPREADS

(By MIKE MANSFIELD, United States Senator from Montana)

A friend of mine said to me recently, "The people back home are more concerned with spuds than they are with sputniks." It was his way of pointing to the economic recession that has been spreading through the Nation and to the fact that it is beginning to take precedence over foreign policy questions in people's minds.

The man happened to be talking about people in Montana. He might just as well have had in mind people in Michigan, Pennsylvania, Oregon, Maine or a dozen other States. To date, the recession has hit hardest at mining, timbering and heavy industrial areas. Its effects, however, are felt throughout the Nation.

We shall not gain anything by wringing our hands in despair over this situation. Neither shall we gain anything by whistling in the dark. The important thing is for the administration to take an honest look at where the Nation's economy stands and to do something constructive about it.

That is what has not yet been done. The administration is still waiting and hoping for things to get better instead of acting to make them better. It is all very well to hope for an upturn, but in the meantime the recession

has produced anxiety and suffering in the Nation. Millions of families have felt its effects in unemployment, declining take-home pay and disappearing profits.

It has resulted in the loss to the Nation of hundreds of millions of hours of productive labor that can never be recouped. It has cost millions of tons of steel, millions of feet of timber, millions of pounds of copper, refrigerators, automobiles, and washing machines. All of these and countless other products could have been added to the Nation's supply in the past few months. With industries shut down or on short schedules, they were simply not produced. As a result, prices stay high or go higher in the face of shrinking demand.

These effects of the recession are close at hand. They are readily seen by anyone who has not been blinded by his own irresponsible optimism. What is not so apparent are the potential international implications of the recession. People at home cannot be expected to concentrate on long-range international problems when the installment collector is knocking at the door. The administration's obvious concern with foreign aid and reciprocal trade programs is not going to impress them very deeply when the same administration whistles off domestic economic problems.

Nor is that the only adverse international consequence of the recession. The free nations are now knit together in various defense and political arrangements to safeguard peace. We need these ties for our national security, and we need them for the foreign trade they make possible. In 1957, for example, our exports amounted to almost $20 billion, not an insignificant part of the national income. Moreover, while this trade is important to this country, it is a matter of desperate necessity to some of the nations that are closest to us.

The United States is at the center of the complex Free-World trading relations. Any prolonged slump in this country will hit others many times harder than it hits us. It will jeopardize their free existence and propel them into a desperate rivalry for trade wherever they can find it.

If that happens, what will be the impact on the defense and political arrangements which sustain freedom in the world? With people abroad as with people at home, spuds are likely to become more important than sputniks. In short, any prolonged slump in this country is bound to wreak havoc with the position of the United States and freedom in the world.

CHALLENGE TO SECRETARY OF AGRICULTURE BENSON BY SENATOR PROXMIRE TO DEBATE FARM POLICY.

Mr. PROXMIRE. Mr. President, I regret to report that the Secretary of Agriculture has sent me a flat refusal in response to my challenge to him to debate the farm policy question.

It will be recalled that an editorial in the New York Times last week declared that it was doubtful that any of Mr. Benson's critics could be found who would be willing to debate the Secretary in public.

I accepted this challenge, and invited Secretary Benson to debate the farm question with me "any place, any time, before any group, and under any circumstances" he might choose.

I am very much disappointed that Secretary Benson has refused to accept the implicit suggestion of the New York Times. The country urgently needs a full, free, well-reported, two-sided debate of the national farm policy with Secretary Benson himself personally involved.

Mr. Benson has spent more of the taxpayers' money on travel and printing costs to publicize his own side of the argument than any other Secretary of Agriculture in all history. He has made more speeches than any other member of President Eisenhower's Cabinet—perhaps more than any other single Cabinet officer of all time.

I am positive that if any representative group of Americans—be they farmers, workers, businessmen, or housewives—should hear such a debate they would agree that the policies of Secretary Benson were extremely damaging to our whole economy.

I am sure, of course, that Secretary Benson disagrees. It is too bad that the refusal of Secretary Benson makes it impossible for the public to decide.

Secretary Benson's letter to me, dated March 11, 1958, is as follows:

DEAR SENATOR PROXMIRE: Thank you for your offer to debate the farm situation, but as you know, I am discussing the farm situation every day, and my views are pretty well known.

Sincerely yours,

E. T. BENSON.

I now wish to discuss another subject.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

THE PARADOX OF RISING PRICES AND INCREASING UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, in my remarks yesterday concluding the arguments in favor of the Monroney amendment, I pointed out that one of the greatest puzzles for the American people is how prices can be rising when unemployment is increasing and we are having to take extraordinary measures to get the economy back on the rails. I wish to return to that paradox today.

There were two stories in yesterday's New York Times which ought to be put together and considered closely. One was the lead story on the first page. I quote the first paragraph only:

Unemployment rose in February to 5,173,000, a postwar record and the largest since 1941, the Labor and Commerce Department reported today.

The second story was inside the paper, on the financial page.

Here is the first paragraph:

Investors added one Washington indication to another yesterday, decided that inflation was just around the corner, and reached for the stocks best calculated to serve as hedges.

Mr. President, the gentlemen who operate in the stock market are realists. They win or lose on their ability to predict what is going to happen in the economy. What they are predicting now is inflation. Considering the fact that we have had inflation steadily in the midst of recession, it does not seem farfetched to predict inflation when we regain prosperity.

It is time, I think, to sound a solemn warning. Unless we can do something to head off inflation, all our best efforts, and the wealth of the American people which we commit when we make appropriations, can go for nothing. Inflation is a great blotter that can soak up, almost instantly, any amount of purchasing power that our recovery program creates. We can find that we are getting the same amount of employment and business activity for a larger amount of money.

That is why I supported the Monroney amendment yesterday. I did not want to vote inflation along with an emergency housing appropriation.

So I rise to point the paradox and raise the alarm. We are in the midst of a very peculiar recession, in which men are unemployed, farm prices go down, small businesses fold up—but the general price level does not go down, it goes up. Now the gentlemen who know these things scent more inflation in the air. When they lift their keen noses it is wise for all of us to look where they are pointing.

THE UNEMPLOYMENT SITUATION

Mr. BIBLE. Mr. President, during the past few weeks many thousand words have been spoken and many more thousands of words have been printed relative to the economic crisis our country is facing today. Let me make myself clear, here and now, that there is good and sufficient reason for these utterances and these writings as the economy of our country is in serious straits.

Figures revealed by the administration and printed in Tuesday's issue of the Washington Post show that 5,173,000 persons were unemployed in February, the highest number in 16 years. The statistics also show that the trend is upward, in that the figure had increased 679,000 persons over the previous month.

This great unemployment is not the result of layoffs and curtailments in certain industries or in certain geographical areas. The condition is general throughout the entire country. Nearly every productive industry of our Nation has been sorely hit.

I have only to point to my State, Nevada, where the situation has become most serious. Every day I receive letters and calls from companies seeking my aid, assistance, and advice. Every day I receive letters from individuals asking if I can help them in some way to get part-time work so they can feed their children.

Figures I have received from Nevada show that in January 1958, unemployment was up 78 percent over the year before, and 30.3 percent over the previous month. Approximately 10 percent of the wage earners in Nevada are without jobs. Many others are working on a part-time basis. Unemployment payments are the highest in the history of the State. The trend of unemployment is up—there seems to be no sign of a leveling off.

One of the greatest factors in Nevada unemployment is the almost complete collapse of the mining industry. Because our domestic mines cannot compete with cheaply produced foreign ores they have been forced to curtail their operations or shut down completely. These shutdowns not only affect the mines, but mills, equipment dealers, auto dealers,

grocerymen, and other merchants in the areas where the mines are located. The closing of a mine acts like the proverbial snowball rolling downhill. No matter how large or how small the mine, the unemployment results continue to grow and grow.

Nevada is not unique in this situation—it has happened in every State where mining plays a part in the economy.

On February 26 of this year the governors from the 11 Western States met in Colorado Springs, Colo., to discuss mutual problems.

These governors face every day the problems we talk about here. They have an up-to-the-minute knowledge of the conditions as they exist. One of the problems discussed at the meeting was the mining situation, and as a result of that discussion a resolution was adopted setting forth their collective views.

Mr. President, I ask unanimous consent to have the resolution on metals and mineral mining adopted by the western governors appear in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

METAL AND MINERAL—RESOLUTION ADOPTED BY WESTERN GOVERNORS' BUSINESS SESSION

Whereas in the last 20 years the United States has changed from almost complete self-sufficiency in nonferrous metals to almost 50 percent dependence on foreign supplies; and

Whereas in the same 20 years tariffs have been reduced both by actual reduction of rates and by internal inflation of the currency by from 60 to 80 percent so that they are now almost universally below 10 percent ad valorem; and

Whereas during that period mining costs have risen to 3 to 4½ times the 1938 level while prices have risen only to 2 to 2½ times 1938 prices; and

Whereas the world mining industry has supplied all the metals and minerals for two wars and the United States Government stockpiles; and

Whereas those stockpiles are now filled and the productive capacity which supplied metals and minerals for those stockpiles is no longer needed; and

Whereas while much of this capacity was built in foreign countries with United States Government encouragement most of the portion which will have to close because of high costs lies within the United States; and

Whereas foreign metals and minerals now enjoy about one-half of the United States market and unless adequate steps are taken they will take over much of the remaining one-half now supplied by domestic producers; and

Whereas it is self-evident that domestic mining cannot long survive unless it is assured its fair share of the domestic market on a reasonably long-term basis; and

Whereas the internal economic health of most of the Western States is heavily dependent on the dollars brought [illegible] those States by the export of metals and minerals and those few Western States not so directly dependent on the mineral industry are directly affected by the economic health of the adjoining States who are more dependent on the industries; and

Whereas much of the tax income on which the Western State governments operate is derived directly or indirectly from the mineral industry; and

Whereas it is day by day becoming more apparent that in the event of another national emergency no appreciable amounts of any metal or mineral will be available from overseas sources and if the Eastern States are to have metals for the manufacture of munitions and essential civilian requirements they must come from the West and from Canada and Mexico; and

Whereas, should such an emergency result in the use of atomic weapons, the amounts of metals and minerals required for minimum reconstruction would be far beyond any currently available supply: Now therefore, be it

Resolved, That the maintenance of a healthy metal and mineral mining industry in the Western States is of the utmost economic importance to those States both for themselves and as major markets for eastern manufacturers, as well as being of the utmost importance to the national security, and such a healthy industry may best be maintained by—

1. Joint action by the administration and the Interior and Insular Affairs Committees of both Houses and the Congress is adopting and implementing a national minerals policy without delay; and by

2. The Ways and Means Committee of the House of Representatives and the Senate Finance Committee taking all steps which may be needed to assure to the domestic mining industry at least one-half of the domestic market or the present proportion of the domestic market (whichever is higher) either by adequate tariffs, excise taxes, or quotas or allocation of import receipts or such combination as may be most suitable whenever an individual metal or mining industry has shown it can reach such levels.

More specifically it is recommended:

As to lead, zinc, tungsten, and mercury, the Tariff Commission take early and favorable action.

As to copper, lead, and zinc, the Congress approve pending industry legislation, and that the Tariff Commission approve applications for tariff relief now pending before that Commission.

As to cobalt, tungsten, mercury, fluorspar, columbium (and possibly manganese), the House Ways and Means Committee approve legislation providing sufficient import control to maintain present domestic levels of production.

As to antimony, chrome, asbestos (and possibly manganese), the House Ways and Means Committee to approve legislation allocating import receipts to maintain a minimum nucleus of production in these metals.

As to thorium, the Atomic Energy Commission either to provide a purchase program or release it from Government control and cease the purchase of foreign monazite at the expense of closing domestic mines.

As to uranium, the Atomic Energy Commission refrain from purchasing high-cost foreign production while limiting production domestically. We urge and request that action be taken to locate adequate purchasing depots and milling facilities sufficiently close to ore reserves and stockpiles in order to decrease the costs of transportation to producers and to the Government.

As to gold and silver, grant to United States citizens the same right to own gold as granted to foreign governments and an increase in the depletion rate from 15 to 23 percent.

Mr. BIBLE. Mr. President, it would be well for all of us to pay particular heed to the resolution of the governors. Their firsthand knowledge of the situation in the various States is invaluable in helping us chart the course to recovery.

Mining, while only one segment of our Nation's economy, is a basic segment. This industry, which provides the raw materials for the Nation's manufacturing, in peace and in war, must remain strong and be ever ready to produce.

Positive governmental action to aid the mining industry is needed to furnish the basis for long-range planning, for it is in mining and the other basic industries that an end to the current recession must be accomplished.

DISCRIMINATION IN EMPLOYMENT BECAUSE OF AGE

Mr. JAVITS. Mr. President, on Tuesday evening the great national organization, the Fraternal Order of Eagles, held a reception at the Hotel Statler in Washington for national officers and others who had worked in a great campaign, in which there had been gathered an estimated 800,000 signatures from members of the organization throughout the United States, in support of the effort of myself, the Senator from Oregon [Mr. NEUBERGER], my distinguished colleague [Mr. IVES], and other Members of Congress, to prevent the denial of opportunity of jobs to those over 40.

The outpouring of signatures was fantastic, and I ask unanimous consent that there may be printed in the RECORD a summary of the signatures, by States, totaling 671,246.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Jobs after 40—totals by States

	Total
Alaska	625
Canada	226
Hawaii	279
Alabama	1,987
Arizona	5,200
Arkansas	1,867
California	41,817
Colorado	10,532
Connecticut	6,110
Delaware	650
District of Columbia	171
Florida	1,201
Georgia	579
Idaho	5,096
Illinois	56,459
Indiana	33,231
Iowa	14,399
Kansas	9,173
Kentucky	1,960
Louisiana	473
Maine	4,406
Maryland	8,859
Massachusetts	14,387
Michigan	47,407
Minnesota	11,669
Missouri	8,737
Montana	6,717
Nebraska	9,140
Nevada	8,366
New Hampshire	2,502
New Mexico	45
New Jersey	8,402
New York	17,359
North Dakota	6,535
Ohio	93,772
Oklahoma	109
Oregon	21,585
Pennsylvania	61,471
Rhode Island	2,391
South Dakota	1,391
Tennessee	4,256
Texas	14,566
Utah	5,061
Vermont	2,357
Virginia	3,178
Washington	54,313

Jobs after 40—totals by States—Continued

	Total
West Virginia	8,575
Wisconsin	37,875
Wyoming	11,094
Total	668,560
Petitions, Mar. 7	2,686
Grand total	671,246

Mr. JAVITS. The part in this effort which I am playing, and which I have the great honor to share with my colleague from Oregon and other Senators, is to work hard for a bill which deals with the effort to prohibit discrimination in employment on the ground of age. It is S. 1073, sponsored by my senior colleague from New York [Mr. IVES], the Senator from Maine [Mr. PAYNE], the Senator from Kentucky [Mr. MORTON], and myself.

At present only five States have statutes on their books against age discrimination in employment. They are Massachusetts, Pennsylvania, Colorado, Louisiana, and Rhode Island.

We realize that in the present recession those over 45 are likely to be the first to be laid off from employment, and we also know of the indispensable need for skill and experience, and that there is a tremendous need for the services of these older persons in our country. We also know that this skilled labor force has time and time again been called upon in the course of national need. Therefore I am grateful to the Eagles for their campaign.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. NEUBERGER. It is a pleasure to be associated with the distinguished Senator from New York in the effort to prevent discrimination, merely because of age, against men and women seeking jobs. The Senator from New York has suggested that very comprehensive legislation should be enacted in this field. Following his lead, I have proposed the enactment of legislation which in principle is essentially similar to that suggested by the Senator from New York, but that, as a beginning, will apply only in the field of Government contracts and Government procurement of supplies. I believe that would be a very encouraging start.

For example, the Federal budget now totals approximately $73 billion every fiscal year. I am informed that the Defense Department alone has entered into contracts which provide for expenditures totaling the huge sum of $19,100,000,000 during the current fiscal year. These funds will be sufficient to provide for the employment of hundreds of thousands, if not millions, of workers. If we could start in this very large and vital area to provide by law that no person shall be denied a job in the supplying of a governmental need or in the filling of a Government contract merely because of his or her age, we would achieve a great step toward social justice.

I wish to join the Senator from New York in commending the Fraternal Order of Eagles for taking the lead in pioneering this particular proposed legislation. If I am not mistaken, the Fraternal Order of Eagles was the first large organization in our country to suggest that the original Social Security Act be adopted. That great program protects all men and women in their later years against poverty and against the shame and degradation of the poorhouse. The Eagles are acting in consonance with the leadership they showed in the field of social security when they take the leadership in working with Senators like the Senator from New York and a great many other able Members of the Senate in seeking to prevent discrimination because of age in the procurement of work.

To demonstrate the need for this type of legislation, I should like to read two paragraphs from a monumental study entitled "Economic Needs of Older People," by John J. Corson, former Director of the Bureau of Old Age and Survivors Insurance, and Prof. John W. McConnell, Cornell's dean of graduate studies. This is what these eminent men said in their authoritative report published by the 20th Century Fund in 1956:

Unemployment is at a minimum at ages 35–44, and rises gradually between 45 and 64. Unemployment figures for men aged 65 or over understate the extent of unemployment and reflect the tendency of older unemployed men to withdraw from the labor force.

Once unemployed, older workers remain out of work longer than younger workers. The 1940 census, for example, showed a higher percentage of unemployed wage and salaried workers aged 65 or over who had been out of work for more than 2 years than of unemployed workers under age 45. The similarity between experience in 1940, when unemployment was substantial, and in 1950, when it was unusually low, reinforces the correlation between age and length of unemployment.

Mr. President, for these and many other reasons I am pleased and proud to join with my colleague, the distinguished junior Senator from New York, in this very vital and urgent cause of jobs after the age of 40.

Mr. JAVITS. I thank the distinguished Senator from Oregon.

Mr. President, I ask unanimous consent that a statement by the Fraternal Order of Eagles on this subject may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AVALANCHE OF PETITIONS FROM FRATERNAL ORDER OF EAGLES ASKS END OF EMPLOYMENT DISCRIMINATION AGAINST PERSONS OVER 40

WASHINGTON, D. C.—A strong case for legislation to ban discrimination because of age in hiring of persons by Government contractors was made today when petitions signed by 671,328 persons and circulated by members of the Fraternal Order of Eagles were presented to Senators and Representatives interested in the organization's "jobs over 40" campaign now before Congress.

Petitions from each of the 48 States, Alaska, Hawaii, and the District of Columbia were presented to legislators at ceremonies in the Hotel Statler by Judge Robert W. Hansen, of Milwaukee, Wis., chairman of the national program of the Fraternal Order of Eagles. The national organization, which was instrumental in the drive for original passage of the Social Security Act in the 1930's and other welfare measures, has undertaken a campaign to eliminate age discrimination in employment as "an unwarranted practice which is depriving thousands of physically sound, skilled, and experienced workers of the means of a livelihood," Hansen said.

"This is a tragic waste of manpower in the American economy," he added.

Judge Hansen said need for abolishing job restrictions against persons over 40 is reflected in a report of the United States Employment Service showing that more than half of all employment openings specify upper-age limitations. The Eagles' "jobs after 40" campaign, Hansen said, was started as "a resolute affirmation of the right of every person, regardless of his or her age, to equal opportunity in employment."

The petitions signed by 671,328 persons are "evidence of public interest in the problem of age discrimination by employers, and the desire for immediate corrective legislation," Hansen added. Petitions included signatures of 93,772 persons from Ohio; 61,471 from Pennsylvania; 56,459 from Illinois; 54,313 from Washington; 47,707 from Michigan; 41,817 from California; 37,875 from Wisconsin; 33,231 from Indiana; 21,585 from Oregon; 17,359 from New York.

Efforts of the Eagles to obtain enactment of legislation to wipe out age barriers center around bills introduced in the Senate by Senators RICHARD L. NEUBERGER, Democrat, of Oregon, and JACOB JAVITS, Republican, of New York, and a group of cosponsors; and a number of companion bills introduced in the House of Representatives by Representatives AL ULLMAN, Democrat, of Oregon; CHARLES O. PORTER, Democrat, of Oregon; HENRY S. REUSS, Democrat, of Wisconsin; JOHN B. BENNETT, Republican, of Michigan; BARRATT O'HARA, Democrat, of Illinois; ARCH A. MOORE, JR., Republican, of West Virginia; CLEMENT J. ZABLOCKI, Democrat, of Wisconsin; MELVIN PRICE, Democrat, of Illinois; WILLIAM G. BRAY, Republican, of Indiana; HAROLD R. COLLIER, Republican, of Illinois.

S. 3188, a bill introduced by Senator NEUBERGER, of Oregon, and nine cosponsors, would amend regulations governing terms of contracts with agencies of the Federal Government so as to forbid contractors from imposing any requirement of maximum age when hiring workers. The objectives of the Neuberger bill have been endorsed by the Eagles. NEUBERGER was joined in sponsoring the bill by Senators WAYNE MORSE, Democrat, of Oregon; HUBERT HUMPHREY, Democrat, of Minnesota; MIKE MANSFIELD, Democrat, of Montana; ESTES KEFAUVER, Democrat, of Tennessee; PAUL DOUGLAS, Democrat, of Illinois; WARREN G. MAGNUSON, Democrat, of Washington; JOHN CARROLL, Democrat, of Colorado; WILLIAM PROXMIRE, Democrat, of Wisconsin, and RALPH W. YARBOROUGH, Democrat, of Texas.

Senator JAVITS also has introduced a bill (S. 3433) prohibiting age discrimination by Federal contractors and another bill of broader coverage (S. 1073), cosponsored by Senators IRVING M. IVES, Republican, of New York; FREDERICK G. PAYNE, Republican, of Maine, and THRUSTON B. MORTON, Republican, of Kentucky, establishing a national act against age discrimination in employment banning age limits in other categories of business, trade, and commerce.

Mr. JAVITS. Mr. President, I call attention to the fact that petitions signed by about 500,000 adult Americans are available in the Senate Chamber.

Mr. NEUBERGER. Mr. President, I might add that the petitions from the Eagles show a very impressive total, too.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. JAVITS. I shall be glad to yield if my time has not expired.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BIBLE. I have listened with great interest to the speech just made by the Senator from New York, concurred in by the Senator from Oregon, concerning the very worthy project of "jobs after 40," a project sponsored primarily by the Fraternal Order of Eagles. Certainly efforts along this line are steps in the right direction. I am proud that my State of Nevada ranks second to the State of Montana among the States which were the first to enact old-age assistance laws, sponsored originally by the Fraternal Order of Eagles. Nevada lost the honor of being the first only by minutes. That was many years ago, prior to the conception of social security.

The Fraternal Order of Eagles is to be commended for its work in the old-age assistance and social security fields. This step in the direction of providing jobs after 40 is worthwhile. I am proud to be a lifelong member of the Order of Eagles. I think it is one order which actually gets things done. I join with my colleagues from New York and Oregon in their commendation of the Eagles.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. NEUBERGER. I, too, share with the able Senator from Nevada membership in the Fraternal Order of Eagles. I wish I could say that my State of Oregon was among the five in the list enumerated by the Senator from New York which had adopted legislation to prevent discrimination because of a person's age. As a member of the Oregon State Senate, I sponsored such a bill, but, alas, it failed to become law.

However, I have rejoiced that my State, together with Nevada and other States, has enacted enlightened legislation in the field of old-age assistance so as to help take care of men and women in the later years of their lives.

Mr. CLARK. Mr. President, I associate myself with the remarks just made by the distinguished junior Senator from New York, the distinguished junior Senator from Oregon, and the distinguished junior Senator from Nevada concerning the fine work which the Eagles are doing to bring about the enactment of legislation designed to protect the employment rights of the elderly.

I was happy to hear my friend from New York list Pennsylvania as one of the States which have taken at least some type of appropriate action. It may be only a coincidence, but, on the other hand, there may be a cause and effect relationship, that the present president of the national Eagles group is Maurice Splain, who was the chairman of the Democratic State Committee of Pennsylvania at the time, I believe, when the legislation of that State was enacted.

Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

PROPOSED EXTENSION OF EAST FRONT OF THE CAPITOL

Mr. CLARK. Mr. President, an interesting debate took place in the Chamber a few days ago concerning the east front of the Capitol. We who felt that a serious mistake was being made in permitting the existing authorization to extend the east front 32 feet 6 inches to continue in effect were defeated in an effort to suspend the rule in order to attempt to provide legislation to stop that activity. However, we have not given up.

This morning the New York Times has published an excellent editorial entitled "Thirty-two Feet Six Inches." I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 13, 1958]

THIRTY-TWO FEET SIX INCHES

To gain 32½ feet of space at a cost of more than than $10 million the Commission for Extension of the United States Capitol under whiplash of Speaker SAM RAYBURN is going doggedly ahead with its plan to vandalize the oldest part of this beautiful and historic building.

The Commission is doing this despite the fact that some of the most prominent architectural spokesmen in the country—including the American Institute of Architects—are vehemently against the plan. A Senate committee has tried to halt the plan, the House has held no hearings on the plan, and practically nobody except Mr. RAYBURN and his so-called Architect of the Capitol (who is no architect) can be found in favor of the plan.

But because Congress without thinking and virtually without debate did appropriate the necessary funds in 1955 and 1956, the Commission has the power to proceed—unless legislation is passed to stop it. Even if the Senate should approve its Public Works Committee's bill to reconsider the proposed rebuilding of the east front—and an abortive effort to achieve this end by means of a rider was blocked a couple of days ago—there would still remain the insurmountable obstacle of getting such a measure through the House over Mr. RAYBURN'S veto. Such is the influence of the Speaker on matters like this that House bills to block the project can't even obtain consideration in committee.

The responsibility is thus thrown squarely on the Commission. In addition to Mr. Rayburn and Capitol Architect J. George Stewart the Commission consists of House Minority Leader Joseph W. Martin, Jr., who is known to have opposed the plan, Vice President Nixon and Senator Knowland. It seems to us that it's up to the last two gentlemen to join with Mr. Martin and outvote Messrs. Rayburn and Stewart in order to prevent a senseless desecration of the Nation's most historic monument. And if they're going to do it, they'd better do it soon.

Mr. CLARK. Mr. President, the editorial points out that S. 2883, which is now on the calendar, with an amendment sponsored by me and a number of other Senators, should promptly be called up for action. I hope the majority leader and the minority leader will agree to take that position, so that the question may be debated and the Senate may vote its own views about extending the east front of the Capitol.

But the editorial also makes this suggestion, which I call to the attention of the minority leader through his substitute, the distinguished junior Senator from New York [Mr. JAVITS], whom I see sitting in the minority leader's chair, and also to the attention of the Vice President, whom we were all so happy and pleased to see in the chair yesterday afternoon, even though the action which he took while he was there did not happen to meet with my personal approval.

The editorial suggests that the Vice President and the minority leader of the Senate should convene another meeting of the Capitol Commission and add their votes, in opposition to this quite unwise proposal, to the already existing vote of Representative MARTIN, and thus take, by administrative action, a step which would make unnecessary the long, hard legislative process which will confront us if we desire to go along with all the architects and historians who feel that a great mistake is about to be made.

Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

FOREIGN AID

Mr. CLARK. Mr. President, we have heard so much ridicule, so many smears, and so many slogans as a substitute for thought in opposition to the mutual security program that I think it is time a few of us who sponsor and favor that program as being vital to the interests of American national security and defense, and a wonderful expression of the compassionate feeling of a great and rich Nation toward its poorer less fortunate companions overseas, should come to the defense of that program.

I ask unanimous consent that two splendid editorials, one entitled "Foreign Aid Facts," published in the Philadelphia Evening Bulletin, and the other entitled "Grass, Bathtubs, and Foreign Aid," published in the Philadelphia Inquirer, may be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Evening Bulletin]

FOREIGN AID FACTS

Ridicule, smears, and slogans are the chief weapons used by opponents of foreign aid. They cost little and are effective. Striped pants for Greek undertakers and bathhouses for Egyptian camel drivers are catchy stories that make a hit with those who persist in believing the foreign-aid program is a useless giveaway.

James H. Smith, Jr., the program's director, debunked with facts some of these tales of waste.

In an enterprise that spends billions every year some mistakes are bound to be made. Economic aid to undeveloped nations is comparatively new to our Government. Miscalculations and waste creep into domestic programs of the Government and are certain when this country is working in a foreign field.

But however funny and wasteful mistakes may be, they do not add up to an argument

for rejection of the entire program. They do call for a tightening of the administration of foreign assistance when they are based on facts and not fancies. Military and economic aid to our allies and friendly nations is too important to our national safety to be wrecked by distortion of details.

[From the Philadelphia Inquirer]

GRASS, BATHTUBS, AND FOREIGN AID

Critics of the foreign aid program who have resorted to charging that American dollars were being spent for such ridiculous projects as camel drivers' bathtubs no doubt have intended their attacks to build up resentment against the whole concept of American assistance abroad.

But, as a result of the blunt defense of James H. Smith, Jr., Director of the International Cooperation Administration, before a House committee this week, the critics' tactics may, in the end, contribute to better understanding of economic aid to other countries.

"Bathtubs for Egyptian camel drivers" was, of course, a slight overstatement of what was going on. Smith, however, freely conceded that American funds had been spent for a public health program to stamp out hookworm, and camel drivers could use the facilities, like anybody else.

Smith also answered other criticisms. Iceboxes for Eskimos, the ICA had no aid program for Eskimos, hence no iceboxes. Lawns for the people of Lebanon? Not exactly, but ICA did aid in a project to plant grass to prevent erosion, one of the major problems in a desert land where good soil is rare and vitally important. Flying Arabs to Mecca. Yes, when Arab transportation broke down in 1952, the State Department and Air Force supplied planes to take Arabs to their holy city—and were paid regular commercial rates.

The point about these projects, on the surface so easy to ridicule, is that they make sense from the standpoint of the people receiving aid. A health project excluding camel drivers would be senseless in Egypt. An aid program which failed to take into account the erosion problem in Lebanon would not win friends among the Lebanese.

Smith's defense didn't do away with the need for constant supervision of foreign aid products. Waste can't be tolerated.

But, if foreign aid is to raise living standards and win friends for the United States in other countries, it must deal with the problems of those countries. Even a bath for a camel driver could pay off for the United States.

Mr. CLARK. Mr. President, we all agree that whatever waste there may be in the foreign aid program should be hunted out and eliminated. We all agree that those who make mistakes should be held accountable and that the mistakes should be rectified. But let us not burn down the house of American national security in the hope of killing a few mice.

HARM TO PRESTIGE OF THE UNITED STATES BY TRANSGRESSIONS OF GOVERNMENT EMPLOYEES

Mr. WILLIAMS. Mr. President, today I wish to call attention to the transgressions of certain Government employees whose guilt cannot be measured in terms of dollars and cents, but, rather, in the harm they have done to the prestige of the United States in the country in which they were serving. In the Philippines a group of Federal employees, when charged with having been engaged in an active black-market currency operation, took the fifth amendment, rather than answer the charges; one of these fifth amendment employees is still being carried on the Federal payroll.

It is recognized that allegations against an individual do not constitute guilt; however, when employees of the United States Government take the fifth amendment, rather than answer charges of improper action in connection with official duties, as far as I am concerned they assume guilt, and should summarily be fired.

Several months ago my attention was called to this alleged major black-market currency operation in the Philippines. I promptly placed an inquiry with the departments involved, and have received the following information:

This black-market operation in currency was investigated by the Intelligence Unit of the Veterans' Administration between July and September, 1953, with their report being filed on October 13, 1953.

The report showed that approximately 30 Government employees were involved. Some were involved only to a minor extent; however, one had converted over $100,000 in a calendar year, and the 1-year operations of another exceeded a quarter of a million dollars.

When confronted with these charges concerning their questionable transactions, several of the Federal employees took the fifth amendment, rather than answer to the agency conducting the investigation.

In some instances, those who had taken the fifth amendment later withdrew their claims to rights under this amendment, and gave testimony in answer to the charges.

I find that one employee, Mr. Lloyd D. Margerum, who insisted upon his rights under the fifth amendment, and who refused to answer the charges against him, is still on the Federal payroll.

At the time of the charges, Mr. Margerum was serving as assistant supply officer in Manila, at a salary of $5,435 per annum. Although insisting upon his rights under the fifth amendment, he was not fired, but merely was demoted from a grade GS–9 to GS–7 and was transferred from the Philippines to the veterans hospital in Wilmington, Del. Later he was transferred to Puerto Rico where, as of January 21, 1958, he held the position in the Veterans' Administration as chief of the supply division, at a salary of $5,710 per annum.

Another employee involved was Dr. Benjamin Wandruff, formerly chief, professional section. The records of the Bank of America, Taft, Calif.; the National City Bank of New York, New York City; and the Ann Arbor Bank, of Ann Arbor, Mich., disclose that during the period July 1952 to July 1953 deposits of approximately $250,000 were made by Dr. Wandruff and/or his wife. During the period of July 29, 1952, to June 1953, he purchased United States postal money orders totaling $112,600.

When confronted with the charges of being engaged in black-market-currency operations, Dr. Wandruff invoked his rights under the fifth amendment, and refused to answer any questions concerning his financial transactions. He was removed from Government service.

Another Federal employee in the Philippines, who is charged with having remitted more than $100,000 to the United States during a 1-year period, is Mr. Walter T. Ridlehuber, former adjudicator, GS–9, at a salary of $5,685 per annum.

The records of Bossier Bank & Trust Co., Bossier City, La.; the Bank of America, harbor branch, San Francisco, Calif.; and the National City Bank of New York, New York City; show that during the period July 1952 to July 1953 Mr. Walter T. Ridlehuber and/or Mrs. Ridlehuber deposited approximately $130,000 in their accounts maintained in the above banks.

According to official records Mr. Ridlehuber purchased United States postal money orders totaling $65,111.85 during the period July 3, 1952, to July 21, 1953.

Both Dr. Wandruff and Mr. Ridlehuber, when interviewed by the Veterans' Administration, invoked their rights under the fifth amendment, and refused to answer any questions concerning the above or other financial transactions. Both men were removed from Government service; but, to my knowledge, no other action was taken against them.

There is also evidence indicating that employees of some of the agencies other than the Veterans' Administration were involved to a somewhat similar extent, and that the same practice—that of Government employees engaging in the manipulation of the native currency—has spread to other countries in the far eastern area.

Accordingly, I have referred the problem to the Comptroller General of the United States, with the request that his office conduct an independent examination and render a report as to present conditions.

I wish to thank Mr. Sumner G. Whittier, the new Administrator of the Veterans' Administration, for his cooperation in obtaining the necessary information to make this report, and to compliment him on the aggressive manner in which he is currently moving forward to handle the situation.

I shall not delay the Senate by a discussion of each of the individual cases involved; however, as evidence of the extent and seriousness of these irregularities in the Philippine area, I ask unanimous consent to have incorporated in the RECORD, as a part of my remarks, a portion of the report by the intelligence agent on this case.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

OFFICE OF APPRAISAL AND SECURITY,
INVESTIGATION SERVICE,
October 13, 1953.

Subject: Alleged irregularities, VA regional office, Manila, P. I.

(Investigation by: Thomas C. Doherty, Donald A. MacCallum. Period of investigation: July 7, 1953, through September 4, 1953.)

BRIEF

1. This investigation was authorized after it had been brought to the attention of VA central office by the then manager, R. B. Lovett, Manila regional office, that the intelligence division, Central Bank of the Philippines, and the office of special investigation, Far East Air Force, were conducting

investigations into the activities of certain VA employees alleged to be involved in black-market activities.

2. Investigation disclosed:

(a) That for a profit, the following employees engaged extensively in foreign exchange transactions in violation of VA policy, Philippine exchange control laws and regulations, United States Army and United State Air Force currency and postal regulations, which resulted in revocation of their APO and other privileges extended by the 13th Air Force and in bringing discredit and embarrassment upon the VA and the United States Government: Dr. Benjamin Wandruff, chief, professional section; Douglas M. Morrill, former chief attorney; William E. Diner, chief, administrative division; Ralph S. Frame, assistant finance officer; Lloyd D. Margerum, assistant supply officer; Harold V. Seiferd, authorization officer; Norman D. Enke, adjudicator, and Walter T. Ridlehuber, adjudicator. The foregoing employees refused to answer pertinent questions relating to their financial activities by invoking their privilege under the fifth amendment or on the basis that they were of a personal nature and of no concern to the VA.

(b) That for a profit, John K. Winn, supervising attorney; Thomas McEwen, field examiner, and John Shrader, chief, accounting section, finance division, engaged in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc., but to a lesser degree than the above mentioned employees. These employees also refused to answer pertinent questions relating to their financial activities by invoking their privileges under the fifth amendment.

(c) That 11 other employees of the MRO had engaged in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc. Five of these employees admitted that they had done so for a profit. The others admitted the transactions but claimed that they had engaged in such activities not for profit but as a matter of convenience in cashing dollar instruments, etc.

(d) That for a profit, William Y. Hester, attorney adviser, VARO, Little Rock, Ark., while assigned to the MRO, did engage in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc.

(e) That Dr. Benjamin Wandruff, a full-time employee of DM&S, violated VA regulations by engaging in the private practice of medicine.

(f) That William E. Diner violated VA regulations by engaging in speculative activities.

(g) Dr. William Crutchett, chief medical officer; Earle Sawyer, former chief, VR&E division; Ralph S. Frame, assistant finance officer; Leandro Gaspar, training specialist, VR&E; Moises Diano, facilities specialist, VR&E; Jose Adoptante, chief, voucher audit section; M. D. Silang Cruz, chief, general ledger unit; S. P. Nuguid, business accountant; A. R. Velez, business accountant, and Romeo Aluning, business accountant, finance division, violated VA regulations by accepting gifts, gratuities and/or favors from approved institutions with whom the VA was doing business.

(h) That the following full-time employees of the MRO are engaged in part-time employment with approved educational institutions or hospitals with whom the VA is doing business; A. G. Evangelista, chief laboratory technician; Glicerio Opinion, Jr., docket attorney; Ignacio Katapang, docket attorney, and Pascual Trinidad, business accountant.

3. Action taken:

The following employees resigned or were removed as a result of the investigation:

Dr. Benjamin Wandruff, chief, professional section.

Mr. William E. Diner, chief, administrative division (after receipt of charges).

Mr. Edward J. Zitek, field examiner.

Mr. Earle M. Sawyer, chief, VR&E division.

Amaury R. Velez, business accountant, finance division.

Miguel D. Silang Cruz, chief, general ledger unit, finance division.

Moises B. Diano, facilities specialist, VR&E division.

Mr. Douglas M. Morrill, chief attorney.

Mr. Henry N. Conway, Jr., contact officer.

Mr. Conrad S. Wilke, assistant chief, administrative division.

Romeo D. Aluning, finance division business accountant.

Sebastian P. Nuguid, business accountant, finance division.

Jose M. Adoptante, chief, voucher audit section.

Mr. Ralph S. Frame, assistant finance officer.

Norman D. Enke, adjudicator.

Mr. Harold V. Seiferd, authorization officer.

Mr. Walter T. Ridlehuber, adjudicator.

Mr. Lloyd D. Margerum, assistant supply officer, was demoted from grade GS-9 to GS-7 and transferred to VAH, Wilmington, Del.

Letters of reprimand were issued to the following employees:

John K. Winn, attorney adviser.

John W. Shrader, chief, accounting section.

Daniel D. Wolfe, rating specialist.

William Y. Hester (now supervisory attorney, VARO, Little Rock, Ark.).

Thomas M. McEwen, field examiner.

Thomas M. Lee, assistant chief attorney.

James F. Dobbins, supervisory attorney.

UNEMPLOYMENT IN PENNSYLVANIA

Mr. CLARK. Mr. President, I ask unanimous consent that at this time I may proceed to address the Senate for not to exceed 10 minutes, on the subject of unemployment in the Commonwealth of Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, the unemployment statistics with which all of us are familiar, and which a moment ago were called to the attention of the Senate by the distinguished Senator from Nevada [Mr. BIBLE], raise a serious problem regarding the steps which should immediately be taken to help terminate the present recession.

The fact that 5,173,000 persons are unemployed makes it clear that the present recession has spread deeper than either the 1949 or the 1953 declines.

A constituent in my office yesterday said that when one is still working, the development of widespread unemployment is a recession; but when one loses his own job, the development of widespread unemployment is a depression.

On February 13, there were 464,000 unemployed persons in the Commonwealth of Pennsylvania. They constitute 10 percent of the Pennsylvania labor force.

However, in the Pennsylvania areas of chronic and persistent unemployment, the situation was far worse. For example, in the Uniontown-Connellsville area, 23½ percent of the labor force was unemployed on January 15. In Schuylkill County, in the heart of the hard-coal mining region, 18 percent of the labor force was unemployed as of January 15. Today, these figures are even larger.

Even in the great metropolitan areas of Philadelphia and Pittsburgh, unemployment has been increasing at an alarming rate. On January 15, there were 136,900 unemployed persons in the Philadelphia labor market area, and 90,900 in the Pittsburgh labor market area.

Mr. President, last year I heard repeatedly on this floor the plea that public works and public activities should be curtailed and deferred because of the menace of inflation. But I submit that this year the situation is reversed. This is a year when deferred public works necessary to overcome the obsolescence in the public sector of our economy should be taken off the shelf and made the subject of active construction work as early as possible this spring.

I imagine every Member of the Senate appreciates the shocking lack of school buildings throughout the Nation. Yesterday, I had the privilege of testifying before the distinguished chairman and his colleagues of the Senate Committee on Labor and Public Welfare. At some length I spelled out the critical needs in Pennsylvania. Yet, Mr. President, in the present economic situation, our State and local communities are quite unable to finance the needed school buildings.

Mr. President, we realize the need for urban redevelopment and slum clearance. We realize the need to expedite the construction of highways, by means of aid through Federal funds. Nothing will put more people to work quicker than the construction and improvement of highways.

I take pride in the fact that the Governor of the Commonwealth of Pennsylvania, George M. Leader, has mobilized the departments of the State government to push ahead every available public-works project in the Commonwealth, at both the local and the State level. He has sought the cooperation of the senior Senator from Pennsylvania [Mr. MARTIN] and myself and all the other members of the Pennsylvania Congressional delegation in respect to pushing ahead an accelerated public-works program and enacting the needed legislation therefore at the Federal level. In one or two instances we have been able to find private employers whose situations were such that with a little help from either the State government or the Federal Government, they could put more people back to work.

Mr. President, I hope that when the resolution presently pending before the Armed Services Committee, and sponsored by the distinguished majority leader, is considered on the floor, it will be amended so as to include the expediting of defense procurement to the extent that procurement is still necessary, because, in my judgment, the expediting of necessary defense procurement is a splendid way to put people back to work.

I hope, too, we shall not fall into what, to me at least, seems to be the error of enacting at this time a large tax reduction measure, because no matter how appealing that may be politically, and from the viewpoint of compassion, we cannot afford to have in the Federal budget this year an enormous deficit.

I am not one of those who think we must have a balanced Federal budget in

times of recession like the present, but some Members of this body last year fought, at every opportunity, to prevent the building of necessary housing, to prevent the extension of urban redevelopment and slum clearance, to prevent school construction, and to stretch out our highway program on the ground that such programs would contribute to inflation. I should dislike to see the same Senators, who I know are sincere in their beliefs, say, "We cannot afford this year those needed additions to our economy, because now we have passed a tax reduction bill, and if the public works program cost is added to that, there will be a deficit of $10 billion, $11 billion, or $12 billion, and we cannot stand that, either logically or from a psychological standpoint."

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield, but I shall probably have to ask for more time.

Mr. JAVITS. I shall be glad to ask for time, because the Senator is touching on something that is very important. A tax cut seems to be an issue before the country.

I agree with the fundamental principle expressed by the Senator. I have been advocating the same thing. The theory of those who would cut taxes, in the very superficial, attractive way of reducing income taxes by increasing exemptions, is that it worked in 1953–54. However, every particular recession or depression is what we lawyers call sui generis. It has its own reasons and its own cure. We have analyzed the present recession as one caused by inventory liquidations and a contraction in expenditures for capital facilities by business and industry. A tax reduction would not result in more people buying commodities of various kinds. What a person needs is an assurance that he will have his job tomorrow. I also point out that the only one who will get a tax reduction is the man who has a job, not the man who is unemployed.

So I am very glad to make comment on the statement of the Senator from the great State of Pennsylvania. I, too, come from a great industrial State. We would be fooling our people, and leading them up a garden path, if we led them to the belief that a tax reduction of $50 or $70 would cure the basic trouble. Such a tax reduction would cost the Treasury $5 billion, and once it were done, it would be done, regardless of its effect.

Mr. CLARK. I thank the Senator. I find myself in complete agreement with his remarks.

Mr. President, throughout the Commonwealth of Pennsylvania, Governor Leader has been holding a series of meetings for the purpose of expediting already approved public projects at the local, State, and Federal levels, and seeing what can be done to induce private industry to put more people back to work. I have attended such meetings in Erie, Scranton, and Philadelphia. My executive assistant went to one in Pittsburgh. We shall be represented at meetings still to be held in Johnstown, Altoona, and Harrisburg. Those meetings have been enthusiastically attended by individuals from both political parties, and have been conducted on a nonpartisan basis.

The Governor of Pennsylvania, at a meeting with a senatorial and House of Representatives delegation, advocated legislation, which I shall now call to the attention of my colleagues.

He pointed out the need for hospitals presently recommended under the Hill-Burton Act. Two years ago, when over $100 million was provided for that purpose, Pennsylvania received $5 million of that amount. In this year's budget, the amount recommended is about half what it was 2 years ago—and this at a time when increased construction would put the people back to work. If the amount recommended in the budget is appropriated, the Commonwealth of Pennsylvania will receive only $2,500,000 of the fund.

There are presently available in Pennsylvania Hill-Burton projects for which $72 million in local funds have been committed. In order to get that work under way, $20 million in Federal money is needed. Perhaps we cannot get the whole $20 million, but I do hope we shall get from this body and the House of Representatives sympathetic consideration of the desirability for vastly increased funds for Hill-Burton construction.

We also need classrooms badly. I hope the Committee on Labor and Public Welfare will report and have considered on the floor proposed legislation which will provide Federal funds with which to deal with the classroom shortage. On the shelf at the moment in Pennsylvania are projects for 400 schools, at a cost from State funds of $350 million, which cannot be started because of lack of appropriations by the State legislature, however needed the schools may be.

Since World War II, Pennsylvania has put $1 billion into the construction of needed schools. We need, and hope we shall get, Federal help in that regard before the adjournment of the present Congress.

My colleagues know of our need for slum clearance and urban redevelopment. Merely because we passed a housing bill—and it was a good bill, which I was glad to support—I hope we shall not forget the need for slum clearance and urban renewal, and the building of public housing that is necessary because of the movement of people from urban renewal areas, or because of their dislocation caused by the highway program. We need help to finance such projects at the local level, and to make sure that the program is put on a permanent basis, and so that we do not follow the futile course of trying to throw a greater part of the cost back on the localities and States.

I hope the Senate will give favorable consideration to the bill proposed by the distinguished Senator from Tennessee [Mr. GORE] to expedite the Federal highway construction program, instead of stretching it, as was the intention of the administration.

There are innumerable projects, not only in the Commonwealth of Pennsylvania, but throughout the rest of the Nation, which should be taken off the shelf, got under way, and expedited.

While I do not begrudge it for one minute, I wish to point out that Pennsylvania furnishes in taxes for flood control and the work under the Army Engineers $33 for every dollar it receives back. I hope we can improve that ratio a little.

Another important goal is the protection of purchasing power. There is now before the Finance Committee an excellent bill, sponsored by the junior Senator from Massachusetts [Mr. KENNEDY], and cosponsored by a number of other Senators including myself, which would extend the period for unemployment compensation to 39 weeks and would provide that 50 percent of the wage should be paid in unemployment compensation up to a higher maximum benefit. I urge my colleagues on the Finance Committee to schedule early hearings on that bill.

The President has indicated his sympathy with somewhat similar measures. I hope we can act quickly on that bill, and before the Easter recess, because in the Commonwealth of Pennsylvania benefits are running out, and running out rapidly. Despite the great increase in unemployment, which is still continuing in the Commonwealth of Pennsylvania, we have fewer persons on unemployment compensation today than we had 3 months ago. Why? Because thousands of families have exhausted their 30 weeks of benefits and have been forced to go on public relief.

Mr. President, we need also to enact into law an area redevelopment bill, to take care of the chronic unemployment that abounds in my State and a number of other States. I hope the Committee on Banking and Currency, of which I am a member, will be able to resolve the differences as to the form of such a bill at an early date.

The distinguished Senator from Maine [Mr. PAYNE], who is a fine member of the committee, recently introduced a bill which might well provide the basis for a compromise to bring an area redevelopment measure to the Senate for consideration.

I urge again to my colleagues, Mr. President, the necessity for supporting such a bill.

Finally, there is much proposed small business legislation which I hope the present session of the 85th Congress will enact.

First, we should give tax relief, and, secondly, we should see to it that the small-business men have ready access to the capital and long-term credit markets, through specially set up banks, either in the Federal Reserve System, or otherwise, to enable them to finance needed improvements.

Mr. President, because of the critical unemployment situation in my Commonwealth, I undertook, in cooperation with a number of my Pennsylvania colleagues in the other body, to write a letter to the President, under date of February 17, urging him to get the show on the road so far as a public-works program is concerned. That letter was joined by 13 of my colleagues in the other body.

Mr. President, I ask unanimous consent that the letter may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
February 17, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: In the Commonwealth of Pennsylvania, an estimated 435,000 workers were unemployed as of January 15, representing 9.4 percent of the total labor force of the Commonwealth. From all reports, the number has grown even greater since January 15.

Already, we are informed, about 45,000 workers have exhausted their unemployment compensation rights since Labor Day. For the most part, these workers and their families are now on the public-assistance rolls.

As you are aware, unemployment has long been a serious problem in the hard- and soft-coal regions of Pennsylvania. However, at the present time, not only these areas but the major metropolitan regions of Philadelphia, Pittsburgh, and Erie are classed as "labor surplus areas." The hardship and distress in almost every section of our State are severe and growing.

While we realize that economists differ as to when a business upturn may occur, we have received few indications from our State that an upturn will occur promptly or decisively without forceful action directed toward that purpose.

One quick and effective means to create jobs is to speed up public procurement and public works of all kinds that are needed and scheduled to be carried out in any case. The Governor of our Commonwealth has now launched a vigorous program to do what can be done to expedite State public works in order to create jobs and revive our economy. However, what can be done by State authorities is, necessarily, limited.

It is our earnest request that, as Chief Executive, you order a similar speedup in the execution and scheduling of defense contracts and other Federal procurement, and in the execution of authorized Federal public works that affect our Commonwealth.

If Congressional action is necessary in order to make this speedup program effective, we stand ready to cooperate in enacting necessary legislation. We also stand ready to confer with your representatives on this urgent matter at any time.

Sincerely,

JOSEPH S. CLARK, United States Senator; WILLIAM A. BARRETT, Member of Congress; KATHRYN E. GRANAHAN, Member of Congress; JAMES A. BYRNE, Member of Congress; WILLIAM J. GREEN, JR., Member of Congress; DANIEL J. FLOOD, Member of Congress; GEORGE M. RHODES, Member of Congress; FRANCIS E. WALTER, Member of Congress; JOHN H. DENT, Member of Congress; FRANK M. CLARK, Member of Congress; THOMAS E. MORGAN, Member of Congress; JAMES G. FULTON, Member of Congress; HERMAN P. EBERHARTER, Member of Congress; ELMER J. HOLLAND, Member of Congress.

Mr. CLARK. On February 21, Mr. President, I received what I can only categorize as a most unsatisfactory answer from the assistant to the President, the Honorable Sherman Adams.

Mr. President, I ask unanimous consent that the letter of Mr. Adams may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
THE ASSISTANT TO THE PRESIDENT,
Washington, February 21, 1958.

The Honorable JOSEPH S. CLARK,
United States Senate, Washington, D. C.

DEAR SENATOR CLARK: The President has asked me to acknowledge with his thanks your letter of February 11 on your own behalf and that of 13 Pennsylvania Congressmen concerning the economic situation.

In his statement of February 12, the President set forth his views as to the significance of current economic developments and the outlook as he sees it. He also set forth in an accompanying Fact Paper the status of certain programs and proposals bearing on the economic situation. Several of these are in the field of public improvements to which you make general reference, such as a stepped-up rate of expenditures on the national-highway-building program, and increased activity in the urban renewal program. The Fact Paper also took note of the very sharp increase scheduled in the first half of this calendar year in the rate at which defense-procurement contracts will be placed with private industry, as well as to the large post-office modernization program which the Postmaster General has presented to the Congress at the President's direction.

You can be sure that, in the spirit of his February 12 statement, the President will take every sound step to brake the economic decline and foster an early and healthy recovery. In that connection he will bear in mind the suggestions you have made.

The President would appreciate the courtesy of your conveying this reply to your 13 colleagues.

Kind regards.

Sincerely,

SHERMAN ADAMS.

Mr. CLARK. Mr. President, I was glad to see that thereafter, at least, some mild sense of urgency was evidenced by the White House. This is not a partisan matter, Mr. President; yet I cannot fail to have a feeling that what we in this body and those in the other body have been trying to do is to push water uphill, to force the executive arm of the Government to do things it should have done long ago, to awaken in the White House a sense of urgency. It recalls to mind that if a sense of urgency had existed many months ago about another matter—the state of our national security—it would have been a great deterrent to the humiliation we have suffered in the field of national defense, the inadequacies of which have been revealed. If the White House had been more keen and more alert, action on national defense would itself have prevented the current recession from sinking to its present depths.

Mr. President, I yield the floor.

DETECTION OF ATOMIC EXPLOSIONS

Mr. KEFAUVER. Mr. President, 6 months ago, the Atomic Energy Commission conducted a test in which a small atomic weapon was exploded deep in an abandoned mine in Nevada. The purpose of the test was to give our disarmament negotiators information as to whether such explosions could be detected.

The detection of such explosions is essential to the policing of any agreement to ban the testing of nuclear weapons.

The importance of the Nevada underground test was that, if the explosion could be detected at a distance sufficiently far from the site of the explosion, international detection stations would be feasible. If the explosion could be detected only at short distances, it is obvious that, unless hundreds or thousands of detection stations were established in such a vast country as the Soviet Union, it would be possible to continue tests in secret despite agreements not to make such tests.

It seems obvious, also, that where the United States and the Soviet Union as well as Great Britain might well agree to the establishment of a limited number of detection stations on their soil, none of them would be likely to permit hundreds or thousands of such stations to be established. Therein lay the critical importance of the Nevada underground test.

Early this month the Atomic Energy Commission released to the press a statement which declared that the explosion was registered no further than 250 airline miles away, in Los Angeles, in fact.

Yet before this release, there had been testimony before the Joint Committee on Atomic Energy and before the Subcommittee on Disarmament of the Senate Foreign Relations Committee in which it was declared that the explosion had been reported on seismograph equipment at Berkeley, Calif., which is 400 miles from the test site, and at College, Alaska, which is more than 2,300 miles from the site of the explosion.

An investigation by the Senator from Minnesota [Mr. HUMPHREY], the chairman of the subcommittee, resulted in a withdrawal of the discrepancy of the claim that the test had been detected only within a radius of 250 miles.

I am now informed that the Atomic Energy Commission has unofficial information that the test was not only detected in Alaska, a distance 10 times greater than the AEC report admitted, but that it was registered on seismographic equipment in Japan.

The Acting Chairman of the AEC, Commissioner Libby, who is the scientist member of the Commission, has now, according to a statement issued to the press by the AEC last night, written a letter to the Senator from Minnesota [Mr. HUMPHREY] in which he declares that there was no "political intent" in the misinformation given out by the AEC and that the misinformation was released through inadvertence.

In this connection I wish to say that I have been reliably informed that Commissioner Libby himself saw the original AEC release in question before it was given to the press. Since it was issued, we must assume that Commissioner Libby himself approved it.

What has aroused suspicion about this matter in the minds of many people, including Senators, is that the Chairman of the Atomic Energy Commission, Adm. Lewis Strauss, and his principal scientific collaborator, Dr. Edward Teller, are vigorously opposed to any ban on testing atomic and hydrogen weapons. In part their opposition, at least publicly, has been based on their opinion that tests could be undetected.

The question arises as to whether it was a coincidence that the misinformation given out by the AEC in this case strongly bolstered the opinions of Admiral Strauss and Dr. Teller.

If we are in fact dealing with a mistake made through inadvertence, it is a very peculiar kind of inadvertence indeed.

NEED FOR HELPING TEACHERS TO UPGRADE THEIR EDUCATION

Mr. WILEY. Mr. President, one of the important tax amendments which this session should act upon is a proposal which I, for one, have been pleased to cosponsor for the purpose of enabling the Nation's teachers to upgrade their preparation by allowing for the tax deductibility of expenses for that professional purpose.

The case for this amendment has been so well made, I believe, by my associates, by the National Education Association, by PTA's, and other interested groups, that it hardly needs extensive reiteration.

In order, however, to maintain this subject before the attention of my colleagues, in view of the literally hundreds of tax amendments still pending, I send to the desk the text of a letter which I have received this morning from Mr. Herbert H. Helble, speaking for the legislative committee of the National Education Association in my State.

I may say that Mr. Helble is principal of Appleton High School in my State.

I ask unanimous consent that this letter be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APPLETON HIGH SCHOOL,
Appleton, Wis., March 11, 1958.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Teachers of Wisconsin are delighted that you have introduced bill S. 1640.

I recently appeared before the House Ways and Means Committee in support of the King-Jenkins bill. Your bill also seeks tax deduction legislation for teachers who continue to upgrade their preparation and you have the appreciation of Wisconsin teachers. Both the Northeastern Wisconsin Education Association with a membership of 6,500 teachers and the Wisconsin Education Association totaling over 26,000 teachers, authorized me to file statements in behalf of such legislation with the House Ways and Means Committee.

We have a number of young married men teachers here in Appleton, and elsewhere, who simply cannot afford to give up summer jobs and pay out several hundred dollars for educational expenses at summer school which boards of education like ours in Appleton, periodically require, if teachers are not to forfeit raises on the salary schedule.

Other businesses and professions are permitted by Treasury to make deductions in their income tax payments for such necessary expenses in producing their incomes, but teachers are denied this right. All we ask is that teachers be granted similar treatment, most especially now as we need, as never before, to upgrade the in-service training of thousands of teachers, if they and the schools are to remain abreast of the rapidly and constantly changing world of knowledge.

Please rest assured, Senator, we appreciate your efforts as evidenced by your bill S. 1640.

Sincerely yours,

HERBERT H. HELBLE,
Legislative Committee of the National Education Association of Wisconsin.

THE NEEDS OF WISCONSIN HOSPITALS FOR ADDITIONAL BEDS THROUGH THE HILL-BURTON ACT

Mr. WILEY. Mr. President, I was pleased to hear today from Secretary of Health, Education, and Welfare Marion B. Folsom in response to a message which I had sent to him as regards the needs for an adequate level of Federal appropriations under what is universally known as the Hill-Burton Act.

This famous statute, which bears the proud names of our good friend, the distinguished senior Senator from Alabama [Mr. HILL] and our former colleague from Ohio, now Associate Justice of the Nation's highest tribunal, has been of immeasurable assistance to our country in helping expand hospital facilities.

Last month I received from the State health officer of Wisconsin, Dr. Carl N. Neupert, a fine summary of the needs of the people of my State for some 2,300 new, or additional, hospital beds during the coming fiscal year, at a total cost of some $52.4 million.

Dr. Neupert indicated the need for not only adequate funds, but for flexibility for the use of funds in order to meet changing needs.

Responding to my inquiry on behalf of Wisconsin's Board of Health, Secretary Folsom replied in a letter received this morning:

The needs of the Hill-Burton program are under serious consideration at the present time.

He further indicated that the Wisconsin analysis is most helpful in this connection.

As an indication of the problems faced by one State and for its interest to my colleagues on the Appropriations Committee, I send to the desk the text of Dr. Neupert's letter, and ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STATE OF WISCONSIN,
BOARD OF HEALTH,
Madison, Wis., February 17, 1958.

Hon. ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At its regular February meeting the State board of health directed that the following pertinent information on needs for hospitals and related facilities in our State be extended to you for your consideration relative to pending Congressional action on Federal hospital construction funds under the Hill-Burton Act.

A staff study indicates that for the fiscal year 1958–59 17 communities in Wisconsin are in need of 2,319 new or additional hospital beds at a total construction cost of $52,400,000 of which the Federal share (40 percent), if available, would be $20,960,000. For the fiscal year 1959–60, 21 communities would need 821 beds at a total cost of $19,410,000 with the Federal share $7,764,000.

However, out of experience over the past several years it can be predicted that approximately two-thirds of this needed construction can and possibly will be carried through in communities more favorably situated economically without Federal aid. This leaves approximately one-third largely, if not entirely, dependent on Federal fund assistance if needed facilities are to be constructed.

Thus for the 2 years this would call for annual Federal appropriations for Wisconsin of $4,787,000. The allotment to Wisconsin for the current fiscal year for this purpose is $1,155,853.

It may be helpful to report the following summary of the priority schedule for allocation of Federal grants-in-aid in Wisconsin for the current fiscal year. The 9 communities with 0.0 percent to 60 percent of their general hospital needs met ("A" priorities), would be eligible for construction of 239 beds. For the 13 communities with 60.1 percent to 79.9 percent of their needs met ("B" priorities), the need is for 679 beds. These are for the most part smaller communities.

For the other 4 categories of facilities (part G) for chronic disease hospitals, nursing homes, diagnostic and treatment centers, and rehabilitation centers the needs for 1958–59 for 17 communities total 435 beds, $11,900,000 total cost with the Federal share $4,760,000.

For the year 1959–60, 22 communities are in need of 715 beds, $11,650,000 for total construction and $4,600,000 for the Federal share.

Of these categories the most urgent need as the board sees it is for additional nursing home beds (835 for the 2-year period) calling for $3,460,000 in Federal funds. It is estimated that 50 percent of these needed nursing home beds would not be forthcoming unless 40 percent of their cost were available from Federal funds. For the current fiscal year $71,000 have been allocated for the nursing home construction from the Federal fund allotment to Wisconsin.

The board is convinced that these are realistic estimates and recommends them for your consideration.

It further takes the position that it could do a better job of meeting more urgent needs within the overall framework if the Hill-Burton Act were amended to permit a transfer of funds within all categories of part G and from part G to part C and vice versa, providing there are no pending applications for funds in either part C or G, respectively. The board does not anticipate any radical utilization of such a transfer mechanism but could be more effective in meeting deserving special needs if there were this flexibility.

Should you wish to have access to a summary of total beds, project costs, and Federal aid for the 10 years the program has been in operation in Wisconsin, may I refer you to page 246 of the large, pink covered copy of the Wisconsin State plan for hospitals and medical facilities for 1957–58 recently sent to your office to enable you to reply to inquiries from your constituents.

Respectfully submitted.

CARL N. NEUPERT, M. D.
State Health Officer and Executive Secretary.

FREEDOMS FOUNDATION AWARD TO DR. FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. PURTELL. Mr. President, will the Senator from Illinois yield 5 minutes to me?

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the junior Senator from Connecticut.

Mr. PURTELL. Mr. President, recently a member of our Senate family received an honor which may have escaped the notice of some Members of this Chamber. The honor to which I refer was an award made on February 22 by Freedoms Foundation at Valley Forge, Pa.

In quoting from Freedoms Foundation 1957 awards report I should like to point out that the Foundation accumulates each year outstanding expressions, projects, and programs from throughout the Nation which build an understanding of the American way of life; selects by nonpartisan independent awards jury the effective, useful, and inspiring works of individuals, organizations, and schools; spotlights the affirmative useful works of award recipients; and distributes and publishes these expressions and programs, providing more and heavier ammunition in the struggle of free men for their personal liberty and dignity against every totalitarian compulsive tyrannical force.

The member of our Senate family who was honored by Freedoms Foundation could, in a sense, be called a nonvoting member of our group who, while elected by no constituency, serves all constituencies. This recipient of one of the Freedoms Foundation awards is respected and admired as an outstanding spiritual leader. I highly prize his friendship and I am sure all my colleagues join me in this sentiment.

I, of course, am speaking about our own Senate Chaplain, the Reverend Frederick Brown Harris, who contributes so much in spiritual inspiration to us through his daily prayer with which we open our sessions in this Chamber. I am sure that the thousands of readers of the CONGRESSIONAL RECORD throughout the country receive the same inspiration, as do we, when they read his opening prayer. But there are countless others who are also spiritually inspired as they read them reprinted in various publications and newspapers in all parts of our country.

I feel that I cannot more aptly express tribute to our Chaplain and my friend than has Freedoms Foundation in making its special freedom leadership award to him. Mr. President, I take great pleasure in repeating these fine and true words of praise. I quote:

To the Reverend FREDERICK BROWN HARRIS, *Chaplain of the United States Senate:*

With esteem and affection to an American whose prayers, sermons, and editorial works have lifted the hearts of multitudes—

With regard and honor to him whose thoughts, far vision, and steadfast faith move all who he touches to patriotism and love of country—

With matchless service to the cause of free men, he makes known the strength of prayer and iron will in language beautiful in his prayers in the Senate of the United States. Truly one who desires freedom for all under God, and asks nothing for himself.

Mr. President, I am sure that you and all my distinguished colleagues join me in applauding this much deserved honor which has been bestowed upon our beloved Chaplain. In so recognizing the Chaplain of this body Freedoms Foundation has as well honored the Senate of the United States of America.

Mr. JOHNSTON of South Carolina. Mr. President, I desire to associate myself wholeheartedly with the appropriate remarks made by the distinguished Senator from Connecticut in connection with the recent award made by Freedoms Foundation on February 22 to our beloved and distinguished Chaplain, Dr. Frederick Brown Harris.

The special freedom leadership award could hardly have been given to a more deserving one than our own Chaplain. The spiritual comfort and uplift all of us get from hearing and participating in his supplications are a constant source of inspiration beyond our power to measure to us who labor in the public interest.

When I entered this body I had been advised of the spiritual stature and accomplishments of our distinguished Chaplain. Day after day, his prayers add to that stature and increase our love and affection for him. By day and by night he is at our side in time of trouble as well as in times of happiness and success. He is ever the same strength and buckler for those who love and admire Christian leadership.

Both personally and officially he has traveled on foot and out of his way to assist us. I am greatly indebted to him for the endowments he has cast upon me in my association with him. May he live long to continue to serve his God and benefit us all, for we grow in heart and strength as we live with him each day. He sits at the feet of our Christ and imparts to us the knowledge of duty and the love of God—the source of our strength and life and the hopes of our refuge for the future.

May he be with us for a very, very long time.

ACCELERATION OF CIVIL CONSTRUCTION PROGRAMS

Mr. CASE of South Dakota. Mr. President, during the debate yesterday I asked and obtained leave to have printed in the RECORD a table which listed civil public works and the military construction, and a summary of the unexpended and unobligated balances. Through an error the complete table was not included, and I ask unanimous consent at this time that it be printed at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Civil public works and military construction—Summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative	$143,738,427	$131,048,157
Independent offices	1,857,688,383	918,264,892
Agriculture	67,422,385	47,304,522
Commerce	449,946,000	267,473,000
Defense:		
Military	3,188,690,000	2,071,360,000
Civil	376,359,698	260,698,428
Health, Education, and Welfare	613,705,939	282,996,441
Interior	305,674,935	198,755,956
Justice	1,930,252	1,066,212
Post office	32,073,509	6,871,619
State	77,700,000	22,200,000
Treasury	2,976,576	2,238,027
District of Columbia	46,418,100	46,418,100
Total	7,164,324,264	4,237,695,354

Civil public works and military construction summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative branch:		
Architect of the Capitol:		
Extension of the Capitol	$42,043,415	$40,423,168
Additional Senate Office Building	8,799,485	3,724,291
Additional House Office Building	89,632,723	84,071,605
Capitol Power Plant	3,262,804	2,829,003
Total legislative branch	143,738,427	131,048,157
Independent agencies and funds appropriated to the President:		
American Battle Monuments (overseas)	8,456,997	6,611,068
Federal Civil Defense Administration:		
Administration building	10,025,645	5,824,465
Emergency centers	3,649,456	3,522,678
General Services Administration:		
D. C. Hospital	10,025,645	5,824,465
Renovation, improvement sites, planning, construction	110,714,666	68,220,676
Housing and Home Finance Agency:		
Public facility loans	95,286,909	78,536,100
College housing loans	645,725,220	122,460,000
Advance planning loans	15,008,806	6,690,379
National Advisory Committee for Aeronautics	55,821,000	38,141,000
National Science Foundation	4,359,167	93,939
St. Lawrence Seaway	57,175,000	34,090,000
Tennessee Valley Authority	28,394,551	23,000,000
Smithsonian Institution	35,788,533	34,545,442
Veterans' Administration hospital	183,244,379	144,070,870
Independent agencies and funds appropriated to the President—Continued		
Atomic Energy Commission	$588,632,000	$241,730,000
U. S. Information Agency, radio facilities (overseas)	5,380,289	4,903,809
Total, independent offices	1,857,688,383	918,264,892
Agriculture:		
Soil Conservation Service: Flood prevention, watershed protection, etc	42,760,000	31,612,000
Forest Service: Forest roads and trails	24,662,385	15,692,522
Total, Agriculture	67,422,385	47,304,522
Commerce:		
Civil Aeronautics Administration:		
Establishment of air navigation facilities	192,833,000	85,124,000
Washington airports	14,014,000	13,186,000
Grants-in-aid for airports	157,138,000	106,675,000
Bureau of Public Roads:		
Forest highways	63,550,000	46,352,000
Access roads	2,788,000	976,000
Public lands highways	4,750,000	1,840,000
Woodrow Wilson Bridge	14,873,000	14,320,000
Total, Department of Commerce	449,946,000	267,473,000

Civil public works and military construction summary of unexpended and unobligated balances as of Dec. 31, 1957—Continued

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Defense:		
Military functions:		
Military construction:		
Army	$610,916,000	$435,122,000
Navy	633,576,000	388,865,000
Air Force	1,805,103,000	1,144,134,000
Army Reserve forces	103,690,000	79,811,000
Naval Reserve forces	30,319,000	20,842,000
Military functions:		
Access roads	3,966,000	1,759,000
Construction, Alaska Communications System	1,111,000	827,000
Total, military functions	3,188,690,000	2,071,360,000
Army civil functions:		
Panama Canal		
Panama Canal Bridge	738,000	668,000
Canal Zone Government	2,535,000	2,050,000
Panama Canal Company	4,350,000	4,050,000
Corps of Engineers:		
Construction, general	335,300,202	229,234,882
Flood control, Mississippi River and tributaries	32,844,704	24,288,272
Cemeterial expenses, Quartermaster Corps	591,792	407,274
Total, civil functions	376,359,698	260,698,428
Total, military and civil	3,565,049,698	2,332,058,428
Health, Education, and Welfare:		
Construction, Gallaudet College	3,309,275	1,116,389
Construction, Howard University	6,052,676	4,195,612
Assistance for school construction, Office of Education	122,287,328	42,916,669
Public Health Service	478,826,579	213,842,375
Health, Education, and Welfare—Continued		
St. Elizabeths Hospital	$3,230,081	$925,396
Total, Health, Education, and Welfare	613,705,939	262,996,441
Interior:		
Bureau of Land Management	6,866,474	6,134,600
Bureau of Indian Affairs, construction	36,113,000	31,006,907
National Park Service, construction	82,565,688	67,227,325
Bureau of Mines:		
Construction	1,644,520	1,238,041
Drainage, anthracite mines	8,386,519	7,067,133
U. S. Fish and Wildlife Service	9,122,778	7,614,944
Office of Territories:		
Alaska public works	10,011,101	6,407,006
Virgin Islands public works	368,222	368,222
Southwestern Power Administration	1,808,480	1,560,964
Bonneville Power Administration	25,477,221	12,997,569
Bureau of Reclamation	106,869,875	48,920,920
Upper Colorado River storage	15,090,753	6,920,525
Geological Survey	1,350,304	1,291,800
Total, Interior	305,674,935	198,755,956
Justice: Federal prison system	1,930,252	1,066,212
Post Office: Improvements and alterations	32,073,509	6,871,619
State:		
International Boundary and Water Commission	3,800,000	3,400,000
State Department Building	44,100,000	7,600,000
Acquisition of building abroad (overseas)	29,800,000	12,200,000
Total, State	77,700,000	23,200,000
Treasury: Coast Guard	2,976,576	2,238,027
District of Columbia (out of Federal funds)	46,418,100	46,418,100

Summary of appropriations and authorizations, expenditures and unexpended balances, as of Dec. 31, 1957

Title	Unexpended balance, June 30, 1957	Appropriations and authorizations, 1958	Total available for expenditures, 1958	Expenditures, July 1, 1957, to Dec. 31, 1957 (net)	Rescissions, cancellations, and other adjustments	Unexpended balance, Dec. 31, 1957	Unexpended balance as of Dec. 31, 1957, for civil public works and military construction	Civil public works and military construction, unobligated portion of unexpended balance as of Dec. 31, 1957
Legislative branch	$181,777,031	$96,621,160	$278,398,191	$49,817,652		$228,580,539	$143,738,427	$131,048,157
The judiciary	2,733,977	42,545,750	45,279,727	21,564,421		23,715,305		
Independent agencies and funds appropriated to the President	25,545,381,213	13,585,015,108	39,130,396,321	6,449,086,253	$1,473,596,918	31,207,713,148	1,857,688,383	918,264,892
Agriculture Department	3,070,480,349	4,552,955,004	7,623,435,353	2,818,712,273	700,000	4,804,023,081	67,422,385	47,304,522
Commerce Department	633,169,261	721,880,875	1,355,050,136	331,906,711	98,609	1,023,044,816	449,946,000	267,473,000
Defense Department:								
Military functions	34,660,267,544	35,304,985,238	69,965,252,782	19,200,196,144	−236,296	50,765,292,934	3,188,690,000	2,071,360,000
Civil functions	351,328,446	665,051,213	1,016,379,659	393,798,175	35	622,581,520	376,359,698	260,698,428
Health, Education, and Welfare Department	769,346,881	2,188,561,329	2,957,908,210	1,331,690,167	75,000	1,626,143,043	613,705,939	262,996,441
Interior Department	353,882,457	614,934,832	968,817,289	348,821,558	−964,463	620,960,194	305,674,935	198,755,956
Justice Department	17,900,149	226,705,000	244,605,000	109,986,285		134,618,864	1,930,252	1,066,212
Labor Department	8,164,795	379,494,600	387,659,395	214,812,916		172,846,478		
Post Office Department	212,735,482	353,000,000	565,735,482	211,865,480		353,870,001	32,073,509	6,871,619
State Department	92,525,567	199,521,920	292,047,487	115,609,251		176,438,236	77,700,000	23,200,000
Treasury Department	2,912,022,530	8,555,433,412	11,467,455,942	4,260,621,718	3,703,502	7,203,130,721	2,976,576	2,238,027
District of Columbia Federal loans	37,087,000	32,135,550	69,822,550	23,404,450		46,418,100	46,418,100	46,418,100
Miscellaneous adjustment				178,193,524		−178,193,524		
Total	68,849,402,686	67,518,840,995	136,368,243,681	36,060,086,982	1,476,973,236	98,831,183,462	7,164,324,264	4,237,695,354

NOTE.—Amounts will not necessarily add to totals due to rounding. Does not include trust funds or deposit funds.

RESOLUTION ADOPTED BY THE SEMINOLE TRIBE OF FLORIDA, AT DANIA, FLA.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Seminole Indian Tribe of Florida, at Dania, Fla.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION C-24-58

Whereas the tribal council has received, read, and given due consideration to a copy of Senate bill S. 809, a bill introduced into the United States Senate by Senator WILLIAM LANGER and others; and

Whereas Senate bill S. 809 has the purpose of encouraging industry of all types to locate on or near Indian reservations, and is designed to provide employment for Indian people; and

Whereas the tribal council, representing the people of the Seminole Tribe of Florida, feels this bill will be of great assistance in bettering the living conditions of all American Indians: Now, therefore, be it

Resolved, That the tribal council of the Seminole Tribe of Florida heartily endorses Senate bill S. 809, and urges all legislators in the United States Congress to support it.

Done this 3d day of February 1958, at a regular meeting of the tribal council, duly convened at Dania, Fla., a quorum being present, by a vote of 6 for, none against, with no abstentions.

LIN OSCEOLA,
Secretary, Tribal Council.

Approved:

BETTY MAE JUMPER,
Vice Chairman, Tribal Council.

Mr. LANGER. Mr. President, I might add that the Seminole Indians are 1 of 2 Indian tribes which have never signed a peace treaty with the United States Government. They are still at war with the Government. Those Indians have refused to accept any food of any kind from the United States Government, even for the school-lunch program. They have refused any school aid, and they have refused any kind of old-age assistance or social security. As a matter of fact, during World War I only two of their boys entered the armed services of the United States.

The resolution relates to one of the few cases in which the Indians have indicated they were willing to have the United States Government do anything

for them. I call the resolution to the attention of the distinguished junior Senator from Oregon [Mr. NEUBERGER]. I hope the committee will report the bill, S. 809, favorably.

THE NATIONAL GUARD

Mr. HUMPHREY. Mr. President, I am becoming increasingly alarmed by the attempts of this administration to whittle away our Nation's Reserve forces.

This has been going on rather quietly for some time under the guise that any future war would be fought by button pressers, who, by merely flicking a switch, could unleash total and massive destruction upon the enemy. This was to be our answer to any foe who might threaten our security; and during the period when our forces were the only ones capable of delivering such a blow, there may have been some justification for this holding. Mr. President, as we all know, that day is long since past. We recognize that the Soviet Union now possesses the atomic and hydrogen might to wipe every one of our population and industrial centers from the face of the earth. Likewise, the Soviet Union recognizes the fact, at least I hope they do, that we can pulverize their cities in the same manner. The utter and complete folly of such a war is all too apparent, and while the Soviet seems to realize this and are remaining strong in conventional forces, we seem to be willing to pay for only the massive retaliation type of defense. Mr. President, today the Soviet Union has 175 divisions—many of them being fully equipped with the latest in rockets, atomic cannon, and other modern weapons which enable them to fight a less than total war. I can say, Mr. President, that our military observers were shocked by what they saw in the parade of the Russian Army on the occasion of the 40th anniversary of the Bolshevik revolution in Moscow. These people are ready to fight a limited type of war in almost any part of the globe. They have the men, and they have the equipment; and once they are convinced that no country is foolish enough to loose a full scale, atomic conflict, I doubt that they would hesitate in using them. On the other hand, Mr. President, let us take a look at our own ground forces. The active Army has been cut back to 15 divisions and a good portion of those exist only on paper. The National Guard at present has 27 understrength divisions equipped with World War II weapons. The Army Reserve has 10 divisions, and their weapons too are obsolete.

Now the Department of Defense has come forward with a proposal to further reduce the appropriations to the National Guard. If present plans are carried out, we shall soon see another division dropped from the rolls of the Active Army. Mr. President, I think it is time this administration reexamined its policy toward Reserve forces. If they are going to insist on unilateral disarmament by constantly reducing our active duty ground forces, then I think it is doubly imperative that we maintain a strong Reserve force that can be called when it is needed. Mr. President, in every war this country has fought, and I pray to God that we fight no more, we have turned to the citizen soldier to carry the brunt of the burden. In the light of past experience, we are doing a great disservice to the citizen soldier and to our country if we fail to provide the wherewithal so that he may be reasonably well trained and equipped to defend this Nation. I address myself now to the plight in which the National Guard finds itself. If the proposed cut in funds is carried out, the Guard will be forced to drop 40,000 men. Mr. President, not only will this action further reduce our Reserve strength, but it will also deprive us of future combat potential by curtailing the opportunity of giving sound military training to our Nation's young men. Surely such action is not in line with recent administration statements that "cuts can be made in the active services because we can depend on a large and well-trained Reserve force."

Rather than to cut funds for the National Guard, Mr. President, I think we should be increasing them. These units are training with 105-millimeter howitzers, designed before the Second World War. The only time many of them get a look at the kind of equipment that they will have to master, if we are to stay even close to the Russian counterpart, is in the newsreel. I say we are fooling only ourselves if we do not face the fact that to reequip these divisions with at least some of the weapons of modern warfare is going to cost some money. So even though we appropriate the same amount for the coming year that we did last year, we are losing ground. The rising cost of goods and services cuts deeper each year. While the cost of reequipping all of our Guard and Reserve divisions to a point where they are 100 percent combat ready to use the latest weapons may be prohibitive, I think it is mandatory that at least they be partially so equipped. At the very minimum each unit should receive training and instruction on particular weapons that they would reasonably be expected to use in a combat situation. Such training would greatly shorten the all-important time factor between the units' home station and the battlefield. It may be, Mr. President, that in view of the high cost of these weapons, we should establish regional training centers where several divisions could receive orientation and instruction during their active duty summer camp. I know that several divisions come each year to Fort Ripley in Minnesota for training and each division could utilize the same equipment. While this procedure is not the final answer, when coupled with intensive classroom work during the rest of the year, I think it would be of great value.

Mr. President, under the fine leadership of two distinguished generals, Maj. Gen. Edgar Erickson, Chief of the National Guard Bureau, and Maj. Gen. Donald McGowan, Chief of the Army Division, the Guard has reached a high state of training and mobilization readiness considered unattainable for a Reserve component only a few years ago. I know that our own Viking Division in Minnesota, now under the able direction of Maj. Gen. Richard Cook is well along in its reorganization plans to form a Pentomic structure. The effectiveness of this and other divisions should not be jeopardized by a cut in funds.

Mr. President, I am happy to note that the House Armed Services Committee has unanimously called on the Department of Defense to abandon plans for a 10-percent cut in National Guard and Reserve forces. They have done so after thorough hearings, and I trust their advice will be heeded.

At this point I ask that a fine article by Col. Leon H. Hagen, appearing in the March issue of the National Guardsman be inserted in the RECORD. Colonel Hagen is an outstanding officer in the Minnesota National Guard, and I believe his article deserves our close attention.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FIGHT FOR SURVIVAL

(By Col. Leon H. Hagen)

The year 1958 is likely to go down in the annals as a year of decision in the concept of our Nation's defense. It is likely to be a year in which it is decided whether we will stake the future of our Republic on the intercontinental missile and the nuclear bomb, or whether we will continue to rely on the combined efforts of the three services. It is likely, also, to be a year when it is decided whether the Army National Guard is to retain its status as part of our first line of defense or is to be relegated to an insignificant role as a sort of "home defense" force.

Again this year the Army guard is in the familiar position of having to fight for its continued existence. Unfortunately, we are faced with a fight on two fronts. First there is the fight to retain the guard's status as the first line reserve force of the Army and to maintain its strength and effectiveness. This will be an internal fight within the Army for, in addition to those who long have sought to displace the National Guard, there are a number who believe that the next war will not allow the time necessary to mobilize, train and deploy the National Guard or any other reserve force. It will be further influenced by the fact that the entire Army is facing a reduction in strength.

The National Guard and Reserve Officers Associations have taken the logical position that when, for reasons of economy, it is necessary to reduce the strength of the Active Forces, the Reserve Forces should be strengthened correspondingly to make up the deficit. It should come as no surprise that such a theory meets with a cool reception in the Pentagon where it is felt that if Army funds are cut, said cut should be shared proportionately by all the components.

Let us sincerely hope that the National Guard and the Department of the Army can work out a solution to this internal problem that both can live with, and that this solution can be found without the necessity of a public battle. This is a year in which the Army and the National Guard need each other's support. In fact, it is a year in which the Army (and that includes us) is going to need all its strength to fight for its continued existence as a full partner in the defense team. The Army guard or the Department of the Army—either one—will have a hollow victory if it wins a family scrap only to see the Army lose its fight for survival.

If this fight were being made only for the benefit of the Army and the members of its several components, we would deserve to lose, but it is much more important than

that. This is a struggle on the outcome of which the very survival of our Nation can depend, for we honestly believe that a strong, well-trained, and well-equipped Army, backed up by a strong, well-equipped, well-trained National Guard, is vital to our Nation's future security.

The Army is going to need all of its human resources to convince the American people of the validity of its stand. The launching of sputnik has fixed the attention of the people and their elected representatives on scientific research and guided missiles. Certainly we must do what is necessary to regain our leadership in those fields, but not at the expense of the Army. Many self-appointed experts in positions of influence are saying that the Army is obsolete, that it should be reduced to an auxiliary force, that the next war is going to be fought by technicians and pushbuttons and the day of massive land armies is ended. This is an attractive proposition. The soldiers of the Army, who always have borne the brunt of close combat, would be very happy if it only were true. Unfortunately, it is not true, and it is up to us to let the people know it.

We in the Army are going to be laboring under a number of handicaps in trying to get our story over to the public. Some of these handicaps are:

1. We are not glamorous enough. The picture of soldiers slogging through the dirt to close with enemy soldiers and destroy them on the ground does not stimulate the imagination as do flight through space and the destruction of entire cities with a single blow.

2. We are on the defensive. A lot of articulate people with high foreheads have already consigned us to the ash-heap. If we try to fight back they will seek to quiet us by ridicule, accusing us of "having a military mind" and of "still fighting the last war."

3. We will be accused of empire-building. There will be those—even some in our sister Services—who will accuse us of being willing to gamble away our national security in order to protect our vested interest in the status quo.

We must recognize these handicaps and avoid the pitfalls they present as we tell our story. We must make the American people believe, as we do, that the continued survival of our Nation depends on our ability to fight on the ground as well as in the air and in the sea, and that to fight on the ground we must have a strong active Army backed up by a strong National Guard.

WHAT ARE WE GOING TO TELL?

1. Nuclear weapons are not enough. If we should concentrate on scientific research and the production of missiles and nuclear weapons at the expense of our ground forces, we soon would reach the point where our only means of waging war would be with mass-destruction weapons. If that should come to pass, it would open the way for minor disorders everywhere in the world and the piecemeal devouring of small nations by the Communists. We would be paralyzed, for no responsible Government would dare to lauch a nuclear war except to preserve the very life of the nation. Furthermore, world pressures to outlaw such weapons would build up to the point where we would have little choice except to scrap them. The Soviet Union, with its massive land armies, would be loudest in the clamor to outlaw these weapons.

2. We need flexibility. The United States, because of our worldwide commitments, must be in a position to apply force in varying degrees, depending on the situation. To quote Maj. Gen. Herbert Powell, commander of the Infantry Center, as reported in the Army-Navy-Air Force Register: "Our present Infantry divisions can apply measured force ranging from the threat of a rifle bullet to the delivery of multikiloton atomic weapons. * * * Wanton destruction is not the Infantry's only resource." The Army is the only service that can apply the amount of force required by the situation to force a decision on the ground without excessive destruction and slaughter.

3. The final decision is on the ground. The objective of the Armed Forces will be in the future, as it always has been in the past, to seize and hold the land area. No enemy ever is defeated until an opposing soldier stands on the ground he once held. This is the Army's mission, for which it is trained and equipped. If the Army loses this capability, the Nation will lose its ability to gain a military decision except by utter destruction of the enemy homeland, during the process of which our own homeland will suffer like destruction.

4. It takes one to lick one. Russia and her satellites have tremendous land armies, numbering their Infantry and armored divisions in the hundreds. If they move those armies across Europe toward the Atlantic, who will stop them? The nations of Europe will take little comfort if our only assurance is that we will stop those armies with nuclear weapons.

5. The Army is a modern fighting force. Army organization and equipment are keeping abreast of the needs of modern warfare insofar as available funds will permit. Reorganization of the Army under the Pentomic structure is virtually completed. Under the Pentomic organization the Army is prepared to fight either with or without nuclear weapons. It can fight a "brush fire" scrap or a general war. Mobility of the Army's divisions has been improved and the firepower vastly increased. The divisional organization includes Honest John rockets and 8-inch howitzers, both capable of delivering atomic warheads. Supporting organizations have missiles of larger calibers capable of delivering warheads to a range of hundreds of miles. Although it has the organization to do the job, the Army has been reduced in size to the point where there is serious question that it could carry out the missions for which it now is responsible. Any further reduction is dangerous to contemplate.

6. How big is a little atomic bomb? Some naive individuals are advancing the quaint theory that limitations can be placed on the use of nuclear weapons so that wars will be fought with little atomic bombs. Where is the dividing line between a big bomb and a little one? There is a reasonable chance that the use of nuclear weapons might be outlawed completely and that such a rule would be observed by all belligerents. But to believe that some formula can be devised that would effectively limit the size and type of nuclear weapons that would be used is wishful thinking of the most dangerous kind.

7. Condition of the National Guard. The National Guard is in the highest state of mobilization readiness in its history. This readiness is being constantly improved by active-duty training for recruits, the enlistment of prior-service men, service-school attendance, officer-candidate schools, and by increased training hours. Plans for reorganization under the Pentomic concept are well along and can be implemented whenever the word is given. The present state of readiness has been attained by many years of effort and by large expenditures of taxpayers' money. It is not logical, in the present state of international tension, to write off this investment, to abandon armories, and to inactivate guard units in communities that have been and are willing to support such units. The Nation needs every National Guard unit maintained at the highest possible level of strength and training.

WHO'S GOING TO TELL THE STORY?

We cannot leave the job of telling the Army's and the guard's story up to the leaders in the Pentagon, the Army commanders, the adjutants general, and the presidents of our associations. This is a responsibility that every man jack in the Army must assume, be he a regular, a guardsman, or a reservist. We will get nowhere unless we convince the people of our sincerity and that what we say is true.

We should tell it to our families, to our friends, and to our fellow workers. We should tell it to our representatives in government at all levels. We should tell it in casual conversation and in prepared speeches. We should tell it in personal letters, letters to the editor, and in prepared articles in the press. We should tell it on the street corner, the living room, and the meeting hall. We should tell it by radio and television. We should tell it wherever and whenever we can get one or more persons to stand still long enough to listen.

This is a fight for survival—not only of the National Guard or the Army as such—but of our very Nation. In the Army organization, Regular, National Guard, and Reserve, we have the manpower to bring our message to all the people. It is our duty as citizens to do it. Let it not be said that we didn't even try.

THE RECESSION

Mr. HUMPHREY. Mr. President, the impact of the American recession is beginning to be felt in the apprehensions of governments around the world. Miss Sylvia Porter, in a column which appeared in the Minneapolis Tribune on March 10, 1956, says:

You've heard the timeworn adage that when the United States sneezes the world catches pneumonia. * * * Today the dominant issue in the capitals of the free nations of the West is the United States business recession.

In her article, Miss Porter describes the seriousness with which the British Government now views the current state of the American economy. I ask unanimous consent that the text of her article, entitled "American Recession a Worry to Britain," be printed in the RECORD.

In a world that is increasingly economically interdependent, Mrs. President, the recession these days can spread rapidly and disastrously. It can have a tremendous impact on the economic viability of our allies, on even so strong and complicated an economy as Great Britain. We can only imagine how much more immediate and serious the impact of an American recession could be on a single product or one-crop economy in South America, Africa, or Asia. When we debate and take action here in the Congress of the United States to deal with our American recession, let us remember that this is not just an American problem, but one that is deeply involved in the fortunes and future of free men everywhere.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN RECESSION A WORRY TO BRITAIN

NEW YORK.—Sir Paul Gore-Booth, Britain's deputy undersecretary at the foreign office in charge of economic affairs, has just got back to London after a flying trip to Washington and New York.

Why did one of Britain's top government officials and one of its leading specialists in economics suddenly make this quick trip to the political capital and financial capital of the United States?

Because the British Government wanted a firsthand report from Sir Paul on just how serious our recession is.

Sir Paul said he had come to renew old acquaintances and make new ones at our State Department, and he suggested it was just a coincidence that his visit coincided with our recession and the start of a bitter Congressional battle over our trade and foreign economic policy. That explanation was too lame to be believed.

He views the business drop with sufficient seriousness to fear that Britain will catch the United States slump if it deepens much from here or lasts much longer. He is alarmed over the possibility that we raise our tariff walls to protect our hard-pressed industries and unemployed from foreign competition and that we'll thereby slash into Britain's trade.

The diplomatic diplomat wouldn't put this concern into blunt words, but his preoccupation with the fate of our Reciprocal Trade Act and our trade policies during this recession phase was unmistakable.

Today the key issues in the capitals of the Western World are not satellite launchings or summit meetings and the like.

Today the dominant issue in the capitals of the free nations of the West is the United States business recession.

The great question among our allies now is not whether we are lagging in the scientific race with the Soviet Union. It is the depth and duration of the 1957–58 economic decline in our country.

The nagging fear is that we'll adopt and pursue wrong, self-defeating trade and tariff policies, and by so doing we'll accelerate recessions around the Western World into depressions.

You've heard the timeworn adage that when the United States sneezes the world catches pneumonia. So far in this recession, though, our sneeze is our own. As far as Britain is concerned, for instance, the popularity of the small foreign car has been of phenomenal help; in January, Britain shipped us a record 14,000 cars, and we are now Britain's best customer.

Britain's economic health depends on her sales to countries in the sterling area which produce basic commodities. The violent plunge in prices of basic commodities throughout the world is cutting into the ability of these countries to buy from Britain, and if we reduce our buying of the commodities, too, their ability to buy from Britain will be further impaired. Then the recession chain will be forged.

Britain's economic health also rests directly on a relatively free United States trade policy. If we go back to protective tariffs, we'll spread depression germs all over the West.

In 1953–54, Britain and Europe didn't feel our troubles because our recession was short and slight and their booms were young. Now their booms also are tired and our slump is a much sharper danger to them.

PRIVATE HOME CONSTRUCTION AND INDUSTRIAL PRODUCTION IN THE RECESSION

Mr. HUMPHREY. Mr. President, the lack of sound basis for the President's forecast that March would mark the beginning of the end of the recession becomes more obvious each day. The economic indicators point to exactly the opposite conclusion—the recession will become even more serious this month.

The Wall Street Journal of March 13 tells us the grim news. It states: "New declines are showing up in three key economic indicators: Business spending on plants and equipment; private housing starts, and industrial production."

The Wall Street Journal reports that Government figures, soon to be released, show a drop in capital investment of $1.5 billion for the fourth quarter of 1957 from previous Federal estimates. Also, the $35.5 billion annual rate predicted for the first quarter of this year is expected to be cut by $2 billion.

The Wall Street Journal also reports that the Federal Reserve Board will soon announce that industrial production in February fell for the sixth straight month to the lowest level since 1954. This means, Mr. President, a drop in industrial production in the past 6 months of roughly 10 percent.

The article also notes the recent Labor Department figures that private housing starts in February fell to the lowest level since 1949.

I ask unanimous consent that this article from the March 13 Wall Street Journal on the business decline be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDUSTRIAL PRODUCTION, PRIVATE HOUSING STARTS DROPPED LAST MONTH—SPENDING ON PLANTS IS TRAILING FORECAST—REPORT ON CAPITAL INVESTMENT IS EXPECTED TO PREDICT FURTHER DECLINE IN RATE

WASHINGTON.—New declines are showing up in three key economic indicators: Business spending on plants and equipment; private housing starts, and industrial production.

The Government's latest figures on late 1957 and early 1958 spending by companies on plants and equipment, due shortly, are understood to be substantially below previous Federal estimates.

The Labor Department announced the annual rate of private home starts dived in February to its lowest pace since early 1949.

And the Federal Reserve Board is expected to announce soon that industrial production in February fell for the sixth straight month.

The coming joint report on the Commerce Department and the Securities and Exchange Commission survey of capital investment is expected to show a drop of $1.5 billion or more from the $37.5 billion annual rate forecast for the fourth quarter of 1957. And the $35.5 billion annual rate predicted for the first quarter of 1958 is expected to be cut by about $2 billion.

The report, it is expected, also will foresee a further tapering off of business plant and equipment spending to an annual rate of about $30 billion by the fourth quarter of 1958—well below even the revised fourth quarter 1957 rate.

The drop in plant and equipment spending estimates for the fourth quarter of 1957 would lower the total for all of 1957 slightly from the $37 billion figured earlier. It would however still make 1957 a record year.

The Labor Department announced that the seasonally-adjusted annual rate of private home starts in February dropped to 890,000. The January rate was 1,030,000.

February usually marks the beginning of a seasonal upturn in housing construction, the Labor Department said, but added that builders reported that operations were delayed by "an abnormal amount of rain and snow and unusually low temperatures that prevailed during part of the month."

Early reports, the Department declared, indicate that the February decrease occurred in all four broad regions of the Nation, but was less pronounced in the West.

Private home starts, which had showed an increase in January, dropped about 7 percent to 60,000 in February. They were 64,200 the month before and 63,100 in February a year ago.

Total non-farm housing starts—both public and private—totaled 65,000 in the year-earlier month. About two-thirds of the 5,000 public starts in the month were begun in projects under the armed services program, the Department said.

The agency added that during the first two months of 1958, construction was started on 134,000 dwelling units, of which 124,200 were privately owned. The private total in the first two months of 1957 was 123,400.

The industrial production index, to be released probably late this week or early next, will show a drop of one to three points in February from the 133 percent of the 1947–49 average in January. This would be the sixth straight monthly decline and would carry the index to its level of late 1954. In November of that year, the index stood at 128, and climbed to 130 the following month. In January of 1955, the index was 132.

The record high for the index came in December of 1956, when it stood at 147.

TAX RELIEF FOR LOW- AND MIDDLE-INCOME FAMILIES

Mr. HUMPHREY. Mr. President, in the current issue of Work, an excellent monthly publication put out by the Catholic Council on Working Life, there appears two fine and timely articles which deserve attention.

The first article tells of the growing need for tax relief for the low- and middle-income families of our country. I ask unanimous consent that this article entitled "Families Need Cut in Income Taxes" be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS RECESSION CONTINUES FAMILIES NEED CUT IN INCOME TAXES

You can take a long-range look at today's recession. By 1975 the average income of American families, after payment of all taxes, will be at least $7,100 a year—a full third higher than today. This optimistic forecast was made last month by the Committee for Economic Development.

But you live by the short range, not the long one. Whatever the future may hold, the average worker and his family today are caught in a money squeeze between inflation and a recession. By all traditional economic theory, it shouldn't happen, but it has—a recession and an inflation at the same time.

PAYCHECKS SHRINK

The recession is decreasing the workers' income. Because of layoffs (near 5 million now) and short-work weeks (hitting at least 2 million persons), United States income from salaries and wages has gone down for 5 straight months.

Meantime, inflation keeps sending up the prices a family pays for food, clothing, shelter, and other needs. For 21 straight months the Nation's consumer prices have climbed steadily, each month to a new high.

For the first time since pre-Korea days, Washington is talking about a tax cut not just for the usual reason (taxes are too high), but to get the economy out of its present doldrums.

WHO GETS TAX CUT?

Although much of the discussion so far has dealt with the issue of when to put a

tax reduction into effect, the more important question is this: To whom should a tax cut apply?

The National Association of Manufacturers and some other business groups say that the biggest part of any tax cut should go to corporations and upper-income groups. In support of its case, the NAM argues that the country needs to pour more money into new plants and equipment—and lowering taxes at the bottom of the income ladder won't do this.

But the pressing need today is not for new plants and more machinery. The steel industry is now operating at only 65 percent of its capacity. One business publication pointed out last month: "The auto industry could stop shipping cars to its dealers for nearly 3 months and still be able to meet public demand."

NO LACK OF PLANTS

In one business after another, the evidence is clear that we have no shortage of industrial facilities. Thanks to the recession-inflation combination, however, many people are short on the cash to buy the things that industry produces.

A tax cut should be concentrated among people on the bottom half of the Nation's income ladder. Added money in their hands goes quickly for food, clothing, furniture, and other needs. This would give the whole economy a shot in the arm.

TWO WAYS TO CUT

In Congress two proposals have been made on cutting income taxes in a way that will be of most benefit to low- and middle-income families:

1. Increase the tax exemption of $600 to $700. This would put $2.6 billion extra in spending money into the consumers' pockets.

2. Decrease the tax rate on the first $2,000 on taxable income in a manner to put $6 billion more into circulation.

Twenty years ago a family of four received exemptions totaling $3,300, compared to $2,400 today.

Also, even with the larger exemptions, the tax rate on the first $2,000 of taxable income was 8 percent in 1939. Today it is 20 percent. If the tax rate on the first $1,000 were reduced to 10 percent, as proposed by some Congressmen, the average family would get a $200 cut on its tax bill.

KEEP TREASURY FULL

A tax cut, fairly applied, should be adopted by Congress—but at the same time both Congress and the administration must make sure that the Treasury's revenues are not reduced. Tax losses can be offset by revenue received from:

Enforcing the present tax laws more vigilantly. There is a fantastic amount of tax cheating, and not just the petty kind. For example, according to a report by a Congressional committee in 1955, $3.5 billion in interest was not reported on 1952 tax returns.

Eliminating the inequities in tax laws. The oil and natural gas industries, for example, get special tax concessions which deprive the United States of at least $1 billion a year in revenue.

There are so many loopholes that if Congress plugged up all of them taxes could be slashed 25 percent or more, according to Jack Steele, chief of the Washington bureau of Scripps-Howard newspapers.

PLEA FOR SMALL MAN

The need to reform tax policies was well put recently by a columnist with a conservative philosophy, George E. Sokolsky:

"All in all, the small man is in real trouble about this income-tax business. Only the very rich can take advantage of tax havens and profit havens. The small people of this country are becoming tired of tax methods which are rigid and uncompromising for the small citizen, but flexible and easy-going for those who have discovered the tax havens and profit havens."

SURPLUS FARMS

Mr. HUMPHREY. Mr. President, the second article from Work argues most effectively and concisely the case for family farms. It is written by Father James L. Vizzard, vice president of the National Catholic Rural Life Conference. I ask unanimous consent that this article entitled "Get Rid of Surplus Farms?—Maybe, if You Tackle the Big Ones First," be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GET RID OF SURPLUS FARMS?—MAYBE, IF YOU TACKLE THE BIG ONES FIRST

(By James L. Vizzard, S. J.)

When the food surplus problem is being discussed these days, whether in Washington of elsewhere, a very curious argument often shows up. It usually goes something like this:

"There are two surpluses that are plaguing us—too much production and too many farmers. The answer to both of these problems is simple and obvious. Just get rid of the surplus farmers. Automatically you'll cut down on production and get rid of the surplus. And there'll be a bonus, too; with fewer people to divide up the farm income, there'll be more for each."

Very neat. But it doesn't take much analysis to spot the fallacy of the argument—and the insincerity with which it is often proposed. For the writers and speechmakers never suggest that we try to get rid of the really big producers—the top few percent of corporation farms that account for a large share of total production.

AID TO CORPORATIONS

Not only are no efforts made, or even suggested, to move them off the land and take the vast quantity of their production off the market, but they actually are encouraged and helped by our present kind of farm program and its administration.

It is rather the small, "inefficient" farmer that these spokesmen want to see squeezed out of agriculture by the hundreds of thousands, and they usually are not too squeemish about how it is done. Where the "refugees" go or what they do, what they gain or lose by abandoning the land, these highminded speechmakers do not say and they do not seem to care.

FARM FALLOUT

One fallacious side of the argument can be spiked easily. The last census of agriculture, in 1954, listed 1,200,000 commercial farms which had yearly sales of less than $2,500. Suppose that all of these small scale farms were closed out, and the families occupying them went to the city (where, unskilled and lost, they almost certainly would end up in the slums).

How much production would that remove from the markets?

Seven percent.

What would happen to the land they left?

Experience proves that most of it would be acquired by the nearby larger farm operator who produces more efficiently and abundantly.

Net result?

Even greater surpluses.

PROBLEMS OF SURVIVAL

Mr. HUMPHREY. Mr. President, on Sunday afternoon, March 9, Dr. Harrison Brown, professor of geochemistry at the California Institute of Technology, delivered the Gideon Seymour Memorial lecture at the University of Minnesota. His address has been made available to the Senate through the CONGRESSIONAL RECORD for March 12, 1958, pages 4123 to 4127.

Dr. Brown's lecture, Problems of Survival, was a highly important statement of the most pressing problems which confront us today. Observing the tremendous potential for destruction which now rests in the hands of both of the major powers in the world, Dr. Brown made it clear that our greatest need was to devise methods which will insure the survival of the human race.

His words were the more impressive because he did not content himself with airy generalizations, but addressed himself to some of the arguments which he regards as obstacles to the achievement of some method of arms control. It is good that the problems of achieving long-range peace are now being sharply debated. Too often our leaders of thought content themselves with generalizations about world peace and fail to come to grips with some of the basic differences that exist even among men of intelligence and good will here in our own country.

We will never reach a national consensus—we will never achieve firm national decisions—until we thrash out some of the basic problems in open debate.

Mr. President, I noted with particular interest that Dr. Brown made reference to his participation in a committee of the National Planning Association which is looking into the problem of national security through arms control arrangements.

The National Planning Association has, over the years, made many significant contributions to economic policy, and I am delighted that it has assembled some of the Nation's outstanding leaders and scientists to give close attention to the problem of arms control. I eagerly look forward to the publication of this committee's first report to which Dr. Brown makes reference.

Dr. Brown is a member of the National Academy of Sciences. During the war, he made an outstanding contribution to the development of nuclear weapons as assistant director of chemistry at the plutonium project at Oak Ridge.

Among the extensive comments from various sources on Dr. Brown's address, I have been interested to note the comments of the University of Minnesota scientists, including Dr. Alfred O. C. Nier, Dr. Maurice Visscher, chairman of the department of physiology, and Dr. Athelstan Spilhaus, dean of the University of Minnesota Institute of Technology.

I ask unanimous consent that an article containing the reaction of these distinguished scientists which appeared in the Minneapolis Star for March 10, 1958, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIVERSITY SCIENTISTS' REACTION TO BROWN TALK

University of Minnesota scientists commented today on Dr. Harrison Brown's suggestion Sunday of a 1- to 3-year ban on detectable nuclear tests and a network of monitoring stations to detect possible nuclear

detonations in the air, on land, or under the sea.

Dr. Alfred O. C. Nier, physics department chairman at the University of Minnesota, whose scientific contributions played a major role in the development of the atomic bomb, said he is "inclined to agree with Brown that the present state of affairs is really a negative one that isn't really going to lead us any place.

"And someone will have to come up with something new that offers some hope for the future."

Brown's suggestion about land, sea, and air monitoring of nuclear tests "certainly deserves very careful consideration," Dr. Nier commented today.

"At least, this would cut down the fallout problem," which, added Nier, "is certainly more serious than some people have tried to make us believe—and probably is not as serious as the people who oppose bomb tests most strenuously have suggested.

"The truth lies somewhere between these extremes. We don't know—and because of this, we should be extremely cautious about creating more fallout."

Dr. Maurice Visscher, chairman, department of physiology, University of Minnesota, said Brown "pointed out properly that the issues are only in part scientific issues."

Visscher, who is chairman of the subcommittee on biological effects of the governor's committee on nuclear fallout, agreed with Brown that much of the confusion about radiation tissues arises "when the public thinks erroneously that all scientific questions are answerable.

"They are not answerable," Visscher said. "We can only give educated guesses."

"Much of the data about environmental radiation due to fallout has not been available for public use," he continued. "I disagree implicitly with the philosophy which says the public cannot be trusted to make a sensible interpretation of raw facts.

"In order to make the democratic process work the public must have information," Visscher said.

"One of the finest things Dr. Brown's speech did," commented Dr. Athelstan Spilhaus, dean of the University of Minnesota Institute of Technology, "was to show that scientists are reading as best they can the good past work of sociologists, and interpreting it in terms of their knowledge and their best guess as to where scientific and technological progress is taking us.

"Scientists are becoming increasingly aware of the social implications of this explosive scientific and technological change. * * *

"In general, I agree with Harrison Brown. I think one of the most important parts of the speech is the emphasis he placed on using whatever best inspection system we could devise, and getting agreement to use that system regardless of the fact that it may not be perfect.

"Even though—as he said—you have young bright guys who will be finding ways to beat the surveillance system, you'll also have young bright guys improving the surveillance system. The important thing is to get, in principle, the beginnings of an agreed-upon surveillance.

"We know, in the very words of Harrison Brown, that we have taxes on alcohol. We know bootlegging goes on.

"Because our surveillance system on alcohol production isn't perfect, we don't give up and throw the whole thing out the window—which is essentially Teller's point: if you can't do it perfectly, don't do it at all. And I don't believe that."

Mr. HUMPHREY. Mr. President, the same issue of the Minneapolis Star contained an editorial entitled "A Plan for Survival." I ask unanimous consent that the text of this editorial also be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PLAN FOR SURVIVAL

Those who oppose any agreement between the Soviet Union and the United States to halt testing of nuclear weapons even for a limited period of time base their objections on the belief that the Soviet Union would continue testing on a bootleg basis in spite of any such agreement.

In his Gideon Seymour Memorial lecture Sunday, Prof. Harrison Brown made an interesting proposal to overcome this major objection. He would establish a worldwide detection system, but he would ban only those tests that could be detected. He would legalize secret nuclear tests, and, as he put it, make the bootlegging of tests an honorable profession.

"This would mean that no appreciable radioactivity could be poured into the atmosphere to contaminate the air, no appreciable air pressure waves could be initiated, no large ground shocks could be generated," he said. If any of these things happened, the detection system would find out about it.

Yet at the same time, the scientists and technologists would not be put out to pasture for the duration of any agreement, but, instead, would be kept happy and busy exploring all possible roads which might enable them to circumvent these formidable restrictions. Thus his proposal meets another objection: That halting the tests for a limited period would only delay the work of American scientists in this field.

Dr. Brown may have minimized the difficulty of getting an agreement with the Soviet Union on a detection system and on a moratorium on bomb testing under any circumstances. Yet his proposal to legalize secret nuclear tests is a new suggestion in this often-plowed field of thought, and it ought to be explored. It deserves more than the quick brush-off it got from Dr. Edward Teller, father of the H-bomb.

It is true that the plan raises questions about what might be done about violations, but answers might be proposed in the kind of an international conference of scientists that Dr. Brown proposes. As Dr. Brown said, "we have got to start somewhere and we have got to start soon on facing up to these problems of survival because we are rapidly approaching the time when it will be too late."

MONETARY AND CREDIT POLICIES

Mr. HUMPHREY. Mr. President, recently it was my privilege to address the Independent Bankers Association of America, at Dallas, Tex., on the occasion of its 24th annual convention.

This organization of independent bankers represents the economic life line of thousands of rural communities, villages, and smaller cities. The independent banker is possibly closer to what is going on in the American economic system than any other observer. He represents free enterprise; he represents community and civic responsibility. He is the symbol of the American monetary and credit system.

The program of the 24th Annual Convention of the Independent Bankers Association reveals the deep concern which these important business leaders have over recent developments in the American economy. I note in particular the address by Prof. John Kenneth Galbraith, entitled "Does Monetary Policy Really Work?" along with the address of Mr. Watrous H. Irons, president of the Federal Reserve Bank of Dallas, on the subject of Business Developments and Credit Policy.

It was my privilege to speak to this splendid organization on the subject of Our American Economy and Its Effect on Foreign Policy. I was presented to the banquet audience by Mr. R. L. Mullins, president of the Wolfe City National Bank of Wolfe City, Tex. In his introduction Mr. Mullins appropriately noted that the 84th Congress had passed the Bank Holding Company Act of 1956. The Independent Bankers Association had sought for better than 14 years to have this important banking legislation passed by Congress. It is in fact a Magna Carta for independent banks. It has as its purpose the preservation of the independent banking system and the prohibition of the growth and development of the bank holding company apparatus.

The president-elect of the IBA is Mr. R. E. Gormley of the Georgia Savings Bank & Trust Co. of Atlanta, Ga. I ask unanimous consent to have printed in the RECORD the association officers and executive council.

I also ask unanimous consent to have printed at this point in the RECORD excerpts of my address.

Also, I ask unanimous consent to have printed a recent article by Sylvia Porter entitled "United States Economy Needs Fruits of Foreign Aid." Miss Porter's article fortifies the points that I sought to develop in my address to the independent bankers.

Finally, I wish to pay a special tribute to a fellow Minnesotan, Mr. Ben DuBois, secretary of the IBA, from Sauk Centre, Minn., and to his assistant, Mr. Howard Bell. Mr. DuBois is a dedicated servant of and crusader for independent banking. He typifies that spirit of rugged individualism with a social consciousness that has made America's smaller communities areas of opportunity and friendliness.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSOCIATION OFFICERS

R. L. Mullins, president, the Wolfe City National Bank, Wolfe City, Tex.; R. E. Gormley, first vice president, Georgia Savings Bank & Trust Co., Atlanta, Ga.; O. K. Johnson, second vice president, Whitefish Bay State Bank, Whitefish Bay, Wis.; A. W. Hoese, treasurer, Security State Bank, Glencoe, Minn.; Ben DuBois, secretary, Sauk Centre, Minn.; Howard Bell, assistant secretary, Sauk Centre, Minn.

EXECUTIVE COUNCIL

R. L. Adams, Bank of York, York, Ala.; E. E. Bailey, Princeton Bank & Trust Co., Princeton, W. Va.; Marshall Barnes, Beaver Dam Deposit Bank, Beaver Dam, Ky.; D. Emmert Brumbaugh, the First National Bank, Claysburg, Pa.; W. J. Bryan, Third National Bank, Nashville, Tenn.; Eugene W. Carlton, Durham Industrial Bank, Durham, N. C.; D. Fay Case, Security State Bank, Cannon Falls, Minn.; R. J. Castille, Guaranty Bank & Trust Co., Lafayette, La.

AMERICAN ECONOMY AND ITS EFFECT ON FOREIGN POLICY—REMARKS BEFORE ANNUAL CONVENTION OF INDEPENDENT BANKERS ASSOCIATION, DALLAS, TEX., MARCH 3, 1958

Nothing in the economic field is more important right now than a full public understanding of the vital interrelationship of a

dynamic national economy, an expanded mutual-security program, and liberalized foreign-trade effort. Tonight I should like to discuss these three key factors. Let me turn to trade policy first.

The trade policy of the United States is clearly in serious trouble in the Congress. In my opinion, it is absolutely essential that the reciprocal trade extension be passed without crippling amendments. If we present to the world a mutilated trade program we will have taken a step to discourage Free World unity at the very time when the Soviet Union is in the midst of a trade offensive, however phony it may be.

Obviously, the closer our economic relations with our allies, the more stable our political and military ties will be; contrariwise, the weaker our economic relations, the less effective our political and military unity against Soviet imperialism.

There are also compelling reasons for a liberal trade policy, since American ingenuity in most fields easily competes in world markets.

However, there are certain selected and very limited industries which might be temporarily adversely affected by changes in our trade policy. It is my opinion that the Federal Government should assist industries, workers, and communities so effected to readjust to more competitive lines. In past Congresses I have introduced a comprehensive trade-adjustment program. In my opinion, this would be a far better solution than the various amendments which are presently being offered.

Therefore, I announce here and now that I shall propose the trade-adjustment program as an amendment to the reciprocal-trade bill when it comes before the Senate for consideration. Together they will provide a strong, imaginative trade package which the Congress should endorse and the administration should support in the interest of a strong Free World and of a rising living standard for us all.

The trade-adjustment program would establish a governmentwide adjustment-assistance board which would be empowered to assist communities, workers, and industries adversely affected by trade policy to readjust to more competitive lines. The program would provide that if the President in the overall national interest disregards the escape clause or peril point findings of the Tariff Commission, he could at the same time authorize the Board to extend the following benefits to United States communities and industries which are hurt by foreign competition:

1. The Government would finance technical assistance to companies and communities needing it, to encourage diversification. Engineers, market researchers and other technicians would be financed for expert surveys out of Federal funds. Easier tax provisions for building new plants would be allowed, and import firms would be encouraged to enter such communities to stimulate new markets.

2. Under present law, jobless payments last for varying periods up to 26 weeks. The trade-adjustment program provides that these payments would be extended for an additional 26 weeks over authorized State limits.

3. Workers would be provided counseling, placement and special training allowances, coupled with special moving allowances for workers seeking employment in other areas and fields.

The situation is all the more urgent because of the recession now engulfing us at home. One way to keep American workers at work is to maintain our export markets abroad. Obviously since the United States exports far more than it imports, there are more workers employed in our export trade than could possibly be adversely affected by import competition.

One of the grandiose fallacies of the high-tariff-protectionist argument has always been that higher tariffs protected American jobs. For every possible job they ostensibly protect, two or three are lost through retaliatory tariff restrictions abroad against our exports. It is shocking indeed to realize that our good neighbor and best customer, Canada, has recently moved to boycott American goods because we have set up so many barriers to Canadian exports.

Not only will an expanded reciprocal trade program help America recover from the recession, but it is required by the international political facts of life. Trade is now a primary weapon in the arsenal of the Communist economic offensive. Trade missions from the Soviet Union, Communist China, and the satellite countries have been busy, especially in the uncommitted countries of Asia and the Middle East. The number of trade agreements negotiated between the Communist bloc and other countries has more than doubled since 1953.

In the face of commonsense economics at home and the Communist offensive abroad, let us not respond with an inconsistent, ostrichlike trade policy of high tariffs and threats of higher ones. To help those American industries which have a legitimate grievance against low-cost foreign competition, the Trade Adjustment Act which I have sponsored in Congress would be an effective temporary cushion during the adjustment period. That act would not be a permanent subsidy, but justifiable temporary assistance to help industries over the hump of accommodation to a new period of economic life.

NATIONAL ECONOMY

Meanwhile we move on other fronts to halt the recession we are now suffering. Partly for want of sound programs and partly because of rampant influences of selfish interests, an estimated 5 million Americans, many with dependents, are totally unemployed. Uncounted additional millions are working only a few hours per week. Farmers suffer depressed conditions. Bankruptcies are at the highest rate in our history, business failures at a rate equal to the early 1930's. Steel production is at only fifty-some-odd percent of capacity.

You know as well as I, that tight money has worked a severe hardship on small business and has given large corporations even a bigger advantage over their small competitors.

Another factor in the present recession and increased unemployment is contained in the budget. Percival F. Brundage, Director of the Bureau of the Budget, sent orders to agency heads last summer to hold spending in line with fiscal 1957. This order, which came to light despite the efforts of the administration to keep it quiet, meant a cut in spending of over $2 billion from what the President in January had recommended. Although the President told the American people that his budget of $71.8 billion for 1958 provided funds for all necessary Government activities on a reasonable scale, his Budget Director directed agency heads to start cutting.

A recession here can amount to a major Communist victory. It could be more important than winning the missile race. We cannot afford to permit this recession to continue to risk the very real threat of a depression. It is time we take off our blinders and see what is happening. The Soviet Union's sputniks, if nothing else, should have made us realize that we are facing a foreign power with tremendous scientific knowledge, productive capacity, and know-how. We can no longer afford to remain complacent. In the past year alone it is reported that the Soviet economy expanded by 10 percent and if the present trend continues the Soviet Union will match use in the entire economic field within a generation.

It is time for America to realize that there are worse things in life than an unbalanced budget—and one of them is the loss of our fight against Soviet totalitarianism. Freedom must take priority over balanced budgets and reduced expenditures.

MUTUAL SECURITY

Turning, in conclusion, to mutual security, we have to recast our whole foreign-aid program so that it goes to the people who need it most and goes to increase liberty. Then we can negotiate realistically with the Soviets and the Chinese for peaceful settlements of outstanding disputes, because they will then no longer be able to gain from the lack of settlements.

Here are 10 proposals to improve our foreign-aid program:

1. Place it on a continuous—perhaps 10-year effort—toward positive goals, rather than a spastic year-to-year effort.

2. Place the program under the direction of men aware they are dealing with a social revolution, men who know what reform is and how to get it, men infused with enthusiasm for practical, working democracy.

3. Work in the closest cooperation with our NATO allies, endeavoring to enlist their support and agreement on joint efforts in the mutual-security field.

4. Divorce military aid from our economic and technical-assistance programs, so that the latter are not overshadowed or adversely conditioned by the former.

5. Tie our aid program more closely to the work of the United Nations technical agencies, and increase our participation in multilateral projects.

6. Expand our foreign-aid program as our own national income expands, with concentration on long-term, low-rate loans.

7. Emphasize aid to free nations which are deliberately, successfully planning to increase the democratic life of their people.

8. Include measures to finance a certain amount of consumer credit, so that hungry people do not have to wait a lifetime before their lot is improved.

9. Extend the use of our food and fiber reserves under Public Law 480 for enlightened foreign-policy objectives.

10. Make a special effort immediately to double the administration's program for assistance to India by providing the extra $250 million which India needs to insure the success of its second 5-year plan. The loss of India could well mean the surrender of Asia to communism.

UNITED STATES ECONOMY NEEDS FRUITS OF FOREIGN AID

NEW YORK.—How can I convince you—one of our Nation's 5 million jobless, or an American business being badly hurt by competition from foreign imports—that billions of dollars of tax money must be spent for foreign aid this year and it is imperative that Congress continue a trade policy encouraging imports of goods?

Will you willingly accept the argument that more than 4,500,000 American workers earn their living in activities directly created by foreign trade, and that there is scarcely an individual in our land who is not dependent in some degree upon our world-trade activities?

Will you believe the statement that nearly 80 cents out of every dollar we vote for economic assistance to underdeveloped nations is spent directly in the United States, and that this spending alone provided 600,000 jobs on farms and in factories last year?

Will you take seriously Khrushchev's declaration, last November, of "war upon you in the peaceful field of trade" and realize that unless we boldly counter Russia's aggressive economic offensive in Asia and Africa, Russia well may, as she boasts, "win over the United States"?

Will you understand that to a significant extent, our country today is a "have-not" land, increasingly dependent upon the underdeveloped areas of the world for essential raw materials to keep our industries running and that we just cannot afford to have those areas closed to us?

Do you know that we import 100 percent of the coffee, tea, industrial diamonds; more than 50 percent of the asbestos, nickel, chromite, tin, manganese, tungsten, wool apparel, cobalt, bauxite used in our country?

Will you appreciate how much it is in our self-interest to assist in the economic growth of the underdeveloped regions of the globe because these regions represent a tremendous potential market for American goods, and these new customers easily can be our greatest antidepression insurance in the years to come, easily can help lift us to dizzying peaks of prosperity?

Last week I was among more than 1,000 citizens who went to Washington from all over the Nation to attend the President's extraordinary conference on foreign aspects of national security.

Never before has there been a bipartisan demonstration of this caliber.

I'm still a bit awestricken by the fact that on one day on the same platform, I heard speeches agreeing on the imperative necessity of continuing foreign aid and a liberal trade policy from Mr. Eisenhower, Truman and Stevenson, from Nixon, Dulles and Acheson, from Bishop Sheen, Rabbi Feldman and Archbishop Stritch.

Yet, even as I listened to the tens of thousands of words spoken from the platform and in the hotel corridors, the thoughts kept nagging me:

Most of these people are here because they already ardently believe in foreign economic aid and a liberal trade policy. Maybe this unprecedented bipartisanship and this exhilaratingly intellectual atmosphere will make some converts among key Congressmen, but this conference is hardly grassroots. And even though these delegates now go home and start fighting for support of the President's foreign-aid and trade programs at the local level, I've not heard many practical hints here on how to overcome the hostility to the programs during this cycle of recession.

You, the businessman being directly hurt by foreign imports, are the man who must accept the arguments at the start of this column. You, the worker out of a job today, must appreciate how much your future is involved in our foreign aid and trade.

You, the family in a flood-threatened area, must realize why we spend money on flood control in far-distant lands.

For unless and until you are convinced, conferences won't do the job and our foreign economic aid and trade programs will remain shaky and insecure.

And Russia will continue to make terrifying progress in her relentless war to win the world through trade.

Mr. BIBLE. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

STAY OF REDUCTIONS IN PRICE SUPPORTS AND ACREAGE ALLOTMENTS

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 162.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. Calendar No. 1377, Senate Joint Resolution 162, to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. ELLENDER obtained the floor.

Mr. BIBLE. Mr. President, will the Senator from Louisiana yield to me so that I may suggest the absence of a quorum?

Mr. ELLENDER. Mr. President, I will yield to the Senator for that purpose provided I do not lose my right to the floor and provided that the time is not taken out of the allotment provided in the unanimous-consent agreement.

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of suggesting the absence of a quorum and that the time taken for the call of the roll not be charged to the time embraced within the previous unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? Without objection, it is so ordered.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bible	Hill	Pastore
Bricker	Hoblitzell	Payne
Bridges	Holland	Potter
Bush	Hruska	Proxmire
Butler	Humphrey	Purtell
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Church	Kennedy	Smith, Maine
Clark	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] is absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. COOPER in the chair). A quorum is present.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

We have before us for consideration a very simple joint resolution. It seeks to maintain the status quo with respect to support prices and acreage allotments until Congress can enact such further legislation as may be required by present distressed conditions in American agriculture.

The resolution would do two things. First, it would prevent support prices on any agricultural commodity from being reduced below the 1957 level, and, second, it would prevent the total allotted acreage for any commodity from being reduced below the total acreage allotted for such commodity in 1957.

It would also continue those provisions of law dealing with the distribution of cotton and rice acreage allotments until Congress has an opportunity to provide appropriate substitute legislation.

Immediate action upon the joint resolution is particularly urgent because the price supports on dairy products are scheduled to drop at the end of this month from $3.25 per hundredweight for manufactured milk to $3.03 per hundredweight, and from 58.6 cents per pound for butterfat to 56.2 cents per pound.

In view of the fact that the resolution, as I have just indicated, is proposed purely and simply as stopgap legislation, I earnestly hope that the Senate will not adopt any amendments to it or try to write a new farm bill on the Senate floor.

When the joint resolution was considered in committee a few days ago, as chairman of the Committee on Agriculture and Forestry, I made it plain to the committee—and the committee agreed with me—that we should start immediately on the preparation and presentation to Congress of a long-term farm bill. However, in order to tide our farmers over a critical period which confronts them now, and to give us time to do the thorough job long-range farm legislation will require, the resolution before the Senate now is an urgent necessity.

It is my hope that within the next 4 or 5 weeks, the Senate Committee on Agriculture and Forestry will be able to present and the Senate will promptly pass a bill which will be acceptable and helpful, generally speaking, to the farmers of our Nation, and will tend to improve their present position.

The passage of the joint resolution will not provide much in the way of additional income to the farmer beyond that which he received last year. He may even receive less, depending upon price conditions and whether he has a good year for the production of crops. Last year, it may be recalled, production was very good; as a matter of fact, it is my recollection that last year was one of the best in several years. The only crop which suffered considerably, as I pointed out a few days ago, was cotton. Never before in the history of cotton production had a crop of cotton been produced which, because of a lack of favorable weather conditions, farmers were unable to gather.

There are many compelling reasons why Congress should act immediately upon the joint resolution which is now before the Senate. One reason is that the committee intends to consider an omnibus bill, and has already arranged to commence the study of a long-range

program, just as soon as humanly possible. An even more important reason is the present generally depressed state of the national economy.

Yesterday the Senate passed a housing bill providing $1.8 billion for new housing. Senators said that this stimulant to construction would provide up to 500,000 jobs in the immediate future. The Senate and its committees also are considering many other bills which have to do with stimulating the national economy.

There is little doubt that the national economy is sagging at this time. The Secretary of Labor recently reported that 5.2 million people are now unemployed. Other economists have stated that this figure may well increase unless something were done, and done soon.

There is ample evidence of considerable cutbacks in industrial production. I understand that steel mills are operating at about 55 percent of capacity. The production of automobiles has been reduced, and the production of many other articles also has declined.

In the light of the general economic situation, it seems to me that this is a most inopportune time to ignore the very real depressed state of our agricultural economy.

Realized net farm income, at $11.5 billion, is at the lowest point since 1942, while production expenses are at an all-time high of $22.5 billion.

Mr. President, I consider farming to be one of the most important segments of our whole economy. It is necessary to provide a farm income in an amount sufficent to keep farmers in business. I do not know of any segment of the population which could add more to the prosperity of the country than our farmers, if a more prosperous farm income is provided.

As has often been said, most depressions have started with falling farm income. That is the beginning of depressions. Since it is obvious to me that a depression has now started, this is not the time to lower further the income of those who produce our very lifeblood—food and fiber.

There has been a great decrease in the number of farms and the number of people on the farms in the past few years, as well as in the income of this important segment of our economy. In 1952 there were 5.4 million farms in the United States. By 1957 the number had fallen to 4.9 million.

Farm population in 1952 was 24.3 million. Today it is down to 20.4 million.

In 1952, the farm population as a percentage of the total population was 15.5 percent. In 1957 it was only 12 percent. Thus a substantial reduction in our farm economy has taken place each year since 1952.

The income from farming as a percentage of national income has never been so low in the entire history of the Nation. The figures date back to 1910, as I pointed out 2 or 3 days ago. In 1910, farmers received 14.1 percent of the national income. In 1957 that percentage was reduced to 4.2; I repeat: That is the lowest percentage in our history.

With the Nation now facing the awful reality of a growing depression, this is not the time to lower prices farmers receive particularly when farm income is already at an all-time low, expressed as a percent of national income.

I have many other tables which indicate the plight of the farmers and the extent to which his income varies from that of persons engaged in other businesses throughout the Nation. Let us consider, for instance, labor income. In 1952, labor income was $190.3 billion; in 1957, it was $246.6 billion, an increase of $56.3 billion.

The PRESIDING OFFICER (Mr. COOPER in the chair). The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 additional minutes.

Mr. ELLENDER. Mr. President, let us consider business and professional groups. In 1952, they received $25.7 billion of the total national income. In 1957, they received $28.7 billion, an increase of $3 billion.

In 1952 rental income was $9.9 billion. In 1957, it was $10.4 billion, up $0.5 billion.

In 1952, income from dividends amounted to $9 billion; in 1957, it was $12.3 billion—up $3.3 billion.

Now, let us look at farm income—let us see where the depression has been felt for many years.

In 1952, farm income amounted to $14.3 billion; in 1957, $11.5 billion—down $2.8 billion.

Mr. President, these figures indicate that the most important segment of our economic society—that composed of those who produce the food and fiber without which all of us would wither on the vine—is the only one in whose income has consistently been reduced since 1952, as well as preceding years.

I ask unanimous consent, Mr. President, to have printed at this point in the RECORD the two tables to which I have just referred.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Sources of personal income from President's 1958 Economic Report, p. 129

[Billions of dollars]

Year	Labor income [1]	Business and professional	Rental income of persons	Dividends	Personal interest income	Farm income
1952	190.3	25.7	9.9	9.0	12.3	14.3
1953	203.4	25.9	10.2	9.3	13.7	13.9
1954	201.7	25.9	10.6	9.9	15.0	12.2
1955	217.3	27.3	10.2	11.0	16.1	11.6
1956	234.8	28.0	10.3	11.9	17.6	12.1
1957 [2]	246.6	28.7	10.4	12.3	18.8	11.5

[1] Wage and salary disbursements and other labor income excluding employer contributions for social insurance.
[2] Preliminary.

Data relating to number of farms and farm population, 1952–57

Year	Number of farms	Farm population	Farm population as a percent of total population	Income from farming as a percent of national income
	Millions	*Millions*	*Percent*	*Percent*
1952	5.4	24.3	15.5	6.4
1953	5.3	22.7	14.3	5.4
1954	5.2	21.9	13.5	5.2
1955	5.1	22.2	13.5	4.6
1956	5.0	22.3	13.3	4.3
1957	4.9	20.4	12.0	4.2

Mr. ELLENDER. Mr. President, I hold in my hand another detailed table. It shows the realized net income of the farmer, as compared with his total net income. There has been a gradual decrease from 1943 to the present time. This table includes some of the figures included in the tables I have previously submitted for printing in the RECORD, so I shall not discuss this one in detail. But it includes figures for a few more years, and indicates that the realized net income of farmers has steadily declined since 1951. Senators will note the decline began in 1948 but it was greatly increased after 1951.

By the way, Mr. President, the figures for realized net income are used by the Department of Agriculture as a means of measuring the income of the farm segment of the economy, as compared with the income of all other segments.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Data relating to farm income

Year	Realized net income [1]	Nonmoney income (value of home consumption and rental value of dwelling)	Total net income [2]	Average Government payments per farm [3]
	Billion	*Billion*	*Billion*	
1942	$8.8	$2.6	$9.9	$105
1943	11.9	3.1	11.8	106
1944	12.2	3.1	11.8	129
1945	12.9	3.4	12.4	124
1946	15.0	3.8	14.9	130
1947	17.2	4.0	15.5	53
1948	15.9	4.1	17.7	44
1949	13.7	3.5	12.9	32
1950	12.9	3.4	13.7	50
1951	14.8	3.8	16.1	51
1952	14.3	3.9	15.1	51
1953	13.9	3.7	12.3	40
1954	12.2	3.5	12.7	49
1955	11.6	3.4	11.9	45
1956	12.1	3.4	11.6	112
1957	11.5	3.4	12.1	209

[1] Includes nonmoney income and Government payments in addition to the difference between cash receipts and farm expenses.
[2] Is realized net income adjusted for net changes in farm inventory.
[3] Includes soil bank payments as well as all other Government payments.
Source: Farm Income Situation, AMS, USDA.

Mr. ELLENDER. Mr. President, I desire to refer to the index of prices received by farmers, prices paid by farmers, and the parity ratio. These figures are set forth in a very important table which I now hold in my hand. This table also indicates that the prices received by farmers have been gradually but constantly decreasing and that the

parity ratio has been gradually falling, as compared with the situation existing in the 1914 period, whereas prices which have been paid by farmers have been gradually increasing—thereby reducing the parity ratio from year to year.

In that connection, let me refer to a few of the changes: For instance, in 1952, prices received by farmers were 288 percent of those in 1914.

The PRESIDING OFFICER. The time of the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, by way of contrast, we should note that in 1952, prices paid by farmers were 287 percent, and the parity ratio was 100.

But since 1952, the prices paid by the farm segment of the economy have gradually been increasing, whereas the prices received by farmers have gradually been decreasing.

As I have just indicated, in 1952 the index for prices received by farmers was 288 percent, as compared with the situation in 1914. In 1957, it had declined to 242 percent.

Mr. President, in 1952, the index for prices paid by farmers for the things they need was 287; but in 1957, it was 295.

So, as of last year, the parity ratio had declined to 82 percent. The year before, in 1956, it was also 82 percent. In 1955, it was 84; in 1954, it was 89; in 1953, it was 92; and in 1952, it was 100.

So, Mr. President, of all the tables I have submitted for printing in the RECORD, the one to which I now refer shows the darkest picture for the farmers, in contrast to the picture for other segments of the economy.

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 additional minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the table to which I have just referred be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index of prices received, prices paid and parity ratio

Year	Index		Parity ratio
	Prices received	Prices paid	
1952	288	287	100
1953	258	279	92
1954	249	281	89
1955	236	281	84
1956	235	285	82
1957	242	295	82

Source: CSS, USDA.

Mr. ELLENDER. Mr. President, as I understand, I have yielded myself a total of 15 minutes.

The PRESIDING OFFICER. No; the Senator from Louisiana has yielded himself a total of 20 minutes.

Mr. ELLENDER. Very well.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I thank the Senator from Louisiana for yielding.

I am sure he is aware that this morning the Secretary of Agriculture held a press conference at which he made it very clear and very definite that he is opposed to both these resolutions; and I wish to emphasize the word "both."

The Secretary of Agriculture also made it clear that he has no intention whatsoever, under any circumstances, of modifying or altering the cotton and dairy-product price supports. I mention those two things because the press had published indications that the Secretary of Agriculture might raise the supports a little.

I am sure the Senator from Louisiana knows that this morning the Secretary of Agriculture said that Senate Joint Resolution 162, which deals with all commodities, and Senate Joint Resolution 163 are considered by him to be worse than the farm bill passed by the Congress in 1956, and subsequently vetoed by the President.

I only add that all we are attempting to do today is hold the line on the very prices established under the Eisenhower-Benson farm program of 1957. Even as of today, all we are attempting to do is keep in effect the farm program the President asked the Congress to put on the statute books, as Congress did, after the President had vetoed the farm program the Congress had developed.

However, for some years our friends of the fourth estate and elsewhere have had trouble remembering that the farm program which Mr. Benson now so roundly condemns, is his own program—the one worked out by him, and sent to the Congress by the President, and the one which—following the President's veto of the original program developed by the Congress—the Congress adopted as a means of having some legislation in this field placed on the statute books.

Let me ask the chairman of the committee whether my statement is an accurate one.

Mr. ELLENDER. It is, and I thank the Senator from Minnesota for it. As a matter of fact, he has anticipated what I was planning to discuss, for I desire to make the very point he has made.

As a matter of fact, the present law will not be changed at all by this joint resolution; we shall simply be freezing the acreage allotments of last year at a level not less than that in effect last year, in the case of all the basic commodities. The support prices of all the basic commodities would also be frozen at a level not less than that in effect last year.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. ELLENDER. Mr. President, let me point out to my good friend, the Senator from Minnesota, that in the case of cotton, last year the support price for upland cotton was 28.8 cents a pound; but this year Mr. Benson fixed the support price at a little more than 30 cents a pound. Of course the cotton farmers will get the benefit of the increase, for the simple reason that the Secretary cannot fix the support price below what it was last year, but nothing prevents him from increasing it.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. I repeat what I have previously stated, it is an attempt further to depress the farmer's income at a time when it is already at the lowest point in our history.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which will show exactly the prices which were paid last year for various supported commodities, and the prices which, in many instances, have been fixed for 1958.

I also ask unanimous consent that a table showing the effect of their resolution on acreage be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops

Commodity	Unit	Required by S. J. Res. 162—1957 crops		Announced by Secretary—1958 crops	
		Support level	Support price	Support level	Support price
Basic commodities:					
Corn [1]	Bushel	77.0	$1.40	(2)	(2)
Cotton, extra long staple	Pound	75.0	.5970	(2)	(2)
Cotton, upland	do	78.0	.2881	81	[3] $0.3075
Peanuts	do	81.4	.1135	(2)	(2)
Rice, rough	Hundredweight	82.0	4.72	75	[3] 4.33
Wheat	Bushel	79.0	2.00	75	[3] 1.78
Mandatory nonbasic commodities:					
Honey	Pound	70.0	.097	70	.096
Dairy products:					
Manufacturing milk	Hundredweight	82.0	3.25	75	3.03
Butterfat	Pound	79.0	.586	75	.562
Tung nuts	Ton	65.0	52.13	(2)	(2)
Tung oil	Pound		.205	(2)	(2)
Mohair	do	87.0	.70	82	.70
Wool		101.0	.62	95	.62

[1] Commercial support for corn produced in compliance with acreage allotments.
[2] Not announced.
[3] Minimum.

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops—Con.

Commodity	Unit	Required by S. J. Res. 162—1957 crops		Announced by Secretary—1958 crops	
		Support level	Support price	Support level	Support price
Other nonbasic commodities:					
Barley	Bushel	70.0	$.95	70	$.93
Beans, dry edible	Hundredweight	68.0	6.31	68	6.18
Cottonseed	Ton	65.0	46.00 42.00	65	45.00 41.00
Flaxseed	Bushel	65.0	2.92	65	2.78
Gum naval stores	Barrel [1]	90.0	28.29	90	29.04
Oats	Bushel	70.0	.61	70	.61
Rye	do	70.0	1.18	70	1.10
Sorghums, grain	Hundredweight	70.0	1.86	70	1.83
Soybeans	Bushel	70.0	2.09	70	2.09

[1] Unprocessed basis.
[2] 435 pounds processed basis.

Acreage required by S. J. Res. 162

Wheat	55,000,000
Corn	37,288,889
Cotton (upland)	17,585,463
Cotton (extra long staple)	89,357
Peanuts	1,611,441
Rice	1,652,596

Mr. ELLENDER. Mr. President, if anything, the prices for 1958 have increased over those of 1957. From that standpoint, I do not see why Mr. Benson should object. But, Mr. President, as has been pointed out on many occasions, the allotted acreage of many farmers has been cut back to a point that it is uneconomical to farm many crops.

What the pending measure does is simply place a floor under 1958 acreage allotments. It provides that such allotments cannot be reduced below 1957 levels; however, they can be increased. This floor would remain in effect until Congress enacts a long-term farm program, and I might say that the Senate Agriculture Committee will begin that task within the very near future.

I wish to give assurance to the Senate, as chairman of the Committee on Agriculture and Forestry, that I shall do all in my power to report a bill from the committee as soon as possible.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the Senator a question regarding tobacco. Tobacco is excluded from the joint resolution. Many tobacco growers in my State and other States may believe that because tobacco is excluded from the resolution the interests of tobacco growers have not been considered by the Committee on Agriculture. That is not the case.

Mr. ELLENDER. No, that is not the case.

Mr. COOPER. Differing from all other farm crops, tobacco has a support price of 90 percent of parity, fixed by law, and it cannot be lowered by the Secretary of Agriculture. Is that correct?

Mr. ELLENDER. The Senator is correct. Tobacco farmers have an allotted acreage program which they themselves have fixed.

Mr. COOPER. I think the Senator from Louisiana will agree with me that because there is a fixed support price on tobacco, which cannot be lowered by the Secretary of Agriculture, and an acreage allotment program voted by the farmers, the situation with regard to tobacco is good, and there is no occasion to include tobacco in the resolution. The fact that it is not included is evidence that the tobacco program is working well.

Mr. ELLENDER. As a matter of fact, the support price is fixed by law.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Mississippi.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. ELLENDER. I yield 3 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 3 minutes.

Mr. STENNIS. I thank the Senator from Louisiana for yielding to me, and I appreciate his understanding of the nationwide problem. I think he and his committee have done a splendid job in bringing before the Senate the joint resolution. It is timely and necessary.

I wish to invite attention to the portion of the joint resolution affecting a product with which I am familiar, in order to be sure I understand what is included with regard to that product. Will the Senator from Louisiana state whether I am correct in my understanding that the joint resolution now includes the provisions of the 1956 law, which were temporary, and freezes the cotton acreage for 1959, and years thereafter, at the 1957 level?

Mr. ELLENDER. The Senator is correct.

Mr. STENNIS. It is very necessary that such a provision become law during calendar year 1958. Otherwise, there would be severe, and even shocking, injury to many cotton producers, the people who live and toil on the land.

Mr. ELLENDER. I am in agreement with the statement of the Senator from Mississippi.

Mr. STENNIS. I appreciate what the Senator from Louisiana and other Senators have done.

There is also included in the joint resolution an additional provision providing that the very small producer shall not have his allotment reduced below 4 acres, or the highest planted acreage of one of the last 3 years. Is that correct?

Mr. ELLENDER. The Stennis amendment has been included in the joint resolution.

Mr. STENNIS. I am very glad the Senator had the amendment placed in the joint resolution. That provision will be made permanent legislation, will it?

Mr. ELLENDER. Yes, until Congress enacts other legislation.

Mr. STENNIS. Until it is changed by law, of course.

Mr. ELLENDER. That is correct.

Mr. STENNIS. I am also interested in another provision, which was a companion amendment to the two provisions I have mentioned. It has to do with the 1-percent clause, which is not so necessary now as it was, but which is taken care of in the joint resolution. Is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. STENNIS. S. 267, which covered those three points, was before the committee. I introduced that bill in January 1957. I know the Senator from Louisiana gave special attention to its provisions, and I wish to thank him and the other members of the committee. The provisions relating to cotton acreage are an important part of the joint resolution. Something is done about cotton acreage for 1958 although certainly that is not so important as the provisions in the joint resolution relating to 1959 and future years.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. STENNIS. I thank the Senator.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table explaining the 1958 benefits from the three acreage allotment amendments included in the 1956 Agricultural Adjustment Act.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1958 benefits from 3 acreage-allotment amendments included in 1956 Agricultural Adjustment Act

State	Total 1958 allotment for cotton	Effect of Stennis amendments, acreage saved or gained			Number of farms affected by 3d amendment
		1st amendment [1]	2d amendment [2]	3d amendment [3]	
Alabama	1,035,463	144,741	----------	13,146	44,159
Arizona	367,572	59,199	----------	206	408
Arkansas	1,411,984	226,602	----------	5,786	13,724

[1] Holds 1958 allotment for United States same as 1956 national allotment.
[2] Provides for about 63,224 additional acres for 1958 to be distributed among the States to prevent losses resulting from shifts in history between States. In effect, this amendment prevents any State from losing more than 1 percent of its allotment from the previous year.
[3] Adds 100,000 acres to the national allotment to be used exclusively to give each cotton farm the smaller of 4 acres or the highest planted in the 3 previous years.

1958 benefits from 3 acreage-allotment amendments included in 1956 Agricultural Adjustment Act—Continued

State	Total 1958 allotment for cotton	Effect of Stennis amendments, acreage saved or gained			Number of farms affected by 3d amendment
		1st amendment [1]	2d amendment [2]	3d amendment [3]	
California	812,487	130,853	----------	468	1,215
Florida	38,662	6,028	----------	1,257	4,339
Georgia	905,387	144,303	----------	9,904	25,851
Louisiana	609,922	97,542	----------	4,619	[4] 14,597
Mississippi	1,660,110	265,437	----------	12,914	41,200
Missouri	377,819	60,706	----------	1,104	[4] 3,286
New Mexico	184,247	29,658	----------	202	669
North Carolina	494,083	77,312	----------	14,316	51,036
Oklahoma	827,162	128,706	23,300	5,162	----------
South Carolina	739,957	117,870	----------	8,503	29,715
Tennessee	582,523	92,781	----------	6,761	24,551
Texas	7,474,661	1,195,909	39,844	13,497	27,430
Virginia	18,161	2,802	----------	777	4,991

[4] 1957 estimate.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for it not be taken out of the time allotted to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bible	Hill	Pastore
Bricker	Hoblitzell	Payne
Bridges	Holland	Potter
Bush	Hruska	Proxmire
Butler	Humphrey	Purtell
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Church	Kennedy	Smith, Maine
Clark	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

The joint resolution is open to amendment.

Mr. DIRKSEN. Mr. President, I yield myself 15 minutes.

On January 16 of this year the President made certain recommendations to Congress in the field of agriculture. After surveying the whole situation, and deciding what he thought and finding what the Secretary of Agriculture thought was necessary in the interest of our farm economy, he made certain recommendations. They include a revision of acreage controls, a revision of the price-support formula, a freer decision on the part of farmers, an extension of markets through surplus disposal, an acceleration of research for the purpose of finding new uses for farm products, and an extension of the so-called rural development program.

With respect to a part of the President's recommendations, relating particularly to those items which are set forth in the law, a bill was introduced by the Senator from Iowa [Mr. HICKENLOOPER], cosponsored by other Members of the Senate, which is designed in part to carry out the recommendations of the President and the Secretary of Agriculture. The bill, S. 3049, is presently pending in the Committee on Agriculture.

Among other things, the bill provides for an increase in national marketing quotas and acreage allotments, the discontinuance of acreage allotments on corn, the level of price support for basic agricultural commodities, the level of price support for dairy products, the establishment of a Commodity Credit Corporation Advisory Board, and the extension of the Agricultural Trade Development and Assistance Act. That bill in large part embodies the recommendations of the Secretary of Agriculture and the President of the United States.

We are now confronted with Senate Joint Resolution 162, which proposes a support freeze at the 1957 level, measured in dollars-and-cents terms. It also provides for a freeze of acreage, with the exception of tobacco.

I wish to examine the specific effect of the joint resolution. There are 12 or 15 reasons why it should be defeated.

In the first place, it is an indefinite freeze. One need only to look at the language of the joint resolution to show that that is so. It provides:

> In order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time.

When will Congress consider changes in price supports and acreage allotments? I do not know. The distinguished chairman of the Committee on Agriculture and Forestry may say the committee will consider it next week. That does not mean that the Senate will consider it. It does not mean that the Senate will act on it. It does not mean that the House Committee on Agriculture and Forestry will act on it. It does not mean that the House of Representatives will act on it. This is an indefinite contingent. Until that question is resolved, the joint resolution provides an indefinite and permanent price freeze. If the Committee on Agriculture and Forestry and if the Senate and the House do not act on the bill, to which I have referred, and obtained the signature of the President of the United States to it, the freeze will continue. If I am wrong in my interpretation of the language, then I should like to have someone correct me.

When we speak about an indefinite freeze based upon an amorphous contingency, we are speaking about changing the basic agricultural policy of the Nation. That is the first reason why I am opposed to the resolution.

Second, it proposes a major policy change. The law is quite clear with respect to the purpose of price supports, the criteria therefor, and where they shall be established within a given bracket. The ultimate objective is to provide an adequate supply of a commodity.

The Secretary of Agriculture consults his advisory boards, his statisticians, his economists, his stabilization experts, and his marketing advisers, and then determines where the level should be set for the purpose of producing an adequate supply. If we freeze the level, if we take away the administrative authority, we have made a basic change in agricultural policy.

When the Senate had under discussion the other day, on a motion to suspend the rule, the proposal offered by the distinguished Senator from Minnesota [Mr. THYE], the distinguished Senator from Vermont [Mr. AIKEN] stood in his place and asked, "Why, under given conditions, did not the Secretary of Agriculture modify price supports a year ago? Why did he not cut them then?"

There was a perfectly logical reason why, but in the welter of debate late in the day there was no time to offer a rebuttal. I will state why the Secretary did not reduce price supports then. There were 600 counties which were designated for drought relief. Emergency feed was made available to stockmen. There were 700 other counties where grazing land was to be placed in the Soil Bank. The conditions were so entirely different that when the Secretary and his staff evaluated the whole situation there was great warrant for the action he took then in not lowering the price supports. What is now proposed, however, is a basic change in policy.

The third reason I assign in opposition to the joint resolution is that it will simply defer a long fervent hope which we had entertained that perhaps the supply and the demand could be brought into better balance. I am still devoted to the old, classic idea that when there is a balance between supply and demand, or approximately so, in a free-enterprise system, then the price mechanism begins to work. But obviously it cannot work if legal rigidities are imposed by legislative flat to tie the hands of the very person who, under the law, is mandated to administer the law.

How long and how fervently have we hoped that at long last, instead of having the farmers produce for warehouse account, they would be producing for

the market, for the consumer, for export, and for whatever carryover was needed.

Now it is proposed to go back to the price support level, in dollars and cents terms, to do what obtained last year; and it will be insurance that, once more, the hope which we so long nourished will go aglimmering. The result will be that the farmers will be producing once more for storage account, with all the administrative costs and storage costs that go with it.

It seems to me that if the Senate will simply contemplate the frightening figure of $1 million a day for the storage of commodities which will have to be taken over, that in itself ought to be rather persuasive.

So what I see in the freeze is an assurance that we will be going back to the old surplus diet.

The fourth reason why I am opposed to the resolution is that it will tie the Secretary's hands. For practical purposes, we shall be reverting to the old, mandatory philosophy. What a tragedy that will be. We have seen what happened in the 8-year period when prices were supported under mandatory, high, rigid levels. That was when the mischief and the deviltry were done. That was when the real accumulations began. Now we shall have it all over again, because the resolution imposes mandatory supports, at 1957 levels, on nine commodities.

Let us make no mistake about it. By this interesting joint resolution, we shall be reviving the very thing we had consigned, I hoped, to oblivion, when we finally got away from the mandatory level.

Now it is proposed to tie the Secretary's hands. In the basic law we say to him, "Within a given bracket, you fix the price support level where you and your experts believe that enough will be produced for domestic consumption, for carryover, for the export trade, and for whatever else may be needed."

In accordance with the export background, a level was fixed by the Secretary of Agriculture. But now it is proposed to go back and, by a change of policy, tie Mr. Benson's hands.

I know that many Senators do not like him. I have heard all the imprecations which have been hurled against him. But I am always delighted to think of him as one of the most reputable characters who has ever come to the Nation's Capital. If he were a weak and vacillating person; if he did not have an intense conviction, which is as well anchored as the Rock of Gibraltar; he would have faltered under attack long ago. He has a conviction; and I am delighted that the President shares the conviction with him. I am even more delighted that at the press conference last week, when a House delegation was seeking to pressure the resignation of Mr. Benson, the President said that whom he had in the Cabinet was not the business of Congress, and that he did not expect or intend to call for Mr. Benson's resignation.

The Nation will never get a more courageous man; and now that we have him, it is proposed that we tie his hands. We are asked to say, "In the law, we directed you what to do. In the law we gave you authority, according to your own lights, to do your best in the interest of American agriculture. But now, Mr. Secretary, we are not going to let you have the flexibility allowed by the law. We propose to tie your hands and to freeze the price support level." That is another reason why I am against the resolution.

The fifth reason is that the resolution will assure the creation of more surpluses. It cannot be otherwise. We cannot consider the productivity of the American farm plant without recognizing that in every field, whether it be dairy products or others, there will be more and more surpluses.

At this point I shall comment on the statements which have been made in the Senate from time to time about the exodus from the farms. Yes; there has been an exodus from the farms, and there is, I think, a very good reason for it. In 1820, which was 138 years ago, a farmer in the United States produced enough to meet the subsistence needs of a little more than 4 persons. But in 1956, a single farmer produced enough to meet the subsistence needs, not of 4 persons, but of 21 persons. If anyone wants to know why people leave the farms, let him look at the productivity figure. Then to that must be added the cost of machinery, and other factors. From those figures we get the answer.

Actually the exodus from the farms began in almost every State of the Union in 1935. I have here a table which shows the curves. They go down, almost without any modification, starting in 1935. That was the year when the curve of farm population started downward, and it has been going down ever since.

I suppose that in 1910 the farm population was about 35 percent of the total population. Thirty years ago it was probably 25 percent of the total. The percentage continued at that level until 1935, when it began to slide down.

There are many reasons for the change. There is the lure of jobs in the cities by means of the fine highways which we build. A person now has the means to commute between where he lives, if he lives on 5 or 10 acres, and a job which is 60 or 70 miles away. He can get to his work and back quickly.

So when we consider all the factors, we learn why there has been such a great exodus from the farms. But when we consider the productivity figures, and realize what a single farmer can produce today, we find that there is a very considerable difference between the productivity in the days of the horse-drawn plow and the slow-moving animals as compared with productivity of the mechanized farms of the modern day.

Mr. WATKINS. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. DIRKSEN. I yield briefly.

Mr. WATKINS. It is true, is it not, that the rigid price-support program was in effect at the time when a part of the transition from the farms to the cities was taking place?

Mr. DIRKSEN. Yes.

Mr. WATKINS. Is it not also true that during the early years of Secretary Benson's term of office, he was operating under programs which had been established by prior Congresses, and his own program was not then in effect at all?

Mr. DIRKSEN. That is correct.

Mr. President, if the joint resolution will aggravate the surplus problem, some agricultural commodities will be priced entirely out of the market, all over again.

The PRESIDING OFFICER. The 15 minutes the Senator from Illinois has yielded to himself have expired.

Mr. DIRKSEN. Mr. President, I yield myself an additional 10 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 additional minutes.

Mr. DIRKSEN. Mr. President, what is the trouble with butter? It has been priced out of the market. Half the butter market has been lost. Until the price of butter becomes such that butter is competitive with other products, a durable answer to that phase of the farm problem will not be found.

The pending joint resolution will only aggravate the problem; it can do nothing else. Call it a stopgap measure or an emergency measure if you will, Mr. President; but it is still a measure based on a contingency. But if the joint resolution is passed by both Houses and is signed by the President, it will be in effect until it is repealed by a subsequent act of Congress or until the Congress enacts legislation which will take its place.

Let us not forget, however, that action by two Congressional committees and both branches of Congress and signature by the President would be required in order to place a new law on the statute books.

In 1934, when the Reciprocal Trade Agreements Act first went on the statute books, I was a Member of the House of Representatives. I voted against that measure. I remember that at that time we were told, "This is only for 3 years." Later, we were told, "At this time it will be for only 2 years." Later, we were told, "At this time it will be for only 1 year." But, Mr. President, I have been voting on the reciprocal trade bill or on extensions of that bill for the past 24 years—all on the basis of "only for 1 year" or "only for 2 years" or "only for 3 years more." In every case, the proponents advanced the argument that the extension would be for only a limited period of time.

Mr. President, let us not be fooled. If this joint resolution is enacted into law, it will not be changed until another law repeals it. This joint resolution, if enacted, will continue to be on the statute books until and unless a new policy is established.

But what assurance have we that either this year or the next year or the following year there will be established a different policy which will cause the acreage freeze or support freeze provided

by the pending measure to be removed from the statute books?

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield briefly.

Mr. LAUSCHE. Let me refer to the joint resolution:

> That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time—

And so forth.

On what bill is the Committee on Agriculture and Forestry working at this time? Is it working on a bill which is supposed to provide for an evolution of the program which ultimately will solve this problem, with which Congress has been endeavoring to cope—although thus far the efforts of Congress have been unsuccessful—by legislative enactment for the last 25 years?

Mr. DIRKSEN. I cannot tell. All I can say is that the President and the Secretary of Agriculture have requested greater flexibility and a lowering of the support levels.

I believe one can reasonably infer, from the discussion which have occurred on the floor of the Senate, that there is hostility toward such a solution as is proposed. So where is there any assurance that at an early date a modification will be made of the policy proposed by the pending joint resolution?

By the pending measure, it is proposed that acreage allotments be increased and price-support levels be increased. However, the joint resolution would not amend any existing law, because it provides, in part:

> That in order to prevent reductions in support prices or acreage allotments—

Those two.

The joint resolution, if enacted into law, would not modify the 1934 act or the 1949 act. Nevertheless, by means of the enactment of the pending measure, the criteria and the standards would go out the window. That is why it may truly be stated that the pending measure would make a basic change in policy.

The Congress has already established criteria to be used by the Secretary of Agriculture. By that means he has been told how to go about the business of setting, for any particular commodity, a price support which will provide an adequate supply of the commodity.

But no criterion would be established by means of the pending joint resolution. Instead, the existing criteria would be scrapped by this means, and an entirely different set of instructions would be given to the Secretary of Agriculture.

Mr. President, the language of the joint resolution speaks for itself; it does not require any argument by me.

By means of the joint resolution, Congress would worsen an agricultural situation which already is bad. I so contend, and the Secretary of Agriculture admits it. For 35 years we have been trying to find a solution, but we have not found one yet.

Today the Senate is confronted with a joint resolution which is referred to as an emergency measure or stopgap measure or a crisis measure. However, when we read very carefully the language of the joint resolution, we find that, once enacted, it would remain in effect indefinitely, until the taking of different action by a committee of the House of Representatives, a committee of the Senate, the House of Representatives itself, the Senate itself, and then signature by the President of the United States. In short, the pending measure would, if enacted, remain in effect until repealed by means of a separate measure.

Mr. President, I have pointed out that the joint resolution would be mandatory in the case of nine agricultural commodities. I shudder at the very thought of having the Congress return to that mischief. How long it took the Congress to get rid of the mandatory supports. But the pending joint resolution would provide mandatory supports for quite a number of agricultural commodities; and if the joint resolution were enacted into law, who knows but that the doctrine of mandatory supports might be instituted all over again? How bad it proved to be, Mr. President.

Another reason why I am opposed to the joint resolution is that it would aggravate the problem in the case of the basic commodities. Under this proposal, the price support for wheat would, according to the figures which have been presented, rise from 75 percent to 84 percent, even though in the Government stocks there is a whole year's supply of wheat.

Mr. President, some Members of the Congress may believe it would be proper for Congress to proceed to say to the wheat farmers, "We will raise the supports on wheat, even though the Government has an entire year's supply on hand and will continue to pay the storage charges on that wheat."

Mr. President, to raise the supports on wheat would simply aggravate the problem. Then what would happen? Oh what a headache would come the next year and the year after that.

Mr. President, I would prefer to deal with the problem now, rather than suffer such an aggravated headache at a later date.

A further reason why the joint resolution should not be passed is that it would be discriminatory. Let us consider the wheat farmers who have signed up under the Soil Bank. The price support was announced as being $1.78. Under the Soil Bank I suppose the farmers would receive the equivalent of $1.20. But under the pending proposal, the Government would say to the farmers who previously signed up under the Soil Bank, "We are going to freeze the support at the 1957 levels, and it will be just too bad for you poor devils who signed up before now with the Secretary of Agriculture, because by means of this joint resolution the support will be pegged at $2 a bushel."

Mr. President, would that be fair?

Mr. President, even though Illinois is not essentially a wheat-producing State, I will not agree to attempt to make my peace with the farmers at home by saying to one of them, "Bill, I am sorry; but you signed up for the Soil Bank before we got this joint resolution on the statute books. So you are in one category," and then by saying to another, "But, John, you are in another category." I will not do that, Mr. President. I shall do my utmost to have fair treatment accorded to all of them, right down the line.

Oh, Mr. President, what a disservice the Congress would render to agriculture in the United States if this joint resolution were ever passed by the House of Representatives and the Senate and were to be signed by the President.

Mr. President, I am reminded of another reason why I am opposed to the joint resolution. I do not speak for the President of the United States; I would be the last person under God's canopy ever to attempt to arrogate to myself any knowledge of what the President would do. But if the pending joint resolution were passed by both Houses of Congress and were signed by the President, and thus were enacted into law, the Secretary of Agriculture would have to go to the White House—he would simply have to do so, if he were to maintain his self-respect—and would have to say to the President, "I ask you to veto this joint resolution." The Secretary of Agriculture could not do otherwise. If I were the Secretary of Agriculture, and if I were confronted with a measure of this sort, I would simply have to say to the President, "Mr. President, this joint resolution would provide a basic change in policy, and it would tie my hands, and it would frustrate the very recommendations which you, yourself, sent to the Congress in January. So I respectfully ask you not to sign this measure."

Mr. President, in my judgment, the Secretary of Agriculture would have to do that, in view of the existing facts.

That is another reason why I do not want to go through any empty gestures by passing a measure which, if it became law, would result in a disservice to agriculture, but which, probably, would be vetoed.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. YOUNG. The President, himself, when he vetoed the farm bill, raised price supports for wheat from 76 percent of parity to about 83 percent of parity, the equivalent of $2 a bushel. At that time we had more of a surplus of wheat than we have now. How can the Senator justify lower prices when farm operating costs are up and surpluses are down?

Mr. DIRKSEN. What were the conditions then existing? The other evening, the Senator from Vermont [Mr. AIKEN] said price supports could have been raised a year ago. I did not have time to answer then, but I answer now——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator may proceed for 3 additional minutes.

Mr. AIKEN. Mr. President, I think the Senator misquoted me slightly. I said the other night the Senator from

Illinois has stated that under the law the Secretary had to reduce support prices on dairy products. I pointed out to him that, if he had to do it this year, he was operating under exactly the same law which was in effect when he raised dairy price supports 2 years ago, when there was in the hands of the Department of Agriculture 6 times the amount of dairy products there is this year. Somebody should have gone to jail 2 years ago, if the law required him to reduce supports for dairy products then.

Mr. DIRKSEN. The answer to the question is, What were the conditions? As I recall, the Senator said if the Secretary of Agriculture could do it now, why could he not have done it a year ago?

Mr. AIKEN. Will the Senator let me answer his question?

Mr. DIRKSEN. Yes.

Mr. AIKEN. At that time the Commodity Credit Corporation owned dairy products which were the equivalent of 10,500,000,000 pounds of milk. This year the Commodity Credit Corporation owns the equivalent of 1,750,000,000 pounds of milk. In other words, this year there is 85 percent less in surpluses in the hands of the Commodity Credit Corporation than 2 years ago.

Mr. DIRKSEN. That is not the whole story.

Mr. AIKEN. That is a pretty good story.

Mr. DIRKSEN. It is only a part of the story.

Mr. AIKEN. I shall be glad to complete the story.

Mr. DIRKSEN. Let me answer the Senator.

Mr. AIKEN. I did not ask any questions.

Mr. DIRKSEN. What was the cost of feed then? How many counties were being given drought relief? How many counties put grazing acres into the Soil Bank?

Mr. AIKEN. The cost of feed then was approximately the same as the cost of feed is today.

Mr. DIRKSEN. I get an entirely different answer from the Department.

Mr. AIKEN. I am speaking of my region.

Mr. DIRKSEN. I was taking a national average figure. One must consider disaster and drought relief counties putting grazing acres into the Soil Bank, cost of feed, and many other factors. The Department looked at the whole picture and said, "Let it stand." In February it declared the support levels. If the experts in the Department of Agriculture do not know what the score is going to be in the months ahead, I, frankly, give up. I make so bold as to say I do not believe there is a Member of the Senate of the United States who has sufficient basic knowledge to pass on the question, because it is a matter which has to be rationalized by getting all the facts from all over the country.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 additional minutes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. THYE. Is the Senator aware of the fact that the dairy cow population has decreased by 266,000 in 2 years? Increased production cannot be obtained unless the number of cows is increased.

Mr. DIRKSEN. What is the increase in production per animal on the basis of balanced and scientific feeding?

Mr. THYE. Increased production can be accomplished by year-by-year breeding, but animal production is not improved except by breeding. If there is a certain population today, the potential milk production is just so much. A little more milk can be squeezed out of the present number of cows by an excessive amount of feeding. That is what has been done, because the price of corn is only 54 percent of parity.

Mr. DIRKSEN. All I know is that from 1902 to 1957 the increase in dairy products was nearly 10 billion pounds. That is a figure from the Department. The Senator will have to speak for himself.

I point out, as another reason for rejecting the joint resolution, that its enactment would amount to a contradiction. The Department this morning announced that a little more than 12 million acres should go into the Soil Bank in order to cut production, reduce supplies, and stabilize prices. To say that the Senate, notwithstanding that, will by its own flat freeze acreage, does not make sense. If it makes sense then I give up.

I shall make one other point, and then I shall have taken too much time. I suggest that John Q. Taxpayer has an interest in this question, too. Senators should not forget it. When one looks at the 1959 budget, he will see what I mean.

Let me mention some figures. Our losses in fiscal 1956, in dealing with surpluses, were $1,900 million. In fiscal 1957 they amounted to three and a quarter billion dollars. When too much is produced, we have to get rid of our surpluses.

The 1959 estimate for foreign famine relief is $106 million in donations.

Donations for needy persons will amount to $429 million.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 additional minutes.

Mr. DIRKSEN. If we have money in our pockets, we are in a much better position to bargain with persons who have basic commodity surpluses than if we have surpluses ourselves, but it is estimated $70 million will be used for bartering in acquiring materials transferred to the supplemental stockpile.

Nine hundred and seventy-five million dollars will be used for disposing of foreign currencies. Senators should see the foreign currencies presently in the Treasury. Under the International Trade Agreement, of which we are members, $113 million worth will be used. Other losses amount to $864 million.

If enactment of the joint resolution will assure more surpluses, as I think it will, I do not see how we can escape the problem. We shall only save up a headache and continue the business of putting losses on the Federal Treasury.

In the case of cotton, I point out that in 3 years we took a loss of $742 million.

Is there any end to it? Are we going to stand up to the challenge and say, "This is not the way"? Let us work with the problem, let us fight with it, until we find a durable solution. An indefinite freeze is proposed. If the Senate approves it, I believe it will render a disservice to agriculture, a greater disservice, I believe, than by any single measure which has come to my attention in a long time.

So I utter the hope and prayer that the joint resolution will be rejected when it comes to a final vote.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. The Senator stated that the losses on cotton amounted to $700 million.

Mr. DIRKSEN. Seven hundred and forty-two million dollars.

Mr. ELLENDER. I have figures from the Department of Agriculture showing that the loss was only $453 million. The Senator has forgotten to deduct the profits made on cotton up to June 1957, of $273 million.

Mr. DIRKSEN. I received the figures on my own request. I do not believe there are later figures.

Mr. ELLENDER. The Senator received inflated figures. Those are the figures which the Secretary of Agriculture used before our committee, and they caused a ruckus in the committee, because we showed the Secretary the losses were under $1 billion, when he said they were $3¼ billion.

Mr. DIRKSEN. Mr. President, I was serving in Congress when the CCC Act was written. I know we capitalized the program for $100 million. We mandated it, so that at the end of a year's operations it was necessary for those in charge of the program to go to the Treasury Department and say, "We lost so much. To repair our capital structure, we need this appropriation."

That was in hard dollars. Whether the dollars were inflated or not, we paid the bill. I can read a budget. I know what is in the budget so far as losses are concerned. We can call the money any kind of dollars we please, but the taxpayer has to pay. That is why I say the taxpayer has an abiding interest in what will happen in the Senate Chamber this afternoon.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Mr. PROXMIRE. Mr. President, first I should like to say that I am very proud and honored to have an opportunity to support the joint resolution which has been presented by the distinguished Senator from Louisiana. I think the Sen-

ator made a magnificent statement in support of the joint resolution.

I should like to point out that the joint resolution under consideration is a bipartisan committee resolution. An overwhelming majority of the members of both political parties on the Committee on Agriculture and Forestry supported the joint resolution and voted in favor of it in the committee. I believe that is an important point, because the Committee on Agriculture and Forestry is the principal agency of this body for determining what kind of a long-term farm program we are to have. The committee, which reported the joint resolution, has told us that it is the committee's intent to present a long-term farm bill, and to present it soon. I think that is the clear implication of the action.

I have faith in the committee. I am sure the committee will report a long-term agricultural bill, because I believe every Member of this body agrees that the farmers of the Nation do not want to be put on a permanent subsidy. The farmers want a farm program which will work. They want a balanced farm program, one which will obviate the necessity of subsidies.

My experience in Wisconsin teaches me that farmers are conservative. Farmers do not like big government. Farmers do not like to have the Government dictate decisions. The farmers of Wisconsin overwhelmingly want a self-help program; but they need time to work out their problem. They have confidence that if they are given a little more time, and if the ridiculousness of the farm situation as it is at present is recognized by Senators and Representatives, generally, as well as by the country at large, there can be adopted a program which will work.

I should like to make several points as quickly as possible.

No. 1, we have under consideration a conservative joint resolution, because it will simply conserve the income farmers now have. It will prevent farmers' incomes from being reduced. As a result, it will protect this very important segment of our economy at a time when our country is in a serious economic slump, and when we are suffering from a recession.

I point out that farmers are among the leading purchasers of steel. Farmers, of course, must have some kind of transportation, either automobiles or trucks, in order to operate their farms. Therefore, farmers are important purchasers of automobiles, trucks, and tractors. This is an extremely important item with regard to the whole economy—not simply to farmers alone, but to the whole economy.

I should like to point out that if Secretary of Agriculture Benson's order becomes effective, which, of course, approval of the joint resolution under consideration would prevent, the effect of the order on the dairy farmers and on the farmers generally will be that the farmers will not only suffer immediately, but they will have no long-term solution of their problems.

Since 1952 Secretary of Agriculture Benson has been in control of our farm policy. Since 1952 prices for milk have dropped from $4.20 per hundredweight, for manufacturing milk, to about $3.25. If the Secretary of Agriculture was correct in his belief that the way to solve the problem was to reduce price supports and reduce farm prices, then we should have had some kind of solution before now.

What has happened as prices have been cut? What should have happened, of course, according to the old economic theory, was that supply should have dropped and demand should have increased, and the problem would have solved itself. I submit that, because of the nature of farm economics, exactly the opposite situation has prevailed. As prices have gone down production has risen, indeed, production has gone up steadily and relentlessly about 2 percent a year, until at present production is approximately 10 percent above what it was in 1952. Demand has not gone up, as it should have, with prices going down. The per capita retail sales, which represent the best reflection, in fact the only true reflection of demand, have actually dropped. Such sales have actually declined.

Mr. President, that is why I say the present program is not the proper way, on a long-term basis, to solve the problem of the farmer. We must provide the kind of program envisaged by bills which are before the Senate Committee on Agriculture and Forestry, which bills I am sure will be given fair consideration. Those bills, if enacted into law, will provide a long-term farm program which will work.

Very quickly I should like to point out the injustice which a cut in dairy price supports will bring to farmers. It was stated in the Senate Chamber yesterday that since 1952 annual interest income has increased more than 58 percent, to $19 billion. It was further stated that annual dividend income has increased 35 percent, to $12.3 billion. The return on capital, therefore, is something over $31 billion this year, while the return to farmers has dropped all the way down to $11.5 billion.

Mr. President, we now face a situation in which people with capital are receiving nearly three times as much as the farmers are receiving. I say that is wrong; it is unfair, it is unjust. It is particularly wrong when we recognize that the farmers work such long hours, and work very hard, and that they have increased their efficiency and productivity far more than any other group in the economy. The reward for the farmer has been a sharp reduction in his income.

I should like to reinforce a point which was brilliantly made by the distinguished Senator from Vermont [Mr. AIKEN], when he said that we live in a society of subsidies and supports.

Unfortunately we do. We have had discussions in the Senate Chamber in the last 10 days as to postal subsidies. Some of us tried to limit the subsidy paid to any publication to $1.8 million, but we were defeated. It was the decision of the Senate as a whole that the publications should receive subsidies, including subsidies to single publications exceeding $5 million each.

We have passed legislation to increase the airline subsidy. We have provided a minimum wage to protect labor. There is a movement with widespread backing to increase the minimum wage support for labor. We have given support by tariffs to manufacturers. There is much talk of, and a great deal of support for increasing tariffs and protecting industry through tariffs.

Most important of all, we have an administered price system in large areas of our economy. This is price fixing, price support by private agreement. Steel prices have not gone down in 25 years. There are other segments of the economy in which 1, 2, or 3 manufacturing units or corporations control a very large part of the output. Those units or corporations can fix prices, and move prices up or down.

This is the kind of economy the farmer finds himself in, when he alone—and he is virtually alone—operates in a competitive price economy. It simply does not make sense. It is unfair and unjust to the farmer. I believe it is only fair that we should give the farmer a chance and a little more time to work out his problem.

I should like to stress a statement made very well this morning by the distinguished Senator from Louisiana [Mr. ELLENDER] when he pointed out what has happened to parity. If Senators, both Republican and Democratic, will recognize what Secretary Benson has done to parity, they will vote overwhelmingly in favor of the joint resolution under consideration.

Let me tell the Senate what has happened. When Secretary of Agriculture Benson took office, 75 percent of parity for dairy products amounted to $3.31 per hundredweight. Today, 75 percent of parity amounts to only $3.03 per hundredweight.

What has happened is that parity has dropped. At the same time, costs have increased. Parity is 10 percent lower, although the farmer must pay much higher prices. I submit that this is about as unfair, improper, unjust, and unethical as it could possibly be. If we are to have a parity system which means anything, it should mean that the farmer should be in such a position that as his costs increase, his income increases.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. In conclusion, I say that what is at issue is the survival of the family farm.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the Senator from Maryland [Mr. BEALL].

Mr. BEALL. Mr. President, the great needs of our agriculture today are bigger markets for the abundance our farms produce—more freedom for farm people to plant, to sell, and to make their own management decisions—help for the families living on inadequate farms and in underdeveloped rural areas.

The legislative changes proposed by the administration will serve all of these basic needs.

In spite of the cost-price squeeze, the ineffective price supports and unworkable acreage controls, the farm level of

living is higher than ever before. Farm assets are at a peak and productivity per man-hour is rising year by year. What we need to do now is to free our farmers as rapidly as is feasible from the shackles of controls which have cramped their operations for many years.

Our farm people want to be more free to plant, more free to market, more free to meet their competition, more free from Government interference.

This program will permit more freedom for farmers. It will give farmers more freedom to plant by increasing acreage allotments. Some of these allotments have become so small as to cripple efficiency. I am told that 7 out of 9 cotton allotments are less than 15 acres—and I know that tobacco allotments are far too small.

This program will make price supports more realistic. The range of 75 to 90 percent of parity on the basic crops and dairy products does not allow for sufficient market growth. We are pricing these commodities out of potential markets. Increased allotments and a wider range of price support logically go together.

The program will eliminate the escalator clauses, those formulas which provide that the level of price support goes up as the surpluses go down. Farm people do not want to live continually under the shadow of surpluses.

Nor do other taxpayers want it because taxpayers, including farmers, get the bill for storage and losses.

Our surplus disposal efforts have been meeting with increasing success. They must be continued until the surpluses are reduced to reasonable proportions. In this connection, I support the extension of the special school-milk program. Milk is the most valuable crop Maryland farmers produce. Last school year more than 900 Maryland schools took part in this special milk program and the children of my State consumed more than 30 million half-pints of milk under this program. This is a wise use of our abundance. It serves farm and city people alike.

I endorse the provisions on extension and expansion of Public Law 480, increased emphasis on utilization research.

We are on the right road in agricultural policy. Progress is being made. Sound programs will result in a sound agriculture.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, the resolution we are considering today does not seek to increase price-support levels or cash prices on farm commodities. It would only freeze price supports at last year's level. It would prevent the drop in price supports Secretary of Agriculture Benson has already scheduled for the 1958 crop.

Even the level of support last year—1957—is not high enough to lift the prices of many farm commodities up to a level necessary to maintain some semblance of equality of income as between farmers and other segments of our economy.

For example, Secretary Benson lowered price supports for wheat from $2 to $1.78 a bushel or from 82½ percent to 75 percent of parity. Dairy price supports are scheduled to be dropped on April 1 from approximately 83 percent to 75 percent of parity.

The pending joint resolution would restore these price supports to the present level or the one President Eisenhower himself established 2 years ago when he vetoed the major farm bill which would have set price supports for these commodities at 90 percent of parity.

The effect on feed grains would be as follows: The price of barley would be increased from 93 cents to 95 cents per bushel; grain sorghums would be increased from $1.83 per hundredweight to $1.86 per hundredweight—that is, over the prices of last year; rye would be increased from $1.10 per bushel to $1.18 per bushel; flaxseed would be increased from $2.78 per bushel to $2.92 per bushel—again, only a very few cents.

Farm net income has been decreasing year after year since the Korean war. These figures are as follows:

1953	$13,880,000,000
1954	12,190,000,000
1955	11,581,000,000
1956	12,070,000,000
1957	11,532,000,000

Our Nation's economy is in trouble. The number of unemployed is the highest in 16 years. Our national economic situation could become far more serious than it is now—that is, if we do not correct the basic reasons for its cause.

Every depression in the past has started with depressed farm prices. It does not make sense for this administration purposely to plan lower farm prices—and that is exactly what it is doing.

Secretary Benson, in his last appearance before the Senate Agriculture Committee, stated that lower price supports would mean lower cash prices, at least for some time in the future.

These planned lower prices for farm commodities will only serve to deepen the depression. What we need is increased farm purchasing power—not less.

In the so-called agriculture States, 70 percent of the per capita income is spent for industrial goods as compared to 50 percent in the nonagricultural States. This gives some indication of how the entire economy is adversely affected when the purchasing power of the farmers is destroyed.

Mr. President, little, if any, of this drop in farm prices will be reflected in lower prices to the consumers.

Surely, there is abundant evidence to prove that the lowering of price supports in the past by Secretary of Agriculture Benson or any other Secretary has not resulted in lower prices to the consumers.

Let us take wheat for example. The price support for wheat last year was $2 a bushel. The average cost of a 1-pound loaf of bread was 18.8 cents. The farm value of the wheat in this loaf of bread was only 2.6 cents.

Lowering price supports for wheat by 22 cents a bushel, as has been scheduled by Secretary Benson, would mean a drop of approximately 11 percent in the farm value of the wheat going into a loaf of bread, or less than three-tenths of a cent per loaf.

Is any Senator naive enough to believe that this three-tenths-of-a-cent decrease in the cost of a loaf of bread will be passed on to the consumers? The 11 percent drop in income will be serious to farmers, however. It will break many small- and average-sized farmers. During the last 5 years 6,672,000 people left the farms to seek employment in the cities. There will be many more farmers seeking employment in the cities if we permit farm prices to drop further.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. YOUNG. I am happy to yield.

Mr. HUMPHREY. I hope the Senator will forgive me, but I hold in my hand a clipping from the Minneapolis Morning Tribune of March 10. It is a feature article by Mr. Charles Bailey, who is a member of the press corps, and who covers the activities of the Congress of the United States for the Cowles Publications. I shall quote from a portion of the clipping which refers to a speech made by a Member of the House, in which he noted the cost to taxpayers of such programs as price support for wheat, and then said, "In addition, it may cost him about $20 a year more for the high price of bread."

Another Member of Congress had this to say:

> Because the high support program has kept the price of bread high, also, you—as an average consumer of bread—paid $20,000 more than your bread would have cost you otherwise.

He refers to 1957.

Then the writer of the article goes on to point out what the figures really represent, as the Senator from North Dakota has pointed out. All I say is that we are constantly the victims of open distortion of fact. It is true that if the price of wheat went up 50 cents a bushel, it would not raise the price of a loaf of bread by as much as three-fourths of a cent.

Mr. YOUNG. I thank the Senator from Minnesota. It is amazing that people should throw out figures such as that. If the wheat producers gave away their wheat, and did not charge anything for it, the people of America would not have the price of a loaf of bread affected by more than 2.6 cents.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MANSFIELD. I am interested in what the Senator from Minnesota and the Senator from North Dakota have said, especially the remarks of the Senator from North Dakota, who is one of the most distinguished agricultural experts in the Senate.

Mr. YOUNG. I thank the Senator.

Mr. MANSFIELD. He has mentioned the fact that even though the price which the farmer receives for his product has been going down over the years, the cost of the same product to the consumer has been going up.

Let us assume, as is the case at the present time and will be for some time to come, and even if Mr. Benson has his way, that wheat is selling in Montana and the Dakotas at $2 a bushel, and that

the wheat is sent to Minnesota for milling. What does it cost to mill a bushel of wheat? Does the Senator from North Dakota have any idea about that?

Mr. YOUNG. I do not have the information; I am sorry.

Mr. MANSFIELD. It costs somewhere between 50 cents and 75 cents. Then it goes to the baking concern, and the bushel of wheat is baked into loaves of bread. Does the Senator from North Dakota have any idea how much the total number of loaves of bread will sell for?

Mr. YOUNG. I know that it is about 2.6 cents a loaf so far as the farm cost of wheat is concerned.

Mr. MANSFIELD. The total cost of that bushel of wheat comes to somewhere between $14 and $15. The farmer gets $2. The miller gets about 75 cents, or six bits. The baker get a little bit also. Who makes the money? Is it the farmer? Of course not. He gets very little. Someone somewhere along the line, is raking in the money, and the price of bread, regardless of the price of wheat, goes steadily upward.

Therefore, as the Senator has said, the farmer is being made the goat in the parity picture, and it is about time that the picture is laid on the table. If we are to criticize the farmer because of subsidies alleged to be paid him, then we should also criticize the railroads and steamships and airlines, and look into the tariff, which, after all, is a subsidy for business—a needed one, I believe—and then we should also consider the magazines and newspapers which are being paid subsidies, as was brought out in the debate a few days ago. All those enterprises receive subsidies from the Government.

Mr. YOUNG. I thank the Senator for his statement. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table prepared by the Department of Agriculture showing the cost of wheat in a loaf of bread.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

Year	Cash price support level	Retail price of a 1-pound loaf of bread	Farm value of the wheat in a loaf of bread
	Cents	*Cents*	*Cents*
1948	2.0	13.9	2.6
1949	1.95	14.0	2.4
1950	1.99	14.3	2.5
1951	2.18	15.7	2.6
1952	2.20	16.0	2.6
1953	2.21	16.4	2.5
1954	2.24	17.2	2.7
1955	2.08	17.7	2.7
1956	2.0	17.9	2.6
1957	2.0	18.8	2.6

Estimated number of families in the United States, 42,548,000.

Source: J. Murray Thompson, Office of Price Support, Commodity Credit Corporation.

Mr. YOUNG. Mr. President, for example, in 1948 the price support on wheat was exactly the same as it is today, $2 a bushel. The cost of a 1-pound loaf of bread was 13.9 cents in 1948, and the farm value of the wheat in a loaf of bread was 2.6 cents.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. ELLENDER. Mr. President, I yield 5 more minutes to the Senator from North Dakota.

Mr. YOUNG. Although in 1957 the price support was exactly the same as 10 years ago, the price of a loaf of bread had risen, from 13.9 cents to 18.8 cents.

I believe that is a complete contradiction of the unreliable and inaccurate—and purposely inaccurate—statements of the kind the Senator from Minnesota has quoted.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. The charge has been made that the joint resolution would freeze rigid price supports into law. Is that a correct statement?

Mr. YOUNG. No. It would freeze them at not less than last years level.

Mr. AIKEN. Does it freeze rigid supports?

Mr. YOUNG. It places them exactly where they are under present law.

Mr. AIKEN. Is it not true that the only commodities which would benefit by the joint resolution would be rice, which would be maintained at 82 percent of parity, instead of 75 percent, as the Secretary proposes; wheat, which would be maintained at 79 percent of parity, instead of 75 percent; manufacturing milk, at 82 percent, instead of 75 percent; and butterfat, at 79 percent, instead of 75 percent?

Is it not true that those are the only commodities which would be affected at all, and that the same flexibility which has existed for most of the commodities will continue to exist in the future, namely, from 75 percent to 90 percent?

Mr. YOUNG. That is correct.

Mr. AIKEN. Therefore only rice and wheat and manufacturing milk are affected, regardless of what anyone may say. Corn is not affected. The support price for the 1958 corn production which corresponds to the 14 percent of corn production which was in compliance last year would be set at 77 percent of parity instead of 75 percent, but let us not lose sight of the fact that 86 percent of the corn production last year was produced on noncompliance acreage, and that would not be affected by the resolution. Any statement that the joint resolution would restore and freeze rigid 90 percent price supports is simply—well, the Senator can use his own adjective to describe that kind of statement.

Mr. YOUNG. I appreciate the statement of the Senator from Vermont.

Mr. AIKEN. I was not enthusiastic over this way of maintaining farm prices. I realize, however, that in the concerted attack upon price supports for farm commodities someone is making a major contribution to the recession in the United States. I expect to vote for the joint resolution, not because it is the way to set support prices, but because it may be the only way we can head off greater effects of the depression in the farming areas.

Mr. YOUNG. I certainly agree with the Senator from Vermont. I do not know of any time in recent years when it has been more necessary to stabilize the price of farm commodities than now.

What sense is there to helping other segments of our economy to prevent a depression when we are purposely reducing the level of income to farmers?

Much has been said about higher price supports increasing surpluses. I have had a table prepared by Mr. Kendall, of the Senate Committee on Agriculture and Forestry, showing the number of acres planted to wheat and the farm prices for each year since 1927.

For example, in 1932 the price of wheat was 38 cents a bushel, and the farmers planted 66,281,000 acres. One would naturally think that when the price reached the low level of 1932 that the farmers would decrease their acreage of wheat the next year. That is not the case, however, and, actually, in 1933, the year following that very low price of wheat, the lowest in 30 years or more, the farmers increased their wheat acreage from 66,281,000 to 69,009,000 acres in 1933.

I ask unanimous consent to have that table printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Acres planted to wheat	United States farm prices
	Thousands	
1927	65,661	$1.08
1928	71,152	.99
1929	67,177	1.03
1930	67,559	.65
1931	66,463	.38
1932	66,281	.38
1933	69,009	.74
1934	64,064	.84
1935	69,611	.83
1936	73,970	1.02
1937	80,814	.96
1938	78,981	.66
1939	62,802	.69
1940	61,820	.67
1941	62,707	.94
1942	53,000	1.09
1943	55,984	1.35
1944	66,190	1.41
1945	69,192	1.49
1946	71,578	1.90
1947	78,314	2.29
1948	78,345	1.98
1949	83,905	1.88
1950	71,287	2.00
1951	78,324	2.11
1952	78,645	2.09
1953	78,931	2.04
1954	62,539	2.12
1955	58,241	1.99
1956	60,658	1.97
1957	49,999	1.94

NOTE.—Since World War II there have been 7 general freight increases.

Source: Jim Kendall, Senate Agriculture Committee.

Realized net farm income

Year:	*Millions of dollars*
1947	17.191
1948	15.943
1949	13.673
1950	12.857
1951	14.802
1952	14.256
1953	13.880
1954	12.190
1955	11.581
1956	12.070
1957	11.532

Source: Jim Kendall, Senate Agriculture Committee.

Producer's share of consumer dollar

Year:	Percent
1946	52
1947	51
1948	51
1949	47
1950	47
1951	49
1952	47
1953	44
1954	43
1955	41
1956	40
1957	40

Source: Jim Kendall, Senate Agriculture Committee.

Mr. YOUNG. Mr. President, the table proves conclusively that there is not one iota of truth to the statement that lower prices will solve our surplus problem. We will have farm surpluses in postwar periods whether we have price supports or no price supports at all.

The PRESIDING OFFICER. The additional time of the Senator from North Dakota has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, the lower dairy price supports as proposed by Secretary Benson, and which this resolution seeks to prevent, are very unlikely to be passed on in lower prices to the consumers.

The prices of some farm commodities, both price supported and nonprice supported, are fairly good. This is almost entirely because Congress has insisted on maintaining a fair level of price supports.

The greatest problem farmers have today is the rising cost of everything they have to buy and the increasing number of items they need as farming becomes more technical.

Mr. President, during the 1947–49 period, the average price for a gallon of gasoline was 21.9 cents, and on September 15, 1957, it had risen to 27 cents, or an increase of 23 percent. During this same period a 39-horsepower tractor went up from $2,100 to $3,000, or 43 percent; a 3-bottom tractor plow went up from $269 to $400, or 49 percent; a disk harrow went up from $202 to $301, or 49 percent; manure spreaders went up from $332 to $513, or 55 percent; grain drills went up from $475 to $754, or 59 percent; combines—a 12-foot self-propelled—went up from $4,310 to $6,140, or 42 percent; and 2-row cornpicker-huskers went up from $1,210 to $1,980, or 64 percent.

Mr. President, I ask unanimous consent to have this table inserted in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The index numbers of prices paid by farmers for production items (1910–14=100) for the years 1947–58 is as follows:

1947	224
1948	250
1949	238
1950	246
1951	273
1952	274
1953	253
1954	252
1955	249
1956	249
1957 [1]	258

[1] January-October average.

This shows an increase from 1947 to 1957 of 15 percent, and an increase of 9 percent from the 1947–49 average.

Specific items included in the production index have increased in actual retail prices as follows:

Commodity and unit	Average prices paid by farmers—		Percent increase
	Average 1947–49	Sept. 15, 1957	
Gasoline, tank truck, per gal	*Cents* .219	*Cents* .270	23
Wheel tractor, 30 to 39 belt horsepower, each	*Dollars* 2,100	*Dollars* 3,000	43
Plows, tractor, 3-bottom, each	269	400	49
Disk harrows, tandem, each	202	301	49
Manure spreaders, each	332	513	55
Grain drills, 20-tube, each	475	754	59
Combines, self-propelled, 12-foot, each	4,310	6,140	42
Cornpicker-huskers, 2-row, each	1,210	1,980	64

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. The table which has just been placed in the RECORD by the distinguished junior Senator from North Dakota is a convincing argument concerning the problem which faces the producer. No one knows the answers to the problems of the farmer better than does the distinguished Senator from North Dakota. Not only was he an operating farmer when he came to the Senate, but his sons are operating the farm today in North Dakota. The Senator knows what the farmer is faced with. He understands the farmer's problems at first hand. He is not merely reading formal statistics; neither does he get his knowledge out of books. He knows the facts first hand.

Mr. YOUNG. I appreciate that statement coming from my good friend, the distinguished Senator from Minnesota.

I have read many articles which claimed that we in Congress who represent the farming areas really do not believe in these farm programs ourselves. Of my own knowledge, I do not know of a single Member of Congress who does not firmly believe in these programs and the cause of the farmers. Anyone who has ever lived on a farm or has had any actual experience in farming would not sit idly by when farming is in the predicament it is in. It may be that some Members of Congress will be defeated the next election and will no longer be able to speak here for farmers; but the voice of the farmers will be heard in Congress in the future, whether through Republicans or Democrats.

It seems almost ridiculous for one Cabinet member in this administration, Secretary Benson, to propose lower prices, and less purchasing power for the farmers at a time when the wages of labor are increasing—and while other Cabinet members are planning multi-billion-dollar spending programs to provide employment for the unemployed.

Mr. President, I believe it is necessary for the administration to take action to help the unemployed. I am not taking issue with increased wages for labor. It does seem to be ridiculous, however, to purposely lower farm income still more when net farm income has been dropping year by year, and when this drop in purchasing power is the primary cause of the recession which is facing this Nation today.

I hope the resolution will be passed.

Mr. BARRETT. Mr. President, I yield 15 minutes to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, it saddens me to see the Senate, which is generally a deliberative body, approach the enactment of so revolutionary a law as is proposed by the pending joint resolution without hearings, without a record, without giving a chance to farm organizations to be heard, without giving a chance to the Department of Agriculture to be heard, without giving anyone else a chance to know what is included in the joint resolution, which was introduced only a few days ago.

I call attention to the fact that, as is well known to my colleagues on the Committee on Agriculture and Forestry, at the last meeting of the committee we had to make some changes in the form of the resolution as it had been overhastily reported the day before. That is not the way to enact sound legislation. Neither is it sound to legislate without any idea of what the people affected think about the matter.

I have just received a telegram from the president of the American Farm Bureau Federation, Mr. Charles B. Shuman, which I shall read into the RECORD, as follows:

WASHINGTON, D. C., *March 13, 1958.*

Hon. SPESSARD L. HOLLAND,
Senate Office Building, Washington, D. C.:

Senate Joint Resolution 162 rigidly fixing price supports and acreage allotments is against the longtime interest of farmers and should not be approved.

CHARLES B. SHUMAN,
President, American Farm Bureau Federation.

Mr. President, as I recall, the American Farm Bureau Federation has about 1,700,000 farm families as members.

I have also received a telegram from the Florida Farm Bureau Federation, which reads as follows:

GAINESVILLE, FLA., *March 12, 1958.*

Hon. SPESSARD L. HOLLAND,
United States Senator,
Senate Office Building,
Washington, D. C.:

We commend you on your vote against fixing dairy price support at 1957 level. Urge you to continue holding the line against bills of this type dealing with dairy and other commodities.

T. K. MCCLANE,
Executive Vice President,
Florida Farm Bureau.

Mr. President, the fact of the matter is that this is well intended proposed legislation, but it is hasty, carelessly drawn, and unwise. For that reason, I protest very vigorously against its enactment. I realize that what I shall say probably will not change a single vote; but I want the record to show what I believe to be the facts about the joint resolution. That is why I am speaking now.

First, I want every Senator to ask himself this question, and I am particularly looking at Senators from the wheat-producing States: Would this ac-

tion be fair to those who have signed up under the Soil Bank program?

I note, by looking at a table compiled by the Department of Agriculture—USDA 652–58—that, in connection with wheat, there have been 164,944 applications signed and filed in county ASC offices for the retirement of acreage under the acreage reserve program of the Department, and that the number of acres retired is 4,875,092—almost 5 million acres.

Mr. President, I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1958 acreage reserve participation through Feb. 28, 1958

Commodity	Applications signed and filed in county ASC offices			All offerings, including applications filed and those on waiting lists (registers)	
	Number of applications	Number of acres	Maximum payments	Number of acres	Maximum payments
Wheat (all) [1]	164,944	4,875,092	$97,180,495	5,442,357	$107,336,540
Corn	197,207	3,957,237	167,971,622	7,232,267	311,998,026
Cotton	234,387	3,091,977	168,963,888	5,096,627	282,073,230
Rice	4,156	131,749	8,907,870	158,581	10,668,772
Tobacco:					
Flue-cured	(27,634)	(55,012)	(13,790,015)	(68,510)	(17,124,357)
Type 21	(1,091)	(1,125)	(185,675)	(1,258)	(207,634)
Types 22–23	(3,770)	(5,694)	(973,379)	(7,280)	(1,251,352)
Burley	(11,279)	(7,352)	(1,904,237)	(8,759)	(2,280,388)
Maryland	(1,449)	(6,982)	(1,060,534)	(8,575)	(1,302,606)
Dark air-cured	(3,521)	(2,031)	(312,734)	(2,049)	(315,920)
Virginia sun-cured	(1,158)	(1,943)	(266,246)	(2,135)	(292,570)
Types 42–44	(135)	(410)	(63,010)	(610)	(93,716)
Type 51	(716)	(3,037)	(1,066,945)	(3,037)	(1,066,945)
Type 52	(994)	(3,405)	(1,278,909)	(3,405)	(1,278,909)
Type 54	(163)	(460)	(65,083)	(487)	(68,857)
Type 55	(849)	(2,022)	(337,502)	(2,262)	(378,318)
Total tobacco	52,759	89,473	21,304,269	108,367	25,661,572
Total all crops	653,453	12,145,528	464,328,144	18,038,199	737,728,140

[1] Includes about 3,900,000 acres of winter wheat acreage signed last fall.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall yield later, after I have completed my thought.

The footnote shows that 3.9 million acres of that total—although it does not show the total number of growers participating—was in winter wheat which was signed last fall for retirement from production.

I simply ask the Senators from the wheat-producing States to ask themselves this question: Is it fair to the owners of 3.9 million acres of winter wheat, who retired their acreage last fall on the assumption that they were dealing with a program which called for a price support of $1.78 a bushel, to hold them to those agreements—it is impossible for them to be redrafted now, because the time for such has long passed—after we have changed the program to guarantee a price support of $2 a bushel? Would they have come in on that basis? No one will ever know.

To my mind, it seems completely unfair to even think of changing the situation now, because not only will they have signed up under a misapprehension as to what they were guaranteed by their Government, in the event the resolution is passed, but also they will be in an unfavorable position as compared with any who may sign up after the enactment of the joint resolution, because those who sign after the enactment of the joint resolution will be under a price-support inducement of $2 a bushel.

Now I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. I appreciate the Senator's yielding.

I have been in the wheat farming business all my life. I think I know something about the wheat farming business. I do not think one Senator has received a letter from a wheat producer anywhere in the United States complaining about any inequity which would take place if price supports were frozen at last year's level. If the farmers who are concerned in the matter had any complaint or objection whatsoever, they would have written to at least one Member of the Senate.

Mr. HOLLAND. My feeling is that since we do not know what we are about to do, how can we expect the farmers who produce wheat in the farflung States of the West, to know what we are about to do for them?

I call the attention of the Senator from North Dakota and other Senators from wheat States to the fact that growers in very large numbers—164,944 up to February 28, 1958—had signed acreage reserve contracts on the basis, as they were told, that the price of the support as guaranteed by the Government was $1.78.

I am here to say that I do not believe it would be fair to a single one of those growers if the Congress were now to proceed to change the rules of the game while the game is in process, and if the Congress were to proceed to write, for the benefit of other wheatgrowers, acreage-allotment provisions which would enable them to receive more for each acre they retired from production, and a greater percentage of the value of the crop which otherwise would be produced on those acres, than was received by the farmers who previously signed up.

Mr. President, any Senator who wishes to attempt to meet that point, can attempt to do so on his own time. But I do not believe it can be met.

I believe it would be completely unfair to thousands of growers throughout the Nation if the rules were changed, as now proposed, in the middle of the game, at a time some months after many of these wheat farmers—the 164,944 who have come under the program—placed their acreage in the Soil Bank.

Mr. LAUSCHE. Mr. President, can the Senator from Florida tell me the total number of acres entered in the winter-wheat program?

Mr. HOLLAND. I cannot say. But the Department of Agriculture has issued this bulletin, and I shall gladly hand it to the distinguished Senator from Ohio. It shows that 3,900,000 acres were retired from production last fall, as winter-wheat land, under the program which established the price support at $1.78 a bushel, whereas under the proposal now before the Senate the wheat farmers who would participate in the program at a much later time would have the benefit and inducement of a price support of $2 a bushel.

Mr. LAUSCHE. Then is it the position of the Senator from Florida that the group of wheat farmers who retired the 3,900,000 acres from production last fall or early this spring were told, in effect, "All you will be entitled to as a price support will be $1.78 a bushel," whereas under the pending measure the entirely separate group of those who would enter the program at a much later time would be paid and guaranteed a support of $2 a bushel?

Mr. HOLLAND. I do make that statement.

Furthermore, I say to the Senator from Ohio that those who signed up first, and who first evidenced their willingness to cooperate with the Government of the United States by reducing their planting, and thus decreasing the surplus, would be discriminated against, for the pending measure proposes that those who would offer at a much later time to cooperate would be offered a much more attractive deal than the one given to those who cooperated last fall.

Mr. LAUSCHE. Was the information on which the Senator from Florida bases his statement given to him by the Department of Agriculture?

Mr. HOLLAND. It was.

Mr. LAUSCHE. Do the figures the Senator from Florida has before him show the acreage withdrawals in Ohio?

Mr. HOLLAND. I am sorry, they do not; they simply show the figures for the entire Nation.

Mr. LAUSCHE. Is the pending proposal to be compared with the one we were considering a few days ago when we voted down a measure which would have provided, in connection with the allocation of $250 million, a formula entirely different from the one applicable to the allocation of $500 million under the Soil Bank program?

Mr. HOLLAND. The two situations are not identical, but the principle involved is the same.

In the present case it is proposed that there be established a new rule by means of which the payment for every acre of wheat land retired from now on by the wheat growers would be based on a support price of $2 a bushel if he had planted wheat whereas all the wheat land heretofore retired—amounting to almost 5

million acres—was retired on a support price of $1.78.

Furthermore, the latter are the wheat farmers who up to this time have participated in the acreage-reserve program, and who by their acts have shown that they were the most willing to cooperate with their branch of agriculture and with the United States Government, by reducing the surplus—and it is a surplus—of more than 1 year's supply of wheat. Furthermore, they are the ones who participated in the acreage-reserve program.

Mr. LAUSCHE. Is it correct that, a few days ago, it was stated on the floor of the Senate that the application of two different principles to two identical situations could not be countenanced, and, therefore, the Congress should not apply one rule to the distribution of $500 million, and another, different, rule to the distribution of $250 million?

Mr. HOLLAND. The Senator from Ohio is entirely correct. Let me remind him that the $250 million which was appropriated the other day will be used for another large program of signups.

But at this time the Senate is being asked to make itself a deliberate party to a program under which the wheat farmers who sign up from now on would receive a greater inducement than was given to the wheat farmers who have shown a greater willingness to cooperate, and who signed up last fall and this spring.

Mr. YOUNG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Yes, if I may have more time yielded to me.

Mr. YOUNG. I should like to remind the able Senator from Florida that the Secretary of Agriculture has not yet set the final price support on wheat. It is true that he set it tentatively at $1.78 a bushel. But the final support has not yet been set. But, in the meantime, the existing regulations provide for $1.78.

Mr. HOLLAND. Mr. President, I remind my distinguished friend, the Senator from North Dakota, that the 3,900,000 acres already signed up, as of last fall, are irrevocably signed up. Now that they have been retired from production by their owners, who thus evidenced their willingness to cooperate with the Government's program, those farmers are not in a position to make a change in the case of those acres of land. However, we do not know whether those farmers would have agreed to put even 1 acre of land into the program if they had known that at a later time the support would be set at $2 a bushel.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Yes, if I have time in which to yield.

Mr. CAPEHART. If I were a member of the committee, perhaps I would not need to ask this question. But I should like to ask why the Congress does not enact a new law or amend the present law in order to do exactly what the Congress thinks should be done.

Mr. HOLLAND. I cannot answer that question, because the proposal is not one which I support. I do not think it is fair.

I believe the pending measure, if enacted into law, would be a monstrosity. I believe it would completely depart from the parity concept. Certainly it would do so, because the pending measure is based on a dollars-and-cents floor, not on the parity concept.

Senators have only to examine one of the lists prepared by the Department of Agriculture, to find that the concept of the pending joint resolution is entirely different from the parity concept based on percentage levels, because in each instance there would be a change in the comparative value of the products of the industry.

But now it is proposed not only to freeze the floor in each case, but also to proceed, not on the parity basis—with which all of us are familiar—but on the basis of dollars and cents—which would work monstrous ill to a great many people.

Mr. CAPEHART. I notice that the joint resolution provides, in part:

> This joint resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution.

Under these circumstances, why does not Congress do that now?

Mr. HOLLAND. Mr. President, I shall say to the Senator from Indiana that that part of the joint resolution means that if it is enacted into law, it will be permanently in effect until it is superseded by a new law. If, following enactment of the pending joint resolution—if it were enacted—10 years passed before new legislation in this field were enacted, for that 10-year period there would be an artificial price floor based on dollars and cents—a floor which would depart from the parity basis which now prevails.

Mr. President, I do not believe the Members of the Senate have the slightest realization that when they are asked to pass this joint resolution, they are being asked to depart entirely from the time-honored parity concept.

Mr. CAPEHART. Then is it fair to say that the situation is that we, the Members of Congress, do not know what to do, but we are opposed to what the Secretary of Agriculture is doing, and at a later time we expect to tell him specifically, by law, what we think he should do?

Mr. HOLLAND. I think probably that would be a fair statement of the attitude of those who support the pending measure.

Mr. President, in view of the fact that I do not support the pending joint resolution, I have no confidence in the ability of the Congress later to supply, quickly, much needed general legislation in this field—when I realize that this particular measure departs from the price-support floor which has been prescribed for nearly every product in the long list of products which will be affected by the joint resolution, if it goes into effect.

Mr. CAPEHART. As a farmer, I am not at all happy about the situation.

The PRESIDING OFFICER. The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from California yield further time to me?

Mr. KNOWLAND. Mr. President, I yield 10 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 additional minutes.

Mr. HOLLAND. I thank the Senator from California.

Mr. CAPEHART. Mr. President, I should like to ask a further question of the Senator from Florida.

Mr. HOLLAND. I yield.

Mr. CAPEHART. When will Congress specifically tell the Secretary of Agriculture, by law, exactly what Congress wishes to have done?

Mr. HOLLAND. I cannot answer that question. But the Senate has a woeful choice to make, when it is asked to vote on the pending joint resolution.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. HOLLAND. Mr. President, I wish to make a few other remarks, and then I shall yield to the Senator from South Carolina.

At this time I wish to refer to rice. If Senators will examine the figures on rice, as they are included in the table to which I have referred, and which I have already submitted for printing in the RECORD, they will find that 4,156 ricegrowers have entered into acreage-reserve contracts which retire from production 131,749 acres of riceland.

The point I make as to them is exactly that which I have made as to wheat growers. It is that every Senator from a State with rice production might well remember he is asked to support a program which really penalizes the farmers who have voluntarily shown a willingness to cooperate in the reduction of the product, and which gives a better deal to those who will come into the program from now on than was given to the four-thousand-odd who had cooperated in the program as of February 28, 1958.

That is only part of the story, but my time does not permit me to go further. We are again being asked today to do the same thing we were asked to do previously—to run in two directions at the same time. We have recently appropriated $250 million to retire more acres, on a basis which then prevailed, which we expected would result in retirement of much acreage. We are now asked to bring about this price-support freeze, a situation containing much less inducement to any grower, who might be inclined to retire his acreage, to do so, because he is assured of a higher price support under this proposal than was the case when we appropriated the $250 million.

How idle it is to change the rules in the middle of these games. I say games, but this is a deadly serious business to millions of producers throughout the country. To ask them to operate under different rules than those under which they have been operating, to prejudice many thousands who have shown the greatest willingness to cooperate with the Department of Agriculture, is something that is wrong for us to do.

Mr. THYE. Mr. President, will the Senator yield? I shall be glad to yield the Senator a minute of my time, so that I may ask him a question and he may reply.

Mr. HOLLAND. I shall be glad to yield to the Senator from Minnesota in a moment. I promised first to yield to the Senator from South Carolina. I shall not be able to do so until I complete my remarks.

We all know by the very terms of the joint resolution there is being proposed a permanent floor, until and unless permanent general legislation changing it shall be enacted. Considering how greatly this proposal departs from the flexible price-support program which was passed, with great effort, by the entire Congress, and under which farmers are trying to comply, and in compliance with which they have made much progress in some farming industries, to change that basis entirely is, I think, wrong.

I should like to invite attention to one more matter, and that is that instead of bracketing small grains into one group, with a maximum and minimum price support, under the proposed program the very opposite thing is expected to be done. The chart I have in my hand shows that price supports for barley would be 95 cents a bushel; for flaxseed, $2.92; for oats, 61 cents; for rye, $1.18; for grain sorghums, $1.86; for soybeans, $2.09.

Mr. President, for the benefit of Senators, I ask unanimous consent to have the chart printed in the RECORD at this point in my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops

Commodity	Unit	1957 crops		1958 crops	
		Support level	Support price	Support level	Support price
Basic commodities:					
Corn [1]	Bushel	77.0	$1.40	[2]	[2]
Cotton, extra long staple	Pound	75.0	.5970	[2]	[2]
Cotton, upland	do	78.0	.2881	81	[3] $0.3075
Peanuts	do	81.4	.1135	[2]	[2]
Rice, rough	Hundredweight	82.0	4.72	75	[3] 4.33
Wheat	Bushel	79.0	2.00	75	[3] 1.78
Mandatory nonbasic commodities:					
Honey	Pound	70.0	.097	70	.096
Dairy products:					
Manufacturing milk	Hundredweight	82.0	3.25	75	3.03
Butterfat	Pound	79.0	.586	75	.562
Tung nuts	Ton	65.0	52.13	[2]	[2]
Tung oil	Pound		.205	[2]	[2]
Mohair	do	87.0	.70	82	.70
Wool		101.0	.62	95	.62
Other nonbasic commodities:					
Barley	Bushel	70.0	.95	70	.93
Beans, dry edible	Hundredweight	68.0	6.31	68	6.18
Cottonseed	Ton	65.0	{ 46.00 / 42.00 }	65	{ 45.00 / 41.00 }
Flaxseed	Bushel	65.0	2.92	65	2.78
Gum naval stores	Barrel [4]	[4] 90.0	28.29	[4] 90	29.04
Oats	Bushel	70.0	.61	70	.61
Rye	do	70.0	1.18	70	1.10
Sorghums, grain	Hundredweight	70.0	1.86	70	1.83
Soybeans	Bushel	70.0	2.09	70	2.02

[1] Commercial support for corn produced in compliance with acreage allotments.
[2] Not announced.
[3] Minimum.
[4] Unprocessed basis.
[5] 435 pounds processed basis.

Mr. HOLLAND. Mr. President, the relative positions of those commodities and the relation of the whole group to corn will be entirely changed if this ill-considered measure should become law.

I do not know why Senators, who are generally deliberate men, rush into the Senate and, without hearings, without any chance to study what it is they are being asked to do, propose to wipe away the distinction between corn and small grains which has existed before, and under which small grains were placed in the same classification, with the same parity floor. I now yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. This matter was discussed in the Committee on Agriculture and Forestry. The only reason we are trying to have the joint resolution passed at this time is that we realize agriculture is in a critical condition, and we wish only to hold the line, so to speak, and to insure that acreage allotments and price supports shall not be lowered beyond what they are at the present time, in order that a subcommittee of which I am chairman, as well as the full committee, may consider and report a bill on the subject. We do not want to do anything that might jeopardize our objective. Is that statement not correct?

Mr. HOLLAND. I know, and I completely concede that the intentions of my friend, the Senator from South Carolina, are most honorable. I think if we had been able to enact general legislation, it would have been done a long time ago. This is a question which addresses itself to 96 Senators and 435 Representatives. We have been pulling in opposite directions, and I think there is no possibility at all of enacting, at an early date, general legislation.

I should like to say to the Senator from Vermont [Mr. AIKEN], who is generally so sure in his facts and definite in his statements, that I was amazed when he made the statement to the Senate a while ago to the effect that the only commodities affected by the change were wheat, rice, and milk products.

Mr. AIKEN. I meant any practical change, because there would be a slight change in barley and dry edible beans.

Mr. HOLLAND. There are variations in commodities which are on mandatory price supports or voluntary price supports. A look at the list I have placed in the RECORD will disclose, for instance, that, as to barley, there is a difference as between 95 cents and 93 cents. A greater difference might result, because we are not freezing parity; we are freezing dollars-and-cents figures.

It will also be seen that in the case of beans there is a difference as between a price of $6.31 as against $6.18; and there might easily be a much greater difference.

Because of the limitation of time, I cannot go into all the commodities, but the distinguished Senator will see he made the mistake of looking at the percentage column, because the percentages were left unaffected. The measure was not his, and I absolve him from the accusation that he offered it, but the measure proposes a freeze on the basis of dollars and cents, instead of on the percent-of-parity basis, as the Senator well knows.

Mr. AIKEN. Is it not a fact that where the percentage is the same, but the dollars-and-cents figures vary 2 or 3 cents, it means farmers' costs have gone up so that the parity price has been affected. In that case why should he not get the extra few cents?

Mr. HOLLAND. I point out that some figures are adjusted downward and some upward.

Mr. AIKEN. There is a slight variation. I probably should have said "material difference."

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may be allowed 1 additional minute, so that I may yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. THYE. The only reason I asked the distinguished Senator to yield to me was that I have in my hand a letter from Marvin L. McLain, Assistant Secretary of Agriculture, dated March 4, 1958, with which letter is enclosed a news release from the Department dated February 28, which is headed "Cancellation Date For Corn, Cotton, and Spring Wheat Acreage Reserve Applications Extended to March 28."

The Secretary was changing the rules. I wanted to call the attention of my distinguished friend from Florida to the fact that the Department of Agriculture was changing the rules in the middle of the winter months.

Mr. HOLLAND. I beg to differ with my distinguished friend. The Department of Agriculture was operating under an act which had been passed by the Congress. The Department was being advised by the ablest attorneys it could find and by the GAO as to what its duties were in interpreting that act. The Department was following the mandate of the Congress. There has been no change of rules at all. In some instances, there has been a change of price supports.

Mr. THYE. Mr. President, if my dear friend will yield further——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, I ask for another minute.

Mr. HICKENLOOPER. I yield 1 additional minute.

Mr. THYE. The date was first set at February 20, and the farmers all proceeded upon the assumption that they were dealing with a final date of February 20. The Department finally changed the date to March 28. It was that item which I wanted to bring to the attention of my distinguished friend, because the Department changed the rules in the middle of the winter.

Mr. HOLLAND. Mr. President, if I may be allowed time to answer that statement, it seems to me that the Department has meticulously kept its word to everybody, because it has come in to ask Congress to undo the damage which was done last year, when we appropriated for the Soil Bank only $500 million rather than the $750 million as authorized. The Department of Agriculture has done the honorable thing in asking that the money be restored. I think the Senate approved that honorable recommendation when, the other day, it appropriated an additional $250 million, which I understand will be adequate to take care of everybody.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, I was opposed to the limitation of the funds a year ago. It was my amendment which proposed the increased amount for that phase of the Soil Bank.

Mr. HOLLAND. Mr. President, may I request that I be granted 30 seconds to make the RECORD clear?

Mr. HICKENLOOPER. Mr. President, I yield 1 additional minute.

Mr. HOLLAND. My distinguished friend the Senator from Minnesota is entirely correct in his statement that he was in favor of the restoration of the $500 million, which our committee restored last year after the House cut out everything.

Mr. THYE. The Senator is correct.

Mr. HOLLAND. The point I made was that the Congress appropriated only $500 million, whereas we had authorized $750 million. That was the size of the program we had set up.

Mr. ELLENDER. Mr. President, I yield 15 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Mr. President, I should like to address myself to the comments made by some of my colleagues, and, in the time allotted to me, to place in the RECORD certain statistical tables of economic analyses which will set the record straight.

First, we are dealing with Senate Joint Resolution 162, which was well considered by the Committee on Agriculture and Forestry, and not hastily considered. The body of the resolution was pending in the committee for almost 3 weeks. Extensive testimony was taken on the whole subject matter of agriculture's present plight.

There has been no lack of hearings, no lack of interest, no lack of dedication on the part of the members of the committee. The reports are complete. The statistical evidence is comprehensive. The testimony of witnesses relating to one commodity after another is detailed and emphatic. The vast majority of witnesses urged immediate emergency action to prevent further price decline.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to continue my statement, and at the end of about 12 minutes I shall be happy to yield.

Mr. President, the distinguished Senator from Illinois [Mr. DIRKSEN] quoted the figures which had been given to him by the Department of Agriculture. These same figures were given to the committee, and were found by the committee as being inaccurate and misleading. As a result, these figures were subsequently adjusted by the Department of Agriculture. The Department has termed certain items "losses" in the price-support operations, but the figures which the Senator from Illinois used as being alleged losses under the price-support operations cannot be substantiated as losses. The committee so proved during its hearings with the Secretary. The record of the testimony is all the evidence that is needed.

The Secretary of Agriculture today continues to repeat outright misrepresentation of the economic facts. The Secretary says in a press dispatch which I have in my hand:

> Farm prices have been improving and per capita income of farm population is the highest on record.

Mr. HILL. Who says that?

Mr. HUMPHREY. Secretary of Agriculture Benson says that.

Let us examine this statement.

Yes, per capita income of the farm population is the highest on record. But that is not the farm income of the farm population. That includes the nonfarm income, plus the highest Federal Government payments per capita in the history of the United States. The per capita farm income of the farmer is down substantially from 1951 and 1952, and down from 1953 and 1954—as bad as those 2 years were.

I do not ask Senators to take my word for it. I have before me the table which was submitted by the Department of Agriculture.

Mr. President, I ask unanimous consent to have printed in the RECORD the tables on page 197 of the committee hearings, as published, entitled "Farm Population, Number of Farms, and Percent of National Income," "Farm Income and Production Expenses," and "Index of Prices Received, Prices Paid, and Parity Ratio, All Farm Commodities"; and the figures set forth on page 201 of the same hearings in the table entitled "Per Capita Income of Farm People, 1934–57."

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Farm population, number of farms, and percent of national income

Year	Number of farms	Farm population	Percent of total population	Farm net income as a percent of national income
	Million	*Million*	*Percent*	*Percent*
1950	5.6	25.1	16.5	9.4
1951	5.5	24.2	15.7	9.4
1952	5.4	24.3	15.5	8.7
1953	5.3	22.7	14.2	7.6
1954	5.2	21.9	13.5	7.3
1955	5.1	22.2	13.4	6.7
1956	5.0	22.3	13.2	6.4
1957		20.4	11.9	

Farm income and production expenses

[Billions of dollars]

Year	Cash income from farm marketing	Realized gross farm income [1]	Production expenses	Realized net income	Farmers total net income [2]
1950	28.4	32.1	19.2	12.9	13.7
1951	32.9	37.1	22.3	14.8	16.1
1952	32.6	36.7	22.5	14.3	15.1
1953	31.2	35.1	21.2	13.9	13.3
1954	29.9	33.7	21.5	12.2	12.7
1955	29.5	33.2	21.6	11.6	11.9
1956	30.4	34.4	22.3	12.1	11.6
1957	30.1	34.8	22.9	11.9	11.6

[1] Includes cash income from marketings, Government payments, value of home consumption, and rental value of dwelling.
[2] Includes adjustment for inventory changes.

Index of prices received, prices paid, and parity ratio, all farm commodities

[In percent]

Year	Prices received	Prices paid	Parity ratio
1950	258	256	101
1951	302	282	107
1952	288	287	100
1953	258	279	92
1954	249	281	89
1955	236	281	84
1956	235	285	82
1957	242	296	82

Per capita income of farm people, 1934–57

Year	From agriculture			From nonfarm sources	From all sources	
	Excluding Government payments	Government payments	Total		Amount	Percent of nonfarm population per capita income
1934	$94	$12	$106	$59	$165	35.3
1935	167	15	182	62	244	47.2
1936	148	8	156	72	228	38.5
1937	207	9	216	80	296	46.1
1938	153	12	165	74	239	40.6
1939	147	21	168	81	249	39.8
1940	153	21	174	88	262	38.2
1941	230	16	246	103	349	42.4
1942	360	19	379	130	509	49.2
1943	476	21	497	157	654	52.7
1944	497	27	524	172	696	52.4
1945	528	26	554	166	720	54.9
1946	605	26	631	162	793	61.3
1947	631	10	641	181	822	59.0
1948	752	9	761	197	958	62.8
1949	558	6	564	201	765	51.0
1950	607	10	617	211	828	52.6

Per capita income of farm people, 1934–57—Continued

Year	From agriculture			From nonfarm sources	From all sources	
	Excluding Government payments	Government payments	Total		Amount	Percent of nonfarm population per capita income
1951	$735	$10	$745	$232	$977	56.0
1952	692	10	702	251	953	52.0
1953	657	8	665	265	930	49.6
1954	650	10	660	265	925	50.7
1955	605	9	614	284	898	46.5
1956	579	22	601	301	902	44.7
1957 [1]	641	43	684	309	993	48.4

[1] Preliminary.

Mr. HUMPHREY. Very quickly stated, what do those figures show? They reveal that instead of farm income in 1957 being $993, to which Mr. Benson referred this morning in his press conference, it was $641. Yes, $641 was the farm income from farm activities by farmers on farms. That is substantially lower than the $735 of 1951. It is lower than the $657 of 1953. And it is lower than the $650 of 1954.

I say to the Secretary that his figures are misleading. Furthermore, he has succeeded in having 1.8 million people leave the farms in 1 year.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. So when the Secretary of Agriculture talks about the per capita income, what he means is that there are fewer people on the farms to divide up a smaller amount of income.

I have previously asked unanimous consent to have the complete tables printed in the RECORD, and I shall not read them, except to point out that in the same tables it is shown that the Federal Government's contribution in the form of payments last year was $43, as compared to $10 in 1952, $10 in 1951, and $8 in 1953. Yet, with a $43 per capita payment from the Government the farmer received less money in net income, while surpluses went up and farm indebtedness went up, and at the same time the number of farmers went down, the number of farm homes became fewer, and American agriculture became involved in an ever-increasing economic mess.

Is it any wonder that some of us are appealing, in righteous indignation——

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. Is it any wonder that some of us are appealing for a halt to this planned recession for agriculture?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I cannot yield at the moment, I will say to my good friend from South Carolina, who is one of the farmers' true friends.

Mr. President, time after time the Secretary of Agriculture has given to the American people propaganda handouts, and I charge that these handouts are deliberately misleading. He's done it again today, in attempting to influence our votes. He has made many claims about what this measure would do, but he cannot substantiate one of them—not one. The answer to Secretary Benson is to pass the resolution.

I read in the New York Times the other day that no one had ever challenged the Secretary of Agriculture to a debate. How can anyone make such a statement? I will rent a hall, and let him bring in his audience. In fact, I may say that we challenged the Secretary in Minnesota in 1954. In 1956, the radio networks asked him if he would debate, but he would not. He will not debate because the facts are not on his side. He refuses to accept the debate challenge of Senator PROXMIRE. Now, what are some of the sorry facts? I shall give the story from the Secretary's own records.

The realized net farm income of farm operators has dropped from $14.3 billion in 1952 to $11.6 billion in 1957. During the preceding 5 years the accumulated loss in net farm income was $14 billion. That is a $14 billion loss in net farm income.

The annual rate of expenditures from the Treasury for Agriculture went up in 1957 to $5 billion, as compared with $1 billion for agriculture in 1952. Yet there have been less beneficial results for farmers from this added cost to taxpayers.

Farmers have been driven off the land at the rate of 100,000 farm families a year. So today there are 500,000 fewer farm families in American agriculture than there were 5 years ago.

Let us take a look at another point which was made by Secretary Benson today. I hold in my hands a clipping headed "Benson Asks Consumers To Back Program."

This release alleges that if the joint resolution is passed, as Mr. Benson stated this morning in his own press conference, the price of food to consumers will be raised.

Let us take a look at that statement. Here is another clipping, dated March 7, headed "Benson Warns of Price Rise." Let us see what is going to happen. Take a look at the dairy industry. While the support price went down 13.1 percent since 1954, consumer prices went up 9.3 percent on dairy products. As the support price went down, consumer prices went up.

I have other statistical facts. Prices received by the farmers have gone down 20 percent since 1951. With prices going down 20 percent, retail food prices have gone up. Mr. Benson cannot show that if the price of oats is increased by 30 percent, it would increase the price of oatmeal by one-half of 1 percent.

Mr. Benson cannot show that by reducing the prices of dairy products to 75 percent of parity, the consumer who buys a bottle of milk would be saved one-half of a cent.

Mr. Benson cannot show that reducing the price of wheat by 22 cents a bushel would reduce the price of bread one-fourth of 1 cent.

Those are flat statements. I charge the Secretary of Agriculture with misleading the American public when he says this joint resolution would increase the cost to consumers. It would not.

The greatest increase in the cost to consumers has resulted from his own mismanagement, increasing costs to taxpayers for his ineffective program—the program he asked for and has been unable to make work. Now the Secretary wants a program which would lead to even more disastrous results.

I am not arguing for the joint resolution because it is the answer to all the problems. I am arguing for the joint resolution because it would be at least an urgently needed stopgap. It would give Congress the time it needs to draft long-range legislation—to reconstruct a sound agricultural policy.

Let me answer my good friend from Florida [Mr. HOLLAND]. He stated that the joint resolution may be permanent. The joint resolution has no guarantee of permanency, but it would prevent the Secretary of Agriculture from reducing dairy income. It would prevent the Secretary of Agriculture from putting the skids under the wheat farmer. It would prevent the Secretary of Agriculture from aiding and abetting the recession.

The President of the United States states that he is launching an antirecession program, while his own Secretary of Agriculture proposes a program which would aid and abet the recession.

I have heard further statements——

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. The Senator does not mean to dispute my statement that unless and until the Congress acts further by general legislation this joint resolution, if enacted, would be permanent legislation, does he?

Mr. HUMPHREY. Certainly not.

Mr. HOLLAND. I thank the Senator.

Mr. HUMPHREY. I am of the opinion that any piece of legislation on the books is permanent legislation unless Congress does something to change it, or unless the legislation itself provides for a terminal date. In this instance, action by the Congress would be required. The Congress will act. It will act in the case of wool. It will act in the case of sugar. I hope it will act in the case of cotton. It will act with respect to the total farm program. But in the meantime, we are not going to allow the Secretary of Agriculture to pull the plug out of the tank of agricultural income and permit the tank to run dry, while the Congress is engaged in efforts to amend and improve the basic law farmers need to be protected from the administration's price squeeze now.

Mr. HOLLAND. Mr. President, will the Senator yield for one further question relating to the subject about which I asked him in the beginning?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. The Senator does not contend, does he, that there was any hearing on this particular joint resolution, or that there is any printed record relating to this joint resolution, or bearing on the questions involved in the joint resolution?

Mr. HUMPHREY. The Senator from Minnesota does so contend. In fact, when the junior Senator from Minnesota first brought up the joint resolution, the chairman and the other members of the committee asked that the joint resolution be put over until the hearings were completed.

It was stated that during the hearings we would have an opportunity to discuss certain parts of the joint resolution, which we did. We completed hearings with respect to every commodity, with many groups, represented before the Committee on Agriculture and Forestry. They asked for emergency action at once—and they supported this very resolution. That is a matter of record.

Now, what would the joint resolution do in terms of the prices which farmers will receive for their commodities? I have before me a table showing the prices which the joint resolution would place on the books, as compared with those which would be on economic books if Secretary Benson's prices were to go into effect.

With respect to wheat, under the Benson plan the price would be $1.78; under the Congressional plan, $2.

With respect to corn, peanuts, rice, and tobacco, there is no announcement yet as to Benson's prices. Prices would be maintained as they are if we pass this bill.

With respect to butterfat, the Benson price is 0.549 cent; the price under the Congressional plan would be 0.586 cent.

The Benson price for manufacturing milk is $3; the Congressional price would be $3.25.

And so forth. I ask unanimous consent that this table be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OPERATING FARM INCOME PROTECTION PROGRAMS

Summary—Support price of farm commodities

[Established by Secretary of Agriculture under applicable laws]

Commodity	1952	1955	1956	1957	1958	
					Benson [1]	Congress [2]
Index of farm costs	287	281	286	292		
Wheat	$2.20	$2.08	$2.00	$2.00	$1.78	$2.00
Corn	1.60	1.58	[4] 1.50	[4] 1.40	(5)	1.40
Cotton [3]	.31	.32	.29	.29	(5)	.29
Peanuts	.12	.12	.11	.11	(5)	.11
Rice	5.04	4.66	4.57	4.72	(5)	4.72
Tobacco (11-14)	.506	.483	.49	.51	(5)	(5)
Butterfat	.692	.562	.586	.586	.549	.586
Milk, manufacturing	3.85	3.15	3.25	3.25	3.00	3.25
Wool	.542	.62	.62	.62	.62	.62
Barley	1.22	.94	1.02	.95	.93	.95
Oats	.78	.61	.65	.61	.61	.61
Rye	1.42	1.18	1.27	1.18	1.10	1.18
Sorghum, grain	2.38	1.78	1.97	1.86	1.83	1.86
Flaxseed	3.77	2.91	3.09	2.92	2.78	2.92
Soybeans	2.56	2.04	2.15	2.09	2.09	2.09
Beans, dry edible	7.87	6.36	6.31	6.31	6.18	6.31
Cottonseed	66.70	46.34	48.60	46.20	41.00	46.20

[1] Announced by Secretary of Agriculture.
[2] In bills approved by Congressional committees.
[3] Seven-eighths inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.
[4] Corn produced in compliance with acreage allotments. Noncompliance corn was supported at $1.25 in 1956 and $1.10 in 1957.
[5] Not available.

Mr. HUMPHREY. I also ask unanimous consent that the consumer statement which I have made, relating to agricultural prices as they affect consumer prices, be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONSUMER'S STAKE

If as much space were given in the city press and national periodicals about how American farmers are protecting consumers as is devoted to attacks on supposed subsidies to farmers, there would be far less misunderstanding about the need for a strong agriculture. If farm commodity prices had gone up at the same rate as other cost-of-living items since the Korean war, food and clothing would now be about 15 percent higher. Food and clothing during the 1951–57 period would have cost consumers many billions more than they actually paid. For consumers and taxpayers—other than farmers—this has been a fabulous bargain.

CITY FOLKS BENEFIT

Farmers, in effect, have been, and still are, subsidizing consumers of America. They are taking the losses, so consumers can have a bargain. Food absorbs a smaller proportion of the consumer's spendable dollar than anywhere else in the world. Eight minutes of labor will buy a quart of milk. In France it requires 16 minutes, and in Russia 42 minutes. In view of these facts, it appears rather ungrateful for city residents and consumers to object to efforts toward seeking some economic justice for the producers making such food bargains possible—and rather unwise, in their own interest, for them to oppose policies encouraging abundance that assure reasonable prices. What consumers don't seem to realize is that if agricultural supply was in complete balance with demand, and the normal supply and demand price relationship so many city people advocate was in effect, prices to consumers would be at least a third higher—according to testimony of Department of Agriculture officials. The real issue involved in the farm policy dispute is whether we turn to policies of deliberately encouraged scarcity to force prices up, or whether we rely on income protection devices for the producer in order to assure abundance at reasonable prices to the consumer, in the public's interest.

NEED THE FACTS

Of course, it isn't the consumers who are to blame for so much misunderstanding. They are not getting the real story. Probably most food consumers are not greatly interested in farm troubles, but the vast majority of them are fairminded individuals when they know the facts. What they have been getting are half-truths and distortions. Here are some of the facts:

Food is the biggest bargain in America today.

Prices received by farmers have gone down 20 percent since 1951.

Farmers' operating costs have gone up 15 percent since 1951.

Weekly factory wage rates have gone up 23 percent since 1951—and income from interest rates has gone up 64 percent and dividends from industry have gone up 37 percent.

Per capita farm income is about half the urban rate—even with reasonable allowances for farm produced and consumed items to make figures really meaningful. And this is in spite of the far heavier investment required in farming than in the average urban resident's means of making a livelihood.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. I desire to make a slight correction. With respect to cotton, under Benson the price support would be 30¾ cents, and under the Congressional plan it could not be less than 28.8 cents.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing per person incomes, farm and nonfarm, compared.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DO FARM FAMILIES GET PARITY INCOME

Per person incomes—Farms and nonfarm compared

	1951	1957	Percent change
Income per person of people on farms:			
From farming	$745	$684	−8
From all sources (current dollars)	977	993	+2
From all sources (1957 dollars)	1,045	993	−5
Income per person of people not on farm	1,745	2,045	+17
Farm family income, percent of parity income	56	49	

Source: Farm Income Situation, published by Agricultural Marketing Service, U. S. Department of Agriculture.

Farmers' share of national income and population

	1947–49 percent	1951 percent	1957 percent
Of national population farm people were	18.0	15.7	11.9
Of national income they received	11.2	9.4	6.2

NOTE.—Income figures for farm people include income from off-farm sources as well as income from farming.
Source: Agricultural Marketing Service, Farm Income Situation.

Mr. HUMPHREY. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a table showing how farmers are doing compared with others, showing interest, dividends, corporation profits, wages of workers, weekly earnings of manufacturing workers, and so forth. Surely, a casual study of these facts is compelling evidence for the need of action now.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations and stockowners

		Annual average 1947–49	1957	Percent change
Interest	billion dollars	9.0	18.8	+109
Dividends	do	7.1	12.1	+70
Corporation profits:				
Before taxes	do	29.5	41.0	+39
After taxes	do	18.1	20.0	+11
Rental income	do	7.2	10.4	+45
Business and professional proprietors	do	20.8	28.7	+40
Weekly earnings of manufacturing workers	dollars	53	82	+55
Per person income, nonfarm people	do	1,473	2,045	+39
Per person income, farm people [1]	do	848	993	+17
Farm income parity ratio	percent	58	45	----
Farmers' total net income:				
National	billion dollars	15.4	----	−25
Per family	current dollars	2,654	2,490	−6
Number of farms	millions	5.8	4.9	−16

[1] From nonfarm and farm sources.

Source: Economic Indicators (Council of Economic Advisers) and Farm Income Situation published by Agricultural Marketing Service, U. S. Department of Agriculture.

Per farm real income down ¼ in past 6 years

		1951	1957	Percent change
Farm operators' gross income:				
Including inventory change	billion dollars	38.4	35.0	Down 9 percent.
Excluding inventory change	do	37.1	34.4	Down 7 percent.
Farm production expenses	do	22.3	22.9	Up 3 percent.
Farm operators' net income:				
Including inventory change:				
United States total	do	16.1	12.1	Down 25 percent.
Per farm	dollars	2,911	2,490	Down 14 percent.
Excluding inventory change:				
United States total	billion dollars	14.8	11.5	Down 22 percent.
Per farm	dollars	2,691	2,348	Down 13 percent.
Number of farms	million	5.5	4.9	Down 11 percent.
Net income per farm at 1957 prices	dollars	3,115	2,490	Down 20 percent.
Prices paid by farm family for living items (index)	do	268	286	Up 7 percent.

Source: Economic Indicators, February 1958. Published by Council of Economic Advisers to the President of the United States.

Mr. HUMPHREY. I also ask to have printed in the RECORD at this point as a part of my remarks a table showing that 1957 farm income was less than half of the parity-income goal—a goal promised by President Eisenhower.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1957 farm income less than half of parity income goal

	Parity farm income 1957 [1]	Actual farm income 1957 [2]
Farm operators' net income:		
Including inventory change:		
United States total, billion dollars	26.2	12.1
Per farm, dollars	5,347	2,490
Excluding inventory change:		
United States total, billion dollars	26.2	11.5
Per farm, dollars	5,347	2,348
Farm production expenses, billion dollars	25.4	22.9
Farm operators' gross income:		
Including inventory change, billion dollars	51.6	35.0
Excluding inventory change, do	51.6	34.4

[1] Calculation based on definition in National Farmers Union program and Agricultural Adjustment Act of 1938, as amended. (See Legislative Analysis Memorandum No. 56-18.)

[2] Data from Economic Indicators, February 1958, published by Council of Economic Advisers.

Mr. HUMPHREY. The most revealing tables of all are the index of prices paid by farmers, and the table showing average prices received by farmers for farm products. I ask unanimous consent to have those two tables printed in the RECORD at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Index of prices paid by farmers (1910–14=100)

Item	Average 1947–49	Jan. 15, 1958 [1]	Change
Interest paid per acre	79	175	Up 122 percent.
Taxes paid per acre	270	464	Up 72 percent.
Cash wage rates	430	567	Up 32 percent.
Motor supplies	140	172	Up 23 percent.
Motor vehicles	290	421	Up 45 percent.
Farm machinery	239	358	Up 50 percent.
Farm supplies	235	292	Up 24 percent.
Building and fencing	296	391	Up 32 percent.
Fertilizer	143	152	Up 6 percent.
Average, above 6 items	221	299	Up 35 percent.
Household operation	178	209	Up 17 percent.
Household furnishings	256	279	Up 9 percent.
Building materials, house	339	409	Up 21 percent.
Autos and auto supplies	233	325	Up 39 percent.
Average, above 4 items	231	287	Up 24 percent.
Food	239	278	Up 16 percent.
Clothing	285	326	Up 14 percent.
Average, above 2 items	255	294	Up 15 percent.
Feed	231	193	Down 16 percent.
Feeder livestock	348	356	Down 2 percent.
Seed	242	209	Down 14 percent.
Average, above 3 items	269	245	Down 9 percent.
Prices paid for all family living items (average)	244	289	Up 18 percent.
Prices paid for all production items (average)	237	264	Up 11 percent.
Prices paid, commodities and services, interest, taxes, and wage rates	250	301	Up 20 percent.

[1] Or last available data.

Source: Agricultural Prices, Jan. 31, 1958, Agricultural Marketing Service, USDA.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 2 minutes more?

Mr. ELLENDER. I yield 2 minutes additional to the Senator from Minnesota.

Mr. HUMPHREY. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the decrease in real income per farm in the past 6 years. The table shows that it is down by 25 percent—here we see the beginning of the recession.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Average prices received by farmers for farm products—United States, Jan. 15, 1958, and average 1951 compared with income parity equivalent prices

Commodity	1957 income parity price equivalent [1]	Actual prices		
		Average 1951	Jan. 15, 1958	Change
Wheat	$2.99	$2.11	1.90	Down 10 percent.
Rye	2.10	1.52	.937	Down 38 percent.
Rice (rough)	7.42	4.82	5.01	Up 3 percent.
Corn	2.18	1.66	.931	Down 44 percent.
Oats	1.14	.820	.613	Down 25 percent.
Barley	1.75	1.26	.855	Down 32 percent.
Sorghum grain	3.35	2.32	1.63	Down 30 percent.
Hay, all baled	32.34	25.60	19.00	Down 26 percent.
Cotton, American upland	.480	.377	.274	Down 27 percent.
Tobacco, types 11-37	.732	.420	.429	Up 2 percent.
Cottonseed	93.53	69.30	51.30	Down 26 percent.
Soybeans	3.92	2.73	2.05	Down 25 percent.
Peanuts	.158	.104	.0979	Down 6 percent.
Flaxseed	5.87	3.72	2.95	Down 21 percent.
Potatoes	3.18	1.63	1.76	Up 8 percent.
Sweetpotatoes	6.82	3.03	5.16	Up 70 percent.
Beans, dry edible	12.11	7.91	7.03	Down 11 percent.
Hogs	28.40	20.00	18.50	Down 7 percent.
Beef cattle	29.15	28.70	19.70	Down 31 percent.
Calves	32.05	32.00	22.20	Do.
Lambs	32.34	31.00	21.60	Down 30 percent.
All chickens, live	.371	.271	.190	Do.
Turkeys, live	.484	.374	.226	Down 40 percent.
Adjusted for seasonal variation:				
All milk, wholesale	6.28	4.58	4.13	Down 10 percent.
Eggs	.621	.478	.405	Down 15 percent.

[1] Calculated by proposed income parity formula based on definitions of parity farm income in Agricultural Adjustment Act of 1938, as amended, and National Farmers Union 1956-57 Official Program. (Data as of January 1957.)

Source: Agricultural Prices (Jan. 31, 1958), Agricultural Marketing Service, USDA.

Mr. HUMPHREY. When Senators read those tables, they will plainly see what has been happening to agriculture and it is not good.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Will the Senator from Minnesota tell the Senate what, in reality, the President and Mr. Benson have recommended as the parity price for the coming year?

Mr. HUMPHREY. On what commodity?

Mr. MANSFIELD. On all the basic commodities. What is the average?

Mr. HUMPHREY. The administration wants flexibility between 60 and 90. The new administration proposal is for flexibility down to 60, instead of only to 75 percent. As the Senator from Vermont pointed out, however, this joint resolution would not change the 1957 price-support program. The present program would not be changed by the joint resolution. It would just maintain last year's prices, as a holding action—a price floor—until such time as the Congress legislates otherwise.

The best I can say for the joint resolution is that it is a part of the overall effort of Congress to hold the line. It is an effort by Congress to check the recession. It represents a determination by Congress to prevent any further downward flexing of the agricultural price structure. A vote for the resolution, Senate Joint Resolution 162, is a vote for agriculture and a vote against Benson's policies.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 1 minute to the Senator from Montana.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I wish to take this occasion to commend the distinguished junior Senator from Minnesota for the economic statesmanship he has shown in this field. Because of him, we have a chance to consider all the basics at the same time. In this way Mr. Benson will not be able to resort to his usual policy of divide and conquer; because we will all be in the same boat, and we will all be facing the same problem. I hope that under the leadership of the distinguished junior Senator from Minnesota we will be successful in this action, even though Mr. Benson, in his press conference of this morning, made the statement that what the Senate proposes to do now in 2 joint resolutions is even worse than the bill which was passed 2 years ago, under the leadership of the Senator from Minnesota, and which was vetoed by the President of the United States.

I ask unanimous consent to have printed in the RECORD at this point a news story published in the Daily Ranger, of Glendive, Mont., of March 6, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Glendive (Mont.) Daily Ranger of March 6, 1958]

SENATOR HUMPHREY LASHES ADMINISTRATION AGRICULTURAL PLAN

(By Senator HUBERT H. HUMPHREY, United States Senator from Minnesota)

WASHINGTON.—Clearly our Nation needs a new and different farm policy and needs it now.

What should be its broad outlines?

First. A comprehensive farm program covering all major commodities with the recognition of the interdependence of agricultural production. It is a well established principle of agricultural economics that low feed prices produce low hog and beef prices. Furthermore, the price of perishable commodities is directly related to those known as storable, like grain.

Second. Agricultural policy must be based upon these accepted and known relationships. It is imperative that the Nation have adequate food and fiber reserves. The level of these reserves must be related directly to the growth in population and the tremendous commitment of our Nation in the field of foreign policy and national security. This has not been done.

National security requires effective and constructive use of food and fiber. Our foreign economic policy must include within it long-range commitments of food and fiber supplies to our allies and the uncommitted and underdeveloped nations. Food can be force for peace and freedom. There must be additional emphasis upon conservation, both short and long term. The conservation-reserve program needs to be doubled. Broad and effective conservation measures must be integrated with overall natural resource development and management programs.

A sound farm policy should be based upon a rising net income for agriculture—parity income. The Secretary of Agriculture should be authorized to utilize several means of attaining parity income and protecting decent and fair farm-price levels. What is needed is flexibility of method in a farm program, plus determination on the part of the Secretary of Agriculture to utilize every legitimate means at his command to insure orderly marketing and a stable price structure.

Add to this farm credit facilities adequate for the cost of maintaining farm operation and you have the broad outline of a constructive farm policy that can work both for the benefit of the farmer and the Nation.

The Eisenhower-Benson farm policy has failed. This failure is due not only to weakness in the law but also faulty and ineffective administration. The efforts of Congress to strengthen the agricultural policy were overridden by a Presidential veto. The attempts of friends of agriculture to improve the administration of agricultural policy have been resisted and rebuked by the Secretary of Agriculture. The results speak for themselves.

HERE IS THE SORRY RECORD

Realized net income of farm operators dropped from $14,300,000,000 in 1952 to $11,500,000,000 in 1957. During the 5 years Secretary Benson has been in office, the accumulated loss in net farm income has been over $14 billion. The annual rate of expenditures from the Federal Treasury as shown by the budget request sent to Congress this spring totals over $5 billion as compared with slightly over $1 billion in 1952.

Benson's policies have moved farm families off the farm at a rate of 100,000 per year. There are 500,000 fewer farm families on the farms today than when he took office. The family farm income from all sources, nonfarm as well as farm, measured in 1957 dollars has dropped by over $500 per year—from $3,000 in 1952 to $2,500 in 1957. Farm mortgage indebtedness is up approximately $4 billion. Farm surpluses are still huge. Farm prices are still low. And farm income is at recession levels.

THERE IS THE RECORD

The administration farm policy was outlined in a speech early in February 1953, in St. Paul, Minn. Secretary Benson asked for a reduction of price supports to a point just above undue disaster. Doing this, he said, would lead to lower consumer food prices, reduce Federal expenditures for agriculture, and ultimately improve farm income. He claimed further that it would strengthen the family farm unit and get the Government out of agriculture.

The Secretary has at least kept his word on one of these promises—at every opportunity he has recommended lower price supports. He and the President are now asking Congress for authority to drop the price support levels to only 60 percent of parity. Secretary Benson has insisted that reducing price supports would reduce production, despite statistical evidence to the contrary. With lowering of price supports, production

has gone up. Surpluses have mounted despite tremendous disposal programs through foreign aid, relief, and overseas sales.

Secretary Benson promised that reducing price supports would reduce storage costs and the farm program costs—instead the annual storage cost paid by the Government has been the highest in history under his administration, both per unit and in total. The rate of expenditures for this is at an all time high—almost five times greater than that of 1952.

Grocery store food prices are higher now than they were before the Eisenhower-Benson theory was put into effect, mothers pay more for the milk they buy for their children. A loaf of bread costs more than at any time in the past 100 years. With farm prices down by almost 20 percent, retail food prices in 1958 are at the highest index ever recorded.

Yes, the administration farm program has not only failed the farmers, but it has failed the public, and socked the taxpayers. As consumers, the public is paying higher prices for food at the grocery store. As taxpayer the public is paying out at a rate of $5,000,000,000 a year for a program that does not work. As a Nation we are threatened by a growing farm led and farm fed depression.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter which I received from the Farmers Union Grain Terminal Association, signed by Mr. M. W. Thatcher, general manager, and a summary of the GTA family farm survey for 1955–56.

The survey shows that the greatest untapped market in the world is in American agriculture, if American agriculture is given the opportunity to purchase. What we are seeking is a market. I say to my good friend that with all our efforts for public works, with all our efforts for tax reduction, with all our efforts to stimulate the economy, if we permit agriculture to go down further, we will experience a recession and depression which will really curl our hair, and George Humphrey's too.

There being no objection, the letter and summary were ordered to be printed in the RECORD, as follows:

FARMERS UNION GRAIN TERMINAL ASSOCIATION,
St. Paul, Minn., January 29, 1958.

The Honorable HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: You will be interested in this short summary of our latest family farm survey. This study of over 4,000 farm records shows an even greater market for manufactured goods than we found 2 years ago. This market for nearly $6,000 spending per farm could go far to restore business and jobs in our cities.

Our survey finds more and more farmers being pushed off their farms to look for city jobs, or holding part-time jobs while still farming. They will add to the unemployment now growing in industrial States.

Again we find real farm income getting lower on these better-than-average commercial family farms. Returns to farmers are far short of those to other businesses, professions or trades. After a small return on investment, you will see there is left only 25 cents per hour for the labor of the farmer and his family, and nothing for his skilled management.

The figures from wheat farms show that the 22-cents-per-bushel (11 percent) cut now scheduled for the 1958 crop will mean about a 25 percent cut in net income. The 25 cents per hundredweight (8 percent) cut on milk will mean a similar cut in net income of Midwest dairy farmers.

You Senators and Congressmen from farm States must unite to stop these two cuts and any others this coming season. Nothing is more likely, in my judgment, to make this recession worse than to lower farm prices farther. A return of prosperity in farm States will take more than holding the price line, but that is the first necessary step.

Please feel free to call on us for help to halt these dangerous and needless cuts in wheat and dairy prices now ordered. Only you leaders in Congress can win farmers a reprieve from further price cutting.

Sincerely,

M. W. THATCHER,
General Manager.

A SUMMARY OF THE GTA FAMILY FARM SURVEY FOR 1955–56

(A continuing study of family farms in Minnesota, Montana, North Dakota, South Dakota, and Wisconsin, covering 1950 through 1956, as authorized by the stockholders of Farmers Union Grain Terminal Association)

INTRODUCTION

This resurvey of some 4,079 family farms is based on the income-tax records of each farm, plus other information gained by on-the-farm interviews during 1957. The income-tax records for 1955 and 1956 were audited and added to those for 1950–54. These 2 recent years have seen increased emphasis upon accurate tax records due to the beginning of social-security payments based upon these returns. As in the first GTA family farm survey, virtually complete cooperation was forthcoming from all of these thousands of families. We present some of the findings in the hope that this unique information about average commercial family farms in some of our best farming areas may help the Congress decide wise national policies.

What the survey shows

1. Summary of Farm Operations for 1956, Compared With 1954

The essential figures show that despite claims to the contrary, the lowering of farm prices between 1954 and 1956 did not improve real net income. This was in spite of a gain of some 4 percent both in acreage and investment on the farms, and with improved yields and production. Net income did go up some $80 due to an increase in Government payments of $125. But, this small increase was more than offset by the rise in cost of living between the two surveys. That rise was nearly 4 percent, about $107. Real income, consequently, dropped $27, or about 1 percent. No account has been taken in this of the $1,848 increase in investment required to farm.

Average per farm receipts and expenses, with changes

	1954	1956	Change
Cash marketings	$8,010	$8,386	$376
Government payments	66	191	125
Cash receipts	8,076	8,577	501
Cash expense	4,559	4,801	242
Depreciation	1,310	1,463	153
	5,869	6,264	395
Receipts less expense	2,207	2,313	106
Allow for food	324	323	−1
Allow for home	400	375	−25
Total home and food	724	698	−26
Net income before taxes	2,931	3,011	80
Offset by cost-of-living increase of about			$107
Net change in real income from farming			−$27
Percent change			−1

Details of cash receipts and expenses are shown in table 1 of the appendix. From this can be seen how these farms have attempted to cope with lower prices by producing more, and how various expenses have risen. The allowance for a net rental value of the farm home equal to 8 percent of the insurable value of the home is an addition to gross income not made in our original survey. The allowance for food is based on the prices farmers would get for home-used food if they sold it. This follows the usual practice in valuing such food, although the cost to city consumers of such food in the form they would buy it would be considerably higher. Other costs in farm living not figured in this survey offset this food benefit and then some, such as higher costs for all manufactured goods and for such important services as health and education.

2. Analysis of Returns to Labor, Management, and Capital Used on Farm

Allowing only a 5 percent return (before taxes) on capital, and nothing for management, returns for the work of the farmer and his family were only 25 cents per hour, as shown below.

If these farmers and their families got the average factory wages paid in their State, their net income would have been $6,303, more than double what it actually was. Stated another way, actual income was short $3,293 of paying a factory wage. This is equal to an 8 percent loss on investment for the year.

If nothing is allowed for investment, then the return for labor amounts to 91 cents per hour. This is less than half the $1.91 average factory wage for the area, a full dollar short. It is also below the Federal minimum wage of $1. Thus, in addition to getting substandard wages, farmers are contributing over $43,000 in capital for nothing, bringing that to their job with no recompense.

If the labor of the whole family, except the farm operator, is unpaid, and the operator's labor is figured at the very conservative figure of only 2,000 hours as worked in city employment, then the farmer still would make only $1.51 per hour. That is nearly one-fourth less than factory labor. That would mean unpaid family labor, unpaid management, unpaid capital, and still inequality.

Investment in average farm, hours worked, average factory wages, and imputed returns to farm labor, management, and capital

	1954	1956	Change
			Percent
Number of farms	4,321	4,079	−5.6
Acres in farm	613	637	4.0
Insurable value of home	$4,999	$4,688	
Investment in plant:			
Land and buildings	$27,285	$26,538	
Equipment	7,857	10,473	
Livestock	4,805	4,521	
Crops	1,701	1,964	
Total	41,648	43,496	$1,848
Estimated hours worked	3,300	3,300	
Average factory wage	$1.72	$1.91	
Net farm income (before taxes)	$2,931	$3,011	

	1954	1956
A. Return to capital and labor:		
5 percent on investment	$2,082.00	$2,174.00
Net to labor	849.00	836.00
Net per hour	.26	.25
B. If factory wages were paid on labor:		
Wages for operator and family	5,676.00	6,303.00
Actual total net income	2,931.00	3,011.00
Deficit	2,745.00	3,292.00
Loss on investment		
percent	−7	−8

Investment in average farm, hours worked, average factory wages, and imputed returns to farm labor, management, and capital—Continued

	1954	1956
C. All returns to labor, nothing to capital and management:		
Return per hour for 3,300 hours	$0.89	$0.91
Return for 2,000 hours	$1.47	$1.51

3. Returns Required If Farmers to Get Parity With Labor, Business, and Management

It is of interest to calculate, if only roughly, the amount needed to give these farm families something like parity returns for their labor, management, and capital. If factory wages were earned, plus only 5 percent on investment, and nothing for management of the farm, then as of 1956, it would have taken about 64 percent higher prices to bring such parity. Much business netted more than 5 percent after taxes, and farm-management services for an average commercial farm would run at least several hundred dollars. Neither factor is counted here.

Such higher prices would bring agriculture back about to where it was in the 1946–50 period, or the 1947–49 period used by the Government as a base for statistics in all fields other than agriculture. The official parity ratio was respectively 109 and 107 for these periods. Such prices also show the average of products raised in these 5 States in 1956 was between 65 and 70 percent of parity, instead of the national average of 81 percent for that year.

Such prices would give the average family, with a $43,000 investment, a return of about $7,000 cash before taxes, plus $1,500 allowance for food and housing, a total of $8,477. The $3,011 actually received in 1956 was only 36 percent of this needed total. Thus, after nearly 10 years of declining farm income and rising city boom, farmers were far behind their city cousins for comparable investment and labor.

Increased prices needed for parity income

	1954	1956
5 percent return on investment (before taxes)	$2,082	$2,174
Labor at average factory wage	5,676	6,303
Management	0	0
Total needed for parity income	7,758	8,477
Less actual net income	2,931	3,011
Deficit in parity income	4,827	5,466
Plus actual cash receipts	8,076	8,577
Equals cash receipts needed for parity	12,903	14,043
	Percent	*Percent*
Ratio of actual to parity income	38	36
Ratio of actual to parity cash receipts	63	61
Approximate increase in prices required to get parity income	59	64

4. Low Prices Are Forcing Commercial Farmers Into City Labor Markets

In the 2 years between early 1955 and early 1957, during which these two surveys were made, over 5 percent of these commercial farms which had been supporting families had been liquidated. In some cases this was due to death with no heirs to take over the farm, but in most cases the families were forced off by declining income. The actual figure was 1 farm out of 18 missing in this short 2-year period.

In addition to this expanded labor supply headed for the cities, many farmers, their wives, or older children began to work at off-farm jobs, part time or even year round, in the effort to save their farm homes. In early 1957, our surveyors found this an increasing practice, but in 1956, the actual wages earned amounted to an average of only some $200 for operators and $100 for wives, a total of less than $300 per family. We cite this to show that contrary to national estimates, which include many part-time farms and subsistence farmers, commercial farmers in this area were not yet able to get much help from off-farm work. Such work as was being done was concentrated nearest to the larger cities and was being done mostly by younger farmers and their wives who have the most difficulty with present conditions. Most of these off-farm workers were GI's who deserve better from their country in their effort to make a home on the farm.

Where farmers have abandoned farming to move into city jobs, they will have the least seniority and often little resources in case of unemployment and business recession. This will tend to force them back onto farms, perhaps into farm homes of relatives, adding further troubles to our farm families. Nothing is less needed by our national economy just now that another several hundred thousand farm workers dispossessed from the land. Nothing should be more vigorously opposed by city people, themselves having unemployment and relief to attempt to handle.

5. Indications That Farm Depression Is Feeding City Recession

National farm-income figures dropped lower in 1956 and again in 1957 in terms of their buying power, approaching the low figure of 1940, which was a bad depression year for the whole American economy. The gain in size, investment, inputs and outputs of the family farms in our survey covers up somewhat this drop in total buying power, but some figures do show up, which indicate the important part which lower farm income is playing in the growing national recession.

Because of the great shortage in real income needed to give farmers parity with city people, and thereby give real balance to the American economy, farm buildings, homes, and equipment have never reached parity. Much-needed spending has been postponed. Our survey repeated an earlier inventory of immediate farm needs. For production purposes, as of early 1957, here are the averages per farm, by each State, and for the 5-State area. Amounts have grown substantially in the 2 years since our earlier survey.

	Repairs and paint	New buildings	New equipment	Total
Wisconsin	$1,282	$2,383	$2,016	$5,681
Minnesota	907	2,561	1,910	5,378
South Dakota	968	1,565	1,447	3,980
North Dakota	1,259	2,847	2,932	7,038
Montana	947	2,237	2,161	5,345
Average, 4,079 farms	1,075	2,418	2,164	5,658

This total of around $6,000 per farm does not include any spending needed to repair, modernize, or replace the farm home, or for home equipment. Even without any such spending, these totals would amount to a $12 billion to $15 billion potential market on the commercial family farms of the Nation, if this area is at all typical.

If farm homes were all modernized, or replaced if in poor condition, this farm market might easily be double. The insurable values for the farm homes in this survey indicate that many are in need of extensive modernizing, or of replacing, just as is true in most farm areas.

Thus, a great untapped market lies ready and waiting to restore American industry to usefulness, and American labor to production, if only balanced farm and city income can be restored.

This farm demand is particularly for durable goods, the products of our heavy manufacturing industries now so hard hit. Higher farm income would help at the most vital spot in the current national lack of balance between capacity and demand. This includes the farm-machinery industry now severely cut back, and the appliance industry, now cutting back. Some other facts once again indicate this great need for durable goods in our farm homes. Although these are better-than-average commercial farms, they have a lack of modern conveniences that is a national shame in this 6th decade of the 20th century. The percentage of homes in this survey without the following facilities is astounding, but the figures would be even higher if all farm homes in these States were included:

Percent of farms without named facilities

	Wisconsin	Minnesota	South Dakota	North Dakota	Montana
Cold running water	17	32	41	31	17
Hot running water	24	38	48	37	22
Inside toilet	30	46	52	42	28
Bathtub	31	49	53	43	29
Central heat	49	56	62	40	33
Deep freeze	44	45	45	40	19
1 telephone (any age)	23	19	32	20	49
1 TV set	31	36	49	26	45

Note that large numbers of the homes with the highest number of children in the Nation are still without either hot or cold running water.

Note that parity in plumbing facilities is not something lacking just in foreign lands, but is right here in the heart of the richest farmlands in the world.

Note that central heat is lacking in the coldest States in this Union.

Note that those families which can use to best advantage a deep freeze are not necessarily the citizens who have them.

Note that even one telephone is lacking in the home and business that needs it above all others, for convenience at least. Other figures would show how many of these phones in farm homes are still of the horse-and-buggy type, a disgrace in this day of electronic miracles.

Note that many farm homes do not have even one TV set, considered a necessity by most city families for a good many years now.

Note that none of these needed home facilities, which supposedly make up the American way of life and the vaunted American standard of living, and indeed have been so enjoyed by most city people for a long time—none of these needs are expressed in the dollar estimates of needed spending stated above. Those estimates apply only to farm production equipment, under which even a telephone was not included, although it might well have been.

Further information was gathered on the age and number of automobiles and trucks on our farms. This is of particular value now that that industry is running at only a little more than half capacity, a fact which threatens our whole economy. Farmers need automobiles and trucks in their business as well as for family living. Farm roads are the worst, and replacements would be high if farm income allowed farmers to do so.

Contrary to statements about farmers driving expensive new cars, our survey shows, as have others carried out in this area, that a considerable number of farms don't even have one car, and that the majority are older models of the so-called low-priced makes, with very few high-cost cars of any age.

Number, age, and price range of automobiles on farms

[Percent]

	Wisconsin	Minnesota	South Dakota	North Dakota	Montana
Number:					
None	8.9	9.0	5.4	3.2	4.8
1	89.7	88.4	90.9	93.9	88.3
2 or more	1.4	2.6	4.7	2.9	6.9
Model:					
1949 or older	28.9	22.9	23.9	19.2	8.2
1950 to 1955	64.4	67.7	67.9	65.9	68.7
1956 to 1957	6.7	9.4	8.2	14.9	23.1
Price range:					
Low	71.8	74.9	70.0	71.2	66.5
Medium	27.5	24.6	29.7	28.3	31.4
High	.7	.5	.3	.5	2.1

Note the large potential market here, indicated by the large percentage of farms either with no car or with models which a year ago were 8 years old and older.

These potential markets are actually to be found not just on the commercial farms of the great Midwest, but also in the farm towns and cities which are largely dependent upon farmers for their trade and business. These areas have not shared in the national boom of the last few years in the same proportion as have industrial cities. A revival of prosperity on our farms would stimulate even greater markets in the whole rural part of the Nation, which still makes up more than a third of our population. A continuing farm depression will surely bring about a further decline in business in these same rural areas.

6. Prospects for 1958 and 1959

It is obvious that the efforts to help farm income by reducing farm prices have failed to this point. Further loss of income is now being suffered because of present weakening farm prices, especially for feed grains. This forecasts and insures a return to very low livestock prices before long. Reductions ordered in supports for dairy products and wheat will be only the forerunners of other cuts unless stopped now. Nothing is in sight which will raise farm prices or cut farming costs. Nothing will help farmers restore their purchasing to former levels.

An analysis of the figures from wheat farms in this survey shows that the 22 cents-per-bushel (11 percent) cut now scheduled for the 1958 crop, will mean about a 25 percent cut in net income. Similarly, the 25 cents-per-hundredweight (8 percent) cut on milk scheduled for this spring will bring a comparable cut in net income of Midwest dairy farmers. It is calculated that each of these two cuts will cost the respective groups of farmers $250 million, a total of one-half billion dollars' loss in net income per year.

Further cuts in farm income will cause the farm depression to feed the national business recession, perhaps making it snowball into a depression that cannot be stopped short of terrible cost. The best way to start up our factories and call back the men is to see to it that there is no further cut in farm prices or income, and instead, that good commercial family farms be restored to parity.

Statement of purpose

The GTA Family Farm Survey has been carried on to get a true audit of conditions on commercial family farms before the Congress and the public generally. The grain farmers who own this sponsoring cooperative want to strengthen the system of family-owned and operated agriculture which has been a principal foundation of our democracy so far in our Nation's history. They are opposed to public or private policies which threaten the stability and welfare of family farming.

This report is issued in the hope that it will help make clear the facts about such farms as they are found in this great agricultural producing area, the breadbasket of the world.

Further surveys may be made, with the cooperation of participating farm families, as times demand. Thanks to the cooperative spirit of these fine families, there is now available to the public the actual receipts and expenses for typical commercial family farms in these five States. These figures for the 7 years 1950–56 are an authentic and unique grassroots record.

APPENDIX

TABLE I.—*Average receipts and expenses per farm, 1954 and 1956*

	1954	1956	Change
FARM RECEIPTS			
Grain sales	$3,638	$3,866	$228
Dairy products	1,236	1,381	145
Livestock sales	1,969	1,877	−92
Beets and potatoes	87	127	40
Poultry and eggs	379	402	23
Profit on purchased livestock	238	204	−34
Miscellaneous	463	529	66
Marketings	8,010	8,386	376
Government payments	66	191	125
Total	8,076	8,577	501
FARM EXPENSES			
Labor hired	401	369	−32
Feed	622	687	65
Seed	263	275	12
Custom work and machine hire	201	206	5
Supplies	194	204	10
Repairs	460	491	31
Services and fees	72	83	11
Fertilizer and sprays	139	180	41
Gas, oil and grease	700	751	51
Storage and warehousing	44	44	0
Taxes	378	402	24
Insurance	190	196	6
Interest	174	202	28
Utilities (light, power, phone)	140	157	17
Rent	116	119	3
Farm use of auto	182	196	14
Purchased livestock and poultry	38	29	−9
Miscellaneous	245	210	−35
Cash expenses	4,559	4,801	242
Depreciation	1,310	1,463	153
Total	5,869	6,264	395
Receipts less expenses	2,207	2,313	106
Plus food allowance	324	323	−1
Plus home allowance	400	375	−25
Total, home and food	724	698	−26
Net income (before taxes)	2,931	3,011	80

Mr. HUMPHREY subsequently said: Mr. President, the true meaning of a piece of proposed legislation can very often be determined by finding out the public reaction of people who are affected by it, and of the newspapers in different parts of the country, keeping in mind that newspapers have both readers and advertisers. On January 18 the Louisville Courier-Journal published an editorial captioned "Eisenhower-Benson Farm Plan Shows Neglect of Realities." The Courier-Journal happens to be one of the most highly respected and percipient newspapers being published. I ask unanimous consent that the entire editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EISENHOWER-BENSON FARM PLAN SHOWS NEGLECT OF REALITIES

President Eisenhower in his farm message to Congress presented a succinct analysis of the Nation's farm problems.

No one can quarrel with his statements that "we must find ways of utilizing more completely the abundance that our farm people are now able to produce" and that "at the same time we must help our farm people to cope with the sometimes harsh consequences of their own unparalleled ability to produce * * *."

But Mr. Eisenhower's solutions to the problems fall short of the goals he himself sets up.

For the farm families with low incomes—those "millions of rural people who * * * have been unable to make the adjustments called for by modern technology"—the President again calls for a rural development program of broad dimensions.

This program, which has been operating on a pilot basis for several years now, has merit. But it scarcely can be considered a solution to the problems of the low-income farmers. The program is not yet in full operation and the movement of farm people to the cities has been going on at a terrific rate for several years.

The almost 2 million farm people who left their farms between April 1956 and April 1957, certainly got little help from the rural development program.

Under the present administration the emphasis has been mainly on pushing these people off the farm and second, on seeing to it that they are able to adjust to the conditions into which they are being forced.

The emphasis has been on economics and not on people, despite the fact that a forced-draft economic program involves people as individuals rather than as pawns in a game of "who's got the dollar?"

Furthermore, Mr. Eisenhower fails to show how pushing these less productive farmers off the land will help the farm problem. A recent study by the University of Kentucky shows that in the past 35 years the number of farms in Kentucky has declined by 30 percent and the average size of farms in this State has increased by 30 percent.

Despite this decline in persons engaged in agriculture, the study points out, the farm output of Kentucky has increased over the same period.

For the commercial farmers, Mr. Eisenhower recommends several changes to the program.

He recommends abandonment of the acreage reserve part of the Soil Bank program. On this point he will get the support of many Members of Congress. The House voted to dump that program last May and it was salvaged mainly because of the action in the Senate.

Mr. Eisenhower also recommends that the conservation reserve section of the Soil Bank—originally the lesser part of the plan—be extended and be given greater emphasis. There is merit to this recommendation, especially the tree-planting program that is part of it. Trees are one of the few farm products which are not in surplus and apparently will not be for many, many years.

Unfortunately, though, the conservation reserve section of the Soil Bank as it has been operated in the past has not caused any great rush on the part of farmers to put their land into trees. Most of the tree planting which has been done recently has resulted from another program—the agricultural conservation program which is an offshoot of the old Agricultural Adjustment Administration of the New Deal days.

Most of Mr. Eisenhower's recommendations for commercial farmers are concerned with juggling price-support programs. And the net effect of his recommendations in this field would be to get even greater production of crops than we have now at even lower prices per unit.

If such a policy is adopted it will mean even faster removal of farmers from the land and larger and larger supplies of farm commodities.

The President even suggests that dairy products be supported at less than the 75 percent of parity level to which Secretary of Agriculture Benson has announced he will again cut them next April.

A GRIM COINCIDENCE

The President, of course, could not be aware that at the very hour he was making this recommendation the responsible leadership of 17 of the Nation's milk-producer cooperatives were meeting in Louisville and threatening a widespread strike of dairy farmers unless prices are sustained on fluid milk at not less than 1957 levels.

And the President also suggests cutting the price supports under tobacco, despite the fact that market prices this year again have been well above the present 90 percent of parity levels.

All told, the farm message indicates that the President is not well informed on the farm problems of the Nation.

This, of course, should surprise no one. President Eisenhower is simply following the recommendations of Secretary Benson who firmly believes that the solution to the Nation's farm problems lies in going back to the methods which were used 30 years ago to solve the farm problems that resulted from World War I.

History shows that those methods didn't do the job.

Mr. HUMPHREY. Mr. President, the reference to the meeting of 17 milk-producer cooperatives in Louisville is worth further attention, as a further indication of the reactions of producers to the kind of Federal legislation that has been unashamedly offered. Mr. President, I ask unanimous consent to place the text of the report of this meeting in my remarks at this point in the RECORD. The story is headed "Milk Co-ops Oppose Idea of Price Cut—Strike Threat Is Suggested by Individuals."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILK CO-OPS OPPOSE IDEA OF PRICE CUT—STRIKE THREAT IS SUGGESTED BY INDIVIDUALS

(By E. W. Kieckhefer)

Representatives of more than 30,000 dairy farmers announced here yesterday they will demand that farmers get as much for milk that goes into bottles during 1958 as they got for such milk last year.

The formal statement by the managers of 17 milk-producers' co-operative associations—reaching from Chicago to Florida—did not say what farmers would do if they fail to gain their demand through negotiation with milk companies.

But the threat of a nationwide strike by farmers was implied by individual members.

FORMAL STATEMENT ISSUED

"Then we get out the pitchforks * * *" was the way one manager expressed it to a reporter.

The co-operative managers issued their formal statement at the close of a 2-day meeting at the Brown Hotel.

A resolution adopted by the group said the decision was reached after having given consideration to producers' milk prices for 1958 and with particular concern of the disastrous effect on income to dairy farmers which will result from the drop in dairy support prices as proposed by the Secretary of Agriculture.

Secretary of Agriculture Benson announced last month that effective April 1 he would cut supports under dairy products to the legal minimum of 75 percent of parity. Supports during the last year were at 83 percent of parity.

(Parity is a standard for measuring farm prices declared by law to be fair to farmers in relation to their costs.)

Chairman of the conference was A. M. Glover of the Knoxville Milk Producers Association. J. B. Brown, attorney for the Falls Cities Milk Producers Association of Louisville, acted as moderator.

MAY STILL GET LESS

Brown asserted that even if the dairy farmers' demand is met by the dairies, farmers still will be getting less for their total milk production this year than they did in 1957.

Their demand will affect only that part of the milk that goes into consumer bottles and not the portion that goes into such manufactured products as butter and cheese.

(Most major cities now operate under milk-marketing orders supervised by the Federal Government. Under such orders, dairy farmers and milk handlers negotiate a formula for determining how much farmers will get for their milk.

(Such formulas usually are based on prices being paid for certain dairy products, such as evaporated milk, dried milk, and butter. The price the farmer gets for his milk each month is a blend of this basic price and the price paid for milk that goes into bottles.)

"We do not feel that our demand is unreasonable," said Glover. "All we are asking is that we get as much for fluid milk this year as we got last year. If that is unreasonable then what we were getting last year was unreasonable and the figures show that is not true."

Brown said past experience showed that a reduction in prices paid to farmers for their milk does not bring about lower prices for the consumers.

Since 1954, he asserted, the support price for dairy farmers has gone down 13.1 percent while prices consumers paid for milk went up 9.3 percent.

He also noted that Louisville dairies have announced an increase in retail prices since Benson issued his announcement that farm-price supports would be cut.

Brown cited a chart showing the trend of prices paid to dairy farmers in the Louisville area since 1940 adjusted to the Consumer Price Index issued by the Bureau of Labor Statistics.

NOVEMBER PRICE WAS $4.49

The chart showed that in November 1957, farmers in the Louisville milkshed were receiving $4.708 for each 100 pounds of milk used in bottles and the blend price actually paid to farmers was $4.49.

If prices paid to dairy farmers had followed the trend of the Consumer Price Index, Brown said, farmers would have been getting $5.989 for their milk going into bottles and a blend price of $5.57.

The conference authorized its chairman to contact other cooperative associations or groups of associations "and advise them of the action taken by this group and to request their support in this program of common endeavor."

SIMILAR MEETINGS HELD

Similar meetings have been held in other communities recently. A group representing dairy farmers in Arkansas, Oklahoma, Texas, and Gulf States met last Saturday at Memphis. Another meeting was held yesterday in Missouri.

Attending the meeting here were representatives of the Mid-South Milk Producers, Memphis; Madison Milk Producers Association, Jackson, Tenn.; Nashville Milk Producers, Nashville; Knoxville Milk Producers, Knoxville; Tri-State Milk Producers, Bristol, Va.; Pure Milk Association, Chicago; Square Deal Milk Producers, Highland, Ill.; Decatur Milk Producers, Decatur, Ill.; Independent Dairy Farmers, Fort Lauderdale, Fla.; Paducah Graded Milk Producers, Paducah; Prairie Farmers Cooperative, Carlinville, Ill.; Producers Creamery Cooperative, Springfield, Mo.; Ohio Valley Milk Producers Association, Evansville; Indianapolis Dairymen's Cooperative, Indianapolis; Cincinnati Milk Sales Association, Cincinnati; Chattanooga Area Milk Producers, Chattanooga, and the Falls Cities Milk Producers Association.

Mr. HUMPHREY. Mr. President, one of President Eisenhower's favorite vacation spots in the past five years has been the national golf course in Augusta, Georgia.

Perhaps the President will not be so happy in Augusta—if his advisers get around to showing him the treatment Augusta's two daily newspapers gave to the Eisenhower farm program of 1958. Both the Augusta Herald and the Augusta Chronicle were bitterly critical of the President's program, outlined to Congress on January 16.

I ask unanimous consent that two editorials published in those newspapers be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Augusta (Ga.) Herald of January 17, 1958]

IKE'S FARM PLAN KILLING BLOW AIMED AT SOUTH'S SMALL FARMS

If we correctly understand the implications contained in the President's latest zig in his zigzag course of laying down national policy, he has run full tilt into a new mess of trouble.

Far from becoming the example of firm and direct leadership which many persons thought they had glimpsed when he made his state of the Union address, Mr. Eisenhower is beginning to take on the aspects of this country's most misguided missile in policymaking.

The President had hardly completed his crawfishing maneuver on taking a personal hand in reorganizing the Defense Department when he came up with the idea of knocking existing props from under the prices on farm products and of leaving it up to Secretary Ezra Taft Benson to decide where new supports should be fixed.

The President's latest proposal is going to be as unpopular as his backing away from the Defense Department problem was disappointing and disheartening. Both indicate not that the President is exercising his privilege of delegating authority but that he is letting slip the reins of power which—for a brief instant—he seemed to have resumed with both authority and determination.

Not only does the President seek to knock out price supports—he wishes also to kill the Soil Bank acreage reserve and make other farm program adjustments to deal, as press reports put it, with what he calls an "irreversible * * * technological revolution in agriculture."

This latter is wonderfully broad and wonderfully obscure language which deserves elucidation.

However, the crops which his proposal would affect are those tied in directly with the economy of this region—cotton, corn, wheat, rice, tobacco, peanuts, and dairy products. Most or all of these are grown in Georgia or have a direct bearing upon the livelihood and well-being of Georgia farmers.

Relaxed or withdrawn supports are going to pinch the Southern farmer, who generally is a relatively small operator. The President's play seems to be made directly to the big farmers who will benefit immensely from unlimited acreage apparently

because of the "technological revolution" of which he speaks.

The big farmer, with unlimited acreage, need have little worry about the lessened parity. He can make up the price differential through sheer quantity of production. This the relatively small farmer cannot do with anything near the same degree of certainty.

Likewise, the Soil Bank program which the President proposes to jettison was intended, we thought, to put some control on surpluses, to bring supply and demand more closely into balance. Any great amount of imbalance can be expected to do harm—and the small farmer certainly is going to be called upon to bear the brunt—just as small businesses would suffer if similar support measures were withdrawn from them.

It may be, in all fairness, that the President sees real benefits accruing from his proposals. We cannot, in the light of what we have been told and the broad language the President has used. We would like, for instance, to know just what he means when he refers to an "irreversible • • • technological revolution."

Fortunately, the President's farm proposals face a stiff fight in Congress. Perhaps out of it will come enlightenment—and a clearer picture of just what the President does mean and just where he is heading.

[From the Augusta (Ga.) Chronicle of January 19, 1958]

WOULD BANKRUPT FARMER

There seems to be a conspiracy in Washington to liquidate the family-type farmer in the United States.

The new Eisenhower farm program, which has all the earmarks of being inspired by Secretary of Agriculture Ezra Taft Benson, would, if adopted, about put the finishing touches to the obvious scheme for putting the small farmer out of business.

The President is asking Congress for authority to reduce farm parity supports to 60 percent and to ease production controls on major crops.

If the Eisenhower administration is bent on destroying the individual farmer, and setting up a collective system of agriculture operated by factory-type corporations, it certainly has hit on the right formula. Georgia farmers today are about going broke operating on 75 percent of parity; the proposed 60 percent would put them in bankruptcy.

Really, the Eisenhower program would make Secretary Benson a virtual czar of American agriculture, empowered to fix farm prices at any figure he saw fit, and, if he chose, to open up the floodgates which would put great agricultural surpluses on the market with a consequent depression of farm prices.

Agriculture Department officials say that a reduction in price supports could be expected to be reflected in lower market prices for wheat, livestock, feed grains, rice, peanuts, milk, and cotton. These lower producer prices, in turn, would show up in some reductions in retail prices of meats, poultry products, dairy products, cereals, and the like.

This would mean that, with the middleman taking his sizable profit, the farmer would get only a paltry sum for his products.

Why is it that our present-day economy is geared to take care of everybody, through good wages, fringe benefits, subsidies and the like, except the man who tills the soil and produces the food and fiber for the rest of us?

If our farms are to be operated by corporations, and the family-type farmer is to be driven to the wall, we will lose a very precious element of our traditional way of life. Agricultural collectivism — the corporate farm—is something which always has been entirely foreign to America. When the farmer loses his independence, his means of supporting his family—when he is driven from the soil by adverse Government policies—we have suffered the loss of a type of rugged individualism which will be hurtful to all of us in this country.

Congress should see to it that the American farmer is allowed to survive and share the prosperity with the rest of the people of the Nation. It should turn thumbs down on this new farm program, which comes in the guise of aid for agriculture, but which in reality would put the American farmer as we have known him for generations out of business.

Mr. HUMPHREY. Mr. President, the Des Moines Register also reacted editorially, saying, among other things:

The President's farm message breaks no new ground on farm policy. It is strong in describing the farm surplus situation but weak in proposing what to do about it. If Congress goes along with the President, farmers can expect no improvement in income in the next few years—and perhaps further decline.

The administration is just kidding itself if it thinks the low farm income problem is being solved. Mr. Eisenhower took comfort in the fact that farm income had stabilized the last 2 years and in the fact that farm prices are running 3 percent above a year ago. Farmers don't take much comfort in these statistics showing a leveling off at the end of a 5-year decline of income.

Mr. President, I ask unanimous consent that this editorial from the Des Moines Register be placed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

THE IKE-BENSON FARM POLICY

The Eisenhower administration solution for the farm surplus problem still is to lower price supports and to relax production controls.

In his message to Congress on farm policy, the President recommended that the legal minimum floor under prices for the basic crops be dropped from 75 to 60 percent of parity. He proposed that corn acreage allotments be eliminated and that the Department of Agriculture be given more leeway to increase allotments for other basic crops. And he recommended that the acreage reserve part of the Soil Bank program be abandoned in 1959. The acreage reserve is a reduction in basic crop acreage below the regular allotments.

To reinforce this policy of lower price supports the President proposed that the flexibility formula, which he and Secretary Benson advocated until recently, be thrown out. Under present law, the Secretary of Agriculture must raise price supports when supplies decline. Secretary Benson feels that as soon as one surplus is removed, the sliding-scale formula which boosts price supports provides an incentive to produce another surplus. So the administration wants to get rid of what it now calls the escalator formula.

Thus Benson now favors rigid price supports, but at a low level.

The President recognizes that the agricultural production revolution places great stress on farm people. He said the Government must help our farm people to cope with the sometimes harsh consequences of their own unparalleled ability to produce.

He believes ways must be found of utilizing more completely the abundance • • • [by] expanding markets • • • among our own citizens and among people all over the world.

Lowering price supports will help to move farm products into consumption and prevent surpluses. But the trouble is, from the farmer's viewpoint, that it also reduces his income. Farmers are not likely to look upon this policy as helping them to cope with the harsh consequences of the overproduction situation.

If the Eisenhower administration were suggesting some alternative method of shoring up farm income during a period of severe adjustment problems, the further reduction in price supports and elimination of the acreage reserve payments would be sensible.

But no such alternative is presented. Mr. Eisenhower suggested an expansion of the conservation reserve part of the Soil Bank, to be sure. But the payments under this plan are relatively small and would not offset the elimination of the acreage reserve payments. The President's message recommended $450 million for this. The Soil Bank originally was to provide about a billion dollars of supplemental income to agriculture.

The President's proposal that the Commodity Credit Corporation Board be given responsibility to assist the Secretary of Agriculture in setting price supports and acreage allotments is a good one. The use of the words "to assist" indicates that the Board would not be merely advisory but would act in some respects as a stabilization board. Mr. Eisenhower wants this bipartisan Board increased from 5 to 7 members, appointed by the President as at present but with confirmation by the Senate.

This would take some of the heat off the Secretary of Agriculture. Since Secretary Benson is so dogmatic in his views on lowering prices and getting back to the free market, farmers might reasonably expect that any bipartisan board would have a moderating effect on price decisions.

The President's farm message breaks no new ground on farm policy. It is strong in describing the farm surplus situation but weak in proposing what to do about it. If Congress goes along with the President, farmers can expect no improvement in income in the next few years—and perhaps further decline.

The administration is just kidding itself if it thinks the low farm income problem is being solved. Mr. Eisenhower took comfort in the fact that farm income had stabilized the last 2 years and in the fact that farm prices are running 3 percent above a year ago. Farmers don't take much comfort in these statistics showing a leveling off at the end of a 5-year decline of income.

Mr. HUMPHREY. Mr. President, President Eisenhower's recommendation to cut supports and up allotments has won no favor on any hand in tobacco producing areas. I have a news report which appeared a week ago in the Danville Register of Danville, Va., and I ask Senators to note the similarity of reactions between members and officials of the Virginia Farm Bureau and the Virginia Farmers Union. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IKE'S NEW FARM PROGRAM CONDEMNED BY PROTESTING AREA TOBACCO GROWERS

If the tobacco growers of Danville's neighboring counties can do anything about it, the Eisenhower-Benson farm program for 1958 will be scuttled completely.

The latest in a series of protests raised by area farmers was sounded by the Pittsylvania County Farmers Union meeting in Chatham last night.

The county organization adopted a resolution promising to fight "with all the strength we have" the program as proposed by President Eisenhower in his farm message last week.

A number of Caswell County farmers have blasted the administration proposals, terming them "disastrous." One tobacco grower, from Pelham, said that if Secretary of Agriculture Benson is granted authority to increase acreage allotments and to lower price supports on tobacco to 60 percent of parity the Old Belt tobacco program will be swallowed up by Alabama and Georgia farmers.

Farmers in those States, the Pelham grower said, have thousands of acres ready to be planted.

Another farmer predicted that lowering price supports will bring back 30-cent tobacco. "You can't grow tobacco for 30 cents and pay your taxes, too," he added, vehemently.

Willie Towler, president of the Pittsylvania County Farmers Union, said last night that he had contacted five other fellow county presidents and all are "astonished that the Secretary of Agriculture might recommend such a thing."

Towler also lashed at Eisenhower's proposal that funds for liming and fertilizing soils be done away with. This would make the agricultural conservation practices (ACP) program "almost ineffective for the State of Virginia," Towler said.

Elimination of the Soil Bank would finish the ACP program in Virginia, Towler said. He noted that most Old Dominion farmers own small plots of land in comparison to midwestern agronomists whose individual tracts amount to thousands of acres. Those farmers, Towler said, can place large acreage in the ACP program where Virginia growers cannot spare the land for the long-term conservation practices.

Echoing the words of the Pelham farmer, Towler said that "in the Old Belt, we have all to lose and nothing to gain" by the Eisenhower program.

Roy B. Davis, Jr., of Paces, president of the Virginia Farm Bureau, has said that his organization definitely is opposed to granting Benson power to place support prices at any level between 60 and 90 percent.

He called attention to the Farm Bureau's stand on the issue, quoting from its 1958 policies: "Price support levels should take account of competitive conditions, supply and demand, and market trends. They should not be based on arbitrary formulas nor left completely to the discretion of the Secretary of Agriculture."

The Farmers Union resolution passed last night said that southern tobacco growers have cooperated with the Agriculture Department on every phase and that the program has been "conducted in such a manner that the Government has never lost a penny."

It went on to say: "We have conducted a sound tobacco program for the past 23 years and we feel that this program, if it should be enacted, in Congress, will defeat everything we have gained in that time."

Mr. HUMPHREY. Mr. President, the same copy of the Danville (Va.) Register carries an Associated Press account from Raleigh, N. C., regarding the adverse reaction of Farm Bureau members and leaders throughout North Carolina. I ask unanimous consent that this account also appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IKE'S AGRICULTURAL PLAN OPPOSED BY NORTH CAROLINA FARMERS

RALEIGH, January 22.—Farm Bureau members and leaders from throughout North Carolina spoke out here today against the new Republican administration proposals for solving the ills of agriculture.

Several hundred members attending a statewide commodity conference unanimously approved a statement of protest drafted by Alonzo C. Edwards, the organization's executive vice president.

"The President's proposals are contrary to what North Carolina farmers feel is a reasonable farm program necessary to protect farmers from violent price fluctuations and market conditions which leave them with little or no bargaining power," the statement declared.

The tobacco session adopted a statement strongly endorsing the 90-percent price-support program on tobacco and vigorously urging its continuance with no reduction in the support level. The statement pointed out that the program has not caused any financial loss to the Government and at the same time has enabled farmers to produce the crop at a reasonable profit.

Principal speaker at the general session was D. S. Weaver, director of the State Agricultural Extension Service. He said the noncommercial or marginal producer, with no source of income other than his small farm, represents North Carolina's most acute agricultural problem.

The noncommercial farmer, Weaver said, has five choices. He can organize his present resources to do a better job, enlarge his operations, turn to off-farm work, leave the farm, or become a welfare case.

The livestock committee endorsed a proposed assessment on slaughter cattle and urged a favorable vote in the referendum on March 15.

Mr. HUMPHREY. Mr. President, coming to opinion in my own State of Minnesota, I want to pass on the report my good friend Ed Christianson, president of Minnesota Farmers Union, made to his membership on the President's recommendations. I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT'S PROGRAM WOULD MEAN FINANCIAL DISASTER FOR FARM FAMILIES—END TO REA, FHA, AND ACP PROGRAMS

(By Edwin Christianson)

There was little new or unexpected in the President's farm and budget messages regarding agriculture. The broad general outlines of the administration farm proposals have been publicly known and explained for several months by Secretary Benson.

Still the actual details, when spelled out in black and white, are very shocking to some people who were reluctant to believe the truth about the aims of the administration farm policy.

Some had been taken in by the talk of need of the flexible support system as a postwar agricultural readjustment, but up to now they refused to believe that the real aim was the destruction of the farm programs altogether.

Some had hoped that there was some difference between the Eisenhower farm policy and the Benson farm policy. Now they can no longer indulge in that hope.

Thinking people, on the farm and in the Congress, now must come to grips with reality. There is a clear-cut line on farm policy. There is no confusion, no uncertainty.

NO ONE CAN BE NEUTRAL

No one can any longer be neutral about farm policy. The people and Members of Congress will have to stand up and be counted.

Either they are for farmers, or they are against farmers and for Eisenhower and Benson's farm policy.

As far as farmers individually are concerned, they must consider the issues in terms of their own pocketbooks.

Here are some questions they might ask themselves:

Can you operate on $1.43 wheat, 57 cents a bushel less than the 1957 support level?

Can you operate on $1.09 corn, 31 cents a bushel less than the 1957 support level?

Can you operate on $2.35 per hundredweight for milk, 90 cents a hundredweight less than the 1957 support level?

Can you operate on 45-cent butterfat, 13 cents a pound less than the 1957 support level?

Does it make sense to try to cure surpluses by expanding production, which is what is being proposed when they suggest larger acreage allotments in turn for lower price supports?

As a matter of reality, the price cuts down to 60 percent of parity would mean disaster for most farm operators.

Wheat at $1.43, corn at $1.09, milk at $2.35, and butterfat at 45 cents would be below the actual cost of production.

PRESIDENT'S MESSAGE BASED ON FALSE ECONOMICS

There are several inconsistencies and faults in the logic with which the President attempts to justify his recommendations:

1. He recommends further cuts in price-support levels although there is not the slightest bit of evidence to show that the price cuts of the past several years have solved anything at all.

2. He is wrongly advised in thinking that farmers can improve their position by expanding production to cure surpluses. That idea is based on the theory that more goods would be moved into consumption and the total net farm income would be higher. There are two things wrong with that theory: first of all, the cut in farm prices would not be passed on to the consumer to any important degree; therefore, there would not be any improvement of significance in consumption; secondly, when additional volume is put on the market in times of surplus, the price drops by about 10 percent for each 1 percent added volume put on the market. Thus, farmers would take a big loss across the board on all their marketings in order to gain a small additional market volume. Certainly, there would not be any gain in selling more bushels if they are to be sold at a loss.

3. He is incorrect in assuming that production controls will not work. Acreage allotments have not been as effective as they should have been, but this is not due to the failure of the acreage allotment system; it is due to the failure of the flexible-support system. The effectiveness of acreage allotments has been partly nullified by the pressure of low price forcing greater production. Acreage allotments when used with 90-percent supports have been effective and would be effective again if so used. For example, our carryover of wheat on July 1, 1954, prior to controls, was 934 million bushels. Our carryover on July 1, 1957, was 908 million bushels and will drop to about 851 million bushels on July 1, 1958. Some will claim that the credit for the reduction should go to the Soil Bank. However, the Soil Bank has only replaced income from the diverted acreage; therefore, it has not accomplished anything which would not have taken place if wheat supports had remained at 90 percent of parity. What we are saying is that there was no more wheat-crop reduction, with wheat at $2 and with a Soil Bank, than there would have been with acreage allotments alone and wheat at $2.25. This is borne out by the fact that wheat acreage has not been cut appreciably below the 55-million-acre national minimum.

The low prices tended to nullify the effect which the Soil Bank could have had if used with stronger price levels. The Soil Bank, if used with allotments and with supports at $2.25 or $2.50 per bushel, would have made a much more sizable reduction in crop plantings.

PRESIDENT HAS LEARNED NOTHING IN 5 YEARS

The sad truth about this situation is that the President has apparently learned nothing about farm economics in his 5 years in office.

He had been badly advised and has been shielded by his advisers from the truth about the farm situation and from the consequences of his policies.

The whole farm message shows no independent thinking on the part of the President—it is just a rehash of recent speeches which have been made by Benson.

The decision of Eisenhower and Benson to make a frontal attack upon all farm programs indicates that the big responsibility is going to fall on the Congress.

If we are to keep a domestic agricultural industry based on family farms, the Congress will not only have to turn down the administration proposals but actually move ahead with measures that will raise farm prices and income.

If the Eisenhower proposals are carried out it will mean disaster for hundreds of thousands of our farm families. It will mean a shift of our pattern of agriculture to a planned scarcity, agri-business type of farming. Such a system would tear down our productive capacity at the very time that we should be taking measures to strengthen the financial footing of our farm families so that we can stay ahead of Russia in agricultural production.

Our ability to produce food during two World Wars has been perhaps our greatest asset. We certainly cannot shift to a planned scarcity type of agriculture and give the Communists the opportunity to surpass us in food production and gain this economic advantage over us in either a cold or a hot war.

MAY HELP REVITALIZE FARM BLOC

The only good thing about the farm message in the long run is that it may bring some new vitality into the farm bloc. It may attract some needed support to the farm bloc from city Congressmen who heretofore felt that they could either go along with Benson or be neutral about him.

Our food and fiber production accounts for an important part of the raw materials in our major industries and we cannot afford to have these raw materials enter the economic stream at depressed prices.

If the Congress properly assumes its responsibilities to maintain a stable agriculture in this Nation, then the passage of a good farm bill this year is not impossible. In fact, if the Members of the Congress will put the welfare of the country above partisan politics, a farm bill can be passed with more than enough votes to override a Presidential veto.

Mr. HUMPHREY. Mr. President, dairy problems have long been the target of vicious price-cutting attacks. Now the President tells us that dairymen, along with the producers of the basic commodities, should have their support floor reduced to 60 percent of parity and that this would lead to market expansion and greater freedom. I promise you that you will hear more, much more, comment about this unrealistic approach.

Dairy producer groups sent representatives to Utah Farm Program Development Conference, and I ask unanimous consent to have excerpts from the report on the conference printed in the RECORD.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

REPORT ON DAIRYING COMMODITY SESSION, FARM PROGRAM DEVELOPMENT CONFERENCE, NEWHOUSE HOTEL, SALT LAKE CITY, NOVEMBER 16, 1957

(Submitted by Daniel J. Dykstra)

Today there are 500,000 dairymen in the United States. A dairyman is a farmer who receives at least half of his income from dairying. There are 23,028,000 dairy cows in the United States. This number is about 1 percent less than last year but despite this decrease, production has increased. It is estimated that 128 million pounds of milk will be produced this year. The significance of the dairy industry is that 14 percent of the cash receipts of agriculture as a whole come from the sale of dairy products.

The contrast of the economic status of the dairying industry in 1956 with 1947 is as follows: In 1947, per capita consumption of dairy products was 766 pounds; in 1956, it was 677 pounds. In 1947, the farmer got $3.76 per hundredweight for manufacturing milk; in 1956 that price had dropped to $3.30 per hundredweight. Price per pound of butterfat in 1947 averaged 71 cents; in 1956 that average was 58 cents. Despite the decrease, the retail cost of milk in 1947 was 19 cents per quart; in 1956 it had risen to 24 cents.

In 1952 114.7 billion pounds of milk was produced; in 1957 that figure will increase to 128 billion pounds.

What has caused this disparity? Are we plagued with overproduction? Can we devise some plan to do as United States Steel does to cut production? Why do we overproduce?

The pressure to produce stems from the fact that farmers' production costs have constantly increased and that as a consequence, he is forced to produce more in order to meet these production costs. The current system has the farmer operating under a two-price system. He, in effect, sells his milk getting paid on a solid weight content basis but from the residual materials the processor makes many byproducts which he in turn resells to other farmers and consumers. For the materials that go into these products the farmer gets no pay.

The two biggest dairy processing companies reported highest profits in history for recent operations. Is this part of the trouble; are the processors getting too much?

The difficulty is that the farmer is not organized; that he, contrary to all other producer groups, has no voice in establishing the price he can get for his product. The farmer has to have equality of price. There should be no division between grade A or grade C and he should get paid for all of his products.

The dairymen have three fixed costs: living, operating, and taxes. If supports go down these costs remain constant and necessitate more production in order to meet them. The dairyman has to increase his herd to take care of added costs.

It was agreed by the group as a whole that the present farm dairying program is not satisfactory. Increased production will not help us. At dairy meetings the processors always talk big business. They urge increased production because it is to the processor's advantage to have a surplus so they can cut prices. The difficulty is the farmer does not know how much of a surplus is being produced. The processors don't tell them, and purposely don't tell them. They want a surplus.

* * * * *

We need controlled production on all products from a Government agency. All products must be under the same program, that under such a program there will be times when income to the Government from one, would aid and assist in subsidy payments to others. As it is, some products benefit more than others. What we need is a program whereby we can stick to that for which our farms are best suited.

It was the sentiment of the group that they are in favor of curtailed production.

Upon the suggestion of the chairman, a member of the audience made a motion that we favor a program which would give a parity of income. The motion was seconded and all voted in favor.

In order to attain this we must place farmers in a position where they could have some say in the price they will get for the products. This partially involves educating the consumer as to the value of dairy products. We should stress that the consumer is getting 42 cents worth of food value in a quart of milk for which he is paying 24 cents.

Mr. HUMPHREY. Mr. President, Secretary Benson's home State numbers among its farmers many sugar-beet producers. When this administration took office, they found in operation a successful sugar program, based upon producer-marketing quotas. It is remarkable that no recommendations have been made that would wreck the sugar program. It has not been undermined and attacked as have the other programs which attempt to give farmers some semblance of bargaining power. For this reason, I ask unanimous consent to have the report made of the sugar-beets commodity session of the farm program development conference in Utah printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON SUGAR-BEETS COMMODITY SESSION, FARM PROGRAM DEVELOPMENT CONFERENCE, NEWHOUSE HOTEL, SALT LAKE CITY, NOVEMBER 16, 1957

(Submitted by Warwick C. Lamoreaux)

There was general agreement that the legislation on the books at this time is adequate, and should be continued, the principal objections went to administration by the Department of Agriculture.

There was unanimous expression of the following declaration: Increased costs overall are up 24 percent during the past 8 years. The sugar branch of the Department of Agriculture comprising five members and the Secretary, can regulate the price of sugar to a nicety by adjusting the amount of sugar permitted to be produced and imported into this country. In the same 8 years, while our costs have gone up said 24 percent, the USDA has only allowed the price of sugar to rise 4 percent. This has worked a vast cost-price squeeze against the producer. To be fair to the consumer, as well as the producer of sugar, we are entitled to a 20 percent raise in the price of sugar beets. This would approximate $1.80 per ton for sugar beets this coming year. The law charges the USDA with taking into account the costs of producing beets in setting the price of sugar. We definitely feel the Secretary and his associates have not been realistic in recognizing our increasing costs. The attitude in this matter must be altered at once if we are to survive.

As acreages are curtailed on beets, most farmers produce other crops. There seemed to be general agreement that beets represented the only profitable, or in many instances, cash crop. All other fields of production were suffering deficits. Beets and the present law are the only signs of hope

of survival, but realism in recognizing increasing costs is mandatory or the sugar beet producer will be driven to the wall.

All agreed that sugar producers should have a fair share of the national income, but the feeling was general that because of administration of the act, the producer was not getting enough.

There was positive agreement that sugar must never move into a free market; that it must be controlled under systems like the present law. There was satisfaction in wage stabilization among the competitive forces. In a free sugar market the differences in wage scales would put an end to the domestic sugar production. The allocation of acreages was defended; but there was some dissatisfaction with the manner in which acreages are allotted within the State of Utah.

SALE ON FUTURES

The speculative practice of purchase of future production of sugar came in for much comment. It was suggested that this entire field be the subject of intensive study at high level to the end that the abuses, so detrimental to farmers, be eliminated. The commercial sugar user has learned to use this device to his vast advantage and the producer suffers. It was hoped the leadership of this conference would enter the field and make recommendations on how to approach such a study. Some called it a damnable practice, while others suggested it was a necessary evil; but all agreed it must be better understood, as being a tool of the sugar beet manufacturers to beat down the price to the farmer.

Mr. HUMPHREY. Mr. President, now we come to a different area: New York City itself. The New York Times feels differently about the President's farm program—quite differently. It reflects the view of many strictly big city papers—just the opposite of the view expressed by newspapers in the heart of rural America. Is it any wonder some of us question whether the Eisenhower-Benson farm program is designed to serve farmers, or to have supposed political appeal to city voters?

Mr. President, I ask unanimous consent to have printed at this point an editorial from the March 4 issue of the New York Times, to show an interesting comparison of what areas are for Bensonism as contrasted to the editorials I have presented from farming areas.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BENSON ISSUE

The average reader following the news stories dealing with the attitude of Congress toward the retainment of Ezra Taft Benson as Secretary of Agriculture might be forgiven if he concluded that the only Republican standing behind this dedicated and courageous friend of the farmer was the man who appointed him, President Eisenhower.

This would not be the fault of the newspapers; it would be because the outcry raised by Mr. Benson's critics is noisy and persistent, out of all proportion to its importance, and is prompted predominantly by a desire to make headlines. It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival.

Unfortunately for the reputation and the future of the Republican Party, a sizable proportion of this noisy minority pitches its opposition to Mr. Benson at an even lower level than those who profess objections to the Secretary's policies. These are the boys who have been frightened into opposing him not because his policies are not right but because, while he is probably right he may have antagonized agriculture's vested interests. Primarily these would be the big farmers, who learned to become accustomed to living off Government subsidies under temporary legislation enacted in wartime and whose representatives in Congress have steadfastly refused to return, as they were directed by that legislation, to a farm program designed to meet the requirements of peacetime.

Confidence in the basic policies of Mr. Benson, a successful farmer and graduate student of agriculture, is not confined to the White House. That confidence is shared by such farm organizations as the American Farm Bureau Federation, by an overwhelming majority of farm economists and by the studies of groups, objectively minded, such as the American Assembly, which have no ax to grind and which are representative of every important segment of the economy.

Mr. HUMPHREY. Mr. President, the Watertown Daily Times, of Watertown, N. Y., is published in a great farming area where its editors know what is going on in agriculture.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Thursday, December 19 issue of the Watertown Daily Times entitled "Slow Farm Torture," and another from the February 22 issue entitled "Stubborn Mr. Benson."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Watertown (N. Y.) Daily Times of December 19, 1957]

SLOW FARM TORTURE

Secretary of Agriculture Benson runs the price-support program for dairymen like the ancient gaoler who slowly turned the thumbscrews. He says he will reduce parity payments next April 1 to the minimum now permitted by law, 75 percent. Such a reduction could conceivably amount to cutting the milk checks as much as 24 cents a hundredweight.

The Benson program for dairymen seems to be that of gradually helping the farmers go into bankruptcy.

April 1, 1958, will be the fourth anniversary of Secretary Benson's earlier contribution to the dairymen's financial distress. In 1954 he decided that the parity should be dropped from 90 percent. He did that, and in one month he lopped off practically 40 cents from the price of class III milk. As a result of his reducing the parity price, he took the farmers back to 4 years in their pricing. The milk price has never recovered from that April 1, 1954, dislocation. It has been estimated that on the effective date of the new parity schedule, the dairymen will start losing $300 million a year in income. The milk producers of this State will drop about $15 million.

What happens to the consumer? Mr. Benson says he will save a half a cent a quart on milk and 2½ cents a pound on butter.

There are some who fear that in the months between now and next spring the dealers and handlers will start the push for lower milk payments to dairymen. They will be successful in those areas where there is no milk order. In the areas where the milk orders apply, such as northern New York, the cut will come suddenly, although it will be no surprise. Apparently Mr. Benson believes that in addition to turning the thumbscrews, there are certain desirable aspects in creating agony through anticipation.

The Benson position is a simple one. The Federal Government must cease its parity programs, and the first victim must be the dairyman because he is not concentrated in any one area, controlling thereby a strong bloc of votes in the Congress. Mr. Benson doesn't dare interfere with cotton parity, peanut parity, or wheat parity because each of those crops has strong advocates on the Hill. There is no such thing as a dairy bloc, however. There can't be because the dairymen are a minority in the legislative districts where their farms are located. Mr. Benson believes that it is better to save money federally, while at the same time reducing the dairyman's income.

It is significant that Mr. Benson said in announcing his plan that the dairy reduction did not presage a cut in price supports on other crops.

Senator H. ALEXANDER WILEY of Wisconsin, a friend of the dairymen at heart, but always somewhat apoplectic, was led to comment on hearing of Secretary Benson's move, "This is not the time to pull the rug from under the farmers. We should wait." In other words, Secretary Benson has created an atmosphere in Washington that does not contemplate programs of help, but rather, "How can we gradually harm the dairyman?" Actually, he knows pretty well the method because he has tried it with success in the past. Anyone will agree that it is better to use something that has been successful rather than pioneer. Those thumbscrews always worked, and they still do.

[From the Watertown (N. Y.) Daily Times of February 22, 1958]

STUBBORN MR. BENSON

Secretary of Agriculture Benson has no intention of resigning. Friday he was called upon by two Congressmen representing a group of 30 House Republicans. Pointedly they explained to him that the longer he stayed in office, the less chance there would be for Republicans to come back to Washington after next November's election.

While they have been concerned all along with the disenchantment among the farmers over Mr. Benson, the Congressmen became aroused this week because a traditional Republican district in Minnesota elected a Republican Congressman by only 600 votes. In 1952, the GOP won by 60,000 votes. The reason the margin was so close was that the Democrats made Secretary Benson the chief issue.

The Benson answer to the suggestion that he quit was this: "As Secretary of Agriculture I will continue to pursue a course which I believe is best for our farmers and fair to all our people."

What to some people is political courage, to others is narrow stubbornness. Some who would justify the continuance of Mr. Benson in office suggest that the American people respect political courage; since a man of political courage has been found, the country should have the good sense to keep him. This line of argument fails to take into account the very important realities that the Congressmen seem to know better how to evaluate. These realities are that an agriculture program should be primarily in terms of agriculture, and not in terms of a stubbornness that seems to be grinding down the farmers at a time when other areas of the economy are increasing their standards. Agriculture is the one part of the economy that is worse off today than it was 5 years ago. In spite of recession, unemployment, or whatever this present business dislocation is, the aggregate of the economy, with the exception of agriculture, is operating at a higher level than it was 5 years ago.

Agriculture was bad in 1953 and this is what Secretary Benson was supposed to correct as the head of the Department of Agriculture. If there was ever a case of failure,

that failure is taking place in agriculture, and Secretary Benson should pay attention to these Congressmen, each one of whom represents more people than he does.

Mr. HICKENLOOPER. Mr. President, I yield 10 minutes to the Senator from Iowa.

Mr. MARTIN of Iowa. Mr. President, on February 14 the Secretary of Agriculture, Ezra Taft Benson, spoke at the National Farm Institute meeting in Des Moines, Iowa. He was very well received by the farmers and other businessmen in attendance.

The Secretary talked about sound principles of agriculture which provide an excellent background of information for the debate on farm legislation which will occur in the Houses of Congress during the next few weeks. There is a great deal of misunderstanding about the various suggestions for farm legislation. It is essential that the Congress act on farm proposals with knowledge based on the facts.

It would be well for every Member of Congress before voting on the various measures at hand, to read the Secretary's Des Moines speech. I ask unanimous consent to include this speech at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF EZRA TAFT BENSON, SECRETARY OF AGRICULTURE, BEFORE THE NATIONAL FARM INSTITUTE, DES MOINES, IOWA, FEBRUARY 14, 1958

I congratulate the farsighted leaders of your State, and in particular the Greater Des Moines Chamber of Commerce, for pioneering in this Farm Institute. They have given us a living instrument of free discussion, which is so basic to the American tradition. Free discussion—the asking of questions—the searching out of answers—this is one of the important elements of progress.

Those who were kind enough to invite me to address this institute showed great wisdom at this luncheon in their selection of foods from the fine products of the farms of this great Nation. Let us pause for a moment and give thanks for the teamwork between God and man which makes this miracle of the best-fed Nation on earth a reality.

Too often we overlook some of the most significant factors underlying our achievements. Never in history have so many depended on so few to feed and clothe us so well. Think for a moment of the agricultural revolution which enables today's farmworker to produce in 1 hour what it took 2 hours to produce in 1940 and 3 hours in 1910. Today's farmer is feeding himself and 20 others. With 7,000 additional mouths to feed every day the farmer will shortly feed himself and 25 others.

Farmers can accomplish this miracle only by the aggregate effects of education, research, machines, plant food, specialized mixed feeds, better seed, and soil.

The farmers of the United States are the most efficient in the world. How else can we explain the fact that these 20 million people, less than 1 percent of the world's population, are producing between two-fifths and one-half of the world's production of eggs, red meat, and milk. We should be unstinting in our praise of the American farmer for his productive ability. For this is the major factor enabling the American consumer to have the best diet in the world and to spend a smaller percentage of his income for food than in most countries. This basic fact also undergirds our standard of living—the highest in the world.

Now, this didn't all just happen by accident. The freedom to compete which we have here meshes together a production-distribution system unparalleled anywhere. Certainly, we've all watched the American housewife shopping. Through her mind goes the most amazing set of value calculations. She decides what is the best buy. Her daily choices, in effect, help decide which way prices will go. Her effective demand ultimately will say whether she wants more or less of a commodity at a competitive price. This price tells us which way production must ultimately go.

For the livestock, poultry, and dairy producer these daily choices are of the utmost significance. They tell these producers how much and what kind of foods the customer will buy. Our food marketing system is intensely competitive, and this freedom to compete enables you to fatten hogs in Iowa for the dinner tables in New York, Boston, Miami—yes, and even Washington.

Those who don't want to compete in price, promotion, and quality must either build warehouses or get the Government to do it for them, or attempt to control production.

Here are some questions we all must ask ourselves: What will our agriculture be like 50 years from now—or 25, or even 10 years from now?

Will our farm families have more freedom to plant, to market, to compete—or will they have more Government interference? Will Government be at their side—or on their back?

Will our abundance be wisely used—or will it still be piling up in Government warehouses?

Will we have an economy of plenty—or a rationing of scarcity?

Will we have enough land, water, and timber—or will we be running short?

I have been reporting the facts about the agricultural situation to the American people. Some of our critics do not seem to want me to mention these facts. Apparently they feel that only those things should be mentioned that support their particular political point of view.

A few years ago surpluses were mounting rapidly and rigid price supports on the so-called basic crops were encouraging more and more production of crops already in surplus. We called attention to that situation, and our critics did not like it. When we pointed out that the surpluses had cut farm income an estimated 20 percent, or $2 billion in 1 year, they were quite upset.

And now that we are pointing out some encouraging developments in the agricultural situation, our critics are, if anything, even more indignant than they were before. We have been reporting farm developments on a consistent basis. We will not be swayed by pressure to paint either a rosier or a darker picture than the facts justify.

Facts are facts, and the truth is that:

Income per person on farms last year—including income from all sources—was the highest income per person on record—up 2 percent over 1951, the previous high year.

The truth is that the level of living on farms is higher today than ever before.

The truth is that farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The truth is that the surplus production of American farms is being made available for hungry people at home and abroad.

The truth is that the postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in January were 4 percent above a year ago and 10 percent above 2 years ago.

The truth is that the build-up of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

These are the facts. I believe that the American people have a right to know them.

But we all realize that, despite these more favorable developments, agriculture is still having some difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

I know that the farm part of our economy is not sharing properly in our national prosperity.

I know that the people on over half of our farms—the small farms—do not receive much, if any, benefit from price support programs.

I know that smaller and smaller acreage allotments are tightening a noose around the neck of our cotton farmers, our tobacco growers, our wheat and corn producers. Efficiency in many cases is bound to be crippled when cotton allotments are less than 15 acres—as 7 out of 9 allotments now are.

I know that land diverted from wheat and cotton has gone into sorghums, oats, and barley. I know that many corn producers are planting their 15 acres of wheat, as they can do without penalty. In 1956 wheat production in excess of allotments was about 100 million bushels. It was even higher in 1957.

Here in the Corn Belt, we should review the effects on our resources use of the present program. The basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a build-up in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938 the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry.

We all know that farmers are being hurt by the cost-price squeeze—by soft wage settlements—by rising prices of operating necessities.

Since 1950 gross farm income has gone up $2.7 billion—but farm costs of operation have gone up $3.7 billion.

From 1939 to 1952, the index of prices paid by farmers more than doubled. Since then, this index has risen 3 percent. But the damage was already done. These higher prices—higher costs—have hardened into the farm-cost structure.

I have always believed in good farm prices, good wages, and just profits. I also believe that the three go together; that when any of these gets out of line, it adversely affects the others. There is not any question that farm prices today are out of line with profits and wages.

It is not for me to say what labor or industry should do, but as a spokesman for agriculture, I will say that I am deeply disturbed by any action which adds one penny to the production costs of farmers at this time. There is an urgent need for statesmanship today on the part of labor and industry.

If farm people are to share equitably in the national prosperity we must have a redirection of resources in agriculture and that is the theme of this year's institute.

What are agriculture's resources? They fall into four categories.

The first and the greatest is our farm people with their spiritual ideals, their self-reliance, their vigor, their initiative.

Second, our natural resources—land, water and timber.

Third, man-made or man-developed resources—machines, chemicals, hybrids, improved techniques in production and distribution, and the many other offspring of research and information.

Fourth, agricultural products themselves—our abundance of dairy, livestock and poultry products, our fruits and vegetables, our corn, wheat, cotton, rice, and other commodities.

These are our agricultural resources. These are the bricks and stones out of which a great future for agriculture can, and will, be built.

We must direct these resources so that America's farm economy will expand as our population and economic capacity expand. We must have new achievements and these in turn will produce greater rewards.

We must recognize that economic problems cannot be solved with legislative blockades. Legislation must recognize economic realities.

Many of our difficulties today can be traced directly to policies which have attempted to keep agriculture in a legislative price-support, acreage-control straitjacket.

This dependence on rigid supports—on a form of guaranteed markets—on ever smaller allotments and quotas to fit shrinking demand—this is defeatism. This is submission to fear. This is following the path of least resistance.

We cannot make progress that way. That is the road to a government-dominated agriculture, a socialized agriculture.

More than a century ago the French philosopher and historian De Tocqueville, who knew so well the conditions of this country, wrote: "Democracy and socialism have nothing in common except one word—equality. But notice the difference, while democracy seeks equality in liberty, socialism seeks equality in restraint."

Was that not the pattern—equality in restraint—being forced on agriculture under rigid supports?

Here and now I pledge again to the farm people of America that we in the Department of Agriculture will continue to do everything that is sound and fair to bring about such a redirection of resources as will serve to make our agriculture more dynamic, more prosperous, and more truly free.

I have cited some of the gains we have made since 1953—and mentioned some of the problems that still exist. To deal with these problems we need to push forward again—we need to supplement the progress that has been made. That is the goal of the new farm food and fiber program presented to the Congress last month by the President of the United States.

Here is what the program is designed to do:

It will develop bigger markets, thus putting our abundance to good use.

It will allow farmers more freedom to use their productive resources.

It will push forward the necessary long-range conservation effort.

It will help the forgotten segment of agriculture—those people on small, low income farms.

We have lined up our sights so as to help agriculture recognize the basic economic realities and redirect into sound channels its four basic resources—its production, its techniques, its land and water, and its people. President Eisenhower spelled this out in his message to Congress in which he proposed an attack on the problem on four fronts.

First. The farm food and fiber program will help develop bigger markets. We are not content to allow agricultural abundance to pile up in Government storage. A Government warehouse is not a market.

Since 1953 surplus commodities costing close to $12 billion have been moved out of the Commodity Credit Corporation inventory.

Aided by Government programs agricultural exports have risen to an all-time high. More than 60 percent of all our grain exports in the past fiscal year moved under Government programs.

Yet even while we were exporting more farm products under Government programs, sales for dollars were rising, too. In fiscal 1957 dollar sales of exported farm commodities rose $700 million—to the second highest level in recent years.

The biggest element in our Government surplus disposal programs is the Agricultural Trade Development and Assistance Act, commonly called Public Law 480.

This law was passed in 1954 and authorized the expenditure of $1 billion over a 3-year period for surplus disposal activities. At the time there were plenty of "doubting Thomas" opinions—to the effect that we'd never be able to dispose of so much in so short a time.

Well, you wil recall that the act was extended and expanded in 1956.

Now we are requesting a year's further extension with an additional appropriation of $1.5 billion.

Our exported food is a tremendous ambassador of good will. No nation under heaven has ever been so generous with its abundance. These donations are helping the Free World stay free. In spite of the efforts of these countries and the full use of our programs, however, there still remain large groups of people in many countries who are in need of food they cannot afford to buy.

Under title III, the Department is making further constructive use of our surpluses that remain after sales and barter through donation to United States voluntary agencies like CARE, Church World Service, Catholic Relief and other church groups for distribution to needy people overseas.

I visited some of these needy people—refugees in Hong Kong, Calcutta and Karachi with representatives of United States voluntary relief agencies. I cannot describe to you the heart-rending scenes I saw in these camps. Our surpluses are filling a vacuum through feeding hungry people who cannot buy in the market and further helping to strengthen good will toward the United States in these countries. At the same time we are helping to buy time for many of these new governments in their struggle to fend off communism.

I should also mention the donations of food we make under Title II of Public Law 480 to friendly peoples abroad for relief of distress arising out of natural disasters. Just two examples might be mentioned. We donated $12 million of food to Turkey to help feed people in an area stricken by floods, extreme cold weather, and a severe earthquake. We also have made large donations to the Government of Pakistan to relieve the suffering caused by floods of the River Indus.

I wish I could transfer to you the feeling of world oneness which such a trip inspires. Do you know, for example, that the school lunch idea has spread to Japan? I saw a thousand children eating a school lunch mostly of bread and milk produced on American farms. I saw mobile kitchens in Japan, kitchens mounted in buses. They are equipped with loudspeakers, and the Japanese housewives come around with their children strapped to their backs, to learn how to prepare bargain wheat dishes. And wheat and dairy products are now rapidly becoming important foods in Japan.

Our exported food is a tremendous ambassador of good will. It is helping the Free World stay free. And our food exports—three-fifths of which are sold for cash—are helping solve our agricultural problems here at home, too.

I am proud and I think every American can be proud of this constructive use that is being made of the abundance of American agriculture. The sole purpose of production is consumption; certainly not storage in Government warehouses.

Besides extension and expansion of Public Law 480, we have urged that research into new uses and more effective marketing of farm products be increased. Since 1953, appropriations for agricultural research have been boosted 95 percent. It has been estimated recently that only about 7 percent of the products of our total farm acreage go into industrial outlets. Surely we can do better than this. Increased research can develop new uses and new markets, and there are few things wrong with commercial agriculture that new and expanded markets won't go far to cure.

We have more than 500 projects underway in marketing research alone, plus a good many others in utilization research. They will pay big dividends in better markets in years to come.

Second. The farm food and fiber program will allow farmers more freedom to use their productive resources. We are seeking authority to increase acreage allotments as well as a revision of the price-support programs. Farmers must have more freedom to plant and to widen markets.

Agriculture cannot properly use its resources until it is freed from misdirected price supports and acreage controls—from supports that do not adequately support—from controls that cannot adequately control.

Such misdirected supports and controls not only undermine markets, they handicap efficiency. Small allotments on highly mechanized farms mean that large overhead costs have to be carried by fewer bushels or fewer pounds of products. As production decreases, cost per unit of production rises. No wonder it is second nature to farmers to produce abundantly. No wonder farmers want to make full economic use of their resources.

The average investment per farm worker has doubled, and then redoubled, in just 15 years. Here in the Corn Belt the average investment per farm worker is $59,000—nearly 4 times the average investment by management per industrial worker.

Meanwhile, output has received a tremendous boost. Just since 1940, we have learned to grow a third more wheat per acre. Corn yields are up more than half. Cotton is up two-thirds. We now produce a third more beef per animal, and a third more milk per cow. The average hen is laying two-thirds more eggs.

We need authority to increase allotments of cotton, wheat, rice, peanuts, and tobacco up to 50 percent above the levels determined by existing formulas. Farmers must have more freedom to plant.

As for corn, acreage allotments should be eliminated. Most corn farmers simply cannot afford to live with them.

We would make price supports more realistic by widening the range of supports. The present range of 75 to 90 percent of parity on the basic crops and dairy products does not permit the growth of markets needed to absorb production. These commodities are pricing themselves out of their potential markets. Increased allotments and a wider range of price support logically go together.

We would eliminate the so-called escalator clauses, which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged, farm people can expect to be kept continually under the shadow of price-depressing surpluses.

Far too much effort has been concentrated on parity of prices. It is income that farmers spend, not price—and income is price times volume minus costs.

Technological changes are increasing efficiency in agriculture at a tremendously rapid rate. These gains in efficiency do not proceed smoothly or in all segments of agriculture at the same time. And only to the extent that the effects of technological progress are allowed to be reflected in the most recent 10-year average of prices received by farmers, does the modernized parity take them into account.

There is no single formula, or group of formulas, that can satisfactorily be employed as the criterion for price support actions. As each of the prices received for the various commodities move up or down the prices paid by producers fluctuate. These are indications that there have been shifts in the complex economic forces governing production, prices and consumption. The monthly parity prices only call attention to the changes which are happening. They neither indicate why a change has occurred nor what should be done about it.

Parity prices do not indicate what can be sold at satisfactory prices nor what price is needed to satisfactorily meet competition, either at home or abroad. Parity prices do not indicate how profitable farm production may or may not be, how much or how little farmers will produce. Programs which are economically sound, administratively feasible, and financially supportable simply do not flow from fixed formula calculations. Calling such calculations parity tells nothing more nor less than what was in the statistics and indexes from which the calculations were started.

Supply, demand, competition, and markets—all these are vital factors. To ignore them is not only uneconomical and costly; it runs directly contrary to the long-term best interests of the farmers.

Here in Iowa by far the biggest part of farm cash income comes from livestock and livestock products which are not price-supported. The so-called basic crops with mandatory supports bring in less than 15 percent of your cash farm income. Only a little over one-fourth of your cash income is derived from price-supported commodities of all kinds.

Third. The farm food and fiber program will push forward the necessary long-range conservation effort. We propose to strengthen the conservation reserve program of the Soil Bank and to terminate the acreage reserve program after the 1958 crop.

The acreage reserve was intended to get quick short-term results. The 1957 program succeeded in reducing wheat production by about 175 million bushels, cotton by about 2 million bales, and corn by about 225 million bushels below what it would otherwise have been.

Now we need to shift emphasis within the Soil Bank to the longer-term approach of the conservation reserve. Here we are aiming at overall production adjustment.

Such a shift in emphasis would aid some small farmers or to reduce their farming activities while devoting more time to other employment, who would be able to retire their entire farms from production if they wished. The program would also aid other farmers who elect not to participate. They would also benefit price-wise in the market place from sound production adjustments.

Just in passing, I might point out that more conservation practices have been applied to land these past 5 years than in any other 5-year period in our history. Water conservation and flood prevention have also been stepped up.

Fourth. The farm food and fiber program will help the forgotten segment of agriculture—those people on small, low-income farms. We have urged that the rural development program should be given increased emphasis.

The rural development program is the most important effort ever made in this country to raise the level of living in the underdeveloped areas of rural America. We know the corroding effects of living on marginal land, on farms too small or too poorly equipped to provide the essentials of a decent living.

We know from past experience the tremendous difficulties that obstruct efforts to improve opportunities in these underdeveloped pockets. The great problem has always been: "Where will the people go? What can they do?"

Under the Rural Development Program opportunities can be opened up—are being opened up. We know that education, technical information, and other essentials can be made available to help those people farm more effectively who want to stay on the farm full time.

We know that industry can be brought in to provide off-the-farm jobs. As industry expands in these areas, there will not only be a place for the under-employed, there will be a real need for them.

Already more than 350 new development projects in agriculture, forestry, marketing, industry promotion, health and vocational training are reported.

As this program moves into high gear, the long-needed redirection of human resources in underdeveloped rural areas will give great numbers the opportunity to get a fresh start under better conditions.

Bigger markets—more freedom for farmers to produce—sound conservation and production adjustment—special help for those on small low income farms—these are some of the steps which would be taken under the Farm, Food, and Fiber Act of 1958 to help farmers redirect agricultural resources into more useful, profitable channels. We feel certain they are sound, effective and reasonable, and they will work to provide the Four Freedoms farmers want:

More freedom to plant.

More freedom to market.

More freedom to meet competition.

More freedom from government interference.

In nation after nation we have seen government move in or on more and more of the production and marketing of farm commodities. The role of farmers themselves in managing their affairs and making their own economic decisions has been minimized. There is the greatest danger to the private enterprise system in this steady encroachment of government programs.

If our farmers are successfully to protect their future against the rising costs of farm production, and against the increasing costs of distribution of their own products—if they are going to get on top, and stay on top, of their own business—if they are going to mobilize their strength to bargain on an equal basis with highly organized industry and labor—if they are going to keep government from controlling and managing the farm business—they will have to appreciate the fact that what they do for themselves is far more important than what government can do for them.

This is not just another nation—it is not just one of the family of nations. This is a nation with a great mission. I believe with all my heart that it was established by the God of Heaven to be a beacon to liberty-loving people everywhere. Let us pledge ourselves to preserve in it the full measure of our traditional freedom, that our children—and our children's children in the distant tomorrow—may enjoy the blessings which we enjoy so richly today.

Let us not fear to face facts. May it never come to pass that we lose the vision—the self-reliance—the pioneer spirit which built this great Nation. Let us further develop our agricultural resources, all of them, so as to make the most of present and future opportunities—so that our agriculture, under God, can be expanding, prosperous and free.

Mr. MARTIN of Iowa. Mr. President, on March 3, Secretary Benson spoke at Minneapolis and again received an enthusiastic reception. As a reference for the remarks I wish to make today, I would like to quote three paragraphs of the Secretary's Minneapolis speech dealing specifically with corn, which is a crop, of great value to Iowa, Minnesota, Illinois, and other adjacent States. The Secretary said:

Let me make one point clear. Contrary to myths peddled by some, the level of these allotments are determined by statistical formulas spelled out in the Agricultural Adjustment Act of 1938. I know that these acreage allotments are too low. That is why we are trying to get the law changed. Also, that is why for the first time in history in 1956 and again in 1957, we made supports available for corn grown outside the allotments.

The basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a buildup in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938, the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry. That is another reason why we are seeking changes in the program.

There is no question but what the traditional Corn Belt has suffered much from the outmoded farm program dating back to the late thirties. Farmers in my State of Iowa have watched their competition grow throughout the country as acreages were diverted from cotton, tobacco, and wheat because of farm programs that lost markets and that diverted crops into storage instead of consumption.

The corn area has been dispersed throughout the country because many farmers who could better grow cotton or tobacco have had their acreage of those crops so seriously restricted that they had no other choice than to plant other crops, such as corn. As Secretary Benson points out, Winston-Salem, N. C., was once the largest exporting market in the world but southern Rhodesia now claims that distinction. In addition, we have lost 60 percent of our world cotton market by placing cotton in Government warehouses instead of selling it abroad.

Only 20 years ago, the commercial corn area included 566 counties in 12 States. Now it includes 932 counties in 26 States. The facts are that acreage controls failed to curtail agricultural production. The corn program has failed as evidenced by the fact that in December 1956, 62 percent of the corn farmers who voted in the referendum favored elimination of corn acreage allotments.

Only about one-seventh of the corn producers in the commercial corn area during 1957 complied with the program and were eligible for the full price support.

Corn producers cannot live within the restrictions of the present acreage allotments. This is one of the key points of the administration's program—elimination of acreage allotments for corn.

This issue basically boils down to a question of whether we will adopt the program proposed by President Eisenhower, which accepts the need for Government price-support operations above a specified floor but provides flexibility for them above that floor, and would relax the strict controls by which farmers are told how much they may plant; or whether we will continue the Democrat program with its astronomically mounting costs to the Federal Treasury and its failure to bring any stability to our agricultural economy.

Some Democrat opponents of the Eisenhower farm program went into Iowa recently and delivered a scathing attack on that program and voiced highest praise for the rigid high price support program enacted by Democrat-controlled Congresses. They omitted any mention whatsoever of several factors which put an entirely different and far more realistic, light on the problem.

They ignored the fact that under Democrat Presidents, the outbreak of war twice prevented a collapse of the Democrat farm program under the weight of accumulating surpluses and mounting costs. I am sure that they would agree that the horrors of another war would be too great a price to pay for saving the high price support program.

Some Democrats have tried to place on Republicans the blame for the failure of Congress to enact corn legislation. But it is their own party which has been in control of Congress for the past 3 years and which has consistently refused to pass a corn bill acceptable to President Eisenhower. The Democrats have the votes to pass such legislation any time they care to, but they are fighting our President in every way possible; they refuse to give him a chance to try the program he deems best; they refuse to admit their own program is costly beyond belief and is failing to do the job.

Critics of President Eisenhower claim that farm commodity prices have failed to reach adequate levels in free markets which the Eisenhower program seeks to restore in place of government-regimented prices and controls advocated by the Democrats. Conveniently, they fail to mention that the average price of all hogs sold in Chicago last year was $17.80 per hundredweight, higher than the average such price for any month in the entire F. D. R. administration; or that the average price of beef steers of all grades sold in Chicago last year was $23.48, likewise higher than the average such price for any month under Roosevelt. Let us remember that under the Truman administration, prices twice were boosted by war demand. These hog and cattle prices, of course, are tremendously important to Iowa, since nearly 75 percent of Iowa's vital corn production is fed to hogs and beef cattle, and almost all of it in Iowa.

Partisan campaigners who go into Iowa from distant places to attack President Eisenhower on the farm front, must be fair if they are to be effective.

Omission of such pertinent and important facts is most unfair. Iowa farmers are far smarter than the critics of President Eisenhower credit them with being.

The administration's program which will mean great progress in three general areas:

First. The development of bigger markets. This can and will be done through recommended extension of the surplus disposal program, and expansion of research into new uses for farm products.

Second. Provision of more freedom for farmers. This would be done by revision of the acreage control and price-support programs to permit farmers more freedom to plant and to develop more markets for the use of our surplus farm commodities.

The technological revolution in agriculture is under way and there is no way to stop it or reverse it. We would not want to stop it even if we could, because the efficiency and production of American farmers are major factors which made this Nation grow and prosper through the years.

Third. The administration's farm program deals with the specific problems confronting agriculture, including those people residing on small, low-income farms.

The principles of the administration's proposed farm food and fiber bill will restore agriculture to a sound basis and enable all farmers of this Nation to make the most of their opportunities and use Government only as a hired man to help do the job where necessary, rather than to allow Government to dominate the operation of their farms and to restrict their productive potential.

I wish I had another 2 weeks' record of the poll I am making throughout the State of Iowa; but the poll has been only half completed at this time. The poll was distributed to every 20th householder according to the directories thoughout the State of Iowa. No questions were asked about political affiliation. No questions were asked about economic status. I asked only to have the householders state their occupations.

I have received some surprising answers to the farm questions from the farmers who in the poll reported themselves to be farmers. In about 2 weeks I shall have that poll completed.

I simply call attention to one question which I asked in that poll, which is as follows:

Do you approve supports for the basic crops and dairy products at 60 to 90 percent of parity with guidelines as used for other commodities?

Mr. President, the answer to that question at the grassroots, by the farmers themselves, is quite different from that which I have heard given around the corridors of the Capitol.

I am not at liberty as yet to release the figures received in the poll. To do so would be unfair to those who have not yet voted. They have 4 weeks in which to vote. But I will submit the figures to the Senate in complete detail when the poll has been completed.

Those figures demonstrate to me that the so-called revolution of the farm group in Iowa is more a figment of the imagination than is proclaimed otherwise so loudly in the halls of Congress.

I ask Senators to go to the grassroots, take a poll such as I am taking, and ask a similar question of every 20th householder in the State. Then see what the answer is before coming to a firm conclusion as to who has the highest percentage in the matter of the program which is advocated.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished senior Senator from Minnesota.

Mr. THYE. Mr. President, I want it to be understood that I am in complete support of Senate Joint Resolution 162. I endeavored in the committee to have the resolution reported at the earliest possible time. It is imperative and necessary that the Senate act favorably on the resolution this afternoon. It is necessary so as not to permit anything to happen which would weaken the buying power of the farmers. The farmers are needed as customers for the output of industrial concerns, whether from wholesale houses, processors, or industrial plants. It is necessary to have an increased stimulation in the economy if a further increase in unemployment is to be staved off.

An old Chinese proverb goes something like this:

Look back, that you have wisdom to intelligently look forward.

I need only look back to the 1920's to find the answers to the contentions of those who charge that the price supports are the evil things which have brought about the commodity surpluses in our land.

I need only to look back into my early life, when, as a young veteran, home from World War I, I rented a farm and commenced farming, to know what the situation is today. It is exactly the same today as it was in that day.

In those days there were no controls. At that time there were no price supports. As I look back, I can almost hear verbatim some of the same statements which have been made in the Senate today. We need only to read the RECORD of the late 1920's and the early 1930's.

Read them, Mr. President. (Mr. LAUSCHE in the chair.) You are a distinguished, intelligent man, representing the great State of Ohio. Read some of the arguments concerning the McNary-Haugen bill. You will find almost the same arguments and the same remarks. But at that time there were no price supports. There were no incentives, as they are oftentimes referred to. Still, there were surpluses; and they were in such large amounts that dairymen delivered their products on the streets of Minneapolis and St. Paul, oftentimes at a price of less than $1 a hundredweight.

The price today is $3.25 a hundredweight, only because supports are hold-

ing the price at that point. But in the 1920's there were no supports, and the price often dropped below $1.

I was one of those who hauled hogs to South St. Paul. Hogs weighing more than 200 pounds often did not net the farmer $5. Why?

The price of grain had become very cheap. Oats were selling for 8 or 9 cents a bushel; corn, at 12 cents a bushel. Corn would not buy as much heat in the form of coal as it would furnish in the heater in its own form. Large amounts of corn were burned as fuel in the heaters of the Midwest. I do not want to see a recurrence of that condition. I do not want the youth who have returned from World War II or the Korean war to be compelled to experience the economic conditions which prevailed in the late 1920's and the early 1930's. I do not want to see the economic condition become so tight as to squeeze them to such a point that they will have to liquidate their assets.

I saw many farmers in the early 1930's threatened with financial liquidation. Many of them were liquidated, and more would have been had it not been for the efforts of some Members of Congress at that time who were responsible for the enactment of what was known as Commissioners' loans. They were loans which were used as second mortgages behind the Federal Land Bank loans.

When that act was passed, it was possible to stop many foreclosures. Numerous foreclosures were publicized across the entire Midwest.

I was the appraiser for the Federal Land Bank. I was asked to leave my farm to help mortgagees keep ahead of the sheriff's sales. I appraised for the St. Paul Bank. I was in the heartland of the best productive area in the central part of the United States, in Minnesota, appraising in the dead of winter, in order to stop foreclosure sales.

Mr. President, this is why I am arguing today, as I have done before, in behalf of farm price supports. I need only look back into my memory of yesterday. I recall those wise words of the Chinese proverb:

Look back, that you have the wisdom to intelligently look forward.

That is why I plead for a floor under some of the farm prices. That is why I have pleaded for an orderly method of retiring land from harvest and production. I know that if there were acreage controls on wheat, cotton, and corn, and that acreage were tied down, it would simply be driven from one crop into another.

I advocated a soil bank for the dust bowl in the Southwest long before it was accepted by the Department of Agriculture. Why? I knew it was necessary to curtail the acreage, because only in that manner could production be reduced.

In the late 1920's and early 1930's, there was no use for commercial fertilizer. There were no machines equipped to spread it. The farmers had only a limited knowledge of its use or the experience with it. They loaned machines back and forth, among themselves, in order to put a few pounds of commercial fertilizer into their corn-producing land. They had no knowledge of hybrid seeds. Yet the production of those years brought about surpluses which depressed the market, as indicated by the figures to which I have already referred.

Mr. President, the Soil Bank, the acreage-reserve program, and the consumption provisions constitute the only intelligent manner of reducing the overall production of our soil. Public Law 480 is another wise step in connection with the endeavor to sell the supplies of American agricultural commodities which today are referred to as "the surplus."

Mr. President, the freeze now proposed must be enacted into law if the farmers of the Nation are to be saved. The present drop in farm commodity prices cannot be permitted to continue; if it does continue, it will have a further adverse effect on the buying power of the farmers, and thereby will decrease the business of the wholesale houses and the output of the factories.

Mr. President, the State so ably represented by you—Ohio—is a great industrial State. The industries of Ohio depend upon the purchasing power of the farmers in the Midwest for the sale of the output of the factories. The steel factories in the Pittsburgh area depend in part on the sale of combines and tractors in the farm areas of the country.

Let all Members of the Senate consider the situation which existed in the early 1930's, in order to ascertain whether the supports have brought about the production which has been experienced. The production has been due to the educational programs of the Agricultural Extension Service, based on the activities of the State and county agents; and, above all, the production has been due to the initiative of the American people—initiative which they inherited from the pioneers who left old Europe and crossed the vast ocean to this great land. All of us have inherited that drive from our parents. Most of us are one or two generations removed from the pioneer stock. It is from that stock that we have inherited our drive and our initiative to produce. Let them not be stifled by the existence of depressed prices—so that the young people are driven off the farms and are forced to seek employment in the cities—where in many cases they would have to go on the unemployment rolls.

Mr. President, I speak now, not on the basis of statistics, but on the basis of my memories of yesterday, when, as a young member of a farm family, I worked on the land during the early 1920's and 1930's.

May the Members of Congress have the wisdom to establish this floor and keep it in effect until something better has been developed and perfected.

Mr. President, I ask unanimous consent that a statement showing what Congress has done, under Public Law 480, with respect to the surpluses be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 480

Let us examine these areas of agreement more carefully. I cosponsored Public Law 480 and have introduced a bill for its extension because it places American surplus into the hands of people who need it—because it has become an effective supplement to our foreign-aid program—and because it places our surpluses in a position to play a vital role in our destiny as a world leader for the cause of freedom and decency. Under the provisions of this law up to September of 1957 the United States had actually shipped 10,800,000 pounds of butter and butter oil valued at $4,776,000 in trade with other nations. We have shipped over 14 million pounds of powdered milk at a value of nearly $2 million. We have shipped 183,638,000 pounds of lard at a value of over $23 million. This helps to explain why the price of pork has held more firm than in past years. We have also disposed of cottonseed oil, powdered milk, and peanuts for oil under the barter provision of Public Law 480. In the area of international donations, we have shipped out over 325,400,000 pounds of butter and butter oil in an amount of over $225,500,000. Over 1 billion pounds of powdered milk in the amount of $220,400,000 has been disposed of through the donation provision. In addition, we have donated 71,400,000 pounds of cottonseed oil valued at over $17 million. This record demonstrates surplus products are being disposed of to the benefit of American agriculture and to the benefit of those who have received these products.

Let me give you some figures about agreements under Public Law 480 which were released at that hearing. These figures related to agreements, whereas the figures I gave you before pertained to actual shipments.

The agreements already signed provide for the shipment of 550 million bushels of wheat, 3 million bales of cotton, 25 million bags of rice, 1.8 million pounds of vegetable oils, 133 million bushels of feed grains, 175 million pounds of tobacco, 150 million pounds of meat, 225 million pounds of lard, 162 million pounds of dairy products, 197 million pounds of fruit and vegetables, as well as other commodities.

In 1955–56, the first full year of operation of title I, foreign currency shipments totaled $427 million at export market value, or 12 percent of total United States agricultural exports. During 1956–57 title I shipments amounted to $900 million, nearly 20 percent of the recordbreaking $4.7 billion total achieved.

Agreements signed to date will result in foreign currency payments of more than $2.5 billion. About 60 percent of the total will be used for economic development purposes in importing countries, about 10 percent will be used to support the defense forces of our allies, and the remaining 30 percent is planned for meeting United States expenses overseas and expanding certain United States programs.

The bulk of the commodities included in these agreements has already been exported and the increase in title I shipments from year to year has been one of the major factors leading to the rise in our total agricultural exports. In 1954–55 our agricultural exports had a market value of $3.1 billion. Title I shipments were small that year accounting for 3 percent of the total. In 1955–56 our agricultural exports rose to $3.5 billion. Title I accounted for 12 percent of the total. In 1956–57, the year ending last June 30, agricultural exports rose to an all-time high of $4.7 billion. Title I shipments made up almost 20 percent of the total, or about $900 million.

The rise in total exports was the principal reason that last year the direction of surplus accumulations was reversed. During 1956–57, CCC investment in price support commodities declined almost $1 billion with the principal reductions being in wheat, cotton, and rice, commodities for which there were heavy movements under the title I program.

Public Law 480 is the type of program which permits this Nation to use its surpluses in three ways: (1) As an export commodity, (2) as a humane program for the relief of hunger, and (3) as a defense asset.

In Spain we took monetary earnings from our grain exports and used them to pay for air-base construction. We have taken prefabricated housing and labor from Finland to bolster our NATO allies in return for grain shipments.

It is a program which is winning friends for the United States through a benevolent approach. It is more effective than all of the armaments we could parade before hungry people in a troubled world. I ask your support for the efforts of myself and others in both political parties who call for its extension.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. HICKENLOOPER. Mr. President, I yield 5 minutes to the Senator from Delaware [Mr. WILLIAMS].

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS. Mr. President, last Thursday, March 6, the Senate Agriculture Committee voted out the following bills all of which I feel are detrimental to the best interest of agriculture:

First. Senate Joint Resolution 162, provides that for an indefinite period no price support or acreage allotments shall be established below the 1957 levels.

Second. S. 2913 would increase corn allotments for 1958, 1959, and 1960 to 54 million acres, at a price support of not less than 75 percent of parity, and would require 15 percent participation in the Soil Bank in order to receive the price supports. There are no similar requirements for other feed grains.

Third. Senate Joint Resolution 163 would force the Secretary of Agriculture to support milk and dairy products for an indefinite period at levels above those provided in the current law, and at not less than the dollar-and-cents level for 1957.

In the light of certain available facts, it is difficult for me to understand this action of the committee.

For almost one-quarter of a century we have been attempting, through price-support and adjustment program, to control agricultural production in order to increase the income of the farmers, when, as a matter of fact, the price-support and adjustment programs have had very little to do with the net income of farm families since most of the prosperity since 1940 in agriculture can be directly attributed to war.

I think we need to remind ourselves again about the costs of these programs that have failed so miserably.

I shall insert in the RECORD at a later point figures, released by the United States Department of Agriculture, dealing with the cost of this program. They are broken down, commodity by commodity, and year by year. I think it is necessary for the Members of the Congress to have these facts before them.

In placing this information in the RECORD, it is not my intention to be critical of the operations of these programs, because I feel sure that no Secretary of Agriculture can administer the hodgepodge of laws that the Congress has been able to enact during the last 25 years.

The Senate is now being asked to consider, based on the action of the Senate Agriculture Committee, proposals designed to freeze commodities in their present pattern and to perpetuate further the cost to the Federal Treasury, without correcting any of the economic problems of agriculture.

Mr. President, mention has been made, today, that the pending joint resolution is only a stopgap measure. On the contrary, Mr. President, the pending joint resolution is not a stopgap measure; instead, it will be—if enacted—a permanent piece of legislation, and it will remain on the statute books until it is definitely repealed or supplanted by another act of Congress.

This proposed freeze of support prices on all agriculture crops will likewise increase the feeding costs of those farmers buying these feeds for more than any advantage they will gain as a result of the higher support on dairy products.

I submit, Mr. President, that the continuation of these programs not only will fail to solve the agricultural problem but also will be doing a great disservice to agriculture.

Our American farmers do not want to return to a program involving a "strait jacket" of controls, nor do they want an agriculture program that is designed on the theory that every few years we need a war to bail out our surpluses.

The return to the high support programs and rigid controls accompanying such a policy will inevitably further accelerate the trend toward absentee ownership and operation of our farms.

This policy of high supports and strict acreage controls accompanying such policies will destroy the individual family-type farmer, who will be unable to maintain the necessary equipment to utilize his restricted acreages. He will be forced to sell out or consolidate with the larger operator.

I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the 1957 costs and benefits of our agriculture support program, broken down by States.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

[170,333,000 population—cost $3,255,000,000—$19 per person cost]

State	Benefits	Cost	Gain (+) or loss (−)
New York	$49,478,000	$301,872,000	−$252,394,000
Pennsylvania	48,168,000	209,817,000	−161,649,000
Ohio	89,200,000	174,800,000	−85,600,000
Indiana	92,680,000	86,127,000	+6,553,000
Illinois	154,780,000	183,103,000	−28,323,000
Michigan	63,844,000	148,257,000	−84,413,000
Wisconsin	76,050,000	73,378,000	+2,672,000
Minnesota	109,800,000	63,100,000	+46,700,000
Iowa	127,000,000	53,180,000	+73,820,000
Missouri	96,200,000	80,845,000	+15,355,000
North Dakota	139,400,000	12,236,000	+127,164,000
South Dakota	70,200,000	13,338,000	+56,862,000
Nebraska	127,200,000	27,583,000	+99,612,000
Kansas	123,550,000	40,584,000	+82,966,000
Maryland	8,300,000	55,000,000	−46,700,000
Virginia	15,200,000	72,143,000	−56,943,000
North Carolina	37,950,000	85,462,000	−47,512,000
South Carolina	29,282,000	45,030,000	−15,748,000
Georgia	$50,200,000	$71,800,000	−$21,600,000
California	189,650,000	264,518,000	−74,868,000
Florida	5,996,000	77,862,000	−71,906,000
Kentucky	20,740,000	57,760,000	−37,020,000
Tennessee	47,500,000	65,797,000	−18,297,000
Alabama	49,648,000	59,869,000	−10,221,000
Mississippi	86,500,000	41,500,000	+37,000,000
Texas	352,135,000	173,622,000	+178,513,000
Colorado	43,832,000	31,787,000	+12,045,000
Oklahoma	66,900,000	43,263,000	+23,637,000
Montana	82,339,000	12,654,000	+69,685,000
Idaho	51,715,000	12,160,000	+39,555,000
Washington	77,660,000	51,718,000	+25,942,000
Oregon	32,550,000	33,611,000	−1,061,000
Arkansas	122,529,000	33,592,000	+88,937,000
Arizona	59,800,000	21,584,000	+38,216,000
Louisiana	70,300,000	58,292,000	+12,008,000
New Mexico	18,900,000	15,770,000	+3,130,000
Wyoming	$4,639,000	$6,004,000	$1,665,000
Utah	4,603,000	16,169,000	11,566,000
Maine	2,100,000	17,917,000	15,817,000
New Hampshire	1,135,000	10,868,000	9,733,000
Vermont	5,300,000	7,144,000	1,844,000
Massachusetts	2,460,000	92,454,000	89,994,000
Rhode Island	378,000	16,378,000	16,000,000
Connecticut	2,270,000	42,788,000	40,518,000
New Jersey	3,400,000	106,913,000	103,513,000
Delaware	568,000	8,322,000	7,754,000
West Virginia	2,460,000	37,544,000	35,084,000
Nevada	265,000	5,073,000	4,808,000

NOTE.—Based on State production.

The farm program cost the taxpayers of the United States $3,252,400,000 in 1957. With a population of 170,333,000 people, the farm program would cost $19 per person.

Products:	Losses
Wheat	$827,300,000
Cotton	641,200,000
Corn	489,100,000
Dairy	378,500,000
Rice	152,700,000
Peanuts	18,700,000
Wool	66,700,000
Grain sorghums	26,100,000
Soybeans	15,000,000
Barley	26,600,000
Oats	25,600,000
Beef	32,900,000
Pork	6,900,000
Beans	16,600,000
Eggs	16,000,000
Hay	17,400,000
Rye	5,400,000
Tallow	5,500,000
Lard	1,500,000
Interest	326,000,000
Other costs	145,600,000
Miscellaneous	14,100,000
Total	3,255,400,000

The States which would benefit most are the States producing the most wheat, cotton, corn, dairy products, and rice.

Therefore, 20 States get more money back from the farm program than their taxpayers pay in. But in 28 States the taxpayers pay in more money than their farmers receive.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the RECORD a table showing how, under the high support programs, the per capita consumption of butter has declined during the last several years, and also showing how the per capita consumption of oleo, a substitute for butter, has increased during the same period of time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Per capita consumption of milk, butter, and margarine, United States 1940–57 and estimated 1958

[In pounds]

Year	Fluid milk and cream	Butter [1]	Margarine [1]
1940	331	17.0	2.4
1941	334	16.1	2.8
1942	354	15.9	2.8
1943	371	11.8	3.9
1944	381	11.9	3.9
1945	399	10.9	4.1
1946	389	10.5	3.9
1947	369	11.2	5.0
1948	355	10.0	6.1
1949	352	10.5	5.8
1950	349	10.7	6.1
1951	352	9.6	6.6
1952	352	8.6	7.9
1953	347	8.5	8.1
1954	348	8.9	8.5
1955	352	9.0	8.1
1956	355	8.7	8.2
1957	356	8.5	8.6
1958 (estimate)	355	8.6	8.6

[1] Actual weight basis.

Mr. WILLIAMS. Mr. President, I believe this point should be emphasized because unquestionably under the high support programs the Congress has been underwriting an expansion of the sale of synthetic fibers—both cotton and wool—to the detriment of the American farmer; and at the same time the Congress has been permitting a substitute for butter to take the place of the butter produced by the American farmers.

I hope the joint resolution will—in the best interest of American agriculture—be defeated.

The PRESIDING OFFICER. The time yielded to the Senator from Delaware has expired.

Mr. SYMINGTON. Mr. President——

Mr. ELLENDER. Mr. President, I yield 8 minutes to the Senator from Missouri [Mr. SYMINGTON].

The PRESIDING OFFICER. The Senator from Missouri is recognized for 8 minutes.

Mr. SYMINGTON. Mr. President, several days ago I presented to the Senate that when I came to the Senate in January 1953, the distinguished senior Senator from Georgia [Mr. RUSSELL] stated that the farm population of the United States had dropped to 13 percent of the total population, and that that farm population then received but 6 percent of the total national income.

Recently I looked up the present figures and have found that, as a result of the management of this administration, the farm population has now decreased to 12 percent of the total population; and that 12 percent is receiving only 3.2 percent of the total national income.

In other words, Mr. President, and these are the facts under the present agriculture administration, there has been, during the past 5 years, a decline of almost 50 percent in the percentage of our national income received by American farmers.

In recent weeks, Mr. President, considerable concern has been expressed about the continuing decline in the economic activity of the country. This concern is understandable when one considers that over 5 million people are unemployed; and also that many of our major industries are operating far below their capacity.

Many leaders of government, business, labor, and agricultural groups have urged that steps be taken by the administration to check this condition, and to restore stability to our economy.

Lest we forget, the farm segment of our economy has experienced 5 years of depressed economic conditions, whereas the remainder of our people have not.

Statements have just been made that this joint resolution, introduced in an effort to prevent further planned reductions in the price support or acreage allotment levels, was considered hastily and has been ill considered. I do not believe an examination of the facts would support that statement.

During this same period, instead of taking actions to remedy the situation, this administration has persistently pursued a policy that could only result in further reducing farm income.

Since 1952, this decline has amounted to 20 percent.

As a result, family farm purchasing power is at its lowest point since 1940.

In conformity with the often expressed adage that economic trouble is invariably "farm led and farm bred," this farm recession is now spreading to other segments of the economy, and growing unemployment is causing increased concern.

Despite these facts, this administration continues to work for even further reductions in farm income.

There is little amusement in the fact that some who work so hard for other segments of our economy, trying to get special privileges for those segments they support, from the Government, must now realize that this farm-bred and farm-led recession is spreading to the small towns, and even now to the large cities; and other segments of the economy which are treated with so much deference on the floor of the Senate as against the farmer are beginning to suffer too because of the way the farmer has been treated in recent years.

In 1932 I was manufacturing farm implements, and know what happens, not just to the farmer, when his income is arbitrarily reduced, as it has been in recent years, but to all business.

Unless action is taken now by the Congress, price supports on dairy products will be further lowered 10 percent, effective as of next April 1. It is estimated this cut will take an additional $250 million annually from the dairy farmers' income.

Missouri dairy farmers alone will lose over $9 million if the action is not stopped.

Many of Missouri's dairy farmers, either individually or through their organizations, have protested the announced price support reduction. They find it impossible to understand the reasons behind the action.

Secretary Benson constantly reiterates that lower price supports provide less incentive for increased production. This has been the basic theory of his administration of the Department of Agriculture, and nothing could be more incorrect.

This theory has not worked in the past and will not work in the future.

The idea that a dairy farmer can swing from milk production into grapefruit production, as a man can swing from United States Steel to Continental Can on the stock exchange, is absurd on the face of it.

A dairy farmer, with heavy investment in high-producing cows, a milking parlor, silo, and other equipment, has but one choice when his price is further reduced. He must increase his production instead of reducing it, in order to meet his fixed costs and, therefore, avoid bankruptcy.

Cash receipts from marketings of milk were the same in 1957 as they were in 1952—$4.6 billion. Because of price reductions in that period, however, farmers had to increase their milk marketings by 15.3 billion pounds in order to receive the same gross income.

Obviously, under those circumstances, their net profit was far less than before.

In announcing this further price cut, the administration stated that the reduction in farmers' prices would be reflected in lower retail prices of one-half cent a quart for fluid milk.

But this has never been the result of support-price reductions in the past. Even if it were, it is unfortunate that those who are supposed to represent the farmers would justify a 10-percent reduction in the price-support rate on the grounds consumer retail prices would be reduced 2 percent.

In behalf of the dairy farmers of Missouri and the Nation, I have joined with many of my colleagues in the sponsoring of legislation to prevent this reduction in the dairy price-support level.

Our bill, S. 2924, together with the self-help plans, will be considered by the Senate Agriculture Committee in working for long-term legislation.

Mr. President, the Sanitary Milk Producers is a cooperative association of some 5,000 dairy farmers producing milk for the St. Louis market.

On February 18, 1958, Mr. Russell Spaulding, general manager of this association, appeared before the Dairy Subcommittee of the House Agriculture Committee.

The statement Mr. Spaulding presented to that committee represents the thinking, not only of the dairy farmers in his association, but also of many others throughout the State of Missouri. I ask unanimous consent that Mr. Spaulding's statement be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF RUSSELL E. SPAULDING, GENERAL MANAGER, SANITARY MILK PRODUCERS, ST. LOUIS, MO., BEFORE THE DAIRY SUBCOMMITTEE OF THE HOUSE AGRICULTURE COMMITTEE, FEBRUARY 18, 1958

My name is Russell E. Spaulding. I am the general manager of Sanitary Milk Producers, 2208 Washington Avenue, St. Louis, Mo.

Sanitary Milk Producers is a cooperative association of dairy farmers, most of whom produce milk for the St. Louis market.

There are about 5,000 dairy farmers supplying St. Louis and suburban markets with fluid milk, and approximately 147,000 farmers in Illinois and Missouri producing milk and cream for sale.

Our members reside in 25 of the 101 counties in Illinois, and in 59 of the 115 counties in Missouri. The numerical distribution in the two States is about half and half.

Sanitary Milk Producers is opposed to the Secretary's action reducing the price support level for manufacturing milk. We endorse the short-range emergency legislation proposed in bills to prevent the Secretary's action, and to define by law a dependable formula for establishing a parity equivalent price for manufacturing milk.

At this point, we wish to state also that we support the long-range proposal for a self-help program as sponsored by the National Milk Producers Federation, with whom we are affiliated, and by the National Grange. We are referring to H. R. 10043.

We realize that action cannot be taken to effectuate the self-help plan by April 1, 1958. We believe it is imperative, therefore, not only to continue the price-support program until the self-help plan can be put into operation, but also to prevent the Secretary from lowering the price-support level April 1. We endorse the bills that have been introduced to provide a stable parity equivalent formula and a price-support level of $3.50 for manufacturing milk. Unless this legislation is passed, dairy farmers in Illinois and Missouri, as well as other sections of the Nation, will face further economic hardships.

In 1957, a total of 703 million pounds of milk was utilized in the St. Louis, Mo., market. The prices received for that milk were considerably lower than in 1956. In 1956, the price for class I, or bottled milk, was $4.62 per hundredweight. In 1957, it was $4.26 or 36 cents per hundredweight less. Our class I milk represents about 79 percent of our total utilization. Therefore, our uniform or blend price was 33 cents per hundredweight less in 1957 than in 1956.

The decision of the Secretary to reduce the price-support level for manufacturing milk to $3.03 will further reduce all our prices by 22 cents per hundredweight, because fluid milk prices in St. Louis are directly related to manufacturing milk prices.

If the Secretary's action is allowed to stand, by the end of the 1958–59 marketing year, these reductions will reduce our income from 1956 by at least $3.9 million. The further prospect of an additional reduction of 65 cents per hundredweight, if and when the President's recommendation authorizing a price-support level at 60 percent of parity is effectuated, can only result in chaos for the St. Louis market.

If the price-support level is reduced to $3.03 (which the USDA claims is 75 percent of parity) the St. Louis uniform price will drop 22 cents per hundredweight. A reduction to $2.38 (which the USDA claims is 60 percent of parity) would result in about a 21 percent drop.

We have estimated the loss of income, based on 1957 production, that dairy farmers in Illinois and Missouri can expect to face if the price-support level is reduced 22 cents April 1, and to 60 percent of parity.

Illinois farmers will lose about $12 million in the drop to $3.03, and an add'tional $34 million if the level is subsequently dropped to $2.38, or a total of $46 million.

Dairy farmers in Missouri can expect to lose $9 million at $3.03, and an additional $26 million at $2.38, or a total of $35 million.

We are convinced that such losses will not only bankrupt many farmers, but will wreck overnight producer cooperatives that took a generation and more to organize and to build. If these conditions materialize, and we cannot see how they can be avoided if the intentions of the President and the Secretary are carried out, it would be impossible to prevent a recurrence of the violence, misery and waste that the St. Louis market experienced during the bitter strike of 1934.

Since 1948, our national surplus as a percentage of total production has ranged from less than 0.05 percent in 1951 to 8.3 percent in 1953. It is estimated to be about 5 percent for 1957.

In view of this relatively small surplus, considering the seasonal production aspect of the dairy industry, and the need for reserve supplies, we are convinced that the Secretary's action and the President's recommendation are ill advised, harsh, and disruptive and must be prevented, if we are to preserve any semblance of orderly marketing in the St. Louis area, or in any other fluid-milk market.

We urge the committee to report favorably on the emergency bills to establish a support level of $3.50 for manufacturing milk, and to provide a stable parity equivalent formula.

Mr. SYMINGTON. Mr. President, in addition to the serious effect on the dairy industry, other actions by the Secretary of Agriculture in further reducing prices will have serious consequences to farmers of both Missouri and the Nation.

Let all who now talk about the importance of more purchasing power to stem the recession realize what is happening in the United States from the standpoint of the purchasing power of agriculture.

Unless this resolution to prevent reductions in price supports or acreage allotment below the 1957 level, is enacted, the farmers of Missouri and the Nation stand to lose in the following estimated amounts:

[In millions]

	Missouri	United States
Dairy products	$9	$250
Wheat	11	200
Corn, possibly as much as	15	350
Cotton, sharply reduced acres		3 to 4

And considerable on other crops, such as grain sorghums, soybeans, oats, barley, and other small grains.

Mr. President, the farmers of my State could suffer further economic loss of at least $40 million unless this joint resolution is enacted.

Missouri farmers, already caught in a serious economic vise of lower prices and higher costs, cannot stand such additional reductions.

It is a fact that from 1956 to 1957 the average total net income per farm in Missouri declined 14 percent, from $2,148 to $1,851.

This Administration has now completed 5 years of agriculture management. This is more than an adequate time period in which to gage results.

Based on official United States Department of Agriculture statistics, and comparing 1952 with 1957, here is the record of these years.

Total farm production, up 6 percent; farm prices, down 16 percent; farm parity ratio, down 18 percent; total farm income, down 20 percent—realized net farm income for 1957 is at its lowest point since 1942.

Family farm purchasing power of that farm income—down 24 percent—the lowest since 1940.

Total farm debt reached its all-time high of $19.5 billion in 1957.

Farm mortgage debt is at its highest level since the early 1920's.

All this occurred at the same time corporate profits increased 14 percent and weekly wages in industry increased 21 percent, and our gross national product increased 26 percent.

The Department of Agriculture's budget expenditures have almost doubled—from $2.5 billion in fiscal year 1954 to an estimated $4.9 billion in fiscal 1958.

It was recently mentioned that 1,800,000 farmers left the land last year. Obviously they have gone into towns and cities. That was in line with the suggestion of the Secretary of Agriculture. That suggestion has been carried out; and the ranks of the unemployed in the cities have been further increased as a result of his policies.

During the same period the policies of the Department of Agriculture have moved over 500,000 farm families off the land—not 500,000 farm people but 500,000 farm families—the Department of Agriculture has added some 20,000 people to its payroll, all charged as additional cost to the American farmer.

As the distinguished Senator from Minnesota pointed out, the result of eliminating nearly 2 million people from our farms in the 12 months past we have a slight increase in farm per capita income, from farming sources from $601 to $684.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Presiding Officer is reluctant to announce that the time of the Senator has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 30 seconds.

In addition to the policies and programs of the Department of Agriculture, its management and administration are subject to criticism and the record so proves to any fair minded person who is interested. It now takes over 20 percent more people in the Department of Agriculture to reduce the farmers income 20 percent. Those figures are but one illustration of what is now going on in the way of duplication and waste in the management of this Department.

Mr. HICKENLOOPER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. HICKENLOOPER. Mr. President, the discussions today have taken interesting and remarkable turns. We have heard statistics quoted at length and in confusing profusion. These statistics have been used by various advocates for or against the joint resolution, in an attempt to prove the points of the Senators quoting them.

I think there are some significant outstanding facts, however, which must be considered when we come to pass seriously upon the proposed legislation, which, if adopted and made law, would, in my judgment, completely ruin the concept

of the farm program which I submit has been working out in a period of difficulty.

In the first place, there were no hearings whatsoever as to the resolution, which proposes to freeze not six commodities or not seven commodities—not simply the basic commodities—but all the commodities which enjoyed price supports in 1957. It is proposed to freeze those supports at not less than the price supports of 1957. No one knows at this time what the effect would be on the agricultural price economy in this country, because so far as I know authoritative and reliable statistics have not been developed, except as they have been developed by advocates on one side or the other in connection with their positions.

In the second place, the joint resolution represents permanent legislation. I agree with those who have pointed out heretofore that the argument which has been made, that we are talking about a temporary measure is simply not factual. If enacted, the joint resolution will be permanent until and unless the Congress takes some other action which will nullify either a part or all of the provisions of the resolution.

Mr. President, I have seen delays and confusion enter into the approach to the farm problem for 14 sessions of the Senate. I say to the Senate that if the resolution is enacted into law the result will be what some sections want, such as a permanent freeze of the cotton acreage to prevent the formula from going into effect in 1959, as it otherwise would; under the present broad gauge program, or a permanent freeze of the temporary rice acreage increase, which was supposed to be in effect for only one year. The resolution provides for a freeze of other programs indefinitely.

What the damage would be to the legislative program which has been designed as a combat weapon against spiraling costs and against imbalance in the farm program I do not know, and I do not think anyone at this time knows. It is a matter of conjecture. We do know what has happened under the present program.

Let me digress for a moment, Mr. President to say that we have heard much criticism of Mr. Benson, extending over a period of years. I remember sitting in the Senate Chamber in 1956, when the price for hogs, unfortunately and catastrophically, went down to about 10 cents per pound on the market. Hogs were selling at 10 cents a pound. Cattle prices were down. The prices were bad for the farmer, certainly.

Who got the blame for that situation, Mr. President? Senators stood in this Chamber and said that "that terrible man Benson" was responsible for it all. They would not give credence to the fact that for the first time in the history of the market the peak of the hog cycle and the peak of the cattle cycle struck at the same time in the meat market. It had never before happened in history. Prices crashed in the meat market because of that situation.

No notice was taken of that. Mr. Benson was blamed. His program was described as a terrible Machiavellian machination, designed to destroy the farmers, and it was said that Mr. Benson was responsible for 9-cent or 10-cent hog prices.

I do not wish to argue that point further at present, but when I picked up the newspaper this morning I noticed that hogs on the Chicago market yesterday hit the highest price since 1953, in excess of $20 a hundred. I noticed that cattle topped the market at $37.50 a hundred on the Chicago market.

Where are those now who blamed Mr. Benson for 10 cents a pound hogs? Why do they not come forward to say, "Praise to Mr. Benson. Look what Mr. Benson has done. He has given us $21 hogs and he has given us $37 cattle." I have not heard a word of praise for Mr. Benson, but he received all the condemnation for 10 cents a pound hogs and 14 or 15 cents a pound cattle.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Is it not a fact that the livestock industry comprises one great group which has never agreed to be regimented by the Government, which has never wanted a price-support program and has consistently protested against price supports, and which now has recovered from what was a bad situation of several years ago simply because of an operation which is natural instead of being under Government regulation?

Mr. HICKENLOOPER. And the livestock producers have consistently bettered themselves economically under those conditions, more than those who have been suffering under high rigid price supports instigated by wartime necessities and wartime demands. Certainly the record is clear.

Now let us examine briefly the farm population question. We have heard a great deal said about driving people off the farms. I would believe, I suppose, if I did not know better, that Mr. Benson has a long Simon Legree mustache and a great long cattle whip, that he is marching here and there, and wherever he can find a poor farmer in the field he uses the cattle whip until he cuts the farmer to ribbons, to drive him off the farm, and then he says, "Ha, ha, ha; look what I have done."

Let us examine the facts in regard to the story of the farmers who have left their farms and let us determine when the farmers have done that.

We have heard a great deal in the past 4 or 5 years about driving farmers off the farms. Bless you, Mr. President, since this administration has been in charge, the total population——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. I yield myself 5 additional minutes, Mr. President.

The percentage of the population leaving the farm has declined 2.3 percent in the past 5 years.

Under the Democrat administration, beginning back in 1935—and I use the year 1935 because 1934 was about the same and 1933 was about the same, and the decline started in 1935 under the Democrat administration—the percentage leaving the farm was 11.1. Farm population went down from 24.8 percent to 15.5 percent. But we hear nothing about that. It is Mr. Benson who is driving the people away from the farms. A smaller percentage, by far, have left the farm under this administration than under the Democratic administrations. I am not necessarily blaming the Democratic administrations for that. I am only trying to show the facts. There are factors which are economically more powerful, I believe, than any particular administration, in their effect upon migration from the farms. The fact still remains that while we hear a great deal about farm income, we hear very little about the per capita income.

It still remains the fact that farm assets as of January 1, 1958, were at an alltime high. The fact is that farm indebtedness was at an alltime low. The farmers have less than $11 in indebtedness for every $100 in assets. These are official figures.

Farm ownership is at a record high. Only one farm in three has a mortgage on it today.

I am not trying to say that everything is rosy with the farmer. There is much that needs to be corrected. But never in the past 5 years has this administration's farm program been put into effect. It has been hacked, chipped away, and distorted; and the edge of the tool has been dulled. This administration's farm program in its entirety as asked for by the administration has never gone into effect in full. Parts of it have, and parts of it have not.

Let me refer to the family-sized farms. We have just as many family-sized farms in the United States today as we ever had. I am not sure but that we have a few more. The overwhelming percentage of farms in the United States are family-sized. When I was a boy, 80 to 100 acres was a good-sized family farm, because that was all the farmer could handle with his family, and he required a little periodic help at that—at harvest time and perhaps at corn-picking time.

Today it is not unusual for the same type and size family to farm from 240 to 280 acres of land. I know one man who has two sons, who farms 320 acres himself. That is a family type of farm. That is not a corporate farm. The family today can handle larger farms. What I am referring to are all family-sized farms. The mere acreage does not determine whether or not a farm is a family-sized farm. It depends upon what the family can handle. With modern machinery and equipment, the capabilities of the average farm family to handle a farm have been greatly enlarged.

There is no Member of this body who has more concern for the stability of the economics of agriculture than I have. Agriculture is the lifeblood of my State. Our agriculture is diversified. The State of the present occupant of the chair [Mr. DOUGLAS] is greatly dependent on agriculture, although there are more manufacturing centers in his State than there are in my State. I know that the Presiding Officer is deeply interested in agriculture. We all are. But if the proposed "freeze" of unknown effect is to take place I do not know what the effect of the economic structure will be. Many

of those who have heretofore supported the flexible philosophy may find themselves supporting the very measure which will destroy it.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. I yield myself 2 more minutes.

So far as I know, since 1932 every President of the United States has advocated the flexible price support theory as the one broad theory to bring us out of this condition. Every Secretary of Agriculture since 1932 has advocated the soundness of the flexible price support theory. It is true that Mr. Brannan recanted at one time, but he first advocated it. Then when he evolved his production theory, the so-called Brannan plan, he changed his mind. However, I believe it will be found that every President and every Secretary of Agriculture has, at least at first—and only one changed his mind, so far as I know—advocated the flexible theory as sound. The pending proposal would destroy the theory of the use of flexible adjustments of prices of various commodities in order to maintain a balance which, in turn, would bring supply and demand into line, and bring good prices and a sound, prosperous, reliable agriculture.

I wish to make one further point. We have almost stopped the spiraling inflationary tendencies following the war years. During the period from 1939 to 1952 the index of prices paid by the farmers—and this is significant, because we hear a great deal about the "spread"—including interest, taxes, and wage rates, increased more than 100 percent. From January 1953, when this administration took over, to January 1958, this index has risen only 6 percent. Those are official figures. We are beginning to solve the farm problem. If we pass this joint resolution we shall be set back. If we go forward with the program, as it is presently envisioned, I can see the time when we will begin to experience a stabilization of agriculture, to the benefit of the farmer and the agricultural economy.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one very brief comment?

Mr. HICKENLOOPER. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to commend the Senator for what he has said. A group of Massachusetts farmers came to see me early in the week. They were against the joint resolution and in favor of the flexible parity provision. They believe that it is a program which ultimately will afford the best chance of solving the very difficult farm problem.

They also have a great deal of respect—as do I—for the courage, integrity, and long-range thoughtfulness of Secretary Benson in forwarding the efforts he is now making toward the long-range solution of this difficult problem. I commend the Senator for what he has said.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the senior Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I did not wish to allow this opportunity to pass without expressing my views on this particular piece of legislation.

I shall support the committee report; and I do so, I believe, without any disillusionment. I realize that while this measure is called a stopgap measure, it is in reality permanent legislation until it is changed by Congress.

I support it for 2 or 3 reasons. I have heard the debate and discussions as to why we should not pass the joint resolution.

One of the points made today was that if we vote for this type of legislation we shall increase surpluses. I say that that is contrary to logic. Let us analyze the situation.

The farmer must have so much income in order to operate his farm, pay his taxes, buy his farm machinery, and other expenses, as do others in the operation of a business.

If we establish prices on a flexible basis, from zero to 90, we force a farmer to produce more bushels for the same number of dollars. All we do is to force the farmer to increase his production. He must have more bushels of grain to get more dollars with which to pay his taxes and to pay the cost of operation of the farm. So I contend that if we wish to increase surpluses, we should continue to reduce the prices of farm commodities.

That is one reason why I am supporting the proposed increase on the various farm crops. Perhaps I can speak better on wheat than on any other commodity, although I should state to the Senate that one-fifth of Kansas is in the commercial corn area. I live in a commercial corn county. I believe I know something about the operations of the corn program, the wheat program, and the sorghum program. Kansas is a great agricultural State. We are caught in a price squeeze between the cost of operations of a farm and the cost of things a farmer must buy.

Despite the lower prices agriculture has realized, the gross income in 1957 was about $800 million more than in 1947. In other words, we gained $800 million in 10 years. However, costs of operations went up more than $6 billion.

We cannot force back farm prices and expect the farmer to continue at greater deficits in his purchasing power without bringing disaster to him and to the economy as a whole.

I have heard it said that if farm prices went down, the consumer would benefit. That is contrary to the facts. I believe the distinguished Senator from North Dakota [Mr. YOUNG] put into the RECORD some figures which show that whether the price of wheat goes up or down 10 or 15 or 20 or 40 or 50 cents a bushel, it does not make any difference so far as the cost of a loaf of bread is concerned. As a matter of fact, over a 10-year period the price of wheat dropped 7 percent, but the cost of a loaf of bread rose 34 percent.

In other words, there is only 2.6 cents worth of wheat in a loaf of bread that sells for about 18 or 19 cents. In a pound package of soda crackers there is only 4.3 cents worth of wheat, and that package sells for 28 cents. That proves that low prices are not an advantage to the consumer.

Why should we adopt the legislation? I have said on the floor of the Senate that I do not believe in rigid supports as being the answer; neither do I believe that flexible supports are the answer. It is my firm belief that we will solve our farm problem when we begin to deal with it on a commodity by commodity basis. On certain crops we should consider domestic parity for that part of the commodity that is consumed domestically. I sincerely hope that the Senate will adopt the resolution.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, first let me say that I am surprised that anyone feels the debate on the floor is a fight between flexible and rigid price supports. My principal disagreement with the Secretary of Agriculture is due to the fact that he has very vigorously attacked the flexible support program for which I broke my neck working to get enacted. The flexible support program has not failed. I will no more vote to give Secretary Benson life-and-death authority over our farmers than I would give it to Secretary Brannan. I disagreed with him, too.

For the benefit of Senators who come from dairy and poultry feed States—I know their people will want to know at what level feed grain has been frozen—soybeans, from which soybean meal comes, are frozen at a minimum of 70 percent of parity. Cottonseed and flaxseed, on which we depend for protein, are frozen at 65 percent. Barley, oats, and sorghum grain are frozen at 70 percent. Corn that is grown under allotment, is guaranteed 77 percent. But that is not where we get our corn for dairy feeds. We get it from noncompliance acreage and noncommercial areas. Corn in the noncommercial area is frozen at 70 percent of parity.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. There are some other points that I should like to make for the record, in order to keep the record straight, but unfortunately I do not have time for it.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with the Senators who are advocating the passage of the resolution. I have been chairman of the committee which has been holding hearings on support prices. We have not been able to complete the hearings and to make our reports on all of them. We need more time.

We find that the farmer's income is gradually going down and down and down. I notice that since 1951 it has been constantly going down every year—from $16 billion in 1951 to $11.6 billion in 1957. At the same time labor income has been rising from $175.6 billion to $246.6 billion.

We can readily see the difference. All of us have to live in the same America with the same set of rising prices, and all of us must pay for the same

things. Therefore, Mr. President, what is wrong with putting the floor where it is at the present time until Congress can pass the necessary legislation from an overall standpoint in regard to matters pertaining to our farm commodities?

We also find that rentals have risen from $9 billion to $10.4 billion. Everything is going up except the farmer's income. We are trying to do something for the downtrodden farmers of America.

Mr. ELLENDER. Mr. President, I yield 1 minute to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I would be derelict in my responsibility to the citizens of my State if I did not bring to the attention of the Senate the effect of the adoption of the Benson-Eisenhower farm policy upon Oregon agriculture.

Normally, Oregon produces about 25 million bushels of wheat. A cut of 10.1 percent or 22 cents per bushel would mean a loss of about $5 million per year to our wheat farmers. We produce about $50 million worth of dairy products each year, roughly half of which is affected. The administration's proposal to cut support levels by 5 percent in this area would adversely affect our dairy people by about $1.3 million annually.

These, Mr. President, are but additional steps toward an ultimate disaster to the economy of my State. This $6 million to $7 million loss to an already distressed State economy, suffering now under the high interest rate policy of the administration, which is hurting our lumber and timber industries and contributing to our exceedingly high unemployment problem, is but another turn of the expanding spiral of economic difficulties which confront my State.

The farm dollar of income is not kept by the farmer, it is quickly gone. It goes to the small-business man in the towns that serve our rural population. If the farmer is hurt economically, the town and city economy has sympathetic pains almost immediately. The multiplier effect of farm income, I am advised, ranges up to a 12-to-1 ratio. The economic curtailment of the Secretary's proposals, by this criterion, would be in the order of $72 million to $84 million. And this at a time of general business decline.

Mr. President, high support prices are not the only answer, or necessarily the best answer to the problems of our farm people. But they will provide an umbrella under which we can work out an answer that can and must be found. Mr. President, the pending Senate joint resolutions, Senate Joint Resolution 162 and Senate Joint Resolution 163, by freezing support levels, will permit us to seek equitable solutions. I urge their adoption.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the senior Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, I am gratified that the Senate Committee on Agriculture and Forestry has acted promptly in bringing a measure before the Senate to extend our cotton-acreage amendments adopted as part of the 1956 Agricultural Act.

There were three cotton-acreage amendments included in the general farm bill of 1956, applicable only to the crop years 1957 and 1958. These amendments held the national cotton acreage allotments to at least the 1956 level, provided 100,000 additional acres for small farms with 4 acres or less, and prevented any one State from losing more than 1 percent of its allotment in any one year.

I am especially pleased that the Agriculture Committee has included as a part of their measure extension of these acreage provisions, which are identical to a bill, S. 267, which I introduced on January 7, 1957.

Mr. President, if this legislation is not enacted into law, and marketing quotas are reduced to the 10-billion bale minimum, the national cotton allotment for the crop year 1959 will go to 13.7 million acres as compared with 17.5 million acres in 1958. Our cotton farmers—small, medium, or large—cannot stand such a severe and drastic acreage reduction. Our 1956, 1957, and 1958 allotments reflect a reduction of 37 percent since 1953. It was agreed in 1956 that we could not stand further acreage reduction, and it was for this reason acreage was pegged at the 1956 level, with a special provision protecting the very small farmer and a provision for preventing any one State from losing over 1 percent of its acreage.

Acreage and price reductions plus increased costs have driven many, many thousands of our farm people from the farm. These conditions have had a seriously adverse effect on our local economy. Our cotton producers and processors represent a large part of our economy. More than 13 million people earn their livelihoods directly or indirectly from growing, handling, or processing this commodity. It is, therefore, absolutely essential that we adopt this legislation to cover the foregoing provisions as to acreage for 1959 and future years. Otherwise, the entire cotton economy would be strangled and would suffer greatly.

If we can adopt this proposed legislation, we can move to a deliberate study of legislation for a sound, long-range program that will permit the cotton industry to survive in competition with synthetics and foreign production. Such a program is already long overdue.

Mr. President, I also reaffirm my strong belief that special attention must be given to our small and family-sized farmer. Department of Agriculture figures show that in 1956, 73 percent of the cotton farms in the United States had cotton-acreage allotments of less than 15 acres. In Mississippi, 84.6 percent of the total cotton farms had allotments of less than 15 acres, and 93 percent had allotments of less than 30 acres. These farmers are the bedrock of our cotton economy, and any agricultural program which fails to recognize this group and assist it will fail to operate for the best interests of agriculture.

Our special attention must also be given to reappraising our present program, with the objective of encouraging full utilization of land, full employment for agriculture, and increased farm income. Senate Joint Resolution 162 is a move in the right direction for at least giving us protection against acreage reductions in 1959, and I hope that it will receive the full approval of the Senate.

Mr. HICKENLOOPER. Mr. President, I yield 3 minutes to the distinguished junior Senator from Ohio.

Mr. LAUSCHE. Mr. President, I have listened for the past 3 hours to recitals of various opinions which have been expressed by the Secretary of Agriculture. I do not want my silence to be construed as a subscription to some of the words of denunciation which have been made of him. It may be that my colleagues, in the main, differ with his views. But the probability is that in solitude, reflecting upon the character of his services and his efforts, they conclude that he is sincere in what he is trying to do.

I am inclined to give faith to what Mr. Benson says. He has no selfish objective in trying to solve this problem. I believe his desire, in conformance with the oath of his office, is to serve the people of the United States.

In Ohio, there is a small newspaper named the Perry County Tribune. I should like to read what the editor of that newspaper says. I think it is equally applicable to me as it is to others who may be considering this problem.

In effect, the editor says that every attack upon Benson makes Benson stronger, and his stature grows. He quotes a statement which Mr. Benson made in reply to the statement that 20 Republicans may go down to defeat on account of the farm program. It may be that some Democrats also will go down to defeat, depending on how their votes are cast on this measure. But I respectfully submit to my colleagues that that is not the issue in determining how we should vote on the measure. Each of us can go down to defeat and it will mean nothing. In the long run, there is only one thing to be considered, and that is the health and strength of our country.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LAUSCHE. Not at the moment, please; I shall yield later.

Mr. Benson said:

> I am interested and concerned in attempting to give the American people the best Government possible. But concern for political fortunes of individuals cannot transcend the very function of Government, which is to protect and to help its citizens. I am convinced that the American people want programs based on sound principles of agriculture.

Mr. President, although I might differ with Mr. Benson in his policies, deep within myself there is the conviction that he is acting honorably and courageously in seeking the adoption of a program which will be for the benefit of our country.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. KNOWLAND. Mr. President, I yield two additional minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, so much for Mr. Benson.

It has been pointed out by the Senator from Louisiana that under the flexible program several important products would be given higher subsidies than the resolution would produce. That seems paradoxical, but it demonstrates the strength and wisdom of having a flexible program. By the passage of the resolution we will declare that the program shall be rigid and inflexible. I do not think such a policy is sound.

I shall vote against the resolution, because I believe it to be in the best interests of our country and of the farmers as a whole to do so.

I may state, further, that while we are in this emergency, and everybody is yelling, "Rush, do this and do that; the country is going to die tomorrow unless we hurriedly pass legislation without hearings," I shall not listen to that argument.

I shall be careful to make certain that while I think I am doing good, in truth I might be doing bad. I shall vote against the resolution.

I have deep respect for the Senator from Minnesota [Mr. THYE]. I know his sincere purpose in the advocacy of the resolution. I admire him, and I listen to him with deep interest. I say that to the people of his State.

Mr. THYE. Mr. President, if I may have half a minute, I wish to comment on the statement of the distinguished Senator from Ohio that he would vote his conviction. I hope I never vote anything but what is my conviction.

I have the greatest admiration for Secretary Benson. I know that this is his conviction. But I differ with him, unfortunately, in this instance. I think the floor must remain under farm prices until we have learned how to dispose of the surpluses.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be a quorum call, and that the time for the quorum call be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Let the Chair announce, for the information of the Senate, that the Senator from Illinois has 10 minutes remaining under his control, and the Senator from Louisiana has 6 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the senior Senator from Utah [Mr. WATKINS].

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. WATKINS. Mr. President, many persons think the performance of a Secretary of Agriculture, as well as the success of an administration's farm program, can best be judged by whether the prices received by farmers rise or fall. If this is so, then we must take off our hats to Secretary Benson and the Eisenhower farm program.

Why? Because of these facts: The United States Department of Agriculture publication, Agricultural Prices, dated February 28, 1958, reveals that the Index of Prices Received by Farmers increased two percent during the month ended in mid-February, and that the February index at 252 percent of its 1910–1914 average was 8 percent above a year earlier and at its highest level since May 1954. Not only were mid-February prices received by farmers 8 percent above those of a year ago, but they were 11 percent above those prevailing 2 years ago.

It is especially interesting to note that the major price gains were made by agricultural products which do not even receive price support. Here is what the publication to which I have just referred says on this score:

Meat animals: The index of prices received by farmers for meat animals continued its upward surge during the month ended February 15, reaching 324 percent of its 1910–14 average. This movement, continued for the 4th consecutive month, brought the index to its highest point since May 1954 and the highest for the month since 1952.

Commercial vegetables: At 376 the index was 13 percent above January and equal to the all-time high in April 1943.

Fruit: Higher prices for oranges were mainly responsible for the nine percent increase in the index during the month.

Potatoes, sweetpotatoes, and dry edible beans: At 204 the index was 15 percent above January and 33 percent above February 1957. Substantially higher potato prices were largely responsible for the increase.

These are commodities, except for dry edible beans, which do not receive price support. However, when, either by conscious planning on the part of farmers individually, or due to the vagaries of the weather, supplies greatly exceed demand, the United States Department of Agriculture undertakes surplus-removal operations which have some positive effect upon prices. But the United States Department of Agriculture conducts no general price-support program for the benefit of the producers of these commodities.

On the other hand, Mr. President, it has always appeared to me that much unfounded criticism is directed at the Secretary of Agriculture because realized net-farm income may actually decline, even though the prices received by farmers are on the upgrade during the period under consideration. For example, although farm prices were up 3 percent last year, there was a slight decline in realized net-farm income during 1957.

Obviously, if farm income declines while farm prices received are increasing the cause of the decline in realized net-farm income is the fact that the prices paid by farmers rose at a faster rate than did the prices they received. During 1957, the pressure from the cost side of the economic equation robbed farmers of what would otherwise have been an increase in their realized net-farm income. That development was not the result of the actions of the Secretary of Agriculture or the Eisenhower farm program.

Just what the Secretary of Agriculture has to do with increasing the costs of the things farmers buy is never explained by his critics, because such increases cannot correctly be attributed to any programs run by the United States Department of Agriculture.

The Consumer Price Index for January, 1958, issued by the Department of Labor on February 25, 1958, indicated that consumer prices rose 0.6 percent between December 1957 and January 1958. Here are some of the items which resulted in this net increase, according to the Department of Labor:

1. Rents continued their upward trend with an increase of 0.1 percent. Gas and electric bills averaged 1.2 percent higher. * * * The household operation and solid fuels and fuel-oil groups were each up 0.1 percent.

2. The reading and recreation index rose 1.7 percent, with higher prices for sporting goods and a few reports of higher movie admissions and newspaper prices.

The rise of 0.6 percent in medical care resulted from scattered reports of advances in fees for professional services and hospital rates

Just what does the Secretary of Agriculture have to do with increases in the cost of these things—increases which in part, have served to offset, incomewise, the recent increases in the prices of farm products? Absolutely nothing. Just what has the Eisenhower farm program had to do with increasing the prices paid by farmers, and by the rest of us, as well, for such items? Absolutely nothing.

But every time this administration took steps last year to curb the forces in the economy which were making for inflation and lower realized net-farm income, the Benson-Eisenhower critics called for cheaper money and easier loan requirements—a course which, if followed, would only have fed the fires of inflation and resulted in still lower realized net-farm income, in spite of rising farm prices.

These are some of the points the Benson-Eisenhower critics consistently overlook in their demands that the Secretary of Agriculture be fired. They should not be forgotten, however, as the people of this country begin to think about the approaching 1958 Congressional elections.

The PRESIDING OFFICER. The time yielded to the Senator from Utah has expired.

Mr. KNOWLAND. Mr. President, I yield 1 additional minute to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 1 additional minute.

Mr. WATKINS. I thank the Senator from California.

Mr. President, because this theme and related matters are discussed at some length in three editorials of recent date, urging public support of Secretary Benson and the Eisenhower farm program, I ask unanimous consent that editorials which appeared in the New York Times, the Sunday Star, and the Deseret News, be printed at this point in the RECORD.

I also ask unanimous consent that an address delivered by the Secretary of Agriculture on March 3, 1958, at the

12th annual farm forum, at Minneapolis, Minn., and several letters and a telegram which I have received, also be printed at this point in the RECORD.

There being no objection, the editorials, address, letters, and telegram were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 4, 1958]

THE BENSON ISSUE

The average reader following the news stories dealing with the attitude of Congress toward the retainment of Ezra Taft Benson as Secretary of Agriculture might be forgiven if he concluded that the only Republican standing behind this dedicated and courageous friend of the farmer was the man who appointed him, President Eisenhower.

This would not be the fault of the newspapers: It would be because the outcry raised by Mr. Benson's critics is noisy and persistent, out of all proportion to its importance, and is prompted predominantly by a desire to make the headlines. It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival.

Unfortunately for the reputation and the future of the Republican Party, a sizable proportion of this noisy minority pitches its opposition to Mr. Benson at an even lower level than those who profess objections to the Secretary's policies. These are the boys who have been frightened into opposing him not because his policies are not right but because, while he is probably right he may have antagonized agriculture's vested interests. Primarily these would be the big farmers, who learned to become accustomed to living off Government subsidies under temporary legislation enacted in wartime and whose Representatives in Congress have steadfastly refused to return, as they were directed by that legislation, to a farm program designed to meet the requirements of peacetime.

Confidence in the basic policies of Mr. Benson, a successful farmer and graduate student of agriculture, is not confined to the White House. That confidence is shared by such farm organizations as the American Farm Bureau Federation, by an overwhelming majority of farm economists and by the studies of groups, objectively minded, such as the American Assembly, which have no axe to grind and which are representative of every important segment of the economy.

[From the Sunday Star of March 2, 1958]

MAN OF COURAGE

Spring seems to be coming a bit early this year for Ezra Taft Benson. At any rate the chilling winds which have been blowing over the Secretary of Agriculture are being tempered a bit by a warming political climate.

For one thing, farm prices were up 2 percent in February—a total increase of 8 percent over a year ago. For another, more and more Congressmen are beginning to speak out in Mr. Benson's behalf.

Of course, a determined band of midwestern Republicans are still after Mr. Benson's scalp. They say, and they may be correct, that Mr. Benson and the Benson program will cost the GOP from 20 to 30 House seats in November. Even if they are right, however, a lost battle does not mean the loss of a war. It looks as though Mr. Benson may be winning the war.

Farm prices are improving. The President is backing him to the hilt. And his supporters in Congress are beginning to rally around. Representative BASS of New Hampshire has just made an excellent statement of the case for Mr. Benson—a speech which was warmly endorsed by a surprising number of his colleagues. It is too bad, from the point of view of the taxpayer, that Mr. BASS' remarks cannot be published in full. They should be read. The heart of the speech, however, is in these two paragraphs:

"When our taxpayers realize what farm price support programs are costing and what the costs mean to them individually; when they realize that they (the support programs) are a failure and will not solve the farm problem, then they will be strong for Benson's proposals.

"Secretary Benson has courageously proposed a way out of this nightmare of economic nonsense. It is the way of more flexible and lower agricultural price supports. It is the only way that leads toward an ultimate solution."

For our part, we welcome this budding support for Mr. Benson. We welcome it because we believe that the Benson program will be proved right in the long run—right for the farmer and right for the consumer. We also welcome it because Mr. Benson is something of a rarity in public life, and it would be a shame if he were to be sacrificed on the altar of political expediency.

He is a man of courage. More significantly, he is a man of principle and integrity. As the election draws nearer every demagog in the land will be yelling for his head. But this will not divert Mr. Benson from his chosen course. He firmly believes that he is right, and that in the end he will be proven right. Considerations of political expediency (short-range expediency in our judgment) will not move him. This makes him something of an uncommon man on our political scene. Our country needs more like him, not fewer.

[From the Salt Lake City (Utah) Deseret News of February 22, 1958]

WHY SECRETARY BENSON SHOULD STAY

It's finally out in the open, this smouldering revolt with the Republican Party against Secretary of Agriculture Benson. Certain farm-State politicians, fearful of losing their seats have visited the Secretary, with the apparent blessings of some politically timid party leaders, and have openly asked for his resignation.

They claim that rightly or wrongly, his name has become a symbol of low farm prices and that for the good of the party he should resign.

Nonsense. Secretary Benson's resignation would be good for neither the country nor the party.

Even a politician nervous about re-election must consider the country's interests as well as his own. Let's examine the resignation request from both points of view.

From the standpoint of national interest, there is simply no question. The high rigid price support program that Secretary Benson destroyed, and which has become the rallying cry for his opponents, was bankrupting agriculture, economically and morally. It fostered inefficiency. It was grossly unfair. It created surpluses that depressed the market and made normal supply-and-demand operations impossible.

The Eisenhower-Benson program of gradually lowering supports, taking some land out of production into a conservation reserve, and helping marginal farmers get into more productive activities is the only sane way we can go. Adjustments are difficult and expensive. They take courage and foresight. But unless we see them through, we will never find a solution to the agricultural mess.

So much, briefly, for the argument of public interest. What about partisan political interest? Would the Republican Party be helped by Secretary Benson's resignation?

We think exactly the opposite is true. His resignation, or discharge, now would be an admission of 6 years of failure. How could that help the party?

More important, the abandonment of common sense farm policies in the face of farm State self-interest would deeply offend the millions of urban dwellers who have never been able to understand why they should pay higher taxes to pay price supports, and then also pay higher prices in the marketplace as a result of the supports. Time was when the farm vote was a tremendously potent political force. In 1910, the country had 14 million farmers in a population of 90 million. Today we have 8 million farmers in a population of 170 million. The difference is made up by wage-earning food consumers. Even among the 8 million farmers, relatively few get much benefit from the price-support program for the six so-called basic crops. Politically, then, where do most votes lie?

And still more important, the Eisenhower administration came into power and continued to grow in popularity during its early years primarily because the country had confidence in its moral strength. The contribution of Secretary Benson to that impression of moral strength is impossible to measure. But if he were dismissed for obviously cynical vote-seeking reasons, the reaction of the millions of Americans who are looking for integrity above political expediency, could utterly ruin Republican chances of staying in office.

As we have said before in commenting on the farm program, being right is more important than being popular. For the Republicans, however, the only chance of continued political power lies in making being right popular as well.

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON AT THE 12TH ANNUAL FARM FORUM, MINNEAPOLIS CHAMBER OF COMMERCE, MINNEAPOLIS, MINN., MARCH 3, 1958

It is both a great pleasure and a signal honor to participate in this 12th annual farm forum.

I congratulate all those who have pioneered in the establishment of this nonpartisan, impartial, and objective forum. For more than a decade this annual meeting has provided the stage for a thorough, objective, and open discussion of the broad problems related to agriculture, industry, and labor of this area. One of the basic concerns of this meeting today—shared by all of us—farmers, businessmen, housewives, and those of us in the Department of Agriculture—is that farmers are not participating equitably in the national prosperity they have helped to create.

There has been some real hardship among farm families. You know it and I know it, and I would be less than honest with you if I told you that I have a simple cure-all for all farm problems. No one does.

The pains of adjustment to our fast-moving economy are sometimes severe, and the responsibility of the Government to help cushion the effects of these changes is fully recognized. These things cannot be accomplished overnight but I am convinced that we are moving in the right direction.

However, it is entirely fitting at such a meeting as this that we should also pay tribute to the tremendous achievements of American farmers. Never in history have so many depended on so few to feed and clothe us so well.

One farm worker on the average produces in 1 hour today what it took 2 hours to produce in 1940 and 3 hours in 1910. He is producing food and fiber for himself and 20 others. With 7,000 additional mouths to feed every day the farmer will shortly feed himself and 25 others.

Farmers can accomplish this remarkable task only by the aggregate effects of education, research, machines, plant food, specialized mixed feeds, better seed and soil added to their own unceasing labors.

Let us pay tribute to the farmers of the United States as the most efficient in the world. How else can we explain the fact that these 20 million people, less than 1 percent of the world's population, are producing between two-fifths and one-half of the world's production of eggs, red meat, and milk. Let us be unstinting in our praise of American farmers for their productive ability. This is the major factor enabling American consumers to have the best diet in the world and to spend a smaller percentage of their income for food than in most countries. This basic fact also undergirds our standard of living—the highest in the world.

Notwithstanding the remarkable production record, our farmers are confronted with problems. You recognize this in the theme of this 12th annual farm forum, "Who will solve the farm dilemma?" And the particular question that has been proposed for today's meeting is, "To whom does the farmer look?" He looks to several sources for help, first to himself and his own efforts.

Farms have to be run, and decisions have to be made, and responsibilities have to be borne, by the families on the farms. He may join with his neighbors in self-help programs, and certainly he has every right to look to his government for help. There are many ways in which government can help to promote stability without limiting opportunity.

I am dedicated to a principle which I am sure is equally cherished by most of you. It is that government should not—should never—be your master.

Here in Minnesota it is obvious from an examination of the facts of recent history that the farmers have chosen freedom—freedom to plant—to market—to compete. In 1957 farmers chose not to participate in the corn acreage allotment program. Only 1 acre in 10 was planted within the allotment. Also, for wheat, 1 acre out of 4 was planted in excess of the allotment—36 percent of the wheat farmers. For the allotment crops 5 out of 6 acres were planted in complete disregard of the allotments.

Let me make one point clear. Contrary to myths peddled by some, the level of these allotments are determined by statistical formulas spelled out in the Agricultural Adjustment Act of 1938. I know that these acreage allotments are too low. That is why we are trying to get the law changed. Also, that is why for the first time in history in 1956 and again in 1957, we made supports available for corn grown outside the allotments.

Let us now look at Minnesota from the standpoint of its sources of agricultural income. The propaganda mills grind out tales about the importance in Minnesota of the basic crops. Actually only 12 percent of the cash receipts of this State come from the basic crops. In view of the Minnesota farmer's free choice to plant in excess of their allotments, they are, therefore, ineligible for full price support. Thus, it is doubtful that farmers here relied on the allotment program for as much as 2 percent of their income.

Here in Minnesota the basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a buildup in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938 the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry. That is another reason why we are seeking changes in the program.

The loss of productive wheat acres in the upper Midwest has been a direct result of the provisions of the Agricultural Adjustment Act of 1938. You folks know better than anyone that Minnesota, the Dakota's, and Montana have been a Wheat Belt since the time our pioneer forefathers first turned over the rich, black soil of these prairies.

They worked with courage and determination and out of the sod they carved themselves homes and a vast wheat empire.

This region has appropriately been termed the "Breadbasket of the Nation." Traditionally it has produced milling wheat of the highest quality. Tremendous capital has been invested in milling businesses to work and provide a ready market for farmers and utilize to the fullest the God-given resources of this area.

In many years of normal production there was not enough of your high-quality milling wheat to meet the demand. In spite of this, this region has lost wheat acreage allotments under our outmoded farm law that was based in the late thirties. For example, in 1939, North Dakota had a total wheat acreage of 8.3 million acres and by 1958 this had decreased to 7.3 million acres. In contrast, during this same period, other Western and Southern States were receiving considerable expansion of wheat acreage allotments.

Why did this happen? Because we lost large portions of our cotton and tobacco markets through pricing ourselves out of competition. Winston Salem, N. C., was once the largest tobacco exporting market in the world but Southern Rhodesia now claims that distinction. At one time we lost 60 percent of our world cotton market by placing cotton in Government warehouses instead of selling it abroad. Those farmers who produced cotton and tobacco had no choice but to divert acres to corn, wheat, and livestock.

But as acreage allotments were cut back on your best crops in the upper Midwest, you did not have the choice of equally good alternatives that was true in other sections of the country. I have yet to see any increase in cotton or tobacco produced in Minnesota.

It doesn't make sense to me that this traditional wheat area should be deprived of production and economic wealth by unsound farm programs that lose markets and depress prices through imbalance of natural production.

That is why the President has recommended changes in the old basic farm law which would restore the rightful agricultural position of the upper Midwest and be fair to farmers in each of the 48 States. Farm programs that cause one region of the Nation to benefit at the expense of another region are unsound, uneconomic, and completely undesirable to the Nation's welfare.

Now what are the sources of cash income here in Minnesota? Two out of every three dollars come from livestock, dairy, and poultry. There is an approximately equal division between cattle, hogs, and dairy products. Soybeans provide about four times the income from wheat. Minnesota now has climbed to be the third most important soybean producing State. These facts show how little the farmers of this great State rely on the production control apparatus. The overwhelming majority of farmers here are those who foster freedom to plant—to market—to compete.

Those who don't want to compete in price, promotion, and quality must either build warehouses or get the Government to do it for them, or attempt to control production. I deplore the tactics of those who advocate farm programs devised to fill storehouses instead of stomachs. Farmers should not be misled by those who are more interested in keeping the Government paying storage costs on warehouses filled with grain rather than working for farm programs providing profitable markets for farmers.

If we are to develop programs for agriculture to meet the needs of today and tomorrow, we must be sure the facts are presented to the American people. It is only from an understanding of the facts that we can move forward to solutions.

Let us first review some of the facts:

Income per person on farms last year—including income from all sources—was the highest income per person on record—up 2 percent over 1951, the previous high year.

The level of living on farms is higher today than ever before.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago, and are at the highest level since May 1954.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

These are some basic facts. I believe that the American people have a right to know them.

However, despite these favorable developments, agriculture is still having some difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

I know that the farm part of our economy is not sharing properly in our national prosperity.

My basic and continual concern as Secretary of Agriculture is that farmers of this Nation must participate fairly in our dynamic and prosperous economy. This, too, is your concern.

Our primary effort—and to this task I am wholeheartedly devoted—must be to further improve farm income soundly—not with short-term panaceas which disregard sound economics and basic facts. That being the case, I would like to spend a few minutes with you today discussing the major factor affecting net income—the cost-price squeeze. Here are some facts:

During the period from 1939 to 1952 the index of prices paid by farmers, including interest, taxes, and wage rates, more than doubled. From January 1953, the time this administration took office, to January 1958, this index rose only 6 percent. Make no mistake about it—the heritage left by the previous administration included an inflated cost structure, particularly as far as farmers are concerned.

Farmers who feel daily the impact of the cost-price squeeze realize the effect of inflated costs on net income. They can understand the effect of these inflated costs when they know that although the 1957 gross farm income is up about $2.3 billion above 1950, farm costs have gone up $3.7 billion.

If farm costs had stabilized at the 1948 level, then the 1957 realized net income would have been higher by about $4 billion, or about $800 per farm. Think of it—$4 billion consumed in higher costs.

Every thoughtful farmer is disturbed by the recent increases in the cost of steel. It is an understatement to say that this creates hardships to farmers. Must the competitive

strength of labor and management forces always be resolved in higher prices? I say "No." Should higher and higher costs keep the net income of farmers from improving further? Again I say "No."

It is not for me to say what labor or industry should do at this juncture. But, as a spokesman for agriculture in the Federal Government, I am concerned by any action which adds to the production costs of farmers at this time. This is an area where restraint and statesmanship are needed for mutual advantage.

There are many weapons with which to fight these rising costs: Some of these are the maintenance of a responsible monetary policy, sound farmer cooperatives, and improved efficiency, particularly in marketing and distribution. Recently, in this area the cooperative efforts of farmers, processors, and the railroads resulted in a reduction in the freight rates for exporting soybean oil. All those who took part in this should derive great satisfaction from this constructive effort.

However, we will never attain satisfactory prosperity by increasing gross income if rising costs are allowed to siphon off all our gains. All responsible segments of our economy should be aware of these facts and give more than lip service to a solution.

One of the major decisions which we have had to make recently has been with respect to the support level for dairy products. Let me make one point clear: One of the most compelling reasons for this decision is that it was required by law—the Agricultural Act of 1949.

Contrary to the tirades of the smokescreen spreaders, the fact is that under this legislation, the Secretary is required—notice I said "required"—to establish price supports at such levels between 75 and 90 percent of parity as will assure an adequate supply.

Prior to making this determination we checked with the technicians in the Department of Agriculture for their best estimate of the probable output of dairy products in the 1958–59 marketing year at various levels of support. The technicians advised that there was no question but that support at 75 percent of parity would result in the production of more than an adequate supply of dairy products, and that the Commodity Credit Corporation would be required to purchase substantial amounts under the support program. I must carry out my legal responsibilities as specified by Congress.

In addition, we checked with the bipartisan National Agricultural Advisory Commission and the bipartisan Commodity Credit Corporation Advisory Board. In both instances the recommendations to adjust price supports to the 75-percent level was virtually unanimous.

Dairy production has been increasing. The rising production per cow has more than offset the reduction in cow numbers. Production in 1957 was about 12 billion pounds higher than the 1952 level. In view of the record supplies of feed and the high dairy-feed ratio, it is likely that, at the announced support level, production will again outstrip requirements.

We will continue to cooperate fully with the industry in promotion and merchandising programs. The Extension Service and other agencies of the Department will join with the dairy industry in stepped-up efforts to acquaint the consuming public with facts about milk as a health food.

We will continue the nationwide brucellosis cleanup, which has made such excellent progress during the past year under the accelerated program.

We will carry out field educational efforts aimed at sound programs to cull low producers from the Nation's dairy herd—as part of generally increased efficiency in dairy farm operations. The fact that beef prices are good now will help in cases where dairymen want to sell their more unprofitable animals.

We have urged the continuation of programs designed to increase the consumption of fluid milk. We have recommended to the Congress that they authorize the continuation of the $75 million special school-milk program designed to increase consumption of milk by children. In addition, we urged continuation of the program under which we are paying about half the cost of milk purchased by military agencies and veteran hospitals above their normal purchases. My fundamental pledge is that we will do everything feasible that is sound and in the interest of dairy producers. Farmers deserve better than short-term soothing syrup that results in a major—if not fatal—disease a year or two later.

One of my great problems as Secretary of Agriculture has been in being misrepresented. There are some who consciously try to do this. Because of the smokescreen of untruth about agriculture which some demagogs have poured out, it sometimes is difficult for some people to distinguish between fact and fiction.

There are several facts I should like to stress here this afternoon.

Fact No. 1: As Secretary of Agriculture, I want to make myself perfectly clear, we have never proposed—and we do not now propose that we should scrap price supports. There is nothing wrong with the idea of providing more orderly marketing and much-needed stability to agriculture through a sound and realistic storage and loan price-support program.

I should like to quote a very significant paragraph in the President's message: "For commodities like the feed grains, with respect to which the Secretary of Agriculture has had wide discretion in the past, price support has been offered at levels as high as could be justified under the criteria specified by law. This will be the Secretary's practice under the recommended legislation."

The 1958 support prices have followed the policy enunciated above and will continue that way under this administration. Incidentally, in checking back I find that in 1950 and 1951 the price supports for flaxseed, a crop in which the upper Midwest has considerable interest, were established at 60 percent of parity, 5 percentage points lower than our recent announcements.

What is wrong today—and what has been wrong for several years—is the attempt to supply price support and acreage control by rigid formula—to fix prices and acreage allotments by Government mandate. These attempts have failed. Agriculture is a dynamic, changing industry. The farms and ranches of America cannot be run from a desk in Washington, D. C.

Fact No. 2: It was not rigid price supports that forced farm prices up during the forties and early fifties—but it was war, the insatiable demands of war and wartime inflation. Farmers sold all they produced at well above support levels. In fact, their prices would have been higher yet had it not been for Government-imposed price ceilings.

Fact No. 3: It is untrue that high, rigid price supports can hold up farm income, even though surpluses accumulate. The fact is there was just 1 year between 1947 and 1955 that farm income did not decline. In all these years until mid-1955, high, rigid price supports on basic commodities were in effect. Our present farm problem developed under such price supports. If high, rigid price supports were the answer, we would have no problem.

Fact No. 4: The old support program does not materially help the small farmer. The fact is that more than half of our farms market only 9 percent of agricultural production. Obviously, most of the Government dollars are routed in the direction of the biggest producers.

Fact No. 5: Most farm products are being sold competitively and on free markets. It is untrue that most farm prices and incomes are Government supported and on an artificial basis. Only 19 crops, plus dairy products, are being supported—out of 250 commodities that farmers produce.

Fact No. 6: Agricultural production cannot be successfully controlled by Government action. The fact is that since 1940, the per acre yield of corn has risen 56 percent—wheat, 40 percent—cotton, 67 percent. Last year's yields of all major crops averaged 27 percent above the 1947–49 level. To control crops effectively so as to maintain price at 90 percent of parity would mean setting allotments impossibly low. Congress would never vote such controls. No Secretary of Agriculture could effectively enforce them. And American farmers just wouldn't stand for such regimentation. Agriculture is undergoing a technological revolution which is irreversible. It cannot and should not be controlled by Government mandate.

Fact No. 7: The family farm has been, is now, and always will be the backbone of American agriculture—operated by the most efficient farmers in all the world.

The charges by our opposition that farm programs of this administration are driving people off the farm are not only false—they are ridiculous. The fact is that more people left the farms during the last 4 years of the previous administration than in any other period before or since.

I have cited some of the gains we have made since 1953—and mentioned some of the problems that still exist. To deal with these problems we need to push forward again—we need to supplement the progress that has been made. This is the goal of the new farm, food, and fiber program presented to the Congress in January by the President of the United States. Farmers can look to this program designed to provide a sound solution.

The adoption of this program will mean progress in three general areas:

First: The program will develop bigger markets. We have asked that the surplus disposal program be extended and expanded and that research into new uses for farm products be increased.

We need to drive hard for further expansion of markets. There are no satisfactory substitutes for markets and a Government warehouse is not a market. Forty percent of our record agricultural exports in fiscal 1957 moved under Government programs. The biggest factor in these programs was the Agricultural Trade Development and Assistance Act, or Public Law 480. As you know, this law provides for movement of surplus farm commodities through sales for foreign currencies, barter, donation, and other means. We must push to the limit sales through commercial markets.

Three-fourths of the surplus farm product disposals by CCC in the past fiscal year were made through export channels. More than 60 percent of all our grain exports moved under Government programs.

I wish I could help you visualize how our exports are helping the Free World meet the challenge of communism by raising living standards abroad—building goodwill—laying the groundwork for future markets.

We also need increased agricultural research for market expansion. Only about 7 percent of the products of our total farm acreage now go into industrial outlets. Surely we can do better than this. Research can develop new uses and new markets—and there are few things wrong with commercial agriculture that new and expanded markets won't cure.

Second: The recommended program will allow more freedom for farmers. We are seeking revision of the acreage-control and

price-support programs to permit farmers more freedom to plant and to widen markets.

The program changes proposed by the President would give farmers more freedom to plant by increasing acreage allotments. Some of these allotments have become so small as to cripple efficiency. Do you know that 7 out of 9 cotton allotments are less than 15 acres—and that the average burley tobacco allotment is 1 acre?

The program we have proposed would make price supports more realistic by widening the range of supports. The present range of 75 to 90 percent of parity on the basic crops and dairy products does not permit sufficient market growth. These commodities are being priced out of potential markets. Increased allotments and a wider range of price support logically go together.

The program would eliminate the so-called escalator clauses.

These are formulas which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged farm people can expect to be kept continually under the shadow of price and income depressing surpluses.

Third: We must help the forgotten segment of agriculture—those people on small, low-income farms.

The rural development program as a new and basic approach to the problems of farm families in underdeveloped rural areas has gained wide support. This is truly a national program, going forward in all regions of the country. Objectives of the program have been endorsed by members of both parties, farm organizations, and church groups.

Here in Minnesota farm and nonfarm agencies, working closely together, have initiated a carefully planned rural development program. Their work will give significant help to farm, business, civic, and other lay leaders in your northern counties as they move forward with a long-range program of balanced farm, industry, and community betterment.

As you know, the Minnesota Rural Development Committee has selected three demonstration counties—Hubbard, Itasca, and Carlton. In each of these counties, local citizens and agency workers have joined together to take a fresh look at their resources—and their problems—and to develop a sound, long-range development program which will solve the serious problem of underemployment on farms in the northern area.

Let me congratulate you on the progress of your State in the rural development program which a widely read midwestern farm magazine has called perhaps the soundest of all our efforts so far to deal with the farm problem.

We must move forward by adopting the President's recommendations, so we can consolidate and add to the progress that has been made these past few years.

Bigger markets—more freedom for farmers—special help for the small low-income farms—these are some of the steps which would be taken under the Farm, Food and Fiber Act of 1958 to help farmers make the adjustments they must make. We feel certain they are sound, effective, and reasonable, and they will work to provide the freedoms farmers want.

This is not just another nation—it is not just one of the family of nations. This is a nation with a great mission. I believe with all my heart that it was established by the God of heaven to be a beacon to liberty-loving people everywhere.

Let us pledge ourselves to keep America strong and sound—economically, socially, and above all, spiritually—so that we may fulfill that mission.

Strength and freedom must go hand in hand. That is why we stress so much the need for freedom in agriculture—that our farm people should be free to produce, free to market, free to compete, free to make their own management decisions.

With God's help, we must—we will—have an agriculture that is prosperous, expanding, and free. Such an agriculture is the basis of a prosperous, expanding, and free America.

SOUTH BOX ELDER FARM BUREAU FEDERATION,
Honeyville, Utah, March 10, 1958.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: We had several local farm bureau meetings in our county last fall. In every case it was the opinion of those present that the farmers and the Government should do all possible to bring supply of farm products in line with demand. The farmers felt that high rigid supports had not worked to our advantage. We believe a gradual return to the free-market system as quickly as possible will be to the average farmer's advantage.

We have been notified that several bills were voted out of the Senate Agricultural Committee that will be injurious to our farm people. The purpose behind bills Senate Joint Resolution 150, S. 2913, and Senate Joint Resolution 149 is to continue on with supports as high, if not higher, than 1957 levels. Our farm bureau resolutions state that farmers feel sure this kind of legislation is not the right direction to take. We will never get back to a free agriculture if we continue high supports and controls of our farm products.

We are very serious about this high-support trend. They have not solved the problem in the past. Please use your influence to help turn the tide in Congress back toward a free agriculture. We heartily endorse the recommendations of our beloved Secretary Benson. I, personally, believe that the honesty and the integrity of our lawmakers in doing the right thing will win them more votes than any short-term political maneuvering that is not for the best good of our people.

We hope you will do all you can to help keep our agriculture as free as possible. We sincerely thank you for your support in the past.

Respectfully yours,
RALPH W. TOLMAN,
A Wheat Farmer and President of South Box Elder Farm Bureau.

SALT LAKE CITY, UTAH, *March 12, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

We commend you for your vote against suspending the rule on the supplemental appropriations bill to fix dairy price supports at 1957 level. We are certain that the dairy interests of Utah will be served best if this type of bill dealing with dairy and other commodities is defeated. Our dairy committee voted last week to wholeheartedly support Secretary Benson. There was one dissenting vote from Cache Valley Dairy.

FRANK G. SHELLEY.

BRIGHAM CITY, UTAH, *March 10, 1958.*

DEAR SENATOR WATKINS: In regards to the agricultural programs before the Senate I would like to express myself as one of the Farm Bureau committeemen, that we do not favor the high price supports on any commodity in any way and would appreciate anything you can do in regards to letting us have our freedom in farming.

Sincerely,
NEWELL C. CHECKETTS.

CORINNE, UTAH, *March 10, 1958.*

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SIR: We would appreciate your vote against any bills to peg farm prices.

We would like to get Government out of agriculture as soon as it can be done safely.

Respectfully,
FLOYD G. CARTER.

Mr. WATKINS. Mr. President, I yield the floor.

Mr. BUSH. Mr. President, will the Senator from California yield one-half a minute to me, in order that I may comment on the remarks made just now by the distinguished Senator from Utah?

Mr. KNOWLAND. I yield one-half a minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for one-half a minute.

Mr. BUSH. Mr. President, I desire to congratulate the Senator from Utah [Mr. WATKINS] for the splendid statement that he has just made. I particularly desire to commend and congratulate him for the effective statement he has made in approval of the Secretary of Agriculture, a distinguished citizen of the Senator's own State. I desire to join the Senator from Utah in full endorsement of Secretary Benson and his policies.

I would add to what the Senator from Utah has said that I have profound admiration for the Secretary of Agriculture as an individual. He is a great citizen and a great public servant.

I believe that one of the most shameful comments which can be made on our day and age is that a man of such fine qualities, who has been so sound economically, morally, and otherwise, has been abused politically in the way he has been in the political battle in this country.

So I certainly thank the Senator from Utah for the statement he has made; I warmly commend him for his remarks concerning Ezra Taft Benson.

Mr. WATKINS. I thank the Senator from Connecticut.

I wish to have all Members of the Senate realize that those of us who know best the Secretary of Agriculture, Mr. Benson, have an extremely high regard for his judgment, his ability, and his integrity. He is not a theoretical farmer. He is a dirt farmer who knows the farm from the ground up. He has at heart the best interests of the American farmer and the American farm. No one can honestly dispute that that is not so.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

The Senator from California has 3 minutes remaining under his control. The Senator from Louisiana has 6 minutes remaining under his control.

Mr. JOHNSON of Texas. Mr. President, on the question on the passage of the joint resolution, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield 1½ minutes to the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The Senator from Texas is recognized for 1½ minutes.

Mr. YARBOROUGH. Mr. President, I desire to commend the distinguished Senator from Louisiana [Mr. ELLENDER] and the Committee on Agriculture and Forestry for bringing these joint resolutions before the Senate at this time.

Mr. President, today the agricultural segment of our population is in dire distress.

Today one Member of the Senate stated that he did not like to see distress and emergency cited as a reason for support of a measure in the Senate. I desire to point out that the farmer does not like to have distress visited upon him, either. But it has come to him just the same; it exists.

Mr. President, I hold in my hand the bible of Bensonism, namely, a statement issued by the Committee for Economic Development in December 1957. That committee has 100 trustees. If the committee had its way, 1,225,000 farmers out of the 4 million left in America, would be driven off the land—why? Because the Committee for Economic Development says that many farmers, 1,225,000, do not earn enough to justify their remaining on the land, because the value of their products is less than $2,500 per farm per year.

Mr. President, I have searched carefully the list of the 100 trustees of the Committee for Economic Development, in an effort to find on that entire list, even one farmer. The only one of the trustees recommending the elimination of 1,225,000 farm families whose occupation approaches farming, is the chairman of the board of the Quaker Oats Co. He "shoots it out of guns." [Laughter.]

Mr. President, during the 4 years under Secretary Benson from 1952 to 1956, the profits of the Quaker Oats Co., increased 69 percent, and the profits of the Safeway Food Stores increased 246 percent in the same 4 years.

Mr. President, the present administration is an administration for processors and the packers, but not for the farmers. It is an administration that is against the farmers.

In my State of Texas 8,000 farmers were forced off the farms each year during each of the last 6 years, and farm income in Texas has decreased from a net of $2,200 per farm in 1952 to a net of $1,800 per farm in 1956. The number of our farmers has steadily declined and their income has likewise declined over the past 5 years. The income of farmers has gone down as price supports have gone down as shown by the tables I hold here.

The PRESIDING OFFICER. The time yielded to the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, I should like to have the Senator from Louisiana yield an additional one-half minute to me.

Mr. ELLENDER. I am sorry, but I do not have any time to spare.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the tables I now have before me.

The PRESIDING OFFICER. Is there objection?

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

OPERATING FARM INCOME PROTECTION PROGRAMS

Summary—Support price of farm commodities

[Established by Secretary of Agriculture under applicable laws]

Commodity	1952	1955	1956	1957	1958	
					Benson [1]	Congress [2]
Index of farm costs	287	281	286	292		
Wheat	$2.20	$2.08	$2.00	$2.00	$1.78	$2.00
Corn	1.60	1.58	[4] 1.50	[4] 1.40	[5]	1.40
Cotton [3]	.31	.32	.29	.29	[5]	.29
Peanuts	.12	.12	.11	.11	[5]	.11
Rice	5.04	4.66	4.57	4.72	[5]	4.72
Tobacco (11–14)	.506	.483	.49	.51	[5]	[5]
Butterfat	.692	.562	.586	.586	.549	.586
Milk, manufacturing	3.85	3.15	3.25	3.25	3.00	3.25
Wool	.542	.62	.62	.62	.62	.62
Barley	1.22	.94	1.02	.95	.93	.95
Oats	.78	.61	.65	.61	.61	.61
Rye	1.42	1.18	1.27	1.18	1.10	1.18
Sorghum, grain	2.38	1.78	1.97	1.86	1.83	1.86
Flaxseed	3.77	2.91	3.09	2.92	2.78	2.92
Soybeans	2.56	2.04	2.15	2.09	2.09	2.09
Beans, dry edible	7.87	6.36	6.31	6.31	6.18	6.31
Cottonseed	66.70	46.34	48.60	46.20	41.00	46.20

[1] Announced by Secretary of Agriculture.
[2] In bills approved by Congressional committees.
[3] Seven-eighths inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.
[4] Corn produced in compliance with acreage allotments. Noncompliance corn was supported at $1.25 in 1956 and $1.10 in 1957.
[5] Not available.

Here are the facts on farm income

	Gross income per farm, by States		Realized net income per farm, by States		Total net income per farm, by States	
	1952	1956	1952	1956	1952	1956
Michigan	$5,534	$5,771	$2,146	$1,989	$2,300	$2,040
Wisconsin	7,633	7,276	3,192	2,555	3,528	2,723
Minnesota	7,919	8,361	2,949	2,839	3,321	3,188
Iowa	11,834	11,393	4,009	3,738	5,452	3,303
Indiana	7,209	7,463	2,773	2,453	2,520	2,316
Missouri	5,238	5,481	2,073	2,137	2,005	2,148
North Dakota	8,775	9,643	3,329	3,390	2,804	3,545
South Dakota	9,178	8,388	3,110	2,557	3,021	2,520
Nebraska	11,535	9,419	3,806	2,776	4,729	2,081
Kansas	9,786	7,545	3,809	2,052	4,247	1,348
Virginia	4,138	4,237	1,741	1,604	1,762	1,707
Kentucky	3,290	3,428	1,624	1,674	1,652	1,734
Tennessee	2,894	2,916	1,492	1,359	1,368	1,273
Alabama	2,850	3,236	1,378	1,379	1,350	1,209
Arkansas	3,912	4,789	1,873	2,137	1,881	1,814
Louisiana	3,995	3,782	2,056	1,616	2,151	1,507
Oklahoma	5,514	4,557	2,187	1,327	2,097	941
Texas	7,322	6,720	2,873	2,280	2,706	1,828
Montana	11,647	12,152	5,038	5,259	5,096	4,543
Idaho	9,976	10,149	3,725	3,434	4,439	3,422
Wyoming	13,525	11,107	4,457	2,524	4,668	2,814
Colorado	14,005	10,865	4,180	1,838	4,423	1,777
Utah	7,577	6,790	2,612	2,102	3,044	2,133
Washington	8,778	8,718	3,557	3,154	3,879	2,838
Oregon	7,752	8,129	2,762	2,790	3,233	2,886

Mr. ELLENDER. Mr. President, I yield one-half a minute to the Senator from Colorado [Mr. CARROLL].

The PRESIDING OFFICER. The Senator from Colorado is recognized for one-half a minute.

Mr. CARROLL. Mr. President, I rise to commend the very able Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, and to associate myself with the remarks made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY] and the distinguished junior Senator from Kansas [Mr. CARLSON].

In regard to wheat, I have only this to say: In 1956, when Secretary Benson had an opportunity to reduce the wheat price support to 77 percent of parity, he did not do so. Instead, he kept the support for wheat at $2.

Now he has reduced wheat to $1.78.

I deplore Mr. Benson's failure to use this discretionary power he has to hold wheat at a fair price in this period of sharp economic decline.

It was in July of 1956 that Mr. Benson used his discretionary powers and held wheat at $2. This was a general election

year. Mr. Benson has pursued a vacillating policy on wheat price supports, apparently dictated by politics. A few months after the 1956 election he dropped wheat to $1.78.

Now in this year of economic distress Mr. Benson is perversely determined to hold wheat at the legal minimum.

The wheat farmer is just emerging from a prolonged drought. For almost 5 years high plains wheat farmers have been either dried out, blown out or hailed out.

Colorado farmers are in a state of economic distress. Their costs are soaring and now the Secretary wants to reduce the price the Colorado farmer gets for his wheat crop.

I propose that prices for farm products be held in balance until a sensible farm program can be developed by the Congress.

Mr. President, by means of the pending joint resolution all we are asking is that in a period of economic decline the Secretary of Agriculture give the wheat farmers the same consideration he gave them in 1956, and that he take similar action regarding the producers of other agricultural commodities.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

The Senator from Louisiana has 4 minutes remaining under his control. The Senator from California has 3 minutes remaining under his control.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, supplementing some of the remarks I made a while ago in the limited time I had, and with reference to the repeated statement which has been made that this administration has driven farmers from the farms, I wish to point out that in the past 5 years, under the present administration, about 2,250,000 persons have left the farms. In the previous 5 years, under a Democratic administration, more than 3,500,000 persons left the farms. Those are official figures from the Department of Agriculture.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from California has 1½ minutes remaining, and the Senator from Louisiana has 4 minutes remaining.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Gore
Allott	Church	Green
Anderson	Clark	Hayden
Barrett	Cooper	Hennings
Beall	Cotton	Hickenlooper
Bible	Curtis	Hill
Bricker	Dirksen	Hobiitzell
Bridges	Douglas	Holland
Bush	Dworshak	Hruska
Butler	Eastland	Humphrey
Byrd	Ellender	Ives
Capehart	Ervin	Jackson
Carlson	Flanders	Javits
Carroll	Frear	Jenner
Case, N. J.	Fulbright	Johnson, Tex.
Case, S. Dak.	Goldwater	Johnston, S. C.
Kefauver	Monroney	Schoeppel
Kennedy	Morse	Scott
Kerr	Morton	Smith, Maine
Knowland	Mundt	Smith, N. J.
Kuchel	Neuberger	Sparkman
Langer	O'Mahoney	Stennis
Lausche	Pastore	Symington
Long	Payne	Talmadge
Magnuson	Potter	Thurmond
Malone	Proxmire	Thye
Mansfield	Purtell	Watkins
Martin, Iowa	Revercomb	Wiley
Martin, Pa.	Robertson	Williams
McClellan	Russell	Yarborough
McNamara	Saltonstall	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. How much time remains for both sides?

The PRESIDING OFFICER. The Senator from Louisiana has 4 minutes remaining, and the Senator from California has 1½ minutes remaining.

Mr. KNOWLAND. Out of my 1½ minutes, I yield myself a half minute.

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. I rise to oppose the joint resolution. I believe it is contrary to the public policy established by the Congress of the United States. It is contrary to the policies of the Department of Agriculture, operating under the laws passed by Congress. It is opposed by the President of the United States. I believe it would be detrimental to American agriculture. I hope the resolution will be rejected.

I yield the remainder of the time allotted to me to the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I shall take only a minute to read a telegram which has already been presented. It is addressed to me:

> Senate Joint Resolution 162 rigidly fixing price supports and acreage allotments is against the long time interest of farmers and should not be approved.

That is signed by Charles B. Shuman president of the American Farm Bureau Federation. If the farmers wanted this done he certainly would not send this kind of telegram.

The PRESIDING OFFICER. The time of the Senator from California has expired.

The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I yield the remainder of my time to the distinguished Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, the joint resolution before us today is one which would seek to bring some help to a part of our economy which was depressed long before the word "recession" began to dominate the headlines.

America's farmers—the people who produce our food and fiber—have been suffering a decline in income for 6 years. Once again we have a demonstration of a basic fact of American history.

It is that if one part of our economy is in bad shape, it will pull the others down with it.

In 1951, the total net income of farmers was $16.1 billion. In 1957, it had fallen to $11.6 billion—a $4½ billion loss.

Mr. President, on page 198 of the hearings on the farm program before the Committee on Agriculture and Forestry Senators will find it stated that in the year 1957 the people who loaned the money in this country had a personal interest income of $18.8 billion, while farm income was only $11.6 billion. In other words, the men who loaned the money had more income than the 20 million farm population who produced the food and fiber. The bankers made more than the farmers.

Mr. President, under any circumstances, this loss in income would call for some action solely out of the dictates of humanity. But to our natural concern for fellow human beings must be added the depressing effect that hard times on the farm have had on everybody else.

For the past few years, anyone driving into a small town could not fail to note the tremendous stock of equipment in the backyard of the farm equipment dealer. It represented equipment that he could not sell because the farmers in his neighborhood could not buy.

Hard times for the farmer in Texas relates directly to hard times for the industrial worker in Wisconsin or Illinois or California. When the farmer cannot buy, the manufacturer cannot sell and everyone—farmer, workman and businessman—suffers.

Furthermore, the farmer has been caught in a particularly cruel squeeze. Since 1951, prices by farmers have gone down 20 percent. But farm operation costs have gone up 15 percent. In other words, it cost the farmer more to make less money.

What we are doing here today is essentially very modest. By approving this measure, we are saying that the powers of Government cannot be used to drive farm income even lower than it was in an admittedly bad year.

I think there is a note of tragedy in the fact that we must consider legislation in this great body to prevent our Government from making things worse. But the circumstances are such that we do have to act and act quickly in the face of the clearly announced policy of the Department of Agriculture.

Secretary Benson reconfirmed only this morning that he is determined to lower dairy support prices from $3.25 per hundredweight to around $3.02 on April 1. He has already announced that he plans to lower wheat supports from $2 per bushel to $1.78. And he intends to offer less in dollars and cents as the support level for feed grains.

Yesterday we passed a housing bill to stimulate home building in our country. We did so not only because our people need homes, but because we thought that if times were better in the housing industry, it might pull up other parts of the economy with it.

Today, we act upon farm legislation which we hope will halt to some extent the downward trend. We do so again

because we feel that the alternative is to pull the economy down even further.

We have other measures upon which I hope there will be early action—a highway bill; a capital credit bill for small business; the 1½-billion omnibus rivers and harbors bill, and many others.

I am convinced that we can work our way out of the current recession as long as we do not seek to divide our country by providing good times for some at the expense of others. We must work on the assumption that all must have a reasonable share of prosperity for any to have a reasonable share of prosperity. This measure does not come to us under partisan auspices. It was approved by a 12-to-2 vote in our Senate Agriculture and Forestry Committee.

We have seen the futility of commodity groups trying to go it alone on farm legislation, and we have seen foes of effective farm protection try to play one commodity group against the other in the past—to the detriment of all in the end. On this present resolution our commodity groups are united, standing shoulder to shoulder, knowing that it is the only way to success.

The resolution reflects the determination of members of both parties to protect agriculture from further pressures towards lower income. I commend it to the favorable attention of my colleagues.

I wish to commend the efforts of the very able Senator from Louisiana [Mr. ELLENDER], the very able Senator from Minnesota [Mr. HUMPHREY], and all members of the Committee on Agriculture and Forestry, for the contribution they have made in reporting the resolution. I hope that the joint resolution will be overwhelmingly passed by the Senate.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

The joint resolution is open to amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was read the third time.

The PRESIDING OFFICER. The question is on passage of the joint resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

On this vote the Senator from Montana [Mr. MURRAY] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting the Senator from Montana [Mr. MURRAY] would vote "yea," and the Senator from Utah [Mr. BENNETT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

The Senator from Utah [Mr. BENNETT] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 50, nays 43, as follows:

YEAS—50

Aiken	Hennings	Mundt
Allott	Hill	Neuberger
Bible	Humphrey	O'Mahoney
Carlson	Jackson	Proxmire
Carroll	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Schoeppel
Chavez	Kefauver	Scott
Church	Kennedy	Sparkman
Clark	Kerr	Stennis
Cooper	Langer	Symington
Douglas	Long	Talmadge
Eastland	Magnuson	Thurmond
Ellender	Mansfield	Thye
Ervin	McClellan	Wiley
Fulbright	McNamara	Yarborough
Gore	Monroney	Young
Green	Morse	

NAYS—43

Anderson	Frear	Martin, Pa.
Barrett	Goldwater	Morton
Beall	Hayden	Pastore
Bricker	Hickenlooper	Payne
Bridges	Hoblitzell	Potter
Bush	Holland	Purtell
Butler	Hruska	Revercomb
Byrd	Ives	Robertson
Capehart	Javits	Saltonstall
Case, N. J.	Jenner	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Watkins
Dirksen	Lausche	Williams
Dworshak	Malone	
Flanders	Martin, Iowa	

NOT VOTING—3

Bennett	Murray	Smathers

So the joint resolution (S. J. Res. 162) was passed, as follows:

Resolved, etc., That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time—

(1) the support price (in terms of dollars and cents) for any agricultural commodity, except tobacco, shall not be less than that available for such commodity during the marketing year or season which began in 1957; and

(2) the total acreage allotted for any agricultural commodity, except tobacco, shall not be less than that allotted for the 1957 crop of such commodity, and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to each crop of upland cotton and rice, respectively, to which this resolution is applicable.

This resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution. Nothing in this resolution shall be construed to repeal or modify any law enacted in the 2d session of the 85th Congress or to require price support to be made available if marketing quotas have been disapproved by producers, or to noncooperators in the case of any basic agricultural commodity.

Mr. ELLENDER. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

STAY OF REDUCTIONS IN DAIRY PRICE SUPPORTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1376, Sente Joint Resolution 163.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 163) to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. JOHNSON of Texas. Mr. President, I rise to ask the distinguished chairman of the Committee on Agriculture and Forestry if he anticipates that any amendments will be offered to this joint resolution?

Mr. ELLENDER. I do not.

Mr. JOHNSON of Texas. Can the Senator give any indication as to how much time will be used under the unanimous-consent agreement?

Mr. ELLENDER. Let me say this to my good friend from Texas: This joint resolution would prevent any reduction in dairy product price supports until Congress has had an opportunity to consider such further legislation as may be appropriate. Without this legislation, such supports will drop at the end of this month from $3.25 per hundredweight for manufacturing milk to $3.03 cents per hundredweight, and from 58.6 cents per pound for butterfat to 56.2 cents per pound. The committee has heard many varying views as to what form permanent legislation with respect to dairy products should take, and it would not be possible to give adequate consideration to these views and provide satisfactory permanent legislation in time to prevent the injury which would occur to farmers and the farm program if the prospective drop in support prices is permitted.

Now, the issue to be decided by the Senate in voting on this resolution is basically the same as that we voted upon a few minutes ago when Senate Joint Resolution 162 was passed. Since the measure now before us is confined to dairy products, and since the plight of our dairy farmers has been discussed at length during debate on Senate Joint Resolution 162, I hope the Senate will promptly vote on the pending resolution. I do not think it requires further extended discussion. As a matter of fact, I am prepared to yield back the time allotted to me if my colleagues on the other side of the aisle are willing to do likewise.

Mr. JOHNSON of Texas. I have been asked by several Senators whether or not to expect a yea-and-nay vote shortly.

I do not know how many Senators expect to address the Senate. I wonder if the minority leader has received any requests for time on his side.

Mr. KNOWLAND. I have not, but I shall make inquiry.

Does any Senator desire time on the joint resolution?

Mr. MUNDT. I shall wish some time.

Mr. AIKEN. I should like to have about 5 minutes.

Mr. KNOWLAND. Perhaps we had better proceed in regular order.

Mr. President, I yield 4 minutes to the Senator from Michigan.

Mr. POTTER. Mr. President, my views on the joint resolution are best expressed by the Michigan Milk Producers' Association, in a letter dated December 23, 1957, which I shall now read into the RECORD:

MICHIGAN MILK
PRODUCERS' ASSOCIATION,
Detroit, Mich., December 23, 1957.

The Honorable CHARLES E. POTTER,
Senate Office Building, Washington, D. C.

DEAR SENATOR POTTER: We know that you are deeply interested in the welfare of the dairy farmers of Michigan and this important industry that contributes so much toward a strong economy for the State. We, therefore, take this opportunity to express our views and opposition on the recent action by the Secretary of Agriculture in reducing the price support levels of milk and dairy products.

We seriously question the stated reasoning for such action. There is nothing in the record to prove that such a reduction will reduce production or increase consumption. In fact, producers more than likely will increase production to maintain their level of income and history indicates that other groups in the industry will quickly take up the slight reduction that might be in store for the consumer on the finished product. Moreover, there is no indication that the consumer would buy additional quantities of dairy products if this slight reduction was completely passed on to them. Prices received by dairy farmers are substantially less than they were in 1952; at the same time the consumer is paying more now for dairy products than 5 years ago.

The plight of the dairy farmers is serious. He is constantly faced with increased costs of production and being forced to produce more and more to protect his present investment and meet the current demands of the technological changes.

The following resolution, passed unanimously by the delegates of this association, representing 16,000 Michigan dairy farmers, clearly states our position:

"PRICE SUPPORT

"The problem of inadequate income faced by Michigan dairymen is in a large measure a national problem and is being experienced by farmers throughout the Nation. Local action alone cannot bring about a satisfactory, long-term solution.

"The basically unhealthy situation of rising costs without proportionate increases in returns for products sold is causing severe hardship for many dairy farmers. Ultimately, this situation will endanger not only the economy of the entire Nation, but the health and welfare of its citizens as well.

"Raising of the support level of dairy products would be of immediate help to all dairy farmers. An increase in the support price for milk would benefit dairy farmers selling to fluid markets regulated by Federal orders by raising the basic formula. We urgently request the Secretary of Agriculture to raise the support levels on dairy products to the maximum allowed under the law."

We doubt that this action will accomplish any purpose other than to reduce the already too low income of dairy farmers. This action might possibly save the Government $15 million, but will cost the dairy farmers of the Nation over $300 million.

We, therefore, strongly oppose the action taken in reducing dairy support levels. We would like to discuss our views on this matter with you in the near future.

Very truly yours,

GLENN LAKE,
President.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, on December 18 the Secretary of Agriculture announced a cut in the support price for manufacturing milk, to take effect on April 1. He did this ostensibly to reduce what he considered to be a surplus of dairy products on hand and a surplus in the process of production.

The question is, Do we actually have surplus dairy products in this country over and above what is necessary to assure us what we need?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order.

Mr. AIKEN. The Department of Agriculture statistics show, according to the booklet, The Dairy Situation, issued in February 1958, that in 1957 there was an increase over 1956 of 900 million pounds in the production of milk in this country. Other statistics show that there was an increase in the consumption of over 2 billion pounds of milk in this country.

In February, figures issued by the Department of Agriculture indicated that the production of milk this year is increasing at the rate of one-third of 1 percent. Our population is increasing at the rate of 1½ to 1¾ percent per year. Half the milk in this country is sold in fluid milk areas, and it is important to have a supply of 120 percent in those areas in order to be assured of meeting the needs of dairy products on special occasions during special weather conditions and at other times. Thus it is necessary to have a surplus of 20 percent.

Three years ago, the Commodity Credit Corporation owned the equivalent of 10½ billion pounds of milk. On January 1 of this year it owned only 1¾ billion pounds of milk. The surplus is being reduced. Milk is not being produced as fast as consumption is increasing. Probably 4 or 5 percent more milk is now being produced than is needed to take care of our percent in population. That is little enough to guarantee all the people of the Nation an adequate supply of dairy products.

If we desire to guarantee them an adequate supply of butter, ice cream, cheese, and so forth, we must have a surplus of powdered skim milk. That is what the Federal Government should take off our hands, because that surplus is carried in the interest of the consumers, rather than the farmers.

How do we stand at present? The announcement of the Secretary on December 18 should have been the cue for every processor and every dealer in the country to start unloading his butter onto the Federal Government, rather than to take the loss of 2½ cents a pound in the price of butter on April 1. They have done that. The processors have been taking cream out of storage for immediate use. They have been putting fresh cream into butter.

Despite the fact that the Government is getting all the excess butter now, it has only some 60 million pounds on hand. Yet that is quite a lot of butter.

On behalf of the State welfare representatives, I called the Department of Agriculture on February 10 and asked, "Why do you not release any of this butter for the needy people of the country, for those on relief, as our State welfare boards do?" I was advised that every pound of butter was committed for sale.

On February 12, I received from the Department of Agriculture a report showing that out of 45 million pounds of butter on hand then, 23 million pounds were still uncommitted. That did not make sense.

On February 18, 1958, I wrote to the Secretary of Agriculture, asking him for an explanation as to why no butter was available for the needy people of the Nation, and why the Department was holding on to every single pound it had. At that time the Department had some 50 million or 55 million pounds on hand.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter I wrote to the Secretary of Agriculture on February 18, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 18, 1958.

Hon. EZRA TAFT BENSON,
Secretary, Department of Agriculture, Washington, D. C.

DEAR EZRA: Welfare officials of the State of Vermont wrote to me last week requesting that the Department of Agriculture release some of its stocks of surplus butter for distribution among the needy people of our State.

The Food Distribution Division, AMS, subsequently advised me on February 10, that all butter stocks on hand were committed for sale. However, an availability report from the Livestock and Dairy Division, CSS, dated February 12, shows 44,677,796 pounds of butter are presently available, of which 23,578,924 pounds are uncommitted.

I would appreciate knowing when the committed stocks are to be moved out of storage and for what purpose they are committed for sale.

I would further urge that uncommitted stocks be made available for donation to State welfare agencies.

Sincerely yours,

GEORGE D. AIKEN.

Mr. AIKEN. Mr. President, on March 10, 1958, I received a letter from Secretary of Agriculture Benson which reads as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 10, 1958.

Hon. GEORGE D. AIKEN,
United States Senate.

DEAR SENATOR AIKEN: This is in reply to your letter of February 18 in which you request clarifying information regarding the present status of our butter stocks and urge that any uncommitted supplies be made available for distribution to needy persons.

We regret that you were given the impression that all butter stocks on hand as of February 10 were committed for sale, because such was certainly not intended. Actually, the 44,677,796 pounds of butter shown as available on the report to which you refer was the quantity that had not been definitely assigned to a specific program. The latest comparable figure (for

February 19) is approximately 49.4 million pounds. Your inquiry therefore as to its availability for distribution to welfare families is thoroughly understandable.

This matter has been under constant review now for several weeks. However, in view of the needs for school lunch programs, approximating 65 million pounds annually, for charitable institutions, and for planned sales programs, we have thus far not felt that stocks have been sufficient to begin general distribution to needy persons.

It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

We are watching this situation very closely. Any change in policy will be brought to your attention. Thank you for your letter and your interest in this matter.

Sincerely yours,

E. T. BENSON.

It will be seen from that letter that instead of having a tremendous surplus of butter, which might have been expected after the Department had tipped off the processors to turn it over to the Government, the Department did not even have enough to supply the school-lunch program through this year. They did not have enough even to begin distributing to charitable institutions. They did not have enough to spare any for the people on relief.

Does that indicate a surplus? I should like to know what the Department is up to. It is obvious that, come the 1st of April, with the cut in price impending, the Government will own every pound of butter in the United States, except what is needed for sale the next morning.

Certainly the manufacturers are not going to hold the butter back and take a sure loss of 2½ cents a pound. They are going to turn it over to the Government and buy it back on April 1 at a reduced price, which, on a million pounds, would mean more than $20,000. That is a pretty good amount for a dairy processor to make or lose.

The question is, Are we about to embark on a course which will not only bring down the income of the dairy farmers, at least for the next several months, but will also jeopardize the future supply of fresh milk and dairy products for the people of the Nation?

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I favored a flexible percentage of parity price supports in the House of Representatives, where I had the honor to serve for 8 years. I felt that the flexible parity support price idea was essential, both from the point of view of the tax burden and the consumer's price point of view; and when operated in conjunction with other programs, such as the disposal of surpluses abroad, industrial experimentation and research, husbandry of land, conservation practices, and rural credit, all of which would represent an effective farm program for the country.

I am of the same mind now. But I feel that the concept to which I am a party must stand or fall by its ability to withstand stresses and strains.

Accordingly I shall support this resolution because I believe, in respect to the dairy farmer, that there is particular stress and strain now. I see it reflected in my State, which is the second largest dairying State in the Nation.

I have a deep feeling that the support price reduction which is so imminent is directly related to the requirements of law rather than to the requirements of economics. Therefore, I shall vote for the resolution in order to give an opportunity for the letter of the law to catch up with the economics of the situation.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

Mr. YARBOROUGH. Mr. President, Texas is 12th among the States of the Union in the value of milk production, but that is not inconsiderable, because the production of Texas exceeds that of the great States of Washington and Oregon combined.

The value of milk and dairy products in the agriculture of Texas, is fifth among all the commodities produced in Texas, despite our large production of cotton, corn, grain sorghums, rice, peanuts, citrus fruit, and other crops.

But aside from that, there is another reason why I support the joint resolution. Despite our relatively large production, we import large quantities of dairy products from Wisconsin, Minnesota, Iowa, and California. We import milk itself in tank trucks from Iowa, Minnesota, Wisconsin, California, New Mexico, and other States. But the basic reason is that agriculture is in trouble in America today. Agriculture needs the help of this body, and the only way agriculture can get help from the Senate is for Senators from the farm States to stand together. That was proved in a crystal-clear manner by the passage of Senate Joint Resolution 162. The distinguished minority leader recognized that in his final appeal for the passage of the joint resolution.

I think it is time for Senators from the farm States to form a coalition or an alliance to save American agriculture. It is time for us to stand shoulder to shoulder in a solid phalanx, from the Gulf of Mexico to the Canadian border, and from the Atlantic to the Pacific.

I am glad to join with the distinguished senior Senator from Minnesota [Mr. THYE] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY], regardless of party. I think Senators from the farm States should now join hands.

In this, the greatest agricultural nation on earth, because of the processes which are inimical to producers at the prevailing prices, the total value of our farm product is only 6 percent of the total national product.

In voting against the amendment on milk offered by the senior Senator from Minnesota [Mr. THYE], I did not do so because I disagreed with the Senator. I thought a united coalition should be formed to save agriculture in America. I am proud to vote now with the distinguished senior Senator from Minnesota and with the Committee on Agriculture and Forestry in favor of Senate Joint Resolution 163, to keep from happening to the dairy farmers what has already happened to other segments of our agriculture.

I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Minnesota.

Mr. THYE. Mr. President, I shall not require 10 minutes. On March 11 I spoke about the enactment of a freeze on dairy products at the existing support level. On March 31, 1958, at midnight, the present support price of 25 cents a hundredweight will expire, unless Congress takes action to stay the Secretary's hand, because the Secretary announced on last December 18 that it was his intention to roll back the support price on dairy products by April 1 of this year.

So, Mr. President, in the CONGRESSIONAL RECORD for March 11, commencing on page 3924, and continuing through page 3931, will be found my statement on the dairy question; and further comments by me will be found on the following pages.

I am indeed grateful that today the Senate has passed Senate Joint Resolution 162, which deals with various agricultural commodities.

I am confident that the Senate will pass by an equally large vote Senate Joint Resolution 163, which will freeze further the dairy product supports. The dairy product supports were involved in the other joint resolution; but in the case of Senate Joint Resolution 163 the Senate will provide double security for the dairy products. In other words, if Senate Joint Resolution 162 is vetoed—as has been threatened—milk alone will receive support under Senate Joint Resolution 163.

Mr. President, in the efforts I made on March 11, I endeavored to have favorable action taken by means of legislation in the interest of the dairy product producers of the country. I endeavored to have the Senate pass that measure, which would freeze the supports for dairy products. I am confident that by that means I expedited the taking of action by the Senate on these two joint resolutions.

Therefore, I am indeed grateful that this much has been accomplished; and I am happy that I brought the question into focus in the way I did on March 11, because certainly there is need to freeze these supports and to protect the income of the dairy farmers of the country.

Mr. President, having made that statement, I yield back the remainder of the time which has been yielded to me.

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from South Dakota is recognized for 4 minutes.

Mr. MUNDT. Mr. President, first of all, I wish to say to my distinguished friend, the senior Senator from Minnesota [Mr. THYE] that I believe his action of the other day on the appropriation bill did tend to speed up the action

which the Senate has so gratifyingly taken today by passing Senate Joint Resolution 162. Let me say that I hope the Senate will also pass Senate Joint Resolution 163.

Mr. President, originally this farm legislation was on the legislative schedule behind the tax bill. I am glad that it has been moved forward, following our colloquy in the Senate, so that today these farm measures are scheduled for action ahead of the tax bill. I do not know how long the Senate will take to debate the tax bill, but certainly it involves a rather complicated problem, and a number of Senators are experts in that field, and undoubtedly many Senators will wish to be heard during the course of the debate on that bill.

I am very much pleased that the Congress is acting so early in the session on farm legislation. Under the able direction of the Chairman of the Senate Agriculture Committee, the senior Senator from Louisiana [Mr. ELLENDER], an excellent job has been done in holding hearings in our committee. The Senator from Louisiana has exercised excellent and outstanding leadership in the committee; we have sat mornings and afternoons, in the process of marking up the bills, so our committee could report to the Senate a package of bills which would meet the existing problems.

Mr. President, Senate Joint Resolution 162, which the Senate has passed today, is a part of that package. So is Senate Joint Resolution 163. It deserves your support.

The Senate already has acted on the extension of Public Law 480, which is a third part of the package; and the Senate also has increased by $250 million the amount available for the acreage reserve, under the Soil Bank program.

Mr. President, as another part of the package, we have the assurance of the Chairman of the Committee on Agriculture and Forestry that on March 19 the National Wool Act, another part of the package, will be reported from our committee.

Our Committee on Agriculture and Forestry has approved proposed legislation which will be remedial to the position of the corn producer. That measure is still another part of the package.

I assume that those who are interested in the particular problems faced by the producers of cotton will likewise request that steps be taken to solve the problems of that part of the agricultural economy of the Nation.

Mr. President, I believe that our distinguished friend, the junior Senator from New York [Mr. JAVITS], made a very interesting and significant statement when he said that farm legislation should be such that it will stand up against the strains and stresses of economics. I agree. I am pleased that he recognizes that the lowering of the prices of dairy products—and I suppose he takes a similar view in regard to the lowering of the prices of other agricultural commodities—during this era provides strains and stresses for those on the farms—strains and stresses too great for them to handle unless some assistance is given by the Congress.

Mr. President, what is true of the situation of the dairy farmers is likewise true, to the same extent, of the situation of the wheat farmers and the situation of the small grain farmers. It is equally true of the situation of those who raise grain to be fed to the dairy cattle as it is true of the situation of those who sell the products from the dairy cows.

I am glad the Senator from New York recognizes that and that—to the extent he has announced—he will support Senate Joint Resolution 163.

Mr. President, I do not anticipate a veto of either Senate Joint Resolution 163 or Senate Joint Resolution 162. However, if there are reasons which would motivate the President to veto one or the other of them, I assume that he would have to veto both of them, because both of them are based on the same principle. I assume that neither the President nor the Secretary of Agriculture would wish to take action to confer benefits on certain farmers, as opposed to others—for instance, to say that only the farmers in the dairy business will receive beneficial treatment, but that such treatment shall not be received by farmers who raise grain, even though the economic problems of the latter group involve the same stresses and strains which have been so eloquently referred to by my distinguished friend, the junior Senator from New York [Mr. JAVITS], who has spoken in behalf of the dairy producers of his State.

Mr. President, I was interested to note that the vote taken a few minutes ago on Senate Joint Resolution 162 resulted in 50 yeas and 43 nays—or a majority of 7 in favor of passage of the joint resolution. That is a significant bipartisan majority. When we break down by States the votes cast in favor of the passage of that joint resolution, we find that among the Senators from the agricultural States the majority in favor of the passage of the resolution was considerably larger.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I should like to have 2 additional minutes yielded to me.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 additional minutes.

Mr. MUNDT. I thank the Senator from Illinois.

Mr. President, I believe it is significant that those who are specifically charged with the responsiblity of representing the farm segment of our National population have arrived at a considerable degree of unanimity regarding the passage of this whole package of farm-aid measures. That unanimity was demonstrated most eloquently in the Committee on Agriculture and Forestry, where there were never more than three dissenting votes among the Senators who are the members of that committee, and whose responsibility it is to hear witnesses, take testimony, make investigations, and conduct inquiries as to what is best for the American farmers. In the committee there never were more than three dissenting votes in regard to any phase of the package of agricultural bills which the Senate now is in the process of passing, and all votes were strictly bipartisan and nonpolitical.

Mr. President, I should like to point out that I believe that, without exception, the members of the Senate Committee on Agriculture and Forestry consider this package of farm legislation as sort of hold-the-line or stopgap legislation. At least, I know that no member of the committee considers these measures to constitute the final answer to the full problem of the farmer.

However, because of the stresses and strains to which the dairy farmers, the producers of corn, the wheat farmers, the small-grains farmers, and so many farmers generally are subjected, we believed that something should be done at this time, early in the session, before the crop year began, to give all farmers assurance that the prices they will receive in 1958, under the price-support law, at least will not be less than the prices they received in 1957.

The chairman of our committee has assured the committee and the Congress that we are going to have hearings in an attempt to find new answers to old problems, better answers, and I hope some that are new answers to new problems which are coming into the picture. We recognize we need an enduring type of farm legislation, economically sound, administratively feasible, which will enable to be maintained in an equitable position our farm population, that part of our population engaged in industrial pursuits, members of big unions, workers in the professional field, and the business people of this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. May I have 1 additional minute?

Mr. DIRKSEN. I yield 1 additional minute to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is granted 1 additional minute.

Mr. MUNDT. We seek the advice and counsel of our colleagues on the floor of the Senate, and the experts in and out of the Department of Agriculture, on and off the farms, and on and off the campuses of our great agriculture colleges. We are trying to find some enduring answers. We do not pretend we have found them. We do not pretend they have been found in the peacetime economy in the history of our country. But we deny that no answer is available. We shall continue to search for the answer, and until the search is successful for some enduring legislation, we recommend that the package presentation of hold-the-line measures be adopted.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 2 minutes.

Mr. PROXMIRE. Mr. President, I rise in enthusiastic support of the joint

resolution. It originally carried the names of two great captains for the dairy farmers, the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Vermont [Mr. AIKEN]. I wish to tell my farmers at home that the passage of the joint resolution will mean a great deal to them, as undoubtedly they know.

I had gone to the majority leader and asked him to call the joint resolution up. I am delighted he has done so. I should like to point out to the Senate that the entire economy of Wisconsin is at stake. We hope Senate Joint Resolution 163 will become law. We certainly want the safeguards it would afford. Wisconsin dairy farmers produce 17 billion pounds of milk. If Secretary Benson's order goes into effect in April, it will take nearly $50 million out of Wisconsin's economy.

I have had telegrams from chambers of commerce, labor organizations, and from people throughout Wisconsin, in favor of the proposed legislation. I appeal to my fellow Senators. Please help Wisconsin. We need the joint resolution. We need it urgently.

Mr. ELLENDER. Mr. President, I yield 1 minute to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, earlier this afternoon I made some comments about the policies of the Department of Agriculture in continuing to reduce farm prices. All I wish to say at this time is that it becomes increasingly difficult for me to understand why this administration is so determined to meet the current recession by continuing to take purchasing power away from so many of our farm people. The decision to reduce dairy prices will result in taking over $9 million out of the State of Missouri, and over one-quarter of a billion dollars out of the pockets of the dairy farmers of the United States.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the joint resolution before the Senate is another effort on the part of the Congress in the field of farm legislation for more orderly marketing and economic justice. It is a matter of economic life at this time for thousands of dairy farmers. It has been estimated by the Milk Producers Association that if the contemplated reduction in support levels of dairy products becomes effective, it will mean, as the Senator from Missouri has just stated, a reduction in farm income of one-quarter of a billion dollars.

In the State of Minnesota last year we suffered a loss of $20 million in agricultural net income. Dairying in the United States accounts for 20 percent of the total agricultural income. It is the largest single segment in the agricultural economy. So we are dealing in this joint resolution with one-fifth of the agricultural economy of the United States of America, and one-fifth, in which there is a big investment because of the high cost of good dairy cattle and the high cost of development of a dairy farm and the high cost of the maintenance of a modern dairy production.

If the price support levels suggested by the Secretary of Agriculture go into effect, it will mean anywhere from 22 to 33 cents a hundredweight less than presently paid for milk or dairy products. We cannot stand such a loss in our economy, and we do not intend to stand for it. Both Senate Joint Resolutions 162 and 163 are designed to prohibit these unjustified cuts.

While the support price on dairy products has gone down 13.1 percent, as I stated earlier today, consumer prices have gone up 9.3 percent.

The argument which is made that lowering dairy price supports will help the consumer is false. The argument that lowering dairy price supports will reduce production is not supported by the evidence. The evidence that was presented before the Committee on Agriculture and Forestry was to the effect that in the years price supports were reduced from 90 percent to the present level, production of milk increased every single year. The production figures for last year were higher than for the year before, and for that year they were higher than they were for 1955.

Mr. President, I ask unanimous consent that a table of the production of fluid milk be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*United States: Number of milk cows on farms, total production, production per cow, and gross farm income from dairy products*

Year	Number of milk cows on farms (thousand head)	Total milk production (million pounds)	Milk production per cow (pounds)	Gross farm income from dairy products (millions)
1947	23,329	116,814	5,007	$4,738
1948	22,336	112,671	5,044	5,155
1949	22,024	116,103	5,272	4,370
1950	21,944	116,602	5,314	4,312
1951	21,505	114,681	5,333	4,962
1952	21,338	114,671	5,374	5,274
1953	21,691	120,221	5,542	4,966
1954	21,581	122,094	5,657	4,632
1955	21,193	123,128	5,810	4,716
1956	20,927	125,698	6,006	4,966
1957	----------	[1] 126,981	----------	----------

[1] Preliminary.

Source: Statistical Bulletin No. 218, Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a portion of the argument which was so brilliantly made before the Committee on Agriculture and Forestry by Mr. Otie M. Reed, who represents in Washington the National Creameries Association, to the effect that the provision in law which the Secretary says he relies upon as compelling him to reduce price supports, namely, the provision of adequate supply, does not stand the test of careful scrutiny.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

VICTIMS OF PRICE-POLICY DISCRIMINATION

Some of the members of this subcommittee may be surprised when I state categorically that the manufacturing milk and butterfat producer is the victim of as brazen a policy of price discrimination as it has been my misfortune to witness in 25 years in Washington.

I am sure all of you on this subcommittee are quite cognizant of the price criteria which are set forth in the Agricultural Marketing Agreement Act of 1937. Economic conditions are the indicators which the Secretary is required by the statute to consider in fixing price for milk used as fluid milk under Federal milk-marketing orders. The prices so established shall be such as "will assure an adequate supply of pure and wholesome milk and be in the public interest." Under the Agricultural Act of 1949, while the support range is to be between 75 and 90 percent of parity, the final criterion is to "assure an adequate supply."

Thus it is seen that the basic criterion is the same under the two acts of the Congress under which the Secretary conducts programs for the benefit of producers of fluid milk and producers of manufacturing milk and butterfat.

One measure of the price discrimination of which I spoke is to be found in a comparison of the prices received by producers for manufacturing milk and butterfat with the prices received by producers of fluid milk for that portion of their milk that is used as fluid milk in towns, cities, and villages of the United States.

These figures are shown in some detail on table 8 of the statistical appendix affixed hereto, but I will indicate briefly what these figures show. Starting in 1947, the first year for which prices of manufacturing milk were published by the United States Department of Agriculture, the spread between fluid milk prices and manufacturing milk prices has increased every year except in 1950 and 1951. Start with a spread of $1.58 cents per hundredweight in 1951, the spread has increased every year since that time. In 1957, this spread has increased to $2.16 per hundredweight—the highest of the record. While it is true that this average from which I have computed the spread covers more markets than are under Federal price-fixing orders, nevertheless it must be conceded by all that the basic reason for the continued increase in the spread is due very largely indeed to the level of prices fixed under the Federal orders. These orders not only fix the price in over 60 markets, most of the largest markets in the United States, they also very effectively bolster up the prices in other markets nearby the regulated markets.

Thus, we find that, under one law—the law under which market orders are written for the fluid milk producer, prices are maintained at a much higher level than under the law which authorizes the price support program for manufacturing milk and butterfat. This is the case, even though as I pointed out the price level criteria in both laws are very basically one and the same.

Another way we can get at this matter of price discrimination is to consider the parity prices of milk as published by the United States Department of Agriculture. Unfortunately, no parity prices are published for milk used as fluid milk, and, as far as I know, none are even computed by the Department. The Department does publish, however, a series of prices which represent the prices received by producers f. o. b. first delivery point, for milk delivered to plants and dealers, regardless of use. Thus, it represents a sort of average of prices received by producers in fluid milk markets and in manufacturing milk markets.

During the last year, the price of all milk ranged from 80 to 96 percent of parity (seasonally unadjusted) and averaged 88 percent of parity for the year. Manufacturing milk prices ranged from 79 to 88 percent of parity (seasonally unadjusted) and averaged 84 percent for the year. I should like to remark here that the prices for manufacturing milk parity I quoted were those which

were computed by me, using the formula provided by the Agricultural Act of 1949. As far as I know, the Department last year was still using the parity-equivalent method of computing parity prices for manufacturing milk, and price supports were set at 83 percent of parity so computed just before the start of the marketing year.

The significant point here is that the prices for manufacturing milk represent a use price—the price of all milk represents an average of all use prices. It follows that the fluid milk element in this average is what keeps the all milk price at a higher percent of parity than the manufacturing milk price represents when compared to its parity price.

Inasmuch as price supports for manufacturing milk and butterfat represent a much lower percentage of parity than the prices received for all milk, it follows that, if manufacturing milk and butterfat prices are to be placed on a basis more nearly representing equality of treatment with respect to price policy, the price support level for manufacturing milk and butterfat should be placed at least at the same percentage of parity as that enjoyed for all milk in all uses.

If this were to be done, then the price supports for manufacturing milk this coming year should be set at 88 percent of its parity price, as it can now be computed under the Agricultural Act of 1949. I calculate this to be $3.48 per hundredweight on the basis of average parity prices for manufacturing milk during 1957, or $3.52 on the basis of the parity price for December 1957.

In answer to this argument, we may presume that the Secretary would state that we had too much surplus, and therefore the price support level had to be reduced. Stated another way, he would argue that we would produce an adequate supply at lower prices, or are producing more than an adequate supply at current support levels, hence under the law, he could do nothing other than to reduce the price support level.

While we may be accused of being quite uncharitable to the Secretary of Agriculture, still I shall state that we would consider the argument of the Secretary to be more appropriate if he followed it in all his dealings with milk and dairy products pricing. However, while we find that the Secretary looks with extreme disfavor upon surpluses in manufacturing milk and butterfat and reduces our already low support prices as a result, he continues fluid milk prices at relatively higher levels even though many of the markets have large surpluses over fluid milk use. Thus, on page 354 of Statistical Bulletin No. 218, published by the Agricultural Marketing Service, United States Department of Agriculture, there is a table showing the percentage which class I (fluid) milk bore to all milk received from producers by regulated handlers in 63 milk markets then under Federal milk orders. For the year as a whole, 4 of these markets showed between 40 and 50 percent class I use, 5 showed from 50 to 60 percent class I, 9 showed 60 to 70 percent class I, 23 showed 70 to 80 percent class I, 17 showed 80 to 90 percent class I, and 8 showed over 90 percent class I. New York and Boston together accounted for nearly 10 billion of the total of 31 billion pounds of milk under these 63 orders, and both of these markets showed less than 50 percent of total receipts used as class I. In other words, there were about 5 billion pounds of milk surplus to fluid milk sales in these two markets alone in 1956.

Did the Secretary reduce the class I prices in the numerous oversupplied markets because the prices prevailing under his orders were bringing forth more than an adequate supply? He did not. As a matter of fact, in many of the markets, he permitted the negotiations of still higher prices between producer groups and handlers.

Why, with this record under the adequate supply criterion in fluid milk markets, did the Secretary adopt a much more stringent measure of adequate supply in manufacturing milk and butterfat markets? We do not know. We would be eternally grateful to the members of this subcommittee if they could secure from the Secretary an expression of his reasons, for his very evident practice of price policy discrimination against manufacturing milk and butterfat producers.

Now, in case some of my colleagues in the fluid milk field, or their representatives, should infer from these comparisons that we are arguing that fluid milk prices are too high and therefore I am confusing the issue by introduction of the facts and considerations contained in this section, I want to state categorically to the subcommittee that I am not at this time arguing the level of fluid milk prices one way or the other.

I am pointing out, and on this we stand, that the Secretary of Agriculture, with basically the same price level criteria in the Agricultural Marketing Agreement Act of 1937, as amended, authorizing the fixing of prices in fluid milk markets, and the Agricultural Act of 1949, as amended, authorizing price support programs for manufacturing milk and butterfat, has so operated the two programs as to provide relatively higher prices for fluid milk and relatively lower prices for manufacturing milk. To us, this amounts to rather positive official discrimination against the manufacturing milk and butterfat producer for which we can find no compelling reason in the law.

Mr. HUMPHREY. Mr. President, in other words, the same language is in the Federal milk marketing orders, wherein the Secretary has approved higher prices for fluid milk. Yet in the same law that applies to manufacturing milk, the Secretary insists that the support level be lowered.

If it is desired to help the farmers and the Nation, and stop the recession, the thing to do is pass the joint resolution, have it placed on the President's desk, and insist on the President of the United States fulfilling his commitment to the American people, namely, giving parity in the marketplace.

Mr. JOHNSON of Texas. Mr. President, if we do not have a yea-and-nay vote on this joint resolution, we can dispose of it, and bring up the next bill and have a unanimous-consent agreement on it, and perhaps get through with it and have a vote by perhaps 8 or 9 o'clock this evening. I hope we shall not have to have the yeas and nays on the joint resolution which is now before the Senate. We have just voted on one. Having a yea-and-nay vote prolongs the time. It is fine for Senators interested in it, but the joint resolution will pass, and pass overwhelmingly, without a yea-and-nay vote. We know we shall have a record vote on the Douglas tax amendment later in the evening. I think it will save time if we can pass this joint resolution with that understanding, and send it to the House, where action can be taken on it.

Mr. ELLENDER. Mr. President, I have no further requests for time, and I am prepared to yield back the time remaining to me.

Mr. THYE. Mr. President, I respectfully ask that we try to get the yeas and nays.

Mr. JOHNSON of Texas. The Senator can ask for the yeas and nays.

Mr. THYE. I think it is imperative that we ask for them.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Illinois yield to the Senator from Arizona sufficient time to suggest the absence of a quorum?

Mr. DIRKSEN. Mr. President, I do not know what the qualified understanding was. I am prepared to yield back the time, if all time is yielded back on the other side.

The PRESIDING OFFICER. The Senator from Louisiana is prepared to yield back his time.

Mr. ELLENDER. I stand ready to yield back the time, Mr. President.

Mr. RUSSELL. Mr. President, I should like to ask a couple of questions of the Senator from Louisiana, before the consideration of this joint resolution is concluded, if the Senator will be gracious enough to permit that.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

Mr. RUSSELL. I am, of course, interested in dairying. The State which I have the honor in part to represent has considerable dairying interest.

I am somewhat intrigued by the method which appears to be the procedure today. I read the joint resolution which the Senate passed earlier today. It seems to me that joint resolution accomplished everything for the dairy farmer which the pending joint resolution would accomplish.

I should like to ask the Senator from Louisiana if I am correct in my interpretation of the joint resolution previously passed.

Mr. ELLENDER. The Senator is correct. The joint resolution will do exactly that. This is a double shot for the dairy people. That is merely what it amounts to.

Mr. RUSSELL. I am cognizant of the fact that dairying is one of the great industries in the agricultural area. I have always supported it. I wonder why it is necessary to single out dairying for a two-shot approach.

Mr. ELLENDER. I cannot give the distinguished Senator from Georgia a specific answer, except to say that in discussion I heard that the pending resolution may have a better chance of being signed into law than the other resolution, passed a few minutes ago.

Mr. RUSSELL. Mr. President, that may well be, but I do not know upon what the statement is based. The Secretary of Agriculture has announced that he is going to take certain action. Whatever may be said about the Secretary, he has not yet, in any instance of which I have knowledge, backed up in his determination.

I wish to be perfectly frank with the Senator as to why I ask my question. This procedure appears to be a very nice way to split the agricultural interests of the country into pieces. It appears to be a very nice way to place us in a position where we cannot ever get any general farm legislation. If we follow this practice of a single resolution embracing all the commodities, and then take up for

consideration and pass a nearly identical resolution for a specific commodity, in a separate piece of legislation——

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

The PRESIDING OFFICER. The Senator from Louisiana has control of the time.

Mr. ELLENDER. Mr. President, I yield myself an additional 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. THYE. Mr. President, the distinguished Senator from Georgia knows that we are considering the resolution introduced by my colleague, the Senator from Minnesota [Mr. HUMPHREY], and the distinguished Senator from Vermont [Mr. AIKEN], on the Republican side. I have a strong feeling that since they introduced the resolution after the other resolution had been introduced, we should give them the same courtesy with regard to this resolution that we afforded with relation to the other. I believe the yeas and nays should be ordered.

Mr. RUSSELL. Mr. President, of course if we are going to follow that practice, we face a long line of resolutions to consider. I have as great respect for the distinguished Senator from Vermont [Mr. AIKEN] and the Senator from Minnesota [Mr. HUMPHREY], as does the Senator from Minnesota [Mr. THYE]. I would certainly lay my respect for them alongside his.

If that argument is good, however, there are times when 17 or 18 bills have been introduced, all of the same general tenor and effect, but sponsored by different Senators. If we are going to follow that procedure, we shall have to consider all such bills, one right after the other, so as to have a separate record vote on every Senator's bill.

It seems to me important that we have had one record vote. What we are trying to do now, Mr. President, appears to be dangerous. The only reason I consider it to be worthwhile to bring the matter to the attention of the Senate is that I feel this procedure simply gives a number of Senators an opportunity to eat their cake and have it, too. They can vote against the general farm bill and can go back to tell their constituents, "Oh, I voted against that general farm bill which would have kept prices up." But they can also go to the only agricultural industry they have in their States, to the dairy farmers, and say, "I helped to have passed the bill for you to raise your prices and hold them up."

The Senator can go into the city the same night and make a speech setting forth that he fought against increasing all agricultural price supports.

I think if we are going to follow this kind of policy simply to give some Senators an opportunity to eat their cake and have it, too, we are planting a seed which will completely destroy any hope of enacting any general farm legislation.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 more minutes.

Mr. DOUGLAS. Mr. President, the Senator from Georgia, with his customary astuteness, has put his finger, I believe, on one of the political reasons for the pending resolution.

Is there not another political reason for consideration of the resolution; namely, to permit the President to veto a general farm resolution, and then sign this resolution, so that his party and his supporters can go forth as the protectors of the dairy industry?

Mr. RUSSELL. Indeed that may well be. Not only that, it will tear the groups which should be interested in agriculture to pieces. Every Senator knows that, as a general proposition, one agricultural commodity does not have sufficient strength to secure passage of general legislation by the Senate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. RUSSELL. I am in favor of a dairy provision. I was glad to vote for it under the general resolution. I am simply interested to know why it is necessary to keep on passing resolutions affecting dairying when we have already covered the subject in the other resolution.

Mr. LONG Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. LONG. If I am not mistaken, the junior Senator from Minnesota was one of the sponsors of the resolution, Senate Joint Resolution 162.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 more minutes.

Mr. LONG. If I am not mistaken, the junior Senator from Minnesota [Mr. HUMPHREY] was one of the sponsors of the resolution, yet the Senator stood in the Chamber less than 48 hours ago, when we had before us for consideration proposed cotton legislation, and said he was against that type of piecemeal legislation for agriculture. It seems to me that the junior Senator from Minnesota has no objection to considering all the products together. The Senator certainly was willing to go along with the general resolution which was passed a few minutes ago. On the basis of this record, I am sure the Senator from Minnesota supports the policy of overall comprehensive farm legislation. He has always so indicated.

Mr. HUMPHREY. Mr. President, will the Senator permit the junior Senator from Minnesota to speak?

Mr. RUSSELL. Mr. President, I am not indulging in any personalities. I refuse to discuss personalities. I have been invited to do so at other times, and prior to the time the Senator from Louisiana took the floor. I am talking about policy.

The Members of the Senate who are hopeful of obtaining any farm legislation at all for the benefit of all the farmers should realize they are digging their graves with this kind of practice and this kind of policy, singling out one group for favoritism. We ought all to stand or fall together, and we should deal fairly with all farm commodities.

The dairy farmers have not been hurt as yet. They are threatened with a blow, as I understand, which is to fall some time later on.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RUSSELL. Some of the other commodities have been taking a fearful beating for 2 or 3 years.

I shall vote, Mr. President, if we have a record vote, against the joint resolution, as a protection of the general policy I have stated. By passing this resolution I think we would be placed in a position where we would stand naked so far as getting any general farm legislation is concerned.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, I ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, I ask for the regular order.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Louisiana yields 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the only reason I asked the distinguished Senator from Louisiana to yield to me is so that I may set the record straight.

I think my colleagues realize that the other day, at great personal anguish and political risk, I voted against the suspension of the rules as related to the appropriation bill in respect to both cotton and milk.

I address the Senate on the very same basis that I previously approached the problem. I said then that unless we could come to the Senate with farm legislation which related to the total farm economy, we were treading on dangerous ground and inviting trouble by weakening our position.

I did not say it as well as my good and able friend from Georgia, whom I respect and admire and surely know to be one of the great spokesmen in this body for the economic rights and needs of the farm people of America.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I appreciate the Senator's statement. I shall vote against the resolution not because I am against the proposal, but rather as a protest against such a procedure.

Mr. HUMPHREY. I understand.

I was one of those, along with the Senator from Missouri [Mr. SYMINGTON], who sponsored the original joint resolution, Senate Joint Resolution 150 in the Senate Committee on Agriculture and Forestry, the resolution which was reported to the Senate as Senate Joint Resolution 162 and passed today. It was incorporated into the joint resolution for the total overall hold-the-line freeze on agriculture—Senate Joint Resolution 162. The record will reveal that it was this joint resolution which I

recommended be reported from the committee. But there was a dispute in the committee over the two resolutions. Therefore, both joint resolutions were reported—Senate Joint Resolution 162 and Senate Joint Resolution 163. However, the overall Resolution 162 does give protection to dairying as well as others.

I happen to believe that the best way to legislate is on all commodities, and I so voted. But if we are to have the executive branch of the Government again giving us the business, I want to be sure that the President has before him both measures. If I had my choice, I would prefer that we have only one. The one covering and protecting all commodities at a level not less than at prices in 1957. I am for the dairy producers. I am for the wheat producers. I am for the cotton producers, and I am for the tobacco producers—I believe that agriculture must stand together or be the victim of weakness through division.

Frankly, I basically agree with the Senator from Georgia, but I am not going to vote against my dairy producers in either resolution. I say very frankly that I am supporting Senate Joint Resolution 163, because if President Dwight Eisenhower is again going to renege on his word by failing to assure parity to our farm people through a veto of Joint Resolution 162, he should have the opportunity to at least be fair with dairying in connection with Senate Joint Resolution 163. I suggest that he sign both. In so doing he will not have any problems of conscience, and the Secretary of Agriculture will be able to enjoy the serenity and peace of mind which a man of his background and position should have.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield 15 seconds to the Senator from Minnesota.

Mr. THYE. In order that there may be no doubt whatsoever as to what I have endeavored to do with the President in connection with all agricultural commodities, I ask unanimous consent to have printed in the body of the RECORD a copy of the letter which I addressed to the President of the United States on January 25, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 25, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: I am compelled to write this letter in strong opposition to the proposals which have recently been set forth by Secretary of Agriculture EZRA TAFT BENSON.

Let me say, at the outset, that there is general agreement among farm leaders, business and professional people, labor and Congressional leaders, that such programs as increased research into new uses for farm products, extension of Public Law 480, the Soil Bank, constitute constructive action to reduce surpluses and to bring about a strengthening of our agriculture economy.

Likewise, there is unanimous agreement that the farmers are caught in a "cost price" squeeze which has reduced the income to the farmer and has seriously damaged his position in our general economy.

I have found strong, adverse reaction to the Secretary's proposal to lower dairy supports. I find it necessary to call to your attention the seriousness of the proposals set forth by Secretary Benson last December 18. He proposed that "during the current year dairy supports are available at $3.25 per hundredweight for manufactured milk (reflecting 83 percent of parity) and at 58.6 cents per pound for butterfat (reflecting 80 percent of parity)." The reduction announced would lower the supports to 75 percent of parity. The producers immediately would suffer a 25 cent per hundredweight loss on the price of milk. The producer should not suffer this reduction in the dairy prices, as the price is already too low.

Quoting further from the Secretary's statement "The downward adjustments are the equivalent on the average of about 2½ cents a pound for butter, 2½ cents a pound for cheese, and one-half cent a quart for fluid milk."

There was a very small drop in consumer costs in 1954, when price supports were reduced from 90 percent to 75 percent, as you will note on the enclosed chart. The drop then was to 59 cents per hundredweight on milk. The consumer actually received, as a benefit in the reduction of the cost of a quart of milk, only four-tenths of 1 cent, only 2.2-cent saving per pound of cheese, and a 6.6-cent saving on a pound of butter.

I feel that the 25-cent drop will not reflect any benefit to the consumer, but most certainly that amount will be a loss to the producer. The producer has endeavored to cooperate. He has not increased his number of milk cows, as you will note from the enclosed chart. Cheap feeds and some improved breeding have caused an increase per milk cow production.

I have just returned from the State of Minnesota; and I found people, both farmers and businessmen, very disturbed about the coming drop in the price of milk. That is the reason I am compelled to lay these facts before you and urge that immediate action be taken to cause a reconsideration of the Secretary's announcement concerning the lowering of the support price of milk and dairy products.

I sincerely request that I may have a personal conference with you on this question during the week of January 27.

Respectfully,

EDWARD J. THYE,
United States Senator.

Mr. THYE. Mr. President, I want everyone to know that I have repeatedly urged that we hold the line against a slide-in of agricultural prices. I recognize the fact that I am the author of neither this joint resolution nor the joint resolution which was passed earlier. However, it is important that the yeas and nays be ordered on the passage of the pending joint resolution. It is for that reason that I have asked for the yeas and nays. I renew my request for the yeas and nays on the final passage of the pending joint resolution.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute, and then I shall be prepared to yield back the remainder of the time on our side.

Let me say to my good friend, the junior Senator from Minnesota, that in my judgment he need lose no sleep tonight over what the President will do. If he consults me, I certainly will not stutter when I tell him what I think he should do.

Consistency is a jewel. The thing to do in the interest of the American farmers is to veto both joint resolutions. I do not know that the President will consult me, but if he does, there will be no stuttering and no equivocation on my part.

I think it would be one of the greatest services he could render to American agriculture to veto the handiwork of this afternoon's performance in the United States Senate.

Mr. President, I yield back the remainder of the time on our side.

Mr. ELLENDER. Mr. President, I am prepared to yield back the remainder of the time on our side. First I yield 1 minute to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, when the Senate Agriculture Committee recently voted overwhelmingly to freeze dairy supports in one measure and price supports and acreage allotments in another, I am sure they were responsive to the desire of the great majority of the Nation's farmers. The dairymen of Oregon who have written me have, to a man, urged the action taken by the Senate Agriculture Committee.

The other day I placed in the RECORD representative letters from Oregon dairymen urging that dairy support prices be frozen at the 1957 level. By staying reductions, Congress will enable these dairymen to operate in the manner to which they have made adjustment in recent months. To let the reduction go into force would undoubtedly create maladjustments in the dairy industry, and in the process many milk producers would be eliminated.

If the present price level is maintained, the dairymen of America may proceed with the orderly development of their self-help programs, while in the meantime, opportunity will be given the Congress to act wisely on new dairy legislation designed to solve many of the chronic problems that have beset the dairymen of the country.

If there is desire to simplify the dairy problem by reducing the number of dairymen, the administration's proposed order to reduce the support price could conceivably accomplish that highly questionable objective. Enactment of Senate Joint Resolution 163 will be the immediate step, then, toward an eventual dairy program that is designed to obtain equality of income for dairy farm capital and dairy farm labor in the American economy.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time on our side.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McNamara
Allott	Gore	Monroney
Anderson	Green	Morse
Barrett	Hayden	Morton
Beall	Hennings	Mundt
Bible	Hickenlooper	Neuberger
Bricker	Hill	Pastore
Bridges	Hoblitzell	Payne
Bush	Holland	Potter
Butler	Hruska	Proxmire
Byrd	Humphrey	Purtell
Capehart	Ives	Revercomb
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N. J.	Jenner	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Scott
Church	Kefauver	Smathers
Clark	Kennedy	Smith, Maine
Cooper	Kerr	Smith, N. J.
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Lausche	Talmadge
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Wiley
Flanders	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Fulbright	McClellan	Young

The PRESIDING OFFICER. A quorum is present.

The joint resolution having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

On this vote, the Senator from Montana [Mr. MURRAY] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea," and the Senator from Utah [Mr. BENNETT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 43, nays 50, as follows:

YEAS—43

Aiken	Fulbright	Mundt
Allott	Gore	Neuberger
Barrett	Humphrey	Payne
Carlson	Ives	Potter
Carroll	Jackson	Proxmire
Case, S. Dak.	Javits	Schoeppel
Chavez	Johnson, Tex.	Smith, Maine
Church	Johnston, S. C.	Symington
Clark	Kefauver	Talmadge
Cooper	Langer	Thye
Douglas	Magnuson	Wiley
Dworshak	Mansfield	Yarborough
Eastland	McNamara	Young
Ellender	Morse	
Flanders	Morton	

NAYS—50

Anderson	Butler	Dirksen
Beall	Byrd	Ervin
Bible	Capehart	Frear
Bricker	Case, N. J.	Goldwater
Bridges	Cotton	Green
Bush	Curtis	Hayden
Hennings	Lausche	Russell
Hickenlooper	Long	Saltonstall
Hill	Malone	Scott
Hoblitzell	Martin, Iowa	Smathers
Holland	Martin, Pa.	Smith, N. J.
Hruska	McClellan	Sparkman
Jenner	Monroney	Stennis
Kennedy	Pastore	Thurmond
Kerr	Purtell	Watkins
Knowland	Revercomb	Williams
Kuchel	Robertson	

NOT VOTING—3

Bennett	Murray	O'Mahoney

So the joint resolution (S. J. Res. 163) was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the joint resolution was rejected.

Mr. RUSSELL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. THYE subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received from Donald A. Tentis, thanking me for my efforts in behalf of the dairy farmers.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

KELLOGG, MINN., *March 13, 1958.*

Senator THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The Zumbro Valley Farmers Union, Local No. 595, want to thank you for your efforts to freeze the price supports on all commodities at 1957 levels. Please continue your fight to freeze the supports on all the commodities and encourage the other Senators to do likewise. The cut in dairy supports in this area would mean disaster to farmers in our area and will make the recession a lot worse. Our local now has over 100 members.

Sincerely,

DONALD A. TENTIS.

RELEASE OF FUNDS APPROPRIATED BY CONGRESS FOR CONSTRUCTION OF NATIONAL GUARD ARMORIES

Mr. JOHNSON of Texas. Mr. President, recently I wrote a letter to the Department of Defense urging the release of funds appropriated by Congress for the construction of National Guard armories throughout the United States.

I pointed out that release of these funds would result in immediate building activity in many communities providing needed employment for our people and also providing a market for necessary supplies and equipment.

Mr. President, I have received this morning from the National Guard Bureau the information that additional Federal funds previously appropriated by the Congress for Army National Guard construction have been made available for obligation in this fiscal year for three more projects in the State of Texas.

The Adjutant General of Texas is being authorized, I am informed, to take the steps necessary to complete construction contracts for the following projects in my State:

A one-unit-plus armory in Longview, Federal contribution, $73,620.

A two-unit-plus armory in Corpus Christi, Federal contribution, $86,000.

A two-unit armory in Pasadena, Federal contribution, $82,260.

Mr. President, it is my earnest hope that this announcement represents a change in the administration policy that has so often led to a freeze of funds authorized and appropriated by Congress for construction projects and other purposes.

I hope it represents a real awakening to the fact that many of our people need jobs right now—between 5 and 6 million people, according to the latest figures available.

I call the attention of the Senate to the fact that funds have been appropriated by Congress for a number of additional National Guard armories in Texas and that these funds have still not been made available to start immediate construction.

Let me read the list into the RECORD, along with the amount of Federal funds that could be put to work on the projects:

Gonzales, $138,750.
Terrell, $79,500.
Brownfield, $75,000.
Beaumont, $90,000.
Donna, $90,000.
Decatur, $120,000.
New Braunfels, $135,000.
Orange, $135,000.
Cameron, $120,000.
Victoria, $120,000.

I respectfully suggest, Mr. President, that the go-ahead signal be given on these projects.

This is one of the ways—and others already have been put forward—in which we can take effective, prompt action to combat the downward trend in our economy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

The message also announced that the House insisted upon its amendment to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Tennessee, Mr. BLATNIK, Mr. JONES of Alabama, Mr. MCGREGOR, and Mr. MACK of Washington were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R.

5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROBERTS, Mr. ROGERS of Texas, Mr. FRIEDEL, Mr. WOLVERTON, Mr. O'HARA of Minnesota, and Mr. HALE were appointed managers on the part of the House at the conference.

FORMULA FOR TAXING OF LIFE INSURANCE COMPANIES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1390, H. R. 10021.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I have talked to the distinguished minority leader and to the author of the amendment which we expect to have called up. We expect to have the Senate remain in session in the hope that it may be possible to vote on the amendment within 4 hours.

On behalf of the minority leader and myself, I submit a proposed unanimous consent agreement which will require a vote by that time, if it is agreed to.

The PRESIDING OFFICER. The proposed agreement will be read for the information of the Senate.

The legislative clerk read as follows:

Ordered, That, during the further consideration of the bill (H. R. 10021), debate upon any amendment intended to be proposed and upon any motion or appeal relating thereto, except a motion to lay on the table, shall be limited to 4 hours, to be equally divided and controlled by the mover of any such amendment or motion and the minority leader: *Provided*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. DOUGLAS. Mr. President, reserving the right to object—and I do not intend to object—I wish to ask a question of the distinguished majority leader, to clarify the terms of the proposed unanimus-consent request.

Do I understand that the time for quorum calls will not be charged to the time of the side requesting the calls?

Mr. JOHNSON of Texas. The quorum call preceding the vote will not be charged. It will be the normal procedure to have a quorum call before the vote on the Senator's amendment. If any other quorum call is desired, it will require unanimous consent. I should have no objection to giving unanimous consent at the time such a request is made, if there is a good reason for the quorum call.

Mr. DOUGLAS. May I understand, then, that there is a sort of informal gentlemen's agreement on this point?

Mr. JOHNSON of Texas. I have had no agreement with anyone. The procedure of the Senate is to have a quorum call before a yea-and-nay vote.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. The bill is to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

Would an amendment to reduce the depletion allowance on oil be germane?

Mr. DOUGLAS. It is not my intention at the moment to offer such an amendment.

Mr. KERR. Mr. President, will the Senator from New Mexico repeat his question?

Mr. ANDERSON. I asked, since the bill is to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, and since the proposed unanimous consent agreement contains a provision to control the time for debate and a provision that amendments be germane, would an amendment to reduce the depletion allowance on oil be germane? I was getting around, eventually, to my own amendment.

The PRESIDING OFFICER. The Chair inquires of the senior Senator from Virginia whether the bill contains any provision relating to a tax on oil.

Mr. BYRD. There is nothing in the bill relating to a depletion allowance or any other tax on oil.

Mr. ANDERSON. There is nothing in the bill relating to excise taxes on automobiles, although I have an amendment to cover such a proposal. There is nothing relating to capital gains, on which I have an amendment.

I must object.

Mr. LONG. Mr. President, reserving the right to object, I do not believe——

The PRESIDING OFFICER. Objection has already been made.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Is there anything in the rules to prevent another Senator from objecting if we wishes to do so?

The PRESIDING OFFICER. Any Senator can object at this point, but, in the judgment of the Chair, such an objection would be useless.

Mr. KERR. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. If a Senator has a right to object, does he not have the right to address himself to the Chair, reserving that right?

Mr. ANDERSON. I do not wish to cut anybody off. I withdraw my objection at this time. I merely wished to make certain that there would be an opportunity, if the Senator from Illinois [Mr. DOUGLAS] could present his amendment, for me to present mine.

Under the proposed unanimous-consent agreement, neither of us could present an amendment, even though the amendment of the Senator from Illinois was named. Therefore, I felt I should object.

I think it is no secret that I do not intend to propose the amendment to change the depletion allowance on oil.

Mr. KERR. Mr. President, I feel that the Senator from Louisiana was arbitrarily cut off by the statement of the Chair. I felt that I, and perhaps other Senators, might like to hear what the Senator from Louisiana would say. But he was arbitrarily cut off by the statement of the Chair that the request had already been objected to.

The PRESIDING OFFICER. The Chair simply informed the Senator from Louisiana that the request had been objected to. The Senator from Louisiana can receive recognition, and the Chair now recognizes the Senator from Louisiana.

Mr. LONG. Mr. President, all I wished to say was that I have an amendment which might not be regarded as germane. I am not even certain that I would insist upon it, if the chairman of the committee felt like resisting the amendment. However, I should like to have the opportunity to make a record concerning the amendment.

So I myself would have been willing to agree to the unanimous-consent agreement, with the understanding that I could offer my particular amendment. If the majority leader would simply rephrase his unanimous-consent request to provide that the amendments which are at the desk may be offered, but no other amendments which are not germane would be received, my guess is that there would be no objection.

Mr. JOHNSON of Texas. It was not intended to foreclose the offering of any of the amendments which had been submitted. The germane provision is one which is used in the formal request. I was not aware of the specific amendment offered by the Senator from New Mexico, which is at the desk, including the details of the amendment.

I had an agreement with the Senator from Illinois which provided 4 hours for his specific amendment.

In reading the amendment, we felt that since 4 hours were provided for the Douglas amendment, which is a rather substantial tax amendment, the 4-hour limitation on any other amendment which had been filed, would be agreeable too.

Mr. President, I modify my request to provide a 4-hour limitation of debate on all amendments which have been filed at the desk—and I ask the clerk to state them—and 2 hours on the bill.

That will specifically include the Douglas amendment, which has been filed; the Anderson amendment, the Long amendment, the Potter amendment, and

any other amendments which may be offered.

It is not our intention to foreclose, and it has never been so suggested that we foreclose the Senator from having his amendment considered.

Mr. KNOWLAND. Mr. President, reserving the right to object, it seems to me that we might proceed with the unanimous-consent agreement, embodying in it such limitation of time as the Senate might agree to, with the understanding that since this is a tax bill, any tax amendment is germane. That, I think, would be the case. The general provision of germaneness which is used is primarily concerned with amendments entirely extraneous to the subject matter of the bill. I would not want any Senator who had not yet filed an amendment to be foreclosed from offering his amendment under the proposed unanimous-consent agreement, if the amendment related to the subject of taxation.

Mr. POTTER. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. (Mr. PROXMIRE in the chair). Does the Senator from California yield to the Senator from Michigan?

Mr. KNOWLAND. I yield.

Mr. POTTER. Is the Senator proposing that even though an amendment may not be at the desk, if the situation is such that a Senator cares to offer an amendment, it may be offered?

Mr. KNOWLAND. Yes; and that was the point I was making. Some Senators either may not have prepared an amendment or may not have had an opportunity to consider it. Under those circumstances, I would want to have Senators protected.

Mr. JOHNSON of Texas. Mr. President, I wonder whether we can agree on the following, instead of debating further the unanimous-consent agreement previously proposed: That not to exceed 4 hours shall be available on the E amendment filed by the Senator from Illinois [Mr. DOUGLAS], and that that limitation shall not foreclose debate on any other amendment.

Let us agree now to that much, without regard to any other amendment.

Mr. EASTLAND. Would that agreement foreclose debate on any other amendment?

Mr. JOHNSON of Texas. No.

Mr. EASTLAND. There could be unlimited debate on any amendment except the Douglas amendment, under that proposal; could there?

Mr. JOHNSON of Texas. Yes.

Mr. DIRKSEN. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. As I understand the language of the proposed agreement, "any amendment must be germane to the provisions of the said bill." I am not quite clear in my understanding of what amendments would be germane.

However, under that language, I judge that every amendment would have to be ruled on in regard to germaneness, because the bill deals with insurance companies. I am not quite sure how the Parliamentarian would advise the Chair in that connection.

Mr. JOHNSON of Texas. Mr. President, I have now proposed a unanimous-consent agreement that debate on the Douglas amendment identified as E be limited to 4 hours, and that the limitation apply only to that one amendment; and that all amendments offered to that amendment must be germane to it.

Mr. DIRKSEN. Is the draft I hold in my hand now before the Senate for consideration?

Mr. JOHNSON of Texas. No. The pending proposal applies only to the Douglas amendment lettered E.

Mr. CASE of New Jersey. Mr. President, I understand that the pending proposal relates only to the Douglas amendment E and to any amendments thereto.

Mr. JOHNSON of Texas. That is correct. It would not apply to any other amendments.

Mr. President, I should like to have the Senate know—if it is possible to have this agreement entered into—that between now and 10 a. m. tomorrow, the Douglas amendment lettered "E" will be disposed of.

Mr. NEUBERGER. Mr. President, I rise to a point of information.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. NEUBERGER. I have at the desk an amendment which is vital to my State and region. That amendment is the reason why I have not joined in sponsoring the Douglas amendment.

I wish to know whether my amendment would be ruled out of order on the ground of not being germane, whereas by means of the proposed unanimous-consent agreement the Douglas amendment will specifically be made germane.

Mr. JOHNSON of Texas. Mr. President, the Senate will convene tomorrow at 10 a. m., and will remain in session, if Senators are willing to do so, until 10 p. m.; and the Senate will hold a session on Saturday for so long as may be necessary, in view of the fact that Saturday is the expiration date of the existing law, and this measure should be passed by that time.

The Senator from Oregon will have ample opportunity to have his amendment considered, as will all other Senators, under the unanimous-consent agreement now proposed.

Mr. LANGER. Mr. President, I should like to have the yeas and nays ordered on the question of agreeing to the Douglas amendment lettered "E."

Mr. JOHNSON of Texas. Mr. President, I so request.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, I submit, and send to the desk my amendment identified as "3-12-58-E"; and I request that it be printed at this point in the RECORD. I have now made the following technical modification of the amendment:

On page 18, in line 5, after the word "article" and before the comma, insert the following:

(Or, in the case of an article subject to the tax imposed by section 4061 (b), an amount equal to the difference between the tax paid by him on his sale of the article and the amount of the tax made applicable to such article on and after the tax reduction date.)

The PRESIDING OFFICER. The amendment, as modified, will be received, and will be printed in the RECORD.

The amendment lettered "E," as submitted by Mr. DOUGLAS, is as follows:

On page 1, after line 2, insert the following:

"SECTION 1. Short title, etc.

"(a) Short title: This act may be cited as the 'Tax Reduction Act of 1958.'

"(b) Amendment of 1954 code: Except as otherwise expressly provided, wherever in this act an amendment or repeal is expressed in terms of an amendment to or a repeal of a section or other provision, the reference shall be considered to be made to a provision of the Internal Revenue Code of 1954.

"TITLE I—REDUCTION OF INCOME TAX ON INDIVIDUALS FOR TAXABLE YEAR 1958

"SEC. 101. Reduction of rate applicable to first $1,000 of taxable income for taxable year 1958.

"(a) Rates of tax on individuals other than heads of households: So much of section 1 (a) (relating to rates of tax on individuals) as precedes the table therein is amended to read as follows:

"(a) Rates of tax on individuals.—

"'(1) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:

"'If the taxable income is:	The tax is:
Not over $1,000	15 percent of the taxable income.
Over $1,000 but not over $2,000.	$150, plus 20 percent of excess over $1,000.
Over $2,000 but not over $4,000.	$350, plus 22 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$790, plus 26 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,310, plus 30 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,910, plus 34 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,590, plus 38 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$3,350, plus 43 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$4,210, plus 47 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$5,150, plus 50 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$6,150, plus 53 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$7,210, plus 56 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$8,330, plus 59 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$10,690, plus 62 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$14,410, plus 65 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$18,310, plus 69 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$22,450, plus 72 percent of excess over $44,000.

"'If the taxable income is—Con.	The tax is—Con.
Over $50,000 but not over $60,000.	$26,770, plus 75 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$34,270, plus 78 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$42,070, plus 81 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$50,170, plus 84 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$58,570, plus 87 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$67,270, plus 89 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$111,770, plus 90 percent of excess over $150,000.
Over $200,000	$156,770, plus 91 percent of excess over $200,000.

"'(2) Other taxable years: A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:'.

"(b) Rates of tax on heads of households: So much of section 1 (b) (1) (relating to rates of tax on heads of households) as precedes the table therein is amended to read as follows:

"'(1) Rates of tax.—

"'(A) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:

"'If the taxable income is:	The tax is:
Not over $1,000	15 percent of the taxable income.
Over $1,000 but not over $2,000.	$150, plus 17½ percent of excess over $1,000.
Over $2,000 but not over $4,000.	$325, plus 21 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$745, plus 24 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,225, plus 26 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,745, plus 30 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,345, plus 32 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,985, plus 36 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,705, plus 39 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,485, plus 42 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,325, plus 43 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,185, plus 47 percent of excess over $20,000.
Over $22,000 but not over $24,000.	$7,125, plus 49 percent of excess over $22,000.
Over $24,000 but not over $28,000.	$8,105, plus 52 percent of excess over $24,000.
Over $28,000 but not over $32,000.	$10,185, plus 54 percent of excess over $28,000.

"'If the taxable income is—Con.	The tax is—Con.
Over $32,000 but not over $38,000.	$12,345, plus 58 percent of excess over $32,000.
Over $38,000 but not over $44,000	$15,825, plus 62 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$19,545, plus 66 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$23,505, plus 68 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$30,305, plus 71 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$37,405, plus 74 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$44,805, plus 76 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$52,405, plus 80 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$60,405, plus 83 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$101,905, plus 87 percent of excess over $150,000.
Over $200,000 but not over $300,000.	$145,405, plus 90 percent of excess over $200,000.
Over $300,000	$235,405, plus 91 percent of excess over $300,000.

"'(B) Other taxable years: A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:'.

"SEC. 102. Optional tax.

"(a) Table prescribed by the Secretary: Section 3 (relating to optional tax if adjusted gross income is less than $5,000) is amended by striking out 'who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:' and inserting in lieu thereof 'who has elected for such year to pay the tax imposed by this section—

"'(1) In the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"'(2) In the case of any taxable year other than a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in the following table:'.

"(b) Technical amendments: Section 4 (a) (relating to rules for optional tax) is amended by inserting after 'the table in section 3' the following: 'and the table prescribed under section 3'.

"SEC. 103. Withholding of tax at source.

"(a) Percentage method of withholding: Section 3402 (a) (relating to withholding of income tax at source) is amended to read as follows:

"'(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages (except as provided in subsection (j))—

"'(1) with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax equal to 16 percent of the amount by which the wages exceed the number of withholding exemptions claimed, mutiplied by the amount of one such exemption as shown in subsection (b) (1), and

"'(2) with respect to wages paid before the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958, or on or after January 1, 1959, a tax equal to 18 percent of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b) (1).'

"(b) Wage bracket withholding: So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"'(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"'(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee (other than wages paid during the period to which subparagraph (A) applies) a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):'.

"SEC. 104. Technical amendment.

"(a) Retirement income credit: Section 37 (a) (relating to credit for retirement income) is amended by striking out "an amount equal to the amount received by such individual as retirement income (as defined in subsection (c) and as limited by subsection (d)), multiplied by the rate provided in section 1 for the first $2,000 of taxable income" and inserting in lieu thereof "an amount equal to 20 percent of the retirement income (as defined in subsection (c) and as limited by subsection (d)) received by such individual".

"(b) Effective date: The amendments made by subsection (a) and by section 102 (b) shall apply only to taxable years beginning after December 31, 1957, and before January 1, 1959.

"TITLE II—REPEAL AND REDUCTION OF CERTAIN EXCISE TAXES

"SEC. 201. Retailers excise taxes.

"(a) Tax on toilet preparations and luggage, handbags, etc: The following provisions are repealed:

"(1) subchapter C of chapter 31 (tax on toilet preparations); and

"(2) subchapter D of chapter 31 (tax on luggage, handbags, etc.).

"(b) Watches and clocks: Section 4003 relating to exemption from tax on jewelry and related items) is amended by adding at the end thereof the following new subsection:

"'(c) Certain watches and clocks: The tax imposed by section 4001 shall not apply to any watch or clock if the price for which such watch or clock is sold is less than $100.'

"(c) Technical amendment: The table of subchapters for chapter 31 is amended by striking out

" 'SUBCHAPTER C. Toilet preparations.

" 'SUBCHAPTER D. Luggage, handbags, etc.'

"SEC. 202. Manufacturers excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter B of chapter 32 (tax on refrigeration equipment, electric, gas, and oil appliances, and electric light bulbs);

"(2) subchapter C of chapter 32 (tax on radio and television sets, phonographs, records, and musical instruments);

"(3) part II of subchapter D of chapter 32 (tax on photographic equipment); and

"(4) subchapter E, of chapter 32 (tax on business machines, pens, mechanical pencils, mechanical lighters, and matches).

"(b) Passenger automobiles: Section 4061 (a) (2) (relating to tax on automobile chassis and bodies) is amended by striking out 'on and after July 1, 1958, the rate shall be 7 percent' and inserting in lieu thereof 'on and after March 1, 1958, and the rate shall be 5 percent.'

"(c) Parts and accessories for automobiles: Section 4061 (b) (relating to tax on automobile parts and accessories) is amended by striking out '8 percent of the price for which so sold, except that on and after July 1, 1958, the rate shall be 5 percent' and including in lieu thereof '4 percent of the price for which so sold.'

"(d) Sporting goods: Section 4161 (relating to tax on sporting goods) is amended to read as follows:

" 'SEC. 4161. Imposition of tax.

" 'There is hereby imposed upon the sale by the manufacturer, producer, or importer of fishing rods, creels, reels, and artificial lures, baits, and flies (including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale thereof) a tax equivalent to 10 percent of the price for which so sold.'

"(e) Firearms: Section 4181 (relating to tax on firearms) is amended to read as follows:

" 'SEC. 4181. Imposition of tax.

" 'There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to 11 percent of the price for which so sold:

" 'Firearms (other than pistols and revolvers).

" 'Shells and cartridges.'

"(f) Technical amendments.—

"(1) The table of subchapters for chapter 32 is amended by striking out

" 'SUBCHAPTER B. Household type equipment, etc.

" 'SUBCHAPTER C. Entertainment equipment.' and by striking out

" 'SUBCHAPTER E. Other items.'

"(2) The table of parts for subchapter D of chapter 32 is amended by striking out

" 'Part II. Photographic equipment.'

"SEC. 203. Facilities and services.

"(a) Repeal: The following provisions are repealed:

"(1) part I of subchapter A of chapter 33 (tax on admissions); and

"(2) subchapter D of chapter 33 (tax on safe deposit boxes).

"(b) Reduction of tax on communications: Section 4251 (relating to tax on communications) is amended—

"(1) by striking out '10' each place it appears therein and inserting in lieu thereof '5'; and

"(2) by striking out '8' and inserting in lieu thereof '4'.

"(c) Reduction of Tax on Transportation.—

"(1) Persons. Section 4261 (relating to tax on transportation of persons) is amended by striking out '10 percent' each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof '5 percent'.

"(2) Property other than coal: Section 4271 (a) (relating to tax on transportation of property other than coal) is amended by striking out '3 percent' and inserting in lieu thereof '1½ percent'.

"(3) Coal: Section 4271 (b) (relating to tax on transportation of coal) is amended by striking out '4 cents' and inserting in lieu thereof '2 cents'.

"(d) Technical amendments—

"(1) The table of subchapters for chapter 33 is amended by striking out

" 'SUBCHAPTER D. Safe deposit boxes.'

"(2) The table of parts for subchapter A of chapter 33 is amended by striking out

" 'Part I. Admissions.'

"SEC. 204. Other excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter A of chapter 36 (tax on playing cards); and

"(2) subchapter C of chapter 36 (occupational tax on bowling alleys, billiard and pool tables).

"(b) Technical amendments: The table of subchapters for chapter 36 is amended by striking out

" 'SUBCHAPTER A. Playing cards.' and by striking out

" 'SUBCHAPTER C. Occupational tax on bowling alleys, billiard and pool tables.'

"SEC. 205. Floor stocks refunds.

"(a) Passenger automobiles: Section 6412 (a) (1) (relating to floor stocks refunds on passenger automobiles) is amended to read as follows:

" '(1) Passenger automobiles, etc.: Where before the date of the enactment of the Tax Reduction Act of 1958, any article subject to the tax imposed by section 4061 (a) (2) has been sold by the manufacturer, producer, or importer and—

" '(A) either is held by a dealer on the date of the enactment of such act, or has been held by a dealer on or after March 1, 1958, and has been sold by him to an ultimate purchaser before the date of the enactment of such act,

" '(B) either has not been used before the date of the enactment of such act, or, if such article has been sold to an ultimate purchaser before such date, was not used before such sale, and

" '(C) either is intended for sale on the date of the enactment of such act, or has been sold to an ultimate purchaser before such date,

there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of the tax made applicable to such article on and after March 1, 1958. if claim for such credit or refund is filed with the Secretary or his delegate on or before August 10, 1958, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1958, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before August 10, 1958, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund. This paragraph shall apply in respect of an article sold by the dealer on or after March 1, 1958, and before the date of the enactment of the Tax Reduction Act of 1958, only if on or before August 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to the allowance of the credit or refund. No credit or refund of any overpayment of the tax imposed by section 4061 (a) (2) with respect to any article sold by the manufacturer, producer, or importer on or after March 1, 1958, and before the date of enactment of the Tax Reduction Act of 1958, resulting from the enactment of such act, shall be made or allowed except pursuant to the provisions of this paragraph.'

"(b) Allowance of refunds on other tax-paid articles: Section 6412 (a) (relating to floor stock refunds) is amended by renumbering paragraph (3) as (4), and by inserting after paragraph (2) the following new paragraph:

" '(3) Miscellaneous articles subject to manufacturers excise tax: Where before the tax reduction date any article subject to the tax imposed by section 4061 (b), 4111, 4121, 4131, 4141, 4151, 4161 (other than fishing rods, creels, reels, and artificial lures, baits, and flies), 4171, 4181 (other than firearms (other than pistols and revolvers), shells, and cartridges), 4191, 4201, 4211, or 4451 has been sold by the manufacturer, producer, or importer and on the tax reduction date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by him on his sale of the article (or, in the case of an article subject to the tax imposed by section 4061 (b), an amount equal to the difference between the tax paid by him on his sale of the article and the amount of the tax made applicable to such article on and after the tax reduction date), if—

" '(A) claim for such credit or refund is filed with the Secretary or his delegate on or before the 10th day of the 4th month which begins after the tax reduction date, based upon a request submitted to the manufacturer, producer, or importer before the 1st day of the 3d month which begins after the tax reduction date by the dealer who held the article in respect of which the credit or refund is claimed, and

" '(B) on or before the 10th day of the 4th month which begins after the tax reduction date, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund.'

"(c) Definition: Paragraph (4) of section 6412 (a) (relating to definitions), as renumbered by subsection (b), is amended by adding at the end thereof the following new subparagraph:

" '(C) The term "tax reduction date" means the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958.'

"(d) Technical amendment: Section 6412 (c) (relating to applicability of other laws) is amended by striking out 'and 4081' and inserting in lieu thereof '4081, 4111, 4121, 4131, 4141, 4151, 4161, 4171, 4181, 4191, 4201, 4211, and 4451.'

"SEC. 206. Effective dates.

"The repeals and amendments made by sections 201, 202 (except subsection (b)), and 204 (a) (1) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. The repeal made by section 203 (a) (1) shall apply to amounts paid on or after such first day for admissions on or after such first day, except that with respect to the tax imposed by section 4231 (6) (relating to tax on cabarets), such repeal shall apply only with respect to periods after 10 antemeridian on such first day. The repeals made by sections 203 (a) (2) and 204 (a) (2) shall apply to amounts paid on or after such first day. The amendments made by section 203 (b) shall apply to amounts paid on or after such first day for communication services or facilities rendered on or after such first day. The amendments made by section 203

(c) shall apply to amounts paid on or after such first day for, or in connection with, transportation which begins on or after such first day.

"TITLE III—1957 TAX ON INCOME OF LIFE INSURANCE COMPANIES

"On page 1, line 3, strike out 'SECTION 1' and insert 'SEC. 301.'

"On page 2, line 1, strike out 'SEC. 2' and insert 'SEC. 302.'"

Mr. KNOWLAND. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Under the unanimous-consent agreement now proposed—and I particularly request the attention of the distinguished Senator from Illinois—I understand that debate on the Douglas amendment lettered "E" will be limited to a maximum of 4 hours. However, is it not conceivable—although I have no way of knowing—that if all the time available under the agreement were not used, the vote could be taken before 10 o'clock tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. Therefore, Senators should be on notice, should they not, that if all the available time on that amendment is not used, the vote on it could come at some time between now and 10 a. m. tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I should like to point out that before the vote is taken on the Douglas amendment "E," there will be a quorum call, and it will be continued long enough so that all Senators will be notified.

Mr. DOUGLAS. Mr. President, is my amendment lettered "E" at the desk?

The PRESIDING OFFICER. The amendment has been sent to the desk, and has been ordered to be printed in the RECORD.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Is the pending question on agreeing to my amendment lettered "E," as modified?

The PRESIDING OFFICER. It is.

Mr. DOUGLAS. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement on the amendment lettered "E" which has been submitted by the Senator from Illinois?

Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the last unanimous-consent agreement I proposed has now been entered into. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ANDERSON. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. Do I correctly understand that under the unanimous-consent agreement the Senate has eliminated any general debate on the bill, and has moved directly to consideration of the Douglas amendment lettered "E"?

The PRESIDING OFFICER. That is correct.

Mr. DOUGLAS. Mr. President, I desire to state that in offering the pending amendment, I am joined by the senior Senator from Michigan [Mr. POTTER], the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Wyoming [Mr. O'MAHONEY], the junior Senator from Wisconsin [Mr. PROXMIRE], the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Colorado [Mr. CARROLL], the senior Senator from Oregon [Mr. MORSE], and the junior Senator from Rhode Island [Mr. PASTORE].

Mr. BYRD. Mr. President, will the Senator from Illinois yield, in order that I may have an opportunity, as chairman of the committee, to make an explanation of the bill? [Laughter.]

Mr. DOUGLAS. Mr. President, I shall be very glad to do so, so long as it is understood that thereafter the pending question will be on agreeing to my amendment lettered "E," as modified.

Perhaps the Senator from Illinois has become unduly suspicious; but, at any rate, Mr. President, I ask unanimous consent that the time which will be consumed by the distinguished chairman of the Finance Committee not be charged to the time allotted for debate on my amendment lettered "E."

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOUGLAS. Then, Mr. President, I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, House bill 10021, relating to the taxation of life insurance companies, was unanimously passed by the House of Representatives. It extends the 1955–56 tax treatment of life insurance companies to the years beginning in 1957.

The 1955–56 treatment subjects a life insurance company to taxation at regular corporate rates on a portion of its net investment income. Net investment income is the gross income from investments, less investment expenses, including such things as taxes and depreciation on rented real estate. The term "investment income" includes not only interest, dividends, and rents, but also royalties, income from negotiation or termination of leases and mortgages, and other income from the operation of a business, such as a farm acquired after foreclosure of a mortgage. The net investment income is reduced, under this treatment, by a deduction equal to, first, 87½ percent of the first $1 million of such income and, second, 85 percent of any remaining balance.

It is estimated that the extension of this treatment to the years beginning in 1957 will result in the collection of $291 million in revenue from such companies for 1957. For 1956, $262 million was collected under this method from insurance companies; and for 1955, $243 million. Because insurance companies were, in general, allowed a deduction of 85 percent before arriving at their taxable income, the method in question took away from the insurance companies the 85 percent dividend credit allowed to corporations generally.

Our committee was unanimous in believing that the 1955–56 treatment should not be adopted as a permanent method of taxing life insurance companies. However, in view of the failure of the Treasury to submit recommendations for a permanent plan of taxing life insurance companies, and in view of the short period left for insurance companies to file their 1957 returns (the due date for 1957 returns is March 15, 1958), our committee deems it advisable to adopt the House bill for 1957. The Treasury indicated to the committee that it would not be possible for recommendations on a permanent plan to be ready prior to March 15, 1958; and, when any such plan is submitted, extensive hearings and full consideration of that and other possibilities would be desirable. The Secretary of the Treasury pointed out to the committee that we are dealing with institutions with responsibility for the insurance policies of millions of American people, and final decision by the life insurance companies as to the policy, dividends, and surpluses for the year 1957 will depend to some extent on the final determination of their tax liability. The Secretary stated in his letter that, in view of this situation and in order to assure full consideration of the best permanent method of taxation of life insurance company income, it would seem reasonable to extend the law effective for the taxable years 1955–56 for another year and make it applicable for 1957 income. Your committee concurs in that view.

If the House bill is not enacted, a formula which was adopted in 1942 will come into operation. This formula has not been in effect since the year 1948. It proved unsatisfactory, and was abandoned at that time because it was found to be inequitable, and in some years, particularly 1947 and 1948, yielded no revenue from the life insurance operations of the companies. The 1942 formula is based on a ratio determined on a weighted average basis by taking into account two factors. The first factor, weighted 65 percent, compares 3¼ percent of the average reserves of all companies, and the second factor, weighted 35 percent, compares the interest actually added to their reserves by all companies during the preceding year, with the total net investment income during that year of all companies. There is thus derived an average percentage, and each company determines its taxable income by deducting that percentage of its net investment income. This arbitrary deduction of 65 percent of 3¼ percent on their reserves was greater than the amount they were earning on such reserves. For instance, the rate of return for their investments in 1946 was 2.93 percent; in 1947, 2.98 percent; and in 1948, 2.96 percent.

The 1942 formula, because of the 3¼ percent factor, has been shown by its operation not to be a dependable source of taxation. It fluctuated to a point where it produced no revenue for 1947 and 1948. The House reached the conclusion that the 1942 formula was unsound and should not be allowed to come into operation for the year 1957 even though, by happenstance, the formula would yield $124 million more than H. R. 10021 for the year 1957.

Aside from the fact that the 1942 formula produced for some years no revenue from the life insurance business, it also had other undesirable features. It works a hardship on the smaller life insurance companies, and, in addition, greatly understates the revenue of life insurance companies having a large health and accident business. In this connection, I should like to quote the following from a memorandum submitted by Dr. Dan Throop Smith, Deputy to the Secretary of the Treasury, and presented to the Senate Finance Committee on March 5, 1958:

A reapplication of the 1942 formula would increase the overall tax liabilities of life insurance companies by an estimated $124 million or about 43 percent above the stopgap method. It would also involve substantial shifts in burden among companies, in relation to their total taxload and their taxable capacity.

Several factors account for this varying impact. One is the special treatment for smaller companies provided under the stopgap law but not under the 1942 formula. The 1942 formula provides a 77.66 percent reserve and other policy liability deduction for all companies in 1957, leaving 22.34 percent of their net investment income subject to tax at regular corporate rates. The stopgap method generally allows an 85 percent deduction, leaving 15 percent of the income subject to tax. However, the deduction is 87½ percent on the first $1 million, leaving 12½ percent of this amount subject to tax. Consequently, for very large companies the shift from an 85 percent to a 77.66 percent deduction would mean about a 49 percent increase in the tax base and tax liability. For companies with incomes under $1 million, the shift would be from 87½ percent down to a 77.66 percent allowance, involving about a 79 percent increase in their tax base. Because of the interplay of the insurance company deduction and the surtax exemption for corporations generally, the percentage increase in tax would be still greater at some income levels, ranging as high as 136 percent for a company with $200,000 net investment income.

On the other hand, data submitted by the Treasury Department showed that, as an example, for 10 companies writing also accident and health insurance, the 1955 formula would yield $7,445,000, on the income from that part of their business, as compared to only $6,526,000 under the 1942 formula.

A comparison of the taxes actually collected for the years 1942–56, and the taxes which would have been collected during those years if the 1942 formula had been applied for 1949–56, is shown in a table, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Taxes collected (in millions)

Year:	
1942	$27
1943	34
1944	34
1945	25
1946	22
1947	(1)
1948	(1)
1949	43
1950	73
1951	127
1952	144
1953	161
1954	177
1955	243
1956	268
Total	1,317

Taxes collected (in millions)—Continued

[1] No taxes were collected on life insurance income. About $2 million tax on the accident and health business of the companies was collected each year.

Mr. BYRD. Although for 1957 the 1955 formula would yield less than the 1942 formula, if the 1955 formula had been applied for all years beginning with 1942 (including 1957) it would have yielded far more revenue than that formula. The comparison is contained in a table, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions]

Year	Tax under 1942 formula	Tax under 1955 formula
1942	$27	$65
1943	34	71
1944	34	74
1945	25	80
1946	22	79
1947		83
1948		91
1949	2	101
1950	30	122
1951	67	161
1952	101	184
1953	155	199
1954	212	222
1955	276	243
1956	336	268
1957	415	291
Total	1,736	2,334

Mr. BYRD. These figures show that if the 1955 formula had been applied for the entire period from 1942 to 1957, inclusive, it would have produced for that period $598 million more than the 1942 formula would have produced for the same period. This demonstrates that the 1955 formula, in addition to its other advantages, is a much greater revenue producer than the 1942 formula. Mr. MILLS, chairman of the Committee on Ways and Means, in presenting H. R. 10021 to the House stated:

The Treasury Department has joined the committee in recommending extension of the stopgap formula of H. R. 10021 to the year 1957 in preference to letting the 1942 formula apply.

There was some confusion in our committee as to the Treasury's position on H. R. 10021, and I requested Dr. Dan Throop Smith, Deputy to the Secretary of the Treasury, to clarify the Treasury's position for the benefit of our committee. This was done by Dr. Smith in a letter dated March 6, 1958, which I wish to quote:

TREASURY DEPARTMENT,
Washington, March 6, 1958.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I want to make the record clear that no statement which I made yesterday before your committee was intended to indicate any dissent from the statement which the chairman of the House Committee on Ways and Means made before the House on H. R. 10021.

With reference to the tax to be imposed on life-insurance companies, all of us are most interested in permanent legislation which will obviate any need for annual review. Satisfactory permanent legislation, in our opinion, would not be achieved either by the 1942 law or by an indefinite extension of the 1955 stopgap formula.

Under the circumstances, the Treasury advised the Ways and Means Committee that it was agreeable to the application of the stopgap legislation for 1 year, and thus joined with the Ways and Means Committee in such an extension. This is in accord with the statement of the chairman of the House Ways and Means Committee on January 30 in the House.

Sincerely yours,

DAN THROOP SMITH,
Deputy to the Secretary.

Thus the Treasury, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate are all agreed on the advisability of extending the 1955 formula to the year 1957.

Our committee is of the opinion that the formula applied under H. R. 10021 should not be adopted as a permanent method of taxing life-insurance companies. The Secretary of the Treasury, through Dr. Dan Throop Smith, Deputy to the Secretary, has promised to submit to the Congress a permanent plan for the taxation of life-insurance companies by Monday, April 7, 1958. Upon receipt of these recommendations by the Treasury, there will be sufficient time to adopt a permanent plan for the taxation of life-insurance companies for 1958 and subsequent years.

Some members of the committee desired to amend the House bill to provide another formula for the taxation of life insurance companies for the year 1957. However, the committee felt that before any change was made in the formula contained in the House bill a public hearing should be held by the committee. This hearing was held on March 5–6, 1958, and the insurance companies pointed out the inequities of continuing the 1942 formula and other stopgap formulas applicable to past years.

The Congress adopted the policy of stopgap formulas, awaiting a satisfactory permanent plan, since 1948. These were as follows:

The 1950 formula applied to 1949 and 1950. It provided for the deduction by each company of an average percentage of its net investment income, the percentage being the ratio of what the entire industry needed to meet its policy obligations for the preceding year to the net investment income of the industry for that year.

The 1951 formula was first applied to 1951, and then extended by subsequent Congressional actions to apply to 1952, 1953, and 1954. It taxed the whole net investment income of each company at low rates, 3¾ percent of the first $200,000 and 6½ percent of the balance. The low rates were designed to have roughly similar effects as if the usual corporation rates had been applied to the net investment income less a deduction for the amount needed to meet policy obligations.

The 1955 formula was enacted on March 13, 1956, by Public Law 429, as applicable only to 1955. By legislation

in July 1956 that formula was made applicable to 1956.

The testimony during the recent hearing was unanimous that the 1955–56 formula should be applied for the year 1957 on account of the failure of the Treasury Department to submit a permanent formula. After hearing all the testimony and considering the matter in executive session, it was the opinion of the committee that the House bill should be reported without amendment.

In conclusion, I wish to emphasize that our committee is desirous of providing a permanent method of taxing life-insurance companies. This will not only be fair to the insurance companies but also to the Government. For the past 9 years, insurance companies have been left in confusion as to their proper tax liability. This has made it difficult for them to determine their policy dividends and surpluses for the years in question. I feel that we have made considerable headway in receiving assurance from the Treasury Department that they will make to the Congress by Monday, April 7, 1958, definite recommendations for a permanent plan for the taxation of life-insurance companies. Full hearings will be held on the Treasury recommendations and it is believed that a permanent plan can be evolved which will make it possible for the Congress to adopt permanent legislation for 1958 and future years. I hope that the Senate will give speedy approval to this bill, so that insurance companies can file their 1957 returns in the time prescribed by law.

Mr. President, in regard to the 1942 formula, it was not intended by the Congress that it should come into effect after 1948. The Congress was seeking a permanent method for taxing life-insurance companies to replace the discredited 1942 formula, which yielded no revenue in 1947 and 1948 on the life insurance business. The legislation that has been enacted since 1948 has all been stopgap legislation for temporary periods to provide revenue pending a permanent solution for taxing life-insurance companies. The stopgap legislation passed by the House in 1950 applied to the year 1949. In its report on this stopgap legislation, the Committee on Ways and Means said:

> The committee is not willing, at this time, to recommend permanent legislation. Substantial objection has been made to the principle of basing the tax on the average experience of the industry rather than on the experience of the individual company. The restriction of the tax to net investment income (leaving underwriting income out of account) has also been criticized. The committee does not believe that it is possible to resolve these fundamental questions of principle on the basis of the necessarily brief study which it has been possible to make at this time. Therefore, the committee plans to give the problem of defining the appropriate tax base for life-insurance companies further study, with a view to the enactment of permanent legislation during this session of Congress. In the event that no action is taken on permanent legislation during 1950, this stopgap legislation can be amended to apply also to taxes for 1950.

Thus it appears that there was no thought on the part of the Committee on Ways and Means to returning to the discredited 1942 formula for it was specifically stated in the report of that committee that in the event that no action is taken on permanent legislation during 1950, this stopgap legislation can be amended to apply also to taxes for 1950.

The Committee on Finance of the Senate took the same position as the House Committee on Ways and Means. In its report, the committee stated:

> Your committee is in agreement with the House that the legislation in question should be merely of a stopgap character. The committee bill extends this stopgap legislation to 1950 because it seems unlikely that a permanent plan for the taxation of life insurance companies can be developed in sufficient time to be made applicable to 1950.

Thus it is clear that neither the House nor Senate committees contemplated a return to the 1942 formula.

Since no permanent method for taxing life insurance companies had been devised in 1950, stopgap legislation of various kinds continued to be enacted for 1951 through 1956. This bill was introduced in the House in January 1958, and passed the House on January 30. It extends stopgap legislation for 1957.

If a stopgap law expired before it was extended or a substitute law was adopted, there would be without the 1942 law no tax on insurance companies for the period after such expiration. If legislation were subsequently enacted for the expired period, some insurance companies might be in a position to legally attack its retroactivity, as was done in the case of the retroactive legislation for the years 1947 and 1948. To prevent this from happening, the Congress deemed it advisable to provide for such a contingency by keeping the 1942 legislation on the books. By this means, the Congress would lessen the chance of attack on retroactive grounds of a law passed after the close of a year and applicable to such a year. The taxpayer would be less likely to attack such a law if it were known that the discredited 1942 formula would come into operation and apply for the same year.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I yield myself such time as I may require.

I think it is highly appropriate that the amendment which I have sent to the desk on behalf of the group of Senators be considered in connection with the tax reduction bill for the life insurance companies.

As the distinguished chairman of the Committee on Finance has said, the passage of the insurance bill in its present form would reduce taxes for the life insurance companies by approximately $124 million a year below what they would pay if the 1942 formula were to be put into effect.

I voted for this bill in the committee. I intend to support it on the floor, for the reasons which the chairman has stated. However, if we are to have a $124 million tax reduction for the life insurance companies, then I think it is appropriate that we should also have a tax reduction for the American people.

In brief, the amendment which I have proposed calls for a total tax reduction of approximately $5.2 billion a year.

RECESSION HAS REACHED DANGER POINT

Why is it that we present this tax reduction amendment? We do it because of the very serious economic recession which is now under way in this country.

On Tuesday of this week the Bureau of the Census gave out the figures of the completely unemployed for the 15th of February as 5,173,000. We can take roughly 5.2 million as the figure.

I may say that the Senator from Illinois as far back as well over a week ago predicted that when the figure came out it would be 5.2 million.

This, however, is a figure merely of the completely unemployed. It does not include the equivalent of full-time unemployed for the involuntary part-time workers, which factor has become increasingly important in recent years.

INVOLUNTARY PART-TIME EMPLOYMENT IS EQUIVALENT TO AN ADDITIONAL 1.2 MILLION FULL-TIME UNEMPLOYED

The various State unemployment insurance laws almost uniformly provide that the contributions or taxes which a given employer will pay into the State fund will be graduated according to the amount of benefits paid to his specific workers. The benefits generally do not begin until the earnings of the employee have fallen below ½ of his normal full-time wage. This means that a big financial inducement is offered to employers to dilute employment and to put men on part time, instead of laying them off completely, when they would receive unemployment insurance benefits.

For example, if there were 500 workers in a plant, working a 5-day week, the normal full-time work for a week would be 2,500 man-days. Suppose the business falls off by 40 percent, so that there is work enough for only 1,500 man-days a week. Instead of laying off 200 workers and working the remaining 300 men 5 days a week—and with the 200, incidentally, receiving unemployment insurance payments—what is very frequently done is to work all of the 500 3 days a week so that their earnings are above 50 percent of normal earnings and none of them is entitled to unemployment insurance benefits.

This may have been a good plan before the days of unemployment insurance, but during the period in which unemployment insurance is in operation, it results in a smaller total amount being paid out in wages to the workmen of the country.

It also results in a smaller number of persons being counted in the official figures of those totally unemployed.

So it seems to me that we should take account of this unemployment within employment, so to speak, and the time lost by the involuntary part-time workers.

For several years I have had the index computed of what the equivalent full-time employment would be in the case of the involuntary part-time workers. I explained this method briefly in the Senate the other day. In short, I showed that for the month of February, if this part-time factor were taken into account, it would amount to the equivalent of an additional 1,204,000 unemployed. Adding this number to the total num-

ber of completely unemployed, we have a figure just short of 6.4 million.

This, I submit, is a much truer figure of the extent of unemployment than the figures for the completely unemployed alone.

TRUE PERCENTAGE OF UNEMPLOYMENT IS 11.2 PERCENT

Of course, we want not only absolute figures, but relative figures, to find the percentage of unemployment out of all employees; and to get this we need to have a denominator which we can apply to the numerator of 6,400,000.

Frequently what is used is the total working force of approximately 67 million persons. But this is obviously in error, because there are a little more than 10 million persons who are self-employed, such as farmers who own their farms, or are tenant farmers, and those who are conducting a business enterprise under their own direction. Similarly, large numbers are independent shopkeepers, and considerable numbers are independent professional men, carrying out work on their own.

Those people cannot become unemployed. A depression does not throw them out of work. They own their jobs, so to speak. What a depression or recession does to them is to decrease their incomes, but they are not in the group which could become unemployed.

Therefore, if we want an accurate denominator to measure the extent of unemployment, we should take not the total working force, but the working force minus the self-employed, and those in the immediate families of the self-employed who are working in the family establishments.

Deducting the 10 million in these groups leaves us 57 million who either are employed at wage or salaried labor, or are seeking wage or salaried labor.

It is this figure of 57 million which should be used as the denominator in computing the percentage of unemployment. When this is done, if we divide 6.4 million by 57 million, the percentage becomes 11.2; or one-ninth of the total working time of all employees of the country is lost because of involuntary unemployment—and I stress the word "involuntary."

This, I think, is a very serious situation. It cannot be laughed off. The Congress, the country, and the administration should give it the most serious attention.

HOPED-FOR SEASONAL UPTURN IN EMPLOYMENT HAS NOT OCCURRED

I know that there have been many hopes that March might bring a revival, and that business might improve. Certainly that is the wish of the Senator from Illinois. No one wishes that more devoutly or more strongly than I.

It is important, however, to see the degree to which such hopes are actually being fulfilled.

Of course, in the normal year we have a seasonal pickup in employment and a decline in unemployment between February and March, because the weather usually becomes warmer at this time of year, with the result that building construction picks up, outside work increases, people begin buying more automobiles, and so forth. So normally we would expect an increase in employment and a decrease in unemployment to the extent of approximately a quarter of a million persons.

I am sorry that the figures which we have thus far do not indicate any such pickup. Yesterday I placed in the RECORD the figures on insured unemployment for the week of February 22. By insured unemployment, I mean people in the occupations covered by unemployment insurance laws, including State unemployment insurance laws, the Federal employees unemployment insurance law, veterans' unemployment insurance laws, and railroad unemployment insurance laws. The latter two items are frequently omitted.

The combined figure of insured unemployment for February 22 was 3,478,600, or an increase of 141,000 over the preceding week. In other words, unemployment increased in the first week after February 15 in the insured occupations by 141,000.

As I have pointed out on numerous occasions, throughout most of this winter the insured unemployed have generally formed approximately 63 percent of the total unemployed. If this ratio were to continue, it would mean an increase of approximately 224,000 unemployed in all occupations between February 15 and 22.

I now have some incomplete figures for the week ending March 1. They are not final figures, but they have been pieced out from the official reports based on the figures of various State services, and I think I can make a fairly good estimate.

For example, I find that insured railway unemployment, which has run at 137,000 for some weeks, went up to 145,000 for the week ending March 1.

Insured unemployment of veterans went up by a little more than 2,000. I wish to make an estimate that the increase in insured unemployment under the State and Federal employee acts will amount to approximately 15,000.

My own estimate is that the total number of insured unemployed for the week ending March 1 was somewhere between 3,500,000 and 3,505,000. This is an increase in insured unemployment of between 163,000 and 168,000 over the figures for 2 weeks before, that is in the middle of February.

Applying this same ratio of 63 percent, we come to a total of somewhere around 260,000 more unemployed on March 1 over the figure for February 15. As a matter of fact, the 63 percent ratio, which I have applied, will probably decrease as a larger and larger number of workers exhaust their claims for standard benefits for the 20 or 26 weeks now given; so that probably the number of insured unemployed will be a smaller and smaller proportion of the total number who are unemployed. However, I do not stress this in the analysis I am now giving.

In other words, during the first half of the month which has elapsed since the middle of February—the figures for which were issued by the Census Bureau on Tuesday—conditions, instead of getting better, have become worse. Somewhere around a quarter of a million additional workers have lost their jobs.

Of course we do not know what has happened in the 13 days which have elapsed since the first of March. It may be that there has been a spring pickup. But that is not at all certain. I have been taking informal straw polls in my State from various sections, and I can report, so far as Illinois is concerned, that we have not had any real pickup since the first of March. Quite the contrary.

Therefore it looks somewhat dubious as to whether the March 15 figures will show any decrease in unemployment over the February 15 figures.

Normally we would expect an increase in employment of 250,000 or so. If merely the decline up to the first of March is maintained without any net change after that date, instead of getting an increase of 250,000 in employment, we shall get a decrease of 250,000.

What I am trying to say is that the situation, far from becoming less serious, is becoming more serious since the date for which the Census Bureau issued its release 2 days ago, on Tuesday.

DEEPER ECONOMIC DECLINE WOULD CAUSE SEVERE HARDSHIP

This is therefore a subject to which we must pay some immediate attention. I go on the assumption that the worst thing that could happen to this country would be to have a severe depression. Probably the majority of the American people who are now living do not remember the great depression which lasted from 1929 to 1933, and which indeed was not fully conquered in the thirties. That was an experience which virtually tore this country apart and which, if we had not had the great reforms of the thirties, might have led to convulsive changes in our whole economic and political system.

It was a period in which millions—yes, perhaps even tens of millions—of families suffered deprivation. It was a period in which the great masses of Americans suffered tremendous physical and psychological pain and loss. The worst thing that could happen to this country would be for anything approaching that to occur once again.

REFORMS OF 1930'S ARE IMPORTANT STABILIZERS

I may say that I do not expect things to go down as far as they went then, because the administration of my party during the 1930's and under the leadership of President Roosevelt put in a great many reforms which I believe have not only tremendously improved the condition of the people, but which will also serve to lessen economic declines, and which can serve as so-called built-in stabilizers.

Unemployment insurance was the most important of these. I can remember speaking for unemployment insurance in towns in Illinois in the twenties when many of the manufacturers associations tried to drive me out of the communities. Finally that system came into being. Now it is accepted, at least in theory, as a good measure.

Another great stabilizer has been the insurance of bank accounts, first up to $5,000 and now up to $10,000, which should, although not wholly, at least largely prevent runs on banks.

Still another was the Securities and Exchange Act, and the granting of power to fix margin requirements on stocks, so that the margins have been higher and the danger of distress selling of stocks has been reduced.

Of course there are many other things, such as the protection against the foreclosure of mortgages and protection of farm prices, and so on.

Therefore I wish it understood that I am not predicting that we are going to go through a 1929–33 experience again. A great many people say, "Well, we may go down, but we will come up again." Yes, we will come up again, but the question is how far will we go down, and how long will we stay there?

OTHER DANGERS OF A FURTHER DECLINE

What I am trying to point out is that we could go down appreciably more and stay down for a time, and if that happens the damage to the American people will be incalculable.

In addition to that, we must consider the foreign economic and political position of the United States. The worst blow that we could suffer in our struggle against Soviet Russia or Communist imperialism would be a high ratio of unemployment in this country. It would be used not only for propaganda purposes against us, but it would also be used to undermine the alliance of the free countries of the Western World with us. Therefore merely from the standpoint of military defense, which I believe to be extremely important, the prevention of a depression and the turning around of a recession, so that we may once again have prosperity quickly, is the primary task of the American public and of their Government.

In addition we know that the economic consequences of such a decline would not be confined to this country, but would be felt throughout the Free World.

We have heard a great deal of talk about the conquest of space. I am interested in the conquest of space. However, it is also important for us to conquer the problems which face us on earth, and not to have our eyes so taken up with things celestial that they do not see the importance of things terrestrial.

For all these reasons, therefore, I argue that at all costs we should act to avoid a depression.

DANGER OF CUMULATIVE FORCES WHICH MIGHT BRING DEPRESSION MUST BE HALTED

The danger is that the impetuous forces within the economy may have reached such a dangerous point that they will snowball and accumulate.

The other day I spoke in the Senate of the experience which I had as a boy up the Maine woods when I went up close to the Canadian border to fight a forest fire. I said that I learned more about economics in fighting that forest fire than I learned in any other way. Those Senators who have fought a forest fire or who have watched a forest fire know how it behaves. The fire starts. The immediate atmosphere is heated by the fire. The hot air rises. That is characteristic of all hot air. Some people believe it is characteristic also of oratorical hot air. The rising of the hot air creates a vacuum, into which the cold air moves. The cold air moving in creates a wind. The wind then fans the flames, which create more hot air, which creates more wind, which creates more fire, which creates more hot air, and so on.

In that way, what starts as a very small blaze may wind up as a terrible conflagration. I shall never forget fighting that fire. I believe I fought it for 4 days and 4 nights. I saw it grow with every day, almost with every hour. I felt in the grip of impetuous forces which seemingly were beyond human control.

I think human history is something like that. I think that if we examine the development of human history since 1914 and see how much was latent in that pistol shot at Sarajevo, we will see it was a potent and explosive force. The full effects of it have not even yet developed.

In history thus we see the movement of powerful and impetuous forces. In economic life we can observe the same.

When a recession starts and gathers ground, the purchasing power of the people is decreased. Workers are laid off and buy less at the stores. The stores order less from the factories. The factories lay off workers, who buy less from the stores, which buy less from the factories, which lay off more workers. That is one cumulative force.

But there are other cumulative forces of a different and greater degree. For example, if the demand for consumer goods decreases then businesses say to one another, "We have idle plant; we have idle equipment. Why should we build new factories? Why should we buy new machine tools? Why should we put in new equipment?"

So the demand for and the production of so-called capital goods falls off and indeed falls off, invariably, at a greater rate than the percentage by which the demand for consumer goods decreases. That is precisely what is happening in the present situation.

DECLINE IS PREDICTED IN PLANT AND EQUIPMENT EXPENDITURES

I have some figures about what has been happening to expectations of investment. Just released by the Department of Commerce and Securities and Exchange Commission, these figures are now appearing in Friday morning papers on the newsstands. They indicate that as of the present time businesses expect to invest approximately 13 percent less than they did last year. This is interesting, because at the end of last year the decline in their expectations was only 6 percent.

So in the space of a few months the expectation of capital investment has gone down from a decrease of only 6 percent to a decrease of at least 13 percent below last year's figures. If conditions do not improve, the decrease will be even more than that.

There are various other forms of instability within the economic system which a serious recession may touch off. Therefore, what should be done is to prevent these impetuous forces from operating, to prevent the decline from going further, and to reverse the process of breakdown so that we may get the economy back on its feet.

ACTION NOW MAY AVERT NECESSITY OF MORE EXTENSIVE ACTION LATER

In this connection, I should say that a small degree of aid now will be more effective than a large degree of aid later, if conditions then are worse. There is an old maxim that an ounce of prevention is worth a pound of cure. Similarly, it is true that a pound of prevention in the early stages of a serious recession is worth a ton of cure later.

If we postpone effective prevention and do not act, as the present policy of the administration seems to be, we are likely to wake up in April or May and find that it is too late to avoid much more drastic action; that the impetuous forces may have gathered ground to such an extent that to reverse the trend will take a much larger expenditure than if we act now.

So serious is the situation that, in my judgment, it is better to act, even though if one does act, one may do too much, rather than not to act at all now, and then to act too late, and possibly on a scale that is too little.

I know that an experienced military commander does not commit all his reserves at the inital attack of an opponent. He knows that the opposing force probably follows the tactics of a feint, of a diversionary attack, to be followed with the main pressure attack at a later and at another point. Therefore, a military commander is likely to wait until the point of the main assault is clear.

But this is a very faulty analogy to use in dealing with economic affairs. A military commander generally knows what the forces of his opponent are. He can tell pretty well how much of the opponent's forces are being committed in a particular attack. But in the case of a business recession one does not know the degree to which the impetuous forces can swing the economy off balance and carry it down sharply to lower and lower levels. So I suggest that the military analogy, which may influence the present distinguished occupant of the White House, is a very poor one to use in dealing with economic matters.

TAX CUT IS QUICKEST AND MOST EFFECTIVE ACTION TO HALT RECESSION

Suppose we grant that something should be done to prevent the recession from gathering ground. The next question is, What should we do?

I submit that a tax cut is the quickest and the most effective action that can be taken. It will operate immediately. Its effects do not have to be postponed. This is the great advantage it has over the suggested program of public works, which many persons are advocating as a superior and better way of dealing with the recession than a tax cut.

Many very reputable authorities are advocating public works instead of a tax cut. One of them is Professor Galbraith, of Harvard. His argument is given in the New York Times this morning. My reply is given in an adjoining column.

Mr. President, I ask unanimous consent that these two views, as published in the New York Times of this morning, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD.

[From the New York Times of March 13, 1958]

A TAX CUT VERSUS PUBLIC WORKS: EXPERTS GIVE OPPOSING VIEWS—SENATOR DOUGLAS BACKS SLASH IN LEVY, PROFESSOR GALBRAITH URGES WIDER UNITED STATES SPENDING IN RECESSION

(WASHINGTON, March 12.—Tax cut or public works—which is the better way of halting the recession? Senator PAUL H. DOUGLAS, Democrat of Illinois, an economist in his own right, is one of the leading advocates of a tax cut. Prof. John Kenneth Galbraith, a Harvard economist, favors public works. Senator DOUGLAS gave his views in a minority report to the report of the Congressional Joint Economic Committee in February. Professor Galbraith presented his arguments earlier at the committee's hearings. Following are excerpts from their remarks:)

SENATOR PAUL H. DOUGLAS

The quickest and most effective way to act is by means of a tax cut for lower and middle-income groups, i. e., those groups which tend to spend almost all of their income.

Such a tax cut would be fed into the economy almost immediately; it would stimulate demand for goods and services; afford the best hope for stopping the current economic recession, and help to start an economic upturn. The increase in the demand for consumers' goods should also stimulate the demand for, and investment in, capital goods.

Specifically, I would propose that we either raise the personal exemption from $600 to $700, or tax the first $1,000 of taxable income at 15 percent rather than 20 percent. Either of these proposals could go into effect immediately and could be made retroactive to January 1, 1958.

Loss could be recouped

Further, such a cut should expire on January 1, 1959, so that if the recession is stopped, the loss of revenue—which is proper in a recession—could be recouped during a prosperous period. Such a tax cut would pump some $3 billion per year into the economy. This would take effect currently and immediately.

In addition, I propose that the excise taxes on consumer durables, such as radios, television sets, refrigerators, air conditioners, gas and oil appliances, luggage, handbags, wallets, etc., be repealed; that the excise taxes on the transportation of property and persons and on communications be cut in half; and, if the automobile industry will agree to pass along such a cut in lowered prices, a 50-percent reduction in the manufacturer's excise tax on passenger automobiles.

Both the personal income and excise cuts could become effective almost immediately. They would show up in the weekly paychecks of individuals within a week or two following Congressional passage, and they would bring a reduction in the prices of consumer durables for which the demand has declined.

While I am certainly not opposed to the expansion of needed public works in periods of economic recessions, I do not have the same faith as my colleagues in their ability to help matters quickly.

THREE REASONS CITED

There are three principal reasons. First, public works are too slow. Except for possible psychological effects, major projects would be very slow in actually being started. Plans must be made, land bought, contracts bid for, etc. Therefore, even at best it would be many months before most of these projects could actually influence the course of the recession.

Second, even those projects which can begin early will not necessarily be in the localities where the major portion of the unemployment exists. Navigation and flood-control projects on our major and minor rivers, and reclamation projects in the scantily populated areas of the West are not calculated to provide jobs for unemployed workers in the automobile, steel and the fabrication industries in our industrial centers.

Third, even if taken off the shelf quickly, and even if built in the right localities, public works generally do not directly employ those who have lost industrial jobs.

I favor, in this period, an expansion of needed public works. I would put schools and hospitals along with slum clearance and housing for low- and middle-income groups at the top of the list of priorities.

SWIFT ACTION URGED

Nevertheless, public works cannot be relied upon to give the economy the immediate stimulus it needs to change the direction in which economic forces are moving, but they should be provided at an appropriate time so that men will not be forced to be permanently unemployed if we experience a cumulative breakdown in the economy.

In summation, what we need is an immediate tax cut for lower and middle-income groups in order to increase demand and purchasing power. At the same time, we should increase unemployment benefits for those out of work, for a personal tax cut will not be received by them directly; for, if they have no income, they pay no taxes. However, they would benefit immediately from the excise cuts on the goods they buy.

Therefore, an increase in unemployment benefits to approximately half of the average wage as opposed to the one-third which is now the case, and an extension of time for receiving unemployment benefits by an additional 13 weeks, are both needed. Further, we should start processing needed public-works projects so that, if a tax cut fails, these men will have jobs to go to.

PROFESSOR GALBRAITH

In the present situation, there is a good deal to be said on the choice between lowering taxes and increasing public outlays. And the choice is very strongly in favor of the latter.

Tax reduction, as we all recognize, is a rather irrevocable step. Once taxes are reduced, it will be difficult to raise them again. Should the present recession prove temporary, we would want to have them back and fairly promptly. We can't have a deficit in both depression and boom. Life is not yet that wonderful.

There are other reasons for favoring an increase in expenditures. These have the initial effect of providing jobs and income to men who are now unemployed or would become so. Personal-tax reduction has the initial effect of providing added income to individuals who already have jobs and incomes and for that reason are taxpayers.

Thus, both on grounds of equity and fiscal effect, there is much to be said for the first.

Rebate held drawback

Any talk of tax reduction will bring forward many claimants for attention and with many claims—good, bad, or merely self-serving. They will argue colorfully for the favorable effect of tax relief on their own investment, purchasing power, or morale. The inevitability of debate over who should benefit from any tax reduction is another reason for avoiding this remedy.

But the most important reason for favoring an increase in civilian public outlays as the principal protective device is that we now have so many things that need doing.

Let me explain why I confine the reference to civilian outlays. It is because military outlays should be established wholly by need and not at all by fiscal considerations. This is an ironclad rule.

To adjust military spending to the fiscal needs of the economy is both reckless and immoral. It is reckless because it means that such expenditures will then be cut, regardless of urgency, whenever inflation threatens. And it is immoral because it means that outlays for these instruments of death would be increased regardless of need when there was unemployment and idle capacity.

Arms and the economy

There has already in these last few weeks been far too much ill-considered talk about defense expenditures as the new form of pump priming.

I don't suppose there is any aspect of Communist propaganda that has so much headway as the conviction in some way that the American economy is dependent on arms expenditures. It is a charge that we should most scrupulously and honestly avoid.

On the urgency of innumerable civilian requirements, I need not dwell.

Schools and aid to education; research support and facilities; health facilities, urban rental housing, urban redevelopment, resource development, metropolitan communications are all deficient or lagging.

It would surely be a mistake to talk of tax reduction to make jobs when so many of our schools are dirty, run down, overcrowded, understaffed, on double shifts, or scheduled to become inadequate when the next increase in the school population hits them.

Trouble in suburbs

Obviously, we should first make jobs building the schools. If any taxpayer needs help, incidentally, it is the hard-pressed local property taxpayer in the new suburb.

Now this Federal tax reduction, as an alternative to help on schools and other facilities, means a continued squeeze on this man.

To support the economy by getting ahead with these urgently needed public activities is by no means the easiest course.

The Employment Act places the responsibility for offering a plan on the Executive, and there it belongs. As and when business picks up, the administration will be right in stretching out and tapering off expenditures. In so doing, it will be entitled to the support of those who now urge action.

PUBLIC WORKS ARE DESIRABLE, BUT MUCH LESS EFFECTIVE TO HALT THE RECESSION

Mr. DOUGLAS. Mr. President, let me make it clear that I am not against public works as such. I have a great interest in clearing the slums of our cities. The slums are one of the worst disgraces of our civilization. I feel very keenly the need for better housing for the lower and middle-income groups of the Nation. I believe the housing industry is running out of customers in the upper income groups. I think we need better school buildings, and more hospitals, and that we need to move along with the highway program. I wish to make it clear that I am not against any of these things; in fact, I am for them. I merely say that as antirecession devices, they are far too slow.

In the first place, in many cases the engineering plans are not finally drawn. In some cases they are; but in many cases they are not. In the cases where they are not drawn, it will take time to draw the plans. Then the land must be acquired in nearly all cases. This is not so simple a move as the advocates of public works sometimes assume. Frequently, it takes much time to acquire the necessary land.

Then the contracts have to be let. This involves a process of competitive bidding, with the various possible contractors each given an adequate chance to bid. Then follows the presentation of the bids, the opening of the bids, and the awarding of the contracts.

When the contracts are awarded, it is necessary for the contractors to assemble the material and the labor, which cannot be done in advance when they do not know whether or not they will get the contracts.

So a very large amount of time is necessarily involved between passing a public-works program on paper in Congress and getting the work under way out in the country. During that time there is no additional monetary purchasing power being drawn into the gap, and the economy can slide still further downhill.

For instance, the suggested increase in the roadbuilding program, which the President has submitted, is not supposed to start until the next fiscal year, or almost 4 months from now. It will be still further delayed in practice.

The second difficulty with public works is that very often they are not built in the right place to absorb the unemployed. The unemployed primarily exist in the great industrial centers—in Pittsburgh, in Detroit, in Chicago, in industrial New England, in the region around the Great Lakes, and in the Pacific Northwest also, it is true.

The public works which I have seen suggested are not slum-clearance works for the cities or rehousing for the cities or schools or hospitals. The projects which I have seen suggested are primarily reclamation projects and rivers-and-harbors projects, to be carried out in the great open spaces, where there are not many unemployed persons. An unemployed automobile worker in Detroit certainly would not be given direct employment by a river-and-harbor development on the Upper Colorado River. The proposals are for projects and for types of labor for which most of the unemployed would not qualify.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DOUGLAS. I am glad to yield.

Mr. CARROLL. I wish to say to the distinguished Senator from Illinois that this morning I read in the New York Times a statement by my very good friend, Prof. Kenneth Galbraith, and also, in the adjoining column, the statement by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. I hope the Senator from Colorado was convinced by my remarks rather than by those of Professor Galbraith.

Mr. CARROLL. Mr. President, I come from the West where there are numerous great reclamation projects.

Also I have voted for the public works program.

I have served with the distinguished Senator from New Mexico and the distinguished Senator from Oklahoma on the Interior and Public Works Committees.

I voted for the rivers and harbors public works authorization bill at a time when many Members of this body declined to support it.

But it now seems to me that I am compelled, because of the logic and the persuasive reasoning of the distinguished Senator from Illinois, and also the exchange between himself and Professor Galbraith—which to me is conclusive—to endorse the view taken by the distinguished Senator from Illinois, however desirable may be the public works and the reclamation projects. Certainly I will continue to fight for them. On the other hand, if action is to be taken in this depressed economic situation, we must provide that it be taken immediately and with tax cuts.

An editorial of the New York Times of the same date also points out that the tax-reduction program was a major factor in bringing us out of the recession of 1953–54.

Mr. DOUGLAS. We can also learn about the ineffectiveness of public works to halt a recession by our experience during the depression. My good friend, Harold Ickes, was then Administrator of Public Works. But it was found that it took so long to get public works underway, that they were inadequate as recovery measures.

Mr. CARROLL. As I recall, in 1937–1938, notwithstanding the WPA and the PWA and all the other pump-priming programs, there was an economic recession.

Mr. DOUGLAS. That is correct. Of course, business had been allowed to lose a great deal of ground between 1929 and 1933.

Mr. CARROLL. That is true.

Mr. DOUGLAS. That was the primary cause.

But it is true that the public works programs, as a means of economic recovery, were altogether too slow.

As I have said, I was a personal friend and a political associate of Mr. Ickes. His integrity was beyond reproach. But try as he did, that program did not give employment to many persons and did not result in the amount of economic recovery which originally had been hoped would be obtained by that means.

Mr. CARROLL. It should also be pointed out that in the 1932–1933 period, the national income was about $40 billion. At this time there were about 14 million of the American people unemployed. So a tax cut at that time would not really have helped very much, because so many of the American people had no earnings.

On the other hand, in the present situation I believe a quick tax cut of an equitable nature, such as proposed here today, will stimulate purchasing power at many different levels in the economy.

Mr. DOUGLAS. I thank the Senator from Colorado, and I appreciate his statement on this point—namely, that despite the fact that he comes from one of the great Rocky Mountain States, he puts the economic recovery of the whole Nation first.

Mr. CARROLL. Our part of the country has not yet suffered from the recession in the same degree as the heavy industrial areas of the Nation. However, as I have said to the people of my State, notwithstanding that fact, eventually our State will be affected. We are inevitably caught in the undertow of a recession. So I believe we must pay attention to conditions in the areas of the Nation that are suffering right now from a depression, and we must take action now to curb that depression.

Mr. DOUGLAS. I thank the Senator from Colorado.

Mr. McNAMARA. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DOUGLAS. I yield.

Mr. McNAMARA. I wish to congratulate the Senator from Illinois for the excellent job he has done and for the amount of time and intelligent work he has devoted to the amendment he now has before the Senate.

I can disagree with him on only one point—and I believe I have stated it to him privately. I am reluctant to go along with what would amount to only a $50 increase in the personal exemption. I have been committed, both publicly and privately, to a greater increase in the personal exemption.

I question the benefit which would be derived from a $50 increase in the personal exemption; I do not think that would meet the need of the times.

I have been favoring an increase in the personal exemption from $600 to $800—or a $200 increase. I believe that would be of substantial assistance to the economy.

I suppose I shall vote for the amendment of the Senator from Illinois, but I hope he will consider somewhere along the line, accepting an amendment, which will increase that figure substantially.

Mr. DOUGLAS. Mr. President, I may say to my dear friend, the Senator from Michigan, that his proposal to increase the personal exemption from $600 to $800 for each dependent would amount to a tax cut of approximately $6 billion, in total.

Mr. McNAMARA. That is correct.

Mr. DOUGLAS. I am proposing a tax cut which will amount in the aggregate to almost that much; it will amount to $5,200,000,000, but will be divided as follows: $3 billion on the income tax; $2,200,000,000 on the excise taxes, including a reduction by one-half of those on the automotive industry, with which I am sure the Senator from Michigan is deeply concerned.

Mr. McNAMARA. Mr. President, in the light of the statement the Senator from Illinois has made at this time—and I recognize that he is a noted economist and a great authority in this field—he has persuaded me that the increase in personal exemption he proposes is only about half of the increase which should be made.

Under the circumstances, I would be willing to propose an increase of $100, rather than $200, in the personal exemption; perhaps we can work out such a compromise.

Mr. DOUGLAS. Mr. President, I welcome the support of the Senator from Michigan.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The colloquy has been very interesting, Mr. President.

I desire to state that the Antimonopoly Subcommittee has been making its usual investigations of the monopoly control of the Nation. We have had to do with General Motor Corp., the Ford Motor Co., and Chrysler Corp.

I believe I had not fully comprehended the effect of the proposed tax cut on the automotive industry until today I began an investigation to determine the extent of the excise-tax cut proposed to be given the automobile industry.

If my information is correct—but perhaps I shall not venture to make an assertion on this point until I inquire further of the Senator from Illinois.

Let us assume that a manufacturer's price for an automobile is $2,500. Let us assume that the automobile is shipped from Detroit to Denver, Colo. I should like to know what the tax cut the Senator from Illinois proposes would mean to the dealer in Denver.

Mr. DOUGLAS. The present tax is 10 percent; that is paid by the manufacturer to the Government. In other words, the tax a manufacturer normally would pay would be $250.

I am proposing that the tax be reduced to 5 percent. In the case to which the Senator from Colorado has referred, such a reduction would mean that the tax would be $125 less.

We have had a pledge—and I refused to propose this amendment to the tax bill until we received that pledge—from all the major automobile manufacturers—namely that they would pass on this reduction; and in the last 2 days I have placed in the CONGRESSIONAL RECORD telegrams I have received from all of them. In those telegrams they have agreed to pass on to the dealers this reduction.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I think this point is most important. If my memory serves me correctly, Dr. Yntema, of the Ford Motor Company, stated that about 1,000 employees of that company are engaged in the pricing mechanism. Therefore, let us assume that the manufacturer's price to the dealer is $2,500.

Included within that price are income taxes and excise taxes. That would mean, therefore, when the manufacturer sold that car to the dealer, it would be at what price? Two thousand three hundred and seventy-five dollars, a reduction of $125.

Mr. DOUGLAS. That is correct.

Mr. CARROLL. I hope this does not prejudice the proposal of the distinguished Senator, but that is even more than Walter Reuther has recommended as a reduction. I am happy to have received this information from the Senator from Illinois. Did the distinguished Senator from Illinois say that all the automotive industries made that agreement?

Mr. DOUGLAS. All four of the major automobile manufacturers have agreed to pass on the tax cut to their distributors. All four have agreed they will encourage their distributors to pass the tax cut on to the dealers. The National Association of Automobile Dealers has announced that it is their policy to have their members pass the price cut on to the consumers. Of course, the National Association of Automobile Dealers cannot legally bind their individual members, but the association has stated that all moral pressure will be used to do so; and the buyers will know of it, and will be sure to hold the dealers to that performance.

The Senator from Michigan [Mr. MCNAMARA] has pointed out repeatedly to me, and I have also included a provision to that effect in the amendment, that automobiles which are sold between March 1 and the time the bill goes into effect should also have the benefit of the tax rebate, so there will be no tendency to discourage sales in the meantime. I want to say the Senator from Michigan has convinced me on this point, and in the revised amendment which was sent to the desk yesterday, and modified tonight, such a provision is included.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. CARROLL. I think the RECORD ought to show that the problem of providing a price decrease to the consumer exists above the dealer level, because when the manufacturer sells an automobile to the dealer, the dealer must put cash on the barrelhead. The dealer buys automobiles for cash, and there is great competition at the dealer level and dealers are forced to hold prices at a competitive level. It was made clear to me, not only from statements I received from automobile dealers in Denver, but also by statements by dealers all over the country, that their profits are tightly limited by competition and by the wholesale price they pay the manufacturer. It is most important that there be a reduced price by manufacturer to the dealer. There is no doubt in my mind, because it was the testimony of the dealers, that by virtue of the administered prices—some persons have been so indelicate as to call them "rigged prices"—fixed by the great three automotive manufacturers, who control 96 percent of the automobile market, the dealers have to pay the prices fixed by the manufacturers. That was the testimony we received from auto dealers in our recent Antitrust Subcommittee hearings. The dealers say the manufacturers have priced them out of the market. The dealers have testified that when a price is fixed, it is not a flexible price, but a rigid one. That is why this auto-tax reduction provision in this tax-cut amendment is a wise one. It reduces the price of an auto at the point that counts—the manufacturer's end.

If I may take 1 or 2 more minutes to emphasize my point, prices are high and consumers are not buying cars and dealers are not ordering cars, the automobile manufacturers begin to lay off employees. There are now almost 200,000 persons unemployed in the automotive trades.

Mr. MCNAMARA. In Detroit alone.

Mr. CARROLL. Plus unemployed in other automotive areas.

The evidence in the hearings disclosed that when automobile manufacturers begin to shut down production and layoffs of employees begin, the effect is felt in the steel industry, the rubber industry, the textile industry, the glass industry, and by all the great suppliers of automobile manufacturers.

We received testimony in the antitrust committee to the effect that General Motors has 18,000 suppliers. All of these suppliers are hit hard once the public stops buying because prices are too high.

One of the most important purposes of this tax-cut proposal is to stimulate sales.

We know that under our administered price economic system, which defies the law of supply and demand—the manufacturers are not going to cut their prices.

We have got to stimulate sales in some other way. What we propose here today will be a way of stimulating sales in spite of the manufacturers.

The manufacturers ought to decrease prices, but they are not going to. Standing alone, by itself, I say this amendment is worth the gamble.

Mr. DOUGLAS. I thank the Senator.

Mr. MCNAMARA. Mr. President, will the Senator yield briefly for a question?

Mr. DOUGLAS. Yes.

Mr. MCNAMARA. A few days ago we had a discussion of how much such a proposal would reduce the prices of cars. I think the general public has a general idea that it will be 10 percent, or 5 percent, depending on what the ultimate figure we finally adopt will be.

Mr. DOUGLAS. Of the retail price?

Mr. MCNAMARA. Yes. From the figures the Senator from Illinois has quoted, that impression is not correct, but the reduction would amount to 10 percent of the manufacturer's price.

Mr. DOUGLAS. To the dealer.

Mr. MCNAMARA. Which would amount to approximately 7.3 percent of the retail cost of the car, and not 10 percent, if my figures are correct. I think we ought to make the RECORD clear on that point.

Mr. DOUGLAS. I think the Senator from Michigan is completely correct if the 10 percent excise were wholly repealed. If it is merely reduced to 5 percent as our amendment proposes, the cut in the retail price would, of course, be a somewhat lower percentage.

Mr. CARROLL. Mr. President, will the Senator yield for one point?

Mr. DOUGLAS. Yes.

Mr. CARROLL. It was brought out in testimony before the Antitrust Committee that dealers have to put cash on the barrelhead for automobiles, and that their markup is very small in some instances.

Competition is very keen, the dealers told us, because the three great automobile manufacturing giants have priced buyers out of the market.

The dealers are, in many instances, making $50 or $100 on a car.

They believe if the retail price of a car can be brought down it will stimulate consumer interest again, and will enable them to reduce the principal on notes they have had to carry.

While those notes would be for the same period, the payments would be reduced.

This tax-cut proposal may prove to be a great psychological factor in stimulating our declining economy.

Mr. DOUGLAS. The Senator from Colorado is correct.

IMPROVEMENTS IN UNEMPLOYMENT COMPENSATION ARE ALSO NEEDED

May I say, just as I am not opposed to public works, so am I strongly in favor of liberalized unemployment compensation. The Kennedy-McNamara-McCarthy bill is a "must" bill for us to pass in order to increase benefits for those out of work.

I drafted many of the early unemployment insurance laws. It was our intention in the beginning to make the scale of benefits equal to one-half the wages. The scale of benefits, however, has been severely limited by maximum amounts that can be paid under present State laws and by the limited duration of payments. So for the period benefits are paid, they generally do not exceed one-third of the going wage. The Kennedy-McNamara-McCarthy bill will raise the benefits to at least one-half the wage paid, and will extend the duration of the benefits.

I wish to say I think it is one of the first measures the Senate Finance Committee should take up. The proposal for a tax cut, therefore, is not a rival, in any sense, of a bill providing liberalized unemployment compensation benefits, but is intended to supplement it.

Mr. CARROLL. Mr. President, will the Senator yield for a point?

Mr. DOUGLAS. Yes.

Mr. CARROLL. Going back again to what Professor Galbraith said, I quote him as follows:

> Tax reduction, as we all recognize, is a rather irrevocable step. Once taxes are reduced, it will be difficult to raise them again. Should the present recession prove temporary, we would want to have them back and fairly promptly.

Is there not a time limitation provided in the proposed amendment?

Mr. DOUGLAS. Yes. I am glad the Senator has made that point. So far as reduction in the income tax which I have proposed is concerned, the reduction will end on the 31st of December 1958, unless specifically renewed. In other words, the income tax reduction would be effective only for the calendar year.

If the recession is over by then, as we hope it will be, then the previous income tax rates will go into effect. So I cannot understand the objection of Mr. Galbraith. He must not have known the proposal which I was making.

Mr. CARROLL. I thank the Senator.

AMENDMENT WILL INCREASE PURCHASING POWER AT ONCE

Mr. DOUGLAS. Mr. President, I think we have already developed the fact that the plan which is proposed would stimulate consumption. It provides for a reduction from 20 to 15 percent on the first $1,000 of taxable income, or a reduction of $50 per taxpayer. Since there are approximately 60 million taxpayers, this item of the bill will call for a reduction in total income tax payments of approximately $3 billion a year.

That is the first part of the proposal, the part which will take effect immediately. The withholding tax will be diminished by that amount, which is approximately $1 a week for each taxpayer, which will increase the purchasing power flowing into the pockets of the people immediately.

Furthermore, the tax reduction will be retroactive to the 1st of January 1958, to be paid at the end of the year, and the prospect of the refund will stimulate purchasing in the meantime. Therefore, this is a measure which on the income tax side will immediately result in increased purchasing power.

REPEAL AND REDUCTIONS IN EXCISE TAXES WILL ALSO HAVE STIMULATING EFFECT

There is also provided a repeal or a reduction of most excise taxes on consumer durable goods, transportation, autos, and communications.

Mr. President, I ask unanimous consent that a table relating to the excise tax cuts covered by the amendment be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD.

Excise provisions of Douglas tax-cut amendment

Item	Present rate	How collected at present	New proposed rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	*Million*
1. Retailer's excise:				
Sec. 4001: Watches and clocks below $100	10 percent of selling price	Paid by consumer to retailer	0	[1] $10.0
Sec. 4021: Toilet preparations	10 percent	Retailer	0	102.0
Sec. 4031: Luggage, handbags, wallets, etc	do	do	0	60.0
2. Manufacturer's excises:				
Sec. 4061 (a) (2): Passenger automobiles	10 percent (permanent rate 7 percent).	Paid by manufacturer to Government	5	800.0
Sec. 4061 (b): Auto parts and accessories (includes parts for trucks).	8 percent (permanent rate 5 percent).	do	4	57.0
Sec. 4111:				
1. Refrigeration equipment, household type	5 percent	Paid by manufacturer	0	44.0
2. Air-conditioners	10 percent	do	0	
Sec. 4121: Electrical, gas, and oil appliances	5 percent	do	0	75.0
Sec. 4131: Light bulbs	10 percent	do	0	28.0
Sec. 4141: Radio and TV, phonographs, etc	do	do	0	179.0
Sec. 4151: Musical instruments	do	do	0	
Sec. 4161: Sporting goods (except fishing equipment)	do	do	0	10.0
Sec. 4171:				
1. Cameras and films	do	do	0	22.0
2. Projectors, still and motion, of household type	5 percent	do	0	
Sec. 4181: Pistols and revolvers	10 percent	do	0	2.0
Sec. 4191: Business machines	do	do	0	93.0
Sec. 4201: Mechanical lighters, pencils, fountain and ball-point pens.	do	do	0	10.0
Sec. 4211: Matches:				
1. Plain	2 cents per 1,000 but not more than 10 percent.	do	0	6.0
2. Fancy	5½ cents per 1,000	do	0	
3. Facilities and services:				
Sec. 4231 (1-6): Admissions of all kinds including musicians cabaret.	Various (20 percent cabaret)	Paid by person paying admission; collected from proprietors.	0	100.0
Communications:				
Sec. 4251:				
1. Tel and Tel, leased wires, etc	10 percent	Imposed on person paying for facility	5	330.0
2. Local telephone	do	do	5	
3. Wire and equipment service	5 percent	do	4	
Transportation:				
Sec. 4261: Persons	10 percent	Paid by person making purchase; collected by transportation company.	5	107.5
Sec. 4271 (a):				
1. Transportation of property other than coal	3 percent	Paid by person making purchase of transportation.	1½	238.0
2. Transportation of coal	4 cents per ton	do	[2]	
4. Miscellaneous:				
Sec. 4286: Safe-deposit boxes	10 percent	Paid by person paying for use of box	0	6.0
Sec. 4451: Playing cards	13 cents per pack	Manufacturer's excise tax	0	6.9
Sec. 4471: Occupation tax on bowling alleys and tables, other minor provisions.	$20 per year per alley or table	Occupational tax. Paid by person owning or leasing item.	0	1.0

[1] Estimate. [2] 2 cents per ton.

Mr. DOUGLAS. In brief, Mr. President, it is proposed that the present 10 percent tax on watches and clocks of less than $100 value be completely repealed.

The same is true with regard to the 10 percent tax on toilet preparations. Such a tax would be repealed.

The 10 percent tax on luggage, handbags, wallets, and so forth would be repealed.

The 10 percent tax on passenger automobiles would be cut in half.

The 8 percent tax on auto parts and accessories, which includes parts for trucks, would be cut to 4 percent.

The 5 percent tax on refrigeration equipment of the household type, which was reduced by 5 percent in 1954 upon motion of the Senator from Illinois, would be eliminated.

The 10 percent tax on air conditioners would be eliminated.

The 5 percent tax on electrical, gas, and oil appliances would be completely eliminated.

The 10 percent tax presently applied to light bulbs would be eliminated.

The 10 percent tax on radio, TV, phonographs, and so forth, would be eliminated.

The 10 percent tax on musical instruments would be eliminated.

The 10 percent tax on sporting goods, except fishing equipment—that is left in order to provide funds for conservation—would be eliminated.

The 10 percent tax on cameras and films would be eliminated.

The 5 percent tax on projectors would be eliminated.

The 10 percent tax on pistols and revolvers would be eliminated.

The 10 percent tax on business machines would be eliminated.

The 10 percent tax on mechanical lighters, pencils, fountain and ballpoint pens would be eliminated.

The tax on matches would be eliminated.

The admissions tax would be swept away, including the cabaret and musicians' tax.

The 10 percent tax on the use of the telephone and telegraph would be reduced to 5 percent. The taxes on the local telephone calls would be reduced from 10 percent to 5 percent.

The tax on the transportation of persons, which is now 10 percent, would be reduced to 5 percent. That should be a great help to people who have to travel long distances, such as those who travel from the Pacific coast to Eastern States.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. Is there also provided a reduction in the tax on transportation of property?

Mr. DOUGLAS. Yes, the tax on transportation of property other than coal would be reduced from 3 percent to 1½ percent, and the tax on the transportation of coal would be reduced from 4 cents per ton to 2 cents per ton. In other words, the transportation-of-property taxes would be cut in half.

Mr. CARROLL. Such a tax cut would be to the benefit of the railroads, which are in serious difficulty today.

Mr. DOUGLAS. The Senator is correct. There are also provided tax reductions on safety deposit boxes, on playing cards, on bowling alleys, and so forth.

The tax reduction would apply to the floor stocks of the manufactured goods and, in the case of automobiles, to all automobiles manufactured after the first of March.

The total reduction provided in excise taxes would be approximately $2.2 billion.

I think I should make clear, Mr. President, that the reduction in excise taxes—many of which would be wholly repealed—is intended to be permanent. The reduction in excise taxes would not automatically expire at the end of the year, as the income tax cut would. The reason is that I regard these excise taxes as nuisance taxes. It is a good idea to sweep them away completely. They are regressive in nature. They should not have been continued into the postwar period, and I believe they should be eliminated.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. When I was a Member of the other body and served as a member of the Committee on Ways and Means in 1950, we spent 6 months working on excise taxes, in the hope that we could eliminate them. Then along came the Korean war. Through one crisis after another we have continued the excise taxes, which are, in a way, hidden taxes.

Mr. DOUGLAS. The Senator is correct.

Mr. CARROLL. Perhaps we ought to get rid of them and approach the tax problem properly.

Mr. DOUGLAS. I think that is right.

CONTINUING RECESSION WILL DECREASE TAX RECEIPTS BELOW BUDGET ESTIMATES AND INCREASE DEFICIT

Mr. President, I know that very conscientious Members of this body will say that we should not have a tax cut, for it would increase the budget deficit. They will say that we already expect revenue losses, and if the tax cut is heaped on top of the loss in revenue it will create too large a deficit.

I appreciate the sincerity of those who will offer that objection, but I should like to point out that if the recession continues through the middle of the year before there is an upturn in business, instead of being stopped, with business turning up in March, which is this month, there will be a revenue loss because of lower corporate and personal tax liability of approximately $5 billion. In other words, unless economic conditions take a turn for the better, we are going to collect $5 billion less revenue than was anticipated in the budget estimate.

From the sheer standpoint of the budget, therefore, it is important to try to bring national income up. If we bring national income up, there will then be more personal and corporate income taxes, and we may find that either there will be no loss in revenue at all or, what is more likely, that the loss will be in a much smaller amount than the estimate I have made.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield for a question, provided the Senator will take it out of the time on the other side, because I am under a time limitation.

Mr. CAPEHART. Mr. President, I will yield the Senator whatever time is necessary.

Mr. WILLIAMS. Do I correctly understand the theory of the Senator from Illinois to be that if we adopt the proposed tax cut of $5 billion the ultimate revenue which will go to the Treasury Department will be greater than it would otherwise be?

Mr. DOUGLAS. I do not say that such a result would necessarily follow. I say that there is a good chance it might happen, and that certainly if the economy revived such a procedure would increase tax revenues above what they would otherwise be if we were either to continue to slide down the hill or to remain on the present economic level.

Mr. WILLIAMS. My question is this: If by reducing taxes $5 billion the Senator thinks we can increase our revenues to the point where we would have as much income as we would have with the higher taxes, then why should we not reduce taxes by $10 billion, so that we would have a surplus?

Mr. DOUGLAS. The Senator is resorting to a reductio ad absurdum.

Mr. WILLIAMS. I am simply illustrating the point made by the Senator.

Mr. DOUGLAS. All I said was that one of the big causes of the deficit will be the reduced national income. If we can prevent the national income from being reduced to the degree I have mentioned, we can therefore decrease the deficit which would otherwise occur. I do not claim that if we put the plan into effect we would get the same amount of taxes we receive now. I say such action will help ameliorate a decrease which will otherwise occur, and that apparently the full revenue loss will not occur.

I am not trying to sell the Senator from Delaware any patent medicine. I am merely trying to invite to his attention a fact which is at times ignored in discussing such a question of revenue and budget estimates.

Mr. PROXMIRE. Mr. President, will the Senator yield? I appreciate the Senator is operating under a limited amount of time.

Mr. DOUGLAS. That is all right. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I have just received in my office tonight the latest report from the State of Wisconsin as to unemployment. This report relates to the point which the Senator from Illinois was making so brilliantly earlier in his address.

The covered unemployment compensation in Wisconsin, according to the Industrial Commission of Wisconsin, increased between March 1 and March 8 from 59,000 to 68,000.

Wisconsin has been a microcosm of the country. It has about the same proportion of farming, industry, small towns, big towns, and so forth.

The Senator from Illinois made the point earlier that unemployment increased in the first week of March—at least in the early part of March.

The point I make is that in my State, which is so representative, unemployment increased between 15 and 16 percent in the past week. I think this is extremely alarming. I have examined the figures, which are broken down by cities. They are fairly evenly distributed, although there was an alarming increase in Kenosha and Milwaukee. Most of the

cities showed an increase, which emphasizes the point which the Senator from Illinois made so well.

Mr. DOUGLAS. I wonder if the Senator from Wisconsin will be good enough to have that report printed in the RECORD at this point.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the report from the Industrial Commission of Wisconsin, dated March 8, 1958, be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TABLE 59A.1040.—*Unemployment compensation claims filed in Wisconsin—Through 1958 week No. 10 (ending Mar. 8, 1958)*

[Latest week's figures are preliminary]

Period	Week No.	A	B	C	D	E	F	G	H	I	J	K
			Interstate claims		Intrastate claims					Unemployment indicators		
		All unemployment compensation claims filed	Initial (1B–1)	(1B–2) continued	All intrastate claims	Initial		Continued		New cases [1]	Completed weeks of unemployment [2]	
						New	Additional	Waiting period weeks	Compensable weeks		Number of weeks	As percent of average covered employment
1957:												
Weeks Nos. 1 to 52	------	1,358,620	8,204	48,022	1,301,494	126,614	54,312	106,351	1,014,217	189,130	----------	----------
Maximum week	52	44,937	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Minimum week	37	17,837	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Average week	------	26,127	158	941	25,028	2,435	1,044	2,045	19,504	3,637	22,490	2.7
1957 weeks Nos. 1 to 10	------	330,913	1,779	12,245	316,889	32,823	3,831	27,832	252,403	38,433	----------	----------
1958 weeks Nos. 1 to 10	------	567,319	3,165	24,105	540,049	63,336	6,351	43,942	426,420	72,852	----------	----------
Percent change	------	+71.4	+77.9	+96.9	+76.0	+93.0	+65.8	+57.9	+68.9	+89.6	----------	----------
1957 week ending Mar. 9	10	31,246	127	1,279	29,840	2,130	824	1,831	25,055	3,081	----------	----------
1958 week ending Mar. 8	10	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079	14,120	----------	----------
1958 weeks ending—												
Jan. 4	1	50,765	351	2,124	48,290	7,053	0	4,634	36,603	7,404	48,159	5.7
Jan. 11	2	56,529	465	2,093	53,971	7,905	0	5,437	40,629	8,370	46,654	5.5
Jan. 18	3	53,350	312	2,242	50,796	6,110	274	5,456	38,956	6,696	47,063	5.6
Jan. 25	4	52,620	287	2,276	50,057	4,777	493	4,614	40,173	5,557	48,547	5.8
Feb. 1	5	54,546	281	2,384	51,881	5,043	675	3,831	42,282	5,999	49,446	5.9
Feb. 8	6	56,456	370	2,373	53,713	5,826	814	3,930	43,143	7,010	51,345	6.1
Feb. 15	7	57,180	275	2,543	54,362	4,470	1,090	4,582	44,220	5,835	52,707	6.3
Feb. 22	8	58,415	276	2,577	55,562	4,480	952	3,898	46,232	5,708	53,351	6.3
Mar. 1	9	59,351	252	2,709	56,390	4,937	964	3,386	47,103	6,153	53,987	6.4
Mar. 8	10	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079	14,120	----------	----------

[1] "New cases" (col. I) include new and additional claims (cols. B, E, and F) which merely give notice of the start of a period of unemployment as noted below. Some of these "new cases" reflect "partial" unemployment, rather than the start of a layoff period.

A new claim is the 1st claim filed during a calendar year after a job break.

An additional claim is any other 1st claim filed after a job break.

[2] The "completed weeks of unemployment" figure (col. J) approximates the number of claimants unemployed during the given week based on all continued claims (cols. C, G, and H) filed during the immediately following week.

Col. K which represents "covered unemployment as percent of average covered employment" is computed by dividing the "weeks of unemployment" shown in col. J by Wisconsin's average covered employment (840,850) for the 12-month period ended Mar. 31, 1957.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 59.1040.—*Unemployment compensation claims filed, in each Wisconsin employment service district, in 1958 week No. 10 (ending Mar. 8, 1958)*

[Latest week's figures are preliminary]

WSES districts	XXX	XXX	XXX	XXX	A	B	C	D	E [1]	F [2]	G	H
	All unemployment compensation claims					Interstate claims		Intrastate claims				
									Initial		Continued	
	In week 6	In week 7	In week 8	In week 9	In week 10	Initial (1B–1)	Continued (1B–2)	All intrastate claims	New	Additional	Waiting period weeks	Compensable weeks
Entire State	56,456	57,180	58,415	59,351	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079
Appleton	1,853	1,795	1,762	1,577	1,530	4	19	1,507	77	7	51	1,372
Ashland	1,154	1,142	1,158	1,174	1,227	35	187	1,005	77	34	48	845
Eau Claire	3,567	3,551	3,567	3,646	3,535	56	487	2,992	197	62	145	2,588
Fond du Lac	1,343	1,360	1,216	1,365	1,352	1	16	1,335	84	21	80	1,150
Green Bay	3,059	3,088	3,274	3,241	3,408	5	65	3,338	236	119	296	2,687
Janesville	3,290	3,242	3,300	3,438	3,423	37	294	3,092	277	39	272	2,504
Kenosha	1,073	1,128	1,176	1,156	5,339	10	40	5,289	4,267	22	62	938
La Crosse	3,302	3,211	3,288	4,014	3,918	22	179	3,717	165	37	889	2,676
Lancaster	1,184	1,248	1,258	1,259	1,212	13	113	1,086	60	13	47	966
Madison	4,072	4,260	4,368	4,383	4,504	10	81	4,413	255	78	254	3,826
Manitowoc	1,815	1,744	1,662	1,595	1,518	4	22	1,492	75	24	47	1,346
Milwaukee, central	4,168	4,225	4,233	4,547	5,546	32	339	5,175	1,627	36	245	3,267
Milwaukee, north	6,634	6,856	7,322	7,387	8,887	0	0	8,887	1,983	156	471	6,277
Milwaukee, south	6,578	6,773	6,879	6,988	8,193	0	0	8,193	1,520	66	463	6,144
Oshkosh	1,186	1,254	1,185	1,193	1,185	1	16	1,168	54	35	68	1,011
Racine	2,004	2,032	2,095	2,021	2,673	6	43	2,624	839	58	154	1,573
Rhinelander	1,207	1,118	1,145	1,155	1,182	9	73	1,070	84	32	41	913
Sheboygan	1,100	1,086	1,135	1,102	1,016	1	14	1,001	69	32	62	838
Superior	1,498	1,549	1,536	1,549	1,637	41	665	931	81	30	42	778
Watertown	855	878	1,150	902	813	1	4	808	50	16	75	667
Waukesha	2,423	2,455	2,551	2,603	2,761	1	20	2,740	426	66	178	2,070
Wausau	1,631	1,650	1,669	1,588	1,692	2	38	1,652	125	70	87	1,370
Wisconsin Rapids	1,460	1,535	1,486	1,468	1,686	5	69	1,512	107	36	97	1,272
PART-TIME UNEMPLOYMENT COMPENSATION SERVICE (INCLUDED ABOVE WITH DISTRICT SHOWN IN PARENTHESES)												
Beaver Dam (Madison)	573	568	591	596	803	0	0	803	41	5	32	685
Beloit (Janesville)	940	929	1,069	1,101	1,155	27	210	918	75	10	77	756
Marinette (Green Bay)	369	370	346	389	404	0	18	386	26	16	28	306
Neenah (Appleton)	226	202	234	188	212	0	0	212	8	0	13	191
Stevens Point (Wisconsin Rapids)	452	425	434	460	486	1	15	470	44	8	33	385

[1] E. A new claim is the first claim filed during a calendar year after a job break.

[2] F. An additional claim is any other first claim filed after a job break.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 56.271.—*Veterans' UCV claims filed in Wisconsin—(A) In entire State during recent weeks; (B) in each employment service district during latest week, through 1958 week No. 10 ending Mar. 8, 1958*

All unemployment claims (UC, UCV, and UCFE) filed in week specified		Week number, ending	UCV claims (unemployment compensation for veterans)						
			All UCV claims	Interstate UCV claims [1]		Intrastate UCV claims			
				Initial	Continued	Total	Initial		Continued
							New	Additional	
82,291		Week No. 1 (Jan. 4)	1,079	6	26	1,047	112	25	910
58,310		Week No. 2 (Jan. 11)	1,292	12	25	1,255	170	24	1,061
55,185		Week No. 3 (Jan. 18)	1,329	6	37	1,286	121	22	1,143
54,581		Week No. 4 (Jan. 25)	1,468	3	40 (A)	1,425	98	44	1,283
56,608		Week No. 5 (Feb. 1)	1,585	5	37	1,543	131	76	1,336
58,524		Week No. 6 (Feb. 8)	1,643	5	39	1,599	126	34	1,439
59,318		Week No. 7 (Feb. 15)	1,698	2	40	1,656	129	37	1,490
60,579		Week No. 8 (Feb. 22)	1,743	2	28 (A)	1,713	128	53	1,532
61,675		Week No. 9 (Mar. 1)	1,880	3	29	1,848	120	25	1,703
70,546		Week No. 10 (Mar. 8)	1,997	2	31	1,964	130	32	1,802
In week 9	In week 10	DISTRICT OFFICES							
1,640	1,603	Appleton	65	0	0	65	5	0	60
1,303	1,354	Ashland	98	0	0	98	1	1	96
3,839	3,750	Eau Claire	181	0	8	173	14	6	153
1,400	1,395	Fond du Lac	39	0	0	39	1	0	38
3,479	3,681	Green Bay	174	0	2	172	17	6	149
3,509	3,498	Janesville	70	0	0	70	3	1	66
1,194	5,387	Kenosha	45	0	0	45	3	1	41
4,274	4,174	La Crosse	155	2	1	152	12	1	139
1,319	1,266	Lancaster	49	0	1	48	0	1	47
4,528	4,649	Madison	129	0	0	129	10	5	114
1,629	1,550	Manitowoc	28	0	0	28	2	0	26
4,723	5,739	Milwaukee central	150	0	7	143	9	1	133
7,521	9,022	Milwaukee north	116	0	0	116	7	2	107
7,163	8,361	Milwaukee south	164	0	0	164	14	1	149
1,228	1,223	Oshkosh	35	0	0	35	3	1	31
2,063	2,707	Racine	30	0	0	30	1	0	29
1,269	1,262	Rhinelander	97	0	0	97	6	1	90
1,143	1,057	Sheboygan	37	0	0	37	3	0	34
1,646	1,742	Superior	94	0	12	82	3	2	77
915	823	Watertown	10	0	0	10	0	0	10
2,661	2,835	Waukesha	58	0	0	58	6	0	52
1,684	1,799	Wausau	98	0	0	98	8	2	88
1,545	1,609	Wisconsin Rapids	75	0	0	75	2	0	73

[1] Most interstate UCV claims are supplemental. (A UC claim is also taken.) Those which are not supplemental are indicated as follows: (A)—1 claim, (B)—2 claims, (C)—3 claims, etc.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 56–A. 165.—*Federal employees' UCFE claims filed in Wisconsin—(A) In entire State during recent weeks; (B) in each employment service district during latest week, through 1958 week No. 10 ending Mar. 8, 1958*

Week No.—Ending	UCFE claims ("unemployment compensation for Federal civilian employees")							
	All UCFE claims	Interstate UCFE claims		Intrastate UCFE claims				
		Initial	Continued	Total	Initial		Continued	
					New	Additional	Waiting period weeks	Compensable weeks
Week No. 1 (Jan. 4)	447	4	22	421	35	0	8	378
Week No. 2 (Jan. 11)	489	8	26	456	41	0	33	382
Week No. 3 (Jan. 18)	506	5	27	474	34	10	25	405
Week No. 4 (Jan. 25)	493	4	25	464	28	1	31	404
Week No. 5 (Feb. 1)	477	4	25	448	26	6	19	397
Week No. 6 (Feb. 8)	425	3	24	398	26	0	16	356
Week No. 7 (Feb. 15)	440	1	25	414	28	1	23	362
Week No. 8 (Feb. 22)	421	1	23	397	21	4	19	353
Week No. 9 (Mar. 1)	444	3	25	416	34	6	20	356
Week No. 10 (Mar. 8)	442	3	25	414	58	9	32	315
Appleton	8	0	0	8	0	0	1	7
Ashland	29	0	1	28	0	1	0	27
Eau Claire	34	0	4	30	3	1	0	26
Fond du Lac	4	0	1	3	0	1	0	2
Green Bay	99	0	0	99	20	4	19	56
Janesville	5	0	1	4	0	0	0	4
Kenosha	3	1	2	0	0	0	0	0
La Crosse	101	1	4	96	1	1	2	92
Lancaster	5	0	0	5	0	0	0	5
Madison	16	1	2	13	0	1	0	12
Manitowoc	4	0	0	4	1	0	0	3
Milwaukee central	43	0	4	39	20	0	7	12
Milwaukee north	19	0	0	19	6	0	3	10
Milwaukee south	4	0	0	4	2	0	0	2
Oshkosh	3	0	0	3	1	0	0	2
Racine	4	0	1	3	0	0	0	3
Rhinelander	13	0	0	13	1	0	0	12
Sheboygan	4	0	1	3	1	0	0	2
Superior	11	0	1	10	0	0	0	10
Watertown	0	0	0	0	0	0	0	0
Waukesha	16	0	0	16	1	0	0	15
Wausau	9	0	1	8	1	0	0	7
Wisconsin Rapids	8	0	2	6	0	0	0	6

Source: Industrial Commission of Wisconsin Statistical Department.

Mr. DOUGLAS. Mr. President, I know my time is running out, and I shall be brief. A tax cut now, which might help to revivify the economy and stop the recession, could have the effect of raising tax receipts above what they would be if the recession were to continue—and there seems to be every possibility that it will continue—unless we act now.

When any such proposal is made, there are always three objections: First, "This is not the time to do it"; second, "This is not the place to do it"; and third, "This is not the way to do it."

THE TIME FOR DECISIVE ACTION IS NOW

A great many persons are saying, "Yes, perhaps we should have a tax cut some time in the future, but not now." That is the official position of the administration. It may be the official position of many important Senators on this side of the aisle. It never is the time for most of these men. It is always some other time that we should act—always in the future; never today.

Sometimes it may be necessary to postpone action. But when the economy is sliding, when it is going downhill, we had better not postpone action into the future. We had better act now. We need to beware of the cumulative and impetuous forces of economic breakdown. It is better to act decisively, even if it turns out that we ultimately do too much, than to do nothing and later find disaster upon us. There is more to lose by not acting now than by acting.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. Is it not true, according to the reports we read in the press, that the administration has under consideration a tax-cut program?

Mr. DOUGLAS. Yes; and I would say that a tax cut is inevitable. The question is simply when will it come, and in what form will it come? My argument is that it is better to act now than to postpone it into the future, because the future may be too late; and when we do put the tax cut through—as we will—it may have to be a larger tax cut than that which I am now proposing.

Mr. CARROLL. Does not the Senator think it would be the part of wisdom for this body, which has been so vigorous in stimulating leadership in the executive branch in other fields, to place another tool in the hands of the executive branch with which to function in this period of emergency. Is not this what we did yesterday in the case of the public-works resolution submitted by the distinguished majority leader?

Mr. DOUGLAS. Yes. However, I think we should not merely place the tool in the hands of the Executive, but we ourselves should move. We should take action, and not let this tax reduction be discretionary.

Mr. CARROLL. It is the function of the Congress to legislate. It is the function of the Executive to act. And if we aid the executive branch by this type of legislation, by working together we can present a full program to the country.

That is the purpose of the tax-cut proposal at this time; is it not?

Mr. DOUGLAS. The Senator is correct.

PROCEDURE OF AMENDING INSURANCE TAX-CUT BILL IS QUICKEST ROUTE TO EFFECTIVE TAX REDUCTIONS

I know that there are those who say, "This is not the way to do it. Do not base the needed tax action on an amendment offered to a tax-reduction bill for the insurance companies. Let the larger tax-cut measure go through the usual process of being initiated as a bill in the House, and referred to the Ways and Means Committee. Then we can deal with it when it comes to the Senate."

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARLSON. I appreciate very much the statement the Senator is making.

Inasmuch as he mentions the House Ways and Means Committee, I should like to enter into the colloquy. It was my privilege to serve on that committee for 8 years under the chairmanship of a great American, Robert Doughton. I know of the feeling that tax measures should originate in the other body. I feel rather keenly on that subject.

I do not intend to be critical of the Senator's tax proposal, but I question the advisability of trying to write such a tax measure, or any tax measure, on the floor of the Senate. A tax measure should have not only the study of the Ways and Means Committee of the House, but of the Senate Finance Committee, of which the Senator from Illinois is one of the ablest members.

I sincerely hope that he will give that thought some consideration.

Mr. DOUGLAS. I have considered that point very carefully.

To allow such a measure to take its usual course would involve so much delay that we would be likely to wake up and find ourselves in disaster.

A bill would have to be introduced in the House—and the leadership in the House shows no present signs of an intention to introduce such a bill.

The bill would have to be referred to the House Ways and Means Committee, which would hold hearings.

If the bill were then reported by the Ways and Means Committee, there would have to be a rule from the Rules Committee to schedule it in the House.

There would be debate in the House, and the House would act upon the bill.

If it passed the House, it would come to the Senate and be referred to the Committee on Finance, upon which it is a joy for me to serve with the distinguished Senator from Kansas. Here again hearings would normally be held.

The bill would then be reported to the Senate by the Senate Finance Committee, and there would be debate on the floor of the Senate. There is a great difference of opinion as to the type of tax cut which should be enacted and the debate might well be long and complicated.

So in my judgment it would be possibly 2 or 3 months before the bill could be passed. Then there would be a time lag before it went into effect. By that time economic conditions might be rather bad.

Mr. CAPEHART. By that time the recession might be over.

Mr. DOUGLAS. That might happen and if so, that would be excellent. But the Senator is gambling with dynamite.

THERE ARE NUMEROUS PRECEDENTS FOR SENATE'S ADDING TAX-CUT AMENDMENTS TO HOUSE-PASSED REVENUE BILL

I have had the precedents examined, and before the debate is concluded I shall ask to place in the RECORD excerpts from a memorandum from Raymond E. Manning, Senior Specialists Division of the Library of Congress, on the subject of tax reduction amendments in the Senate to House-passed bills. A number of precedents are cited of the Senate having added tax amendments on the floor of the Senate to tax bills initiated by the House.

Mr. CARLSON. May I inquire if they were as far-reaching as the Senator's proposal?

Mr. DOUGLAS. Yes. A few examples are: The Revenue Act of 1950; the Revenue Act of 1945; the Revenue Act of 1932; the Industrial Recovery Act of 1932; the Revenue Act of 1926; the Revenue Act of 1918, and several others.

An amendment to the Revenue Act of 1926 initiated the famous depletion allowance, so dearly beloved by many of our Members from the oil-producing States. If a depletion allowance for the benefit of the big oil companies was legitimate by means of a Senate amendment, I think a tax reduction for the benefit of the people should be legitimatized, too.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. Like the Senator from Kansas, I was a member of the Ways and Means Committee of the House, and I am familiar with section 7 of article I of the Constitution, which provides:

> All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments, as on other Bills.

Mr. DOUGLAS. I am glad the Senator from New Mexico comes to my aid. He is entirely correct.

This bill did originate in the House. It was a bill to reduce the taxes on insurance companies by $124 million a year. If insurance companies can get $124 million, the people of the United States ought to get more.

I thank the Senator from New Mexico.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield. I wish to conclude briefly.

Mr. CARROLL. I also served on the House Ways and Means Committee under the distinguished Bob Doughton.

Mr. DOUGLAS. The Senator is a member of quite a distinguished alumni association.

Mr. CARROLL. I know that that committee is very jealous of its jurisdiction and prerogatives. I also know that when tax measures are reported from that committee they are reported under a closed rule.

In this critical period, it is a real demonstration and assertion of the democratic process to have a tax proposal go from the Senate to the House, so that the Members of the House will know how we feel about the subject.

Mr. DOUGLAS. The differences can then be settled in conference.

Mr. CARROLL. Of course.

Mr. DOUGLAS. And the House can have its opinions considered in conference, and the House will then have an opportunity to pass on any final bill.

Mr. CARROLL. I said in the debate a few days ago, that the House is very close to the people in these critical periods of economic depression, and I have full confidence in them and believe that they will not feel we have taken away some of their jurisdiction.

Mr. DOUGLAS. I thank the Senator from Colorado. If we postpone action in order to save the feelings of the Members of the House, we may wake up and find that we have dealt a mortal blow to the American people. I do not believe that we should get to the point where we regard parliamentary etiquette as more important than the vital interests of the United States.

Mr. President, I should like to say, in conclusion, that the issue is not whether we will have a tax cut, but rather when the tax cut is to occur, and how it is to occur. A tax cut is coming; there can be no doubt about that; and if it is coming, why not now?

A great many Senators, if they vote against a tax cut, will look very silly in a few weeks when they come to vote for a tax cut. I will be just mean enough then to remind them of their votes. What a great many people may regard as wrong on the 13th of March will become the thing to do on the 10th or 11th of April, when the unemployment figures for March have been released. In other words, to use a popular slogan: "Eventually, why not now"?

Secondly, Mr. President, the tax cut I am proposing will build up consumer power in the middle and lower income groups of the community.

This is a sound procedure, because we suffer at present from plant equipment which is not used. How are we going to get it used? We will get it used only by building up consumer demand. As we build up consumer demand, and the idle overhead is decreased, there will be a demand for further investment.

If we make a cut in the corporate tax or in the upper income group, there may be more money saved, but it does not mean that this money will actually be invested, because a business with a 30-percent idle capacity will not want to borrow or invest at this time. It will want to use what idle capacity it has. Therefore, the amendment is based on the theory that the important thing to do is to build up consumer demand.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; then I will yield the floor.

Mr. CARROLL. One of the most important considerations, assuming that the tax cut is coming, is what kind of tax bill will it be? I served in the other body when I saw an across-the-board cut made. There is talk, as I read the press reports, about the President and some of the administration leaders advocating an across-the-board tax cut. Some of us have never believed in it.

There has been a great deal of debate on this subject. An imposing record has been made on this very issue, and it should be examined with much care before it is subscribed to.

I believe that some people are talking about waiting before making a tax cut. However, this proposal is the kind of a tax cut we can support now and those who want to wait ought to begin to make a record now by supporting this type of tax cut.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I yield the floor.

Mr. CAPEHART. Mr. President, I yield 10 minutes to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I rise to speak against the amendment offered by the Senator from Illinois. I do so for two reasons: First, because I do not believe a tax reduction should be financed with borrowed money; and second, because this amendment has never been studied by the appropriate committee. The only way, really, to reduce taxes is by bringing the expenses of the Government down to the point where it can be done without further deficit spending.

If expressions of sympathy for the American taxpayers had cash value, the taxpayers would all be very wealthy; however, bona fide tax reductions will not be accomplished by expressions of sympathy but only by actions of Congress. I point out, in connection with the question of raising personal exemptions and dropping the tax bracket of the first $1,000 from 20 percent to 15 percent, the only reduction the American people have ever had in either of these categories have been under Republican administrations.

The members of our party have every reason to boast of the record of our administration when it comes to cutting taxes.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. Is the Senator saying that during the depression of 1933, through World War II, the Democrats never gave a tax reduction to solve the unemployment situation?

Mr. WILLIAMS. That is correct. When the New Deal administration took control of the Government in 1933, the personal exemption was $1,000 for each individual and $2,500 for a married couple.

When the Republican Party took control of Congress in 1948, that exemption had been whittled down by the New Deal administration from $1,000 for each individual to an all-time low of $500. It was only the Republican 80th Congress, over the veto of the then Democratic President, which raised the exemption to the present rate of $600. I realize that $600 is low, and I wish we had the money in the Treasury so that we could raise it, but I emphasize that since the first income tax act was enacted in 1913, in all the history of that tax, when the Democrats were in control they never once raised the personal exemption for the individual taxpayer. Every change that they made has been downward. Likewise, when the New Deal administration took over the Government in 1933 the rate on the first $1,000 of taxable income was only 4 percent. When the Republican Party took over the administration in 1953, that rate had been increased by this same New Deal administration 550 percent in the lowest bracket—from 4 percent to an all-time of 22.2 percent. We promptly reduced that rate to 20 percent. It is still high. However the fact remains that at no time was it ever reduced during the New Deal or Fair Deal administrations.

Mr. CAPEHART. Is the Senator speaking now from the record?

Mr. WILLIAMS. I am speaking from the record.

Mr. CAPEHART. At no time during the history of Democratic administrations have taxes been reduced?

Mr. WILLIAMS. No; they reduced taxes twice in 1913. I said they never raised exemptions. They raised taxes 13 times, however, during the same period.

Mr. CAPEHART. When did they reduce taxes?

Mr. WILLIAMS. Since the first Federal income tax law was passed, in 1913, the record shows that there have been 10 tax reductions. Eight of those tax reductions were given to the American people under Republican administrations, and on only 2 occasions, in the entire history of Democratic administrations have there been any reductions in taxes.

Mr. CAPEHART. What years were those?

Mr. WILLIAMS. I will place the complete report in the RECORD later.

Mr. CAPEHART. Has there ever been a time when taxes were reduced during a depressed period?

Mr. WILLIAMS. Before I get to that I should like to point out that there have been 10 tax reductions, and 8 of those were under Republican administrations. I should also point out that since 1913 there have been 15 tax increases, and that 13 of those increases were put into effect under Democratic administrations. On only 2 occasions since 1913 have there been tax increases under a Republican administration.

We can stand here today and boast of the record of our party on giving bona fide tax reductions to the people.

Now, what did the Democratic Party do when we had serious unemployment during the depression of the 1930's?

In 1934 there were 11,340,000 unemployed. What did the New Deal administration do? It increased taxes. In 1936 there were 9,030,000 unemployed. What did they do? They increased taxes again. In 1940, there were still 8,120,000 unemployed. They again increased taxes, and they increased them again in 1941 before the outbreak of World War II, at a time when there were 5,560,000 unemployed.

At no time did the New Deal administration give a tax reduction in periods of unemployment. Oh, when they are out of power they really get enthusiastic for tax reductions, but it is action that counts, not promises.

Let us stop kidding the American people, and tell them the truth; namely, that they can expect no bona fide tax reductions until the cost of Government has been brought under control. Tax reductions on borrowed money only mean more inflation.

I repeat: I do not think it is sound economics to vote a tax reduction on borrowed money. We are thinking too much of the political implications of a tax bill rather than discussing such a bill from an economic standpoint.

I should like to hear the proponents of the amendment tonight say they denounce the New Deal administration, with which they are affiliated, and admit that they were wrong back in the 1930's; when they voted increases in taxes with our unemployment figures running around 10 million. I am confident that if that administration were in power tonight, they would vote for another tax increase rather than a reduction. I think it is time the American people examine the record of what the two political parties have done when in power.

I, too, am concerned about the 5 million presently unemployed. The situation is almost as bad as it was under the New Deal administrations. But I point out again that 5 million as compared with the total employment is a far different picture than it was in 1938, after 6 years of the New Deal administrations when they still had a total of 10,390,000 unemployed.

We hear much about a tax reduction now being needed. It is being advocated on the basis that if the man who has a job is given a tax cut, some of the cut will trickle down to the man on the street who is out of work. I am surprised to hear my friends on the other side of the aisle advocate the trickle-down theory. They now say, give a tax reduction to a man who has full-time employment, and some of the reduction may trickle down to the man out of work. If it is desired to do something for the unemployed, let us do it directly, and not on the trickle-down theory. What an unemployed man wants is a job not a lot of hot air promises.

Mr. CAPEHART. Is the Senator advocating that we do those things which will help the unemployed directly?

Mr. WILLIAMS. That is correct. A tax reduction now, which every Senator will admit can be financed only with borrowed money, would mean that by increasing the deficit spending we would only be decreasing the value of the dollar, thus promoting inflation. Through this resulting inflation, we would only further increase the cost of living, thereby making it even harder for the person who is unemployed and who needs assistance.

Do not overlook the fact that as a result of the inflation of the past 20 years our dollar has lost over one-half of its 1939 value.

That means that one-half of the life savings of every American has been destroyed. This deterioration of our dollar has got to stop.

How will the man who is out of work be helped by a tax reduction when he has no taxes to pay? Taxes are not paid on unemployment benefits. Let us stop kidding ourselves. This $5 billion tax reduction is simply a proposal to undermine further the solvency of the Government by promoting another round of inflation in the hope that some of the

tax cut may trickle down to help the man on the street.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. POTTER. Would the Senator from Delaware rather have a huge public works plan of spending or a tax reduction as a means of stimulating the economy?

Mr. WILLIAMS. I do not advocate either an unsound tax cut or a wild spending spree. It is time we woke up to the fact that all the economic problems cannot be solved by the Government in Washington. A government cannot spend itself into prosperity any more than can an individual. I do not think the Government is so powerful that it can control every phase of our economy from Washington. Certainly it can help, but it does not have all the answers.

The Government can accelerate those projects which can be justified, projects which may have been postponed a year ago to wait for the time when there was unemployment. Certainly projects which are necessary should be accelerated. But let us not get panicky and go off on a wild spending spree. We do not want a repetition of the WPA of the 1930's. Despite the WPA and the PWA in the thirties millions of people were still walking the streets unemployed after 8 years of the New Deal. They were taken off the unemployment rolls only to be put in uniform when we entered World War II.

The same was true in 1950. In 1950, during the so-called Fair Deal administration, unemployment in February reached a high of 4,684,000. The total labor force then was 64 million. Today our labor force exceeds 70 million, and 5 million are unemployed.

I still say we should be concerned about this figure, but how did our opponents handle their unemployment situation in 1950? It was handled by the Korean war. I am not suggesting that the Democratic Party is a war party, but the record is that they had no cure for unemployment.

To get the record straight, I call attention to the statistical fact that during the 20 years of the New Deal and Fair Deal administrations, when you subtract the war years the average unemployment for every peacetime year in which they were in power was over 7 million.

I repeat: unemployment under New Deal and Fair Deal administrations, between 1933 and 1952, averaged over 7 million for every year in which we were not in war.

Mr. POTTER. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. POTTER. I feel certain that the Senator recognizes that after every tax reduction, whether in the United States or Canada, the national revenue has increased. I happen to be old-fashioned enough to believe that one of the greatest impediments to a healthy economy is an overburdened tax system. I think the United States has one. I think taxes have grown up through the imposition of wartime levies. We have not had the courage to improve that system during a period of prosperity.

Today we are not at war. Today we have unemployment. In Michigan there is unemployment amounting to more than 30 percent. More than 350,000 are unemployed.

I think the best means of solving the unemployment problem is by a tax reduction. The Senator from Delaware says that will not help the unemployed. It will help the unemployed. Michigan is an automobile manufacturing State. The excise taxes on automobiles alone are a great deterrent to the sale of automobiles. This in turn hurts the production of cars.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. CAPEHART. I yield 10 minutes more to the Senator from Delaware.

Mr. WILLIAMS. I agree with the Senator from Michigan that the tax structure is too high. But the way to approach a reduction is to stop wasteful Government spending. The trouble is that there has not been any such reduction of spending in the past several years. In times of high prosperity, the Government should hold back on the construction of some of its projects. That was not done. In the last several years, Congress has been voting for the construction of more and more projects, because it is so much more popular, politically, to advocate those things. To get back to your question: Unemployment does not always drop immediately after a tax reduction.

In 1948 there were 2,060,000 unemployed. Taxes were reduced. In 1949, only a year later, unemployment was 50 percent higher than it was in 1948. It had gone to 3,395,000.

I think the real way to approach a tax reduction is to reduce the expenses of the Government. The American people want a stable Government, one which is being operated on a sound financial basis. Then business will resume, and the economy will pick up and move forward in a healthy manner.

To maintain a solvent America we must do two things—first, we who are candidates for reelection must stop promising everything to everybody for the sole purpose of getting ourselves reelected or perpetuating our party in power, and second, we as American citizens must stop trying to unload on the Federal Government all the responsibilities which were once recognized as being our own. All of us should recognize now that we cannot continue the vast expenditures of $72 billion, $74 billion, or $80 billion on borrowed money unless we intend to destroy the solvency of the Nation.

I ask my friends to study the lessons of history, whether the lesson be that of the Roman Empire or of any of the other great nations of the past. Many of those nations were destroyed because of insolvency and moral decay from within, rather than by the enemy from without.

With all due respect to the threat of communism, let us remember that the threat of inflation is very great in the United States today. If we are not careful, we can set off another round of inflation, which could be very disastrous.

Under inflation the man who really suffers is not the so-called wealthy man, because his holdings or savings are in equities which will appreciate in direct proportion to inflation.

But the man who is hurt by inflation is the workingman who, when he retires, is dependent on his pension and life insurance policies or his savings accounts. As a result of the erosion of the value of the dollar in the last 20 years, one-half of the life savings of the American people has been destroyed.

Yes, in the past 20 years through inflation one-half of the value of every life insurance policy, every pension, every savings account has been destroyed. We have through the deficit financing policies and inflation of the past 20 years been pauperizing the aged of America.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MARTIN of Pennsylvania. I simply wish to add that the 40 million Americans who own Government bonds are also greatly damaged by the inflation which has occurred.

Mr. WILLIAMS. They are. Ten years ago, the Government bonds were sold on the basis that for every $3 invested in such a bond, $4 would be paid back at the end of a 10-year period. When the 10 years have expired, $4 is paid back, but the investor cannot buy with $4 what he could have purchased 10 years before with $2.

Such erosion of the value of the dollar must be stopped. That cannot be done by making a $4 billion tax reduction at such a time as this when the Government already is so deeply in the red.

I repeat, our Government cannot spend itself into prosperity on borrowed money, and a tax reduction on borrowed money is a farce.

Mr. POTTER. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS. I yield.

Mr. POTTER. Does the Senator from Delaware believe that the Government will end this year without deficit financing?

Mr. WILLIAMS. No, I do not, and that is why I am opposed to this bill which would only make the deficit bigger.

Mr. POTTER. I know the Senator from Delaware is a distinguished member of the Finance Committee. But having voted on yesterday, as I did, for a resolution which would accelerate Government spending——

Mr. WILLIAMS. That resolution——

Mr. POTTER. Just a moment, Mr. President——

Mr. WILLIAMS. Mr. President, I ask the Senator from Michigan to wait just a moment; I wish to place my own interpretation on that resolution. At the beginning of the consideration of the resolution, I said that nothing was proposed in connection with that resolution except to accelerate those projects which could be justified and which could be constructed today as well as tomorrow.

I believe any necessary and essential public works projects should be undertaken in times of unemployment, just as

I believe that when there is full employment, projects which are not immediately necessary should be postponed.

Mr. POTTER. But the Senator from Delaware knows as well as I do that their construction will be pushed and expedited by the construction of other projects scheduled immediately behind them.

Mr. WILLIAMS. But today I voted against two such spending proposals. We will act on each as it comes before us.

Mr. POTTER. My point is this: Does the Senator from Delaware not believe that one of the greatest deterrents to a healthy economy is unemployment? Perhaps Delaware is different from Michigan; but in Michigan, 350,000 people are unemployed—or 13 percent of our working population or our labor force.

It is rather hard to get the people of Michigan concerned about inflation when 350,000 of the people of Michigan are unemployed.

The Senator from Delaware can sit back, if he wishes to, and can say, "The country will pull out of it." I believe the country will pull out of it; if nothing is done in the meantime, I think eventually the country will pull out of it.

But we cannot be insensible to the fact that today so many persons are unemployed, and many of them have used up their unemployment compensation benefits.

The Senator from Delaware and I and all the other taxpayers will have to sustain those unemployed people by means of some type of relief program. But relief programs do not do anything for the economy.

I believe that the soundest program by means of which we can aid the unemployed will be an immediate tax-relief program—not only because of the actual relief involved, but also because of the psychological effect it will have.

Mr. WILLIAMS. Mr. President, I am not suggesting that we sit idly by and ignore the 350,000 workers who are unemployed in Michigan. Certainly we should not do that. But a tax reduction is not what they want. What those men want are jobs and not just a faint hope that some or part of a tax reduction will trickle down to them.

Mr. POTTER. But the tax reduction will put the economic machine back into operation, and in that way jobs will be provided.

Mr. WILLIAMS. No good will be done if the solvency of the Government is destroyed, and confidence in this country will not be restored by advocating a huge tax reduction on borrowed money. Another round of inflation would be touched off, thereby further raising the cost of living.

Since 1900 the Government of the United States has lived within its income in only 24 of the 57 years. The result is that today we have a huge national debt of over $275 billion. The interest on our debt today is higher than the entire cost of Government as recently as 25 years ago.

Let us stop kidding ourselves. In times of prosperity the Government has not laid aside "for a rainy day" as it should have done. That was because too many of the Members of Congress were not willing to reduce some of the expenditures of the Government.

The Government of the United States has lived within its income during only 24 of the years since 1900. I am proud to say that 21 of those years were under Republican administrations. During only 3 years under Democratic administrations did the Government of the United States live within its income.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MARTIN of Pennsylvania. Is it not true that, with the possible exception of excise taxes, under a tax reduction program it would be 2 or 3 years before the expanded economy would commence to respond to the extent of providing increased employment and things of that kind?

Mr. WILLIAMS. That is correct.

So far as the psychological effect is concerned, a man cannot live on psychology. A man who is unemployed needs something to eat. He needs a job.

The PRESIDING OFFICER. The 10 additional minutes yielded to the Senator from Delaware have expired.

Mr. CAPEHART. Mr. President, would the Senator from Delaware like me to yield additional time to him?

Mr. WILLIAMS. Yes, I would like to have 10 more minutes.

Mr. CAPEHART. Mr. President, I yield 10 additional minutes to the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 10 additional minutes.

Mr. WILLIAMS. Mr. President, a little while ago I promised to yield to the Senator from Kansas [Mr. CARLSON].

Mr. POTTER. Mr. President, before doing so, will the Senator from Delaware yield once more to me?

Mr. WILLIAMS. Yes, but not for the Senator from Michigan to make a speech.

Mr. POTTER. Of course not.

Is the Senator from Delaware saying that the confidence of the people of the country in the economy of the United States has no effect upon the economy?

Mr. WILLIAMS. No, I do not say that. I said that confidence is everything. But if we are to build confidence, it must be built on the sound principle that the American people have confidence in the stability of their Government. I think the trouble today is that the confidence of the people in their Government has been undermined as a result of some of the schemes which have been proposed. The Congress is on the verge of being stampeded into rushing off in all directions at the same time. On the one hand, tax reductions which would seriously reduce the income of the Government have been proposed. On the other hand, vast expenditures by means of all sorts of spending programs have been proposed. Both programs would result in serious deficits for the Government. Whether the deficit would amount to $5 billion or $10 billion or $15 billion, no one seems to know, and very few seem to care.

I reemphasize that if deficit spending is resumed, the value of the dollar is certain to be affected. That has been true of the value of the currency not only in this country, but also in other countries, when the governments have resorted to heavy deficit spending.

Mr. POTTER. But those who propose the programs believe that a tax reduction should be made because it will give impetus to the economy, and as a result there will not have to be deficits.

Mr. WILLIAMS. But I disagree with that theory. I do not think an unemployed man will be helped by giving a tax reduction that can be financed solely on borrowed money.

Mr. President, at this time I yield to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I appreciate the courtesy of the Senator from Delaware in yielding to me.

The Senator from Michigan has called attention to the difficulty which is experienced when Senators begin to deal with taxes on the floor of the Senate, without having had studies made by the House Ways and Means Committee and the Senate Finance Committee.

I am not so sure that the automobile industry is not being very seriously damaged as a result of the debate which has been occurring in the Senate Chamber, unless a tax reduction is really going to be made; and many intelligent and well-informed people do not believe that a tax reduction will be made at this time.

As a matter of fact, people who are contemplating purchasing automobiles today are not buying them, because they assume that within 20 or 30 days a tax reduction will be made.

I would not object to a reduction of the excise taxes on automobiles, washing machines, refrigerators, or other items in that category, if the Government could afford to make such a tax reduction.

But I believe Senators are making a mistake by discussing such a proposal at this time and by making the people of the country believe that such a tax reduction is to be made, because I do not believe it will be made.

Mr. WILLIAMS. Certainly talk about a proposal for a cut in excise taxes has the effect of delaying the purchases of automobiles and other items mentioned. Certainly, the sooner we get the answer to this question, the better it will be, and I hope the answer will be the overwhelming rejection of the Douglas amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a tabulation giving the history of all the tax reductions and tax increases that have been made under the Federal income tax law from 1913 through 1954.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, D. C., October 14, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: The following information is furnished in reply to your request of October 8, 1954.

The individual income tax burden has been increased 15 times and decreased 10

times since the year 1913. This is shown as follows:

Year affected:	Change
1913	First enacted
1914	None
1915	None
1916	Increase
1917	Increase
1918	Increase
1919	Decrease
1920	None
1921	None
1922	Decrease
1923	Decrease
1924	Decrease
1925	Decrease
1926	None
1927	None
1928	Decrease
1929	Decrease
1930	Increase
1931	None
1932	Increase
1933	None
1934	Increase
1935	None
1936	Increase
1937	None
1938	None
1939	None
1940	Increase
1941	Increase
1942	Increase
1943	Increase
1944	Increase
1945	None
1946	Decrease
1947	None
1948	Decrease
1949	None
1950	Increase
1951	Increase
1952	Increase
1953	None
1954	Decrease

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement of the history of the first tax-bracket rate and personal exemptions. The table shows a breakdown by years and indicates just when the changes occurred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Individual income tax: Combined exemptions and credits for married person with 3 dependents and 1st bracket tax rate, 1913–54 [1]

Income year	Combined exemptions and credits	1st bracket rate
		Percent
1913–15	$4,000	1
1916	4,000	2
1917	2,600	2
1918	2,600	6
1919–20	2,600	4
1921–22	3,700	4
1923	3,700	3
1924	3,700	2
1925–27	4,700	1½
1928	4,700	1½
1929	4,700	1½
1930–31	4,700	1½
1932–33	3,700	4
1934–39	3,700	4
1940	3,200	4.4
1941	2,700	10
1942–43	2,250	19
1944–45	[2] 2,500	23
1946–47	2,500	19
1948–49	3,000	16.6
1950	3,000	17.4
1951	3,000	20.4
1952–53	3,000	22.2
1954	3,000	20

[1] Before deductions and disregarding earned income credit.

[2] $500 credit for each dependent allowed against surtax which begins at 20 percent. Such credits not used in computing 3 percent normal tax.

The PRESIDING OFFICER. The additional time yielded to the Senator from Delaware has expired.

Mr. CAPEHART. Mr. President, I yield an additional minute to the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from Indiana.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two editorials, one from the Wall Street Journal and one from the Washington Daily News, commenting on the fallacy of making a tax reduction with borrowed money.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of March 12, 1958]

TAX TRICKS

Despite its rapidly mounting deficit, the Government seems determined to cut taxes unless there is a sudden business upturn. And of all the ways for acting on this unsound policy, the prize so far must go to the proposal for a tax holiday.

Superficially, the idea may have some appeal, since it would suspend the withholding of Federal taxes for 1 to 3 months. Any taxpayer can see that this would give him a bigger immediate piece of change than a reduction in rates spread over 12 months. Essentially, though, the proposal is a trick device unworthy of serious consideration by a responsible Government.

For one thing, it would play hob with the Treasury's management of the public debt, difficult enough as it is. It would mean a revenue loss of some $2.4 billion for each month it was in effect, requiring the Treasury to borrow heavily and perhaps necessitating another boost in the recently elevated debt ceiling.

Even less pleasant is the fact that the moratorium would be in the nature of a handout. It is not at all a tax cut, which would be very much in order if the Government would ever get its fiscal affairs in order. It is simply a temporary Government giveaway for purposes as much political as economic.

Moreover, the notion that the people need this kind of sharp jolt is way out of proportion to the economic situation as it actually exists. The actual situation is one of relative prosperity; the vast majority of people have purchasing power but for the moment choose not to use it as lavishly as they have been doing in the past few years. The tax holiday, in contrast, smacks of real "hard times" panic measures.

For that reason it is far from sure it would have the desired effect of significantly increasing private spending. The general taxpayer, seeing the Government rushing to such extremes, might get still more cautious about his buying. And knowing that the holiday would last only a few months at most, he might well decide to save the extra cash against the possibility of continued recession.

There is only one right approach to taxes, and that is for the Government to reduce its spending enough to permit reductions without unbalancing the budget. But if that is too much to expect from the nervous politicians in the administration and Congress, then, let them at least enact a legitimate cut in tax rates.

What the economy needs far more than a tax holiday is a holiday from Government gimmicks.

[From the Washington Daily News of March 12, 1958]

WHAT WOULD A TAX CUT DO?

A reckless, mad contest is going on here.

The politicians are outbidding each other in a delirious race to see who can do the worst in giving away the public Treasury. There is a recession on, they say, and we have to do something—anything at all, just so it is something dramatic.

Democratic politicians are plugging primarily for more spending—a big public works program, more Federal handouts.

The administration prefers a tax cut.

A thousand unionists, in the Capital to buttonhole Congressmen, are demanding both spending and tax cutting.

The excuse is a theory that these proposals would put money in the hands of consumers. With no assurance whatever, of course, that the consumers would spend it, or if they did on what or when.

The end result of all this frantic confusion may be just to make matters worse. Because whether it is extra spending or tax reductions or both, the Government simply will be printing more money. It will borrow and borrow, and as it borrows it will depreciate the value of money more.

Government deficits and inflation are stablemates. They chase each other around the same track.

Yet George Meany, president of the AFL-CIO, says: "If this takes a deficit, let there be a deficit."

Damn the torpedoes, full speed ahead.

Nobody has been robbed of more money by inflation than the members of the unions Mr. Meany represents.

A wise man, Bernard Baruch, once put it this way:

"If we want to prevent depressions, we first must learn how to prevent inflation."

But Washington officialdom, as it talks, now is trying to solve a so-called recession by firing up inflation.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a list of the unemployment figures, beginning with the year 1933 and going down through 1957.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Unemployment	Percent of labor force
1933	12,830,000	24.9
1934	11,340,000	21.7
1935	10,610,000	20.1
1936	9,030,000	16.9
1937	7,700,000	14.3
1938	10,390,000	19.0
1939	9,480,000	17.2
1940	8,120,000	14.6
1941	5,560,000	9.9
1946	2,270,000	3.9
1947	2,142,000	3.6
1948	2,064,000	3.4
1949	3,395,000	5.5
1950	3,142,000	5.0
1953	1,602,000	2.5
1954	3,230,000	5.0
1955	2,654,000	4.0
1956	2,551,000	3.8
1957	2,693,000	4.0

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Pennsylvania [Mr. MARTIN].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, I intend to be very brief. No Member of this body would ever be more desirous of a tax reduction than would the Senator from Pennsylvania. I think taxes are entirely too high. But the distinguished Senator from Delaware has

pointed out that the way to reduce taxes is to reduce governmental expenditures.

I remind my colleagues that if we had not made grants to State governments, municipalities, and individuals, including interest lost on such grants, the United States Government would not have a single dollar of debt at the present time. We would then have been in a position to reduce taxes greatly all along the line.

There is no question that incentive capital has been dried up because there is not sufficient incentive so far as profits are concerned. I have had many young men say to me, "I do not object to having the United States Government as a partner, but I do not like the idea of being a junior partner to the United States." That has been the situation in the United States for the past 20 years.

There can be no question that our taxes are entirely too high. I repeat, the way to reduce taxes is to decrease governmental spending.

So far as public works are concerned, I have always favored construction of public works during periods of unemployment. In fact, in the latter part of 1932, and early in 1933, I was State treasurer of Pennsylvania, and I was on a committee the duty of which was to take care of unemployment and relief in our commonwealth.

I came to Washington on several occasions, urging that there be more construction of public works and of roads—not WPA, but work under the free enterprise plan. If we in Pennsylvania had used for the construction of roads the amount of money we received from WPA, for which no results at all were obtained, we would almost have our road system completed.

In the last 2 or 3 days we have been meeting in committee considering a measure providing for the construction of roads. I think in a day or two a bill will be reported which will result in much employment in the United States. We are taking into consideration the number of man-hours which can be secured for the number of thousands of dollars we may appropriate. By following such a plan, we shall accomplish something useful.

I am hoping that the same committee will take up the question of the improvement of post offices and post office facilities, which will result in permanent assets for the United States. Public works of that kind are, in my opinion, sound, and they result in real improvement in facilities.

I talked to a group of workingmen this morning. They were not urging tax reductions, because all of them said that the small tax reduction they would receive would not mean very much. For example, if exemptions were increased by $100, it would mean about $18 in tax savings to a taxpayer. However, if a workingman had a job on a road or on a building, he would then have a substantial number of dollars to spend.

Later on I may have something else to say on the bill, but I wish to state now a general tax reduction proposal, such as has been presented tonight, needs long, careful consideration, when we bear in mind what is being said by laboring people, industrialists, farmers, and other citizens throughout our country who are concerned.

I hope the amendent will be rejected, because the Senate floor is no place to draft such tax legislation.

Mr. CAPEHART. Mr. President, I yield 7 minutes to the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFICER. The Senator from New Mexico is recognized for 7 minutes.

Mr. ANDERSON. Mr. President, I appreciate very much the courtesy of the Senator from Indiana. I do not intend to speak at this time on the amendment offered by the Senator from Illinois, and I appreciate the granting of this time.

First of all, I wish to say that later on amendments will be offered proposing a reduction of taxes in the automotive industry. The question has risen as to what the dealers will do. I think responses I have received from my home State of New Mexico, are typical of those from dealers across the Nation, and I therefore ask unanimous consent that I may have printed in the RECORD at this point telegrams I have received from various individual dealers and groups from across the State of New Mexico, indicating that if the reduction in excise taxes is made retroactive to March 1, they will refund to purchasers the amount of reduction.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

DEMING, N. MEX.

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

You have our assurance that if any excise tax reduction on cars retroactive to March 1 will be refunded purchasers respectively. Your support of bill will be appreciated.

TRAVIS BREM.

TUCUMCARI, N. MEX., *March 13, 1958.*

Hon. CLINTON ANDERSON,
Senate Office Building,
Washington, D. C.:

We would appreciate your assistance in getting an excise tax reduction on automobiles and trucks to stimulate the car business. This stimulation is desperately needed at all levels, local, State, and national and would help greatly in reducing unemployment. Any reduction received will be passed on to the purchaser.

Steiner Mason, Directdr NMADA, Ford; C. W. McMullen, Chevrolet; Gross Pelzer, Buick; George H. Mundell, Plymouth; Grover Dickinson, Oldsmobile; Marcus Huff, Hudson; F. H. Paschal, Mercury; Frank Baum, Pontiac; Jim Koehler, Studebaker.

SANTA FE, N. MEX., *March 13, 1958.*

Senator CLINTON P. ANDERSON,
Washington, D. C.:

We would like for you to know that any excise tax reduction that is made on automobiles will be passed on to the consumers. We urge you to please help us get this reduction.

Santa Fe Auto Dealers Association; Santa Fe Motor Co.; Sanco Motor Co.; Cherry Motor Co.; Hancock Olds Inc.; Jones Lincoln Mercury Edsel; William F. Colwes, Pontiac, GMC, Buick.

DEMING, N. MEX., *March 13, 1958.*

Honorable Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

Any excise tax reduction on cars retroactive to March 1 will be refunded to customers. Your support of bill will be appreciated. Kindest regards.

JACK KENNEDY.

DEMING, N. MEX., *March 13, 1958.*

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

Any excise tax reduction on cars retroactive to March 1 will be refunded to purchasers. Please support this bill. We appreciate it. Thanks.

TOM MCLAUGHLIN,
Sunland Sales and Service.

DEMING, N. MEX., *March 13, 1958.*

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

If any excise tax reduction on cars retroactive to March 1 for our customers here, it will be refunded to them. Please support this bill.

NORWOOD IMPLEMENT CO.

ALBUQUERQUE, N. MEX., *March 13, 1958.*

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: This entire organization respectively requests that you give your favorable consideration and support to legislation now pending which will reduce the Federal excise tax on automobiles. It is my intention to pass any reduction on to the public 100 percent and it is my opinion that a substantial reduction will stimulate new car sales with the resultant effect of improving the overall economy and most specifically of reducing unemployment. Thank you for your favorable representation.

LLOYD W. MCKEE,
Lloyd McKee Motors, Inc.

Mr. ANDERSON. Mr. President, I mention the telegrams particularly because a question was raised as to what the discussion of a reduction in excise taxes would do to the automobile industry. I only say the automotive industry would not be disturbed if prospective customers knew the proposal would be retroactive to March 1. Therefore, nobody would have any hesitancy about buying an automobile in the meantime.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DOUGLAS. That is precisely the provision which was put in the amendment the Senator from Illinois submitted last night and which is in the pending amendment in a slightly modified form.

Mr. ANDERSON. I am sure that would be true of every amendment which might be offered. Nobody wants to hurt the automobile industry. We all want to help it.

Mr. President, I signed the minority views on the bill. I hope the signature on those views will not indicate hostility to life insurance companies. Some of us feel retroactive tax reductions should not be granted.

There is no question what the law is. Under the law, life-insurance companies would have to pay, on the 15th day of March, approximately $415 million.

That is the law. The Mills bill, which is now before the Senate, would reduce that tax liability for the year 1957—not the year we are now in, but the previous year—to about $291 million.

I raised a question as to who would get the money. A great deal has been said about the small life-insurance companies. Everybody wants to help them. I placed in the CONGRESSIONAL RECORD, at page 4121, a list of the companies that would get the money. I was interested in that. It will be found that of the $124 million which is to be paid retroactively to insurance companies, more than $115 million will go to 51 large mutual companies and 25 large stock companies.

So that while there are 1,200 life insurance companies across the United States, 76 of the companies will get over 90 percent of the money. It is not the small companies that will benefit. Some persons like to point out that the small insurance companies are struggling and need help. They are not the ones who will be helped. When one company will get back $20 million in a retroactive tax rebate, it is time to look into the matter.

Many years ago, as a high-school boy, I listened to Teddy Roosevelt make a great speech on his return from a hunting trip to Africa. Teddy Roosevelt had a cattle ranch in the Dakotas, and he came to the Dakotas to give a report of his hunting trip. I was pressed against the platform, and I listened to that great man with a great deal of interest. He said that while he was in the cattle business in the Dakotas an employee of his came to him one day and told him he had found a whole bunch of steers unbranded, and he had put the brand of Teddy Roosevelt on the steers.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. May I finish the story, please?

Teddy Roosevelt said, "I fired him that day, because a man who will steal for you will steal from you."

I only want to suggest to the life insurance companies that by advocating this type of relief they may not be doing the most intelligent thing in the world, because if we can give tax money to the life insurance companies retroactively, after the tax year is closed, we can reach back and take it away from them, and they will be handy targets when anybody desires to do that.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Is there anything to the story that these companies lost money last year because they relied upon the fact that the Treasury Department was to come up with a permanent formula, which fell through and left the companies holding the bag?

Mr. ANDERSON. The able chairman of the committee is here and can make a statement about that. I think the life insurance companies had some reason to believe they were going to be granted such relief. They had gotten it for the year 1955 and 1956, and their representatives said, "We think we have everything fixed. You will get it for 1957 also."

It is significant to note that the life insurance companies which filed their annual reports in the District of Columbia on the 28th day of February, so far as I know filed with one exception on the basis of the Mills bill, which has not yet been passed by the Congress. They were pretty confident that the bill was going to be passed by the Congress.

I would say the life insurance companies had some reason for their belief.

Mr. AIKEN. Then the Senator from New Mexico thinks the companies should have been intelligent enough to believe that?

Mr. ANDERSON. No. On the contary I think that they should have believed the law of the land was the basis upon which they had to pay taxes.

I will say one word further on that. When the Senator from Vermont pays his personal income tax he does not pay his tax on the basis of tax relief 6 months, 8 months, or a year from now. The Senator pays his tax based upon what the law is. So should the insurance company.

Mr. AIKEN. My personal taxes are all collected in advance.

Mr. ANDERSON. Yes, indeed. There is no possibility of the Senator coming in at a later date for a change.

Let me say to the Senator from Vermont that he has put his finger exactly on the reason why I oppose the bill.

The PRESIDING OFFICER. The 7 minutes allotted to the Senator from New Mexico have expired.

Mr. ANDERSON. Mr. President, may I have 3 additional minutes?

Mr. CAPEHART. I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for an additional 3 minutes.

Mr. ANDERSON. Once the tax liability has been established, the insurance companies should not come in to ask for $124 million relief, unless they can show that they are in worse shape than any other industry in the country.

Personally, I am inclined to agree with the Senator from Michigan. I think the automotive industry is in worse shape than the life insurance industry.

Mr. President, in the New York Times of Sunday, March 2, 1958, there was an interesting article about the President of the Prudential Insurance Company of America, a very able and fine man. The article says:

Carrol M. Shanks is a happy man.

He has good reason to be. The Prudential Insurance Company of America, which he heads, reported last Monday sales of $11,296,000,000 of life insurance in 1957, an industry record.

"It represents over two-and-a-half times the amount of insurance which we sold just 5 years ago and almost four times the amount sold 10 years ago," he told a press conference that day.

That article does not indicate to me that the Prudential Insurance Co. is in any trouble. The company is doing fine, because it has excellent progressive management. I am glad the company is doing fine. However, the Prudential Insurance Co. does not need, as it would get under the provisions of the bill, over $17 million of tax relief. If we are to give tax relief, we should give it to those who need it.

Mr. President, Newsweek of March 10, 1958, has an article with relation to the Metropolitan Life Insurance Co. and the Prudential Insurance Company of America, and the article points out:

Metropolitan president Frederic W. Ecker, weighing in 2 days later, could report that the Met was still the giant of the industry, with $79.8 billion insurance on 41 million policyholders.

And other things.

Mr. President, I ask unanimous consent to have printed in the RECORD several paragraphs from the article in Newsweek of that date.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

There were no firecrackers exploded last week in the hushed, walnut-paneled executive suites of New York's Metropolitan Life Insurance Co., nor amid the marble and stained-glass munificence of Prudential Insurance Company of America's headquarters at Newark, N. J. But the Nation's two biggest life-insurance companies could point to plenty of reasons for a 21-gun salute:

In his annual report to 34 million Prudential policyholders, President Carrol M. Shanks announced that 1957 sales ($11.2 billion) were 36 percent over record 1956, giving the Prudential a sales edge over Metropolitan for the third year running. Total Prudential insurance in force hit a new high of $65 billion.

Metropolitan President Frederic W. Ecker, weighing in 2 days later, could report that the Metropolitan was still the giant of the industry with $79.8 billion insurance on 41 million policyholders. Sales ($8.5 billion) were up 19.4 percent last year, and assets increased by $751 million to $15.5 billion, topped only by American Telephone & Telegraph (with $17.7 billion) among all companies.

This proud showing by the two giants of insurance was a reflection of one of the most remarkable booms in history. In 7 short years, the total of United States life insurance in force has doubled, to a towering $456 billion. And now, having just completed their best year in history ($65.4 billion in sales), insurance men are confidently expecting another record rise in 1958. The Institute of Life Insurance reported last week that group insurance rang up the biggest January on record, hitting $1.5 billion. And individual purchases of ordinary life-insurance policies continued to climb at a prodigious pace, setting a January record of $3.5 billion.

Mr. ANDERSON. Mr. President, the life insurance companies are in good shape, and we should not be providing tax relief for them. If we are going to give tax relief, we should find those institutions and industries which are in the deepest trouble.

Finally, Mr. President, I shall have more to say about the matter as we go into consideration of the bill, but I do not believe the life insurance people themselves will profit the most by this proposed action, because if we once establish the principle of retroactivity, if we can go back to save money for the insurance companies, then we can go back and soak them for more.

The Treasury Department, as the able chairman of the committee knows, is to come before the Committee on Finance of the Senate by April 7 with a new tax formula for life insurance companies. Suppose we pass the new formula, which may raise their taxes to $500 million. If the action here proposed is to be considered a precedent, we can go back to say, "We will apply the tax formula to the year 1957." Why not? If the companies are going to ask for relief retroactively, they might expect to get soaked some taxes retroactively.

I think this is an unwise procedure. These companies should pay what the law requires. It is a very foolish principle to establish tax liability on any other basis.

It is on that basis that I oppose passage of the bill, Mr. President. I am not going to be outraged if the Senate passes it. I recognize this provision has been passed for several years in the law. I would not criticize the vote of any Senator in this regard.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I shall be happy to yield, if I have any time remaining.

Mr. CAPEHART. Mr. President, we will allocate 1 additional minute to the Senator.

Mr. THYE. In other words, if we were to permit this bill to become law, changing the tax liability, there would be a direct subsidy to the insurance companies, would there not?

Mr. ANDERSON. Well, it would give back $124 million that they are expected to pay by the 15th of March.

Mr. THYE. But the insurance companies did not operate on a deficit in 1957?

Mr. ANDERSON. I do not think they operated on a deficit at all. Some of them are in wonderfully fine shape. The insurance business generally is in excellent shape, far better than is true with regard to agriculture.

Mr. THYE. That is the reason it seems to me it would be a subsidy to the companies, because they are already operating at a profit. They already have a profit and they have paid their taxes. This would be a reimbursement.

Mr. ANDERSON. They have not yet paid the taxes, I will say to the Senator from Minnesota.

Mr. THYE. No?

Mr. ANDERSON. The taxes are due.

Mr. THYE. But they have the revenues to pay the taxes?

Mr. ANDERSON. Yes, sir.

Mr. THYE. Plus the other taxes.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. CAPEHART. It is a fact that the companies have not been paying the tax under the present formula for the last several years, is it not?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ANDERSON. That is true. May we have another half minute?

Mr. CAPEHART. Will the Senator from California yield 1 minute, please?

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. Does the Senator not think that the insurance companies might be given a year's notice in this regard?

Mr. ANDERSON. The companies have had a year's notice. They were told as plainly as could be in 1956 that the formula was to come to an end.

Mr. CAPEHART. By whom were the companies told?

Mr. ANDERSON. I cannot answer precisely the question asked, except to say that every bit of information and evidence gave that indication. The trouble was that the companies expected the Treasury Department to come up with a formula. This is not all black and white, I admit.

Mr. CAPEHART. That is my point.

Mr. ANDERSON. I am trying to be fair.

Mr. CAPEHART. I know the Senator is trying to be fair.

Mr. ANDERSON. The companies did expect the Treasury Department to come in with a formula, but the Treasury Department did not come in with a formula.

Mr. CAPEHART. Let me see if I correctly understand the situation. The insurance companies have not been paying the tax on the present basis?

Mr. ANDERSON. That is correct.

Mr. CAPEHART. Under a formula established by law and by the Treasury Department?

Mr. ANDERSON. Yes, sir.

Mr. CAPEHART. There was some question as to whether the formula under which they had been paying taxes was right or wrong?

Mr. ANDERSON. Yes. It is not the best one.

Mr. CAPEHART. The Treasury Department did not come up with a new formula, and, therefore, the insurance companies had every right to believe they would pay taxes on the basis of the old formula?

Mr. ANDERSON. I think that is approximately correct. I would not quarrel with that statement a great deal.

I simply say that I think it is bad to do as is proposed, namely, reduce taxes retroactively.

Mr. President, because I desire to be fair about the matter, I should like to introduce the figures which show that under the 1942 formula over a period of some 15 years the insurance companies would have paid $1,736,000,000, while under the 1955 formula as carried in the Mills bill they would have paid $2,334,000,000. This situation is not all black and white.

Mr. CAPEHART. Then there might be some justification for giving the companies a year's notice while we work out a new formula?

Mr. ANDERSON. I will grant that point. I say, however, that I think it is a bad practice for the insurance companies and the Congress to retroactively engage in the granting of relief.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CAPEHART. May I have another half minute?

Mr. KNOWLAND. I yield the Senator 1 minute.

Mr. CAPEHART. Then the Treasury Department must take part of the blame for not bringing in the formula?

Mr. ANDERSON. They had gone to the Treasury Department. That matter was under consideration in 1956. In July of 1956 a bill was passed reestablishing the formula, and nothing more was heard from the Treasury Department. Therefore, the insurance companies thought the matter was pretty well settled on the basis of the Mills formula.

My point is, I will say to the Senator from Indiana, I think a retroactive tax reduction is a bad thing. If we can give them a retroactive tax reduction we can take it away from them.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield to the Senator for 1 minute.

Mr. BYRD. I should like to have 2 or 3 minutes.

Mr. CAPEHART. I yield to the able Senator from Virginia.

Mr. BYRD. Mr. President, I should like to make clear that under the bill the insurance companies will pay $291 million in taxes for 1957. In 1956 the companies paid $268 million. In 1955 they paid $243 million.

We are not talking about a reduction of taxes as compared to what the companies paid in 1956 or 1955. We are talking about an increase in taxes.

The fault does not lie, Mr. President, with the insurance companies. The fault lies with the Treasury Department, because the Department did not bring in a formula whereby a new tax base could be established.

I know the distinguished Senator from New Mexico did not intend to imply that the companies were paying $124 million less than they paid last year. The companies are paying more than they paid last year. They are paying more than they paid the previous year.

Under the 1955 formula, beginning in 1942 the insurance companies would have paid $2,334 million, while if they had been under the 1942 formula straight through they would have paid $1,736 million.

The fault lies—and the Senator from New Mexico knows it, because he is a very active and influential member of the Finance Committee—with the Treasury, because it did not provide a new formula in connection with the very complicated question of insurance taxes.

Mr. CAPEHART. Then my observation was correct, that the insurance companies should be given some notice if there is to be a change in the formula.

Mr. BYRD. Let me say a word further about the legislative history of this measure.

It was approved by the Ways and Means Committee of the House unanimously. Under an open rule, it passed the House unanimously. The Treasury Department has unequivocally endorsed

it. The Budget Director included in his estimates the revenue which would come from the bill now pending, and not the revenue which would come from the 1942 formula. The bill was approved by the Senate Finance Committee by a substantial majority.

Mr. DOUGLAS. Mr. President, I yield 15 minutes to the distinguished and very able senior Senator from Michigan [Mr. POTTER].

Mr. POTTER. Mr. President, I wish to speak in support of the Douglas amendment. Let me say by way of preface that I am reluctant to support a substantial amendment of this kind on a technical bill. But we are faced with a very practical situation.

We learn from the press, and from announcements by public officials of both parties, in the administration and out of the administration, that tax reductions are being considered. My State is suffering severely from unemployment. I can speak only for my State. However, I have heard that the same situation applies to other States, although perhaps not to such a serious extent as in my State.

In the State of Michigan today unemployment is more than 13 percent. That means that 350,000 men and women of our labor force are unemployed, to say nothing of those who are employed on a part-time, 2- or 3-day-week basis. So our economy is not in good shape.

If pronouncements to the effect that tax reductions are under consideration, and that we will take a look at the situation tomorrow, next week, or next month, are to be a part of the cure, they do little good unless they are accompanied by action. As a matter of fact, by merely talking about the situation rather than acting, we retard, rather than help, the recovery.

I can cite as a good example the excise tax on automobiles. When people talk about it, as they have been doing for several weeks, and nothing is done about it, the customer says, "I will wait and see what will happen." That is the reason for the retroactive feature of the Douglas amendment, providing for reimbursement for the excise tax with respect to automobiles which are sold from March 1 on.

That feature applies not only to automobiles, but to all articles with respect to which an excise tax is imposed.

Moreover, the psychology of people is an important factor. They are going to wait and see. We have been going through a period when people have been sitting on their pocketbooks, waiting to see what would happen. What we need is some leadership. We need to say, "We will" or "We will not." But let us not say, "We are going to look into the situation. We are going to consider it for another week, another 10 days, or another month." Let us act.

When people are in an economic crisis soft words and music do them little good. Promises and prophecies are of little aid. The people want some dynamic action and leadership. Until that is forthcoming, the economic climate will grow worse rather than improve.

I happen to be old fashioned. I believe that when an economic recession occurs we need to restore public confidence in our economy. I am one of those who believe that confidence is not restored by WPA projects. I believe that confidence is restored by allowing the people to spend for themselves, rather than having the Government spend for them. I believe that if the people were given an opportunity to spend for themselves the money they would save by a tax reduction, they would spend it for goods, which would create jobs and lift the economy out of the mire.

I have little patience with those who say, "We are going to pull out of it." Of course I think we shall pull out of it. I have no doubt that this condition is of a temporary nature. But I should like to remind you, Mr. President, of the fact that when 350,000 persons are unemployed they have lost their paychecks. Many of them have expended their unemployment compensation. We cannot be insensitive to that type of situation.

The bill to which this amendment is sought to be attached is a technical bill. It is a bill to give aid to the insurance companies. Whether it is their fault or the fault of the Government that there has been a misinterpretation as to what tax they should pay is immaterial. I have noted a great deal of concern and interest; and a great many people are willing to carry the cudgels. As a matter of fact, I support them.

I recognize that it is not the usual practice, in connection with a technical bill such as the one before the Senate, to attach to it a substantial amendment of this sort. However, when people are involved, why must we make sure that we go through all the customary technical procedures? This is an emergency matter. The bill must be passed by tomorrow night. Everyone is greatly concerned.

I am concerned for them, but I am also mindful of the fact that if we do not act now on the bill, with the amendment included in it, we may not be able to act for a month, 6 weeks, or perhaps 3 months, on another tax measure. I hope that the prophecies are correct, that the month of March will see an upswing. In the State of Michigan we were hit first, and we were hit the hardest, and all the prospects are that the duration will be long.

It is a little difficult to sit by—and I refuse to do it—and say, "We will wait until another tax bill is before the Senate. We want to wait and see what the House of Representatives will do."

As a Senator from Michigan, I have an obligation to the people I, in part, represent to do what I can in my best judgment to restore the economy of that State. I believe that a reduction of taxes is the best means.

I well recall that after World War II our good neighbors in Canada were decreasing their taxes. They decreased their taxes three times, while we were maintaining ours. After every tax reduction their national revenue increased. As a matter of fact, we can look at our own history. When we have reduced taxes our national revenue has increased. Why? Because it gives stimulus to our economy. It gives the vitality that is needed in our economy today.

How much, for example, does the Federal Government receive from the excise tax on automobiles which are not sold? Is it not better to get people back to work and to revitalize the industry, so that automobiles will be sold and that men will be put to work, so that more corporation taxes will be collected, and so that there will be more income from which taxes will be collected? Is that not better than to sit idly by and maintain the status quo, as unemployment grows and grows and relief loads become heavier and heavier?

I say we would never have invaded Normandy in World War II if we had waited for all factors to have been lined up exactly right. It is time for dynamic leadership. It is time for the Senate to assert itself.

In the amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS] there are many features. He has covered many of them in his address this evening. I should like to address myself to one feature only. I fervently believe that the adoption of an overall amendment for the reduction of taxes at this time will not result in the Government losing one nickel; instead there will be collected revenue which the Government otherwise would not receive.

Therefore I wholeheartedly support the entire amendment the Senator from Illinois has offered. However, I am particularly interested in the provision which reduces the excise tax on automobiles. I bring this up not as a State matter and not as a sectional question, because Senators well know that the automobile industry is nationwide, and that the people who are employed by the automobile companies are located in practically every State of the Union; certainly the customers of the automobile companies are found in every State, and the customers of the automobile companies comprise the vast majority of every Senator's constituency.

Let us look at the record. During most of the 1930's excise tax rates of 3 percent on cars and 2 percent on trucks were in effect. The Revenue Act of 1941, a wartime measure, raised the rate on automobiles to 7 percent and on trucks to 5 percent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOUGLAS. I yield 5 more minutes to the Senator from Michigan.

Mr. POTTER. In November 1951, the rates were raised by Congress to 10 percent on passenger cars and 8 percent on trucks. Under the 1951 law, which was designed to discourage civilian production, as a part of the general mobilization plan, the rates were to revert to 7 percent and to 5 percent, respectively, on April 1, 1954. Congress has enacted legislation every year since that time to keep the emergency rates in effect on a temporary basis. The rate on automobiles is due to be reduced to 7 percent on June 30, 1958.

In July 1956 the rate on trucks was increased to 10 percent as a part of the

Federal Highway Act. Half the tax is earmarked for the Federal highway program, which I wholeheartedly endorsed. Under the provisions of that act, the 10-percent rate will remain in effect until 1972.

Excise taxes on passenger cars and trucks were increased primarily as emergency measures during World War II and the Korean war. Many of the other taxes which were imposed in the same way have been reduced or removed. Taxes on automobile production stand out as glaring examples of discriminatory taxation.

There is a need for basic tax reform, to remove the inequities in the present excise-tax structure. I think many of those inequities are covered in the amendment offered by the Senator from Illinois. Such reforms are long overdue.

Furthermore, there is currently a need for tax measures designed to provide an antirecessionary stimulus to our economy. To eliminate or reduce the tax at this time would provide both the tax reform and a badly needed antirecessionary measure.

I believe that excise taxes on passenger cars and trucks should be immediately eliminated or substantially reduced for the following reasons:

These taxes discriminate against the automobile industry and the consuming public. The passenger car and truck—vital necessities in our economy—are taxed at the same rate as many luxury items.

The elimination or reduction of the excise tax would redress an inequity in the tax structure and provide a much needed stimulus to the economy through increasing the demand for cars and trucks.

The initial revenue reduction to the Government due to lower excise taxes would be relatively small and would be partly offset by increased tax yields from improved personal and business incomes.

DISCRIMINATION

The original intent of the increases in 1941 and 1951 apparently was to discourage production of civilian hard goods that would compete unduly for materials and manpower with the defense program. They were put on to discourage production.

TRUCKS, BUSES, AND TRUCK TRAILERS

Looking back, however, it is difficult, even during wartime, to justify this reasoning on trucks, buses, and truck trailers, while other productive tools of farm and industry were not taxed.

To continue such a penalty on trucks, buses, and truck trailers in peacetime and under fully competitive conditions is unsound economics and discrimination at its worst. It would be unthinkable to impose excises on other producers' durable equipment, such as farm tractors, turbines, lathes, grinders, freight cars, industrial engines, and so forth. The excise tax is a special tax on a single tool of production. For example, the buyer of a $3,000 dump truck pays $225 in Federal excise taxes, but none on a power shovel used to load the truck.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. Mr. President, I yield 5 minutes more to the Senator from Michigan.

Mr. POTTER. I thank the Senator from Illinois.

Such an excise tax is additionally discriminatory, for no competitive form of transportation equipment is subject to such a penalty.

Furthermore, approximately 25 percent of truck sales are made to farmers. The excise tax has become an even greater burden to farm operators the last few years as farm incomes have been depressed.

Trucks, buses, and truck trailers are necessities and important tools in production and distribution. There is no clear reason, other than ease of taxing, why these items should be singled out for a tax. The elimination of these excises would reduce production costs and be consistent with economic fair play and equity.

PASSENGER CARS

Although not so obvious as in the case of trucks, passenger cars are an absolute necessity for business firms and most individuals. Yet the 10-percent tax rate on cars is the same as that applying to a wide range of luxuries. Most other necessities, such as food, clothing, and shelter, are not subject to Federal excises.

The present rate on most consumer durables is only one-half the present rate on passenger cars. For example, the rate was reduced from 10 percent to 5 percent as of April 1, 1954, on refrigerators, freezers, clothes driers, dishwashers, and other household electric, gas, and oil appliances. Radios, television sets, phonograph records, and musical instruments have the dubious honor of keeping company with autos at the 10-percent rate. Prior to November 1951 passenger cars were taxed at lower rates than most of the abovementioned items.

The family that buys a $2,500 automobile today pays $182 in Federal excise taxes. The family that buys $2,500 worth of refrigerators and other home appliances pays an excise tax of only $75. This is due in part to the difference in the tax rate and also the fact that appliances usually have a 40-percent distributive margin as compared to about 25 percent on cars.

As indicated in exhibit II, the rate on automobiles is discriminatory even where no trade-in is involved. As a percent of list price, the effective tax rate is 2½ times greater than on refrigerators and one-fourth more than on radios or television sets.

In the case of a sale involving a trade-in—about 85 percent of all new-car transactions—the effective rate on cars is even more excessive. When related to the normal type of sale—trade-ins on new cars and widely available cash discounts on appliances—the automobile excise, as a percent of cash cost, may be as much as 4 to 6 times greater than the rate on refrigerators.

PASSENGER CARS—A NECESSITY

The passenger car is a necessity in the American economy. It provides mobility to the American worker. As shown in exhibit III, two-thirds of the workers who have to travel 1 to 5 miles to work go by car. About 85 percent of those who travel over 10 miles use a car. Many of these people could not hold their present jobs if they had to depend upon other forms of transportation. Since the survey was made, the trend toward suburbanization has increased, thus placing an even greater reliance upon the family car.

In 1951, according to a survey made by Alfred Politz, Inc., 57 percent of all car mileage was driven in connection with going to and from work.

The role of passenger cars in providing local transportation is also illustrated by the fact that 72 percent of all persons, other than pedestrians, entering downtown do so by car. Even in the large cities, cities of more than 250,000 population, almost 60 percent use cars to get downtown. The dependence on cars rises sharply as the size of the city decreases.

EMPLOYMENT ASPECTS IN INDUSTRY

Tax relief would help to increase demand for motor vehicles and at the same time keep employment and payrolls in the auto industry from falling further. This is the most important part of the question.

The level of employment is closely geared to production which in turn depends on the volume of sales. For example, as shown below, 819,000 production workers were employed in April 1953, a high production month. The decline in sales resulting from the 1953–54 recession resulted in a reduction in employment to 557,000 in August 1954.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Automotive Production and Employment—Selected Dates."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Automotive production and employment, selected dates

[In thousands]

	Weekly average production		Production workers
	Cars	Trucks	
April 1953	136.7	29.2	818.8
August 1954	99.2	16.7	556.8
November 1955	178.3	28.0	796.1
November 1956	138.3	22.1	693.7
January 1957	145.9	21.4	709.7
November 1957	144.7	22.6	664.7
January 1958	111.2	18.7	[1] 610.0

[1] Estimated.

Mr. POTTER. Mr. President, evidence is mounting that we are in another recession. In November 1957, 665,000 production workers were employed in the auto industry—29,000 below the 694,000 of November 1956, and 131,000 below the 796,000 of November 1955.

Total car and truck production is now running about 25 percent below the rate a year ago. as shown below. Car production in December 1957, was 19.4 percent below December 1956, on a weekly average rate. The gap has widened to 26.4 percent in February. The truck production rate in December 1957 was

7.7 percent below December 1956. The gap has widened to 17.7 percent for February.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 2 more minutes to the Senator from Michigan.

Mr. POTTER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "United States Motor Vehicle Production—Weekly Average."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States motor vehicle production—Weekly average

[In thousands]

	Cars			Trucks		
	1957–58	1956–57	Percent change	1957–58	1956–57	Percent change
November	144.7	138.3	+4.6	22.6	22.1	+2.2
December	133.7	165.9	−19.4	21.7	23.5	−7.7
January	111.2	145.9	−23.8	18.7	21.4	−12.6
February	105.1	142.8	−26.4	[1] 19.0	23.1	−17.7

[1] Based on first 2 weeks of production.

Mr. POTTER. Mr. President, automotive employment in January is estimated to be about 100,000 below January 1957. This would be the lowest employment level for a January since 1946. The prospect for an early reversal of the decline in production and employment is not very bright.

GOVERNMENT REVENUES

Even during the initial period of reduction revenue losses to the Federal Government would not be serious. Based on excise tax receipts during fiscal 1957, a reduction of the tax rate to 5 percent on passenger cars, trucks, and automotive parts is estimated initially to reduce Government revenues by only $729 million, as shown in exhibit V. The lower current level of auto sales would mean an even smaller decline in revenues because of a rate reduction.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 1 more minute to the Senator from Michigan.

Mr. POTTER. Mr. President, this loss would be partially offset by revenue increases from increased sales. A reduction or elimination of excise taxes would be one of the most effective means of stimulating demands for cars and trucks. This would mean higher employment, payrolls, and profits. This in turn would generate higher personal and corporate tax revenues.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 30 seconds more to the Senator from Michigan.

Mr. POTTER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD tables entitled "Excise Taxes in Effect on Automotive Products, Other Durables, and Luxury Items"; "Comparison of Effective Excise Tax Rates"; "Use of Passenger Cars by Workers"; and "Effect of Change in Automotive Excise Taxes on Government Revenues, Based on 1957 Fiscal Year Receipts."

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EXHIBIT I

Excise taxes in effect on automotive products, other durables, and luxury items

	Effective date					
	June 1932	July 1940	October 1941	November 1951	April 1954	July 1956
	Tax as percent of manufacturers' selling price					
Automotive products:						
Automobiles	3	3.5	7	10	10	10
Trucks	2	2.25	5	8	8	10
Parts and accessories	2	2.5	5	8	8	8
Other durables:						
Refrigerators	5	5.5	10	10	5	5
Freezers	0	0	0	[1] 10	5	5
Electric, gas, and oil: Oil appliances	0	0	10	10	5	5
Radios	5	5.5	10	10	10	10
Television sets	0	0	0	10	10	10
Luxury-type items: Sporting goods	[2] 10	0	10	15	10	10
	Tax as percent of retailers' selling price					
Furs	[2] 10	0	[2] 10	20	10	10
Jewelry	[2] 10	0	[2] 10	20	10	10

[1] Tax initially imposed on Nov. 1, 1950.
[2] As manufacturers' excise tax: Rate on furs reduced to 3 percent June 1936. Tax eliminated on sporting goods June 1938, furs July 1938, and jewelry June 1939.
[3] Increased to 20 percent on Mar. 1, 1944.

EXHIBIT II

Comparison of effective excise tax rates

	$2,500 new automobile	$25 table radio	$250 refrigerator
Wholesale price	$1,820	[1] $15.00	[1] $150.00
Excise tax rate (percent)	10	10	5
Excise tax	$182	$1.50	$7.50
Excise tax as percent of price if item is sold at suggested list	7.3	6.0	3.0
EFFECTIVE RATE AS PERCENT OF TRUE CASH COST TO BUYER			
Assumed allowance on used car trade-in:	*Percent*	*Percent*	*Percent*
3-year old, $900	11.4	----	----
2-year old, $1,200	14.0	----	----
1-year old, $1,600	20.2	----	----
Cash discount on radios and appliances:			
10 percent off list price	----	6.7	3.3
20 percent off list price	----	7.5	3.8

[1] Price to distributor, not dealer, based on 40 percent distributive margin.

EXHIBIT III

Use of passenger cars by workers

1-way distance to place of employment:	*Percent of workers using cars to get to work*
0.1 to 0.9 miles	43
1.0 to 1.9 miles	67
2.0 to 2.9 miles	65
3.0 to 4.9 miles	66
5.0 to 9.9 miles	77
10.0 to 19.9 miles	84
20 miles and over	85
All employed persons	64

Source: State highway departments in cooperation with U. S. Bureau of Public Roads (summer, 1951 study), as reported in Automobile Facts and Figures, 1954.

EXHIBIT IV

Methods used by persons to enter downtown areas of cities—Excluding pedestrians

Population of city	Average percent traveling by auto	Average percent using public transit
Over 250,000	57	43
100,000 to 250,000	72	28
50,000 to 100,000	75	25
Less than 50,000	83	17
Average, all cities	72	28

Source: Surveys conducted by cities in cooperation with U. S. Bureau of Public Roads (summer 1951 study), as reported in Automobile Facts and Figures, 1954.

EXHIBIT V

Effect of change in automotive excise taxes on Government revenues based on 1957 fiscal year receipts

[In millions]

Excise tax rate	Government revenues	
	Total yield	Amount of reduction
Passenger cars:		
10 percent (present rate)	$1,144	0
7 percent (rate scheduled for June 30, 1958)	801	$343
5 percent	572	572
0 percent	0	1,144
Trucks:		
10 percent (present rate)	196	0
8 percent (rate prior to 1956)	157	39
5 percent	98	98
0 percent	0	196
Automotive parts and accessories:		
8 percent (present rate)	157	0
5 percent (rate scheduled for June 30, 1958)	98	59
0 percent	0	157

Mr. President, I thank my distinguished friend, the Senator from Illinois, for having been patient with me and for yielding me this much time.

Mr. DOUGLAS. I have been glad to yield.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from North Dakota is recognized for 1 minute.

Mr. LANGER. Mr. President, I gladly associate myself with the Senator from Michigan, in the position he has taken. But I wish to say that he omitted stating one important item. Practically every farmer in the Midwest has one or more automobiles or trucks. If the excise taxes are to be reduced on automobiles, certainly the reduction should extend to trucks.

Mr. POTTER. Yes. One-third of the trucks are purchased by farmers.

Mr. LANGER. Certainly I wish to make sure that the farmers also will be benefited as the result of this proposal. The farmers should be benefited, because they are also workers; they work and they labor for a living.

Mr. CARLSON. Mr. President——

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. President, I rise to oppose the amendment of the senior Senator from Illinois, not because of the amendment itself, but because of the method employed in submitting it. Although as an amendment to a tax bill, it has been submitted on the floor of the Senate without its having received what I believe is the consideration it should receive.

Last year more than 48½ million tax returns were filed in the United States. They were based on a total gross adjusted income of nearly $275 billion. The tax collected amounted to approximately $36 billion or $37 billion. I contend that in dealing with taxation, which affects so many people and affects the economy of the entire Nation, it is essential that the Congress give all due consideration to any proposed tax reduction.

As the distinguished Senator from Illinois has said, the tax reduction he has proposed may be one for which the Congress will wish to vote in the future. I do not know. But I say that the proposal should be studied by the staff of the Joint Committee on Internal Revenue Taxation.

On February 25 of this year, the Joint Committee on Internal Revenue Taxation submitted a study of various proposals for tax relief for individuals. As a matter of fact, the study deals with 19 proposals of that sort.

Many suggestions for the reduction of taxes have been made. I shall not discuss all the proposals covered by the study to which I have referred; but in the study I notice one proposal which would increase the exemption to $700. It may be that that will be what the Congress will wish to do; I do not know.

Another proposal is to increase the exemption to $650 and reduce the tax 5 percent, and so on, down the line. There are 17 other proposals for reductions in the individual income taxes.

I believe it is incumbent on the Congressional committees concerned and on the Congress to study every one of these proposals, before taking action on a proposal, submitted during an evening session, to amend an insurance tax bill which we hope will be passed by the Senate by tomorrow evening.

The Senator from Illinois has said that his tax-reduction proposal would afford immediate relief, and that that is what the amendment is intended to do. That is true, and the same may be said about other proposals which we might adopt. But there are other proposals which would afford relief; this is not the only one.

As a matter of fact, the second proposal dealt with in the study which has been made by the staff of the Joint Committee on Internal Revenue Taxation is entitled "Quickie Tax Relief." I shall read from the report:

> This suggestion would reduce the withholding rate from 18 percent to 9 percent for a 6-month period beginning July 1, 1958.

I am confident, Mr. President, that every Member of the Senate who has studied taxes knows that if the withholding tax of the individual wage earner of the Nation were reduced 50 percent every pay period, beginning July 1, that would put money in the taxpayer's pocket, and that money would be available for spending.

I have made some studies of the plan, and it seems to me to have merit if we wish to provide quick relief from taxation.

But another part of the comment of the staff of the Joint Committee on Internal Revenue Taxation about this particular plan is as follows:

> This plan would double the $13 value of the present per capita weekly withholding exemption with proper adjustments in other pay period exemptions. This would increase to $26 each per capita exemption claimed by the wage earner. The plan could be adopted on July 1, 1958, for a 6-month period or extended longer if desired.
>
> For a worker with a family of 4, this plan would increase his weekly take-home pay by $9.36, and for a 6-month period by $243.36.
>
> Adoption of such a plan would put into consumer spendable income approximately $1 billion a month.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, will the Senator from West Virginia yield 5 additional minutes to me?

Mr. HOBLITZELL. Mr. President, I yield 5 additional minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 additional minutes.

Mr. CARLSON. Mr. President, the next question Members of Congress would ask, and should ask, when they consider such plans, is "How much will this plan cost?"

The staff of the Joint Committee on Internal Revenue Taxation has stated that the plan to which I have just referred, if adopted, "would put into consumer spendable income approximately $1 billion a month"; and the cost for the 6-month period would be approximately $5 billion or $6 billion.

Mr. President, if we need to have something done quickly, such a plan would be one which could be adopted for that purpose.

But again I say that the House Ways and Means Committee and the Senate Finance Committee should give consideration to these plans.

Personally, I think the plan has much merit. I believe tax reduction has great value in aiding in ending a recession.

In 1954, when a tax reduction was made, we picked up approximately $52 billion in 16 months.

I am not so certain that the programs we are considering at the present time—programs for spending on public works—will end the present recession. I hope they will, but past experience shows that such programs do not always work that way.

The plan on "quickie" tax relief is based on the proposition that it is better for the taxpayer to have more money to spend than for the Government to spend it on "priming the pump," so to speak, by spending on isolated and sometimes unnecessary projects.

I admit frankly that this proposal will, if adopted, require some deficit financing; but I believe we shall have to resort to deficit financing anyway. In my judgment, however, the deficit financing required under this plan will be less than in the case of the "prime the pump" method. In the long run this plan will be far better than the "prime the pump" method.

Looking at the plan at applied to present conditions—being static—it probably will result in a deficit of $4 billion. Looking at the plan as applied to future conditions, as a dynamic problem, it probably will result in a deficit of only $2 billion, because I believe it will accelerate business sufficiently to result in about $2 billion of additional tax revenue.

The plan will give tax relief immediately to everybody in the United States. Government spending is necessarily confined to certain areas and does not benefit all equally.

But, Mr. President, if on July 1 the Congress determines that it is necessary to end the recession by making a tax reduction, I think that can be done very rapidly by cutting the withholding tax 50 percent for 1 month, 2 months, or any other period which Congress may decide upon.

I have prepared some amendments on this point.

I ask unanimous consent to have printed at this point in the RECORD the table to which I have referred, which has been prepared by the staff of the Joint Committee on Internal Revenue Taxation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

"QUICKIE" TAX RELIEF

(1) This suggestion would reduce the withholding rate from 18 percent to 9 percent for a 6-month period beginning July 1, 1958. It also provides for an accompanying adjustment in the final liability. Such a plan would increase the purchasing power of the wage earner by about $1.2 billion a month. In the case of taxpayers not subject to withholding, adjustments could be made in their declarations.

This plan could be extended for a longer period if economic conditions warranted. The following table indicates the reduction of withheld taxes under various salary levels and exemption classes:

Weekly earnings	Earnings in 6-month period	6 months' reduction in withheld tax under plan		
		1 exemption	2 exemptions	4 exemptions
$50	$1,300	$87	$56	(1)
$75	1,950	145	115	$54
$100	2,600	204	173	112
$125	3,250	262	232	171
$150	3,900	321	290	229
$175	4,550	379	349	288
$200	5,200	438	407	346

[1] No withholding under present law.

(2) This plan would double the $13 value of the present per capita weekly withholding exemption with proper adjustments in other pay period exemptions. This would increase to $26 each per capita exemption claimed by the wage earner. The plan could be adopted on July 1, 1958, for a 6-month period, or extended longer if desired.

For a worker with a family of 4, this plan would increase his weekly take-home pay by $3.36, and for a 6-month period by $243.36.

Adoption of such a plan would put into consumer spendable income approximately $1 billion a month.

Mr. SALTONSTALL. Mr. President, will the Senator from Kansas yield for a question?

Mr. CARLSON. I am glad to yield.

Mr. SALTONSTALL. Did I correctly understand the Senator from Kansas to say that if such an amendment were adopted, it would result in a $4 billion deficit?

Mr. CARLSON. That was the estimate made by the staff.

Mr. SALTONSTALL. That would be a $4 billion deficit additional to any deficit which may result from the present spending; is that correct?

Mr. CARLSON. That is correct. Of course, it is estimated that the additional spending would "pick up" or result in $2 billion of additional revenue, and that would make the net deficit only $2 billion.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from the Kansas Motor Car Dealers Association, and also two telegrams which I have received. I have discussed this matter earlier today.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

NORTON, KANS., *March 13, 1958.*

Senator FRANK CARLSON,
Senate Building, Washington, D. C.:

Any reduction in excise tax on motor vehicles, accessories, parts, etc., passed on to our dealership by the manufacturers will be passed on to customers.

CITY MOTORS.
SCHEETZ MOTOR.
WALTER MOTOR.
BENNETT MOTOR.
GALL MOTOR.
MIZELL MOTOR.

WICHITA, KANS., *March 13, 1958.*

Senator FRANK CARLSON,
Senate Office Building, Washington, D. C.:

If manufacturers excise tax on automobiles, truck parts and accessories is repealed or reduced retroactive to March 1, 1958 all reduction of prices will be passed on to the customers.

Bob Moore Olds, Ben Robenson Buick, Gage Cadillac-Olds, Byron Stout Pontiac, Spencer Auto Service, ABC Motors, R. D. McKay Motor Co., Hobbs Chevrolet Co., Yingling Chevrolet Co., Price Auto Service, Zolgmann Motor Co., Palm Swede Motors, Dick Price Motors.

KANSAS MOTOR CAR
DEALERS ASSOCIATION,
Topeka, Kans., March 6, 1958.

Senator FRANK CARLSON,
Senate Building, Washington, D. C.

DEAR FRANK: In behalf of over 85 percent of franchised dealers of new cars and new trucks who are members of our State Automobile Dealers Association and the National Automobile Dealers Association, and sell over 90 percent of all new cars and trucks sold in Kansas, we appeal to you for immediate help to reduce or eliminate the present Federal excise tax on new cars and new trucks. The increased cost of labor and material since World War II has resulted in increased cost in the manufacturing of new cars and new trucks, resulting in increased cost to franchised retail dealers and increased cost to the buying public beyond their ability to pay.

The profits of the overall retail automobile industry, expressed as a percentage of sales and before provision for Federal income taxes, has varied from a high of 6.3 percent in 1950 to a low of 0.6 percent in 1954 and 0.7 of 1 percent for the year of 1957.

Federal excise taxes were put on new cars and new trucks as a war measure. Since World War II, Congress has repealed or reduced excise taxes on several industries—for example, picture shows and other entertainment, etc.

Over 80 percent of automobile mileage is essential; truck mileage—almost 100 percent.

Since World War II, operating expense of automotive transportation has increased by leaps and bounds—due to increased cost of maintenance expense, labor, parts, tires, equipment, oil, gasoline, city and State taxes, vehicle license fees, sales tax, etc., Federal and State increased gasoline tax and motor vehicle insurance.

Of recent months, some manufacturers of new cars and new trucks have had to reduce their working force by thousands of workers.

The retailing and allied industries of servicing and usage of automotive vehicles is one of Kansas' major industries.

Purpose of the foregoing is to inform you the Kansas Motor Car Dealers Association endorses proposal of Admiral Frederick J. Bell, executive vice president of the National Automobile Dealers Association with offices at 2000 K Street NW., Washington, D. C., that Congress reduce or eliminate excise tax on new cars and new trucks, providing the manufacturer, in turn, passes this savings on to the dealers, the franchised dealer will, in turn, pass this saving along to their customers.

We wish to express to you our sincere thanks for your loyal support in the past, on legislation that affects our industry.

Will appreciate wire reply, collect, expressing your views on this very important legislation.

Yours sincerely,
H. H. WALL, *President.*

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I address myself to this matter only because I, in part, represent the largest industrial and commercial State in the Union, a State which contributes, in round figures, approximately 20 percent of the total Federal tax. I think the people of my State have the right to know why, as their Senator, I shall vote as I shall on this amendment. Also, it may be of some interest to my colleagues. So I shall take but a few moments to state my position.

I shall vote against the Douglas amendment, and I shall do so with a heavy heart, because I have very great respect for my colleague from Illinois. Normally, I would consider myself as being on questionable ground not to be with him on an issue like this. I would rather be with him. Then I would be more deeply confirmed in my own thinking.

I have thought this question through very thoroughly. I feel the question is one essentially of timing. I think it is essential that the debate on the question be completed. I rather think, therefore, the Senator from Illinois, as is typical of him, has done us service, no matter how the vote on the amendment may go in enabling us to sharpen our thinking on his practical and very thoroughly prepared presentation.

I say it is a question of timing because I believe the recession is very serious now. In my State 442,000 persons are registered for unemployment benefits, with a very heavy ratio in manufacturing industries, especially in such centers as Buffalo, Utica, Elmira, and the Troy-Schenectady areas.

What troubles me in the debate on this question, here and throughout the country—and that is what it is getting down to—is that the effort by my dear friend and colleague from Illinois comes at the beginning rather than at the climax of the debate. I think we would find ourselves in a much better position to deal with the amendment more wisely after we had had an opportunity to let the debate mature.

In designing antirecession remedies we should determine the basic cause, as nearly as we can, and try to direct our fire at the target. The assumption being made is that the basic cause of the recession is very much what it was in 1953–54, and that the recession would be dispelled, as it was then, by a tax cut in roughly the same amount as was made then, about $5 billion. I think that is a risky and unnecessary assumption at this time, for these reasons: This recession is characterized, not by a major decrease in consumer purchasing, which has gone down relatively little since we first began to see the signs of a recession at the end of last summer, but the recession is based

on a $5 billion inventory contraction, and an annual rate of several billion dollars in investment in facilities and equipment by business and industry. It has hit hardest major durable goods items like automobiles.

The same workers who are now unemployed were buying at record levels for consumption only 6 or 8 months ago—and, indeed, those who are employed are still buying at near record levels. The difficulty we now face is with people who have no jobs, who only work part time, or who are in fear of losing their jobs. That is where the danger appears.

I do not believe the jobholder getting the benefit of $50 in a personal income tax cut will buy an automobile or a home because of it. I believe that is the fulcrum on which the question turns. I do believe when he sees unemployment going down and feels more secure in his job he will go on making the same expenditures for consumption which kept our economy at such a high rate in 1955, 1956, and 1957.

Accordingly, I have backed and worked for, and will continue to back and work for, in the intervening period which I think is necessary, first, unemployment compensation to take up the slack there as much as possible, and then programs to fit into existing, going projects such as housing, highways, education, small business, hospitals, defense, aid to domestic underdeveloped areas, foreign economic and technical assistance, and Federal aid to school construction. There is capability for adding to the economy from $5 billion to $10 billion by programs additional to those of the last fiscal year.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. HOBLITZELL. I yield 3 additional minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 additional minutes.

Mr. JAVITS. These are not traditional public works programs which need a time lead for preparation, but the programs I am talking about now, fortunately, fit in with going concerns, as it were. We have seen some evidence of that in the action we have already taken this week on the housing bill.

I might say, in explanation of my own vote on yesterday with reference to VA mortgage interest rates, that I feel that process needs to be facilitated by lower interest rates. I express the hope and the expectation that we shall see lower rediscount rates than we have seen. They should have been cut drastically when they were cut, in order to give the necessary lift to the economy.

I think it needs to be emphasized again that an income tax cut is essentially a one-shot operation. Hence, when it is done, the timing is all important. Added to additional antirecessional expenditures already contemplated, it could easily give us, if we provided a large income-tax cut, a $10 billion deficit in the next fiscal year. It could cancel out all its gains, and more, by inflation. Such an income tax cut could not be repeated. In addition, if defense necessities or expenditures for survival became necessary, which was the dominant note only 6 or 8 weeks ago, it would be extremely difficult to raise the rates again. We need more turnaround time.

By way of conclusion, in view of our excellent efforts toward stimulating employment, through Federal appropriations for all types of construction which can fit in with work already under way, I do not feel at this time—and I emphasize this—we should run the risk of a "quickie" income-tax reduction.

I conclude by paying tribute to the stimulation provided by and to the dynamic thinking which the Senator from Illinois has brought about in this situation. I have no doubt it will accelerate very materially, no matter how the vote on the amendment goes, vigorous action which we must and will take in combating the recession.

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from Maine [Mr. PAYNE].

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. PAYNE. Mr. President, I wish to join my distinguished colleague from New York in the statement he has just made. I also desire to compliment my colleague the Senator from Illinois [Mr. DOUGLAS] for the presentation he has made of the proposal which is under consideration.

It is my feeling that however, an amendment of this type, involving billions of dollars, many technical changes in the present law, and many very difficult formulas—an amendment which was spoken on only 2 days or so ago, and which was printed only as of March 12 and placed upon the desks of Members of the Senate, should not be given at this moment the serious consideration of Members of this body.

That is not to say that the pending proposal does not deserve full and complete understanding, study, and consideration by the Members of this body. However, it is a poor procedure, in my humble judgment, to legislate in the Chamber of the Senate on an amendment involving billions of dollars after a period of 4 hours of discussion, with no opportunity being afforded to go into the many facets of the problem, or to exercise one's judgment and arrive at a sound equation.

I am perfectly willing to state that the amendment, containing the several items it does, should be given consideration by the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, in order that the committees might submit what would be a sound and concrete proposal. I shall go a little further. I shall be very brief, because I know my time is limited.

No one could have a higher regard than this Senator has for the distinguished senior Senator from the State of Virginia [Mr. BYRD] or for the exacting work he has done as the chairman of the Committee on Finance. We are involved, though, at the present time, in an undertaking calling for appropriations of millions of dollars to stimulate the economy in several different directions all at one and the same time.

I simply say that notwithstanding the high regard I hold for my distinguished colleague from Illinois [Mr. DOUGLAS], I am going to vote against the amendment offered by him, not because it does not have merit, but rather because it does not bear up under the study given to it by a body which was chosen by the Senate to make such study and to submit an answer.

I am also going to vote against the measure reported by the Committee on Finance, to give relief to the insurance companies, because I shall not agree to give that type of relief, involving more than $100 million, at this moment when we are appropriating hundreds of millions of dollars. I shall not support the bill and neither shall I vote for the amendment which is now before the Senate.

Let it be clear on the record that I shall vote against the amendment and I shall vote against the bill itself.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. DOUGLAS. Mr. President, I yield 3 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 3 minutes.

Mr. PASTORE. Mr. President, I support the amendment offered by the Senator from Illinois [Mr. DOUGLAS], and I shall vote for it.

I am one of those who do not know, Mr. President, when a recession ends and when a depression starts. All I know is that more than 5 million people in this great country are out of employment. All I know is that 13 percent of the employable population of my own State are now unemployed.

I do not know whether we should act today, act tomorrow, act next week, act next month, or act next year. All I know is that unless we act now, this avalanche may so snowball as to make the situation very tragic indeed. As a matter of fact, it may become very disastrous.

There are those here who say, "We can wait for 6 weeks. We can wait for 2 months." Why do they want us to wait? It is because they want us merely to hope.

Let us assume that we did made a mistake tonight, and acted 2 months before time, and that we did stop the snowballing depression. What would we lose if we did that? Would we all shed crocodile tears because we stopped a depression 2 months before we had hoped to? What do we stand to lose if we stop a depression tomorrow rather than stop it 2 months from now?

Mr. President, we are dealing with humanity. I think I have some conception and some understanding of what it means for the father of a family to come home when he is without work, when it is necessary for him to feed his family three times a day. It is not a question of his being able to feed them

2 months from now, he must feed them tonight, tomorrow, and every other day they breathe the fresh air Almighty God made available to all of us.

That is the challenge we face. I know it might be a little better if we sat down in our committee rooms to listen to a score of witnesses, but the amendment proposed is very simple. It practically speaks for itself. How many times have we passed a bill and then smoothed it out in conference? We have experts. We have men who have dealt with tax laws and who have been with the Government for years and years and years. Better than anyone here in the Senate Chamber, they could meet in a corner and within a couple of hours could write a tax law which would carry out our intent.

We are here tonight not to come up with the refined language which may be necessary, but we are here to express an intent and take an action which will bring an end to this tremendous avalanche.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. DOUGLAS. Mr. President, I yield 2 more minutes to the Senator from Rhode Island.

Mr. PASTORE. When we count the cost in human souls, when we realize what is happening to the millions of families in this great Nation, when we realize that there are more people unemployed in the United States of America—a greater percentage—than in some nations to whom we give foreign aid to stabilize their economies, we have adequate reasons to adopt the pending amendment. That is the situation which faces the Senate, not 2 months from now but this evening. The amendment is before the Senate. I am one of those who feel responsibility. I cannot shirk my responsibility. I shall support the amendment because I know that 13 percent of the working people in my State are unemployed. That means 13 human beings out of every 100 have no place to go to work tomorrow.

All we are seeking is to do something about the economic situation. I care not what technicalities may be raised. I care not how a great parliamentarian would act. I subscribe to what was said by the distinguished Senator from Michigan [Mr. POTTER]. We need dynamic leadership, and we need it now. If a tax cut is necessary at all, it is necessary tonight, because as I stand here more than 5 million Americans are out of work. That is my reason for supporting the amendment, and that is the reason I shall vote for it.

Mr. President, I ask unanimous consent to have printed in the RECORD a résumé of the current economic situation in Rhode Island.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

THE CURRENT ECONOMIC SITUATION IN RHODE ISLAND

Rhode Island is at present passing through its severest economic decline since 1949. Total employment in the State has been falling steadily in the past year, except for brief seasonal upturns. The decline has been at a much faster rate since the beginning of the year. As a result, total employment in the State has currently dropped to its lowest point since 1949. Wage and salary employment this January (the latest month for which complete figures are available) totaled 268,700, a loss of 17,200 jobs from the same month a year ago—which was by no means a January of high employment as compared to other years. For example, in January 1956, the employment total was 295,100; in January 1953, it was 304,700; in January 1952, it was 298,600; in January 1951, it was 312,700. Even in 1949, before the year's lowest point was reached in July, the January employment was 286,700, or 18,000 higher than the figure for this January.

This decline has involved most lines of employment in the State, but it has been particularly severe in the manufacturing industries. Total factory employment has been shrinking at a faster rate in the past year than nonfactory employment. Manufacturing employment in January dropped to 109,400, the lowest point since the prewar years. This figure was 15,600 below the level of a year ago, but much lower as compared to the January totals of other years; for example, the 149,200 in 1953, the 161,000 in 1951, and the 158,000 in 1947 and 1948. The decline in the textile industry, whose employment has been cut in half from the more than 60,000 it employed in the early postwar years, has been responsible for most of this loss in factory jobs.

As a result of these employment losses, unemployment in the State has been increasing in the past several years. The jobless total has been mounting even more rapidly since the beginning of this year, and now stands at an estimated 46,000, the highest for any January and one of the highest for any month since the war. In relation to the State's total work force this means an unemployed ratio of 13.0 percent, as compared to the average rate of 7.4 percent for the Nation as a whole.

By comparison, unemployment in January 1957 totaled only 29,900, representing 8.4 percent of the labor force; in December the total had risen to 37,800, or 10.6 percent of the labor force.

Compared with other years, the unemployment figure of 36,000 in January 1958 was nearly equal to the previous high of 46,500 in April and May of 1954. The current January total was also exceeded by 2 months in 1950—47,000 in May and 48,000 in June. The highest postwar unemployment levels were experienced in 1949, when the total rose to 57,000 in April, climbed to the postwar peak of 65,000 in July and stayed at the high levels of 60,000 in August, 52,000 in September, and 47,000 in October. At its highest point in July 1949, unemployment constituted 17.7 percent of the total labor force.

It should, however, be noted that both in 1949 and 1950, the abnormally high jobless levels reflected in part the impact of the fixed employment security benefit year then in effect, as a result of which most of the unemployed workers filed for their benefits at or around the beginning of the new benefit year on April 1.

Unemployment in the State stood at its lowest postwar level in October 1950, when it totaled only 14,000 and made up 3.8 percent of the labor force. September, November, and December of that year were also months of low unemployment, averaging around 16,500. The first 4 months of 1951 also showed relatively low unemployment, averaging about 17,500 or 4.7 percent of the labor force. The year 1953 again was a year of relatively stable employment and moderate unemployment. The latter averaged about 22,000 for the year, or 6.1 percent of the labor force. In more recent years, the last 4 months of 1956 were also periods of moderate to low unemployment, averaging about 21,000, for an unemployment rate of 6.1 percent.

In other words, unemployment in the State currently is more than twice as high as the low levels of the years mentioned. Indications are that unemployment in the State will continue at high levels for some months to come, as they are expected to do in other parts of the Nation.

Reflecting this mounting unemployment, claims for employment security benefits have climbed sharply in the past 2 months from the already high levels of the past year. Since the first of this year, the weekly total of all claimants in the State has been well above 30,000. The amount of benefits paid in January was $2,621,279, and in February, $2,640,214. These figures compare with payments of $1,866,752 and $1,843,830 respectively in January and February of last year. Both the number of unemployment claims filed and the amount of benefits paid have been highest since the recession of 1949.

The trend in insured unemployment has closely paralleled the trend in total unemployment. Thus, in the week ending February 15, 1958 (the latest period available) the number of claimants in continued and compensable status in the State represented 10.3 percent of the total covered work force. The average insured rate for the Nation for the same week was 7.5 percent. For the corresponding week a year ago, the insured unemployment rate for the State was 7.8 percent and the average for the Nation was 4.4 percent. For the week ending September 28, 1957, before the downturn came in employment, Rhode Island's insured rate was only 4.1 percent and the average for the Nation 2.9 percent. In other words, Rhode Island's current insured jobless rate is about 2½ times the rate of last September.

These high claim loads and resultant benefit outlays have meant a much heavier drain on the State's employment security fund. The effect of these heavier drains are already apparent in the balance remaining in the fund. From a reserve of $30,929,772 in the fund as of February 28, 1957, the balance as of the end of this February had dropped to an estimated $29,129,628, a decrease of approximately $1,800,144 in the February-to-February comparison. The reserve may drop still further in the coming months, if the benefit outlays continue to remain heavy, as they are expected to do.

Together with these peak claim loads and payments, the number of claimants who have used up all their benefit credits has been rising steadily in the past several months. A total of 2,376 claimants received final payments in January and 2,190 in February. In fact, in the year 1957, 30 out of every 100 persons who received a benefit payment exhausted their benefits, one of the highest exhaustion rates for any State and compared with an average of 22.1 percent for the Nation. The average duration of benefits collected by exhaustees in Rhode Island in 1957 was 15.6 weeks. There is every indication that exhaustions will run even higher in 1958. The prospects of reemployment this year are even less favorable than they were last year. Accordingly, the bulk of the exhaustees will not be returning to their jobs and will in all probability have to go on the relief rolls after receiving their final benefit payments.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, as a cosponsor of the amendment, I desire to place myself on record as voting for the amendment for three main reasons.

First, I shall vote for the amendment for the reasons set forth in the powerful argument just made by the Senator from Rhode Island [Mr. PASTORE]. I shall not retrace that argument. It speaks for itself.

Second, Mr. President, it is my judgment the Senator from Illinois [Mr. DOUGLAS] is an unquestioned tax authority. He is not only, in my opinion, the greatest economist in the Senate, but, as I have said from many platforms in America, I think he is one of the 10 greatest economists in America. I believe in following the advice of experts who have the knowledge I do not profess to have as an expert on a matter such as this.

I am not at all moved by the argument that perhaps some of the proposals in the amendment have not received all the hearings some would like to have them receive. They have received very scholarly study by the Senator from Illinois, and I am waiting for a successful rebuttal to the arguments of the Senator from Illinois. I have not heard it. Therefore, Mr. President, I shall vote for the amendment because I think I have unquestioned, competent authority on which to rely.

In the third place, in line with what the Senator from Rhode Island [Mr. PASTORE] has said, there are millions of unemployed people in my State. Oregon is just about at the bottom of the ladder so far as unemployment is concerned. The situation there is about the worst in the country. The savings to the people which would flow from this amendment would go directly into the cash registers of the small-business men of my State. They would not go into a deep freezer. Those savings would go into cash registers to buy necessities for the people. That would help to provide the employment which the Senator from Rhode Island has discussed.

Mr. President, I am willing to take the risks involved. I am willing to resolve the doubts in favor of doing something which will increase the purchasing power of the mass of consumers.

Lastly, I shall vote for the amendment because the entire excise tax provision in it has been before the Senate since 1947.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. DOUGLAS. I yield an additional minute to the Senator from Oregon.

Mr. MORSE. The excise tax provision has been before the Senate since 1947, when a group of economists and advisers to the Committee for Economic Development first recommended the elimination of most of the excise taxes, and the reduction of many of the others, giving as their major economic reason the fact that such action would cause the savings to flow into the cash registers of the country.

That argument is even more potent today than it was in 1947. The excise taxes are inequitable and unjust. I think we owe it to American business to give it the relief it would get from the elimination of the excise taxes.

I could enumerate many other reasons, but I think the broad brush strokes I have just painted in support of the amendment suffice to make the record perfectly clear. I am voting for the amendment because I think it would bring relief to people in America who tonight sorely need relief.

The PRESIDING OFFICER. The Chair announces that the Senator from Illinois [Mr. DOUGLAS] has 10 more minutes, and the minority leader has 45 minutes.

Mr. DOUGLAS. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I am very happy to associate myself with the able and distinguished Senator from Illinois in support of his amendment. As has been stated again and again, he is a respected authority in the field of economics, and a profound and dedicated student of all problems relating to our economy. I realize that there are differences of opinion over the method which should be utilized to stimulate the economy. However, there is one point which does not seem to be in dispute. The economy needs stimulation. There is no doubt about that.

The question is, How? There is another question, and that is: How bad off is the economy?

I believe it would be prudent on the part of the Senate to consider the fact that the so-called seasonal upturns and inventory adjustments which the alleged experts were expecting have not materialized.

I think it would be well for Members of the Senate to recognize that there are deep problems in this economy which have been with us for a long time. They have been glossed over and obscured by a barrage of propaganda and an overdose of political soothing sirup.

We debated one of those problems earlier in the day. I refer to the decline in farm income. Many Senators were present when we held hearings dealing with tax relief for small business. There is no doubt that small business enterprises have been facing a very serious economic situation. I was looking for a clipping which I had in my hand today, pointing out that the International Harvester Co. had suffered a drop in sales of millions of dollars. It had suffered a drop in its income of more than 13 percent.

I do not have the time tonight to pinpoint what I call the weak spots of economy, but I did so on March 6 in the Senate, and that speech is in the RECORD.

The Senator from Illinois proposes to lower the tax rate on the first $1,000 of taxable income. Why? Because that relief would reach the great mass of potential purchasers of goods and service.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DOUGLAS. I yield another minute to the Senator from Minnesota.

Mr. HUMPHREY. The proposed decrease from 20 to 15 percent touches the pocketbook, in the sense of placing something in the pocketbooks of those who are in the low-income brackets. It touches all, but the majority of the taxpayers who would be particularly benefited are in the low-income brackets.

Also, the proposed relief would reach the single taxpayers, who carry a tremendous burden of taxation.

As to the excise taxes, I could not agree more with what was said by the Senator from Oregon. We have been intending to do something about the excise taxes as long as I have been a Member of the Senate.

The excise tax structure is inequitable, at best. It can be justified only by dire conditions, such as war, or conditions incident to a postwar era. It is not justified today, in a period of economic recession.

I wish I could be more definite about a knowledge of the economy; but in this instance I would rather be on the side of doing a little more than necessary, rather than less. Doing more would pay dividends, while doing less would result in deficits.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DOUGLAS] has 6 minutes remaining. The minority leader has 45 minutes.

Mr. NEUBERGER rose.

Mr. DOUGLAS. Mr. President, I yield for a question to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I had requested 5 minutes from the other side. I should like to ask my distinguished colleague one question. I expect to discuss this subject in a little greater detail later.

Why is the transportation tax, or the travel tax, not repealed entirely? I ask that question as a Senator from the region which has the highest unemployment rate of any region in the United States. This particular tax is choking the Pacific Northwest, because we are so far from major markets, and so much of the cost of our manufacturing is involved in freight.

Mr. DOUGLAS. Let me say to my good friend——

The PRESIDING OFFICER. The Chair asks the Senator from Illinois whether he is yielding from his time or the time of the minority?

Mr. DOUGLAS. I have no control over the time of the minority. I yield from my own time.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. DOUGLAS. As much time as may be necessary to deal with the question of the Senator from Oregon, with the understanding that I do not run over the total time, and that the explanation I am about to give will not be deducted from the time of the minority.

The Senator from Illinois is very conservative financially. He proposed a decrease of $335 million in the transportation tax. He has been under a good deal of attack for allegedly doing too much.

Now the Senator from Oregon comes along and says that he is not doing enough. The Senator from Oregon reminds me of the man who, when he was saved from drowning, asked his rescuer, "Why didn't you save my hat?" [Laughter.]

I should like to eliminate the transportation tax entirely, but that would cost $335 million a year more, and I am trying to get a bill which will embody most of the desirable provisions.

Mr. NEUBERGER. I may say to my good friend from Illinois that the $500 million reduction in the case of automobiles is mainly for the 6½ million people who might purchase automobiles. But the $330 million reduction in the freight

tax would go to every person in the United States, because the freight tax is a part of the cost of every commodity in our economy; it goes into the cost of all the food we eat and everything we wear. It does not seem to me to be a fair proportion of the proposed reduction, in other words.

Mr. DOUGLAS. If we wait until we get a tax bill which satisfies everyone, we will wait until doomsday. All we can do is write a bill which will take most of the good provisions that we want and put them into effect. I believe it was Edmund Burke who said that to tax and to please at the same time is not given to mortal man. I hope my good friend from Oregon, in his desire to protect the Pacific Northwest, will not shut the gates of mercy on mankind and vote against a measure that is designed to effect economic recovery.

Mr. NEUBERGER. Would the distinguished Senator from Illinois consider modifying his amendment to repeal the Federal freight tax entirely?

Mr. DOUGLAS. I am informed that I am not able to do it from a parliamentary standpoint, because the yeas and nays have been ordered. I am told that there is a possibility that after the controlled time has been used up, and prior to the final rollcall, amendments may be proposed. I believe at that time it would be appropriate for the Senator from Oregon to offer an amendment. I believe the Senator from Rhode Island also has an amendment to offer. However, it cannot be done during the controlled time.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. NEUBERGER. Is it correct that after the controlled time has been used up, it is permissible to offer an amendment to the pending amendment?

The PRESIDING OFFICER. The Senator is correct. The unanimous-consent agreement does not exclude further amendments.

Mr. NEUBERGER. I thank my friend from Illinois.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. HOBLITZELL. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, I rise in opposition to the amendment offered by the Senator from Illinois to the pending measure. The pending measure was brought to the floor of the Senate by the Committee on Finance as a measure dealing with the tax on insurance companies. It is the opinion of the Senator from Oklahoma, and it was the opinion of the Committee on Finance, that if the bill were to be made the vehicle for amendments, it could serve no useful purpose, because it would become an overburdened vehicle and break down somewhere between its present posture and the goal which those offering amendments to it would have of its becoming the law.

The Senator from Oklahoma favors a tax reduction at this time—a tax reduction in the form of either an increase in personal exemption or an increased tax credit. However, he does not believe that the pending measure is a proper vehicle for such an amendment. The Treasury Department has made it plain that the matter is being studied. The leadership in the House of Representatives has made it plain that the matter of a tax reduction is being studied in the House, where it has been the historic pattern for tax legislation to originate.

I am opposed to the pending amendment because I do not believe it would accomplish the purpose ascribed to it by those supporting it. The Senator from Oklahoma is as conscious of the burden imposed on our economy by more than 5½ million unemployed as is any other Senator. The Senator from Oklahoma has made it plain for 2 years that he felt certain policies would inevitably result in recession and unemployment, and they have. Measures should be taken to stem the recession and reverse the economic tide. However, the amendment offered by the Senator from Illinois will not accomplish that purpose. He offers an amendment which would benefit individual taxpayers by about $3½ billion.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. DOUGLAS. It would benefit taxpayers to the extent of $5,200,000,000.

Mr. KERR. I thank the Senator for his scintillating brilliance and the inappropriateness of his manifestation of it.

Mr. DOUGLAS. I know the evening is late.

Mr. KERR. The Senator from Illinois offers two basic proposals in his amendment. One is the reduction of the individual income tax; the other is the elimination or reduction of certain excise taxes.

Mr. DOUGLAS. The Senator from Oklahoma is correct.

Mr. KERR. The Senator from Oklahom was addressing himself to the first part of the amendment, which provides for a reduction in individual income taxes.

Mr. DOUGLAS. I beg the Senator's pardon. The Senator is correct. I thought he was giving the total figure.

Mr. KERR. I know the Senator from Illinois is the source and fountain of most knowledge and information, but I am sure he is not the source and fountain of all of it.

Mr. DOUGLAS. I quite agree with the Senator from Oklahoma.

Mr. KERR. I have been hearing about or reading the amendment of the Senator from Illinois for some days. Certainly it would not take any great strain on even the limited brain of the Senator from Oklahoma to know that the Senator from Illinois has two sections in his amendment.

Mr. DOUGLAS. I am delighted that the Senator from Oklahoma should say that. Sometimes the speech of the Senator from Oklahoma is so luxuriant in style that it is very difficult to get at the kernel of the point the Senator from Oklahoma is making.

Mr. KERR. I know it would be difficult for the Senator from Illinois to understand, but one of the burdens resting on the Senator from Oklahoma is not that of opening the mind of the Senator from Illinois so that he can better understand what is going on.

Mr. DOUGLAS. Sometimes it is difficult to follow the Senator from Oklahoma as he becomes intoxicated with the exuberance of his own verbosity when he goes along in that fashion, and I was merely trying to introduce a certain element of fact.

Mr. KERR. It is almost as burdensome as having the Senator from Illinois always on the floor interrupting other Senators, whether it is on his own time or on their time.

Mr. DOUGLAS. I notice that the Senator from Oklahoma does that himself upon occasion.

Mr. KERR. He does indeed.

Mr. DOUGLAS. The next time I have any time assigned to me I shall be very glad to yield to my good friend, the Senator from Oklahoma, and he can indulge in his characteristic rhodomontade as much as he wishes.

Mr. KERR. The Senator from Oklahoma does interrupt at times, but he tries to know what he is talking about when he interrupts.

Mr. DOUGLAS. He certainly tries but he is not always successful in that regard.

Mr. KERR. That is true, but that is no reason why the Senator from Illinois should criticize the behavior of the Senator from Oklahoma.

Mr. DOUGLAS. I am ready to call it a draw and resume the debate.

Mr. KERR. That is a fair proposal, and I accept it. As I was saying before I was interrupted, the Senator from Illinois proposes a reduction of about $3.5 billion in personal income taxes. I ask the Senator of what benefit that would be to the unemployed? If a man is unemployed and has no taxable income, how does it benefit him to reduce his tax?

The Senator from Illinois offers it with one hand even to those who are employed and have taxable income, and with the other hand takes it way from them. Although he offers a $3 billion reduction on personal income tax, the taxpayer must pay about a billion and a half dollars of it this year, which, so far as I know, is the critical year, and then under the provision of the amendment of the Senator from Illinois, a year from now or a little over a year from now Uncle Sam will rebate to the individual taxpayers about a billion and a half dollars.

But bear this in mind: The amendment will not put $1 into the pockets of the unemployed. The tax reduction, meritorious as it is in some regards, would benefit the employed, not the unemployed.

Then, Mr. President, I submit that the same thing is true of the Senator's proposal to reduce or eliminate excise taxes. I was impressed by the eloquent plea of the distinguished Senator from Rhode Island [Mr. PASTORE] for the unemployed. I join him in that plea. This recession stalks abroad in Oklahoma, where 200,000 people are going to the courthouse every Thursday to get handouts of surplus food products. But there is not a thing in the bill which will put $1 in the pockets of any of them.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. PASTORE. Is the Senator from Oklahoma suggesting that the lowering of taxes is never a relief to unemployment?

Mr. KERR. Not at all. I am saying that the tax reductions proposed in the amendment will not put any dollars in the pockets of the unemployed.

Mr. PASTORE. Not immediately. But the condition would be improved by the purchasing power of people who now cannot spend the money.

Mr. KERR. But the unemployed need help now.

Mr. PASTORE. How else can we give it to them?

Mr. KERR. The resolutions have been adopted—and the Senator from Rhode Island very ably cosponsored them—which call for a stepup in public works and a stepup in the defense program.

Certainly the Senate voted today to put some sort of foundation under farm income.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. HOBLITZELL. I yield 5 minutes more to the Senator from Oklahoma.

Mr. KERR. If we are to halt the recession, it is necessary to put purchasing power into the hands and pockets of the unemployed.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. KERR. My time is limited. I regret to say that in the time allotted to me I cannot yield.

I want Senators to visualize the 200,000 people in the breadlines in Oklahoma—and I am sure they are in breadlines in more than half the States of the Union.

Would the Senator from Oklahoma not get a glad hand if he walked down to the courthouse some Thursday afternoon, where 500 people were lined up to get some surplus food commodities, and said, "I've got good news for you. We have taken the excise tax off Cadillac cars. Now you can buy one and not have to pay any excise tax." [Laughter.]

If that did not please them, I would say, "Listen; we have taken off or reduced the excise tax on television sets. You can quit getting the surplus food and go home and rejoice that Uncle Sam, in Washington, has come to your rescue by taking the excise tax off television sets." [Laughter.]

I would say, "If that does not put money in your pocket, I want you to know that we have taken the excise tax off mechanical refrigerators which freeze the units in air conditioners."

Mr. President, the 5 million unemployed in the Nation are not interested in getting rid of excise taxes on automobiles and air conditioners. They are not even interested in some of the other items, such as toilet preparations. Now, would that not be a boon to the unemployed? [Laughter.]

Mr. DOUGLAS. Mr. President, the Senator from Oklahoma is having such a good time in mishandling this subject that it is really a shame to interfere. But does he not think that the people who work in automobile factories, in television factories, and in other factories, would be very happy if other people bought more automobiles and television sets, so that they could go back to work?

I wish the Senator would curb his tongue a little and deal with the facts.

Mr. KERR. Is the Senator intimating that I have said something that is not true?

Mr. DOUGLAS. The Senator from Oklahoma has drawn the wrong inference.

Mr. KERR. The Senator from Illinois is drawing the inference. I must say it is beyond the almost omnipotent brainpower of the Senator from Oklahoma to prevent the Senator from Illinois from drawing the wrong inference. He should not put that burden on the shoulders of the Senator from Oklahoma. [Laughter.]

Mr. DOUGLAS. I ask my good friend from Oklahoma if an increase in the production of automobiles, televisions, air conditioners, and other articles would not put people back to work in the factories?

Mr. KERR. Surely.

Mr. DOUGLAS. That is what the Senator from Illinois is saying.

Mr. KERR. That is exactly what the Senator from Illinois is not saying.

Mr. DOUGLAS. No; it is exactly what he is saying.

Mr. KERR. The Senator from Illinois has not made a single proposal to put a dollar into the pockets of the consumers who are now out of work with which to buy refrigerators and automobiles.

Mr. DOUGLAS. May I reply to that?

Mr. KERR. The Senator can do so on his own time.

Mr. DOUGLAS. I have no time.

Mr. KERR. Do not blame me. The Senator knows what happened to the foolish virgin who wasted her oil, does he not? The Senator from Illinois used all his time; I did not. [Laughter.]

Mr. DOUGLAS. Would my good friend from Oklahoma give up his pleasantries and discuss the issues?

Mr. KERR. I must say to my good friend from Illinois that if I were yielded another 10 minutes, I should have to yield first, to my good friend from Rhode Island, because of the questions he asked.

Mr. DOUGLAS. Five minutes have been yielded to the Senator from Oklahoma.

Mr. KERR. I want to say 2 or 3 more things; then, if I yield to anyone I will yield to the Senator from Rhode Island, who asked me to yield to him a little while ago.

Mr. DOUGLAS. If the Senator from Rhode Island does not take up the challenge, I should like to use some of the time which has just been granted to the Senator to ask him some questions.

Mr. KERR. The Senator from Illinois would not pay any attention to what I told him if I let him ask questions. [Laughter.]

Let me tell the Senate that the Senator from Illinois proposes to take the excise tax off playing cards.

Mr. DOUGLAS. Does the Senator from Oklahoma oppose that?

Mr. KERR. No; I buy playing cards.

The Senator proposes to take the excise tax off pistols and revolvers.

Mr. DOUGLAS. That should be very popular in Oklahoma. [Laughter.]

Mr. KERR. How does the Senator from Illinois know? He has never been to Oklahoma.

He is even proposing to remove the excise from the leasing of safety deposit boxes.

Oh, if I could go home and tell the unemployed in Oklahoma, "Boys, hurrah. We have got it made. Uncle Sam has taken the excise tax off the rental you owe the bank on your safety deposit box." [Laughter.]

Mr. DOUGLAS. The Senator from Oklahoma has more safety deposit boxes and bigger safety deposit boxes than anyone else in the United States Senate, and they are crammed full of this world's goods, so I am told, and I am trying to help him.

Mr. KERR. Let anybody who believes that give me a quarter. Let anyone who believes that the Senator from Illinois is trying to interest the Senator from Oklahoma give me a quarter.

Mr. DOUGLAS. I have not the change.

Mr. KERR. Here is a dime. [Laughter.]

Mr. President, if the items of relief so generously proposed by the Senator from Illinois did not solve all the problems, I am sure any unsolved problems would be taken care of by the fact that he proposes to eliminate the excise tax on fountain and ball-point pens. Imagine what a benefit that would be to the men standing in the breadlines or to the unemployed.

Mr. President, what are needed are jobs. What we need is to restore the purchasing power of the farmer. What are needed are jobs for the unemployed. Then they will tear down the factories to buy the products.

But the amendment bill could be adopted three times, and it would afford no relief to a single one of the men and women on the breadlines in Oklahoma or Illinois.

Mr. DOUGLAS. Does the Senator from Oklahoma not realize that most families have more than one person receiving incomes, so that even if there may be one person unemployed in the family, there will be others receiving income, and that, therefore, if they are purchasing, their money will go further if there is a tax cut?

Is not the Senator from Oklahoma also supporting, together with the Senator from Illinois, the Kennedy-McNamara-McCarthy bill to increase unemployment relief compensation? That is the way to help the unemployed; not by building dams in Oklahoma, which will not employ automobile workers in Detroit.

Mr. KERR. What the Senator from Illinois has said up to now has not impressed the Senator from Oklahoma; but he surely impressed me just now. [Laughter.]

I now yield to the distinguished Senator from Rhode Island, if he has any questions.

Mr. PASTORE. I had a question, but I think it has been sufficiently covered. I merely say to the distinguished Senator from Oklahoma that no one pretends that anything in the amendment will put money in the pockets of the unemployed. The whole purpose of the amendment is to stimulate production and to increase the purchasing power of the people.

The administration itself has said that perhaps within 6 weeks or 2 months it might institute a tax-reduction program. That is precisely what we are trying to do now.

I hope the distinguished Senator is not trying to take the position, this evening, that a tax reduction will not help employment in the Nation. That is all we are trying to do.

We know that nothing in this amendment will put 10 cents in the pocket of an unemployed person tomorrow. No one has said that it will; I did not say it.

I rose only because the distinguished Senator from Oklahoma took occasion to refer to me by name.

I did make a plea for relief for the unemployed, and I am supporting this amendment tonight because I know it will stimulate the purchasing power of millions upon millions of Americans, and in that way will aid the millions of Americans who today are unemployed. I support this amendment in the hope that it will enable 60 million Americans to purchase more, and thus will help create jobs for the 5 million Americans who today are unemployed.

That is all the amendment is intended to do, and that is all it will do.

Mr. KERR. Mr. President, I thank the Senator from Rhode Island.

I stated that I favor a tax reduction at the proper time and by the proper vehicle.

But this amendment would not put any money into the pockets of the unemployed.

I said I share the sentiments of the Senator from Rhode Island, namely, that we should do something for the unemployed. But I do not believe we should say we are going to have the Government spend $5 billion to help the unemployed, and then have the unemployed find that they will not get a penny of it.

In that connection I am reminded of the song we used to sing in the Army: "All we do is sign the payroll, but we never get a dad-burned cent."

That is what would happen under the proposal now before the Senate: Uncle Sam's income would be reduced by $5,800 million, but the unemployed would not be helped; the American people who are in the breadlines would not be helped.

Mr. President, I am surprised that my friends on this side of the aisle would adopt the trickle-down theory, which I thought my friends on the other side of the aisle had the exclusive right to.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield again to me?

The PRESIDING OFFICER. The time under the control of the Senator from Illinois has expired.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of the time under my control; and I do yield it back.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Arizona would vote "nay."

The Senator from Louisiana [Mr. LONG] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting the Senator from Louisiana would vote "nay" and the Senator from Wyoming would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family, and, if present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are detained on official business, and if present and voting, each would vote "nay."

The result was announced: yeas 14, nays 71, as follows:

YEAS—14

Anderson	Johnston, S. C.	Pastore
Carroll	Langer	Potter
Douglas	Mansfield	Proxmire
Hill	McNamara	Sparkman
Humphrey	Morse	

NAYS—71

Aiken	Goldwater	Mundt
Allott	Gore	Neuberger
Barrett	Green	Payne
Beall	Hickenlooper	Purtell
Bible	Hoblitzell	Revercomb
Bricker	Holland	Robertson
Bush	Hruska	Russell
Butler	Ives	Saltonstall
Byrd	Jackson	Schoeppel
Capehart	Javits	Scott
Carlson	Jenner	Smathers
Case, N. J.	Johnson, Tex.	Smith, Maine
Case, S. Dak.	Kefauver	Smith, N. J.
Church	Kennedy	Stennis
Clark	Kerr	Symington
Cooper	Knowland	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Lausche	Thye
Dirksen	Magnuson	Watkins
Dworshak	Malone	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Yarborough
Ervin	Monroney	Young
Frear	Morton	

NOT VOTING—11

Bennett	Fulbright	McClellan
Bridges	Hayden	Murray
Chavez	Hennings	O'Mahoney
Flanders	Long	

So Mr. DOUGLAS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the Senator from New Mexico has an amendment, 3-11-58-F. The Senator from New Mexico must leave for his home State to attend a funeral tomorrow. He desires to call up the amendment tonight. He is agreeable to a 20-minute limitation of time on his amendment, 10 minutes to be controlled by the Senator from New Mexico and 10 minutes by the chairman of the committee.

I ask unanimous consent that he may call up his amendment at this time, and that 20 minutes be allowed on the amendment, 10 minutes to be controlled by the Senator from New Mexico and 10 minutes by the Senator from Virginia [Mr. BYRD].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 13, to insert the following:

SEC. 3. Reduction in the manufacturers excise tax on automobiles and other vehicles, and on parts and accessories therefor.

(a) Reduction in rates: The rates of the manufacturers excise taxes imposed by section 4061 of the Internal Revenue Code of 1954 shall be reduced as follows:

(1) The rate on articles taxable under subsection (a) (1) of such section (trucks, etc.) shall be reduced from 10 percent to 5 percent.

(2) The rate on articles taxable under subsection (a) (2) of such section (automobiles, etc.) shall be reduced from 10 percent to 5 percent; and

(3) The rate on articles taxable under subsection (b) of such section (automobile parts and accessories) shall be reduced from 8 percent to 3 percent.

(b) Effective dates.—

(1) The reduction made by paragraphs (a) (1) and (a) (2) shall apply to articles sold on or after March 1, 1958.

(2) The reduction made by paragraph (a) (3) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after date of enactment of this act.

(c) Floor stock refunds.—

(1) Section 6412 (a) (1) of such code (relating to floor stock refunds in the case of passenger automobiles, etc.) is amended by striking out "July 1, 1958" each place it appears and inserting in lieu thereof "March 1, 1958"; by striking out "November 10, 1958" each place it appears and inserting in lieu thereof "July 10, 1958"; by striking out "October 1, 1958" and inserting in lieu thereof "June 1, 1958"; and by adding at the end thereof the following new sentence: "This paragraph shall not apply in respect of an article sold by the dealer on or before the date of the enactment of this act unless on or before July 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to allowance of the credit or refund."

(2) Section 6412 (a) (2) is amended by adding at the end thereof the following: "In the case of any article subject to tax imposed by section 4061 (a) (1), the following dates are substituted for those contained in the first sentence of this paragraph: For July 1, 1972, is substituted March 1, 1958;

for November 10, 1972, is substituted July 10, 1958; for October 1, 1972, is substituted June 1, 1958. This paragraph shall not apply in respect of an article subject to tax imposed by section 4061 (a) (1), sold by the dealer on or before the date of the enactment of this act unless on or before July 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to allowance of the credit or refund."

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. ANDERSON. Mr. President, I recognize that the Senate is anxious to dispose of this bill——

Mr. JOHNSON of Texas. Mr. President, may we have order? I think we may be able to conclude action on the bill if we can have order for a few minutes.

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Mexico is recognized for 10 minutes.

Mr. ANDERSON. I recognize that the Senate is anxious to dispose of the bill. I am anxious to cooperate with it. My position has been, and other members of the Finance Committee have agreed with me, this is not the time to grant retroactive tax reductions to life insurance companies.

According to financial reports, life insurance companies have been booming during the past few years. Life insurance companies today are in mighty fine shape, but there is an industry which is not in good shape. That is the automotive industry. It is recognized that the automotive industry is in deep trouble. There is very substantial unemployment in Detroit. I understand in that city 200,000 persons are out of work because of shutdowns in that industry, and that there is a total unemployment in the State of Michigan of 350,000. The automobile industry has been having some bad days. I shall not try to say why that is so. That is not my province. Six million passenger cars were produced in 1957. In January and February of 1958 the number is down to 882,700, a reduction of 27.24 percent. That is what is happening in the automobile industry while the life insurance industry, which it is proposed should receive $124 million in retroactive tax relief, is in the finest shape it has ever known. Automobile employment is down from 689,000 in March of 1957 to 600,000. Actually, the current estimate is 550,000.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes, I am glad to yield.

Mr. GORE. I do not know that I can support the amendment of the able Senator, but I should like to ask him which industry he thinks is in more serious economic circumstances now, the insurance industry or the automobile industry?

Mr. ANDERSON. I think any study of life insurance statistics will indicate that the life insurance companies are in mighty, mighty fine shape, and the automobile producers are not. That is why I say if we have $124 million of retroactive tax relief to give out—and that is all that is involved in this insurance bill, make no mistake about it——

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from New Mexico will suspend. This time will not be charged to him. The Senator from New Mexico will wait until the Senate is in order; then he may proceed. The Senate will be in order.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Tennessee.

Mr. GORE. What segment of the American economy has profited more from the high interest rate policies than the insurance industry?

Mr. ANDERSON. I think the life insurance industry has profited the most. I do not regret that. I am glad the industry is in fine shape. It is in the best shape ever.

Mr. GORE. That being the case, what is the justification for giving tax forgiveness of $75 million to 10 insurance companies?

Mr. ANDERSON. It is simply because they said they got it last year. They backed up to the trough last year and the year before and they got it. They want to come to the trough again. I do not blame them.

I tried to calculate. I will say to the Senator, how many trucks loaded with silver would be necessary to haul away the $124 million. We do not have enough silver in the Treasury to fill such an order.

I say if an industry is in distress, that is one thing. The automotive industry is in distress. The Senate ought to say, if it is going to give tax relief, that it will give tax relief selectively, not to the one group which has in the past, as pointed out so well by the able Senator from Tennessee, probably profited more by high interest rates than any other group in the Nation.

Senators may pick up any report of any life insurance company and observe these companies with one or two exceptions which might be laid to bad management, have enjoyed remarkably good success. If we look at the reports of the largest and best companies, we will see that they have made marvelous records. They have done so because people are living longer, and because of higher interest rates.

I do not begrudge these companies the money. I am not at all sorry they are in wonderful shape.

I say to the Senate that the automotive industry is in trouble. If we start to give tax relief, we ought to give it where it is needed, where it might stimulate employment. I think if we desire to grant tax relief we should grant it to the automotive industry.

I have checked with the automobile dealers, and they say that car and truck sales are being held back because of the excise tax.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Michigan.

Mr. POTTER. The Senator's amendment, I believe, is similar to an amendment I have offered.

Do I correctly understand that the Senator's amendment would reduce the excise tax on automobiles from 10 percent to 5 percent?

Mr. ANDERSON. That is correct. The same would be true with reference to trucks.

Mr. POTTER. The same would be true as to the trucks?

Mr. ANDERSON. And there is provided a 5-percent reduction on the parts, from 8 percent to 3 percent.

Mr. POTTER. What about a retroactive date? Is there a retroactive date?

Mr. ANDERSON. Yes; there is. I will say to the able Senator from Michigan that on cars and trucks the amendment goes back to March 1, so that there will be no possibility of saying that the sale of cars is being impeded by the thought that we might give a tax reduction at a later date.

The amendment has been carefully drawn. I would be happy to have either or both of the Senators from Michigan join in offering the amendment.

Mr. POTTER. I have a similar amendment at the desk. I am delighted to join with the Senator on his amendment.

Mr. McNAMARA. I should also like to join with the Senator on the amendment.

Mr. ANDERSON. I appreciate the Senators from Michigan doing so.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. Will the Senator advise the Senate what the profit from the production of cars is? I am informed the profit is about 15 percent for Ford and about 15 percent for General Motors, after taxes. I do not see why the Federal Government should be cutting its revenue at this point when we need to increase employment, when we have no assurance whatever that any of the reduction will generate new employment, to be brought about by the masterminds of Detroit lowering their already exorbitant profits.

Mr. ANDERSON. I will say to the Senator from Oklahoma that I will let the record of the next few months prove who is correct, but I predict that at least Ford and Chrysler will not earn the dividend for the first quarter, the second quarter, and possibly the third quarter. I do not know what the situation is with relation to General Motors. I did not have as frank a discussion with them as with the other companies.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Michigan.

Mr. POTTER. On that score, in the first place, the manufacturers have all agreed in writing to the Senator from Illinois, to me, and to other Senators that such a tax reduction will be passed on to the dealers, so it would mean nothing to them. I wish to assure the Senator that at the present time Chrysler is running in the red. Ford will have

a very difficult time earning dividends. The automotive industry is not a booming industry. Removing the excise tax will in no way be a bonanza to the industry.

Mr. ANDERSON. I will say to the Senator from Michigan that I took the trouble to check the matter. I was not satisfied with the figures I had. I called the President of the Ford Motor Co. and asked him if I had correct information as to his company. I would not try to reveal the figures of that company, but I was assured—and I am sure I was told the truth—that Ford would not earn a dividend in the first quarter of the year. I do not believe they will earn a dividend in the second quarter.

When we run into that sort of a situation, if we are going to give tax relief—and that is what is provided in the bill for the insurance companies—why should we not reach out to try to give relief to an industry which is in trouble?

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. REVERCOMB. Will the able Senator advise us what amount of reduction in revenue will result if the amendment is adopted?

Mr. ANDERSON. I have some figures on the estimated 1958 revenue loss. If the provision is retroactive to March 1, assuming a production of 4½ million units, it will be $593 million. I do not know exactly, but it is somewhere between $400 million to $500 million.

Mr. REVERCOMB. Will the Senator yield further?

Mr. ANDERSON. I am happy to yield.

Mr. REVERCOMB. I am sure the Senator realizes my purpose in ascertaining the amount of reduction in revenue which will result from the reduction in taxes. It becomes a question of judgment and the best wisdom we can exercise as to where we can apply the loss of revenue and exactly how much reduction we can stand.

Mr. ANDERSON. I agree with the Senator. I only say that during this year we will have to make some tests as to what a reduction in taxes will do to sales. I think the quickest way to find that out is by giving excise-tax relief to the automotive industry. We will find out in a hurry then.

We shall be wrestling with the tax bill all during the session. We can find out whether this approach does work or does not work.

Mr. McNAMARA and Mr. MONRONEY addressed the Chair.

Mr. ANDERSON. I yield first to the Senator from Michigan.

Mr. McNAMARA. I have agreed to cosponsor the Senator's amendment, though I would much prefer to have the matter covered by a separate bill.

As I understand the situation, the Senator's amendment is proposed to H. R. 10021?

Mr. ANDERSON. I think this is the only thing we will have a chance to do.

Mr. McNAMARA. The unfortunate part of it is, I will say to the Senator, that I desire to vote for the amendment and against the bill. We are going up hill and down again. It is a very peculiar situation.

Mr. ANDERSON. I am only trying to see if we can apply the tax relief in a better way by doing it selectively, and not picking out the one American industry which is booming.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time of the Senator from Oklahoma has expired.

The Senator from Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. JOHNSON of Texas. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I merely wish to say that the amendment was not submitted to the Senate Committee on Finance. There has been no committee discussion of the amendment. The matter has many ramifications, as all of us well realize.

Mr. JOHNSON of Texas. Mr. President, may we have order, so that we can hear the chairman of the committee.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. It seems to me to be a very unwise procedure to adopt an amendment of this importance on the floor of the Senate without proper consideration. We should all recognize the fact that tax measures must originate in the House of Representatives. I have a feeling that the Committee on Ways and Means of the House will resent the action if the Senate should attempt to enact an amendment of this character into law.

Mr. President, the impression has been given tonight that the pending bill provides a reduction in the taxes of insurance companies. That is not correct.

Mr. CARROLL. Mr. President, will the Senator yield, before he gets into a discussion on the insurance provisions?

Mr. BYRD. I yield.

Mr. CARROLL. I should like to say I am sorry that some of my distinguished colleagues do not serve on the Senate Judiciary Committee, which has just finished the antimonopoly investigation with regard to pricing in the automotive industry during which we heard from General Motors, Ford, and Chrysler.

Earlier this evening I exchanged some remarks in a colloquy with my distinguished friend, the Senator from Illinois [Mr. DOUGLAS]. As a part of a broad general tax reduction program I favor the reduction of the manufacturer's excise tax on automobiles. But it would be unconscionable to give relief to this one industry alone, and ignore all the others.

I will tell the Senator why in a few words.

The General Motors Corp. has had tremendous profits in the past 10 years. The Ford Motor Co., the Chrysler Corp., and General Motors—the three of them—control 97 percent of the automotive industry. The benefits to them of an isolated tax-relief measure would be enormous.

Senators should remember that we are trying to relieve the economic plight of the consumer. It is true, I will say to the distinguished Senator from Virginia, I think this excise-tax reduction might stimulate production, but all the evidence we have heard thus far is that the great industrial giants, the monopolistic corporations—and I mean monopolies—have steadfastly refused, in the face of declining sales, to reduce their prices. That has been the testimony of automotive dealers throughout the Nation.

I say to the distinguished Senator from Virginia that I think this amendment should be voted down, and that we should have the right to vote on the insurance bill alone.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MONRONEY. I served in the House with the distinguished junior Senator from Colorado and many others. The Constitution of the United States places in the House of Representatives the prerogative of originating tax bills. When the House sends to us a minor bill and we send back an amendment providing for tax reductions of $5 billion, $6 billion, or $7 billion, we are usurping the constitutional prerogatives of the House of Representatives.

This proposal has not gone through a committee; and yet, with a meat axe, we would cut up the Government revenue, and deny the right to go into a public works program to create more employment. I think it is a poor time, at this hour of the night, to usurp the prerogatives of the House of Representatives on the basis of one man's judgment.

Mr. BUSH. Mr. President, will the Senator from Virginia yield 2 or 3 minutes to me? If not, I should like 2 or 3 minutes on my own time.

Mr. BYRD. I am happy to yield.

Mr. BUSH. I should like briefly to make three points in opposition to the pending amendment. I am opposed to it for several reasons.

First, I do not believe it would do the job. I do not believe it would have very much effect in stimulating automobile sales, which is the purpose of the amendment.

The trouble with the automobile market is not the excise tax. The trouble with the automobile market, among other things, is that the manufacturers have been selling cars on the basis of too greatly extended financing.

They have also made automobiles so big and so expensive that they have succeeded in pricing them out of the reach of the average working man or woman.

That, I believe, is one of the real troubles with the automobile business, and one of the factors contributing to the current recession in that industry, which has so many ramifications in American industry generally.

I believe that what is needed in the automobile market is a bargain sale, such as the sales which are held in the large department stores at the end of the year. The automobile industry ought to clean up the market by reducing prices to the point where the market will be cleaned up. Then the manufacturers can go about manufacturing cars anew. When they do, I hope they will get the size and price of the cars down to the point

where the average American citizen can afford to buy them.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MAGNUSON. Several Senators are in a quandary similar to that in which the Senator from Michigan [Mr. McNAMARA] finds himself with respect to certain tax proposals.

We are discussing industries which are in some sort of financial trouble. The Senate Committee on Interstate and Foreign Commerce has been going into the subject of transportation for many weeks. I dislike to confer on any one industry the dubious honor of being in the worst trouble, but I think the railroads would take the prize.

One trouble with the railroads is the problem of taxation. The transportation tax affects every person in the United States, no matter who he is or where he lives. It is a discriminatory tax, which grows larger the farther one gets away from the markets. It is particularly discriminatory with respect to points far removed from markets, as the Senator from Virginia knows so well.

We who are quite concerned over the problem are hopeful that there can be some relief with respect to the transportation tax on property. We hope there will be some hearings on the question, and that the Senate Finance Committee will delve into the subject.

We are in an unusual situation here tonight. An amendment dealing with the subject may be presented. This may not be the proper place to present it, and such a course may not be the proper procedure. However, we are deeply interested in these questions.

I ask the distinguished Senator from Virginia whether, in his opinion, there is a possibility—I know he cannot say definitely—that those of us who are interested in the repeal of the transportation excise tax, for example, will be afforded an opportunity to be heard?

The Senator from New Mexico [Mr. ANDERSON] has been discussing one particular phase of the economy. There were certain provisions in the amendment of the Senator from Illinois [Mr. DOUGLAS] with which I agreed, and with which many Senators who voted against the amendment agreed.

What are the prospects, after proper hearings before the Senate Committee on Finance, of having reported a suitable piece of legislation which would afford some of the tax relief upon which we might agree?

Mr. BYRD. As chairman of the Committee on Finance, I shall be glad to hold hearings on any such proposal. I cannot speak for the committee.

Mr. MAGNUSON. I understand that; but this may be our last chance in this session of Congress to effect some of the tax relief which should come about by way of tax reduction. That is the question which is bothering many of us tonight.

Mr. BYRD. No proposal has been made to hold hearings on the subject.

Mr. MAGNUSON. I know the Senator from Virginia could assure the Senate that there would be reasonable and fair opportunity to present these questions in the proper way to the Committee on Finance at this session of Congress.

Mr. BYRD. If the Senator will submit an amendment, we shall be glad to consider it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. As I understand, the distinguished chairman of the Committee on Finance has sent a letter to the leading representatives of labor and industry, asking for their suggestions; and he expects to receive replies and to give due consideration to them.

Mr. BYRD. Those questions do not include the reduction of taxes.

Mr. JOHNSON of Texas. What do they include?

Mr. BYRD. They include general ideas as to what should be done to overcome the depression.

Mr. JOHNSON of Texas. Does the Senator think they would have no reference to taxes?

Mr. BYRD. Not to any particular taxes.

Mr. JOHNSON of Texas. I understand; but I assume that when the Senator collects his information he will give due consideration to what should be done in the light of the replies received.

Mr. BYRD. Of course. As chairman of the committee, I will say that we shall hold hearings.

Mr. President, I hope the pending amendment will be rejected, for the reasons which have been stated. It involves a very complex subject. It would result in the loss of $850 million in revenue. Many other proposed reductions in taxes have just as much merit, if not more merit.

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Virginia may be permitted to yield to the Senator from Oregon [Mr. NEUBERGER].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, I should like to ask a question of a parliamentary nature. I should like to ask it of the distinguished chairman of the Finance Committee.

Is it true or not true that the Finance Committee must wait for a House-passed bill dealing with tax relief or tax changes before the Senate can act on some of the urgent problems which the able Senator from Washington [Mr. MAGNUSON] has mentioned?

Mr. BYRD. Any revenue bill is subject to amendment in the Senate, but it must originate in the House.

Mr. NEUBERGER. That is what I mean. It cannot originate in the committee of the distinguished Senator from Virginia. Is that correct?

Mr. BYRD. The Senator is correct.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON]. [Putting the question.]

The amendment was rejected.

Mr. GORE. Mr. President, the pending bill provides not only for a tax reduction, but for a retroactive tax reduction. The amendment which was just rejected would have provided tax reduction retroactively to March 1 of this year. The pending bill provides retroactive tax reduction for insurance companies to January 1, 1957. How can that be justified? Who are the principal beneficiaries? I undertook to find out during the course of the hearings of the committee, but the information was not readily available. Fortunately, we have been able to secure some information. Seventy-five million dollars of retroactive tax reduction is provided in the bill for 10 insurance companies.

Mr. MONRONEY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, many Senators have asked me whether we expect to consider any other amendments this evening. So far as the leadership is concerned on both sides of the aisle, we do not expect to have any more yea and nay votes this evening if we can avoid it. The Senate will meet early tomorrow and we hope to consider various amendments which have been proposed, and perhaps dispose of the bill before the end of the session tomorrow. We do not expect any yea and nay votes this evening if we can avoid it.

Mr. GORE. Mr. President, I shall delay further remarks until tomorrow.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to my friend from Illinois.

Mr. DOUGLAS. Mr. President, I believe there is one point that should be cleared up.

Mr. JOHNSON of Texas. Mr. President, may we have order.

Mr. DOUGLAS. I believe there is one point that should be cleared up.

Mr. JOHNSON of Texas. Mr. President, may we have order so we may hear the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois will suspend. The Senate will be in order. The hour is late.

Mr. DOUGLAS. There is one point I should like to have cleared up before the Senate takes a recess this evening. The statement has been repeatedly made that the proposal to amend the pending bill by adding additional tax-cutting features is a violation of parliamentary procedure. That is certainly not the case. It is true that a revenue bill must originate in the House. The pending bill originated in the House. It came over here, and it is the right of the Senate to add other revenue features to it. There is a long train of precedents for it, including the Revenue Act of 1950, which, as passed by the House, provided for a reduction of taxes, and which, as passed by the Senate, was turned into a bill to increase the revenue by several

billion dollars. That is also true of the Revenue Act of 1945, the Revenue Act of 1932, the Industrial Recovery Act of 1932, the Revenue Act of 1926, the Revenue Act of 1918, the Corporation Excise Tax of 1909, the Tariff Act of 1897, and the Tariff Act of 1894, as well as many other acts. Many precedents go back in time.

The Constitution clearly states, article I, section 7:

All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

This would seem to settle the question.

Mr. JOHNSON of Texas. I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, the distinguished Senator from New Mexico [Mr. ANDERSON] and the distinguished Senators from Michigan [Mr. POTTER and Mr. MCNAMARA] offered an amendment a little while ago which, if conditions permitted, would be regarded as having much merit.

A strong argument made in favor of it was that the saving effected by it would be passed on to prospective purchasers. The distinguished Senator from Tennessee [Mr. GORE] has just said that the pending bill, if passed, would give $75 million retroactively to 10 insurance companies. In one respect the Senator is correct. However, I call the attention of the Senate to the fact that 8 of those 10 companies are mutual companies, and they have told the Committee on Finance—and their record substantiates their statement—that every dollar they save under the enactment of the bill will be passed on to other policyholders. The other two will pass on much of what they save to their policyholders. There is this difference between the automobile companies saying they will pass the saving on to prospective purchasers and an insurance company passing on to policyholders the savings that they will effectuate by the passage of the bill. The former is of benefit only to those who are in a position to buy an automobile. The latter is for the benefit of literally millions of people who are consumers and who receive the benefit of this legislation in the form of dividend checks from the insurance companies, and those dividend checks will move into the channel of trade and commerce and be a stimulus to our economy, and therefore beneficial, and therefore in line with the purposes of those of us who are trying to put money into the hands of consumers and give our economy a lift.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield the floor.

COMMITTEE MEETING DURING SESSION OF SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works may meet during the session of the Senate tomorrow from 10 a. m. until noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the sessions of the Senate until Monday next.

FACTS ABOUT PRICE SUPPORTS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD the factual publication by the Department of Agriculture entitled "Facts About Price Supports." Every Member of Congress should carefully evaluate the content of this analysis, and every citizen who is interested in sound farm legislation should also consider the basic facts contained herein.

There being no objection, the publication was ordered to be printed in the RECORD, as follows:

FACTS ABOUT PRICE SUPPORTS

Items from only 13 crops are in Government inventory, plus manufactured dairy products and a small amount of wool soon to be sold. Our farms and ranches produce some 250 commodities including cattle, hogs, sheep, poultry, and tremendous quantities of fluid milk.

Over 80 percent of the price supports and stabilization costs in the 1956–57 period were concentrated in three crops and butter, and manufactured dairy products. Nearly one-half—48 percent—of the costs were incurred on two crops—wheat and cotton. Most farm products are being sold competitively—on free markets.

The major Federal costs of price supports and stabilization programs are concentrated in three crops and butter and manufactured dairy products (based on fiscal years 1956 and 1957):

	Percent of costs	Percent of total cash farm receipts from 1956 sales
Wheat	30.0	7.4
Cotton	18.2	5.9
Corn	13.8	5.2
Dairy products	20.2	14.7
Subtotal	82.2	33.2
All other	17.8	66.8
Total	100.0	100.0

This distribution of price support and stabilization program costs is the result of operations in conformance with law.

The net realized cost of programs primarily for the support of farm prices and income in fiscal 1956 was $1.9 billion and in 1957 was almost $3.25 billion. These heavy costs would be justified if they led to a solution of the problems. Such is not the case. Price supports at the levels specified by the old basic law continue to generate surpluses which must be disposed of at heavy loss. The stock buildup resulting from the old rigid price law contributed to a major part of this loss. The losses are shown at the time of disposal:

1957 fiscal year price support and stabilization calculated costs by size and class of farms

	Scale of farm product sales	Number of farms	Percent of farms	Percent of United States farm marketings	Calculated portion of 1957 price support and stabilization costs	
					Total	Amount per farm
		Thousand			*Million*	
Large scale farms	Sales of $5,000 or more	1,290	27	79	$2,571	$1,993
Medium-scale farms	Sales of $2,500 to $4,999	811	17	12	391	482
Small-scale, part-time, and residential farms	Farms with less than $2,500 sales	2,681	56	9	293	109
Total		4,782	100	100	3,255	

Most price supports go to the 1.3 million large scale farms accounting for 79 percent of the farm marketings. For this group, the calculated portion of price support and stabilization costs for fiscal year 1957 averaged about $2,000 per farm.

For the 2.7 million small-scale, part-time and residential farms, accounting for only 9 percent of farm marketings, the calculated portion of costs of governmental programs for price supports and stabilization averaged only slightly over $100 per farm. These farms received little help from the $3.3 billion of Federal costs in fiscal 1957.

The rural development program is helping primarily the low-income farm families—the ones most in need of help.

The realized net cost per farm of price support and stabilization programs for fiscal year 1957 by crops (based on most recent census data of number of farms selling the crops) has been about as follows:

	Cost per farm
Wheat	$1,166
Cotton and cottonseed	877
Corn	687
Grain sorghums	365
Rice	14,667

There are, of course, wide extremes between small 15-acre wheat or 5- to 10-acre cotton farms—and the large-scale acreages per farm of 100 acres or more.

For example, based on 1954 census distribution of crops by size groups:

Wheat: 625,000 farms (62 percent) with less than 25 acres of wheat accounted for less than 14 percent of the governmental costs (fiscal 1957). This averaged about $200 per farm; 59,000 farms (6 percent) with 200 acres and over, accounted for 36 percent of the Government costs (fiscal 1957). This averaged almost $6,000 per farm.

Cotton: 424,000 farms (49 percent) with les than 10 acres of cotton accounted for less than 11 percent of the governmental costs (fiscal 1957). This averaged nearly $200 per farm; 32,000 farms (4 percent) with 100 acres or more of cotton accounted for 31 percent of the governmental costs (fiscal 1957). This averaged about $7,400 per farm.

Rice: 7,468 farms (64 percent) of the 11,567 rice farms had 100 acres or more of rice and accounted for about 92 percent of the governmental costs (fiscal 1957). This averaged about $21,800 per farm.

The commodity figures have special meaning when it is realized there are nearly 1.9 million farms with total sales per year of $1,200 or less.

A TRIBUTE TO THE REVEREND FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. MORSE. Mr. President, we have been operating under a limitation of time during most of the day, with the result, because I was at a committee conference this morning when tributes were paid to the Senate Chaplain on his receiving a special award from Freedom Foundation at Valley Forge, I was not able to say a brief word that I wish to say in tribute to the Chaplain.

Mr. President, I do not believe anything anyone could say would be more fitting by way of commending the Chaplain for this very deserved distinction that has been bestowed upon him than is contained in the words of the award itself, which reads:

To the Reverend FREDERICK BROWN HARRIS,
Chaplain of the United States Senate:

With esteem and affection to an American whose prayers, sermons and editorial works have lifted the hearts of multitudes—

With regard and honor to him whose thoughts, far vision and steadfast faith move all whom he touches to patriotism and love of country—

With matchless service to the cause of free men, he makes known the strength of prayer and iron will in language beautiful in his prayers in the Senate of the United States. Truly one who desires freedom for all under God, and asks nothing for himself.

From personal association with the Chaplain, who I am privileged to say is a very good and close friend of mine, I believe him to be one of the greatest spiritual leaders it has ever been my privilege to know.

I extend to him, on behalf of Mrs. Morse and myself, our very sincere congratulations and commendation for this deserved award.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

TAXATION OF LIFE INSURANCE COMPANIES

Mr. MORSE. Mr. President, I am concerned about the record made today as it will appear on the pages of the CONGRESSIONAL RECORD, even though I think the Senator from Illinois [Mr. DOUGLAS] has placed in the RECORD the answer to what I consider to be an ungrounded comment which has been made several times in the course of the debate on the Douglas amendment and on the other amendments which have been offered, which seek the same objective, such as the amendment of the Senator from New Mexico [Mr. ANDERSON].

I am a cosponsor of the Douglas amendment, and I do not cosponsor amendments or author amendments unless I am satisfied they are in order. But the argument has been made tonight that amendments such as the Douglas amendment and the Anderson amendment are really not in order because revenue bills must originate in the House.

These amendments, in effect, constitute reference to a revenue matter. The Senator from Illinois has pointed out that the bill came to us from the House, and that once it came to the Senate from the House, these amendments were in order.

I do not like to leave the issue clouded. I think the Senate is entitled to have the question settled once and for all. We who will be discussing this matter in our own States with the taxpayers, who will want to know our explanation for the course of action which the Senate took, are entitled to be placed in a position so that we will have the official answer to any rationalization that the Douglas amendment and the Anderson amendment were not really in order.

Therefore, I raise a parliamentary inquiry as follows: Was the Douglas amendment to the pending bill in order?

The PRESIDING OFFICER (Mr. MORTON in the chair). The Chair rules that the amendment was in order. A unanimous-consent agreement was reached as to germaneness, and the amendment was in order.

Mr. MORSE. I thank the Chair. I think that when arguments of that type are made in debate in the Senate, it is important that we get the answers to them then and there. I think the amendment of the Senator from Illinois, as the Chair has pointed out, was germane and in order.

I am willing to predict that the chances are very great that within 90 days the Senate will be voting again on the principle of the Douglas amendment. The danger is that then it may be too late to do much good. I think if the principle of the Douglas amendment were adopted now, it would be possible to put a great many people back to work within the next 90 days, because of the increase in purchasing power which would have flowed from it. The savings would have gone immediately into the cash registers of America.

I shall close, Mr. President, because I may not be able to speak on the matter tomorrow, with a 1-minute reference to the pending bill. I shall, of course, vote against the bill which seeks to give a handout to the insurance companies of America.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President, earlier in our deliberations today, the distinguished Senator from Illinois [Mr. DOUGLAS] asked me if it would be possible to have a quorum call before the yea-and-nay vote on his amendment, without the time for the quorum call being charged to his time. The Senator from Texas replied in the affirmative, stating that it was customary to permit a quorum call before a yea-and-nay vote.

The Senator from Texas was not in the Chamber during the last few minutes of the debate. It is my information that no Senator suggested the absence of a quorum.

One of our colleagues, relying upon the statement that the absence of a quorum could be suggested, was not present for the yea-and-nay vote on the Douglas amendment.

Rule XII provides:

And no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote.

Since no Senator, under rule XII, can vote after the decision has been announced, I deeply regret that the absence of a quorum was not suggested. I apologize to the Senators involved.

Had I been here, and had I remembered the suggestion I made to the Senator from Illinois, I would have suggested the absence of a quorum, and they would have had an opportunity to be recorded. I asked that the RECORD show how they would have voted had they been here. I assume that was my responsibility, although I do not feel that it was my responsibility to suggest the absence of a quorum, because that was the privilege of any Senator.

Mr. MORSE. I add only this to the point which the Senator from Texas has made. I think it is remarkable that the Senator from Texas is able to grant all the courtesies and considerations to Members of the Senate, with regard to the procedures of the Senate, that he does grant. Certainly I do not think he should feel the least bit apologetic for the fact that in this particular circumstance a quorum was not called, because it seems to me that some other Senator, under the circumstances, should have called for a quorum in the absence of the Senator from Texas. But his explanation is typical of the determination of the Senator from Texas to be fair and considerate to all Members of the Senate on both sides of the aisle.

I simply wanted to speak for a minute with regard to the bill, because I wish the RECORD to show, before we adjourn tonight, that I shall vote against the bill in its present form. I believe in taxing on the basis of ability to pay. If any group in America has the ability to pay the going rate of taxes, which under the law it is obligated to pay, it is insurance companies. I think we have already permitted enough loopholes in the tax structure under this administration for the advantage of big business without the Senate deliberately selecting one special, powerful economic group and giving it what I consider to be an unwarranted tax concession, when millions and millions of small taxpayers in the United States are entitled to the kind of consideration which the Senator from Illinois sought to give them tonight by his amendment.

Mr. President, I simply cannot understand the motivation behind this bill. I am at a loss to understand how it can be seriously proposed, in view of the situation which confronts the economy of the Nation, that Congress should give a handout to the great insurance organizations of the Nation.

If it is tax relief that is needed, it ought to be tax relief on a broad base, not at the apex. It should be at the broad base of the economic triangle. That would mean relief to the small taxpayers, whose savings, as the Senator from Illinois and other Senators pointed out earlier in the debate, would go immediately into the purchase of commodities which would put thousands of persons back to work.

I believe we would have to stretch our imaginations rather far in order to make ourselves believe that very much employment would result from this kind of a handout to the insurance companies.

I wonder whether anyone really thinks the insurance companies would, as a result, lower their premiums on insurance policies. Certainly they would increase their dividends; but they certainly would not lower their premiums.

Mr. President, sometimes I find that things in the Senate are beyond explanation. This is one of them.

I shall vote against the bill, because I find it shocking to horse-sense, and because I am satisfied that any 12 true Americans serving in a jury box anywhere in the Nation would, if this proposal were put to them, arrive at a unanimous verdict against it.

Therefore, Mr. President, because I believe the pending bill proposes a grossly unjust handout to the insurance companies and a further discrimination against the best interests of the entire group of so-called small taxpayers of the Nation, I shall vote against the bill.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. JOHNSON of Texas, from the Committee on Armed Services, with amendments:

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made (Rept. No. 1390).

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first, and, by unanimous consent, the second time, and referred, as follows:

By Mr. PASTORE (by request):

S. 3474. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. NEUBERGER:

S. 3475. A bill for the relief of Florentino Bustamante Bacaoan, yeoman, second class, United States Navy; to the Committee on the Judiciary.

FORMULA FOR TAXING INCOME OF LIFE INSURANCE COMPANIES—AMENDMENTS

Mr. POTTER submitted an amendment, intended to be proposed by him, to the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted amendments, intended to be proposed by him, to House bill 10021, supra, which were ordered to lie on the table and to be printed.

Mr. NEUBERGER submitted an amendment, intended to be proposed by him, to House bill 10021, supra, which was ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. DOUGLAS. Mr. President, pursuant to the order previously entered, I now move that the Senate stand adjourned.

The motion was agreed to; and (at 11 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, March 14, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 13, 1958:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Thomas Francis Hickey, O10362, Army of the United States (major general, U. S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066 to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Herbert Butler Powell, O16684, United States Army, in the rank of lieutenant general.

Maj. Gen. Clark Louis Ruffner, O15968, United States Army, in the rank of lieutenant general.

IN THE AIR FORCE

The following officers to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10, of the United States Code:

Maj. Gen. Robert W. Burns, 527A, Regular Air Force.

Maj. Gen. Roscoe C. Wilson, 360A, Regular Air Force.

Maj. Gen. Roy H. Lynn, 492A, Regular Air Force.

Maj. Gen. Robert M. Lee, 590A, Regular Air Force.

The following officers to be placed on the retired list in the grade of lieutenant general under the provisions of section 8962, title 10, of the United States Code:

Lt. Gen. Charles T. Myers, 37A (major general, Regular Air Force), United States Air Force.

Lt. Gen. Joseph Smith, 84A (major general, Regular Air Force), United States Air Force.

Lt. Gen. Donald L. Putt, 494A (major general, Regular Air Force), United States Air Force.

IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of section 8298, title 10, United States Code. All officers are subject to physical examination required by law.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Kelly, James S., 31753A.
Kincaid, Thomas L., Jr., 31754A.
Paige, Frederick D., 31752A.
Degnan, Donald W., 31750A.
Hilbun, William H., 3d, 31751A.
Schulman, Herbert L., 31755A.
Jost, George T., 31756A.
Caldwell, Troy L., 31757A.
Hirsh, Leon S., Jr., 31761A.
Sverdrup, Lawrence H., 31759A.
Manthei, Donald F., 31758A.
Lively, William L., 31762A.
Monahan, John W., 31760A.
Winbery, Gordon H., 31763A.
Wright, Clifton D., Jr., 31764A.
Smith, Warren P., Jr., 31766A.
Kuhnell, Ludolf R., 3d, 31765A.
Meinig, Helmut P. M., 31768A.
Comfort, Earle H., 31767A.
Almond, Gerald R., 28976A.
Barker, Raoul S., 31770A.
Koski, Francis H., 31774A.
Yager, Donald E., 31771A.
Capper, Dennis L., 31772A.
Greenblatt, Owen L., 31773A.
King, Robert J., 31775A.
Ruth, Alfred E., Jr., 31776A.
Woodworth, Samuel A., 31777A.
Waring, George B., 31781A.
Wathen, John A., 31782A.
Sharp, Hubert W., 31784A.
Smith, Richard P., 31780A.
Chancey, John W., 31783A.
McCormack, Eugene L., Jr., 31779A.
Reese, Jerry W., 31778A.
Smith, Thomas H., 31785A.
Gowing, Donald R., 31786A.
DiBartolo, Eugene N., 31787A.
Frisbie, Erwin C., Jr., 31791A.
Sager, Robert E., 31790A.
Braunstein, Eugene D., 31789A.
Carlson, Fredric J., 31788A.
Myers, Franklin W., 31795A.
Hogeman, Carroll G., 31798A.
Plaisance, Newton C., Jr., 31797A.
Duval, Donald K., 31799A.
Wade, Austin R., 31796A.
Gray, Eugene T., 30794A.
Craver, Jesse C., Jr., 31793A.
Hinote, Martin A., 31801A.
Sohn, Randall L., 31800A.
Hesseltine, William H., Jr., 31792A.
Aldrich, William B., 31802A.
Bruckner, Charles S., 31803A.
Brown, Harris S., 31807A.
Moore, Thomas L., 31805A.
Plumb, Richard E., 31806A.
Thornhill, William J., 31808A.
Hendry, Lynwood B., 31804A.
Oehme, Chester G., Jr., 31809A.
Nelson, Merle A., 31810A.
Weiner, Arthur C., 31811A.
Puckett, William E., 31812A.
Green, Billy L., 31815A.
Prince, Robert E., 31817A.
Ballard, Arthur T., Jr., 31816A.
Dyer, Thomas J., 3d, 31813A.
Barton, Gerard S., 31814A.
Hamilton, John T., 27259A.
Jacobs, Delbert H., 27291A.
Phillips, Fred B., 27379A.
Adams, Francis J., 27155A.
Newell, Marcy L., 27362A.
Karam, Raymond A., 27295A.
Ebert, Daniel, 27226A.
Smetana, Duane W., 27427A.
Burroughs, William D., 27184A
Ruth, John C., 27409A.
Perkins, John R., 27374A.
Stuart, Robert B., 27443A.
Thompson, James L., Jr., 27446A.
Welch, William W., 27465A.
Davis, Reginald R., 27212A.
Poppe, Robert T., 27385A.
Bossert, Carl J., 27177A.
Volgenau, Ernst, 27457A.
Burton, Robert W., 27185A.
Gamble, John T., 27242A.
Gregg, Lucius P., Jr., 27256A.
Worden, Alfred M., 27474A.
Blitch, George R., 27176A.
McClure, Samuel L., 27332A.
Howard, James E., 27288A.
Greene, Francis M., Jr., 27255A.

O'Lear, Robert M., 27368A.
Riedel, Emil G., Jr., 27394A.
Young, William R., 27478A.
Rubenstein, Morton J., 27403A.
Wray, Robert O., 27475A.
Cacavas, Paul C., 27186A.
Millard, Robert G., 27347A.
Linebarger, John H., 27317A.
Rupp, Alexander K., 27407A.
Sims, Thomas E., 27423A.
Lovely, Howard E., 27319A.
Fowle, Edward E., 27238A.
Moore, Thomas D., Jr., 27353A.
Cosca, Dennis J., 27201A.
Fuqua, Claude T., 3d, 27241A.
Low, Edward, 27320A.
Nelson, Harold W., Jr., 27360A.
Wolfe, Lloyd T., 27472A.
Bartlett, Robert O., 27166A.
Ohme, Calvin E., 27367A.
Gray, Charles M., 27254A.
Loosley, Donald J., 27318A.
Jamison, John W., Jr., 27292A.
Lapham, John S., 27310A.
Conway, William R., 27200A.
Cathey, Carl H., Jr., 27191A.
Straub, Edward C., 27439A.
Edwards, Alan M., 27227A.
Sherman, Robert M., Jr., 27422A.
Stewart, James H., 27435A.
Moses, Kenneth H., 27355A.
State, Thomas L., 27432A.
Peterson, Carl B., 27375A.
Sheldon, Alfred E., Jr., 27421A.
Hilland, Richard W., 27279A.
Poirier, John T., 27383A.
Keranen, Edmund H., 27301A.
McKelvey, Robert D., 27338A.
Peterson, Donald H., 27376A.
Dorough, Felix, 27219A.
Ware, Walter E., Jr., 27460A.
Anders, William A., 27158A.
Holden, Kenneth L., 27283A.
Hawkins, Jerome D., 27272A.
Klung, Henry A., Jr., 27305A.
Hodges, Russell B., 27282A.
Heye, James F., 27277A.
Lunnen, Ray J., Jr., 27321A.
Donald, Frank L., Jr., 27217A.
Hatch, Monroe W., Jr., 27271A.
Raster, John M., 27390A.
Hardy, John S., 27266A.
Helms, Sanda B., Jr., 27273A.
Chiota, Anthony J., 27194A.
Fairey, William G., 27231A.
Rule, Ronald E., 27405A.
Stone, Reed L., 27437A.
Moran, Richard A., 27354A.
Hammond, Robert A., 27263A.
Cassells, Cyrus C., Jr., 27190A.
Kenney, Charles E., 27300A.
Bouchard, Philippe O., 27179A.
Chapman, Edwin K., 27192A.
Benton, Charles R., 27171A.
Barlow, William J., 27164A.
Bottoms, William H., Jr., 27178A.
Floyd, Leland D., 27236A.
Sutton, Donald J., 27446A.
Giza, Donald A., 27249A.
Trapp, David L., 27452A.
Schade, David U., 27412A.
Strickland, Theodore R., 27442A.
Dickson, Marshall W., Jr., 27216A.
Hlawek, Robert A., 27280A.
Levin, Harold A., 27314A.
Prater, Richard H., 27387A.
Dickinson, James H., 27215A.
McWilliams, William D., 3d, 27343A.
McCrillis, Walter C., 27334A.
Drake, Thomas J., 27220A.
Russell, Robert L., 27408A.
Martin, Paul L., Jr., 27325A.
Volkstadt, Wilfred G., 27458A.
Monnich, David H., 27352A.
Conner, George W., 27199A.
McNiven, Ronald W., 27340A.
Meisenheimer, Robert A., 27345A.
Ulshafer, Paul M., 27455A.
Keegan, James F., 27298A.
McPherson, James K., 27341A.
Beoddy, John J., 27172A.
Olive, Lewis C., Jr., 27369A.
Carrington, William M., 27188A.
Thornquist, Robert, 27449A.
Schlicht, Harold C., 27413A.
Harnly, Myron, D., 27267A.
Ward, Brien D., 27459A.
Pickitt, John L., 27381A.
Glidden, Norb R., 27250A.
Goodwin, William J., Jr., 27252A.
Graue, Robert W., 27253A.
Ponti, Robert J., 27384A.
Seay, James E., 27414A.
Wargowsky, Richard G., 27461A.
Secord, Richard V., 27417A.
Martin, William C., 27326A.
Gerdon, Gerald A., 27246A.
Lichtenberg, Herbert S., 27316A.
Geran, Daniel B., 27245A.
Binish, Robert H., 27175A.
Karnes, John H., 27296A.
Serex, Henry M., 27419A.
May, Donald M., 27330A.
Stephens, Jerry D., 27434A.
Small, Irvin M., 27426A.
Lyden, Raymond G., 27322A.
Cutchin, James H., 4th, 27207A.
Blanckino, Richard A., 27174A.
McDonald, John S., 27336A.
Strickland, Robert K., 27441A.
Seborg, Earnest H., 27415A.
Bowles, Frederick M., 27180A.
Phillips, Thomas J., 2d, 27380A.
Roades, Charles W., 27398A.
McDaniel, Robert H., Jr., 27335A.
Brower, Richard H., 27181A.
Regnier, Richard A., 27393A.
Baker, Marlin R., 27163A.
St. George, Edward F., Jr., 27410A.
Hotchkiss, John F., Jr., 27287A.
Millay, Albert K., 27348A.
Crouch, David B., 27205A.
Coulter, Robert K., 27202A.
Michalove, Lawrence G., 27346A.
Harvill, Preston S., Jr., 27270A.
Palladino, Norman K., 27372A.
Anderson, Edwin M., Jr., 27159A.
Ray, James S., 27391A.
Tebben, Gerald D., 27447A.
O'Connor, Patrick J., 27365A.
Anderson, William L., 27161A.
Francis, George F., 27239A.
Summers, Clarence S., Jr., 27445A.
Wilhelm, Frederick A., Jr., 27467A.
Wynne, John W., 27476A.
Denton, Dwight F., 27213A.
Thorsen, Roy T., 27450A.
Hensley, Russell D., Jr., 27274A.
Dutnell, Richard C., 27223A.
Shanahan, Wayne K., 27420A.
Dickey, Gerald D., 27214A.
Mattox, Richard K., 27328A.
Mattson, Wayne O., 27329A.
Knieriem, Fred G., 27306A.
Korzep, David A., 27308A.
Staffen, Verne G., 27431A.
Dunbar, James R., 27222A.
Hornbarger, Peter R., 27266A.
Monahan, George L., Jr., 27351A.
Vitori, Theodore E., 27456A.
Leventis, John K., 27313A.
Gauldin, John E., 3d, 27243A.
Cunningham, John T., 3d, 27206A.
Alfred, Loren R., 27156A.
Barras, Gregory I., 27165A.
Peterson, Wilbur D., 27377A.
Kennebeck, George R., Jr., 27299A.
Ringer, Robert H., 27396A.
Cohan, John M., 27197A.
Samos, Gerald J., 27411A.
Roth, William E., 27402A.
Oppel, Albert F., 27370A.
Harris, William W., Jr., 27268A.
Davis, Joseph H., Jr., 27211A.
Nay, Gerald L., Jr., 27359A.
Fetterer, George G., 27234A.
Gimbrone, Joseph L., 27248A.
Flynn, Charles L., 27237A.
Recicar, Steve A., 27392A.
Nordlie, Roland L., 27363A.
Mitchell, Jimmie R., 27350A.
Lewis, Alan P., 27315A.
Pruitt, Leslie D., 27388A.
Harrison, William L., 27269A.
Everett, James D., 27229A.
Buie, Al, 27183A.
Donaldson, Kenneth L., 27218A.
Chastaine, LaVerne A., 27193A.
Johnson, James B., 27293A.
Gehring, Philip F., Jr., 27244A.
Weaver, Thomas G., 27463A.
Wiesner, James F., 27466A.
Haines, Carl H., 27257A.
Ewing, Charles V., 27230A.
Medeiros, Raymond R., 27344A.
Winters, Albert C., Jr., 27471A.
Hunter, George F., 27290A.
Ruberg, Arthur J., 27404A.
Law, Donald K., 27311A.
McCarthy, Richard D., 27331A.
Todd, William J., 27451A.
Hall, Bud T., 27258A.
Young, Brewer H., Jr., 27477A.
Weissenborn, Ronald E., 27464A.
Neubeck, Francis G., 27361A.
Pheiff, Robert F., 27378A.
Barton, Robert B., 27167A.
Kaus, Norbert R., 27297A.
Faurer, Judson C., 27233A.
Wilson, Kenneth V., 27469A.
Smith, Richard S., 27428A.
Crosby, Eugene A., 27204A.
Senn, Charles H., 27418A.
Wilkinson, Thomas C., 27468A.
Cardosi, John C., 27187A.
Herman, Milton J., Jr., 27276A.
Sullivan, John R., 27444A.
Roche, James J., 27399A.
Chura, Francis R., 27195A.
Dantzler, Gerald T., 27209A.
Sechrist, John R., 27416A.
Hock, William J., 3d, 27281A.
Odgers, Peter W., 27366A.
Gilpin, Jerry M., 27247A.
Winfrey, Arthur P., 3d, 27470A.
Riggs, Leland S., Jr., 27395A.
O Brien, Thomas E., 27364A.
Mudzo, Michael G., 27356A.
Harbour, William T., 27265A.
McLaughlin, Francis J., 27339A.
Trentman, Clarence L., 27453A.
Higgs, Robert J., 27278A.
Stoeckel, Charles G., 27436A.
Storey, Alvin B., 2d, 27438A.
Masson, Richard W., 27327A.
Carruthers, William M., 27189A.
Clarkson, Joseph E., 27196A.
Farnsworth, William W., 27232A.
LeCates, Walter F., Jr., 27312A.
Zuckerman, Donald L., 27479A.
Pirkey, Frederick E., 27382A.
Lamb, Leroy A., Jr., 27309A.
Parsons, William E., 27373A.
Rissi, Donald L., 27397A.
Hamilton, Richard E., 27260A.
Murray, Ronald S., 27358A.
Goodwin, James A., 27251A.
Singer, Earl V., Jr., 27421A.
Arnold, William E., Jr., 27162A.
Turner, Thomas A., 27454A.
Martin, Charles H., Jr., 27324A.
Rankin, Carl A., 27389A.
Powers, James F., Jr., 27386A.
McJoynt, Albert D., 27337A.
Rumsey, Edwin F., 27406A.
Warner, Morris T., Jr., 27462A.
Kittler, Richard M., 27304A.
Bendrick, Frank E., 27170A.
Bell, Thomas J., 27169A.
Hamley, Gordon B., 27261A.
Brown, Gerald C., 27182A.
Kiefer, Richard J., 27302A.
Hammett, David M., 27262A.
Mulholland, James W. A., 27357A.
Eassa, Edward J., 27225A.
Hansell, Haywood S., 3d, 27264A.
Rodes, Allen H., 27400A.
Lynn, Roy H., Jr., 27323A.
Miller, Thomas H., 27349A.
Fisher, Melvyn, 27235A.
Davis, Dempsie A., Jr., 27210A.
Drummond, Kent R., 27221A.
Spangler, Wilson H., Jr., 27430A.

Huey, Brooks T., 27289A.
Bayly, Philip A., 27168A.
Steele, Eidon D., 27433A.
Rohr, Donald F., 27401A.
McVey, Robert L., 27342A.
Dyer, Pintard M., 3d, 27224A.
Holland, Leslie R., Jr., 27284A.
Anderson, John J., 27160A.
Koonce, David M., 27307A.
Woodcock, Sidney J., 27473A.
Kindel, John F., 27303A.
Pabst, Harold C., Jr., 27371A.
Sizemore, Tad E., 27425A.
Ellstrom, James W., 27228A.
Snyder, John F., 27429A.
Bernt, Nathaniel, 27173A.
Freeman, Roy B., Jr., 27240A.
Castillo, Francis L., 27580A.
Dahlquist, Lamont R., 31819A.
O'Brien, Thomas H., 31818A.
Quinn, Lawerance H., 31822A.
Eggleston, John D., 31820A.
Faulkner, Fredrick H., 31821A.
Jefferies, William R., 3d, 31823A.
Peterson, Milton R., 31824A.
Borland, Jack G., 31830A.
Boseman, Paul M., 31827A.
Munna, Joseph V., 31825A.
Somers, Richard L., 31833A.
Donlon, James M., Jr., 31834A.
Smith, Robert N., 31826A.
Hall, John L., 31828A.
Behringer, Blair R., 31837A.
Ericson, David M., Jr., 31831A.
Lund, William R., 31832A.
Varnum, John W., 31836A.
Elmer, Dean A., 31835A.
Brennan, William F., 31838A.
Arenas, Thomas J., 31840A.
Bolin, John W., Jr., 31841A.
Anderson, William G., 31839A.
Edgren, Robert D., 31842A.
Womack, Willis G., 31845A.
Jameson, George W., 31844A.
Siegmund, Frederick R., Jr., 31847A.
Wiederspan, Jon W., 31848A.
Zarr, Robert D., 31846A.
Phillips, John B., 31849A.
Girard, Robert M., 31850A.
Weaver, James A., Jr., 31853A.
Smith, Dale H., 31852A.
Davis, James W., 31854A.
Tilloteon, James H., Sr., 31855A.
Hall, Gene F., 31859A.
Newell, Jack L., 31856A.
Boehler, Ernest A., Jr., 31858A.
Walbridge, James S., 31861A.
Schmaling, Max R., 31857A.
Desmond, William R., 31860A.

NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 13, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Galatians 6: 9: *Let us not be weary in well-doing; for in due season we shall reap, if we faint not.*

Most merciful and gracious God, we beseech Thee to be present and favorable unto these Thy servants as they again assemble in this Chamber to engage in the business of statecraft.

We pray that Thou wilt increase the ardor of our efforts in well-doing and help us to mobilize our faith in the abiding reality and the invincible strength of the moral and spiritual resources.

Grant that we may hasten the dawning of that day when all shall know Thee, and the kingdoms of this world shall become the kingdom of our Lord.

We thank Thee for the life and character of our colleague who now dwells with Thee in eternal blessedness. May the members of his bereaved family find their consolation in Thee.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

Senate Resolution 274

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN J. DEMPSEY, late a Representative from the State of New Mexico.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate, at the conclusion of its business today, adjourned until 10 o'clock antemeridian tomorrow.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3418. An act to stimulate residential construction; and

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 58–10.

ATOM BOMB EXPLOSION AT FLORENCE, S. C.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Pentagon officials, according to news reports yesterday, considered the Florence atomic bomb as a case in point to prove their official contention, issued on February 15, that the possibility of an accidental nuclear explosion "is so remote as to be negligible." They cite odds of two billion to one.

Please note, however, by "accidental" they mean only a mechanical failure or inadvertence. If you add, as you must, human errors such as misguided idealism, venality, drunkenness, mental illness, and misunderstanding, then you must conclude, as I have concluded, that an "accidental" or unauthorized atomic explosion is inevitable.

Thousands of nuclear weapons exist today, ready for instant detonation and in the hands of error-prone human beings like you and me. What happened in South Carolina day before yesterday raises the question again: "Are we smart enough to survive our own inventions?" In my opinion, the solution, if there is still time for one, lies in the suspension of nuclear tests, cessation of the production of nuclear weapons, and the disposal of stockpiles—not unilaterally but by common consent to turn back before it is too late.

PRICE SUPPORTS

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, our friends in the other body have scheduled final floor action today on the legislation to hold the line on farm price supports for this year. Our own great Committee on Agriculture now is considering similar legislation which was introduced by several of us on the opening day of this session.

It is imperative that this legislation be given favorable action before April 1, the date when the first price cut will otherwise go into effect.

This week the Department of Labor announced that the official unemployment total in the Nation is now well over 5 million. I submit, Mr. Speaker, that much of this unemployment stems from the fact that the purchasing power of our farm families has dropped by one-third since 1951.

If we permit farm income to drop again in 1958, we can expect the 5-million unemployment figure to move on up toward the 10-million mark.

The gentleman from California [Mr. ROOSEVELT] and I have recently introduced comprehensive farm legislation that is geared to the best interest of both farmers and consumers. We hope for favorable action on our proposal, but for the present we need to act on the temporary hold-the-line legislation which I trust will be before the House in the next few days.

SMALL BUSINESS COMMITTEE

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that subcommittee No. 5 of the Small Business Committee may sit today during general debate.

The SPEAKER. Is there objection?

There was no objection.

NORTH ANDOVER'S SCARLET KNIGHTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, North Andover, in Massachusetts, is a fast growing town. With high morale and a fresh-as-spring confidence in its own abilities. That is reflected in the spirit of its high-school athletic teams.

Today we hail Head Coach Bill Larochelle and his cagers for winning the class C eastern Massachusetts basketball championship in the Boston Garden on the night of March 8, 1958.

When the Scarlet Knights came up to the finals they had that something extra in reserve, which we in New England call the pioneering spirit, or the ability to improvise.

In the early 1600's, there were only a few scattered farms in this area. As the man in the family tilled the fields, he kept his slung musket over his shoulder, and out of the corner of his eye, he watched the woods for Indians on the prowl. These early settlers had to be original to keep one jump ahead of the competition.

That traditional enterprise provided the margin of victory for the North Andover basketball team last Saturday night. They refused to be typed. They knew they had to come up with the unexpected, so coach and team got together for several days before the big night, and planned and practiced the unorthodox tactics that would catch their able opponents off-balance and provide the surprise element against which there is no defense.

The North Andover hoop team did just that. They had all the spectators buzzing with admiration for their will to win, and their pioneering plays.

This was a community victory as well, for the whole town backed them with faith and support all the way.

Congratulations to the Scarlet Knights and the prestige they have brought to North Andover, an old town with a spirit that is ever young and wonderful.

PROGRAM FOR BALANCE OF WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader about the change in the program.

Mr. McCORMACK. The program for today and tomorrow is as follows: The first order of business will be H. R. 376, the bill dealing with futures trading in onions.

That will be followed by H. R. 5309, dealing with the lower Rio Grande rehabilitation project, and the bill H. R. 7870, dealing with the completion of the Inter-American Highway.

I am also programing H. R. 9821, authorizing funds for the continuing construction of highways which I understand has been reported unanimously from the Public Works Committee.

I might say that the gentleman from Massachusetts [Mr. MARTIN] and myself, of course, with the permission of the membership, and they are always very cooperative, have agreed that if there are any rollcalls tomorrow they will go over until Tuesday, assuming there is a session Friday. As the Members realize, a number of Members are leaving today to attend the funeral of our late colleague, Mr. Dempsey.

This agreement on rollcalls does not apply to quorum calls. Rollcalls are to go over until Tuesday.

PROGRAM FOR MONDAY, MARCH 17

Mr. McCORMACK. With the gentleman's permission I will announce that on Monday next business will be limited to the calling of the Consent Calendar. That, of course, is a very important day in the life of countless persons, millions of persons who are of Irish blood and those who want to be of Irish blood. I will announce the rest of the program for next week later on today, or tomorrow, if we meet.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUSPENSION OF RULES ON WEDNESDAY, MARCH 19

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Wednesday next it may be in order for the Speaker to recognize Members to suspend the rules on certain bills.

The SPEAKER. Is there objection to the request of the gentleman from Massachusettts?

There was no objection.

OFF WITH THEIR CAPITA!

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include related matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, Secretary of Agriculture Benson expected the Nation to be thrilled a few days ago when he announced that the average per capita income of farmers had risen 10 percent over the year before. This indeed sounds good. It might even make some people, unfamiliar with the antics of expert statisticians like Mr. Benson, think that the American farmer is on the road to recovery because of the administration's farm policies.

But there is a fly in the ointment—and Mr. Benson has resorted not only to statistical manipulation but to book-burning in an attempt to hide the fly from the American people.

Secretary Benson's rose-colored statement on farm income was apparently based upon an official Department of Agriculture publication, Farm Population Estimates for 1957, of which 3,000 copies were printed. This document showed an 8 percent drop in farm population—hence the fact that per capita farm income had not declined despite a drastic decline in total farm income. And what happened to this document?

As the National Farmers Union newsletter this week says:

> As a part of a report showing how farm population in 1957 had declined by more than 8 percent, there also was included some comment from the people out in the country who had helped furnish estimate material.
>
> Some of these comments reportedly implied that the drop was regrettable and partly due to the administration's farm policies. After the USDA front office had taken a look, an order promptly went out prohibiting the distribution of any of the commentary.

Of course, Mr. Benson could not permit his Department to issue a document explaining that farmers were being driven off the farm by his farm policies. So the Department of Agriculture gathered up the 3,000 offending copies of the report and burned them.

Secretary Benson may claim credit for an increase in farm income per head. But if he does so, let him admit that this was accomplished by having fewer heads.—The Benson policy of decapitation.

Let Secretary Benson stop burning books and finagling statistics. Let Secretary Benson admit, once and for all, that his policies are intended to boost farm income per capita, and especially per corporation capita, by driving the family farmer off the farm.

NATIONAL LIBRARY WEEK

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 226.

The Clerk read the title of the House concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. FORRESTER]?

Mr. KEATING. Mr. Speaker, reserving the right to object, and I shall not object, I feel it would be desirable, since this was not unanimously agreed to in our committee, if the gentleman would explain the purpose of the bill.

Mr. FORRESTER. Mr. Speaker, as the gentleman on the minority side knows, the American Library Association is sponsoring the week of March 16 to March 22, 1958, as National Library Week. This is pursuant to, or at least in harmony with, Congressional action on the part of the Congress last year. There are at this time 43 out of the 48 States participating in this National Library Week. There is no money involved and it applies only to the week beginning on the 16th of the present month. Unless this bill is passed now it will be too late to be acted on. Therefore I ask the gentleman to allow the bill to be considered and agreed to.

Mr. KEATING. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. FORRESTER]?

There being no objection, the Clerk read the House concurrent resolution, as follows:

Whereas the Congress of the United States has recognized the vital educational and cultural role of libraries in the United States by the enactment of the Library Services Act, approved June 19, 1956; and

Whereas the Library Services Act is now in operation in 43 of the 48 States as a means of finding ways of bringing adequate public library service to some 27 million Americans, largely in rural areas, hitherto without such service or with totally inadequate service; and

Whereas State and local governments, professional associations, and citizens' groups recognize that much remains to be done to improve the availability of the full resources of the printed word to all of our people for education, self-improvement, cultural advancement, and fulfilling the responsibilities of citizens in a democracy; and

Whereas the National Book Committee and the American Library Association, in cooperation with numerous other citizens' organizations, business and professional groups, and voluntary associations, have designated the week of March 16–22, 1958, as the first National Library Week; and

Whereas National Library Week will increase support for libraries from the highest levels of leadership in the civic, economic, professional, and cultural life of the United States; will expose the need for the extension and improvement of school and public library services; will offer opportunities for librarians to work more closely with newspaper, magazine, and advertising executives in broadening the use of printed materials; will attract wider public attention to library services through features in national mediums; and will promote prestige for reading itself by showing the vital role the printed word can play in the fun of reading aloud in the family, the rewards of reading as a leisure-time activity, and the contribution of reading to career advancement: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning on March 16, 1958, and ending on March 22, 1958, both dates inclusive, as "National Library Week," and calling upon the people of the United States to observe such week with appropriate ceremonies.

The House concurrent resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHEAT ACREAGE HISTORY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11086) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

Mr. HILL. Mr. Speaker, reserving the right to object, and I shall not object, I would like to have the gentleman explain in very few words what this bill will do.

Mr. ALBERT. Mr. Speaker, the purpose of H. R. 11086 is set out in the committee report. The bill was reported unanimously by both the Subcommittee on Wheat and the Committee on Agriculture.

During the first session of this Congress Public Law 203 was enacted. This statute provided among other things that no acreage in the commercial wheat producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments should be considered in establishing future State, county, and farm acreage allotments. This bill was approved August 28, 1957.

The committee had evidence before it that the contents of Public Law 203 were not made known in some areas until as late as October. The result was that many farmers who had planted wheat in excess of their allotments found that in addition to penalties contemplated under previous law, they would suffer the further penalty of not being able to include either planted or diverted acreage above their allotments in the establishment of their future allotments. The committee considered that this had the effect of changing the rules in the middle of the game.

A number of bills have been introduced during the present session designed to forestall this additional penalty for the 1958 wheat crop. They are H. R. 9814 by Mr. BREEDING, H. R. 9819 by Mr. CHENOWETH, H. R. 9869 by Mr. THOMSON, and H. R. 10011 by Mr. HILL.

Bills identical to the committee bill were introduced by Mr. BREEDING—H. R. 11089, Mr. CHENOWETH—H. R. 11132, and Mr. HILL—H. R. 11138.

The first bill introduced on this matter, H. R. 9814, was introduced by the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING has pursued this subject consistently ever since the Congress convened. He has talked to me repeatedly about it and he has appeared before the committee and testified at length upon the subject. It was his bill, H. R. 9814, which formed the basis for our first hearing upon this matter.

This bill before the House contains a permanent change in the law which would enable farmers planting in excess of their allotments to store the excess without losing credit for their diverted acres in the establishment of future allotments. The committee amendments would broaden this to include county and State as well as farm allotments.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by adding at the end thereof two new sentences reading as follows: "For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and subsequent years shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted from the production of wheat: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year."; and

(2) by striking out in subsection (h) the language "future State, county, and farm acreage allotments" and inserting in lieu thereof "future State and county acreage allotments."

With the following committee amendments:

Page 1, following line 4, insert the following:

"(1) by changing the period at the end of the first sentence of subsection (a) to a colon and adding a proviso as follows: '*Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.'

"(2) By changing the period at the end of the first sentence of subsection (b) to a colon and adding a proviso as follows: '*Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.'"

Page 1, line 5, strike out "(1)" and insert "(3)".

Page 1, lines 5 and 6, strike out "thereof two new sentences reading" and insert "of subsection (c) thereof a new sentence".

Page 2, line 5, strike out "subsequent years" and insert "any subsequent year".

Page 2, lines 9 and 10, strike out "from the production of wheat" and insert "under such wheat allotment programs".

Page 3, line 3, strike out "(2)" and insert "(4)".

Page 3, line 3, following "subsection (h)" insert "thereof".

Page 3, line 6, strike out the quotation marks and the period and insert: "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in explanation of the bill just passed and that all Members may have 5 legislative days in which to extend their remarks on this measure.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BREEDING. Mr. Speaker, in lending my unqualified support to the bill H. R. 11086, I should like to state that the main purpose of this measure is to free for 1958 the base-acreage-loss penalty enacted last year under the so-called feed-wheat law.

On January 8, 1958, I introduced legislation designed to accomplish just that purpose. On February 6, 1958, while testifying in support of the measure, I told the House Agriculture Wheat Subcommittee, of which the distinguished gentleman from Oklahoma [Mr. ALBERT] is chairman, that what I was attempting to do, in simple justice and fairness, was to free for 1 year the 1957 winter-wheat planter who had overseeded without any warning that he could be penalized through the loss of some of his base acreage until after he had completed planting.

The measure, in other words, would correct the operation of a gross inequity in the nature of a retroactive penalty.

It was not until October 3, 1957, Mr. Speaker, that the Kansas State Agricultural Stabilization and Conservation Committee, and many other wheat-State committees, received information from the United States Department of Agriculture which spelled out specifically the operation of Public Law 85-203, the feed-wheat law, as it applied to excess-wheat farms, particularly the penalties involved.

However, in my area of the country winter-wheat operators begin planting as early as August 15. Under the law governing the production of wheat, as revised in 1957, there simply was not sufficient time for the farmer to be on notice that he could be punished for overseeding through the loss of a portion of his base acreage.

Mr. ALBERT's bill, H. R. 11086, and my bill, H. R. 11089, identical measures, would free for 1 year, 1958, the 1957 winter-wheat planter from this overseeding penalty.

For the year 1959 and all subsequent years wheatgrowers will be subject to the full slate of penalties for noncompliance with the wheat laws, including the acreage-loss penalty, designed to discourage wheat production in excess of allotment unless he places the excess in storage.

This bill has the approval of the Department of Agriculture, and I strongly urge its passage.

PROHIBITING FUTURES TRADING IN ONIONS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 484 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges. After general debate, which shall be confined to the bill and continued not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and myself such time as I may consume.

Mr. Speaker, House Resolution 484 makes in order the consideration of H. R. 376. The resolution provides for an open rule and 1 hour of general debate.

The bill proposes to amend the Commodity Exchange Act to prohibit futures trading in onions on commodity exchanges designated as contract markets under this act. At the present time onion futures trading is prohibited except on contract markets.

Following protests from onion growers that price variations on the futures market have been adversely affecting the cash price of onions, hearings were held on this bill, H. R. 376, and a number of similar bills. In addition to the testimony of witnesses, the Commodity Exchange Authority and the Agricultural Economics Division of the Department of Agriculture conducted some studies. It appears from the testimony and the studies that unlike other commodities, there is relatively little buyer hedging in onion futures and that variations in prices on the futures market without any relationship to supply and demand factors do have a direct effect over short periods of time on the cash price of onions. Accordingly, the Committee on Agriculture has reported H. R. 376.

I ask for the prompt adoption of House Resolution 484 so the House may proceed to the consideration of H. R. 376.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from Arkansas has fully explained the rule. I understand there is some opposition to the bill itself. How great, I do not know. But, I think the rule should be adopted, at least.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, one never can tell who will help him. Here is an anonymous communication which was shoved in the mailbox at my office last night, together with a newspaper clipping, which reads:

Mr. Reuther, president of the United Auto Workers Union and chairman of the AFL-CIO Economic Committee, also recommended immediate action on a tax cut, broadening of unemployment compensation benefits, and expanding public works spending.

Mr. Reuther spoke to about 1,000 AFL-CIO representatives gathered from all parts of the Nation to seek antirecession action from Congress.

Mr. Reuther said the economic situation is growing worse, not better. If it gets much worse, he said, the Government should put into effect a moratorium on withholding income tax collections from worker pay. This would pump $500 million a week into the Nation's purchasing power, Mr. Reuther said. He emphasized the moratorium should be tried only if other antirecession moves fail.

"Anyone who thinks prosperity is just around the corner is fooling himself badly," Mr. Reuther said.

"The recession is serious and will become more serious unless prompt measures are taken. It will not solve itself. There are no positive forces at work."

The note in the mailbox was from a Government employee. The note reads in part:

Walter Reuther recommends a moratorium on tax collections.

Why doesn't he and other labor union czars declare a moratorium on the collection of union dues, COPE fund grabs, assessments, welfare funds, etc.?

After all, the union treasuries are bulging with surplus funds.

The Government is broke—$275 billion plus in hock.

Seems the union treasuries can afford the luxury of a 90-day moratorium more than the Federal Treasury.

A GOVERNMENT EMPLOYEE.

I hope the Committee on Ways and Means will ask Mr. Reuther about that, because it seems quite helpful.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, what is being done today to me just does not make sense, and our national defense is in jeopardy. They are r. i. f.'ing or separating personnel out of Government departments; they are closing down hospitals; they are cutting down on arsenals and military installations, and then they are going out and giving employment somewhere else, taking it away from one person or a lot of people in one community and putting them on unemployment insurance or relief and giving it to another community. It disrupts in the end both communities. It is extremely unfair and cruel, and I think really dishonest. People do not

realize that the Government is so big today that often they do not know the result of what they are doing in financial or social economy. All of us have had this experience in the past in connection with Government installations. People have been dropped; hospitals have been closed; arsenals have lost work and personnel, and they must be kept open and running to be prepared in case of an emergency. Keeping the arsenals open is literally a lifesaving matter. If you do not have trained engineers, trained scientists, trained workers, one cannot have immediate or safe production or security.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPLETION OF THE INTER-AMERICAN HIGHWAY

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 495 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7870) to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time yield myself such time as I may consume.

Mr. Speaker, as the reading of the resolution indicated, this resolution makes in order the bill H. R. 7870, which amends Public Law 129 of the 84th Congress by providing an additional $10 million for the completion of the Inter-American Highway. The resolution provides for an open rule and 2 hours of general debate. I know of no opposition to the resolution. I do not know what may happen when we take up the bill.

I urge the adoption of the resolution.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 494 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time yield myself such time as I may consume.

Mr. Speaker, House Resolution 494 makes in order the consideration of H. R. 5309, the Rio Grande rehabilitation project, Texas. The resolution provides for an open rule and 1 hour of general debate.

The bill authorizes $10,100,000, on the basis of January 1957 prices, for the rehabilitation of the existing irrigation works for the Mercedes division of the Rio Grande project, including repair or replacement of deteriorated canal linings, overhauling of river-pumping plants, rehabilitation of inadequate irrigation and drainage structures, and construction of access roads for maintenance purposes.

The entire cost is allocable to irrigation and with the exception of $22,000 already contributed by the district for investigation costs, is reimbursable. The bill is amended to make perfectly clear that the cost is to be repaid in accordance with the district's repayment ability within a period of 40 years. Studies indicate that the district will be able to repay in a much shorter period. The committee also amended the bill to provide for the payment of interest by single owners of lands in excess of present reclamation law.

It is estimated that the rehabilitation of this project will save approximately $100,000 annually in operation, maintenance, and replacement costs and that agricultural income will be increased substantially.

I urge the adoption of House Resolution 494.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HIGHWAY CONSTRUCTION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 501 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways. After general debate, which shall be confined to the bill and continued not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, this resolution makes in order the consideration of the usual biennial authorization for construction of highways. I know of no controversy on it.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROHIBITING FUTURES TRADING IN ONIONS

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 376, with Mr. ASPINALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this bill is to amend the Commodity Exchange Act so as to prohibit futures trading in onions. Because of the limited time available for debate, Mr. Chairman, I intend to take only a few minutes and then to ask the gentlewoman from Idaho [Mrs. PFOST] the author of the

bill, and others who are more closely concerned in this matter, to give the House such detailed explanation as they deem necessary.

Onion futures contracts are traded on only two exchanges in the United States—the Chicago Mercantile Exchange and the New York Merchantile Exchange. The Chicago Exchange started trading in onion futures contracts in 1942 and the great bulk of the onion futures trading is still conducted on that market. The New York Exchange came into the onion business in 1946 and does a relatively small amount of trading in this commodity.

For the past several years there has been a growing conviction among onion producers that price variations in the onion futures market have been adversely affecting the cash price of their product. Violent fluctuations in the futures price of onions have tended to substantiate the position taken by the growers.

In 1950, for example, the March future on the Chicago Mercantile Exchange ranged from a high of $1.28 to a low of 44 cents for a 50-pound bag of onions during the month of March.

In 1951 the range was from 77 cents to $2.07.

In 1956, the March future ranged from a seasonal high of $2.75 per 50-pound bag to 84 cents on March 1, 1956, and a low of 10 cents per bag on March 15.

Price movements of this sort cannot be attributed to supply and demand. It is clear that speculation, and in some instances manipulation, has been a dominant factor.

Until 1955, the Commodity Exchange Authority—which regulates trading in commodity futures in the United States—had no authority to regulate trading in onion futures. In 1955, however, the Agriculture Committee reported and the Congress enacted a bill placing onion futures under the jurisdiction of the Commodity Exchange Authority. This bill became law on July 26, 1955.

This was recognized at the time as a temporizing measure which might not produce any affirmative results. Trading in potato futures had been under the CEA since 1936 but, nevertheless, conditions in the potato futures market were such that the protests of potato producers against the futures market were almost as loud as those of onion producers against the futures market in their commodity.

Accordingly, on October 27, 1955, I appointed a special subcommittee under the chairmanship of Hon. GEORGE M. GRANT, of Alabama, to study the effect of futures trading on the supplies and the prices of onions and potatoes.

That committee held hearings at Presque Isle, Maine, on December 6 and 7, 1955; at Chicago, Ill., on March 24, 1956; and in Washington on May 16, 17, 18, and 22, 1956.

After hearing testimony not only from producers and representatives of the Commodity Exchanges, but from farm organizations and a number of disinterested witnesses, the subcommittee issued its report in September 1956.

This report said in substance, first, that the basic economic activity involved is the physical production and distribution of onions and potatoes, not the trading in futures contracts for these commodities; second, that gyrations of the futures market have at times adversely affected the cash price of onions and potatoes; and, third, that unless futures markets can be operated in such a way as to prevent injury to the producers of these commodities, futures trading in such commodities should be prohibited altogether.

There was a period of relative stability in the onion futures market following the issuance of this report but about the first of February 1957, bullish activity began on the onion futures market and sent the price up from $1.15 on January 8 to $2.20 per 50-pound bag on February 4. Thereafter, the reaction set in sharply and by February 25, March futures had dropped to 87 cents per bag.

These gyrations set off a new wave of producer demands for the complete prohibition of trading in onion futures and hearings were set on this bill and several similar bills.

Testimony at these hearings was of unusually high caliber. Witnesses were almost equally divided between those advocating abolition of futures trading in onions and those who opposed such action. In addition to testimony of those directly interested in the proceedings, independent studies of the relationship between the futures market and the cash price of onions were made at the request of the committee by the Commodity Exchange Authority and the Agricultural Marketing Service of the Department of Agriculture.

These studies and the testimony of witnesses for both sides in this controversy substantiated at least the following conclusions:

First. In spite of any improvements in trading practices which may be brought about by the Commodity Exchange Authority or by action of the Exchanges themselves, violent fluctuations in the onion futures market can still take place without any relationship to supply and demand factors.

Second. Although these gyrations of the futures market may not affect the long-run or season average cash price of onions, there is no doubt that they do affect the cash price over short periods of time and have a pronounced effect on the cash onion market, frequently at the very moment when the bulk of onions are moving to market.

Third. While there is some use of the onion futures market for hedging purposes, it is clear that the volume of hedging in this commodity is far lighter than that in many other commodities and that a disproportionately large part of onion futures buying and selling is pure speculation.

It may be argued that the complete prohibition of futres trading in onions is drastic action, and I agree that it is. But if trading in onion futures cannot be handled in such a way as to protect the interests of both the speculators and the onion producers—as apparently it cannot—then I submit that our interest should be to protect the growers of this commodity rather than the speculators.

Mr. Chairman, I now yield 5 minutes to the author of H. R. 376, the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I wish to call to the attention of the Members of the House, the fact that my bill, H. R. 376, has the wholehearted support of at least 95 percent of the onion growers and shippers in the country.

I have no quarrel with the principle of futures trading. I am well aware of the fact that trading in storable, nonperishable commodities renders a real economic service. But futures trading in onions, because of the small volume and perishable nature of the crop is not an economic tool, but a gambling device for professional speculators.

Mr. Chairman, the onion industry is not seeking a subsidy or any other type of Government relief. Its members are simply asking to control their own product. They are requesting that they be freed of the menace of onion futures trading which has been forced upon them without their consent. They want to operate under the law of supply and demand—rather than under the feverish manipulations of speculators in a mercantile exchange hundreds of miles across the country. I do not think this is an unreasonable request. I am sure it is one that this body will recognize as wholly valid and honorable. I ask a favorable vote on the bill.

Mr. Chairman, when we allow trading in onion futures, we condone a practice which takes away from onion producers and shippers the right to control their product, and keeps them from getting a decent return from their labors.

If trading in onion futures reduced the price of onions to the consumer, there might be some justification for it. But it does not. The only people who profit from it are the speculators on the Mercantile Exchange.

In Idaho, it costs about 60 cents to grow 50 pounds of field-run onions. The cost of sorting and packing them in a bag adds another 50 cents.

Since most onions cannot be sold immediately, they must be put in storage, and this costs around 20 cents for 50 pounds. Under normal conditions, transportation to Chicago costs about 80 cents a bag—freight rates have just been raised in my section of Idaho. This means there is at least $2.10 actual cost in each bag of onions which must be gotten back before the farmer or the shipper can get a penny for his work.

This year there was a less-than-normal supply of onions on hand on December 1. Yet despite this fact, in December, January, and the first half of February, speculation held the price of a fifty pound bag of onions down to between $1.53 and $1.85 on the Chicago Mercantile Exchange.

Since the cash price of onions is usually only about 20 to 30 cents higher than the Exchange price, this means that the price of onions during that period was less than the cost of their production. On the eleventh of last month, for example, the Board price was $1.60. There was a time once in 1956 when it was driven down to 10 cents.

Now this wouldn't be so serious if onions could be stored in bulk in bins like corn or wheat—and held for a better price. But onions are expensive to store because they require around-the-clock care. They must be placed in open mesh bags or in shallow lugs such as those used for cherries or grapes. The warehouse must be kept at an even temperature, with electric fans circulating the air constantly. If the price doesn't go up in time, and the onions are left too long in storage, there is only one thing the producer can do. He must hire workers to haul the onions by truck and take them out and dump them—in Idaho they have been dumping them in the sagebrush.

It is hard enough when a grower has to dump onions because there has been overproduction—but it makes him pretty bitter when he has to do it because he and other growers do not have control of their own product due to maneuvering by speculators.

The Mercantile Exchange maintains that speculation has nothing to do with the price of onions—that when the price goes down it is simply because the growers have produced more onions than the market can absorb. I say this is tommyrot.

In 1957, the market was broken from $2.20 down to 87 cents in a period of 3 weeks—in spite of the small supply of onions on hand. In 1956, as I have already mentioned, onions were listed at 10 cents a bag on the Chicago Mercantile Exchange Board on March 15. You cannot tell me that movements of this sort are due to supply and demand.

Just a week ago we faced a ridiculous situation. In a 3-day period, 5,370 cars of onions were traded on the Mercantile Exchange when there were not to exceed 500 cars of onions on hand eligible for delivery to the Exchange.

Let us look at what happened in Idaho in 1957 when the terrific break came. Physical onions were moving up in price, on a supply-and-demand basis.

The brokers were eager to buy, and the price was good. It looked like a good onion storage season, as there were no burdensome supplies on hand. Then in January and February, March futures prices went up to $2.20. Within 3 weeks the bottom fell out and futures were forced down to 87 cents, as I have already related. The market was thrown into a turmoil.

And who suffered? The men who had put their time, toil, and sweat into the onion business. At the time of the break, the onion growers of Idaho and eastern Oregon had approximately 600 cars of onions on hand. The price declined about $900 to $1,200 a car. A conservative guess is that the break cost about half a million dollars to the growers of Idaho and eastern Oregon.

In an impartial report following this break, the Commodity Exchange Authority stated:

> Price movements such as this cannot be justified by supply-and-demand factors, and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation.

Losses such as occurred in this 1957 break affect not only the onion grower, but the banker who holds his loans, the dealer who has sold him machinery, and the merchants and other establishments in the community which count on his business. The repercussions are felt all through an onion-growing area.

Mr. Chairman, in allowing trading in onion futures, we are condoning a practice which serves no useful purpose, and yet bleeds the onion industry of millions of dollars each year. Onions, as a small-volume, perishable crop, are not a suitable commodity for trading on a futures market.

Passage of this bill has been too long delayed. Action was held off in the 84th Congress because the 83d Congress had passed a measure which allowed the Mercantile Exchange to make some minor adjustments in onion futures contracts under the supervision of the Commodity Exchange Authority, and we wanted to allow the full effects of the changes to be felt. They did not correct the principal abuses which are causing the trouble. The disastrous break of 1957 occurred in spite of these rule changes and strong efforts at supervision.

Mr. Chairman, the onion industry is convinced that the only answer to their problem is complete abolishment of trading in onion futures.

This bill has the complete support of the National Onion Association, and is backed 100 percent by the Idaho Grower-Shippers Association, the Southwest Idaho Onion Growers Association, and the Malheur County Onion Growers Association, and many others.

Practically the only opposition to it comes from members of the Chicago Mercantile Exchange. If it were not for the Exchange, the bill would have become law a long time ago.

The bills introduced in 1956 to eliminate futures trading in perishables and the present bills calling for the elimination of onion futures are the only bills in the history of the Congress which have dealt specifically with the elimination of a perishable commodity from organized futures trading.

There have been other bills designed to eliminate futures trading in the more stable commodities—but these bills have failed of passage because Congress recognized that trading in these commodities renders a vital service.

On the contrary, futures trading in onions renders no service. It is detrimental to the onion growers and shippers throughout the country. And it has developed such an unsavory reputation that it is discrediting in the eyes of the public the practice of futures trading in other commodities.

Onion futures trading is a case of the tail wagging the dog. It allows a small group of speculators to reap huge profits at the expense of the onion growers and shippers. And there are no benefits to the consumer. In 1956 fine onions were dumped on the market for as low as $25 a car, and 10 to 15 cents a 50-pound bag, yet those same onions were selling here in retail stores for from 10 to 15 cents a pound.

It is high time we stopped futures trading in onions and gave back to onion growers and shippers the control over their own destiny.

The CHAIRMAN. The time of the gentlewoman from Idaho [Mrs. Prost] has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentlewoman 5 additional minutes.

Mrs. PFOST. Thank you, Mr. Chairman. I hope I will not need it. But let me say that my onion growers do not claim that this legislation will cure all of their ills, but it will clear one of the most vicious roadblocks that they have to contend with today. It will remove a roadblock that will enable them to solve their own problems. Already in western Idaho and eastern Oregon our onion growers have been working on a constructive program that will give greater stability to their industry. They are now operating under a marketing order which is the first such program for the onion industry in the country.

Let me say again, the only thing that my onion growers and shippers desire is the privilege of allowing supply and demand to set the price. They will take over from there with their own marketing program.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield.

Mr. GROSS. I want to commend the gentlewoman for introducing this legislation and the committee for bringing it to the floor. The onion growers in the Third Congressional District of Iowa support this bill, and I support it in their behalf.

Mrs. PFOST. I thank you very much.

Mr. HOFFMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield.

Mr. HOFFMAN. I join in the statement made by the gentleman from Iowa. We grow a great many onions in Michigan. What is the difference between the onions we grow and these big Bermuda onions?

Mrs. PFOST. I understand that northern Texas grows a great many Bermuda onions. In Idaho we largely specialize in the sweet Spanish onions. The onions traded on the Mercantile Exchange are the Yellow Globe variety. They are smaller and hotter onions.

Mr. HOFFMAN. I hope the gentlewoman will not do anything that will keep our onions off the market.

Mrs. PFOST. Of course I would not.

Mr. HOFFMAN. We have a very sweet, mild onion.

Mrs. PFOST. All right; we will have to see that the gentleman tastes one of Idaho's large, juicy, sweet Spanish onions. It is the best.

Mr. HOFFMAN. I thank the gentlewoman. Perhaps she better send a sack for the House restaurant.

Mrs. PFOST. I will do it.

Mr. Chairman, I yield back the balance of my time.

Mr. HILL. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I support this legislation, H. R. 376. After extensive hearings in 1957 our Committee on Agriculture supported this resolution amending the

Commodity Exchange Act prohibiting trading in onion futures.

Testimony given to our committee indicated that there are no other vegetables except potatoes traded in this manner.

This legislation was stimulated by action in trading in onions futures about February 1, 1957, to February 25, which sent the price rocketing to a $2.20 per 50-pound sack on February 4, March onions futures, and then a drop to $0.87 for the price of a 50-pound sack of onions by February 25, clearly a demonstration of what futures tradings can actually do to perishables that do not belong in futures markets operations.

The hearings on H. R. 376 were full and complete. Proponents and opponents were given ample opportunity to express themselves. More than 40 witnesses appeared before our committee.

The members of the Committee on Agriculture handling this resolution were interested in the producers of onions and in the stabilization of the prices paid to the producers. Usually onion growers do not trade in the futures market, and therefore they have little or no opportunity to hedge on the sale of their crops but must take what is offered to them when they present their commodity to the marketplaces.

From the testimony of the onion growers from many and widespread onion-producing sections—Colorado, Texas, Michigan, Minnesota, New York, Indiana, Illinois, Oregon, Wisconsin, Idaho, and many others—our conclusions were that this is necessary legislation.

In closing may I call your attention to our Committee Report No. 1036, 85th Congress, 1st session, at the bottom of page 2 and continuing to the middle of page 3. You will find this interesting reading and I am sure will convince anyone of a doubtful mind that this bill, H. R. 376, is necessary corrective legislation.

Mr. Chairman, may I include in my remarks a number of wires and letters from producers of onions in Colorado as well as a letter from the American Farm Bureau Federation, supporting this bill.

The telegrams and letters follow:

DENVER, COLO., *March 4, 1958.*
Representative WILLIAM S. HILL,
House Office Building,
Washington, D. C.:

BILL, may we urge you to support H. R. 376, which prohibits trading in onion futures on various commodity exchanges. We would also like to see Irish potatoes included by amendment. Trading in futures has definitely hurt the onion and potato market and farmers have suffered loss of income as a result.

LLOYD SOMMERVILLE,
President, Colorado Farm Bureau.

FORT LUPTON, COLO., *January 22, 1958.*
WILLIAM S. HILL,
House of Representatives,
Washington, D. C.:

Please prevent House bill 376 from returning to committee as dealers and growers of onions. This bill needs passage for good of agriculture.

Thanking you,

D. K. PENFOLD,
Fort Lupton Produce Co.

ROCKY FORD, COLO., *January 22, 1958.*
Representative WILLIAM S. HILL,
House of Representatives,
Washington, D. C.:

Colorado Growers and Shippers Association meeting yesterday vote thanks for your past support on H. R. 376 to eliminate futures trading in onions. Advised COOLEY may return H. R. 376 to committee. Urge prevention of return to committee and push for early floor vote. Broker opposition strong.

ERNEST R. CAMPBELL,
President, Colorado Growers and Shippers Association.

PUEBLO, COLO., *February 11, 1958.*
Representative WILLIAM S. HILL,
Washington, D. C.:

We have urged J. W. Rose of National Onion Association to contact you this week to secure immediate action on onion legislation H. R. 376, S. 778, S. 1514. We ask that you make every effort to abolish onion futures.

Thanks,

CIRULI BROTHERS.

COLORADO POTATO GROWERS EXCHANGE,
Denver, Colo., January 22, 1958.
The Honorable WILLIAM S. HILL,
House of Representatives,
Washington, D. C.

MY DEAR MR. HILL: Much has been said and written about trading in onion futures in recent years, both for and against the practice. It is our firm belief that there is more to be said against the practice than for it. Accordingly, Colorado Potato Growers Exchange has gone on record many times opposing trading in onion futures.

As evidence of what can happen and how dangerous it is to the onion industry we quote from the latest newsletter of the National Onion Association, of East Lansing, Mich.: "When the futures market was broken from $2.20 to 85 cents in 3 weeks' time last February one Congressman reversed his stand on the onion bills with the statement that no commodity in which this could happen belongs on the futures market."

We believe you are aware that Colorado Potato Growers Exchange speaks for some 2,000 growers in Colorado, of which probably 25 percent are onion growers. These growers are vitally interested in these bills that are now before Congress, and they sincerely urge that you support H. R. 376, S. 778, and S. 1514.

Thanking you for your action, we are,

Sincerely yours,

W. W. DAVIS,
General Manager.

STATE OF COLORADO,
COLORADO DEPARTMENT OF AGRICULTURE,
Denver, Colo., April 5, 1957.
Hon. WILLIAM S. HILL,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR MR. HILL: A few years ago the Mercantile Exchange started futures trading on onions. We have had the opportunity to observe the effect of this procedure upon our onion industry in Colorado and there is no doubt that this procedure has been detrimental to this large industry. Through the manipulation of market prices due to futures trading, a very unstable price situation has been created, particularly at the shipping point. The old law of supply and demand cannot operate as it should, consequently the producer cannot plan his production and marketing as he would on a free market.

This practice, causing unnatural price fluctuation on the market, has caused many onion producers in our State to discontinue the production of onions. When you realize Colorado is the third State in the United States so far as late onion production is concerned, you can readily realize the importance of the practice of futures trading or any other practice that tends to create an unstable market for onions.

I understand that there are three bills in Congress at the present time to remove onions from futures trading on the Mercantile Exchange:

H. R. 1933 by Representative GERALD FORD, of Michigan.

H. R. 1935 by Representative ROBERT GRIFFIN, of Michigan.

H. R. 376 by Representative GRACIE PFOST, of Idaho.

S. 778 by Senator RICHARD L. NEUBERGER, of Oregon.

I urge you to do what you can to see that legislation is passed to remove onions from the futures trading on the Mercantile Exchange. I am sure if you can get this done, you will have rendered this large agricultural industry in Colorado a great service.

Sincerely yours,

PAUL W. SWISHER,
Commissioner.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 30, 1957.
Hon. WILLIAM S. HILL,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HILL: Recently the Domestic Marketing Subcommittee of the House Committee on Agriculture favorably reported H. R. 376. This legislation would prohibit trading in onion-futures on the various commodity exchanges. The American Farm Bureau Federation for several years has supported the elimination of onion-futures trading.

Earlier this year we outlined our reasons for recommending the elimination of onion-futures trading to this subcommittee. They are as follows:

1. Onions by their very nature are perishable commodities. They cannot be stored for an unlimited length of time and only limited processing is involved. This situation is quite different from wheat, corn, and other storable commodities where the futures market performs a valuable role since hedging provides price risk insurance. Futures trading in these storable commodities serves an important function because of the considerable amount of processing that occurs in marketing. This is quite different from onions which, having only limited processing, move from producer to consumer in virtually the same form. Because of their perishability and lack of processing, we do not believe that onions lend themselves to sound futures trading.

2. The volume of onions that is involved in futures trading is relatively small, thus providing the opportunity for sharp price fluctuation and the facilitating of price manipulations.

There has been some concern that the elimination of onion-futures trading might lead to the elimination of futures trading in other commodities such as cotton and wheat. As far as the American Farm Bureau is concerned, we believe the futures trading situation is entirely different in these commodities than in the perishable commodities.

We would appreciate your support of the legislation to eliminate onion-futures trading.

Sincerely yours,

JOHN C. DATT,
Assistant Legislative Director.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOFFMAN. Will the gentleman read this telegram into the RECORD for me?

Mr. HILL. I shall be pleased to. The telegram reads as follows. It is from Dan E. Reed, Michigan Farm Bureau:

We understand H. R. 376 to prohibit future trading in onions on commodity exchanges will be debated on the House floor March 13. Trading in future contracts on onions has operated against the best interest of producers and consumers. The comparatively small volume of production and the perishability of the product make possible price manipulations which do not reflect supply and demand. Michigan Farm Bureau supports this bill in line with resolution adopted last November. Also request your support for amendment which will be offered to also eliminate potatoes future trading.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield further?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. We do not grow all our onions on ordinary land, on sand, or in heavy clay land, but we do grow thousands of sacks, hundreds of pounds of them on muck land. This involves a very very difficult and laborious operation. You get down on your knees to weed and take care of them all through the season. Then when the onions get ready for market, and finally on the market, we find these fellows over in Chicago reaping most of the benefit. I received a telegram which came to me last week from an onion grower I have known for some 30 years in which he said:

I just heard over the radio that I was shipping several carloads of onions to the Chicago market.

He said:

I have not even thought of shipping onions at this time.

He said:

What they are doing over there is making that announcement to bring down the price to break the market. It is a lie from beginning to end. It was made to affect the price so they can make more money.

The grower and his family who plant the onions, weed them, and get them ready for market, pay operating expenses, do not get the money. It is those city slickers in Chicago who manipulate the market who receive the profit and without having put out any manual effort.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I want to commend my colleague from Colorado [Mr. HILL] on his very splendid statement. I represent one of the large onion producing areas and I have received numerous requests to support this legislation. The onion growers of my District are unanimous in their support of this legislation. I hope this bill prohibiting futures trading in onions will be passed. I feel that the passage of this measure will benefit the onion growers of this country and I am happy to give this bill my full support.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. TABER. I find that our farmers in New York are having a very difficult time on account of this price juggling business which this bill I understand is designed to stop, and I hope it will pass.

Mr. HILL. I thank the gentleman for his contribution.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, H. R. 376 is a soundly conceived means of providing protection for the average onion producer. The situation which currently exists in the onion industry is not a healthy one. The relatively small market, combined with the perishable nature of the product, has resulted in sudden and precipitous changes in prices. These changes place an unwholesome burden on the average grower.

This bill would eliminate futures trading in onions, the practice responsible for these drastic fluctuations. Presently, prices on the Exchange have been known to drop from $2.20 to $.85 in a matter of minutes, thus placing great pressure on the individual producer. In effect, the present setup gives the industry nothing more than a chance to gamble. In case after case a few operators have been able to start rumors of heavy supplies forthcoming which have unnaturally depressed the price structure to the detriment of the average producer. Faced with this pressure he has been forced to sell at diminished prices.

Mr. Chairman, there is strong support, from those most directly concerned, for this measure. C. K. Bullock, director of the commodity department of the New York State Farm Bureau, has informed me that the farm bureau late last year unanimously adopted a resolution calling for the abolishment of futures trading in onions. Isaac Dehollander, president of the Oswego, N. Y., County Farm Bureau and Oswego Vegetable Growers Association, has written me urging support of this principle. Other leading groups, such as the National Onion Association, favor passage of this bill.

In addition, it has the backing of the Department of Agriculture.

Inasmuch as the overwhelming evidence indicates futures trading is a decided burden on the onion industry and is of benefit only to a very few large operators, I urge passage of H. R. 376 as insurance for a stable and vigorous onion industry.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I rise in support of H. R. 376, a bill to eliminate onions from futures trading on commodity exchanges. This legislation has become necessary to return the onion market to a condition governed by supply and demand rather than by the maneuvered gyrations of a system dealing in highly speculative paper contracts.

Futures trading in onions does not and has not provided a market for actual onions. According to reports of the Commodity Exchange Authority, that division of the Department of Agriculture charged with supervision of commodity exchanges, more than 95 percent of all contracts on the onion futures market are speculation. Very little if any buying of onion futures is done with the idea of hedging. The buyer of an onion futures contract does not want any onions and never expects to get any. The average contract buyer has nothing to do with the onion business. Usually, the most unfortunate development for him is to have the actual onions for which he contracts delivered to him.

On the other hand less than 5 percent of the contracts to sell onions are made by legitimate onion growers, farmers who are growing onions as part of our national food supply. Ninety percent of those selling contracts to deliver onions at some future date do not have any onions and never expect to deliver any. They are not onion growers nor are they dealers in actual onions.

Throughout the 1956–57 season, the entire late summer and fall onion crop, the crop which was largely involved in futures trading, was approximately 51,000 carloads. Spring and summer onion crops would add at least another 20,000 cars. Yet only 615 carloads of actual onions were handled through the Chicago Mercantile Exchange, not over 1 percent of the total onions marketed. Most of these 615 cars were delivered as a tool used to depress onion prices rather than to market needs.

Futures trading in onions, unlike futures markets in other large volume staple commodities, renders no service of any kind. It is in no sense a market for actual onions. The actual onion crop is marketed through normal produce trade channels just as are apples, citrus, lettuce, and other produce items. The big difference is that the onion prices are not established as true supply and demand conditions but are constantly disrupted and depressed by the influence of the maneuvered paper trading of onion futures markets.

Onion growers and shippers have seen their markets depressed, all chance of a fair return, even cost of production, wiped out for several years. Trading rules have been changed, the Commodity Exchange Authority has attempted to control through supervision, but the evil effects remain.

I strongly urge passage of the legislation so important to the protection of a segment of our agriculture.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. TEAGUE of California. I should like to join the gentleman in support of this bill. I have been informed by the California Farm Bureau and the Director of Agriculture of the State of California that that organization and that official also support this bill.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. MCINTIRE].

Mr. MCINTIRE. Mr. Chairman, I am very much in favor of this legislation and if I have adequate time I want to get a little background in this discussion today to advise the committee of just the

amount of work that has been done to bring this legislation to your attention.

First, let me say this bill is not directed at futures trading in principle. It is only directed to futures trading in the only two perishable commodities which are now traded on the board; namely, onions, and, as far as this bill is concerned and in the background of some of the hearings and legislative preparation for this bill, in relation to futures trading on potatoes. Let me say that this is no attempt at all or in any respect to involve the issue of futures trading in relation to any other commodity that is now being traded on any of the mercantile boards.

Let me give you a bit of the background relative to this legislation. The chairman of our committee has touched on it but I want to go into it in a little more detail.

This futures trading in onions was instituted by the Chicago Mercantile Exchange in 1942 and most of the trading in onion futures is still conducted by that exchange. I am bringing into this discussion potatoes for the reason that a great deal of our hearings and legislative work was done on both commodities, so my remarks will cover both in certain respects.

Futures trading in potatoes was initiated by the Chicago Mercantile Exchange in 1931 and by the New York Mercantile Exchange in December of 1941. Virtually all of the trading in potatoes is done on the New York Exchange and is concerned exclusively with Maine potatoes. The Chicago Mercantile Exchange has a futures contract for Idaho potatoes which has seen very little activity in recent years. Potatoes were included in those commodities subject to the jurisdiction of the Commodity Exchange Authority in the general revision of the Commodity Exchange Act in 1936. Trading in potato futures has been under scrutiny and regulation of the Commodity Exchange Authority since that time. Authority to exercise control over trading in onions was not conferred on the Commodity Exchange Authority until September 1955.

Potato and onion producers have, for a long time, been concerned about the degree of influence which mercantile exchange activities—in New York and Chicago—exert on the market price of the commodities they produce. These industry groups have, on many occasions, gathered together in well-attended meetings to express their concern and to explore the possibility of laying it to rest. This concern became so intensified in the State of Maine that, on May 5, 1955, Congressman McINTIRE received a joint resolution from his State's legislature memorializing the Congress to effect an investigation of mercantile exchange operations.

In the interests of such concern Congressman McINTIRE, under date of May 12, 1955, directed a memorandum to the Honorable HAROLD D. COOLEY, chairman of the House Committee on Agriculture, recommending that an investigation be instituted to determine the extent to which mercantile exchange activities influenced the market prices of Irish potatoes and onions.

On October 27, 1955, Chairman COOLEY appointed a Subcommittee on Futures Trading in Perishable Commodities. The chairman instructed this committee that it was not to devote its attention solely to the investigation of any alleged manipulation of the futures markets but, rather, to carry out a constructive study of the effect of futures trading on the supplies and prices of onions and potatoes.

The especially selected subcommittee conducted hearings at Presque Isle, Maine, on December 6 and 7, 1955; at Chicago, Ill., March 24, 1956; and in Washington, D. C., on May 16, 17, 18, and 22, 1956.

Now, Mr. Chairman, that is the background of this legislation which is before us today. The bill which is before us deals with onions, and I shall offer an amendment at a later time to expand the area of its application to include Irish potatoes. This legislation has had a very complete background of study on the part of our subcommittee and our full committee and deserves your favorable consideration today.

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Chairman, I rise in support of H. R. 376, a bill to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

I have had a great deal of correspondence on this legislation from my Congressional District and State for the past several years. At this time I would like to read excerpts from some of the letters I have received in this connection:

> The onion and potato growers are faced with the problem of futures trading. This speculation in such a highly perishable commodity is resulting in overproduction, and last-year potatoes, this-year onions, are selling below production cost. Neither onions nor potatoes lend themselves to a good trading commodity because of their perishable characteristics and sensitivity to weather changes.
>
> Operators on the exchange finance many grower deals and thus add acreage that otherwise would never be grown. Their operations result in burdensome accumulations at delivery time. The onions and potatoes that are delivered sit around on trucks or are kept in cold storage, and eventually this stale stock is pitched back into consumer channels in competition with fresh-packed, high-quality merchandise. The entire operation disrupts the orderly movement of onions and potatoes to the trade, thus demoralizing the price scale of an otherwise stable market. (From Howard P. Dunlap, Marshall, Mich.)
>
> Please do all in your power to abolish futures trading of onions. (From Mrs. Joe Ludema, Clarksville, Mich.)
>
> We all oppose the trading of onions on any futures market. (From Lee Frisbie, Sidney, Mich.)
>
> Please put this bill through. (From Brink Bolthouse, Ionia, Mich.)
>
> I would appreciate whatever you can do to help the onion farmer to get rid of the Onion Board of Trade in Chicago. (From W. J. Williamson, Edmore, Mich.)
>
> * * * our dissatisfaction of having the futures of onions continued on the Mercantile Exchange, which we feel is a major detriment to the onion industry. (From Paul Cahoon, Saranac, Mich.)

Mr. Chairman, there appears to be no question in my mind that an overwhelming majority of onion growers, shippers, and receivers favor the passage of this legislation. Our national onion crop is not only small in size but also highly perishable in nature. These factors have made it possible to manipulate the onion futures market in such a way that futures trading has been discredited as a marketing device. If this trading continues, I believe that many commercial growers will be eliminated and those who continue in business will continue to be the victims of a marketing system which may have value in dealing with nonperishable commodities but which is strictly inapplicable to onions.

According to the Commodity Exchange Authority of the Department of Agriculture, Michigan has more traders on the Chicago Mercantile Exchange than any other area except Chicago itself. According to Mr. Alfred M. Chickering, of Belding, Mich., there has been obvious manipulation on the exchange. Since this practice contributes nothing to the onion industry except an opportunity to gamble, I feel it should be eliminated. I am, therefore, supporting legislation to forbid onion futures trading on our commodity exchange.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, by the very presentation made here there is an obvious misapprehension and a very obvious mistake of facts. My learned chairman, for whom I have the highest respect—and, incidentally, this is the first time that I must oppose him—said that there was unanimity when this bill was reported from the House Agriculture Committee. There was no such thing. The subcommittee of which I am a member only reported it out by a vote of 3 to 2.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from North Carolina.

Mr. COOLEY. I said my recollection was that it was almost unanimous. I accept the gentleman's statement, because he is more familiar with the subcommittee's activities than I am. The fact is that there certainly was no formal opposition in the full committee.

Mr. ANFUSO. I thank the gentleman. I knew you would not have made that statement unless you labored under a misapprehension of the facts.

Mr. Chairman, I know that I am appealing at this moment to a very small group of the House, but I know that both you on the Republican side and on the Democratic side must admit that I have tried to help in every way I could the farmers of our country, because I sincerely believe that the farmers of our country are hard-working people and, like the rest of the people, are entitled to receive a fair return from the fruits of their labors. But this legislation helps no one. This legislation helps

neither the farmer nor the consumer. This was the conclusion reached by the man who administers the act. Mr. Kauffman, who administers this act, said in giving his conclusions to the subcommittee:

> Substantial evidence has not been found to support a finding that the average crop-year prices received by farmers have been materially affected by futures trading.

Since 1880 more than 200 bills of this kind have been introduced to eliminate futures trading. Every time there were falling prices the market was blamed. It is the same today. A respected Member of this House said that anyone who opposed this bill was a city slicker. I resent that. If I am a city slicker, I want that gentleman to know that I have supported more farm legislation since I have been in Congress than he has.

When you blame falling prices on the market, it is just like blaming the thermometer for cold weather. Congress has always seen through this type of legislation and none of the 200 bills that were introduced passed. I am sure this bill will have the same fate.

I have received correspondence, not from city slickers, but from farmers who want to trade on the market. I have received correspondence from some of our trade institutions in New York, in Chicago, and elsewhere who are dependent for their livelihood upon the market. These are business people, hundreds of them, employing hundreds of thousands of people, human beings, who are opposed to this legislation.

As the chairman of the Chicago market said:

> You will soon be voting on the onion bill which has for its purpose the destruction of futures trading in onions. Although this bill appears inconsequential it involves a principle, and this is the principle you must understand. It involves the principle of free trading which you are trying to kill.

It involves the principle of contract. It violates the Constitution of the United States and at the proper time I shall make a motion to that effect.

The law applicable to onions has not been given a chance. This law which you are called upon now to change has not even been given a chance to be administered. So says the Department of Agriculture. It was placed under their jurisdiction only in 1955 and here you are trying to kill it. You are trying to prevent the right of contract, the right which every human being is entitled to have, put hundreds of people out of work merely because someone says there is something wrong with this market. There is nothing wrong. In one case where something wrong was found, a prosecution has already been brought.

You can regulate, surely; but you cannot prohibit. That I think is the Constitution of the United States.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Chairman, frequently complex matters come before us on legislation which has not received national publicity. This measure is such a one. We are asked really to choose between two existing and legitimate businesses. On the one hand is the farmer who produces onions for the market. On the other hand is the man who buys futures in onions.

For the benefit of those who have expressed to me some doubt about the meaning of that latter phrase, let me say briefly that a future is simply a contract between two individuals; one offers to sell onions at a future date, at a specified price. The other offers to buy those onions at a future date at a specified price. Their contract, speculative in nature, is a legitimate business under the laws of the United States. However, it has practically nothing to do with the production and the growing of onions.

It would seem wise that those two businesses be permitted to exist side by side unless one infringes on the rights of the other. After considerable study of this matter, I have concluded that the business of buying and selling contracts in onions substantially influences adversely the farmer who grows onions.

The advantage of having futures markets in any commodity, and I want to emphasize today that we are speaking only about onions, is that these contracts give the farmer some idea of what the price of his product may be in the future. It also gives an opportunity to hedge part of his product. Technically, this means that the farmer who puts onions into the ground may decide that he wants to sell part of those onions at a specified price before he has produced them. In commodities such as cotton and wheat the advantages of this futures marketing are substantial. In the case of onions, however, we have a perishable product and a market which is small in nature. Consequently, the sales price of futures will violently fluctuate and adversely affect the cash price the farmer receives. Because of these violent fluctuations the farmer, who actually has nothing to do with the contracts for the sale of onions, sees his prices decline. The farmer, who is normally pitting himself against the elements and the competition of other farmers, suddenly has to contend with a device over which he has no control and with which he is not able to cope, namely, the futures prices of onions.

I recognize that this is prohibiting a heretofore legitimate field of endeavor.

But if I must make a choice between the farmer who grows onions and the speculator who buys and sells futures contracts, that choice will be made in behalf of the farmer. That is the choice you will make here today.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield to the gentleman from Connecticut.

Mr. MORANO. I have heard the gentleman's discussion of this problem, but there is one point I should like to have cleared up. May I ask the distinguished gentleman where the consumer comes out in all this?

Mr. TEWES. The consumer is actually adversely affected in the case of onions by futures trading.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I appeal to the Members to support this legislation. Malheur County, in my District, is the second largest onion-producing county in the United States. The onion producers in my District, several hundred of them, are ordinary farmers faced with a problem requiring legislative action.

It costs about $500 to put in an acre of onions in Malheur County, so farmers there have a large investment in whatever planting they make each year. After the market had broken from several dollars down to 10 cents a couple of times, my farmers got together and started a study of this whole problem of marketing onions.

They made an exhaustive study of this problem and unanimously—and this is unanimous among all of the producers of onions in my District—reached the conclusion that the greatest obstacle to orderly marketing in onions is this business of futures trading. Now, my farmers are not the kind of farmers who can get up at 5 o'clock in the morning and go out and work in the fields and then come in at noon and put on their striped pants and go down to the brokers and hedge on futures. My farmers are representative of small farmers, I think, throughout the country.

I think we should bear in mind two important facts. One is that this is a perishable commodity. There are only two perishable commodities being traded today on the board—onions and potatoes. The other fact we should bear in mind is that this is a commodity with a very limited production which makes it susceptible to the very worst features of speculative trading.

Here in Congress we talk a good deal about helping the farmers. Here we have a real opportunity to help the farmers in this country who want to help themselves. I urge your support of this important bill.

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. ASPINALL] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ASPINALL. Mr. Chairman, I rise in support of the legislation to prohibit futures trading in onions. I do not wish to pose as an expert on this subject. I realize that this is a complex matter and that reasonable men may differ on the benefits of such operation. However, I do know that onions are an important cash crop in western Colorado, and I know that the men who must live with this problem in their occupation, that is, the individual onion growers, are almost unanimous in their opposition to futures trading in onions. The major support for the futures market comes, not surprisingly, from those who are active in that market and who have their interest in its operation rather than in the direct production or sale of onions.

Frankly, Mr. Chairman, I have always been a bit suspicious of anyone who made his area of operation that of buying and selling paper or rights representing something in which he had no actual in-

terest. Thus, great numbers who deal in the futures market for onions have no interest in onions as a product of the soil or of a man's labor. Neither do they have an interest in the sale or consumption of that product to the consumer. Their interest is solely that of price change—not even price as such, because without change in price of appreciable amount there is no room to move in and out of the market in hope of advantage.

In matters such as we are considering today, I believe we should give considerable weight to the views of those whose livelihood is most directly affected—in this case, that means the farmer who produces onions commercially on his land. In my District, one such farmer is Mr. E. A. Bay, of Olathe, Colo. Mr. Bay has a background of 38 years in the onion industry, including the last 12 years in which he has lived through the period of futures trading in onions and has had ample opportunity to appraise its effects on the individual grower. He is unalterably opposed to futures trading on the grounds that it disrupts orderly marketing of the crop and leaves the growers at the mercy of market manipulators.

I have also received information from onion growers in other parts of the country, men who have spent a lifetime in the industry. They tell me that in some areas it costs the grower an average of $500 per acre to raise onions. They invest this amount in their crop, only to have manipulators from Chicago, New York, and Boston step in with huge sums of money year after year on the Chicago Mercantile Exchange and sell the market down to less than the cost of production.

The individual onion growers have no quarrel with the basic principle of futures trading in those commodities which are adaptable to such trading. Onions, however, are not adaptable to futures trading—it is a highly perishable crop; the crop is small in volume; and it is not a crop which is purchased in large quantities for processing.

These individual growers are not asking for any money from the Government. They are only asking for an opportunity to farm onions, to farm a crop that they are trained for, that they have the equipment and warehouses for. They want a chance to solve their own problems in the production and distribution of onions.

Mr. Chairman, futures trading in onions appears to serve no useful purpose. As presently practiced, it does apparently tend to work a hardship on those who are most vitally affected—the men who actually produce the crops. I urge the Members to support this legislation which would prohibit futures trading in onions.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I should like to speak in support of H. R. 376, a bill which will remove an unnatural, unwanted, and unjustifiable burden from the onion growing industry of our country. This burden is caused by trading in onion futures on mercantile exchanges, a practice which is seriously disrupting the onion industry and threatens to make it a hazardous, speculative venture, rather than a stable business.

New York State is the second largest onion-producing State in the Nation. A large part of the New York crop is produced in the District which I represent in western New York. There are some 6,000 acres of rich, onion-producing muckland in my District and many of these farms have been cultivated heavily by the same families for generations.

These onion growers have expressed themselves as almost unanimously opposed to futures trading in onions. They have concluded, after 15 years of experience with the practice, that futures trading has consistently depressed the price of their product and has disrupted the orderly marketing of their product. They thereby have been deprived of millions of dollars of income. That, Mr. Chairman, is the overwhelming opinion of the onion producers, the people who are the heart of the onion industry.

Now, the advocates of futures trading in onions say that the practice improves the marketing of onions and affords price protection for the producers through hedging opportunities. But the producers, themselves, who supposedly are to receive these benefits, say that 15 years experience with futures trading has brought them nothing but grief. Nor has it brought any benefits to the consumer.

The Subcommittee on Futures Trading in Perishable Commodities of the Committee on Agriculture has reported that very few of the onion producers are able to use the hedging opportunities because of the large cash requirements. The subcommittee reported also that, as a practical matter, hedging is beyond the reach of most of the producers and of very little value to them. This conclusion is supported also by the Commodity Exchange Authority of the Department of Agriculture.

I would like to make clear what this group of farmers is asking us to do. Or better, let me first point out what they are not asking. They are not asking for financial grants from the Government. They are not asking for price supports. They are not asking for guaranteed markets or income. What they are asking is only that they be permitted to return to selling their product in a free market—that is, a market which responds to the influences of supply and demand, and not one that is dominated by artificial manipulations of futures traders, whose only dealings with onions are on paper or in hamburgers.

Unfortunately, the onion market is particularly susceptible to manipulation by traders. It differs greatly from the market in basic crops like wheat and cotton, for example. It is easily manipulated because the onion crop is so small—only a fraction of one of the basic crops—because onions are perishable, not suitable for a long period of storage; and because the onion season is very short.

This manipulating is seriously undermining the financial status of an admirable segment of our farm population. It is providing no compensatory benefit or service to other elements of our society. It is my earnest and sincere hope that the House will vote favorably on this legislation to eliminate futures trading in onions and the abuses which accompany it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I am happy to yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say at the outset that almost 50 years ago I worked as an onion weeder for Alf Donnell who had the Globe onion farm near my hometown in Indiana, and I have followed the industry ever since that time. As I have watched it operate I am thoroughly convinced that before futures trading was instituted the producer of onions did much better in his production and in his price than he has since that time. I would like to associate myself with what the gentleman has said and to express the views of the people that I represent in my District in Indiana and to express the hope with the gentleman that this bill will be passed.

Mr. OSTERTAG. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. KILGORE].

Mr. KILGORE. Mr. Chairman, first I want to express my appreciation and that of the onion producers in my District to the Committee on Agriculture for having reported this bill. I find that the producers of onions, as far as I can determine in my State, are unanimous in support of this legislation. The production of onions is not a small item in the United States. The figures for the last year which I could obtain, 1955, indicate that onions ranked fifth in commercial value of the vegetable crops produced in the United States; that they are produced in a total of some 28 States; that they had a retail value in that same year of something in excess of $167 million, and that their return to the farmers in that same year was in the vicinity of $55 million.

The gentleman from Wisconsin [Mr. TEWES] has very well analyzed this situation. Essentially, I think he has brought it into perspective. This is a situation in which two legitimate businesses have not been able to operate together. The producers of onions believe that the operation of the commodity exchange has been materially detrimental to the marketing of onions. In their opinion it has resulted in a considerable loss of price and loss of benefit in the sale of their crops. Under those circumstances, I think it is proper that there be an infringement by the Congress by statute on the operation of the commodity exchange by reason of the situation of incompatibility of these two operations to be carried on concurrently. It is because of that situation that the producers in my area support this legislation.

Mr. HOEVEN. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I am particularly interested in this legislation to amend the Commodity Exchange Act to

prohibit trading in onion futures in commodity exchanges. I urge most earnestly that the House act affirmatively on H. R. 376 this afternoon.

Two years ago I began to receive many letters from onion growers in my District urging my support of Representative Karl King's bill to prohibit futures trading in onions. Writer after writer pointed out the evils of the present system and advocated its elimination. These were growers and dealers in onions, one with a seat on the Chicago Mercantile Exchange. One of these growers, Mr. Jack Nyenhuis, 8341 Cottonwood Drive, Jenison, Mich., wrote:

As an onion grower I feel that futures trading of onions is very detrimental to onion industry. Therefore please support bills H. R. 7920 and S. 3204 to abolish futures trading of onions, potatoes, etc.

Reasons:

1. Futures trading of onions lead to extremes so rapidly that actual onion growers, shippers, never receive full benefits of the highest prices.

2. Futures trading creates congestion on certain markets that depress prices across the Nation.

3. Futures trading has not helped in any way to promote sale or consumption of actual onions (which is supposed to be the reason of its existence.)

4. Futures traded onions which are delivered have greater cost because of longer distance traveled, brokerage, etc.

5. Futures trading does not distinguish quality of onions from different sections of the Nation which is done on a cash onion market.

6. Many more reasons can be advanced for and against but we all know things may work on paper and not in practice which is the case of futures trading of onions for a grower.

As I traveled about my District following adjournment I found a general agreement among growers and dealers that something must be done to help the onion market. Most of my interested constituents agreed that trading in onion futures should be prohibited. Consequently, on January 5, 1957, I introduced H. R. 1933, a bill identical to H. R. 376 presently before us.

On February 2, 1957, I received a letter from Mr. Robert S. De Bruyn of the De Bruyn Seed & Produce Co. of Zeeland, Mich., in reference to this legislation. Mr. De Bruyn is not only a grower and shipper of onions, but was at that time mayor of Zeeland and holds a seat on the Chicago Mercantile Exchange. He wrote:

Your letter regarding H. R. 1933 arrived while I was in Texas and I am sorry my answer has been delayed.

During the past year futures trading in onions has been regulated by Commodities Exchange Authority and the situation is much improved. I have opposed futures trading for many years, and I feel that in spite of the elimination of some of the worst evils that our only hope is to go all the way and prohibit all futures trading in onions. I know that your definite action in this matter is appreciated by the farmers in your district. I just hope that they will be as aggressive in supporting your bill when it comes up for hearing as they were last year when the Mercantile Exchange was not regulated.

I understand Congresswoman GRACIE PFOST from Idaho, has introduced a similar bill, and Mr. Charlie Burns, a large Idaho shipper, has assured me of very active support from the Idaho growers and shippers.

I want to reiterate that the writer of that letter has a seat on the Chicago Mercantile Exchange.

Mr. Abe Elenbass, another grower living in my District, in a letter to me of February 25, 1957, said:

In regard to the position of the onion growers' situation, conditions are not too good. I have grown 15 acres of onions in 1956, and am very disappointed with the onion futures market. It seems that the natural laws of supply and demand are curtailed. This group of operators can swing the market any way they see fit for their own interests, namely, to make money, not considering the farmer.

At present the onion growers don't know whether to continue or not, some of my neighbors are quitting—they are broke—not because they like to. I know of one who has a seat on the board, which costs him $7,500 a year. Naturally, he does not pay for this with his own money. It comes from the grower. One other buyer does not grow one onion, made $5,000 in the last 2 weeks, which is more than I made all last summer raising 15 acres. These practices are unfair and should be outlawed. I am asking you to consider the onion futures bill, H. R. 376, sent in by Congresswoman GRACIE PFOST, of Idaho, submitted to Agriculture Committee in Congress. Please give this your careful consideration, as this is urgent.

Thanking you kindly.

Sincerely.

Georgetown Township, in Ottawa County, Mich., is the home of a number of onion growers. Sixteen of these growers signed and addressed to me a petition in the early part of March 1957. The petition lists seven reasons why these growers believe futures trading is harmful. The petition follows:

We, a community group of Georgetown Township, would urge you to do everything possible to prohibit futures trading of onions on the Mercantile Exchange.

As growers, etc., having firsthand contact with the industry, know futures trading is harmful because:

1. Increases overproduction.
2. Hurts cash onion markets.
3. Creates harmful extremes.
4. Floods certain sections of country with onions.
5. Discourages cash onion speculation.
6. Reacts too fast for farmers to benefit.
7. Discourages orderly marketing of onions.

Thanking you, we ask you to support bills H. R. 376, H. R. 1933, H. R. 1935, S. 778.

Jacob Nyenhuis, Peter J. Elanbass, Louis Vlodink, Jenison, Mich.; John Betten, Henry Gemmen, Hudsonville, Mich.; Frank Gort, Grandville, Mich.; Fred Abel, Rhoda Abel, Hudsonville, Mich.

I have mentioned only some of the letters and petitions received from residents of the two counties in my Congressional District. Other growers from Michigan and many other States have written to express the same opinion and point up the same problem.

The Committee on Agriculture has held extensive hearings on this legislation and has recommended its enactment. I endorse this recommendation as do those who grow, process, and ship onions in western Michigan. I urge an affirmative vote on H. R. 376.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. KNOX. I desire to associate myself with the remarks of the gentleman from Michigan [Mr. FORD] and with those made by the gentleman from Wisconsin [Mr. OSTERTAG] and the gentleman from Colorado [Mr. HILL]. I honestly believe this legislation when enacted will be of great future benefit not only to the farmers but also to the consuming public.

Mr. FORD. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

Mr. HOEVEN. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, my Congressional District includes Newaygo County, one of the greatest onion-producing counties in the United States.

On the day after I was sworn in as a Member of this body, I introduced H. R. 1935 as a companion to H. R. 376, which is the bill before the House today.

One of the principal organizations supporting this bill is the National Onion Association. However, its support is backed up and reinforced by many other State and National organizations. For example, this bill has the support of the Michigan Onion Growers Association, the Michigan Vegetable Council, the Michigan Muck Farmers Association, the United Fresh Fruit and Vegetable Association, the Vegetable Growers of America, the Western Growers Association, as well as State onion and vegetable grower associations in Wisconsin, Indiana, New York, Texas, Oregon, Idaho, Colorado, and a number of other States.

In addition, this bill has the solid backing of the Michigan Farm Bureau and the American Farm Bureau.

A short statement setting forth the position of the American Farm Bureau will be inserted in the RECORD following my remarks.

It is a fair statement that hardly a single sack of onions is sold in the United States that has not been produced or handled by members of an organization which strongly endorse this bill.

In view of the overwhelming demand from the onion industry for this legislation I believe, at the outset, that we should keep two points in mind:

First. This legislation will cost the Government and the taxpayers no money.

Second. The onion growers have never had a Government subsidy or price support and they are not asking for one.

They ask only that they be permitted the opportunity to meet their economic marketing problems without the interference and disturbance which is now created by speculators and manipulators.

In light of the millions of dollars we appropriate annually to support the price of other commodities, surely this one request on the part of the onion farmer is entitled to the sympathetic ear of Congress.

Trading in onion futures was unknown in this country before 1942 when it first began on the Chicago Mercantile Exchange. Subsequently, in 1945, futures trading in onions began on the New York Exchange, but the greatest volume of trading, by far, is carried on in Chicago.

The practice was instituted 15 years ago over the strong and vigorous objection of onion growers and their associations. At that time they maintained that onions were not a commodity adaptable to futures trading. They are satisfied now that their fears expressed 15 years ago were well grounded.

The onion growers and their organizations have no quarrel with futures trading in staple, nonperishable commodities. It is acknowledged that hedging in the futures market may be of considerable benefit to growers and processors of such products as cotton, grain, and sugar, where the volume of production is high and the degree of perishability is low. However, the opposite is true in the case of onion futures.

The whole system of futures trading in onions involves a high percentage of speculation and a very small percentage of merchandise. Still, the futures trading in onions constantly disrupts the orderly marketing of the cash crop.

For the past several years the futures price for onions has been consistently less than the cash price, which has had the definite effect of pulling the cash price down. There were few exceptions to this general pattern, and then only for short periods of time.

According to a report issued in March 1957 by the Commodity Exchange Authority of the United States Department of Agriculture, the price of onion futures was $2.20 per 50-pound sack on February 4, 1957. On February 25, 3 weeks later, the price of March futures on the Chicago Exchange stood at a low of 87 cents. Later, in March, there was a substantial recovery and the price went back up from 87 cents to $1.60 per 50-pound bag. Reviewing this situation, the CEA reported as follows:

> Price movement such as this cannot be justified by supply and demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of speculation.

In 1956 a series of breaks on the futures market drove the price of onions down to 10 cents per 50-pound bag. At the same time the price to growers for new bags in which to pack their onions was 20 cents each, or twice the price for onions then reflected on the futures market.

Those who represent the exchanges and the brokers in opposition to this legislation will say that the cash price of onions fluctuated even before the institution of futures trading. This is true and no one would say that futures trading is the only factor which causes movements in the price of onions. However, there is no history of onion prices, even in the depression days, equal to the low record of 10 cents per bag set in 1956 on the Chicago futures market. Others can point to the fact that onions dropped as low as 50 cents per bag when there was no futures trading; however, we should not forget that a 50-cent price for a bag of onions today is vastly different from a 50-cent price 15 years ago. As the cost of living has gone up, the value of 50 cents has gone down, and the cost of production for the farmer has trebled.

Those who oppose this legislation will say that the problem could be handled by more regulation and closer supervision of the exchanges. It is true that in recent years the mercantile exchange, under heavy legislative pressure, has adopted some constructive rules and regulations. However, the onion growers who are small in number and have little in the way of financial resources to maintain constant legislative pressure, have no confidence in the permanency and effect of such rules and regulations. Since they were adopted by the exchange under pressure, they can be, and will be, changed and made less effective when and if the pressure is removed.

Growers are well aware that the exchange members who make and change their rules are not interested in a stable onion market; they would prefer a sharply moving market, with traders changing their positions often, all of which makes more business for the market and brings additional revenues to the brokers.

The exchange and its supporters plead that the futures market is offering a great service to the grower in permitting him an opportunity to protect himself through hedging. In view of this concern and solicitude for the growers, it is interesting to note the latest report of the Commodity Exchange Authority based on a survey of open futures contracts in onions as of October 31, 1957. The report shows that 89.6 percent of all traders in onion futures were speculators. Of the remaining 10.4 percent more than half actually represented contracts held by brokers based on financing contracts with growers. Three traders held more than half the total short hedging positions and the same three also accounted for the bulk of the long contracts classified as hedging. The fact is that very few onion growers utilize the futures market for hedging.

The report of the Commodity Exchange Authority which is based on the 1956–57 marketing season and is printed in the committee hearings beginning at page 22, reads in part as follows:

> The number of hedging was small throughout the season and limited to a relatively few growers, shippers and receivers. A considerable part of the reported short hedging commitments in the market was held by a few large traders in connection with so-called financing contracts of cash onions.
>
> There is no indication of any systematic use of hedging in onion futures by the rank and file in the onion industry such as would contribute stability to a futures market (p. 33 of the 1957 hearings).

Mr. Rodger Kauffman, Administrator of the CEA testified before the House Subcommittee on Domestic Marketing:

> Our observation of the extent and character of the onion futures trading which has been classified as hedging * * * leads us to the conclusion that it is not of particular significance or benefit to the average producer (p. 6, 1957 hearings).

If hedging is not a significant factor then the onion futures market exists almost solely for the purpose of speculation.

Of course, speculation is a necessary part of any futures exchange. But since it is an acknowledged fact that futures trading affects the cash price of onions, let's take a look at the speculators who deal in onion futures.

In his testimony before the House subcommittee, Mr. Rodger Kauffman, Administrator of the CEA, said this:

> A commodity such as onions, which is susceptible to such fast and wide movements by its very nature, attracts a type of speculation and a type of speculator who is out for a fast buck—who likes to get in the market and get out again within a few days (p. 10 of 1957 hearings).

For example, on January 31, 1957, there were 708 traders with positions in the Chicago onion futures market. Two weeks later, on February 15, 352 of those traders had dropped out, reflecting almost a 50 percent turnover in 2 weeks.

Mr. Kauffman testified:

> This illustrates one of the basic differences between futures trading in a seasonally exhausted commodity (like onions) as compared with less perishable commodities. Many traders in wheat, corn, cotton, and other commodities remain in the market with unchanged positions for considerable periods of time (p. 7 of 1957 House hearings).

And before the Senate subcommittee last year, Mr. Kauffman said:

> The highly speculative nature of the onion futures market probably arises primarily from the wide price movements characteristic of this commodity. Wide and rapid swings attract speculation which at times widens these swings, thus attracting more speculation. This speculative fever continues until the individual speculators have either lost their money or made enough to satisfy them for the time being (p. 30, Senate 1957 hearings).

Mr. Chairman, this system of futures trading as it applies to onions, with its high degree of speculation and small volume of merchandise, amounts to little more than a big gambling operation, with onions used for poker chips.

When the choice to be made is between the interests of speculators and the interests of onion growers, surely there can be no question as to the stand the Members of this body will take.

Thank you.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

(By John Datt, assistant legislative director, American Farm Bureau Federation)

The matter of futures trading in perishable agricultural commodities, particularly onions and potatoes, has been of interest to the Farm Bureau for some time. Our interest in this matter stems from our desire to facilitate the orderly marketing of all agricultural commodities to get the maximum net income to farmers.

In May 1956 the American Farm Bureau presented a statement to the Special Subcommittee on Futures Trading in Perishable Agricultural Commodities of the House Committee on Agriculture. At that time we recommended the elimination of onion and potato futures trading from the various commodity exchanges for the following reasons:

1. Onions and potatoes by their very nature are perishable commodities. They cannot be stored for an unlimited length of time and only limited processing is involved. This situation is quite different from wheat, corn, and other storable commodities where the futures market performs a valuable role, since hedging provides price-risk insurance. Futures trading in these storable commodities serves an important function because of

the considerable amount of processing that occurs in marketing. This is quite different from onions and potatoes, which, having only limited processing, move from producer to consumer in virtually the same form. Because of their perishability and lack of processing, we do not believe that onions and potatoes lend themselves to sound futures trading.

2. The volume of either onions or potatoes that is involved in futures trading is relatively small, thus providing the opportunity for sharp price fluctuation and the facilitating of price manipulations.

We read with a great deal of interest the report issued by this special subcommittee and have watched closely the operations in both onion and potato futures trading since that time.

In March of this year the American Farm Bureau Federation fruit and vegetable advisory committee, made up of vegetable, onion, potato, and fruit growers from all parts of the United States, again considered this matter. The following recommendation was made by this advisory committee and approved by the American Farm Bureau Federation board of directors.

We strongly favor the elimination of futures trading in potatoes and onions on the various commodity exchanges and that the American Farm Bureau Federation actively support legislation to eliminate onion and potato futures trading.

We appreciate that H. R. 376 is concerned only with proposed legislation to prohibit onion futures trading and shall confine our remaining comments to that problem. We do, however, wish to indicate our interest in both onion and potato futures trading.

As was stated previously, we have been following the operations of onion futures trading in recent months. Basically, as we view futures trading from the producer's standpoint, its prime purpose is to serve as a means of hedging or, in effect, it is a means of obtaining price risk insurance.

In this connection, the comments made in the recent Commodity Exchange Authority report, "Speculation in Onion Futures—January-March 1957," is very interesting. The summary in the CEA report states: "It does not appear that the hedging use of the futures market has been of such character as to be of importance in the marketing of onions." In the main part of the report CEA comments that "the number hedging was small through the season and limited to a relatively few growers, shippers, and receivers." The report further states that "there is no indication of any systematic use of hedging in onion futures by the rank and file in the onion industry, such as would contribute stability to a futures market."

We cite these comments because the question of the function of an onion futures market from the onion producer's standpoint is very important. If in onion futures trading hedging has not been important and there is no indication of any systematic use of hedging to contribute stability, what value has or is futures trading to onion growers?

In the case of the storable commodities such as wheat, cotton, and corn, hedging plays an important role as far as producers and marketing agencies are concerned. There is considerable processing involved in these commodities, and thus the hedging by processors and other manufacturers against price changes serves an important economic function. This is not true in onions as only limited processing is done. As a result, there is only limited hedging involved, and onion futures trading appears to be largely speculative in character.

Since hedging has not been important in the marketing of onions, we seriously question the value of futures trading from the standpoint of onion producers.

As there appears to be little value in onion futures because of the lack of hedging, let us examine what other value or harm there may be in such futures trading as far as onion producers are concerned.

In analyzing this question, there are several other comments in the recent CEA report that are significant.

In discussing the futures price movements that took place in the early February 1957 period, the CEA report includes this statement: "At that time, informed trade opinion was expressed that this interruption in the orderly process of marketing onions would result in a delay in disposing of the old onion crop, with resultant shrinkage and deterioration which might be expected to have disastrous effect upon the market."

The CEA report also includes the following statement in discussing the February and March future price fluctuations: "Price movements such as this cannot be justified by supply and demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation."

If it is true, as the CEA report states, that futures price movements cannot be justified by supply and demand factors and must be attributed either to manipulative activity or speculation, it raises a serious question as to their effect on orderly marketing of onions.

As the CEA report indicates, during these periods of rather sharp future price movements the orderly marketing of onions is interrupted, which may result in shrinkage, deterioration, and force the marketing of larger quantities of onions than normal during the marketing season.

Certainly the wider future price movements do not tend to stabilize the cash market for onions and in fact are very detrimental to the orderly movement of onions to market. During these periods of fluctuating future prices, there certainly is a tendency to delay cash purchases by the onion trade and, in general, a period of cash market instability. The effect of this may be to force the disposal of a larger quantity of onions at a later time. From the onion producers' viewpoint it appears very doubtful that onion futures trading makes any real contribution to the orderly marketing of onions.

For these reasons we do not believe that trading in onion futures serves as a useful function to onion producers in the production and marketing of their crop. We therefore support the proposed legislation to prohibit onion futures trading and recommend its passage.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of this legislation to prohibit the trading in onion futures which has adversely affected the operations of many producers in Michigan and other northern States.

You have heard an excellent statement by my colleague the gentleman from Michigan [Mr. GRIFFIN], and I wish to associate myself with his remarks. Both he and the gentleman from Michigan [Mr. FORD] are sponsors of this legislation.

I have long been interested in this measure not only because of the protection it would provide the onion growers of the Sixth District, but also because a constituent, Mr. Veril Baldwin, of Stockbridge, Mich., is president of the National Onion Association, and is one of the industry's most articulate spokesmen.

Mr. Chairman, producers have cited many instances of price fluctuations apparently unrelated to supply and demand situations and traceable only to activity on the futures market for the commodity. It is interesting to note that last year only 615 carloads of onions were actually traded on the Chicago Mercantile Exchange, although there was a total of 50,000 carloads of onions produced in the northern States. Yet the operations of speculators and others have had a most damaging effect on the overall price structure of this commodity.

A report of the subcommittee on Futures Trading of the House Committee on Agriculture cited the extreme example of the manipulations in the onion futures market which occurred in the March 1956 onion contract. The price of onions for March delivery was beaten down from a seasonal high of $2.75 per 50-pound bag to the ridiculously low figure of 10 cents per bag at the time of the March delivery. As has been pointed out, the empty bags themselves cost 20 cents apiece.

In 1957, the performance was substantially similar. From a price of $2.20 per 50-pound sack on February 4, 1957, the price fell in 3 weeks' time to a low of 87 cents. Later there was a recovery in price to $1.60.

Last December, the behavior of the onion futures market was not so erratic—due apparently to the pressure of a short supply of onions and the determination by the exchange board of governors to prevent any spectacular breaks which might affect the legislative outcome of H. R. 376. The price remained substantially the same until early March when the artificial influences of the market could no longer maintain a manipulated price. The price shot up to $3.09 a bag, with an estimated 1,700,000 bags on hand as of March 1. Since there were estimated to be 11 million bags of onions on hand on December 1, 1957, it would appear that onion growers sold nearly 10 million bags less than the price which would have prevailed if supply and demand had been the only factor involved. This loss to onion producers was directly due to the activities of the futures traders.

While trading in commodity futures has become a permanent part of our agricultural marketing operations, it is highly doubtful that onions are suitable commodities for futures trading. Onions cannot be stored for more than short periods without deterioration and this results in a constant but uneven pressure on the market. As the gentleman from Michigan [Mr. GRIFFIN] has pointed out, "the whole system of futures trading in onions involves a high percentage of speculation and a very small percentage of merchandise." The futures trading in onions constantly disrupts the orderly marketing of the cash crop."

I would like to insert at this point in the RECORD a telegram I have received from Mr. Dan E. Reed, of the Michigan Farm Bureau, in support of this bill:

LANSING, MICH., *March 4, 1958.*

Hon. CHARLES E. CHAMBERLAIN,
House Office Building,
Washington, D. C.:

We understand H. R. 376 to prohibit futures trading in onions on commodity exchange will be debated on the House floor March 5. Trading in futures contracts on onions has

operated against the best interest of producers and consumers. The comparatively small volume of production and the perishability of the product make possible price manipulations which do not reflect supply and demand. Michigan Farm Bureau supports this bill in line with resolution adopted last November. Also request your support for amendment which will be offered to also eliminate potatoes futures trading.

DAN E. REED,
Michigan Farm Bureau.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, my distinguished colleague the gentleman from Michigan [Mr. GRIFFIN] has again demonstrated his untiring effort and diligence in protecting the hard-won earnings of the farmer from being grabbed by unscrupulous speculators. The people of his District must indeed be proud of his diligent labor on their behalf and on behalf of our Nation as a whole.

There is only one group of persons who suffer by permitting speculation in futures in the onion market, and that is the farmer who raises them. The actions of a selfish group of men who are attempting to make quick profits at the expense of the onion farmer should not be allowed to continue. It is in the best interests of these farmers that this practice should be halted immediately.

The highly perishable nature of onions makes it impossible for farmers to combat the actions of the speculators. They cannot hold their crops back from market such as wheat growers, cotton farmers and others with less perishable commodities can. They have to take the price offered to them on the market whenever it is time for them to harvest their crop.

They are at the mercy of the speculator, whose actions have caused wild fluctuations on the onion market.

Again, I wish to praise the people of Michigan's Ninth District for having elected my distinguished colleague to represent them. They have shown rare judgment indeed.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New York.

Mr. MILLER of New York. I would like to take this opportunity to commend the gentleman for the statement he is making and to associate myself with him in his remarks. I represent a District which includes a great number of onion farmers in New York State and they are unanimously in favor of the pending legislation.

Mr. GRIFFIN. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I think the constitutional question should be touched on, because if we decide that Congress has the power to limit futures trading on any established exchange of a commodity or stock, would we not then have the right to prohibit futures or dealings of any kind under contract? To me that raises a grave constitutional question and I think before we take this first step we should have the reason that this kind of futures prohibition is to be distinguished from that of any other commodity or stock or bond or any kind of contract.

Mr. GRIFFIN. I think my distinguished colleague from Michigan [Mr. FORD] made a very good point on that. We are not prohibiting, or making illegal, contracts for the sale of onions, and we are not seeking to prohibit all contracts for the sale of futures. In other words, we are only seeking to prohibit or eliminate futures trading on the commodity exchanges.

Mr. FULTON. Under the same kind of a contract if a hundred bags of onions, if it is made individually or through a broker but not on the exchange, it is good. If you have the same contract for the same 100 bags of onions go through an exchange under this legislation it is bad. To me that is a constitutional matter. The use of the exchange as a medium of exchange is not enough to make one transaction good when you have the same contract and the same bags containing 100 pounds of onions and, on the other hand, the same contract but just a little different method.

Mr. GRIFFIN. It would not be the same. You would not have the great wave of speculators involved in the cases where a person is making an individual contract with an individual buyer.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Commodity Exchange Act is amended by inserting after section 4i the following new section:

"SEC. 4j. No contract for the sale of onions for future delivery on or subject to the rules of any board of trade in the United States shall be made by or through a member of a board of trade which has been designated under section 4 as a contract market."

With the following committee amendment:

Page 1, line 8, strike out "4" and insert "5."

The committee amendment was agreed to.

Mr. McINTIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCINTIRE: On line 5, after the word "onions", insert the words "or Irish potatoes."

Mr. ANFUSO. Mr. Chairman, I raise a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. ANFUSO. The amendment is not germane.

Mr. McINTIRE. Will the gentleman reserve his point of order?

Mr. ANFUSO. I reserve my argument at this time, Mr. Chairman.

Mr. McINTIRE. Mr. Chairman, I do want to point out that my amendment is consistent with the legislative work which this committee has done. As I pointed out in general debate, the background of the legislative work done by the subcommittee and by the full committee initiated itself substantially on the basis of a memorandum which I directed to the chairman of the House Committee on Agriculture in 1955. I would point out that the only futures trading which is done as far as potatoes are concerned is done with those on which the shipments originate in Maine.

Mr. Chairman, I point out that in September last year, on a mail-ballot referendum to all growers in Maine, that there was a vote of about 9 to 1 of producers against the continuation of futures trading.

May I say that I am not going to argue the point any further. I will accept the ruling of the Chairman, but in view of all the legislative work which has been done in relation to potatoes as well as onions, I feel that they, too, deserve consideration under this legislation.

Mr. ANFUSO. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The Chair is prepared to rule.

Under the rule which applies to germaneness, where it states that, one individual proposition may not be amended by another individual proposition even though the two may belong to the same class, and under the precedents already established, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 2. This act shall take effect on the first day of the first month which begins more than 30 days after the date of its enactment.

Mr. ANFUSO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANFUSO: On page 2, strike out section 2.

Mr. ANFUSO. Mr. Chairman, first of all, I would like to answer two questions which have been raised here, one of which affects the farmers and the other one of which affects the consumers. I direct the committee to refer to the hearings on this onion bill where, on page 19, I asked Mr. Kauffman, who administers this program, this question:

In your opinion, is the futures market in onions, beneficial to the onion farmer?

Mr. KAUFFMAN. Is it beneficial to the onion farmer? Well, we think that the hedging use of the futures market has had very little part to play in the marketing and distribution of onions.

Some gentleman raised the question as to how it affects the consumer. I assure you, Mr. Chairman, that if this bill helped the consumer I would be very much in favor of it.

I asked Mr. Kauffman whether the consumer would be better off without futures trading. Mr. Kauffman replied:

I doubt it very much; I doubt if the consumer would even notice the absence or presence of the futures market.

Mr. Chairman, I want to say in all earnestness that this is a very bad bill and I am surprised that it has gotten this far. As I shall later show when I move to strike the enacting clause, which I intend to do, the bill is unconstitutional.

Every lawyer and every nonlawyer, who has made a contract in this body, knows that it infringes on the right of trade, on the right to contract, on the right to bargain, on the right to do everything that a free American has the right now to do. You can regulate trade, and Congress has done that time and time again, but you cannot prohibit the right of contract.

For the time being, let me engage in a free discussion of what is desired here, so that my friends who are sponsoring this legislation may see, if they have their eyes and their ears open, that this proposed legislation will not help the farmer one bit.

There is only one reason for this bill, and that is overproduction in onions. Our production of late summer onions or northern-grown onions as they are often referred to, has since the 1930's far surpassed our production of people to eat them. Our population in 1930 was approximately 122 million. Add to this the recent production and the population figures and we find that in 1949–53 the average production of onions was $32 million-odd, while the estimated population for 1955 was approximately 161 million. Using the estimated population of 1955 we find that our onions production has increased nearly 68 percent during these two periods of time while our population has increased only 32 percent. It is a matter of mathematics. That is the reason we have this bill before us—overproduction.

No one has ever considered the legality of this proposed action. Nobody has considered that this might be an unconstitutional act. Let us consider the question of hedging as it has to do with onions. Is it desirable? Of course it is. Since 1940 the investment in farms in the United States has increased 189 percent. The investment per farm has increased 266 percent. The average farmer now has more than $14,000 invested for each man who works on the farm. So you see, even though I am not a farmer, I happen to know something about the farming business. This, in terms of the onion farmer, would still be low because of the high value of land that is used for onion production and the specialized machinery that is used to cultivate onions. This varies considerably with the land on which they are produced, but in New York State, the cost to grow an acre of onions would range between $350 and $500.

The CHAIRMAN. The time of the gentleman from New York [Mr. ANFUSO] has expired.

Mr. ANFUSO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. COOLEY. Mr. Chairman, reserving the right to object, and I shall not object, I should like the gentleman to explain the purpose of his amendment, what he seeks to accomplish by striking out section 2.

Mr. ANFUSO. By striking out section 2 I acquaint the Members with the futility of this bill. That is exactly what I am trying to do.

Mr. COOLEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. If the gentleman will permit the Chair to put the question, if there is no objection the gentleman from New York will be permitted to proceed for 5 additional minutes.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, how much time is left on the bill?

The CHAIRMAN. We are now under the 5-minute rule.

Mr. HOFFMAN. I understand, but how long do they intend to talk? I should have addressed that question to the chairman of the committee.

The CHAIRMAN. That is not within the knowledge of the Chair.

Mr. COOLEY. The gentleman from North Carolina has no idea about that.

Mr. HOFFMAN. May I ask the chairman about how long they expect the debate to continue.

Mr. COOLEY. I expect it to continue only a few minutes, but I have no control over it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. O'HARA of Illinois. Reserving the right to object, Mr. Chairman, may I remark to the distinguished chairman of the committee that those of us who are opposed to this bill think it is a very vicious bill, and we wish to have adequate time to present our arguments.

Mr. COOLEY. I have no idea of objecting to any request which may be made by the gentleman from Illinois or the gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Connecticut.

Mr. MORANO. As I understand, the effect of the gentleman's amendment would be to remove the date when this law would become effective.

Mr. ANFUSO. My amendment can be very adequately compared to——

Mr. MORANO. To striking out the enacting clause?

Mr. ANFUSO. No, but to show that this bill, which has been presented to this body, is a very bad bill.

Now I should like to continue, but does the gentleman have any other question?

Mr. MORANO. Yes, I have another question that I should like to ask the gentleman. I am a Member of Congress, with a right to eat liver and onions once in a while, and hamburger with a slice of onion. The enactment of this bill might mean it might cost a little more for the hamburger or the liver and onions.

Mr. ANFUSO. Absolutely not. Let me read a statement in answer to a statement I made to the administrator of this act.

Mr. MORANO. It will not affect the consumer one way or another?

Mr. ANFUSO. Trading will not affect the price of onions one way or another. All it will do is establish a bad precedent, to say that you cannot contract, that you cannot trade, which I think is absolutely unconstitutional.

Another argument that has been presented is that this product is too perishable. I think we should be thankful for that. Farmers wipe the slate clean each year because the article is perishable and there is no carryover, and there is no expense such as we are now incurring in other products by overproduction.

Mr. Chairman, in all earnestness I say that there is an absolute lack of understanding about this bill. I think the basic problem with regard to futures trading, not only this but all futures trading, is a lack of understanding and education. The board is not the dreaded monster that so many people in the industry think it to be. If it were, they would not teach its functions in colleges and universities, nor would large and reputable loaning institutions loan money for the purpose for which it is intended. It is common knowledge for a farmer to know the best fertilizer to use, the best insecticides, the best weed killers, the latest developments in machinery, the foremost storage and handling facilities. All these are forced on him by salesmen of every description selling everything new in the production line. As a result he produces more. That is the trouble, but there are no salesmen telling him to curtail that.

Let us deal for a moment with a few other commodities, and this is how you gentlemen who are interested in other commodities will be affected. Most farmers have grown lettuce, for example. They have grown carrots, they have grown cabbage, they have grown beets and spinach at one time or another. There is no futures-market trading in any of these commodities, but prices fluctuate from nothing on up. I have seen many acres of each one of these crops left in the ground because of overproduction.

Why, then, I ask you in all earnestness, when there is an overproduction in onions is there such a hullabaloo? Those in the industry have a choice whether to use it or not.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I am sorry I cannot yield at the moment, but I will say this to the gentleman: No farmer is required to use the trade. You do not have to use it. As the gentleman who administers the act says, it does not affect the farmers at all; but if the farmer who has been hurt is a man who has tried to gamble, then he should not blame anybody else. I say that the farmers are not affected one iota. I am convinced that those individuals who would have futures trading abolished have been loaded with hearsay evidence upon the subject. They refuse to accept the fact that agriculture as a whole is experiencing overproduction and is in a cost-price freeze. It is my humble opinion that the overproduction of onions and the lack of progressive merchandising of onions rather than the futures market is the nemesis with which the onion industry is faced.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman may have a minute longer.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield? When does this bill—and I should know, I suppose, but if you strike out section 2 which says 30 days; when will it take effect then?

Mr. ANFUSO. In my opinion, this act should never take effect. It should never have been introduced.

Mr. HOFFMAN. You mean if you strike that out, it never takes effect; is that right?

Mr. ANFUSO. I say that it is a bad bill and it never should have been introduced.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield? The gentleman stated that this bill does not help the farmer and does not help the consumer.

Mr. ANFUSO. I do not say that. The experts say that—not I. I am not an expert, but the experts, the gentlemen who administers the act says that.

Mr. CEDERBERG. Whom does it hurt?

Mr. ANFUSO. Whom does it hurt? It hurts nobody if they do not trade, and it might help somebody who does trade.

Mr. CEDERBERG. If it does not help the farmer and does not help the consumer, whom does it hurt? It must hurt somebody.

Mr. ANFUSO. It is as simple as this. Trading is a right of contract. Do you want to deny that?

The CHAIRMAN. The time of the gentleman has expired.

Mr. McINTIRE. Mr. Chairman, I have a substitute amendment at the Clerk's desk for the Anfuso amendment.

The CHAIRMAN. It is not in order to offer a substitute for a motion to strike out. The gentleman may offer his amendment as a perfecting amendment.

Mr. McINTIRE. Yes, Mr. Chairman; I so offer the amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE: Strike out all after line 9 and insert in lieu thereof the following:

"SEC. 2. This act shall take effect immediately upon enactment, except that contracts for futures trading in onions executed prior to enactment shall remain valid and in effect until either liquidated or terminated."

The CHAIRMAN. The gentleman from Maine is recognized in support of his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. COOLEY. I would just like to say to the gentleman that I have no objection to the amendment and would like to see it adopted.

Mr. McINTIRE. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. McINTIRE].

The amendment was agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I very much regret that this bill has been brought up at this time and I deeply deplore the climate in which it is being discussed. My dear friend, the gentleman from Michigan, and I have a great affection for him, made some reference to city slickers and that those who are against the bill are city slickers.

I am mindful, Mr. Chairman, that many times the solid Democratic delegation from Illinois went all out for the farmers, even at a time when those from the agricultural regions were not giving us support in the programs that were badly needed in the urban centers; but always we went out for them because the farmer was part of our national fabric, and when the farmer suffers the people in the cities suffer.

I know that my distinguished friend was seeking merely to put a bit of color in the debate on a bill that, standing on its own merits, had little validity to recommend it. They do grow onions in the district that the gentleman represents, and where I was born, and the growers of onions are good men and fine Americans. I know the gentleman from Michigan will agree that in Chicago there are equally good men, men of the highest character and of utmost devotion to promoting the welfare of our country. They have made a tremendous contribution to the onion growers by providing financing and marketing.

I am sure that the distinguished gentleman from Michigan did not intend to imply that Tilden Cummings is a city slicker. That I know was furthermost from his mind. As a matter of fact, the name of Tilden Cummings had not been mentioned in the debate. I think that is unfortunate because the proponents of this unwise measure have sought to give the impression that there is only one side to this issue. Tilden Cummings is the vice president of the Continental Illinois National Bank and Trust Co. in Chicago. That is one of our largest financial institutions and it performs the work expected of all banks, the financing of industry on a sound basis. That bank is a large factor in the marketing of onions.

Mr. Chairman, the marketing of onions requires financing as does the marketing of every other product. My colleagues from the regions where onions are grown have good hearts and worthy motivation to serve their constituents. But at a time when we are suffering a recession, and financing is not easy to arrange, and may become more difficult to obtain, they are seeking by an inadvertance in their calculations to cut off the financial support necessary for the continuing marketing of onions.

This is what Mr. Cummings has to say, and I trust that everyone in this Chamber will listen closely to his words:

I should like to address you as one speaking in favor of the continuation of futures trading in onions on the Chicago Mercantile Exchange.

As you may well know, we do a substantial amount of financing in our bank of the movement of a number of commodities including onions. We do this both on commodities which have been hedged as well as those which have not been hedged. Obviously, we are in a position to make substantially larger advances against commodities which are properly hedged, since such hedging protects against price fluctuation.

In our opinion, futures trading in onions performs an important economic function by making possible larger loans against this commodity. Consequently, it is beneficial to the grower, the distributor, and the ultimate consumer in aiding in the financing of this product in its normal flow from the grower to the consumer.

It has been our observation that too often there has been a misunderstanding as to the proper use of hedging, and we feel that additional educational efforts as to its proper function would be most beneficial.

Now, Mr. Chairman, let us find out, in language so simple that those of us who are not experts in the subject can understand, just what we mean by futures trading. I know of no better authority than the organization known as the Better Business Bureau, because that is the organization with the one and only purpose of discouraging fraud and deception in business dealings. This is what the Better Business Bureau, Education Division, has to say on the importance of futures marketing:

There are many other ways in which businessmen limit losses or protect profits by making future contracts. A farmer assures the price for his crop by selling futures. A copper producer does the same thing by selling his scheduled production for future delivery. In these and many other ways, thousands of farmers, cooperatives, merchants, manufacturers, and others insure against losses through fluctuations in prices which are almost inevitable in all major commodities.

Now, let us look for further enlightenment to one of the greatest jurists that ever sat on the Supreme Court of the United States. I am quoting the words of Mr. Justice Holmes found in volume 198 United States reports, page 236:

In a modern market, contracts are not confined to sales for immediate delivery. People will endeavor to forecast the future and to make agreements according to their prophecy. Speculation of this kind by competent men is the self-adjustment of society to the probable. Its value is well known as a means of avoiding or mitigating catastrophes, equalizing prices and providing for periods of want.

But, Mr. Chairman, we are not here deciding on a moral issue. The question whether futures marketing is in itself moral has not been raised. If futures marketing has in it elements of gambling and thus is against the public interests, then this bill should include not only onions, but potatoes and every other product. You cannot make a virgin out of an onion and a harlot of a potato by passing a law that what is virtue as it is applied to one product of old mother earth is a vice when applied to another product. Justice Holmes has told us that speculation of this kind by competent men is the self-adjustment to society of the probable. It is difficult for me to understand how the words of Mr. Justice Holmes can be accepted in the marketing of potatoes and other products and torn into shreds when applied to the marketing of onions. It just does not make common sense. I have never believed in the philosophy of beating up the little fellow for doing the very thing

that the big bully does not only with immunity but with praise.

I believe that there should be regulations because Mr. Justice Holmes has well pointed out that futures contracting should be done by competent men. The men not only should be competent, but they should be held to a rule of strict integrity. And that is what we are doing at this moment. Only as recently as 1956 was the business of futures marketing regulated, and since that time I am informed there has been only one violation detected and in that case there was immediate and vigorous prosecution. By all means strengthen and tighten the regulation, if that seems to be demanded, but it is folly to wipe out a system that has proved satisfactory in the marketing of all other products and in so doing tend to destroy the entire structure of financing and marketing of the onion industry.

I do not wish my colleagues to take my word for this. I am not an expert in the marketing of anything, but I do know that the University of Illinois is an outstanding educational institution and that it has made a contribution to agriculture unsurpassed by that of any other university or college in the land. Dr. T. A. Hieronymus is the associate professor of agricultural marketing at that university. If any man is an expert in agricultural marketing it is Dr. Hieronymus. He is not an onion grower. He is not a banker. He is not a broker. He is an educator with the one and only job of helping the farmer to market his product with the greatest benefit to himself and to the greatest benefit to the public at large. I do not know where you could get a better informed or a more disinterested authority.

Now, Mr. Chairman, let us call upon this great disinterested authority to aid us in our understanding of the subject of our present deliberations. Here is his counsel:

> Extreme swings in onion prices were not unusual before futures trading, and they have not been unusual since. They are inherent in the production of onions. We can hope to reduce them through improvements in the pricing system—and the futures market, as a pricing system, affords the best means of improvement.
>
> There are four steps in the process of development of a futures market. First, risks, as evidenced by supplies in storage and fluctuating prices, exist. Second, a system of forward pricing develops and is refined. Third, existing trade practices are codified into formal futures markets. And fourth, trading is brought under public supervision. At their full development futures markets are open public markets, about which there is a maximum of information and over which there is a minimum of control by market traders who seek to further their own particular selfish interests.
>
> Summed up, I think abolishing the futures market would be a backward step which would injure the producers and the entire onion industry.

Mr. Chairman, who would benefit from the passage of this bill? I will tell you. They will be the people who before the development of the futures marketing system made great windfalls cornering up crops. How did they operate? Take the cabbage crops. Cabbage some years ago was grown largely in 2 or 3 northern areas, and the cabbage from overseas and from Florida did not reach the market until early February. By buying up the crops in these northern areas, and then bringing it in controlled quantities into the metropolitan market, the natural law of supply and demand was artificially controlled, so in the end the consumer paid the bill, the cabbage-grower derived no benefit, and big windfalls went to the manipulators. Such manipulation in other and richer fields, where the quantity and the value of the product were vastly larger, occasioned scandals in the not too far away yesterdays that shocked the conscience of the Nation.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I am happy to yield.

Mr. ANFUSO. Does the gentleman recognize trading as being a contractual relationship between people?

Mr. O'HARA of Illinois. Certainly.

Mr. ANFUSO. And as such, can the Congress prohibit that? Would it not be an unconstitutional act?

Mr. O'HARA of Illinois. In my opinion, there is grave question of the constitutionality of the measure if enacted into law. Lawyers in Chicago who have studied the constitutional phase hold that the court to uphold the legislation necessarily would have to decide that the Congress has the power to prohibit Intrastate Commerce. I agree with them that such a holding would be most far reaching and certainly not to be expected. The gentleman from New York is absolutely correct in saying that the question of constitutionality cannot lightly be disregarded.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

(By unanimous consent, Mr. O'HARA of Illinois was granted 5 additional minutes.)

Mr. O'HARA of Illinois. Mr. Chairman, I have made this request because I feel there are many in this body who have regarded this as a one-sided question. Now certainly there is no question of morality involved. If you say that there is, if you want to pass this on that ground, then be forthright about it. Abolish all kinds of futures trading, but when you say it is immoral or it is wrong as regards onions, how can you say it is right and proper as regards potatoes or any other commodity?

The enactment of this legislation would meet the return to the old days of the pilfering of both farmers and consumers for the windfall enrichment of market manipulators.

Mr. Chairman, I yield back the balance of my time.

Mr. COLLIER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, let me say first that I am in the unusual position of being a "city slicker" with some folks in my district who grow onions; so perhaps I can approach this problem without any particular prejudice.

As the gentleman from New York pointed out, there have been some 200 bills in 70 years trying to destroy futures and futures trading. Why did not these bills pass? With all due respect to the Members there who represent onion districts this is basically bad legislation.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I cannot; my time is too limited. I am sorry.

I am sure no one feels more deeply about the plight of the onion growers than I, but at the same time we are setting a precedent, I believe, that those of you who favor this bill will live to regret.

Mr. Chairman, if the proponents of this bill succeed in getting it through Congress, I am sure it will be only a matter of a few months before there will be large demands for similar legislation to cover other commodities traded on the futures board in Chicago, New York, and elsewhere. It is without doubt a precedent-setting piece of legislation and as such deserves a great deal more careful study of what is involved on a long-term basis than we have given it up to the time we are going to vote today.

If futures trading were as great a monster as some have painted it, then it would seem to me that in the past 2 years the price paid to growers of onions would have deteriorated beyond recall.

The fact of the matter is—and I do not think there is anyone who can question the figures—that the income of Texas onion growers in 1957 was higher than in any of the previous 5 years and the price paid to the northern onion growers was higher than at any other time in several years. So the argument that futures trading is designed to push down the growers price is somewhat wrong.

The argument is also advanced that onions cannot be treated as other commodities generally traded on the futures board because onions are perishable. True, they are perishable, but butter becomes rancid, wheat is subject to decay and cotton fiber is subject to rot. All of these things are perishable in one way or another. It is a matter of degree. Onions are a bit more perishable than wheat, but they can be stored from one harvest time to the next without damage. All the evidence so far submitted indicates that this bill will be of no benefit to the onion industry and certainly not to the consumer.

Those who deal in onions are naturally bitterly opposed to it. The bill, in short, strikes me as one which is altogether a bad bill. If we set aside the feeling we have for the onion growers in our respective districts and analyze the legislation as it has been presented to us, we must admit it opens the door to a very, very bad precedent. It remedies no evils because no evils exist. Its net result would be to destroy one more phase of free enterprise, and lead us another tiny step closer to ultimate socialism. If this legislation passes today and is enacted into law, there are those who will be for this bill today who will regret the precedent they have set.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BELCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the outset I want to say that I am not in a happy situation in opposing the bill of my good friend, the gentlewoman from Idaho; neither am I in a happy situation in opposing nearly all of the members of the Committee on Agriculture, and I am not in a happy situation in opposing anything that anybody thinks might help the farmers of this country.

Mr. Chairman, I represent one of the finest farm districts in America. Nevertheless it has become a precedent that every time anybody gets in any kind of trouble they come down to Congress to solve their problem. And, that is true in regard to the onion farmers. Their conditions are not good; prices have fluctuated; they do not always make money. I am not too experienced in vegetable farming, but I think it is probably one of the most hazardous activities of farming that we have. So it is only natural that they should come to Washington to have their problem solved. And, that is what they did, and the committee called on me. I said to one of the group, "Well, I certainly am interested in your problem, because I represent a large group of wheat farmers." And I said, "Is there any Congressional act that tells you how many acres of onions you can plant?" And he said, "No." I said, "There is an act that tells my farmers how many acres of wheat they can plant." I said, "Is there any Congressional act that tells you if you raise too many onions you have to pay a penalty on those onions before you can market them?" He said, "No." I said, "Then, you onion farmers can still run your own farms." "Well," he said, "yes." I said, "Then you ought to be so thankful that the United States Congress has not already started to mess with your business that you ought to stay just as far away from us as you can, because apparently every time we get to legislating we cause our farmers a lot of trouble." And that is what happened.

In this particular instance, granting that the onion farmers are in trouble, all the testimony from the experts tends to show that the prohibition of trading in futures will probably not affect the market.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from New York.

Mr. ANFUSO. I know that the gentleman is a farmer by profession, and I know that his committee has always supported farm legislation, and I know that he would be the last person to oppose this if he thought it would help the farmer. But is it not a fact that the simple answer to all this is overproduction in onions?

Mr. BELCHER. I think that is absolutely true, and I do not think the Congress of the United States has ever in any instance solved the problem of overproduction. It certainly has not for the farmers in my particular district. And, as I told these fellows, they ought to be so glad that we are not already in their hair that they ought to stay away from Congress.

If we establish this precedent of prohibiting futures trading in onions, then we are just as likely to prohibit the trading of futures in any commodity, and that will be the next step. The first other commodity group that gets into trouble will be right down here asking to have futures trading in that particular commodity stopped. So, you gentlemen who think you have no chips in this game—because you do not raise onions or you do not even eat onions—you do have chips to this extent: You are establishing a precedent which destroys the right of contract, and some day it is going to come back to you.

Mr. ANFUSO. Mr. Chairman, if the gentleman will yield further, if we do this today, is it not possible for us to come back tomorrow and prohibit trading in cotton, prohibit trading in tobacco, and prohibit trading in almost anything else?

Mr. BELCHER. Not only that, but my good friend from Maine is champing at the bit right now to prohibit trading in potatoes.

Mr. ANFUSO. Exactly.

Mr. BELCHER. And I do not know who else has a bill to prevent trading in some other futures.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. TEWES. Has it not been established that the only two commodities that are perishable and in which there is trading, which was allowed at a later period, are onions and potatoes? So that we have a marked distinguishing characteristic between wheat and cotton and other commodities and this onion bill which is before us today.

Mr. BELCHER. We can also establish that there are only a certain number of grains in which trading in futures has been prohibited. But if we have the legal right as a Congress to prohibit trading in potatoes or onions, then we have the same right to prohibit trading in any other futures; we have the same right to destroy the right of free contract between individuals. One is just as legal and constitutional as the other.

Mr. ANFUSO. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ANFUSO of New York moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. ANFUSO. Mr. Chairman, I know that Members on both sides of the aisle, as sincere legislators, want to know whether they are passing a futile bill, whether or not they are doing something that is constitutional. That question has been raised and I am prepared to answer it. And I am prepared to answer it by the best authority in the United States, namely the Supreme Court of the United States.

If Members will bear with me, even those who are sponsoring this bill, let me say that I would be the last person in the world to try to hurt the farmer; I do not care whether he is an onion farmer or a tobacco farmer or a cotton farmer. I have no interest in any of those things and if I can help these farmers in any way, I would be glad to do so. But let me say to the onion farmers who think they are being hurt, that this is not the right way for them to be helped. They have a right to come in and seek regulation. They have a right to amend the regulatory processes of our Government, but they cannot do what they are trying to do here.

As a matter of fact, they have not even given the present act a chance. We passed it only in 1955. There has been only one violation, and that violator is being prosecuted. What more can you expect?

The so-called commerce clause of the Constitution, namely section 8 of article I provides that Congress shall have the power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

Nowhere in the Constitution is the power given to Congress to prohibit interstate or intrastate commerce. As a matter of fact, the Constitution does not even empower the Congress to regulate, much less prohibit intrastate commerce.

In the two authoritative cases on the subject, *Hill* v. *Wallace* (259 U. S. 44) and *Board of Trade* v. *Olson* (262 U. S. 1), the Supreme Court of the United States held that futures trading is of itself not interstate commerce and, therefore, not subject even to regulation by the Congress.

For this reason, the Hill case held the specific act before it, which at that time sought to impose a severe tax on all contracts of grain for future delivery, to be unconstitutional. The Supreme Court, however, in that case did point out to Congress a method of regulating futures trading, not prohibiting it but a method of regulating, by the following language:

They—

Referring to futures—

cannot come within the regulatory power of Congress as such unless they are regarded by Congress from the evidence before it as directly interfering with interstate commerce so as to be an obstruction or a burden thereon.

Following this interpretation of the Constitution, the Supreme Court in the Board of Trade case, which I mentioned before, did find evidence which directly interfered with interstate commerce so as to be an obstruction or a burden thereon, and held the act to be constitutional.

As clearly seen from both of these cases, futures trading does not constitute interstate commerce and is subject only to regulation because of the findings set forth in what is now section 3 of the Commodity Exchange Act.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANFUSO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair may say to the gentleman that time is limited under the rules.

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I think those who have spoken in opposition to this legislation

are most sincere and certainly, as one who is not a lawyer, I should not take on the issue of the constitutionality of this legislation. There is ample precedent in this Congress for passing legislation which is not later supported by the Supreme Court on an issue of constitutionality. So I think it is incumbent upon us to look at this legislation pro and con on its merits. I have the utmost respect for those who disagree with my views on it.

The issue basically, it seems to me, is this, that as far as the producers of onions, and I might say potatoes, that are no longer in the legislation, that as far as the producer of onions, a highly perishable commodity, is concerned, he finds himself contending with what is in effect a parallel market. He knows full well that the great majority of those who participate in this parallel market own no onions, they want no onions, and they will do everything they can to avoid accepting the delivery of a single car.

I am not going to be one that will contend that there are any higher prices for onion growers involved in this legislation. All of the time that we spend on it does not prove that to be the case. But I do say that this commodity, which is subject to rather violent fluctuations in price thanks to the weather, rumors of market conditions, and rumors of supply and demand—that this vehicle offers an opportunity, which can be proven, that from day to day the positions of those who are trading on these boards do influence this market up and down.

I respect the fact that there are many business firms involved in this trading and they have a perfect right to their views, but I say to you that there are no onions delivered to processors. Wheat and cotton and other commodities interested in futures trading have a very proper aspect of that activity in relation to advance pricing.

There is no processing of onions. There is hardly a single person here who buys a car or who wants a car and it is a parallel market which has a tremendous influence from day to day as to what the spot or the actual price is going to be on the fresh market. I know I received, and I know that many of you received, a rather long telegram which carried 66 names on it. I checked those names against the Red Book. If any of you are familiar with the produce business, you know what I mean by the Red Book. It is a list of all of the produce handlers who work in the field and who have perishable agricultural commodity licenses. Out of the 66 names on that telegram which a great many of the Members received, there are only 11 names that are dealers in produce. So there are 55 names on the telegram that relate to those who are interested in the brokerage aspect of this business. Let me assure you that it is a very important aspect because again I must refer to the New York Mercantile to get some figures because I follow it very closely—I do not trade on it, I assure you, but I do follow it. In one single day's transactions, the brokerage fees on the New York Mercantile was $70,000. That is the brokerage in one single day. That is coming out of the value of the product because it would have to be sold in order to absorb those factors. This is big business. I say to you folks that this is a vehicle which is secondary and apart from the actual trading in this commodity, which is delivered to the consumer for consumption. It is a deal that has a very substantial effect on the market.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the preferential motion to strike out the enacting clause.

The motion was rejected.

Mr. SHEEHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my feeling that in the present bill the thought of many of the small farmers who are for this bill would be that the prices are going to be controlled and that the people in the city would not be able to take profits. I would like to believe that if it were possible, but that is not the situation. In order to answer this argument which was brought up by the gentleman from California, I would like to give you the information I have from the United States Department of Agriculture and the Chicago Mercantile Exchange. In the first place, the Department of Agriculture states that the erratic price swing existed in cash onions long before futures trading became of importance, and that the abolishment of such trading would not affect those fluctuations.

Secondly, the Department of Agriculture points out the fact that the futures markets provide a central point at which supply and demand factors are focused and facilitate competitive determination and wide dissemination of market prices.

Otherwise, you know what would happen. All the onions would come in at one time and the price would be way low and the farmers, I feel, would ultimately suffer without some sort of futures or hedging market.

Thirdly, the Department of Agriculture states that the consumer, in their opinion, would not be affected by the passage of the bill under consideration. Also, the Agricultural Economics Division of the United States Department of Agriculture made a study recently which showed that price fluctuations on a monthly basis were significantly greater in the 10-year period from 1930 to 1940 than they were in the period from 1947 to 1955.

So it seems to me that if we are going to help the small farmer, this is not the way to do it. I must agree with the gentleman from Illinois [Mr. O'HARA] and the gentleman from New York, that if you do away with futures contracts you are doing away with one of the essential things in business.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. ANFUSO. It has been stated that we should pass this legislation because we are dealing with a perishable article. May I call to the attention of the committee that the Commodity Exchange Act, as amended, section 2, states with reference to commodities that it shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed; butter and eggs, both of which are perishable; lard, which is perishable; peanut oil and soybean oil. All of those things are perishable.

Mr. SHEEHAN. I thank the gentleman for his observation.

In my opinion, another argument made by the gentleman from California is absolutely wrong. The gentleman says nobody but a handful of people would benefit from the futures market. According to the Chicago Mercantile Exchange, more onion farmers use the futures market than in the case of cotton, corn, and most other commodities. In the Midwest many farmers have to use it in order to get cash to insure themselves that when the onion crop matures they will get a price.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am very much interested in hearing the argument today, because I think that the whole question needs to be explored thoroughly. I therefore wonder if the gentleman will comment on the statement made by some of the Chicago banks, that loans on onion crops would be less available to the individual farmer if this bill passes.

Mr. SHEEHAN. In my opinion, and I have heard from the First National Bank of Chicago—they are interested because they feel that when they loan money to a farmer or a grower, unless there is hedging or a futures market, they would take very few chances in loaning this money. So the farmer would have to come back to the Government or it would be up to him to do the whole job on his own.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield.

Mr. FULTON. If so many farmers want to use this particular method of selling their crop, why should we, if it is fair and open to get contracts, prevent them from doing just what they want?

Mr. SHEEHAN. The gentleman is absolutely right. We should regulate but not prohibit.

Mr. POAGE. Mr. Chairman, I wonder if we cannot get an agreement on the time for debate on this bill.

Mr. HOFFMAN. I want to get time enough to apologize to my good friend and colleague from Chicago [Mr. O'HARA].

Mr. POAGE. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I have a very dear friend in the House, on the Democratic side who comes from Chicago, but one who was born, brought up, and educated in Berrien County, BARRATT O'HARA. That county is in the Fourth Michigan District; and while I admire our colleague for eloquence, integrity, and ability, he also has a world

of relatives over there and I do not want any of them to feel hurt by anything I said.

The gentleman took exception to the words "city slicker." I do not mean that there are no slickers in my county. Over in the Fourth District we had, some 30 or 35 years ago, a few real-estate dealers who sold Chicago people that worthless sand on which little would grow and on which we had a freeze, even in June, which killed leaves on the oak—land so poor they could not even raise a sandburr; so we had and knew something about home-grown slickers.

And I do not suppose that the gentleman contends that there are no city slickers in Chicago. I remember the Capone gang, and I remember others as well. The people of Chicago, I understand, are just as honest, honorable, and all the rest of the good qualities that might be added as the folks in Allegan or any other county in the Fourth District. But I was thinking as this debate went on of the verses in the Scripture. Remember Matthew, the 6th chapter, the 28th and 29th verses, do you not?

"Consider the lilies of the field"—you remember—"They toil not, neither do they spin." "And yet I say unto you, that even Solomon in all his glory was not arrayed like one of these." That is what I was thinking about as I remembered the backbreaking toil that the grower put into the crop and comparatively little manual labor the broker did.

I was thinking about the fellows in the city who do not put the onions in the ground, who do not get down and weed the onions, who do not get their knees wet thinning the growing onions, thinking how in Chicago some spread a false report that our farmers had shipped or were not shipping onions when they had not even thought of it, so the market price would rise or fall on a false report.

I hope, with this explanation, the gentleman is satisfied.

The CHAIRMAN. The gentleman from Illinois [Mr. O'HARA] is recognized.

Mr. O'HARA of Illinois. Mr. Chairman, I was delighted to find—although I had always known it—that my dear friend who so ably represents the district where I was born is so well versed in the Bible. Thus I know he has read in the Bible of the Garden of Eden. But I wonder if he knows that the present name of the area described in the Bible as the Garden of Eden is now known as the Second Congressional District of the State of Illinois?

Oh, it may be that occasionally somebody will sneak in that has not had the upbringing that we give our people in that district, but we do our best to bring him to the ways of propriety. If he was a slicker when he came, after he has lived in Chicago a while he is very much less of a slicker and if he stays long enough in our company all the slickering ways that he knew before he came to Chicago have been forgotten.

Mr. Chairman, I hope this bill will be defeated.

The CHAIRMAN. The gentleman from Illinois [Mr. BYRNE] is recognized for 2 minutes.

Mr. BYRNE of Illinois. Mr. Chairman, if I had more than 2 minutes I might be able to convince some people of certain things, particularly of the fact that I know my onions. I remember when they sold onions by the peck.

But when I heard the gentleman from Wisconsin speaking in favor of this bill and conceding that it abolishes a legal field of endeavor, I was astonished. To my way of thinking we are not here in Congress to abolish legal fields of endeavor.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. BYRNE of Illinois. No; I cannot yield.

We are not here to abolish the right of contract. I think any lawyer who read this proposed legislation could come to no other conclusion than that it is in the nature of prohibition. It is not an attempt to regulate, it is prohibition. I hope this legislation will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I take this time to ask the gentleman from Wisconsin [Mr. TEWES], for whom I have high regard, several questions. I do not believe these questions have been fully clarified in this debate today. My friend from Wisconsin is the leading advocate of this legislation, and I know he has spent a considerable amount of time studying this entire question. I know he sincerely wishes to secure help for Wisconsin onion growers. The question is how can this help be made effective—to be effective any legislation must be approved by both Houses of our legislative branch. I have felt for a long time that this bill would be approved by the House, but I have never been assured by anyone, including my friend from Wisconsin [Mr. TEWES] that it would go much further.

Will the gentleman from Wisconsin tell me whether he thinks the Commodity Exchange Authority has been doing the kind of job it was set up to do in policing commodity markets?

Mr. TEWES. The futures trading in onions has without question adversely affected the cash price for onions.

Mr. LAIRD. Has the Commodity Exchange Authority been doing the type of job it should be doing, or do you think that impossible?

Mr. TEWES. Ever since this bill was introduced those in charge of the exchange began to scurry around and make changes which they now claim will allegedly clean up the market. It is our contention that the adverse effect on the market is still there.

Mr. LAIRD. The gentleman fails to answer my question. I am asking him about the Commodity Exchange Authority in the Department of Agriculture. Does he feel they are not doing their job?

Mr. TEWES. I do not know that I am qualified to answer the question.

Mr. LAIRD. This question regarding the effectiveness of the Commodity Exchange Authority in the United States Department of Agriculture goes to the heart of our discussions here on the floor this afternoon. I have been listening to the debates and arguments on onion futures trading for the past 3½ years. I am convinced that action is needed. I have had a feeling for many months that this bill would be acted upon favorably by the House of Representatives but that it would die a painless death in the other body. For that reason, I had suggested to the onion growers in my District that regulations as regards trading in futures be definitely established by the Congress giving the Commodity Exchange Authority effective tools to adequately police this market. In talking with onion growers in Wisconsin only yesterday I was advised that they would rather get no action by the Congress than have further regulatory authority given to the Commodity Exchange Authority. This position was most difficult for me to understand but in view of their position, I certainly will not offer the amendments which I thought could easily be adopted by the House and be approved by the other body of this Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I would like to take a moment to reply first to a question put by the gentleman from Wisconsin [Mr. LAIRD] concerning the Commodity Exchange Authority. In the hearings before the House subcommittee the members were talking about the daily fluctuations in the onion market. Congressman Andresen asked Mr. Bagnell, who represented the Commodity Exchange Authority, the following question:

> Let me ask you, Mr. Bagnell, Is there any daily limit in the fluctuation of the market, futures market, on onions?

Mr. Bagnell replied:

> There is, and I will be glad to comment on that. Those limits are not fixed by the Commodity Exchange Authority—we have no statutory authority to do it—they are fixed by the exchanges.

Of great concern to onion growers is the fact that a good deal of the regulation of onion futures is done by the exchange itself. Such regulation has come about only as the result of the legislative pressures that have been built up in the last couple of years. The onion growers realize full well that as soon as this legislative pressure is relaxed, the exchange which makes these regulations will again change them. Onion growers have limited financial resources with which to maintain legislative pressure and to counteract pressures exerted by the exchanges.

Many who are not familiar with this legislation may think that we have always had trading in onion futures. That is not the case. The gentleman from New York [Mr. ANFUSO] pointed out that trading in onion futures has been carried on only since 1942. We had no futures trading before that and we have had futures trading in onions since then. Onion farmers have had an opportunity to compare. If futures trading is so beneficial to the grower, it is indeed strange that growers do not see this benefit and are almost unanimous in their opposition to futures trading on the exchanges.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, again I want to say I have the utmost sympathy for those of you who represent onion districts because I know the pressure they put on you when your farmers get in trouble. I have represented for 7 years, nearly 8 years now, a group of wheat farmers who have almost constantly been in trouble. I want to also say to the entire membership of the House, while this may seem like an emergency, and it is as far as the onion-grower is concerned. I do not think there is sufficient evidence that this will cure the difficulty the onion growers are experiencing. It is going to establish a very dangerous precedent, not only in this field but in all other fields, because when this Congress starts in to destroying the right of free contract we are going into a field that affects a lot more things than futures in onions.

Mr. GRIFFIN. Will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Is the gentleman aware of the fact there are many other commodities that are not traded in futures on the market?

Mr. BELCHER. Yes, I am aware; but I am not aware of any prohibition by this Congress in the last 100 years that prohibited the trading of futures in any commodity.

Mr. GRIFFIN. But this Congress in the Commodity Exchange Act has spelled out what commodities can be traded in on the market, has it not?

Mr. BELCHER. I am not familiar with that, but I asked the question of Mr. Kauffman if the Congress had ever prohibited the trading in futures in any commodity, and he said "No."

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from New York.

Mr. ANFUSO. Is it not a fact that there has been only one violation since the onion market has been placed under the jurisdiction of the Agriculture Department?

Mr. BELCHER. I do not know as to that.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the time allotted me be given to the gentleman from Texas [Mr. POAGE].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. POAGE. Mr. Chairman, I do not claim to be an expert on this matter of onions. In my District we used to grow onions. They do grow very well on the black land. But our farmers have decided they could not make anything out of it; they decided it was a losing proposition. Maybe they are wrong. Maybe futures trading did not hurt them, but they think it did and I think it did, and I know and you know that it could not possibly be helping them, because all the testimony we have had here shows clearly that the futures market is so manipulated that prices swing up and down from $2.75 a bag to 10 cents a bag within the same month.

Now, there is never that kind of change in the supply and demand picture in any month, and that obviously shows that there is manipulation. Now, who gains by it? The opponents of this bill have admitted that the consumer could gain nothing one way or the other. They said it did not affect the consumer. I do not know whether it affects the consumer or not, but somebody has to pay that cost.

The gentleman from Maine well pointed out that on a secondary market—not the great Chicago market but on a secondary market—the commissions alone amounted to $70,000 a day on this kind of trading. Now, that is not on onions, but that is on futures. Now, somebody has got to pay that bill. It has to either be paid by the producer or by the consumer. You cannot find anybody else to pay it. And, I challenge the opponents of this bill to come up and say who else does pay it. It has to be either the producer or the consumer or both that pays the bill.

I want to call attention to this further fact, that we are talking about a commodity that is not only perishable—that has been mentioned—but we are talking about a commodity that is in very short supply and very seasonal. We are talking about a commodity where the trading in one day's time oftentimes exceeds the production of onions for a full year. You do not have that condition existing on the great commodity exchanges, in cotton or corn, because those products are storable.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. ANFUSO. The gentleman has honestly admitted that he does not know whether or not this helped the farmers or the consumers. Now, I ask him as a very brilliant lawyer, would you want to pass something which you know to be unconstitutional?

Mr. POAGE. I know this to be constitutional, if I am any kind of a lawyer. I never claimed to be one of these expert lawyers. The gentleman talks about constitutionality, and I think this is a good time to answer that. The gentleman cites some cases here, and they apply to nothing in the world except intrastate commerce. Now, then, this is an amendment to the Commodity Exchange Act. The courts have already found under the Commodity Exchange Act that this futures trading does involve interstate commerce, does impose a burden on interstate commerce, and under the very decisions the learned gentleman from New York read to us the Congress has the power to regulate interstate commerce. And, this is interstate commerce and it has been repeatedly so held under the decisions under the Commodity Exchange Act.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. TEWES] to close the debate.

Mr. TEWES. Mr. Chairman, in my opening remarks I pointed out that there were three groups affected by this proposed legislation. One is the man who speculates in onions; No. 2 is the farmer who grows onions; No. 3 is the consumer who eats onions. It has been said in the interim that there is a fourth one, the Congressman, who should not legislate unconstitutional laws. To the latter argument I reply that Congress, in pursuance of Court edicts which have been cited by the gentleman from New York [Mr. ANFUSO], has said that excessive speculation is an undue and unnecessary burden on interstate commerce. We, therefore, do have the constitutional authority.

As far as the consumer is concerned, he is adversely affected by futures trading because he pays the cost for the exchange operations. He is affected by the fact that large buyers do not purchase onions on days when the price on the futures market is dropping. Consequently the consumer frequently is unable to get onions even when there is an adequate supply.

As far as the farmer is concerned, it is said that he can hedge his crop and thereby benefit from futures trading. This simply is not true in most instances, because the average farmer is unable to offer the necessary collateral required to deal on the futures market.

The onion farmer is perfectly willing to do that which all other farmers do, match himself against the elements and against other farmers. But he is unwilling, and I think rightfully so, to accept this additional burden of speculation which outside his own control sets prices for him on the market.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. TEWES] has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges pursuant to House Resolution 484, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

Mr. KRUEGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KRUEGER. I am, sir.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. KRUEGER, of North Dakota, moves to recommit H. R. 376 to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5309 with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ASPINALL. Mr. Chairman, I yield myself 7 minutes, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, this bill authorizes the Secretary of the Interior to construct, rehabilitate, operate, and maintain the Mercedes division of the lower Rio Grande rehabilitation project, Texas, which comprises irrigation and drainage works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9. This district is one of 37 water control and improvement districts in the lower Rio Grande Valley, a highly developed agricultural area where crop production is almost entirely dependent upon irrigation. The plan of rehabilitation is urgently needed to effect savings in operation and maintenance costs and to achieve optimum crop production with the water supplies available to the district.

The plan of rehabilitation is designed to permit more economical operation and maintenance of the district's irrigation works, to provide more efficient water deliveries, to reduce distribution system losses, and to reduce flooding of lands in some areas by repair and improvement of the district's irrigation and drainage system. The plan involves a small increase in water storage, repair or replacement of deteriorated existing canal lining, installation of concrete lining or pipes in most of the presently unlined laterals of the irrigation system, rehabilitation or replacement of inadequate irrigation and drainage structures, cleaning and clearing of all earth canals, and construction of access roads for maintenance purposes along all laterals, canals, and drains.

Water for the district comes from the Rio Grande River. The existing diversion and distribution systems were constructed during the period 1905 to 1921 and parts of the system have been in continuous operation for almost 50 years. The district's entitlements to the use of water from the Rio Grande River are sufficient to assure an adequate and continued water supply to serve its 68,000 acres of irrigable land provided this rehabilitation program is accomplished. Rehabilitation of the systems requires modernization and improvement if they are to continue to operate efficiently and economically and if the district is to salvage for beneficial use considerable amounts of water presently being lost through seepage and evaporation.

The district participated in the development of this plan from the start, contributing both funds and services. The plan of development and the report of the Secretary of the Interior recommending the rehabilitation work were transmitted to Congress on April 12, 1957, and printed as House Document 152, 85th Congress. Prior to its submission to the Congress, the plan was submitted to the States of the Rio Grande Basin and to the Secretary of the Army for review. No objection was raised to the proposed plan of rehabilitation as a result of these reviews. The State of Texas found the project to be feasible and recommends that it be authorized and constructed. The Chief of Engineers found no conflict between the proposed improvements and the existing projects or plans of the Corps of Engineers in the lower Rio Grande Valley.

The estimated construction cost of this rehabilitation program is about $10 million, all of which is allocated to irrigation. This total amount will be repaid in a period not to exceed 40 years and testimony given the committee indicates that the period will be much shorter than 40 years. Economic studies of the proposed rehabilitation project indicate that benefits from the development will exceed the costs by better than 2 to 1.

Our committee amended the bill in two respects: First, language was added to make it clear that the reclamation principle of repayment in accordance with repayment ability should be adhered to. In other words, under the amended bill, repayment would be completed in the shortest possible time and, as I pointed out a minute ago, repayment studies show that the period will be considerably less than 40 years. The second amendment of the committee added language requiring the district to pay interest on that part of the cost attributable to furnishing service to excess lands. The purpose of this amendment is to require excess lands to pay the full cost of serving them, including interest.

In closing, may I say that the committee found this to be an excellent project. The committee's hearings indicated that it has engineering and economic feasibility and that the total cost can be repaid by the district. The project is urgently needed and the district and the water users have indicated their desire for the project and their willingness to repay the total cost. Mr. Chairman, I hope that the House will act favorably on this legislation.

Mr. Chairman, I now yield to my friend and colleague, the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I thank the gentleman from Colorado for yielding to me because I would like to tell the Members of the House that this is a reclamation project which meets every requirement that the reclamation acts have laid down. It is not one that has had to have exceptions made for it. I am satisfied that the Government is making a good investment not only so far as the amount of money that is required to be spent here, but also in making sure that the money already spent will be repaid.

I would like to ask the gentleman from Colorado whether or not there is any evidence in the hearings that the period might even be less than 35 years?

Mr. ASPINALL. The gentleman is correct. It may be less. It will all depend on the determination by the Bureau.

Mr. SAYLOR. And that was taken care of in the language which the committee placed on the second page of the bill which allows the Bureau to set variable payments in accordance with the ability of the district to pay; is that not correct?

Mr. ASPINALL. The gentleman is correct and it even goes further than that. It makes it mandatory upon the Bureau.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. JONAS. Do I understand the committee amendment to provide with respect to interest that no interest will be charged to any private owner of land developed by the project except as to land in excess of 160 acres?

Mr. ASPINALL. The gentleman is correct. That is the reclamation law and has been since 1902.

Mr. JONAS. And with respect to the private ownership of land not in excess of 160 acres, no interest would be paid?

Mr. ASPINALL. The gentleman is correct. It is under the same formula we used in order to extend the theory of the Homestead Act, and that is the purpose, of course, of the Reclamation Act of 1950.

Mr. MILLER of Nebraska. Mr. Chairman, the gentleman from Colorado [Mr. ASPINALL] has thoroughly explained the purpose, background, plan, development, and economic aspects of H. R. 5309, which is a bill to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project in Texas, Mercedes division. This is an old reclamation project. It started in 1905. It is a very highly developed area. I know it very well. I have been over it a number of times.

The project was approved by our committee. It was approved by the Secretary of the Interior and by the Bureau of the Budget. The main feature about the project that makes it desirable is the fact that the people themselves are willing to pay back all the costs of the project. There are no nonreimbursable funds as we often find in situations such as fish and wildlife and flood control and other items that go to make up the feasibility report.

The language of the legislation is such that all of it is paid back by the district itself, and there is no burden upon the Federal Treasury.

I think those are the main aspects of the bill. It is one of the better ones that has come before our committee. I realize this is just an authorization bill; that there is still in existence the "No new starts" as far as money is concerned on reclamation projects. We hope that that may be rescinded and that this project and 8 or 10 others that are feasible and that have been approved by the Congress, some by the Bureau of the Budget and the Department of the Interior, may find their place in the legislative calendar and will go forward to termination, which I think is desirable for this country. We need to have a backlog of good projects that we have taken up during these times of unemployment, so that we might put our people to work. This represents an investment in the resources of America, and like many other projects will return to the Treasury of the United States the moneys invested in them over a period of years.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. JONAS. Will the gentleman tell us what crops are produced in this area?

Mr. MILLER of Nebraska. This is a well-developed area. They produce grapefruit; I believe some onions down there also; many vegetables of all kinds, but a highly concentrated farming area; vegetables in particular. It has a rather wide and diversified development of vegetables.

Mr. JONAS. Can the gentleman tell us if any of the so-called basic crops are produced in this section?

Mr. MILLER of Nebraska. There may be some cotton produced. I am not sure. However, it does provide that on 160 acres or more, if they go over that, interest must be paid on the money that is borrowed. Perhaps the representative from the Rio Grande Valley could tell us a little more about the crops that are raised, but I am under the impression that cotton may be one of them, but it is generally fruits and vegetables and diversified crops.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from Texas [Mr. KILGORE], the author of the bill, such time as he may desire.

Mr. KILGORE. Mr. Chairman, I take this time to express my appreciation to the members of the committee on both sides of the aisle for the consideration and support they have given this legislation.

I would like to say to the gentleman from North Carolina [Mr. JONAS] that most of the production is in citrus and vegetables. There is some cotton production in the area, but I think that will be diminished if this legislation is approved because of the firming up of the water supply by the improvement in the distribution system. It will make it more probable that there will be a more ready return to citrus, rather than continued production of cotton and such other things.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. KILGORE. I yield.

Mr. JONAS. Sixty-eight thousand acres are involved?

Mr. KILGORE. Sixty-eight thousand acres.

Mr. JONAS. Can the gentleman tell us specifically how many acres are used in producing cotton?

Mr. KILGORE. I regret that I cannot tell just exactly how much of that acreage is cotton. I would think considerably less than one-third or one-fourth of it would be in cotton. As a matter of fact, I think that figure may be high; for cotton production, and such as it is, as I say, will diminish.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, as a member of the committee, I join with the distinguished chairman of our subcommittee in supporting this legislation. It is good legislation, it is economically and engineeringly feasible; it is needed. I hope, therefore, it is expeditiously enacted into law.

Mr. ASPINALL. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof or supplementary thereto, including particularly the act of July 4, 1955 (69 Stat. 244), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9, Texas, and to operate and maintain the same. Such undertaking which shall be known as the Mercedes division of the lower Rio Grande reclamation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract may provide for payment of the capital cost of the Mercedes division over a period of not more than 40 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

SEC. 2. Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the Hidalgo-Cameron Counties Water Control and Improvement District No. 9 or its designee or designees upon payment to the United States of all obligations arising under this act or insured in connection with this division of the project.

SEC. 3. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which now have an irrigation water supply from sources other than a Federal reclamation project, and for which no new waters are being developed.

SEC. 4. There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this act the sum of $9,300,000, plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indexes.

Mr. ASPINALL (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read, that it be printed in the RECORD, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 6, strike out "may" and insert "shall."

Page 2, line 7, after the word "payment", insert "in accordance with the district's repayment ability."

Page 2, line 20, strike out the word "insured" and insert in lieu thereof the word "incurred."

Page 2, line 21, after the word "project," add the following: "and shall, in addition, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of 160 irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent."

Page 3, line 18, strike out "$9,300,000" and insert in lieu thereof "$10,100,000 (January 1957 costs)."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, pursuant to House Resolution 494, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMPLETION OF THE INTER-AMERICAN HIGHWAY

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7870) to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7870 with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Maryland [Mr. FALLON] will be recognized for 1 hour; and the gentleman from Ohio [Mr. MCGREGOR] will be recognized for 1 hour.

The Chair recognizes the gentleman from Maryland.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Maryland is recognized.

Mr. FALLON. Mr. Chairman, H. R. 7870 authorizes $10 million which sum would complete the construction of the Inter-American Highway. This highway when completed will extend from the southern border of Mexico to the Panama Canal. Its total mileage is 1,573 miles of which 1,011 miles already has or is presently undergoing hard surface construction. The moncy which H. R. 7870 would authorize would provide funds for the surfacing of the remaining 562 miles of highway. The type of surface for the remaining 562 miles would be a bituminous hard surface. Thus, there would be a firm hard highway extending for the entire length of this system.

The Roads Subcommittee of the Public Works Committee held hearings on this bill and heard testimony from officials of the State Department; the Department of Commerce and the Bureau of Public Roads. The testimony of these agencies disclosed that they all supported the bill. This bill has the further support of the President and the executive branch of the Government.

Testimony during the committee hearings brought forth that the Bureau of Public Roads and the Department of Commerce believed that to make this highway completely efficient and to obtain the full benefits from it that this hard top surfacing of the remaining mileage was essential. This would thus provide an all-weather road from the southern part of Mexico to the Panama Canal.

The State Department, with the backing of the President, in their testimony pointed out that the enactment of this legislation would bring about the final link between this country and our sister nations to the south, including Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama, and that this linkup would result in a better overall relations both from a political and economic standpoint among the countries involved. The basic need for this additional authorization is due to two primary factors. First, since preliminary estimates were developed in 1955 for the completion of the Inter-American Highway there has been substantial and unpredictable rises in construction costs; and, secondly, there was to an extent nonavailability at preliminary estimate stage of complete engineering field data required to produce accurate design and cost data. Considering the nature of some section of the terrain through which this highway is being constructed, the record of its completion in a fairly short period of time is excellent. I might point out at this time the present status of construction on the highway.

Although the roads in Mexico are passable at all times to the Guatemala border, tourists will continue to experience difficult motoring in northern Guatemala until the new Inter-American Highway route through Rio Selegua Canyon is completed to Huehuetenango, Guatemala. From Huehuetenango through Guatemala City to the El Salvador border there is a combination of paved and all-weather roads.

The highways of El Salvador are among the best in Central America. From the Guatemala-El Salvador border to San Salvador border—60 miles—the highway is of good asphalt construction and kept in good condition. This is true also of the remaining distance—135 miles—to the Honduras border.

Most of the highway across Honduras—94 miles—is surfaced with gravel or other hard material and may be traveled with ease. Tegucigalpa, capital of Honduras, is the only Central American capital city not on the Inter-American Highway and it is reached by a 73-mile all-weather road branching from the Inter-American Highway at Jicaro Galan.

For a few miles after crossing the border into Nicaragua the road is similar to that on the Honduran side. From Sebaco to Managua, the capital, it is paved and kept in good condition. The distance from the Honduras border to Managua is 140 miles. The paved highway continues a distance of 68 miles to Rivas. From this point to the Nicaragua-Costa Rica border—22 miles—the road is good all-weather type construction. South from the Nicaragua-Costa Rica border there is a modern all-weather road to San Ramon, a distance of 147 miles. From San Ramon to San Jose, the capital, and beyond to Cartago the road is paved—61 miles. From Cartago to San Isidro del General—71 miles—there is a good all-weather road. The major portion of this section between the two cities is in the mountains, but the highway is well planned with no special problems for the motorists even though the route climbs as high as 11,000 feet above sea level. The section from San Isidro del General to the town of Concepción, in Panama, a distance of about 148 miles, is now under construction.

In Panama, the road from Concepción to Panama City—301 miles—is open at all times. It is a low-level route with no bad grades. The section of the highway near the larger cities is of modern concrete pavement which is kept in good condition.

At the present time—as of January 1958—in Guatemala, project 16 next to the Mexico border is 99 percent complete, project 17 is 93 percent complete, project 20 is 94 percent complete, and project 19 is 89 percent complete. Down in the Barbarena area projects 24 and 25 are 95 percent complete and project 21, construction of 3 bridges, is 62 percent complete. The current reports from Guatemala are to the effect that all but about 7 miles are ready for travel and the entire distance will be completed for all-weather travel by the end of 1958.

The route in El Salvador, as previously mentioned, is all paved and kept in good condition.

All of the 94 miles of Inter-American Highway in Honduras is now all-weather and all work needed to bring the road up to Inter-American standard is under way and will be completed in 1958.

In Nicaragua all-weather construction on 35 miles from El Espino, at the border, to Condega was completed in 1956 and 1957. The construction contract for 17 bridges south to Sebaco is now practically complete and all other work in Nicaragua on the Inter-American Highway is on schedule.

In Costa Rica major construction work is in progress to close the longest gap in the Inter-American Highway, from a point below San Ysidro del General, to connect with the highway at Concepcion, Panama. Much of this entirely new section has now gone beyond the 50-percent completion mark.

Construction in Panama is moving along rapidly with a number of projects completed and the remainder well along.

Unless unexpected difficulties are now encountered the Inter-American Highway should be at a completed all-weather stage ready for hard-surfacing in one more year; that is, sometime in 1959.

Travel will be comfortable but not deluxe; that is to say that the Inter-American Highway will be adequate for its traffic volume. There will be a sufficient number of gasoline service stations spaced along the highway to take care of the prudent travel-wise motorist and cautious spacing of daily travel terminals will give the motorist good overnight facilities.

As of June 1957 appropriations for the United States two-thirds share of construction on the Inter-American Highway were as follows:

Prior to 1950	$38,973,000
Public Law 911, 81st Cong	4,000,000
Public Law 188, 82d Cong	3,000,000
Public Law 495, 82d Cong	1,000,000
Public Law 195 83d Cong	1,000,000
Public Law 471, 83d Cong	1,000,000
Public Law 663, 83d Cong	4,750,000
Public Law 121, 84th Cong	25,250,000
Public Law 219, 84th Cong	37,730,000
Fiscal Year 1958 Department of Commerce Appropriation Act	12,000,000
Total	128,703,000

(NOTE.—Of the above total, $121,730,000 has been made available to the Bureau of Public Roads. Funds to other agencies account for the balance.)

At the present time a total of $65,993,336 has been expended on the Inter-American Highway, distributed by countries as follows:

Guatemala	$20,633,291
El Salvador	1,831,287
Honduras	2,832,341
Nicaragua	5,815,737
Costa Rica	28,900,829
Panama	5,979,851
Total	65,993,336
Administrative expenditures	3,022,510
Total	69,015,846

Nicaragua

Paved mileage	132
All-weather standard	42
All-weather substandard	64
Total mileage	238

All substandard mileage is being improved and brought up to standard.

Costa Rica

Paved mileage	102
All-weather standard	177
Impassable mileage	134
Total mileage	413

All impassable mileage is under construction.

Panama

Paved mileage	111
All-weather substandard	191
Impassable mileage	14
Total mileage	316

All substandard mileage is being improved and brought up to standard.

Paved mileage completed

Guatemala	84
El Salvador	195
Nicaragua	132
Costa Rica	102
Panama	111
Total paved mileage	614

All-weather standard mileage

Honduras	24
Nicaragua	42
Costa Rica	177
Total all-weather standard	243

Total appropriations to Bureau of Public Roads, $121,730,000.

Expenditures to Dec. 31, 1957, including administrative expenditures	$69,015,846
Amount of obligated funds	39,075,095
Administrative Reserve	3,877,484
Returned to Treasury	152,779
Available for additional construction	9,608,796
Total	121,730,000

Brief outline of status of Inter-American Highway as of November 1957

GUATEMALA

Paved mileage	84
All-weather (substandard)	208
Impassable mileage	25
Total mileage	317

All unpaved sections are under construction to improve and bring up to standard.

EL SALVADOR

Paved mileage	195
Total mileage	195

Inter-American Highway is completed in El Salvador.

HONDURAS

All-weather mileage	24
All-weather substandard	70
Total mileage	94

All substandard mileage is being improved and brought up to standard.

All-weather substandard being brought up to standard

Guatemala	208
Honduras	70
Nicaragua	64
Panama	191
Total all weather substandard	553

Impassable mileage

Guatemala	25
Costa Rica	134
Panama	14
Total mileage	173

Overall totals

Paved mileage	614
All-weather standard mileage	243
All-weather substandard mileage	533
Impassable mileage	173
Total mileage	1,563

Current authorizations and appropriations will bring all substandard sections up to all-weather standard and construct all impassable sections.

PURPOSE OF H. R. 7870 FUNDS

With respect to the purpose and allocation of the $10 million authorization contained in H. R. 7870, the entire sum will be used for paving and the allocation of funds will be substantially as follows:

Guatemala	$2,814,000
Nicaragua	1,246,000
Costa Rica	2,662,000
Panama	2,728,000
Reserve for administration	550,000
Total	10,000,000

No funds are needed for El Salvador as the Inter-American Highway is fully paved in El Salvador; no funds are needed for Honduras as sufficient funds can be made available out of existing authorizations to pave the entire length of the Inter-American Highway in Honduras.

As has been the case in the past the total funds authorized by H. R. 7870 represent the United States contribution; one-third of the overall total, or $5 million, will be provided by the Governments of Guatemala, Nicaragua, Costa Rica, and Panama.

As chairman of the Subcommittee on Roads of the House Committee on Public Works, I have been vitally interested in the development of this highway. I am familiar with it both through personal inspection and through committee hearings. I am certain a completed highway will provide a very important contribution to economic development of the countries through which it passes. It will provide an opportunity for increased trade and improved political relations between our Nation and the Central American countries; it will increase tourist traffic, and, as a result, bring about a better understanding between the countries involved and, most important of all, an all-weather highway will be of essential security and importance and a direct linkup with the Panama Canal and the overall defense of the Southern Hemisphere.

The completion of the Inter-American Highway has long been a clearly established objective of the United States policy. For many years we have been cooperating with our Central American neighbors in the construction of the highway. This authorization will bring the final step in a long-desired objective.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I am glad to yield to the gentleman.

Mr. O'HARA of Illinois. I wonder if the Rama Road in Nicaragua has been completed, or what progress has been made?

Mr. FALLON. As I understand, there is nothing for the Rama Road in this bill. It is not completed.

Mr. O'HARA of Illinois. Mr. Chairman, I wish to commend the gentleman for the splendid work he has done on this very worthwhile project.

Mr. FALLON. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I am glad to yield to the gentleman.

Mr. GROSS. Let me see if I understand this. How much have we spent on this road up to date?

Mr. FALLON. One hundred twenty-eight million seven hundred and three thousand dollars.

Mr. GROSS. And it is proposed that we spend another $10 million under this bill?

Mr. FALLON. That is exactly right.

Mr. GROSS. That would be $138 million.

Mr. FALLON. That is right.

Mr. GROSS. How much have the other countries contributed, if the gentleman can say?

Mr. FALLON. One-third.

Mr. GROSS. They have contributed one-third in addition to what we have spent?

Mr. FALLON. One-third in all countries, I think, with the exception of Panama. They required a little higher standard and made a further contribution.

Mr. GROSS. But the total has been one-third more than the amount that we have spent, which is $128 million?

Mr. FALLON. That is correct.

Mr. GROSS. That would be something like $40 million. Does the gentleman see any end to this?

Mr. FALLON. It is our understanding that this highway will be completed, with a hard-surface all-purpose road by the end of 1959.

Mr. GROSS. Is this the last appropriation we will be called upon to make for this road?

Mr. FALLON. May I say to the gentleman that I certainly hope so.

Mr. GROSS. Is that what the gentleman thinks?

Mr. FALLON. From all the evidence we have had in our committee from our departments it will be the last request for appropriation.

Mr. GROSS. I thank the gentleman.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman.

Mr. BENTLEY. First of all, I think the gentleman from Maryland should be complimented on his command of the Spanish language.

Mr. FALLON. May I say to the gentleman that whether these names were pronounced correctly or not, they are spelled correctly in my manuscript.

Mr. BENTLEY. But more seriously, I am wondering if the gentleman from Maryland has any information that he can give the Committee on the possible effect that the completion of this highway might have upon American exports? I refer specifically to automobiles, farm machinery, and that sort of thing. Does the gentleman have any information on that or would he wish to speculate in that respect?

Mr. FALLON. I might say to the gentleman I have been down there several times. The first time I went down there the automobiles were in the city but they had no place to go, so that not very many people needed automobiles or had any use for one. But today, with the roads extending not only in the Inter-American Highway but the feeder roads they are building themselves, the automobile exports from this country down there have increased many times.

Mr. BENTLEY. Presumably when the highway is complete the exports will continue to increase?

Mr. FALLON. That is right.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Ohio.

Mr. SCHERER. The gentleman from Iowa [Mr. GROSS] asked whether or not this was the last appropriation the House would be called upon to make for this purpose. Let me say as a member of this Subcommittee on Roads that this is the last appropriation this Member will support.

Mr. FALLON. I think the gentleman has company as to that.

Mr. McGREGOR. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H. R. 7870 would provide an increase in the monetary authorization for the completion of the Inter-American Highway with a continuous bituminous hard surface from the Guatemala-Mexico border to its terminus in Panama, a total distance of 1,573 miles; 562 miles will be paved under this authorization and the remaining mileage of pavement will be completed out of present authorizations.

There exists some confusion as to just what the term Inter-American Highway means, especially since the term Pan American Highway is frequently used to designate roads in Latin America generally.

The main highways leading south from the United States to Mexico City and those continuing from Mexico City to the Guatemala border are considered part of the Pan American Highway System. All of these roads were built entirely with Mexico funds.

The Inter-American Highway, to which H. R. 7870 relates, is that which extends from the south border of Mexico through Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica to the Panama Canal, a distance of 1,573 miles.

When the Inter-American Highway is completed in the very near future it is natural to expect that it will be designated as part of the Pan American Highway System extending from the United States-Mexico border through Mexico and Central America.

The Pan American Highway System in Mexico begins at Nuevo Laredo, just across the Rio Grande from Laredo, Tex., or at Ciudad Juarez, just across the Rio Grande from El Paso.

From Nuevo Laredo the distance to Mexico City is 765 miles. This modern roadway is of asphalt construction and is kept in good condition. For some distance south of Nuevo Laredo elevations are not much above sea level but farther on the highway enters a mountainous region and in some places reaches an elevation of 8,000 feet. Mexico City is located in a great central plateau, at an altitude of 7,350 feet.

From Ciudad Juarez the distance to Mexico City is 1,315 miles; this is the Central Highway route. Long tangents, good curves, moderate grades and a wide surface make this an easy road to drive. From the west coast of the United States, Mexico City may be reached by the Pacific Highway which runs from Nogales, border city between Sonora and Arizona; this route is a little longer than the other highways—1,492 miles—but runs through many interesting towns and cities of Mexico. The newly paved highway from Piedras Negras through Eagle Pass, Tex., to Saltillo and Monterrey, provides an additional convenient road to Mexico City.

The road to Oaxaca to San Cristobal, Mexico, is 387 miles over a well paved road.

With these general comments on the Pan American Highway System in Mexico and that portion of the system in Central America usually referred to as the Inter-American Highway, I now wish to make some observations with respect to the current status of the Inter-American Highway in Central America.

Road construction has been difficult in the Rio Selegua Canyon, Guatemala. This river carries during the rainy season a large volume of water, heavily laden with silt, from the mountains and the rate of flow is torrential in a restricted riverbed. This situation limits the amount of displaced earth and rock that may be bulldozed into the river channel.

The line and grades of the Inter-American Highway in the Selegua area have been adjusted to permit a satisfactory road standard with a minimum disturbing of the unstable areas. In some places retaining walls will be constructed to avoid heavy cutting into the hillsides. This is the solution of the Selegua slides developed by the highway authorities as of January 1958.

At the present time you can travel by motorcar all the way from a point near the Guatemala-Mexico border to Panama City, except for the Costa Rica gap, now rapidly nearing elimination by construction, south of San Ysidro del General, and a short Panama segment being pushed westerly through David to complete the link with Costa Rica.

The present rate of construction progress indicates that the additional authorization for bituminous surfacing provided for by H. R. 7870 should be approved by Congress at this time. By doing so substantial economies will be realized since the contractors likely to bid on paving contracts are already on the ground and in a position to proceed with this work without delay. The type of surfacing contemplated will be adequate for traffic demands and is ideally adapted to economical maintenance by the highway departments of the various countries who will be responsible for maintenance when the Inter-American Highway is completed.

I have had an opportunity to observe the work of the representatives of the U. S. Bureau of Public Roads in the various countries and it is my judgment that they are doing excellent work. In handling this extensive road-construction program, which involved a great many difficult engineering problems, they have been most skillful and they have been prudent in the handling of United States funds; they have advanced and maintained friendly relations with all of the Central American countries involved; and they have worked well with the officials and other personnel of the various highway departments in bringing this joint venture to a successful conclusion. These men have rendered yeoman service and deserve our highest commendation—they really have been ambassadors of good will, as well as efficient highway engineers. Our sincere thanks to Commissioner Bert Tallamy, Norman Wood, Frank Turner, and others of a very efficient staff.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Ohio, who has made a very careful study on behalf of the Appropriations Committee in this regard.

Mr. BOW. Is it not true that if this road is not hard-surfaced the tropical rains of that area of the continent would destroy the road within a very short time and the money we have spent would be lost? By hard-surfacing we are protecting the investment that has been made not only by ourselves but by these other countries, and we are opening up other areas of the economy of those nations, which will give them more opportunity to purchase from us.

Mr. McGREGOR. The gentleman is correct. In addition to the seasonal rains, and so forth, when it is dry down there and our roads are simply covered with gravel, the trucks and automobiles go through and over the gravel and throw it over the sides and into the ditches, and we have lost it. By putting this bituminous surface on it, it will be an all-weather road.

Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK], a member of the committee.

Mr. MACK of Washington. Mr. Chairman, I thank the gentleman from Ohio [Mr. McGREGOR] for yielding me this time.

I have not been and am not now a supporter of this multi-billion-dollar foreign aid roads program on which we are spending $150 million of American taxpayers' money to build highways in the six countries of Central America.

Up to now, Congress has authorized spending $128,703,000 for building the Inter-American Highway from the Mexican border to the Panama Canal. It is proposed we authorize by this bill the spending of an additional $10 million for this highway. On top of this we have authorized the spending of $11,500,000 on the Rama Road in this same area. These authorizations, when this bill is passed, will total more than $150 million.

We have many roads in our own country that are in need of building as badly as roads in Central America are needed.

I sincerely hope that the spending of this $150 million of American taxpayers' money to build a highway in six Central American countries will not become a precedent for embarking on a similar program for South American countries.

The South American Continent has a land area 2½ times that of continental United States—the area of South America is 6,800,000 square miles compared to a 3,022,000-square-mile area for the United States. If we ever become involved in providing a highway with United States tax dollars for South American countries the cost would be astronomical. We should aid South American countries with technical advice on road building if they request but not start as we did in Central America to provide them with a great road system. The Central American road-building experiment started in a small way but eventually grew into an enormously costly venture as this bill we are considering indicates.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I am wholeheartedly in favor of this measure to accelerate the completion of the Inter-American Highway program. In my opinion, this program comes as near as any other program in my knowledge to combining our foreign-policy interests with our own economic interests.

This stretch of the Inter-American Highway extends for a distance of 1,573 miles from the southern tip of Mexico all the way down to the Panama Canal. It is the remaining link in the total Pan American Highway from Alaska to the southernmost tip of South America which, when completed, will be the longest continuous highway in the world. The funds already authorized and appropriated are sufficient to finish with a hard surface the construction of 1,011 miles of this stretch of road. The authorization contained in this bill will make it possible to provide a bituminous hard surface road for the remaining 562 miles, and thus to bring about after many years, the fruition of a long held dream of one continuous, well constructed highway over this entire remaining link of 1,573 miles.

Mr. Chairman, these six countries of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, comprising the very heart of Central America, occupy a position of particularly strategic importance to the United States and to the entire Western Hemisphere. The benefits which will accrue directly to them as a result of this bill have already been dealt with in considerable detail, but I would like to remind the House that those same benefits of increased trade and tourist traffic, more stable economies and better defense will also accrue to the United States. The value of these improvements in either peace or war will be incalculable.

All of us will surely remember the acute anxiety we felt in 1953 and 1954 when one of our stanchest friends among these six nations succumbed briefly to Communist domination. Happily the Red regime in Guatemala was shortlived. But, complacency toward our neighbors to the south must never again become a part of our Latin American policy.

Many factors, of course, have contributed to the political instability of these Central American Republics, but one of the principal reasons behind the political turbulence is the economic instability which has prevailed. The lack of surface transportation has, to a considerable extent, retarded development in Central America. To this extent, it has been a major factor in prolonging the economic instability and political volatility of the region. This highway when completed will do much to improve the national economies, facilitate commerce and natural resource development, and enhance living standards; and thus to provide an effective bulwark against subversive influences. In several of these countries, it is worthy of noting, substantial construction is already under way on feeder roads to connect with this arterial highway and thus to permit more opportunities for the development of the latent natural resources and the agricultural resources which so richly exist in these Central American countries.

It must be remembered, Mr. Chairman, that this narrow but extremely critical connection between the great American land masses is under constant pressure from the Communists and political adventures, both domestic and foreign. Nothing would be more pleasing to the Kremlin than to gain a foothold in this hemisphere. No area in the New World affords such a vulnerable lure as these undeveloped areas where a Communist state could effectively block any American land passage to the Panama Canal and to our South American friends and allies.

Any country with immature and inadequate commerce, with resultant substandard living conditions, with archaic communications and practically no system of transportation and a sort of enforced inbred insularity from the booming progress in the rest of the hemisphere is susceptible to the blandishments of revolutionary propaganda. It certainly is in our own best interests, therefore, to promote the economic development and progress of all of the Western Hemisphere.

Mr. Chairman, this 1500 mile Inter-American Highway section is actually the most crucial link in the much broader Pan-American system which in the now foreseeable future will connect all the Americas from Alaska to Tierra del Fuego. In Alaska the work is done; Canada is through; the United States is finished; and work is rushing to completion south of Cartagena. Mexico's portion of the highway was begun and finished entirely with Mexican capital. The 1,100-mile stretch in Mexico now is open to traffic without one dime of expense to American taxpayers. We should also note that even the tiny Republics involved in this particular bill have contributed approximately $40 million toward their own sections of highway.

This is a vital part of a vital transportation and defense chain. It is of major importance to hemispheric solidarity. I urge that the bill be adopted.

Mr. FALLON. Mr. Chairman, I have no further requests for time.

Mr. McGREGOR. Mr. Chairman, I yield to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, I have paid a great deal of attention to the construction program in the Central American countries. I know of nothing that we have done that will increase the economy in that area more than having this highway completed. I am wholeheartedly in favor of this bill and its passage today.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. SCHERER. Has the objection to further appropriations not arisen solely from the fact that on two different occasions prior to this the Congress has been told that that would be the last appropriation, and then they have asked for additional appropriations on two subsequent occasions?

Mr. McGREGOR. The gentleman is correct. As I mentioned in my explanation, there was enough money for the continuation of the program as far as road alinement, graveling, and grading is concerned. But when the committee went down there and found there were 570 miles that were not all-weather roads, it was deemed advisable and economical to put a coating on so that we would have an all-weather road from the Mexican border to the Panama Canal.

Mr. SCHERER. I understand we have assurances that there will be no further additional requests for appropriations for this road.

Mr. McGREGOR. The gentleman from Ohio was a member of the committee and he was in attendance on every day and his knowledge is just the same as mine.

Mr. SCHERER. But I want to get it on the record that these representations have been made to the committee.

Mr. McGREGOR. They have.

Mr. FALLON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to authorize certain sums to be ap-

propriated immediately for the completion of the construction of the Inter-American Highway," approved July 1, 1955 (Public Law 129, 84th Congress), is amended by striking out "$25,730,000" and inserting in lieu thereof "$35,730,000."

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 7870) to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway, pursuant to House Resolution 495, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2120), a similar bill to H. R. 5309, which was passed this afternoon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto, including particularly the Act of July 4, 1955 (69 Stat. 244), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the Hidalgo and Cameron Counties Water Control and Improvement District Numbered 9, Texas, and to operate and maintain the same. Such undertaking, which shall be known as the Mercedes division of the lower Rio Grande reclamation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract may provide for payment of the capital cost of the Mercedes division over a period of not more than forty years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay, and shall, in addition, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of 160 irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

SEC. 2. Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the Hidalgo-Cameron Counties Water Control and Improvement District Numbered 9 or its designee or designees upon payment to the United States of all obligations arising under this Act or incurred in connection with this division of the project.

SEC. 3. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands in this project which now have an irrigation water supply from sources other than a Federal reclamation project, and for which no new waters are being developed: *Provided*, That for a period of ten years from the date of enactment of this Act, no water shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 4. There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this Act the sum of $10,100,000 (January 1957 costs), plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indexes.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Strike out all after the enacting clause of S. 2120 and insert the language of the bill H. R. 5309 as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the bill H. R. 5309 was passed and lay that bill on the table.

The SPEAKER. Is there objection?

There was no objection.

FEDERAL-AID ROAD ACT

Mr. FALLON. Mr. Speaker, I ask unanimous consent that I may insert in my remarks in Committee of the Whole on the bill H. R. 9821 a statement showing the apportionment to the States of the Federal aid to primary, secondary, and urban extensions.

The SPEAKER. Is there objection?

There was no objection.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1956, to authorize appropriations for continuing the construction of highways.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9821, with Mr. MILLER of California in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Maryland [Mr. FALLON] will be recognized for 1 hour; and the gentleman from Ohio [Mr. MCGREGOR], will be recognized for 1 hour.

The Chair recognizes the gentleman from Maryland.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may require.

The CHAIRMAN. The gentleman is recognized.

Mr. FALLON. Mr. Chairman, I would like to make a brief explanatory statement concerning H. R. 9821, which authorizes certain appropriations for fiscal years 1960 and 1961 for roads and streets on the Federal aid primary and secondary systems and urban extensions thereof, and for the so-called public domain roads.

This legislation, approved by your committee after public hearings and earnest study, constitutes the regular, familiar biennial authorization for these Federal-aid programs.

There is nothing new or startling in this bill. It includes no departures from established principles. It is completely in line with past policy.

We have kept this bill simple in scope and free from controversial issues.

It continues the traditional authorization of Federal aid for primary, secondary, and urban highways—which we now commonly refer to as the ABC program; stepping up funds modestly and at the exact rate of increase approved 2 years ago in the Federal Aid Highway Act of 1956.

The 1956 act established these ABC authorizations: Fiscal year 1957, $825 million; 1958, $850 million; 1959, $875 million.

The bill before the House today continues this rate of mild increases, providing authorizations for fiscal year 1960 of $900 million and for 1961 of $925 million.

These authorizations of Federal funds will be apportioned to the States by the Secretary of Commerce according to the existing distribution formula based on one-third population, one-third area, and one-third mileage.

The increases in authorizations follow the intent of the House as expressed in the highway bill as it passed the House in April 1956. At that time the House approved this language:

Recognizing it to be in the national interest to foster and accelerate the construction of a safe and efficient system of Federal-aid highways in each State, it is hereby declared to be the intent of Congress progressively to increase the annual sums herein authorized, for construction of projects on the

Federal-aid primary and secondary systems and approved extensions thereof in urban areas, by amounts which in each succeeding year shall provide an increase over the total amounts authorized for each immediately preceding year of not less than $25 million, commencing with the fiscal year ending June 30, 1960, and continuing such progression in each of the succeeding fiscal years, through the fiscal year ending June 30, 1969.

Mr. Chairman, your committee believes firmly that a gradual acceleration in Federal aid for the ABC program, where every Federal dollar is matched with a State dollar, is of paramount importance. Such increases tend to keep road construction on Federal-aid primary and secondary roads in balance with the massive work being accomplished on interstate expressways. If the ABC authorizations were to be frozen at the present level, or approximately at the present level, an imbalance would result. This must not be permitted to happen.

We need improvement of our major State primary highways, city routes, and farm-to-market roads not only for the obvious reasons of human safety and convenience but as feeders to the national defense expressways we are building from coast to coast. If we do not provide a network of safe, adequate primary and secondary roads, the big interstate arteries can never accomplish the full transportation purpose for which they are being built. Both of these roadbuilding programs are urgently important; both must go ahead together.

The work which will go forward under the terms of this bill will be practically all done under the competitive contract method, and over 90 percent of these Federal funds will go directly into job-producing construction. This means that less than 10 percent will be expended for rights-of-way and advance engineering.

With respect to the so-called public domain roads, this bill continues for each of the fiscal years 1960 and 1961 the identical authorizations, with one exception, which were approved in the Highway Act of 1956. This single exception is that the present annual authorization of $27 million for forest development roads and trails has been increased to $28.5 million. The public domain roads, which include forest highways, forest roads and trails, park roads, parkways, Indian roads and public lands roads, would receive total annual authorizations of $104.5 million.

Mr. Chairman, I again state, there is nothing complex or controversial about the bill, H. R. 9821, now under consideration. Simply stated, section 1 of H. R. 9821 would continue the traditional program of Federal assistance to the States for the improvement of the Federal-aid primary and secondary systems, together with urban extensions thereof for the fiscal years 1960 and 1961. This section would authorize the appropriation of $900 million for the fiscal year 1960 and $925 million for the fiscal year 1961 to be distributed as heretofore in the ratio of 45 percent for primary roads, 30 percent for secondary roads, and 25 percent for urban extensions. The funds would be made available for 2 years after the close of the fiscal year for which such funds are authorized. Any apportioned amounts unexpended at the end of such period would lapse. Section 1 (b) of the bill would carry forward the existing law which enables the Secretary of Commerce, upon the request of any State, to approve projects on the Federal Aid Secondary Highway System upon certification by the State highway department that such projects will be constructed in accordance with the standards and procedures of such State applicable to projects in this category.

Section 2 of the bill would authorize the continuation of appropriations for forest highways in the present amount of $30 million for each of the fiscal years 1960 and 1961. The authorization for forest development roads and trails has been increased over the present level of $27 million to $28,500,000 for each of the fiscal years 1960 and 1961.

Section 3 of the bill provides for the continuation of the development of roads and trails in national parks, parkways, and Indian reservation roads in the same amounts as those authorized for the fiscal years 1958 and 1959. Under this section the following authorizations are provided for each of the fiscal years 1960 and 1961: roads and trails, $16 million; parkways, $16 million; and Indian roads, $12 million.

Section 4 of the bill would continue the current level of authorizations for public lands highways for each of the fiscal years 1960 and 1961 in the amount of $2 million per year.

Section 5 provides that the funds authorized under sections 2, 3, and 4 shall be available for contract upon apportionment, or a date not earlier than 1 year preceding the beginning of the fiscal year for which authorized, if no apportionment is required. These provisions merely carry forward existing law.

Section 6 provides that existing provisions of the Federal Aid Road Act of 1916, together with all acts amendatory thereof or supplementary thereto, not inconsistent with H. R. 9821, shall remain in full force and effect.

Section 7 designates the short title of the bill as the "Federal Highway Act of 1958."

Mr. Chairman, that is the substance of H. R. 9821, the biennial Federal-aid highway bill recommended by your committee.

I cannot emphasize too strongly the soundness of the expenditures which will flow from this legislation. The projects that will be built will be located throughout the length and breadth of the United States, in practically every county and village. The approximately $1.8 billion in Federal and State funds for ABC roads that will be invested in fiscal year 1960 and the $1.85 billion that will be invested in fiscal year 1961, under these proposed authorizations, will go into widely scattered work projects that will produce a maximum contribution to the Nation's economy.

Approximate apportionment of Federal-aid primary, secondary and urban funds for the fiscal year 1960 pursuant to H. R. 9821

[In thousands of dollars]

State	Primary	Secondary	Urban	Total
Alabama	8,571	6,665	2,965	18,201
Arizona	5,907	4,027	880	10,814
Arkansas	6,629	5,337	1,266	13,232
California	19,456	10,091	20,118	49,665
Colorado	7,316	4,886	1,881	14,083
Connecticut	2,667	1,350	4,383	8,400
Delaware	2,025	1,350	464	3,839
Florida	6,453	4,214	4,058	14,725
Georgia	9,738	7,482	3,298	20,518
Idaho	4,941	3,480	436	8,857
Illinois	15,704	8,525	15,827	40,056
Indiana	9,502	6,555	5,414	21,471
Iowa	9,505	6,985	2,687	19,177
Kansas	9,490	6,661	2,127	18,278
Kentucky	7,482	6,230	2,350	16,062
Louisiana	6,302	4,567	3,318	14,187
Maine	3,348	2,401	946	6,695
Maryland	3,749	2,297	3,841	9,887
Massachusetts	5,292	1,978	9,420	16,690
Michigan	12,823	7,823	10,533	31,179
Minnesota	10,423	7,367	3,685	21,475
Mississippi	7,118	5,971	1,253	14,342
Missouri	11,491	7,778	5,574	24,843
Montana	8,114	5,585	533	14,232
Nebraska	7,948	5,639	1,327	14,914
Nevada	5,075	3,392	172	8,639
New Hampshire	2,025	1,350	670	4,045
New Jersey	5,354	1,806	9,907	17,067
New Mexico	6,453	4,438	743	11,634
New York	19,731	7,991	30,250	57,972
North Carolina	10,013	8,590	2,908	21,511
North Dakota	5,647	4,121	383	10,151
Ohio	14,081	8,544	13,096	35,721
Oklahoma	8,607	6,173	2,473	17,253
Oregon	6,739	4,719	1,815	13,273
Pennsylvania	16,362	9,744	17,133	43,239
Rhode Island	2,025	1,350	1,618	4,993
South Carolina	5,369	4,474	1,557	11,400
South Dakota	6,141	4,400	440	10,981
Tennessee	8,632	6,761	3,273	18,666
Texas	26,302	17,609	10,842	54,753
Utah	4,567	3,020	959	8,546
Vermont	2,025	1,350	352	3,727
Virginia	7,702	5,999	3,529	17,230
Washington	6,805	4,545	3,415	14,765
West Virginia	4,405	3,852	1,473	9,730
Wisconsin	9,443	6,597	4,432	20,472
Wyoming	5,065	3,434	246	8,745
Hawaii	2,025	1,350	761	4,135
District of Columbia	2,025	1,350	1,955	5,330
Puerto Rico	2,126	2,226	1,945	6,297
Alaska	8,262	5,571	69	13,902
Total	405,000	270,000	225,000	900,000

Approximate apportionment of Federal-aid primary, secondary and urban funds for the fiscal year 1961 pursuant to H. R. 9821

[In thousands of dollars]

State	Primary	Secondary	Urban	Total
Alabama	8,809	6,850	3,047	18,706
Arizona	6,071	4,138	905	11,114
Arkansas	6,813	5,485	1,301	13,599
California	19,997	10,372	20,677	51,046
Colorado	7,519	5,022	1,933	14,474
Connecticut	2,741	1,387	4,505	8,633
Delaware	2,081	1,387	477	3,945
Florida	6,632	4,331	4,171	15,134
Georgia	10,009	7,689	3,390	21,088
Idaho	5,078	3,577	448	9,103
Illinois	16,140	8,762	16,267	41,169
Indiana	9,766	6,737	5,565	22,068
Iowa	9,769	7,179	2,761	19,709
Kansas	9,753	6,846	2,186	18,785
Kentucky	7,690	6,403	2,416	16,509
Louisiana	6,477	4,694	3,410	14,581
Maine	3,441	2,468	972	6,881
Maryland	3,854	2,361	3,948	10,163
Massachusetts	5,439	2,033	9,681	17,153
Michigan	13,180	8,040	10,826	32,046
Minnesota	10,712	7,572	3,788	22,072
Mississippi	7,316	6,137	1,288	14,741
Missouri	11,810	7,994	5,728	25,532
Montana	8,339	5,740	548	14,627
Nebraska	8,169	5,796	1,364	15,329
Nevada	5,216	3,486	177	8,879
New Hampshire	2,081	1,387	689	4,157
New Jersey	5,502	1,856	10,182	17,540
New Mexico	6,633	4,562	763	11,958
New York	20,279	8,213	31,090	59,582
North Carolina	10,291	8,828	2,989	22,108
North Dakota	5,804	4,235	393	10,432
Ohio	14,472	8,782	13,460	36,714
Oklahoma	8,847	6,345	2,541	17,733
Oregon	6,926	4,850	1,865	13,641

Approximate apportionment of Federal-aid primary, secondary and urban funds for the fiscal year 1961 pursuant to H. R. 9821—Continued

[In thousands of dollars]

State	Primary	Secondary	Urban	Total
Pennsylvania	16,816	10,015	17,609	44,440
Rhode Island	2,081	1,387	1,663	5,131
South Carolina	5,518	4,599	1,600	11,717
South Dakota	6,312	4,522	452	11,286
Tennessee	8,872	6,949	3,364	19,185
Texas	27,033	18,009	11,143	56,275
Utah	4,694	3,104	986	8,784
Vermont	2,081	1,387	362	3,830
Virginia	7,916	6,166	3,627	17,709
Washington	6,994	4,671	3,510	15,175
West Virginia	4,527	3,960	1,514	10,001
Wisconsin	9,706	6,780	4,555	21,041
Wyoming	5,206	3,529	253	8,988
Hawaii	2,081	1,387	782	4,250
District of Columbia	2,081	1,387	2,009	5,477
Puerto Rico	2,185	2,288	1,999	6,472
Alaska	8,491	5,726	71	14,288
Total	416,250	277,500	231,250	925,000

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I would like to make this observation of the splendid work that the chairman of the subcommittee, the gentleman from Maryland [Mr. FALLON], has done on this bill. It has been readily accepted by all of the members of the committee. It is a piece of legislation displaying profound knowledge of the subject, and I wish to congratulate the chairman on the excellent bill that he has brought before the committee today.

Mr. FALLON. I thank the gentleman.

Mr. McGREGOR. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I want to join in the statement the gentleman from Alabama made with respect to our distinguished chairman of the subcommittee, the gentleman from Maryland [Mr. FALLON]. The committee has put a great deal of time into this legislation, and it has been very thoroughly explained. It is simply a continuation of the existing law plus the $25 million that was established in the 1956 Highway Act for additions per year. And we have the same formula of distribution. I hope this committee will pass the bill unanimously so that it can go to conference, because this road program is badly needed.

Mr. Chairman, I hope the bill will pass by unanimous vote.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, in authorizing appropriations of $900 million for the fiscal year 1960 and $925 million for the fiscal year 1961 for the Federal-aid primary, secondary road systems and their urban extensions, the House acted with prophetic prudence.

In doing so, the House actually approved a long-range, balanced and accelerated construction program, which we hope will produce as quickly as possible the kind of roads our country needs for its future economic growth, the safety of our people in traffic and the possible needs of our national defense.

It is of extreme importance that we keep our national highway system in balance. There is an understandable tendency to give more attention to the National System of Interstate and Defense Highways, because of the glamour it has as the biggest peacetime public works program ever undertaken anywhere and because of its great promise. But to neglect development and improvement of our existing system of primary, farm-to-market roads and their extensions into urban areas would be utmost folly. This action by the House indicates that there is widespread knowledge of the need for a balance in our highway building and rebuilding.

Passage of this bill is a positive step toward insuring satisfactory progress to modernizing our existing highways to have them ready to carry their proportionate share of the future traffic of the country. Our so-called ABC roads have a total mileage of 680,000 miles, but when completed the Interstate Highway System will have only 41,000 miles.

The completed Interstate System will comprise only 1.2 percent of the country's total road mileage, but will carry about 20 percent of all motor vehicle mileage. However, the national system of superhighways will not be able to function efficiently, if our ABC roads as feeder and interconnecting routes, are not modernized.

There are many places in the country, where new primary and secondary roads are needed, because of rapid population and industrial growth in recent years. But our greatest need is to bring these existing highways up to modern standards to match the modern vehicles which use them. The funds authorized will make possible the elimination of narrow roads, soft shoulders, narrow bridges and traffic lanes, eliminate some of the dangerous 227,000 railroad crossings and curves, which each year take a toll of lives.

The benefits from safe highways of modern design are so great in terms of lives saved, accidents prevented, property damage reduced, and pleasanter driving that we seem to have realized suddenly that much better highways are imperative. Our country cannot afford to be without them.

Considering the enormous benefits which will accrue to millions of our people using these highways, an increase in authorizations for the ABC roads is really a modest one. It amounts to only 2.86 percent for 1960 over 1959 and 2.78 percent for 1961 over 1960.

But, without these increases, our roads program might not have gone forward. We would have had difficulty in holding our own against the rising tide of traffic and construction prices. In making these increases possible, the House acted wisely and well.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, we are now in the early stage of a massive highway program set in motion by an act of Congress in 1956. Under the expanded Federal-aid program approved in 1956 by Congress, the total Federal and State funds for road building are divided about equally between the Federal-aid program for primary, secondary, and urban roads and the greatly increased interstate program. Included now in our total Federal-aid program are about 755,000 miles of roads. About three-fourths, or over one-half million miles, of the total Federal-aid mileage is on the secondary system.

Since enactment of the 1956 act the spotlight has been on the Interstate System. I recognize the importance of this system and the need for completing it, but I feel we must be careful not to overemphasize the improvement of this system to the point where we lose sight of the validity of the ABC program.

Let me make that a little stronger: I favor construction of the coast-to-coast expressways but not at the sacrifices of farm-to-market roads, primary routes, and city streets.

I want to compliment Congressman FALLON, Chairman of our Subcommittee on Roads, for the ABC bill he has introduced. It provides for an increase in Federal aid for the ABC system from $875 million in 1959 to $900 million in 1960 and $925 million in 1961.

In introducing his bill, Congressman FALLON cited the importance of modern designed rural roads and city streets and emphasized the essentiality of these highways to the national defense, especially as feeders to the interstate expressways. He stated further that the Interstate System would lose much of its utility and strategic value if it was not interconnected with a web of adequate primary and secondary roads. I concur.

All interstate traffic will originate or terminate on our primary, secondary, or local road systems. Across America there are 387,000 miles of State primary highways, 220,000 miles of State secondary highways, 2,333,000 miles of county and other local rural roads, and 373,000 miles of city streets. In addition, there are 103,000 miles of roads in Federal parks, forests, Indian reservations, and the like. That adds up to 3,418,000 miles.

This total mileage includes roads of all descriptions, ranging from mere trails to the most modern expressways. Traffic may range from nearly zero to 100,000 vehicles per day. You are well aware that the great bulk of the Nation's highways are the responsibility of county and local governments.

This highway system has become our lifeline. It keeps raw materials flowing to industry and industry's products flowing to market.

The 41,000 mile Interstate System will pass through 37 percent of the Nation's most populous counties. It will pass through or close by nearly every major city of the United States. Between cities the connecting roads at access points will become attractive locations for commercial enterprises. If such commercial development takes place

without coordination and planning, these points of access may become traffic bottlenecks.

In this area we will need the closest kind of cooperation between the Federal, State, and county units of government. The travel pattern of the affected counties may be drastically changed. Contiguous counties will often be affected, also.

The Interstate System will be constructed to the highest standards known to the engineering profession and it may be expected that considerable pressure will be put upon county road administrators to improve their roads to higher standards to accommodate the heavier traffic which will move to and from the Interstate Highways. Innumerable county roads intersecting the right of way of the Interstate System will be blocked off at that point and where it is not feasible to build an underpass or overpass, it will be necessary to construct or reconstruct parallel roads to carry added traffic to the point of access.

There also will be need for coordinated planning at the access points to the Interstate System. Where such construction or reconstruction is made necessary by the building of the Interstate System, it seems reasonable to me that such improvements should be financed with interstate or ABC Federal-aid funds.

I am glad to note in a recent statement by Federal Highway Administrator Tallamy that he has approved the reappointment at the Bureau of Public Roads of a Board of County Engineer Consultants.

He has stated that the purpose of this Board will be to promote better mutual understanding between the counties, the State highway departments, and the Bureau of Public Roads with regard to the Federal-aid highway program.

I am confident that this Board will render a valuable service and, through cooperation with the Bureau and the States, will be able to find a solution to their problems.

In recent months, our State highways departments have made marked progress in increasing productivity of their engineers through the use of modern techniques and equipment. I believe the counties are equally in need of improvement and States should, wherever possible, extend use of these facilities to them.

To me it seems feasible to undertake the establishment of electronic computer service centers on a statewide basis. In this manner the great savings in manpower and money by utilization of electronic computations could be made readily to the local units of Government.

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, H. R. 9821, which we have before us today, is one of the most important bills that has thus far come before the Congress for the stimulation of the economy in our own country. When the Highway Act of 1956 was put into effect, we appropriated $900 million for each fiscal year ending June 30, 1958—this fund to be matched with the various States for the construction of highways. In the original provisions of the bill, we provided that the sum of $25 million would be added to each fiscal year, and this bill provides a $25 million increase for June 30, 1959, and $25 million for June 30, 1960. This will step up highway construction throughout the entire country.

We did increase the money for fiscal year 1960 and 1961 to provide $28,500,000 instead of $27 million for each of these 2 fiscal years. This will assist in the development of our forest roads which are primarily built for getting out Federal timber which is a further aid to our economy.

Other appropriations go to Indian lands and reservations and other public domains and we are also providing for the full acceleration of the Interstate Highway System which contemplates the spending of all moneys collected from excise taxes that are linked to the highway program.

The passage of this legislation will stimulate the economy of our country and I am very happy to recommend its passage.

Mr. FALLON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

FEDERAL-AID HIGHWAYS

SECTION 1. (a) (1) Authorization of appropriations: For the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated the sum of $900 million for the fiscal year ending June 30, 1960; and the sum of $925 million for the fiscal year ending June 30, 1961. The sums herein authorized for each fiscal year shall be available for expenditure as follows:

(A) 45 percent for projects on the Federal-aid primary highway system.

(B) 30 percent for projects on the Federal-aid secondary highway system.

(C) 25 percent for projects on extensions of these systems within urban areas.

(2) Apportionments: The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838).

(b) Availability for expenditure: Any sums apportioned to any State under this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for construction, reconstruction, or improvement of specific projects as provided in this title and prior acts: *Provided further*, That in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon the request of any State, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him: *Provided further*, That such approval shall not be given unless such standards and procedures are in accordance with the objectives set forth in section 1 (b) of the Federal-Aid Highway Act of 1950: *And provided further*, That nothing contained in the foregoing provisos shall be construed to relieve any State of its obligation now provided by law relative to maintenance, nor to relieve the Secretary of Commerce of his obligation with respect to the selection of the secondary system or the location of projects thereon, to make a final inspection after construction of each project, and to require an adequate showing of the estimated and actual cost of construction of each project. Any Federal-aid primary, secondary, or urban funds released by the payment of the final voucher or by modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, or urban, previously apportioned to the State and be immediately available for expenditure.

FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS

SEC. 2. (a) Authorization of appropriations: For the purpose of carrying out the provisions of section 23 of the Federal Highway Act of 1921 (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $30,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961; and (2) for forest development roads and trails the sum of $27,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961: *Provided*, That with respect to any proposed construction or reconstruction of a timber access road, advisory public hearings shall be held at a place convenient or adjacent to the area of construction or reconstruction with notice and reasonable opportunity for interested persons to present their views as to the practicability and feasibility of such construction or reconstruction: *Provided further*, That hereafter funds available for forest highways and forest development roads and trails shall also be available for adjacent vehicular parking areas and for sanitary, water, and fire-control facilities: *And provided further*, That the appropriation herein authorized for forest highways shall be apportioned by the Secretary of Commerce for expenditure in the several States, Alaska, and Puerto Rico in accordance with the provisions of section 3 of the Federal-Aid Highway Act of 1950.

ROADS AND TRAILS IN NATIONAL PARKS, AND SO FORTH

SEC. 3. (a) National parks, and so forth: For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $16,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

(b) Parkways: For the construction, reconstruction, and improvement of parkways, authorized by acts of Congress, on lands to which title is vested in the United States, there is hereby authorized to be appropriated the sum of $16,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

(c) Indian reservations and lands: For the construction, improvement, and mainte-

nance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $12,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961: *Provided*, That the location, type and design of all roads and bridges constructed shall be approved by the Secretary of Commerce before any expenditures are made thereon, and all such construction shall be under the general supervision of the Secretary of Commerce.

PUBLIC LANDS HIGHWAYS

SEC. 4. For the purpose of carrying out the provisions of section 10 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the sum of $2,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

SPECIAL PROVISIONS FOR FEDERAL DOMAIN ROADS, AND SO FORTH

SEC. 5. Any funds authorized herein for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be available for contract upon apportionment, or a date not earlier than 1 year preceding the beginning of the fiscal year for which authorized if no apportionment is required: *Provided*, That any amount remaining unexpended 2 years after the close of the fiscal year for which authorized shall lapse. The Secretary of the Department charged with the administration of such funds is hereby granted authority to incur obligations, approve projects, and enter into contracts under such authorizations, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and such funds shall be deemed to have been expended when so obligated. Any funds heretofore, herein, or hereafter authorized for any fiscal year for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be deemed to have been expended if a sum equal to the total of the sums authorized for such fiscal year and previous fiscal years since and including the fiscal year ending June 30, 1955, shall have been obligated. Any of such funds released by payment of final voucher or modification of project authorization shall be credited to the balance of unobligated authorizations and be immediately available for expenditure.

RELATIONSHIP OF THIS ACT TO OTHER ACTS; EFFECTIVE DATE

SEC. 6. All provisions of the Federal-Aid Road Act approved July 11, 1916, together with all acts amendatory thereof or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed. This act shall take effect on the date of enactment.

SHORT TITLE

SEC. 7. This act may be cited as the "Federal Highway Act of 1958".

With the following committee amendment:

Page 4, line 15, strike out "$27,000,000" and insert "$28,500,000."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLER of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways pursuant to House Resolution 501, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FALLON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 497) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. KERR, Mr. GORE, Mr. MARTIN of Pennsylvania, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 162. Joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

INVESTMENT BY AIR CARRIERS OF PROCEEDS FROM SALE OF CERTAIN EQUIPMENT

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5822, to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HARRIS, ROBERTS, ROGERS of Texas, FRIEDEL, WOLVERTON, O'HARA of Minnesota, and HALE.

RIVERS AND HARBORS AND FLOOD CONTROL ACT

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, with House amendments thereto, insist on the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DAVIS of Tennessee, BLATNIK, JONES of Alabama, MCGREGOR, and MACK of Washington.

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I ask for this time to inquire of the majority leader if he would advise us on the program for next week.

Mr. McCORMACK. I should be very happy to. On Monday, as announced previously, there will be just the Consent Calendar.

On Tuesday there will be the Private Calendar. Then H. R. 8547, a bill out of the Committee on Armed Services, for the disposal of certain uncompleted vessels. Following that, H. R. 8361, a bill relating to the alleged abuse of the writ of habeas corpus.

On Wednesday there will be five suspensions, and I am not saying that necessarily they will be brought up in the order in which I am listing them:

H. R. 9369, to refund certain insurance premiums.

S. 235, a bill relating to the increase of compensation for the widows of employees of the Lighthouse Service.

House Concurrent Resolution 285, relating to the acceleration of civilian construction programs.

House Concurrent Resolution 286, concerning the acceleration of military-construction programs.

H. R. 11378, the Impacted School Districts bill.

Then there is H. R. 8290, the Freedom Monument bill.

I make the usual reservation as to the program, that any changes in the program, including additions, I will announce later, and that conference reports may be brought up at any time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. Will H. R. 11378 and H. R. 8290 come up under suspension as well as the preceding bills?

Mr. McCORMACK. Not H. R. 8290. I thank the gentleman very much for calling that to my attention. That will come up under a rule. That was programed before but not taken up. The list of suspensions ends with the impacted school districts bill.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from California.

Mr. HOLT. Is my understanding correct that the impacted school districts bill is coming up?

Mr. McCORMACK. Under suspension, yes.

Mr. HOLT. There is opposition to that. I do not think it is proper for it to come up under suspension. It is very poorly drawn legislation as it stands now, and works against the Army and Navy in one particular section. I hate to see the House left in that position.

Mr. McCORMACK. I have announced the program, and have programed that bill as one of the suspensions. While I appreciate the observation of the gentleman, the announcement I made stands for the time being, at least. Of course, there may be opposition, but there might not be sufficient opposition to prevent there being a two-thirds majority. One can never tell. Between now and next Wednesday we can look into the situation.

Mr. ARENDS. In view of the fact that we have completed action on these various bills today, do we have anything for tomorrow?

Mr. McCORMACK. No.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SIGNING OF ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECOND ANNUAL UNITED STATES WORLD TRADE FAIR IN NEW YORK CITY

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the second annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to 17, 1958, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment as follows:

Page 2, line 4, strike out all after "commerce" down to and including "City" in line 9.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, as I understand it this is a bill which was passed on the Consent Calendar today when I offered an amendment which was unanimously adopted by the House and now the other body has stricken the amendment out of the resolution?

Mr. MORGAN. That is correct.

Mr. GROSS. The amendment provided that no funds would be used from the Treasury of the United States to transport foreigners or otherwise assist them to attend this fair; is this correct?

Mr. MORGAN. That is correct.

Mr. GROSS. And the gentleman is now asking unanimous consent to pass the resolution despite the fact the other body has stricken the amendment which was adopted in the House?

Mr. MORGAN. That is right, sir.

Mr. GROSS. But, the assurance apparently has been given that no funds will be expended from the Treasury of the United States for that purpose?

Mr. MORGAN. That assurance has been given by the Department of State.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CIVIL AERONAUTICS BOARD INVESTIGATION OF AIRPLANE ACCIDENTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a little more than 1 mile after takeoff a plane bound for Miami, out of LaGuardia, crashed with a loss of 20 lives out of the 101 persons aboard. This commercial airline tragedy took place on February 1, 1957.

The Civil Aeronautics Board, which has been investigating this accident in order to determine its cause, reported its findings on March 10, 1958. Thirteen months is a long time to spend on such a search, when compared with investigations of other plane crashes that occurred in remote areas but were thoroughly probed as to their probable cause within a few months.

Is the Civil Aeronautics Board bogging down in red tape? Are any other influences at work to delay or slant its findings?

The extreme lapse of time in this case impels us to investigate, in turn, the operations of this independent agency to make certain that it is not carrying out its serious responsibilities in a merely routine manner. When human lives are involved we cannot be satisfied with the bureaucratic approach which, at times, goes through the motions in a half-hearted way. We must be sure.

I quote from the report on the Rikers Island crash:

The Board determines that the probable cause of the accident was the failure of the captain to (1) properly observe and interpret his flight instruments, and (2) maintain control of his aircraft.

Why were signs of this human failure not detected in advance, in view of the captain's age, and the fact that even though he had logged 16,630 pilot hours as a plane commander he only had 85 of them with big DC–6 equipment?

Is there adequate inspection of personnel before and not after fatal accidents to eliminate, insofar as possible, every danger of human error?

With plane travel increasing steadily and approaching the saturation point near major eastern airports, we are duty bound to insist on prompt and efficient controls.

It is not my purpose to criticize the personnel of the Civil Aeronautics Board on general terms and without giving them an opportunity to tell their side of the story, because I am aware of the awesome responsibility that they labor under. But I am perturbed by what seems to me the excessive time that was consumed before reporting its findings on the Rikers Island crash.

In the jet-age of plane travel we cannot afford to let the human factors follow a pedestrian course. There is so much that must be learned and applied, as soon as possible, for the maximum protection of plane passengers and crews.

Therefore, I am requesting the House Committee on Interstate and Foreign Commerce to thoroughly explore the standards and procedures of the Civil Aeronautics Board to determine how they may be improved for the protection of the plane-traveling public.

THE TUNA FISHING INDUSTRY

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, I rise today to speak in behalf of the tuna fishing industry of the United States, the largest part of which is concentrated in my District of San Diego.

Most people associate the name San Diego with the Atlas missile and our great aircraft-construction industry. Others associate it with the great Navy and Marine bases located in my District which so profoundly affect the defense of the Free World in the Pacific.

But we are not exclusively devoted to the military arts in San Diego. San Diego is also by far the largest food-fish-producing port in the United States and has been so for a number of years. Last year our vessels landed $28 million worth of fish, of which $26 million was tuna. The San Pedro fleets, next in size in the United States, landed $13,440,000 worth of fish and more than half of it was also tuna. By comparison the third largest food-fishing port in this Nation last year was New Bedford, Mass., whose vessels landed $13,340,000 worth of fish. As a matter of fact, the value of fish landed in 1957 by San Diego vessels came within $4 million of equaling the value of the combined landings at the third, fourth, and fifth most important food-fish ports of the United States, which were New Bedford, Boston, and Gloucester.

You will find that the Government statistics erroneously reverse the top position of San Diego and San Pedro as food-fish ports. They do this because we take nearly half of the fish our San Diego fishermen catch up to Mr. KING's District for canning and the Government liberally gives the credit for our catches to San Pedro.

This is not the only symptom of the Government's liberality toward this Nation's most valuable fishery. For the past 10 years we have been in a constant, steady fight to keep from losing our high-seas fishing grounds to other countries on the one hand, and to keep from losing our markets for tuna in the United States to foreign fishermen on the other hand.

Whatever differences Mr. KING and I may have in other fields of action, and however much we may dispute over whose district contains the most valuable food fishery of the United States, we see eye to eye in fighting to prevent the loss of the most valuable food fishery of the United States—the tuna fishery of the eastern Pacific Ocean. To this end we, together with Congressmen UTT and TOLLEFSON, have introduced the Tuna Import Act of 1958 in this House, and Senators KUCHEL and MAGNUSON have jointly introduced similar legislation on the Senate side.

The purpose of this act is to stabilize, not cut back, tuna imports at their present level. It will not keep tuna imports from increasing. It will keep them from increasing faster than the canned tuna market in the United States grows. It will assure American fishermen their fair share of the future market increases.

There is no tariff or quota protection on frozen tuna. Frozen tuna is one of a very few important items on the free list of imports into the United States, since this free list is mainly composed of items not produced in this country.

The reason for this act is to keep the tuna fishing industry from disappearing. In 1950 tuna boats brought $42 million worth of new wealth into San Diego alone; in 1957 they brought in less than $26 million worth of tuna. In 1952 we had 214 tuna clippers fishing out of San Diego; in 1957 there were 150; and at this time there are 139. The same thing has been going on in San Pedro where there were 120 purse seiners fishing for tuna in 1950, 60 in 1957, and 45 this year. The same thing has been going on with the big fleet of little albacore tuna vessels. There were about 3,000 of these out fishing from all of the west-coast ports in 1952, and last year there were less than 1,000.

The sales of canned tuna in the United States has increased by 50 percent since 1950. But in this same time tuna production by all domestic vessels has declined 25 percent, tuna prices to the fishermen have gone down 18 percent despite steadily increasing costs of supplies for fishing, and employment in the tuna fisheries has dropped by 25 percent.

But imports of frozen tuna in this same length of time have jumped by over 160 percent.

What this means to San Diego has been the loss of $16 million of new wealth from the sea each year. Virtually all of this was spent by the boats and the fishermen in San Diego. This new wealth affected virtually every part of the economy of San Diego, thus the impact of it was multiplied many times over.

At a time when the city and county governments of San Diego are using every device to attract new industries to San Diego to care for our burgeoning population, we are rapidly losing our third largest industry. While the city works actively to build up the port of San Diego to its proper position as a principal port of the United States, the industry, which together with the Navy, has built up, developed, and supported the port is slipping down the drain.

What this means to the United States is much more important than what it means to San Diego and San Pedro.

Tuesday I sent to each of you a can of each of the three top brands of tuna sold in the United States. They are familiar to you because there is not a Congressional District in the United States where all three are not regularly sold, and in which one or more of your constituents does not make a living selling it, or producing the machinery which goes into the vessels and canneries producing it. I will guarantee that there is not one of your households in which one of these brands of tuna is not regularly served no matter what remote corner of the United States you represent.

With these cans went a handwritten note from our Tuna Fishermen Wives Emergency Committee asking for your help in passing the Tuna Import Act of 1958 so that their husbands can continue supporting their families through work at which they are skilled.

These cans were empty and already I have had numerous complaints about cheap Californians sending out free samples of nothing.

Today we were happy to send you three cans and another note from the wives. These cans were full. If you visited the House restaurant today you and your guests were served delicious and nutritious tuna salad with our compliments. I hope you enjoyed our California tuna—and will continue to enjoy it.

The purpose of this maneuver has been to dramatize the importance of tuna in our national diet. Last year 720 million cans of tuna were sold in the United States. This is nearly 5 cans for each man, woman, and child in the country. This is the most rapidly increasing protein food market in the country. It has doubled on the average of every 8 years for the past 40 years since we began it. It is now a staple American food, and its market is still gaining at the same old rate. It is cheap and it is good.

At a time when nearly all nations in the world are looking more and more to the sea for protein food sources with which to feed their rapidly growing population and staking out exclusive rights to areas of the high seas in order to provide for their future populations, the United States is retreating from the sea and the United States Government by its inflexible trade policy is driving its fishermen out of the high-seas fisheries they have already developed instead of encouraging them to develop further the riches of the sea.

Already the New England high-seas fisheries are nearly a thing of the past. The Grand Banks, Labrador, and Nova Scotian Banks fisheries seldom see the American flag any more. Those markets have been given to foreigners and the United States has forced its fishermen to abandon those resources to Canada and the European countries. Russia is in the process of building 700 large new high-seas trawlers, and part of them are scheduled to operate on the Grand Banks.

The same thing is now transpiring in the tuna fisheries of the Pacific. Economic circumstances in this American market caused by imports of foreign-produced tuna are steadily driving American fishermen out of their own market and driving the American flag off the high seas.

The Russians here also are being farsighted. They began their Pacific tuna fisheries in 1956 and expanded them in 1957. They now have a number of long-range tuna clippers under construction for them in Japanese yards. Even the Japanese are worried about this threat of competition on the fishing grounds.

This progressive destruction of the high-seas fisheries of the United States through slavish, inflexible, and intemperate conformity to an outworn trade policy seem to me to be one of the most foolish things we are doing.

That trade policy was originated by a southern cotton exporter and the policy is already doing so much harm to the South that no section of the country is clamoring more for its change. Its continuance is highly touted by the automobile workers and steelworkers who have tariff protection already, but now those are the very sections of the economy which are screaming about unemployment and which are beginning to worry about rapidly growing imports.

Quite aside from the stupidity of throwing away access to large sources of protein food just as that commodity is growing scarcer in the world, one must consider the effects of this on the military potential of the country.

Our attention is now so focused on intercontinental missiles, satellites, and space travel that we lose sight of the fact that we still live and fight on the earth, that more than three-fourths of the world is ocean, and that it is the ocean which unites the nations of the Free World into a militarily defensible unit. When we lose control of the sea we have lost control of our present and future.

The Navy at peace concentrates on building fine new fleets of ultramodern ships to maintain the peace, as it should; the Navy at war seizes everything that floats and puts it to sea, for there are never enough units in the peacetime fleet to command the immense stretches of the ocean in time of war.

We forget these things. But at the beginning of the Pacific War the United States Navy commandeered San Diego tuna vessels from the southern fishing grounds, brought them into Panama for fueling, and ordered them directly to the South Pacific theater for war. In some cases it was a matter of months after arriving in the war theater before the crew and the vessel were properly enlisted into the Navy. During the course of the war there was no tuna vessel which did not serve a hitch in the Navy, either for temporary patrol duty or for the duration. Several were lost to enemy gun fire. The Navy liked this class of vessel so much then that it built nearly 50 for its own use besides the ones it took from the fleet.

In 1952, there were 214 of these magnificent long range vessels being maintained in instant readiness with fully trained crews at no cost to the Government. In fact, they were generating more than $10 million a year in new Federal taxes. The larger half of the fleet had a fuel capacity and range of 8,000 miles which it needed in its fishery. A number of the larger ones could travel 10,000 miles without touching port. The ability to carry 200 to 500 tons of frozen food these distances made them ideal supply vessels for advanced bases or fleet units. Then the Navy loved them.

Now, we must sacrifice them to the altar of free trade so that we can give away agricultural surpluses to people who should grow their own and sell high priced automobiles abroad to people in foreign countries who should be paying that money in taxes to feed their own hungry people and help support the defense effort of the Free World. As a consequence we have only 139 of these vessels still active in the fleet and their number is shrinking rapidly through sales to foreign fisheries and through sinkings that are not replaced because the boats do not make a profit any longer.

The Chairman of the United States Tariff Commission, Dr. Brossard, has testified to the House Committee on Ways and Means in late February that there is an urgent crisis in the tuna fishery, that there is no way in which his Commission can remedy the situation under the Reciprocal Trade Agreement Act or that the problem can be remedied under present law, and that the only way in which the problem can be solved is by specific legislation covering all forms of tuna. That is the reason why Congressmen KING, UTT, TOLLEFSON and I introduced the Tuna Act of 1958.

However, the Ways and Means Committee is so clogged with trade problems and legislation growing out of them that to date we have not even been able to get a hearing date set for the "Tuna Act of 1958."

We have used this means of calling this urgent problem to your attention. We know something has to be done by this Congress to save the remainder of this tunafishing industry.

We know that this is important to San Diego and San Pedro.

We think that it is equally important to the welfare of the United States in general, insofar as it protects access to these food resources of the high seas, keeps the American flag on the high seas, and keeps in readiness a valuable auxiliary fleet for the Navy.

We hope that we have your support and help.

CADETS IN AVIATION

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter from Miss Theresa Marie Brown.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, Miss Theresa Marie Brown, 1500 Green Berry Road, Jefferson City, Mo., was chosen by the Missouri Civil Air Patrol as outstanding cadet. She delivered her speech on the subject Opportunities of Cadets in Aviation and in Civil Air Patrol before a board at national headquarters. She was awarded the honor of being selected as the outstanding cadet of the Nation and was selected to deliver her speech at the national convention, reception, and dinner for Members of the United States Congress, which was held at the Statler Hotel, last week, March 6, 1958.

We in Missouri are proud of Miss Theresa Brown, especially so when we heard her inspiring speech which she delivered so eloquently before a great crowd of distinguished citizens and Members of Congress.

The speech follows:

OPPORTUNITY FOR YOUTH IN AMERICA

According to radio, television, newspapers, almost any means of communication, one of the most heard and discussed items is the threat of juvenile delinquency to our present-day society. It seems that youth is handed a stigma upon coming into these crucial teen years and is left with this mark until these vital years are left behind. Many citizens are under the impression that teendom is on the decline and shake their heads sadly when trying to invision the present generation come to a voting age, or come even sooner, to the required age for pledging their lives in defense of this Nation.

Yes, the truth is, 5 percent of our young people are delinquent and a portion of that guilt falls on the individual in question, but the remaining guilt is spread across the whole country and the verdict, guilty, touches every member of the rock and roll set.

This time of youth and vigorous life should be our best years. As an adolescent, the mind is more alert, all faculties of the body are eager for advancement, always on the lookout for new and different adventures. But as any potential energy, it must be harnessed, then, under the watchful eye of the more experienced adult, these resources become something vital and rewarding to those around us, but most important, to ourselves.

Another of our present day's greatest concerns, seemingly unrelated to the problem before, is that of aerial advancements. At present America is striving to the utmost in order that it might keep abreast with other powerful nations. The cry is constantly growing for new minds in this field of aviation, and where must our leaders look? Toward the youth of the United States.

So you see the two problems I have related do touch upon each other and each can find its solution in the other. Special classes in the science fields have been established in the secondary schools throughout our Nation. Many organizations have sprung up with the primary purpose of putting every spare moment of youth to a beneficial use. Civil Air Patrol, through its cadet program, has combined both the activities for idle hands and the introduction to the aviation field for inquisitive minds. Each cadet is required to pass many phases of instructions which deal in aircraft, its maintenance and planning, as well as military courtesy.

The cadet program has given boys and girls throughout America a bird's-eye view of the United States Air Force and its remarkable operations especially through the summer encampments held at bases throughout the country.

As a cadet in the Civil Air Patrol, extensive training in first aid, ground rescue, radio, observation, and many other fields is offered. Opportunities for Nation and even worldwide travel are awarded outstanding cadets. The senior officers are also careful not to neglect the spiritual developments of their charges, one of the basic requirements is the character guidance lecture.

Yes, the Civil Air Patrol cadet program has contributed much to the American youth and for the reasons stated before and all the many others, I am proud to say that I am a cadet in the Civil Air Patrol of America.

ADEQUATE EDUCATION FOR YOUTH

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRAMER. Mr. Speaker, I have today introduced three bills that I believe will go far to make sure that the Federal Government accepts its tremendous responsibility in encouraging the adequate education of our youth—particularly in competition with Russia. These bills also include teacher training provisions to help make up our deficit in adequate trained teachers.

The first bill will permit a tax credit, a dollar-for-dollar credit against taxes due the Government, of 30 percent of the cost of education of a student in college by the parent or the student himself up to a maximum yearly credit of $400.

My second bill proposes the same amount of direct credits against taxes for those in teacher training to better their scholastic ability particularly in the field of the sciences.

The third proposal that I have made provides for a self-liquidating scholarship loan program financed from a revolving fund. Under terms of the bill, a minimum of 25,000 students would be covered in the first year, and at least 100,000 could receive benefits by the fourth year. A total of $250 million would be set up in the revolving loan fund over a 4-year period. The loans would be administered by the States and this important feature should assure that there would be no interference with State and local control of education. The cost of administering this program would be negligible and the repayment of the loans by the students over a 15-year period bearing interest at a rate of 1 percent more than the Government pays for its obligations assures a sound program benefiting all. No student would be allowed more than $1,000 per school year for 4 years.

The program presented in these three bills, I believe off,ers assistance where it is most needed and presents a well-rounded program that recognizes the need for more well-trained teachers, for a larger number of students in colleges who might not otherwise be able to attend if scholarships were not available, and the tax-relief provision for parents would provide greater incentive to finance education.

This program also has the advantage of completely avoiding the risk of any Federal control whatsoever over the educational system of our country, which I firmly believe, must be retained on the local level. It has the further advantage of requiring a minimum of actual Federal expenditure while fully recognizing the need at this time for Federal encouragement in helping the local communities meet this problem. It makes sure that our students, as future skilled citizens, will be able to compete with the Russians and meet any challenge that may be thrown down.

ONE HUNDRED AND TENTH ANNIVERSARY OF HUNGARIAN INDEPENDENCE

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. BENTLEY] is recognized for 10 minutes.

Mr. BENTLEY. Mr. Speaker, I desire to call the attention of the House that Saturday, March 15, marks the 110th anniversary of Hungarian independence, dating from the uprising against Austria-Hungary in 1848. In paying homage to the history of Hungary's unsuccessful but brilliant fight for freedom on that occasion, we have of course to recall events of a more recent time when Hungarian patriots once again showed themselves ready to fight and die for the cause of liberty and independence.

No people presently under Communist domination have shown themselves more ready to sacrifice everything on liberty's altar and no people have made more grim and bloody sacrifices than the people of present-day Hungary. I am certain that many other tributes will be made to Hungary and to the Hungarian people on this occasion. So I will at this time speak briefly on the attitude of our own Government not only toward captive Hungary but to all the other captive peoples of Eastern Europe now behind the Iron Curtain. An emphasis on this official position of our Government is particularly important in view of the present talks regarding a possible summit conference and the hopes and fears of the captive peoples and their friends in such a connection. Concerning the vicious and baseless rumor that this Government might be willing to accept the status quo in Eastern Europe in return for other concessions or even for the sake of a summit agreement, I wish to quote from a letter dated March 11, 1958, and which I have received from Assistant Secretary William B. Macomber, Jr., of the Department of State:

> The United States continues, as in the past, to support the just aspirations of the peoples of the Soviet-dominated nations of Eastern Europe to live in liberty under independent, freely elected governments. Our interest in the area is soundly based not only on the humane sympathies of the American people for those who have been deprived of their freedom, on our firm belief in democratic principles, and on solemn international undertakings, but also on the fundamental conviction that the subjugated status of these nations is a major cause of international tension and a constant threat to the peace of the world.

To further set forth, Mr. Speaker, the policy of the United States toward the Soviet-dominated countries of Eastern Europe, I would remind the House that, speaking before the Associated Press annual luncheon in New York City on April 22, 1957, Secretary Dulles defined our policy toward the captive nations of Eastern Europe in the following terms:

> We seek the liberation of the captive nations. We seek this, however, not in order to encircle Russia with hostile forces, but because peace is in jeopardy and freedom a word of mockery until the divided nations are reunited and the captive nations are set free.
>
> We revere and honor those who as martyrs gave their blood for freedom. But we do not ourselves incite violent revolt. Rather we encourage an evolution to freedom.

Earlier, on October 27, 1956, in Dallas, the Secretary had said the following concerning the motivation of the United States in pursuing this policy:

> And let me make this clear, beyond a possibility of doubt: the United States has no ulterior purpose in desiring the independence of the satellite countries. Our unadulterated wish is that these peoples, from whom so much of our own national life derives, should have sovereignty restored to them, and that they should have governments of their own free choosing. We do not look upon these nations as potential military allies. We see them as friends and as part of a new and friendly and no longer divided Europe. We are confident that their independence, if promptly accorded, will contribute immensely to stabilize peace throughout all of Europe, West and East.

In his second inaugural address President Eisenhower underscored this same thought in this manner:

> We honor the aspirations of those nations which, now captive, long for freedom. We seek neither their military alliance nor any artificial imitation of our society.

The struggles for increased national independence which have occurred in Poland and Hungary have posed special challenges to the flexibility of United States policy. From the beginning of these struggles the willingness of the United States to offer economic assistance without political ties to nations sincerely striving for independence was made clear. Again in his Dallas speech, Secretary Dulles said:

> The captive peoples * * * must know that they can draw upon our abundance to tide them over the period of economic adjustment which is inevitable as they rededicate their productive efforts to the service of their own people * * * Nor do we condition economic ties between us upon the adoption by these countries of any particular form of society.

Subsequently substantial economic assistance has been made available to the Polish Government in order to assist it in maintaining the degree of independence which it has achieved from the Soviet Union. In Hungary the brutal suppression of the spontaneous national uprising and the forcible imposition of a regime entirely subservient to the Soviet Union has made such a course impossible. Instead the United States has endeavored to extend relief to the Hungarian people, to find new homes both here and abroad for the thousands of Hungarian refugees who fled Hungary in the wake of the revolution, and to obtain some amelioration of the situation in Hungary by bringing to bear the force of world public opinion particularly as this is reflected in the United Nations.

In his letter of January 12, 1958, to Mr. Bulganin, President Eisenhower, pointing specifically to the example of Hungary, again raised the question of the Soviet dominated states of Eastern Europe and reiterated the United States belief that conditions there are regarded throughout the world as much more than a matter of purely domestic policy. As was stated in the United States subsequent aide-memoire of March 6, 1958, to the Soviet Union:

> Major causes of tension * * * are the enforced partition of Germany and external interference in countries of Eastern Europe which result in a denial to the peoples of

their right freely to choose their own government. The United States does not * * * seek interference in the internal affairs of other nations but rather the elimination of such interference.

Thus, we see, Mr. Speaker, that the evidence is crystal clear that the unhappy peoples of the captive nations can take heart in the knowledge and the certainty that this Government will never consent nor be a party to any international agreement that would confirm and make permanent their present status as slaves of Soviet communism. In paying tribute to the brave people of Hungary on this anniversary of their independence, I express the hope and belief, shared by millions of my fellow citizens, that the Hungarian people's heroic battle for freedom was not useless, that her noble dead did not die in vain and that one day freedom and independence will return to Hungary and to all her captive sister nations behind the Iron Curtain.

INVESTIGATION OF THE FEDERAL RESERVE SYSTEM IS URGENTLY NEEDED

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 30 minutes.

Mr. MULTER. Mr. Speaker, on July 7, 1955, I introduced a resolution calling for the Committee on Banking and Currency to conduct thorough studies and investigations relating to matters coming within the jurisdiction of that committee, with particular reference to, among other things, the exercise of the authority of the Board of Governors of the Federal Reserve System. On January 3, 1957, I introduced House Resolution 49, which calls for a similar investigation by the House Banking and Currency Committee. On the same day I introduced House Resolution 53, calling for a study and investigation by the same committee to determine whether or not the various Federal agencies, including the Federal Reserve Board, were carrying out the intent of the Congress and are operating effectively and whether such operations can be improved.

The House Banking and Currency Committee is specifically charged, under the Legislative Reorganization Act of 1946, with the responsibility of constant and continuous watchfulness over the Federal Reserve Board and the Federal Reserve banks. A study is long past due of the operation of the Federal Reserve System. No committee of the Congress has made such a study or investigation since the enactment of the Federal Reserve Act. It is regrettable that my efforts and the efforts of other Members of Congress to have such a study made have been thus far unsuccessful.

Recent events make it mandatory that the Congress order such a study without further delay. The news of possible leaks or advance reports as to proposed action of Federal Reserve banks is, to say the least, shocking.

If I were the Chairman of the Federal Reserve Board or one of its members, and such stories got into circulation, I would be among the first to go to the Congress and urge that the Congress order such an investigation and tell the true facts to the public.

It has been reported that the reduction in the Federal Reserve discount rate made last Thursday was leaked to privileged persons. The evidence for this contention is feverish activity in the bond market prior to the announcement. The sale of bonds last week was 25 percent higher than it was the previous week and 20 percent higher than in the same week of last year. Reports of the proposed reduction in the discount rate circulated in financial circles in advance of announcement of the Federal Reserve Board's decision. Speculators in the know could have realized profits of 13¾ percent over a 2-day period.

We do not know the basis of these advance reports. They were based either on good guesses or on leaks. Congress and the public have the right to know which it was.

It taxes one's credulity to suggest that so much of the exact facts could be forecast by any analyst, financial or otherwise. Nevertheless, I am willing to withhold judgment until the facts are adduced under oath. The Congress cannot do its duty either by itself or by our country unless we insist that all the facts be revealed, and that at once.

Let me point out that this is not the first time this has happened. I previously pointed out that this same pattern occurred in November 1957, just prior to the reduction in the discount rate that month.

On March 10, 1958, I sent the following letter to the Honorable BRENT SPENCE, chairman of the House Committee on Banking and Currency:

MARCH 10, 1958.

HON. BRENT SPENCE,
Chairman, Banking and Currency Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: In November 1957, immediately prior to the announcement by the Federal Reserve Board of the cut in the discount rate, the New York bond market became exceedingly active, to the extent that the talk in financial circles was that the proposed action by the Federal Reserve Board had been leaked to a favored few.

Knowing that the Federal Reserve Board received daily reports from the securities dealers, of their purchases, and sales of bonds, I requested Mr. Martin, Chairman of the Federal Reserve Board, to submit that information to me for use before the House Banking and Currency Committee.

Mr. Martin refused that information on the ground that it was confidential. I again requested Mr. Martin to submit the information, limiting the request, however, to its use by the House Banking and Currency Committee, so as to preserve the alleged confidentiality. Again my request was refused.

Last week we had a repetition of the November incident, with most people in financial circles talking about the proposed new cut in the discount rate, only this time they appeared to know all the details, the precise percentage of the cut, when it would be announced, and for what Federal Reserve banks.

Again the advance notice caused feverish activity in the bond market. Last week the sale of bonds was 25 percent higher than it had been the previous week and 20 percent higher than it had been in the same week a year ago.

To say the least, the implications leave the Federal Reserve Board under a cloud.

As you know, the Rules of the House require our committee to exercise continuous watchfulness over the Federal Reserve Board and the Federal Reserve banks.

Under the circumstances, I believe it is essential that you at once request the members of the Federal Reserve Board, presidents of the Federal Reserve banks concerned, and the securities dealers to attend before our committee in an executive session so that we may inquire into and find out whether there were any leaks, and, if so, to determine what we can do legislatively to prevent such leaks occurring again.

Such action becomes the more important while our committee is still considering the Financial Institutions Act, S. 1451 and H. R. 7026.

I believe this matter is so important and so urgent that the House Banking and Currency Committee should order such hearings. I accordingly will offer a motion to that effect at the next executive session of the committee.

Sincerely yours,

ABRAHAM J. MULTER.

The House Banking and Currency Committee went into executive session at about 10:30 a. m. on March 11, 1958. Before the meeting convened, the press carried stories to the effect that Chairman SPENCE had announced that there would be no investigation of the Federal Reserve Board with reference to this matter.

I presented my motion to the Banking and Currency Committee, of which I have the honor of being a member. Unfortunately the chairman ruled it out of order.

The basis alleged for the point of order was that the executive session for the committee had been called to consider S. 1451, the Financial Institutions Act of 1957. S. 1451 contains eight titles. Title II is "The Federal Reserve Act." Mind you, not a part of the Federal Reserve Act, but all of the Federal Reserve Act. Seventy-five pages of this 252-page bill are devoted solely to the Federal Reserve Act.

One might ask why were not the members of the Federal Reserve Board queried about these matters during the public hearings. The answer is found in the records of the House Banking and Currency Committee.

At no time, despite the request of members of the committee to have them attend, were any of the members of the Federal Reserve Board or of the Open Market Committee invited to attend nor did they attend, with the exception of Chairman Martin and Governor Robertson. The last appearance of anybody on behalf of the Federal Reserve Board was on August 6, 1937. Despite the statement by Chairman Martin that he and the members of his Board would respond to an invitation from the committee to attend and further testify, the chairman of the committee summarily dismissed them, before members of the committee had an opportunity to interrogate even those two members of the Board fully with reference to this bill.

At page 576 of the printed record of the hearings as they were concluded at 12:03 p. m., on Wednesday, August 7, 1957, appears my statement, as follows:

I want the record to show that at the next executive session of this committee I will

raise a protest against any of the witnesses being dismissed until all members have had a full opportunity to question them about every part of this proposed statute.

Throughout the public hearings and at the executive sessions of the committee, other members joined with me in requesting the right to further interrogate Chairman Martin and to interrogate other members of the Federal Reserve Board, including members of the Open Market Committee. These requests have all been refused by the chairman of the committee and points of order directed against such conduct by the chairman were overruled by him.

I am sorry to find it necessary to come to the floor of the House to call for this inquiry. However, it is the responsibility of the Congress to find out how these situations occur and to take corrective action.

Obviously, the House Banking and Currency Committee intends to take no action with reference to this matter. The responsibility is still that of the whole Congress. Such an investigation must be ordered and, if not undertaken by the House Banking and Currency Committee, it must be ordered by the Congress to be done by a select committee.

Such select committee should be charged with the responsibility of investigating the operation of the Federal Reserve System and the laws relating thereto, its Board of Governors, its banks, and its Open Market Committee, with a view to determining whether their operations carry out the intent of Congress and are in the public interest and with a view to recommending legislation so that these agencies will operate in the greater public interest.

I hope the House will act favorably and promptly on such a resolution.

Mr. BETTS. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. BETTS. I am aware of the press release as carried in the newspapers recently, but I think that was issued by the gentleman from Texas [Mr. PATMAN]. I wonder if the gentleman can state whether in the same period of time there were any other press releases than the one given out by the gentleman from Texas?

Mr. MULTER. I do not know anything about a press release by the gentleman from Texas, but it is a strange coincidence that I was in New York and he was in Chicago on the day the newspapers carried these stories and both of us without any collaboration had the same reaction. I issued no press release. I did answer questions put to me orally by the press and I believe, in the main, I was quoted accurately. In the financial circles of Chicago, as well as in the financial circles of New York, everybody had been familiar for 2 days in advance of the announcement by the Federal Reserve Board, with the details of its decision. Everybody was talking about it, having all of the details and not only knowing, as they did in November, that there was going to be a cut, but they knew the date the cut was going to be announced, they knew that the cut would be one-half percent, and they knew it was going to be by the Federal Reserve Bank of New York. Those things do not happen accidentally, they do not happen as a result of guessing. Somebody knew of the action and all of the financial columnists were writing and talking about it. Does that answer the question?

Mr. BETTS. The gentleman has answered the question, but it seems to me if there was so much talk about it, there would have been more than one newspaper article on the subject. That is the only statement I care to make.

Mr. MULTER. The fact of the matter is that many papers carried the story. The gentleman from Texas, I am sure, got his information the same as I did from people in financial circles and from financial writers. It is just too shocking to think that a thing like this could happen. The same thing happened in England not long ago. They immediately instituted and completed a full inquiry. The result was that they found no wrongdoing there. Until we do the same thing here, the presumption is that there was something wrong. If the Federal Reserve Board did not leak this and no privileged person got this information, we owe it to them and they owe it to us to lay the facts before a Congressional committee and let them be cleared of any wrongdoing. But, if they do not ask for it or the Congress does not do it, they are condemned in the eyes of the financial world of taking care of the privileged few in utter disregard of the rest of the American citizens and the American taxpayers.

THE CURRENT ECONOMIC SITUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all who participate in this debate be granted the same privilege.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I had a special order yesterday to discuss some of the economic aspects of our society at this time, and the action of the 85th Congress in regard to that matter, and I had prepared these remarks a day or so before.

However, on Tuesday, March 11, there was a colloquy that appears in the RECORD at page 4039, in which the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader, the gentleman from Arkansas, the chairman of the Committee on Ways and Means [Mr. MILLS], and the gentleman from Oklahoma [Mr. ALBERT], the majority whip, took part, which has pertinency to the remarks that I am going to make.

Inasmuch as I was going to be critical of these particular remarks and otherwise, I notified the majority leader that I was going to take the floor so that he would have the opportunity of being here, and I am very happy he is here and that he has taken 25 minutes after I have finished my remarks.

The discussion that appears in the RECORD of March 11, 1958, is in regard to Democratic proposals for additional unemployment-benefit payments. I will have something to say about that later. I think, incidentally, it is very appropriate that we should be looking into this matter. I think it is something that the Congress could well have been looking into before. But I am not concerned with that specific thing; I am concerned with the statement that the gentleman from Massachusetts, the majority leader of the Democratic Party in the House, made, and that is important in this discussion. His concluding remarks were:

> It is interesting to note that every time the Republicans are in control of the Government somehow or at some time during the time that they are in control, the country suffers from a decline in business—and there is bad business or poor business—with resultant unemployment of our people.

Now, I have taken the floor, I might state, and I have taken the platform publicly many times to defend, if you please, the Democratic Party from accusations that have been made by people in my own party that they are the war party, because by the same logic that the gentlemen from Massachusetts is using here, every time the Democratic Party has been in control of the Government we have had a war.

I do not think that logic is good in the case of the Democratic Party nor do I think that logic is good as far as the Republican Party is concerned. Further, I may say this—and this is the responsible leader of the Democratic Party making these charges. All I can say is, if you are going to follow that logic, then accept without squealing the same shoe that is put on your foot when it comes to the question whether or not the Democratic Party is a war party. Again I say I do not believe that the Democratic Party is a war party.

However, I want to go on and point to another statement made by the majority whip, immediately preceding this one:

> I would like to add further that our great Speaker and our great leader were here when the magnificent program of the Roosevelt administration and the Democratic Congresses of the 1930's brought us out of a deep depression over 20 years ago.

The record, unfortunately, does not substantiate that statement. It ignores the history and the economic facts of the 1939–40 recession when there were 10 million unemployed. And, as a matter of fact, the depression of the 1930's was not solved in that fashion. It was very important that we bear that in mind because right now there is a program being promoted, that a vast new public works program can dig us out of this present economic situation. The economics behind the situation and the logic just are not so. If people continue to make political charges of this nature based upon economic ignorance, we certainly are not going to help ourselves in meeting the present recession. Actually what did solve the recession of 1939 and 1940 and even 1941, if it was solved at all, was World War II. One of the most dangerous things a person can think is that

war can solve a recession or that war can solve a depression. Yes, it can—yes, it can. It is one way you can solve the farm problem immediately. But I do not think there is any American who wants to pursue that course. I think what we are all trying to obtain is prosperity in a peacetime economy.

Senator FLANDERS and myself expressed regret in our supplemental views to the Joint Economic Committee's report on the President's 1958 Economic Report that the committee had not undertaken to define in economic terms what the 1957–58 recession amounted to.

The need for an objective appraisal of the economic phenomena we are presently witnessing becomes more apparent every day. Democrat leaders are issuing statements and making speeches trying to relate the present recession to the great depression of the 1930's without any basis, in fact. Their failure to objectively appraise the present economic decline is reflected in inaccurate and harmful statements.

I wonder just what the purpose of the Democratic Party leaders is? Is it to talk big so that the inaction of the Congress which they control is not noticed? They know that psychology plays a great part in economic matters and that it is possible to aggravate an economic decline through spreading undue pessimism. Do they think they will gain politically if there is severe unemployment at the time of the fall election of 1958? Are they deliberately having the Congress which they control do nothing in order to bring this about?

There may be some individual Democrat leaders who would do this but I don't believe the more responsible ones would.

However, I wish the Democrat leadership would clarify its objective. Why talk and do nothing? The game being played is dangerous both politically and economically. Whatever the motives, our economy can be effectively damaged by such tactics. The unemployment situation can be aggravated. Our defense can be hurt.

It seems that those who for political reasons want the recession to continue have joined hands with those who want it for economic reasons. Both are extremists though at opposite extremes. The Republican leadership has disassociated itself with the shakedowners, privately and publicly. Now let the Democrat leadership disassociate itself with the depressionists privately and publicly.

There is one way to move ahead. Bring out into the open objectively just what the present recession amounts to. Having evaluated it, as best we can, there is plenty of room to choose up sides politically as to what can and should be done by the Federal Government; and, equally important, what should not be done by the Federal Government.

Let us start by defining our terms. Senator FLANDERS and I pointed out in our short supplemental views that the economic phenomena we are experiencing is a recession, but that because the term "recession" had been used improperly by political leaders and political writers the element of mildness which distinguishes a recession from a depression had been lost to the public.

One way to destroy an English word, of course, is to misuse it. The Democrat leaders used the word recession in referring to the economic phenomena of 1954–55, but what they were describing was a depression. It is no wonder that the public, unfamiliar with technical terms soon began to think that the word recession meant a depression. Then some unbiased economists began avoiding using the word "recession" because it had lost its proper meaning. The Democrat politicians then compounded their semantic felony by charging the Republicans with avoiding the word "recession" in order to conceal a depression from the public.

So let us start off fresh. The economic phenomena we are going through is a recession. So was the 1954–55 economic decline a recession. So was the 1949–50 economic decline a recession. No two recessions are identical but there are certain similarities about them and their very differences can give us clues as to their nature. All recessions have weaknesses, of course, but so do they have strengths. A constant play on the weaknesses without a reference to the strengths is a distortion. It is this distortion which the leadership of the Democrat Party is guilty of.

On the other hand a constant emphasis on the strengths in a recession and a playing down of the weaknesses is a distortion the other way. A charge that the administration has been guilty of such a distortion is certainly a proper subject for review.

In the present instance, an examination of the statements made by the President and his Council of Economic Advisers, and other officials in the administration show them to be well balanced. Certain strong points in the economy and certain weak points have been pointed out.

The Joint Economic Committee, composed of 8 Democrats—4 Senators and 4 House Members, 6 Republicans—3 Senators and 3 House Members, stated in its 1958 report that the President's Economic Report properly described the economic phenomena of 1957–58. Now, let the Democratic Party leadership not discredit itself by contradicting its own party leaders assigned to the task of appraising the economic picture.

The economists have stated almost without exception that we are undergoing a recession. The dispute is not over the mildness of the economic decline but rather when the decline will end—in June or will it drag out until 1959. Many economists in order to give some meaningful appraisal of the extent of the decline have stated that it is more pronounced than that of 1954 but less pronounced than that of 1949. This is significant. Essentially it should make us realize that the economy itself will adjust and that, at most, governmental action should be geared to assisting rather than hampering this adjustment.

What Democrat leader, including Adlai Stevenson, will talk this sort of sense to the American people? Indeed, have not the Democrats rather been talking nonsense to scare the people into believing that another great depression is just around the corner? In 1954 the Democrats kept saying in effect, "the depression is just around the corner." They found this theme very successful in the elections, although their promised depression did not come about. So now they are trying it again, hinting, suggesting, sometimes openly stating a depression is just around the corner.

It seems to me the Democrat leaders are playing a very hazardous game in staking their political fortunes on serious unemployment in the fall of 1958. First, they may be wrong. Second, the people have not fully forgotten their campaign of 1954 based upon unemployment and fear of greater unemployment. There was no great unemployment, no depression, but rather unparalleled prosperity in 1955, and 1956, and into 1957. If they are wrong again and a depression is not around the corner the Democrat Party may become known with some truth as the party that plays politics with the jobs of our people.

I would like to move on to the more positive aspects of this problem. Getting the problem out in the open is not for the purpose of casting political blame or taking political credit, it is to see what can be done about it.

There are many things that we can do about it. Many things have already been done. There are many things that we ought to stop doing and many other things that have been proposed we should not do.

I have suggested the first thing that must be done. Let us try to appraise the phenomena objectively. Psychology plays a great part in economics. Undue pessimism can cause trouble. So can undue optimism. So let us lay off the scare talk and take off any rose colored glasses.

The second suggestion I have to make is to get rid of governmental uncertainty. Uncertainty of Government action can be worse than no action at all. It is very important that whatever action the Government takes, take it and stop talking about the possibilities of doing it. Wrong action is sometimes better if corrected promptly than uncertainty. The time is now, the place is here in the Congress.

This is particularly true about revisions of our tax laws or a reduction in our tax take. Business and consumers will wait to do things if they think in a few months the tax effects on their action will be altered.

Last year the Ways and Means Committee sent over to the Senate the Forand bill along with some others to amend the excise taxes. The fact that these bills are sitting over in the Senate Finance Committee is holding up many business and consumer decisions. It is creating economic damage just through uncertainty. I will mention two provisions to illustrate the point. It ties in directly with the creation of jobs for more people. First, one bill reduces the 20 percent tax on cabarets. This reduction was put in to assist the unemployment situation in the entertainment professions. There is no question that it

would be of great help in creating jobs. Second, the bill eliminates the tax on capital assessments in club dues. Neighborhood swimming groups, labor union clubs, hunting and fishing clubs, and so forth, all have held up their plans to make capital improvements pending the elimination of this harsh and deterrent nonrevenue producing feature of our excise tax laws. Millions of dollars of new construction would start immediately upon the passage of this one feature in the bill. This would create new jobs.

The same uncertainty is created by having the Mills bill, designed to eliminate unanticipated hardships and benefits in the income-tax code, hanging fire in the Senate. It would almost be better if no bill at all existed, then business and personal decisions would be made upon what the tax laws now are. Instead, there is hope that the tax laws will be changed and so plans are held up.

There is little sense to the pleas to have tax reduction when the Congress fails to act in two important areas when the details of tax reform have already been spelled out. Let us act on what we have studied and prepared. The inaction creates economic uncertainty. Getting these two bills enacted into law, as soon as possible, will do more to encourage people about the position of the Federal Government on taxes than any talk of new proposals. What good is it to talk of further tax revision or tax reduction if the Congress just talks and does nothing? What have the Democrat leaders to say about this? They control the Senate; they control the House. Let us roll up our sleeves and go to work. Political experiments must be subordinated to sound economic actions. We have good legislation that must be put in effect but it requires joint action. Will the Democrats measure up to this challenge?

Furthermore, the Ways and Means Committee has just completed hearings on further tax proposals to remove impediments to economic growth and stability. The immediate passage of many of these measures already adequately studied would bring immediate growth—more jobs—to our people. I list just a few bills I have sponsored myself to demonstrate the significance of these remarks:

First. H. R. 5735 is designed to provide a minimum initial program of tax relief for small business and for persons engaged in small business. To implement this purpose two tax adjustment proposals are incorporated in the bill.

The first provides an incentive to small- and medium-size business to invest a greater proportion of taxable net income in depreciable assets or inventory. This proposal will help keep small- and medium-size business alive and growing.

A second proposal would permit the businessman to (a) set aside earnings in anticipation of his estate tax, and (b) pay any balance due over a 10-year period so as to obviate the forced sale or dissolution of his firm in the event of death. The lack of such provisions leads to mergers and acquisitions as the only recourse for a businessman who wishes to protect his estate.

These tax adjustments are in the public interest. They would provide the needed assistance to help assure the maintenance and growth of small- and medium-size business—the dynamic segment of the business community. In addition, through stimulating an increase in the Nations' capital and productive assets, such adjustments provide assurance of increased tax revenue to the Government in future years. Small businesses could implement their plans for expansion. This means more jobs.

Second. H. R. 8702 is designed to permit certain investment corporations to distribute interest derived from tax-exempt State and local bonds to their investors with the same tax exemption. This bill extends the conduit principle to all investment companies which meet certain income tests and preserves the exempt status of the interest when received by the beneficial owners. Its effect should broaden and open up new markets to enable local school and municipal projects held up for lack of funds to move ahead. This means more jobs.

In other words, the effect will be to broaden and open up new markets and enable the local school and municipal projects which are held up now for lack of funds to move ahead. This means more jobs. The money would be made available. This is a matter that has been studied over many years.

Third. H. R. 8102, a bill which I happen to know the majority leader himself is interested in, and I am very pleased at his interest in it, provides a special method of taxation of real-estate investment trusts.

H. R. 8102 provides a special method of taxation of real-estate investment trusts. It extends the investment trust principle to investments in real-estate equities. It is designed to encourage the small investor to diversify his investments by giving him an incentive. Its immediate effect would be to channel more money into building construction of all sorts. This means more jobs.

Fourth. H. R. 126, a tax averaging bill for farmers, artists, and other professional people who have highly fluctuating incomes. It is a realistic application of the ability to pay principle to those with fluctuating incomes. The bill would be of benefit to millions of farmers and small-business men. It would remove some of the hardships of our present rate structures for those whose income characteristically fluctuates widely from year to year. The adjustment would tend to equalize the tax burden of those with irregular and those with stable income and certainly provides greater incentive for maximum contribution to the economy.

I am simply listing some of these bills that hit at the roots of the economic problems. In fact, if I were asked to give one cause of the present recession, I would say the Federal tax code structure. Barriers and impediments to growth have resulted from certain provisions we have written into our tax laws.

Talk is becoming very cheap on tax reforms. It is time for action but not on unstudied plans recently thought up to boost the economy. The action should be taken on bills already studied, bills on which public hearings have already been held. It is bills which hit at the basic economic problems underlying the present recession which should be passed. Congress has waited too long in removing barriers to economic growth and stability embedded in our tax codes. Many of these impediments go back to the war economy of World War II and were specifically designed not for revenue but to impede the flow of economic activity into certain areas so it could be directed to the war effort.

In the area of education certain action is necessary. Our educational system is fiscally sound and is essentially doing a fine job. That which needs to be done is not to revolutionize it or even treat it with a crash program. What is needed is to analyze the mistakes that have been made and are still being made and correct them. Most of the corrections of these mistakes would not cost money at all. Indeed, many of the corrections will save money. Our educational policies should be geared to encourage more of our young people to avail themselves of our higher educational opportunities. Prospectively it would raise the caliber of our future citizens. Immediately it would take some of the pressure off our labor surplus areas. It is significant to note that about 20 percent of our unemployed are young men under 25 years of age. The rate of unemployment is highest among single men, many of whom are new in the labor market and most of whom are young.

I have followed as closely as I could the problems in all phases of our education today. I have introduced certain bills which are now pending before my own Committee on Ways and Means which would enable more young men to spend more years getting educated and would enable more teachers to stay in the teaching profession and improve themselves.

This means more jobs all the way around. They could be acted upon immediately if the Democrat leadership would give the word. These bills are as follows:

First. H. R. 10804 permits schoolteachers and administrators to deduct from gross income certain expenses for additional education or training.

Second. H. R. 10904 allows a 30 percent credit against the individual income tax for parents and others for amounts paid as tuition or fees to certain public and private institutions of higher education.

Third. H. R. 10835 permits a tax credit for contribution and other expenditures for basic research in science.

These matters have been studied and are ready to go now if we can get action instead of talk. Let us go into some of these areas.

These bills can be supplemented with many other bills which have been suggested.

The Fiscal Subcommittee of the Joint Economic Committee recently conducted a study of the economic effects of our expenditure programs. The areas of education and research and development were subjects of several papers by experts in these fields. One paper contained a table showing the increased

earning capacity based upon the amount of education received. There is a direct correlation between the two. This suggests the obvious conclusion that it is worth dollars and cents to the individual to invest time and money in his education. It suggests that on an actual basis we have an area for post-payment plans which are fiscally sound, and this is an area in which we can move ahead.

If it is necessary for the Federal Government to stand behind this program to demonstrate its fiscal soundness and to get it going, this should be done, for many reasons, especially educational reasons. This would be vastly superior to any direct scholarship program.

An area where Federal funds of a limited amount could presently be spent effectively, and I believe without any complications, is in the area of teaching fellowship grants. Here we have the already proven future scientist or professional expert whom we should encourage to continue his education. Yet, because of his superiority, he is in demand from the business world. He is at an age when marriage is usual and appropriate. We do not have enough funds to enable enough of these talented young people to pursue a normal existence and continue their studies. But why does not the Democrat leadership move ahead in this area right now? We need action not talk. This would provide jobs and jobs that need filling badly.

There is alarming talk of rushing into billion dollar public works programs in an attempt to relieve the present unemployment problem. The thesis is illusory. The need for jobs is now. It is not 12 months from now, as would be required if such programs were to be properly implemented. The program must fit the need and the need is now. I concur with the Secretary of Labor in his belief that any program that is to relieve unemployment must be started and completed in a reasonably short time.

The Byrd amendment to the highway construction bill should be eliminated. It is not fiscally sound. It is impeding highway construction and if it were eliminated it would release one-half billion dollars for immediate expenditures because the plans of programs of the States are already developed. They lack the necessary funds to put them into operation. There are programs already developed but are being held up because the money is not there.

The report dated January 23, 1958, of the Subcommittee on Fiscal Policy is based upon the hearings on the subject, Federal Expenditure Policies for Economic Growth and Stability. But I must say it was a fine job and the approach we need, nonpartisan, looking at the facts.

It should be read in order to obtain a better understanding of the limitations that public works programs have in assisting growth and stability and easing a recession. Only public works in the advanced planning stage can be of immediate assistance to the present recession. But still the Democrats refuse to recognize this important factor and continue to talk about the old pump-priming panaceas of the 1930's. It lends weight to the charge that they want to talk to cover up Congressional inaction. They, above all, should realize the futility of such a program. In 1939, after all the pump-priming efforts, our unemployment rolls still exceeded 10 million. They know full well that such programs cannot be timely established to correct the present recession. We must be realistic. It is those programs that have been studied and are in the hopper that must be put into effect by legislation. I repeat, the time is now and the place is here in Congress. An understanding of the present recession should give us perspective and keep us from rushing into programs which will not help us, but indeed can harm us.

It is suggested that the Federal Government extend the unemployment compensation program. The States have the authority and have had the authority ever since the Federal program was enacted, to expand their programs under the Federal laws. In fact, the first unemployment insurance laws were State laws, not Federal laws. All the Federal Government did was to establish minimum standards. Solving this present recession is more than a Federal matter. It requires action at all levels, local, State, and Federal. The States most affected by the recession are those that have Democrat governors and administrations. If the Democrat leaders at the Federal level want to do some talking, let them talk to their colleagues serving as State governors.

There is still need for some Federal action in this area, but certainly the members of the Ways and Means Committee who have jurisdiction of the program need no instructions on where to act. We can act immediately if the Democrat leadership really wants action, not talk.

As submitted to the Congress in the report of the Joint Economic Committee on the January 1958 Economic Report of the President, it was and is our belief that proper public policies should contribute to halting the decline and should be instrumental in setting in motion forces for renewed and vigorous economic growth and will, in turn, produce the revenues needed to discharge our national responsibilities. We have the tools to reach these objectives. The President has acted. Congress has not acted, but still Democrats in the House and Senate talk. The question remains unanswered. What is the purpose of all this talk—to cover up inaction to avoid the responsibility of inaction? The best answer to the question is action.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from California.

Mr. HIESTAND. I am sure the gentleman will agree with me that we had this afternoon in a very few minutes a good demonstration of how the very able majority leader can act in putting through bills in short order when it is worth while to put them through. I refer to the bill H. R. 9821 which was brought up, debated and went through in short order. I respect him for his achievement.

I am particularly impressed with the remarks of the gentleman from Missouri [Mr. CURTIS] all the way through, particularly his reference also to the tax situation. I take it that he holds the opinion that the present business slump is to a great degree due to the unsound prewar and wartime tax structure. Is that a fact?

Mr. CURTIS of Missouri. That certainly is. I wish all of the Members of Congress would read the results of the subcommittee report headed by the gentleman from Arkansas [Mr. MILLS] of the Joint Economic Committee in 1955 on the subject of the economic effects of our tax structure. A great number of the bills that have been introduced and on which hearings were held in January and February came out as a result of those hearings. This report points up the barriers and the impediments to our growth. If we would attack those things and get them out of our tax code, I am satisfied we would not have this recession. That is No. 1. I believe if you trace back to the cause of it you will conclude it lies essentially in our tax code. The tax code sets our tax at such a high rate that every little word we have in our tax laws brings about tremendous economic results.

Mr. HIESTAND. I am happy to see the gentleman from Missouri take that position. Does he further take the position that in addition to the present laws pending in the other body, we could have a definite effect on the present business slump if we were to get immediate action by the Committee on Ways and Means on some other major legislation, such as an overall percentage reduction of the income tax as suggested in the Sadlak-Herlong bill?

Mr. CURTIS of Missouri. I think essentially we will have to come to those things. I do not think that is the kind of thing that will be immediately effective in this present recession. I think that is something that requires further study. The tragedy of this thing is the uncertainty we have created here when the House does a good job. The gentleman from Rhode Island [Mr. FORAND] headed up the Subcommittee on Excise Taxes and he did a tremendous job after 2 years of study. We should have passed it. Everyone knows that any possibility of change in the excise taxes creates an uncertainty, both for the consumers and the businessmen. If you leave that hanging fire it does more damage than good. The people think if they hold up buying, maybe the excise tax will be reduced, so, they wait. What good is it to talk about any more tax revision or tax reduction when we have two big bills sitting over on the other side and nothing moving? Even the little bill in regard to cabarets that I mentioned, which is so important to one segment of our economy, would help a great deal.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. MULTER. The gentleman has made a very good case. I am sure the gentleman will agree that there is nothing more this House can do. The lead-

ership of the House has done its full job, and we got it done right away when we passed the bills and sent them to the other side.

Mr. CURTIS of Missouri. Yes, on those two aspects, but I do say this, that there are some of these immediate bills that we have held hearings on that are very important and would hit right at the roots of our economic difficulties that the House could act upon right now, but it has failed to act.

Mr. MULTER. With reference to those matters which the House has not acted upon, can the gentleman indicate to us which part of those are part of the administration program.

Mr. CURTIS of Missouri. Well, in the small-business tax bill, the administration has its proposals, and many of the bills that were introduced, including mine, have certain aspects of them. The Committee on Ways and Means, after hearings, I am satisfied, is going over all of the various suggestions. Yes, the administration is behind them and has stated many times they want to see something done in this area. We have a favorable Treasury report on the bill I mentioned in regard to the conduit principle, municipal bonds and school bonds, so that we can go ahead on that. That was in there last year. I introduced a bill, not beeause I wanted to get any personal credit, but because it is essential to this aspect of our economy. Other people have introduced bills that the gentleman from Massachusetts [Mr. McCORMACK] is interested in regarding real estate investment. The administration has supported that proposition. We could get moving on almost everything I have mentioned here, with administration approval.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to compliment the gentleman from Missouri on a very fine definitive statement of the situation as it is, and the causes therefor. I want to ask the gentleman if he feels there is any significance in this fact. Last fall, while the economy was still riding pretty high and there was almost no unemployment, the stock market broke rather badly. Then came the other difficulties of which the gentleman has spoken. But, in January of this year the stock market began to go up again, and it is quite a bit above the position which it held sometime previously. We are all interested in knowing, if possible, how deep this so-called recession will go. Does the gentleman attach any significance to the fact that one of the finest lead indicators of the economy which we have at our disposal has already apparently signaled that the depth had already been reached last fall.

Mr. CURTIS of Missouri. I think the gentleman made a good point. I am anxious that we do weigh these economic factors, and when I point up things that look good I do not want to be accused of trying to make this thing any better than it is when we see things that need attention.

Let me point out a specific feature of it. Steel, which is very important has been down about 52 percent of production, and yet steel in the stock market went up, I think, about 20 points in the past month. There is indication that steel orders are beginning to come in. Just 2 or 3 days ago we in the Committee on Ways and Means were holding hearings on reciprocal trade. We had the machine tool industry before us. That is always a bellwether. Whenever things are going bad it is one of the first industries to start going down. They told us that the month of February was good, not like it had been but it was good. They were happy and their only reservations were "We just hope it will continue through March." There are a lot of things that indicate that this thing is beginning to level out and will come back. But, I am very anxious for those people who see things that are not so good to point those out. Let us be specific and let us hear about them, good, bad, and so forth, and let us talk in economic terms, please, and when we talk about remedies, let us talk about things that apply to our knowledge of economics.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. BECKER. I want to associate myself with the gentleman for the very statesmanlike position he has taken in his remarks here today. He has not offered criticism alone; he is offering suggestions, and for each concrete suggestion he made he certainly is to be commended. I do want to call attention to the statement made by our colleague, the gentleman from New York [Mr. MULTER]. I do not know whether you caught the full significance of it, because he said "Will you agree that we have done a full job in the House," mentioning certain bills. Certainly the gentleman did not infer that we had done a full job in the House. The gentleman specified certain things we had done in the House, which bills were over in the other body. He then went on to mention other significant things in the way of bills that are now in committee, that were under study or had been studied, that we could pass, that we could get busy on almost at once that would be helpful; is not that correct?

Mr. CURTIS of Missouri. Certainly, that is correct.

Mr. MULTER. Mr. Speaker, would the gentleman yield at that point?

Mr. CURTIS of Missouri. I think I should yield for an answer, yes.

Mr. MULTER. Mr. Speaker, I certainly did not infer that this House has done its full job. The bill has not yet been enacted. I think the gentleman who has the floor would agree that the leadership in this House, as well as the House itself, have done a full job with reference to the bills which we have passed and are now over in the other body.

Mr. BECKER. Mr. Speaker, if the gentleman would yield to me to answer that, that is not what the gentleman said. He stopped with the words "full job." That is what I wanted to call attention to. I think the gentleman will agree with me on that.

Mr. MULTER. I think we are all in agreement that we are not yet ready to go home.

Mr. BECKER. I thank the gentleman. I am glad to know that.

One other matter that the gentleman mentioned in his statement was in reference to the colloquy between our majority leader and the majority whip, on Tuesday. The gentleman did not quote the paragraph fully and there is a statement that was made which, if it were not tragic in its significance, would be comical. This is what he said:

> I would like to add further that our great Speaker and our great leader were here when the magnificent program of the Roosevelt administration and the Democratic Congresses of the 1930's brought us out of a deep depression over 20 years ago. They have the skill and the experience needed to meet the current crises.

Mr. CURTIS of Missouri. That is correct. I did not read the last part.

Mr. BECKER. If it were not for the tragedy of that, as I say, I could afford to laugh at it because, as the gentleman said in his statement, in 1933 there were approximately 11 million unemployed.

Mr. CURTIS of Missouri. I was referring to 1939–40.

Mr. BECKER. But those were the figures, too, in 1933. And in 1939, according to the statistics of the Bureau of Labor and the Department of Commerce of that administration, in power at that time, there were still 10 million unemployed. And we had poured down the pump-priming drain close to $60 billions and we still had 10 million people unemployed in 1939. There is not a human being who does not agree that it was World War II that brought us out of that depression, tragic as that was. I think this statement to which I referred is certainly tragedy at its lowest level.

Mr. CURTIS of Missouri. I might say also that the failure of the Democratic leadership to refer to the 1949 recession is a strange thing. Incidentally it was more acute than the one in 1954. Although we have not yet passed through this one, and although we do not know whether this one may not become worse, at this point it looks as though the 1949 recession was a little worse than the present recession. There was a significant refusal to recognize that fact by the Democratic leadership. I might say that that irritated me very much in the 1954 campaign—that is the Democratic leadership's reference to the 1954 recession. And, incidentally, the testimony before the Joint Economic Committee when we held hearings in 1954, showed this. I said:

> We have shifted from a war economy, a hot war economy to a peacetime economy. The Korean war is over. Some hundreds of thousands of boys are out of uniform and coming back for jobs. We have shut down many of the hot war munitions plants and we are looking for jobs for those people. This is just an adjustment from a wartime to a peacetime economy.

But not one of these people in their speeches to the American people referred to the fact that we were shifting from a war economy to a peacetime

economy. And indeed I wonder if they recognize that there is a very basic difference between a war economy and a peacetime economy.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from California.

Mr. HOLT. Mr. Speaker, I congratulate the gentleman on his speech and would like to associate myself with him in what he has said. I think it is important that we set the record straight, and I ask the gentleman this question because I value his wisdom and his experience in serving on the Joint Economic Committee. Does not the gentleman believe that it is only fair to tell the American people, and certainly it behooves a Member of Congress to do so, that the unemployment figure we get at best is a Gallup poll type of operation. That when we see these figures in the headlines they are not the number of people receiving unemployment insurance, it is not a report from a State, it is really just a sampling of 35,000 people throughout the entire country. As a matter of fact, the pollsters use the same 4 people for 4 months straight, and just change them 3 times a year.

Mr. CURTIS of Missouri. The gentleman from California is making a very good point. I like to balance these things off. I call attention to some fine work that has been done by the gentleman from Missouri [Mr. BOLLING] as chairman of the Statistics Subcommittee of the Joint Economic Committee, and this is one area they are trying to develop. Yes; our statistics are not very good in this area. Senator DOUGLAS claims the figure should be more than it is. Others think the thing has not been well appraised. I will say one thing we can rely on to some degree of certainty is that at least somewhat the same methods have been used over a period of years, so that the percentages have a little more meaning because of that. We have improved our methods in getting statistics, so we know that our figures today are a lot more accurate than they were before.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. MULTER. I think the gentleman will also agree that there is a very sad lack of statistics as to the number of people who are only partly employed.

Mr. CURTIS of Missouri. It is the whole area. We do not even know what we are talking about when we say "the labor force." Women come in and go out, part-time students, and so on. It really is a quite uncertain thing, but I do not want to be misleading. It is still a valuable economic indicator and something that we can well pay attention to. It is nothing to minimize when our statistics show 5.2 million unemployed. It is a serious figure.

Mr. BASS of New Hampshire. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BASS of New Hampshire. I, too, want to congratulate the gentleman from Missouri on his very excellent, comprehensive, and articulate statement this afternoon, and I want to associate myself with him in everything he has said. He has very well expressed and laid out a specific program designed to help us out of this recession.

I should like to express the hope that our distinguished majority leader and my colleagues across the aisle on the other side will get behind the program that my friend from Missouri has suggested, so that we can finally get some action and less talk in this session.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield so I can enlarge just a little bit on his comments on small business?

Mr. CURTIS of Missouri. I will be very happy to yield to the gentleman from Illinois.

Mr. SHEEHAN. Mr. Speaker, I wish to compliment the gentleman from Missouri [Mr. CURTIS] for his insight and understanding of the problems of small business. He has performed most valuable service on both the Ways and Means Committee of the House of Representatives and the Joint Economic Committee.

My colleague also served on the House Select Committee on Small Business during the 82d Congress. Despite assignment to other committees, his interest in this area has never diminished. He has, therefore, devoted much of his time and efforts to assist in establishing small business as an integral part of our economy. It is not enough in these days that we allow the competitive forces of our economy to operate without restraint or assistance by the Congress and the executive branch of the Government. Such assistance is necessary for two reasons: First, for many years now, Federal Government expenditures have been a most important factor in determining the size and direction of our productive efforts; and, second, Federal tax policy has affected the ability of a business to finance current and future operations.

Perhaps in no other area has the Federal Government, including the Congress, held such a great responsibility for the welfare of our business population as in the levying of taxes. As I shall point out, however, we have not borne this responsibility as it affects the small-business concerns of our economy.

One area in which the Small Business Committee made recommendations to the Congress and the executive branch of the Government year after year during the Truman administration was in the area of tax policy. At the end of the 81st Congress, the Small Business Committee stated that small business should be stabilized and strengthened by further revision of the tax structure to create greater incentive for starting new business, to provide for retention of earnings with which to expand new and small business, to attract outside capital to small business, and to provide more liberal exemptions until small-business concerns reach a reasonable degree of maturity—House Report No. 3237, 81st Congress, 2d session, page 9.

At the end of the 82d Congress, the Small Business Committee again called for action on tax relief for small business. The committee was particularly concerned over the effect of the excess profits tax on successful, growing, small business. Among other things, it urged Congress to increase the corporate surtax exemption, a partnership filing option, liberalization of depreciation provisions, and a thorough study of the entire tax system. Our committee has continually stated that the impact of Federal taxes was one of the greatest deterrents to the successful operations of small-business concerns.

In addition, Mr. Speaker, I would like to remind my friends on the other side of the aisle that the 1952 Democrat Party platform gave us what would amount to a promise of tax relief when it stated:

> We urge the enactment of such laws as will provide favorable incentives to the establishment and survival of independent businesses, especially in the provision of tax incentives and access to equity or risk capital.

It was not until the 83d Congress, Mr. Speaker, when President Eisenhower recommended and this Republican Congress enacted, legislation to provide tax relief to small business. Through the tax revision legislation of 1954, small-business firms benefited from liberalized depreciation, partial relief from dividend income, a partnership filing option, deduction for research and development expenditures, relief from accelerated tax-payments, and application of provisions on surplus accumulations, on extension of the net operating loss deduction, and other tax benefits.

It is the conviction of the Republican members of the Small Business Committee that there still exists a considerable tax burden for small business and that, until these firms are permitted sufficient funds for working capital and expansion, their competitive position will continue to suffer. My colleagues and I therefore introduced what may be considered as an omnibus tax bill.

H. R. 5631 was introduced by the distinguished ranking minority member, the Honorable WILLIAM S. HILL, on March 6, 1957; and identical bills were introduced by the Honorable R. WALTER RIEHLMAN, H. R. 5632; the Honorable HORACE SEELY-BROWN, Jr., H. R. 5633; the Honorable WILLIAM MCCULLOCH, H. R. 5634; the Honorable CRAIG HOSMER, H. R. 5636; and by myself, H. R. 5635. In addition, my colleague, the Honorable THOMAS CURTIS, introduced a bill to provide tax relief to small business which is slightly different from that introduced by the Republican members of the Small Business Committee.

Unlike the Truman administration, the executive branch of the Government under President Eisenhower has taken a keen interest in the problems confronting small business. In May 1956, the President established a Cabinet Committee on Small Business. This Committee was established to keep the Federal Government abreast of the developments that affect small business. In the words of the President, the Government's "programs and policies aimed at assisting small business should be carefully reviewed at this time with the object of strengthening them where necessary, and of making recommenda-

tions for steps that will provide such enterprises with additional constructive assistance."

In August 1956 the Cabinet Committee issued a progress report containing certain recommendations for tax legislation.

On July 15, 1957, President Eisenhower, in a letter to the late Honorable Jere Cooper, chairman of the House Ways and Means Committee, made four definite recommendations for tax adjustments which would lessen the Federal tax burden on small business. The President's recommendations were as follows:

First. That small firms be given the right to utilize, for purchases of used property, the formulas of accelerated depreciation that were made available to purchasers of new property by the 1954 Internal Revenue Code.

Second. That small, closely held corporations with 10 or less stockholders be given the option to be treated as partnerships or proprietorships for tax purposes.

Third. That taxpayers be given the right to pay estate taxes in installments over a 10-year period where the estate consists largely of investments in closely held concerns.

Fourth. That investors in small-business firms be given more liberal tax treatment for losses incurred from stock investments in those firms.

These recommendations were immediately included in bills introduced by Republican members of the House Small Business Committee. The Republican members also addressed a letter to the late distinguished chairman of the Ways and Means Committee urging support of the President's recommendations, but pointing out that the omnibus-tax bill introduced by the minority members of the Small Business Committee contained not only the recommendations of the President, but provided even greater tax relief for small business. The Republican members further urged the Ways and Means Committee to give most serious consideration to the additional provisions contained in H. R. 5631 and companion bills, as introduced on March 6, 1957. These additional provisions were:

First. To provide for deductions against ordinary income for expansion and modernization of small-business enterprises.

Second. To reduce the normal corporate tax rate to 20 percent on earnings up to $150,000 per year.

Third. To exempt firms earning up to $150,000 per year from the present 22 percent corporate surtax.

Fourth. To provide for the election every 4 years to permit proprietorship and partnerships to be taxed as corporation.

Fifth. To provide certain rapid tax amortization for small businesses earning less than $50,000 per year.

Sixth. To provide an exemption from estate taxes for goodwill up to $100,000.

Hearings were held by the House Ways and Means Committee in January of this year. It is certainly hoped that, before Congress adjourns in 1958, tax relief will be provided small business. The financial situation of small business is one which does not permit delay. May I remind by Democrat friends that, in 1956, the Democrat Party platform said, as follows:

> We pledge ourselves * * * to tax relief for all small independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion, and to the realistic application of the principle of graduated taxation to such corporate income. An option should be provided to spread Federal estate taxes over a period of years when an estate consists principally of the equity capital of a small closely held small business.

In line with this Democrat platform pledge, the chairman of the Small Business Committee of the House of Representatives, the Honorable WRIGHT PATMAN, introduced H. R. 9067 in February 1956. This bill provided for a progressive corporate income tax whereby the largest corporations would be taxed at a rate of over 65 percent. While the distinguished chairman of the Small Business Committee may want to help small business by reducing the tax rate for the lowest income groups, confiscatory taxation of large business is not the way to do it.

No one can deny that larger businesses have contributed to our high standard of living. They should not be penalized just because they are big. However, I must point out that Congressman PATMAN admits, in his remarks when this bill was introduced, that the purpose of the bill had nothing to do with acquiring revenue, but was designed to force the dissolution of large businesses. It was designed to do, through taxation, what is and should be done through our antitrust laws, to be applied if and when such antitrust laws are being violated.

I want to state right now that this bill, like the 1956 Democrat platform statement on taxation of small business, is inclined to be socialistic. An attempt is being made to destroy our competitive system through a leveling of the productive units of our economy. Small business can be helped by other means more in keeping with our historical traditions.

Mr. Speaker, as I have said, many worthwhile tax proposals are before the House Ways and Means Committee. That committee has held its hearings. I personally appeared before the committee to urge serious consideration of the minority's omnibus tax bill. It is now incumbent upon that committee to report our proposals for tax relief to small business. It is hoped that such proposals will be enacted, but remember that the Democrat majority controls this Congress. The burden is on their shoulders.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. JENSEN. Will the gentleman just tell us in a few words what are the main provisions in that small business bill? We are all interested in that.

Mr. CURTIS of Missouri. Yes. I think the gentleman from Illinois [Mr. SHEEHAN] who is on the Small Business Committee is going to go into that a little bit.

Mr. SHEEHAN. On these tax relief bills for small business, we, Republicans as well as Democrats, added among the provisions such things as: To provide for deductions against ordinary income for expansion and modernization of small business. As it is now, they have to spread it over a period of time; to reduce normal corporate taxes to 20 percent for the first $150,000 of earnings; to provide for rapid tax amortization to small businesses earning less than $50,000 of income. I might point out too, I would like to remind my Democratic friend that in 1956 the Democratic platform specifically spelled out a provision for aid to small business. They said:

> We pledge ourselves to tax relief for all small, independent businesses by fair and equitable adjustments.

Now, I do know that the gentleman from Missouri [Mr. CURTIS] has urged the Democrats to take action on this, but I highly compliment the gentleman from Missouri for his frank statement on this matter.

Mr. JENSEN. Mr. Speaker, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. JENSEN. What provisions do you make in the bill for nominal loans to small business?

Mr. CURTIS of Missouri. My bill is entirely a tax bill.

Mr. JENSEN. It is entirely a tax bill?

Mr. CURTIS of Missouri. Yes, I try to confine myself pretty much to my own area. But, I do know there are proposals for loans and, perhaps, the gentleman from New York [Mr. MULTER] who is on that committee can answer that question better than I can.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MULTER. The House has already acted. We sent the bill to the other body which extends or rather makes the Small Business Administration a permanent agency. That agency, as you know, is authorized to make loans up to $250,000 to any one small business.

Mr. JENSEN. Out in my part of the country when someone asks for that much money as a loan, we consider it big business. There are many, many people out there who would like to have a five or six or seven or eight or ten thousand dollar loan to tide them over.

Mr. MULTER. I gave you the maximum figure. They may not loan more than $250,000. The fact of the matter is, however, that the bulk of the loans made by the Small Business Administration are small. If you were to take them all and average them out, the average would run about $10,000. The Small Business Administration will make loans of as small an amount that the man qualifies for. They do try to help small-business men.

Mr. JENSEN. I may say that the Small Business Administration has been very considerate of requests for loans from people in my district and many of them have received small loans.

Mr. BETTS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BETTS. I want to compliment the gentleman from Missouri not only for his remarks but for the many measures which he has introduced in the Congress, which he genuinely and sincerely feels will be of assistance in this so-called economic recession.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. BETTS. I was interested in noting a speech the other day by George Meany, president of the AFL–CIO. I thought the gentleman might be interested in a few of the remarks that Mr. Meany made.

Mr. CURTIS of Missouri. I will be glad to hear it.

Mr. BETTS. I want to be fair about it—he did, in the course of his speech, lay some blame on the administration.

Mr. CURTIS of Missouri. Yes.

Mr. BETTS. But, he also said that the people on Capitol Hill must share the blame too. He said:

> There is no excuse for the delay in Congress, and the Congress need not have waited for administration leadership. It can—it should have moved before this.

I want to ask the gentleman if that does not sum up the theme of his argument and his remarks this evening?

Mr. CURTIS of Missouri. I believe so. I think the Congress must move ahead immediately. If they are not going to do anything then they should not go around talking about how bad the recession is and what they are going to do on public works that will not provide for our immediate needs. They are attempting to convince the people that they are doing something when they are not. That is what I am trying to get across. This uncertainty can be worse than no action at all.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. SHEEHAN. I am glad to hear the gentleman talk about uncertainty, because I would like to give you some remarks with reference to the Small Business Committee. Both the Republican and Democratic members of that committee wanted to make the Small Business Administration a permanent body. The President wanted it. The Republican platform called for it. The House wanted it. But, unfortunately, when it got to the Senate they just gave it a 1-year extension. So now it is not a permanent agency.

Mr. CURTIS of Missouri. That is exactly true. That really causes the damage. People do not know what to rely upon.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MULTER. Unfortunately, the bill which we sent to them went over at the very end of the session and they could not act upon it. Of course, we extended it for 1 year. Action is called for now in the other body.

Mr. CURTIS of Missouri. I would like to make one comment. There may be many reasons why there is inaction. What I think is unpardonable is all of this big talk. If we were doing something, if we were collectively moving ahead, then we would have something.

Mr. MULTER. Will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. MULTER. Further with reference to the remarks with reference to AFL–CIO, I hope when we take part of the recommendations we will take some of the others also, particularly where they indicated how necessary it is that we do something with reference to the Federal Reserve Board. I do not know whether the gentleman heard my comments during my special order or not. I do hope that the members of the House Committee on Banking and Currency on the other side of the aisle will give heed to that, and also give heed to what they recommend with reference to the Federal Reserve Board, so that we will get out of this situation which was created by the action of the Federal Reserve Board.

Mr. CURTIS of Missouri. Well, I do not agree that it was created by the Federal Reserve Board.

Mr. MULTER. May I amend it to say it was contributed to by them?

Mr. CURTIS of Missouri. That is a fair area of discussion. I say a fine line of adjustment has to be drawn. I know that we must remember that right under the surface are these inflationary problems, and we can easily bust right through and be in a very damaging situation in the other direction. I am glad there are many minds and many people and many brains working on this, because it is a difficult problem.

Mr. MULTER. Will the gentleman agree that this is a time we ought to risk "busting through"?

Mr. CURTIS of Missouri. No; because I think we have the capabilities to change these things with a little bit of honesty, but we will not do it if we deal in broad generalities. We should pick out those specific problems, appraise the economic phenomena behind them and make provision for them accordingly. There are weaknesses in a recession and there are strengths.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. NIMTZ. Mr. Speaker, I, too, want to join my colleagues on this side of the aisle in complimenting the gentleman from Missouri on his address this afternoon and his analysis of the present economic situation.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. NIMTZ. The gentleman's comments upon the measures which the Democratic leadership could release for floor action is excellent. As pointed out by the gentleman from California [Mr. HIESTAND], when the Democrat leadership desires a certain bill to be released from committee and go through this House, they can do that very thing. Mr. Speaker, a measure which I would like to call to the attention of the House is the present excise tax on automobiles and trucks. Over a year ago I introduced a measure to repeal those taxes, and other Members have done likewise. This is now a heavy burden upon industry. I have requested time for next Monday afternoon when I shall go into this excise tax and automobile and truck production and sales problem more fully.

Mr. CURTIS of Missouri. I want to compliment the gentleman for those remarks because he is exactly right. One point I am trying to drive home is the fact that the automobile people have a real problem. I advised them that they had better be sure their bill was going through before talking about it, because just talking about it will make people not buy automobiles. I cautioned that they might think if they waited a month or so until a tax bill goes through they could buy at a cheaper price.

There is only one thing to do in these cases, and that is if they cannot get it through in a hurry they had better not talk about it so as not to have a sales deterrent in the normal market.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I want to say first of all that I regret I was not here for the full time the gentleman was speaking. I would just like to add that as a member of the Committee on Education and Labor I was interested in the gentleman's comment about the measures affecting education which are before the Ways and Means Committee. I would like to call the gentleman's attention to this: A number of Members on the other side who are members of the Committee on Education and Labor have appealed to the President for his support of a school construction measure. It may well be that a school construction bill would be a wise move as an antirecession measure. In any case it would seem to me to be up to the committee at least to hold hearings should such be necessary, or at least to consider specific legislation. We should then be ready if the time and the circumstances would seem to warrant considering such legislation as a reasonable way in which we might combat the recession. So I think the responsibility to a large degree does rest on Congress in matters of this kind. We talk a lot but do very little.

Mr. CURTIS of Missouri. I thank the gentleman.

THE ECONOMIC SITUATION

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 30 minutes.

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to my good friend from Missouri for whom I have a strong feeling of friendship, and admiration as a colleague. He made an attempted apology for the Republican Party. It would have been better if the apology came from some other member of the Republican Party than my friend, because, unlike most of my Republican colleagues, he has progressive thoughts.

During his remarks he talked about the use of the word "depression." As I am addressing the House now I have no recollection of anyone ever using the word "depression."

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for a correction?

Mr. McCORMACK. Just a minute. I do not know of anyone ever having used the word "depression" except President Eisenhower himself when he referred to a depression in a press conference only a few days ago.

It may have been a lapse of memory, it may have been a slip of the tongue—and I will say it was just a slip of the tongue—but in his position those slips should not take place and lapses of memory should not occur.

I believe that as a result of his use of the word "depression" this recession has seriously increased. It has brought about a great lack of confidence in the minds of the people. There was no word he could have used that would have been more harmful to the restoration of a sound economy than President Eisenhower unintentionally and unconsciously using the word "depression." He should not have done it, because a man in his position should be in control of his thoughts all the time, even when he is talking extemporaneously.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. First: I think if the gentleman had listened a little more carefully he would have found that I did not make the statement that the Democratic leaders were using the word "depression." I suggested that they were hinting at it in various ways.

Mr. McCORMACK. That is the same thing.

Mr. CURTIS of Missouri. Now, wait a minute. Will the gentleman yield?

Mr. McCORMACK. Of course, I will yield.

Mr. CURTIS of Missouri. I make that charge and I make the charge to you right now in a very nice, kindly way. The gentleman says "Let us not talk about depression," yet he mentioned the word 10 times. The gentleman knew it was a slip of the tongue on the part of the President but the gentleman's emphasis was on the use of the word. That is a cute trick but let us bring it out into the open.

Mr. McCORMACK. If my friend from Missouri is going to get into the realm of cuteness, as between the gentleman from Missouri and the gentleman from Massachusetts might I say I am a grammar school student and the gentleman from Missouri is a doctor of philosophy.

Mr. CURTIS of Missouri. I was referring to a specific statement, an event.

Mr. McCORMACK. The gentleman supports my statement. He says he was intimating it, and the only one that has ever used the word "depression" was the President. The gentleman admits that, does he not?

Mr. CURTIS of Missouri. No.

Mr. McCORMACK. He used that word, did he not?

Mr. CURTIS of Missouri. I said it was a slip of the tongue. So did the gentleman.

Mr. McCORMACK. The President used the word "depression." The only one I know of that has used the word "depression" has been President Eisenhower himself. I said he might have made a mistake.

Mr. CURTIS of Missouri. I said that is true and others have used that word, too, and it was not a slip of the tongue.

Mr. McCORMACK. The only ones I know of who have been using it are the Republicans.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Certainly.

Mr. FRELINGHUYSEN. For a very simple question.

Mr. McCORMACK. I enjoy this very much. It is so long since I talked politics that I have felt rather strange.

Mr. FRELINGHUYSEN. Perhaps the gentleman has already answered my question. I was going to ask whether the gentleman was facetious or serious in suggesting that slip of the tongue on the part of the President in the use of a word at a press conference has basically affected the economy of the country?

Mr. McCORMACK. I simply said that the President used the word "depression." I assume he made a slip of the tongue, but a man in his position should never make a slip of the tongue. It is assumed that he is able to think quickly. I would give the President credit for having made a slip of the tongue, but certainly he should not have done it because from it has flowed harmful results. I made that statement and I again make the statement.

Mr. FRELINGHUYSEN. Does the gentleman think that a slip of the tongue has affected the condition of the country?

Mr. McCORMACK. It has worsened it; yes, sir.

Mr. FRELINGHUYSEN. I do not think the gentleman seriously believes such a statement.

Mr. McCORMACK. If the gentleman is going to ask a question, that is one thing. He is entitled to his opinion and I am entitled to mine. Since the President used that unfortunate word, business conditions have grown worse, unemployment has gone up 600,000 over January.

Mr. FRELINGHUYSEN. The gentleman is not suggesting that that resulted from the President's use of that term, is he?

Mr. McCORMACK. A very important consideration in our economy is the confidence of the people. It is a very important consideration psychologically. When the President used that word I will give him credit for a slip of the tongue, but it has increased lack of confidence as a result of which people are not buying as much as they otherwise would purchase.

Let me go a little further. The gentleman from Missouri said that I am interested in real-estate investment legislation. I am, but may I refresh my friend's memory. The gentleman's reference was to the fact we did not put the legislation through, I assume. Now, may I refresh your memory? The bill went through both branches last year and the President pocket vetoed it. Does the gentleman remember that? I thought the President had enough confidence in JOHN MCCORMACK's knowledge of what is good for business that he would not have vetoed it.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Missouri. I might state that in the Committee on Ways and Means I opposed it because of the very features on which the President vetoed it. But, that has been corrected. We had a problem. It is a technical problem of whether or not it was going to be a pure investment or whether you were going to permit management, at least, to enter into the thing. The gentleman's idea was an excellent one, and I am sure if he had sat through and heard the criticisms of it, he would have vetoed it, too. But, the approved bill which the administration recognizes as being good, I think should go through, and there is no reason we should not do it.

Mr. McCORMACK. The interesting thing is I had a lot of fun about it as a result of the veto. I am sorry the President vetoed it, because it was good for business. And, I am a very conservative man. I think a real conservative is a sound progressive, and I try to be a sound progressive. I put through the legislation years ago out of which developed the Massachusetts trust, with tax provisions along the same line. And, talking over afterward the pocket veto with some of my friends, as I say, I did have fun. When a man comes into my office, I do not care what his politics are. I have a lot of respect for businessmen who have their money invested. They are an important element in the concept of our society and our economic system. But, most of them are Republicans. I did not know of any who were Democrats who were interested in the bill, and I twitted them and I said, "Here I am a Democrat. I put the bill through, and you fat-cat Republicans were for it, you who are the big contributors to the Republican Party." I am very sorry the President vetoed it. But, I could not fail to take advantage of a little pleasantry with the Republicans, whom I introduced the bill for—businessmen, who were prominent Republicans and who contributed largely to the Republican campaign, and yet they did not have enough influence to get their voice in to the President and let him get their side of the story about the merits of the bill. I hope that if it again passes in this session, the President will have learned the error of his ways.

But, the most important thing I said in my remarks the other day, the gentleman, my friend from Missouri, ignores, and that is:

> One thing is certain—the charge could definitely be made, that the present administration is guilty of deliberately curtailing our expanding economy because of their alleged fear of inflation, which if that did happen, should be met in another direction. But, at the present time they have brought about the forces of deflation while on the other hand the forces of inflation are in operation.

Now, what is to support that statement? Who put the high interest rates

in operation? Who put the dear money policy in operation? The administration, in connection with the Federal Reserve bank. The Federal Reserve bank did not do it for several years when the Democrats were in control. That was done through the cooperation of the Federal Reserve System and the present Republican administration, and that is what stopped our expanding economy, and that is what has brought about the deflationary pressures that are now in operation. So, the present recession is a Republican-made one.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield.

Mr. CURTIS of Missouri. First, of course, the Federal Reserve Board, as the gentleman knows, is not a creature of the executive branch of the Government. Incidentally, the present head of it, a good St. Louisan and a good Democrat, is Bill Martin.

Mr. McCORMACK. That is not challenging anything I said today.

Mr. CURTIS of Missouri. The point is, any decision they have made is not the making of this administration. But, beyond that, even whether or not they might have been or might not have been, the real issue is this, as I was saying in my colloquy with the gentleman from New York [Mr. MULTER] that the Government still is not the dog and the private economy the tail. It is still, fortunately, in America that the private sector of our economy is the real animal. And, what it does and what happens there is the real cause of your tight money. I suggest it is the effect of our tax structure on our private economy that has brought about and did bring about the tight money situation, and all the Government was doing was reflecting what was the market price of an investment dollar.

Mr. McCORMACK. Well, that is an explanation, I think, that very few outside of the Republican Members of the Congress and the moneyed interests would accept.

Mr. CURTIS of Missouri. There was not an economist that appeared before our committee, a Democrat-controlled committee, who did not agree with that particular philosophy I have just expressed.

Mr. McCORMACK. Let me make just this observation. Back in 1951 the net income of the farmers was $16,100,000,000. Last year it was $11.5 billion.

Mr. CURTIS of Missouri. And there are not as many farmers today.

Mr. McCORMACK. That is true. How long have the Republicans now been in control? Does the gentleman think the Democrats are in control?

Mr. CURTIS of Missouri. The Democrats have had control of this Congress and of the previous Congress.

Mr. McCORMACK. Just a moment; I remind the gentleman that I have the time.

Mr. CURTIS of Missouri. The gentleman certainly does.

Mr. McCORMACK. I was smart enough to request time for myself and not depend on my friend.

Mr. CURTIS of Missouri. Of course, the gentleman knows that I would have yielded to him.

Mr. McCORMACK. I am sure the gentleman would have, but he could have stopped me any time he wanted.

Mr. CURTIS of Missouri. And the gentleman is stopping me right now.

Mr. McCORMACK. No, I am not; but I want to finish this thought.

While farm income has gone down, interest income throughout the country has gone up. For the first time in the history of our country interest payments, payments to those holding bonds and interest-bearing indebtedness, have sharply increased over farm income. That is very, very significant. I wonder how the little farmer feels when he knows that interest payments last year were over $17 billion while the income to farmers, all farmers, was $11.5 billion.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman.

Mr. CURTIS of Missouri. The gentleman should read the report of Senator SPARKMAN's Subcommittee of the Joint Economic Committee on Agricultural Policy, which was published about a month ago. He would find the actual economic situation of the farmer, which is entirely different from the presentation the gentleman has just made. That is a Democratic-controlled committee, but this is a very fine study. It does not support the gentleman's contention.

Mr. McCORMACK. The gentleman is making a statement which the figures I have given do not support at all. Farm income was about $11.5 billion last year.

Mr. CURTIS of Missouri. There is no relationship between the two matters the gentleman is discussing. First, if you want the real figure, it is the per capita farm income. We are interested in the individual farmer.

Mr. McCORMACK. Let the gentleman go and tell that to the farmer, or let Mr. Benson do it.

Mr. CURTIS of Missouri. Yes, tell it to the individual farmer.

Mr. McCORMACK. By the way, is the gentleman in favor of Mr. Benson's resigning?

Mr. CURTIS of Missouri. I certainly am not.

Mr. McCORMACK. The gentleman's party is pretty well divided on Mr. Benson.

Mr. CURTIS of Missouri. Yes, it is, just as the gentleman's party is divided on integration.

Mr. McCORMACK. Oh, no. We are pretty well united now. Do not worry about us. We are united.

Mr. CURTIS of Missouri. I am worried about the way the gentleman is proceeding right here in the Congress. That was the purpose of my speech, because you have been talking but not doing anything.

Mr. McCORMACK. We passed today two bills that authorized over $3 billion, in the course of half an hour.

(By unanimous consent Mr. McCORMACK was given permission to proceed for 5 additional minutes.)

Mr. McCORMACK. The gentleman has not answered the statement I made the other day and which I am making now, that this recession was deliberately planned and put into operation by the present Republican administration through the operation of high interest and dear money, curtailing business for the purpose of trying to control inflation. The result is we now have 5,200,000 unemployed with some millions on part-time employment. We have the largest number of bankruptcies that we have had in 18 years.

Mr. CURTIS of Missouri. Percentagewise?

Mr. McCORMACK. Yes.

Mr. CURTIS of Missouri. Oh, no.

Mr. McCORMACK. Let me read the figures.

Mr. CURTIS of Missouri. Yes; I want the percentage and the number of new businesses per year.

Mr. McCORMACK. Let me read the figures.

So far in 1958 businesses are failing at the appalling pace of more than 306 a week.

Mr. CURTIS of Missouri. That is an essay. What is this essay from?

Mr. McCORMACK. Close to 16,000 a year.

Mr. CURTIS of Missouri. Is this some quotation the gentleman is reading?

Mr. McCORMACK. I will tell the gentleman what I am quoting from:

SMALL BUSINESS FAILURE RATE AT APPALLING 306 PER WEEK

(By Sylvia Porter)

"Within 18 years, all manufacturing business and most of the distribution and service business of the Nation will be controlled by corporations having more than $100 million of assets."

So predicted the House Small Business Committee back in January, 1957. It qualified its forecast with only one "if"—"if small-business failures and big-business expansions continue at the rate of the past 5 years."

CONSERVATIVE TIMING

With a shiver, I report today the committee's timing for the triumph of industrial giantism in our land is beginning to appear conservative.

For the rate of small-business failures is not just "continuing." The rate is intensifying by the week.

So far in 1958, businesses are failing at the appalling pace of more than 306 a week, close to 16,000 a year. Businesses are dying at a rate topping anything seen since the 1930's and, week after week, Dun & Bradstreet's figures emphasize that most failures involve small firms.

At the same time, the business birthrate is slowing down.

In January new business incorporations were 2.3 percent below the number of new formations in January a year ago. In 1957 business births were below both 1956 and 1955. In manufacturing and construction particularly, the business birthrate is off sharply.

Meanwhile, the merger trend is as strong as ever.

Voluntarily or involuntarily, dozens of medium-big firms merge and consolidate every day. In addition, the number of companies which do not "fail" but which disappear nevertheless through merger with stronger firms or through just simple dissolution runs from 350,000 to 400,000 a year now, authoritative sources estimate.

There's no missing the trend or the reasons behind it.

The squeeze of rising costs of materials and manpower is a major force. While this cost squeeze may pinch a big corporation, it often strangles a smaller one.

The difficulty of getting loans and capital is an immense factor. While stiff credit requirements may annoy a large corporation, they frequently destroy a smaller one which can't get the cash it must have in time and at a price it can afford to pay.

Taxes are a brutal killer. In prosperous periods the tax burden doesn't permit a smaller firm to accumulate a nestegg to carry it through rougher times. Again, while the tax lead may slash a big company's net profits, it often wipes out a smaller one.

STEADILY WORSE

And this new era of fierce competition is proving the final blow to painful numbers of little businesses. The price wars which have followed the abandonment of fair trade on small appliances may be building plenty of business for the big stores, and they're certainly giving consumers a chance to grab some bargains, but the wars also are dooming small-appliance retailers the Nation over.

There's nothing new about the plight of small business in our country. The only news is that the plight is getting steadily worse.

What then, did the 1st session of the 85th Congress, and what did the administration do about it last year?

Nothing.

Oh, there was plenty of talk. There were lots of proposals, promises, speeches, pledges, hearings, "tidbits" of assistance. But when you ask what important and practical moves were made, the answer must be: nothing significant was done.

What, then, is the outlook for 1958?

Because of the business recession, because this is an election year, because some leaders in Congress really seem to care about preserving our system of free, competitive enterprise, there may be some tax-relief measures, a few other moves.

But there still is no convincing evidence of a major effort to solve the problems of financing and taxation of small business. And until this effort is made, our industrial giants will dominate our land more and more. And our economic system will continue to die—fast.

That is an article written by Sylvia Porter appearing in the Boston Herald of March 11, 1958, and, as the gentleman knows, or ought to know, the Boston Herald is one of the strongest and most partisan of Republican papers.

Mr. CURTIS of Missouri. I do not know about Sylvia Porter but——

Mr. McCORMACK. Does the gentleman deny what Sylvia Porter says?

Mr. CURTIS of Missouri. I think we ought to check these figures a little more, but I will say to the gentleman that if he wants to incorporate that talk, and I emphasize that word "talk," why does he not move the small-business tax bill along so we can do something about it?

Mr. McCORMACK. Let me say to my friend we will bring the small-business tax bill out of the Ways and Means Committee.

Mr. CURTIS of Missouri. You will?

Mr. McCORMACK. I predict that it will be brought out.

Mr. CURTIS of Missouri. When?

Mr. McCORMACK. What about reciprocal trade? Is the gentleman for or against it?

Mr. CURTIS of Missouri. I happen to be for it.

Mr. McCORMACK. Well, the gentleman happens to be one of the few Republicans in committee who are.

Mr. CURTIS of Missouri. I voted for it each time, to take it out of the committee.

Mr. McCORMACK. That is what I said at the outset. The gentleman for a Republican has somewhat progressive considerations.

Mr. CURTIS of Missouri. No; I am a typical Republican.

Mr. McCORMACK. Furthermore, the gentleman talks about the tax bill that is pending over in the other body. We got a tax bill through the House. Did you in the 83d Congress?

Mr. CURTIS of Missouri. We sure did.

Mr. McCORMACK. To reduce the tax?

Mr. CURTIS of Missouri. The excise taxes we reduced with a tremendous bill, the 1954 revision of all the tax code, 10 cents reduction on everyone's income tax—those were 83d Congress measures. We knocked out the excess profits tax. I will say we did.

Mr. McCORMACK. I know all about that. I know what you did.

Mr. CURTIS of Missouri. That is a tremendous record.

Mr. McCORMACK. It was 85 percent for the high-income people.

Mr. CURTIS of Missouri. Oh, no.

Mr. McCORMACK. I know all about that. But did you reduce the cabaret tax you talked about today?

Mr. CURTIS of Missouri. No.

Mr. McCORMACK. Sure not. We got over there with a 50-percent reduction, from 20 to 10 percent.

Mr. CURTIS of Missouri. We did that in the House.

Mr. McCORMACK. You never did it in the House in the 83d Congress. When you were in control of the 83d Congress you never even let a bill out of committee.

Now, may I say this one thing: This clarifies the atmosphere. I am very sorry for my Republican friends. They are in a very bad position. We Democrats will give the leadership that will hold back the forces of deflation and bring back our expanding economy. I hope my Republican friends will support and follow our leadership.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. MULTER. With reference to Sylvia Porter, I need not defend Sylvia Porter, but I think it should be stated here that the figures she has relied upon are in accord with the figures carried by Dun & Bradstreet and in accordance with the figures of the Federal Reserve Board.

Mr. CURTIS of Missouri. That is an essay form rather than setting out the figures.

I have heard those figures on small business failures. The important figure is the percentage. I have not seen the figures for the past two months, but there were fewer percentage failures in small businesses compared to business starts than the average. It may have turned down the last two months. As I say, I am not familiar with the latest figures.

Mr. MULTER. If the gentleman will yield further, I think we ought to bear this in mind when we talk about bankruptcies and people going out of business. Bear this in mind. First, that the bankruptcy record does not take into account the number of people who went out of business—individuals, partnerships, and corporations, because rather than go into bankruptcy they just liquidate. Those figures are reflected nowhere. Now the bankruptcy records show that last week the number was higher than it has been since 1949. It is unfair to compare that with the birth of new businesses because when a company goes bankrupt, you will usually find that one or two of the principals are not just going to give up their efforts to make a livelihood. Where a corporation goes bankrupt, where there are one or two principals involved, you will find that you will get two new businesses coming out of that because each will go his own way and enter into a new enterprise. The fact that two people have now gone into business to try to make a livelihood in small business does not detract from the fact that a bankruptcy has forced out of business a theretofore prosperous business.

Mr. CURTIS of Missouri. The point I want to make is that the reason I said the percentage figures are important is that it is true that the bankruptcy figures do not include that but neither did they include it when it was made before. So your percentages are comparable figures and they do have economic meaning.

Mr. McCORMACK. Of course, there is another question involved because big business drives small business out of business. When I say "small," I refer to some businesses that may employ as many as 12,000 people. Such a business may be small in its particular line. I had the president of a company visit me today whose company employs 12,000 people. But, in his particular line of business, he is a small, independent businessman and some people are trying to squeeze him out of business.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RHODES of Arizona. I was interested in hearing the gentleman from Massachusetts talk about the leadership that we are going to have. I was interested in hearing him talk about the leadership we will get here in the House. Knowing the gentleman as I do, I know that he is a great leader, but I just want to question him about the content of that leadership and I will try to make it just as clear as I can and I will do my very best to make it clear. What I want to ask the gentleman is this. Is that leadership going to take the shape of trying to get the Committee on Education and Labor to move in the direction of making some amendments to this horrible Taft-Hartley law that you people have been talking about for years which was passed in the Republican 80th Congress? You people have been talking about repealing it and amending

it. Now, if the President, the man who when he speaks or sneezes tornadoes happen in Oklahoma——

Mr. McCORMACK. Does the gentleman want to have an opportunity to vote to repeal the Taft-Hartley Act?

Mr. RHODES of Arizona. No.

Mr. McCORMACK. Mr. Speaker, I will rest my case at this point.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. All I wanted the gentleman to do is to exercise his leadership to get this committee to at least hold some hearings on revising the Taft-Hartley law in those areas in which both labor and management think it ought to be improved. I do not want to get controversial about it, but there are certain things that everybody agrees on that ought to be done, but we cannot get them to hold any hearings. We have tried. I just wonder if the leadership of the House should not now get into this picture and say to this committee, "Let us have some hearings on this particular subject."

Mr. McCORMACK. Well, one of the Members on your side of the aisle a few minutes ago referred to the school construction bill. The school construction bill was licked last year by six votes.

Mr. CURTIS of Missouri. Does the gentleman want to know how I voted on that?

Mr. RHODES of Arizona. I would like to have the gentleman from Massachusetts answer my question. I am entitled at least to that.

Mr. McCORMACK. The school construction bill was licked by six votes. An overwhelming majority of the Democrats voted against striking out the enacting clause and a convincing majority of the Republicans voted to strike it out. As a matter of fact, two of the three Republican leaders on your side voted to kill the bill. Now talking about the Taft-Hartley Act, I think labor is aware of what is going on. The gentleman had better talk to some of the leaders. They know that if a bill comes out, you fellows in combination with some others are going to try to put through some antilabor legislation. The gentleman should just go back and think how the Taft-Hartley Act became a law. I voted against it.

Mr. RHODES of Arizona. Is the Taft-Hartley law antilabor?

Mr. McCORMACK. The gentleman was not here when the law was passed, was he?

Mr. RHODES of Arizona. No, I was not.

Mr. McCORMACK. How would you have voted if you had been here?

Mr. RHODES of Arizona. I would have voted in favor of the Taft-Hartley Act.

Mr. McCORMACK. Of course, you would have voted for it. I voted against it. You would have voted for the bill and now you are talking about amending it. The gentleman is taking a holier than thou attitude.

Mr. RHODES of Arizona. The gentleman knows that there has never been a bill passed which was perfect and did not need to be adjusted. Why do you people not get around to adjusting that?

Mr. McCORMACK. And if a good bill comes up the gentleman will probably be one of those trying to get antilabor provisions in the bill. There is no doubt about the attitude of the gentleman and others on his side.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has again expired.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts may proceed for 2 additional minutes.

Mr. McCORMACK. I would remind the gentleman that there is another special order pending.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. McCORMACK. Mr. Speaker, I do not desire additional time; I have used all the time I want.

The SPEAKER pro tempore. Objection is heard.

DEPRESSION GROWS FROM FARMS

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, much has been said and so little done to stop and reverse the recession or depression in our national economy. This downturn trend has been under way ever since the rigid 90 percent of parity farm price support program was abandoned and substituted by the Eisenhower-Benson farm program. History and study of all depressions clearly shows that recessions and depressions start from low farm incomes. General depressions are always preceded by a farm depression, and no one knows better than the farmer and his wife that we have had a continuous farm depression since 1953–54.

Mr. Speaker, I opposed and voted against the flexible or sliding scale farm price support bill when presented and approved by the Eisenhower-Benson administration. I favor a 100 percent parity price for all farm products and I have consistently voted in Congress for a continuation of the 90 percent farm parity price support program.

The farmers of America should not have been compelled to accept the controls of the Soil Bank program without rigid 100 percent parity price protection.

Mr. Speaker, the following editorial appeared in the Kansas City Star during the month of April 1952, the last year of a Democratic administration:

GOOD YEARS FOR THE FARMERS

The American farmer has a fat 11 years behind him. That generally held impression is borne out in detail by a University of Wisconsin survey showing that the net worth of all American farmers has increased from $44 billion in 1940 to $130 billion in 1951.

Inflation of course accounts for much of the increase, particularly in land values which have gone from 34 to 73 billions. But farming land is worth more than it was a little over a decade ago and rightly so. For it has been a far greater producer of wealth in a period happily short of droughts and rich in crop yields.

Thus it is that farmers as a group now have nearly twenty-two billions in cash and deposits, United States savings bonds and investments in cooperatives. The figure was 5 billions in 1940 after a period of low prices. This fourfold increase means that farmers are more than twice as well off even when the fullest allowance is made for the effect of inflation.

And this is a good thing for the country as a whole. For there can be no national prosperity unless the farmers are prosperous. Our entire economy was shaky in the 1930's when farm prices were low and so many farmers were unable even to make payments on mortgages.

There has been since World War II and is now a national and world demand to equal the tremendous output of American farms. As long as present conditions prevail this country's farmers will continue to prosper. That most likely will hold for the rest of the population so dependent on the food producers.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MOULDER. I yield.

Mr. HOLIFIELD. The distinguished gentleman from Missouri is making a fine contribution to the thinking of the Members of this House and also for the reading benefit of the American farmer. I know the gentleman is very much concerned about farm income. I call to his attention that the enormous lag in farm income, wages, and salaries, is at the core of economic conditions. The other depression started in just exactly that way, and it looks like this, if it continues, will be the base for another recession or depression, whichever term a person wants to choose.

I call to the gentleman's attention the fact that since 1951 retail food prices are 5.9 percent higher today than they were in 1951, yet the prices received by the farmer are down 19.3 percent.

Mr. MOULDER. I thank the distinguished gentleman from California for his contribution.

Now what has happened to the farmers since the year of 1952 and the election of President Eisenhower? Secretary Benson and the President led the fight for the so-called modern parity, which actually reduced farm parity. They led the fight for flexible supports which reduced the percentage of parity and farmers' income. They reduced farm price supports and at the same time adopted a policy which increased farm operation costs, and withheld United States farm surplus products off world markets at competitive prices, and merrily proceeded with the mutual security foreign aid giveaway of billions of dollars to foreign countries for, among other things, dams, highways, flood control, irrigation projects, tractors, combines, all kinds of machinery and equipment, and—to cap it all—at United States taxpayers' expense, furnished 738 American agricultural specialists to increase foreign pro-

duction of farm products in competition with American farmers.

Meanwhile our Government farm surpluses have risen from $1 billion in 1952 to over $5 billion in 1957.

I believe many farmers are opposed to the Benson program of paying farmers for taking land out of production. Just as it is uneconomical to pay people for being idle and not to work, so it is a waste of money and resources to pay for letting land lie idle. Some big landowners have received fabulous checks—and others very little or none. Furthermore, the Soil Bank program has not reduced the so-called problem of farm surplus.

Our Government should set up a program to find and promote new uses and markets for our farm products, and finance research on new crops and new uses for old crops. For examples: We claim to be well fed, yet the United States is ranked 15th among nations in milk consumption. Even in Iowa, heart of the Food Belt, Iowa State College nutritionists found that two-thirds of the women over 30 need an extra glass of milk to get sufficient calcium. It would take 25,000 gallons of milk per day to give Iowa schoolgirls the calcium they need.

Promising research now under way uses corn, for example, to make alcohol, which in turn is used to make rubber. If successful, this may consume 200 million bushels of corn per year. Another project now in the development stage aims at taking the starch from millions of bushels of wheat and corn and using it to improve concrete for our highways. New crops—sesame, safflower, bamboo—may replace old ones on thousands of acres.

The farmers' share of the annual consumer dollar fell from 47 percent in 1952 to 36 percent in 1958. Prices paid to farmers for farm commodities have gone down each year while food costs to consumers went higher and higher. The cost of living has risen to a new alltime high. During this same period since 1952, big corporation profits soared to alltime highs; so did the Wall Street stock market. Only a few people have benefited from this false and temporary phony prosperity, and so now we have a recession or a depression, depending on how adversely you are affected at this date.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MOULDER. I yield to the gentleman from California.

Mr. HOLIFIELD. I happen to have in my possession today some very interesting statistics on the point the gentleman is referring to. These statistics are not mine. They are Government statistics from the Department of Commerce and the Department of Labor and other Government departments. They are a recent comparison of the years 1956 and 1957 and they show that the profits of corporations and of industry generally have been increasing enormously year after year. I am speaking now about income after taxes. Consumer income after taxes in 1957 over 1956 only increased 1.1 percent. Yet corporate profits after taxes were up 8 percent in total manufactures. The increase was 9 percent in petroleum products, 17 percent in automobiles and parts, 22 percent in iron and steel, 13 percent in tobacco products, 18 percent in drugs, soaps and cosmetics, 32 percent in electrical equipment, including radio and TV, and 7 percent in food products and beverages. That is the comparison between 1957 and 1956 and shows the abnormal increase in profits by the great corporations. It is no wonder that the consuming power of the American people has decreased and we face unemployment in the cities and we face a lack of purchasing power on the farms.

Mr. MOULDER. The gentleman is exactly right, and I appreciate his contribution.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MOULDER. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. If the gentleman wants to make those figures accurate and meaningful, he should refer to the amount of return per dollar invested, and you will find that there was a tremendous amount of additional capital invested from 1956 to 1957. The fact remains that the gentleman is right in saying that the profits of the corporations have been abnormal. They have been going down abnormally in regard to the dividend rate. The significant figure, of course, is how much return is there per dollar invested beyond the absolute figures, because our economy has been growing, and I hope it continues to grow.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MOULDER. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman is right that in 1957 there has been a reinvestment of capital. But, I point out to you that industry has expanded its capital plant investment to a great extent through depreciation, tax advantages granted by this administration, through depletion allowance advantages and plowback of corporate profits into plant expansion. In addition, the only general tax relief voted by this administration has given corporate stockholders $6 billion in tax relief, and this relief was at the expense of the farmers and the average wage earners of the United States, because the amount that was given in relief to the corporations had to be made up by taxes paid by the ordinary person in the United States.

Mr. MOULDER. I certainly concur with the gentleman from California.

American farmers received a net income of 4 percent less last year than they did in 1956, according to the Department of Agriculture. The Department also reports that some 2 million persons left the Nation's farms last year. It did not estimate how many of them obtained jobs in cities or how many city workers lost their jobs to people leaving the farms. There are now more than 6 million people unemployed with dependents amounting to a total of approximately 20 million affected by unemployment.

Farm purchasing power is several billion dollars below the level of 5 years ago, or 10 years, or even 15 years. This is a painful experience, not only for farm families; it is equally painful for city dwellers who are unemployed because the farmer is unable to purchase the industrial goods that his city cousin would like to produce. Lost farm purchasing power is a problem, too, for businessmen who see their sales dropping in rural areas.

In short, our entire economy suffers from the depressed condition of agriculture.

Mr. McCORMACK. The gentleman's statement is absolutely correct. When we have a sharp recession affecting agriculture—in fact, there is a depression going on there—it is only a matter of time when it catches up with the factory workers in the city. Furthermore, as to the reduction from approximately $15.5 billion net farm income in 1952 to $11.5 billion in 1957, that $4 billion difference during and over the course of 6 years would be carried through in several different stages, with a slightly less or greater reduction for each year, and it probably would represent a total reduction in net farm income amounting to approximately $20 billion and in our overall economy a loss of anywhere from $25 billion to $35 billion worth of business. And, the quicker we get our agriculture back on a sound basis, the better it will be for the workers in the factories.

Mr. MOULDER. Our distinguished majority leader is exactly right, and I appreciate his statement.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MOULDER. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I think the gentleman from Massachusetts will find difficulty in having any economist support the statement he has made about the condition of agriculture. As I pointed out before, there has been a very recent thorough hearing by the Joint Economic Committee, and a report, headed by Senator SPARKMAN, and there is no such statement as that or no implication. In fact, it gives a fair evaluation of the problem.

The other comment I want to make is in regard to the figures the gentleman from California read into the RECORD. They are only part of the figures and give a completely erroneous impression of the actual situation and presented, as they were, to prove certain conclusions. Actually, it gave the wrong impression. I will go over those figures and supply for the RECORD on Monday a correct appraisal, as well as the other figures that balance off so that you get a fair picture.

Mr. MOULDER. The farmers already have the picture and it is not a fair picture. They know and we all know that when the farmers receive a fair price, profit, and share of our national income they are the biggest consumers of steel. Steel production is now down to 53.9 percent of capacity. Farmers are the major consumers of oil, rubber, chemicals, machinery, building materials, supplies, and equipment; and they provide, directly and indirectly, more employment than any and all other industry. Therefore, my statement: Depression grows from the farms.

Mr. Speaker, if the Eisenhower-Benson administration continues its present course, and if a fair and equitable income is not provided and restored to agriculture and the farmers of America, then the present economic recession or depression will surely become a real genuine general depression.

WHAT DID THE 1957 TIGHT-MONEY POLICY DO TO BANK PROFITS?—PROFITS OF NEW YORK CITY BANKS WERE 53.3 PERCENT ON CAPITAL STOCK—BEFORE TAXES

Mr. PATMAN. Mr. Speaker, it was in the year 1957 that the Federal Reserve System tightened the screws on credit most. The credit-tightening program had been in effect before the year started, of course, but during the year credit was made successively tighter until November 15, 1957, when four of the Federal Reserve banks announced a reduction in the discount rate that was to signal a reversal of the trend. Interest rates hit their peak during the year 1957 and many would-be borrowers found it impossible to obtain money at almost any price.

As we know, the tight-money policy put a severe squeeze on many types of economic activity. Home builders saw their businesses cut back and their profits turned, in many cases, to losses. Small businesses of all kinds suffered from inadequate credit, even to carry their inventories, to say nothing of the impossible conditions they faced in trying to obtain capital for modernization and expansion. School building programs and State and municipal construction projects of all kinds suffered because of the high price of money. This is just to name a few business groups that were adversely affected by the tight-money policy.

Now the question is: How did the private commercial banks of the country fare under the tight-money policy last year? Did the increasing credit squeeze drive their profits down? I offer the answers to these and other questions as follows:

Question. What was the profit rate of the commercial banks last year?

Answer. All member banks of the Federal Reserve System had profits, before taxes, equal to 48.9 percent of their capital stock as of the middle of the year. If we figure the profit rate on the total capital account of the banks, which includes capital, surplus, undivided profits, reserves, et cetera, the rate was 14.7 percent.

Question. Did the rate of profits of these banks increase from the previous year?

Answer. Yes. As a group their profit rate on capital stock jumped by 12.7 percent; and their profit rate on total capital accounts jumped by 12.2 percent.

Question. Did all of the different classes of banks share equally under the tight-money policy of 1957?

Answer. No, there were vast differences in the profit experience of the different classes of banks. The profit rate of the New York City banks went up most of all, while the profit rate of the country banks increased least. For example, on total capital accounts the rate for New York City banks shot up 23.6 percent; in contrast, the rate for country banks went up 6.7 percent.

Question. A great deal has been said about the fact that country banks are not required to keep as high a percentage of their deposits in reserves as either the reserve city banks or the central reserve city banks; does this mean that the country banks have higher profit rates than the other classes of banks?

Answer. No, in both 1956 and in 1957 country banks had the lowest profit rate of any of the banks. Last year these rates on total capital accounts were as follows:

1957:	*Percent*
Country banks	12.8
Reserve city banks	16.2
Chicago banks	14.0
New York City banks	15.2

Question. Why did the member banks make higher profits per dollar of capital last year than in the previous year?

Answer. Because all interest rates were pushed up, and the banks lent or invested depositors' money at higher rates than in the previous year. The member banks had an average return on loans of 5.30 percent last year, which was an increase of 5.6 percent over the average rate of return on loans in 1956. Similarly, the banks had an average return of 2.52 percent on their investment in United States Government securities, which was an increase of 9.1 percent from the rate on their investment in such securities in the previous years.

The profit rates of the various classes of banks in 1956 and 1957 are shown in the following table, which also shows the percentage increase in these rates from the previous year.

Federal Reserve member bank earnings in relation to capital accounts by classes of banks, 1956–57 [1]

[Percent]

Item	All member banks			Country member banks			Reserve city member banks			Central Reserve city banks					
										Chicago			New York		
	1956	1957	Percent increase in rate	1956	1957	Percent increase in rate	1956	1957	Percent increase in rate	1956	1957	Percent increase in rate	1956	1957	Percent increase in rate
Rate of earnings:															
Before taxes:															
On capital stock	43.4	48.9	12.7	39.4	42.4	7.6	48.8	54.6	11.9	34.6	38.4	11.0	43.7	53.3	22.0
On capital stock and surplus	16.5	18.6	12.7	15.9	17.1	7.5	18.0	20.1	11.7	15.2	16.9	11.2	15.1	18.6	23.2
On total capital	13.1	14.7	12.2	12.0	12.8	6.7	14.7	16.4	11.6	12.8	14.0	9.4	12.3	15.2	23.6
After taxes:															
On capital stock	25.6	27.7	8.2	24.2	26.2	8.3	28.4	29.8	4.9	21.9	21.9	----------	23.9	28.2	18.0
On capital stock and surplus	9.7	10.5	8.2	9.8	10.6	8.2	10.5	11.0	4.8	9.6	9.6	----------	8.2	9.9	20.7
On total capital	7.7	8.3	7.8	7.4	7.9	6.8	8.6	9.0	4.7	8.1	8.0	----------	6.7	8.0	19.4
Rate of cash dividend declared:															
On capital stock	13.6	14.3	5.1	11.2	11.7	4.5	15.0	15.6	4.0	9.7	9.9	2.1	16.8	18.3	8.9
On capital stock and surplus	5.2	5.4	3.8	4.5	4.7	4.4	5.6	5.7	1.8	4.3	4.4	2.3	5.8	6.4	10.3
On total capital	4.1	4.3	4.9	3.4	3.5	2.9	4.5	4.7	4.4	3.6	3.6	----------	4.7	5.2	10.6

[1] 1957 earnings are preliminary. Date for capital accounts is as of June 30, 1956, and June 6, 1957.

Source: Computed from Federal Reserve press release of Feb. 10, 1958, and Federal Reserve case reports of June 30, 1957.

DESIGNATING CERTAIN SUNDAY AS DAY OF PRAYER

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, permission having been granted, I am inserting in the RECORD at this time for the consideration of the Members of the Congress a very fine letter, which I have received from Mr. Robert M. Harriss, of Forest Hills, N. Y., in which he suggests the passage of a resolution by the Congress urging that a certain Sunday in the near future be designated as a Day of Prayer.

The letter follows:

NEW YORK, N. Y., *February 20, 1958.*

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR MR. PATMAN: With Lincoln's birthday past, and George Washington's approaching, I believe we should all meditate the most serious and grave situation ever confronting our Nation and civilization itself.

I think we will agree, as religious people, that no good can be accomplished without recognition of God. Also, that materialism without religion always causes its own destruction. That in time of serious trouble and great sorrow we must turn to God for help and comfort.

We also remember that in our War for Independence, when it looked like all was lost, at Valley Forge our troops were cold, starving and ill-clothed, shoeless, cursing, and many deserting, that at this critical hour Washington did two things: (1) Issued a general order prohibiting cursing, copy of which is attached, and then he knelt and prayed to God for help.

This was true of Lincoln in the darkest hours of the Civil War. This same spiritual religious idea is stressed in our Declaration of Independence.

Our people are a good people, and basically a spiritual and religious people. Therefore would it not be a good idea for the Congress

to pass a resolution urging that all of our people on a certain Sunday in the near future pray to God to thank Him for giving us our heritage of freedom and asking Him for help and guidance at this critical hour to save and preserve our freedom and the free world? And also in the the resolution suggest that the nations of the free world take similar action. This is probably our best hope—and may be our only hope to save our freedom and civilization.

Therefore I pray and hope that you will give your good consideration and active support to this suggestion.

With best wishes.

Sincerely,

ROBERT M. HARRISS.

GEN. GEORGE WASHINGTON'S ORDER

(Issued in 1776 and one of the few Army orders that have never been rescinded)

The General is sorry to be informed that the foolish and wicked practice of profane cursing and swearing, a vice heretofore little known in an American army, is growing into fashion.

He hopes the officers will, by example as well as influence, endeavor to check it, and that both they and the men will reflect, that we can have little hope of the blessing of Heaven on our arms if we insult it by our impiety and folly.

Added to this, it is a vice so mean and low, without any temptation, that every man of sense and character detests and despises it.

THE LEAK OF THE FEDERAL RESERVE'S SECRET LAST WEEK ADDED $2.5 BILLION TO THE NEW YORK STOCK EXCHANGE IN 1 DAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, last Thursday afternoon the Federal Reserve Banks of New York, Philadelphia, and Chicago announced a cut in the discount rate. The rate was cut from 2¾ to 2¼ percent.

The announcement was made late Thursday afternoon after the New York Stock Exchange had closed. Such announcements are usually made after the stock exchange is closed because, as everybody knows, an announcement of the change in the Federal Reserve discount rate always has a tremendous effect on the stock market, as it also has on the prices of Government securities. Consequently, these announcements are usually made after the exchanges are closed, on the theory that overnight the news will reach almost everybody, and everybody will have an equal start when trading opens the next morning. Prior to the time that a rate change is publicly announced it is, of course, one of the most valuable secrets which a Government has. Anyone having advance information that a change in the rate is coming can make millions of dollars—and even billions of dollars—in either the stock market or in the Government securities market.

The New York Times is one of the newspapers which reported on the advance leak that a reduction in the discount rate would be made last week, which leak had broken into an open secret in Wall Street by last Wednesday afternoon.

Last Friday morning the New York Times reported that—

> Short coverings and a poorly kept secret combined yesterday to add about $2,500,000,000 to the market value of shares listed on the New York Stock Exchange portfolios.

The poorly kept "secret" was, of course, the coming cut in the discount rate, which according to the New York Times story, was on its rounds in Wall Street Wednesday afternoon.

The Dow-Jones average of 30 industrial stocks jumped $4.38 between Wednesday night and Thursday night, and the New York Times index of all stocks jumped by $3.75 in the same period.

But the traders who made the real killing were not, of course, those who got in on the tag end of the secret on Wednesday or Thursday, but those who started buying on Tuesday or Monday, or even the previous Friday. Between the close of the New York stock market on Friday, February 28, and the close of the market on Friday a week later, the Dow-Jones average of industrial stocks went up $11.57.

On Sunday, March 9, the Associated Press also commented on the advance leak of information that the Federal Reserve banks were about to cut the discount rate. This AP dispatch, which was carried by the Washington Post and Times Herald, said:

> The announcement of this new credit-easing move came after the market closed on Thursday. During the session that day, however, there was a strong rumor that something of the sort was in the wind.

In view of the open discussion of the Federal Reserve "secret" last week, several members of the Committee on Banking and Currency of the House suggested to the distinguished chairman of that committee that an investigation and corrective action could hardly be avoided. My colleague on the committee, the gentleman from New York [Mr. MULTER], made such a suggestion; and I also made such a suggestion by letter to the chairman of the committee. It seemed most appropriate to me that some safeguards against future leaks of this kind be incorporated in the financial institutions bill, S. 1451, which the Committee on Banking and Currency is now considering.

As I pointed out, this financial institutions bill makes 116 substantive changes in the banking laws, 22 of which are amendments to the Federal Reserve Act. There is at present no provision in the law to safeguard against advance leaks of information from the Federal Reserve System, and no punishment for such leaks. Nor are there any safeguards against people inside the Federal Reserve banks making use of their inside information for their private advantage in the stock market or elsewhere.

These suggestions were put forth in a motion offered by me in executive session of the Banking Committee Tuesday. The motion was turned down by the committee. The Associated Press reported it was defeated by a vote of 16 to 4. I am free to say how the members voted on the motion since I have secured unanimous consent from the Committee on Banking and Currency to do so in view of the incorrect report. The New York Times, of yesterday, reports that my motion to investigate this leak was defeated by a vote of 14 to 10. This is a correct statement.

For those Members who may be interested, I will insert in the RECORD at this point the New York Times report to which I have referred, plus a subsequent story appearing in the New York Times on Saturday, March 8, and, finally, a copy of my letter of March 10 to the chairman of the Committee on Banking and Currency of the House setting out my suggestions:

[From the New York Times of March 7, 1958]

MARKET SURGES; BEARS TURN TAIL—STRONG RUMOR OF DISCOUNT RATE CUT SPURS BUYING, ESPECIALLY BY SHORTS—INDEX UP 3.75 TO 278.73—FIFTH GAIN IN A ROW AND BEST SINCE JANUARY 3—TURNOVER RISES TO 2,470,000

(By Burton Crane)

Short covering and a poorly kept secret combined yesterday to add about $2,500,000,000 to the market value of shares listed on the New York Stock Exchange portfolios.

The advance which pounded forward at a hearty clip until 2 p. m. and then continued at a gentler pace, was the widest since January 3.

The "secret" of a new discount rate cut was on its rounds in Wall Street Wednesday afternoon. In its most elaborate form, the rumor said that five Federal Reserve banks had petitioned the Federal Reserve Board for permission to make the move.

By noon yesterday, this was not a mere rumor but a firmly held conviction for thousands of investors and traders. The market drove forward.

After the close at 4:30 p. m., came word that three banks had cut their rates by one-half percentage point each.

This excitement developed against a background of 4 previous days of advance, excessively thin offerings of stock for sale, and a larger than usual short interest. The shorts were already worried. As the day wore on more and more of them ran to cover—that is, bought to replace stock they had borrowed and sold.

Gains of a point or more spotted the steels, rails, chemicals, nonferrous metals, and oils, all recently depressed and targets of the short sellers. The relatively strong groups, such as pharmaceuticals, business machines, and building materials moved far more conservatively and ended mixed. They had had few shorts.

[From the New York Times of Saturday, March 8, 1958]

INQUIRY INTO DISCOUNT RATE LEAK DEMANDED BY TWO REPRESENTATIVES

Two Members of Congress called yesterday for an inquiry into reports that the reduction in the Federal Reserve discount rate announced Thursday had been leaked to privileged persons.

In Chicago, Representative WRIGHT PATMAN said that the House Banking and Currency Committee should start an open investigation of leaks in the Federal Reserve System. The Texas Democrat, regarded as one of the severest critics of the Federal Reserve Board, was aroused by reports that Wall Street traders had capitalized on leaks.

In New York, Representative ABRAHAM J. MULTER, Democrat, of Brooklyn, said he would bring the matter up Tuesday at an executive session of the House Banking and Currency Committee, of which he also is a

member. If the committee fails to act, Mr. MULTER said, he would take the issue to the floor of Congress.

The Brooklyn Representative said he had raised similar questions in connection with the reduction of the discount rate from 3½ to 3 percent last November. But in response to his request for Federal Reserve records on Government securities dealings, Mr. MULTER said he was told that the records were confidential.

Mr. MULTER said that reports of a reduction had circulated in advance of the Federal Reserve Board's approval Thursday of a reduction in the discount rate from 2¾ to 2¼ percent.

He conceded that it was possible that the reports might have come about because some of the "smart boys" had anticipated the Federal Reserve Board action. But, he added, if the "smart boys" were privileged persons, Congress and the public had the right to know.

Representative PATMAN said he had no direct evidence of a leak. However, he said that if there had been a leak it would be "just like crap shooting with loaded dice" with the "insiders" having the loaded dice.

LOYALTY IS CITED

Two-thirds of the 108 directors of the Federal Reserve banks are elected by private banks, Mr. PATMAN said.

"They are bound to be loyal to them," he declared.

Mr. PATMAN said that he would demand that Tuesday's executive session of the Banking Committee become an open meeting and that William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, be called as the first witness.

Representative PATMAN also was critical of the Open Market Committee of the Board of Governors, which influences bank credit by buying and selling Government bonds. That group also lacked rules of conduct, Mr. PATMAN said.

The stock market is regulated, he said, and added that the Government bond market should have similar Government regulation.

Mr. PATMAN said that the System's method for safeguarding decisions before they were divulged to the public was "very loosely and carelessly handled."

Knowledge of the cut in the discount rate in advance of the public announcement can be used profitably, an expert in New York explained.

Between Tuesday night and Thursday night the 5 Treasury bonds of longest maturities made an average gain of 11/16. A person buying 20 bonds by putting up a margin of $1,000 might have made a 2-day profit of $137.50 or 13¾ percent before broker's commission and taxes.

Members of the stock exchanges themselves, especially floor traders, could make much larger profits by exploiting a leak. Between Wednesday, when the discount rate seemed generally known, and Thursday night, they might have bought and sold time after time—always at a profit.

Total gains would have depended on how fully they were willing to utilize their capital. Apparently nobody did to any great extent on the exchanges, for volume remained low.

In Washington most members of the Banking and Currency Committee of the House and Senate available said yesterday that they had heard no word that there had been a leak in the Federal Reserve Board's decision to reduce the discount rate in New York, Philadelphia, and Chicago.

They were, however, interested in reports that there had been "furious" trading in some markets before the Reserve Board's decision was announced.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 10, 1958.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I want to make several suggestions for the committee's course of action on the financial institutions bill, S. 1451, which I respectfully submit as being compelled by the public interest.

The committee is scheduled to meet tomorrow in closed, nonpublic session for the purpose of reaching a decision on the bill—that is, for making such amendments to the bill as a majority may wish to make, and then reporting the bill to the House for action.

We cannot, even as a matter of public decorum, act upon this bill until we have first put into it appropriate safeguards against leaks of information about pending Federal Reserve actions and appropriate safeguards against small groups of speculators having and using for their special advantage inside information about the Federal Reserve's operations which the general public is prevented from having. The charges by responsible persons, and commonly gossiped in Wall Street and in the press last week, about a leak of the Federal Reserve's reduction in the discount rate last Thursday, appears to have resulted in certain insiders making many millions of dollars of unwarranted profits on Government securities.

Furthermore, as I have previously pointed out, the Federal Reserve Bank of New York is trading in Government securities amounting to many billions of dollars per month in under-the-counter deals with a select group of 15 dealers in Government securities. There is no public inspection of this trading; there is no public reporting of the prices at which Government-owned securities have been bought or sold; no public reporting of the amounts traded with the various dealers who are privileged to trade with the New York bank; and indeed, even the names of these inside dealers are a secret.

This amounts to secret government over the important factor in our economy, which is the supply of money.

S. 1451 as it now stands is a bankers' bill, written by a group of unregistered banker-lobbyists. It was first presented to Congress as a mere rewrite of existing laws. It was described as containing few, if any, substantive amendments, that is to say, amendments which would actually change in any important way the practical application of the banking laws. Yet, according to the staff report which you had compiled and circulated on March 7, S. 1451 contains no less than 116 substantive amendments to present law. This is the same as wrapping up into one package 116 different bills amending the banking laws of the United States and asking the Congress to pass this whole tremendous package.

Also according to the staff report of March 7, 22 of the substantive amendments in the bill are amendments to the Federal Reserve Act. While the committee is making such extensive amendments to the Federal Reserve Act it should certainly include in this package some public interest amendments, at least of the kind that will protect the people against the more flagrant and obvious kinds of misuse of the publicly owned banking system. As I have previously pointed out, there is now no law against leaks of information, no law against the private bankers or others in the Federal Reserve System using their inside knowledge of the System's policies and pending actions for their private advantage, and there is no penalty for these things.

I should like to suggest, therefore, that for the meeting tomorrow Chairman Martin and other members of the Federal Reserve Board be called and asked for their cooperation and suggestions as to how the committee may make a prompt investigation into the question of the alleged leaks of last week. Then as soon as subsequent meetings can be set, I believe the committee should call not only the 15 dealers who are privileged to engage in under-the-counter trading with the New York bank, but also the officers and directors of that bank, as well as the presidents of the other banks who make up the Open Market Committee.

My final suggestion is that the committee's meeting tomorrow be a public meeting. Holding the meeting in nonpublic, executive session will not prevent the bankers' lobby from knowing how each of the members votes on the various amendments and on the proposals that will be made for correcting present abuses. The bankers have ways of learning these things, so a closed meeting will prevent only the general public from knowing. In other words, a closed meeting will give an unfair advantage to the bankers, and a closed meeting will also be unfair to the Members who wish to vote on the side of the general public contrary to the demands of the bankers.

Sincerely yours,

WRIGHT PATMAN.

END OF THE ERA OF FREE COMPETITIVE ENTERPRISE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, in January 1957, the House Small Business Committee issued a report which pointed out that if small business failures and big business expansions continued at the rate of the previous 5 years, it would be only 18 years before all manufacturing and most of the distribution and service businesses of this Nation would be controlled by corporations having more than $100 million of assets.

Miss Sylvia Porter pointed out in her column yesterday that this prediction will come true ahead of time. Actually, the Small Business Committee's report was not offering a prediction—it was offering a simple mathematical computation.

Now Miss Porter asks what has been done to correct these forces that are destroying small business, and destroying the free enterprise system, since that warning of more than a year ago was sounded.

The answer is "Nothing."

Miss Porter concedes that there has been plenty of talk. There have been lots of proposals, promises, speeches, pledges, hearings, and so forth, but nothing has been done.

Furthermore, as Miss Porter views the matter, there is still no convincing evidence of a major effort to solve the problems of financing and taxation of small business. With this I would have to agree. I see no evidence whatever that anything will be done to correct the problems which are destroying small business, and destroying our free-competitive enterprise system.

Some of my colleagues and I on the Small Business Committee have offered

bills which we believe would go a long way toward solving these problems. We have offered a small business tax bill which contains a plow-back provision for new investment in small firms. This bill, H. R. 9957, if it were passed, would not only help small business, it would go a very long way toward boosting the economy out of the present recession. We have also offered a small business capital bank bill, H. R. 10345, which would give small firms access to capital which is needed for modernization and expansion. Small business, as we know, has almost no access to long-term loan capital or to equity capital.

I suggest these bills to the Members because the end of free enterprise is plainly in view; unless something along the lines of these bills is enacted, that end will surely come.

I know that Members who may have missed Miss Porter's article will be interested in reading it. It appears in the CONGRESSIONAL RECORD for March 12, at page 4122.

ST. PATRICK'S DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ZELENKO. Mr. Speaker, on the occasion of the celebration of the day of St. Patrick, March 17, I wish to extend my felicitations to our many wonderful citizens of Irish ancestry and to the Irish people all over the world. They are a people whose devoutness, compassion, integrity, and courage have contributed throughout the centuries to the uplifting and the civilizing of the human race.

It has been my custom each year on this anniversary to express my sentiments with a particular theme. Several years ago it was my distinct privilege to make a part of this RECORD, in detail, the contribution of the Irish to the growth and welfare of America.

This year I express the hope that there will be progress and fulfillment of the prayer of the Irish people for the unification of their homeland. This is a necessary and vital step toward world betterment. The unreasonable and illogical division of any people does not make for harmony. We need but urge those responsible for the preservation of our western civilization in attempting to cope with the problems created by the division of Germany into East and West, by the division of Korea into North and South, and by the division of Vietnam into North and South to understand that those situations cannot be resolved unless an example is set where it has long sorely been needed, and that is in Ireland.

And so, with the prayer that the Irish will continue to be among our leaders on the road toward a better world—again, my felicitations and congratulations.

RELIEF FOR TAXPAYERS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HOLTZMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLTZMAN. Mr. Speaker, I am today introducing in the House of Representatives legislation that will provide some small measure of relief for our taxpayers.

The first bill will increase the present income-tax exemption of a taxpayer and/or his dependent from the present $600 level to $1,000. The $600 exemption now in effect was adopted approximately 10 years ago, and, of course, in this day and age is totally unrealistic.

The second bill grants an exemption from income tax in the case of retirement annuities and pensions. We must be concerned about our older citizens who have been forced to exist on fixed incomes while prices continue to rise. These citizens are over the age limit where they can seek and find employment to supplement any such annuities or pensions, and with the current lack of jobs their situation is more desperate than ever.

The third and last bill would permit a parent to deduct for income tax purposes amounts paid for the care of children while the parent is working, and would allow an income tax exemption for any child under 18 years of age who has been a member of the taxpayer's household, or attending school at the taxpayer's expense, during the entire taxable year. Once again the high cost of living has made it necessary in many instances for both husband and wife to seek work, thus necessitating the care and supervision of any children by another individual or organization. This provision would give much needed relief to those parents who are forced to pay for the care of their children while they themselves are working.

The cost of living in the last decade has continued to skyrocket, and the tax laws have placed a heavy and unfair burden on our middle and lower income families. Just last month unemployment jumped almost 700,000, to place the total unemployment figure throughout the country at approximately 5.2 million, the highest figure in more than 16 years. The present recession shows no signs of diminishing in the near future, and some steps must be taken to place more money in the hands of the consumer.

A tax cut now, even in the form of increased or liberalized exemptions, would increase consumer income and at the same time stimulate purchasing power, thus giving a shot in the arm to our sagging economy.

We must take some action, and quickly, to ease the burden of the taxpayer, and I respectfully urge my colleagues to give their immediate consideration to the enactment of a program which will provide that relief.

THE UNEMPLOYMENT SITUATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, my mail these days brings a daily litany of misery. Once again unemployment and hunger stalk the land, and fear intrudes in millions of American homes.

A quarter century has passed since that raw March day when, in front of this very building, our crippled leader offered his hand to a stricken Nation. This—

He began quietly—

is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

Mr. Speaker, history is not a wheel. No one suggests that 1933 has come again. It will not and cannot return because we are now protected by many humanitarian and social programs, brought about in the New Deal days, such as unemployment compensation, guaranteed bank deposits, social security, and old-age assistance.

There are no professional pessimists on this side of the aisle.

But we may perhaps be excused our doubt when we look across the way or down the avenue. Ex-President Herbert Hoover was widely applauded by his party when he recently repeated almost verbatim his chins-up speech of 27 years ago. I have great admiration for Mr. Hoover's integrity, but Mr. Hoover did not understand his time and understands ours still less.

What shocks me about the cyclical wisdom of Herbert Hoover is not that he should discern parallel problems but that he should repeat parallel errors. Surely even a puppy once burned learns to shun the stove.

But some of our brethren have a most remarkable faculty for selective concentration. Their minds are a loaded sack. They never retire any idea they hold dear—and there is no room in them for any fresh approach.

I do not imply that Washington is again in the hands of the Hooverites.

Thank God, even the Republican Party is too wise for that. The current administration itself concedes the need for a bold new program to combat the recession. Unfortunately, the program it offers is neither bold, nor new, nor adequate. Its principal predicate is delay—"We will wait and see what next month brings" says one spokesman after another.

Our trouble, Mr. Speaker, is not Hooverites, but Bensonites, that hardy,

imperturbable band of Presidential advisers—of whom Ezra Taft Benson himself is only one—who propose to cure unemployment by driving the farmers into the cities and overcome inflation by repealing human nature.

Mr. Speaker, piety is no substitute for action, nor benevolent promises for deeds. I want to read you a portion of a letter I recently received. It is from a correspondent in Hazel Park, Mich.

The unemployed—

he writes—

need help now, not in June or July as the administration is talking about. There are 5 million or more out of work now. But let us count their families, too. According to reports here, people are losing homes. When their checks are exhausted, the welfare rolls are filled up. Where are they supposed to turn? If as a Nation we cannot take care of our own people, in the name of God, who are we kidding? I firmly believe if the Government can start the ball rolling, industry will take up the slack, because our people need so many things—household articles, cars, homes, new roads, schools. Then we can as a people help other countries. Lots of people have lost faith in voting, and I believe if the Government would help now, it would be the biggest shot in the arm politics would ever get. You see, as a people, all we want is the right to work, not charity.

What is the answer I should send this man? Have faith, the nickel postage stamp is coming? Hold tight, Secretary Benson will soon lower price supports? Or do I say, "bear with us, Secretary Mitchell expects a business upturn in the summer"?

Mr. Speaker, the Bible says: "If a brother or a sister be naked and destitute of daily food, and one of you say unto them, Depart in peace, be ye warmed and filled; notwithstanding ye give them not those things which are needful to the body; what doth it profit?"

Mr. Speaker, "this is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper."

I speak these words, as Franklin Roosevelt spoke them, with confidence in our ability to face the truth and with assurance in our resolve to act upon it. But there are 5 million Americans hungry and in need of a job. They did not make this recession, they are its victims. Do we require apple sellers on the corner to evoke our tears? Is not the blameless hunger of one man, woman, or child enough?

Mr. Speaker, there are six separate bills pending now before the House Agriculture Committee which propose establishment of a stamp program for the distribution of excess foods. These are sponsored by my good friends and colleagues from Michigan, Mrs. GRIFFITHS and Mr. RABAUT, and myself. Another bears the distinguished name of the gentlewoman from Missouri, the Honorable LEONOR SULLIVAN, who last year, over the strenuous objections of Secretary Benson, tried to get this program through the House.

It was pleaded then that times did not require such extreme measures. We can all agree that times have changed.

But, Mr. Speaker, this legislation is not necessary.

The statutes already contain all the authority Mr. Benson needs—but he must be forced to use it.

From 1939 to 1943 the Department of Agriculture carried on just such a food-stamp plan as a number of us now propose. This was done under the authority in clause 2 of section 32, Public Law 320, 74th Congress, as amended. This clause grants to the Secretary of Agriculture power "to encourage the domestic consumption" of various agricultural commodities or products "by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization, through benefits, indemnities, donations or other means, among persons in low-income groups."

Mr. Speaker, that provision remains law. It is: Title 7, section 612 (2) (c) of the United States Code.

This section also directs that 30 percent of the gross receipts from customs duties collected by the United States Government shall be put aside in a separate fund for use by the Secretary of Agriculture in furtherance of this and other section 32 programs—but that any excess $300 million shall be returned to the Treasury.

Mr. Speaker, I have checked with the accounting department of the Commodity Stabilization Service and what do I find? That, as of December 31, halfway through the current fiscal year, there is, in this food kitty, $432,771,487. We have this money earmarked, billions of dollars worth of stored surplus, millions of hungry, and we will not feed our people.

To bring this food kitty down merely to the cutoff level, the Agriculture Department would have to spend in the last half of fiscal 1958 $132,771,487. This is half again as much as the Department spent for all section 32 programs in the first 6 months of the fiscal year.

The Department of Agriculture ought not to be hoarding its resources now in a shabby and shallow effort to look good for budgetary reasons. It ought to be out working with both hands to get excess foods off the market—where they are a drag on prices—and into the hands of the suffering unemployed. The benefit would be twofold. But, Mr. Speaker, Secretary Benson apparently is determined to do nothing which will impair his standing with the farmers. When a man is as popular as Ezra Taft Benson, who could suggest there might be another way?

But we in the cities do not share the farmers' love for Mr. Benson nor their great respect for his motives. We know only that in the administration of Public Law 480, the surplus disposal program, Mr. Benson has leaned over backward to see that as few support commodities as possible were channeled into the domestic donations program. We know that Mr. Benson has administered section 32—for perishables—largely by ignoring its potential, downrating its intent, and overlooking the hungry.

No, sir; what we attack in this administration is not blindness—though it may be a trifle slow in seeing. What we attack is its insensitivity. And Mr. Benson is the least sensitive of the whole insensitive lot.

I therefore urge the Congress to act now on the food stamp bills—quickly and unmistakably. For I am afraid that Secretary Benson will not be lectured. After all, delegations of farm-State Republicans have waited upon him, pleading political privilege, and they have found themselves speaking into his deaf ear.

If Mr. Benson cannot hear the howls of rage on the farms, he is not more likely to hear the anguish of the unemployed. Perhaps he will prove more adept at reading the handwriting on the wall. Let us write it there large for him to see.

A CASE OF "DEPRESSIONITIS"

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Minnesota [Mrs. KNUTSON] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. KNUTSON. Mr. Speaker, Uncle Sam is sick. He has a bad case of "depressionitis." He has a pain in his economy and he has jobless fever and chills.

This is not the first time Uncle Sam has been sick. He was sick back in the early thirties. He was sick many times before that. It has always been the same illness—depressionitis.

Uncle Sam has, thus far, recovered from these spells. These recoveries have sometimes been due to home remedies. Other times, he has recovered by just letting the sickness run its course. Uncle Sam is, basically, a mighty healthy person.

What shall we do about him now? Shall we cut taxes to ease the pain in his economy? Shall we set into operation a huge public-works program to bring down his fever and take away his chills?

Or shall we stop trying only to ease symptoms and, instead, give Uncle Sam modern medication which will kill the germs that have brought on depressionitis?

Mr. Speaker, the dangerous germ that has brought Uncle Sam to bed is the neglect of the family farm. This neglect has forced able farmers to move into the towns and cities. Once there—if he is able to get a job at all—he must start at the bottom. This being the case, should there be any layoffs, the onetime family farmer is the first to go. He lacks experience. He lacks seniority.

I do not know—there is no sure way of knowing—how many of the more than 6 million Americans currently unemployed were once family farmers. It is a reasonable estimate that a third of them once were.

To cure Uncle Sam we must get these professional farmers back on the farm.

To cure Uncle Sam we must keep those who are still on the farm right where they ought to be. We must remember the most profound lesson taught in Edward Gibbon's Decline and Fall of the Roman Empire; that when the small farm no longer became a place where a man and his family could make a living at that time, the very life of the nation was threatened.

We must bend our every effort to support the existence of the family farm. This is not a dole. It is a national need. If the family farm can pay its way, America can pay its way.

Yes, Mr. Speaker, Uncle Sam is sick. He does have depressionitis. But, he is only in the early stages of the disease. There is still time to cure Uncle Sam and to cure him quickly.

I appeal to each Member of the Congress and the administration as individuals. You know the disease. You know the cause. You know the cure.

Now, it is up to you.

You are the doctor.

EXTENSION OF UNEMPLOYMENT COMPENSATION BENEFITS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RODINO. Mr. Speaker, the time for action on legislation to extend unemployment compensation benefits is now. With latest unemployment figures reaching near the 5,200,000 mark and unemployment compensation benefits already exhausted in many cases, there is no time to wait.

In my State of New Jersey, which has been hard hit, the unemployment figures continue to mount and many unemployed see nothing but relief rolls unless some action is taken immediately.

My bill, H. R. 11335, would supplement State unemployment insurance benefits up to 50 percent of a worker's former average weekly wages up to a maximum equal to two-thirds of the average wages of all covered workers in the State. It will also supplement the duration of State benefits up to 40 weeks if a worker is unemployed for that length of time.

Such emergency legislation, Mr. Speaker, would be a godsend to the presently unemployed whose benefits have been exhausted or are about to be exhausted. Money derived from such benefits would be used for the basic necessities—food, fuel, rent, and clothing—in many cases.

Official estimates of the unemployment situation in New Jersey show a steady march—and no easing up—in claims for unemployment benefits. This situation must be dealt with immediately by way of such an emergency measure as the bill I have introduced. In the interest of bolstering our declining economy and giving necessary relief to those who are being hard hit by unemployment, I urge consideration of this measure.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CHRISTOPHER, for 30 minutes, on Monday next.

Mr. MULTER, for 30 minutes, today.

Mr. CURTIS of Missouri, for 1 hour, today.

Mr. MCCORMACK, for 20 minutes, today.

Mr. NIMTZ, for 60 minutes, on Monday next.

Mr. RODINO, for 30 minutes, on Wednesday, March 19.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BYRNES of Wisconsin.

Mr. ALEXANDER and include extraneous matter.

Mr. ALBERT and include extraneous matter.

Mr. GWINN (at the request of Mr. RAY) in two instances, in each to include related matter.

Mr. SIMPSON of Pennsylvania.

Mr. DAGUE.

Mr. BROOKS of Louisiana in two instances, and in each to include related matter.

Mr. BENNETT of Florida in two instances, in each to include related matter.

Mr. MULTER.

Mrs. DWYER and to include extraneous material.

Mr. OSTERTAG.

Mr. FALLON to revise and extend the remarks he made in the Committee of the Whole today and include therein certain tables and related matter.

Mr. MCGREGOR to revise and extend the remarks he made in the Committee of the Whole and to insert tables and related matter.

Mr. PELLY (at the request of Mr. ARENDS) in two instances and to include extraneous matter.

Mr. DENNISON.

Mr. GRIFFIN to extend his remarks made in Committee of the Whole on H. R. 376 and include extraneous matter.

Mr. HOLIFIELD on the subject of air traffic controls in the Los Angeles area and to include certain correspondence with Government departments on the subject of the recent crash in which 48 lives were lost.

(At the request of Mr. MCCORMACK:)

Mr. DOLLINGER.

Mr. BOGGS and to include extraneous matter.

Mr. BONNER.

Mr. FLOOD (at the request of Mr. MCCORMACK).

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 162. Joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws; to the Committee on Agriculture.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p. m.), under its previous order, the House adjourned until Monday, March 17, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1710. A letter from the Secretary of the Interior, transmitting a report on the Spokane Valley project, Washington, pursuant to the provisions of 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 352); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1711. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1712. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to give effect to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington, February 9, 1957, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1713. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to extend the Renegotiation Act of 1951 for 2 years"; to the Committee on Ways and Means.

1714. A letter from the Administrator, General Services Administration, transmitting the quarterly report on the progress of the liquidation of the national defense, war, and reconversion activities of the Reconstruction Finance Corporation, pursuant to Public Law 163, 83d Congress, as amended, and Reorganization Plan No. 1 of 1957 (22 F. R. 4633); to the Committee on Banking and Currency.

1715. A letter from the Chief Scout Executive, National Council Boy Scouts of America, transmitting the 48th annual report of the Boy Scouts of America for the year 1957 (H. Doc. No. 353); to the Committee on Education and Labor and ordered to be printed with illustrations.

1716. A letter from the Comptroller General of the United States, transmitting a report on the examination of the $100 million loan made by the United States Government through the Foreign Operations Administration, predecessor of the International Cooperation Administration, to the European Coal and Steel Community from funds appropriated by the Congress for the mutual-security program in fiscal year 1954, pursuant to section 2 (b) of the Mutual Security Act of 1951, as amended (66 Stat. 141); to the Committee on Government Operations.

1717. A letter from the executive secretary, American Chemical Society, transmitting the Annual Report of the American Chemical Society for the calendar year 1957, pursuant to Public Law 358, 75th Congress; to the Committee on the Judiciary.

1718. A letter from the Comptroller General of the United States, transmitting a report on observations on the unnecessarily

disadvantageous bargaining position of Government contracting officials in pricing negotiations which resulted from their lack of knowledge of current cost data known to contractor officials at the time of negotiations, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), the Accounting and Auditing Act of 1950 (31 U. S. C. 65), and the authority as set forth in title 10, United States Code, section 2313 (b); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Armed Services. S. 3262. An act to authorize certain activities by the Armed Forces in support of the VIII Olympic winter games, and for other purposes; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. House Concurrent Resolution 286. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made; with amendment (Rept. No. 1500). Referred to the House Calendar.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 4360. A bill to amend section 1 of the act of March 12, 1914, as amended; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. House Concurrent Resolution 285. Concurrent resolution favoring the acceleration of civilian construction programs for which appropriations have been made; with amendment (Rept. No. 1502). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H. R. 9291. A bill to define parts of certain types of footwear; with amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON of New Jersey:

H. R. 11378. A bill to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws; to the Committee on Education and Labor.

By Mr. SIMPSON of Pennsylvania:

H. R. 11379. A bill to reduce income taxes, to provide relief for small business, to repeal the taxes on the transportation of property, to reduce the taxes on the transportation of persons, on communications, on automobiles, on automotive parts and accessories, and on radio and television sets, and for other purposes; to the Committee on Ways and Means.

By Mr. DENNISON:

H. R. 11380. A bill to amend the Civil Service Retirement Act to increase annuities paid from the fund and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ADDONIZIO:

H. R. 11381. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

By Mr. ASPINALL:

H. R. 11382. A bill to authorize the conversion of term insurance issued under section 621 of the National Service Life Insurance Act and to adjust the basis for premiums and other calculations on such insurance; to the Committee on Veterans' Affairs.

By Mr. ASPINALL (by request):

H. R. 11383. A bill to amend section 621 of the National Service Life Insurance Act of 1940 to provide that policies of insurance issued thereunder shall be convertible and participating, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. AYRES:

H. R. 11384. A bill to amend the Servicemen's Readjustment Act of 1944 to extend the direct and guaranteed loan programs for 2 years; to provide that the rate of interest on direct and guaranteed loans shall be prescribed by the Administrator of Veterans' Affairs; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BALDWIN:

H. R. 11385. A bill to amend and supplement the Federal-Aid Highway Act of 1956, the Highway Revenue Act of 1956, and for other purposes; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 11386. A bill to remove any limitation on the authority of the Legislature of the Territory of Alaska to delegate certain powers with respect to the administration of laws relating to the manufacture and sale of intoxicating liquors in Alaska; to the Committee on Interior and Insular Affairs.

H. R. 11387. A bill to amend the Alaska Public Works Act to increase the authorization for appropriations and to extend the authority to provide public works under such act; to the Committee on Interior and Insular Affairs.

By Mr. BENTLEY:

H. R. 11388. A bill to repeal the manufacturers excise taxes on refrigeration equipment, self-contained air-conditioning equipment, and electric, gas, and oil appliances; to the Committee on Ways and Means.

H. R. 11389. A bill to authorize the Commodity Credit Corporation to acquire title to unredeemed loan collateral without obligation to make equity payments; to the Committee on Agriculture.

By Mr. BRAY:

H. R. 11390. A bill to repeal the manufacturers' excise tax on passenger automobiles and trucks; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H. R. 11391. A bill to amend the Internal Revenue Code of 1954 to repeal the taxes imposed on the transportation of property (including the transportation of oil by pipeline); to the Committee on Ways and Means.

By Mr. CHRISTOPHER:

H. R. 11392. A bill to create a Department of Science and prescribe its functions, and to establish a United States Science Academy within such Department; to the Committee on Government Operations.

By Mr. CRAMER:

H. R. 11393. A bill to provide a 30 percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education, said credit not to exceed $400; to the Committee on Ways and Means.

H. R. 11394. A bill to provide a 30 percent credit against the Federal individual income tax paid as expenses incurred by him as a teacher paid as expenses incurred to further his education; said credit not to exceed $400; to the Committee on Ways and Means.

By Mr. DONOHUE:

H. R. 11395. A bill to stimulate residential construction; to the Committee on Banking and Currency.

By Mr. DOLLINGER:

H. R. 11396. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and to women at age 55; and to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

By Mr. FOGARTY:

H. R. 11397. A bill to amend the War Orphan's Educational Assistance Act of 1956 to permit the Administrator of Veterans' Affairs to make payments with respect to the special restorative training of younger persons than those with respect to whom the Administrator may now make such payments; to the Committee on Veterans' Affairs.

By Mr. GARY:

H. R. 11398. A bill to transfer licorice extracts from the dutiable to the free list of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. GATHINGS:

H. R. 11399. A bill relating to price support for the 1958 and subsequent crops of extra-long staple cotton; to the Committee on Agriculture.

By Mr. GRANT:

H. R. 11400. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. HOLTZMAN:

H. R. 11401. A bill to allow a parent, under certain circumstances, to deduct for income-tax purposes amounts paid for the care of children while the parent is working, and to allow an income-tax exemption for any child who is supported by the taxpayer and who is a member of his household; to the Committee on Ways and Means.

H. R. 11402. A bill granting exemption from income tax in the case of retirement annuities and pensions; to the Committee on Ways and Means.

H. R. 11403. A bill to increase the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness) from $600 to $1,000; to the Committee on Ways and Means.

By Mr. JONES of Alabama:

H. R. 11404. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. KING:

H. R. 11405. A bill to supplement the act of July 3, 1952, by providing for construction of a full-scale demonstration plant on Santa Catalina Island, Calif., for the production of fresh water from salt water; to the Committee on Interior and Insular Affairs.

By Mr. McMILLAN:

H. R. 11406. A bill to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958; to the Committee on the Judiciary.

By Mr. MILLS:

H. R. 11407. A bill to extend for 2 years the existing provisions of law relating to

the free importation of personal and household effects brought into the United States under Government orders; to the Committee on Ways and Means.

By Mr. REED:

H. R. 11408. A bill to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders; to the Committee on Ways and Means.

By Mr. MONTOYA:

H. R. 11409. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes," and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 11410. A bill to amend the Internal Revenue Code of 1954 to repeal the taxes imposed on the transportation of persons and property; to the Committee on Ways and Means.

By Mr. MOSS:

H. R. 11411. A bill to provide for the establishment of four soil- and water-conservation laboratories; to the Committee on Agriculture.

By Mr. MULTER:

H. R. 11412. A bill relating to the establishment of national mutual savings banks; to the Committee on Banking and Currency.

By Mr. RAINS:

H. R. 11413. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. RHODES of Pennsylvania:

H. R. 11414. A bill to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for the support of public or nonprofit educational institutions which provide training and services in the fields of public health and in the administration of State and local public-health programs; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 11415. A bill to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus; to the Committee on Agriculture.

By Mr. BYRD:

H. R. 11416. A bill to provide for assisting the States in the improvement and control of certain areas adjacent to the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. CRAMER:

H. R. 11417. A bill to establish a self-liquidating scholarship loan fund to enable highly qualified high-school graduates in financial need to receive a college education; to the Committee on Education and Labor.

By Mr. DONOHUE:

H. R. 11418. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. FLOOD:

H. R. 11419. A bill to abolish the Bureau of the Budget; to the Committee on Government Operations.

By Mr. GRAY:

H. R. 11420. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. JENKINS:

H. R. 11421. A bill to amend section 4242 of the Internal Revenue Code of 1954 to exempt from the club dues tax certain charges made by nonprofit clubs for the use of facilities; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 11422. A bill to authorize a 40-foot channel in the Mississippi River from Baton Rouge to connect with the authorized 40-foot channel from New Orleans to the Gulf of Mexico; to the Committee on Public Works.

By Mr. COAD:

H. R. 11423. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. FISHER:

H. R. 11424. A bill to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Massachusetts:

H. R. 11425. A bill to amend title I of the Housing Act of 1949 to authorize relocation payments for persons displaced by an urban renewal project before August 7, 1956, where such payments have been made to other persons displaced by the same project on or after such date; to the Committee on Banking and Currency.

By Mr. DURHAM (by request):

H. R. 11426. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. CHRISTOPHER:

H. Con. Res. 295. Concurrent resolution favoring the establishment of a Hall of Fame for Agriculture; to the Committee on Agriculture.

By Mrs. KNUTSON:

H. Con. Res. 296. Concurrent resolution authorizing the printing as a House document certain proceedings to be held in the United States Capitol in connection with the acceptance and unveiling of the statue of the late Maria L. Sanford; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virgina, memorializing the President and the Congress of the United States to repeal the Federal excise tax on the transportation of persons and property; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELANEY:

H. R. 11427. A bill for the relief of Sidney R. de Kadt; to the Committee on the Judiciary.

By Mr. FLYNT:

H. R. 11428. A bill for the relief of Dr. George Marales; to the Committee on the Judiciary.

By Mr. HOSMER:

H. R. 11429. A bill for the relief of Roderick (Robert) Joseph Grant; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 11430. A bill for the relief of Thalis R. Ritoridis Hadjopoulos, also known as Thales Rhett, and Thales Ritoridis; to the Committee on the Judiciary.

By Mr. MOORE:

H. R. 11431. A bill for the relief of Mrs. Luna Maria Pennacchia and children, Angela Louisa Pennacchia, Anna Pennacchia, Pierino Antonio Pennacchia, Mario Gino Pennacchia, Antonio Pennacchia, and Luigi Giovanni Pennacchia; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 11432. A bill for the relief of Patrick Muldoon; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 11433. A bill for the relief of George A. Davis; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 11434. A bill for the relief of J. S. Barrett; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. R. 11435. A bill for the relief of Stanley A. Luczak; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Rights of Nonresidents Under Alaska Statehood

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. PELLY. Mr. Speaker, legislation to enable Alaska to become a State will be before the House Committee on Rules shortly. I support in principle the right of Alaskans to self-government and in 1954 when the statehood bill was before us, I also supported it. However, I want to serve notice here and now that my vote is not going to be cast for statehood at the price of sacrificing the rights of American citizens in my Congressional District to equal opportunity in Alaska along with those who live there. I could not vote, in good conscience for any measure that would permit a few individuals in Alaska to take over the fishery resources which are now impartially administered by the Federal Fish and Wildlife Service, and thus create a situation whereby through control of the Alaska Fish and Game Commission, after statehood, nonresidents would be excluded from equal participation in those fisheries.

The proposed constitution of the new State of Alaska and the O'Brien bill to make it effective, both read well and give the impression that protection is provided against discrimination. However, as I shall explain, the picture is not quite as it meets the eye.

On the Pacific coast and especially in Seattle and Puget Sound, there are thousands of residents whose livelihood historically has been derived from our fishery in Alaska. I am determined that the rights of these people shall not be

bartered away in fine print or otherwise while people's minds are diverted with fine phrases having to do with bestowing rights under statehood.

Unfortunately, some of the most active backers of the statehood movement in Alaska have been a small selfish group identified with the local commercial fishing interests of the territory. For years this group has tried by one means or another to eliminate the nonresidents from participation on an equal basis in Alaska fisheries resources. This effort consisted for the most part in promoting tax discrimination in the Territorial legislature. Nonresident interests have been continually fighting for their very existence. I will not belabor the facts because the record is available but let me just quote from remarks on this subject which I addressed to the House in April 1957:

> Another important aspect of the statehood issue is the very obvious program of a certain group of Alaskans to eliminate nonresidents from employment in the fishing industry by discriminatory taxation. Such a tax which would levy a graduated tax on salmon after passing in the House died in the Alaska Territorial Senate on March 27, 1957 on an 8 to 8 vote. This proposal would have imposed a tax on the value of catches of salmon exceeding $20,000. Local independent fishermen would thereby have been exempt from the tax while employee type of operations such as employing Washington, Oregon, and other State residents would be eliminated by such a confiscatory tax.

Notwithstanding the long and sorry history of political persecution, and in turn, thanks to the fairness of other Alaskans, and finally thanks also to the wisdom of the Federal court in deciding against Territorial tax discrimination, the fishing industry has survived. Local Alaska selfish interests have heretofore not succeeded in destroying their competition and invalidating rights long established. But by a new scheme victory could be in sight.

Where frontal attack failed, a neat plan has evolved under the provisions of Senate bill 30 which was passed by the Territorial legislature in 1957. This has opened the back door and the stage is set whereby under statehood the coup de grace will be delivered to all nonresidents in the fishing industry.

In a nutshell what Senate bill 30 did was blanket into power the Alaska Fish and Game Commission which by this law is under the permanent and mandatory control of Alaska commercial fishing interests. So with the advent of statehood the management and regulation hitherto under the impartial jurisdiction of Federal Government and career conservationists would neatly be transferred to this commission with its majority membership limited to representatives of local commercial fishing interests. You can be sure the way is finally open so that by regulation and various devices at long last nonresident fishermen will be excluded from Alaska.

Mr. Speaker, I will go before the Rules Committee and urge that provision be made so that the O'Brien bill can be amended. As I see it, any transfer of the management of Alaska's fisheries to the Alaska Fish and Game Commission should be subject to certification by the Secretary of the Interior that he finds the new State management will be so constituted as to assure conservation, and likewise so as to assure protection and equal participation in the use of fisheries regardless of the users place of residence.

If the sponsors of statehood want my vote it is available—but not at the price of sacrificing the rights of nonresidents.

A Request for Hardwood Forest Management and Utilization Research Funds in North Carolina

EXTENSION OF REMARKS
OF
HON. HUGH Q. ALEXANDER
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A REQUEST FOR HARDWOOD FOREST MANAGEMENT AND UTILIZATION RESEARCH FUNDS IN NORTH CAROLINA

One out of every six workers in North Carolina is employed in the forest industries. Statewise, the forest industries rank next to textiles and tobacco in importance. The world's largest concentration of wood furniture industries is centered in the Piedmont section of North Carolina and Virginia. The raw supply for this industry is composed of over 90 percent hardwood timber. Less than one-half of this supply is being produced locally at present. Due to the high quality requirements for furniture stock and the rapid depletion of quality timber, the outlook is for less and less of the local hardwoods to meet the high specifications necessary for commercial use. With literally thousands of workers dependent on this industry and the huge sums of capital investment to be protected, it is imperative that hardwood forest management and utilization research supply the answers to help stabilize this important forest industry. These answers will be equally valuable to the thousands of farmers and other landowners through the Piedmont region. Thus, we see there is a definite need for forestry research in the Piedmont section.

According to the latest Forest Survey figures, in the North Carolina Piedmont alone, there has been an increase of 17 percent in forest land (869,000 acres) since the last survey in 1937–38. This is particularly significant in view of the fact that the Piedmont area is the most heavily populated and industrialized section of the State. The 1956 survey revealed that a total of 5.8 million acres, or 55 percent, of this area was forested. Ninety-eight percent of all commercial forest land in the area (5.7 million acres) is privately owned—mostly by small farmers. Most of the increase in forest land is former agricultural and pasture lands which have been allowed to revert to forests. Much of it is the poorer land which is no longer needed for crops because of increased farm productivity and mechanization.

There is a gradual conversion of forest types from pine to hardwoods. This is due to a natural succession which takes place in nature. However, it is aggravated in most cases by man's interference. The hardwoods increased 18 percent in area and 39 percent in sawtimber volume, while the yellow pines dropped 12 percent in area and 15 percent in sawtimber volume, in the 18 years between surveys. The creaming of timber stands, for the better pine and more valuable hardwoods, has resulted in many acres left supporting nothing but slow growing, inferior trees. Adequate research is needed to develop utilization of these poorer trees and proper management of all timber stands in the Piedmont section.

North Carolina's forests represent 4 percent of the Nation's commercial forest area. However, this State supplies 5 percent of the national cut annually, and produces 6 percent of the annual growth. The State ranks first nationally in the production of hardwood saw logs and fifth in the production of forest products as a whole. If North Carolina is to continue this disproportionately large contribution to the national forest economy, it is important that forest research efforts be intensified immediately.

Major research emphasis to date in the Piedmont has been on pine management. Knowledge concerning the hardwoods is sadly lacking. In addition to strengthening existing projects dealing with hardwood-forest management and utilization, many additional studies must be added and completed before forest managers can make every acre of forest land produce to full capacity. Knowledge concerning yields of managed hardwood stands on different sites, effects of fertilization, tree improvement and genetics, nursery management and tree planting, timber-stand improvement techniques, marketing, logging equipment and costs, grades and grade yields, and growth are examples of practical information needed on hardwoods. Many other basic problems also remain unanswered.

Very modest beginnings have been made on hardwood forestry research at Statesville and Bent Creek, N. C. The unique cooperative project at Statesville is sponsored by the Furniture, Plywood, and Veneer Council of the North Carolina Forestry Association, the Duke Power Co., and the United States Forest Service. Members of the council at present contribute approximately $15,000 annually to the project, which matches the Federal participation—thus doubling the effectiveness of each Federal dollar. The Duke Power Co. furnishes the land and most of the nontechnical labor. This cooperative support is indication of local interest in the project.

To initiate new hardwoods, forestry research, as well as strengthen existing projects, a sum of $70,000 is requested to finance the work in North Carolina.

The production of hardwood forest products is important to the economy of this section. Everyone—farmer, factory worker, storekeeper—will benefit from hardwood forestry research.

Appropriations for the Reserve Facilities Construction Program

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. BROOKS of Louisiana. Mr. Speaker, I am inserting in this RECORD a schedule of moneys appropriated by Congress for the reserve facilities con-

struction program. Covering the entire field of Reserve forces—Army, Navy, Air Force, Marine Corps, and Coast Guard Reserves as well as the Army and the Air Force National Guard, Congress has appropriated for use during the current year the sum of $142 million of this vast sum; only $90 million has been released by the Bureau of the Budget, leaving a balance unreleased, and therefore unusable, of $51,518,227 at this hour. Forty million of the appropriate amounts were released only recently. When we had our hearings of the Reserve Subcommittee, Mr. Speaker, on the Reserve program, the sum of $90 million was being withheld by the Bureau of the Budget.

Every one of the Armed Forces says that it needs all of this money at once to continue on the Armory construction program. If the money is released, it will start needed programs in every State of the Union and will give employment to tens of thousands of our people. I am calling upon the Bureau of the Budget to immediately release the $51 million it is presently retaining.

I present a schedule of construction funds which schedule has been compiled from figures given me by the Pentagon.

	Available appropriations	Amounts apportioned	Obligation plan
National Guard	$32,000,000	$14,253,888	$10,000,000
Army Reserve	51,000,000	24,760,062	17,000,000
Navy Reserve	26,000,000	20,736,000	13,000,000
Air Force Reserve	21,000,000	18,918,823	20,000,000
Air National Guard	12,000,000	11,814,000	12,000,000
Total	142,000,000	90,582,773	72,000,000

NOTE.—Difference between amount appropriated and amount apportioned, $51,518,227. Although this figure is lower than previous estimates given it is understood that a considerable amount of the dollars apportioned have been apportioned only recently and until a short time ago almost $90,000,000 had not been apportioned from the total amount appropriated.

Centralization of Fight on Racketeering

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, March 13, 1958

Mr. WILEY. Mr. President, on a number of occasions. I have pointed out that one of the untapped sources of new Federal revenue consists in the illegal income of the American underworld.

It is estimated that criminal enterprises in this country, including illegal gambling, represent as much as a $20 billion industry.

No one can possibly estimate the extent to which this $20 billion empire (if that is an accurate figure) may pay anything like its share of Federal taxes.

Since the famous conviction of Al Capone, on income tax evasion charges, it was supposed to be a rule in the American underworld that criminals would pay Uncle Sam what they owed him.

Recently, a number of crime scandals, however, have erupted in this country. Usually there have been indications in these scandals that criminals have not learned the lesson of Capone's conviction.

From the very nature of their crimes, the criminals are loath to put them down on paper at April 15 in accurate, itemized income tax reports.

From time to time the Department of Justice, in cooperation with the Internal Revenue Service, has cracked down on tax evasion by organized crime in this country.

Unfortunately, the drive has not been a sustained one.

It has tended to be on an off-again, on-again basis. It has tended to make a few headlines and then to diminish in intensity.

This may not indicate any lack of zeal on the part of the United States Government officers engaged in this important work. But it does indicate that it takes an almost superhuman effort to keep up the drive, year after year.

The underworld is patient; it is used to riding out storms. It has a favorite maxim about waiting till the heat blows over. The underworld employs some of the best lawyers, the best accountants. Uncle Sam, accordingly, has quite a job on his hands.

Last night, I was pleased to read in the Washington Evening Star a brief article entitled "Federal Drive on Racketeers Starts in April."

The article quoted new Assistant Attorney General Malcolm Anderson, Chief of the Criminal Division, to the effect that steady pressure will be maintained on racketeers and that it will be well coordinated, since crime itself is so highly organized.

The Nation welcomes this development. It hopes that this time, there will be no interruption in the drive—that it will not be a temporary, one-shot effort.

The Nation hopes for important results for the twofold purpose of: (a) Securing needed tax revenue; and (b) to the extent that it is possible, through convictions for tax evasion—breaking up the power of the underworld, destroying the gangs and rackets, developing leads which will end the influence of the criminal syndicates.

I send to the desk the text of the Evening Star article, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL DRIVE ON RACKETEERS STARTS IN APRIL

(By Howard L. Dutkin)

A Justice Department plan to keep steady pressure on racketeers will get under way next month. Assistant Attorney General Malcolm Anderson, chief of the criminal division, revealed yesterday.

Under the program, attorneys attached to the organized crime and racketeering section will be sent to areas infested with rackets.

Part of the duties of these attorneys will be to coordinate information received from Federal agencies and bureaus such as the FBI, the Alcohol Tax Division, Internal Revenue Service, and the Immigration and Naturalization Service.

Coordination of the data is expected to be valuable in initiating grand jury investigations and in the development of leads which might start with one form of racketeering and lead to exposure of other violations. "We are trying to centralize the fight on racketeering," Mr. Anderson said.

"Under the program, no longer will United States attorneys in various parts of the country initiate their own grand jury racket probes which often achieve no lasting accomplishment," Mr. Anderson, said. The Justice Department coordinators will work with Federal prosecutors with the object of keeping continuing pressure on the racketeers.

The German Lobby and War Claims

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. MULTER. Mr. Speaker, on March 11, 1958, I placed in the CONGRESSIONAL RECORD a column of Drew Pearson which appeared in the Washington Post and Times Herald of February 23, 1958, in order to alert the membership to the fact that strenuous efforts are still being made to take out of the United States Treasury some $125 million and return it to the alleged former owners of enemy alien property, title to which in the United States Government was confirmed by solemn treaty.

The column referred to the fact that the lobby seeking the return of those funds had hired Gen. Julius Klein and referred to him as the founder of the Jewish War Veterans.

General Klein, of course, was not the founder of the Jewish War Veterans, although he was very active in the organization and was one of its more prominent national commanders. The thought conveyed to me by the reference, however, was that here was a member prominent in the Jewish War Veterans, espousing a cause that did not meet with approval of many members of the Jewish War Veterans.

That, however, is beside the point at this moment. I make this statement for the purpose of calling the attention of our colleagues to the fact that General Klein advises me that he is not employed by any lobby working for the return of this enemy alien property. General Klein readily concedes that he is registered with the Department of Justice as a representative of a society of German financial and industrial leaders. He asserts that this society is not lobbying for the return of German assets but to safeguard private foreign investments against future nationalization or confiscation. It has been my impression, and that of many of my colleagues, that the main purpose of the organization was to accomplish the return of enemy alien property.

I am pleased to advise our colleagues that General Klein insists that he is not engaged in lobbying for the return of German assets or any other legislation.

A Bill To Amend the Civil Service Act

EXTENSION OF REMARKS
OF

HON. DAVID S. DENNISON, JR.
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. DENNISON. Mr. Speaker, I am today introducing a bill, H. R. 11380 to amend the Civil Service Retirement Act. As a member of the Retirement Subcommittee of the House Post Office and Civil Service Committee I attended exhaustive hearings on H. R. 607, which has since been reported out by the full committee. These hearings produced evidence that many annuities granted prior to October 1, 1956, the effective date of the last major revision of the Civil Service Retirement Act, are woefully inadequate. At the same time, it became evident that most of these annuities are now larger than those of present employees retiring from the same position with the same service.

While it appears that the increases in annuities provided in H. R. 607 are justified on the basis of need, it is certain that some increase in the annuities of those retired and retiring after October 1, 1956, must also be provided so that they may become and remain equal. Accordingly my bill incorporates the provisions of H. R. 607 as reported for those who have retired prior to October 1, 1956, and provides for an adjustment for those who have retired or will retire after that date up to 3¾ percent of their average salary.

During the hearings on H. R. 607 testimony was introduced indicating that since 1948, generally speaking, increases in benefits to annuitants have been greater percentagewise than increases given in salaries to Federal employees. Taking cognizance of these facts and to avoid future inequities I have provided that any increases in annuities in the future shall be granted on the same basis as general salary increases and any further upward revision of the annuity computation formula.

This bill also provides annuities for the widows and widowers of retirees and employees who died before February 29, 1948, on a basis comparable to that which widows and widowers after that date now receive, and an option permitting certain employees retired before October 1, 1956, to elect their annuities under Public Law 854, 84th Congress. Both of these provisions are now contained in H. R. 607 except for slight modifications intended to bring them up to date and into conformity with present law.

My bill requires the Civil Service Commission to request by appropriation the funding of annuity increases. Provision is also made for effective dates of annuities and increases. Increases would be payable on the first day of the third month after enactment. Annuities for pre-February 29, 1948, widows and widowers would begin the first day of the month in which the benefit is applied for, but not before the first day of the second month following enactment.

As an example of the existing inequities and the manner in which my bill attempts to correct them, I attach a comparative analysis of retirement benefits for a GS–4, 5, and 6, which covers the salary scales of a majority of Government employees:

GS–4—10 YEARS

Date of retirement	High 5-year average salary	Original award	Current annuity	Annuity as proposed by—		
				S. 72 (as reported)	H. R. 607 (as reported)	H. R. 11380
April 1948	$2,478	$41	$57	$74	$63	$63
December 1957	3,808	54	54	54	54	63
GS–4—15 YEARS						
April 1948	$2,478	$62	$87	$113	$96	$96
December 1957	3,808	86	86	86	86	95
GS–4—20 YEARS						
April 1948	$2,478	$83	$116	$151	$128	$128
December 1957	3,808	118	118	118	118	127
GS–4—25 YEARS						
April 1948	$2,478	$104	$143	$182	$157	$157
December 1957	3,808	149	149	149	149	159
GS–4—30 YEARS						
April 1948	$2,478	$124	$165	$207	$182	$182
December 1957	3,808	181	181	181	181	190
GS–5—10 YEARS						
April 1948	$2,968	$46	$65	$85	$72	$72
December 1957	4,341	60	60	60	60	72
GS–5—15 YEARS						
April 1948	$2,968	$68	$95	$124	$105	$105
December 1957	4,341	96	96	96	96	109
GS–5—20 YEARS						
April 1948	$2,968	$91	$128	$166	$141	$141
December 1957	4,341	133	133	133	133	145
GS–5—25 YEARS						
April 1948	$2,968	$114	$154	$194	$169	$169
December 1957	4,341	169	169	169	169	181
GS–5—30 YEARS						
April 1948	$2,968	$137	$179	$222	$197	$197
December 1957	4,341	205	205	205	205	217
GS–6—10 YEARS						
April 1948	$3,302	$48	$67	$87	$74	$74
December 1957	4,741	64	64	64	64	79
GS–6—15 YEARS						
April 1948	$3,302	$73	$102	$133	$112	$112
December 1957	4,741	104	104	104	104	119
GS–6—20 YEARS						
April 1948	$3,302	$97	$136	$175	$150	$150
December 1957	4,741	144	144	144	144	158
GS–6—25 YEARS						
April 1948	$3,302	$121	$162	$203	$178	$178
December 1957	4,741	183	183	183	183	198
GS–6—30 YEARS						
April 1948	$3,302	$145	$188	$232	$207	$207
December 1957	4,741	223	223	223	223	237

Business Political Action

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. GWINN. Mr. Speaker, a former president of the National Association of Manufacturers came into my office the other day with a well-thought-out plan for amending the Taft-Hartley Act. He had already written the President. He was surprised and rather hurt when I told him his proposal had no chance of passing Congress.

He seemed not to know what has been going on here in Washington for years in the shift from constitutional government to a labor-socialist government. He wanted so desperately to hold on to faith in the Government as he visualized it, or in the President's ability to solve their problems, that he disliked to hear the truth. It made him uncomfortable.

So I wrote him a letter, in substance like the one which follows. I sent this letter around to a few other businessmen and to my astonishment I find evidence that they are being very poorly informed by their Washington organizations, their lobbies and professionals here.

So this is my first letter, telling the truth as I see it:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR SIR: I have your letter recommending legislation to restore law and order in labor-management relations.

Since there isn't a ghost of a chance that such legislation will be passed, I want to tell you why it won't be, and then what businessmen could do about it.

First, you should know that labor—or rather the top officials of organized labor—dominate Congress; over 175 Members of the House have benefited from union contributions, free campaign help, radio, TV time, advertising, extensive publicity in the labor press, scores of voluntary workers furnished by the unions, doorbell ringers, telephone brigades, and all the rest of it. Business organizations do none of this. Business as such is unorganized politically and therefore impotent.

In the House Committee on Education and Labor, all the Democrats, with 2 or 3 exceptions, favor repeal of the Taft-Hartley Act; some of the Republicans would not support many of the changes business has recommended.

That's how much Congress has changed since 1947. Union leaders get men elected who agree with them and thereby force government into improper activities. On the other hand business is not organized politically to restore and maintain the legitimate functions of government.

But that's not the whole story. Countless smaller groups organized to get theirs from government, depend on labor's political activities for their success, because union political power is solidly behind every Socialist program ever enacted or enlarged by Congress. Donald R. Richberg, in his Labor Union Monopoly, states: "• • • labor's economic monopoly and political power are preparing the way for communism far more effectively than the Communists themselves."

The trouble in Congress is not that we don't know what legislation is needed. We don't have the votes to get it passed. That should be obvious to anyone who knows anything about Washington, but business as a whole either does not know the facts or else refuses to face them.

What can be done?

Right now in each Congressional District a half dozen men in each party are deciding who shall run for Congress. An equal number of the leading businessmen—if they really represented business—in each district, could exert a strong influence on this selection and who gets elected. At present business is so indifferent and so uninformed that few businessmen even know that the next Congress is now being selected. As a result, unqualified men, with antibusiness principles, will be elected to get special favors for the special groups who put them in office.

Why do businessmen spend their time and money trying to sell their ideas to Members of Congress already committed or pledged against them?

For example, what sense does it make for those who want a sound tax program to do nothing to elect sound Congressmen, and then spend millions to try and sell that tax program to a labor-socialist-dominated Congress?

The horse is already stolen—the lock, the barn door, and the barn too, for that matter.

If the businessmen of America won't see to it that men are elected committed to restoring constitutional government and law and order in labor-management relations, who else will?

Business already has thousands of organizations at all levels of society that should have been doing this job. They are the only ones having adequate organizations. They avoid politics. If these organizations continue to rely on resolutions (as to what somebody else should do), "educational programs," publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letterwriting campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who never agree, we might as well resign ourselves to living under a labor government for a long time.

If only a small portion of the money now being spent by and for the many thousands of business and industrial organizations could be spent precisely as the unions spend theirs, in preparing and distributing political action material and political know-how, we might see the dawning of a new day. Business organizations must stop looking for excuses to stay out of politics. Organized labor is subject to the exact same restrictions against political activity as business, yet look what they have done in building a most effective political machine in less than 10 years.

How many businessmen know exactly how their present Congressmen vote? How many know their Congressman's name? Labor knows exactly and sees to it that their members know.

We cannot rely on political parties to stop labor's political power. The parties feel compelled to court that power. Right now labor can muster more votes than either political party on labor and socialist issues. Labor spends little time in educating the public or in talking to itself. It saws wood and elects Senators and Congressmen whose presence in the Congress makes impossible legislation to restore law and order in labor-management relations or to even think of repealing any part of the expanding socialism of the Federal Government. This administration is spending more to expand it than Roosevelt or Truman did.

It's up to you and others who think as you do to get to work in your Congressional District now.

Sincerely yours,

RALPH W. GWINN,
Member of Congress.

P. S.: I would be interested in your comments, and in knowing of any action that may result from this letter.

Amendments to the Social Security Act

EXTENSION OF REMARKS
OF
HON. ISIDORE DOLLINGER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. DOLLINGER. Mr. Speaker, 9 million elderly American citizens are suffering hardships, frustrations, and humiliations under our present discriminatory, mixed-up, inadequate social-security law.

I have today introduced a bill to amend the Social Security Act, to remove its unfair provisions and to liberalize application of the law.

My bill provides for the removal of the limitation upon the amount of outside income which an individual may earn while receiving social-security benefits. Social-security annuitants are permitted to earn only up to $1,200 a year under existing law. The ceiling of $1,200 was set way back in 1937 when $1,200 had 3 times the purchasing power of today. No one can support a home on his social-security check; taxes, high rentals, increased living costs, make this impossible. It is imperative that a pensioner obtain some kind of work in order to take care of his ordinary and vital needs, if he does not wish to become an object of charity, dependent upon handouts from members of his family. Yet, in order to obtain work, he has to promise his employer that he will not desert the job when his earnings total $1,200—and ironically, when he does this, he penalizes himself, because to stay on the job means that he is deprived of the pension he has spent years building up with his enforced savings. It is difficult enough for an older worker to obtain any kind of job these days without his being subjected to the humiliation of being turned down dozens of times in his search for a new job every year. We deny him the privilege of holding a steady job when we limit his earnings; we inflict hardship on thousands of dependents of those pensioners who prefer to work rather than be forced into the below-par living bracket which is their lot if they must depend entirely upon their social-security pension. At the same time, if a pensioner makes a fortune from investments, annuities, or even gambling, he can still receive his full social-security payments—we only prevent his receiving wages or earnings. This is indeed a paradoxical situation.

The law, with the $1,200 limitation, discriminates against the very men and women for whose benefit it was originally enacted—those who work for their

living. The limitation must be removed if the morale and well-being of our older citizens is to be restored.

Another important amendment provided in my bill would enable men to collect full social-security benefits at the age of 60; women could collect at the age of 55.

At present, age requirements are 65 for men and 62 years for women. Many workers would like to retire at an earlier age and are financially able to do so if they can include social-security income; they should be given the opportunity. They are entitled to enjoy a few years of leisure after many years of hard work. By retiring, they provide vacancies for the younger men and women who need employment. Present discriminatory practices make it very difficult for older workers to obtain jobs; at 40 to 45 they are being turned down; if a man is forced out of a job at 55 he may find it impossible to find another, and he faces 10 years of hardship before he can collect the social-security benefits for which he has saved all during his working years. Also, many workers in poor health must struggle to work in their last years, because they cannot afford to quit, looking forward to the advanced age of 65 and their social-security benefits and a lessening of their hardships. A realistic approach to the problems of caring for our senior citizens is to reduce the age limits as provided in my bill.

My bill also eliminates the requirement that an individual must have attained the age of 50 before he is eligible to receive disability-insurance benefits. I have received many pathetic letters from disabled persons who cannot work, cannot take care of themselves, who must rely on relatives or welfare assistance in order to exist, who must wait years before they reach the age of 50 when they can apply for the disability-insurance benefits under social security. Workers, totally disabled through no fault of their own, should be entitled to social-security benefits, regardless of age.

The changes in the law, as provided in my bill, are among those vitally necessary to the welfare of our people. They help meet the needs dictated by our times and economy; they represent needed assistance on the one hand, and a constructive approach to solution of correlated problems on the other.

Thirty-ninth Anniversary of the Founding of the American Legion

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. OSTERTAG. Mr. Speaker, one of our country's outstanding organizations is celebrating its 39th birthday this week. It was March 1919 that the American Legion was organized in Paris by our veterans of World War I. Today it is the largest veterans group in the world with more than 17,000 community posts throughout the world. In many of these communities the American Legion post is the center of patriotic, civic, and social activities. Its members are in all walks of life: educators, lawyers, laborers, scientists, industrialists, farmers, athletes, clerks, clergymen and, yes, Congressmen. Along with a great many of my colleagues in the Congress, I have had the privilege of being a Legion member since the time it was founded. A fine organization of women's auxiliaries, also is associated with more than 14,000 Legion posts, numbering a million members.

In its relatively short history, the American Legion has served admirably as the champion of the veterans of our wars. It has sought deserved assistance for those who suffered physical disabilities in military service and for widows, orphans, and dependents of those who died in service. It sponsored the GI bill of rights for World War II veterans and the Korean GI bill.

These outstanding measures, as most activities of the American Legion, have promoted the interests of a strong America as well as the interests of the defenders of our Nation. The American Legion has carried this spirit into many endeavors of great benefit to the entire community and country. Thus, the American Legion is in the fore of programs of child welfare, the training of youth for good citizenship and leadership, national defense, and the continuing fight against communism. Its youth training program is one of the Nation's largest, including junior baseball, sponsorship of Boy Scout troops, Boys State, and Boys Nation government, and national oratorical contests on the Constitution and Bill of Rights.

Though its founders knew the destructiveness of war, the American Legion has become a vital force for building and strengthening the human resources of our country.

Unemployment—Some Comparisons

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. DAGUE. Mr. Speaker, it happens that Mr. David Lawrence is my favorite columnist and one of my favorite Democrats; hence the frequency with which I quote him. Aside from those considerations I have rarely seen his statements successfully challenged, which is further reason for my reliance on his reporting as being factual.

In yesterday's Evening Star his article carried some interesting figures on the unemployment situation and the comparison he made with other periods in our recent history are most revealing.

Percentagewise unemployment stands at 6.7, which is exactly where it stood in 1949.

In 1956, a comparatively average year, we had 2.8 million unemployed, a figure that was accepted as about normal for the number of people who shift from one job to another.

Taking the official estimate of those presently unemployed as 5.2 million, this leaves us with 2.4 million more unemployed today than in an average year.

In the same article, on the subject of tax cuts as an antidote for unemployment, Mr. Lawrence reminds us that the Republican 80th Congress cut taxes substantially ($4.8 billion), but that fact did not prevent the employment slump of 1949. And he also asks: "How could a tax cut, which puts more money in the pockets of those already working, do anything for those who are out of jobs and are not paying any taxes at all?"

In the end, about all that Government can do is to try to inspire confidence, and if a public-works program, or a tax cut, or accelerated Government buying will do that, well and good. It is doubtful, however, that such panaceas can of themselves stimulate the buying of automobiles, machinery, and other heavy goods, the areas in which the slump is concentrated.

In the event it did not do it between 1933 and 1939, when we spent billions on made work and wound up with about as many unemployed as when we started.

And it took a war in 1941, just as in 1950, to really put men back on the job.

If anyone can arrive at any other conclusions, based on the record, I would like to hear them.

Transportation Tax

EXTENSION OF REMARKS
OF
HON. JOHN W. BYRNES
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. BYRNES of Wisconsin. Mr. Speaker, I have today introduced a bill removing the 3 percent tax on the transportation of property. I urge early action upon it.

The tax on freight increases the cost of living, weakens the national transportation system and burdens producers, particularly small business. Because all of its effects on the economy are harmful, it is an excellent example of taxation at its worst.

Furthermore, I am convinced that loss of revenue from its repeal would be minimal. The only justification for the tax has been the revenue it produces.

The effect of the tax on the consumer price level can scarcely be underestimated. Certainly, it is one of the factors which has led to the increased cost of living in the postwar era, the period during which the tax has been in effect.

Consumers pay the tax, in most cases, more than once. It is a pyramiding tax. The tax is paid not only on the final movement of a product by public carrier but also on the transportation of the product's raw materials or component parts. Thus, it is multiplied many times

and becomes an integral part of the cost of the finished goods.

The multiplied tax is given further velocity since the markups from manufacturer to wholesaler, from wholesaler to retailer and from retailer to consumer are based on costs which include the tax as part of transportation charges.

The impact of the tax upon public carriers, the backbone of our national transportation system, has also been harmful. The need for maintaining a strong and solvent national transportation system is universally recognized. This tax, however, is diverting tremendous volumes of freight from the commercial for-hire carriers, both rail and truck.

Avoidance of the tax has taken the form of a great increase in the number of firms and producers hauling their own goods in their own truck fleets in order to avoid the 3-percent levy. this is an uneconomic form of transportation since much of it is one way, but the transportation tax saving apparently makes it worthwhile. Studies by the Interstate Commerce Commission indicate that the volume of freight handled by private haulers has grown to $4.308 billion in value of ton-miles, equal to almost one-third of the estimated $15 billion handled by common and other for-hire carriers.

Likewise, producers of all kinds—farmers, miners, and manufacturers—particularly those at great distances from their market and those of smaller size, are being harmed by the 3-percent tax on shipping. The added cost, of course, adds to the advantage of the producer close to the market; in this respect, it inhibits further the free play of competition. It gives significant advantage to the larger producer who can afford the purchase and operation of large truck fleets in order to avoid the tax. Such producers have a competitive upperhand over small businesses who must use public transportation and pay the tax.

A tax which thus harms our economy by spiraling living costs, weakening the defense-important transportation industry, burdening small business and inhibiting competition is a tax which should be removed. The transportation tax falls in this category.

Evidence indicates that revenue from the tax has been greatly overstated and a good case can be made that its repeal will not result in decreased revenues to the Treasury.

First, due to tax avoidance, the tax base—or freight subject to tax—has undergone serious erosion. Revenue from the tax has not increased in proportion to the increase in total freight volume.

Second, the tax paid by shippers represents a cost of doing business and is deductible from income for Federal income-tax purposes. Thus, the $450 million in revenue from the 3 percent tax in 1956, the Interstate Commerce Commission estimates, was reduced by $203.5 million because of income-tax losses, resulting in a net gain to the Government of only $247.5 million.

Finally, if common and other for-hire carriers recapture any significant part of the business they have lost to private haulers, they would increase their volume and income, resulting in greater income taxpayments to the Government. It is estimated that the railroads alone would recapture at least one-fifth of the over $4 billion private-hauling volume. If this occurred, additional income taxpayments from the railroads would total over $271 million, wiping out the estimated $247.5 million loss.

As part of my remarks, I include tables from a study of the revenue effect of the repeal of the 3 percent tax on the transportation of property prepared by E. R. Jelsma, Director, Bureau of Transport Economics and Statistics, Interstate Commerce Commission:

TABLE I.—*Possible increase in Federal revenue through repeal of tax*

Receipts from the excise tax on transportation of property (1956)	$450,000,000
Reduction in income-tax receipts	202,500,000
Net receipts	247,500,000
Total private untaxed highway transportation as estimated by the Bureau of Public Roads at cost of the service	4,308,000,000
Railroads alone would recapture at least ⅕	861,600,000
Increase in income-tax receipts from railroads only	271,400,000
Net increase in Federal revenue would be at least	24,000,000

TABLE II.—*Possible increase in Federal income tax liability of railroads through repeal of tax*

Ton-miles handled by motor vehicle private haulers (1955) (table III)	71,800,000,000
Value of ton-miles handled by motor vehicle private haulers (table IV)	$4,308,000,000
Railroads would get added gross revenues, if excise tax is removed, totaling	$861,600,000
Which would produce additional railroad taxable income of (table V)	$603,120,000
On which the railroads would pay added income tax to the U. S. Government of	$271,400,000

TABLE III.—*Ton-miles carried by trucks on main rural roads year 1955*

Total ton-miles carried	154,050,000,000
Percentage distribution of ton-miles of freight hauled by type of carrier:	
ICC authority vehicles	39.14
Other for-hire vehicles	14.28
Private haulers	46.58
Ton-miles carried by private haulers (154,050,000,000×46.58 percent)	71,800,000,000

Source: Bureau of Public Roads, U. S. Department of Commerce December 1956 issue of Public Roads, p. 103, table 7, and p. 105, table 11.

TABLE IV.—*Value of ton-miles handled by motor-vehicle private haulers, year 1955*

Ton-miles handled by motor vehicle private haulers (table III)	71,800,000,000
Total intercity motor-vehicle operating expenses	$2,581,000,000
Total intercity motor-vehicle ton-miles	42,580,000,000
Cost per ton-mile ($2,581,000,000÷42,580,000,000)	$0.0606
Value of ton-miles handled by motor-vehicle private haulers (71,800,000,000×6 cents)	$4,308,000,000

Source: Trinc's Blue Book of the Trucking Industry, 1956 edition.

TABLE V.—*Increased income-tax revenue to Government resulting from added railroad traffic*

Value of ton-miles handled by motor vehicle private haulers	$4,308,000,000
Poll taken by railroads indicates they would get at least 20 percent of this traffic, if excise tax is removed or ($4,308,000,000×20 percent)	861,600,000
Studies show that added cost to handle traffic would be approximately 30 percent, or ($861,600,000×30 percent)	258,480,000
Producing taxable income of	603,120,000
And added tax revenue to Government totaling ($603,120,000×45 percent)	271,400,000

How Congress Makes Our Laws

EXTENSION OF REMARKS
OF
HON. CARL ALBERT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. ALBERT. Mr. Speaker, under leave to extend my remarks I desire to insert certain excerpts from the publication The Railway Clerk for February 1, 1958. These insertions include an editor's note on our very fine and outstanding colleague, the gentlewoman from West Virginia [Mrs. KEE], as well as an article by Mrs. KEE on how Congress makes our laws.

The splendid article simply illustrates what all of us who know Mrs. KEE already know about her—that she is generous with her time on behalf of others, that she is a person of great ability, that she has wide understanding of her duties as a legislator, and that she is one of the really well-informed Members of the House.

HOW CONGRESS MAKES OUR LAWS

(EDITOR'S NOTE.—ELIZABETH KEE, a Democrat from West Virginia, took time during the summer months to write four long newsletters to her constituents explaining how a law comes into being in Congress. They were wonderfully detailed letters and we are sure this condensed version of them will give you a greater insight into how legislation is passed by Congress than anything you have read before.)

(By ELIZABETH KEE, Congresswoman, West Virginia)

A basic understanding of the numerous steps required by our Federal lawmaking process—from the germination of the original idea to the publication of the completed statute—should be possessed by every citizen.

The chief function of the Congress is to make laws, and its work is initiated by the introduction of a proposal—either in the House or in the Senate—in one of four principal forms. These are the bills—by far the most customary form used in both Houses—the joint resolution, the concurrent resolution, and the simple resolution. Since bills are the form most used for legislation, this discussion will be confined generally to them.

Before there can be a bill, however, there must be first an idea—an idea which accurately expresses a need felt in some area or phase of our national existence.

For those who complain about the law's delays and Congressional procrastination over proposed legislation, let me point out that even after an idea is born, nailing it down and developing it to the point where it becomes proposed legislation in the form of a drafted bill is a tedious and painstaking process. This is providing, of course, that any good—except a few newspaper headlines—is expected to come of it.

Of the total measures introduced in the last session, 593 were in the form of joint resolutions 261 were concurrent resolutions, 691 were simple resolutions, and the remaining 12,250 were introduced in bill form.

The ideas for many of these bills, in addition to originating with the Member of Congress himself, may be proposed by his constituents, or organizations, in accordance with the right to petition the Government which is guaranteed them by the first amendment to the Constitution.

One most prolific source of legislative proposals is, as has become customary and, indeed, expected in recent years, the executive branch of the Government itself. Such proposals usually reach the Congress in the form of letters which are referred to as executive communications.

Many of these executive communications follow on the heels of the President's message on the state of the Union. The most important one, however, is the annual message from the President transmitting his proposed budget to the Congress.

The President's budget message, together with testimony presented by officials of the various departments of the Government before the Appropriations Committees of the House and Senate, becomes the basis of the numerous appropriation bills which are drafted by the House Committee on Appropriations.

In some instances, the President may merely communicate to Congress his belief in the need for legislation in some specific area, in which case the committee having jurisdiction may consider his recommendation to determine what further action should be taken. Often, such a committee will conduct studies and hearings for periods covering a year or more before making a final decision. Or, as frequently happens, the idea for a bill may originate in a particular committee as the result of studies and investigations which it, or one of its subcommittees, has undertaken independently.

In the House of Representatives, any of its 435 Members, the Delegate from the Territory of Alaska, the Delegate from the Territory of Hawaii, and the Resident Commissioner from Puerto Rico may introduce a bill at any time that the House is actually in session. This is simply done by placing the bill, typed on a specially printed blank form, in the "hopper" which is conveniently located at the side of the Clerk's desk in the House Chamber. No permission is required by the Member to introduce a bill, nor is it necessary to make a statement at the time it is introduced.

The name of the particular sponsor is endorsed on each bill and, in the House, the name of only one sponsor may appear on a given bill. It is not, however, unusual for several Members to introduce identical bills. Indeed, the more the merrier, for this is one way to indicate the support which has been mobilized behind the proposed measure, and thus persuade the committee in charge to give it early consideration.

On the same day that a bill is placed in the House hopper, its title is entered in the journal; it is assigned a legislative number by the Clerk; referred to its appropriate committee by the Speaker, assisted by the Parliamentarian; and the details of this procedure are printed in the daily issue of the CONGRESSIONAL RECORD.

The bill is then sent to the Government Printing Office where it is printed in the same form in which it was introduced and on the night of the same day in which it was introduced. The next morning, printed copies are available in the document rooms of both branches of Congress, and one copy of it is on its way to the chairman of the committee to which it has been referred, dispatched by page from the Clerk's office.

At this point, our bill—which, as an embryonic idea, may have been incubated in a few people's minds for a year or more, and then been months more in its hatching in final form—has reached a dead center. It may very well linger in its committee throughout an entire Congress and expire with that Congress. To revive it, it must be reintroduced in the next Congress and in each subsequent Congress, until it is either eventually taken up by its committee or its sponsor gives up out of sheer exhaustion.

Unlike the legislative proposals which originate in the executive branch of the Government or in the committees themselves, or are the brain children of special advisory commissions or committees appointed by the President or a Cabinet member—bills introduced by individual Members of Congress have only a slim chance of receiving early consideration. Indeed, this usually occurs only when there is strong public support or, to be frank, a powerful pressure group behind such a bill.

The Congress literally functions by means of its committees and by grace of their chairmen. When a Congressional committee chairman decides to bottle up in his committee legislation which he opposes, only the most herculean efforts can produce the necessary majorities in either House to override him.

The views of those States and Congressional Districts most often prevail in matters of nationwide legislative importance, whose representatives are returned, term after term, to the Congress until they have attained the seniority rank which entitles them to assume the chairmanships of its most important committees.

There are 19 standing committees in the House and 15 in the Senate. Each of these committees has jurisdiction over certain areas of legislation and all subject matter pertaining to these areas of the law are referred to the particular committee having such jurisdiction.

All 435 Members of the House are elected to serve on at least one standing committee. Membership is divided between the two major political parties in direct proportion to the total representation of each party in the House.

To the extent that vacancies on committees exist, Members newly elected to Congress are appointed to serve on a committee for which they have expressed a preference. Reelected Members usually prefer to remain on the committees upon which they have served, so they may attain the seniority which will move them slowly up the ladder toward the much-coveted chairmanships. The seniority system is often the object—and sometimes the justifiable object—of much criticism. Nevertheless, it is the one method of insuring the selection of committee chairmen with the experience and extensive knowledge necessary to carry forward the committees' essential work.

When a bill which has been referred to a committee is of sufficiently widespread interest, and especially if it is controversial, the committee will usually set a date for public hearings. Expert witnesses, interested individuals and organizations, and Government departments and agencies, are invited to appear and present their views. Sometimes reluctant experts may receive subpoenas.

Any citizen may, however, request an opportunity to be heard on these occasions. Or he may simply file a statement or write a letter expressing his views on the pertinent legislation with the committee.

The citizen who fails to avail himself of these opportunities to make known his support or opposition to proposed legislation has thereafter little reason to complain when Congress fails to act in accordance with his wishes.

Once a committee has filed its report—and, with certain exceptions, this can only be done while the House is actually in session, or unanimous consent has been obtained by the committee chairman to file at a later date—the report is assigned a number and then delivered to the Government Printing Office for overnight printing.

At the same time, the bill itself in its original form is again printed, with such changes, or committee amendments, as may have been made indicated in italics and deleted matter by striking through the original wording. Its report number, and the number of the calendar on which it will appear, are also printed on both the bill and the report.

Early the following morning, copies of the bill and the report in numbers adequate to provide for the Members' immediate needs are delivered to the House document room which is located in a corner just off the famous rotunda of the Capitol.

As soon as a bill has been favorably reported it is assigned a calendar number on one of two principal calendars of business, namely, the so-called Union Calendar (a happy abbreviation of its full title, Calendar of the Committee of the Whole House on the State of the Union) and the House Calendar. Under the rules of the House, all bills raising revenues, general appropriations bills, and bills of a public character directly or indirectly appropriating money or property shall be referred to the Union Calendar, while all other public bills are placed on the House Calendar.

There are two other calendars under which the House transacts its business. These are the Consent Calendar and the Private Calendar. The former comes up on the first and third Mondays of each month when the Speaker directs the Clerk to call in their numerical order those bills of a noncontroversial nature which are pending on either the Union or the House Calendars, and which have been for 3 days on the Consent Calendar.

The Private Calendar is called in similar fashion on the first and third Tuesdays of each month, at which times the House may take up those measures known as private bills. These are bills introduced by the Members for the relief of citizens who may have claims against the United States, say for injuries incurred on Government property or for damages inflicted while transacting business for or with the Government. A great many private bills are introduced for the special purpose of waiving our immigration laws to admit desirable aliens to this country who might otherwise be forced by quota limitations to wait years before gaining entry to our shores.

STRICT AGENDA FOLLOWED

All bills placed on either the Consent or the Private Calendar, are subject to certain restrictions. For example, if consideration of any bill on the Consent Calendar is objected to by only one Member when the bill is called, then that bill is carried over without prejudice until the next Consent Calendar day. If it is then objected to by three or more Members, it is immediately stricken from the calendar and may not, during the same session of the Congress, be placed on the Consent Calendar again.

A private bill which is objected to by two or more Members when it is called, is sent back—or recommitted—to the committee which reported it.

Furthermore, to avoid all possibility of the passage without debate of measures which may be controversial, or sufficiently important or complex to require full discussion, six official objectors are appointed—three on the majority side and three on the minority side—whose function it is to make a careful study of all bills on either of these calendars. If any of these objectors believes that a bill has aspects demanding explanation, or extended debate, it may then be brought up for consideration only on the Union or House Calendars.

Obviously, some of the measures pending on either of these two principal calendars are more important and urgent than others, but since they are all placed on their respective calendars in the order in which they are reported, a system had to be devised which would permit them to be taken up out of their proper turn. It is possible to do

this by procuring from the Committee on Rules a special resolution or rule for their consideration.

Usually, the chairman of the committee that favorably reported the bill will appear before the Committee on Rules, accompanied by its sponsor and one or more members of his committee, to request a resolution providing for its immediate consideration. If the measure is highly controversial members of the reporting committee who are both for and against the bill will ask to appear and speak either in support or in opposition to the granting of the resolution. In such instances, some pretty lively sessions of the Rules Committee sometimes ensue—with the temperature and tempers rising proportionately to the heat of the arguments.

There are, of course, other ways to obtain consideration of bills than those I have described, as there is also much parliamentary procedure involved in the procedures set forth above. Nor has any measure seen the last of its troubles once it has been called on its calendar or been granted a rule for consideration out of its proper turn.

ELABORATE SAFEGUARDS

Every move of a bill toward final enactment is attended by great formality and many safeguards to prevent the passage of ill-considered legislation. At the opening session of each Congress, the House adopts standing rules governing the conduct of debate and other steps in its lawmaking procedures but some of these rules have been carried forward from the time of Thomas Jefferson when, as President of the Senate from 1797 to 1801, he prepared a manual for his own guidance. This has since come to be known as Jefferson's Manual and as far back as 1837 the House adopted a rule, which still stands, providing that its provisions should govern the House in all cases to which they are applicable and in which they are not inconsistent with the standing rules and orders adopted by a current House.

Page Dormitory Needed—Questionnaire Useful To Show Opinion

EXTENSION OF REMARKS
OF
HON. CHARLES E. BENNETT
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. BENNETT of Florida. Mr. Speaker, today I sent the following letter to each Member of the House:

As you know, a memorandum has been sent by the Committee on House Administration to each Member of Congress inviting suggestions on proposals now being considered in that committee. Item 4 of the memorandum invites comments on the proposal to provide a page home. Chairman OMAR BURLESON has assured me that the committee will welcome hearing from any Member who supports this idea. With his knowledge and permission, I am writing to urge that you express yourself in favor of this proposal, if you do favor it.

Having appointed many pages myself, I am familiar with their problems and the need for better supervision which could be handled with a page home. For many years there has been a potential danger in the present unregulated, unsupervised, leisure after-hour and housing situations relative to pages. Please give this your best thinking, and if you find it appropriate, please recommend that some accommodation for the housing of pages be made available at the earliest appropriate time.

Mr. Speaker, since I first came to Congress, I have had an intense interest in the pages who serve us in the House. I have observed the great inspirational value which they obtain from their service here, and which I feel in turn strengthens our country. I have had the pleasure of sponsoring over 30 young men in this position in the years I have been here, 1949 to date.

I first became interested in improved living conditions for pages by hearing from my pages of conditions where they and their fellow pages lived. I came to the strong conclusion that something should be done as soon as possible to improve their living conditions, and assure them the moral guidance and recreational opportunities which they need in order to develop into fine American men.

A page home could assure each boy reasonably comfortable living quarters. The need is not only for proper physical quarters, but for resident supervision of mature persons of high moral character, to give moral guidance to the pages.

I would like to make it clear that I am convinced that the vast majority of pages are fine boys and that they are above indulging in the type of activities outlined in evidence given in the committee hearings which have been held on this subject. I would like to emphasize rather that an official page home would enrich their stay in the national Capitol as pages, by giving them a better opportunity to make friends with boys from all over the country by living in the same home. It would make possible better recreational opportunities. With proper supervision, they could be guaranteed better living conditions, better food and better opportunities for studying. Such supervision could be a means of encouraging them to continue, while they are in Washington, the religious activities which their parents might want them to carry out while here. A mature person would be available to advise and assist them, upon request, with their personal problems.

Legislation pending before the House Administration Committee would provide for renting, purchasing, or utilizing already owned facilities as a page home, and provide for the appointing of an individual or individuals of mature years to act as supervisor and to be responsible for its operation under rules and regulations made by the House Administration Committee. All House pages would be required to live there unless specifically authorized to live elsewhere for some valid reason, such as the presence of relatives in this area. Senate pages would be permitted to live there. The expenses of operating the residence could be paid by charging each page such an amount as to make the operation of the home self-sustaining or the benefits of the facilities could be made a gratuity in lieu of salary increases.

In the interest of a conservative approach, I beieve it woud be better not to make a large investment at the beginning of this program. Perhaps the Congressional Hotel or the George Washington Inn, already owned by the Government, could be used. If not, other facilities in an adjacent area could be rented. It is possible that some individual, charitable organization or foundation interested in boys might donate or bequeath suitable property or funds for this purpose. I understand that plans have been made for using all or most of the Congressional Hotel during the next 5 years in connection with renovation of the Old House Office Building. However, it may be possible to use a portion of this building for page living quarters before and after that time. The wording of the pending legislation is sufficiently broad to permit the committee to adopt any of these alternatives. I do not believe that the proposal should be delayed for 5 years.

I have drawn up an estimate of the costs of operating such a page residence, and have submitted this estimate to the committee.

Congress has already on its shoulders the responsibility of seeing that these boys live in a proper environment. This responsibility is implicit in the fact that the pages are brought here for their employment in serving the Members of Congress.

I hope that all Members of Congress will seriously consider adding a note on the questionnaire now being circularized, designating their interest in seeing this proposal enacted at the earliest feasible moment. The committee has advised me that it very definitely wishes to have a good cross section of opinion from Members of Congress on the subject; and this is the reason they mentioned it in the questionnaire in subsection 4 of this document.

Address by Secretary of Labor James P. Mitchell

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mrs. DWYER. Mr. Speaker, the Secretary of Labor, the Honorable James P. Mitchell, on Tuesday addressed the AFL–CIO economic conference in Washington.

Representing the administration, Secretary Mitchell presented the facts of the current economic situation to the conference. He reviewed action already taken by the Government and discussed further actions contemplated in the immediate future designed to bring an end to the recession and to stimulate a resumption in the growth of the American economy.

Secretary Mitchell's address, I thought, represented an unusually clear diagnosis of the unemployment picture and of the various measures proposed to improve it. In this respect, he made a crucial distinction which has too often been overlooked in the haste of some of

us to offer grandiose schemes of public works. He pointed out that the immediate needs of the economy must be carefully defined and the solutions carefully tailored to meet those specific requirements.

In this instance, the need is to relieve unemployment now—not 12 months from now—in two directions: To make it easier for those out of work during the period of their unemployment, and to stimulate personal and business buying in such a direct fashion that the impact will be felt in a stepped-up production of goods with the resultant increase in employment.

Under leave to extend my remarks, I include the text of the address:

ADDRESS BY SECRETARY OF LABOR JAMES P. MITCHELL BEFORE THE AFL–CIO ECONOMIC CONFERENCE, WASHINGTON, D. C., MARCH 11, 1958

Mr. Meany, members of this conference, the President of the United States has asked me to thank you for your kind invitation and to express his regrets that he is unable to attend. He asked me to present his best wishes for your success.

In his reply to Mr. Meany's invitation to attend this conference, the President concluded: "I assure you that I shall continue to take, or propose to the Congress, such steps as can contribute effectively to the health of the economy and the welfare of our people."

I have come here to present the facts of the current economic situation, as I see them, in the hope they will aid you in your deliberations. Remedies depend upon diagnosis, and diagnosis upon knowledge—upon straight, concrete facts.

THE UNEMPLOYMENT PICTURE

Your Government is, at this very hour, releasing the latest information on employment and unemployment in the United States. These figures show that as of mid-February 62 million workers had jobs. Of these, 3 percent who usually work full time, were working part time for economic reasons. Five and two-tenths million were unemployed. Taking into account seasonal factors, that is a rate of 6.7 percent of the civilian labor force, about the same as during the winter of 1949–50. There are slightly over 2 million more unemployed at this latest count than there were a year earlier, and 700,000 more than in the previous month, January.

Of the unemployed, more than 3.3 million, or almost two-thirds, were claiming unemployment compensation benefits.

Translating these figures into living men and women—asking: who are the unemployed and where are they?

About half of them are men 25 years of age and over; a fifth are younger men, and the balance—about 30 percent—are women. The rate of unemployment is highest among single men, many of whom are new in the labor market and most of whom are young. The rate of unemployment for women has not increased as much as that for men. The rate of unemployment is highest among laborers. It is much lower among skilled workers and lowest among professional and technical workers.

Now, where are the unemployed:

To determine where they are we need to look at the industries where employment has declined. Since February a year ago, employment has gone down mainly in manufacturing, where there were 1,360,000 fewer jobs this February than a year ago. There was a loss of about 300,000 in construction employment, part of which was due to the extremely bad weather this winter. There was also a decline in employment in transportation, especially on the railroads. On the other hand, wholesale and retail trade, finance, insurance, service industries and State and local governments all added employees over the year—a total of half a million.

The key, then, to the present unemployment is manufacturing.

And here again a close look into the situation reveals that almost all of the decline in manufacturing is in the durable goods industries. And among those industries the greatest reductions in employment occurred in automobiles and aircraft, with 300,000; primary metals and the fabricating of metals, with 330,000 employees, and the manufacture of electrical and other machinery, with 340,000.

Now because unemployment is concentrated and restricted to certain types of activities; because our heavy manufacturing itself is concentrated geographically, we find that certain places—such as steel, automobile, machinery and aircraft centers—have borne the brunt of the business downturn while others have been affected hardly at all.

Now these are the facts, the bare statistics. Behind them are individual men and women, and I want to assure you of the deep concern of the President, myself and this administration for those who are out of work. We are determined to take whatever action is necessary to help them—including, when necessary, a substantial cut in business and personal taxes.

The danger of ill-advised programs

Now it is obvious that any program, any proposal designed to stimulate employment and relieve unemployment has to be based upon the facts. It has to reflect the realities of the situation and bring help to the people and places that need it.

This is no time for ill-advised action. It is all too easy to recommend broad and far-reaching money spending which in fact will not provide the needed jobs at the right time—which is now. Any program that is to relieve unemployment effectively must be started and completed in a reasonably short time. For example, it would do no good and in fact might do harm if a large-scale program were inaugurated which would not be in high gear until say 1959 when it would compete for workers and materials needed elsewhere. The program must fit the need, and must be designed with the need clearly in mind.

Each of the programs the Government has undertaken, and each of the proposals it hopes Congress will act upon without delay, grows from a specific need. In total they are designed to do three things—deliver immediate and specific help to unemployed people in those areas of the economy that have been declining, strengthen our national defense and at the same time provide general stimulation to the entire economy.

Defense procurement

Let's first look at the programs designed to speed up defense procurement. As I explained, the major part of the decline that began last autumn is in the heavy, durable goods industries. Defense orders are now being issued in large volume and are showing, in the first 6 months of this year, a $5½ billion increase over the last 6 months of last year. The money that will be allocated for defense procurement and construction this year is $23.6 billion. It will be spent largely in industries where employment has sagged in the past year. It will provide jobs for workers in the electrical, machinery, aircraft, shipbuilding, and a large variety of other industries.

Highways and public works

Employment in the coming months will be stimulated too by Federal and State expenditures on highway improvements of a lasting nature. The amount of money being spent on the highway program is rising sharply—from less than three-fourths of a billion dollars in the last fiscal year to $1¾ billion currently and will rise to $2.4 billion in the coming fiscal year.

Here, as in all other areas of Government activity, the program has been strengthened by a proposal which, if accepted by Congress, will boost even more rapidly the total spent on highway building. The administration will ask Congress within the next few days for a suspension of certain expenditure limitations on the highway program for 3 years. Such an amendment would permit an additional $2.2 billion to be placed under contract during the next 3 calendar years.

Other programs in this area that will make lasting contributions to the Nation's facilities and stimulate employment are a variety of needed public works projects ready to start immediately upon which $200 million will be spent earlier than planned. They will total $2 billion in the coming fiscal year—a sharp rise.

Included also are water resource projects totaling $186 million that are ready to go and for which appropriate Government agencies are asking Congress for money.

In addition the modernization of our post offices will place modern facilities in 12,000 American communities and generate $2 billion worth of construction.

Now these things—all of them—spring directly from the real need of America to grow into its future. They not only have the effect of creating employment; they also send vigor throughout the economy—into steel, and machinery and equipment making. They are not programs created quickly only to help cure a business downturn, although they have that effect, but programs based squarely upon our future needs and our capacity to grow as a Nation.

Housing

Housing is another such segment of the economy that grows because of real need.

In 1955, housing starts totaled 1,330,000.

Last year these dropped to little more than 1 million.

Present estimates are that home building under today's conditions will increase in 1958 by about as much as 6 percent, or 60,000 units. But it is clear that we have the builders, workers, and materials to build many more thousands of homes if home buyers' demand can be increased through more available credit. Since construction, as I pointed out, is one of the areas of unemployment, the Government has moved to stimulate home buying and home construction.

Last August, the minimum downpayment for FHA-insured home loans was reduced considerably. The Federal Home Loan Bank Board has made it easier for member savings and loan associations to borrow from the district home loan banks, freeing more money for home buying in areas where such money has been short.

The ratio of loans to incomes has been liberalized so that more people can now buy better homes with smaller downpayments than before.

The rule requiring closing costs in cash has been removed, thus reducing even more the cash investment needed by home buyers.

All of this has been done and we are asking for more.

We have asked Congress for authority to increase the size of loans which can be insured by the FHA and for additional insurance authorization for FHA mortgages of $3 billion per year for the next 5 fiscal years.

We have asked Congress to raise the permissible interest rates on GI home loans so that more potential homeowners can call on the resources of private capital.

There are more than 350 urban renewal projects scheduled to start during this year and we have asked Congress for an additional $200 million to spur this program along.

All of these programs will not only relieve unemployment but will provide America with

improved housing so urgently needed. It will also spur business activity in many areas apart from construction. The people who move to new houses will need furnishings and appliances such as refrigerators, stoves, washing machines, and the hundreds of other things that go to make an American home. This demand will have a stimulating effect on the economy as a whole.

Easing credit

Of great consequence in the regeneration of the economy as a whole is the action of the Federal Reserve Board to increase the availability of money and reduce the cost of borrowing. Market rates for money, reflecting this Federal Reserve policy of easing credit, have declined more sharply since the late autumn than in any other similar period in our history. Interest rates on all kinds of borrowing have now gone down, and the basis is firmly laid for businessmen and consumers to obtain credit readily and at lower cost in consequence of these actions of the Board.

Redevelopment legislation

In the field of redevelopment, Congress has had before it for 2 years now an area development bill designed to help communities with high and persistent unemployment. Now maybe this bill does not meet with everyone's approval. Maybe it could be improved. The fact is that Congress has done nothing about it.

Stimulation of trade

In still another vital area, the President has asked Congress to extend the Trade Agreements Act for 5 years and increase the Export-Import Bank's lending authority by $2 billion to help finance exports. The facts tell us that unemployment is heaviest in the durable-goods industries, in machinery, and equipment. They also tell us that these very industries make up a substantial proportion of our exports. In fact, foreign trade creates over 4½ million jobs for Americans in this country. Support for this measure—a basic long-run program—is very important for our economy in the short run as well.

Extending unemployment insurance

The Federal-State unemployment compensation programs have proved to be a substantial bulwark in a time of recession such as we are now in. Recent figures indicate that since September, more than $1 billion have been paid out to unemployed people.

There is an unusual and temporary problem which must be met, however, and that is the need for benefits on the part of those workers and their families who have exhausted their State benefits. Their benefits automatically stop at the end of a certain time, but their needs—their rents and grocery bills and doctor bills and payments on appliances—do not.

We propose to do something about it—and quickly. The President has asked me to give him a detailed proposal this week. This will be done and there will be presented to Congress a request for legislation to extend the duration of time during which unemployed people can draw benefits. It is my hope that Congress will act quickly on this.

Other programs and proposals

In the event that the business downturn proves more stubborn than is anticipated, or that Congress fails to act upon the President's proposals in a swift and responsible way, other measures may be necessary.

Tax cut

Chief among these additional measures is a major and substantial cut in personal and business taxes.

This action, I can assure you, is being fully considered and its details worked out. It is ready for immediate use as an additional stimulus to the economy, and it will be used if necessary. Certainly this is the next big step, and is far preferable to massive new public works spending because it puts money in the hands of consumers and investors.

CONCLUSION

I have described for you, briefly, the main features of the current unemployment and given you the facts as they stand. I have described the Government's programs based upon those facts to help the economy renew its growth. Each part of that program is coupled to a definite, tangible need. It is realistic and it is specific.

I have indicated, too, that each line of action where necessary is accompanied by a proposal to Congress. I would not like to see any part of that program blocked by proposals that are either ill-considered or impractical.

You have assembled here in Washington to debate these matters, and I would not leave you without completing the picture of our economy as it stands. There were, after all, 62 million people employed in February. This is below the peak for February of 1957, and slightly below 1956, but more than 2 million above February of 1955. Industrial production is still at a high level and so is the Nation's total production. Many segments of the economy, such as service, trade, and Government, are employing more people now than they were a year ago.

As I said at the outset, this administration is deeply concerned for those American working men and women who do not have jobs. I pledge to the working people of this country my untiring efforts to insure that the Government does everything possible and practical to hasten the full recovery of our economy. I have set forth the program of action which at present we feel will meet this need.

If we carry out this program with vigor and promptness, I believe we can confidently expect an end to this recession and a resumption of the growth of the American economy.

Thank you.

Air Traffic Controls in the Los Angeles Area

EXTENSION OF REMARKS

OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. HOLIFIELD. Mr. Speaker, the midair collision of two military airplanes over Norwalk, Calif., on February 1, which resulted in the death of 48 persons, is a sad reminder that many air safety problems remain to be solved. On Monday, February 3, I requested Assistant Secretary of the Air Force Dudley C. Sharp to submit a report on this matter to the Military Operations Subcommittee, of which I am chairman.

On February 5, 1958, the Military Operations Subcommittee held a hearing on this fatal accident. We received testimony from the Air Force, the Navy, and the Civil Aeronautics Administration.

Immediately following our hearings, I wrote letters to the Secretary of Defense, the Secretary of the Air Force, the Secretary of the Navy, the Chairman of the Civil Aeronautics Board, and the Administrator of the Civil Aeronautics Administration. In these letters I requested:

First. A reexamination of the military flight operations in the Los Angeles area, with a view to preventing military flights over thickly populated centers;

Second. Consideration of transfer or consolidation of certain reserve air training stations away from congested areas;

Third. Greater use of instrument flight rules, particularly in night flying;

Fourth. That the Navy and the Air Force make a renewed and a more determined effort to manage their training flight operations so that there is minimum interference with commercial air traffic patterns;

Fifth. That the Civil Aeronautics Administration speed up the installation and use of long-range radars for more effective control of incoming and outgoing traffic; and

Sixth. That a directive be issued requiring all planes taking off from the Los Alamitos Air Station to attain a minimum altitude of 6,000 feet over the ocean before flying over the Los Angeles metropolitan area.

In addition, I suggested that the SAGE system for continental air defense could well be adapted and used for comprehensive air traffic control in peacetime.

The response to my letters is in part encouraging. Both the Air Force and the Navy reexamined their flying training operations in the Los Angeles area.

The Air Force previously had directed that flying areas established for local flying training and flight test purposes be located, insofar as practicable, outside populous areas, control areas and control zones, and to use the least congested airspace. The Air Force reported that a determined effort is being made to minimize interference with commercial air traffic patterns.

The Navy reported that the visual flight rules affecting the operations from the Los Alamitos Air Station were changed, effective February 7, 1958, in line with my suggestion. The Navy also reported that cognizant commanders have been directed to make a critical reexamination of all approach and departure procedures and local agreements with other aviation activities to determine the safest possible methods of operation.

The Civil Aeronautics Administration reported that they are studying methods of applying the visual flight rules—VFR—radar advisory service to insure that all aircraft may be advised of the location of possible conflicting traffic in the terminal area. The CAA was of the opinion that by accelerating an increase in the VFR radar advisory service, the collision hazard in the high density terminal areas could be reduced.

The Civil Aeronautics Board reported that immediate steps are being taken to refine existing procedures to assure the highest practicable level of safety. The CAB also advised that in an effort to meet future requirements, the Board plans to establish positive control airways in which aircraft will be separated and controlled regardless of weather conditions.

Mr. Speaker, let us hope that the actions taken since that tragic accident of February 1 will prevent similar tragedies in the future, and that additional steps will soon be taken to further minimize

the hazards we face as our airspace becomes more congested.

I may note that the Military Operations Subcommittee previously has examined into matters which bear upon air traffic control. During the 1st session of the 84th Congress, House Report No. 737 was presented, dealing with the subject of military procurement of air navigation equipment.

On July 27, 1956, the Committee on Government Operations also placed House Report No. 2949 before the Congress. That report, which was submitted by the Legal and Monetary Affairs Subcommittee, concerned the role of the Federal Government in aviation. It noted the existence of conflicting air traffic agencies and control bodies in the United States and called for a clarification of Federal policy relating to the control of airspace.

These reports, unanimously approved by the full Committee on Government Operations, made constructive recommendations for improving and unifying our air navigation and traffic control systems.

Under unanimous consent, I include copies of my letters to the various agencies and departments, along with the replies received:

HOUSE OF REPRESENTATIVES,
MILITARY OPERATIONS SUBCOMMITTEE,
Washington, D. C., February 6, 1958.

Hon. NEIL H. MCELROY,
Secretary of Defense,
The Pentagon, Washington, D. C.

DEAR MR. SECRETARY: Attached for your information and consideration are copies of letters to the Secretaries of the Air Force and the Navy concerning the tragic air collision in my Congressional District last Saturday, which resulted in the death of 48 persons.

These letters request prompt advice as to possible lines of corrective action.

Sincerely your,
CHET HOLIFIELD,
Chairman, Military Operations Subcommittee.

FEBRUARY 6, 1958.

Hon. THOMAS S. GATES, Jr.,
Secretary of the Navy,
The Pentagon, Washington, D. C.

DEAR MR. SECRETARY: In the course of hearings on Department of Defense airlift policies, procedures, and operations, the Military Operations Subcommittee took testimony from the Department of the Navy on the circumstances of the tragic air accident in California on February 1, which resulted in the death of 48 persons. The colliding planes crashed in my Congressional District.

Although a complete report of the accident investigation is not yet available, it appears to me that immediate action should be taken by all responsible Federal authorities to minimize the chances that such accidents will reoccur.

The purpose of this letter is to request you, as Secretary of the Navy, to immediately reexamine the Navy flight training or flight test operations in the Los Angeles area with a view to preventing Navy military flights over thickly populated centers.

The testimony before my subcommittee indicates that except for traffic control within a limited radius, military and civil flights are uncoordinated, and that the problem of air flight regulation is complicated by the frequency of training flights by military aircraft based in the Los Angeles area.

I am not suggesting that Navy training and test flights be curtailed. In fact, there is good reason to believe that pilot training, particularly in the case of Reserves, has many deficiencies. It may well be that a more realistic and better-organized training program would result in the transfer or consolidation of certain Reserve air training stations away from congested areas.

Recognizing that the problems of air-traffic control in large metropolitan centers such as Los Angeles are exceedingly complex, nevertheless, it appears to me that the Navy as well as the Air Force should make a renewed and more determined effort to manage their training-flight operations so that there is minimum interference with commercial air-traffic patterns.

I suggest as a possible safety regulation that a directive be issued requiring all planes taking off from Los Alamitos Naval Base turn left over the ocean and attain an altitude of 6,000 feet or higher before cruising over the Los Angeles metropolitan area. Such an altitude would be safely above the landing and takeoff altitudes of commercial planes using our metropolitan airports. It would have prevented the recent air collisions over the Los Angeles area.

Also, a requirement that military aircraft be directed to file instrument flight plans, particularly in night flying, would permit a greater measure of air-traffic control by the authorized civil agency.

I would appreciate having from you prompt advice as to what action you can take in the solution of these pressing problems.

I am directing letters to the Secretary of the Air Force, the Civil Aeronautics Administrator, and the Chairman of the Civil Aeronautics Board, requesting similar or other action within their authorities in the interest of improving air-traffic control and thereby minimizing accidents.

Your cooperation in this matter will be greatly appreciated.

Sincerely yours,
CHET HOLIFIELD,
Chairman, Military Operations Subcommittee.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D. C.

Hon. CHET HOLIFIELD,
House of Representatives,
Washington, D. C.

MY DEAR MR. HOLIFIELD: This is in reply to your letter of February 6, 1958, relative to your suggestions as to possible measures to minimize aircraft accidents such as occurred over the Los Angeles area on February 1, 1958, and to advise you of actions taken by the Navy in this respect.

For many years all naval aviators have been instructed to conduct flights in a manner consistent with maximum safety for and minimum annoyance to persons upon the ground. They have been especially warned to avoid flight at low altitudes over heavily populated areas. However, prohibition of all naval flights over congested areas would be a serious restriction to the accomplishment of vital missions since some flights must be made along established airways over these areas. In addition, the locations of some airfields require approaches and departures over urban districts in order to avoid conflicts with adjacent air traffic patterns, with air traffic on nearby airways, and mountainous terrain or other fixed obstructions. Under many conditions, built-up areas can be avoided and cognizant commanders have been under orders for some time to avoid them except in those cases where accomplishment of the military flight mission would be impaired. More recently, they have been directed to make a critical reexamination of all approach and departure procedures and local agreements with other aviation activities to determine the safest possible methods of operation.

Your suggestion that aircraft depart from Los Alamitos to seaward and attain an altitude of at least 6,000 feet prior to cruising over Los Angeles was the subject of immediate investigation. Pilots operating aircraft from the Los Alamitos Naval Air Station under visual flight rules are now required to depart from the station to the southward on a bearing of approximately 165° magnetic crossing the coastline between Seal Beach and Huntington Beach and gaining cruising altitudes to the seaward. They are prohibited from flying over the greater Los Angeles metropolitan area at any time during the flight. When returning to the field, all pilots are directed to lose altitude to the seaward and to cross the coastline between Sunset Beach and Seal Beach on a northerly course to the field. A chart showing these routes is enclosed. Thus the only occasion when an aircraft operating from the Los Alamitos Air Station will have occasion to fly over the Los Angeles area at any altitude will be when it is on an instrument flight plan under the positive control of Civil Aeronautics controllers and proceeding in accordance with instructions of the same controllers who are controlling all other military and civil aircraft which are on instrument flight plans.

The suggestion that all military aircraft be required to operate on an instrument flight plan at night would partially solve the problem. However, separation between military and civil aircraft could be positive only if all civil aircraft were also on instrument flight plans. Should that be done, it is believed that intolerable restrictions would be placed upon both civil and military aircraft because air traffic control facilities are limited as to capability. This is evidenced by long delays which are encountered under weather conditions which require that instrument flight plans be filed by all who desire to fly. It is noted that pilots who are flying in accordance with an instrument flight plan are frequently cleared to proceed for a portion of the flight in accordance with visual flight rules when weather permits in order to avoid delays which would otherwise be encountered. It is believed that this situation will be alleviated by the new Airways Modernization Board.

Relocation of Naval Reserve air activities away from centers of population has been suggested in many cases. In most of these cases it has not been feasible because the success of the Reserve program depends upon location of facilities which are easily accessible to the large numbers of Reserve personnel who live in the cities and because of the huge investments in existing facilities which, when they were contructed, were well away from larger cities.

Please be assured that the Navy is acutely aware of the hazards and problems involved and will continue to make every effort to eliminate them.

Sincerely yours,
GARRISON NORTON,
Assistant Secretary of the Navy (Air).

UNITED STATES NAVAL AIR
STATION, LOS ALAMITOS,
Long Beach, Calif., February 7, 1958.

NAS Los Alamitos VFR Flight Rules—Effective February 7, 1958.

A. Jet aircraft:

1. Weather minimums:

(a) Ceiling, 7,000 feet.

(b) Visibility, 5 miles.

2. Departure route: Jet aircraft on VFR departures will turn left after takeoff to a heading of approximately 165° magnetic so as to cross the coastline over the southwest boundary of the United States Navy Net and

Ammunition Depot, Seal Beach. Aircraft taking off from runway 22 will proceed directly to the coast. Aircraft taking off from runway 4 will remain close aboard the field until reaching a heading of approximately 165° magnetic. Climb will be continued after takeoff until reaching a minimum altitude of 6,000 feet. If proceeding to an overland training area, do not recross the coastline prior to reaching an altitude of 6,000 feet. Do not reenter or cross the Greater Los Angeles metropolitan area prior to making approach for landing. The Greater Los Angeles metropolitan area is charted in the NAS Los Alamitos Operations Office.

3. Approach route: Conduct letdown over water. Cross the coastline at 2,000 to 3,000 feet northwest of Huntington Beach and remaining east of Sunset Beach Airport. Maximum airspeed after crossing the coastline is 225 knots. Maintain a northerly heading and descend to enter the traffic pattern at 1,000 feet. Carrier breakups over any land area are prohibited.

B. Prop aircraft:

1. Weather minimums:

(a) Ceiling, 1,500 feet.

(b) Visibility, 3 miles.

2. Departure route: Prop aircraft on VFR departures will turn left after takeoff to a heading of approximately 165° magnetic so as to cross the coastline over the southwest boundary of the United States Navy Net and Ammunition Depot, Seal Beach. Aircraft taking off from runway 22 will proceed directly to the coast. Aircraft taking off from runway 4 will remain close aboard the field until reaching a heading of approximately 165° magnetic. Do not reenter or cross the Greater Los Angeles metropolitan area prior to making approach for landing.

3. Approach route: Conduct let down over water. Cross the coastline at 1,500 feet northwest of Huntington Beach and remain east of Sunset Beach airport. Maximum airspeed after crossing the coastline is 175 knots. Maintain northerly heading and descend to enter the traffic pattern at 1,000 feet. Carrier breakups are prohibited over any land area.

C. Caution:

1. Except when approaching for landing or departing after takeoff, no VFR flight from or to NAS Los Alamitos will fly over the Greater Los Angeles metropolitan area as outlined in the NAS Los Alamitos operations office.

2. Effective this date, pilots will not be permitted to file VFR flight plan until he has certified he has read and understood the above instructions.

D. Exclusion:

1. Fleet squadrons conducting field carrier landing practice will be permitted to fly their prescribed pattern.

2. A maximum of five aircraft may be authorized in the field pattern for touch-and-go landings provided their interval is kept at the minimum conducive to safety of flight.

3. Practice ground controlled approaches may be authorized provided runway 22 is the duty runway, the ceiling is 2,500 feet and the visibility is 5 miles.

C. L. WESTHOFEN.

HOUSE OF REPRESENTATIVES,
MILITARY OPERATIONS SUBCOMMITTEE,
Washington, D. C., February 5, 1958.

Hon. JAMES H. DOUGLAS,
Secretary of the Air Force, the Pentagon, Washington, D. C.

DEAR MR. SECRETARY: In the course of hearings on Department of Defense airlift policies, procedures, and operations, the Military Operations Subcommittee took testimony from the Department of the Air Force on the circumstances of the tragic air accident in California on February 1, which resulted in the death of 48 persons. The colliding planes crashed in my Congressional District.

Although a complete report of the accident investigation is not yet available, it appears to me that immediate action should be taken by all responsible Federal authorities to minimize the chances that such accidents will reoccur.

The purpose of this letter is to request you, as Secretary of the Air Force, to immediately reexamine the Air Force flight training or flight test operations in the Los Angeles area with a view to preventing Air Force military flights over thickly populated centers.

The testimony before my subcommittee indicates that except for traffic control within a limited radius, military and civil flights are uncoordinated, and that the problem of air flight regulation is complicated by the frequency of training flights by military aircraft based in the Los Angeles area.

I am not suggesting that Air Force training and test flights be curtailed. In fact, there is good reason to believe that pilot training, particularly in the case of reserves, has many deficiencies. It may well be that a more realistic and better organized training program would result in the transfer or consolidation of certain reserve air training stations away from congested areas.

Recognizing that the problems of air traffic control in large metropolitan centers such as Los Angeles are exceedingly complex, nevertheless it appears to me that the Air Force as well as the Navy should make a renewed and more determined effort to manage their training-flight operations so that there is minimum interference with commercial air-traffic patterns.

I suggest as a possible safety regulation that a directive be issued requiring all planes taking off from Los Alamitos Naval Base turn left over the ocean and attain an altitude of 6,000 feet or higher before cruising over the Los Angeles metropolitan area. Such an altitude would be safely above the landing and takeoff altitudes of commercial planes using our metropolitan airports. It would have prevented the recent air collisions over the Los Angeles area.

Also, a requirement that military aircraft be directed to file instrument flight plans, particularly in night flying, would permit a greater measure of air-traffic control by the authorized civil agency.

The Military Air Transport Service plane that was involved in the fatal air collision last Saturday apparently was engaged in a training flight. It is difficult to understand why MATS training requirements must be served by a passenger-carrying flight between McGuire Air Force Base in New Jersey and the Long Beach, Calif., Municipal Airport. Of course, the subcommittee will make further inquires on this score in the hearings.

Since the Congress has appropriated enormous sums of money for the development of the SAGE system for continental air defense, which system either is incomplete or obsolete for impending long-range nuclear missiles, it appears to me that the SAGE system could well be adapted and utilized for comprehensive air traffic control in peacetime.

I would appreciate having from you prompt advice as to what action you can take in the solution of these pressing problems.

I am directing letters to the Secretary of the Navy, the Civil Aeronautics Administrator, and the Chairman of the Civil Aeronautics Board, requesting similar or other action within their authorities in the interest of improving air-traffic control and thereby minimizing accidents.

Your cooperation in this matter will be greatly appreciated.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Military Operations Subcommittee.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, February 28, 1958.

Hon. CHET HOLIFIELD,
Chairman, Subcommittee on Military Operations, Committee on Government Operations, House of Representatives.

DEAR MR. CHAIRMAN: I refer to your letter of February 5, 1958, in which you expressed concern over the existing flight-test operations and local flight-training operations conducted in the Los Angeles area. I am pleased to forward herewith a summary report on this matter.

I wish to assure you that the Air Force is vitally concerned with safety of flight in all of its operations and is pursuing an aggressive program to minimize potential air collisions and provide maximum safety to the public.

Sincerely yours,

DUDLEY C. SHARP,
Assistant Secretary of the Air Force.

REPORT ON REEVALUATION OF AIR FORCE FLIGHT TEST OPERATIONS IN THE LOS ANGELES AREA

The Air Force has directed that flying areas established for local flying training and flight-test purposes (aircraft departing from and returning to the same base in one flight) be located, insofar as practicable, outside populous areas, control areas and control zones, and to use the least congested airspace. A copy of the regulation, AFR 55-19, dated July 13, 1956, and the amendment thereto, which directs this action is attached. In coordination with the Civil Aeronautics Administration, flight-test areas which exclude the Los Angeles metropolitan area were established in the southern California area on February 19, 1957. The local flying training areas established in accordance with AFR 55-19 for March, Norton, Oxnard, George, and Edwards Air Force Bases and Van Nuys Airport specifically exclude the Los Angeles metropolitan area. The local flying training area established for the Reserve training operations at Long Beach restricts local VFR training from the Los Angeles metropolitan area with two exceptions. These are:

1. VFR arrivals and departures at Long Beach which must maintain at least 5,000 feet while over the metropolitan area.

2. Simulated practice instrument approaches to the Long Beach Airport which must avoid, insofar as possible, flight over the metropolitan area.

As outlined in paragraph 3a of the change to the basic regulation, commanders of air bases located in congested areas are required to establish VFR arrival and departure routes to minimize conflict with traffic on civil airways, at nearby airfields and in local flying areas. Further, it is required that these routes and procedures be coordinated with commanders of nearby airfields and other interested agencies.

The location of many of our Reserve training units in populous areas has been dictated by the need to attract a sufficient number of Reserve personnel to participate in the program. Experience has shown that where Reserve personnel are required to travel considerable distances to their training base, adequate participation in the program and proper manning of the unit cannot be attained.

The Air Force is making a determined effort to minimize interference with commercial air-traffic patterns. However, the steady growth of commercial aviation along with a large increase in civil airways to serve this segment of aviation has intensified this problem. An increasing number of arrival and departure routes at military bases are being affected by the establishment of civil airways through these routes. This problem is not restricted to large metropolitan areas

but is occurring at military bases relatively removed from such areas. The need for ready ingress and egress at our bases is a matter of serious concern to the Air Force and results in continuing coordination with the Civil Aeronautics Administration and other aviation interests to assure minimum interference with commercial air-traffic patterns.

The suggestion that military aircraft operate under instrument flight plans, particularly at night, has been a matter of consideration for some time. Air Force use of instrument flight plans is by necessity directly related to the capacity and capability of the air traffic control system. Although the capacity of the system has increased in the past few years, and the Air Force has made increased use of instrument flight plans, considerable progress is still necessary. Any attempt, at this time, to operate solely by means of instrument flight plans and even the partial step of operating on instrument flight plans at night, would seriously overtax the air traffic control system and thereby drastically reduce the number of Air Force operations. In turn, Air Force readiness would be degraded.

Air Force aircraft may utilize those civil airports where permits have been executed authorizing use by Government-owned aircraft. When such civil airports are used it is usually for the purpose of official business, training or as an alternate airport for instrument flight plans. Long Beach Airport is such a facility and it has a very efficient Active Reserve unit and adequate services for transient military aircraft.

The Air Force C–118 was on an aircrew training mission primarily for the benefit of the two copilots who were recent graduates of the C–118 school in MATS. Cross-country flying to various points within the United States is essential training for the upgrading of new pilots. The extensive air navigation and traffic control system of the CAA is one that necessitates actual use to properly establish proficiency and qualification of Air Force pilots to fly our national airways. MATS operations worldwide include the operation of its aircraft into many complex terminal areas. In this particular case it was only incidental that passengers were picked up at Long Beach for the return flight to McGuire Air Force Base. The training flight was under the supervision of an experienced and able aircraft commander and, therefore, the passengers were not subjected to any undue risk attributable to training.

The semiautomatic ground environment (SAGE) system is now in the process of installation throughout the United States. Complete operation of this system will not be realized for the next few years. Under no circumstances can it be considered obsolete. The SAGE system was never intended to cope with the ICBM threat nor was it intended to cope with any surface-to-air missile that can be made available in the next few years. However, many of the techniques used by SAGE will be adaptable to the active air defense against the ICBM. The SAGE system was primarily designed to cope with the air-breathing system threat which confronts this country today and will continue into 1967 and beyond. Therefore, the urgency of completion and operation of SAGE throughout the United States for air defense purposes is as urgent today as when its implementation was directed by the National Security Council.

It has been recognized that there are certain basic similarities in the processes essential to an effective semiautomatic air traffic control system and a semiautomatic defense system. The facilities essential to air traffic control and air defense are comprehensive, highly complex, and costly; they are costly to develop, costly to produce, and costly to operate. The facilities and equipment essential to each function are, in some instances, complimentary, in others duplicating, while still in others, unique to each. To avoid duplicating facilities, equipment, and overlapping functions it has been mutually agreed by the Departments of Defense and Commerce that each will make its respective surveillance, data processing, situation display, communications, and identification processes and facilities mutually and fully available. Further, it has been agreed that the Airways Modernization Board, established under Public Law 85–133, 85th Congress, will initiate and conduct a vigorous program of system analysis, common equipment design, and experimentation to define more precisely where and how this free exchange can be practically applied.

HOUSE OF REPRESENTATIVES,
MILITARY OPERATIONS SUBCOMMITTEE,
Washington, D. C., February 6, 1958.

Hon. J. T. PYLE,
Administrator, Civil Aeronautics Administration, Washington, D. C.

DEAR MR. PYLE: Representatives of your agency testified before the Military Operations Subcommittee on February 5 concerning the tragic air collision of Air Force and Navy planes in Norwalk, Calif., which is in my Congressional District.

While a report of the accident investigation is not yet available, it appears to me that immediate action should be taken by all responsible Federal authorities to minimize the chances that such accidents will reoccur.

I have written letters to the Secretaries of the Air Force and the Navy requesting them to reexamine the military flight operations in the Los Angeles area with a view to minimizing the chances that such accidents will reoccur.

Transfer and consolidation of military air training centers away from congested areas, greater use of instrument flight plans in military operations, organizing military flight operations to minimize interference with commercial traffic patterns, and other measures for better traffic control were suggested in my letters to the military authorities.

As an immediate possible safety regulation, I have suggested to the military authorities that a directive be issued requiring all planes taking off from Los Alamitos Naval Base turn left over the ocean and attain an altitude of 6,000 feet or higher before cruising over the Los Angeles metropolitan area. Such an altitude would be safely above the landing and takeoff altitudes of commercial planes using our metropolitan airports. It would have prevented the recent air collisions over the Los Angeles area.

I would like to be promptly advised what action the Civil Aeronautics Administration can take to help solve these pressing problems.

One immediate aid, it seems to me, would be to speed up the installation and use of long-range radars in the Los Angeles and other metropolitan areas for more effective traffic control of incoming and outgoing flights.

Your cooperation in this matter will be greatly appreciated.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Military Operations Subcommittee.

CIVIL AERONAUTICS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D. C.

Hon. CHET HOLIFIELD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HOLIFIELD: This is in reply to your letter dated February 6, 1958, in which you requested information concerning Civil Aeronautics Administration programs designed to reduce the aircraft collision hazard.

As you know, the CAA is charged with operating the air traffic control system. At the present time, the safe and expeditious handling of flights operating in bad weather conditions is accomplished through the application of separation standards which insure that aircraft operate with safe separation at all times. This system is known as the instrument flight rule (IFR) control system, and all aircraft operating in this system are provided positive separation. Our air route traffic control centers which perform this function are being provided with long-range radar equipment to help increase the capacity of the IFR system. In addition to this system, there is the visual flight rule (VFR) system which permits aircraft to operate on a "see and be seen" basis, thereby placing the responsibility for avoiding other aircraft with the pilot.

For many years, we have been planning toward the establishment of a positive control system, such as the IFR system, which will be capable of handling the demand of all classes of aircraft. It is known that with today's techniques, equipment, and procedures, the present IFR system is incapable of handling the demand of all classes of aircraft which now operate under the combined IFR and VFR systems. Therefore, we are planning toward a step-by-step implementation of additional control services.

In many of the high density terminal areas, we have installed airport surveillance radar. This radar is used primarily to control aircraft operating in the IFR system. In addition, radar information derived from these systems is used to the greatest extent possible to provide advisory information to aircraft operating in the VFR system. We believe that by accelerating an increase in the VFR radar advisory service, we shall be able to reduce the collision hazard in the high density terminal areas. Implementation of this accelerated program will require additional radar scopes, personnel, and communication channels. It will also require that aircraft desiring this service be equipped to receive the advisory information over communications channels provided for this service. We are studying methods of applying this service to insure that all aircraft may be advised of the location of possible conflicting traffic in the terminal area.

We do not plan to extend the VFR radar advisory service program into the air route traffic control centers immediately. Since the initial use of the long-range radar system is to provide additional IFR control service, we must determine whether the IFR system demand will permit the extension of VFR radar advisory service to these locations.

We also have a continuing program to explore all means of improving safety through coordination with all civil and military operators.

Your interest in this matter is appreciated. If we can be of further assistance, do not hesitate to call upon us.

Sincerely yours,

WILLIAM D. DAVIS,
Deputy Administrator.

HOUSE OF REPRESENTATIVES,
MILITARY OPERATIONS SUBCOMMITTEE,
Washington, D. C., February 6, 1958.

Hon. JAMES R. DURFEE,
Chairman, Civil Aeronautics Board, Washington, D. C.

DEAR MR. CHAIRMAN: The Subcommittee on Military Operations took testimony from representatives of the Departments of the Air Force and the Navy, and the Civil Aeronautics Administration on the circumstances of the tragic air collision in Norwalk, Calif., in which 48 persons were killed, on February 1, 1958. The Norwalk community is in my Congressional District.

I understand that the Civil Aeronautics Board is participating in the investigation of the accident. If a separate report is prepared by your Board, I would appreciate having a copy when the report is made.

I have requested the Secretaries of the Air Force and the Navy and the Civil Aeronautics Administrator to advise me promptly what action they could take in minimizing the chances that such accidents will reoccur.

In the case of the military agencies, it appears to me that military flight operations should be organized so as to minimize interference with commercial traffic patterns. Also I urged the Civil Aeronautics Administrator to speed up the installation and use of long-range radars in Los Angeles and other metropolitan airports for more effective control over incoming and outgoing traffic.

As an immediate possible safety regulation, I have suggested to the military authorities that a directive be issued requiring all planes taking off from Los Alamitos Naval Base turn left over the ocean and attain an altitude of 6,000 feet or higher before cruising over the Los Angeles metropolitan area. Such an altitude would be safely above the landing and takeoff altitudes of commercial planes using our metropolitan airports. It would have prevented the recent air collisions over the Los Angeles area.

Will you kindly advise me what action the Civil Aeronautics Board is prepared to take within its authority to help solve these pressing problems.

Your cooperation in this matter will be greatly appreciated.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Military Operations Subcommittee.

CIVIL AERONAUTICS BOARD,
Washington, March 5, 1958.

Hon. CHET HOLIFIELD,
Chairman, Military Operations Subcommittee, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HOLIFIELD: This is in further reference to your letter of February 6, 1958, regarding the air collision which occurred over Norwalk, Calif.

Air safety investigators of the Board are working closely with the military in the investigation of this accident and we will be pleased to furnish you with copies of reports based on regulatory studies we are making in connection with this investigation.

Our principal objective in participating in the military investigation of this accident is, of course, to determine the extent to which the air traffic rules might be involved.

The Board's concern with the increasing flight activities in the vicinity of our major metropolitan airports is evident in the emphasis which has been devoted to this problem in recent amendments to the air traffic rules. The high density zone rule which imposes special limitations on speeds to be observed within these zones and which also sets forth certain radio communication requirements was adopted in an effort to reduce the chances of collision in congested areas.

Other proposals relating to the need for higher weather minimums in these areas are currently under consideration. Presently the rules require that an air traffic clearance be obtained for flight in an airport control zone whenever the ceiling is less than 1,000 feet or the visibility is less than 3 miles. The amendment under consideration would increase these minimums to a ceiling of 1,500 feet and a visibility value of 5 miles. Such an amendment would result in an increase in the number of aircraft being directly controlled by air traffic control.

The extent to which substantially greater numbers of aircraft can be included in the air traffic control system depends upon the potential future capacity of that system. For the immediate future, the regulations will continue to include requirements, the objectives of which is to facilitate the pilot's ability to observe and avoid other aircraft while operating in favorable weather conditions. In this regard, in addition to the specific proposals outlined above to increase the number of aircraft under control in visual conditions, we have been advised by the Administrator of Civil Aeronautics that the CAA intends to expand the use of radar advisories in high density areas like Los Angeles to give more information to pilots to improve the chances of avoiding collision.

Changes in air traffic control rules are by their nature evolutionary. At present, immediate steps are being taken to refine existing procedures to assure the highest practicable level of safety. To be sure that we are prepared to meet future requirements, however, we are planning ahead. An example of this is the Board's plan to establish positive control airways in which aircraft will be separated and controlled by air traffic control regardless of the state of the weather. Translated in lay terms, these positive control airways will be superhighways of the air in which each aircraft will have its own reserved airspace moving from one point to another even in good weather conditions.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

The State of the Unions

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. GWINN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered before the Allegheny County League of Women Voters, Pittsburgh, Pa., on February 27, 1958.

THE STATE OF THE UNIONS

(Address by RALPH W. GWINN, Congressman, New York)

Last month I was visited by one of the most prominent businessmen in America. At one time he was president of the largest of all America's trade associations. His company maintains an office in Washington. He had contributed towards the tens of millions that the business world contributed for the reelection of President Eisenhower—but hardly a dime, and little time, for the election of a Congress.

So this man wrote the President a thoughtful letter outlining what he regarded as must legislation in labor-management relations. His proposals were that: First, cumpulsory union membership requirements should be abolished by Federal law; second, antitrust laws should be extended to cover the activities of organized unions; third, there should be further prohibitions against secondary boycotts; fourth, there should be an effective prohibition against union political actions; fifth, mass violence should be subject to Federal law. These are all sound proposals.

The trouble is that our industrial leaders do not realize that while the businessmen were electing a President in 1956, the AFL–CIO was electing a Congress. The Congress enacts all laws, not the President. The President may propose. The Congress can act or not, as it sees fit.

I had to tell my visitor that his proposals hadn't a ghost of a chance in this Congress. They will have even less chance in the next. He was startled, but he was startled too late.

In the 1956 elections organized labor was active in 300 of the 435 Congressional District elections, and were successful—that means that their man got elected—in more than 175.

And when I say the unions were active, I mean just that.

In addition to direct money contributions, labor-supported candidates received incalculable numbers of free campaign workers, union treasuries paid for untold hours of radio and TV time, friends of the candidate inserted expensive full-page ads in the local newspapers, wives of union men manned telephone brigades contacting voters, teen-age sons and daughters undertook baby-sitting chores while mothers and fathers went to the polls. Meanwhile, the labor press gave full play to the election and the merits of their particular candidate. Special election editions were issued and distributed.

In terms of known reported spending, we have already counted more than $2,200,000 spent or contributed by national and international unions, exclusive of all State and local unions. One Senator benefited in an amount of $725,000 in 1954 from one union local for his campaign. The total for all the States will run, of course, high in the millions. Organized business, by comparison, spends virtually nothing in time or money to elect Congressmen or Senators. Individual business leaders with rare exceptions are just as bad.

Let's look at just one campaign, in 1954, by one union, for one Senator. Special election radio and TV broadcasts cost for time only, with no allowance for staff, script preparation, reprints of talks was $250,000. Special election editions of regular publications, extra copies to distribute outside the regular union membership ran to another $175,000. And then, on top of all this, this union hired 500 special organizers (payroll title for political workers) at $20 per day for the 30 days just before the election. This cost another $300,000, exclusive of expenses or other services. This gives us a total of $725,000 spent by the United Automobile Workers, CIO, in support of Senator MCNAMARA in Michigan in 1954.

What were the other unions doing in Michigan that year? For this, we turn to the reports filed with the Clerk of the House of Representatives.

The national AFL's Labor League for Political Education (this was before the merger) reported spending $19,124.73 on political activities within the State, the national CIO Political Action Committee another $43,500, and so on for a grand total of $116,091.81 in addition to the indirect and therefore unreported costs already noted.[1]

This gives us a new total for the State of Michigan of $951,000 as a reasonable estimate of known and reported spending by the political affiliates of organized labor. From case histories, we know that actual expenditures are at least 10 times those required legally to be reported. This means that approximately $10 million was spent in Michigan alone.

In 1956 union political workers were active in 30 of 35 general election contests for the United States Senate. Michigan was one of the more bitterly fought contests in 1954, but similar and equally large statistics are available for Illinois (Senator DOUGLAS), Minnesota (Senator HUMPHREY), and Tennessee (Senator KEFAUVER), and so forth.

What would it all add up to if we had all the available reports analyzed and tabulated,

---

[1] Statistics by courtesy of Association for Industrial Mobilization, Washington, D. C.

plus the case histories we have, for a few contests?

If the unions spent only half as much in the 30 senatorial contests in 1956 as they spent in Michigan in 1954, it would amount to $150 million.

Or, to estimate on another basis:

Total union income, per year, is $620 million, exclusive of welfare and pension fund payments. If we assume that 10 percent is spent for political purposes (a recent study of union publications shows that more than 50 percent of the space is devoted to political and legislative news), we would arrive at a figure of $62 million for political purposes annually, or a total of $124 million for each biannual election of Members of the House and Senate.

It seems utterly fantastic.

Is it any wonder that few pieces of legislation pass contrary to the recommendations of the leaders of organized labor?

The 1st session of the 85th Congress passed no such legislation; neither did the entire 84th Congress; and I defy anyone to point to a single bill in the present session of the 85th that has a chance of passing if it is against the will of the AFL and CIO.

Let's look at the situation today inside the House Committee on Education and Labor.

A national right-to-work law was proposed in the committee almost 4 years ago, but lost by a 3 to 1 vote; to be exact, 18 to 6. Today it seems clear that two-thirds, viz, 20 out of 30 members on the Education and Labor Committee would vote against a right-to-work bill and for compulsory unionism.

Another proposal, long favored by business, the application of the principles of antitrust law to the activities of organized labor was also proposed in 1954. It lost. At the very least, 20 of the 30 members would vote against this today.

In the Congress, we find that 216 Members of the House and 45 Senators voted a majority of the time last year in accordance with the recommendations of the Americans for Democratic Action, a front organization for most of the leftwing pressure groups, including labor.

That's how much Congress has changed since 1947. In that year, the House passed the Taft-Hartley Act over the veto of President Truman by a vote of 331 to 83. Today 216 Members vote more than half the time with the leaders of organized labor.

Both the AFL–CIO and ADA favor all socialistic proposals of all kinds. Suppose the issue is schoolroom construction assistance out of the Federal Treasury? The Congressmen elected by organized labor are right there for it. Foreign aid, public housing, public power, Government lending and banking? Same answer. Whatever legislation is passed which adds to the power and authority of the Federal Government and reduces the property and freedom of the individual, even if it has destroyed States rights, they have supported it.

To paraphrase, "The road to socialism is paved with the good intentions, and active fighting support, of the leaders of organized labor."

Or, as was stated by Donald R. Richberg, in his latest study of union power entitled "Labor Union Monopoly":

"* * * labor's economic monopoly and political power are preparing the way for communism far more effectively than the Communists themselves."

This is exactly as described by Garret Garrett as long ago as 1944 in The Revolution Was (Caxton Printers, Ltd., Caldwell, Idaho).

What's being done about it?

Nothing. Nothing at all.

Businessmen in general think a job is being done, but by whom? My visitor didn't know the simplest facts regarding the legislative situation. He was completely unaware of the progress that had been made by the labor leaders in taking over the Congress and the Government. Nor was he aware that business hadn't even tried to meet the threat.

Now there has to be a reason for such ignorance and failure by organized business.

And there is a reason.

The business organizations of this country are simply not telling their members, and the public generally, the truth. Business is not really aware of its danger.

The average businessman is milk fed by the representatives of business in Washington, including the trade associations, the Washington offices of big corporations, and the Washington lawyers who have business clients. These men who work for business in the Nation's Capital must, I suppose, justify being in business themselves, but what a disservice they are rendering business by keeping their members and clients out of politics.

Whatever the reason, the Washington representatives of business have created the illusion that this Congress, or the next, will do something—or maybe the next President will—or somebody, other than themselves, will do something to solve their problems.

Even some of the best informed businessmen in their own fields in this country still cling to this illusion—that this Congress, as badly constituted as we know it to be, might be persuaded by means of lobbying and committee hearings, to do what it should. For example, a sound tax program is impossible; so is any reversal of out-and-out Socialist measures at home; we can't even reduce aid to out-and-out Socialist governments abroad, and so forth.

Nothing could be further from being possible just now.

Business has failed to protect itself, and in its failure, has failed to protect the country from the mad rush toward more and more socialism which we are now seeing in all our Government policies. There is not one reversal in sight.

The average businessman must belong to literally dozens of different trade associations, chambers of commerce, conservative organizations. Official Government statistics tell us that there are 1,700 national trade associations, 600 regional groups, 2,000 State associations; to this we must add 7,500 local associations, 5,000 chambers of commerce, 10,000 luncheon and service clubs, and 300 management organizations, all adding up to almost 30,000 different organizations.

That is impressive. With so many organizations, it would seem that the businessman would at least be informed of some of the facts of our political life. It would seem that he should be so frightened or angry—or patriotic enough to have long since taken the necessary steps to protect his business and his family.

But he hasn't. Like Rip Van Winkle he has been dead asleep for 20 years, all through the revolution. When he awakens, he'll find like Rip did a new sign over the door of the inn he used to frequent. It will be the symbol of an entirely new government that won the war he didn't even know had been going on. Will it be the clasped hands of the AFL–CIO over America?

The latest issue of the NAM News devotes a third of its space to the latest, the very latest, resolutions passed by the manufacturers' board of directors in its very latest meeting at Boca Raton, Fla. Among other things, they propose that the Congress cut the Eisenhower budget by $4.5 billion dollars. Why, believe it or not, that sounds like the same resolution that they have been passing for years and years. The budget continues to increase.

The United States Chamber of Commerce is now having a series of what it calls Aircades. Thousands and thousands of businessmen all over the country wil gather in local meetings to be told what they think, what they should resolve, and then send a copy to Congress. Although I was told personally by the President of that great organization that at least one reference would be made to the need for political action, the first Aircade circus in New York managed to avoid the dirty word "politics" altogether.

Yet without political action their resolutions will go the way nearly all such resolutions have gone for years.

If only a small portion of the money now being spent by and for these thousands of business organizations could be spent precisely as the unions spend theirs, and if their personnel might be employed in downright political action to restore sound government, then we might begin to see a few rays of hope. Business organizations must stop looking for excuses to stay out of politics. Their legal counsels must stop telling them what they can't do. They must tell them what they can do if they only wanted to.

It is our only hope. Organized labor is subject to exactly the same restrictions against political action as business organizations, yet look what they have done in building a mighty political machine within the last 10 years.

Business is the only segment of our society, besides labor, that has adequate organizations to do the job that must be done. If these organizations continue to rely on resolutions (as to what somebody else should do), educational programs, publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letter-writing campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who never agree, we might as well resign ourselves to a continuance of life under a labor-socialist government for a long time to come. It is here today. It is no longer just a threat.

We cannot rely on the political parties to stop labor's political power. By their very nature, they must court that power. Right now labor can muster more votes on most critical issues than either political party.

What can be done?

Right now in each Congressional District a half dozen political leaders in each party are deciding who shall run for Congress. An equal number of the leading businessmen, if they really cared and represented business, could exert a strong influence on this selection and who gets elected. At present business is so uninformed that few businessmen know or care about the next Congress. As a result, candidates committed to the labor-socialist philosophy of government are being designated for nomination. They will be elected to Congress to get special favors for the special groups who are organized to put them there. Oddly enough, these groups are small minority groups, including labor itself. Ten percent of the vote organized is more than enough to hold the balance of power in most districts and win the elections. The others vote along traditional lines for one party or the other.

Then after election, business, through its thousands of organizations will spend millions upon millions to present the validity of its ideas to Members of Congress already pledged to be against them. Does this make sense?

For example, millions have been spent within recent months to promote a sound and crying necessity for revision of the tax laws. It's a good program, but it will never pass this Congress. The horse is already stolen—the lock, the barn door, and the barn too, for that matter.

The business tax program was doomed before it started. Now the labor leaders will ride the crest of the wave for tax reduction and get it where they want it: in the lower income brackets, and the deadly Marxian progression in our tax system will be intensified and continued.

Our business organizational genius must be put to work.

The conservatives in Congress will not be satisfied any longer with programs of the mammoth trade associations, chambers of commerce and other business organizations designed to impress upon their members the necessity for political action, if, in fact, they even bother to throw us that bone. We are told to count upon the individuals who represent the companies who are members for action.

This is to expect a miracle.

How are they supposed to function without an organization, without leadership, without funds? How can mere unorganized individuals get political results when their own organizations broadcast optimistic Washington reports, telling of all the lobbying activities, the programs, the resolutions and meetings, the educational campaigns, and all the other ineffective claptrap by which most business organizations justify their continued existence in Washington?

For them to confess legislative and political impotence would weaken the intense competition for bigger and better memberships. Until they do confess their impotence these organizations in and of themselves constitute the biggest obstacle to effective political action. They hold out false promises of political improvements and better business conditions that keep businessmen from assuming the necessary burdens of defending themselves politically.

If the businessmen of America, with their tens of thousands of organizations, won't see to it that men are elected committed to restoring constitutional government, who else will?

No one—until business organizations provide the leadership, the money, and the manpower. And they must do it now.

The Crime of the Century

EXTENSION OF REMARKS
OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the second of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in America. This series of articles recently appeared in the Philadelphia Inquirer:

HARRY GOLD'S ATOM SPYING CALLED CRIME OF CENTURY

(Second of eight articles by Representative FRANCIS E. WALTER, chairman, House Committee on Un-American Activities)

To the short, chubby man huddled in a corner out of the wind on a bleak January afternoon 14 years ago, there was nothing incongruous about the tennis ball clutched in the hand of the approaching stranger. Chubby had been waiting at an appointed spot in New York's lower East Side for just such a stranger; the tennis ball would be his sign of recognition. To identify himself, Chubby carried a pair of gloves and a green book.

They made an unprepossessing pair, Chubby ordinary looking, mild mannered and diffident, the other a thin, sallow-faced, stooped-shouldered young man whose weak brown eyes peered anxiously through thick lenses.

They were, in fact, two of the most treacherous spies who ever met on American soil and between them they did the United States incalculable harm, whose consequences could still be disastrous. The shorter of the two was Harry Gold, a Philadelphia chemist who, on that January day in 1944, had been selling out his country to Soviet Russia for 8 years.

The man with the tennis ball was Dr. Klaus Fuchs, brilliant German-born physicist who, as a naturalized British subject, was assigned to the Manhattan Engineer District, the secret code name for the atomic bomb project.

The offense of these two men, described without exaggeration by J. Edgar Hoover, Director of the Federal Bureau of Investigation, as "the crime of the century," was to steal for Russia the secret of the A-bomb.

But let's get on with their meeting—their first. Exchanging nods of recognition, they took a cab to a Third Avenue restaurant where Gold identified himself as "Raymond." Fuchs gave his right name and briefed Gold on the Manhattan project. This was a year and a half before the first successful atomic bomb test, but Gold was enough of a scientist to appreciate the potential of such a weapon.

Today the two men are in prison, Gold at a Federal penitentiary serving a sentence of 30 years. Fuchs doing 14 years at Wakefield Prison in central England. The evil they did persists and if their two countries face the peril of obliteration by the ambitious men of Moscow, Harry Gold and Klaus Fuchs can claim much of the credit.

Springing from widely different backgrounds, both became eager pawns of the Communist conspiracy. In Dr. Fuch's motivation, a repudiation of the religious teachings of stern discipline of his father, the Reverend Emil Fuchs, played a part. So did the arrogance and brutality of Hitler's Nazis, which impelled him to join the Young Communist League in Germany.

Gold lived quietly at the home of his parents at 6823 Kindred Street, Philadelphia, to which he immediately returned after his introduction to Fuchs. A son of Russian parents who fled their homeland in 1907, he had been born Heinrich Godolnitsky in Berne, Switzerland, and was brought at the age of 3 to Philadelphia, where the family anglicized his name to Harry Gold.

His, by choice, was a lonely life. A bookish introvert in whose mild manner there seemed a touch of insolence, he was graduated from South Philadelphia High School and attended classes at the University of Pennsylvania and at Drexel Institute without acquiring any close friends of either sex. He drove himself at work, substituting for normal human contacts a life of fantasy, peopled by relatives and friends that existed only in his imagination.

The devious trail of his treachery over a period of more than a decade can be traced quickly. He described it many times, both in his own confessions and in court proceedings involving other defendants. What is less well known is the story of the FBI investigations that nailed Gold, Fuchs, and fellow traitors.

Gold was no bemused puppet of Moscow who hadn't realized the enormity of his crime. As he told the FBI at the end:

"I began the work of industrial spying for the Soviet Union in 1936 with the full realization of what I was doing. I felt that as an ally I was only helping the Soviet Union obtain information that I thought it was entitled to."

A character referred to by the FBI as Troy Niles steered Gold into communism and introduced him to his first contact in the Soviet espionage apparatus, a "Paul Smith," an agent of the NKVD secret police masquerading as an employee of the Amtorg Trading Corp., a Russian business agency in the United States. He was the first of Gold's Soviet superiors in a series that ended with Anatoli Antonovich Yakovlev, a graduate of the Moscow Engineering Economic Institute.

Gold was working at the time for the Pennsylvania Sugar Co. and "Smith," in his domineering manner, demanded that he obtain the secrets of a new process for manufacturing ethyl alcohol. He never was able to deliver that information, but he did pass along valuable data on lanolin, the manufacture of soap, a carbon-dioxide recovery process and a number of processes involving commercial solvents.

To improve his qualifications, Moscow helped pay for Gold's belated training in chemistry at Xavier University in Cincinnati. He made an excellent record there in all but one course. His lowest grade was in principles of ethics.

Having demonstrated his dependability and trustworthiness, Gold received his supremely important assignment. He was to drop all other work and make contact with the pale stranger with the tennis ball.

Fuchs at the time was attached to a British scientific mission, his loyalty certified by British authorities, and during the next 6 months he met Gold half a dozen times or so, passing along various technical data on atomic research. Gold, in turn, passed them into the pipeline to Moscow. Their meetings were strictly business, allowing no time for small talk, with one exception. Fuchs did mention that he planned to entertain his sister, Mrs. Kristel Heinemann, of Cambridge, Mass., at his New York apartment.

Suddenly, without warning, Fuchs dropped out of Gold's world. He had been assigned to the A-bomb project at Los Alamos, N. Mex., and it was almost a year before Gold met him again, by prearrangement, on the Castillo Street Bridge in Santa Fe, on the first Sunday in June 1945.

Gold had traveled by train from Chicago to Albuquerque, thence by bus to Santa Fe. To avoid asking directions of passers-by, he obtained a city map from the chamber of commerce and on it marked the route to the Castillo Street Bridge. Fuchs, at the wheel of a dilapidated car, showed up on the dot of 4 p. m.

The Los Alamos project, Fuchs reported, was proceeding nicely but he gave his personal estimate that the bomb would never be finished in time for use against Japan. He and Gold arranged to meet 3 months later and just before parting—a standard practice for spies—Fuch handed Gold a package containing highly secret information. Within a matter of days it was en route to Russia.

They met again, as planned, on September 19, 1945. The scientist had proved a poor prophet: By then the test A-bomb had been exploded successfully and two more had eliminated Japanese cities. The war was over.

Fuchs was feeling talkative. He rambled on about his father, who had never approved his Communist associations. He speculated at length on the vast new force for good or evil that man had at his disposal in the controlled atom. As he took leave of Gold, he handed him another envelope. His car disappeared down a dark street. Gold never saw him again.

Russia, it was learned many years later, hoped to explode its first atomic bomb by October 1952, more than 7 years behind America. Actually, President Truman was forced to announce in August 1949 that Russia has achieved the impossible, ending America's peace-enforcing monopoly of the weapon.

Long before that, the Amerian Government learned that its basic secrets of nuclear fission had been stolen; just when the sickening discovery was made is a closely guarded FBI secret.

Eventually, however, the FBI learned there had been definite, serious, and continual

leaks of information from the British scientists in America during and after the war. Fuchs, by this time, was conducting atomic research in England and the British counterintelligence service, M–15, took up the hunt because of his earlier Communist record.

By January 1950 his guilt was established beyond doubt and on January 24 he made his first confession. His conscience, he insisted, was clear; his only concern was what close friends in England might think of him.

Whether Fuchs ever made a complete confession is still doubtful. Certainly he was vague enough in his first description of his American contact—a man he described as about 40; 5 feet 10 inches tall; stocky build with a round face. It might fit millions of men but it was all the FBI had to start with.

No case in FBI history, according to Director Hoover, has been more important and none has subjected its agents to greater pressure. It may never be possible to tell the entire story but some facts can be told.

Agents started with Fuchs' sister in Cambridge, Mrs. Heinemann. She knew of no spies in her brother's background but did recall a visitor—a stocky man who was a chemist and had mentioned a wife and children in Philadelphia.

In Washington and in 52 field offices, G-men tracked down chemists meeting the unknown's specifications. Some 1,500 photographs were shown the Heinemanns and were flown to Fuchs in England. In some, the Heinemanns noted familiar details; in others Fuchs did the same. But there was no positive identification.

Agents questioned neighbors who lived near Fuchs' New York apartment on West 77th Street. They questioned his British and American associates, examined hotel records in Santa Fe, checked bus, air and train ticket offices and New York chemical laboratories.

The 1,500 suspects boiled down to about a score and one man was beginning to stand out—Harry Gold. He fitted some of the clues but not others. For one thing, he wasn't married. But agents concentrated on him because his name was already in their files, in connection with an inconclusive investigation of another Communist matter in 1947.

Gold's photograph was flown to England, where Fuchs examined it at Wormwood Scrubs prison and shook his head. His American contact, he declared, was not Gold. The FBI hung on. It first had learned of Gold through Elizabeth T. Bentley, a confessed ex-Communist courier, and, in questioning her associates, encountered a man who identified Gold as Frank Kessler. The suggestion of an alias intensified their suspicions.

On May 15, 1950, two FBI agents entered Philadelphia General Hospital and asked for Gold, who was in charge of the hospital's biological laboratory for heart research. He was busy but agreed to talk with the agents later. He did so that evening, adopting the pose of a citizen who was anxious to help but who was honestly puzzled by the G-men's questions.

He recognized Fuchs' photograph—but only because it had appeared in the papers after the man's arrest in England. He didn't know Fuchs, didn't know his sister, Mrs. Heinemann. Asked about his travels, he said he had never been west of the Mississippi.

In a series of interviews over several days, Gold pictured his life as depressingly normal—hard work, small salaries, little fun, and no glamor. To prove his innocence, he readily gave his written consent to a search of his home.

For every item the searchers turned up—books, papers, scientific journals—he produced a reasonable explanation. An agent fished from a bookcase a map of Santa Fe. On it was traced the route to the Castillo Street Bridge.

"How about this?" Gold was asked. "You said you hadn't been west of the Mississippi."

Silence.

"Would you like to tell us the whole truth, Mr. Gold?"

The answer, suppressed for years, blurted out.

"I—I'm the man Klaus Fuchs gave his information to."

Then, for days, Harry Gold made his confession. At first, as if by force of habit, he embroidered it with lies. Eventually, however, as Hoover disclosed, "he poured out the whole story," not only of his spy career but the fantastic imaginary background he had painted for himself.

Arrested May 23, he pleaded guilty July 20. The Government he betrayed obtained for him the services of an eminent attorney, John D. M. Hamilton, former chairman of the Republican National Committee. On December 9, 1950, Gold was sentenced to 30 years' imprisonment by United States District Judge James P. McGranery.

Gold's case did not mark an end but a beginning. Making belated restitution, he ransacked his memory for names, dates and incidents. Gradually the rotten structure of which he had been a part began to collapse, trapping in its wreckage some of the most vicious Americans who had ever betrayed their country.

Repeal of the So-called Jones Act Exemption Would Increase, Not Lower, Alaska Transportation Costs

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. PELLY. Mr. Speaker, in his regular column which appeared in the March 24, 1958, Washington Post, George Dixon referred to Alaskan statehood and quoted C. W. Snedden, publisher of the Fairbanks News Miner as saying:

One of the most bitter complaints of Alaska businessmen is that any shipment for Alaska must clear through a United States port. He buys most of his newsprint in Powell River, British Columbia, but it has to be detoured away south to Seattle to be loaded into an American bottom. He has to pay $5.42 a ton to dock it in Seattle, and another $5.42 to load it again. This, with the transportation detour, makes his newsprint cost him an extra $17.41 a ton.

He says most other Alaskan businessmen are similarly penalized.

In the interest of accuracy, I should like to say that contrary to this quotation shipments for Alaska are not required to clear through a United States port. Rather with certain minor exceptions they must be transported in American vessels.

Mr. Snedden and other statehood enthusiasts look for relief from high freight rates through elimination of this requirement, and while I sympathize with their complaint, I fear they are destined to disappointment because actually I think it would have the opposite effect. Allowing foreign-flag service in conjunction with a Canadian railroad might divert some cargo but the overall volume would not increase and certainly without increased revenue shipping service to Alaska is not going to get better. The way to reduce transportation costs and thereby freight rates to Alaska is through industrialization of the Territory and development of return cargoes. It is pretty much a one-way haul, and as long as investment capital is discouraged by high taxation from investing in Alaska this high freight rate will continue.

Section 27 of the Merchant Marine Act of 1920, as amended—title 46, United States Code, section 883—provides certain protection to American vessels operating in the Alaska trade, but only as an exception from the protection enjoyed by all United States domestic carriers and, for that matter, by the national carriers of other countries including Canada.

This exception was originally enacted to avoid disrupting rail routes utilizing Canadian vessels, particularly in the Great Lakes area, and was intended to avoid disrupting the competitive situation between Canadian and American rail lines.

To change the act would permit the use of foreign-flag vessels in United States domestic traffic, only providing such transportation is in part over Canadian rail lines; providing further that tariffs covering such routing are on file with the ICC, and finally that such a route is recognized by the ICC.

As you can readily see this is really a very limited extension of trade. Congress has repeatedly established the policy that American water-borne domestic traffic must be reserved to nonsubsidized American-flag vessels. This policy goes to the heart of protection of domestic trade which is the rule of all maritime countries and also vitally affects the whole question of construction and operating subsidies.

Mr. Snedden's complaint is not properly directed to this particular Jones Act problem. He does not get service simply because there is not enough volume generated to warrant ships going by Powell River northbound stopping for his cargo.

By the same token Canadian vessels have never served Alaska beyond the southeastern area where there is only one American common carrier, and yet there has never been enough volume generated in that area to warrant the Canadian lines maintaining year-round regular scheduled service.

The limited service that they have offered has been drastically curtailed in the last 2 years because it did not prove commercially feasible.

The entire Alaska trade, including that to Mr. Snedden's home city of Fairbanks, is open to any carrier at any time. At the present time the handicaps of one-way trade, seasonality, and insufficient volume have operated to restrict the trade to one steamship common carrier and one tug and barge common carrier. Over the years 60 companies have entered this trade and have dropped out. There is no indication that whether the Jones Act is changed or not there is any disposition on the part of Canadian or other foreign carriers to enter the Alaska trade.

In the face of this it would appear that the proponents of statehood are leaning

on a slim reed when they allege that amendment of the Jones Act would be one of the great benefits to be derived from the enactment of statehood.

A Tax-Reduction Program for a Growing Economy

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, last Saturday evening it was my privilege to address a large gathering of fine American citizens meeting in the district of our distinguished colleague, Dr. WILL E. NEAL, in Parkersburg, W. Va. On the occasion of that address I announced my intention to introduce legislation this week that would provide a program of balanced tax reduction designed to promote the economic growth and expansion of our Nation.

I have today introduced such legislation. The tax saving to the American people that would be accomplished under the bill amounts to $6.4 billion. This tax saving is soundly and equitably distributed among individual and corporate taxpayers and American consumers. The legislation which I have titled the "Tax Reduction Incentives Act of 1958," would reduce across the board individual income taxes by 10 percent effective January 1, 1958; reduce the corporate normal tax from 30 percent to 28 percent effective January 1, 1958, so that the combined corporate normal tax and surtax would be 50 percent; reduce to 5 percent the manufacturers' excise taxes applicable to automobiles and parts, radio and television sets and components, self-contained air-conditioning units, phonographs and records, effective March 1, 1958; repeal the Federal excise tax on transportation of property; and reduce to 5 percent the excises applicable to transportation of persons and applicable to communications. Such a program of balanced tax reduction as I have proposed will in short run provide an appropriate stimulus to the economy but even more important are the long-run growth influences present in this legislation. I am convinced that this legislation represents a meritorious inducement to orderly industrial expansion and enhanced consumer expenditure that would result in more jobs that are better jobs for our American citizens.

Last year because of my concern over decline in the rate of increase in capital goods investment I introduced a more modest tax reduction program, H. R. 6859, that was soundly conceived to strengthen the overall health of our Nation's economy. At the time of introducing that legislation I pointed out that its enactment then rather than resulting in Government deficit financing would have avoided such deficit financing because of the noninflationary economic stimulant it would provide. I predicted that favorable consideration of that legislation would provide the increased revenues necessary for the conduct of our governmental affairs and provide for our national security at lower tax rates while at the same time strengthening the private economy in the areas of capital goods investment and consumer spending.

My purpose in introducing this legislation today to provide a greater tax saving for the American people than would have been accomplished under my earlier bill is not politically inspired "depression tax reduction." I am not a person of so little faith in the vitality of our free enterprise system to believe that either gimmicks or hastily considered so-called penaceas should be the order of the day. Instead, I advocate the enactment of legislation such as I have today introduced as a first step to remove from our tax structure those present-day deterrents to normal economic growth and steady industrial expansion and modernization which deny to our citizens deserved jobs—better jobs.

A brief description of my tax reduction proposal is as follows:

First. Reduce the individual income tax by 10 percent across the board, effective January 1, 1958, with the further change that the top individual surtax rate would be 70.2 percent. This tax reduction would be reflected in wage withholding with respect to wages paid after March 31, 1958. Such individual tax reduction would provide across-the-board tax savings to all our individual taxpayers to the extent of an estimated $3.7 billion.

Second. With respect to corporate income-tax rates for the taxable year beginning after December 31, 1957, and before July 1, 1959, the normal tax would be reduced from its present level of 30 percent to a proposed level of 28 percent. In addition to the corporate rate deduction my bill also includes the proposals made by the President to benefit small business as follows: First, authorization for individuals to deduct losses sustained on new original investment in the stock of a small-business corporation without being subject to the existing general limitation on net capital losses of $1,000; second, extension of the accelerated depreciation formulas made available under the 1954 code for new property so that such accelerated tax writeoffs would be available with respect to used property; third, allowance of small corporations to be taxed as partnerships so that there be no tax at the corporate level; and, fourth, allowance for estate taxes to be paid in 10 annual installments. The implementation of these corporate tax reduction and tax revision proposals will mean a total tax saving to business of approximately $1 billion that can be used for business expansion and development.

Third. With respect to both individual and corporate income taxes the alternative capital gains tax be reduced from its present level of 25 percent to a proposed level of 12½ percent, effective January 1, 1958. By increasing the availability of investment capital for plant expansion this reduction in the alternative capital gains tax is an important step in providing jobs—more jobs, better jobs. People informed in making revenue estimates have advised me that the reduction in the capital gains tax would not result in any revenue loss because of the expanded volume of capital transactions that would accompany the rate change.

Fourth. Repeal the Federal excise tax applicable to transportation of property and reduce from 10 percent to 5 percent the excise tax rate on transportation of persons. This proposal will particularly benefit small business and the American consumer. This rate reduction would go into effect on or after the first day of the first month which begins more than 10 days after the date of enactment.

Fifth. The Federal excise taxes applicable to communications would be reduced across the board to 5 percent instead of the present 10 percent and 8 percent rates applicable to such services. The effective date of this proposal would be the same as that provided for the transportation taxes.

Sixth. Effective March 1, 1958, the 10-percent manufacturers' excise tax would be reduced to 5 percent on automobiles; radio, phonograph, and television sets and components therefor; phonograph records; and self-contained air-conditioning units. In addition a 5-percent rate would also be established with respect to automotive parts and accessories. This balanced and equitable adjustment in our excise-tax structure would provide a tax saving of $1.7 billion.

Mr. Speaker, this tax-reduction program that I have proposed in the legislation introduced today would provide a vitally needed reform in our tax-rate structure and would strengthen the dynamic character of our private-enterprise system. It would so augment the level of economic activity that I predict the Federal revenues essentially needed to meet Government obligations would, in the long run, be more adequately provided for. I am convinced that America's most promising enterprise for job opportunities is private enterprise rather than Government enterprise. The Tax Reduction Incentives Act of 1958 is a proposed first step toward the fulfillment and realization of that opportunity.

Lykes War Record

EXTENSION OF REMARKS
OF
HON. HERBERT C. BONNER
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 13, 1958

Mr. BONNER. Mr. Speaker, the contribution of Lykes steamship lines, both personnel and ships, is outstanding in our tragic years of World War II and the Korean conflict. It conclusively demonstrates the necessity of a strong American merchant marine and justifies the

dollars we invest in privately operated ships.

Pride in the record it established in both World War II and the more recent Korean conflict is shared by every member of the employer-employee team of Lykes Bros. Steamship Co., Inc., whose home waters are the ports along the United States gulf.

Often described as one of the leading steamship organizations in the world today, the war record of Lykes has been second to none in the American shipping industry.

In World War II, 23 Lykes ships and 272 members of their crews were lost to enemy action, while other members of the Lykes prewar team were killed or wounded while serving with United States military forces throughout the world. Still other members of Lykes office staffs in Europe and the Far East were trapped during early stages of the war and spent long periods in enemy prison camps.

The Lykes organization had been identified with shipping from United States gulf ports for nearly 40 years prior to the outbreak of World War II. At the peak of their prewar operations, the company operated 67 vessels, comprising the largest fleet of American-flag ships engaged in world trade under a single management.

As war clouds gathered in Europe and the United States Congress enacted the Merchant Marine Act of 1936, Lykes displayed their faith in the American flag when the company contracted for the construction of 28 new C–type cargo vessels. This one contract called for the building of more dry-cargo ships than had been built since the end of the World War I shipbuilding program.

The company's role in World War II actually began in the fall of 1940. Hitler's armies were moving across Europe. France had fallen and as a Nazi victory seemed certain, there were growing indications that Japan might team up with Germany and Italy.

The United States Government called upon the Lykes organization to provide maximum ship space for the transportation of strategic materials of defense, including rubber and ores, originating in the Far East and other parts of the world. Far flung Lykes operations made it possible to provide ships in suitable positions to return substantial cargoes of these much-needed, vital materials.

During this same period, the British Ministry of War Transport named the Lykes organization as their district technical representatives and during the war years Lykes supervised the repairs of approximately 175 vessels for the British war agency in New Orleans, Tampa, and other West United States gulf ports. Skilled members of the Lykes maintenance and repair division were able to reduce to an absolute minimum the time spent in drydock and in idle status as a result of repairs, thus returning the much-needed ships to wartime transport.

When Japan attacked Pearl Harbor on December 7, 1941, Lykes had perhaps the largest readily available American merchant fleet to meet the brunt of the attack. All of the company's vessels were made available to the War Shipping Administration as quickly as they could reach an American port to discharge commercial cargo and to outfit for war duty.

Twelve days after the attack on Pearl Harbor, Lykes lost its first ship to enemy action when the steamship *Prusa* was torpedoed without warning and sunk south of Hawaii. It was one of the first American ships lost in the Pacific.

The story of the survivors of the *Prusa* is one of the classics of the war. They related a tale of a 31-day voyage across 2,951 miles of submarine infested waters of the Pacific Ocean in a leaking lifeboat; of fights with tiger sharks that followed the tiny craft; of near destruction by a school of whales and of short rations that almost cost the lives of all 12 men in the boat before they were driven ashore on a coral reef in the Gilbert Islands.

The year 1942 was marked by heavy losses resulting from enemy action in various theaters of operation. In this 1 year Lykes lost 18 ships, 17 of them sunk by submarines and 1 as a result of striking an enemy mine. Nine of the ships were lost to Nazi U-boats in the Caribbean area, 5 in Russian convoys in the North Atlantic; 2 in the South Atlantic off the African coast, 1 off Cape Hatteras, and 1 in the eastern Mediterranean near Gibraltar.

In 1943, 2 more Lykes ships were lost, 1 presumed sunk by submarines in the North Atlantic, and the other wrecked in the Royalty Islands. In 1944, the steamship *Sahale* was deliberately sunk as a blockship during the Normandy invasion. The last ship was lost in 1945 when it struck a mine off the Belgian coast.

The disappearance of the steamship *Tillie Lykes*, 1 of the 18 vessels lost in 1942, is one of the great mysteries of World War II. Loaded with a cargo of foodstuffs and machinery for Puerto Rico, whose supply lines had been badly cut by German submarines, the ship sailed from Galveston, Tex., on June 13, 1942, and was never heard from again. No distress calls were ever heard from the ship nor was any wreckage ever found. The ship just simply disappeared with all hands.

Lykes Bros. Steamship Co., Inc., was especially prepared, because of its long experience in the operation of a large fleet of privately owned vessels, to operate an even larger fleet for the War Shipping Administration, and to accomplish the transition from peacetime operation to wartime duty on an extensive scale.

The Lykes fleet made available to the Government comprised a significant portion of the supply and troop transport fleet of this Nation during the early, critical days of the war. These vessels and the Lykes organization were ready to and did help the Armed Forces of the Nation carry on the war of attrition until complete mobilization was accomplished.

In addition to making a large fleet of ships available to the Government for war service, Lykes also acted as agents for the War Shipping Administration, and in this role the entire Lykes organization became a part of the Armed Forces. It is a matter of record that due to Lykes' flexible and well-rounded organization, the excellent physical condition of its fleet, and its procurement ability, these factors, together with the minimum of off-berth time of its vessels during the critical war period, resulted in the saving of many millions of dollars to the Government, and in more efficient utilization of the wartime fleet.

During the war years Lykes managed and operated a large fleet of Government ships and loaded not less than 60 million tons of essential cargoes, exclusive of the vast movement of Army and Navy cargoes. As berth agents Lykes serviced another 2,300 vessels and as agents for other companies the still greater number of 2,800.

In one war year—1945—Lykes managed and operated as general agents 138 Government-controlled vessels and another 880 as berth agents. In addition they handled the loading or discharge of another 1,500 vessels in cooperation with the Government and other general agents. As an indication of the scope of this operation, it should be noted that Lykes loaded more than 8 million tons of vital cargo.

Compensation for this vital war effort was far less than that paid to any other major war industry. The war years saw Lykes handling Government transactions aggregating more than $567 million for which the company received a net return of less than one-tenth of 1 percent of the volume handled, or less than 1 cent per ton. No other industry making such an important contribution to victory was so poorly compensated for its war service.

Contracts entered into with the Government provided for compensation on a basis substantially below those rates which would have been paid on the basis of just compensation, a fact readily recognized by Adm. Emory S. Land, wartime chief of the War Shipping Administration, when he stated that "if the owners generally had refused our rates and sued in the courts, the extra cost to the Government might have been more than $500 million for the war period."

With intensification of the country's defense program and the subsequent increased demands of our war effort, Lykes transferred many of its key personnel from home bases on the Gulf of Mexico to the North Atlantic to handle the tremendous volume of shipping, thus once again illustrating the extreme flexibility of the company's organization.

Still other keymen were loaned to the Government and served with glory at important posts overseas. One of these was Alexander C. Kerr, now vice president of Lykes Bros. Steamship Co., Inc., in charge of its European operations, with headquarters in London, England.

In November 1941, a month before this country was plunged into war, Mr. Kerr was Lykes' operations manager for the eastern Atlantic, with headquarters in New York. At the request of Admiral Land, Lykes released Mr. Kerr and he was sent to London and assigned as special representative of the United States

Maritime Commission on the staff of the United States Embassy.

After the United States entered the war and the War Shipping Administration was created, Mr. Kerr became Director of the WSA for the United Kingdom and Iceland. In this role he was responsible for the north Russian convoys and the American ships involved in the north African invasion. Later, he participated in the planning for the invasion of the European Continent and had the responsibility for organizing WSA on the beaches and at the ports in France and Belgium as the invasion progressed.

He was decorated with the Medal of Freedom and awarded the Certificate of Merit by the United States Government and won the Legion of Honor from the French Republic.

For the company's role in World War II, Lykes was awarded the War Shipping Administration's highest honor, the Four Star Citation and Pennant.

The mention of Korea opens another important chapter in the service of Lykes Bros. Steamship Co., Inc., to the United States in time of emergency. On June 25, 1950, enemy troops stormed into South Korea in a completely unprovoked attack. Within hours the American merchant marine and Lykes was again at war. Lykes' vessels in and around Japanese and Korean waters were pressed into immediate service.

On June 27, 1950, the United Nations decided to oppose the aggression and the first United States fighting men were landed in Korea on that same day. Additional Lykes' vessels were loaded with war essentials and dispatched to the area.

Speed was of the essence in the early days of the Korean outbreak and, disregarding its own commercial interest, Lykes placed seven of its fast fleet of ships at the disposal of the Military Sea Transportation Service with all possible speed. The first ship was turned over to MSTS by July 10, the second on July 13, followed by other ships on July 17, 23, 25, and the last two on the 26th.

When United Nations forces were forced to fall back following the full-force intervention by China, the greatest disaster in American military history was averted by the successful evacuation of Hungnam. And Lykes vessels were there to fulfill their obligation to the United States. At least 2 company ships, the steamship *Helen Lykes* and the steamship *Letitia Lykes* participated in the Hungnam and Wonsan evacuations, while 3 Lykes vessels, the steamship *Charles Lykes*, the steamship *Sue Lykes*, and, again, the steamship *Helen Lykes* were in the Inchon invasion forces. The steamship *Helen Lykes* was commended for its outstanding role in the Korean operation.

Lykes also assisted materially in the early stages of the Korean effort by reactivating 12 vessels from the Government laid-up fleet. The use of Lykes' technical staff in this work not only saved the Maritime Administration considerable sums of money, but their know-how contributed greatly to the speed with which these vessels were made ready for the defense effort.

The 7 Lykes ships committed to the MSTS-Korean operation were out of the Lykes fleet for a total of 1,384 days, equivalent to about 22 commercial voyages. Cargo space was at a premium during this period and Lykes could not charter other vessels for its commercial operations. The loss of these 22 voyages resulted in a considerable diversion of cargo to the company's principal foreign-flag competitors. While the consequences of the company's war effort cannot be measured in dollars, it is apparent that the company's effort in the emergency weakened its earning power considerably.

This is the role of one segment of the American merchant marine in two wars. It is only natural that the Lykes team should take great pride in the company's participation in the war effort of our country. This effort not only required good management, but entailed the willing and unstinted cooperation of all of the men and women of the Lykes organization including all ship crews, the office staffs and the longshoremen and stevedores.

Though there are no war clouds on the horizon as this is written, the Lykes organization will be ever ready to accept its share of responsibility to the Nation should any emergency arise.

To make certain of this readiness at all times, Lykes officials have concluded a new 20-year contract with the United States Maritime Administration providing for the construction of 53 new cargo liners at a cost of more than a half billion dollars. Thus Lykes reaffirms its faith in the American merchant marine and the United States gulf ports which are the home waters of the Lykes fleet.

A Strong National Guard and Federal Reserve

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. BROOKS of Louisiana. Mr. Speaker, I had the pleasure of appearing before the Department of Defense Subcommittee of the Appropriations Committee and presenting my views on the question of a strong National Guard and Federal Reserve. This is a copy of my statement to this subcommittee:

Mr. Chairman and members of the subcommittee, it is a pleasure for me to appear here today representing the Armed Services Committee, by duly authorized resolution, to urge you to increase the budgetary request of the Department of the Army for fiscal year 1959, to insure a maintenance of the authorized strength of the Army National Guard at 400,000 and the Army Reserve at 300,000.

I have the privilege to serve as chairman of the Reserve Forces Subcommittee of the Armed Services Committee. We held extensive hearings on the proposed reduction in strength of these two Reserve components. We heard from representatives of the Army (including the Secretary), National Guard Association, Adjutant Generals Association, Reserve Officers Association, the American Legion, individual guard division commanders and Reserve commanders, four governors (including the chairman of the governors' conference) and Members of Congress. Speaking of the appearance of the governors, I might add at this time that the committee was informed that 36 governors have strongly urged that the Congress maintain the Army Guard and the Army Reserve at their present strength. At the conclusion of the hearings my subcommittee unanimously adopted a resolution supporting an Army Guard strength of 400,000 and an Army Reserve strength of 300,000. This resolution was unanimously approved by the full committee by a vote of 34 to 0.

Mr. Chairman, last year the guard and the Army almost came to blows on the 6 months training program. A year ago in February my subcommittee held extensive hearings to determine whether an Army order should be promulgated which required all new enlistees in the National Guard to take 6 months active duty for training. At the same time we reviewed the strength of the guard and asked the Army to project its thinking on the guard's future strength. The subcommittee came to a decision, which was approved by the full committee, to the effect that new enlistees in the guard should be required to have 6 months of active duty for training and that the size of the guard should be pegged at 400,000 or at such figure as might be set by appropriations granted by the Congress. This figure of 400,000 was not one we snatched out of the air. Quite on the contrary, it was a figure agreed to by the Army and supported by the testimony of our best military advisers. To conclude the agreement we asked the Army and the National Guard to enter into a memorandum of understanding, which they did, and we thought we had put the matter of the future strength of the National Guard to rest.

Imagine our surprise, then, when the President proposed his budget to Congress for fiscal year 1959 and we discovered that he was asking for a 10 percent reduction in the strength of both the Army Reserve and the National Guard. The Army Reserve would be reduced from 300,000 to 270,000. The Army National Guard, which was forced to reduce from 437,000 to 400,000 last year, would again be reduced to 360,000 in fiscal year 1959.

I would like someone to explain to me what has happened in the international situation which justifies our decreasing our military Reserve strength. I was under the impression that the Russians had not agreed to disarmament. But if the Congress and this outstanding committee goes along with these budgetary proposals we will be starting disarmament on our own. Furthermore, the size of the Regular Army is being reduced—to which I am unalterably opposed—and in my 21 years in the Congress I have been told over and over again by our military advisers that to insure the national defense the Reserve must be increased when the size of the Regular force is decreased. Apparently this elementary principal of preparedness has now been forgotten.

Now it appears clear that budgetary considerations have taken over and are overriding considerations of national security. As a consequence in order to save dollars we decrease the size of our active establishment and the Reserve components as well.

I believe the main fault in this plan must be laid at the doorstep of the Department of Defense because the Secretary of the Army, the Assistant Secretary of the Army (Manpower, Personnel and Reserves), and the Chief of Staff, United States Army, all recommended a National Guard strength of 400,000 and an Army Reserve strength of 300,000—in other words, no reduction in their current strength.

However, I do not absolve the Army from fault in this proposed cut. Last year the Army entered into an agreement with the National Guard and the Armed Services Committee that the guard would be kept at a strength of 400,000 providing appropriations were provided by Congress. But, I do not believe that the Army made strong enough representations to the Department of Defense when the budget was under consideration before its submission to Congress. It is my feeling, after listening to all of the testimony, that they recommended no reduction in the guard and the Army Reserve, but did little more than recommend. We know the preparation of the budget is a give-and-take matter and it would appear that the Army gave in and took it on the chin with little or no struggle.

But be that as it may, what more can I say to this committee than that the Chief of Staff of the United States Army, an outstanding soldier, states that in his considered military judgment the size of the Army National Guard should be maintained at 400,000 and the Army Reserve at 300,000.

I should briefly discuss one other matter before closing. In previous years the language of appropriations bills have set the strength of the Army Reserve exclusive of 6-month trainees and the strength of the Army National Guard inclusive of 6-month trainees. The Department has expressed a desire for the language to be the same. In order that there be uniformity between the two may I suggest that both be inclusive of 6-month trainees when describing the strength of the Army Guard and Army Reserve.

I wish to thank you for your kind attention and I earnestly hope that this committee will see fit to maintain a strong virile Army Guard and Reserve so our Active Army can be adequately augmented in case of war or national emergency.

The Economic Unity of the Nations of the Free World

EXTENSION OF REMARKS
OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. BOGGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Secretary of Labor James P. Mitchell, before the 52d annual convention, National American Wholesale Grocers' Association, Chicago, Ill., March 11, 1958:

Tonight I want to discuss with you, as officials and members of the National American Wholesale Grocers' Association and as American citizens, a matter that is vital to the security and economic well-being of the United States and very close to the interests of your association—the economic unity of the nations of the Free World.

In his state of the Union message in early January, President Eisenhower told Congress and the Nation that unity—so essential to the cause of peace—is being threatened by a massive Soviet plan to upset the balance of trade. The object of this Russian plan, of course, is to bring as many of the free nations as possible into the Communist sphere of influence.

The Soviets are devoting huge energy to this economic offensive, and they are steadily gaining the means to make a success of it—if the Free World, and the United States in particular, does not assert its economic strength to frustrate them.

In this state of the Union message, the President advanced a plan to counteract the Soviet economic attack upon the Free World. He asked the Congress for a 5-year extension of the reciprocal trade agreements program.

This is the program under which the President obtains reductions in foreign tariffs against American exports in return for reciprocal lowering of our own tariffs.

A bill to implement the President's request is now before Congress. In the President's own words, its passage "is essential to our national economic interest, to our security, and to our foreign relations." I am here tonight to assure you that this need is vital, and to examine with you the compelling reasons why every American should be informed on this issue—and why the members of this audience, whose leading interest is the free flow of trade, should support the President's position.

As you know, we have had a reciprocal trade agreements program for 24 years. This program has won the support of the American people because it is economically sound and because it has brought great benefits to the United States in terms of increased employment and business here at home and in terms of closer cooperation with the other free nations. Under this program, our Presidents have used the power granted to them by Congress to reduce tariffs and to stimulate a worldwide movement toward the reduction of trade barriers among the free nations.

Indeed, trade agreements have become the principal means by which the United States and the other free-trading nations of the world cooperate with one another. Out of them have come such great trade programs as the General Agreement on Tariffs and Trade, under which 37 countries work together to expand world trade on a mutually beneficial basis.

The reciprocal trade agreements program permits the President to negotiate with other countries to expand export markets for American goods. It helps to assure that the many goods and materials that American industry needs but cannot get at home will continue to flow through our ports.

Without a strong and expanding reciprocal trade agreements program, the United States would be frozen out of markets which we need for the health and balance of our economy. Without it, our friends abroad would be frozen out of our markets, which they need in order to accumulate the dollar credits with which they buy American goods.

This program is a basic instrument for the preservation of the economic unity of the Free World. Without it, the Communist bloc would have little trouble succeeding in their design, which President Eisenhower has described as follows:

"The Soviet Union is engaged in an intensive effort, through combined programs of trade and aid, to divide the countries of the Free World, to detach them one by one, and to swing them into the orbit of Communist influence."

The truth of this observation is illustrated by the challenge of Nikita Khrushchev when he said:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system."

The reason why the Communists wish to create this economic division in the Free World is evident: They know that they cannot hope to outproduce the free nations if the free nations stay together. Therefore, in order to win the economic cold war, the Soviets must insinuate their trade and aid into free countries. They must substitute their economic influence for that of America and the other great trading nations of the West.

It is well within their capabilities to do so, if we default upon our trade programs. The gross national product of the Soviet Union is already larger than that of any nation in the world except the United States. And while the Russian GNP at present is only one-third of ours, it is growing 50 percent faster.

The exports of the Communist bloc to the Free World amounted to $3.1 billion last year. This seems a trifling amount compared to the $19.5 billion exported by the United States in 1957. But the Communist export volume increased by 70 percent in four years. There is no reason to think that the Communists, with their controlled economy, regimented workers and forced investment, could not double or triple this rate within a very few years.

Such an increase in exports, concentrated on a few underdeveloped countries and coupled with an effective aid program, could be extremely dangerous. Flatly stated, it could mean the gradual loss of free countries to communism—because Communist aid and trade are always a prelude to political domination—and, eventually, a disastrous change in the world's economic balance. How the Communists mean to go about this is simple enough.

They select a country in one of the underdeveloped regions of the world. Then they extend a credit to this country for development purposes. The country receiving the credit agrees that it will use it to buy Soviet goods. The Soviet Union agrees, in turn, that it will accept goods of the country as repayment of the credit. The result? A flow of trade based on ruble credits is established, and the Communists have their foot in the door.

They open the market with aid, secure it with trade—and, in time, nail it down with political domination.

The Sino-Soviet bloc is already able to export large quantities of manufactured goods of the kind needed by the underdeveloped countries. And the Communists are perfectly willing to accept consumer goods, foodstuffs, and raw materials in payment. You can see the pattern in the Soviet sale of arms to Egypt in exchange for cotton, the big credits which the Soviets have granted to Syria, the loans to India, and economic probing that is going on in Latin America.

In the last 3 years, the Communists have agreed to provide $1.9 billion in aid to the less developed countries of the Free World. Significantly, most of this is in steel mills, power dams, and other development items. Of course Soviet technicians and advisers and influence become part and parcel of such aid.

The answer to this concentrated Communist trade drive is, of course, expanded aid and trade within the Free World. And I will repeat that the future of the Free World trade, and very likely the Free World itself, is at stake in the Congress at this moment. The 5-year extension of the reciprocal trade agreements program is absolutely essential to the continuation of the movement for trade liberalization in the Free World. And trade liberalization is the essential element in maintaining the economic independence of our partners and allies. It is intimately involved with our national security. It is one of the most important answers to the Communist economic offensive.

One of the distinguishing features of this bill is that it asks for a 5-year continuation. In the past, you know, it has been the pattern to ask for 3-year extensions. There is a very good reason for asking for the longer continuation this time.

Since the last time the reciprocal trade agreements program was extended, in 1955, an important trading element has been

born. This is the European Common Market—an economic community which includes West Germany, France, Italy, the Netherlands, Belgium, and Luxembourg. These six countries purchased $3 billion in United States exports in 1957. Within 12 to 15 years all tariffs and trade barriers among these 6 nations of Europe will be eliminated. And by the end of 1961, the first step in setting a common tariff for imports into all six countries will be taken.

The United States Government has supported the European Economic Community because it promises to help to end the ancient political rivalries which have troubled Europe, and also because it promises to expand trade within Europe and in the Free World. The common market, if it is successfully established, will add materially to the strength of the whole Free World.

This new economic combination will have a population of 160 million and a total foreign trade somewhat larger than that of the United States. The tariff level of the economic community will, therefore, be a very important matter to the United States as well as to the rest of the Free World.

It is very important to American business, labor, and agriculture that the tariff rates on our chief exports to the common market be set as low as possible. This is the reason for the 5-year extension. It will take no less than 5 years to prepare and execute tariff negotiations with the common-market countries, and these negotiations are vital to the interests of the American economy.

So far I have dealt with these aspects of trade which are so important to our national security and our foreign relations. It's legitimate for the American to ask what direct benefit his country derives from trade in terms of jobs and business.

The benefits and the importance of world trade in the American economy cannot be overstated. Foreign trade creates employment within the United States. It furnishes our industries with raw materials. It adds to the range of goods available to American consumers. It creates important markets for our farm products as well as our industrial products.

Four and one-half million American workers—1 out of every 14 working Americans—owe their jobs directly to foreign trade. Foreign trade provides as many jobs for Americans as the automobile, chemical, steel, and textile industries combined. Less foreign trade would mean fewer jobs in the production of automobiles, telephones, TV sets, household appliances and farm tools. Any decrease in foreign trade would mean a decrease in employment opportunities for a whole range of occupations from laborer to stenographer to machinist to engineer.

Our farmers benefit greatly from foreign trade. About 11 percent of our total farm production is exported each year. In 1956, one out of every five acres of American farmland produced for foreign markets. Exports absorb more than a third of our wheat and rice crops, almost a third of our tobacco, fat and oil, and one-fourth of our cotton production.

In recent years, American manufacturers have exported between one-fifth and one-third of our railroad cars, civilian aircraft, construction and mining equipment, textile machinery, sewing machines, and steel and rolling mill machinery. We exported 19 percent of our trucks and buses, 16 percent of our diesel engines, 14 percent of our agricultural machinery and equipment, 14 percent of our coal, and 11 percent of our machine tools.

In return, American industry has imported a whole range of raw or semiprocessed materials without which our production machinery would literally stop. The United States is self-sufficient in only nine of the 39 metallic minerals vital to our industries. Over 40 imported materials from a dozen Free World countries are used to make our telephones. We import three-fourths of our newsprint. Imports are our only source—as you well know—of such items as coffee, tea, cocoa, and chocolate.

Exports and imports are clearly vital to the American economy. It would be folly to do anything which would interrupt this flow of trade which creates business and employment here at home and which is the basis of the unity of the people of the whole Free World. Expanded foreign trade—both exports and imports—contributes to the economic growth and the social welfare of America and the rest of the Free World. It is a two-way process; they both grow, or neither grows.

The money our people make from export trade alone equals that of many major segments of our economy. Whole geographical sections of our country, and many of our key industries depend on expanding world trade as an essential ingredient in their future prosperity. And imports furnish a major—and indispensable—source of raw materials for our industry as it guarantees dollar credits for countries which want to buy the goods those American industries produce.

However you look at it, foreign trade is a compelling issue of the times. Its importance to the expansion and health of our own economy cannot be overrated. Its vital role in the struggle between freedom and communism is manifest.

For my final point, I'd like to quote from the message sent by the President to Congress, urging the speedy passage of the reciprocal trade-agreements program continuation.

"The question," President Eisenhower said, "is whether the system of free competitive enterprise for which we stand will meet successfully * * * the challenge hurled by the Soviet leaders.

"We will fail in this endeavor if the free countries do not continue their reduction of barriers which they themselves impose on trade with each other. We will fail if closed markets and foreign exchange shortages force Free World countries into economic dependence on the Communist bloc. We will fail if the United States should now abandon the task of building a world trading system from which all Free World countries can gain strength and prosperity in a free economic society."

We Americans, gentlemen, are 175 million people in a world of 2.75 billion. One billion of the world's people now live under Communist dictatorship. The remaining 1.75 billion constitute our hope that our sovereign country will continue to preserve its freedom and its integrity in a community of free and sovereign nations.

That is why the extension of the reciprocal trade-agreements program is important to you and to America. That is why I come here tonight to ask you to weigh its importance, and give it your support.

Thank you.

"Where There Is No Vision, the People Perish"

EXTENSION OF REMARKS

OF

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. BENNETT of Florida. Mr. Speaker, our beloved and able colleague, Congressman OVERTON BROOKS, spoke in Jacksonville, Fla., Monday night in an urgent and important appeal to all of us to have vision as a necessity if we will survive.

He spoke about the importance of developing all of our waterways and particularly for early construction of the authorized cross-Florida barge canal. In so doing he utilized his vast experience in defense matters as the senior majority member of the House Armed Services Committee and as the president of the National Rivers and Harbors Congress. He said:

"Where there is no vision, the people perish; but he that keepeth the law, happy is he."

So sayeth the Bible in the Book of Proverbs. Certainly this quotation is just as prophetic today as it was when written 2,000 years ago. A people must have vision and must look to the future if we are to move forward and survive in the strongly competitive world of today.

During the course of World War II, I had the opportunity of flying along the Atlantic seaboard and up and down the coast of Florida. I saw many tragic scenes, the memory of which will live in my mind as long as I live. I saw a submarine attack on one of our merchant vessels farther down to the south in the Caribbean Sea. I saw our airplanes take off from a local naval base and fly out to attack and to destroy the submarine. I witnessed some of them return to the base, some shattered and some barely able to get back.

I saw our tankers torpedoed along this seaboard and our sailors struggling in the water to survive the attack. German submarines sank oil tankers and cargo ships within sight of land on our eastern seaboard. Deep down in the sands of your Florida beaches, traces of the oil from those sunken ships still can be found. German subs were so deadly effective that the transportation of petroleum from the oil fields in the gulf area by water was virtually halted. New England shivered because there was not enough fuel oil to heat homes and operate industries. You may recall how damaging this submarine campaign was to our transportation system. This lasted to the point that there were few seagoing American tankers left to be sunk.

I mention this because the Russian submarine menace is far greater today than that of the Germans in World War II. During World War II, the Germans had a submarine fleet of 290 vessels. Today it is estimated that the Russians have a fleet of between 500 and 600 submarines and many of them of the most modern variety.

As chairman of a subcommittee of armed services, I have been making inquiries into the strength of the Russian submarine fleet. Increasingly, it is pushing out farther into the Atlantic and the Pacific to hold maneuvers. It, of course, is composed of the most modern variety of the snorkle-type submarine perfected by the Germans; and we now have reason to believe that the Russians are perfecting a nuclear submarine with the ability to remain under water indefinitely, with unlimited range, and even with ability to fire rockets and torpedoes while still submerged.

In the face of this new Russian menace, let me point out that the proper development of our intracoastal waters becomes increasingly important to our national defense. These waterways offer a vital link in our transportation system—a link that is sheltered from the submarine menace and is largely protected from the air.

Modern submarines are now capable of launching, when under water, missiles with atomic warheads. If, however, our vital war cargo is moving along the intracoastal canal system on the gulf coast or along the eastern seaboard, it is highly unlikely that these vessels will be molested. Vessels carrying

these cargoes so vital to our people and to the continuance of our war effort, would move along these inland water routes in sheltered security from all efforts of the undersea craft. Even though, now and then, one of the ships or barges carrying the burden of the war effort of our people may be bombed from the air, the loss will be relatively small, and the waterway obstruction can be easily removed.

We are proud of our achievement in building our intracoastal canal from Brownsville, Tex., to the gulf coast of Florida.

We are even more pleased to learn that this portion of the canal which is constructed, is used and used to capacity by our people. Along the Atlantic, the canal is in operation to Trenton, N. J.; along the gulf coast to Corpus Christi, Tex. The missing link in this great system lies right here in Florida, and this is the portion of the overall project which should receive our present attention.

I can remember years ago how, when this project came before the House of Representatives, the Nation then was not as well sold on the importance of inland waterways as it is at the present time. Since then, great achievements in engineering have brought about the construction of the waterways in the Mississippi Valley, along the Missouri, the Ohio, Tennessee, and many other streams in the central portion of the Nation. All of these rivers and inland waterways are in use now; and we have the experience of the years behind us, showing the importance of inland water transportation. In addition, a great world war has ended, and in the smouldering hulks of our lost ships and in the tragedy of the loss of the lives of our brave seamen, we have formed the firm resolve that we must relentlessly pursue this program of inland waterway development.

"Where there is no vision, the people perish."

Let me pause for a moment to make some observations about the importance of inland waterways. From the dawn of history, civilization has grown up around the water, on the coasts, and on the rivers. Towns and cities were not founded on the side of a railroad track, nor on an oxcart trail, nor on an airstrip unless there was water close at hand. Water is the key to civilization. Water transportation is nature's golden thread which binds peoples together and works for the well-being of mankind.

Certainly, American civilization is tied up with our waterways. Bold explorers located our waterways and pursued them to their source. Our early colonists sailed into our harbors on the Atlantic seaboard and up our rivers, always bearing in mind the importance of tidewater upon communications and commerce, and while boldly moving inland, at the same time always holding strongly to the past.

George Washington was "first in war, first in peace, and first in the hearts of his countrymen," as the trite saying goes. George Washington was almost first in water development. This great man was a surveyor, and in this capacity it is said that he surveyed the historic Chesapeake and Potomac Canal, which begins at the Nation's Capital and runs some 147 miles northwestward, furnishing canal transportation to Maryland, Virginia, West Virginia, and even a small part of Pennsylvania. This route has been used even until recent years. The National Rivers and Harbors Congress appreciates the great contribution which our first President made to the program of our water development; and, in recognition, we will journey to Mount Vernon during the course of our coming national convention in Washington, between May 14 and May 16, and lay a wreath upon the tomb of the man to whom all Americans are so heavily indebted.

The United States has been interested in water development since the beginning of our Government. Our history shows that the Army Engineers were called upon to do work in the New York Harbor near Sandy Hook shortly after the birth of our Republic. Throughout the years, our national interest in this program has increased; but it was not until 1936 that our Government formally adopted inland-waterway development as a national policy. This was done in the great Omnibus Flood Control Act of that year.

Boldly our engineers have pushed back the frontiers of achievement. Vigorously they have moved in to accomplish the impossible. The Panama Canal, a product of American ingenuity, is the outstanding but certainly not our only example of accomplishment in the field of waterway development.

When the work was done on the Mississippi, no one knew just how much traffic this great river and its tributaries would carry. When the Intracoastal Canal was built, we assumed it would be used; but no one could positively say just to what extent it would bear our commerce. I have a few facts which I think will be impressive to you.

Figures compiled by the Corps of Army Engineers for 1956 (latest figures available), covering seaborne freight moving through our harbors, equaled 1,093,000,000 tons, as compared with 1,016,000,000 in 1955, the previous record year.

Tonnage for the gulf ports was very impressive during 1956. The figures show the following tonnage for the leading gulf ports:

New Orleans, La	50, 700, 000
Houston, Tex	52, 300, 000
Beaumont, Tex	25, 700, 000
Mobile, Ala	17, 500, 000

Figures for other leading ports in the Nation are:

Boston, Mass	21, 000, 000
New York, N. Y	154, 700, 000
Philadelphia, Pa	55, 700, 000
Baltimore, Md	51, 600, 000
Norfolk, Va	44, 600, 000
Los Angeles, Calif	19, 600, 000
Richmond, Calif	14, 800, 000
Portland, Oreg	13, 800, 000
Seattle, Wash	13, 700, 000

Coastal areas having a concentration of harbors include the following, with total 1956 tons: Delaware River from Trenton, N. J., to the sea, 109,200,000; Hampton Road, Va.. 71,700,000; San Francisco Bay, Calif., 44,200,000; Columbia and Lower Willamette Rivers, Oregon and Washington, 20,900,000.

Following is a breakdown of the 220 billion ton miles of freight carried on the inland waterways in 1956:

Gulf coast waterways	15, 021, 000, 000
Mississippi river system	56, 786, 000, 000
Great Lakes system	110, 665, 000, 000
Atlantic coast waterways	32, 302, 000, 000
Pacific coast waterways	5, 199, 000, 000
Other waterways	3, 000, 000

Year by year in the Congress, we fight for a waterway program. As we constantly push forward to the goal of full development, we are met by resistance from vested groups who dub our program, "pork barrel" and sneeringly refer to our efforts as "logrolling." These selfish groups make use of periodicals with wide distribution throughout the United States. Some of these delight in their futile efforts to prevent progress of our water-use program, and in their selfishness they at the same time reach out for subsidies from the Post Office Department to help them on their mailing expenses. As a Government we lose millions of dollars in direct mail subsidies from some of these national magazines, and these groups are the ones who do their best to kill our program. The spending of public moneys on flood control and water development helps the public generally, while the subsidies given to the magazines help only those sleek, vested interests to the tune of millions of dollars each year.

In 1956, the United States Army Engineers reported that more than one billion tons of freight moved over the intracoastal system. The figures for 1957 are now being computed in IBM machines, and will not be ready until September. At my request, the Army has made a spot check of 1957 tonnage. The indications are that in spite of the business slump of last summer and fall, the 1957 waterway tonnage broke all records. And as for the intracoastal waterways, figures indicated that there will be a slight increase in tonnage over the figures for 1956. This is an interesting fact because 1957 produced a drop in railroad freight loading. These figures would indicate that intracoastal traffic is on the increase in spite of the economic recession which struck us last fall.

From these simple facts, I think that we can draw some fundamental conclusions:

1. We should press forward vigorously with our program of intracoastal water development.

2. We should not become faint of heart because now and then the opposition raises its ugly head and takes advantage of a subsidized periodical to further its bitter fight.

3. We should let the general public and Members of Congress know what our needs are and where the United States can help in our program.

4. Finally, we should organise to the hilt in pushing forward this great American program.

I live in the Red River Valley. We, too, are interested in a great navigation program. We are interested in the construction of a canal to be built from Shreveport, La., a distance of some 204 miles to Old River and to the Mississippi. This canal will then connect the heart of the Red River Valley with the great waterway system of the Mississippi River.

We, too, have been working on this project for many years; but our failure to gain our goal in a relatively short time has not stunted our efforts. Such projects as these build for the future. When the Red River Overton Waterway is completed, it will connect with the Mississippi, the Intercoastal Waterway, and with your own project here in Florida. I am, therefore, not only generally but am directly interested in your own endeavor today.

"Where there is no vision, the people perish."

My friends, I realize that you, too, are working on a project which will yet require much effort and much time to complete. Strong hands and farseeing minds have already spent time and effort on the building of a canal across the State of Florida. This project will not be finished in 1 year. I remember, almost 20 years ago, when this was debated and voted upon in the House of Representatives in Washington. Things are looking better in Congress for such type of projects, and you may be able to put this in shape soon. This would, however, not give you at once a usable cross-Florida canal. Planning, work, and construction must continue to make this dream come true.

I look around me and I see earnest hearts and heroic individuals who are consecrated to this effort. They do not fear and are not ashamed to put their efforts on this great project which will link the Gulf of Mexico and the Atlantic. Of course, we want this project to be usable as soon as possible; but we all know that the great benefits over periods of the years will fall to those who come after us.

One may ask, Why, then, the effort if the program cannot be ended before the torch begins to fall from willing hands; and before

we may receive the greater benefit from such a project? I quote a little poem, one of the most powerful in the English language; it is called the Pilgrim:

"Old man, said a fellow pilgrim near,
You are wasting strength with building here:
Your journey will end with the ending day;
You never again must pass this way;
You have crossed the chasm, deep and wide;
Why build you the bridge at eventide?

"The builder lifted his old gray head.
Good friend, in the past I have come, he said.
There followeth after me today
A youth whose feet must pass this way;
This chasm, that has been naught for me,
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim;
Good friend, I am building the bridge for him."

We who are engaged in this broad program of developing internal America may not live to see the day when our works are completed and all our dreams come true. In my judgment, it may require a thousand years to complete all water-development programs needed for our country—reclamation, navigation, flood control, and hydroelectric—all needed, all permitted by the possibilities of our land. We know, however, we are making progress, and in this vein we move ahead, firmly confident of the future.

SENATE

FRIDAY, MARCH 14, 1958

The Senate met at 10 o'clock a. m.

Msgr. Bela Varga, of Hungary, offered the following prayer:

O Lord, Eternal Father, 110 years ago Thou inspired my little nation to light the torch of freedom which shone forth with great brilliance. But this light was rudely extinguished when the czar of Russia sent his mighty legions to trample down the Hungarian tricolor.

What happened 109 years ago has repeated itself, when recently the Hungarian people rose again to shake off the fetters of Communist thralldom. Their heroic deeds have aroused the admiration of all those who cherish self-sacrificing devotion to Thy ways of life. To Thy ways of life my people wished to conform when they defied tyranny. But tyranny has triumphed again. In Thy unfathomable wisdom, Thou hast permitted brutal force to subdue my nation; but Thou hast given them the fortitude of martyrs to proclaim from the silence of their prison that their spirit is stronger than ever, and that, abiding by Thy will, they are awaiting the light of the West to proclaim freedom's resurrection.

One hundred and nine years ago, when the Hungarian tricolor lay broken under the feet of the Muscovite despot, Louis Kossuth came to this country and pleaded the same cause which Thou, my Lord, the Ruler of all Destinies, hast commanded me, Thy humble servant, to plead amid these walls, which so often have echoed and reechoed the immortal words of freedom's great prophets.

Standing on this rostrum, I pray to Thee, Father, that Thou wilt grant these servants of the Republic, who hold the weal and woe of so many in their keeping, all the insight and courage of the wise lawgiver. Enlighten them, O Lord, that they keep the course of their endeavors on the path of Thy justice. Grant them strength, that they may remain the mighty defenders of all the ideals for which my nation has poured out sacrifices in vain. Grant us, Eternal Father, that our roots strike deeper in this free soil when such ill winds are blowing from the east. Grant us that by waiting upon Thee, we may increase our strength, for the legions of tyranny are multiplying. They have turned a garden on the banks of the Danube into a desert of freedom—into a graveyard of hope. My people are in the agonies of despair. Give them a ray of hope, O merciful Father.

I bow before Thy justice, O Lord, and before Thy love of mercy. These days are heavy with crisis. I plead humbly that the crimson sacrifices poured out so freely by the youth of Hungary will serve in this crisis as the force which will unite all those who are righteous in Thy name and strong in Thy will. O Lord, permit me in this Chamber, where words to proclaim the union of the free have so often been uttered, to utter the word of Thy Son "that all may be one, even as Thou, Father, in me and I in Thee." Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 13, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 376. An act to amend the Commodity Exhange Act to prohibit trading on onion futures in commodity exchanges;

H. R. 7870. An act to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway;

H. R. 9821. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; and

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 226) designating the 7-day period beginning March 16, 1958, as "National Library Week."

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 376. An act to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges; to the Committee on Agriculture and Forestry.

H. R. 7870. An act to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway; and

H. R. 9821. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to the Committee on Public Works.

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended with respect to wheat acreage history; placed on the calendar.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. KEFAUVER was excused from attendance on the sessions of the Senate until Thursday of next week.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

UNITED STATES ARMY

The Chief Clerk read the nomination of Maj. Gen. James Francis Collins, O16819, United States Army, to have the rank of lieutenant general, while serving in a position of importance and responsibility to be designated by the President under subsection (a) of section 3066.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Maj. Gen. Oliver S. Picher, 540A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President, in the rank of

lieutenant general, under the provisions of section 8066, title 10, of the United States Code.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE REGULAR AIR FORCE

The Chief Clerk proceeded to read sundry nominations for appointment in the Regular Air Force, which had been received by the Senate on March 6, 1958, and had been placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON NEED FOR CURRENT COST DATA IN NEGOTIATIONS OF DEFENSE CONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need for current cost data in negotiations of defense contracts, dated March 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF LOAN TO EUROPEAN COAL AND STEEL COMMUNITY, INTERNATIONAL COOPERATION ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of a $100 million loan to European Coal and Steel Community, International Cooperation Administration, Department of State, dated June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the Commonwealth of Virginia; to the Committee on Finance:

"House Joint Resolution 53

"Joint resolution requesting the Congress of the United States to repeal the Federal excise tax on the transportation of persons and property

"Whereas the Federal excise tax on the transportation of persons and property was adopted in 1942 for the purpose of discouraging nonessential use of common carrier transportation facilities during emergency wartime conditions; and

"Whereas such excise tax is no longer necessary or desirable for this purpose and its continued imposition is detrimental to the welfare of all common carriers of persons and property; and

"Whereas there is now pending before the Congress of the United States proposed legislation providing for the repeal of such excise tax: Now, therefore, be it

"*Resolved by the House of Delegates (the Senate concurring)*, That the General Assembly of Virginia favors the repeal of the Federal excise tax on the transportation of persons and property,

"That the Congress of the United States is requested to enact legislation to repeal such tax,

"That the Senators and Representatives of the Commonwealth of Virginia in the Congress of the United States are urged to support legislation providing for the repeal of such tax, and

"That suitable copies of this resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the United States and to each of the Senators and Representatives of the Commonwealth of Virginia in the Congress of the United States."

A resolution adopted by the Hanapepe (T. H.) Businessmen's Association, favoring the enactment of legislation to authorize the introduction of a bauxite-mining industry in the county of Kauai, T. H.; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Kauai (T. H.) Retail Board, favoring the enactment of legislation to provide for the introduction of a bauxite-mining industry in the county of Kauai, T. H.; to the Committee on Interior and Insular Affairs.

The petition of Laura E. Short, of Brooklyn, N. Y., praying for the enactment of legislation to establish welfare centers in each large city to do social contact work among colored people; to the Committee on the Judiciary.

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—REPORT OF A COMMITTEE

Mr. MURRAY, from the Committee on Interior and Insular Affairs, reported an original resolution (S. Res. 277) authorizing additional expenditures by the Committee on Interior and Insular Affairs, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate, during the 85th Congress, $10,000, in addition to the amount, and for the same purposes specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946.

REPORT ENTITLED "IMMIGRATION AND NATURALIZATION" (S. REPT. NO. 1391)

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 51, 85th Congress, 1st session, as extended, I submit a report entitled "Immigration and Naturalization," and ask that it be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Mississippi.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CARLSON:

S. 3476. A bill for the relief of Mercedes Garcia; and

S. 3477. A bill for the relief of Byron C. Boone and Eva B. Boone; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 3478. A bill to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 3479. A bill to amend section 11 of the Clayton Act to invest the Federal Trade Commission with jurisdiction to issue preliminary injunctions in the enforcement of section 7 of the Clayton Act under certain circumstances, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART:

S. 3480. A bill for the relief of Su-Ming Tseng and her daughter, Wu-Mo Tseng; to the Committee on the Judiciary.

By Mr. PURTELL:

S. 3481. A bill to amend the Water Pollution Control Act with respect to the limitations on grants for construction under such act; to the Committee on Public Works.

(See the remarks of Mr. PURTELL when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN (by request):

S. 3482. A bill to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above bill, which appear under a separate heading.)

By Mr. THURMOND:

S. 3483. A bill to allow a credit of $100 against the individual income tax for a taxpayer who is a student at an educational institution above high school and for each dependent who is such a student; to the Committee on Finance.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL:

S. 3484. A bill to amend section 404 of the Housing Amendments of 1955; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 3485. A bill for the relief of Lee Mao Ning; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. IVES):

S. 3486. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. O'MAHONEY (for himself and Mr. MONRONEY):

S. 3487. A bill to prohibit the granting of a television-station license to any common carrier by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG (for himself, Mr. CLARK, Mr. KEFAUVER, and Mr. YARBOROUGH):

S. 3488. A bill to amend the Natural Gas Act with respect to jurisdiction over sales

of natural gas by independent producers; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART (for himself, Mr. ALLOTT, Mr. BARRETT, Mr. BRICKER, Mr. CARLSON, Mr. CASE of South Dakota, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DWORSHAK, Mr. HICKENLOOPER, Mr. HOBLITZELL, Mr. HRUSKA, Mr. JENNER, Mr. KNOWLAND, Mr. LANGER, Mr. MALONE, Mr. MARTIN of Pennsylvania, Mr. MARTIN of Iowa, Mr. MORTON, Mr. MUNDT, Mr. POTTER, Mr. REVERCOMB, Mr. SCHOEPPEL, Mr. THYE, Mr. WILEY, and Mr. YOUNG):

S. 3489. A bill to provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol for stockpiling purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3490. A bill to enable persons in rural areas adversely affected by the proposed location of a highway on the National System of Interstate and Defense Highways to register their protests over the proposed location; to the Committee on Public Works.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. BARRETT:

S. 3491. A bill for the relief of Anthony G. Troulinos; to the Committee on the Judiciary.

By Mr. McCLELLAN (by request):

S. 3492. A bill to amend title I of the United States Code to eliminate the requirement that proclamations by the President be contained in the United States Statutes at Large; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

Mr. MURRAY, from the Committee on Interior and Insular Affairs, reported an original resolution (S. Res. 277), which was referred to the Committee on Rules and Administration.

(See resolution printed in full where it appears under the heading "Report of a Committee.")

MAINTENANCE OF SUPPLY OF ANTI-HOG-CHOLERA SERUM AND HOG-CHOLERA VIRUS

Mr. SYMINGTON. Mr. President, I introduce for appropriate reference a bill to amend the act of August 24, 1935, to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus.

Mr. President, hog cholera is the No. 1 killer of swine in the United States. The Department of Agriculture has estimated that losses from this disease amount to some $60 million annually.

Hog cholera is highly contagious, and outbreaks rapidly reach epidemic proportions.

Recognizing this fact, Congress in 1935 directed the Secretary of Agriculture to enter into marketing agreements to insure that an adequate supply of serum would be available to cope with outbreaks of this disease. The law required serum producers to have on hand as of May 1 of each year an inventory of completed serum equal to 40 percent of their previous year's sales.

Mr. President, since 1935 the production patterns of swine in the United States have changed. Production is no longer concentrated within a few months, but is more constant throughout the year. In addition, swine production has become increasingly important in the Southern States.

These changing production patterns have brought on a change in the demand for hog-cholera serum. According to industry sales data, heavy requirements begin during the month of March and extend through June. Serum producers, therefore, must produce excess serum in order to maintain their inventory on May 1.

The industry, after consultation with the Department of Agriculture, has asked that this existing law be amended so as to require the 40-percent inventory as of April 1 of each year.

In addition, the bill I have introduced would authorize the Secretary of Agriculture, upon written application by a manufacturer, to establish the date between January 1 and May 1, if the Secretary finds this action will tend to effectuate the purposes of the law.

Mr. President, this bill would amend existing law so as to make the requirements more realistic in light of present-day conditions, and to prevent undue hardship upon individual manufacturers. It would in no way change the Congressional intent to have adequate supplies of serum on hand at all times to cope with serious outbreaks of hog cholera.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3478) to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus, introduced by Mr. SYMINGTON, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF CLAYTON ACT, RELATING TO ISSUANCE OF CERTAIN PRELIMINARY INJUNCTIONS

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill amending section 11 of the Clayton Act authorizing the Federal Trade Commission to issue preliminary injunctive orders, under certain circumstances, in its enforcement of section 7 of the Clayton Act. The bill provides that the Federal Trade Commission in any proceeding in which its complaint charges a violation of section 7 of the Clayton Act, which is the antimerger section of the Clayton Act, may at any time prior to the entry of its order to cease and desist and divest, issue a preliminary order requiring any respondent charged with such violation to operate the acquired corporation or property as a separate business entity, when the Commission finds that any part of an order to cease and desist and divest, which it may issue, might be impaired or rendered ineffectual unless the corporations were maintained separately. To carry out this purpose, the preliminary order which the Commission might issue may direct the acquiring corporation to take, refrain from taking or reverse any action which might impair or render ineffectual the Commission's order under section 7.

The bill further provides that such order shall be issued on a finding by the Commission itself, and only on the record of any hearing when the respondent charged with such violation has notice of the purpose of the hearing. It further provides that such preliminary order shall be reviewable and enforcible in the same manner as is provided in the Clayton Act for the review and enforcement of the Commission's orders to cease and desist and divest.

In very simple language, the purpose of this bill is to prevent the scrambling of the merged assets in such a manner as to render ineffectual any final order by the Federal Trade Commission. It has been truly said that after assets have been scrambled, it is impossible to unscramble them in such a way as to effectively restore the previously competitive situation.

It is more than 7 years since the Celler-Kefauver amendment to section 7 of the Clayton Act was enacted. Not one case has yet been finally adjudicated. In the interim there have been a number of instances in which complaints have issued but where the assets have been so scrambled and intermingled that even if it is finally found to have been illegal an effective order of divestiture cannot possibly be issued. In this way the intent and purpose of Congress has been frustrated. The purpose of this bill is to make meaningful and effective what Congress passed in 1950.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3479) to amend section 11 of the Clayton Act to invest the Federal Trade Commission with jurisdiction to issue preliminary injunctions in the enforcement of section 7 of the Clayton Act under certain circumstances, and for other purposes, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF WATER POLLUTION CONTROL ACT, RELATING TO LIMITATIONS ON GRANTS FOR CONSTRUCTION

Mr. PURTELL. Mr. President, I introduce, for appropriate reference, a bill to amend the Water Pollution Control Act with respect to the limitations on grants for construction under that act.

This proposal would change the restrictive limitations on grants for construction work under the act—an amendment whereby a properly organized sewer authority or sewer district containing 2 or more towns would be eligible for more aid than $250,000 for the single project.

In other words, section 6 (a) of Public Law 660, 84th Congress, authorizes the Surgeon General to make grants to any State, municipality, or intermunicipal or interstate agency for the construction of necessary treatment works to prevent

the discharge of untreated or inadequately treated sewage or other waste into any waters, and for the purpose of reports, plans, and specifications in connection therewith.

Section 6 (b) (2) of the same act further states:

> No grant shall be made for any project in an amount exceeding 30 percent of the estimated reasonable cost thereof as determined by the Surgeon General or in an amount exceeding $250,000, whichever is the smaller.

Therefore, under the act, any single project, whether it be sponsored by 1 municipality or an intermunicipal agency formed by several municipalities, is subject to the limitation in the grant of 30 percent of the cost of the project, or $250,000, whichever is less. It must be noted, however, that there is no provision in the act, or the regulations that have been issued thereunder, that limits the number of construction projects for which any one city, municipality, sanitary district, or other governmental unit may receive Federal financial assistance.

It is to be noted that while there is no limitation upon the number of individual projects which may be authorized and for which Federal financial aid may be given in any one city, municipality, sanitary district, or other governmental unit, if such city, municipality, sanitary district, or other governmental unit were to join in a combined project, under the existing law, the maximum Federal financial aid which could be given would be only 30 percent of the cost of such combined project, or $250,000, whichever is less. Under the terms of my bill each participating group would be eligible for the same Federal financial assistance it would receive were it undertaking and completing a given project within the confines of its local boundaries.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3481) to amend the Water Pollution Control Act with respect to the limitations on grants for construction under such act, introduced by Mr. PURTELL, was received, read twice by its title, and referred to the Committee on Public Works.

ADMINISTRATION OF OATHS BY CERTAIN OFFICERS OF THE DEPARTMENT OF STATE

Mr. GREEN. Mr. President, on March 11, 1958, the Acting Secretary of State addressed to the Vice President a letter transmitting a bill to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties.

I introduce, by request, the bill transmitted to the Senate, so that it may be appropriately referred.

I ask unanimous consent that the letter from the Acting Secretary of State to the Vice President be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3482) to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties, introduced by Mr. GREEN, by request, was received, read twice by its title, and referred to the Committee on Foreign Relations.

The letter presented by Mr. GREEN is as follows:

MARCH 11, 1958.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: Enclosed is the draft of a proposed bill to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties.

This authority is requested in order that persons submitting false affidavits to the Department in connection with certain investigations and special inquiries will be clearly liable to prosecution for perjury. The statute (5 U. S. C. 93) under which affidavits are presently being taken has been examined by the Department. There appears to be some doubt whether or not that statute does, in fact, specifically authorize officers and employees of the Department and Foreign Service to administer oaths in certain instances. The Department, therefore, recommends that such doubt be eliminated by additional legislation.

There are basically two types of investigations in which the requested authority would be most frequently exercised: (1) Cases involving possible violations of passport, visa, and munitions laws or regulations, and (2) cases under investigation where derogatory allegations of a security nature have been made or reported concerning employees of or applicants for employment by the Department or the Foreign Service.

I am sure you will understand that all persons contacted in the course of investigating cases of the type referred to above will not be questioned under oath. It is believed, however, that if the special agent or security officer in charge of an investigation in these two general fields were in a position to request certain key witnesses to make their statements under oath in the form of an affidavit, fictitious claims, and irresponsible allegations would be effectively discouraged as the consequence of perjury becomes apparent. Moreover, information submitted in the form of an affidavit would supply a more effective basis upon which to take any required action.

It is not intended that personnel who are the subjects of routine applicant or incumbent investigation will normally be required to make statements under oath concerning their cases. As I am sure you know, the Government is now protected against false statements of this kind by existing statutes which specifically prescribe disqualification from employment and possible prosecution for such offenses. There is also no intention to require affidavits from those persons interviewed in the course of such routine investigation. It is our feeling that any such requirement or use would destroy the informality which is essential to these interviews if the interviewee were given the impression that he must be willing to swear to everything he said.

It is necessary for the proposed bill to include officers of the Foreign Service as well as those of the Department of State since a growing number of domestic positions, including investigative positions (special agents, security officers), are now being filled by Foreign Service personnel. The proposed legislation would have little or no effect on our investigative personnel assigned abroad since most of these individuals hold commissions as consular officer and are thus empowered to administer oaths under existing legislation. However, in the rare instance when an individual is serving abroad in an investigative capacity (security officer, special agent) and is not commissioned as a consular officer, he would be covered by the proposed legislation.

The proposed bill provides for specific designation of those who are to have the authority to administer oaths. This has been specified in order to restrict the authority to persons performing functions in which the taking of oaths has been found necessary in the past. At the present, all of these positions are under the functional jurisdiction of the Office of Security, Department of State.

There are many precedents for the proposed legislation granting authority to special agents and similar officers of other departments and agencies of the Government, and it is requested that the proposed bill be placed before the Senate for appropriate action.

I have been advised by the Bureau of the Budget that there is no objection to the presentation of the proposed legislation to the Congress.

Sincerely yours,

CHRISTIAN A. HERTER,
Acting Secretary.

EDUCATIONAL INCOME-TAX CREDIT

Mr. THURMOND. Mr. President, I introduce for appropriate reference, a bill to allow a credit of $100 against the individual income tax for a taxpayer who is a student at an educational institution above high-school level, and for each dependent who is such a student.

The operation of this bill is quite simple. It provides for a tax credit of $100 to a taxpayer for himself, his spouse, or any dependent to whom the taxpayer stands in relation of loco parentis, when the taxpayer, his spouse, or such dependent incurred expenses as a student at an educational institution above the secondary level for at least 4 months during the taxable year. This bill also extends the benefit of the tax credit to teachers who attend advanced courses for as much as 6 weeks during the taxable year in pursuance of their careers in the teaching profession.

The purpose of the bill is threefold. First, it is designed to give tax relief to the parents of students at colleges and other educational institutions above the secondary level. The cost of an advanced education has increased tremendously over the past few years. Parents who began saving years ago toward the education of their children now find that their savings are insufficient and their children's education must be paid for from regular income.

The second purpose of the bill is to provide an additional incentive for parents with limited financial means to make a greater effort to provide themselves and their children with a higher education. To my thinking, this would be a more direct approach to the education problem we now face than the currently popular scholarship proposals. The educational tax credit has the additional advantage over the scholarship proposals of involving much less in the way of administrative costs and burdens.

Third, this tax credit would act as a stimulant badly needed for our economy. The estimated annual loss in revenue from this tax credit is $190 million, which amount would be spread among consumers throughout the country.

Mr. President, I sincerely hope that the Committee on Finance and the Senate will take early favorable action on the bill.

I had thought of introducing the bill in the form of an amendment to the bill under consideration, pertaining to insurance, but have decided to introduce it separately as a bill. However, I reserve the right to offer it later as an amendment to another tax bill if the occasion is appropriate and deemed advisable.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3483) to allow a credit of $100 against the individual income tax for a taxpayer who is a student at an educational institution above high school and for each dependent who is such a student, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Finance.

PROHIBITION OF TELEVISION STATION LICENSES TO COMMON CARRIERS BY AIR

Mr. O'MAHONEY. Mr. President, on behalf of myself and the Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill to prohibit the granting of a television station license to any common carrier by air, and for other purposes. I ask unanimous consent that a news release, prepared by us, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the news release will be printed in the RECORD.

The bill (S. 3487) to prohibit the granting of a television station license to any common carrier by air, and for other purposes, introduced by Mr. O'MAHONEY (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The news release presented by Mr. O'MAHONEY is as follows:

NEWS RELEASE BY SENATORS O'MAHONEY AND MONRONEY

Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, and Senator MIKE MONRONEY, Democrat, of Oklahoma, today introduced a bill to prohibit airlines from being granted television broadcasting licenses.

The two Senators issued the following joint statement on the measure:

"Now that the Federal Communications Commission is about to reexamine the validity of its action by which National Airlines was granted a television broadcasting license on channel 10 out of Miami, Fla., it is apparent that Congress also ought to reconsider the matter from the legislative point of view.

"We think it is obviously absurd for Congress to permit a law to stand under which an airline is eligible to receive a television license. Certificated airlines operate under the Civil Aeronautics Act and draw compensation which may include a subsidy from the Government. Television companies, however, operate under the Federal Communications Act, an altogether different law.

"Operation of a television station is utterly different from operation of an airline. The Civil Aeronautics Board would probably encounter some difficulties in running down all the intricate accounting by which a television corporation keeps its books on its receipts. It could easily be that an airline with a television station as its subsidiary could obtain, for example, free advertising for itself which would be altogether unavailable to a competing airline. In any event, one operation is under the Civil Aeronautics Board, the other under the Federal Communications Commission, and each has separate duties and responsibilities. More important, one of the principal causes of the concentration of economic power, of the increase of monopolistic practices, and of the rising unemployment problem is the fact that the corporate device is being used in ever-increasing degree to fence out competition.

"Now that we are confronted with a constantly deepening recession, it seems essential that Congress should examine the matter from the point of view of the lawmaking power of Congress. We created both the Civil Aeronautics Board and the Federal Communications Commission and we should be able by law to eliminate the complexities that have brought about the present absurdity in the National Airlines case."

The O'Mahoney-Monroney bill reads as follows:

"Be it enacted, etc., That section 310 of the Communications Act of 1934, as amended (47 U. S. C. 310), is amended by adding at the end thereof the following new subsection:

"'(c) (1) No license for a television broadcasting station shall be granted to or held by—

"'(A) any air carrier;

"'(B) any person who directly or indirectly owns or controls any air carrier; or

"'(C) any corporation which is owned or controlled, directly or indirectly, by one or more air carriers, or is owned or controlled by one or more persons who directly or indirectly own or control any air carrier.

"'(2) For purposes of this subsection—

"'(A) The term "air carrier" means any corporation engaged as a common carrier in the transportation of persons or property by air.

"'(B) The term "control" means, with respect to any corporation, the ownership of more than 30 percent of the voting stock of such corporation.'"

AMENDMENT OF NATURAL GAS ACT

Mr. LONG. Mr. President, on behalf of myself and Senators CLARK, KEFAUVER, and YARBOROUGH, I introduce, for appropriate reference, a bill to amend the Natural Gas Act. This measure would eliminate from regulation by the Federal Power Commission all of these small independent producers of natural gas who are selling in interstate commerce less than 2 billion cubic feet of gas annually.

Senators will note that this measure is identical with the so-called Douglas substitute for the Harris-Fulbright bill which was offered 2 years ago when that measure was before the Senate.

I wish to make it clear that I would personally have preferred to see the Harris-O'Hara bill passed, inasmuch as this measure would have given that which I believe to be proper relief to all producers of natural gas which is sold in interstate commerce. Nevertheless, I am a realist.

Since the day when the Republican National Committeeman from Texas, Mr. Jack Porter, sent out requests for contributions to a fund-raising dinner in Houston for the Republican Party, the Harris-O'Hara bill has been as dead as a door nail, insofar as this Congress is concerned.

On December 31, 1957, there were 409 rate cases involving independent producers pending before the Federal Power Commission. This compares with 207 pending cases on December 31, 1956, representing a 100-percent increase in the backlog of cases in 1 year's time. The delay in action on these applications is averaging 24 months. Where producers do not agree with the decision of the Federal Power Commission, they have a right to go to court. In such cases, more than 37 months have passed without a decision from the courts.

This situation is particularly distressing insofar as the small producer of oil and gas is concerned. A small producer who invests most of his savings in a successful gas well cannot wait 2 years before he receives his first check for the sale of gas. He needs to receive payment immediately. Otherwise he is forced to sell out or merge with some larger concern.

It is likewise true that there is no logic whatever in regulating the price that a small independent producer of gas receives for his product on a cost-plus-fixed-percentage basis. If a small independent undertakes to drill a deep well unsuccessfully, he has nothing to sell and he is out of business for a long time to come, if not forever. Furthermore, the small independent has little effect upon the price at which gas is sold. Such producers are too numerous to engage successfully in efforts to fix prices. They are too weak financially to hold their gas off the market for long periods of time waiting for the market to improve. Although such producers number more than 90 percent numerically, they produce less than 10 percent of the gas.

For these reasons, it is desirable that more than 5,000 small independent producers of natural gas should be exempt from price regulation by the Federal Power Commission. It will achieve little indeed to attempt to regulate these small producers. It only makes an administrative monstrosity out of the task assigned to the Federal Power Commission, tending to make the Natural Gas Act unworkable.

One of my colleagues from a gas-producing State and two of my colleagues from consuming States have joined me in this effort to bring relief to the small gas producers. So far as I know, there is no opposition to this measure from those who represent gas-consuming areas. Neither do those from gas-producing States have any wish to regulate the small gas producer.

I am satisfied this measure will pass the Congress and become law unless the giant corporations of the oil and gas business see fit to vigorously oppose it. It is extremely inappropriate that they should do so.

I know some of the people with the major oil and gas companies do not feel that relief should be given to the small independent producers unless similar relief is given to the big concerns. It is my hope, upon reconsideration of the matter, they will recognize it is in their own long-range interest to have this proposed legislation enacted.

I believe they would gain tremendously in good will if they would take a magnanimous attitude and join in urging that the hardships be removed from the great majority of natural gas producers. Certainly they would be acting to benefit directly a very great number of their friends and acquaintances in the gas-producing industry. I urge them not to put themselves in the position of being a dog in the manger and thereby preventing the relief to which the small producers are unquestionably entitled.

Regardless of the outcome of this effort, I expect to support legislation similar to the Harris-O'Hara bill during the next Congress and during future Congresses until this legislation, or something similar, is eventually passed. Nevertheless, the relief which is so sorely needed by the small independents should be made available now.

The smaller independents cannot afford the Washington attorneys and accountants that are available to larger concerns. Even less can they afford the years of delay in seeking a sale of their product while the landowners demand royalty payments and offset wells.

I wish to express appreciation especially to the Senator from Pennsylvania [Mr. CLARK] and the Senator from Tennessee [Mr. KEFAUVER] for joining with the Senator from Texas and me in introducing this proposed legislation. In doing so, they have demonstrated sincerity in their repeated statements that they were willing to exempt the small independent producers of gas from utility-like price regulation on the part of the Federal Power Commission.

In connection with this measure, I ask unanimous consent to have printed in the RECORD an article which appeared in the Washington Post and Times Herald on Tuesday, March 11, entitled "O'Hara Sees Gas Bill Dead for This Year."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

O'HARA SEES GAS BILL DEAD FOR THIS YEAR

Representative JOSEPH P. O'HARA, Republican, of Minnesota, cosponsor of legislation to ease Federal controls over natural-gas producers, said yesterday the gas bill is dead for this year.

It is almost certain, O'HARA said, that Speaker SAM RAYBURN, Democrat, of Texas, will not even call it up for a House vote.

Proponents of the legislation were confident earlier this year they had the votes to assure passage by a narrow margin in the House and by a more comfortable spread in the Senate.

But, O'HARA said, a letter sent out in January by Jack Porter, Republican national committeeman for Texas, ended any chance of Congressional action on the bill this year.

Porter, in soliciting guests contributions to a Houston fund-raising dinner, at which Republican House Leader JOSEPH W. MARTIN, JR., of Massachusetts, was chief speaker, said the gas bill needed strong Republican support. A wave of protest arose after the letter was published, and the Republican National Committee, with White House support, said it would not accept any funds raised by the dinner.

O'HARA sponsored the gas bill along with Representative OREN HARRIS, Democrat, of Arkansas. Opponents of the bill contend that its passage would result in increased costs to the consumer.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the views of the Senator from Tennessee [Mr. KEFAUVER] on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

VIEWS OF SENATOR ESTES KEFAUVER ON AMENDMENT TO NATURAL GAS BILL

I want to make it clear that I am joining with the Senator from Louisiana [Mr. LONG], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Pennsylvania [Mr. CLARK] in the introduction of this bill to exempt the independent producers of natural gas from the Natural Gas Act because I think this is the right way to regulate this industry.

Under this bill, which is similar to an amendment that I filed to the Harris-Fulbright bill 2 years ago, those selling less than 2 billion cubic feet of gas annually would be exempt.

The regulation of these small independents, who contribute so little to the total natural gas used that they are almost negligible, has served to bog down the FPC to an extent that the larger producers go unregulated many times for practical purposes.

I recall, in this connection, the famous Memphis case of 2 years ago, when, despite a contract held by the city, the FPC granted an increase of around 100 percent without even holding a hearing. Their excuse was that it would be too long before they could get around to the hearing, because their calendar was so bogged down. The city went to court and the FPC was reversed in a case now pending on appeal.

Unlike the Senator from Louisiana, who says in his statement that he will support the Harris-O'Hara bill in future years, I will not. That bill would make regulation a farce in my opinion. This one would make it effective.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Mr. President, some persons may wonder why one who so strongly opposed the Harris-O'Hara bill as I have opposed it, even during the days when I was mayor of Philadelphia, before I came to the Senate, should cosponsor the bill which the distinguished junior Senator from Louisiana [Mr. LONG] has introduced.

I am doing it because in my opinion the bill, if passed, will kill the Harris-O'Hara bill as dead as a doornail. It is only for that one reason that I am cosponsoring the bill. I feel that the small producers of gas are now being unduly discriminated against because of the great burden of administrative detail which is forced on the Commission in connection with the many applications for certificates of convenience and necessity, which makes it impossible for the Commission to do an adequate regulatory job on the larger producers. In my judgment, the bill is sound, and I am glad to cosponsor it with the Senator from Louisiana.

I may say that I hope none of our colleagues will take an opportunity, which may come to them, to attach the Harris-O'Hara bill onto the bill offered by the Senator from Louisiana. I ask him if he has not agreed with me that he will not be a party to any such action.

Mr. LONG. Yes; as the Senator knows, I told him—and I am perfectly willing to state it on the floor of the Senate—that in my judgment there will be no Harris-O'Hara bill in this session of Congress. It is dead. Perhaps it may be considered by a subsequent Congress, but not by this one. However, there is no doubt in the mind of anyone who has studied the subject that the small independent producers of gas should be permitted to sell their gas at the going market price. They have practically no effect whatever upon the overall price of gas. Even those who are opposed to the Harris-O'Hara bill are willing to concede that the bill I have introduced is fair.

I may also say that my sponsorship of the bill began when I had a debate with the distinguished junior Senator from Pennsylvania on a television network program. In the course of it he made the statement that he was in favor of exempting the small independent producers. I called him the next morning and said to him, "If you really feel that way about it, I suggest that you join me in the sponsorship of the Douglas substitute that was offered in the previous Congress." That is the bill we are discussing now.

Mr. CLARK. I thank my good friend from Louisiana. He has very clearly outlined the understanding between us and the reasons for my cosponsorship of a bill that seems to be in the best interest of small business.

In conclusion, Mr. President, rule XXII of the Senate has not been changed, and I am sure that the Senator from Louisiana and I can take adequate advantage of it to protect ourselves in the unlikely event that an attempt should be made to extend the bill beyond the intention of my friend and me.

Mr. LONG. I would vigorously oppose any effort to substitute the Harris-O'Hara bill for our bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3488) to amend the Natural Gas Act, with respect to jurisdiction over sales of natural gas by independent producers, introduced by Mr. LONG (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

CONVERSION OF CERTAIN SURPLUS GRAIN INTO INDUSTRIAL ALCOHOL

Mr. CAPEHART. Mr. President, on behalf of myself and Senators ALLOTT, BARRETT, BRICKER, CARLSON, CASE of South Dakota, COOPER, COTTON, CURTIS, DIRKSEN, DWORSHAK, HICKENLOOPER, HOBLITZELL, HRUSKA, JENNER, KNOWLAND LANGER, MALONE, MARTIN of Pennsylvania, MARTIN of Iowa, MORTON, MUNDT, POTTER, REVERCOMB, SCHOEPPEL, THYE, WILEY, and YOUNG, I introduce for appropriate reference, a bill authorizing and directing the Secretary of Agriculture to convert to industrial alcohol as much of the surplus grain owned by the Commodity Credit Corporation as may be found to be practical.

Mr. President, I ask that the bill remain on the table for 24 hours so that

other Senators may have time to study it and join as coauthors if they so desire.

Mr. President, there are many, many worthy purposes to be served by such a program. Permit me to enumerate briefly the most obvious of those purposes:

First. To utilize substantial amounts of surplus grain now held in bins and other storage facilities throughout the country.

Second. To remove the price depressing effects of such surplus storage, thus tending to increase farm prices which we all agree are presently too low.

Third. To utilize in the national interest any of the surplus grain which already may be on the verge of spoilage and assist in preventing such spoilage in the future.

Fourth. To add to our much needed stockpiling of industrial alcohol for national defense and other purposes.

Fifth. To create a great many new jobs at a time when we need to bolster employment.

Mr. President, there is general agreement that the reduction of surpluses now held by the Commodity Credit Corporation and thus already owned by the United States is one of the things we must accomplish before we reach the ultimate solution of our farm problem.

Frankly, we do not know how much surplus grain the Secretary of Agriculture will find to be practical for utilization in this program.

This bill not only would authorize the Secretary to utilize Government-owned facilities in such a program but gives to the Secretary the authority to enter into contracts with private enterprise both for the conversion process and for storage of the resultant alcohol supply.

It is our best judgment, based on all of the facts we have been able to get, that the program would be found to be practicable to an extent that would reduce greatly our grain surpluses and would become a real factor in reducing storage costs, increasing farm prices, and converting to a wholly worthwhile use the grain that otherwise would become waste from spoilage.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Indiana.

The bill (S. 3489) to provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol for stockpiling purposes, introduced by Mr. CAPEHART (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT OF 1956, RELATING TO PROTESTS OVER LOCATION OF ROADS

Mr. CASE of South Dakota. Mr. President, I introduce a bill to enable persons in rural areas adversely affected by the proposed location of a highway on the National System of Interstate and Defense Highways to register their protests over the proposed location.

This is in response to suggestions made to me by the National Stockgrowers Association. The association advised me that the present law seemingly excludes them since it refers only to towns and villages which will be bypassed by the Interstate Highway System or will be bisected by it.

I believe this bill will insure any livestock growers or farmers will have ample opportunity to testify as to roads which are planned to go by or through their property. I believe there will be little, if any, additional cost for holding hearings inasmuch as persons living in rural areas can be invited to appear before meetings held in adjacent villages or towns.

It is my intention to ask that the bill be considered as a possible amendment when the Senate takes up S. 3414, the highway bill, but I offer it at this time as a bill for reference and committee consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3490) to enable persons in rural areas adversely affected by the proposed location of a highway on the National System of Interstate and Defense Highways to register their protests over the proposed location, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

ELIMINATION OF REQUIREMENT THAT PROCLAMATIONS BY THE PRESIDENT BE CONTAINED IN STATUTES AT LARGE

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend title I of the United States Code to eliminate the requirement that proclamations by the President be contained in the United States Statutes at Large.

This bill is introduced at the request of the Administrator of General Services as a part of the GSA's legislative program for 1958.

I ask that a letter addressed to the President of the Senate, dated March 5, 1958, by the Administrator of General Services, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3492) to amend title I of the United States Code to eliminate the requirement that proclamations by the President be contained in the United States Statutes at Large, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., March 5, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith draft of legislation to amend section 112 of title 1, United States Code.

This proposed bill is a part of GSA's legislative program for 1958. It is strongly recommended that this proposed legislation, which will avoid duplicate publication and save funds for the Government, be enacted by the Congress.

This proposed legislation would amend section 112 of title 1 of the United States Code by deleting that portion which requires the publication of Presidential proclamations in the United States Statutes at Large.

The primary purpose of this proposal is to prevent duplicate publications of these Presidential proclamations. Under existing law it is required that Presidential proclamations be published in the Federal Register (49 Stat. 501, as amended; 44 U. S. C. 305) as well as in the United States Statutes at Large (61 Stat. 633, as amended; 1 U. S. C. 112).

There is existing statutory authority which provides that publications in the Federal Register be judicially noticed. Section 7 of the Federal Register Act (49 Stat. 502; 44 U. S. C. 307) provides that "The publication in the Federal Register of any document shall create a rebuttable presumption * * * that it was duly issued, prescribed, or promulgated; * * * [and] that the copy contained in the Federal Register is a true copy of the original. * * * The contents of the Federal Register shall be judicially noticed." We believe that this provides sufficient legal stature to publications in the Federal Register.

It is strongly urged that this duplication of publication be eliminated for the following reasons:

1. Since publication of the 1949 edition, the Code of Federal Regulations has attained considerable stature in the legal profession and before the courts. Presidential proclamations are now almost invariably cited to the Federal Register and the Code of Federal Regulations rather than to the Statutes at Large.

2. With the Federal Register system now fully matured and the publication of the treaties separately provided for by law (1 U. S. C. 112a), the contents of the Statutes at Large should be restricted to laws, concurrent resolutions, and proposed or ratified amendments to the Constitution.

3. The laws now are reproduced in the statutes by offset lithography directly from the enrolled bills. Proclamations and reorganization plans require separate composition and handling.

4. With its staff reduced to a minimum, the Federal Register Division must achieve every operating economy compatible with the public interest. The release of 160 manhours per year from unnecessary work is a small but nonetheless desirable step in this direction.

While it is evident that the approximate savings of $1,500 annually are not large, in the interest of economy and efficiency duplicate publications of such proclamations in both the Statutes at Large and the Federal Register should be discontinued.

The Bureau of the Budget has advised that there is no objection to submission of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. MARTIN of Pennsylvania submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TAXING INCOME OF LIFE-INSURANCE COMPANIES—AMENDMENT

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H. R. 10021) to amend the the Internal Revenue Code of 1954, to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957, which was ordered to lie on the table and to be printed.

COMPACT BETWEEN CONNECTICUT AND MASSACHUSETTS RELATING TO FLOOD CONTROL—CHANGE OF REFERENCE

Mr. DIRKSEN. Mr. President, on behalf of the Senator from Connecticut [Mr. BUSH], I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 2964, a bill granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control, and that the bill be referred to the Committee on Public Works.

This matter was discussed by the Judiciary Committee and, without prejudice, it was unanimously voted that the bill be rereferred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, the change of reference will be made.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that a statement from the committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On behalf of the Committee on the Judiciary, I wish to announce that a request has been made that the committee be discharged from further consideration of S. 2964, a bill granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control, and that the bill be referred to the Committee on Public Works. This request which has been received by the committee and placed before it came from the Senator from Connecticut [Mr. BUSH], one of the sponsors of the bill.

This matter was presented to the Committee on the Judiciary for consideration at its last regular meeting on Monday, March 3, 1958. In this connection, the Legislative Reorganization Act of 1946 (Public Law 601, 79th Congress), in section 102 thereof, sets forth the jurisdiction of the Standing Committees of the Senate. The only references to the consideration of interstate compacts in that act vests in the Committee on the Judiciary jurisdiction over "interstate compacts generally", and in the Committee on Interior and Insular Affairs "interstate compacts relating to apportionment of waters for irrigation purposes". No jurisdiction over any phase of "interstate compacts" is vested in the Senate Committee on Public Works by the mentioned Legislative Reorganization Act.

However, the Committee on the Judiciary, after considering the request, resolved that, should the Senator from Connecticut [Mr. BUSH] desire to request the unanimous consent of the Senate that the Committee on the Judiciary be discharged from further consideration of S. 2964 and the referral of the bill to the Committee on Public Works, the committee in this instance, without prejudice to its jurisdiction under the Legislative Reorganization Act, would interpose no objection.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Pennsylvania:

Address delivered by him to the Kiwanis International, in Pittsburgh, Pa., on October 7, 1957.

By Mr. NEUBERGER:

Book review entitled "St. Lawrence Seaway Mirrors Northwest Potentialities," written by him, and published in the Portland (Oreg.) Journal of March 9, 1958.

NOTICE OF RESCHEDULING OF HEARINGS ON S. 1870, RELATING TO THE RENDITION OF MUSICAL COMPOSITIONS ON COIN-OPERATED MACHINES

Mr. O'MAHONEY. Mr. President, on behalf of the standing Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I desire to give notice that the hearings previously scheduled to commence on Wednesday, April 9, and to continue through Friday, April 11, 1958, on S. 1870, a bill to amend section 1 (e) of title 17 of the United States Code with regard to the rendition of musical compositions on coin-operated machines, have been rescheduled to commence at 10 a. m., in room 424, Senate Office Building, on Wednesday, April 23, and to continue through Friday, April 25, 1958.

At the hearings on S. 1870 all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. WILEY], and myself, chairman.

NOTICE OF HEARINGS ON CERTAIN BILLS BY THE COMMITTEE ON THE JUDICIARY

Mr. KEFAUVER. Mr. President, on behalf of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled to begin on Tuesday, April 1, 1958, at 10 a. m., in room 424 of the Senate Office Building, on Senate bills 198, 721, 722, and on the yet unnumbered bill which I have just introduced. These bills propose amendments to either/or sections 7, 11, and 15 of the Clayton Act. They are intended to make more effective the enforcement program of the enforcement section of the Clayton Act, sometimes commonly referred to as the antimerger section.

Persons desiring to be heard should notify the subcommittee by Friday, March 28, 1958, so that a schedule can be prepared for those who wish to appear and testify.

The subcommittee consists of myself, chairman, the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Colorado [Mr. CARROLL], the Senator from North Dakota [Mr. LANGER], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Wisconsin [Mr. WILEY].

ONE HUNDRED AND TENTH ANNIVERSARY OF HUNGARIAN FREEDOM DAY

Mr. SMITH of New Jersey. Mr. President, tomorrow is Hungarian Freedom Day. It is commemorated solemnly by the Free World, and sadly by the captive peoples behind the Iron Curtain whose hopes for regaining their freedom are still dimmed by the tragic events of the fall of 1956. The shocking end of the Hungarian uprising, ruthlessly crushed by Russian tanks, will not soon be forgotten.

Yet the magnificent resurgence of the spirit of Louis Kossuth, which so encouraged and amazed the world by its audacity and initial success, gave proof that the yearning for freedom remains unquenchable in the hearts of the Hungarian people.

In their unsuccessful attempt to regain what should be their rightful birthright, they succeeded in exposing forever Russia's hideous disregard for the fundamental aspirations of mankind.

Today, as we commemorate an earlier era of Hungarian freedom, we honor these people for their gallant and tenacious longing for liberty.

Mr. THYE. Mr. President, tomorrow will be the 110th anniversary of Hungarian Freedom Day. It was on March 15, 1848, that the Hungarian people revolted against the Austrian empire. That revolution was finally beaten down, but only when Russian troops were called into the country by the tyrant ruling class.

In October 1956, the people again sought independence from foreign domination. Again they were put down by the brute force of Russian armies. Today, a year later, the voice of the people has been silenced. Today, Russia stands over Hungary as a foreign ruling power. Perhaps we have not done all in our power in standing up for the Hungarian people. History may adjudge us to have been slow and indecisive in backing the forces of freedom in Hungary. Whatever history may say, I ask for a new resolve in our hearts today.

Let us recognize, fully, such an anniversary as this—if only by remembering it. In this age of special days and special weeks—we find we have a day for recognizing everything from better business letters to cleaner attics. It should not be remiss for us to call to mind a truly important day—an anniversary of world importance.

To the people of Hungary—Hungarians everywhere—we salute you and we shall strive to carry on for your cause today—tomorrow—until again you can

know the freedom that is your precious right and heritage.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr KNOWLAND. I commend the Senator for his statement relative to the struggle for freedom on the part of the people of Hungary. I think it is one of the unfortunate circumstances of history that neither at that time nor since that time did the United Nations show its moral disapproval of the crushing of freedom in Hungary by refusing to seat the Kadar Hungarian regime, even though, because of the Soviet veto, or because of other circumstances existing within the United Nations, that organization was not able to give affirmative help to the people of Hungary.

The least the United Nations should have done was to refuse to seat at the council table the regime which exists only by reason of Russian bayonets in Hungary upholding it.

I hope that at some time the delegates to the United Nations will recognize that they should do at least that much to show their disapproval of what took place against the freedom of the people of Hungary.

Mr. THYE. Mr. President, I am very happy to have the comment of the distinguished minority leader. I fully concur in the views he has expressed.

On the 110th anniversary of Hungarian freedom, I express the hope that some day the Hungarian people may be as free as the citizens of the United States.

Mr. President, I now wish to discuss another subject.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

NINETEENTH ANNIVERSARY OF CZECHOSLOVAKIAN INDEPENDENCE

Mr. THYE. Mr. President, today marks the 19th anniversary of the proclamation of Slovak independence. The Slovakian people have long declared themselves in their uncompromising resistance to communism in all its forms. There are many people of Czechoslovakian descent in the great State of Minnesota.

I think it fitting that we bring proper recognition of Slovakian independence to the floor of this Senate today. Such recognitions of independence should be remembered and recognized—not in the context of this minute, this hour, or this day, but in the fuller meaning of every day and every hour. If we ever begin to forget or to bypass such matters, we may well start on the downward path toward compromise. We, in forgetting, will lose sight of the heritage of the past. We would, by forfeit, lose our kinship with freedom and its meaning to all of us.

Regardless of the individual's stand in the Czechoslovakian controversies of the past, I believe we are agreed that the Slovak people are entitled to the right to choose their own form of government. That they have been denied such a choice is now a bloodied page of the past. But we must remember that as the Slovak people live, so do their hopes. We should remind them on this day that we live as much for their day of eventual liberation as they do themselves. That the day of liberation from the horrors of communism will come is certain. We should, this day, remind the people that we, with them, stand by with hope and understanding.

IMPORTANCE OF ENACTMENT OF MUTUAL SECURITY AND RECIPROCAL TRADE BILLS

Mr. SMITH of New Jersey. Mr. President, on January 27, the Honorable C. Douglas Dillon, Deputy Undersecretary of State for Economic Affairs, delivered a significant address entitled "Mr. Khrushchev's Trade Challenge: Will We Meet It? before the Economic Club of Detroit.

Secretary Dillon's remarks graphically demonstrate how essential it is for the Congress to pass the mutual security and reciprocal trade bills, which, in my judgment, are the greatest weapons against the Soviet threat.

I ask unanimous consent that Secretary Dillon's address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MR. KHRUSHCHEV'S TRADE CHALLENGE: WILL WE MEET IT?

(Address by the Honorable C. Douglas Dillon)

I have been looking forward to this opportunity to meet with the members of the Economic Club of Detroit. Here in Detroit one feels very close to the economic pulse of the United States. Here great economic decisions are made affecting production, prices, and wages, decisions which touch the daily lives of all of us. Also, I have something I have been wanting very much to say. Something about which you, as business leaders in this economic heartland of the Nation, ought to be deeply concerned.

You may think that I have chosen a somewhat sensational title for my remarks. Unfortunately, the implications are sobering. Foreign trade policy and the national security of the United States would be another way of saying the same thing.

Last November Mr. Khrushchev, in a conversation with a well-known American publisher, who, incidentally, owns one of Detroit's local newspapers, made the following statement:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

It is interesting but not surprising to note that in the official Soviet version of this statement published for the edification of the Russian people all references to war were eliminated. Even so, the message comes through clear enough.

Now if such a statement had been made by a Soviet leader 10—or even 5—years ago, I suspect that most of us would have shrugged it off, much as we would a claim that the automobile had been invented by Ivan Fordovitch. Today, however, the signals are flying that the Russians can cause rough weather in international economic waters. The hurricane warnings are not up yet, but it is time to trim the ship.

We in the United States—and in other Free-World countries—have been so preoccupied since World War II with the Soviet military menace that we have only recently grasped the growing threat presented by Soviet economic power.

So far I have not said one word about the sputniks. I will say one, and then be through. It is that the lasting significance of the sputniks, in my judgment, lies in the fact that a nation with the industrial capacity to launch the earth satellites is also a nation capable of sustaining a powerful economic offensive against the Free World.

We have realized for a long time that the Soviet Union is a great world military power. But, as a people, we have failed to understand that it is also in process of becoming a great world economic power. We seem to understand the need to meet the military threat. It is not so certain that will prepare ourselves to meet the economic threat.

The Sino-Soviet economic offensive against the Free World is now well under way. There is every reason to believe that it will be intensified.

In order to see more clearly the problem we face, let us look at a few figures:

The world of 1958 consists of 2.75 billion people. Approximately 1 billion are living under the Sino-Soviet Communist dictatorship. One billion seven hunderd and fifty million are not under this dictatorship, and these are the people of the Free World. There are nearly 175 million people in the United States. The rest, possessing varied skills and aptitudes, ranging from the most primitive and illiterate to the most highly cultured and economically proficient, with centuries of scientific and technical tradition behind them, represent the balance of power in our world today.

These simple facts of population have destroyed forever the notion of a fortress America. Our free society will be preserved in a world which as a whole remains largely non-Communist or it will not be preserved at all.

The gross national product of the Soviet Union is greater than that of any country other than the United States. It is only one-third of ours. But it is growing faster—about 50 percent faster.

We do not know whether, given the larger population that they have, coupled with Soviet methods of forced investment, Soviet economic output will increase to an absolute level higher than our own at some future time. We do not know the limits of human endurance under the Communist system of suppression of the individual, which thus far has made possible the high growth rates in the Soviet Union. But we do know—and Mr. Khrushchev knows—that the Communist world, no matter how sternly regimented, can never hope to outproduce the Free World if the Free World stays together. Soviet success is therefore dependent upon dividing the Free World and moving some of it under their control.

The total exports of the Sino-Soviet Communist bloc to the Free World amounted in 1957 to some $3.1 billion. This is still relatively small in comparison with our own exports or with those, say, of the United Kingdom or of Western Germany. But it is an increase of over 70 percent in 4 years. And we know that there is no technical or economic reason why the Communist bloc could not double or triple this volume within a very few years more. The bloc is now in a position to export a wide variety of manufactured goods, including capital equipment, which are needed in many parts of the Free World. It is also able to absorb, and, more important, apparently willing to absorb, increased imports of foodstuffs, raw materials, and consumers goods in payment. If the bloc were to accomplish a trade objective of this magnitude, which now appears to be

within its capacity, it could exercise a substantial influence on world trade as a whole and a very great influence in selected target countries where Soviet penetration is an immediate objective.

For a reason which I shall now mention, it appears probable that this is the course which the Soviet Communist leaders have set for themselves.

Most of you no doubt have read of the new program of large-scale Communist aid to the less developed countries. In the last 3 years the bloc has agreed to provide assistance to these countries totaling over $1.9 billion. Most of this is economic aid for development purposes—steel mills, irrigation works, power dams, cement plants, and the like. Most of it is concentrated in Asia and the Near East, where the popular insistence on economic development is an overriding political fact of life. And all of it is on seemingly favorable terms—long-term loans, repayable in commodities or local currencies, no obvious strings, and interest rates of 2 and 2½ percent.

These Soviet-aid programs of today are meant to lay the basis for Soviet trade expansion tomorrow. The steps are simple and clear. First, a Soviet credit is extended to country X for development purposes. Provision is made in the agreement that country X will use the credit for purchasing Soviet goods, and that the Soviet Union will accept repayment of the credit by importing the goods of country X. Second, as country X draws down the credit, its imports from the Soviet Union increase. And third, when country X eventually repays the credit its exports to the Soviet Union increase.

In short, Soviet aid and trade are tightly linked together. The aid program opens the market, and the trade programs secures it. With tempting offers of aid on the one hand, and on the other, a willingness to take surplus products in payment, the Communist bloc is constructing a powerful weapon for economic penetration. The effect could be to create economic dependence on the bloc, which would enable it to exert the acquired economic power for political purposes.

The Soviet sale of arms to Egypt in exchange for cotton; the Soviet willingness to buy fish from Iceland, where there is a NATO military base; the relatively huge credits to Syria, in the Middle East; the economic probing that is going on in Latin America; the loans to India, the largest and strongest underdeveloped country in the Free World—these are not the random effects of a foreign economic policy whose object is to promote general economic well-being in a community of independent nations. They are, unhappily, only the most obvious evidences that Mr. Khrushchev meant what he said—in the version which was not published inside Russia.

What can the non-Communist world do to withstand this Soviet drive which uses economic penetration as a prelude to political domination? Two things are needed. I do not mention them in any order of priority because both are essential. First, all of the countries of the Free World need expanded markets for their exports, so that they can pay for the imports they require for economic health. This means the continued reduction of governmental barriers to trade. And, second, the less developed countries need, in addition, larger amounts of developmental capital.

Unless the countries of the Free World cooperate together in providing these two essentials—expanded trade and increased development—there is the danger that the Communists may achieve gains in their economic offensive so striking as to fatally wound our free economic system.

In the time remaining I will limit my remarks to what we as a nation should, and must, do in the field of international trade.

I am sure I do not have to inform a Detroit audience, especially the Economic Club of Detroit, of the fact that we have had a successful trade-agreements program in operation for some 24 years. That program has been supported by the American people because it is economically sound and because it has brought great benefits to our country. But what some may not fully realize is that this program, originally conceived of as a means of easing the barriers to American exports and imports, has now literally become the instrument through which most of the important trading nations of the Free World cooperate with one another. Our Presidents have used the power to reduce our tariff, which the Congress has given them, as a means of enlisting the cooperation of the larger part of the Free World in a program of trade-barrier reduction and mutually beneficial trade. Thus, through our trade agreements, notably the 37-nation General Agreement on Tariffs and Trade, we have been able to set in motion a worldwide movement for the reduction of trade barriers among the free nations.

It is the future of this entire movement toward expanded trade within the Free World which will be at stake this year when Congress considers the renewal of the trade-agreements legislation which the President has called for. The continuation of this movement for trade liberalization has become an essential element in the maintenance of the economic independence of our partners and allies, and hence of our own national security.

Let me recapitulate briefly at this point, because I want to be very clear about the vital bearing which our trade-agreements program has on our national security:

The free nations, of which we are the strongest member, are faced with the threat of a powerful Soviet trade drive aimed at dividing us, weakening us, and eventually subverting as many of us as possible. Because of the growing economic potential of the Soviet Union, this trade offensive could succeed. If it does, the security of our Nation would be placed in the gravest jeopardy. An essential element of the economic defense of the free nations against the Soviet economic offensive lies in the expansion of trade among themselves. Such an expansion requires the continued reduction of trade barriers among the free nations. The other free countries will not be able to continue the reduction of trade barriers unless the United States—which is at once the largest market for their exports and the largest source of supply for their imports—also continues to reduce its barriers to trade. And this cannot be done unless the Congress extends the trade-agreements legislation, on an effective basis, as has been requested by the President.

These are the facts.

In his state of the Union message the President requested that the trade-agreements legislation be extended for a period of 5 years from June 30, 1958, accompanied by broadened authority to negotiate individual tariff rates.

As you know, the usual period for an extension of the Trade Agreements Act has been 3 years, and the question has been asked why the longer period is proposed.

The request for an extension of 5 years is not a whim, nor a matter of bargaining tactics with the Congress. The administration is not asking for 5 years with the thought of settling for 3. It is asking for 5 years because 5 years are needed in order to carry through an effective program of trade barrier reduction in the period ahead.

Let me explain:

Since the last extension of the Trade Agreements Act in 1955 a new, important, and I may say welcome, trading entity has entered on the scene. This is the European common market. On January 1 of this year the treaty establishing the European Economic Community entered into force among France, West Germany, Italy, Belgium, the Netherlands and Luxembourg. The treaty provides that over a period of 12 to 15 years all tariffs and other trade barriers among the six nations will be completely eliminated. It provides for the application of a common uniform tariff to imports into the common market from other countries with the first step in approaching the common tariff to be taken at the end of 1961.

The Government of the United States—the Congress as well as the executive branch—has supported the project of the European common market. It has done so because, if the common market is successfully established, it promises to call a halt to the age-old political rivalries which have torn Europe in the past and because it is likely to expand trade both within Europe and with the rest of the Free World. Economically and politically, therefore, the common market should bring strength to the Free World as a whole.

The common market comprises a community of some 160 million people with a total foreign trade somewhat larger than that of the United States. The tariff level to be established by the new economic community will, therefore, be of great importance to other countries, including the United States.

It has already been agreed, as a result of the rules of the General Agreement on Tariffs and Trade, to which all of the common-market countries belong, that the new tariff of the common market will not be higher on the whole than the average of the separate tariffs of the six countries which were in effect prior to the establishment of the common market. Yet it is important, if Free-World trade is not to be unnecessarily damaged by the economic adjustments which the formation of the common market will entail, that this tariff be made as low as possible through reciprocal tariff negotiations with the United States and with other Free-World countries which are dependent on exports to Western Europe. It is also highly important to United States business, agriculture, and labor that the individual rates on our chief exports to the common market be set as low as possible.

These are the reasons why the administration is asking for a 5-year extension of the Trade Agreements Act. The best judgment we have is that it will take no less than 5 years to prepare for and carry through an effective tariff negotiation with the common-market countries during the period when their new tariff schedule is in the process of being established.

The trade-agreements legislation this year will no doubt encounter colorful opposition. It always has. There have always been those who have preferred to place their short-range special interests above the interests of the Nation as a whole. But we have never before faced the economic threat to our way of life that we face today. And never before has our trade-agreements program been so vital to our national security. I am confident that once the people of the United States understand what is at stake, there can be no doubt of their response. They will be overwhelmingly in favor of the continuation of this program.

EXTENSION OF THE RECIPROCAL TRADE ACT—LETTER BY HENRY F. HOLLAND

Mr. SMITH of New Jersey. Mr. President, in the New York Times of March 9 there appeared a challenging letter in support of the extension of the Reciprocal Trade Act. It was written by Mr. Henry F. Holland, former United

States Assistant Secretary of State for Inter-American Affairs.

I am impressed with the able presentation of Mr. Holland's views, as expressed in his letter. I find myself in accord with his general conclusions. Failure to extend the Reciprocal Trade Act might have a very serious effect on our own economy and on the economy of the Free World.

In light of the timeliness of the subject matter of Mr. Holland's letter, I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO AID RECIPROCAL TRADE—EXTENSION OF LAW DECLARED ESSENTIAL TO OUR ECONOMY

To the EDITOR OF THE NEW YORK TIMES:

The security and prosperity of the United States will be greatly affected by the outcome of the current Congressional hearings on extension of the Reciprocal Trade Agreements Act.

Extension of the law will impose certain sacrifices on a minority of our producers whose businesses are not strong enough to meet foreign competition. Usually the majority of the affected group have shown patriotism and greatness of spirit in putting the interests of the whole Nation above their own. But there are always a few who argue that any measure that hurts their narrow interests must be bad for the whole Nation.

OPPOSING MINORITIES

One of these historic disputes is now going on. The immediate arena is the Ways and Means Committee of the House of Representatives.

On one side are the President of the United States and those Congressional, labor, agricultural and business leaders who support his proposal to extend the Reciprocal Trade Agreements Act for another 5 years. In opposition are all those special interest minorities which are united by the common determination to eliminate competitive foreign products from our markets.

Those who support the President's proposal are in the main organizations and people who have no special or personal stake in the outcome of the dispute. They include the Chamber of Commerce of the United States, the American Federation of Labor and Congress of Industrial Organizations, the Foreign Trade Council, representatives of the principal farm organizations. They include shippers, exporters and importers and a host of individual businessmen.

The opponents of the bill are almost without exception groups that clearly have a narrow, selfish interest in eliminating some competitive foreign product. They include the producers of bicycles, cheese, glass, textiles, plywood and certain chemicals; the producers of wool, lead, zinc and coal. These may be isolated minority groups, but the strength of their lobbies in Washington is awesome.

ISSUE IN DISPUTE

The issue cuts across all party lines. Behind a Republican President are alined Senator LYNDON JOHNSON and Speaker SAM RAYBURN, statesmen and undisputed leaders of the Democratic Party. Opposing them are isolationist Senators and Congressmen from both parties.

One argument of the isolationists is that when we allow foreign producers to sell in our markets, displacing our own products, we do so only to satisfy a Department of State that disregards the welfare of our own businessmen and that would sacrifice the interests of our own business community in order to maintain friendly relations with foreign countries.

Nothing could be more false. This year the administration has recognized the falsity of the argument by placing the major responsibility for passage of the extension bill where it belongs—on the Department of Commerce. It is more directly concerned than any other department of our Government for the prosperity of our own people, not those of other lands.

EARNING DOLLARS

Spokesmen for the Department of Commerce have pointed out that our basic selfish interests demand that we find buyers in foreign countries for a substantial part of the production of our farms and factories. We simply produce more than our own people can consume. Yet we can sell abroad only to those buyers who are able to pay us in dollars.

The 4,500,000 American workmen whose jobs depend on our export trade expect to be paid in dollars, so that is what the goods they produce must be sold for.

This year it will require about $17.5 billion to pay for the products that we expect to sell abroad. How are foreign buyers going to get those dollars? Loans and new investments will account for a small part of it, but the overwhelming majority must be earned, and the only way to earn it is to sell something to us.

The truth is that it is we ourselves who have the greatest stake in an expanding trade between the United States and the rest of the Free World. The benefit to other nations is secondary to that which we ourselves derive from an expansion of imports into this country. This is a hard fact which our isolationists try to hide.

Looking beyond our own economic interests, we should face the fact that the debate over extension of the Reciprocal Trade Agreements Act tests the sincerity of United States foreign policy. There is not a Member of either House of Congress who would hesitate to say that he favors a policy of strengthening the economies of our friends in the Free World. Yet nothing that this Nation can do will have so devastating an effect on the economy of the Free World as would the adoption of a policy of economic isolationism.

The interests of 99 percent of us here in the United States, the interests of all of the people of the Free World, demand urgently that Congress extend the Reciprocal Trade Agreements Act for another 5 years as the President has requested, and that it do so without crippling amendments.

If the price is to subsidize a few thousand of our workmen in vital defense industries, if the price is to help workers in marginal uneconomic industries relocate themselves in sound and productive employment, that price is cheap.

The alternative proposed by our protectionists will progressively cripple our own economy and that of the Free World. It is one that will destroy the faith of our friends and our allies in the leadership of the United States.

HENRY F. HOLLAND.

NEW YORK, *March 3, 1958.*

FOREIGN AID

Mr. SMITH of New Jersey. Mr. President, in the New York Times of Sunday, March 9, appeared an eminently sensible editorial entitled "Nonsense About Foreign Aid."

The editorial describes some of the peculiar charges which have been leveled at the program, such as "ice boxes for Eskimos." The editorial realistically states:

Mr. Smith (James H. Smith, Director of ICA) should not have had to use his own time and the time of the House Foreign Affairs Committee in answering this sort of nonsensical rumor.

The editorial continues by bringing scrutiny of the mutual security program into proper perspective. Certainly, it admits, "not every penny is expended without error." But then, what governmental program has ever been able to claim such perfection?

The benefits which the program has thus far secured, especially deterrence of large-scale war, and the benefits which it can bring in the future, undeniably are equivalent, as the Times suggests, to those which we get from "any funds appropriated by any governmental agency for any other purpose."

Mr. President, I ask unanimous consent that this perceptive editorial be printed in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NONSENSE ABOUT FOREIGN AID

Should the American taxpayer give up his hard-earned pennies in order to buy striped pants for Greek undertakers? Should he provide bathtubs for Egyptian camel drivers? Is it right that the sweat of his brow should be expended in order to plant grass along the highways of Lebanon, or to build roads so the King of Saudi Arabia may exercise his expensive imported American motorcars, or to furnish iceboxes for Eskimos?

It is not right, as Director James H. Smith, Jr., of the International Cooperation Administration testified before the House Foreign Affairs Committee. It is not right and it hasn't happened. The ICA did buy shoes for the Greek Army. It did provide facilities for Egyptians, including camel drivers, to fight hookworm by washing their feet. It did help Lebanon plant grass to stop erosion. It built no roads in Saudi Arabia, although it did improve a port and an airfield. It didn't give any iceboxes to Eskimos; they didn't want any.

Mr. Smith shouldn't have had to use up his own time and the time of the House Foreign Affairs Committee in answering this sort of nonsensical rumor. Even those who invented these stories probably didn't believe them. They were intended to fool people. But if the opposition to the $3.9 billion foreign-aid program is so devoid of good arguments that it has to resort to this sort of thing, perhaps we may be hopeful.

It is true that not every penny is expended without error. The pennies we spend on domestic government are not expended without error. But there is no doubt that we get as much out of our foreign-aid program in benefits to our neighbors and in security to ourselves as we do out of any funds appropriated by any governmental agency for any other purpose.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that sometime today I expect the Senate to consider Order No. 1415, Senate Concurrent Resolution 69. Except that it specifies a military construction program rather than a civil works program, it is identical with the resolution agreed to by the Senate day before yesterday by a 93-to-1 vote. It was reported by the Armed Services Committee after hearings at which the Deputy Secretary of Defense, Mr. Quarles, appeared, and it

was reported without any votes being cast against it. It will require some discussion, but I do not think the discussion will be prolonged.

I have asked the minority leader to notify the minority members of the Committee on Armed Services of my intention. The chairman announced it on yesterday when he reported to the press that the resolution had been acted upon. We expect to ask consent to bring it up during the day.

Mr. President——

The VICE PRESIDENT. The Senator from Texas.

NATIONAL LIBRARY WEEK

Mr. JOHNSON of Texas. Mr. President, House Concurrent Resolution 226, which is at the desk, is identical with Senate Concurrent Resolution 49, which is now on the calendar, and designates the week beginning Sunday, March 16, 1958, as National Library Week. In view of the shortness of time, I ask unanimous consent for the present consideration of House Concurrent Resolution 226. This request has been cleared with the distinguished minority leader [Mr. KNOWLAND].

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution coming from the House of Representatives, which will be read.

The legislative clerk read the resolution (H. Con. Res. 226), as follows:

Whereas the Congress of the United States has recognized the vital educational and cultural role of libraries in the United States by the enactment of the Library Services Act, approved June 19, 1956; and

Whereas the Library Services Act is now in operation in 43 of the 48 States as a means of finding ways of bringing adequate public library service to some 27 million Americans, largely in rural areas, hitherto without such service or with totally inadequate service; and

Whereas State and local governments, professional associations, and citizens' groups recognize that much remains to be done to improve the availability of the full resources of the printed word to all of our people for education, self-improvement, cultural advancement, and fulfilling the responsibilities of citizens in a democracy; and

Whereas the National Book Committee and the American Library Association, in cooperation with numerous other citizens' organizations, business and professional groups, and voluntary associations, have designated the week of March 16–22, 1958, as the first National Library Week; and

Whereas National Library Week will increase support for libraries from the highest levels of leadership in the civic, economic, professional, and cultural life of the United States; will expose the need for the extension and improvement of school and public library services; will offer opportunities for librarians to work more closely with newspaper, magazine, and advertising executives in broadening the use of printed materials; will attract wider public attention to library services through features in national mediums; and will promote prestige for reading itself by showing the vital role the printed word can play in the fun of reading aloud in the family, the rewards of reading as a leisure-time activity, and the contribution of reading to career advancement: Therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning on March 16, 1958, and ending on March 22, 1958, both dates inclusive, as "National Library Week," and calling upon the people of the United States to observe such week with appropriate ceremonies.

The VICE PRESIDENT. The question is on agreeing to House Concurrent Resolution 226.

The concurrent resolution was agreed to.

The preamble was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 49 be indefinitely postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and Senate Concurrent Resolution 49 is indefinitely postponed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Has the morning hour been concluded?

The PRESIDING OFFICER. The morning hour has not been concluded. Is there further morning business?

LOSS OF FREEDOM BY CZECHOSLOVAKIA

Mr. SYMINGTON. Mr. President, 10 years ago last month, on February 25, 1948, the valiant people of Czechoslovakia lost their hard-won freedom for the second time within a decade.

Their story is significant not only as a matter of history, but also as a portent of the future if we do not remain strong and support the peoples of the Free World.

Forty years ago, at the end of the First World War, the Czechs and Slovaks united to declare their independence and to create a democratic republic.

After being ruled for centuries, in all aspects of their life, by Austrian overlords, these people successfully built their own state in a war-sick world, without the help of any benevolent neighbors.

After two decades of independence and remarkable progress, Czechoslovakia was handed over to Hitler in the infamous Munich accord of September 30, 1938.

The Nazi occupation years, with their calculated humiliations of the proud Czech people, their concentration and extermination camps, and their brutal reprisals, were met with steady, stubborn resistance.

The freedom-loving Czechs demonstrated, as they had in the past, and as, God willing, they may in the future, that the spirit of freedom cannot be crushed.

With the arrival of General Patton's army on Czechoslovakian soil, the city of Prague rose against its Nazi occupiers. While tens of thousands of men, women, and children fought in the streets, repeated radio appeals for help from the American Army went unanswered, because the Russians protested that liberating Prague was their prerogative. It was of no interest to the Kremlin that thousands of Czechs would die before the Russians could reach the city.

The drama of the stanch Czech spirit surviving oppression has not ended. How the action is developing we do not know, because the scenes are being enacted behind an Iron Curtain.

The Communist seizure of Czechoslovakia on February 25, 1948, clearly demonstrated the Soviet pattern of world conquest. It should have served as a warning to free people everywhere.

On this 10th anniversary of the Communist enslavement of Czechoslovakia, we not only pay tribute to the spirit of a gallant people, but we would do well to ponder the lessons contained in the Czechoslovak story.

WHAT AMERICAN BUSINESSMEN ABROAD THINK OF FOREIGN AID

Mr. GREEN. Mr. President, the Chamber of Commerce of the United States has just completed a survey of the views of American businessmen in foreign countries on the operations of the foreign-aid program in their respective countries.

This survey is based on a comprehensive questionnaire which the chamber of commerce circulated to American representatives of overseas branches of United States-owned companies. The questionnaire asked, among other things, whether our foreign-aid program was effective, how it could be improved, what foreign peoples thought of the programs, and whether the aid programs had stimulated private investment.

The information contained in this survey is extremely revealing. I believe this document should be studied by Members of the Senate, who will shortly be called upon to consider the President's proposal that the mutual security program be continued next year.

Mr. President, I ask unanimous consent that the report be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WHAT AMERICAN BUSINESSMEN ABROAD THINK OF FOREIGN AID—A REPORT ON A SURVEY OF THE VIEWS OF AMERICAN BUSINESSMEN IN FOREIGN COUNTRIES ON THE OPERATION OF THE FOREIGN AID PROGRAM

(This report presents the opinions of American representatives of overseas branches or subsidiaries of United States owned companies on such questions as the following: Is foreign aid effective? Can it be improved? Has it helped to stimulate private investment? How do foreign peoples view the program? How did they react to the Russian sputniks?)

THE NATIONAL CHAMBER'S ON-THE-SPOT FOREIGN-AID SURVEY

How well is the mutual security (foreign aid) program achieving its objectives—furthering the security of the United States, its allies and other friendly countries against

the encroachments of Communist military and economic imperialism?

In the hope of throwing some light on this question, the National Chamber recently sent a questionnaire to American business firms operating in countries which have received some form of United States aid. The questionnaire was resigned to obtain an on-the-spot evaluation of our foreign-aid program from American businessmen who were in a position to observe its varied operations at firsthand.

Response to the questionnaire was excellent. Some 300 replies were received from 65 countries—in Europe, the Middle East, Africa, the Far East, South East Asia, and Latin America.

The questionnaire covered a wide range of specific points. How efficient is the local ICA administration? How well qualified are most of the personnel? Do economic-aid programs indicate sound planning? How much waste exists? Should the foreign-aid program be continued or eliminated? What aspect of the aid program—military or economic—should be emphasized? To what extent do the people of a foreign country understand how our aid is helping their country? Has foreign aid been of practical assistance in stimulating private investment?

Those who filled out the questionnaire were requested to express their views only on subjects they felt competent to report on, and to skip those on which they considered themselves no better informed than if they were residing in the United States.

Four broad themes emerge from the survey: (1) The foreign-aid program is important to our national security, (2) there is room for improvement in performance, (3) inadequate knowledge of foreign peoples seriously hampers the effectiveness of the program, and (4) private enterprise needs more encouragement if it is to make a better contribution to the development of other countries.

FOREIGN AID AND NATIONAL SECURITY

The bulk of respondents indicated that they thought the mutual-security program performed a valuable function as an essential element of our foreign policy. A variety of comments from different corners of the world expressed this belief:

"If it had not been for the foreign-aid program, the Russians would have been here right now" (Iran).

"Due to the poverty of this country * * * financial assistance will be necessary. If not received from us, it is inevitable this country will accept offers from Egypt and Russia" (Somalia).

"It is easy to be critical when examining specific activities of the ICA program. Evaluating the overall program as it was administered in the past, the situation can be summed up by saying 'Vietnam exists today and it would not had it not been for ICA'" (Vietnam).

"This country must feel convinced that improvement in the basic necessities of life—food, clothing, and shelter—are obtainable under western democratic principles of government. Economic aid will help them do this at this critical time" (India).

Need continues

Only four respondents, two from Europe and two from Latin America, felt that our foreign-aid program should be eliminated; 18 believed that the size and scope of the program should be decreased; 150 respondents stated that foreign aid should be continued at about the present level; 87 thought that it should be expanded; 41 out of this total of 300 expressed no opinion on the question.

Some made a point of relating the continued need for foreign aid to recent Soviet technological achievements, as well as to the total impact of Soviet political and economic penetration. For example, it was noted that the launching of Soviet satellites meant that we are now more than ever dependent upon overseas bases, supported in part by foreign-aid funds, for our security:

"The situation has, in effect, reversed our position as regards NATO. Before, every NATO country felt they needed us as allies. Now it is we who need them. We are no longer invulnerable because of the protection of our two oceans, but have become very vulnerable to Russian ICBM's with atomic warheads" (France).

Respondents frequently indicated that the foreign-aid program is one of collective security, and not just a program of aid.

Impact of sputniks

The questionnaire tried to determine whether Russia's well-propagandized launching of the earth satellites produced any adverse change in the attitude of foreign peoples toward the United States. Most respondents saw little evidence of change in the basic attitude of friendship toward this country. But they noted that there was at least a temporary loss of faith in American supremacy in the field of science and technology. The failure of our own Vanguard produced a number of lighthearted jokes abroad, particularly in Europe. These quips were tinged, however, with sympathetic understanding and a growing fear of Russian capabilities:

"At first the man in the street was gratified at the whittling of the giant to his size—followed by ridicule at our much-publicized launching of the unsuccessful Vanguard—but sobered to sympathetic views toward United States and apprehension for himself, fearing that the United States may not overtake the Soviets in the field" (France).

Economic aid emphasized

But although recent developments in the field of missiles and nuclear weapons focused attention on the Soviet military threat, the majority of respondents felt that the economic, rather than the military, aspect of our foreign-aid program should be given more emphasis. Only 29 persons felt that the military part needed emphasizing, and 37 thought the present balance between military and economic is about right. Close to 200 respondents thought that economic aid should be emphasized.

While the bulk of respondents indicated that they thought economic well-being was a precondition for political stability and reliable military strength, it was recognized that a blanket rule could not be applied to all countries:

"Much more can be gotten out of our dollars if the program is cleverly designed to suit the particular country that gets it—don't just make it one pattern to fit all countries (or all countries in an area)" (Brazil).

The comments of an American businessman in Turkey illustrate some of the problems involved in trying to evaluate the needs of a specific country:

"Turkey—in the event of war—would be the first overrun. It's a bulwark against Russia—and a guardian of the Middle East—a role it accepts—as long as the pay continues. * * * Military should be stressed. Economic progress: little hope will be held out for Turkey unless she soon changes her attitude toward the Greeks who are her economic backbone."

Coordination with other policies urged

When commenting on the objectives of our foreign aid program and the needs of a local area the respondents did not always limit their remarks to foreign aid as such. Strong views were held that the mutual security program should be coordinated with other aspects of our foreign and economic policies:

"More common sense should be applied: If we are to help these countries economically then let us be more practical in our aid—let us buy their products and they in turn will help us by buying our products—our equipment—and earn more dollars to repay their loans" (Ecuador).

"The reporter has definite views with regard to an economic aid program looking toward the increased productivity of a highly industrialized country such as Japan. Such a program can only lead to an increased need for exports irrespective of whether such markets are available in the Free World. We must create markets for Japan's economy to live and unless we buy from Japan it appears fruitless to try to increase the country's productivity."

Similarly, the opinion was expressed that the foreign aid program should be more closely tied to the propaganda battle for men's minds. Greater efforts were urged in educational, literary and other cultural fields, suggesting the need for closer cooperation between the International Cooperation Administration (ICA), which administers the program, and the United States Information Agency.

PERFORMANCE EVALUATED

Respondents who answered questions relating to the administration and efficiency of the foreign aid program were on the whole fairly well impressed with ICA operations. At the same time, they were forthright in citing instances of waste and poor management and in indicating that much could be done to make foreign aid more effective.

Efficiency of ICA administration

Of the 300 persons who completed the questionnaire, 111 stated that the general level of ICA administration was fairly efficient. Ninety-nine said that it was efficient. Twenty-three—chiefly from the Far East and from Latin America—thought that it was poor. The rest did not feel competent to express an opinion on this question.

Staffing of ICA missions

Sixty persons felt that the ICA missions were overstaffed, 128 indicated that the staff was about right, and 7 thought the missions were understaffed.

Qualifications of personnel

To the question whether most ICA personnel appeared qualified to handle their respective jobs, 97 said, "well qualified"; 102 answered "fairly well qualified"; and 19 stated, "poorly qualified."

Planning

One hundred and twenty-four persons replied that most economic-aid programs indicated sound planning in light of the needs of the country. Seventy-three replies said that some programs indicated sound planning, 21 stated that few do, and one said that none do.

Extent of waste

Forty-six persons felt that there was too much waste in the operation of the foreign-aid program. Most of these complaints came from the Far East and from Latin America. One hundred and eleven believed that there was some waste, but not unreasonably so, and 45 felt that there was little or no waste.

Room for improvement

In their comments, respondents indicated many areas where the foreign-aid program could be improved.

In some instances there was a call for a stronger sense of direction:

"Efficiency could be improved by stronger and clearer policy directives" (Italy).

There were frequent complaints of what might be termed "bureaucracy":

"Too much administration at all levels and too little field or grassroots work. Everybody busy writing reports on what should be done, but much of this from reading earlier reports. More doers and fewer planners needed" (Korea).

"There are some excellent personnel in ICA but their efforts are sometimes hampered by inefficient people. Inefficient in this case

means people unprepared for their jobs or failure of others to adopt their thinking and actions to practical situations met in their work" (Philippines).

"The personnel seem to be more interested in keeping their records straight rather than getting the equipment out to the people that can use it" (Iran).

"Too many men doing too much paperwork and too little to show the locals" (Lebanon and Jordan).

"If anything, mission is overstaffed in administration and understaffed in field technicians" (Philippines).

Instances of poor performance were cited:

"It is generally reckoned that each foreign-aid dollar brings least result here, through lack of understanding on the part of ICA planners and through supply and distribution weaknesses leading to thefts and corruption" (Korea).

"Basic commodities imported in unrealistic quantities with consequent spoilage (flour, yeast, dairy products) * * * agricultural equipment badly needed but imported prematurely and allowed to deteriorate before use or people trained (tractors, graders, earth movers)" (Vietnam).

"The industrialization program, in particular, has been a dismal failure, due to incompetence on the one side and racketeering on the Korean side. In no case, has adequate planning and engineering assistance been provided" (Korea).

Now and then it was charged that the masses of people we are trying to help do not always benefit from our aid:

"Not enough projects which directly assist in raising the standard of living of recipient nations * * * the crying need. A few people appear to benefit but not enough to make the projects appreciated by man in the street as their daily struggle continues as hard as ever" (Europe).

"Luxury items financed which do not really help economy but benefit only few in official circles (automobiles, radios, victrolas, hi-fi equipment)" (Vietnam).

Failure to take into account the needs and peculiarities of each country and its people appears to be an important factor contributing to poor planning and waste:

"A good example of poor planning is the milk plant built in the Cochamba valley—an existing dairy already takes all of the available milk in the valley, so where is milk going to come from for the nice milk plant built by ICA?" (Bolivia).

"It was interesting to hear * * * a story about a paper factory built with United States dollars which was to use a special wood available in Iran to make paper. When the factory was completed, it was then found that there was not a sufficient supply of this wood to keep the factory running full time. Why not determine such things before factories are built?" (Iran).

"Military aid and some capital projects—power and cement—are sound. Otherwise emphasis is on complicated rather than simple industrial projects which the Koreans prove incapable of handling" (Korea).

Lack of publicity scored

A major failing of the aid program seems to be that it is not effectively explained to the people of a foreign country. The majority of respondents agreed that the masses of people abroad have little, if any, idea of what aid comes from where:

"This is one of the biggest failings of our foreign-aid program. With better understanding on the part of the people, our aid could be reduced and achieve the same goal" (Far East and Southeast Asia).

"One of the main deficiencies of all United States foreign-aid programs has been a complete lack of publicity so that the extent of our aid is not put across to the people in the country" (Brazil).

"Publicity through ICA periodicals is channeled to management personnel, but they do not get to the mass of the people" (Philippines).

"Little real understanding; considerable mistrust of our motives; Communist-fostered belief that the program is a wedge to obtain unfair economic advantages" (Brazil).

"The absence of a well-thought-out program to inform the French people of the nature and extent of United States aid is deplorable" (France).

"While United States aid to India is highly diversified, very little effort so far has been made to make the Indian people understand how well it has been woven into the fabric of their 5-year plans. Publicity supporting this aid is painfully inadequate" (India).

One respondent placed our failure to explain ourselves and our motives in the following light:

"Largely caused by lack of contact between ICA personnel and important local citizens. The tendency is for the ICA group to stay together like a small community rarely contacting the local population hence remaining insulated from important sources of information affecting the economy of the country" (Liberia).

Similar comments were made by others:

"They almost make it a point to recreate abroad the Main Street atmosphere they left behind them. Just go to one of their parties, anywhere in the world, and you will only meet Americans who discuss apartments, servants, PX supplies, and occasionally black-market operations" (France).

All these statements indicate that there is more to foreign aid than just the amount of money that is spent. As one respondent remarked, "some people are more successful with a stick of gum than others with a box of candy and bouquet of flowers."

On this point, respondents strongly emphasized the importance of understanding the culture and way of life of foreign peoples if our aid program is to achieve more effective and lasting results.

KNOWLEDGE OF FOREIGN PEOPLES EMPHASIZED

The questionnaire did not touch on the problem of getting along and communicating with foreign peoples. Respondents pointed out, however, that much of the inefficiency and waste that exists in the foreign-aid program revolves around this problem.

An understanding of foreign ways of life and methods of doing things was cited as important in order to work effectively with the local population:

"Insufficient realization that methods normal elsewhere are unworkable in a backward country unused to self-government" (Korea).

"The main difficulty is to get along with native mentality—and this comes by experience" (Lebanon and Jordan).

In commenting on the inefficiency of some ICA personnel, some respondents stressed that this may have nothing to do with their technical qualifications:

"Rapid turnover with personnel not familiar with Latin American customs or language" (Chile).

"At times personnel of the ICA appear not to be sufficiently qualified in that their experience is based altogether too much on practices in the United States which may not necessarily apply in a foreign country. Lack of knowledge of customs, manner of doing business, etc., hampers the efficiency of such personnel" (Philippines).

Other respondents indicated that the failure to publicize the aid program effectively was in great measure related to an inability to communicate with other peoples because of their different languages, cultures, and views of life:

"It seems that the publicity or public relations work for ICA * * * could be improved, not so much in intensity as in doing it more cleverly—too many public-relations people in ICA simply do not understand how to deal with skillful propaganda because they do not understand what kind of material Brazilians will readily take" (Brazil).

Comments such as these suggest that if we are to explain our purposes and objectives to other peoples, this must be done in terms meaningful to them—in the context of their own experiences and culture.

ENCOURAGEMENT OF PRIVATE ENTERPRISE

Respondents were asked to comment on the two aspects of the mutual security program—the investment guaranty program and the development loan fund—which were intended to create a climate favorable to the investment of private capital for economic development purposes abroad.

The questionnaire revealed that 232 respondents had had no experience with the investment guaranty program, and that 171 were not familiar with the development loan fund. Consequently, relatively few felt qualified to comment on these two programs.

Those who did have something to say generally thought that both programs were worthwhile, and could stimulate private enterprise abroad. It was pointed out, however, that the effectiveness of both programs depend greatly on the cooperation of the local government involved.

It was strongly felt that the investment guaranty program could be made more effective:

"This is perhaps the most productive phase of the foreign-aid program and it is desirable to develop and extend it, for it definitely offers an incentive to foreign investors. However, at present it appears to be rather expensive" (Peru).

"The program as originally established only covered new investments or additional investments by already existing entities. I feel it should cover already existing investment as well, when requested by such investment" (Brazil).

The idea behind the development-loan fund produced a generally favorable reaction:

"Psychologically, most people do not like outright charity, unless they just cannot stand alone. * * * The development-loan fund will lead to sounder planning since a responsibility is accepted" (Philippines).

"With competent screening of applicants by investment bankers and technicians * * * and with local government cooperation, the project appears to afford broad opportunity for stimulation of private enterprise in India" (India).

"The development-loan fund can stimulate private enterprise in the conditions to obtain loans are made concrete and made known to the general public" (Portugal).

Need for official cooperation

Respondents strongly emphasize the need for greater cooperation between private enterprise and the ICA abroad. Those from the Far East and Southeast Asia appeared particularly disturbed by the impression that ICA seemed chiefly concerned with setting foreign governments up in businesses which in the United States and Western Europe would be privately operated.

Perhaps the best statement on this problem came from an American businessman with experience in Vietnam and Cambodia:

"The first step toward stimulating private enterprise would be for ICA at local levels to begin stressing the importance of private enterprise in a full economy (and to begin thinking in these terms themselves). * * * It remains basic * * * that private enter-

prise will receive no sympathy from the local governments despite all new legislation, until and unless local ICA missions think less in terms of direct government-to-government aid and more in terms of doing all possible to encourage and stimulate existing business as well as to develop new business and industry. ICA locally has never gone on record as strongly supporting private enterprise or even in having more than a passing interest in it."

STIMULATING PRIVATE ENTERPRISE ABROAD

Respondents were asked if they could suggest any specific ways to stimulate private enterprise. The major suggestions that were made in this regard included reduction in United States taxation on business profits abroad, particularly on profits of subsidiary companies; concerted efforts to persuade local governments to ease restrictions on foreign investments; long-term loans to local private enterprise instead of on a government-to-government basis; vigorous efforts to influence foreign governments in favor of private enterprise.

Mr. THYE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of a letter from Mr. George J. Burger, vice president of the National Federation of Independent Business. This letter was sent to columnist Sylvia Porter in response to that writer's column entitled "Small Business Plight Worsening," which appeared in the Duluth Herald, Duluth, Minn., on March 11. The column pointed to the difficulty small business is faced with when it seeks financing for expansion and growth. It also discusses the impact of Federal taxes upon small business.

Mr. President, I remind my colleagues in the Senate that the time for action in behalf of the small-business man is at hand. There are before the Senate and House bills which would grant tax relief, and which would provide a solution to the problems of finance.

I feel very strongly that one of the first steps is to establish the Small Business Administration as a permanent agency of Government. I have discussed this subject at length upon the Senate floor on many occasions. Today I express the hope that the Senate leadership, both in committee and on the floor, will respond to the needs of small business.

I also ask unanimous consent to have printed in the RECORD a statement which I have prepared on the same subject.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

MARCH 12, 1958.

Miss SYLVIA PORTER,
Hall Syndicate,
New York, N. Y.

DEAR MISS PORTER: Noted your interesting story in the Washington Star last night, that splendid daily, Triumph of Giantism, in which you refer to the recent report of the House Small Business Committee as it relates to the overall trend in our economy and particularly as it affects the future of small business.

It would appear to me from actual experience here on Capitol Hill for better than two decades, in most instances when Congressional or presidential campaigns are on, they love small business at that time in November and forget about us in May.

No one knows better than the writer beginning in the late fall of 1940 how we urged the creation of Small Business Committees in both the Senate and the House. In the very first instance, these committees were headed by the Honorable JAMES E. MURRAY, of Montana, in the Senate, and the Honorable WRIGHT PATMAN, of Texas, in the House.

It goes without saying that if these committees had not been in existence these past 18 years, many serious things could have happened affecting the future of small business. In this it might be well for you to review the extended remarks of Congressman GEORGE MCGOVERN in the CONGRESSIONAL RECORD of Monday, March 10. Then also it might be well to review the extended remarks of Senator WILLIAM PROXMIRE in the Senate on March 10. These two statements are attached for your review.

Then also note the remarks of Senator THYE on January 31 which relates to my conference with the President's Economic Adviser on January 30.

The Small Business Committees have passed the stage of swaddling clothes and now it is up to them to take more forceful, direct action in behalf of small business. If the committees are weakened by failure to have legislative authority, the same as other standing committees have, then the Small Business Committees should go in and demand of the Congress that they have the same legislative power that would permit them to report bills direct to the floor of the respective Houses in behalf of small business.

We have repeatedly urged such action be taken in regards to the Small Business Committees. It was our exclusive action and I repeat exclusive action that brought about a continuing Small Business Committee in the Senate and we are urging the same action in the House.

When Agriculture, Education and Labor, and other committees want action in behalf of their people they move in and move fast and the same procedure should be taken by the respective Small Business Committees of the Congress. If such action is taken by militant leadership in those committees, it would go a long way to bring about the necessary long-overdue relief for small business.

These committees are well staffed with personnel so there is no shortcoming in that respect, and now it is up to the committee leadership to force the issue in behalf of small business of this Nation.

You are privileged to quote any part of these comments—it's all factual and might be of interest to your nationwide readers.

Sincerely yours,

GEORGE J. BURGER,
Vice President.

STATEMENT BY SENATOR THYE

Five years ago I had the privilege of introducing a bill which established the Small Business Administration. You will find that I had provided for a permanent agency in the bill introduced in 1953. I felt very strongly at that time that if we were to establish an agency for the purpose of assisting small firms that it should be founded upon a permanent basis. However, at that time, there were many who favored the establishment of the agency, but who deemed it desirable to set it up on a trial basis for a 2-year term. It was their thought that such an agency should have a trial period and that the Congress should review its accomplishments before giving it permanent status.

My bill (S. 1789) calls for a permanent agency to be known as the Small Business Administration. I am certain that the agency has gained strong bipartisan support for its continued existence. This support has grown and developed because of the effective work done by this agency in behalf of the millions of small-business firms throughout the United States.

The agency has shown continuous improvement in its loan program, its procurement assistance to small firms, its technical assistance program, and its disaster loan activities.

I have stated on many occasions why I feel so strongly that the Small Business Administration should be continued on a permanent basis.

First, an inherent part of the agency's loan program is participation by local banks. The original act of 1953 and S. 1789 specifically calls for bank participation wherever that is possible. I have followed the work of this agency very closely during the past 5 years and have found that in certain areas of the United States the local banks many times hesitate to participate in the loan program of SBA. The cooperation by the banks varies within the various regions where SBA has established its regional offices. I can see where local banks would be reluctant to participate in a loan program for small business with an agency which enjoys only a 2-year life span and where renewal of the agency is dependent upon Congressional action every 2 years as has been the case since 1953. It is my belief that these local banks would be more willing to cooperate in this program if the SBA itself were a permanent agency. This loan program is a most vital part of the agency's overall activity.

This fact is demonstrated when we see that since October, 1953, and through December 31, 1957, the SBA had approved 8,597 business loans for a total of $398,200,000 and 6,916 disaster loans for $71,700,000. The number of loan applications coming into the agency is increasing every month.

This program will become more and more effective if the number of bank-participation loans increases. I believe that this will happen if the agency is made permanent.

Another reason why I believe the agency should be made permanent is that it will allow the agency to attract expert personnel in every area of activity. The present staff is well trained and operating efficiently in most respects. However, there is always a certain percentage of personnel who leave every agency each year for a number of reasons. I feel that a permanent agency will attract experienced personnel more regularly than will an agency which has temporary status. As time goes on and the agency continues to develop and improve its programs, the need for personnel that is experienced will become more and more acute.

I also feel that the small-business community of this Nation will have more confidence and faith in an agency which is permanently assigned to assist small business than in an agency which may go out of existence in a matter of months.

The General Accounting Office has stated that permanent status would allow the agency itself to plan more efficiently in the handling of its funds and budget requirements.

We all recall that in 1955, the Congress had to give the agency a 30-day extension because action had not been taken prior to the expiration date of July 1, 1955. I remember the consternation and the insecurity which all personnel of the agency experienced during that time. The employees of the agency did not know whether they should seek other employment or whether they should stay with an agency which offered nothing more at the time than an extended 30-day life. Certainly this type of insecurity does not lend itself to top efficiency in the performance of the many tasks assigned to an important Government agency.

This last year we saw a duplication of that action.

There is no one who today argues that small business does not constitute a vital and

integral part of our competitive free enterprise system. We all recognize that to a large degree the future success of our economic system depends upon the existence of a healthy and vigorous small business community in the United States. With the pressures upon business increasing every year, there is a definite need for an agency to devote all of its time to helping small business firms financially, technically, and in times of disaster. The Small Business Administration has proved it is capable of meeting this challenge. The effectiveness and efficiency of that agency will be greatly improved if we act now to make it a permanent agency.

I also want to go on record to state my hope that speedy action will now be taken not only on the SBA bill, but also on the tax measures and other bills designed to protect and stimulate small business.

DEFENSE STOCKPILING

Mr. SYMINGTON. Mr. President, the Office of Defense Mobilization has issued a report dated January 28, 1958, and entitled "Stockpiling for Defense in the Nuclear Age." It contains some interesting information.

First, it shows that the value of the stockpile of strategic and critical materials in Government inventories totals $7,350,000,000. It is a matter of opinion as to how much, if any, of this would be used in case of a future all-out war.

Second, it shows there are outstanding contracts for strategic and critical materials which the Government is required to honor, to the extent of $1,750,000,000.

Third, this report shows that the value of the Government's machine tool stockpile is $3,500,000,000. How many of those machine tools, if any, would ever be used in case of a future all-out war is also an open question.

Fourth, it shows that the Commodity Credit Corporation has agricultural commodities in inventory valued at $5,600,000,000, plus $1,600,000,000 pledged against loans—or a total of $7,200,000,000.

And last, smallest and probably most important, is the Civil Defense Administration's stocks of survival and relief items, principally medical, amounting to $200 million.

The total of these stockpile items just listed is valued at $20 billion.

In case of an all-out war, nonperishable and readily available food supplies would be more valuable than other stockpile items, with the exception of medical supplies.

Yet, it is interesting to note the pride with which many refer to the stockpiles of metals, minerals and machine tools, and with what gloom and shame nearly everyone—including the personnel of the Department of Agriculture—views the stockpile of farm products.

The lack of sound planning in our overall stockpile program is clearly brought out when we look at the current total of $20 billion, 63 percent of which represents the things that we would need least in case of an all-out war, and exactly 1 percent of which comprises what we would need the most.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement of stockpile data incident to the overall program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Stockpile data

	Millions
Strategic and critical materials stockpile	$6,200
DPA materials inventories	750
Outstanding contracts for materials	1,750
Supplemental stockpile of materials obtained in exchange for agriculture surplus	400
Materials subtotal (45.5 percent)	9,100
Machine tool inventory (17.5 percent)	3,500
CCC agricultural stocks	5,600
CCC pledged against agricultural loans	1,600
Agricultural subtotal (36 percent)	7,200
Civil defense survival items (1 percent)	200
Grand total (100 percent)	20,000

Mr. SYMINGTON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a very excellent editorial entitled "Multibillion Hoax in Stockpiles," published in the Kansas City Star of January 31, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MULTIBILLION HOAX IN STOCKPILES

We wonder how long it will take the American taxpayers to wake up to the national stockpiling racket.

An advisory committee of experts now verifies the fact that the stockpile of so-called strategic materials has grown far beyond the original intention or purpose. It has grown to a monstrous investment of $7½ billion which is more than the cost of the highly publicized farm surplus. On a per capita basis the stockpile adds up to more than $200 of tax money for a family of 5.

The real purpose of this huge expenditure now is to support prices for various industries in the fields of metals, minerals, and what not.

The original purpose was to stockpile essential materials not available in this country. But now the emphasis is on domestic products.

The special committee reports that the stockpile is sufficient for several years of all-out war. Yet the mines that produce the domestic part of these metals and minerals are not particularly vulnerable to air attack, not nearly so vulnerable as the factories that would be expected to use them.

Now the Government is stuck with the billions regardless of how much is needed. It is a combination of a ridiculous oversupply of many things and a useless supply of others. Needs are constantly changing. Some of the strategic materials of 10 years ago have been superseded and are no longer needed. Yet the Government can't unload such a stockpile without breaking the markets.

The pressure is all on the side of continued buying—pile the prodigious waste higher and higher. The buying continues month by month. The goal was set several years ago at more than $11 billion.

Storage alone is now costing close to $30 million a year and it will go up with future additions.

When it proposed a halt, the advisory committee also recommended a start on stockpiling survival supplies of food, medical and sanitation supplies. As intended by the committee the recommendation may be reasonable but we will probably wind up with 100 billion bandages and enough iodine to fill the Great Lakes.

RECIPROCAL TRADE AGREEMENTS

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Our Vital Reciprocal Trade Agreements," by James H. Stebbins, executive vice president of W. R. Grace & Co., pointing out the importance of developing increased trade with Latin America, and its potential impact on our own domestic economy.

I recommend its reading to the Members of the Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR VITAL RECIPROCAL TRADE AGREEMENTS

(By James H. Stebbins)

President Eisenhower has proposed to Congress that the Trade Agreements Act be extended for five years beyond its expiration date of June 30, 1958. The President has also recommended continuation of various safeguards for United States industry and increased authority to provide prompt and effective remedial action in determining cases of threatened or actual serious injury to domestic industries.

The President's proposal is comprehensive, fair, and farsighted. It deserves the energetic support of American industry, labor, and agriculture, which benefit greatly from an expanding United States foreign trade.

The reciprocal trade program is now a cornerstone in our foreign economic policy. In fact, it is one of the main instruments that our Government employs to carry out its three basic foreign economic policies. These policies—expansion of trade, promotion of private investment abroad and the provision of mutual assistance to foreign countries—have been persistently followed by several administrations with bipartisan support to achieve the objectives of a vigorous foreign trade and a secure America.

The reciprocal trade program, therefore, goes hand in hand with the efforts of our Government to promote and expand the interests of the United States abroad and to maintain a basis for the economic strength and security of the Free World.

LATIN AMERICA WANTS MORE TRADE THAN AID

Economic conditions vary from country to country. Some countries need direct economic aid to supplement their trade, because trade itself does not provide a sufficient basis to maintain a strong and expanding economy. In other countries, particularly in Latin America, it is trade that is most needed, although a small measure of economic and technical aid can be helpful. For these nations, trade is a vital thing. Their capacity to raise living standards or even to stand side by side with the United States in an international emergency depends in the final analysis upon their ability to sell their products and raw materials to the United States and other countries. The total trade of the United States with Latin America is in the neighborhood of $7 billion annually. The United States buys over two-thirds of the total exports of Colombia, Mexico, and Cuba. It also buys 60 percent of Canada's exports and some 50 percent of the exports of Brazil and the Philippines. These purchases comprise largely strategic raw mate-

rials and foodstuffs required by the United States.

In turn, these countries buy a wide variety of goods from the United States, including foodstuffs, rubber manufactures, cotton and wool manufactures, petroleum products, steel mill products, semifabricated metals, machine tools, automobiles, industrial machinery, chemicals and pharmaceuticals, and many others that help to keep our factories and our employment in high gear.

The importance of the United States in world trade and the effects its tariff policies have on the rest of the world are underscored by the fact that with 6 percent of the world's population, the United States accounts for about 40 percent of total production and about one-sixth of non-Soviet world trade. This makes the United States by far the largest factor in the world economy.

The sales that United States industries and farms make abroad are significant. The United States sells to other countries about 20 percent of all trucks it manufactures, 10 percent of the machine tools, 25 percent of construction and mining equipment, 15 percent of its coal and between 25 and 40 percent of its cotton, wheat, rice, fats and oils, and tobacco. The United States Department of Commerce estimates that the families of at least 4,500,000 American workers or about 7 percent of our labor force gain their livelihood from foreign trade. A sizable portion of the profits of American business firms is derived from foreign trade activities. In 1956, United States investors received over $2 billion from our foreign investments. This money was made available for remittances to the United States out of dollars earned by these countries from their exports to the United States.

In 1956 alone the United States sold abroad around $16.8 billion worth of goods, a record volume that exceeded the value of nonfarm home building, consumer purchases of automobiles or the gross receipts of farmers from either crops or livestock.

While we sell more than we buy abroad, our imports are becoming increasingly necessary for our industries. The United States is becoming and will be more and more dependent on overseas supplies for many strategic raw materials and consumer goods. Whereas before World War II the Gran Mesabi provided us with all our iron ore needs, we now import about one-fourth of such requirements. We also depend on overseas supplies for one-third of our copper and rubber, one-half of our raw wool, and most of our tin, nickel, aluminum, and newsprint. Much of our advanced heavy equipment, consumer durables and military hardware require other special materials available only overseas. For example, we buy abroad 80 to 90 percent of our manganese, chrome, antimony and cobalt, tungsten and cadmium, industrial diamonds, mica, and asbestos.

The inescapable conclusion is that two-way trading is essential to the continued prosperity of the United States and indeed to individual American businessmen, workers and farmers.

Continuation of the reciprocal trade program makes more jobs for American workers more certain, more sales for our industry and agriculture and more profits for our business and our shipping.

FOREIGN TRADE ALSO BUILDS FOR FUTURE

The stake that Americans have in a growing and prosperous foreign trade is not only of the present but especially of the future. This is particularly true with respect to our trade with Latin America where markets are growing rapidly.

Latin America's population is increasing at the rate of 2½ percent per year and its general economic development is growing at the fast average annual rate of about 4½ percent. Industries are growing rapidly. Our exports to this dynamic area from 1950 to 1956 increased by $1 billion, from $2.6 billion to $3.6 billion. Yet these thriving countries are greatly dependent upon their trade with the United States, not only for their livelihood but for the dollars with which to buy from the United States. Virtually every dollar the United States spends in Latin America for strategic raw materials and consumer goods is spent by these countries in the United States for machinery, consumer goods and essentials for their economies.

With few exceptions, the Latin American countries are not receiving and do not seek economic grants from the United States. Instead, they seek trade to earn money with which to buy from us. Their immediate and long-range economic development plans are pegged to their trade with us, and as they grow and develop economically they will provide wider markets for the products of the United States.

STABLE UNITED STATES TRADE POLICY IS BIGGEST NEED

Latin America needs, most of all, a stable United States trade policy. While there may be opposing views on the exact amount of trade that the reciprocal trade program has generated, there is no doubt that it has brought stability to international trade and confidence to both United States and foreign businessmen.

Failure to ratify the program would be a severe blow to the position and prestige of the United States abroad. It would be interpreted as an indication that the United States is turning its back on efforts to promote trade through lower tariffs and returning to a policy of economic protectionism and high tariffs. It would be taken to mean that the United States is turning from its friends and abandoning the many years of hard work that have gone into developing freer and larger international trade.

The continuation of the reciprocal trade program has provided the United States with the basis upon which it has been able to build a growing and prosperous foreign trade. Its continuation is in our own national interest and it is essential to our future economic security.

LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. JAVITS. Mr. President, I address my remarks this morning briefly to the bill to limit the appellate jurisdiction of the Supreme Court in certain cases, introduced by the Senator from Indiana [Mr. JENNER], and the boiling storm which is rising in its wake, especially from the bar of the United States.

I understand that the bill will be considered by the Committee on the Judiciary on Monday. Hence I thought it best to put certain matters in the RECORD this morning, so that they might, by this means, be before the committee.

As I see the signs in the sky, if the committee should report the bill, the issue will boil up into very much the same kind of storm which we saw arise with respect to President Franklin D. Roosevelt's effort to pack the Supreme Court. Whether or not it is justified—and certainly all of us, especially me, respect the deep sincerity and conviction of our colleague from Indiana—the feeling is engendered that dissatisfaction with decisions of the Supreme Court has resulted in a proposal or a measure which, if enacted, would very seriously not only limit the Supreme Court's appellate jurisdiction, but, what is more important to me, a member of the bar, would also limit the function of the Supreme Court in the constitutional system of the United States to protect the rights of the individual.

Of course, it strikes at the very foundation of our Government. I do not say that invidiously, but, rather, by way of pointing out the importance of the issue involved.

Mr. President, yesterday I said that I was opposed to the measure. As I have said, it is only fair that the character and nature and reasons for the opposition be available to the Committee on the Judiciary and to the Senator from Indiana, who has constantly and indefatigably addressed himself to the subject, and all the connotations of the subject as he sees them. I ask unanimous consent, therefore, that there may be printed in the RECORD as a part of my remarks a statement by Whitney North Seymour, of New York, one of our most distinguished lawyers. The statement was made available to the subcommittee considering the bill. I believe that the Senator from Indiana is the chairman of that subcommittee. Am I correct?

Mr. JENNER. No; the Senator from Mississippi [Mr. EASTLAND] is the chairman of the subcommittee.

Mr. JAVITS. I thank the Senator. Mr. Whitney North Seymour is the former president of the Association of the Bar of the City of New York, and former vice president of the New York County Lawyers Association, and is presently a member of the board of governors, and of the house of delegates of the American Bar Association.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WHITNEY NORTH SEYMOUR, OF NEW YORK, ON SENATE BILL 2646, BEFORE THE SUBCOMMITTEE ON INTERNAL SECURITY OF THE SENATE COMMITTEE ON THE JUDICIARY, THE HONORABLE JAMES O. EASTLAND, CHAIRMAN

I am a member of the New York bar with an office at 120 Broadway, New York, and have been a practicing attorney for more than 34 years. I was Assistant Solicitor General of the United States from 1931 to 1933, and except for that period have been associated with and a member of a large New York law firm where my experience has been principally in the trial and appellate courts, State and Federal. I was formerly president of the Association of the Bar of the City of New York, formerly vice president of the New York County Lawyers Association, and I am presently a member of the board of governors and of the house of delegates of the American Bar Association. I was formerly a member of the committee on Federal judiciary and formerly chairman of the special committee on individual rights as affected by national security of the American Bar Association. I have studied the American system of government and particularly the balance of powers between the three branches of government, and have lectured on law and government in various universities. I was invited by counsel to the subcommittee to testify in connection with S. 2646. Unfortunately, family illness prevents me from appearing in person and I hope that this statement may be considered in lieu of oral testimony. It is made as an individual and not on behalf of any organization.

I respectfully submit that Senate bill 2646 should not be adopted. Any such tampering

with the Supreme Court's appellate jurisdiction is undesirable and dangerous. It would upset the balance of powers. It would interfere with the independence of the judiciary. To take away review of important questions in the highest Court, because of disagreement with decisions of the Court, would ultimately destroy the integrity of judicial review. Withdrawal of the particular areas covered by this bill would leave important questions to the probably conflicting decisions of lower courts, with no way to resolve those conflicts. These results would be extremely serious and no difference of opinion about particular decisions should induce Congress to take such action.

The idea of limiting or tampering with the appellate jurisdiction of the Supreme Court because of disagreement with decisions or for other reasons has long been opposed by the organized bar.

In 1953 Senator BUTLER introduced a joint resolution (S. J. Res. 44) proposing an amendment to the Constitution, which, among other things, would have prohibited such interference with appellate jurisdiction as is now proposed. In prophetic language he said that a "dangerous loophole that would be plugged up by the proposals in this joint resolution is the one whereby Congress has the power to diminish or abolish the present power of the Supreme Court to hear and decide appeals involving constitutional questions, except to such extent as the Court itself, in the exercise of its own discretion, may deem advisable. * * *

"Upon several occasions, during attacks upon the Court's independence, there have been threats to strip it of the right to review cases raising constitutional issues. Such threats found expression as recently as the 1937 controversy."

Groups and leaders of the organized bar have given long and careful study to the power granted in clause third of the Constitution whereby Congress may legislate as to the appellate jurisdiction of the Supreme Court. The constitutional amendment proposed by Senator BUTLER in 1953 had previously been recommended by the Association of the Bar of the City of New York in 1947, by the New York State Bar Association in 1949 and by the American Bar Association in 1950.

The late Mr. Justice Roberts, after he resigned from the Supreme Court, strongly advocated the necessity for protection of the independence of the judiciary. Writing in the American Bar Association Journal (35 ABAJ 1 (1949)), he commented on the McCardle case (7 Wall. 506 (1868)), which had recognized the authority of Congress to remove the appellate jurisdiction of the Supreme Court, that such action as that of Congress there "has never been done again. Nothing like it has ever been attempted, but it was done for political reasons and in a political exigency to meet a supposed emergency."

The real issue before this committee, so far as this bill is concerned, ought not to be whether some members differ with some of the Court's decisions (as to which every citizen and Senator is entitled to his own opinion), but rather whether the balance of powers should be unhinged by this sort of legislation. It is imperative, in our system of government, that no one branch of Government be subservient to the other branches and that the courts retain the ultimate freedom to exercise independent judgment. No court can be completely independent if it is forced to feel that, when its decisions are unpopular, it may be stripped of its right to hear and decide similar cases. In the field of individual rights, such a shadow on the independence of courts might seriously jeopardize those rights.

The importance of an independent judiciary has always been emphasized. Alexander Hamilton outlined the problem clearly in No. 78 of the Federalist:

"The complete independence of the courts of justice is peculiarly essential in a limited constitution. By a limited constitution, I understand one which contains certain specified exceptions to the legislative authority; such, for instance, as that it shall pass no bills of attainder, no ex post facto laws, and the like. Limitations of this kind can be preserved in practice no other way than through the medium of the courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing."

At a hearing in January 1954, on the Butler amendment, Mr. Harrison Tweed, a leading New York lawyer, testifying before a subcommittee of this committee (speaking of Congressional removal of the Supreme Court's appellate jurisdiction), said:

"Since the time at which Congress will be tempted to restrain the Court will be one of controversy and political pressure, Congressional action will not be taken deliberately and with the desire to do the sound and farsighted thing, but rather, with the desire to accomplish the particular purpose to which it is committed and which has been frustrated by the Court. Remembering that the issue in controversy will be one that cuts deep into governmental philosophy or economic welfare, it seems clear that it is wrong that it should be decided in such an atmosphere and in such haste."

A great leader of the American bar, Elihu Root, at the time when the recall of judges and judicial decisions was suggested, expressed the point with clarity when he said:

"If the people of our country yield to the impatience which would destroy the system that alone makes effective these great impersonal rules and preserves our constitutional government, rather than endure the temporary inconvenience of pursuing regulated methods of changing the law, we shall not be reforming, we shall not be making progress, but shall be exhibiting * * * the lack of that self-control which enables great bodies of men to abide the slow process of orderly government rather than to break down the barriers of order when they have struck the impulse of the moment."

A 1949 report of the American Bar Association's Committee on Jurisprudence and Law Reform (at page 11) noted that Congressional limitation of the Supreme Court's appellate jurisdiction was a potential danger because—

"This direct and easy closing of all roads to the Supreme Court that Americans have grown to regard as highways leading to judicial protection that is always available might well be the device of the next cyclical effort to circumvent the principal check upon the executive or the legislative branch of government under our system."

This rather echoed Hamilton, quoting Montesquieu, in No. 78 of the Federalist:

"For I agree, that 'there is no liberty, if power of judging be not separated from the legislative and executive powers'."

As the late Edwin A. Falk, an outstanding lawyer who was chairman of the Committee of the Association of the Bar which actively supported the Butler amendment, said:

"To Locke's 'Wherever law ends, tyranny begins' there always should be added the truism that wherever courts suffer an invasion of their independence, law ends."

As you will have learned from the secretary of the association, consistently with its earlier position favoring a constitutional amendment to prevent interference with the appellate jurisdiction of the Supreme Court, the American Bar Association, at its recent meeting in Atlanta, declared its opposition to this bill. In response to an inquiry from Senator WILEY as to the views of the association, the board of governors recommended to the house of delegates that the house adopt a resolution opposing the bill. A similar recommendation was made by the special committee on individual rights as affected by national security, of which I am a member, and a copy of the report of that committee is attached hereto. The house of delegates adopted the following resolution in opposition to S. 2646:

"Whereas in 1949 the American Bar Association adopted a resolution urging the Congress to submit to the electorate an amendment to the Constitution of the United States, to provide that the Supreme Court of the United States shall have appellate jurisdiction in all matters arising under the Constitution; and

"Whereas S. 2646 now pending before the Congress, if enacted, would forbid the Supreme Court from assuming appellate jurisdiction in certain matters, contrary to the action heretofore taken by this association and contrary to the maintenance of the balance of powers set up in the Constitution between the executive, legislative, and judicial branches of our Government: Now, therefore, be it

"Resolved, That, reserving our right to criticize decisions of any court in any case and without approving or disapproving any decisions of the Supreme Court of the United States, the American Bar Association opposes the enactment of Senate bill 2646, which would limit the appellate jurisdiction of the Supreme Court of the United States."

AMERICAN BAR ASSOCIATION—REPORT OF THE SPECIAL COMMITTEE ON INDIVIDUAL RIGHTS AS AFFECTED BY NATIONAL SECURITY

The committee by majority vote favors the resolution recommended by the Board of Governors that the American Bar Association oppose Senate 2646.

S. 2646 would withdraw from the appellate jurisdiction of the Supreme Court five types of cases which are now reviewable in that Court. They may be summarized as cases involving: Congressional committees, executive security programs, State security programs, school boards, or admissions to the bar. The proposal obviously stems from disagreements with some recent decisions of the Supreme Court in these fields.

The integrity and uniformity of judicial review and the independence of the judiciary are vital to our system of government. If they are impaired, individual rights will be imperiled. Since maintenance of individual rights is the most notable distinction between our system and the Communist system, and the one on which we must rely to rally the hearts and minds of men to our cause, their impairment would also, in a broad sense, injure our national security.

The bill would leave lower courts to make final decisions in the fields withdrawn from Supreme Court jurisdiction. We do not believe it sound to prevent review in the highest Court of such important questions. The lower courts may differ among themselves so that there may be great confusion in decisions. Resolutions of such conflict is a historic contribution of review in the Supreme Court. It is difficult to conceive of an independent judiciary if it must decide cases with constant apprehension that, if a decision is unpopular with a temporary majority in Congress, the Court's judicial review may be withdrawn.

In 1950 the association took action favoring a constitutional amendment which would go far to preclude such tampering with the Supreme Court's appellate jurisdiction. The logic of that position requires opposition to the present proposal.

ROSS L. MALONE, *Chairman.*
ARTHUR J. FREUND.
WILLIAM J. FUCHS.
CHARLES G. MORGAN.
WHITNEY NORTH SEYMOUR.

Mr. JAVITS. Mr. President, further bearing upon the matter, I call attention to the fact that the Committee on Federal Legislation of the Association of the Bar of the City of New York, according to a letter which it sent to the Senator from Missouri [Mr. HENNINGS], a member of the Judiciary Committee, unanimously expressed its opposition to the proposed legislation.

Mr. President, at this time I read a letter I have received from the president of the New York County Lawyers' Association, Mr. Ben Matthews, as follows:

This will confirm telegram sent to you today as follows:

"Our board of directors by unanimous action disapproves and opposes enactment of S. 2646, known as the Jenner bill."

Similar telegram was sent to Senator EASTLAND, as chairman of the Judiciary Committee, with letter of confirmation, copy of which I have mailed to each of the other members and to the clerk of the committee.

Finally, I ask unanimous consent that there may also be printed in the RECORD, a resolution on the subject adopted by the American Bar Association.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE AMERICAN BAR ASSOCIATION BY ACTION OF ITS HOUSE OF DELELGATES ON FEBRUARY 23, 1958, IN ATLANTA, GA.

Whereas in 1949 the American Bar Association adopted a resolution urging the Congress to submit to the electorate an amendment to the Constitution of the United States, to provide that the Supreme Court of the United States shall have appellate jurisdiction in all matters arising under the Constitution; and

Whereas S. 2646 now pending before the Congress, if enacted, would forbid the Supreme Court from assuming jurisdiction in certain matters, contrary to the action heretofore taken by this association and contrary to the maintenance of the balance of powers set up in the Constitution between the executive, legislative and judicial branches of our Government: Now, therefore, be it

Resolved, That, reserving our right to criticise decisions of any court in any case and without approving or disapproving any decisions of the Supreme Court of the United States, the American Bar Association opposes the enactment of Senate bill 2646, which would limit the appellate jurisdiction of the Supreme Court of the United States.

Mr. JAVITS. Mr. President, I conclude as I began. Often gathering storms have not too many indications. I believe it is the purpose of the Senator from Indiana—and quite properly and justly so, in view of his convictions—to make this a major issue, which I believe it will become. The connotations of it are very clearly appreciated by the bar, as shown by its marshaling itself, as it did with respect to the other great issue, in its very appropriate opposition—with which I associated myself then and with which I associate myself now—against an effort to make the Supreme Court of the United States less of a final word upon the law of the land than it is now.

REMOVAL OF GENERAL KEBREAU AS HEAD OF HAITIAN ARMY

Mr. AIKEN. Mr. President, I call the attention of the Senate to the news this morning that General Kebreau has been removed as head of the Haitian Army by President Duvalier.

In my opinion, this development is extremely encouraging. It is additional evidence that the people of Haiti have a deep-seated love of liberty. It appears to mean that civilian government is now firmly established in Haiti for the first time since 1956.

When I was in Haiti last December it was impossible to tell whether the new civilian President Duvalier would be able to exercise his powers independently of General Kebreau, who had for many months previously been able to intimidate the people of Haiti through harsh Army rule.

As I stated to the Committee on Foreign Relations in my report of January 20, 1958, the uncertainty of the political future in Haiti has been responsible perhaps as much as any other cause for the depressed economic conditions there. Haiti faces an uphill struggle to improve its livelihood even in the best of political conditions, but all friends of the peace-loving people of Haiti are glad for their new opportunity today.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point the article published in this morning's Washington Post reporting the dismissal of General Kebreau.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAITI ARMY STRONGMAN IS OUSTED

PORT AU PRINCE, HAITI, March 13.—President Francois Duvalier removed Army Chief of Staff Gen. Antonio Kebreau from his post yesterday because he uncovered a plot by Kebreau to overthrow the Government within 24 hours, congressional sources said today.

Kebreau, who headed a military junta that ruled Haiti before Duvalier was inaugurated last October 22, was reported under arrest at Miragoane, 40 miles from here. He is expected to be exiled.

A communique announced that Kebreau had been replaced by Maurice Flambert, commandant of the palace guard.

Duvalier had the support of a group of young key officers in the army command. The army was being reshuffled to comb out any pro-Kebreau elements, sources said.

In accepting the post, Flambert promised Duvalier today to keep the army out of Haiti's turbulent politics, the Associated Press reported.

PLIGHT OF THE RAILROADS

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in this morning's Washington Post and Times Herald which states that last week's railroad carloadings lagged 19.1 percent behind those of the similar week in 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WEEK'S CARLOADINGS LAG 1957 BY 19 PERCENT

Railroad freight business continued to be depressed last week, when loadings totaled 544,173 cars, the Association of American Railroads reported.

This total, for the week ended March 8, was 9,472 cars or 1.7 percent below the preceding week, 128,190 cars or 19.1 percent below the same week in 1957 and 153,428 cars or 22 percent under the same week in 1956.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the RECORD an article which states that the income of the railroads in January 1958, dropped some 64 percent below the income for January 1957.

The Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce is now holding hearings on the problems of the railroads. One clear point which has been made by every witness is that the railroads are in very deep trouble and need immediate help, certainly from this body. It is the hope of our subcommittee that we will be able to make recommendations early in April which will prove of substantial benefit to the vital segment of our transportation system.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL NET LAGS 1957 BY 64 PERCENT IN JANUARY

The Association of American Railroads said yesterday revised figures put the estimated net income of the Nation's major railroads in January at $16 million, a drop of $28 million or 64 percent from January 1957.

The association last week estimated the net railroad income for January, after interest and other fixed charges, at $26 million. It said the new estimate was based on revised reports filed with the association.

The $16 million figure was the lowest for any January since 1950, when net income was $12,500,000.

The Association of American Railroads said the major revision in earnings statistics was made by eastern railroads. The class I carriers in the East had an estimated deficit of $5 million in January instead of a $5 million net income as reported earlier.

Class I railroads are those which have a $3 million or more gross annual operating revenue.

The Association of American Railroads said 37 class I railroads failed to earn interest and other fixed charges in the month. Twenty of these railroads operate in the East, 11 in the West, and 6 in the South.

FEDERAL AID FOR REPAIRS OR REPLACEMENT OF STREETS

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received from the Honorable Holmes Ellis, mayor of the city of Murray, Ky.

Mayor Ellis suggests that consideration be given by Congress to establishing a program of aid to cities throughout the Nation for the repair or replacement of streets. His telegram contemplates, in my view, a program similar to the Federal aid highway program for primary, secondary, and urban roads. It contemplates that cities so aided shall contribute to advances made by the Federal Government.

Mayor Ellis intends that this be an emergency program to relieve unemployment.

As the Committee on Public Works is now considering the subject of public works, I commend the telegram to the

attention of that committee. If it becomes necessary to develop a public works program, I feel certain that the committee will give consideration and weight to the sensible and practical suggestions of Mayor Ellis.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MURRAY, KY., *March 12, 1958.*

Senator JOHN S. COOPER,
United States Senate,
Washington, D. C.:

As you know, cities and municipalities of the United States, for a great part, are in a chronic state of economic difficulty. This is a problem that has plagued city officials for years with Federal taxes, State taxes, and excise taxes being siphoned to other areas of government.

Furthermore, the Federal Government is searching for ways to augment current employment and to curb the ever growing list of unemployed.

This past winter has been severe, with street damage going beyond our power of proper evaluation. It will be financially impossible for many cities to repair or replace these streets within any reasonable length of time without assistance from some source of retarding proper growth and progress.

The city of Murray is in a sound financial condition, but as in most cases there is no reserve for this type of emergency, and higher taxes at this time are out of the question.

I propose that the Federal Government make available funds on a matching basis to meet this emergency and to provide for street repairs and/or major street improvements. A gift is not desired, but rather aid on a basis, say $4 to $1 or some other formula within the capabilities of municipalities.

I sincerely believe that a proposal of this magnitude would distribute work throughout the Nation and at the same time aid cities in their almost endless search for ways to meet even emergency needs.

Your assistance and comments will be appreciated.

HOLMES ELLIS,
Mayor, City of Murray.

PER CAPITA INCOME OF FARMERS

Mr. PROXMIRE. Mr. President, only 18 days remain before the order by the Secretary of Agriculture to cut price supports will take effect. The Senate yesterday acted to halt application of that order. Today I want to mention a matter that has an extremely important bearing on the whole question of farm programs and policies.

Last week I called to the attention of the Senate some very serious contradictions to the Secretary of Agriculture's assurances that the farmers' economic situation is improving.

The Secretary has claimed that per capita income of farmers increased last year by 10 percent. He bases this claim upon some extremely questionable estimates by his own Department as to the total farm population.

On the basis of this extremely questionable population estimate, Mr. Benson has made the claim that per capita farm income has gone up, in the face of official reports that total realized net income has gone down, average income per farm has gone down, and returns to farmers per hour of labor have gone down.

The Secretary claims farm population has declined by 8 percent. But the official Government figures show that the number of farms has declined only 2.3 percent.

The only explanation that could clear up this discrepancy—a decline in farm population three times the decline in number of farms—is that times have become so hard under Mr. Benson's policies that the farmers' wives and children are leaving home.

Seriously, Mr. President, there have been some extremely alarming reports of possible distortion of the figures by the Department of Agriculture.

Mr. Ronald May, correspondent for the Capital Times, of Madison, Wis., reported this week that 3,000 copies of the original version of the population report were burned and destroyed by the Secretary's personal staff, and a new version substituted for it.

Mr. President, book burning is a serious and shameful act. Distortion of Government figures is simply intolerable. When there is any possibility that population figures are being distorted and suppressed in order to support a political move to further reduce the prices and incomes of farmers, then it becomes a matter of grave concern for the Congress.

Mr. Benson can clear up the suspicion and mistrust of his figures which this incident has caused by full public disclosure of the original version of the population report, under circumstances that will assure everyone that the full truth is fully reported.

PRICE SUPPORTS AND ACREAGE ALLOTMENTS

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD three telegrams which I received from Indiana yesterday concerning the farm resolutions which were considered by the Senate.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

INDIANAPOLIS, IND., *March 13, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Indiana Farm Bureau, Inc., board now in session opposes freezing price support and acreage allotments at 1957 level.

Senate Joint Resolution 150 accomplishes absolutely nothing and may be a great disservice to farmers. Farm Bureau has positive program presented to Senate committee designed to find long range solution.

Urge defeat of freeze resolution and bills and consideration of permanent long range solution.

GEORGE DOUP,
President, Indiana Farm Bureau, Inc.

LOGANSPORT, IND., *March 12, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

I understand the Senate is considering a resolution, Senate Joint Resolution 150 that would rush through a proposal that would simply freeze support and acreage allotments at the 1957 level. I trust you will not support this bill in the interest of all the farmers.

AGNES M. DOYLE,
Cass County Farm Bureau Women's Leader.

WASHINGTON, D. C., *March 13, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Senate Joint Resolution 162, rigidly fixing price supports and acreage allotments is against the longtime interest of farmers and should not be approved.

CHARLES B. SHUMAN,
President, American Farm Bureau Federation.

CURRENT FACTORS OF THE NATIONAL ECONOMY

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared on the subject Current Factors of the National Economy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CURRENT FACTORS OF THE NATIONAL ECONOMY

(Statement by Senator CAPEHART)

1. Total personal income received by Americans in January 1958 was estimated at $343.6 billions at an annual rate, only seven-tenths of 1 percent below the alltime high of August 1957 of $347.3 billions.

2. Wages and salaries paid to employees in January 1958 were estimated at an annual rate of $244.6 billions, 2 percent below the August high of $249.7 billions.

3. Employment in February 1958 stood at 62 million, 1.9 percent below February 1957 but still higher than any February prior to 1956.

4. Retail sales in January 1958, in dollar value were 3 percent above those of January 1957 and in February 1958 (in spite of a severe blizzard in great parts of the country) were only 1 percent below the corresponding month of 1957.

5. These indicators, which reflect the condition of the economy as a whole rather than just limited sectors, show a mild decline of activity of the magnitude of 1 or 2 percent. It should not be forgotten that what we are receding from is the highest peak of prosperity that we have ever attained. As a Nation we are, consequently, still above the level of economic well-being achieved at any time except during 1957 and the best months of 1956.

6. New construction activity declined as usual in February, but the $3.1 billion of work put in place was slightly above the previous February record set in 1957, according to preliminary estimates prepared jointly by the United States Departments of Labor and Commerce. Last month's outlays brought the total for the first 2 months of 1958 to $6.3 billion—an alltime high for the January-February period. Both private and public construction shared in the $142 million gain over the first 2 months of 1957.

7. Private spending for new construction in January and February this year was up slightly from the same 1957 months (by 2 percent) to a record $4.6 billion total.

8. Seasonal factors, including extremely bad weather, and a continuing trend toward reduced spending for inventories and capital goods combined to boost the percentage of the labor force without jobs to the highest level since 1949–50—of 5,173,000.

9. Taking into account seasonal factors, that is a rate of 6.7 percent of the civilian labor force, about the same as during the winter of 1949–50. There are slightly over 2 million more unemployed at this latest

count than there were a year earlier, and 700,000 more than in the previous month, January.

9 (a). About half of the unemployed are men 25 years of age and over; a fifth are younger men, and the balance—about 30 percent—are women. The rate of unemployment is highest among single men, many of whom are new in the labor market and most of whom are young. The rate of unemployment for women has not increased as much as that for men. The rate of unemployment is highest among laborers. It is much lower among skilled workers and lowest among professional and technical workers.

9 (b). Employment has gone down mainly in manufacturing, where there were 1,360,000 fewer jobs this February than a year ago. There was a loss of about 300,000 in construction employment, part of which was due to the extremely bad weather this winter. There was also a decline in employment in transportation, especially on the railroads. On the other hand, wholesale and retail trade, finance, insurance, service industries and State and local governments all added employees over the year—a total of half a million.

10. The key to the present unemployment is manufacturing. Almost all of the decline in manufacturing is in the durable goods industries. And among those industries the greatest reductions in employment occurred in automobiles and aircraft, with 300,000; primary metals and the fabricating of metals, with 330,000 employees, and the manufacture of electrical and other machinery, with 340,000.

11. National income in 1957 was $358 billion, the highest in history. In fact, national income has remained at a record high in each of the 5 years of the Eisenhower administration.

12. Gross national products in 1957—$434.4 billion—the highest in history. Gross national products likewise has remained at record high in each year of the Eisenhower administration.

13. Thus, while a general downturn in business and employment at the moment is admitted, these figures prove that our economy has been and remains sound, so that it is foolish to talk about economic pneumonia when we are simply going through a bad cold.

WHAT THE ADMINISTRATION IS DOING ABOUT IT

1. Defense orders are now being issued in large volume and are showing, in the first 6 months of this year, a $5½ billion increase over the last 6 months of last year. The money that will be allocated for defense procurement and construction this year is $23.6 billion. It will be spent largely in industries where employment has sagged in the past year. It will provide jobs for workers in the electrical, machinery, aircraft, shipbuilding, and a large variety of other industries.

2. Employment in the coming months will be stimulated, too, by Federal and State expenditures on highway improvements of a lasting nature. The amount of money being spent on the highway program is rising sharply, from less than three-fourths of a billion dollars in the last fiscal year to $1¾ billion currently and will rise to $2.4 billion in the coming fiscal year. The administration will ask Congress within the next few days for a suspension of certain expenditure limitations on the highway program for 3 years. Such an amendment would permit an additional $2.2 billion to be placed under contract during the next 3 calendar years.

3. Other programs in this area that will make lasting contributions to the Nation's facilities and stimulate employment are a variety of needed public-works projects ready to start immediately upon which $200 million will be spent earlier than planned. They will total $2 billion in the coming fiscal year, a sharp rise.

4. Included also are water-resource projects totaling $186 million that are ready to go and for which appropriate Government agencies are asking Congress for money.

5. In addition the modernization of our post offices will place modern facilities in 12,000 American communities and generate $2 billion worth of construction.

6. Housing is another such segment of the economy that grows because of real need.

In 1955, housing starts totaled 1,330,000.

Last year these dropped to little more than 1 million.

Present estimates are that home building under today's conditions will increase in 1958 by about as much as 6 percent, or 60,000 units.

Last August, the minimum downpayment for FHA-insured home loans was reduced considerably. The Federal Home Loan Bank Board has made it easier for member savings and loan associations to borrow from the district home-loan banks, freeing more money for home buying in areas where such money has been short.

The ratio of loans to incomes has been liberalized so that more people can now buy better homes with smaller downpayments than before.

The rule requiring closing costs in cash has been removed, thus reducing even more the cash investment needed by home buyers.

We have asked Congress for authority to increase the size of loans which can be insured by the FHA and for additional insurance authorization for FHA mortgages of $3 billion per year for the next 5 fiscal years.

We have asked Congress to raise the permissible interest rates on GI home loans so that more potential homeowners can call on the resources of private capital.

7. Of great consequence in the regeneration of the economy as a whole is the action of the Federal Reserve Board to increase the availability of money and reduce the cost of borrowing. Market rates for money, reflecting this Federal Reserve policy of easing credit, have declined more sharply since the late autumn than in any other similar period in our history. Interest rates on all kinds of borrowing have now gone down, and the basis is firmly laid for businessmen and consumers to obtain credit readily and at lower cost in consequence of these actions of the Board.

8. The President has asked Congress to extend the Trade Agreements Act for 5 years and increase the Export-Import Bank's lending authority by $2 billion to help finance exports. In fact, foreign trade creates over 4½ million jobs for Americans in this country.

9. There will be presented to Congress a request for legislation to extend the duration of time during which unemployed people can draw benefits. It is my hope that Congress will act quickly on this.

10. In the event that the business downturn proves more stubborn than is anticipated, or that Congress fails to act upon the President's proposals in a swift and responsible way, other measures may be necessary.

Chief among these additional measures is a major and substantial cut in personal and business taxes.

This action, I can assure you, is being fully considered and its details worked out. It is ready for immediate use as an additional stimulus to the economy, and it will be used if necessary. Certainly this is the next big step, and is far preferable to massive new public works spending because it puts money in the hands of consumers and investors.

ONE HUNDRED AND THIRTY-EIGHTH ANNIVERSARY OF MAINE STATEHOOD

Mr. PAYNE. Mr. President, I ask unanimous consent that a statement I have prepared on the 138th anniversary of Maine statehood, which occurs tomorrow, may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE ON THE 138TH ANNIVERSARY OF MAINE STATEHOOD

Tomorrow, March 15, the people of Maine will proudly celebrate the 138th anniversary of the admittance of our State into the Union. President Monroe signed the Maine statehood bill on March 3, 1820, and on March 15, the Massachusetts Legislature effected the separation of the district of Maine from Massachusetts.

We have a great many reasons to be proud of our State on this anniversary. We can be proud of our heritage. Such famous statesmen as Hannibal Hamlin, William Pitt Fessenden, Thomas B. Reed, James G. Blaine, and hundreds of others have led Maine and the Nation to great political achievements. Maine's writers and poets, the foremost of whom was Henry Wadsworth Longfellow, have contributed much to the cultural heritage of the United States. Gen. Henry Knox, one of our Nation's founders and the first Secretary of War, set the pattern of Maine's continuing important role in the defense of our country. Admiral Peary of Portland led the Nation and the world to realize the importance of the earth's polar regions.

And we are proud of the present-day Maine. Her energetic and creative people make the State ideal for industrial development. Her roaring waterfalls, her countless trout streams, her rugged mountains, her great, game-filled forests of pine and spruce, and her renowned rockbound coast have led millions of Americans to regard her as a vacationer's paradise.

The Maine of the past and the present has contained many of the shipyards which have given our Nation superiority on the seas. Maine remains one of the most strategic links in nearly every aspect of our national defense system. From the naval yard at Kittery in the south to Loring Air Force Base in the north, the State of Maine stands on the strategic northeastern frontier of our Nation.

On this northeastern tip of the Nation, Maine in a sense serves the United States as a cornerstone. With such an illustrious past the State is steeped in tradition, but is far from blinded by it. As the country moves further into a highly modernized society the people of Maine are actively engaged in a program to place the State among the leaders in new areas of activity. Maine has enjoyed an outstanding 138 years. The next 138 years hold even greater promise.

It gives me a great deal of pleasure to salute the State of Maine and its citizens on this 138th birthday anniversary.

DIFFICULTY OF ADMINISTERING POSTAL RATE DIFFERENTIALS

Mr. MORTON. Mr. President, a paid advertisement published in the Washington Star on Tuesday, March 11, 1958, paid for by the Association of First-Class Mailers, quotes at considerable length a statement made before the House Committee on Post Office and Civil Service on April 25, 1956, by Postmaster General Arthur E. Summerfield, in which he explained the difficulties of administering a rate differential between local and nonlocal letters under the definition of "local" which was then in effect.

What this advertisement fails to clarify is that on January 24 of this year

the Postmaster General appeared before a Senate subcommittee considering postal rates to explain in detail the results of a 2-year study which resulted in a new concept of local mail which negated the earlier objections of the Post Office Department.

At that time, Mr. Summerfield told the subcommittee that he was completely satisfied as to the workability and advisability of the proposed 5-cent nonlocal rate.

The subsequent favorable action of the committee, and, of even greater significance, of the Senate as a whole, in passing this most necessary legislation, is ample evidence of the soundness of the proposal.

Mr. President, so that the RECORD may be complete on this issue, I ask permission to have printed in the RECORD the testimony of the Postmaster General of January 24, 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF POSTMASTER GENERAL ARTHUR E. SUMMERFIELD IN SUPPORT OF PROPOSED AMENDMENT TO H. R. 5836, A BILL TO READJUST POSTAL RATES, AND FOR OTHER PURPOSES

Mr. Chairman and members of this committee, I am here today to offer for your consideration an amendment to H. R. 5836 which would establish a 5-cent rate on each ounce of nonlocal letter mail as recommended by the President in his budget message.

With your permission, Mr. Chairman, I should like to read the language of the proposed amendment into the record.

Strike out all of the language in lines 14 through 17, page 2, relating to subsection (a), and insert in lieu thereof the following:

"(a) The first section of the joint resolution of June 30, 1947 (61 Stat. 213; 39 U. S. C. 280), is amended (1) by striking out '3 cents for each ounce or fraction thereof' in that part which precedes the proviso, and by inserting in lieu thereof '5 cents for each ounce or fraction thereof when mailed for nonlocal delivery, and 4 cents for each ounce or fraction thereof when mailed for local delivery', and (2) by the addition of a paragraph reading: 'For the purposes of this section "mailed for local delivery" shall include mail which originates within the delivery limits of a post office for delivery to an addressee located within the delivery limits of such post office. In large cities with adjacent areas of dense population having two or more post offices, the Postmaster General may, in his discretion, and under such regulations as he may prescribe, regard any first-class matter mailed at one of such offices and addressed for delivery at another of such offices as matter "mailed for local delivery".'"

I come before this committee with a keen awareness that in these troubled times Members of the Senate are confronted with many grave problems requiring corrective action. One of the most urgent of the problems pointed out by the President in his budget message is the need of legislation authorizing adequate postal rates. In view of this, it is my hope that this committee's detailed study of postal-rate legislation is nearing completion and it is now in a position to take immediate action.

As you may recall, Mr. Chairman, this is my second appearance before this committee in support of H. R. 5836. In my previous testimony and that of former Deputy Postmaster General Maurice H. Stans on August 16, 1957, the provisions of this bill were discussed in considerable detail. Because of this, I will not impose upon your time to restate the views of the Department on each of the provisions contained in this bill. Instead, I will limit my remarks to the amendment under consideration.

OUR CURRENT FISCAL SITUATION

At the end of this fiscal year, the aggregate postwar postal deficit will amount to $6 billion. Next year—on the basis of current costs—the postal deficit will amount to an estimated $676 million, but this sum—enormous though it is—is only the starting point. Railway pay increases, some of which have already been granted by the Interstate Commerce Commission and some of which are still pending, will add at least $25 million to annual operating costs. This in itself would mean a minimum operating deficit of $701 million exclusive of other anticipated cost increases.

H. R. 5836, as passed by the House last year (exclusive of the Rhodes amendment), would produce additional annual revenues of about $526 million in the first year based on fiscal 1957 operating experience. There would then remain a deficit of at least $175 million exclusive of any possible increases in cost resulting from wage legislation. The proposed amendment of 5 cents on nonlocal letters would raise additional revenues to eliminate this $175 million deficit.

Thus the 5-cent rate is completely justified on the basis of current costs alone without consideration of pending pay increases. The enactment of pay legislation would make even more necessary the adoption of this amendment.

There are also other compelling reasons why the Congress should approve a 5-cent out-of-town letter rate.

THE FACTS SUPPORT A 5-CENT NONLOCAL LETTER RATE

The proposed 5-cent nonlocal letter rate amendment is clearly supported by the weight of overwhelming evidence. Here are the facts:

1. *Letter mail cost coverage far below historic average*

Letter mail always receives preferential handling every step of the way and the Congress—recognizing this fact—has historically fixed letter-mail charges to reflect such treatment. From 1926, the first year in which records were available under the cost ascertainment system, to 1941, the Congress maintained first-class revenues on a level which produced an average cost coverage of 140.5 percent. In other words, during those years the Congress established rates on letter mail which produced an average return of more than 40 percent above allocated costs in recognition of the additional cost and value of preferential service. Since 1946, however, six successive pay increases and other higher costs have reduced the cost average on this—the Department's prime service—so that today it is actually being run at a loss.

Amending H. R. 5836 by adding a 5-cent rate on out-of-town letters would restore first-class mail revenues to historic levels. Such a rate would produce a cost coverage of 139 percent on a straight allocated cost basis after consideration of the impending cost adjustments recommended in the President's budget message.

I might add, gentlemen, that virtually every major postal system in the world charges more for letter mail than the cost of service on a straight accounting basis in recognition of the preferential treatment such mail is universally accorded.

2. *Letter mail no longer pays a fair share of total costs of operating the Post Office Department*

One of the major reasons for the large postwar postal losses is that first-class mail has failed to pay its historic share of total postal costs. Let me illustrate. The average revenue contribution maintained by the Congress for the 10-year period following enactment of the 3-cent letter rate in 1932 was approximately 50 percent. However, during the inflationary period following World War II this revenue contribution has been permitted to decline sharply. Last year it amounted to less than 35 percent of postal costs and the long-term trend continues to be unfavorable. After enactment of H. R. 5836, amended to include a 5-cent out-of-town letter rate, the revenue contribution of first-class mail would return to that of the prewar average—about 50 percent of the total cost of operating the postal system.

3. *Letter rates alone have failed to contribute to postwar cost increases*

Letter mail is the only major service whose rates today are at the same level as they were in 1932. This means that letter mail is the only service that has made no contribution whatsoever, in terms of rate adjustments, to help defray operating cost increases. Since 1932, 6 wage increases, 2 railroad rate hikes, and a general rise in commodity prices have added 1.4 cents to the cost of the average letter. Pending wage increases and other higher costs will increase this even more this year.

I should like to point out further that the proposed percentage increase in letter mail rates is still less than the aggregate percentage increases proposed for other classes of mail. In view of this, there is no possible justification for not asking the users of preferential letter mail to make a fair contribution to the increased cost of the service they receive.

4. *A 3-cent letter rate worth 6 cents today*

If one were to consider only the decline in the value of money since 1932, there would be ample reason for charging a rate of 6 cents on letter mail today. The main reason why this service can be performed for less than 6 cents is that increases in the volume of letter mail and improved management practices have permitted economies of operation which have helped to reduce unit costs. In terms of the purchasing power of money today, the proposed rate of 5 cents on nonlocal letters is actually lower than the 3-cent rate in effect in 1932.

5. *Senate action in 1951 underscores reasonableness of 5-cent letter rate today*

In 1951, at the recommendation of this committee under its present chairmanship, the Senate passed a postal-rate bill which included a provision to increase letter mail by 1 cent an ounce. Had the House accepted this measure as it passed the Senate, the American taxpayer would have been spared an expenditure of almost $2 billion in postal losses during the intervening years.

I am convinced that the 4-cent letter rate was fully justified in 1951 and I commend this committee and the Senate for its actions. But that was 7 years ago. Since then, annual postal costs have increased by more than a billion dollars, largely as the direct result of wage increases and other benefits granted by the Congress to deserving postal workers. If a 4-cent letter rate was justified in 1951, then a 5-cent rate on nonlocal letter mail is fully warranted today at a time when the Federal debt is within a few million dollars of the statutory ceiling. The whole Nation recognizes the need to reduce the fiscal burden of nondefense activities at this time.

6. *Modernization program must be based on sound postal financing*

It is estimated that by 1970 the Post Office Department will be handling more than 75 billion pieces of mail for a population of more than 200 million Americans.

If we are to meet the tremendous challenge of the job ahead we must modernize. We must mechanize. We must rebuild the physical plant. We should not deny our

loyal postal workers the benefits of modern equipment.

Even in terms of today's needs our facilities are inadequate. We must take action now if we are to be ready to handle the ever-growing volume of mail in the years ahead.

But to put a modernization program in high gear requires a foundation of sound financing. We cannot in good conscience ask the American taxpayer to provide additional millions for modernization when he is already paying hundreds of millions of dollars for needless postal subsidies.

7. Other nations show the way

A review of the Universal Postal Union's listing of domestic rates of postage indicates that 34 postal systems—such as France, Germany, Belgium, and Sweden—now charge approximately 5 cents for letter mail.

Canada, for example, has had a letter rate of 5 cents and 4 cents on the first unit of weight of out-of-town and local letter mail, respectively, since 1954. During this period it has maintained its postal system on a self-supporting basis.

8. Out-of-town letters cost more to handle

A letter mailed in Washington to an address in California is obviously more costly to handle than a letter mailed for local delivery. On the average it already costs the Department about six-tenths of a cent more to handle out-of-town letters than to handle local letters. The pending cost increases, including higher railroad transportation costs, will enlarge this cost differential.

The American people are well aware that it costs the Government more to deliver an out-of-town letter than one addressed for delivery in the neighborhood. In fact, many of them have written to me suggesting that a higher rate be established on out-of-town letters.

Other nations are also faced with a cost spread between local and nonlocal letters and many have met it—as has Canada—by charging a higher rate for letters moving beyond the community.

There is also precedent in this country for a rate differential between local and nonlocal letters. From 1933 to 1944 a 1-cent rate differential on letter mail was in effect.

In earlier testimony this committee was advised that the letter-rate differential in effect from 1933 to 1944 gave rise to certain administrative complexities. There is no question but that local-nonlocal letter rates are more difficult to administer than a single flat letter rate which applies regardless of distance. However, the critical revenue needs of the Department now override the administrative convenience of postal management.

I should like to assure this committee, further, that the local letter rate has been subject to careful scrutiny over the past 2 years with the result that—although presenting some difficulties—we are confident that it can be properly administered.

The amendment under consideration defines local letter mail as that which originates within the delivery limits of a post office for delivery to an addressee located within the delivery limits of such post office. Such mail requires a minimum of handling and incurs virtually no transportation expense.

We are asking the Congress to permit the Postmaster General some discretionary authority in determining the boundaries of local letter mail in metropolitan areas which would relieve the Congress of having to enact the kind of special legislation adopted by the 75th Congress to extend the local rate to letters mailed for delivery wholly within the county of Queens in New York City.

9. A 5-cent rate conforms with the policy provisions of H. R. 5836

Title II of the bill under consideration establishes a postal policy. The adoption of a 5-cent rate on out-of-town letter mail is consistent with this policy.

I should like to refer to section 203 (c) (2) of H. R. 5836 which provides that "the acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto."

This statement does not innovate but simply reaffirms policies which have been in effect since the beginning of our Nation's history.

10. Proposed increases in letter rates still less than recent increases in rates of the telegraph industry

There are two major communication systems in the United States available to private citizens for the transmission of written intelligence: telegraph and letter mail. Both of these systems have been subject to postwar inflationary costs. They hire from a common labor pool and buy supplies and equipment on the open market. As a further corollary, the rates which they charge are subject to Government regulation. Now, let's see what regulatory bodies have approved in the way of higher rates for the telegraph industry during the period in which letter rates have remained at 3 cents.

In the telegraph industry since 1932, rates have increased as follows:

	Percent
15-word telegram	97
50-word day letter	157
50-word night letter	129

The bill under consideration, including th proposed amendment on out-of-town letters, would raise letter rates about 50 percent above the 1932 level.

I cannot believe that the users of letter mail expect the Post Office to ignore its cost increases any more than the users of the telegraph service expect Western Union to ignore its costs in setting rates.

A candid appraisal of the financial situation of the Post Office Department today and the increases in cost it faces in the immediate future makes it abundantly clear that the costly delays in enacting necessary rate legislation have only increased the intensity of its need. I recall that in April of 1954 when I appeared before this committee seeking increased postal rates I remarked, "Procrastination will not cure the patient. It will only complicate and intensify his ills." Unfortunately, we have already seen this prediction come true. The financial problems of the Department have intensified since 1954 and the corrective action necessary to restore sound fiscal practice to our operations involves even higher rates of postage than were previously necessary. This is the reason why President Eisenhower has asked the Congress to amend H. R. 5836 to provide for a 5-cent rate on nonlocal letters. We cannot delay longer. There is an urgent need for prompt action.

THE URGENT NEED FOR ACTION NOW

There is an urgency about this bill which transcends that of previous rate bills considered by this committee. Let me point out why further delay would be unthinkable.

The members of this committee are fully cognizant of the perils which face our Nation today. It is useless and dangerous to talk or even think of subsidies as usual while the present threat of international tension hangs over our heads. This is a time to reassess the Nation's resources and the application of those resources to the greater needs of the people. If we are to maintain a balanced budget and an adequate defense posture, we must face realistically the task of reducing the burden of postal deficits on the Federal budget.

To provide for the critical defense needs of our Nation we must apply unyielding tests of expenditures for nondefense purposes. I am certain that all of us will agree that postal losses fit into this category.

A few days ago the Secretary of the Treasury was compelled to ask the Congress to raise the debt ceiling in the amount of $5 billion. I might point out, Mr. Chairman, that this is less than the cumulative postal losses following World War II. If postal rates are not adjusted, cumulative postal losses over the next 5 years could alone compel another $5 billion increase in the debt ceiling. I am sure that neither I nor members of this committee would care to take the responsibility for failing to act now.

Recognizing that postal workers have not been insulated from the inflationary forces in our economy, the President's budget provides for a salary increase which will raise postal operating costs by an additional $160 million. Responsible government should follow the policy of seeking additional revenues to offset every increase in the Department's operating costs. This makes all the more essential prompt enactment of postal-rate increases.

Regardless of the many differences in views which exist on specific rates of postage and rates of pay, I am certain that there is general agreement that prompt enactment of both of these measures is in the public interest. It would be unrealistic for the Congress to approve postal pay legislation before providing revenues through the enactment of H. R. 5836 with the amendment I have suggested.

Prompt action by this committee and subsequent prompt action by the Congress must be taken if we are to avoid:

1. An annual postal deficit of a billion dollars in the immediate future.

2. A further unconscionable drain on the general fund of the Treasury of the United States which will impair the fiscal integrity of the Government and impede our defense efforts.

3. A continuation of unwarranted postal subsidies to large users of the mails when every effort must be taken to reduce needless Government expenditures.

4. A further deterioration of postal facilities, buildings, equipment, and machines in the face of ever-increasing volume of mail.

Finally, it is no credit to the United States for the Congress to permit our Post Office Department to be the only major postal system in the world which is not operated on a sound financial basis.

A NONPARTISAN ISSUE

Mr. Chairman, I should like to take this opportunity to pay special tribute to Senator CARL HAYDEN, chairman of the Senate Committee on Appropriations, who displayed the highest ideals of fiscal statesmanship when he appeared before your committee on December 12, 1957, in support of higher postal rates. The appearance of the distinguished Senator from Arizona is characteristic of the bipartisan support which this legislation has received from Members of both the House and the Senate.

In his testimony Senator HAYDEN raised a very simple question which touches the heart and pride of every American. He asked, "If every other civilized country in the world can make its postal service pay its own way, why cannot our Government do it?" I am sure that if this question were asked of the American public at large, the answer would be an overwhelming denial that we cannot do it and an irresistible mandate for the Congress to do so without further delay.

The reason for Senator HAYDEN's request to be heard by this committee is particularly significant, and I should like, if I

may, repeat his reasons in his own words, Senator HAYDEN said, and I quote:

"I am here today * * * to urge your committee to relieve the members of my committee and the members of the House Committee on Appropriations from having to recommend appropriation of money which they know is not available in the Treasury, and which will have to be borrowed from some source, in order to pay the continuously increasing cost of carrying on the work of the Post Office Department."

I have not the slightest doubt that the views expressed by Senator HAYDEN reflect the sentiments of the vast majority of the Members of the Senate as they do those of the Members of the House who on August 13, 1957, supported this bill by a vote of almost 2 to 1.

CONCLUSION

Today the postal service of our country is at the crossroads. One road leads to fiscal responsibility and better mail service. The other leads to still heavier tax burdens on the general public, increased postal subsidies to the large mail users, and unavoidable deterioration of mail service.

The post office cannot stand still. The choice, Mr. Chairman and members of the committee, is yours.

May I, in conclusion, express my appreciation for the courtesies you have extended to me today.

A METHOD FOR DETERMINING THE AREA WHERE A LOCAL LETTER RATE WOULD APPLY

The adoption of a local postage rate for letters makes necessary a practical and easily understood definition of local mail.

The proposed local rate of 4 cents would be charged on all letters addressed for delivery by the employees of the office where mailed. This was the basic principle applied from July 1, 1933, to March 26, 1944, when we last had local and nonlocal mail rates. Since that time the population has increased and the distribution of our people has changed, which necessitates a broadened concept of local mail.

In recent years there have come into being a large number of urbanized areas each composed of a central city with extensive surrounding fully developed industrial and residential areas. These surrounding areas, which include incorporated and unincorporated communities, frequently encompass one or more civil subdivisions, and may be served by several independent post offices. These urbanized areas constitute, in fact, single business and cultural centers, and are homogeneous communities.

It is proposed that the local rate be applied administratively to mail deposited at any post office located within a designated urbanized area for delivery from that office or any of the other offices located within the same area.

In 1950 the Bureau of the Census delineated boundaries for 157 of these urbanized areas. Each urbanized area includes at least 1 central city with 50,000 inhabitants or more and also the surrounding closely settled areas. There are 172 central cities of 50,000 or more inhabitants included in the 157 urbanized areas.

The delineation of urbanized areas by the Bureau of the Census has provided formal boundaries to the modern cities of the United States on the basis of where the people actually live instead of on the basis of State, county, township, or other civil boundaries.

In administering the local rate the Post Office Department would give full recognition to the delineation of urbanized areas as prescribed from time to time by the Bureau of the Census.

The urbanized area concept has the following inherent patron advantages:

1. Reduces the disparity in the size of the areas now served by metropolitan post offices.

2. Permits suburban residents, small businesses and public utilities the maximum application of the local letter rate within their general trade area.

3. Eliminates annoyance to mail patrons and expense to Post Office Department of Collecting postage due on letters forwarded from the central city post office to independent offices in the area.

4. Permits ready understanding of the scope of the local rate in each community by providing the mailer with a listing of all the post offices in his urbanized area.

5. Eliminates the incentive to shift mailings from independent suburban post offices to suburban branches of the central post office.

COMPENSATION FOR MILITARY LAWYERS

Mr. ERVIN. Mr. President, on Wednesday the junior Senator from South Carolina [Mr. THURMOND] appeared before the subcommittee of the Senate Armed Services Committee appointed to study revised pay scales for the military services. At that time he presented a brief statement in support of legislation which would provide incentive pay for the purpose of retaining and recruiting qualified lawyers for the armed services and he also introduced to the committee my good friend, the Honorable Charles S. Rhyne, president of the American Bar Association. Mr. Rhyne is a native of Charlotte, N. C., and a graduate of Duke University and the George Washington University Law School. He has practiced law in Washington, D. C., for the past 20 years and has earned an enviable reputation as one of the most able and distinguished lawyers in this country. He also presented testimony in favor of incentive pay for military lawyers.

The facts and figures presented in these statements are astounding and point up the need for action in this area. I ask unanimous consent that these two statements be printed in the body of the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND BEFORE THE SENATE ARMED SERVICES COMMITTEE IN SUPPORT OF INCENTIVE PAY TO RETAIN AND RECRUIT QUALIFIED LAWYERS FOR THE ARMED SERVICES, MARCH 12, 1958

Mr. Chairman, I appreciate the courtesy of the chairman in making it possible for me to present the president of the American Bar Association at these hearings today. Before introducing the Honorable Charles S. Rhyne, there are several points which I would like to make in favor of incentive pay for the purpose of retaining and recruiting qualified attorneys in the military service. The facts and figures which I shall present very briefly were prepared for me by officers in the JAG Corps in the various services of the Defense Department, and can be verified if you wish to call these gentlemen to testify.

Here are my points:

1. I am alarmed that if the shortage of lawyers in the military services is permitted to continue, it may cost the taxpayers millions of dollars and jeopardize the rights and liberties of our servicemen both at home and abroad.

2. I am informed that 94 percent of the regular career lawyers plan to retire as soon as eligible. This will occur within the next 5 years.

3. I am further informed that 97 percent of the young military lawyers plan to leave the Armed Forces at the end of their 3 years of obligated service. Over 700 returned to civilian life in fiscal year 1957 and 435 so far this year.

4. Not only is the military losing lawyers in alarming numbers, but they are unable to recruit the number needed. During the same period (fiscal years 1957 and 1958, to date), they have recruited only approximately 800 lawyers. The losses exceed the gains by over 300.

5. The tremendous turnover in personnel is not only costly, but it has resulted in a 50-percent inexperience factor among military lawyers. This deplorable situation results in inexperienced lawyers handling matters involving millions of dollars of taxpayers' money and defending servicemen charged with serious crimes.

6. If this situation is permitted to continue, we will return to the conditions that prevailed during World War II when the rights of our servicemen were not being protected. The Congress, in enacting the uniform code of military justice to correct this, required that lawyers be provided. Therefore, the passage of the code will have been a vain act, unless Congress provides the necessary incentive for recruiting and retaining an adequate number of competent lawyers.

7. Any proposed legislation affecting military pay would be incomplete and would not be in the best interest of our national defense unless it includes the same incentive pay for our military lawyers as is now accorded the military doctor, dentist, and veterinarian. Incentive pay has solved their problem.

8. I have sponsored legislation (S. 1165) which includes a similar provision for the military lawyers. It would solve their problem. A recent survey indicates that 92 percent of the career lawyers and 79 percent of the young lawyers on obligated service, would remain on active duty if incentive pay as provided in my bill were included in the proposed legislation before you.

9. It would appear that the only alternative is to draft lawyers. This is not only unacceptable but would not provide the experienced lawyers so badly needed.

I take great pleasure, gentlemen, in presenting to you the Honorable Charles S. Rhyne of Washington, D. C., the president of the American Bar Association; the Honorable Osmer C. Fitts, of Brattleboro, Vt., chairman of the American bar committee on lawyers in the Armed Forces; and the Honorable Thomas King, of Washington, D. C., past president of the Reserve Officers Association and president of the Judge Advocates General Association. Mr. Rhyne, a distinguished graduate of Duke University and George Washington University School of Law, will present a statement to the committee and Mr. Fitts will answer any detailed questions the committee members may wish to have answered.

STATEMENT OF MR. CHARLES S. RHYNE, PRESIDENT OF THE AMERICAN BAR ASSOCIATION, BEFORE THE SUBCOMMITTEE OF THE SENATE ARMED SERVICES COMMITTEE, APPOINTED TO STUDY REVISED PAY SCALES FOR THE MILITARY SERVICES

Mr. Chairman, members of the committee, I am Charles S. Rhyne, of Washington, D. C., president of the American Bar Association. I have asked to appear before you in order to review briefly the interest of the American Bar Association in military law and its support of the improvement and strengthening of the military legal services. The interest of this association in the field of military law is not new. One of the primary reasons for our existence is the improvement of legal services rendered to a client, whether corporate or individual. The military lawyer who

serves probably the largest single client in the world certainly falls within our sphere of interest and, while we desire most earnestly to improve the lot of each member of the legal profession, our primary concern is the effective performance of legal services. This has been demonstrated to you in the past by the American Bar Association's participation in the formulation and implementation of the Uniform Code of Military Justice along with many other legislative matters affecting the military services.

Since the practice of military law with its many separate areas of specialization is a highly technical field, officer-lawyers of above average ability and experience are required in order that the necessary legal services be performed in an efficient and effective manner. Therein lies the interest of the American Bar Association. The legal departments of the Army, Navy, and Air Force are at this time providing legal services for their respective military departments with approximately 50 percent inexperienced legal professional personnel. Lawyers who have only recently graduated and been admitted to practice law are, during the course of their 3 years of obligated service, making decisions which could conceivably cost the United States Government millions of dollars, or are defending an accused serviceman against a serious charge in a court-martial which could involve death as the most serious penalty. However, of grave concern is the fact that even this inexperience would not be available to the military were it not for the fact that young lawyers are vulnerable to selective service and consequently forced to choose between 2 years' service as an enlisted man or 3 years' service as a commissioned officer.

The inability of the services to retain any of these young officers is a matter of serious concern to the American Bar Association. There is no question that the efficiency of the legal services provided is impaired by the constant and expensive turnover of military lawyers. Not only is much of the time of these transient officers spent in processing, orientation, travel, necessary formal or informal training as the case may be, and separation, but there is a serious loss of accumulated experience which the services can ill afford. In addition this instability detracts from the professional prestige of the military legal practitioner and tends to further aggravate the turnover rate.

In order to further illustrate this problem, the 3 services normally require approximately 2,700 lawyers. During fiscal year 1957, over 700 of these officer-lawyers returned to civilian life. To date in fiscal year 1958, 435 officer-lawyers have separated from the military. In addition to this, senior officers in progressively greater numbers are facing retirement beginning in 1960.

In an attempt to determine the magnitude of this problem in the near future, the American Bar Association conducted a survey of military lawyers on active duty. The results of this survey indicate that, unless corrective action is taken, and taken immediately, the legal departments of the services will be unable to perform the services required of them by Congress.

Of 1,045 career officer-lawyers who replied to this survey, 987 indicated positively that they plan to retire as soon as they become eligible, 94.4 percent. Nine hundred and fifty-six of these officers indicated that pay was one of the primary factors in this decision, and 876 of these stated that adoption of the proposed pay scales which you are now considering will not alter their plans.

Although this fact is in itself alarming, of more serious portent is the result of the survey of the young officers serving an obligated 3-year tour. Of 573 officers who replied prior to the established tabulation date, 568 stated that they planned to leave the service upon completion of their obligated tour. This is 99.1 percent. In addition, 483 of these officers stated that adoption of proposed pay legislation would not change their plans in this regard.

These figures reveal what lies ahead. At the present time the military legal departments are seriously understaffed in the intermediate grades of captain and major and equivalent grades in the Navy. With an almost complete turnover of lieutenants during the past few years and an even greater experience attrition rate established for the future, legal services required cannot be rendered efficiently, the point can and will be reached where military justice will return to its World War II status, Government contracts can no longer be legally reviewed, and the rights of our servicemen overseas can no longer be protected.

In order that you can properly evaluate this matter, let me point out to you certain facts which I am sure you will find of interest. In calendar year 1956, military lawyers participated in 184,348 trials by courts-martial, of which 10,689 were general courts-martial. During fiscal year 1957, Air Force military lawyers reviewed for legal sufficiency Government contracts amounting to over $8 billion, in addition to patent cases valued at over $3 billion. Also of interest is the fact that military lawyers during 1957 attended 4,437 trials of United States Armed Forces personnel by foreign tribunals as legal observers designated to safeguard the rights guaranteed by treaty.

These are only examples of the activities of the military lawyer. However, with these facts before you, it can be easily understood why experience must remain at a high level.

The services and the legal profession can do some things to help solve the problem of the disappearing military career lawyer. However, extensive study by the American Bar Association indicates that pay incentives and promotion credits must be provided by the Congress in order to make a career in the military attractive for lawyers and to permit the military to compete with civilian industry and the attractiveness of civilian law practice in securing and retaining outstanding lawyers. Senator STROM THURMOND has introduced in the Senate and there is pending at the present time Senate bill 1165 which is calculated to supply the essential requirements of which I have spoken. Four bills identical to Senate bill 1165 have been introduced in the House of Representatives.

The survey conducted during February 1958 by the American Bar Association's special committee on lawyers in the Armed Forces, which I have already indicated, shows almost 100 percent of military lawyers plan to leave the armed services at the earliest retirement age or at the end of their obligated tour of duty. This survey also pointed out that legislation along the line of the Thurmond bill offered a possible solution.

Of Regular officers and career reservists over 92 percent stated such financial and incentive legislation would cause them to change their plans to leave. This would hold the experienced mature officers in the service to the financial gain of the United States and the betterment of legal professional services of the Army, Navy, Air Force, Marine Corps, and Coast Guard.

Of the officers serving a so-called obligated tour of duty almost 80 percent indicated that such financial and incentive legislation would cause them to reconsider their intent to leave at the end of their obligated tour of duty. This is the aid in procurement and retention of military lawyers that seems to be needed.

Senator THURMOND's bill has been modeled after the present provisions of law providing incentive pay to physicians, dentists, and veterinarians. Experience has demonstrated that what was a very dismal picture in the service medical departments has been alleviated by the provisions made for medical officers. The services are obtaining and retaining such people. Although this bill has been before the Congress for well over a year, the Defense Department has not yet submitted its report. Senator THURMOND also has introduced Senate bill 1093 to provide three-star rank for the Judge Advocates General and the Surgeons General. This bill is designed to raise the status of the lawyer and doctor in the services.

It is my view and the view of the American Bar Association consisting of almost 100,000 lawyers scattered throughout the United States and, through the house of delegates which is the spokesman for over 200,000 of our country's lawyers, that a part of this very serious problem which I have discussed with you can be remedied by a simple amendment in the pay legislation which you are now considering to provide that the special pay for doctors and dentists be given to Judge Advocates of the Army and Air Force and to legal specialists of the Navy, Marine Corps, and Coast Guard. I believe that consideration should also be given to the other features contained in Senator THURMOND'S pay and promotion bill (S. 1165) and to the bill providing three-star rank (S. 1093). Our studies demonstrate that all of these provisions are essential and we commend them to your favorable consideration.

There is present with me Mr. Osmer C. Fitts, of Brattleboro, Vt., who is the chairman of the American Bar Association's special committee on status of the military lawyer. He has prepared, and has now available in draft form, a brochure which our special committee, after exhaustive study, has prepared to present a clearer perspective of the problem presently existing with respect to the procurement and retention of military lawyers in the armed services. He will be glad to answer any questions which any member of the committee may wish to put to him as he has been in charge, for the American Bar Association, of the committee which studied and completely analyzed this situation.

I want to express my appreciation and the appreciation of the American Bar Association which I represent for the courtesy of this committee in permitting me to put before you a problem which is now of utmost seriousness and a problem which will become progressively worse unless the actions which I have suggested are taken promptly.

EDUCATIONAL PROGRAM WITH WEST GERMANY

Mr. FULBRIGHT. Mr. President, shortly after World War II our Government embarked on an educational program with West Germany for the purpose of reestablishing that country with a spirit and a will to assume its proper role among the nations of the Western allies.

Many of their professional, educational and political leaders have since visited the United States. Likewise they have invited our professors and teachers to visit Germany.

Our Government has supported this important exchange program largely through the use of surplus war property credits which accrued right after the war. Our educational exchange agreement with the German Government for the use of these German marks provided for the establishment of a binational body in Germany—the United States Educational Commission in the Federal Republic of Germany—made up of five Germans and an equal number of Americans.

This is an important body which helps supervise our exchange program in Bonn and which gives it the cooperative aspect so important in carrying on a cultural program.

The present German membership consists of top German educators and Government officials who serve voluntarily and without pay:

August W. Fehling, curator of Kiel University.

Paul Egon Huebinger, Minister Director of the Federal Ministry of Interior.

Werner Richter, former rector, University of Bonn.

Prof. Gerd Tellenbach, president of the West German Conference of University Rectors.

Heinz von Falkenstein, Director of the Cultural Division of the German Foreign Office.

I am pleased at the recent news that a good friend of mine and an able American administrator is being assigned by the United States Foreign Service to become the new Chairman of this Educational Commission in Germany.

Dr. Howard H. Russell, most recently Deputy Director of the Department of State's International Educational Exchange Service, is leaving Washington this week to take charge of the Exchange of Persons Division in the American Embassy in Bonn. In view of his extensive background in the American educational system, his service during World War II as an educational adviser, and his more recent service for the Department of State, both in Germany and Washington, he will undoubtedly do a good job on this important assignment.

Now the German Government realizes the value of these cultural exchanges. It, too, has a reciprocal exchange program with the United States. Shortly after his visit to the United States on a State Department exchange grant as a member of the Bundestag, Dr. Eugen Gerstenmeir, now President of the Bundestag, sponsored legislation for an exchange program of the German Government under which over 100 Americans are invited to Germany each year for the purpose of giving "leading Americans, active in all fields of public life, an opportunity to become acquainted with the present-day life and institutions in Germany."

I am pleased to inform the Members of the Senate of these cooperative projects being carried out with our NATO ally and I assure my colleagues that our interests will be in good hands under the leadership of Dr. Russell.

Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

RECOVERY POLICY AND NATIONAL SECURITY

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a study of the recovery program which was prepared by W. W. Rostow, of the Massachusetts Institute of Technology. It is an intelligent, searching analysis of our present economic difficulties, and makes suggestions as to the proper way to meet them.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

A NOTE ON RECOVERY POLICY AND NATIONAL SECURITY

The following considerations argue that in the interests of the national security the response to the current recession should take the form of an increase in Government expenditure and that this response should be immediate.

1. Tax cuts, the major alternative, would lower the tax level. The tax level is sluggish—once lowered, the level of Government expenditures tends to accommodate itself to the level of tax revenues. Looking ahead to the next several years, every indication of national-security requirements suggests that we will need to expand, not contract, Federal expenditures. A tax cut now would inhibit such expansion.

2. The foreign-aid program is now directly threatened by the fact that economic overhead outlays by the Federal Government in the United States (irrigation, roads, urban reconstruction, education) appear to be the alternative to such outlays on behalf of peoples abroad. This is an intolerably heavy burden to lay on Congressmen seeking election.[1]

3. If we were at full employment in a situation of national emergency, such transfers of resources from the domestic economic overhead sector to the national security budget would have to be faced and defended. This is not the case with 5 million unemployed. Assuming 2 million unemployment as a fractional minimum, we must reemploy about 3 million men as promptly as we can. Each employed person produces in a year about $6,000 toward gross national product. At the moment this means there is a gap between current gross national product and full employment gross national product of at least $18 billion. In fact, the gap is higher because productivity increases have slowed down in the last year or so: a cautious projection of trend suggests that current gross national product at full employment might be about $25 billion higher than at present. And the combination of working force increase and productivity increment should yield at least an extra $12 billion on gross national product per annum. We might legitimately shoot, therefore, for a 1959 gross national product $35 billion to $40 billion higher than at present. If this arithmetic is sound then there is no reason to set security outlays in conflict with domestic economic overhead outlays. There are ample unemployed resources to do all the things we ought to do in the common interest without a fall in the real level of consumption. The recovery program should consist of a mixture of the two types of Government expenditure; and, in their secondary consequences, via the multiplier, they will yield an increase in real income available for consumption.

4. If the recovery program consists, essentially, of a tax cut, a sharp increase in consumption will result and a resumed increase in investment in the durable goods industries. This will stimulate the automobile and related durable consumers' goods industries; but it will yield (as well as the new lower tax base discussed in paragraph 1) a structure of production which will make subsequent expansion in security outlays—military and foreign aid—more difficult. We will be again committed to building prosperity on a rise in the size and number of automobiles and the rest of the consumers' durables mix.

5. So far as recovery is concerned, the question is, Can increased Government expenditure achieve as quick an impact on the level of employment as a tax cut? The answer is that the time it takes to get Government-financed projects under way varies greatly. In some cases the administrative structure already exists within which increased outlays can be made; and an indication from Washington that increased expenditures are provided for can lead almost immediately to the hiring of men, the buildup of inventories, and increased investment commitments. In other cases a considerable period of time must pass before money that is voted can, in fact, be spent; but, in the meanwhile, the knowledge and expectation of these forthcoming increased outlays can have a major effect on public and business attitudes. In general, there would appear to be sufficient quickly responsive areas of Government expenditure to justify building a recovery program promptly on that base, if action is not too long delayed. To be precise, there is no reason that Government outlays committed in March and April should not be exerting a massive effect by, say, October.

6. There is a longer term perspective which converges with the judgment that public outlays rather than a tax cut is the optimum route back to full employment. Negatively, there is every evidence that capacity in the automobile industry has been so extended in recent years that even a large increase in consumption will not stimulate much increase in investment in plant, in the automobile and related industries. If the smaller car market continues to develop, the automobile and related industries may make a substantially lower contribution to private investment outlays over the next decade than they have in the past. Positively, there is every reason to believe that we are entering a phase in which investment in education, roads, urban reconstruction, housing, irrigation are going to expand their role in the economy over the next decade. The population increase—and the imminent family formation rate increase—require this shift, as well as a number of other convergent factors. If this is the inherent strategic direction of the American economy for the next decade—and there are many indications that it is—the tactics of recovery from the 1958 trough should be geared to that longer-term direction.

W. W. ROSTOW.

[1] Similarly, the Reciprocal Trade Act is now directly threatened by the fact of quite severe unemployment and partial employment. It is exceedingly difficult to take steps leading to tariff reduction when American jobs appear to be put directly in competition with jobs abroad. Whatever the form of the recovary program, it must be launched promptly and persuasively if the atmosphere of confidence required for long-term trade-act renewal is to be created in time.

A TAX CUT VERSUS PUBLIC WORKS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an article entitled "A Tax Cut Versus Public Works: Experts Give Opposing Views," published in the New York Times of March 13, 1958. The article contains statements of two views about what should be done concerning the present recession, one by Professor Galbraith, the other by Senator PAUL H. DOUGLAS.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TAX CUT VERSUS PUBLIC WORKS: EXPERTS GIVE OPPOSING VIEWS—SENATOR DOUGLAS BACKS SLASH IN LEVY, PROFESSOR GALBRAITH URGES WIDER UNITED STATES SPENDING IN RECESSION

WASHINGTON, March 12.—Tax cut or public works—which is the better way of halting the recession?

Senator PAUL H. DOUGLAS, Democrat, of Illinois, an economist in his own right, is one of the leading advocates of a tax cut. Prof. John Kenneth Galbraith, a Harvard economist, favors public works.

Senator DOUGLAS gave his views in a minority report of the Congressional Joint Economic Committee in February. Professor Galbraith presented his arguments earlier at the committee's hearings.

Following are excerpts from their remarks:

SENATOR PAUL H. DOUGLAS

"The quickest and most effective way to act is by means of a tax cut for lower- and middle-income groups, i. e., those groups which tend to spend almost all of their income.

"Such a tax cut would be fed into the economy almost immediately; it would stimulate demand for goods and services; afford the best hope for stopping the current economic recession and help to start an economic upturn. The increase in the demand for consumers' goods should also stimulate the demand for, and investment in, capital goods.

"Specifically, I would propose that we either raise the personal exemption from $600 to $700, or tax the first $1,000 of taxable income at 15 percent rather than 20 percent. Either of these proposals could go into effect immediately and could be made retroactive to January 1, 1958.

"Loss could be recouped

"Further, such a cut should expire on January 1, 1959, so that if the recession is stopped, the loss of revenue—which is proper in a recession—could be recouped during a prosperous period. Such a tax cut would pump some $3 billion per year into the economy. This would take effect currently and immediately.

"In addition, I propose that the excise taxes on consumer durables, such as radios, television sets, refrigerators, air conditioners, gas and oil appliances, luggage, handbags, wallets, etc., be repealed; that the excise taxes on the transportation of property and persons and on communications be cut in half; and, if the automobile industry will agree to pass along such a cut in lowered prices, a 50-percent reduction in the manufacturers' excise tax on passenger automobiles.

"Both the personal income and excise cuts could become effective almost immediately. They would show up in the weekly pay checks of individuals within a week or two following Congressional passage, and they would bring a reduction in the prices of consumer durables for which the demand has declined.

"While I am certainly not opposed to the expansion of needed public works in periods of economic recessions, I do not have the same faith as my colleagues in their ability to help matters quickly.

"Three reasons cited

"There are three principal reasons. First, public works are too slow. Except for possible psychological effects, major projects would be very slow in actually being started. Plans must be made, land bought, contracts bid for, etc. Therefore, even at best it would be many months before most of these projects could actually influence the course of the recession.

"Second, even those projects which can begin early will not necessarily be in the localities where the major portion of the unemployment exists. Navigation and flood-control projects on our major and minor rivers, and reclamation projects in the scantily populated areas of the West are not calculated to provide jobs for unemployed workers in the automobile, steel, and the fabrication industries in our industrial centers.

"Third, even if taken off the shelf quickly, and even if built in the right localities, public works generally do not directly employ those who have lost industrial jobs.

"I favor, in this period, an expansion of needed public works. I would put schools and hospitals along with slum clearance and housing for low- and middle-income groups at the top of the list of priorities.

"Swift action urged

"Nevertheless, public works cannot be relied upon to give the economy the immediate stimulus it needs to change the direction in which economic forces are moving, but they should be provided at an appropriate time so that men will not be forced to be permanently unemployed if we experience a cumulative breakdown in the economy.

"In summation, what we need is an immediate tax cut for lower- and middle-income groups in order to increase demand and purchasing power. At the same time, we should increase unemployment benefits for those out of work, for a personal tax cut will not be received by them directly; for, if they have no income, they pay no taxes. However, they would benefit immediately from the excise cuts on the goods they buy.

"Therefore, an increase in unemployment benefits to approximately half of the average wage as opposed to the one-third which is now the case, and an extension of time for receiving unemployment benefits by an additional 13 weeks, are both needed. Further, we should start processing needed public works projects so that, if a tax cut fails, these men will have jobs to go to."

PROFESSOR GALBRAITH

"In the present situation, there is a good deal to be said on the choice between lowering taxes and increasing public outlays. And the choice is very strongly in favor of the latter.

"Tax reduction, as we all recognize, is a rather irrevocable step. Once taxes are reduced, it will be difficult to raise them again. Should the present recession prove temporary, we would want to have them back and fairly promptly. We can't have a deficit in both depression and boom. Life is not yet that wonderful.

"There are other reasons for favoring an increase in expenditures. These have the initial effect of providing jobs and incomes to men who are now unemployed or would become so. Personal tax reduction has the initial effect of providing added income to individuals who already have jobs and incomes and for that reason are taxpayers.

"Thus, both on grounds of equity and fiscal effect, there is much to be said for the first.

"Rebate held drawback

"Any talk of tax reduction will bring forward many claimants for attention and with many claims—good, bad, or merely self-serving. They will argue colorfully for the favorable effect of tax relief on their own investment, purchasing power, or morale. The inevitability of debate over who should benefit from any tax reduction is another reason for avoiding this remedy.

"But the most important reason for favoring an increase in civilian public outlays as the principal protective device is that we now have so many things that need doing.

"Let me explain why I confine the reference to civilian outlays. It is because military outlays should be established wholly by need and not at all by fiscal considerations. This is an ironclad rule.

"To adjust military spending to the fiscal needs of the economy is both reckless and immoral. It is reckless because it means that such expenditures will then be cut, regardless of urgency, whenever inflation threatens. And it is immoral because it means that outlays for these instruments of death would be increased regardless of need when there was unemployment and idle capacity.

"Arms and the economy

"There has already in these last few weeks been far too much ill-considered talk about defense expenditures as the new form of pump priming.

"I don't suppose there is any aspect of Communist propaganda that has so much headway as the conviction in some way that the American economy is dependent on arms expenditures. It is a charge that we should most scrupulously and honestly avoid.

"On the urgency of innumerable civilian requirements, I need not dwell.

"Schools and aid to education; research support and facilities; health facilities, urban rental housing, urban redevelopment, resource development, metropolitan communications, are all deficient or lagging.

"It would surely be a mistake to talk of tax reduction to make jobs when so many of our schools are dirty, rundown, overcrowded, understaffed, on double shifts, or scheduled to become inadequate when the next increase in the school population hits them.

"Trouble in suburban

"Obviously, we should first make jobs building the schools. If any taxpayer needs help, incidentally, it is the hard-pressed local property taxpayer in the new suburb.

"Now this Federal tax reduction, as an alternative to help on schools and other facilities, means a continued squeeze on this man.

"To support the economy by getting ahead with these urgently needed public activities is by no means the easiest course.

"The Employment Act places the responsibility for offering a plan on the Executive, and there it belongs. As and when business picks up, the administration will be right in stretching out and tapering off expenditures. In so doing, it will be entitled to the support of those who now urge action."

A STATUTORY STANDARD OF INVENTION

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that there may be printed in the RECORD the announcement that the Senate Committee on Patents, Trademarks, and Copyrights has just had published at the Government Printing Office a subcommittee study of our efforts to establish a standard of invention. The study, prepared by Victor L. Edwards, of the Legislative Reference Service, is the seventh such study to be published by the subcommittee. It covers the history of proposals in Congress, largely centered in the 1940's, to write into the patent laws a specific statutory test of invention in lieu of the general test with which the courts have been struggling for a century.

While most of the broader suggestions that have been made never received Congressional approval, the Congress did write into the general patent codification law enacted in 1952 the definition of invention that the courts had been applying—with some difficulties, it might be pointed out—since 1850. Unfortunately, this definition in turn has given rise to new uncertainties that are still unresolved.

The study by Mr. Edwards also discusses proposals that the courts give more weight to Patent Office determinations than is now customary.

The present study is most timely. In its two previous annual reports this subcommittee has called attention to the distressing gap between the Patent Office and court views of what constitutes a

valid patent, a gap that has resulted in a high mortality rate for issued patents when they get into litigation. Whether the blame for this rests with the Patent Office or the courts, it is clear that the patent system cannot function at its best as long as this unfortunate condition exists.

At the same time Mr. Edwards' study points up the difficulty of trying to deal with this problem through legislative measures. Its collection of the various proposals that have been made, together with the arguments for and against these proposals, provides extremely valuable materials and information for those seeking to deal with this perennial problem. Its value is enhanced by the inclusion of a selection of judicial commentaries on the 1952 amendment, a list of recent cases referring to that amendment, and a selected bibliography of articles dealing with the subject of invention.

The present study can be obtained from the Government Printing Office at a price of 15 cents. The previous studies are also available, and additional studies, now being printed, will be available soon.

I am glad to be able to announce that Prof. Leo H. Whinery, a member of the law faculty of the Law School of the University of North Dakota, has completed a study on the role of the court expert in patent litigation. It is the outcome of more than a year's research in the problems of patent litigation undertaken pursuant to a grant from the Edwin H. Armstrong fund, Columbia University.

One of the major problems that has plagued the patent system for decades has been the cost, delay and complexity of patent litigation. Despite the strenuous efforts of our more farsighted judges, as well as of some segments of the bar, the problem still remains largely unsolved. The inevitable result, too often, is delay, uncertainty, expense and error. Not only the litigants, but also the bench and bar, have suffered from the situation.

Mr. Whinery suggests that many of the difficulties stem from the failure of litigants to present clearly to the court an adequate explanation of the technical aspects of the case and the exact nature and scope of the dispute between them. Judges are faced with contradictory views and contentions concerning complex technical matters, with no way of knowing which views are correct. Professor Whinery's proposals would seek to reduce these difficulties by providing the judges, where appropriate, with the assistance of neutral experts who could help to clarify the issues and aid the judges in arriving at correct decisions. Mr. Whinery recognizes the danger that some judges might rely too much upon court-appointed experts and he suggests ways to prevent this from happening. To implement his proposals, he recommends enactment of a Federal Expert Advisers Act, a suggested draft of which is included in his study.

The stake the patent bar, the judiciary, and the public as a whole have in the patent system, and the importance of correcting the shortcomings that exist in that system, whether at the litigation level or elsewhere, cannot be overemphasized.

No system can work effectively if its enforcement machinery is obsolete or rundown. This subcommittee is concerned to see that the enforcement and litigation link in the patent chain is kept as strong as possible. Professor Whinery's study is an important first step in our efforts toward that end. After all, the object of the framers of the American Constitution in authorizing a patent system was to stimulate invention and not to fence the inventor in for the benefit of monopoly. We expect to follow it up with further study, inquiry, and action.

This is the eighth study of the subcommittee to be published. Those previously published are as follows:

Proposals for Improving the Patent System, by Dr. Vannevar Bush.

The Patent System and the Modern Economy, by George Frost.

Distribution of Patents Issued to Corporations, by the Patent Office.

Opposition and Revocation Proceedings in Patent Cases, by P. J. Federico.

The International Patent System and Foreign Policy, by Raymond Vernon.

Patents and Nonprofit Research, by Archie Palmer.

Efforts to Establish a Statutory Standard of Invention, by Victor L. Edwards, Legislative Reference Service.

Copies of these eight studies, including Mr. Whinery's, are available at the Government Printing Office. Several additional studies are now being printed and will be available in the near future.

PROPOSED REDUCTION IN THE NATIONAL GUARD

Mr. STENNIS. Mr. President, on February 5, I called to the attention of the Senate the lack of wisdom in the proposal of the administration to reduce the strength of our National Guard. This matter continues to be one of vital concern to me, and this feeling is shared by other responsible officials throughout the country. Only today I have received a letter from Gov. J. P. Coleman, of Mississippi, expressing his deep concern over this problem. I ask unanimous consent that his letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MISSISSIPPI,
Jackson, March 10, 1958.

Hon. JOHN C. STENNIS,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR STENNIS: The recent news reports and official recommendations with reference to curtailing the strength of the Army National Guard has caused me considerable concern. I am sure that the governors of the other States are likewise concerned.

The appropriation bill now pending in Congress includes funds to support a National Guard of 360,000. This represents a reduction of approximately 20 percent in the Army National Guard since the end of the fiscal year 1957. This reduction is not consistent with previous pledges made by the Department of the Army, the administration and Congressional leaders to keep the Guard at 400,000.

The reduction of the National Guard strength is coincidental with a reorganization plan based on new concepts of warfare. It appears that our delayed entry into space has affected our good reason and judgment in dealing with this matter on a practical basis. When Russia launched its satellites, it did not reduce the strength of its ground forces. Yet, those who would reduce the strength of the National Guard are trying to take advantage of fear to increase appropriations for technological advancement at the expense of reduced strength in our Armed Forces.

Regardless of why the strength of the Guard is being reduced, it is inconsistent with previous statements of principles by our defense planners that as the strength of the active Army is reduced, the strength of the civilian components should be increased.

I have been advised by my adjutant general that the proposed reduction in the National Guard, if projected on an equitable basis to each of the States, would mean a loss to Mississippi of approximately 238 officers, 3,500 enlisted men, and from 30 to 35 organized units now serving Mississippi communities. I am further disturbed by indications received from National Guard Bureau by the Office of the Adjutant General that a reduction in the Army National Guard may affect as high as 30 percent of our Mississippi strength.

Elimination of National Guard units would leave existing facilities unused, active personnel without affiliation, and the National Guard withered and stripped of effectiveness.

It is highly important that a reserve be maintained where the States and the Federal Government not only share the expense but share in the benefits. The National Guard has rendered untold service in the matter of local assistance in tornadoes, floods, hurricanes, etc. (You will recall the disastrous tornado that hit Vicksburg in September 1953. The Mississippi National Guard was on the job relieving suffering within 1 hour after this tornado struck and when considered necessary or advisable by the Federal Government, it can be called immediately into the service of the United States, and when so called it has always given an outstanding performance.)

It is my hope that you will work diligently to prevent any further cut in our Army National Guard force and to use processes available to you to the expansion, growth, and strengthening our National Guard.

The rights of the several States should be recognized in an issue which so vitally concerns their welfare.

With my warm personal regards and best wishes, I remain

Your friend,

J. P. COLEMAN,
Governor.

FORMULA FOR TAXING OF LIFE-INSURANCE COMPANIES

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Is there further morning business? If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

THE JENNER BILL ON SUBVERSIVE ACTIVITY IN TEACHING BODIES

Mr. JENNER. Mr. President, it is interesting that nearly everyone who takes

a crack at my bill, S. 2646, finds it necessary or expedient to misrepresent the facts.

I hold in my hand an outstanding example of such misrepresentation. It is the text of remarks made by Mr. George Herman, over the Columbia Broadcasting System, on the program CBS News, at 9:05 p. m., on March 10, 1958.

I ask unanimous consent that the text of the remarks by Mr. Herman may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

You certainly couldn't tell, from the interest aroused, that Senator JENNER's bill proposes to exclude the Supreme Court of the United States from vast areas of the law. Hardly anyone has noticed this bill with its strange past, and its dubious future. Last summer JENNER brought his bill before the Senate's Internal Security Subcommittee. JENNER had strongly opposed decisions by the Supreme Court in five major cases, cases vitally affecting the civil rights of the American people. He couldn't get these individual cases reversed, but he intended to keep the Supreme Court from ever touching such cases in the future. JENNER introduced a bill to prevent the Court from holding final jurisdiction over, first, contempt-of-Congress cases; second, cases affecting the rights of Congressional committees; third, cases of Federal Government security firings; fourth, cases of State antisubversive laws; and fifth, school-board regulations. The bill whizzed right through the Internal Security Subcommittee. There were two witnesses. One was Senator JENNER, the other was a subcommittee staff member who had been working with him. None of the other Senators was interested enough to show up to oppose JENNER.

The bill then went to the full Judiciary Committee, of which the internal security group is a subcommittee. And Chairman EASTLAND, who finds a lot to like in the Jenner bill, sent it back for slightly fuller hearings. This followed a certain amount of uproar from prominent persons who called the first hearings hasty and unfair, and certainly not in keeping with the importance of the subject.

Since then Senator JENNER has run practically a one-man subcommittee hearing on the matter. He has brought in a lot of individuals who support him. Some opponents who weren't invited to testify spoke up anyway. The American Bar Association passed a resolution condemning the bill. The Attorney General of the United States, who didn't get the courtesy of an invitation to give his views on this legal issue, wrote his opinions. He strongly opposed it on the grounds that it would threaten the independence of the judiciary branch of the Government on the one hand, and create legal chaos on the other. Attorney General Rogers pointed out that, without the Supreme Court, the issues in the 5 kinds of cases would be settled by 48 State supreme courts and 11 Federal courts. And this could lead to different rulings in each State or Federal district.

The supporters of the bill have mostly been of Senator JENNER's own political coloration, strongly rightwing, frequently outspoken isolationists. And often, in addition, racial segregationists. Senator EASTLAND's Judiciary Committee may possibly vote down the bill, or may possibly pass it along to the Senate floor. The issue there is in doubt. But there is little doubt that on the floor of the Senate the leadership of both parties will quickly pigeonhole it for good. Which is the main reason so very little attention has been paid to so potentially important a bill.

Mr. JENNER. Mr. President, Mr. Herman started out by saying:

You certainly couldn't tell, from the interest aroused, that Senator JENNER's bill proposes to exclude the Supreme Court of the United States from vast areas of the law. Hardly anyone has noticed this bill with its strange past, and its dubious future.

Apparently Mr. Herman does not know that this bill has resulted in a veritable flood of mail; that thousands and thousands of unsolicited letters, virtually all of them urging approval of my bill, have come to Senators.

Mr. Herman said this bill has a "strange past" and a "dubious future." That was not news reporting; it was editorializing. But let us see what is so strange about the past of the bill.

The bill was introduced in the same way that any other bill is introduced. At the time when I introduced it, I made a statement about it; I explained in detail what I was proposing, what the bill would do, and why I thought it should be enacted. That was on July 26, 1957. Certainly, there was nothing strange about the introduction of the bill.

The chairman of the Judiciary Committee referred the bill to the Internal Security Subcommittee. There was nothing strange about that reference, since the bill was primarily concerned with internal security.

A hearing on the bill was called for August 7, 1957. Advance notice of the hearing was given. At the hearing, I went into great detail about the provisions of the bill, the reasons for introducing it, and the reasons why I thought it should be passed. Factual testimony was taken from the research director of the subcommittee.

Those hearings were printed, and copies were distributed to every member of the Internal Security Subcommittee.

Then, on August 8, 1957, the subcommittee reported the bill favorably to the full Committee on the Judiciary. The bill was placed on the agenda of that committee, at the bottom of the agenda. Copies of the subcommittee's report and of the hearings were furnished to every member of the full committee. Remember, Mr. President, that was in August of 1957. Any Senator who thought the hearings were inadequate, or who wanted more information about the bill, had an opportunity to ask for it. None did.

Gradually the bill worked its way to the top of the agenda of the Judiciary Committee. It took a long time, because the committee was engaged in a long fight involving civil-rights legislation, and other major bills did not move very fast. But this year things began to move faster, and my bill came to the top of the committee agenda. It was then that opponents of the bill raised the demand for more hearings.

The charge that any attempt was made to slip this bill through the committee is absurd. One does not slip a bill through a committee by filing a written report from a subcommittee, distributing that report to all the members of the committee, putting the bill on the agenda of the committee, and leaving it there for months, without any attempt to call it up.

Perhaps I am getting a little ahead of the story. I do not want to miss the opportunity to point out the major inaccuracies and misstatements in what Mr. Herman said on the night of March 10, 1958. Mr. Herman said:

JENNER had strongly opposed decisions by the Supreme Court in five major cases, cases vitally affecting the civil rights of the American people.

There are only two glaring misstatements in that sentence, Mr. President. In my testimony of last August on my bill, S. 2646, I referred specifically to 9 major decisions of the Supreme Court—not 5. That testimony certainly was available to Mr. Herman, if he had been interested in checking up. Perhaps Mr. Herman was confused by the fact that my bill has five major subparagraphs in the section dealing with withdrawal of appellate jurisdiction from the Supreme Court. Even if he was so confused, I still say he was guilty of sloppy reporting.

Mr. Herman referred to these cases as "vitally affecting the civil rights of the American people." That, also, is a misstatement. Some of these cases involved civil rights, and some of them did not. The common denominator of all the cases was their impact on the internal security of the United States, their favorable effect on the world Communist conspiracy.

Two of the most important of the cases—Commonwealth of Pennsylvania against Nelson and Cole against Young—each turned on a question of interpretation of an act of Congress. There was no constitutional question in either one of those cases.

The case of Service against Dulles turned on the question of whether the Secretary of State could, by a regulation which he himself issued, divest himself of authority granted to him by an act of Congress. The Supreme Court held that he could, which was an amazing conclusion; but here, again, no constitutional question was involved.

Mr. Herman proceeded to list five categories of cases in which he said my bill would "prevent the Court from holding final jurisdiction." Mr. President, five categores are set forth in my bill; but Mr. Herman could not get them straight. He doubled up on one of the five, misstated another, and left out one of them.

Mr. Herman listed the five categories in this way:

First, contempt of Congress cases; second, cases affecting the rights of Congressional committees; third, cases of Federal Government security firings; fourth, cases of State antisubversive laws; and fifth, school-board regulations.

Actually, both contempt of Congress cases and cases affecting the rights of Congressional committees are embraced in the first of the five categories in my bill. The second category in my bill embraces what Mr. Herman called the third category, "cases of Federal Government security firings." The third category in my bill is what Mr. Herman called

the fourth category, "cases of State anti-subversive laws". Mr. Herman said the fifth category is "school board regulations." He not only had the category in the wrong place, for, actually, it is fourth in my bill—but he has misstated it.

I shall overlook the oversimplification: Mr. Herman spoke of "school-board" regulations, whereas my bill speaks of "any rule, bylaw, or regulation adopted by a school board, board of education, board of trustees, or similar body." But the major error in Mr. Herman's designation of this category was his failure to indicate that it is limited to rules, bylaws, and regulations concerning subversive activity in the teaching body. That was an important misstatement, and I am inclined to think it may have been deliberate on Mr. Herman's part. I know that opponents of the bill have been making efforts to have it appear that in some manner the bill would affect the school segregation cases. Of course, if the bill purported to withdraw jurisdiction from the Supreme Court over all school-board regulations, that might be so. But with the bill actually limited to rules, bylaws, or regulations concerning subversive activities in the teaching body, there is no such impact.

Mr. Herman said on the evening of March 10:

> The bill then went to the full Judiciary Committee, of which the internal security group is a subcommittee. And Chairman EASTLAND, who finds a lot to like in the Jenner bill, sent it back for slightly fuller hearings.

Again, Mr. Herman misstated the facts. I hope he was right in saying that the Senator from Mississippi [Mr. EASTLAND] finds a lot to like in my bill. But I know Mr. Herman was wrong when he said Senator EASTLAND sent it back for hearings; and I know Mr. Herman was wrong when he said it was sent back for "slightly fuller" hearings.

In the first place, the bill went back to subcommittee by a unanimous vote of the full committee. I was one of those who voted for the hearings. I did so because I did not have the slightest objection to hearings. I wanted the fullest, possible hearings. The more publicity we can get on what the bill does and why it is desirable to do it, the happier I shall be.

As for the bill's being sent back for "slightly fuller hearings", what the Judiciary Committee's resolution actually directed was that the subcommittee invite any witness whose name was suggested by any member of the full committee, and hear also any person who desired to be heard. What was ordered, obviously, was not "slightly fuller hearings," but the fullest possible hearings; and that is what we held.

Mr. President, I hold in my hand only a part of the hearings which were held, consisting of about 1,100 pages.

I do not know why news commentators and editorial writers deliberately misstate the truth to the American people about something so vital and so important.

Mr. Herman charged, in his broadcast over the Columbia Broadcasting System, on the night of March 10, that I conducted "practically a one-man subcommittee hearing on the matter," to quote Mr. Herman.

Apparently Mr. Herman did not know, or did not choose to tell his listeners, that the Senator from Nebraska [Mr. HRUSKA] had presided at the opening session of the hearings and on the second day; that the Senator from Utah [Mr. WATKINS] had presided the third day; that the Senator from Maryland [Mr. BUTLER] had presided at two sessions; and that the Senator from Illinois [Mr. DIRKSEN] had presided at one session.

Now I come to one of the most flagrant misstatements which Mr. Herman made. Mr. Herman said:

> The Attorney General of the United States, who didn't get the courtesy of an invitation to give his views on this legal issue, wrote his opinions.

The fact is, Mr. President, the Attorney General of the United States was invited to give his views. He was specifically requested, in a letter from the chairman of the full committee, under date of February 3, 1958, to come before the committee and express his views with respect to this bill. The Attorney General did not come before the committee because he did not want to come. Possibly he did not want to subject himself to questioning about the reasons for his opposition to the bill and the soundness of that opposition. The Attorney General spoke to the chairman of the committee on the telephone, and asked if it was necessary for him to come up in person and testify, and was told that if he did not want to come he did not have to; he could submit a written statement. Then the Attorney General had the effrontery to write, in the letter which he sent the committee by way of a report on the bill, that he was taking the liberty of filing a report.

Mr. President, I pointed this out in a statement for the record, on March 5, the closing day of the hearings on my bill S. 2646. The statement I made there is a part of the record. Mr. Herman could have seen it if he had been interested in the facts. He could not have failed to know about it if he had looked at the record—and the record was available, in printed form, on the morning of March 10, the same day when, at 9:05 in the evening, Mr. Herman launched his attack on my bill, including all the misstatements I am pointing out.

Mr. President, I expressed myself fully with respect to the Attorney General's letter on this bill, during the statement I made on the last day of the hearings. I will not take up the time of the Senate to repeat or paraphrase here what I said then, but I ask unanimous consent that the text of my statement on this subject, as it appears in the printed record of the hearings, beginning at the bottom of page 690, where I said:

> Before I close, I want to refer to the letter of the Attorney General of the United States, delivered yesterday and placed in the record yesterday afternoon.

And continuing to the bottom of page 694, may be placed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Before I close, I desire to refer to the letter of the Attorney General of the United States, delivered yesterday and placed in the record yesterday afternoon. First, I want to call attention to the fact that the Attorney General was requested by letter of the chairman of the Committee on the Judiciary, under date of February 3, to appear and testify on this bill. I am informed that letter was never answered. I am informed the Attorney General spoke to the chairman of the committee and asked if it would really be necessary for him to come up in person, or if he could send a written report, and that the chairman told him if he didn't want to come, a written report would be all right. I take that to mean that the Attorney General did not in fact want to come up and testify before this committee, and subject himself to questions; he preferred to file a report in writing and have it sent up here by messenger.

We have been trying to get this report from the Office of the Attorney General for some 2 weeks now; and the word always has been that the report was in process. They were "working on it." I had visions of a long and carefully drafted and well documented and erudite report, that would give us some help in our consideration of this bill. But no. That is not what we got. We got a 2½-page letter addressed to the chairman of the full committee, which starts out:

"DEAR SENATOR: Because of the importance of the subject, I am taking the liberty of stating my views on the bill S. 2646."

That doesn't even indicate that the Attorney General knows he has been asked to testify on this bill. That sounds like he was telling us he is sending us his opinion voluntarily. How can he be "taking the liberty" of stating his views, when he has been asked in writing by the chairman of the committee to do so?

Well, the Attorney General's letter goes on for another two pages. The second paragraph summarizes what the bill provides.

Then the third paragraph starts off with this sentence:

"In the first place, it is clear that this proposal is not based on general considerations of policy relating to the judiciary."

Now where do you suppose the Attorney General got that idea? How can he say it is clear to him on what basis I based my proposal? He has not talked to me about it. The Attorney General goes on:

"It (my proposal) is motivated instead by dissatisfaction with certain recent decisions of the Supreme Court in the areas covered and represents a retaliatory approach of the same general character as the court packing plan proposed in 1937."

This is one of the specious arguments against the bill which has been repeated by various thoughtless witnesses; but I never thought I would hear the Attorney General of the United States repeat it.

I am of course interested to hear that the Attorney General disapproved the court-packing plan in 1937.

Now, let me point out what the real relationship is between the court-packing plan and my bill. In the first place, the court-packing plan was an effort to influence the Court so as to bring about a particular kind of decision. My bill is an effort to halt the incursions of the Court into the legislative field. The court-packing plan advanced by President Roosevelt sought to influence the Court by increasing its size and thereby changing its philosophy. My bill does not seek to change the philosophy of the Court in any way—I do not believe that to be possible—but rather to set up a barrier against the philosophy which the Court has been evidencing.

One more point needs to be brought out: the liberals who favored the court-packing plan in 1937 have been making a good deal of the fact that they appear now as defenders of the Court, in opposition to my bill. But, they have not changed their position one iota. The liberals opposed the Court in 1937 and favored the court-packing plan because they were anxious to secure Supreme Court approval for social and other legislation which would change the face of America and lead to increased centralization of government and the destruction of States rights. The liberals who oppose my bill today are doing so for exactly the same reasons. It is the Supreme Court which has changed its position in the interim, not the liberals, and not BILL JENNER.

Well, now we come to the fourth paragraph of the Attorney General's letter. He says that the Congress has only enacted legislation of this kind once before, that this was in 1868, and that because it realized that this was a mistake Congress reversed itself, restoring the jurisdiction in 1885. I do not know whether the jurisdiction which the Congress took away from the Supreme Court in 1868 was restored 17 years later because Congress realized that it had made a mistake 17 years before, or because the situation had changed in the intervening 17 years. I can foresee the possibility that if my bill passes, another Congress 17 or 20 years from now might see fit to restore the jurisdiction which this bill would take away, on the ground that in the meantime the Supreme Court had learned to stay within its proper orbit, and could once again be trusted with matters in these fields. However that may be, I do want to call attention to the fact that Congress did on a previous occasion make use of the same constitutional provision which I would make use of through the enactment of my bill S. 2646, and that the Supreme Court of the United States considered the matter and held the bill to be constitutional, and bowed to its provisions. The Attorney General apparently does not think that the question of constitutionality of the bill is sufficiently important to receive any mention in his report.

On page 2 of his report, the Attorney General raises the question I have already discussed, with respect to the possibility of different rules of decision in different circuits and in different State courts. I have already spoken about that question, but I will add this: There may be some argument for uniformity of decision among the circuit courts of appeals; but there is no logical argument for uniformity in the decisions of the courts of the States. The State courts are exercising residual powers. The Federal courts are exercising only specified powers granted under the Constitution. We do not demand that all of our States be alike. We do not demand that they think alike on matters of public policy. There is no reason for demanding that their courts think alike or adhere to identical rules of decision. There are in fact many subjects today on which there are different rules of decisions in the various State supreme courts; and no one has been suggesting that there should be Federal legislation or Supreme Court legislation to force uniformity.

The Supreme Court does not make it a practice to accept all cases which involve decisions of the courts of appeals which may differ from decisions of other circuits.

The Attorney General goes on to declare that "Full and unimpaired appellate jurisdiction in the Supreme Court is fundamental under our system of Government." That must be the Attorney General's opinion; because it is not the Constitution; and I guess we are supposed to consider the Attorney General's opinion more fundamental than the Constitution. The Constitution contains the provision in article III, section 2, clause 2, giving the Congress the right to make regulations and exceptions with respect to the Supreme Court's appellate jurisdiction. That certainly is not full and unimpaired appellate jurisdiction. So we have this situation: the Attorney General is declaring as fundamental something that the Constitution not only does not provide for but specifically provides against. Personally, I'll take the Constitution.

The Attorney General goes on to indicate that he regards the Supreme Court as the final arbiter in "the maintenance of the balance contemplated in our Constitution as among the three coordinate branches of the Government." But the whole theory of our Constitution is that there should be no final arbiter—because the Founding Fathers understood that if any one branch of the Government got complete ascendancy, we would not have a government of checks and balances, but an oligarchy which would lead unquestionably and irresistibly to tyranny. The Constitution did not make the Supreme Court the final arbiter—nor did even Mr. Justice Marshall, in *Marbury* v. *Madison*. Marshall said there were some cases in which the Court should consider questions of policy. He did not say that the Court should consider questions of policy in all cases. Now it happens that the case of *Marbury* v. *Madison* was tried without a jury; and, therefore, naturally, the Court was allowed a much wider latitude than it would have been if this had been a jury case.

The genius of the Constitution is that it does not provide for a final arbiter; it does provide for checks and balances which may be used by the different branches of the Government, one against the other, to guard against or to repel encroachments. It is this very system of uneasy balances which gives the citizen his best guaranty that his rights will continue to be observed. For once all power is put in a single place, so surely as power corrupts and absolute power corrupts absolutely the individual rights of citizens are doomed from that day on.

At the top of page 3 of his report, the Attorney General says: "This type of legislation threatens the independence of the judiciary." That statement simply is not so. This bill does not threaten the independence of the judiciary, and it does not threaten our system of checks and balances. What it does threaten is the imbalance which has been created by decisions of the Supreme Court in recent years. It threatens the power to legislate which the Supreme Court has arrogated to itself during those years. It threatens the status quo, the situation which favors the growth of big central government and the decline and decay of States rights. There are a great many people in this country today who favor that status quo, who want to see it preserved, and we must now assume the Attorney General of the United States is one of them. But that does not justify him in confusing the status quo with the independence of the judiciary. Well, so much for the report of the Attorney General. I wanted to mention it, because I think that when the Attorney General of the United States expresses an opinion upon proposed legislation, it should be important. In this case, I think he has been badly advised.

In closing, I want to repeat in new words what I have said many times before, and at least once here: I introduced this bill not out of any spirit of retaliation, but out of a deep concern for the preservation of the Constitution of the United States as it was meant to be, and our American way of life as we used to know it. I have introduced this bill in an effort to secure action by the Congress which would help to restore the balance between the respective branches of the Federal Government, and to restore to the States a measure of their rights, guaranteed under the 10th amendment of the Constitution, but which have been stripped from them, notwithstanding that guaranty, by judicial legislation. I am not wedded to any line or word of this bill. There have been some suggestions during these hearings respecting possible amendments to the bill, and I am willing to sit down with the committee and consider any of those suggestions. If the committee can agree upon different language, even representing in part or in whole a different approach to this problem, but which will be effective in achieving the objective I have sought, the committee will find me ready to go along. I will support this bill or any other bill which I think will help to limit the Supreme Court to its proper sphere of action, to restore to the Congress autonomy over the conduct of its own affairs, and to preserve for the States the rights and powers which they reserved when the Federal Government was created, and which are guaranteed to them under the 10th amendment to the Constitution of the United States. I think my bill, S. 2646, will go a long way in that direction, and I am going to be for it with all the force I can muster. If you can show me a better way, or even another good way, to accomplish the same purpose, you can count on my support. I have no pride of authorship. I am not trying to pass a Jenner bill. I am just trying to get a job done—a job that urgently needs doing.

Mr. JENNER. Mr. President, I may say, in conclusion, that, as I stated on the floor of the Senate yesterday, I do not understand why a great and impartial newspaper like the Baltimore Sun would publish an editorial and not be fair about the record and the truth. I cannot understand why other editorial writers follow the same course. This matter is vital.

The American Bar Association, of all people, adopted a resolution, which has been put into the RECORD, opposing the bill on two grounds.

First, the bill, they said, was contrary to a position previously taken by the American Bar Association at another time and prior to some of the worst of the recent decisions of the Supreme Court. This is, of course, a self-serving statement. It might be well if the bar association were reminded of Emerson's warning that "A foolish consistency is the hobgoblin of little minds."

The other announced basis for the bar association's action was that my bill would be "contrary to the maintenance of the balance of powers provided by the Constitution."

As I have already pointed out in many public statements, my bill proposes only to implement one of the basic check-and-balance provisions of the Constitution; and I fail to see how the use of a constitutional provision can be deemed to be contrary to the spirit of the Constitution—unless the American Bar Association is trying to tell the Senate and the people of the Nation that the Constitution is unconstitutional.

I have heard a great deal of chatter on the part of public officials and others to the effect that this bill was just like the Supreme Court-packing bill. This is one of the specious arguments against the bill which has been repeated by various thoughtless persons; but I never thought I would hear a man like the Attorney General of the United States repeat it.

I am, of course, interested to hear that the Attorney General and other public

officials disapproved the court packing plan of 1937. I myself disapproved it.

Now let me point out what the real relationship is between the court packing plan and my bill. In the first place, the court packing plan was an effort to adjust the membership of the Court so as to bring about a particular kind of decision. My bill is an effort to halt the incursions of the Court into the legislative field.

The court packing plan advanced by President Roosevelt sought to shape decisions of the Court by increasing its size and thereby changing its philosophy. My bill does not seek to change the philosophy of the Court in any way. I do not believe that to be possible. Rather, my bill would establish a barrier against the philosophy which the Court has been evidencing.

Mr. President, I observe that my time has expired. I shall go into this matter in further detail on the floor of the Senate. I assure Senators it will be fully presented to the Committee on the Judiciary. The truth must prevail—not lies and misstatements by public officials, by editorial writers and by news commentators. The truth will prevail.

FOMULA FOR TAXING OF LIFE-INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The bill is open to amendment.

Mr. PASTORE. Mr. President, I send to the desk an amendment to the amendment which is to be offered by the Senator from Illinois [Mr. DOUGLAS] to H. R. 10021.

The PRESIDING OFFICER. There is no amendment by the Senator from Illinois pending.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ISAAC LIDJI, HENRY ISAAC LIDJI, AND SYLVIO ISAAC GATTEGNO

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1519) for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno, which was, in line 11, strike out all after "deduct" down to and including "available" in line 13, and insert "three numbers from the number of immigrant visas authorized to be issued to refugee-escapees pursuant to section 15 of the act of September 11, 1957 (71 Stat. 643–644)."

Mr. SMATHERS. Mr. President, the amendment is acceptable. I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

HELEN DEMOUCHIKOUS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1582) for the relief of Helen Demouchikous, which were, on page 1, after line 11, insert:

SEC. 2. For the purposes of the Immigration and Nationality Act, Lien-fu Lo, also known as Luke Lo, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

And to amend the title so as to read: "An act for the relief of Helen Demouchikous and Lien-fu Lo, also known as Luke Lo."

Mr. SMATHERS. Mr. President, I offer an amendment to the amendments of the House to Senate bill 1582. I ask that the amendment to the House amendments be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out section 2 of the bill and to amend the title so as to read "A bill for the relief of Helen Demouchikous."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the House amendments.

The amendment to the amendments was agreed to.

Mr. SMATHERS. Mr. President, I move that the Senate concur in the amendments of the House, with the further Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. SMATHERS subsequently said: Mr. President, earlier today the Senate took action on amendments of the House to the bill S. 1582, for the relief of Helen Demouchikous.

I move that the Senate rescind the action taken this morning on the amendments of the House.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the action is rescinded.

Mr. SMATHERS. I now move that the Senate disagree to the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

FORMULA FOR TAXING OF LIFE INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Has morning business been concluded?

The PRESIDING OFFICER. Morning business has been concluded, and the unfinished business, House bill 10021, has been laid before the Senate. The bill is open to amendment.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk, which is sponsored by myself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Michigan [Mr. POTTER].

The PRESIDING OFFICER. Does the Senator desire to have his amendment read?

Mr. DOUGLAS. The amendment need not be read, but I ask that it be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be printed in the RECORD without reading.

The amendment of Mr. DOUGLAS and cosponsored by Mr. O'MAHONEY, Mr. PASTORE, and Mr. POTTER, was, on page 1, after line 2, to insert the following:

"TITLE I—1957 TAX ON INCOME OF LIFE INSURANCE COMPANIES"

On page 1, line 3, strike out "SECTION 1" and insert "SEC. 101."

On page 2, line 1, strike out "SEC. 2" and insert "SEC. 102."

At the end of the bill insert the following:

"TITLE II—REPEAL AND REDUCTION OF CERTAIN EXCISE TAXES

"SEC. 201. Retailers excise taxes.

"(a) Tax on toilet preparations and luggage, handbags, etc.: The following provisions are repealed:

"(1) subchapter C of chapter 31 (tax on toilet preparations); and

"(2) subchapter D of chapter 31 (tax on luggage, handbags, etc.).

"(b) Watches and clocks: Section 4003 (relating to exemptions from tax on jewelry and related items) is amended by adding at the end thereof the following new subsection:

"'(c) Certain watches and clocks: The tax imposed by section 4001 shall not apply to any watch or clock if the price for which such watch or clock is sold is less than $100.'

"(c) Technical amendment: The table of subchapters for chapter 31 is amended by striking out

"'SUBCHAPTER C. Toilet preparations.

"'SUBCHAPTER D. Luggage, handbags, etc.'

"SEC. 202. Manufacturers excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter B of chapter 32 (tax on refrigeration equipment, electric, gas, and oil appliances, and electric light bulbs);

"(2) subchapter C of chapter 32 (tax on radio and television sets, phonographs, records, and musical instruments);

"(3) part II of subchapter D of chapter 32 (tax on photographic equipment); and

"(4) subchapter E, of chapter 32 (tax on business machines, pens, mechanical pencils, mechanical lighters, and matches).

"(b) Passenger automobiles: Section 4061 (a) (2) (relating to tax on automobile chassis and bodies) is amended by striking out 'on and after July 1, 1958, the rate shall be 7 percent' and inserting in lieu thereof 'on and

after March 1, 1958, and the rate shall be 5 percent.'

"(c) Parts and accessories for automobiles: Section 4061 (b) relating to tax on automobile parts and accessories) is amended by striking out '8 percent of the price for which so sold, except that on and after July 1, 1958, the rate shall be 5 percent' and inserting in lieu thereof '4 percent of the price for which so sold.'

"(d) Sporting goods: Section 4161 (relating to tax on sporting goods) is amended to read as follows:

" 'SEC. 4161. Imposition of tax.

" 'There is hereby imposed upon the sale by the manufacturer, producer, or importer of fishing rods, creels, reels, and artificial lures, baits, and flies (including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale thereof) a tax equivalent to 10 percent of the price for which so sold.'

"(e) Firearms: Section 4181 (relating to tax on firearms) is amended to read as follows:

" 'SEC. 4181. Imposition of tax.

" 'There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to 11 percent of the price for which so sold:

" 'Firearms (other than pistols and revolvers).

" 'Shells and cartridges.'

"(f) Technical amendments.—

"(1) The table of subchapters for chapter 32 is amended by striking out

" 'SUBCHAPTER B. Household type equipment, etc.

" 'SUBCHAPTER C. Entertainment equipment.' and by striking out

" 'SUBCHAPTER E. Other items.'

(2) The table of parts for subchapter D of chapter 32 is amended by striking out

" 'PART II. Photographic equipment.'

"SEC. 203. Facilities and services.

"(a) Repeal of the following provisions are repealed:

"(1) part 1 of subchapter A of chapter 33 (tax on admissions); and

"(2) subchapter D of chapter 33 (tax on safe deposit boxes).

"(b) Reduction of tax on communications: Section 4251 (relating to tax on communications) is amended—

"(1) by striking out '10' each place it appears therein and inserting in lieu thereof '5'; and

"(2) by striking out '8' and inserting in lieu thereof '4'.

"(c) Reduction of tax on transportation.—

"(1) Persons: Section 4261 (relating to tax on transportation of persons) is amended by striking out '10 percent' each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof '5 percent'.

"(2) Property other than coal: Section 4271 (a) relating to tax on transportation of property other than coal) is amended by striking out '3 percent' and inserting in lieu thereof '1½ percent'.

"(3) Coal: Section 4271 (b) (relating to tax on transportation of coal) is amended by striking out '4 cents' and inserting in lieu thereof '2 cents'.

"(d) Technical amendments.—

"(1) The table of subchapters for chapter 33 is amended by striking out

" 'SUBCHAPTER D. Safe deposit boxes.'

"(2) The table of parts for subchapter A of chapter 33 is amended by striking out

" 'PART I. Admissions.'

"SEC. 204. Other excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter A of chapter 36 (tax on playing cards); and

"(2) subchapter C of chapter 36 (occupational tax on bowling alleys, billiard and pool tables).

"(b) Technical amendments: The table of subchapters for chapter 36 is amended by striking out

" 'SUBCHAPTER A. Playing cards.'

and by striking out

" 'SUBCHAPTER C. Occupational tax on bowling alleys, billiard and pool tables.'

"SEC. 205. Floor stocks refunds.

"(a) Passenger automobiles: Section 6412 (a) (1) (relating to floor stocks refunds on passenger automobiles) is amended to read as follows:

" '(1) Passenger automobiles, etc.: Where, before the date of the enactment of the Excise Tax Reduction Act of 1958, any article subject to the tax imposed by section 4061 (a) (2) has been sold by the manufacturer, producer, or importer and—

" '(A) either is held by a dealer on the date of the enactment of such act, or has been held by a dealer on or after March 1, 1958, and has been sold by him to an ultimate purchaser before the date of the enactment of such act,

" '(B) either has not been used before the date of the enactment of such act, or, if such article has been sold to an ultimate purchaser before such date, was not used before such sale, and

" '(C) either is intended for sale on the date of the enactment of such act, or has been sold to an ultimate purchaser before such date,

there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of the tax made applicable to such article on and after March 1, 1958, if claim for such credit or refund is filed with the Secretary or his delegate on or before August 10, 1958, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1958, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before August 10, 1958, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund. This paragraph shall apply in respect of an article sold by the dealer on or after March 1, 1958, and before the date of the enactment of the Excise Tax Reduction Act of 1958, only if on or before August 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to the allowance of the credit or refund. No credit or refund of any overpayment of the tax imposed by section 4061 (a) (2) with respect to any article sold by the manufacturer, producer, or importer on or after March 1, 1958, and before the data of enactment of the Excise Tax Reduction Act of 1958, resulting from the enactment of such act, shall be made or allowed except pursuant to the provisions of this paragraph.

"(b) Allowance of refunds on other tax paid articles: Section 6412 (a) (relating to floor stock refunds) is amended by renumbering paragraph (3) as (4), and by inserting after paragraph (2) the following new paragraph:

" '(3) Miscellaneous articles subject to manufacturers excise tax: Where before the tax reduction date any article subject to the tax imposed by section 4061 (b), 4111, 4121, 4131, 4141, 4151, 4161 (other than fishing rods, creels, reels, and artificial lures, baits, and flies), 4171, 4181 (other than firearms (other than pistols and revolvers), shells, and cartridges), 4191, 4201, 4211, or 4451 has been sold by the manufacturer, producer, or importer and on the tax reduction date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by him on his sale of the article (or, in the case of an article subject to the tax imposed by section 4061 (b), an amount equal to the difference between the tax paid by him on his sale of the article and the amount of the tax made applicable to such article on and after the tax reduction date), if—

" '(A) claim for such credit or refund is filed with the Secretary or his delegate on or before the tenth day of the fourth month which begins after the tax reduction date, based upon a request submitted to the manufacturer, producer, or importer before the first day of the third month which begins after the tax reduction date by the dealer who held the article in respect of which the credit or refund is claimed, and

" '(B) on or before the tenth day of the fourth month which begins after the tax reduction date, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund.'

"(c) Definition: Paragraph (4) of section 6412 (a) (relating to definitions), as renumbered by subsection (b), is amended by adding at the end thereof the following new subparagraph:

" '(C) The term "tax reduction date" means the first day of the first month which begins more than 10 days after the date of the enactment of the Excise Tax Reduction Act of 1958.'

"(d) Technical amendment: Section 6412 (c) (relating to applicability of other laws) is amended by striking out 'and 4081' and inserting in lieu thereof '4081, 4111, 4121, 4131, 4141, 4151, 4161, 4171, 4181, 4191, 4201, 4211, and 4451'.

"SEC. 206. Effective dates.

"The repeals and amendments made by sections 201, 202 (except subsection (b)), and 204 (a) (1) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. The repeal made by section 203 (a) (1) shall apply to amounts paid on or after such first day for admissions on or after such first day, except that with respect to the tax imposed by section 4231 (6) (relating to tax on cabarets), such repeal shall apply only with respect to periods after 10 antemeridian on such first day. The repeals made by sections 203 (a) (2) and 204 (a) (2) shall apply to amounts paid on or after such first day. The amendments made by section 203 (b) shall apply to amounts paid on or after such first day for communication services or facilities rendered on or after such first day. The amendments made by section 203 (c) shall apply to amounts paid on or after such first day for, or in connection with, transportation which begins on or after such first day.

"SEC. 207. Short title, etc.

"(a) Short title: This title may be cited as the 'Excise Tax Reduction Act of 1958'.

"(b) Amendment of 1954 code: Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a provision of the Internal Revenue Code of 1954."

Amend the title so as to read: "An act to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, and to repeal or reduce certain excise taxes."

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. A few minutes ago the Senator from Rhode Island [Mr. PASTORE] sent to the desk an amendment to my amendment, which was not then before the Senate. My amendment is now before the Senate. I should like to propound the inquiry as to whether I am now privileged to accept the amendment of the Senator from Rhode Island which repeals the excise tax on all jewelry sold at retail for less than $100, and incorporate it as a part of my amendment.

The PRESIDING OFFICER. The Senator has the right, at this stage, to modify his own amendment.

Mr. DOUGLAS. The Senator from Illinois requests that the amendment of the Senator from Rhode Island, which adds jewelry to the list of commodities now subject to the national excise tax for which the excise taxes would be repealed or reduced, be included in my amendment at the point indicated in the amendment of the Senator from Rhode Island. I accept his amendment and modify my amendment accordingly.

The PRESIDING OFFICER. The Senator has that right.

The modification was, on page 2 after line 17, to add a new subsection reading as follows:

(d) Jewelry and related items.—

The tax imposed by section 4001 shall not apply to jewelry and related items (other than the item specified in subsection (c)) sold at retail on or after March 10, 1958 if the selling price at retail is less than $100.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PASTORE. I thank the distinguished Senator from Illinois for accepting my amendment.

Mr. DOUGLAS. The Senator from Rhode Island has always been extremely cooperative. In proposing this amendment he shows his usual concern for the industries of his State, and I am very happy indeed to accept the amendment.

ADMINISTRATION RECOMMENDATIONS FOR REMEDYING THE CURRENT ECONOMIC SITUATION

Mr. FULBRIGHT. Mr. President, will the Senator from Illinois yield to me for 15 minutes?

Mr. DOUGLAS. I am glad to yield to the Senator from Arkansas provided the time is not taken from my time, and that I do not lose the right to the floor.

The PRESIDING OFFICER. The Senate is not operating under a limitation of debate.

Mr. FULBRIGHT. Mr. President, over last weekend the White House released a letter to the Senate and House Republican leaders on the current economic situation.

Among other statements in the letter is the following:

A number of administration recommendations for new legislation which could be of great help in stimulating the economy are already pending before the Congress. Again I urge the Congress to act promptly on such measures as (a) authority for additional insurance of FHA (Federal Housing Authority) mortgages of $3 billion per year for the next 5 fiscal years; (b) adjustment of those statutory interest rates which stifle private investment; (c) special assistance to areas of high and persistent unemployment; (d) tax relief for small business; (e) removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business; (f) a $2 billion increase in the lending authority of the Export-Import Bank, and (g) a $2 billion year program to modernize post office buildings and equipment.

This statement indicates that the President is pressing the Congress to act on these matters, and, perhaps, that there is some reluctance on the part of the Congress to act.

Inasmuch as four of these six legislative items on which the President is urging action lie within the jurisdiction of the Committee on Banking and Currency, of which I am chairman, I think it would be appropriate for me to comment on them.

First. The first item urges the Congress to act on authority for additional insurance of FHA mortgages of $3 billion per year for the next 5 fiscal years. If the President were conscious of what goes on in his Housing and Home Finance Agency he would realize that the administration's housing bill was not transmitted to the Congress until March 4. Probably it would not have been transmitted even then had not the Senate Banking and Currency Committee begun hearings on legislation to extend the GI housing programs.

Neither the Committee on Banking and Currency nor the Congress have been at all reluctant in giving FHA such mortgage insurance authority as it requires. This is a rather routine request.

Second. The second item apparently refers to a bill transmitted to the Congress by the Bureau of the Budget late in the last session of Congress. The President refers to this bill as "an adjustment of those statutory interest rates" on Government lending programs. This is a euphemism for a proposal to increase rates of interest on lending programs. What has prevented hearings on that bill, as I outlined in a statement in the Senate on February 24, is the fact that the Budget Bureau has not yet responded to the many requests which I have made for information about what it intends to do with the requested authority.

A greater question arises as to what possible benefit increasing interest rates on Government lending programs could possibly be to alleviate the present recession.

Third. The third item refers to a bill proposed by the administration for special assistance to areas of high and persistent unemployment. This administration program is represented by a bill pending before the Banking and Currency Committee which has been the subject of extensive hearings but which, in fact, is no more than a meaningless gesture to meet this problem. In spite of the deepening recession and widening unemployment, the President apparently still wants to treat this problem on an area basis.

Fourth. The fourth item refers to tax relief for small business. While this is not a matter within the jurisdiction of the committee of which I am chairman, I have long been interested in it. It is a well-known fact that the major thing which has prevented tax relief for small business in recent years, and particularly what has meant the defeat of the amendments which I have offered, is the direct and forceful intervention of the administration in opposition to any such relief. The administration has in effect repudiated the report of its own Cabinet Committee on Small Business.

Fifth. The fifth item calls for the extension of the life of the Small Business Administration and provision of new authority for loans to small businesses. As to the Small Business Administration, this agency is operating now, of course, and I know of no responsible person who believes it will not be extended. Certainly, there is no present inhibition on its operation to provide whatever assistance it can in the present recession. I do not know what the President means by "provision of new authority for loans to small businesses." If he has some new program in this area, I wish he would let us in on it. His administration opposed and discouraged the efforts of our committee in the last session to close the long-term and equity-capital gap in our credit structure.

Sixth. The sixth item requests an increase in the lending authority of the Export-Import Bank.

This bill was handled as expeditiously as it is possible to handle such a bill in the Senate. Hearings were held, and it was reported to the Senate within a period of 8 days after it was introduced by me at the request of the Export-Import Bank. It received an affirmative vote of the Senate on March 3. What is now holding it up is the objection, by way of a motion for reconsideration, on the part of a member of the President's own party. I suggest that the Senator from California, who is addressed in the President's letter as "Dear Bill," might take this letter as a reason for asking the Senator who entered this motion for reconsideration to allow the bill to come up for action.

Mr. President, this message of the President, not only the part which I have quoted, but the entire letter, illustrates again the inability of this administration to cope with varying economic conditions.

I think our economic system is basically strong. The threats to it occur when there are excessive fluctuations in the direction of extreme inflation or recession. The job of government is to counteract these fluctuations and thus to promote growth with a reasonable degree of stability. To do so, however, requires constant attention and foresight and a willingness to meet changing conditions promptly.

By tracing the history of certain economic events since 1951, I should like to recall why we are in our present situation of acute recession.

The Treasury Department and the Federal Reserve Board reached an accord in March 1951, and the Board stopped its inflationary support of the

Government bond market. The effect of withdrawing the support was a moderate increase in interest rates. It was agreed that it was more important for the Federal Reserve Board to stop pumping credit into the economy through its purchase of bonds than it was to keep interest rates artificially low.

This change in policy contributed to the achievement of relative price stability during 1951 and 1952, nearly 2 years before the new administration came into office.

Notwithstanding this, the Treasury Department issued a 3¼-percent bond in March of 1953, although the prevailing yields on comparable bonds at that time was about 2¾ percent. The issue was oversubscribed, and it contributed to an artificial increase in interest rates throughout the economy. It also caused a shortage of credit, contributing to the 1953–54 recession.

In late 1953 and 1954, the Federal Reserve Board began open-market operations to increase the money supply, reduced reserve requirements and lowered the discount rate from 2 percent in February 1954, to 1½ percent in May. There was a further reduction in reserve requirements in June, and all these operations created a condition of credit ease which speeded up business recovery in 1954. The Chairman of the Federal Reserve Board has, in retrospect, expressed regret that the Board followed too liberal a policy in the first half of 1954.

Also contributing to this credit ease was the 1954 tax bill, the prime benefits of which went to business investors. This tax bill, plus the expiration of the excess-profits tax, set off a buying spree in the stock market and later started a raging fire of business spending.

I am very proud, in hindsight, to recall that I was opposed to the 1954 tax bill.

On March 3, 1955, the Senate Banking and Currency Committee began 3 weeks of public hearings on the stock market. They were held at a time when there had been a continuous rise of stock prices for 18 months, with Standard & Poor's index of 400 common stocks rising by almost 60 percent since 1953. In addition, installment indebtedness was moving forward toward the record rate of $2 billion reached in the second quarter of the year. During the course of these hearings, which received wide public attention, there was increasing evidence of unhealthy speculative activity in the stock market and an undesirable expansion of mortgage and installment credit.

At the time, there was vigorous objection to this focus of attention on these potentially dangerous developments. The Secretary of the Treasury, for example, emphasized instead the potential danger that any inquiry into the stock market might have on confidence. The Senator from Indiana [Mr. CAPEHART] characterized the inquiry as political. He said that, "The whole business is one to embarrass the Eisenhower administration and to cause the people of America to lose confidence in business and the economy."

Both the administration and the Federal Reserve Board would have been in a more defensible position now if they had heeded the report of the Banking and Currency Committee issued in May 1955, which stated:

> It is not unlikely that contractive influences in housing, automobile, and agricultural sectors may be more than counteracted by expansion of business inventories, business plant and equipment expenditures, and commercial and governmental expenditures. Should expansion proceed at a pace which develops speculation in business inventories as well as continued speculation in the stock market, the economy may be headed for serious trouble.

The Federal Reserve Board did not raise the discount rate until April 1955 and then only from 1½ to 1¾ percent, and there was no attempt to change reserve requirements, which had been progressively lowered from 24 percent in mid-1953 to 20 percent in mid-1954. The great expansion of credit during this period was a major influence producing a bunching of expenditures on durable goods, which was a potent force in aggravating instability. The production of 8 million cars in 1955 and a volume of housing starts which was close to the postwar peak of 1950, was followed in the next year by a record rate of expansion in plant and equipment expenditures.

On Thursday, February 6, of this year Chairman Martin of the Federal Reserve Board blamed the current recession on inflationary excesses of 1956 to 1957. He said:

> The adjustment problems that the economy is confronting today are the aftermath of those excesses. In retrospect, none of us participating in economic decision-making adequately appraised the speed and force of inflationary boom. Consumer credit rose substantially in 1955. Businesses vastly increased their expenditures for plant and equipment in 1956 and 1957.

When Chairman Martin of the Federal Reserve Board appeared before the Committee on Banking and Currency on February 19, 1958, the following colloquy between Mr. Martin and me took place:

> Senator FULBRIGHT. I would like to pursue a bit your last observation that you did not act soon enough or fast enough and your only criticism of your policy was you were not tough enough.
>
> You recall this committee had a hearing in the spring of 1955, did it not, on this subject?
>
> Mr. MARTIN. You did.
>
> Senator FULBRIGHT. Did the committee not try to urge you and others to take note of the inflationary tendencies in our economy?
>
> Mr. MARTIN. I think that hearing was very helpful, and we did take some action subsequently. We did not take as——
>
> Senator FULBRIGHT. You took some, but did any other agencies in the Government? Did the Treasury take any note of it or do anything in respect to their policies?
>
> Mr. MARTIN. Well, they did not do enough. Let's put it that way.
>
> Senator FULBRIGHT. Would you not say that the tax bill of 1954 contributed to the overexpansion of the productive capacity?
>
> Mr. MARTIN. As things developed; yes.
>
> Senator FULBRIGHT. It was quite clear in 1955 that that would be the effect, was it not? That is what this committee—certain members at least—alleged; was it not?
>
> Mr. MARTIN. Well, I am inclined to agree with you, but it is a matter of judgment there.
>
> Senator FULBRIGHT. But it is not a matter of judgment now. The facts bore out the views of the committee at that time; did they not?
>
> Mr. MARTIN. I think subsequent events did.
>
> Senator FULBRIGHT. Is that not the proof that they were correct at the time?
>
> Mr. MARTIN. Well, for that period; yes.
>
> Senator FULBRIGHT. That hearing did not amount to shouting "fire" in a crowded theater and did not cause an undermining of the economy of the country; did it?
>
> Mr. MARTIN. No.
>
> Senator FULBRIGHT. You recall the committee was accused of doing that; do you not? You remember that; do you not?
>
> Mr. MARTIN. I remember it very well.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the full text of the President's letter to the GOP chiefs, as published in the New York Times.

There being no objection, the text of the letter was ordered to be printed in the RECORD, as follows:

TEXT OF PRESIDENT'S LETTER TO GOP CHIEFS

(WASHINGTON, March 8.—Following is the text of President Eisenhower's antirecession letter today to the Senate Republican leader, WILLIAM F. KNOWLAND of California, and the House Republican leader, JOSEPH W. MARTIN, Jr., of Massachusetts:)

DEAR BILL:

DEAR JOE:

In recent press conferences I have stressed the point that in the current economic situation, certain kinds of governmental measures, including the acceleration of planned and needed public improvements, can be useful in promoting increased growth of the economy.

I have also stressed this point: The course of our huge, complex economy mainly depends upon what individual citizens do—upon their productivity, their initiative and enterprise, and the millions of economic decisions which they freely make each day. The proper relation of government to the growth and vigor of such an economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity.

I am concerned over the sudden upsurge of pump-priming schemes, such as the setting up of huge Federal bureaucracies of the PWA (Public Works Administration) or WPA (Works Projects Administration). That kind of talk evidences lack of faith in the inherent vitality of our free economy and in the American as an individual. Schemes of that kind reflect the fallacy that economic progress is generated not by citizens wisely managing their own resources, but by the wholesale distribution of the people's money in dubious activities under Federal direction. Unsound programs of that kind would do great damage to America rather than contribute to our economic strength.

My February 12 economic statement emphasized a number of important considerations:

First, that current economic developments, including increased unemployment with its severe hardships for those individuals temporarily out of work, are of deep concern to us all;

Second, that the basic factors making for economic growth remain strong, justifying expectations of early economic improvement;

Third, that numerous governmental policies and programs already under way and projected will help achieve an early resumption of economic growth; and

Fourth, that should additional governmental measures be needed, they will be taken by the executive branch or proposed to the Congress.

In that statement I cited a number of governmental activities currently aiding the

economy. These include measures by the Federal Reserve authorities to ease credit, various steps to stimulate home building, a $600 million increase in Federal aid highway expenditures next fiscal year, sharply increased activity under the urban renewal program, and a more than $5 billion increase in defense procurement and construction during the first 6 months of this calendar year over the peceding 6 months.

RECOMMENDATIONS CITED

A number of administration recommendations for new legislation which could be of great help in stimulating the economy are already pending before the Congress. Again I urge the Congress to act promptly on such measures as (a) authority for additional insurance of FHA (Federal Housing Authority) mortgages of $3 billion per year for the next 5 fiscal years; (b) adjustment of those statutory interest rates which stifle private investment; (c) special assistance to areas of high and persistent unemployment; (d) tax relief for small business; (e) removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business; (f) a $2 billion increase in the lending authority of the Export-Import Bank, and (g) a $2 billion year program to modernize post office buildings and equipment.

Since my February 12 statement the administration has been developing additional orderly accelerations of programs that are genuinely needed in the public interest, have long been planned, and are already approved. I cite here some of the additional actions I have directed since February 12:

1. The Director of the Bureau of the Budget, on my instruction, has directed the executive departments and agencies to accelerate where practicable the construction of projects for which appropriated funds are available. Acceleration of civil projects alone, many of which are already in planning and engineering stages, will result in the expenditure of nearly $200 million several months earlier than previously planned. This earlier expenditure will step up such construction programs as Corps of Engineer civil works, the improvement of roads and facilities in national parks, and the Bureau of Indian Affairs' road building and maintenance activities.

2. Additionally, certain water resource projects have been accelerated in the present fiscal year and the affected departments are submitting such amendments to the budget as are needed to continue this higher construction rate in 1959. Amendments, to be transmitted to the Congress next week, will involve increased appropriation requests as follows:

[In millions]

Department of the Interior, Bureau of Reclamation	$46
Department of the Army Corps of Engineers, rivers and harbors and flood control	125
Department of Agriculture (watershed protection and flood prevention projects)	15
Total	186

In addition, an amendment to the Department of the Interior budget will be presented to the Congress to allow an early start on small reclamation projects which were authorized by the 1956 Small Projects Act.

MORE HOUSING FUNDS

3. The Director of the Bureau of the Budget has just released an additional $200 million to the Administrator of the Housing and Home Finance Agency. These funds will be used by the Federal National Mortgage Association to stimulate construction of homes for citizens of modest means and to implement other authorized programs. They will provide additional employment throughout the country. Should experience establish a need for more of these funds, they will be requested of the Congress.

4. In the next few days the administration will ask the Congress to amend the highway act to suspend certain expenditure limitations for 3 years. If enacted this amendment will permit apportionments to the States of an additional $2,200,000,000 of Federal funds, all of which will be placed under contract during the calendar years 1958–61. Adoption of this amendment will permit the apportionment during each of these years of a total of $2,200,000,000 of Federal funds for Interstate Highway construction alone.

5. The military department, on my instruction, have in recent days acted to award more procurement contracts in labor surplus areas, with first priority to small business concerns in such areas. A new clause is being inserted in future contracts urging prime contractors to give preference to qualified subcontractors in labor surplus areas to the full extent permissible under existing law. The services are also reexamining their procurements to assure that the maximum number of contracts are available to small business generally as well as to labor surplus areas.

6. The Veterans' Administration has acted to make private funds more readily available to veterans for acquiring home ownership under the GI loan guaranty program, and the Federal Home Loan Bank Board has launched a program to increase the availability of funds for investment in home mortgages in areas that in recent months have experienced a shortage of such funds.

7. I deeply believe that we must move promptly to meet the needs of those wage earners who have exhausted their unemployment compensation benefits under State laws and have not yet found employment. I have requested the Secretary of Labor to present to me next week a proposal which, without intruding on present State obligations and prerogatives, would extend for a brief period the duration of benefits for these unemployed workers. This would enable eligible unemployed individuals to receive weekly benefits for a longer period than is now permitted under State laws and thus enable them to continue to seek jobs with a greater measure of security. I shall shortly place such a proposal before the Congress.

Finally, it should be understood that other programs and measures are under study and, as circumstances may require, will be administratively set in motion or proposed to the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

CONCENTRATION OF BUSINESS ACTIVITY

Mr. FULBRIGHT. Mr. President, I call the attention of the Senate to a most interesting article written by Sylvia Porter and published in the Washington Evening Star, of March 11, 1958. The caption is "Triumph of Giantism." The article relates events which indicate a trend toward a larger concentration of business activity in this country.

Mr. President, I ask unanimous consent that the article written by Miss Porter be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRIUMPH OF GIANTISM

(By Sylvia Porter)

"Within 18 years, all manufacturing business and most of the distribution and service business of the Nation will be controlled by corporations having more than $100 million of assets."

So predicted the House Small Business Committee in January 1957. It qualified its forecast with only one "if"—"if small business failures and big business expansions continue at the rate of the past 5 years."

Today I can report that the committee's timing for the triumph of industrial giantism is beginning to appear conservative.

The rate of small business failures is intensifying by the week. So far in 1958, businesses are failing at the pace of 306 a week, close to 16,000 a year.

At the same time, the business birth rate is slowing down. In January new business incorporations were 2.3 percent below the number of new formations in January a year ago. In 1957 business births were below both 1956 and 1955.

Meanwhile, the merger trend is as strong as ever.

Voluntarily or involuntarily, dozens of medium-big firms merge and consolidate every day. In addition, the number of companies which do not fail but which disappear nevertheless through merger with stronger firms or through just simple dissolution runs from 350,000 to 400,000 a year now, authorative sources estimate.

There's no missing the trend or the reasons behind it.

The squeeze of rising costs of materials and manpower is a major force. While this cost squeeze may pinch a big corporation, it often strangles a smaller one.

The difficulty of getting loans and capital is an immense factor. While stiff credit requirements may annoy a large corporation, they frequently destroy a smaller one which can't get the cash it must have in time and at a price it can afford to pay.

Taxes are a brutal killer. In prosperous periods the tax burden doesn't permit a smaller firm to accumulate a nestegg to carry it through rougher times. Again, while the tax load may slash a big company's net profits, it often wipes out a smaller one.

And this era of fierce competition is proving the final blow to painful numbers of little businesses. The price wars which have followed the abandoning of fair trade on small appliances may be building plenty of business for the big stores, and they're certainly giving consumers a chance to grab some bargains, but the wars also are dooming small appliance retailers the Nation over.

There's nothing new about the plight of small business. The only news is that the plight is getting steadily worse.

What, then, did the first session of the 85th Congress, and what did the administration do about it last year?

Nothing.

Oh, there was plenty of talk. There were lots of proposals, promises, speeches, pledges, hearings, tidbits of assistance. But when you ask what important and practical moves were made, the answer must be: Nothing significant was done.

What, then, is the outlook for 1958?

Because of the business recession, because this is an election year, because some leaders in Congress really seem to care about preserving our system of free, competitive enterprise, there may be some tax-relief measures, a few other moves.

But there still is no convincing evidence of a major effort to solve the problems of financing and taxation of small business. And until this effort is made, the industrial giants will dominate the economy more and more. And our economic system will continue to die—fast.

Mr. FULBRIGHT. Mr. President, I agree completely with Miss Porter's view that small businesses in this country can survive and grow only if more adequate sources of capital are open to them, and

if the tax laws are revised to compensate for the many economic advantages enjoyed by our great corporations. I believe, however, that some word must be said to point out efforts made in the Senate to achieve these objectives.

My first effort to provide tax relief for small businesses was made in 1948, when I offered an amendment to H. R. 4790, which amendment would have exempted from taxation the first $15,000 of corporate income. In 1955, I again introduced a bill, S. 2673, to exempt the first $15,000 of corporate income. Early in 1956, it became obvious to me that this proposal was not receiving the support it deserved, primarily because it entailed a revenue loss. In order to overcome this objection, in 1956, I introduced a bill, S. 3129, which would have cut taxes for small corporations and which would have increased Federal revenue. I offered the bill as an amendment to two bills in 1956, H. R. 9166 and H. R. 10660. In 1957, I introduced S. 150 and offered it as an amendment to H. R. 4090. This amendment would have reduced taxes for small corporations and would have increased Federal revenue by an estimated $20 million.

My amendment was debated in the Senate on March 26 and 27, 1957. It was defeated by a vote of 52 to 33. Forty-one members of the President's party voted on this amendment—36 against it and only 5 for it. The administration actively lobbied against me and sent word to the Senate that members of the President's party should vote against the Fulbright amendment. I honestly believe that this amendment would have carried the Senate on March 27, 1957, if the President of the United States had been willing to leave the members of his party free from his influence.

Since membership in the Senate is substantially the same in 1958 as it was in 1957, and since there has been no indication that the White House has changed its position on corporate tax rates, I have concluded that another attempt to revise these rates would be futile. I have some hope, however, that proposals made by the Senator from Alabama [Mr. SPARKMAN] and other members of the Senate Select Committee on Small Business will be sympathetically considered by the Finance Committee and will be enacted during this session of Congress.

The second major problem mentioned by Miss Porter concerns the credit and capital needs of small businesses. This is a subject within the legislative jurisdiction of the Committee on Banking and Currency, of which I am chairman. The committee had lengthy hearings last year and was largely responsible for a research project being undertaken by the Federal Reserve System to identify a gap in our credit structure and to suggest means of closing this gap. The Committee on Banking and Currency will continue its hearings within the next 6 weeks, with particular emphasis being given to Senator SPARKMAN's bill, S. 2160; Senator JOHNSON's bill, S. 3191; and to any proposals growing out of the Federal Reserve study.

I am confident that some workable program can be established to provide capital and long-term credit at reasonable rates for small businesses. This subject is one of the primary goals of the Committee on Banking and Currency during this session of Congress. I regret that to date the committee has received no encouragement whatsoever from the executive branch of the Government. I believe that, in spite of this apathy in the executive branch, the Committee on Banking and Currency can produce a bill which will command the support of the Senate and which can offer some solution to the financing problems of small businesses.

Mr. CAPEHART. Mr. President——

Mr. DOUGLAS. Mr. President, may I inquire who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. For what purpose does the distinguished Senator from Indiana request the floor?

Mr. CAPEHART. I should like to have 2 or 3 minutes in which to answer the able Senator from Arkansas.

Mr. FULBRIGHT. I will yield to the Senator from Indiana, if he wishes.

Mr. DOUGLAS. Mr. President, I have the floor. I shall be glad to yield 3 minutes to the Senator from Indiana in order that he may reply to the Senator from Arkansas.

The PRESIDING OFFICER. Without objection, the Senator from Illinois yields to the Senator from Indiana.

Mr. DOUGLAS. Three minutes.

Mr. CAPEHART. Mr. President, my observation has been that ever since Mr. Eisenhower has been President, the opposition has been viewing with alarm what would happen or what might happen. I think the record shows that when there were so-called tight money and high interest rates, and when the Treasury Department and the Federal Reserve System were operating as they were in trying to move the public debt into long-term debt, there was full employment in the United States, and we had prosperity.

About 9 months ago the opposition started to snipe at the President of the United States with respect to high interest rates and tight money. They were marshaling the people of the Nation and trying to frighten them into thinking something would happen. I think the opposition has done a fairly good job in taking the Nation into a slight recession. I do not think the recession will go much beyond where it is.

I call the attention of the able Senator from Arkansas and other Senators to the fact that when there is again full employment and prosperity in the United States, there will be higher interest rates and tight money, because the very fact of full employment means that large quantities of goods are being manufactured and services rendered. It takes money to finance those goods and services. There will be pressure and competition for the use of money.

I feel quite certain that the carpenters and other craftsmen who are walking the streets today without jobs would prefer that the economy be back where it was a year ago, when so-called tight money and higher interest rates prevailed. Then the Nation was very prosperous. I am certain they would much prefer the good jobs they had then to the unemployment which they are now experiencing.

When Americans are discouraged from saving money, jobs are eliminated or the possibility of having jobs is reduced, because it is the money which is invested in industry which creates jobs.

When the people America believe they will not earn a fair return on their savings; when they are told that financial institutions act as shysters and are getting more than they deserve and should not have it, and they are attacked from every conceivable angle, as I have listened to the attacks in the Senate for the past 12 months; people are discouraged from saving and investing. The result is that men are thrown out of work, and there is unemployment.

Just as certainly as the sun rises in the East and sets in the West, when there is full employment in America, there will be pressure upon those who have money to lend, because money is required to create jobs and to maintain full employment in order to have prosperity in the United States.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I yielded only a limited amount of time to the Senator from Indiana. I should be glad to yield to the Senator from Arkansas, but the pending business is the amendment. I do not desire to shut off——

Mr. CAPEHART. Mr. President, have I used my 3 minutes?

Mr. DOUGLAS. Oh, yes; and many multiples of 3 minutes.

Mr. CAPEHART. Have I used more than 3 minutes?

The PRESIDING OFFICER. In the opinion of the Chair, the Senator from Indiana has used 3 minutes.

Mr. CAPEHART. Is that the Chair's opinion, or is it the fact?

The PRESIDING OFFICER. The Chair was being liberal to the Senator from Indiana.

Mr. CAPEHART. I appreciate that.

Mr. DOUGLAS. I shall be glad to yield an additional minute to the Senator from Indiana. I hope that sometime soon we may proceed with the business of the Senate.

Mr. FULBRIGHT. Mr. President, will the Senator yield for one question?

Mr. DOUGLAS. I yield for 30 seconds to the Senator from Arkansas; then I shall yield an additional minute and a half to the Senator from Indiana to reply.

Mr. FULBRIGHT. Mr. President, I do not clearly have in mind the thesis of the Senator from Indiana. Is it his thesis that high interest rates are a cause and a contributing factor to prosperity; or is it his thesis that they are a result?

Mr. CAPEHART. My thesis is as follows: When there is full employment, large amounts of manufactured goods are produced and large amounts of services are performed, and money is required for those operations. That creates a demand for money, and of course

in the United States money is free either to be loaned or not to be loaned. There will always be higher interest rates and a pressure on money when there is full prosperity.

As I said, I much prefer full employment and prosperity, rather than low interest rates.

Whenever there is a depression or a recession, there will be unemployment, low prices, low interest rates, and little or no demand for money. That is just as certain as it is certain that we are standing on this floor.

Mr. FULBRIGHT. Will the Senator from Indiana suggest how he thinks that would be brought about?

Mr. CAPEHART. Yes: Quit discouraging people by making, on the floor of the Senate, speeches attacking high interest rates. Talk practical, common horsesense, and encourage the people of the United States to save their money. And talk about a little higher interest rate for those who are willing to save their money, and thus create jobs. Those are the things I would do.

Mr. FULBRIGHT. I thought the speeches made on the floor in the last few days were on the subject of how to get the people to spend money.

Mr. CAPEHART. But it is necessary to save money, before it can be spent or invested. Someone has to accumulate money, in order to create a job, under our private-enterprise system. The more savings there are and the more willing people are to invest their savings, the more jobs will be created, the more mortgages will be purchased, and the more homes will be built. It is as simple as that.

Let us get away from politics. Let the politicians stop trying to run the economy of the Nation because my best judgment is that they have not done a very good job of it, up to now.

FORMULA FOR TAXING OF LIFE INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

Mr. DOUGLAS. Mr. President, the amendment which has been read, and which now is before the Senate, would put into effect one-half of the tax cut called for by the amendment I proposed last night.

I ask unanimous consent that a table I have prepared giving the provisions of my amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Excise provisions of Douglas tax cut amendment

Item	Present rate	How collected at present	New proposed rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	*Million*
1. Retailer's excises:				
Sec. 4001: Watches and clocks below $100	10 percent of selling price	Paid by consumer to retailer	0	[1] $10.0
Sec. 4021: Toilet preparations	10 percent	Retailer	0	102.0
Sec. 4031: Luggage, handbags, wallets, etc	do	do	0	60.0
2. Manufacturer's excises:				
Sec. 4061 (a) (2): Passenger automobiles	10 percent (permanent rate 7 percent).	Paid by manufacturer to Government	5	500.0
Sec. 4061 (b): Auto parts and accessories (includes parts for trucks).	8 percent (permanent rate 5 percent).	do	4	57.0
Sec. 4111:				
1. Refrigeration equipment, household type	5 percent	Paid by manufacturer	0	44.0
2. Air conditioners	10 percent	do	0	
Sec. 4121: Electrical, gas, and oil appliances	5 percent	do	0	75.0
Sec. 4131: Light bulbs	10 percent	do	0	28.0
Sec. 4141: Radio and TV, phonographs, etc	do	do	0	179.0
Sec. 4151: Musical instruments	do	do		
Sec. 4161: Sporting goods (except fishing equipment)	do	do	0	[1] 10.0
Sec. 4171:				
1. Cameras and films	do	do	0	22.0
2. Projectors, still and motion, of household type	5 percent	do	0	
Sec. 4181: Pistols and revolvers	10 percent	do	0	2.0
Sec. 4191: Business machines	do	do	0	93.0
Sec. 4201: Mechanical lighters, pencils, fountain and ballpoint pens.	do	do	0	18.0
Sec. 4211: Matches:				
1. Plain	2 cents per 1,000 but not more than 10 percent.	do	0	6.0
2. Fancy	5½ cents per 1,000	do	0	
3. Facilities and services:				
Sec. 4231 (1-6): Admissions of all kinds including musicians cabaret.	Various (20 percent cabaret)	Paid by person paying admission; collected from proprietors.	0	100.0
Communications:				
Sec. 4251:				
1. Tel and Tel, leased wires, etc	10 percent	Imposed on person paying for facility	5	330.0
2. Local telephone	do	do	5	
3. Wire and equipment service	8 percent	do	4	
Transportation:				
Sec. 4261: Persons	10 percent	Paid by person making purchase; collected by transportation company.	5	107.5
Sec. 4271 (a):				
1. Transportation of property other than coal	3 percent	Paid by person making purchase of transportation.	1½	238.0
2. Transportation of coal	4 cents per ton	do	[2]	
4. Miscellaneous:				
Sec. 4286: Safe-deposit boxes	10 percent	Paid by person paying for use of box	0	6.0
Sec. 4451: Playing cards	13 cents per pack	Manufacturer's excise tax	0	6.9
Sec. 4471: Occupation tax on bowling alleys and billiard tables, other minor provisions.	$20 per year per alley or table	Occupational tax paid by person owning or leasing item.	0	1.0

[1] Estimated. [2] 2 cents per ton.

Mr. DOUGLAS. Mr. President, last night, I proposed an amendment which called for a tax cut of approximately $5.2 billion for the current, calendar year. It consisted of 2 parts: an income-tax cut of $3 billion, and an excise-tax cut of $2.2 billion. On the final vote, we certainly were clobbered by the leadership on both sides of the aisle. I am not criticizing that action; it is simply a fact that a bipartisan coalition of the leadership of both groups turned down my proposal for a tax cut of $5.2 billion.

I believe there were many Members of the Senate who in their hearts wanted to have a tax cut made, but felt that possibly a cut of $5.2 billion would be excessive, in view of the public-works programs which they wish to have inaugurated, and in view of the increased defense expenditures which may well be necessary, and in view of the decline in revenues which probably will occur.

I believe there are many Members of the Senate who—and I say this on the basis of private opinions which have been expressed to me—would vote for a reduction in the excise taxes, although they would not vote for a combined income-tax and excise-tax reduction.

So today I propose, not to cut taxes by $5.2 billion, but to cut them by $2.2 billion, or by the amount of the excise provisions in my amendment of last night.

Therefore, Mr. President, I am proposing that the second part of my amendment of last night be put into effect—modified, as it has been, by the amendment suggested by the very able Senator from Rhode Island [Mr. PASTORE].

Mr. President, last night I made the case, at some length, for a tax cut. That case has been printed in the CONGRESSIONAL RECORD; therefore, I do not believe there is need for me to repeat it at length today, and I shall not do so.

However, I should like to point out that another prediction I made about the extent of unemployment has come true. It was not a prediction of gloom but a prediction of fact and reality. Last night I said that, on the basis of fragmentary reports which I had received, it was my estimate that the total number of insured unemployed for the week ending March 1 was between 3,500,000 and 3,505,000. Ten minutes ago, I received from the Department of Labor the final figures on insured unemployment. For March 1, they show the total to be 3,503,300. So, Mr. President, once again I have hit the bull's eye, so to speak, in predicting the total amount of unemployment for the final figure is precisely in the center of the range which I estimated last night.

The significance of these figures lies, not merely in their total, but also in what has happened since February 15, when the Bureau of the Census published its estimate. The increase has been from 3,337,800 of insured unemployment, on February 15, to 3,503,300 on March 1, or an increase of approximately 166,000 persons. In other words, instead of a pickup from the 15th of February to the 1st of March, there has been a decrease of approximately 166,000 in insured employment, or an increase of approximately 166,000 in insured unemployment.

As I have pointed out again and again, the insured unemployment is very appreciably less than the total unemployment, because the former does not include those who are not eligible to receive benefits—those who have not completed the waiting period of 1 week; those who have been unemployed for so long a period of time that they have exhausted their claims for unemployment benefits; and those who are in wage and salary relationships in occupations not covered by the State unemployment-insurance laws.

I have pointed out that, in times past or months past, the percentage of insured unemployment to the total unemployment has been approximately 63 percent. On that basis, the increase in total unemployment as compared to insured unemployment from February 15 to March 1 would have been 263,000. In other words, instead of a decrease in unemployment—as normally happens during this period—unemployment has increased by more than one-quarter of a million; and there will have to be a very decided pickup in the 2 weeks between March 1 and March 15, tomorrow, in order to have the Bureau of the Census figure—when it appears almost a month from now, for the period ending March 15—even show that we are holding our own, let alone making the seasonal gain which normally occurs.

I mention all this, Mr. President, to reinforce the argument I made last night that we should not be deluded by false optimism, but should look the facts in the face, and the facts overwhelmingly point to a need for action now.

I know there is a tendency to say, "Let us wait." That is apparently the decision which has been reached by the leaders of both political parties. I do not question the good faith of these gentlemen. I merely say the results of that decision may be disastrous to the American people. Therefore, I am taking this last opportunity to urge that, if they will not accept a $5.2 billion tax cut, they accept a tax cut of $2.2 billion.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes, I am very glad to yield to my good friend from Michigan, who has given such stalwart help to this cause.

Mr. POTTER. I thought it might be well to read a statement from a speech made by the junior Senator from Kansas [Mr. CARLSON] on Tuesday, March 11, on this very question. With the Senator's indulgence, I should like to read it into the RECORD.

Mr. DOUGLAS. I shall be very glad to have the Senator do so.

Mr. POTTER. I am reading from the remarks of the Senator from Kansas, who is a member of the Committee on Finance. I think it worth while that the Senate have the information prior to voting on the amendment offered by the Senator from Illinois. The Senator from Kansas [Mr. CARLSON] said:

> I would remind the Senate and those who believe that this recession seems to follow the pattern of the 1949 and 1954 periods, that in both of those instances Congress acted with dispatch in dealing with the depression by giving a tax reduction.
>
> In 1949 taxes were reduced—and, I should mention, that was done over President Truman's veto. That tax reduction was a leading factor in bringing about a $21 billion increase in the gross national product within 6 months, and that occurred before the outbreak of the Korean war.

He stated further:

> In 1954 taxes were also reduced very sharply and the Federal Reserve Board made credit easier. Again there was an increase in the gross national product—one of $54 billion between 1954 and 1956.

I quote further from the Senator from Kansas:

> I think it is the obligation of Congress to give serious consideration to every proposal that is offered to halt this recession; but I suggest that if we base our actions on the history of depressions, we shall give every consideration to a tax cut. One sure way to stop the recession is to cut taxes.

I take the time of the Senator from Illinois to remind the Senate that in dealing with the question of taxes great harm can be done by constant talk about reduction of taxes as something we shall consider and provide for later. If we are to go into the tax-reduction field, we should act promptly. That is what the Senator from Illinois is trying to do.

We have no assurance when another tax bill will be before the Senate. It may be in 1 month, 2 months, or 3 months. We do not have any idea when we shall have another opportunity to act. Neither do we know what will happen to our economy in the meantime. I agree with the Senator that one of the best means of acting to halt the recession is by tax reduction. I wish to thank the Senator from Illinois for his valiant effort in that regard.

Mr. DOUGLAS. I appreciate the remarks of the Senator from Michigan. They come as balm to a somewhat bruised spirit, because after the yeas and nays last night it was pretty clear what the Senator from Michigan and what the Senator from Illinois were up against. We were up against a bipartisan coalition of the leadership of both political parties. Neither the Senator from Michigan nor the Senator from Illinois was under any delusions as to what we were facing.

Mr. POTTER. Will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. POTTER. I note from an article in the New York Times of this morning that the leadership of the administration and the leadership in Congress will consider the matter and work together before any action is taken. That coalition of the administration and the Congressional leadership has been opposing efforts to reduce taxes.

Mr. DOUGLAS. Would the Senator from Michigan like to include in the RECORD at this point the article from the New York Times?

Mr. POTTER. I should like to do so. I ask unanimous consent that the article may be printed at this point, Mr. President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> RAYBURN AND GOP AGREE TO CONFER ON TAX ACTION; DIP IN SPENDING FORECAST—COOPERATION SET—NEITHER PARTY TO ACT ON LEVY CUT BEFORE TALKING TO OTHER
>
> (By John D. Morris)
>
> WASHINGTON, March 13.—The Eisenhower administration and Democratic leaders of Congress have reached an understanding that may produce a bipartisan tax-relief bill to help stem the economic recession.
>
> Robert B. Anderson, Secretary of the Treasury, and SAM RAYBURN, Speaker of the House of Representatives, have exchanged assurances that neither will move to reduce taxes without first consulting the other.
>
> This was the first step in what may develop into an unusual gentlemen's agreement for two-party cooperation in drafting a tax bill if administration or Congressional policymakers should decide that a reduction is warranted.
>
> A decision on such a bill is expected to be made in about a month, when statistics on March economic conditions become available. At the moment, according to the bulk of informed speculation, the outlook is for a tax cut that could take effect by May 1.
>
> MILLS IN ON TALKS
>
> The tax cutting truce between the administration and Democratic Congressional leaders resulted from a series of telephone calls in the last few days. Participants including Secretary Anderson for the administration and Speaker RAYBURN and Representative WILBUR D. MILLS, of Arkansas, for the Democrats. Mr. MILLS is chairman of the Ways and Means Committee.
>
> Mr. Anderson, now a registered Republican, is a former Texas Democrat and an old friend of the Speaker, who is also a Texan.

He assured Mr. RAYBURN that he was the administration's tax spokesman—not Vice President RICHARD M. NIXON or James P. Mitchell, Secretary of Labor.

Mr. NIXON, in an interview Monday, and Mr. Mitchell, in a speech Tuesday, had led Democratic strategists to fear that the administration was on the verge of sending an antirecession tax-relief proposal to Congress.

The Rayburn-Anderson understanding became known today coincident with these other developments:

The American Federation of Labor and Congress of Industrial Organizations carried its case for immediate tax relief to President Eisenhower. Members of the organization's executive committee conferred with the President for half an hour with inconclusive results.

Acting without the administration's blessing, Representative RICHARD M. SIMPSON of Pennsylvania introduced a bill for $6.4 billion tax reduction. Mr. SIMPSON is chairman of the Republican Congressional campaign committee and a high-ranking member of the tax-writing House Ways and Means Committee.

President Eisenhower talked over the economic situation again at a conference with Secretary Anderson and other economic advisers. But the White House said the meeting had been devoted mainly to devising an administration plan for providing unemployment compensation for those who have exhausted benefits.

Their fears increased when they learned that taxes were among the topics to be discussed at President Eisenhower's regular Tuesday conference with Republican Congressional leaders.

As a consequence, Representative MILLS hastily began to draft a Democratic tax-relief formula for immediate introduction in the event that the administration proposed a reduction.

Secretary Anderson's diplomacy thus averted, at least for the time being, a sharply partisan battle that could have damaged either or both political parties.

As matters now stand, the groundwork has been laid for a possible bipartisan effort in which Republicans and Democrats would share the credit or responsibility for a tax cut that would put the Government deeply into the red.

PROPOSALS ARE SIMILAR

A striking similarity in still incomplete tax-cutting formulas independently drafted by administration officials and Democratic strategists in Congress give additional promise of a cooperative approach.

Both call for across-the-board cuts in individual income taxes, with emphasis on relief for low-income taxpayers; reduction of the corporation rate from 52 percent of taxable earnings to 50 percent and easing of excise taxes on such items as automobiles and transportation of property.

One of the main points of difference is over the treatment of individual income in the first bracket—up to $2,000 after deductions and exemptions. The Democratic plan would lower the 20-percent rate to 15 percent on the first $1,000. Administration officials favor an unspecified cut applying to the entire $2,000.

Taxes or income above $1,000, under the Democratic plan, would be reduced by a flat 5 percent. Administration officials are considering a similar cut on income above $2,000.

The 8-man AFL–CIO delegation, led by George Meany, president, left with President Eisenhower a memorandum urging an increase in unemployment insurance and a step-up in defense and public-works spending as well as tax reduction.

They told the President that there was no use to pin hopes on a quick economic recovery because all signs pointed to a deepening recession.

"We do not propose that the Government act in a mood of panic," the memorandum said. "Rather we believe that reasoned and considered actions taken now, without delay, will militate against any climate of panic in the near future."

Several of the union leaders expressed disappointment with President Eisenhower's noncommittal reaction. Mr. Meany and others said the President had agreed that "it was a serious situation" and promised to take the proposals "under consideration along with other things."

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Rhode Island.

Mr. PASTORE. Inasmuch as the article from the New York Times has been made a part of the RECORD, I should like to make a rejoinder and an observation. Nearly everyone is talking in terms of reducing taxes in order to create buying power to stimulate jobs. So it seems there is no longer a question whether we shall provide a tax cut or when we shall do it, but it strikes me the question is who wants to take credit for it.

The argument was made last night that a tax cut will not put money in the pockets of the unemployed tomorrow. We understand that; but we understand, too, if we can take some action to accelerate and emphasize the buying of goods on the part of the American people, we shall be laying the cornerstone of business activity which will create the jobs which are needed under our system of free enterprise.

I make another point. Excise taxes were instituted in a period of emergency. To do what? To discourage the American public from buying. There was full employment at that time and there was a very large gross national product; so it was felt that if we could do something to discourage buying of articles, we would stop inflation.

Only a short while ago, in a recent press conference, the President of the United States said what is needed is confidence on the part of the American public. If a person needs a refrigerator, he should buy it. If he needs an automobile, he should buy it. If he needs a television set, he should buy it. Do not be frightened. Go forth and buy, because if people buy, that will result in creating jobs. That is what we are trying to do. We are trying to encourage the American public to buy. We are saying to the American public, "Over and above words of sweet encouragement to induce you to buy merchandise, in order to create jobs, we are doing something to give you a real incentive to do so. We are removing the excise taxes which were imposed in order to discourage buying." The only way to encourage buying is to eliminate discouragement.

It is my understanding that the purpose of the amendment is to remove discouragement to buy on the part of the American people. The excise taxes were imposed so that buying would be discouraged. By removing them, I say we will be laying the cornerstone on which there will be built confidence, hope, and an incentive to the American consuming public to buy merchandise. That is my understanding of what the amendment proposes to do. For that reason, I shall support it.

Again I congratulate the distinguished Senator from Illinois for offering it.

Mr. DOUGLAS. I thank the Senator from Rhode Island. I am sure the Senator from Rhode Island and the Senator from Michigan would agree with me that if we obtained support for the amendment by withdrawing our names as sponsors and allowed someone else to serve as sponsors, we would be very glad to retire into the shadow and allow others to bask in the sunlight of promoting an economic recovery.

So let me say that I shall be very glad to withdraw my name as a sponsor. Anyone may substitute his name and get the glory. I am not seeking any glory, nor is the Senator from Michigan, nor is the Senator from Rhode Island. We are seeking economic recovery. Our political fates do not matter. Our prestige does not matter. The security of the country matters a great deal.

I hope this word can be carried to the cloakrooms and that in a due course of time more powerful and perhaps more respectable sponsors may appear to father this child which we have laid upon their doorstep.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Rhode Island.

Mr. PASTORE. We have been told, Mr. President, that the reason we are considering the pending legislation to give the relief to the insurance companies of America is that tomorrow is the deadline. Tomorrow is the deadline. Therefore, because tomorrow is the deadline to give this relief to the insurance companies of America, to the tune of about $124 million, we are working up a sweat in the Senate of the United States. We stayed last night until about 11 o'clock. We met this morning at 10 o'clock. We are going to come back tomorrow if need be, because tomorrow is the deadline to give this relief to the insurance companies of America.

Mr. President, how many more than 5 million people have to be unemployed before we will reach the deadline to do something for them? How many more than 5 million unemployed must we have? As I stand here 5 million and perhaps more American workers are out of employment, looking for jobs they would like to have but cannot find.

We are told the deadline for them has not gone by, that we may have to wait 6 weeks or 2 months. But the deadline to give this relief to the insurance companies is tomorrow. We are holding sessions day and night to meet such a deadline.

Mr. President, with the indulgence of the gracious Senator from Illinois I shall read what the President of the United States said about this matter. I am amazed I quoted him previously as substantially as I did. The President was asked a question, which he answered, and which was published in the New York Times of Thursday, March 6, 1958.

He was asked this question by William S. White, of the New York Times:

Mr. President, there is a visible difference and emphasis in Congress between the way the two parties are dealing with the recession. In a general way, the Democrats are arguing for the expenditure now of more money and having more Federal projects than the Republicans. Would you care to make any general comment about the philosophy of these two approaches, and indicate how you, yourself, look at it?

That is the question asked of the President of the United States. I now read the answer of the President of the United States to Mr. White:

I believe, of course, that the upturn in our economy will be the result of millions of citizens making their purchases, having greater confidence. In other words, the private economy has a way of steering its own course, and the Federal Government and the State governments are not themselves the most important factor in those dips and upturns of the economy.

However, it is undeniable that they can do many things. For example, the encouragement of more home building, which goes into so many areas of our country. There is the easing of credit which the Federal Reserve Board has done recently, been doing in the last 3 months. There are all sorts of things in the way of accelerating projects already approved, already in some instances appropriations made. That kind of thing is very good and should be done all the time.

And certainly should be terrifically interested in watching every statistic, every index that they can get a hold of, as to what the economy is going to do, and to do everything that seems to be reasonable.

Now, I do not believe that just spending Federal money is entirely the answer. We have spent an awful lot of money, the Federal Government, of Federal Government money, and that is, when we are doing that, it seems just of putting a few more dollars because they are a few dollars, relatively, compared to a $72 billion budget. That doesn't seem to be the whole answer.

I believe it is watching the situation, getting the best advice, seeing what is happening and doing everthing you can; but do not make Government, ever attempt to make the Government, the most important factor in the American economy.

The essence of the statement is that the President is asking the American purchasers to have confidence and to do the buying they must do, and not to be frightened by the talk we hear these days.

I say, Mr. President, that stronger than the words is the incentive and the encouragement to do such buying. That is precisely what the amendment would provide. The amendment proposes to remove the excise taxes which were imposed at a time when we wanted to discourage buying. If we adopt the amendment, Mr. President, we will give the American public the incentive and the confidence it needs to do the buying it must do in order to create jobs.

Let us not forget that while 5 million are unemployed, thank God we still have perhaps 60 million who are employed. If we can encourage the 60 million to spend their money, so as to buy the things they need, who knows what the result will be? We may be able to secure help for the unemployed in that way. Perhaps the purchases by 60 million will relieve the troubles of those who are unemployed.

That is the drive we are trying to make. Let us get cooperation from the 60 million. If we adopt the amendment, the 60 million will be encouraged to spend their money, to create jobs, in the hope, and with the prayer that the 5 million who today are out of work will be able to find employment.

Mr. POTTER. Mr. President, will the Senator from Illinois yield for a further observation?

Mr. DOUGLAS. I yield.

Mr. POTTER. I wish to concur in what the distinguished Senator from Rhode Island has said. By removing excise taxes we shall, in turn, create jobs. That is what is needed today. The people who are presently working will be purchasing the goods they need, and that, in turn, will cause employment of people who are now unemployed.

I should like to add that the amendment we are considering deals entirely with excise taxes. Those who have pet schemes for dealing with income taxes should not be afraid of the amendment. I can well imagine that nearly every Member of the Senate has gone back to his State and campaigned about the unfairness of excise taxes. The Vice President of the United States, the Honorable RICHARD NIXON, has stated that we should make a move in the tax field as a means of solving the recession. I agree with him. The Secretary of Labor, the Honorable Jim Mitchell, said the same thing. I agree with him.

Nearly every Member of Congress, when he goes back home, says, "We must cut taxes. That is one way to stop the recession." I agree with them.

However, when the time comes to act, we always say, "We must consider. We must study. We must have a proposal which is cleared all the way down the line."

I say to the Senate that our armies never would have invaded Normandy if it had been necessary for everyone, from the corporal to the commanding general, to agree that it was the right time, that the right ships were available, and that the weather was suitable at that particular time.

Mr. DOUGLAS. The Senator from Michigan knows that very well, because, although he is extremely modest, he is one of the great heroes of World War II. One thing I love about the Senator from Michigan is that he is not merely a great war hero, but he never talks about it.

Mr. POTTER. I thank the Senator.

We are considering a matter of great urgency. It is a little ironic, Mr. President, that we are today considering a bill which we have to use as a vehicle to which to attach the amendment. We are considering a bill to do what? We are considering a bill to give relief retroactively to some insurance companies. Yes, we can argue the merits of that bill, but the amendment, I feel, is something which will aid in the effort to secure jobs for those who are unemployed.

Mr. President, if this bill is an emergency measure and has priority—and it does, since it comes here on a velvet cushion, and we are told we must not touch it—I ask Senators which is the most important? I have not heard one Member of the Senate stand up to talk about the deficit in relation to this bill. I have not heard any statement about what the passage of this measure would do to the deficit, as a result of a tax rebate for the insurance companies. Nevertheless, every time we mention excise taxes, Senators stand up to say, "Yes, but we will thereby create a larger deficit."

Mr. President, I sincerely hope the amendment of the Senator from Illinois will be adopted.

Mr. DOUGLAS. I thank the Senator from Michigan. It is extraordinarily ironical that we are apparently about to pass a tax relief bill for the insurance companies in the amount of $124 million a year, but we cannot pass a tax relief bill for the American people in the amount of $5,200,000,000, $2,200,000,000, or even a lesser amount.

Mr. President, I am not always in favor of tax reductions. I believe that when we are faced with the danger of war or other great emergencies we should increase taxes. At the time of the Korean war I voted for an increase in taxes. I voted for an excess profits tax. I tried to plug some of the loopholes in the tax structure, and I brought down on my head the ire of the great oil industry. We got nine votes on the oil depletion amendment. Possibly we can return to that battle at some time in the future.

Mr. POTTER. It might be well to see if we can get the same type of leadership cooperation in reducing the oil depletion allowance as was successful in holding up proposals for the removal of excise taxes, or any tax reduction proposals now being submitted.

Mr. DOUGLAS. That is a consummation devoutly to be desired.

The Senator from Michigan was speaking about the contrast between the speeches of Senators and Representatives on the subject of the need for relief, and their votes against it. I am reminded of a saying by Goethe, that "Words are the daughters of earth, but acts are the sons of heaven."

I do not mean any reflection on the feminine sex by identifying men with heaven and women with the earth.

Mr. POTTER. It is much easier to talk about tax reduction than to bring it about.

Mr. DOUGLAS. Mr. President, I do not intend to detain the Senate long.

The decline in business has been particularly marked with respect to consumer durable goods. Last night both Senators from Michigan placed in the RECORD figures relative to the decrease in production of automobiles, which I believe is about 26 percent below that for the corresponding period last year.

I should like to place in the RECORD some statistics with regard to other consumer durable goods. These statistics have been furnished to me by the Institute of Appliance Manufacturers. They show that for the first 2 months of 1958, compared with the first 2 months of 1957, the factory sales of electric ranges is down 20 percent; the production of gas ranges is down 15 percent; the production of freezers is down 16 percent;

dishwashers, down 17 percent; food waste disposers, down 11 percent; electric water heaters, down 13 percent; electric refrigerators, down 31 percent, and so forth. Of course, 1957 itself was a much poorer year in this industry than 1956.

As has been pointed out, these excise taxes were originally placed in the tax structure in a situation which was different from that which exists today, as has been testified to by many representatives of various industries before the House Ways and Means Committee and the Senate Finance Committee. In fact, the representative of the Institute of Appliance Manufacturers has appeared 4 times before the House Ways and Means Committee and 3 times before the Senate Finance Committee on this issue since 1948. The facts are well known.

Mr. President, I wish to conclude.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial from the Journal of Commerce of March 3, 1958, dealing with the President's Economic Report.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY DON'T KNOW, EITHER

The Joint Economic Committee of Congress, after several weeks of hearings on the President's Economic Report, and intensive study, agrees that public policies are needed if the business decline is to be halted, renewed, and vigorous economic growth is to be set in motion, and the revenues needed to discharge our national responsibilities are to be produced.

But here the agreement apparently stops. Considerable differences of opinion showed up among the committee members as soon as it came to the choice of antirecession weapons and the timing or their use.

Nevertheless, the tone of the Congressional report is less arbitrary in its conclusions and recommendations than in previous years, even though Senator PAUL H. DOUGLAS issued a rather vigorous dissent, and Representative THOMAS B. CURTIS added some supplemental views. This, to us, is an encouraging sign of progress.

The committee's report on the economic outlook for 1958 did not go beyond a summary of the economic views on which the President's Economic Report and his budget message were based and the composite views of the witnesses who testified before the committee.

No attempt was made to arbitrate or reconcile the apparent $15 billion spread in the prospective gross national product for 1958 that opened up between these two views.

This fact obviously dampened the committee's willingness to go very far out on a limb in developing a specific legislative program.

The committee majority apparently would feel quite satisfied if the long-term rate of growth could be reestablished this year from the current business level, even if none of the ground were to be regained that has been lost during the past few boom years. This constant lament by the more radical economists of the opposition party is rapidly getting rather monotonous.

Even so, the joint committee's report serves the valuable purpose of bringing the complex controversy between higher Government spending and an immediate tax cut into still sharper focus.

The majority report is opposed to a tax cut at this time. It proposes to reserve this weapon for use "if monetary action, expenditure measures, and other actions, public and private, fail short in stemming recession and promoting recovery."

Senator DOUGLAS, on the other hand, argues that the time to use a substantial tax cut—and he now seems to think in terms of something like $4 billion to $5 billion—is "now," meaning before a real downward spiral develops.

He definitely sees the danger of such a spiral, and warns that "a cumulative downturn is almost impossible to turn around once the impetuous forces behind it have gained real momentum."

We are inclined to go along with Senator DOUGLAS in this controversy rather than with the committee majority.

Even a tax cut is, of course, not a magic wand. It can accomplish certain things, but its effectiveness depends largely on how massive its impact on the public's buying habits is. For this reason, a moderate reduction in the withholding tax schedules, or even on the first $1,000 of income, probably would be less effective than a 1-month moratorium on withholding-tax payments, coupled with some liberalization of unemployment benefits.

Above all, it now seems to have become a rather well-established doctrine, however, that the best antirecession program would consist of a combination of monetary actions, higher Government expenditures, and a tax cut. It seems rather hopeless to establish a system of priorities within such a program and to relate it to the level of unemployment or industrial activity.

Simultaneous action on all three available fronts means that not all eggs are being put in one basket. Such an approach would try to give a lift to all three major economic sectors making up the gross national product: consumer, Government, and business spending. And, indirectly, it probably would also benefit net foreign investment.

We were quite impressed to see how much emphasis the joint committee placed on the international implications of a protracted recession in this country at this time. Pointing out that the interrelationship between this Nation's economy and world economic conditions was well demonstrated by last year's experiences, the committee report concluded that the current recession in this country assumes an importance beyond that of purely domestic concern and that "our economic superiority may be as important as military superiority, if indeed it is not more important, in assuring peace and the conditions for improved living standards for the entire world."

This observation completely corresponds with our thinking on the international implications or the current United States recession.

Mr. DOUGLAS. The editorial discusses what the Senator from Illinois is now trying to do, namely, to take simultaneous action on a program of public works, tax reduction, and monetary reform.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Let Them Eat Pork," published in today's New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET THEM EAT PORK

The thing that many Congressmen find it easiest to do is vote for rivers and harbors projects, otherwise known as pork-barrel bills; and now that they have a recession to spur them on, they find it easier than ever. That helps account for the 321 to 81 vote this week in the House for just such a measure, which was approved last session by the Senate; but it does not make it any the wiser or one whit the more effective in improving the national economy.

As an out-and-out rivers and harbors measure it is bad because it contains a number of projects that have not been properly considered and evaluated in the way that every such proposal should be weighed before it receives Congressional authorization. Representative KENNETH KEATING, of New York, vainly pointed out in House debate that "over $300 million worth of projects which would be authorized by this legislation (one-fifth of the total), have not been approved by the proper agencies of the Government."

As an antirecession measure an authorization such as this is surely one of the least effective devices that could be imagined. Senator DOUGLAS, of Illinois, a longtime and learned foe of pork barrels, observes that "even those projects which can begin early (and most of these cannot) will not necessarily be in the localities where the major portion of the unemployment exists. Navigation and flood-control projects * * * and reclamation projects * * * are not calculated to provide jobs for unemployed workers * * * in our industrial centers."

Although President Eisenhower has been taking a strong stand against "the sudden upsurge of pump-priming—public works—schemes," it is unfortunate that he himself has helped confuse this issue by recently sending up to Congress requests to accelerate a few hundred million dollars' worth of other reclamation, rivers and harbors, and construction projects as an antirecession measure.

Two years ago the President vetoed a rivers and harbors bill similar to this one because it contained poorly studied and unnecessary projects. We hope he will do so again. Inasmuch as an estimated $8 billion in authorized rivers and harbors proposals are already on the books, it is apparent that the need for this additional $1.5 billion is somewhat less than pressing, even if all the projects it contained were well advised, which is distinctly not the case.

Mr. DOUGLAS. We may find that, under the guise of what actually is a very severe recession, an attempt will be made to jam through a rivers and harbors appropriation bill, which will be of little aid to the unemployed in the great industrial centers of the country.

Last night I mentioned the fact that the morning newspapers for Friday carried a release showing that businessmen are planning to spend 13 percent less in new plant and equipment in 1958 than in 1957. I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a release by the Securities and Exchange Commission which corroborates this point. The expectations have gone down from $37 billion in 1957 to $32 billion in 1958.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

BUSINESS CAPITAL EXPENDITURES IN 1958

Businessmen plan to spend $32 billion on new plant and equipment in 1958 following last year's record $37 billion, a reduction of 13 percent, according to the latest survey conducted jointly between late January and early March by the Securities and Exchange Commission and the Department of Commerce. Except for public utilities, all major industries expect to reduce their outlays in 1958 as compared to 1957.

The survey indicates that the decline in plant and equipment expenditures, which began with the fourth quarter of 1957, will continue into the second half of 1958.

These programs mark the end of the recent boom in capital investment, which brought about a rise of almost 40 percent in plant and equipment expenditures from the $27 billion expenditure in 1954. The 1955–57 advance took place over a broad industrial front, with most industries in 1957 spending at record rates.

ANNUAL PROGRAMS

Manufacturing companies anticipate a reduction of one-sixth, while commercial companies expect to spend one-eighth less than last year, and the railroads are down by more than a third. Mining and nonrail transportation also show substantial declines, 15 percent and 19 percent, respectively.

The 4 percent rise in expenditures of public utilities reflects the continued expansion planned by the electric power industry. The 1958 programed expenditures for major groups, compared with 1957 actual spending, are shown below:

[Millions of dollars]

	Actual 1957	Anticipated 1958	Percent change
Manufacturing	15,959	13,196	−17
Durable-goods industries	8,022	6,225	−22
Non-durable-goods industries	7,937	6,971	−12
Mining	1,243	1,058	−15
Railroad	1,396	868	−38
Transportation, other than rail	1,771	1,440	−19
Public utilities	6,195	6,414	+4
Commercial and other	10,398	9,098	−13
Total	36,962	32,074	−13

REALIZATION OF 1957 PROGRAMS

Final figures for 1957 indicate expenditures at a record $37 billion total, a rise of 5 percent from 1956. This did not differ much from the 6½ percent increase that was projected by business for 1957 in the survey a year ago. Durable-goods manufacturers and railroads spent about 5 percent less than anticipated, while the investments by all other major industries were about in line with earlier projections.

QUARTERLY TRENDS

The quarterly survey shows that businessmen reduced their capital outlays from a seasonally adjusted annual rate of $37¾ billion in the third quarter of 1957 to $36¼ billion in the final 3 months of the year. The latter figure was below earlier reported expenditures. The survey indicates successive decreases in capital outlays in the first 2 quarters of 1958. Spending is expected to reach seasonally adjusted annual rates of $34 billion in the first quarter of this year and $32½ billion in the second quarter.

Thus capital outlays in the first half of this year are scheduled 10 percent below the rate for the last half of 1957, after seasonal adjustment. A comparison of the first half programs with those for the full year imply a somewhat lesser decline in the second half of 1958.

Railroads and other transportation companies expect their seasonally adjusted rate of outlay in the first half of this year to be approximately 30 percent and 20 percent, respectively, below the last half of 1957, while durable-goods manufacturers anticipate a reduction of 18 percent. Outlays by non-durable-goods manufacturers and mining companies for the first half of this year are expected to decline by slightly less than 10 percent, and utilities by less than 5 percent. Except for mining and commercial firms the percent decline implied from the first to second half of this year are smaller than in the previous 6 months. Utilities anticipate a higher rate of expenditures than in the first 6 months.

MANUFACTURING PROGRAMS

Capital expenditures by manufacturers are scheduled at $13.2 billion in 1958, compared with $16 billion in 1957 and $15 billion in 1956. Durable-goods producers are down more than the non-durable-goods companies.

Among durable-goods producers, the primary metals group and the motor vehicle industry expect the largest percentage declines. The nonferrous metal industry anticipates a decline of about 40 percent, while iron and steel companies have scheduled a reduction of one-fourth in 1958. It should be noted that both these industries had record expenditures in 1957, and that even with the substantial declines projected, outlays for 1958 will be about the same or higher than in 1956. Outlays by the motor vehicle industry are scheduled to be about one-fourth below 1957. Capital investment by this industry reached a peak in 1956 and has been declining since, so that the 1958 figure is the lowest since 1950. The machinery groups are projecting comparatively small relative declines for 1958, in the neighborhood of 7 percent.

Among the non-durable-goods industries for 1958 reductions anticipated by the textile and paper industries are 38 percent and 23 percent, respectively. The petroleum industry expects to cut its high rate of spending by 10 percent, the first decrease since 1950.

Chemical firms report continuing high investment programs, the 1958 total is scheduled off by 6 percent from 1957, which in turn was 18 percent higher than in 1956.

NONMANUFACTURING PROGRAMS

The public utilities in 1958 expect to invest $6.4 billion in new facilities, a 4-percent increase from last year's record outlay. All of the scheduled rise is attributable to electric power companies, which have programed an 8-percent increase. Gas companies expect to spend less in 1958 than in 1957.

The lower railroad spending—a decline of more than half a billion dollars from last year's $1.4 billion outlay—will be particularly evident in freight car procurement, which last year was at the highest rate since 1948. Most of the nonrail transport groups expect to spend less in 1958 than last year, with the largest reductions reported by trucking and oil pipeline companies.

Plant and equipment expenditures by the communications industry, which has risen rather steadily since early 1950, continue high, though off one-tenth in 1958 from the 1957 record total. Somewhat larger rates of decline are expected by commercial and mining companies from their near-record 1957 fixed investment rates.

SALES EXPECTATIONS IN 1958

The sales anticipations for 1958 reported by business show that manufacturing companies are thinking in terms of a reduction of about 2 percent from last year's record totals. Non-durable-goods producers expect a rise of about 1 percent, while producers of durable goods anticipate a decline of about 5 percent. Wholesale and retail trade firms, as a group, expect their sales to run slightly better than last year, while the public utilities have projected a 9 percent advance in their revenues.

In early 1958 sales in both manufacturing and trade were below the rates projected for the full year. Past experience with these sales data has shown that businessmen have usually correctly anticipated the direction of change in their sales, though the extent of change has on occasion shown significant deviations.

The analysis of plant and equipment expenditures is based on estimates by industry groups presented in the attached tables. The basic data were derived from reports submitted by corporations registered with the Securities and Exchange Commission; transportation companies under Interstate Commerce Commission jurisdiction; and a large sample of nonregistered companies, unincorporated as well as corporate, reporting to the Department of Commerce. The estimates presented are universe totals based on the sample data, and are compiled from reports on a company basis and not from separate reports for plants or establishments.

Expenditures on new plant and equipment by United States business, 1956–58 [1]

[Millions of dollars]

	1956	1957	1958 [2]	1956				1957				1958	
				January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March [2]	April to June [2]
Manufacturing	14,954	15,959	13,196	2,958	3,734	3,834	4,428	3,505	4,183	4,010	4,261	3,466	3,319
Durable-goods industries	7,625	8,022	6,225	1,462	1,862	1,960	2,339	1,759	2,120	1,995	2,148	1,707	1,575
Primary iron and steel	1,268	1,722	1,266	219	306	296	447	327	437	452	506	367	327
Primary nonferrous metals	412	814	470	69	88	103	152	147	217	223	227	177	122
Electrical machinery and equipment	603	599	563	104	162	158	199	126	152	145	176	129	144
Machinery except electrical	1,078	1,275	1,178	227	254	267	330	270	317	308	380	313	289
Motor vehicles and equipment	1,089	1,058	768	341	431	464	453	297	314	252	195	180	198
Transportation equipment, excluding motor vehicles	440	544	460	77	103	120	140	126	150	130	138	124	104
Stone, clay, and glass products	686	672	448	132	172	181	201	135	156	139	142	115	114
Other durable goods [3]	1,447	1,438	1,072	293	306	371	417	331	377	346	384	302	277

[1] Data exclude expenditures of agricultural business and outlays charged to current account.

[2] Estimates are based on anticipated capital expenditures as reported by business from late January to early March 1958.

[3] Includes fabricated metal products, lumber products, furniture and fixtures, instruments, ordnance, and miscellaneous manufactures.

Expenditures on new plant and equipment by United States business, 1956–58 [1]—Continued

[Millions of dollars]

	1956	1957	1958	1956				1957				1958	
				January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June
Manufacturing—Continued													
Non-durable-goods industries	7,331	7,937	6,971	1,496	1,872	1,874	2,089	1,746	2,063	2,015	2,113	1,759	1,744
Food and beverages	799	850	763	178	208	203	210	201	225	209	215	190	190
Textile mill products	465	408	252	108	126	110	121	111	114	93	90	72	60
Paper and allied products	801	811	622	155	203	206	237	192	216	206	197	170	156
Chemical and allied products	1,455	1,724	1,621	283	364	370	438	353	435	440	496	428	415
Petroleum and coal products	3,135	3,453	3,106	627	803	813	892	728	892	894	939	744	784
Rubber products	201	200	170	40	50	50	61	46	53	48	53	43	47
Other nondurable goods [4]	475	491	437	105	118	122	130	115	128	125	123	112	92
Mining	1,241	1,243	1,058	262	319	314	346	300	327	314	302	270	284
Railroad	1,231	1,396	868	297	325	277	332	342	362	358	334	298	225
Transportation other than rail	1,712	1,771	1,440	396	423	443	450	358	478	447	488	407	336
Public utilities	4,895	6,195	6,414	936	1,199	1,308	1,452	1,205	1,510	1,720	1,760	1,466	1,723
Communication	2,684	3,032	9,098	570	673	663	778	725	797	728	782	2,327	2,536
Commercial and other [5]	8,364	7,366		2,043	2,207	2,062	2,052	1,847	1,933	1,780	1,806		
Total	35,081	36,962	32,074	7,462	8,880	8,901	9,838	8,282	9,590	9,357	9,733	8,234	8,423

[4] Includes apparel and related products, tobacco, leather and leather products, and printing and publishing.

[5] Includes trade, service, finance, and construction.

NOTE.—Data for earlier years were published by the Department of Commerce in the June 1956 Survey of Current Business, p. 6.

Expenditures for new plant and equipment by United States business [1]*—Quarterly, 1956–58, seasonally adjusted at annual rates*

[Billions of dollars]

	1956				1957				1958	
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March [2]	April to June [2]
Manufacturing	13.45	14.65	15.78	15.81	16.12	16.25	16.37	15.27	14.17	13.23
Durable-goods industries	6.57	7.38	8.20	8.21	8.09	8.31	8.23	7.57	6.83	6.19
Non-durable-goods industries	6.88	7.27	7.58	7.60	8.03	7.94	8.14	7.70	7.34	7.04
Mining	1.13	1.28	1.26	1.28	1.35	1.28	1.24	1.15	1.09	1.11
Railroad	1.25	1.22	1.20	1.23	1.42	1.35	1.54	1.26	1.09	.84
Transportation other than rail	1.65	1.63	1.79	1.76	1.52	1.82	1.81	1.91	1.68	1.27
Public utilities	4.56	4.61	5.08	5.27	5.72	5.93	6.64	6.43	6.34	6.34
Commercial and other [3]	10.78	11.10	10.76	11.11	10.76	10.40	10.15	10.21	9.68	9.76
Total	32.82	34.49	35.87	36.46	36.89	37.03	37.75	36.23	34.05	32.55

[1] Data excludes expenditures of agricultural business and outlays charged to current account.

[2] Estimates are based on anticipated expenditures reported by business from late January to early March 1958. The seasonally adjusted data include, in addition to a seasonal correction, an adjustment, when necessary, for systematic tendencies in anticipatory data.

[3] Includes trade, service, finance, communication, and construction.

NOTE.—Data for earlier years were published by the Department of Commerce in the June 1956 Survey of Current Business, p. 6.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD certain statistics which I have given on the subject of insured unemployment, which, on the 1st of March, amounted to 3,503,300.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In thousands]

Week ended—	Initial claims		Insured unemployment					
	State and UCFE	Veteran [1]	State and UCFE		Veteran [1]	Railroad [2]	Total	
			Number	Rate			Excluding railroad	Including railroad
				Percent				
1958—Feb. 1	442.1	7.8	2,939.4	7.1	63.9	134.0	3,003.3	3,137.3
8	456.8	7.7	2,971.8	7.1	66.3	135.0	3,038.1	3,173.1
15	425.3	7.1	3,130.2	7.5	70.5	137.0	3,200.8	3,337.8
22	459.2	7.4	3,268.0	7.9	73.6	145.0	3,341.6	3,486.6
Mar. 1	435.9	7.2	3,282.4	7.9	75.9	145.0	3,358.3	3,503.3
8	440.4	7.2						
COMPARABLE WEEKS A YEAR EARLIER								
1957—Feb. 2	289.1	6.4	1,768.4	4.4	48.0	66.0	1,816.4	1,882.4
9	280.7	6.4	1,743.7	4.4	48.5	61.0	1,792.1	1,853.1
16	237.0	5.4	1,758.6	4.4	49.4	67.0	1,808.0	1,875.0
23	228.3	5.1	1,700.4	4.3	49.4	73.0	1,749.8	1,822.8
Mar. 2	227.0	4.9	1,706.1	4.3	50.0	66.0	1,756.1	1,822.1
9	235.8	5.2						

[1] Veterans Readjustment Assistance Act of 1952. To avoid duplication excludes claims filed jointly with other programs.

[2] Source: Railroad Retirement Board.
Based on average coverage employment for 12 months ending March 1957.

Source: Office of Program Review and Analysis.

Mr. DOUGLAS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS], as modified by the suggestion made by the Senator from Rhode Island [Mr. PASTORE].

Mr. BYRD. Mr. President, this amendment, if adopted, would occasion a loss to the Treasury of $2,100,000,000. It has not received committee consideration. It is a complicated amendment. I believe a part of it was discussed last night. The amendment includes a part of the amendment which was defeated last night by the Senate.

This amendment should not be adopted. Certainly a tax proposal of the magnitude of this amendment should have the consideration of the Ways and Means Committee of the House and the Finance Committee of the Senate.

I hope the amendment will be rejected.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. What is the pending question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. O'MAHONEY. Mr. President, I have been detained from the floor this morning by reason of official business which made it impossible for me to be present. I wished to ask the distinguished Senator from Illinois, the sponsor of the amendment——

Mr. DOUGLAS. Did the Senator say "distinguished Senator" or "extinguished Senator"?

Mr. O'MAHONEY. I hope the Senator will not be extinguished. I am quite confident, knowing him as I do, that he never will be extinguished. No force in the Senate Chamber or elsewhere with which I am familiar could extinguish him. I have tried it, but have not succeeded.

What I wanted to say is this: I understand that automobile manufacturers have agreed that if the excise tax on automobiles is cut to whatever extent it may be cut the saving will be passed on to the consumer. Is that correct?

Mr. DOUGLAS. They have given us written assurances that it will be passed on to the distributor. That is all the control the automobile manufacturer has.

Mr. O'MAHONEY. That is true.

Mr. DOUGLAS. They have pledged themselves to that. They have also pledged themselves to use their moral influence to have the distributor pass it on to the buyer. It is also true that the National Association of Automobile Dealers have pledged themselves to use their influence on the distributors to pass it on.

Mr. O'MAHONEY. I wish to make this fact clear. As a member of the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary, I had the privilege of presiding, as acting chairman, over hearings on the General Motors Corp. as a corporation. That hearing took place in 1955 or 1956. This year, only a few weeks ago, Mr. Harlow Curtice, president of General Motors, appeared before the committee, and was interrogated by the members of the committee, including myself.

I want every Senator to know the facts. In response to my inquiry, Mr. Harlow Curtice testified that in determining the prices at which automobiles are sold, it is the invariable policy of General Motors to compute its prices at a figure which will return from 15 to 20 percent of the net worth of the corporation.

Any businessman who can do that has a profitable business. The interesting comparison, however, is this: When the automobile manufacturer sells his automobiles to the distributor, the distributor must pay cash on delivery. Every dollar is paid on delivery. The trade-in of used cars, the time payments, and all those factors which go into the selling of an automobile by the distributor to the user are handled by the distributor.

Ever since I joined the Senator from Illinois in support of the amendment I have been receiving telegrams from automobile distributors all over the country, particularly from my own State, urging my support of the amendment. I have been happy to be able to tell them that I do support the amendment, just as I am happy to tell the railroad workers of the United States that I am supporting the reduction of the excise tax on transportation.

Let every Member of the Senate know that when he votes against the reduction of excise taxes he is voting against a stimulant for moving up the sales of automobiles and for promoting sales of other things. He is also voting against increasing the market for every item upon which the excise tax is proposed to be reduced.

Mr. DOUGLAS. Not only is the Senator from Wyoming a supporter of the amendment, he is a cosponsor of the amendment, and has been in the forefront of the fight.

Mr. O'MAHONEY. Unfortunately, because of an attack of the flu, I did not stay in the Senate last night. However, I read the RECORD with great disappointment on the yea-and-nay vote which was taken last evening on the other tax reduction amendments offered by the Senator. I can understand why it should have been defeated, although it is not too easy to understand it. Of course, we know that while the Government is necessarily engaged in deficit financing, there is a reluctance to reduce revenue. In that regard, I should like to point out that a reduction of the excise tax on automobiles and a reduction of the excise tax on transportation would not reduce the revenue. To the contrary, it would promote revenue. Automobiles are not being sold. The sale of automobiles produces jobs and produces profits for the dealers. Transportation by railroads is not taking place in the way it should. Who in the West would ever have thought that the day would come when the Atchison, Topeka & Santa Fe Railroad would abandon its passenger traffic to Atchison and Santa Fe and was the only Topeka railroad so far as the passenger traffic is concerned?

Mr. President, I am appealing to every Senator to consider this question realistically. Let us deal with the situation as it exists.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. The Senator has touched on the transportation question. The Wall Street Journal this morning, on its editorial page, page 8, gives the figures of freight carloadings. I read:

> Revenue freight carloadings of United States railroads for the week ended March 8 totaled 544,173. The Association of American Railroads reported this was a decrease of 128,000 cars, or 19.1 percent, below the like week for 1957.
>
> Loadings for the March 8 week were down 9,472 cars, or 1.7 percent, from the preceding week. The latest report was the 30th consecutive one in which carloadings were down from year-earlier levels.

Mr. President, I wonder if the Senator from Wyoming would permit me to have the entire article placed in the RECORD.

Mr. O'MAHONEY. I hope the Senator will place it in the RECORD.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Rail Freight Loadings in Latest Week Fell 19.1 Percent—Drop Is Thirtieth in Row," published in the Wall Street Journal of March 14, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL FREIGHT LOADINGS IN LATEST WEEK FELL 19.1 PERCENT—DROP IS 30TH IN ROW

WASHINGTON.—Revenue freight carloadings of United States railroads for the week ended March 8 totaled 544,173. The Association of American Railroads reported this was a decrease of 128,190 cars, or 19.1 percent, below the like week for 1957.

Loadings for the March 8 week were down 9,472 cars, or 1.7 percent, from the preceding week. The latest report was the 30th consecutive one in which carloadings were down from year-earlier levels.

Loadings of commodities are as follows:

Commodity	Mar. 8	Mar. 1	1957 week
Coal	110,926	+7,500	−20,522
Miscellaneous freight	280,407	−1,362	−66,330
LCL	47,716	+337	−10,310
Grain	44,952	−2,739	−9,372
Livestock	4,447	−38	−1,289
Forest products	3,827	+1,799	−4,599
Ore	14,863	+694	−8,630
Coke	6,095	−643	−7,138

Mr. O'MAHONEY. Mr. President, I call attention to a recent publication which has come to the desk of every Senator, the monthly Economic Letter of the National City Bank of New York. The economic letter for March contains an extraordinary table, setting forth that the final returns for the fourth quarter of 1957 show that the net income of 610 corporations dropped 16 percent as compared with the last quarter of 1956.

In other words, in October, November, and December 1957, the storm flags of the recession were flying from many of the large manufacturing establishments in America, with the exception of those which distribute food or drugs. Production of all the others was falling; their incomes were falling; their employment was falling.

Yet we heard the assurance from the White House in Washington:

> This is a condition which will be over in a few months. By the time March comes, we will begin to see the upturn.

Mr. President, we will not see the upturn in March.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BUSH. I am overwhelmed by the amount of gloom which has been spread here this morning.

Mr. O'MAHONEY. Let me interrupt the Senator.

Mr. BUSH. I did not say the Senator from Wyoming was spreading it, necessarily, but it has been spread.

Mr. O'MAHONEY. Mr. President, I have the floor.

Mr. BUSH. Mr. President, the Senator has yielded to me. I was about to ask him a question.

Mr. O'MAHONEY. But the Senator has just stated—and I want to emphasize this—that he is not accusing the Senator from Wyoming of spreading gloom.

Mr. BUSH. I think it might brighten the RECORD a little if I read from an article in this morning's New York Times:

Department-store sales in the week ended last Saturday were 7 percent above sales in the corresponding week last year.

Then it states the items on which sales are up in different sections of the country.

I simply wish to assure the Senator from Wyoming that all is not lost, and that some phases of the economy are showing some improvement over last year. I think that is very encouraging.

Mr. O'MAHONEY. I am glad the Senator from Connecticut has interrupted me to make this comment, because if he will call upon any member of the staff of the Joint Committee on the Economic Report he will get facts which will reveal to him that although the President's budget, which was sent to Congress in January, 1958, made an estimate of increased revenues for fiscal 1959, the records now available show that it would not be possible to achieve the income figures upon which the Government has been banking unless a tremendous upturn in the economy occurred in the last 6 months of this year, and there are no signs of that.

Only the other day, Mr. W. J. McNeil, the Comptroller of the Department of Defense, published a very well documented article upon the increasing cost of defense. I wish every Senator would read Mr. McNeil's statement. It shows that the cost of the weapons which are being built is steadily increasing, and that the effect upon employment is very slight.

So what we are saying now—and I hope the Senator from Connecticut will lead the battalions on his side—is: Let us cut the excise taxes which are preventing sales.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BUSH. I should like to observe, since the Senator addressed his remarks to me, that I share to some extent his apprehension about the income side of the budget. I think the Senator is correct. But I also suggest that it is because the income side looks a little shaky that we should move a little carefully and not too impetuously toward cutting income, as is so urgently requested of us by the amendment now pending. I think that type of cutback proposed by the amendment, in the face of the danger of recession, deserves very careful consideration.

Mr. O'MAHONEY. I shall conclude my remarks by asking the Senator from Connecticut, if he will be good enough, when he returns to his office today, to send to the Library for the reports of the Secretary of the Treasury during the last 2 years of the Hoover administration. I ask him to look at the tables which show how the income of the Federal Government went steadily downward, although the White House was promising that prosperity was just around the corner. The income of the Federal Government went down without any decrease in taxation.

When it is known that revenue is not being received from the type of tax with which we are now dealing, the realistic way to turn the corner is to cut the tax and relieve the burden of the people, which burden is preventing sales.

Mr. BUSH subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Seven Percent Gain Is Made by Store Sales." The article was published today in the New York Times. I wish to have the article printed in the RECORD following the comment made by the very able Senator from Wyoming [Mr. O'MAHONEY], because I believe it is desirable to have the RECORD occasionally show a note of good cheer.

Last year was a rather active business year; and at this time last year, business was fairly good. The fact that sales in stores throughout the country are up 7 percent, as compared with the same period last year, strikes a note of encouragement which I should like to have reflected in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEVEN PERCENT GAIN IS MADE BY STORE SALES—VOLUME UP 16 PERCENT IN THIS AREA—EARLY EASTER THIS YEAR BELIEVED A FACTOR

WASHINGTON, March 13.—Department store sales in the week ended last Saturday were 7 percent above sales in the corresponding week of last year.

A possible reason for the rise in sales this year is the fact that Easter Sunday falls on April 6, a full 2 weeks earlier than it did in 1957.

This was reported today by the Federal Reserve Board which listed the following percentage changes in sales from like periods of 1957:

District	1 week ended—		4 weeks ended Mar. 8	Jan. 1 to Mar. 8
	Mar. 8	Mar. 1		
Boston	+2	+2	−7	−3
New York	+15	+8	−2	+1
Philadelphia	+22	[1]+12	−3	−2
Cleveland	+4	[1]+1	−5	−4
Richmond	+7	[1]+13	−5	−2
Atlanta	+18	0	−2	−4
Chicago	+1	−6	−7	−5
St. Louis	+3	0	−5	−4
Minneapolis	+13	−4	−4	−2
Kansas City	−1	−6	−4	−2
Dallas	+2	−8	−8	−5
San Francisco	0	[1]+1	−2	−3
United States total	+7	+1	−4	−2

[1] Revised.

The weekly index, without seasonal adjustment follows (1947–49 equals 100):

1958:	
Feb. 8	93
Feb. 15	96
Feb. 22	82
Mar. 1	100
Mar. 8	105
1957:	
Feb. 9	101
Feb. 16	102
Feb. 23	100
Mar. 2	99
Mar. 9	98
1956:	
Feb. 11	97
Feb. 18	95
Feb. 25	97
Mar. 3	104
Mar. 10	109

Mr. SMATHERS. Mr. President, I wish to comment on the remarks of the Senator from Wyoming about railroads.

Earlier today I placed in the body of the RECORD additional statistics which demonstrate the very serious situation in which the railroads find themselves today. The title of the article is "Rail Net Lags 1957 by 64 Percent in January."

The figures released by the Association of American railroads show that the revenue in January was 64 percent below that of January 1957.

I doubt that any other industry has suffered so drastic a loss in its operations as has the railroad industry. I wholly agree with the statement of the able Senator from Wyoming. It is the opinion of most of the members of the Subcommittee on Surface Transportation, who have been holding hearings for the past 3 or 4 weeks on the railroad situation, that we should endeavor to remove the 3-percent excise tax on freight transportation.

As a matter of fact, 13 Senators on the Committee on Interstate and Foreign Commerce have sponsored an amendment, not to the bill under consideration, but to another bill, providing for the repeal of the tax. So far as I am concerned, as chairman of the subcommittee, I am not certain whether the insurance-tax bill is the right vehicle in which to attempt to reduce the tax on freight transportation. But I am wholly in sympathy with the purpose of the amendment of the Senator from Illinois and with the statement of the Senator from Wyoming that something must be done about the reduction of the excise tax on transportation, as well as on many other items which have so far been discussed.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. THYE. When does the Senator from Florida expect to have such an amendment as he proposes come before the Senate? I am interested in tax relief, not only for the railroads, but also for all other forms of transportation. I believe such taxes are very burdensome.

Mr. SMATHERS. The Committee on Finance now has before it legislation designed to eliminate the inequities in the tax law.

It had been our hope and our expectation to offer this amendment with respect to reducing the excise taxes on transportation to that particular bill, rather than to this one. When the Senate will reach that bill, I am not certain, although the chairman of the committee has announced that the committee which has concluded hearings on it will meet in executive session next Tuesday. It was our intention at that time to offer this particular proposal for relief

from excise taxes, as well as for the other relief to which the able Senator from Illinois has already referred.

Mr. THYE. That interests me, because I have been following the hearings which have been conducted by the committee. Is it the advice or recommendation of the Senator that such tax relief not be considered in connection with the pending bill, but that it would be wiser for us to go before the committee and make such recommendations with respect to the tax bill presently being considered by the Finance Committee?

Mr. SMATHERS. I think that is a matter about which all Members should make up their own minds.

Most of us who are sponsoring a decrease in the excise tax on transportation had concluded that it would be better to offer the amendment to the next bill, rather than to the one now before the Senate which is temporary in nature.

However, I cannot help but be persuaded somewhat by the able Senator from Illinois, who is of the opinion that the time to do it is now.

On the other hand, our belief is that we should first have some expression from the Secretary of the Treasury. We do not believe there will be a delay of more than 2 weeks in this case. We also believe the other bill will be a more appropriate one, and that possibly a little later will be a more appropriate time, for the consideration of a reduction of that type.

Mr. THYE. I thank the Senator from Florida.

Mr. KNOWLAND. Mr. President, in view of the statements made earlier, I should like to call attention to the fact that there will be an excise-tax bill, and in the normal procedure it will have to come before the Senate before June 30, because certain of the excise taxes dealing with a variety of subjects otherwise will expire, or at least will revert to the previous levels, unless such affirmative legislation is passed by that time.

It seems to me that bill would be a more appropriate vehicle, rather than to attempt to make an omnibus tax bill of the bill now before the Senate, which was reported by the Finance Committee.

The other bill will, by the time it is considered by the Senate, have gone through the customary processes of originating in the House of Representatives—where, under the Constitution, revenue measures must originate—and of having received consideration by the Senate Finance Committee, a respected committee of this body; and that bill will deal with the subject of excise taxes.

So I hope the Senate will not make an omnibus tax bill out of the pending measure.

Mr. JAVITS. Mr. President, it seems to me that in the current discussion about the recession, particularly as that discussion has been hinging around the amendment now before the Senate and the amendment which was before the Senate last night, we have been missing one point which is indicated by the news published in the morning newspapers, namely, that in this situation the private economy of the country can contribute greatly if given dynamic leadership, and should be aroused sufficiently to do so. I believe the news of this morning bears that out.

In the New York Times, which I have before me at the moment, we find the following:

> Government reports projected today further downward pressure on the economy in two key sectors of demand.

A little later in the article we find the following:

> Today's key report, from the Commerce Department and the Securities and Exchange Commission, showed that business expected to spend $32 billion this year on plant and equipment, down 13 percent from the record of $37 billion last year. The 13-percent decline was nearly double the falling off in this key sector of the economy predicted in private surveys last fall.

Mr. President, it is now becoming clearer that the current recession is primarily attributable to the $5.4 billion inventory liquidation evidenced by the figures as having taken place between the third and fourth quarters of 1957, and, according to this morning's news, a $5 billion—13 percent reduction—in prospective investment in plant and equipment by business and industry during 1958, according to today's report from the Department of Commerce and the Securities Exchange Commission. These indications are accompanied by evidence of a 10-percent drop in exports between January 1958, and January 1957, again emphasizing the critical part in our economic health played by a strong foreign-trade picture. At one and the same time, the news tells us that the leaders of the AFL–CIO, George Meany and Walter Reuther, have approached the President with recommendations for antirecession action primarily acceleration and expansion of Government orders and construction and income-tax reduction. It is also appearing that beginning with 1956, productivity began to lag behind wage increases.

The twin keys for dealing with the recession appear to be credit and productivity. The current deep concern of leaders of organized labor with unemployment, and the corresponding concern of business with retrenchment, make possible the intermediation of the President, by calling a White House conference of management and of labor, joined with representatives of the consuming public and of farmers, in order to marshal a united front for the necessary measures which they can take, and which are outside the realm of Government, to provide credit and productivity for the purpose of starting the economy again on the upward march which the times and the conditions of the world demand. Every schoolchild knows that the unsatisfied and realizable demand of the Free World for goods and services is enough to keep our industrial plant busy, even when adding all the expansion of which it is capable, for 100 years. Let us remember that while the Government spends 73-plus billion dollars a year the private sector accounts for a turnover of more than $350 billion a year. It is vital to determine what will be its policy to help itself in the current recession.

This is the kind of a recession which can be turned around very quickly by a united national effort. It has not yet become psychological—witness the evidence, also reported today, of little change in the outlook of consumers as to their own incomes. About three-fourths of them say they expect to be earning as much, or more, early in 1959 as they are this year. Department store sales are holding up. It is sales of automobiles and homes that have suffered.

The opportunity is there. I urge the President to take advantage of it.

Mr. President, I believe that gives us the key: So far, effective antirecession is practicable at the management levels, both of trade and industry and labor, and that is where we have an opportunity to strike the strongest blow and to deal best with it right now.

I appreciate very much the coal that is being piled on, here, to have the Government take necessary measures; but I depreciate very much our seeming attitude that the only one that can do very much in this situation, to return the economy to the situation in which it should be, is the Government.

I believe that dynamic leadership in private enterprise can exercise its influence just as effectively, if not far more so, as compared with what can be done in governmental circles.

Mr. President, I see another danger in the present situation: Only 6 or 7 weeks ago, or perhaps less than that, the Senate was discussing the issue of national survival in terms of defense. That issue still confronts us; yet today we hardly hear it mentioned.

Of course, Mr. President, the Government can do a great deal in this situation, but certainly the private economy can also play a most important part in this connection.

Thus, Mr. President, it is most important that two things be done: First, have the Government take all possible steps to have assistance rendered at the governmental level, in this situation; second, give all possible encouragement to the private economy to do all within its power.

Hence my appeal to the President to take action at this juncture. I hope very much he will do so; hence, also, my appeal to my colleagues to help in connection with that effort.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article which was published in the New York Times of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAYBURN AND GOP AGREE TO CONFER ON TAX ACTION—DIP IN SPENDING FORECAST—EXPORTS DECLINE—UNITED STATES FINDS CONSUMER AND BUSINESS ARE MORE PESSIMISTIC

(By Edwin L. Dale, Jr.)

WASHINGTON, March 13—Government reports projected today further downward pressure on the economy in two key sectors of demand.

One report showed a 13-percent decline in expected business investment in plant and equipment this year—a much steeper drop than earlier surveys had indicated. A second showed a rise of pessimism about the business outlook among consumers, and some reduction in their plans to spend on major items.

A third report revealed a sharp drop in exports in January, thus portraying more downward pressure.

The reports add up to a picture of continued sag in the economy this year, unless present spending plans change or a major new injection of demand is supplied by the Government.

A measure of one source of new demand from the Government was supplied in a White House statement giving full details of the plan to increase the rate of defense orders between now and June 30. The plan has been cited in past administration statements.

OTHER DEVELOPMENTS

Major procurement and construction orders from February through June will average $2,300,000,000 a month, compared with only $1,050,000,000 a month from last July through January. However, the big increase is mainly just a makeup for the extremely slow rate of ordering last summer and does not involve a large change in actual defense spending.

There were these other economic developments today:

The Eisenhower administration and Democratic leaders of Congress were reported to have reached agreement to make a bipartisan approach on both the nature and timing of a possible tax cut.

Highway legislation and resolutions urging a speed-up in public works spending made further headway in Congress.

Today's key report, from the Commerce Department and the Securities and Exchange Commission, showed that business expected to spend $32 billion this year on plant and equipment, down 13 percent from the record of $37 billion last year. The 13-percent decline was nearly double the falling off in this key sector of the economy predicted in private surveys last fall.

Today's report showed a peak spending rate of $37,750,000,000 reached in the third quarter of last year. It indicated it would decline to below $31 billion in the last half of this year. That would be a peak-to-trough decline in demand of about $6 billion, or far more than defense spending was expected to rise.

In a companion report, the Federal Reserve Board said its annual consumer survey had revealed a marked rise in pessimism about the general outlook and some curtailment of plans to buy major items, as compared with a year ago at this time. The survey was made in January and February.

Consumers reported the sharpest falling off in their plans to buy new cars, and also a notable decline in plans to buy houses. Their plans to buy used cars increased, and there was little change in their plans to buy furniture and major appliances and to repair and improve their homes.

Although the survey showed a big switch toward pessimism about the outlook for general business, the report said that very few consumers expected their own incomes to decline. About three-fourths said they expected to be earning as much or more early next year as early this year.

EXPORTS DECLINE 10 PERCENT

Today's third report showed a 10-percent decline in exports in January as compared with January 1957. The dip was 8 percent from December.

With military-aid shipments excluded, the January-to-January decline was $181 million, or 11.5 percent. From December it was $141 million.

Today's White House report showed that major defense procurement contracts are scheduled at a rate of $1,700,000,000 to $1,800,000,000 a month from February through June, compared to about $1 billion a month from last July through January. In the case of defense construction $1,700,000,000 will be placed under contract in the February–June period compared to only $327 million in the July–January period.

Amplifying on the construction side in testimony before the Senate Armed Services Committee, the Deputy Secretary of Defense, Donald A. Quarles, attributed the extremely slow pace of placing contracts in the last half of last year to a spending ceiling imposed by the limit on the national debt.

He conceded that the armed services still had spending objectives but would not accept the implication of several committee Democrats that ceilings were still in effect.

STORE SALES INCREASE

One note of cheer was sounded today in a Federal Reserve Board report that showed department-store sales in the first week of March 7 percent ahead of the same week a year earlier. However officials pointed out that the first week of March last year showed unusually low sales, largely because of bad weather. They also noted that Easter is earlier this year and that Easter buying may have helped the week's sales.

In another report the Association of American Railroads said freight carloadings in the week ended March 8 were down 1.7 percent from the preceding week and 19.1 percent below the corresponding week of 1957.

Today's major statistics were those on business and consumer intentions. The business report showed that the largest declines in expected plant-equipment spending will be in the manufacturing sector of the economy, but that every sector except public utilities will cut back somewhat.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois for himself and other Senators, as modified.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

COMPARISON OF POSTAL RATES IN H. R. 5836 WITH THOSE OF THE PRESENT LAW

Mr. CARLSON. Mr. President, 2 weeks ago the Senate acted on H. R. 5836, a bill relating to postal rates. Many Senators have made inquiries regarding the effect of that proposed legislation—both the House and Senate versions of that bill—on the present rates. The Legislative Counsel of the Senate and the House of Representatives and the staffs of the Senate Committee on Post Office and Civil Service and the House Committee on Post Office and Civil Service have prepared a very fine tabular summary of the provisions of H. R. 5836, giving the present rates, the House version rates, and the Senate version rates, and I ask unanimous consent that the table and statement be printed in the RECORD as a part of my remarks.

There being no objection, the table and statement were ordered to be printed in the RECORD, as follows:

Tabular summary of major provisions of H. R. 5836 relating to postal rates as passed by House and Senate compared with present law

Mail classification	Unit	Present rates	Rates provided in House version				Rates provided in Senate version		
1st-class mail:		*Cents*				*Cents*			
Nonlocal letter mail	Ounce	3.0				4.0	5 cents July 1, 1958, 4 cents July 1, 1961.		
Local letter mail	do	3.0				4.0	4 cents.		
Drop letters	do	2.0				3.0	3 cents.		
Post and postal cards	Each	2.0				3.0	3 cents.[1]		
Domestic airmail:									
Letters	Ounce	6.0				7.0	8 cents.		
Post and postal cards	Each	4.0				5.0	5 cents.		
			Rates effective				Rates effective		
			Oct. 1, 1957	July 1, 1958	July 1, 1959	July 1, 1960	July 1, 1958	July 1, 1959	July 1, 1960
2d-class mail:[2]									
Publishers outside county:									
(a) Nonadvertising portion	Pound	1.95	2.2	2.5	2.8	3.1	2.1	2.3	2.5
(b) Advertising portion:									
Zones 1 and 2	do	1.95	2.2	2.5	2.8	3.1	2.2	2.6	3.0
Zone 3	do	2.6	3.0	3.4	3.8	4.2	3.0	3.5	4.0
Zone 4	do	3.9	4.5	5.1	5.7	6.2	4.5	5.2	6.0
Zone 5	do	5.2	6.0	6.8	7.5	8.3	6.0	7.0	8.0
Zone 6	do	6.5	7.5	8.4	9.4	10.4	7.7	8.7	10.0
Zone 7	do	7.8	9.0	10.1	11.3	12.5	9.2	11.0	12.0
Zone 8	do	9.1	10.5	11.8	13.2	14.6	11.0	12.5	14.0

[1] 2 cents if entirely handwritten.

[2] The present rate for 2d class mailings of nonprofit organizations is 1.5 cents per pound with a ⅛-cent minimum. The House version makes no change in these rates. The Senate version changes these rates to 50 percent of the regular rates. The present rates for exempt classroom publications are those that were in effect for regular matter prior to the 30-percent increase in 1951. The House version makes no change in these rates. The Senate version provides that 2d class rates for classroom publications shall be 35 percent less than the scheduled 2d class rates. The House version also exempts newspapers with a press run of 5,000 copies or less from all rate increases. The Senate version does not contain this exemption.

Tabular summary of major provisions of H. R. 5836 relating to postal rates as passed by House and Senate compared with present law—Continued

Mail classification	Unit	Present rates	Rates provided in House version	Rates provided in Senate version
		Cents	*Cents*	
2d-class mail—Continued				
Publishers outside county—Continued				
(c) Minimum per copy	Each	1½	1½	¼ cent July 1, 1958, ⅝ cent July 1, 1959, ½ cent July 1, 1960.
Transient	1st 2 ounces	2.0	2.0	2 cents.
	Additional 2 ounces	1.0	1.5	
	Additional ounces			1 cent.
3d-class mail:[2]				
Piece:				
(a) Circulars, merchandise and miscellaneous	1st 2 ounces	2.0	3.0	3 cents.
	Additional ounce	[4] 1.0	[4] 1.5	1.5 cents to 16 ounces.
(b) Books and catalogs	1st 2 ounces	2.0	3.0	3 cents.
	Additional 2 ounces	[4] 1.5		
	Additional ounce		[4] 1.0	1.5 cents to 16 ounces.
Bulk:				
(a) Circulars, merchandise and miscellaneous	Pound	14.0	16.0	16 cents.
	Piece minimum	1.5	2.5	2 cents July 1, 1958, 2.5 cents July 1, 1959.
(b) Books and catalogs	Pound	10.0	12.0	10 cents.
	Piece minimum	1.5	2.5	2 cents July 1, 1958, 2.5 cents July 1, 1959.
Odd sizes	do	3.0	5.0	6 cents.
		Dollars	*Dollars*	
Annual bulk mailing fee	Year	10	20	$20.
4th-class mail,[3] books	1st pound	8.0	10.0	8 cents.
	Additional pound	4.0	5.0	4 cents.
Controlled circulation	Not over 8 ounces	10.0	12.0	12 cents per pound.
	Over 8 ounces	11.0	12.0	

[2] The Senate version provides that the weight limit on 3d-class mail is increased from 8 ounces up to but not including 16 ounces.

Matter sent by certain nonprofit organizations currently pay rates that were in existence prior to the rate adjustments in 1951, including a 1-cent-per-piece minimum. The organizations are exempt from all rate increases in the House version. In the Senate version the regular piece and pound rates would apply, except the per-piece minimum would be 50 percent of the regular minimum rate.

[4] To 8 ounces.

[3] Both the House and Senate versions add to the category of material which may be mailed by 4th class mail printed music (in bound or sheet form), school test materials, and manuscripts for books, periodical articles, and music. The Senate version also includes phonograph recordings.

Both the House and Senate versions also add to the material which may be mailed at the library book rate (4 cents for 1st pound and 1 cent for each additional pound) printed music (in bound or sheet form), bound volumes if academic theses and periodicals, and other library materials; Senate version also includes phonograph recordings. Schools, colleges, and universities are added to the category of organizations eligible for this rate in both House and Senate versions.

TAXATION OF LIFE INSURANCE COMPANIES—CLARIFICATION OF RULING BY THE CHAIR

Mr. MORTON. Mr. President, last night there was considerable confusion in the Chamber at various times. At one point the junior Senator from Kentucky was presiding, and he was asked by the senior Senator from Oregon [Mr. MORSE] to make a parliamentary ruling. The question was as follows, reading from page 4307 of the RECORD:

Was the Douglas amendment to the pending bill in order?

The PRESIDING OFFICER (Mr. MORTON in the chair). The Chair rules that the amendment was in order. A unanimous-consent agreement was reached as to germaneness, and the amendment was in order.

By that ruling, Mr. President, the Chair did not mean to imply that the unanimous-consent agreement as to germaneness applied in the case of the Douglas amendment. That agreement applied to amendments to the Douglas amendment. There was no question as to the Douglas amendment being germane to H. R. 10021, nor was there any question as to the amendment being in order, as is stated in the first sentence of the ruling of the Chair.

I wanted to make that matter clear.

TWO HUNDREDTH ANNIVERSARY OF BIRTH OF ALEXANDER HAMILTON

Mr. O'MAHONEY. Mr. President, I call attention to Calendar No. 1388, House Joint Resolution 483, which extends the date of the termination of the life of the Alexander Hamilton Commission. The life of the Commission will expire on March 15, tomorrow.

The joint resolution, having been passed by the House on February 28, was referred to the Senate Judiciary Committee. It was reported by the committee 2 days ago, extending the time of the life of the Commission to April 30. That is all there is to the joint resolution.

I therefore ask unanimous consent that the Senate proceed to the immediate consideration of the House joint resolution.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 483) to amend the act of August 20, 1954, establishing a Commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 10, to strike out "March 15, 1958" and insert "April 30, 1958."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

FORMULA FOR TAXING OF LIFE INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

Mr. POTTER. Mr. President, I call up the amendment which I have at the desk, identified as 3-13-58-E.

The PRESIDING OFFICER. Does the Senator desire to have the amendment read, or does he wish to have it printed in the RECORD without reading?

Mr. POTTER. It is satisfactory to have the amendment printed in the RECORD without reading.

The amendment offered by Mr. POTTER is as follows:

At the end of the bill, to add the following new section:

"SEC. 3. (a) Paragraph (1) of subsection (a) of section 4061 of the Internal Revenue Code of 1954 is amended by striking out 'July 1, 1972' and inserting in lieu thereof 'March 1, 1958.'

"(b) Paragraph (2) of subsection (a) of section 4061 of the Internal Revenue Code of 1954 is repealed effective as of March 1, 1958.

"(c) Subsection (b) of section 4061 of the Internal Revenue Code of 1954 is hereby repealed.

"(d) Section 6412 (a) of the Internal Revenue Code of 1954 is amended as follows:

"(1) In paragraph (1), strike out 'July 1, 1958' both places it appears and insert in lieu thereof 'March 1, 1958,' and add at the end thereof the following new sentence: 'This paragraph shall not apply in respect of an article sold by the dealer on or before the date of the enactment of this sentence unless on or before November 10, 1958, reimbursement has been made by such dealer to the purchaser from the dealer of the article for the tax elimination on such article or written consent has been obtained from such purchaser to allowance of the credit or refund.';

"(e) Section 6412 (a) (2) of said Code is amended by inserting '(i)' before 'Where,'

the first word in the paragraph, striking out '4061 (a) (1),' and adding the following sentences at the end of the paragraph:

"'(ii) Where before March 1, 1958, any article subject to the tax imposed by section 4061 (a) (1) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after March 1, 1958, if claim for such credit or refund is filed with the Secretary or his delegate on or before November 10, 1958, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1953, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before November 10, 1958, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund.

"'(iii) Paragraph (ii) shall not apply in respect of an article sold by the dealer on or before the date of enactment of this sentence unless on or before November 10, 1958, reimbursement has been made by the dealer to the purchaser from the dealer of the article for the tax reduction on such article or written consent has been obtained from such purchaser to allowance of the credit or refund.'

"(f) Subparagraph (C) of paragraph (1) of subsection (c) of section 209 of the Highway Revenue Act of 1956 is amended by inserting 'and before March 1, 1958, and 100 percent of the tax received on and after March 1, 1958' before the comma following '1957.'"

Mr. POTTER. Mr. President, my amendment is similar to the amendment offered by the Senator from New Mexico [Mr. ANDERSON] late last evening. It differs in one respect. The amendment offered by the Senator from New Mexico proposed to reduce excise taxes on automobiles from 10 to 5 percent, and on trucks from 8 to 5 percent. It also proposed to reduce the excise tax on automobile parts.

My amendment proposes to remove the excise tax on automobiles, and also to reduce the excise tax on trucks to 5 percent. The difference is that 100 percent of the 5 percent excise tax which would remain on trucks would go to the highway trust fund. Therefore the highway trust fund would lose no revenue as a result of the amendment.

As a result of the action taken yesterday afternoon and evening and this morning, it is evident that because of efforts by certain Members composing the leadership in the Senate, on both sides of the aisle, along with the leadership of the administration, any effort for tax relief in the insurance bill will be thwarted. However, I am reluctant to let this opportunity pass without bringing to the attention of the Senate again the necessity for serious consideration of the amendment. I hope administration officers downtown and the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate will recognize that this is not an unfair effort to put through a tax reduction measure. This is not a special favor to the automobile industry. The automobile industry is depressed. The companies themselves would gain nothing by the amendment. The excise tax is passed on to the consumers. It is a consumers' tax, pure and simple. I think that should be made perfectly clear, as was stated by the Senator from Wyoming [Mr. O'MAHONEY] a while ago.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. POTTER. I yield to the distinguished Senator from Vermont?

Mr. FLANDERS. I join with the Senator from Michigan in the expression of conviction that the question of the excise taxes on automobiles, trucks, and parts should have the early attention of the Senate. As the Senator from Michigan has stated, such action would not represent a favor to the automobile companies. I think it is very important so far as an increase in general production and an increase in employment is concerned.

In a real sense the automotive industry is the focus of such recession as we have had. I do not mean it is the only industry in which there has been a decrease in employment, because that is not the case. However, the automotive industry has experienced the largest decrease. The industry stands at the critical point mentioned earlier by the junior Senator from New York [Mr. JAVITS] when he referred to the decrease in capital investment and the decrease in general equipment expansion. Anything which can be done to revive automobile purchasing at a time when the conditions are not too unfavorable should be done.

I hope very much that we shall consider this question within the next few weeks. It has been a bit unfortunate that we have talked so much about it. I say "we," but I am not referring to the Senator from Michigan particularly. It is a somewhat difficult situation, in that the minute one begins to talk about reducing excise taxes there is danger of stopping the purchasing which would normally occur.

Mr. POTTER. If the Senator will permit me to comment, the fact he mentions, coupled with all the discussions as to the removal of excise taxes on automobiles, is the reason why I shall insist, in my small way, I can assure the Senator, that there be fixed a retroactive date to March 1.

Mr. FLANDERS. I join the Senator in that statement. As to any excise tax relaxation for the automotive industry which may occur, I also would insist on the use of the March 1 date.

Mr. POTTER. I know that the Senator, as a distinguished member of the Committee on Finance, will be in an ideal position to make sure the retroactive date is provided.

Knowing the temper of the Senate today, I feel the possibility of having this matter accepted as an amendment to the pending bill is not bright. I hope that as a result of its consideration possibly the Committee on Finance can give an expression as a committee, or the chairman of the committee himself can give an expression, as to the date. I do not ask that they express themselves as to whether they would favor or not favor repeal or reduction of excise taxes on automobiles, but possibly the chairman of the Senate Committee on Finance and the chairman of the House Committee on Ways and Means could, in a joint statement, simply say that if excise taxes on automobiles were reduced they would insist upon the retroactive date.

Mr. JAVITS. Mr. President, will the Senator yield

Mr. POTTER. I yield to the Senator from New York.

Mr. JAVITS. I wish to say to the Senator that regardless whether one voted with him last night or votes with him today, I, for one, am grateful for the Senator's spirit and initiative and desire to find ways and means by which—to use the phrase he pointed out—dynamic leadership can be translated into action. The spirited fight the Senator is making for the people of his State on all the issues before us demonstrates the Senator's high qualities.

Mr. POTTER. I thank the Senator from New York. I always appreciate his counsel on the many human problems which confront us.

Mr. President, there is a problem in the automobile industry in the State of Michigan. That is true not only of Michigan, but throughout the country.

It used to be true that when we thought of the automobile industry we thought of it primarily as a Michigan industry. Today automobiles are manufactured in all sections of the country, North, South, East, and West. The automobile industry affects all sections of the country, so far as employment either directly in the industry or with its suppliers is concerned. More important is the relationship to our constituents, irrespective of where we live, since they are automobile buyers. They are automobile consumers. They are the ones the tax reduction will benefit. They are the ones who will receive the purchasing power, which in turn will make it possible for them to buy automobiles, which will create jobs to relieve the unemployment problem.

I am not presenting this as legislation particularly for one industry. I wish to remind my colleagues that the automobile industry is one which has been really discriminated against in the field of taxation.

A report has been made from which I should like to quote quite extensively in my remarks this afternoon. It is covered in testimony by Robert Bryar, given before the Excise Taxes Subcommittee of the House Committee on Ways and Means. Mr. Bryar points out that there are five different basic reasons to remove the excise tax on automobiles.

First, the excise tax constitutes class legislation, bearing down heaviest on those most dependent on vehicles for necessary economic purposes and on those in the lower-income group.

Secondly, such taxes impede the free flow of commerce.

Third, such taxes are an extreme example of multiple taxation.

Fourth, the taxes constitute a handicap to demand and employment in the automotive and widely ramified related industries.

Fifth, in the face of these major considerations, automotive products today are virtually the only important items subjected to increased rates at the time of the Korean emergency which have not received subsequently either outright tax cancellation or at least substantial reduction.

The impact of automotive excise taxes in relation to economic necessity is highlighted by the fact that traffic surveys show that more than half of all passenger-car mileage is for necessary purposes and that 65 percent—and this includes shopping—of all automobile trips are connected directly with earning a living or with other basic, vital activity. In excess of 90 percent of the country's 54 million passenger cars are used wholly or in significant part every week for essential purposes.

Because motor vehicles—cars and trucks—are the only economic means for hauling seeds, feeds, fertilizers and other supplies to the farms, and the only means of hauling produce and livestock to market, the excise taxes are unfair to farm owners. Farmers, incidentally, are the largest class of truck owners, operating approximately 2.7 million of the Nation's 10 million trucks.

The automotive excise taxes are unfair to a large group of people who use automotive transportation not because of choice but literally because they must. They are the 5.6 million people who live in cities, towns, and villages where there are no streetcars, public buses, or rail service. Thus these people are subjected to a tax inequity purely by accident, because they happen to live where they do.

Automotive excise taxes are unfair to lower income groups. Those earning less than $4,000 a year comprise 44 percent of the passenger-car owners. They represent the 15.5 million families of relatively smaller resources, and are the group some political strategists have in mind when they say it is not feasible politically to impose either a general manufacturers excise tax or a sales tax. Yet members of this large group of motorists, through automotive excise taxes, bear an extra burden of taxation because necessity use looms so importantly in their motor-vehicle ownership.

It is true that a substantial number of the lower income group buy used cars, but the price paid nevertheless reflects the initial excise tax on the car when it was sold. In addition, those people continue to pay the tax on spare parts, tires, and so forth, which are needed increasingly to keep the aging cars in operation.

Another departure from the accepted tax policies of uniform treatment lies in the impact of the automotive excise taxes on the manufacturer. The taxes do not become less discriminatory in the automobile industry merely because they are passed along to the consumer as a higher cost of doing business. This industry competes with many others for the consumers' favor.

The current boom of the so-called discount stores and the comparative shopping in which buyers generally engage before making major purchases show the importance of prices in the market. To cite a few conspicuous examples of the relationship between this industry and other industries, streetcars, subway trains, railroad rolling stock, trolley coaches, and all other forms of transportation except automotive are free from manufacturers excise taxes.

Tractors, combines, hay loaders, and all other mechanized farm implements except the farm truck are free from the manufacturers excise tax.

Machine tools, conveyors, packaging machinery, and all other industrial equipment except the truck are exempt from the manufacturers excise tax.

Bulldozers, tractors, cranes, cement mixers, hoisting equipment, and all other mechanized construction equipment except the truck are exempt from the manufacturers' excise tax.

Because existing tax laws discriminate by singling out one type of transportation to carry a special burden, they automatically impede that part of commerce borne by the motortruck. In the whole transportation system, only one of several available means of hauling is subject to the Federal manufacturers' excise taxes. All other competing forms are relatively free from such taxes.

Carrying the Nation's essential goods and food over the highways, motortrucks and truck trailers, traveling more than 100 million miles a year, also continue, as long as they are in use, to carry a punitive taxload. As in the case of passenger cars, the Federal tax burden does not end with the purchase tax on the new unit. To maintain and operate a truck means a continuous round of additional payments of excise taxes on replacement parts.

In terms of transportation, there is no difference between automotive parts and aircraft parts. In terms of transportation, there is no difference between truck wheels and railroad wheels, between motor vehicle engines and those used for other forms of transportation. That is, there is no functional difference. However, there is another difference.

Only the automotive items are subject to a Federal excise tax. The Federal automotive excise taxes, superimposed as they are on top of a long list of State and local taxes, probably constitute one of the most extreme examples of multiple taxation ever brought to the attention of the Senate.

Exclusive of Federal excise taxes, motor vehicles are subject to more than 40 different taxes.

In the case of a car delivered to the consumer at an average price of $2,000, more than $500 of the purchase price consists of taxes—$146 being Federal excise taxes. This Federal excise tax segment is by far the largest piece of the total tax bill which the new car buyer must pay before he can take delivery.

In 1955, highway users—the owners and operators of motor vehicles—paid State, local, and Federal automotive taxes totaling more than $7 billion. Such taxes include registration fees, State gasoline taxes, city and county taxes, bridge, tunnel, ferry, and road tolls, and excise taxes. This is in addition to general taxes paid by owners, such as income and personal property taxes.

I think Senators will agree with me that these taxes not only represent a conspicuous multiplication, but also a burden of high proportions on a commodity which is universally essential in our daily lives.

Moreover, nearly 1 million workers are employed in the motor vehicle industry. Many of them are employed in various phases of industry which are related to the automobile industry—for example, steel, glass, rubber, and other industries. The "automotive economy" is no loose phrase when applied to the United States. In the United States more than one out of every seven employed persons worked in the manufacture, distribution, service, or use of motor vehicles. One of every six patents issued is automotive. One business in six is automotive. One of every four retail dollars spent is automotive. Aside from the direct employment in automobile industries, the motor vehicle is responsible for a large proportion of the economy in other industries, as I have mentioned. Manufacturers of motor vehicles and parts pay for 23 percent of all steel, 69 percent of all plate glass, 72 percent of all upholstery leather, 41 percent of all lead, 29 percent of all zinc, and 10 percent of all copper sold in the United States.

These statistics represent the extent to which the national prosperity and economic stability are dependent upon continued high automotive demand and production.

The automobile industry does not seek, and has never asked the Congress for, favored tax treatment. On the contrary, all it has sought, and all it now asks, is equitable treatment. Of all the products on which Federal excise tax rates were increased during the Korean war, those of the automobile industry are practically the only ones of major importance which have not been accorded a substantial reduction. A list of such relieved products is long but interesting—motorcycle taxes, once 10 percent, have been eliminated; the tax on golf clubs and sporting goods, once 15 percent, has been reduced one-third. The tax on cameras, once 20 percent, has been cut in half.

The taxes on refrigerators and freezers, once 10 percent, have been cut one-half. The taxes on perfumes, cosmetics, and toilet preparations, once 20 percent, have been cut in half. The taxes on mink and other fur coats, and diamond bracelets and other jewelry likewise have been cut in half.

In a very direct sense, the automobile industry competes with all these products for the consumers' favor, and certainly no one argues that mink capes or diamond bracelets or play equipment for adults is more important to the economy or to the individual than the passenger car and the truck. We do not believe that this discrimination is intended by Congress; more likely it is the result of legislative accident or oversight, or appeals to relieve temporary hardship conditions in other industries. Whatever the cause, the result appears difficult to justify.

I believe we can justly say that the automobile industry, when it comes to the question of taxation, has never brought pressure to bear upon Congress,

as have many of the other industries that have had tax relief.

My amendment is not a tax proposal for the benefit of manufacturers. It is a tax proposal which will bring about more consumer business, so that consumers, in turn, may buy more automobiles, which, in turn, will put men back to work. That is the purpose of the amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. CARLSON. I wish to commend the Senator from Michigan for his zeal and very determined fight for a reduction of the excise tax on motor cars and trucks. I stated last evening, when the first amendment was offered to H. R. 10021, providing an extension of the 1955 method of taxing insurance companies, that I would oppose—and did oppose—the amendment, not because I was not sympathetic with what it intended to do, but because I did not believe it should be added to the pending bill.

For that reason, I regret that I must say to the distinguished Senator from Michigan that I cannot support his amendment, much as I should like to. As a member of the Committee on Finance, I make this pledge to him. When we consider the revision and extension of the excise taxes, which we will have to do before June 30 of this year, I certainly will keep in mind the very forceful speech he has made in behalf of reductions, and sincerely hope that our financial situation will be such that we can reduce, at least, if not eliminate, not only the automobile excise tax, but many other excise taxes which we know are direct burdens on our people.

Again I commend the Senator from Michigan for the splendid fight he is putting forward today to secure action on such legislation. I sincerely regret that I cannot support the Senator, but I hope to do so in the future.

Mr. POTTER. I appreciate the remarks of the Senator from Kansas. He is one of the distinguished members of the Committee on Finance. The question of taxation has been under discussion on Capitol Hill and in the administration for the past few weeks. The automobile manufacturers and automobile dealers are confronted with a real problem. It is difficult to consider a situation in Washington without its becoming a matter of public knowledge. That is the reason why I—and I believe other Members of the Senate also—in proposing amendments and discussing legislation of this kind, have insisted on a March 1 retroactive date. In all fairness to automobile dealers and to prospective buyers, I say that when proposed legislation of this kind is considered, it is essential that they have the assurance that it contain a retroactive date so that an already depressed industry will not be further depressed.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. POTTER. I yield.

Mr. CARLSON. I am very happy the Senator from Michigan has brought up that point. Last evening, in a colloquy with another Member of the Senate, I mentioned the fact that I thought the discussion might render a disservice to automobile manufacturers and automobile retailers and salesmen all over the country because the impression might be created that we would pass a bill which would reduce excise taxes on motor cars and trucks. I said at that time that I did not believe we would, and I do not believe it at this time. I do say it is important to have a retroactive date in any such legislation. We want to do everything we can to assure the people that in any tax reductions we will give consideration to them on a retroactive basis. I can give that assurance to the Senator from Michigan.

Mr. POTTER. I appreciate the comments of the Senator from Kansas. It is very important to have that understood. Members of the administration have said that the administration is considering tax legislation. We have heard them say they were considering excise tax legislation. In addition, perhaps a dozen or more Members of Congress—at least it is true of Members of the House of Representatives—have spoken about excise taxes being reduced, not only on automobiles, but on many other commodities as well. We have also read news stories that committee hearings will be held to consider tax legislation. At times of full employment that would not assume the importance that it has assumed today.

Today, when there is a depressed market, it is particularly essential that we assure the American people that they need not stop buying in anticipation that something might happen in the future that will not give them protection. On the contrary, we should do everything possible to assure them that they will be protected.

Mr. CARLSON. The Senator has made a very pertinent statement with respect to any measure designed to reduce taxes, whether they be personal, corporation, or excise. Last year, 1957, in excess of 48½ million income tax statements were filed by our citizens. They were based on a total gross income of $275 billion. The tax collections were $36½ billion. Talk of tax reduction affects every citizen. Everything we do or say as Members of Congress, or that is said by people in important positions in the executive branch of Government, with respect to holding out any hope of such action, if it is only a pious hope without any chance of being carried into reality, not only has a psychological effect, but also a direct bearing on the Nation.

When the committee enters upon a consideration of tax matters I hope it will discuss it from that angle. We should either have a tax cut or not have one, and say so in either case.

Mr. POTTER. I will be very candid with the Senator. I have been extremely disappointed in the way the question of how to meet the recession is being handled by the administration. It has been most unfortunate that we should hold out the prospect that a tax reduction might happen or that it is being seriously considered. The longer the consideration of the subject and the longer the delay before a positive decision is made on the question of whether the answer will be yes or no, the more uncertainty there will be in the country, and public confidence will be lessened, instead of being bolstered. Therefore I plead with the administration and with the leadership to let us take some action one way or the other.

Either there will be some tax legislation passed to meet the recession, or there will not be. Let us make up our minds. Let us tell the public what we are going to do. Maintaining the status quo and having the question under advisement or having it under consideration for a week or 2 weeks or a month or 2 months, instead of bringing about economic recovery, will hamper it. This is the time for some dynamic action, and I sincerely hope the administration and the leadership on both sides of the aisle in Congress will make up their minds and will decide whether or not to meet the current recession by action in the form of tax relief.

If we are going to meet it by taxation relief, what kind of taxes will be considered? I think it is a great disservice for us to talk about tax reduction, sit back, and say it is under consideration, but keep the public in doubt about what the future might bring.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

SENATOR JOHNSON OF TEXAS SPEEDS ACTION ON BILLS

Mr. NEUBERGER. Mr. President, one of the most astute observers in the National Capital, politically speaking, is Mr. Robert C. Albright, of the Washington Post and Times Herald. Today's issue of the Post contains a most illuminating and informative article written by Mr. Albright about the bills recently passed by Congress in general, but by the Senate particularly, in an effort to stem the current economic recession.

Mr. Albright gives full and complete credit to the distinguished majority leader of the Senate, Senator LYNDON B. JOHNSON of Texas, for exercising leadership on Capitol Hill in answer to the threat and possible peril of a major economic decline in the United States.

I know that the great hero of the distinguished senior Senator from Texas is Franklin Delano Roosevelt, the only person in our history to have been four times elected President of the United States.

In his never-to-be-forgotten inaugural address in March 1933, when the Nation was stricken by a great depression, President Roosevelt said to his fellow countrymen:

This Nation wants action, and wants it now.

I think the distinguished Senator from Texas has been following that policy with respect to the current situation, although we rejoice that the conditions now are not nearly so serious as was the terrible economic crisis which President Franklin D. Roosevelt encountered.

Mr. President, I ask unanimous consent that the article entitled "Legislators Seize Upon Slump To Speed Bills," written by Robert C. Albright, and published in the Washington Post and Times Herald of March 14, 1958, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGISLATORS SEIZE UPON SLUMP TO SPEED BILLS

(By Robert C. Albright)

With this session only 2 months old, Congress is streaking around the legislative curves with a full head of steam, for all the world like the adjournment end of an emergency legislature.

As one slightly awed Democrat put it, without even a wink: "There hasn't been anything like it since Roosevelt's hundred days."

Nearly everybody is agreed that there hasn't been.

By the time Congress recesses for Easter 3 weeks from today (from April 3 to April 14), about as many major measures will have cleared both Houses as once provided grist for a slow-poke normal session.

All of this isn't coincidental, of course. Senate Democratic Leader LYNDON B. JOHNSON, working hand in glove with House Speaker SAM RAYBURN, timed it that way as the Democratic 85th Congress' answer to the threat of a major recession.

Republicans were welcome aboard, of course, and many promptly availed themselves of the "nonpartisan" invitation. But there hasn't been a doubt, since Democrats grabbed the initiative at the start of this extremely busy Congress, that the sweeping Congressional attack on the business slump is primarily a Democratic show.

The timetable for the comprehensive list of antirecession measures wasn't hit or miss either.

The Easter recess, now the deadline for most of these economic bills, is normally the midseason breather when legislators go home, hold up a wet finger, and appraise the political weather.

In most normal sessions, nearly all of the really important legislative action comes between May and late July, after the inevitable Easter report from the people back home.

There's only one thing really different about this year's procedure. Legislators will go home, as they have in the past, for the full 10-day, pulse-taking checkup. But this time they know what the voters will ask. More than that, they've wrapped up their answers in a legislative package.

One highly placed Democrat expressed it this way:

"If we have our way about it, they are not going to pin a do-nothing label on us."

The clear implication is that the voters might very well pin it on the administration.

Actually, the Democratic strategy for combating the recession dovetails almost to a "t" with the list of Democratic legislative proposals already in being when this Congress assembled.

In fact, the urgent nature of the economic threat served as the catalyst Democrats needed to bring many of the bills out of committee.

Legislation like the housing bill, which zipped through the Senate on Wednesday, and the Senate-approved freeze of 1957 farm price supports, which followed on Thursday, under other conditions might have been tied up in committees for weeks.

The same goes for other antirecession measures on the way, like the Federal highway bill, the proposed capital credit for small business, the omnibus rivers and harbors bill, and others.

The only really new resolution thrown into the hopper by the Democratic leadership were two sense-of-Congress declarations prodding the administration to spend money Congress already has appropriated for public works.

The net effect of this composite, do-it-yourself program is a Democratic politician's dream.

For anyone running for reelection in November, there's only one missing ingredient—a tax cut.

Chances are even that will be placed on the program, at least tentatively, before Congress goes home for Easter.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. JOHNSON of Texas. I feel quite humble after the Senator's congratulation of me, and I am most grateful for the statement made about me by Mr. Albright.

Mr. NEUBERGER. I thank the Senator from Texas.

FORMULA FOR TAXING OF LIFE-INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

Mr. NEUBERGER. Mr. President, I have at the desk an amendment concerning the tax measure now pending before the Senate. I desire to ask the distinguished Chairman of the Committee on Finance [Mr. BYRD] to let me ask a few questions of him, but I should like to preface my remarks by describing my amendment.

I am particularly pleased also that one of the members of the Committee on Interstate and Foreign Commerce, the distinguished junior Senator from Florida [Mr. SMATHERS] is in the Chamber at this time, because, if I am not mistaken, he has been presiding over some important and urgently needed hearings in the field of transportation.

My amendment deals with the existing 3 percent Federal tax on all freight shipments in the United States, and with the 10 percent tax on ordinary travel.

It was declared last night in the Senate that the bill before the Senate, which deals with the taxable income of life insurance companies, was not an appropriate vehicle for major tax reform. I was in the Chamber when the Chairman of the Committee on Finance made that statement. In recognition of that fact, I shall not press my amendment today. However, I ask unanimous consent that it may be printed at this point in the RECORD, so that the Senate will know exactly what is being discussed.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place, insert the following:

"SECTION 1. (a) Parts I and II of subchapter C of chapter 33 of the Internal Revenue Code of 1954 (relating to the tax on the transportation of persons and the tax on the transportation of property) are hereby repealed.

"(b) The table of parts for subchapter C is amended by striking out the following:

"'Part I. Persons.

"'Part II. Property.'

"SEC. 2. (a) Section 4291 of the Internal Revenue Code of 1954 (relating to cases where persons receiving payment must collect tax) is amended by striking out 'Except as provided in section 4264 (a) every' and inserting in lieu thereof 'Every.'

"(b) Section 4292 of such code (relating to State and local governmental exemption) is amended to read as follows:

"'SEC. 4292. State and local governmental exemption

"'Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under section 4251 on any payment received for services or facilities furnished to the government of any State, Territory of the United States, or any political subdivision of the foregoing, or the District of Columbia.'

"(c) Section 6415 of such code (relating to credits or refunds to persons who collected certain taxes) is amended by striking out '4261, 4271,' each place it appears therein.

"(d) Section 6416 (b) (2) (L) of such code (relating to credits or refunds in the case of certain taxes on sales and services) is amended—

"(1) by striking out 'tax-exempt passenger fare revenue' and inserting in lieu thereof 'commutation fare revenue'; and

"(2) by striking out '(not including the tax imposed by section 4261, relating to the tax on transportation of persons.)'

"(e) Section 6421 (b) of such code (relating to gasoline used for certain nonhighway purposes or by local transit systems) is amended—

"(1) by striking out 'not including the tax imposed by section 4261, relating to the tax on transportation of persons)' each place it appears therein, and

"(2) by striking out 'tax-exempt passenger fare revenue' and inserting in lieu thereof 'commutation fare revenue' each place it appears therein.

"(f) Section 6421 (d) (2) of such code (defining tax-exempt passenger fare revenue) is amended to read as follows:

"'(2) Commutation fare revenue: The term "commutation fare revenue" means revenue attributable to the transportation of persons and attributable to—

"'(A) Amounts paid for transportation which do not exceed 60 cents.

"'(B) amounts paid for commutation or season tickets for single trips of less than 30 miles, or

"'(C) amounts paid for commutation tickets for 1 month or less.'

"(g) Section 7012 of such code (relating to cross references) is amended by striking out subsection (i) and by redesignating subsection (j) as subsection (i).

"(h) Section 7272 (b) of such code (relating to penalty for failure to register) is amended by striking out '4273,'.

"SEC. 3. The amendments made by the preceding two sections shall apply only with respect to amounts paid, on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, for transportation which begins on or after such first day."

Mr. NEUBERGER. Mr. President, I call the attention of the chairman of the Committee on Finance and the chairman of the Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce, to how much the existing Federal taxes on freight shipments and travel discriminate against the Western States.

We live in a country where the population is very disproportionately located. It is my understanding that between 55 and 60 percent of all the people in the United States live within a radius of about 500 miles of Pittsburgh, Pa. That means, as to farm commodities grown in the West or South, or as to manufacturing which takes place in the industrial factories of the South and the Pacific Northwest, for example, that those particular regions are at a serious economic disadvantage in shipping their products to the major markets of the country, which are in the Eastern States.

For example, I shall show the difference in the Federal transportation tax on a carload of canned fruit shipped to the Pittsburgh area from the Pacific coast and from the Middle West. The Federal transportation tax on a carload of canned fruit shipped to Pittsburgh from the Middle West is $7.92, but on a carload of canned fruit shipped from the Pacific seaboard areas to Pittsburgh, the tax is $30.96.

The chairman of the Committee on Finance [Mr. BYRD], who is not only a distinguished Member of the Senate, but is also a commercial grower of apples, knows of the great orchard areas scattered along the Pacific seaboard, from Wenatchee, Wash., all the way to the San Joaquin Valley, in California.

I could cite many other examples of differences which affect our particular region and also the South, which likewise is relatively remote from the major population section of the Nation.

For example, the excise tax on a carload of grain from the ranches of my State of Oregon will be more than 3½ times the amount of the tax on grain which is shipped from the prairie or Great Plains sections of the United States.

Furthermore, I emphasize that this discrimination works the other way, too. For example—and I regret to say this—most of the manufacturing in the United States takes place in the few States located around Pittsburgh, Pa. That is unfair. It has resulted in the concentration of wealth in a comparatively few States of the East, to the detriment of many States in the South and West. When manufactured products are shipped to consumers in the States of the South and West, those consumers also have to bear the Federal freight tax for the shipments moving in the other direction.

I understand it costs $10 to ship an automatic washing machine from one of the great manufacturing centers of the East to Portland, Oreg., where I was born and raised. That is about 4 times as much as it costs to ship the same appliance to a relatively nearby city, Terre Haute, Ind. Thus, the housewife in Oregon is taxed 4 times as much by her Government as is her sister housewife in Terre Haute. This is a tax which seems to me to be especially iniquitous.

We have heard recent statements in the Senate that this or that tax is unjust. Still, it seems to me that no other tax discriminates so greatly against particular regions of the Nation as does the Federal freight tax and the Federal travel tax.

It is my opinion that, if any tax is to be removed at this time, the first one to be removed should be the tax on freight and travel. Furthermore, this tax enters into the cost of everything.

We have just heard the distinguished Senator from Michigan urge very ably the repeal of the automotive tax. There is no doubt that he has a valid case. Certainly a very large number of the families in the United States will be affected in that way—perhaps 6,500,000 who purchase automobiles.

On the other hand, from 55 million to 60 million of the families of this country every day of their lives pay this Federal freight tax. Whenever an American drinks milk, or eats apples which have been produced in Virginia or in the Hood River Valley of Oregon, or puts on a suit of clothes made of cotton or wool or any other fabric, he has—consciously or unconsciously—paid the Federal freight tax. It is also paid whenever an American buys toys for his children at Christmas time or purchases any other commodity—for instance, drugs and home remedies, when the members of his family become ill.

I have followed closely the exhaustive hearings being conducted by the able Senator from Florida [Mr. SMATHERS] into the plight of transportation in general in the United States and, in particular, into the plight of the railroads. If I am not mistaken, the railroad executives and the heads of the railroad brotherhoods and many of the shippers who must use railroad facilities, have emphasized—all of them have—the injustice of the Federal freight tax.

One of the reasons why, last night, I voted against the amendment which was offered by my very warm, personal friend, the Senator from Illinois [Mr. DOUGLAS], was that I felt that his amendment, although undoubtedly possessing great merit, did not go to the heart of the greatest tax injustice existing at this time in the Nation. His amendment proposed the repeal of only 50 percent of the Federal tax on transportation and travel, whereas I believe that tax should be removed and repealed in its entirety.

Mr. President, I should like to ask several questions of the chairman of the Finance Committee; I desire to learn his opinion about our opportunities to have the Senate in the comparatively near future provide some relief from the inequitable tax I have been discussing briefly this afternoon.

Mr. BYRD. Mr. President, the Senator from Oregon [Mr. NEUBERGER] has made a very impressive statement, and I appreciate the force of what he has said.

Of course, the proper procedure would be for such a tax reduction measure to originate in the House of Representatives.

Mr. NEUBERGER. I so understand.

Mr. BYRD. Then the measure could come to the Senate. I can assure the Senator from Oregon—and also the Senator from Florida [Mr. SMATHERS], who likewise is very much interested in this matter—that if that occurs, proper consideration will be given by the Senate Finance Committee.

I am glad the Senator has decided that it would be better not to offer this provision to the pending bill, inasmuch as the pending bill deals with an entirely different proposition.

But I shall be cooperative, as chairman of the committee, and in connection with either hearings or anything else; I shall do all I can to be helpful along that line.

However, as is customary, such a proposal should originate in the House of Representatives, and then come to the Senate, and then be referred to the Senate Finance Committee.

Mr. NEUBERGER. I appreciate that.

Does the chairman of the committee expect that some proposed legislation to grant relief from the Federal freight and travel tax may originate in the House of Representatives in the not-too-distant future?

Mr. BYRD. I know it is being considered by the Ways and Means Committee, along with other tax-reduction proposals. The proposal to which the Senator from Oregon has referred holds a position perhaps a little superior to that of other tax-reduction proposals which have been advanced.

So far as the chairman of the Finance Committee is concerned, he would be very glad to see action taken by the House of Representatives.

Mr. NEUBERGER. If such a bill is passed by the House of Representatives and comes to the Senate, will the chairman of the Finance Committee be glad to consider it and to hold hearings on it as soon as possible?

Mr. BYRD. Yes.

Mr. NEUBERGER. I thank the Senator from Virginia.

Mr. SMATHERS. Mr. President, will the Senator from Oregon yield, to permit me to make an observation?

Mr. NEUBERGER. I am glad to yield.

Mr. SMATHERS. First, Mr. President, I should like to congratulate the very able junior Senator from Oregon on his statements and arguments in behalf of the need for the removal of the 3 percent excise tax on freight. Not only do I agree completely that it is the most discriminatory tax now on the statute books—because of its adverse effect on certain areas, whereas other areas are not subjected to the same treatment—but I also agree with his argument that this tax is highly restrictive in so far as the business community is concerned. After all, that was the objective of the tax—namely, to stop or diminish business activity, particularly with respect to the use of the railroads and other means of transportation during the war effort. So it originated as a measure to restrict transportation activities. Certainly this tax should be removed now not only because it has already served

its purpose but because a real need now exists to stimulate business activity.

I may say that endorsements of this proposal have been received from the National Association of Small Business, which has asked that this tax be removed. Likewise, by resolution, the Homebuilders Association has asked for removal of the tax, inasmuch as every piece of 2-by-4 lumber, every carload of cement, every barrel of nails, and other materials used for the construction of houses is subjected to this tax. Likewise, the Food Brokers of America have urged, by resolution, the removal of the tax.

Thirteen Members of the Senate have themselves gone on record as favoring elimination of this tax. In that connection, they have sponsored such proposed legislation by means of an amendment to legislation presently pending before the Senate Finance Committee.

Although we have complete sympathy with the purposes stated by the Senator from Oregon, the reason why we do not think it is appropriate to submit the amendment to the bill now before the Senate is that if that were to be done, and the amendment be adopted, many Members of Congress who are not in favor of the basic bill—namely, the bill dealing with the tax on the insurance companies—a temporary measure, would find themselves in the anomalous situation of favoring the amendment, but not favoring the basic bill. Therefore, we did not think the amendment should be attached to the pending bill.

But I wish the Senator from Oregon to know that we are very much in sympathy with what he has stated. I believe all his arguments are completely sound. Those of us on the Finance Committee who are primarily interested in this proposal expect to make a full presentation of the problem to the committee, in executive session, and hope the committee will recognize the need and importance of the removal of this tax and report legislation embodying the proposal to the floor.

Mr. NEUBERGER. Mr. President, as always, the observations the Senator from Florida has made are very helpful.

Let me say that one of the reasons why I am not pressing for the consideration of the amendment in connection with the pending bill arises from the fact that I have learned that the Senator from Florida and other members of the Finance Committee, and also certain members of the Committee on Interstate and Foreign Commerce, believe there is a more appropriate avenue for the accomplishment of this particular purpose.

I am glad the Senator from Florida has emphasized the point that this tax originated at a time when the Government wished to discourage travel on various common carriers and also wished to discourage shipments of freight which would conflict or compete with military transportation requirements.

How ironic it is that that tax has continued to the present time, when the country is on the brink of an economic recession. The Senator from Florida knows what a restriction that tax is on shipments from his State, which is a substantial distance from the centers of population, and also on shipments from Oregon, which is even farther away.

Oregon is the principal lumber-producing State. Approximately 75 percent of the lumber produced in Oregon is used for the construction of housing; and the 3 percent Federal freight tax on those shipments adds to the cost of nearly every residential dwelling erected in the Nation.

Mr. SMATHERS. Mr. President, will the Senator from Oregon yield again to me?

Mr. NEUBERGER. I am glad to yield.

Mr. SMATHERS. We have had some interesting illustrations of how this tax pyramids. It is unquestionably a cumulative tax. For instance, it is quite possible that the 3-percent tax on freight has been paid several times over in connection with the suit the Senator from Oregon is wearing at this time. When it came, let us say, out of the raw state of cotton or wool, there was no tax, because those commodities were exempt by law, but when it got to the first stage of the fabric, then a 3-percent transportation tax was put on it. If it went to the mill and was put together with another fabric, another 3 percent transportation tax was put on it. When it was sent to the store where the Senator bought the suit, another 3-percent transportation tax was added. We see that the transportation tax creates a false value which in fact does not exist. If we could take that tax off, it would be reasonable to expect that many items which are so-called consumer items would be reduced in price because the transportation tax was taken off. That would be a great stimulant to the general economy. Removal of the tax would do much toward that particular objective.

Mr. NEUBERGER. Along the very line the Senator from Florida has emphasized, I was impressed by the speech made last night by the senior Senator from Washington, who is chairman of the Committee on Interstate and Foreign Commerce. He said at a time when various depressed industries were being mentioned, in his opinion, if there was any No. 1 depressed industry anywhere, it was probably the railroad industry. I am sure he based his statement on the facts collected by the subcommittee headed by the Senator from Florida. The railroad industry and all other forms of transportation are made more costly because of the transportation tax.

When the Senator mentioned the way the transportation tax adds to the cost of goods, I remembered a survey once made in the seacoast lumber town of Coos Bay, Oreg. It was found that lumber cut in Oregon is occasionally shipped all the way across the country to Michigan or New York, and manufactured into furniture. Then that furniture is shipped 3,000 miles westward back to Coos Bay, Oreg. When the housewife there buys the resulting cabinet, or chair, or bed, or sofa, she has paid a 3-percent Federal transportation tax for a total of 6,000 miles.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am glad to yield to the Senator from Kansas.

Mr. CARLSON. I wish to commend the Senator from Oregon for offering the amendment and discussing it very frankly on the floor of the Senate. Those of us who live in the Far West—and I happen to live in the Middle West—carry a very heavy burden in the form of transportation tax. There is no doubt that our areas suffer more, on the basis of the transportation tax, than do other areas. It cost $700 million last year for such a tax, which is a substantial burden to carry.

As a member of the Committee on Finance, I hope this is one tax we can remove when we get to the point of removing excise taxes.

I stated very frankly last night I opposed the amendment of the Senator from Illinois, not because of the merits of the amendment, but because I was opposed to any amendment to the pending bill. I hope we can pass the bill for the life-insurance companies without any amendment, so it can become effective by the 15th of March.

So while I would support the Senator in getting consideration of the amendment, I think this is an inopportune time to do it. I believe the Senator is going to withdraw his amendment.

Mr. NEUBERGER. I thank the Senator from Kansas. He is correct. I am not going to press the amendment at this time, for reasons he has cited and which were also cited by the Senator from Virginia. The Senator from Kansas is rightly known all over the country as a great champion of the farmers. I may say there are few realms to which this tax is more generally restrictive than American agriculture.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the senior Senator from Oregon.

Mr. MORSE. I commend my colleague for calling the attention of the Senate today to this very unfair freight discrimination that exists as against the people of the West, particularly the people of our State, as well as people of other western States.

As the Senator well knows, he is the author and I am of cosponsor, of a bill that was introduced earlier this session which seeks to accomplish the same purpose as the amendment, by way of direct legislation. I suppose we are in a parliamentary position that my colleague seems to recognize in the position the majority of the Senate has taken with regard to adding tax-cutting legislation to this particular bill, which I happen to think is a bill to which such a proposal should be added. If we are going to cut taxes for one group, I see no reason why we should not include cutting of taxes for other groups that we think deserve it. I suppose, in view of the situation which confronts us parliamentarily, my colleague is not going to go through the motions of pressing his amendment now, because neither he nor the senior Senator from Oregon believes in going through motions merely for the sake of doing so.

Mr. NEUBERGER. Furthermore, I do not want to compromise any chance of success which the Senator from Florida and his associates may have a little later

on, when they believe they will have a better vehicle to accomplish the purpose.

Mr. MORSE. That was the next point I wanted to make. My colleague has served a useful purpose in this discussion by focusing attention on the amendment, and he does have the assurance of the Senator from Florida and other Senators, that the principle of our bill will be pressed for action at a later time.

Nevertheless, I want the RECORD to show that I share with equal concern the viewpoint of my colleague with regard to the need for eliminating the unfair freight differential which now exists against the people of the West.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am glad to yield to the Senator from South Carolina.

Mr. THURMOND. I should like to associate myself with the position taken by the distinguished Senator from Oregon on this important question, and to commend him for his remarks on this subject. I am a member of the Committee on Interstate and Foreign Commerce, and have had the pleasure of joining with the distinguished chairman of that subcommittee [Mr. SMATHERS] in introducing a bill to accomplish the objective that has been stated by the Senator from Oregon. I feel the objective of the amendment should be accomplished for the good of the people of this Nation. Our farmers especially would benefit greatly from the passage of a bill to accomplish that objective. I am pleased to associate myself with the position of the able Senator from Oregon.

Mr. NEUBERGER. I thank the distinguished Senator from South Carolina. As a foremost spokesman for the South, he realizes this tax has been particularly discriminatory, not only against the West and the Middle West, but also against the Southern States. I thank him for his assistance this afternoon.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the able Senator from North Dakota.

Mr. LANGER. I just wish to say to my distinguished colleague from Oregon that I have had hundreds of letters during the last 5 or 6 months dealing with this subject. I have had telegrams from various associations in North Dakota. I desire to associate myself completely with the remarks of the distinguished Senator from Oregon. I might add I am not going to wait for any future time, but if the amendment is offered now, I shall vote for it.

Mr. NEUBERGER. I thank the Senator from North Dakota for his helpful contribution. I trust the pledge of allegiance he gives me will carry over if the Senator from Florida, the Senator from South Carolina, and other members of the Committee on Interstate and Foreign Commerce and the Committee on Finance press this issue at what they believe may be a more suitable and appropriate time.

I just want to call one more matter to the attention of the Senator from Florida, which I know he will be interested in as chairman of the Surface Transportation Subcommittee. In my researches into the injustices of this tax, I discovered one situation prevailing in the Pacific Northwest which I believe is of interest. We found that a good many shippers in the extreme upper left hand corner of our country, because of this oppressive 3 percent freight tax, sent their commodities into Canada and shipped them all the way across the North American Continent on the very efficient railroads of our neighbor to the north, either the Canadian Pacific or the Canadian National Railroad.

Those railroads are not burdened with the 3-percent tax. As a result, we observe what happens. The shipper, so as to avoid the payment of the American freight tax, gives his business, which should go to the railroads of America—which would help stabilize the precarious financial condition of those railroads, and which would provide jobs for the members of the American railroad brotherhoods—to the Canadian railroads, and the members of the railroad brotherhoods of Canada are employed rather than the railroad workers who are in our own country. Is this fair?

Of course, when a shipper has a long haul to market of 3,000 miles—and it is even more than 3,000 miles from the Far West to the New England States—one can see how such a tax not only discriminates against American regions and against American commodities, but actually discriminates against the United States as a country.

We have a long, unfortified border, over which pass many commodities with no tariffs. We share the border with a country which has two highly efficient transcontinental railroad transportation systems, a great many truck operations, and the Canadian Pacific and Trans-Canada Airlines for shipments by air-freight. The tax we are discussing is not only bad for the East or the West as a region, but it is bad for the United States of America, per se, as a country.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Florida.

Mr. SMATHERS. I thank the Senator very much for his observations. That matter had been pointed out to us previously, but not with the same clarity presented by the junior Senator from Oregon.

If I may, I should like to add one observation to the statement. Under the present law there is no tax levied against a person who transports his own goods.

Mr. NEUBERGER. The Senator is correct.

Mr. SMATHERS. Small business in particular is penalized by the tax, because the small-business men do not have a backlog of currency or financial ability, so that they may buy for themselves a fleet of trucks.

Mr. NEUBERGER. Those small-business men must rely on the common carriers.

Mr. SMATHERS. They must rely on common carriage. Everything they manufacture and ship is subject to the 3-percent excise tax. The tax is cumulative and may be applied several times.

A large company, which has its own fleet of trucks, however, can send the items it manufactures to the various distribution points without paying the tax. Therefore, the large company starts off in this highly competitive economic field with a 3 percent advantage over the small-business man. It is no wonder that the small-business man is disappearing from the American community today.

Among other taxes, this tax in particular hits the small-business man hard, and is another reason why the tax should be repealed.

Mr. NEUBERGER. That is certainly true. The 3-percent tax pyramids, as the Senator from Florida has emphasized. Such a tax could well be the difference between insolvency or success for small shippers in these highly competitve times.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I wish to associate myself with the remarks made by the distinguished Senator from Oregon. I have felt for a long time that before we enact a general tax reduction bill that we ought first to give tax relief to small business and to reduce the transportation excise tax. The present transportation tax on persons and property discriminates against the people in all States in the western empire. Such a tax, in my opinion, violates the ordinary rule of law with reference to taxes that they should be imposed uniformly on everyone. The particular tax imposes a much heavier burden on the people of the Western States than is imposed on the people of the central and eastern part of the country and particularly in the congested areas.

For example, if the people from our section of the country wish to go to a convention in the East, they must pay as much as 10 times the tax paid by people in Chicago or in Pittsburgh or any other city located in the eastern section of the country.

The same result occurs with regard to the transportation of goods and supplies in the opposite direction. Our consumers in the West have to pay considerably more in taxes for the goods shipped from the East to the West. Transportation costs represent a higher percentage of overall costs of goods sold in the Western States than in other sections of the country because of the great distances from metropolitan centers where the great bulk of durable goods are processed and manufactured. Conversely, because the average Wyoming producer must ship his products great distances to market, the transportation tax takes a higher percentage of his sales receipts than for producers located closer to markets.

Under the constitution of Wyoming, taxes must be levied against everyone on a fair and uniform basis. Ten percent tax on passenger fares discriminates against many Wyoming people who attend conventions 1,000 miles away from home. They pay 10 times the transportation tax that is charged to the person

who has only 100 miles to travel to attend the same convention. The transportation tax likewise has an adverse effect on the tourist business in Wyoming, which is an important part of the economy of our State. Wyoming is a wonderful vacation land but when 10 percent is added to the cost of a ticket for a long journey to Wyoming it tends to discourage tourist travel to our State. People can travel to Europe without paying this Federal transportation tax.

In my estimation, Mr. President, the Senator from Oregon is entirely correct. It is high time that we took another look at the taxes which were imposed for the purpose of discouraging travel during a time of war. It was definitely understood the transportation excise taxes were a wartime measure to be repealed when the emergency was over.

The cattle and sheep industries are basic industries in Wyoming. The excise on transportation places the cattle grower and sheep grower in a very undesirable position with other cattle and sheep growers in neighboring States to the east. For instance, a cattle grower shipping a carload of fat cattle from Laramie, Wyo., to Omaha, Nebr., must pay out $235.20 to ship the cattle plus $7.50 excise tax. This is almost twice as much as a cattleman in Grand Island, Nebr., who pays $103.40 to ship the same grade of cattle to Omaha but only pays an excise tax of $3.10.

Now let's take the sheep grower. A Wyoming woolgrower must pay Uncle Sam $28 tax on a minimum car of 30,000 pounds of wool from Rawlins or Casper, Wyo., to Boston. Then he must sell his wool in Boston in competition with Australian wool producers who bring their wool in transportation tax free.

Now Mr. President, let us take the transportation tax on processed sugar. The tax on a minimum carload shipment from Wyoming's three sugar factories to Chicago will average around $25.48. However, the sugar beet processor shipping his sugar from Saginaw, Mich., to Chicago pays only $11.04. This means that Wyoming shippers pay more than twice as much tax.

Mr. NEUBERGER. The Senator from Wyoming has made a very helpful contribution to the discussion. His State is about 800 miles east of the State of Oregon, the State from which I come, yet Wyoming and Oregon share one major characteristic. Both States are a very long distance from the major centers of population in the United States. They are remote from the major centers of manufacture. They are distant from the areas where the Wyoming mineral products and the products of the farms and ranches of Wyoming have to be sold. Oregon is far distant from the places where its lumber and sawmill and pulp and plywood products have to be sold.

The people who are penalized by the 3-percent tax when they try to sell their own products are then penalized by taxes imposed for transportation in the other direction, when they wish to buy the manufactured products from the East. They must pay the tax both ways.

Mr. BARRETT. The Senator is eminently correct. I think in this particular instance we could well emulate the people of Canada. The Canadians had the same type of tax during World War II, but they saw fit 8 years ago to repeal the wartime taxes as to transportation of persons and property.

Mr. NEUBERGER. As a result the Canadians have secured the transportation of a good many American products, which are shipped in that manner simply to avoid the 3 percent tax. I dare say the result has been the taking away of jobs of railroad men whose homes are in Portland, Oreg.; Green River, Wyo.; or even Denver, Colo.; as a result of the inequity in the form of a tax we impose on ourselves.

Mr. BARRETT. I have visited in the Senator's State on several occasions. I have found that a good many people—even people from the great State of New York—go into Canada and travel across country on the Canadian railways in order to avoid the tax applied to transportation.

Mr. NEUBERGER. The Senator is correct. The shippers avoid the freight tax, also, by using the Canadian railroads.

Mr. BARRETT. I thank the Senator.

Mr. NEUBERGER. I thank the Senator from Wyoming for his helpful contribution.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to my friend from Colorado.

Mr. ALLOTT. Mr. President, I wish to join with the Senator from Oregon and the Senator from Wyoming in the remarks about the effect of the transportation tax, as to which I have been unsympathetic for a long time.

I should particularly like to join myself with that part of the remarks of the Senators which illustrates so graphically how the tax discriminates against free commerce and free trade in the West and discriminates against really competitive business transactions in the East.

We who come from the West are used to traveling long distances. As the Senator has pointed out, Wyoming is 800 miles east of Oregon, as is my own State. Traveling from Oregon, when one gets to Colorado he has only made a small start on his way to the eastern seaboard, where the great bulk of our population is found and where so many of our governmental functions and manufacturing centers are also located.

I do not think there is any question about the fact that the entire tax area should be studied. It seems to me while the financial need for the tax is undoubtedly present, this is a form of tax discrimination which should be studied and should be eliminated, if we in the West are ever to be able to compete, transportationwise, with the rest of the country.

I think both the Senator from Oregon and the Senator from Wyoming have made a valuable contribution today. It is my sincere hope that the Committee on Finance will give the matter continued and diligent study this spring, with the thought that we will be able to accomplish something in this area.

Mr. NEUBERGER. I thank the Senator from Colorado.

Only recently I read a very thoughtful editorial which was published in one of the great newspapers of the State from which the Senator comes, the Denver Post, which urged the action he and I have supported in the Senate Chamber today.

While I realize that comparisons are dangerous, and sometimes invidious, I think this tax is the most unfair, inequitable, and regressive tax on our statute books today. I believe that one of the demonstrations of that is this fact: the part of our country which has the highest rate of unemployment of any section of the United States is the Pacific Northwest. In addition, there is widespread unemployment in the Intermountain States. I believe that the adverse and backward influence of the Federal transportation tax is a factor in this very grave and troublesome situation.

Mr. President, before I yield the floor, I ask unanimous consent that I may have printed in the CONGRESSIONAL RECORD an article I wrote, entitled "The Tax That Chokes the West," published in the August 1957 issue of Railway Progress, relating to the entire field of the transportation excise tax.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TAX THAT CHOKES THE WEST

(By RICHARD L. NEUBERGER)

Nearly all excise taxes are paid equally by people in every section of the Nation. Such levy-laden items as tobacco, lipstick, leather goods, and diamond brooches are generally purchased in about the same ratio in San Francisco as in New York. Luggage, after all, is indispensable whether one travels in the wide open spaces of the West or through the crowded metropolises of the East. And the females of my acquaintance seem to regard facial makeup as of equal necessity, though some of them may live on teeming Park Avenue and others along the lonely reaches of the Columbia River.

But there is one Federal excise tax in which every region does not share and share alike. That is the 3-percent levy on all freight shipments. This tax weighs down the economy of the area which I help to represent in the United States Senate, as the Old Man of the Sea crouched oppressively on the shoulders of Sindbad the Sailor. The Federal transportation tax is detrimental to all the States in general, but to the States of the West and Pacific Northwest in particular.

Why is this levy, in contrast to other excise taxes, worse for one part of the Nation than another?

The reason is not hard to find; it lies in the peculiar geographical distribution of the population of the United States. The 11 States of the Far West—those which sprawl from the Continental Divide to the shores of the Pacific Ocean—contain 36 percent of the land area of our country but only about 16 percent of the people. This means, of course, that products grown or manufactured in the Western States must be hauled 2,000 or 3,000 miles eastward in order to find major markets. All this pilgrimaging is subject to the 3-percent transportation tax. Ergo, the levy falls most heavily on the West and especially on the Pacific Northwest, because this region is farther than any other from the population centers of the East.

That is why the excise taxes on freight must be repealed if the West is to enjoy a

fair and uninhibited opportunity for economic development. Many eminent Americans, such as Prof. Walter Prescott Webb and Senator PAUL H. DOUGLAS, have complained recently that the West has no destiny other than to be a dragging satellite of the populous States of the East. But can easterners complain of this in good faith, when they tolerate Federal taxing policies which deem the West to such a fate?

Look at the map of the United States on your library wall or in your schoolchild's atlas. Note how close Pittsburgh is located to the Atlantic seaboard. Within 500 miles of Pittsburgh are found more than 55 percent of the Nation's population and the overwhelmingly greater portion of its industrial and consumer markets. Portland, Oreg., where I was born and raised, is situated from 2,000 to 3,000 miles distant from points within this circle around Pittsburgh.

A carload of Oregon lumber, processed at sawmills relatively near Portland, will be assessed freight charges of $675 for shipment from Portland to Pittsburgh. Transportation charges for the same carload of pine lumber from the woods of Georgia are $410. The Federal excise tax on transportation collected from the Oregon lumberman is 40 percent larger than that paid by the Georgia lumber dealer. I do not object to the fact that Georgia's forests grow closer to the centers of American population than are the great timbered uplands of my own State. As a Senator, I can help enact laws but I cannot change geography. I realize it may be many decades before the population of the United States is distributed more equitably between East and West. But I do object, and strenuously, to a Federal tax which falls disproportionately heavier on my region than any other—simply because the Pacific Northwest is separated by nearly the breadth of a continent from its principal markets.

Agriculture in my State is burdened and hampered with similar unfairness by this tax. Oregon canners who process fruits, vegetables and fish will pay freight tolls of $1,032 per carload to the Pittsburgh area, as compared with approximately $264 per carload by a midwestern processor of canned foods. The midwestern shipper will pay to the Treasury a transportation tax of $7.92 on his shipment, but the Federal Government will assess the Oregon canner a transportation tax of $30.96—almost 4 times greater.

I could cite this inequity with respect to innumerable commodities. The Federal excise tax on transportation of a carload of grain from Oregon's ranches will be over 3½ times the tax on grain from the central portions of the United States, that on Oregon livestock 3.8 times the tax by Prairie Belt shippers—if these products are to be sold in the great consumer markets of the eastern population centers. The imbalance means that Federal taxing policy contributes to the competitive difficulties of Oregon timber and agricultural products in the principal markets of the Nation.

Nor is this inequality confined only to the producers and processors in my part of the country. Consumers in the West also are saddled unfairly by the transportation tax. Just as the East contains the Nation's dominant markets, so does it include most of the great factories which produce manufactured goods—automobiles and electrical appliances, to cite only a few. It costs $10 to ship an automatic washing machine from a typical eastern manufacturing center to Portland. This is about 4 times as much as it costs to ship the same appliance to Terre Haute, Ind. The Portland housewife is taxed 4 times as much by her Government as her sister housewife in Terre Haute, because the cost of transporting a washing machine to Terre Haute from Pittsburgh is only about $2.61.

Agriculture today is in crisis. Few economists dispute the fact that the prices received by farmers for their produce have been steadily declining, although the costs which they pay for equipment, labor, medical care and clothing have been rising with equal inexorability. Such a squeeze cannot continue indefinitely without causing the disappearance of the family-sized farm operation. Yet the policy of levying a 3 percent excise tax on every freight shipment is bad for agriculture in general and for western farmers in particular. It is estimated that shippers of farm produce pay almost one-fourth of the annual $480 million yield from the transportation tax. I remember the turkey warehouse which closed down in an Oregon town because Oregon turkeys had to compete at a 5-cent-per-pound disadvantage with those from West Virginia and Texas for sales in the strategic Chicago poultry market—and this situation was of course compounded by the Federal freight tax.

I can understand an excise levy which singles out such commodities as tobacco and liquor as special targets. After all, these are far from necessities—indeed, many regard them as deleterious to health. But freight is a basic essential. If goods cannot move, we do not have an integrated Nation. We become, instead, a mosaic of Balkan principalities, each surrounded by insurmountable customs walls.

Our 3-percent tax not only discriminates against the West, but it also actually discriminates against the United States as a Nation. Let me explain what I mean. We share the world's longest unfortified border with Canada. A comparative mashie shot north of this boundary stretch two vast and efficient railroad systems—Canadian Pacific and the Canadian National. Furthermore, the Canadian Government has had the wisdom to repeal its transportation excise taxes. This places a premium upon the use of Canadian railroads, rather than American railroads, for the long haul across the continent. Such a practice, of course, deprives American railroads of income and American railroad workers of jobs.

Canadian shippers can avoid the entire 3 percent tax by prepaying charges in Canada on international movements, while their American competitors—who ship to the same markets in the eastern part of the United States—must pay the full 3 percent tax. Many Canadian cargoes, such as British Columbia lumber or apples or fish, once were consigned to American markets through rail gateways on the border such as Blaine, Wash., or at Sumas in the same State. This meant that the freight was carried eastward across the United States by such American transcontinentals as the Great Northern, Northern Pacific or Union Pacific. But the 3 percent American transportation tax has ruled out this policy for innumerable Canadian shippers.

These men have discovered that they can escape approximately 80 percent of the transportation tax by keeping inside the frontiers of Canada some 80 percent of the mileage on their shipment. Thus, their goods journey across the continent on the Canadian Pacific or the Canadian National, and do not enter the United States until they reach a portal in the region of the Great Lakes or New England. Three results are thus achieved: (1) The Canadian shipper avoids payment of most of the American freight tax; (2) the Canadian shipper secures a slight competitive advantage over his American rival who must pay the levy; and (3) the United States Treasury loses all the corporation taxes and personal income taxes which would be collected from the American railroads and the men on their payrolls, who might otherwise have been engaged in conducting this profitable transcontinental haul.

Still another inequitable aspect of the tax remains to be analyzed. Many legislators and economists are alarmed over a growing concentration of economic power in America. Yet the freight tax indubitably favors big shippers over small shippers. Senator WARREN G. MAGNUSON, chairman of the Senate Committee on Interstate and Foreign Commerce, has said, "This tax makes the big shipper bigger and the small shipper smaller."

A well-financed shipper of commodities generally has sufficient funds to go into private trucking and buy his own fleet of highway leviathans. Of course, he escapes the 3 percent tax—and this differential is often enough to finance his venture into trucking. But the smaller shipper, who must rely on common carriers, continues to pay the tax. And the levy applies not only to transportation as a whole, but to narrow refinements as well. A shipper who must ice his products to get them safely to market, pays no tax if he supplies his own ice. But few small shippers own iceplants. They must purchase their ice for reefer shipments from the railroads or truck lines, and on this ice they have to pay the 3 percent tax.

The existing transportation tax has created what Senator MAGNUSON recently described as highly questionable practices. When a contract trucker leases his equipment to a shipper, it becomes private trucking and, as such, avoids the tax. During recent years there has been an epidemic of buy-and-sell arrangements, trip leases, and special boat charters. These have been designed to transform what would normally be common carriage into private carriage, for the express purpose of wriggling out of the 3 percent Federal freight tax. It is, at best, tax avoidance; it could be tax evasion. Even worse, it is weakening our system of common carrier transportation. Surely it does not stimulate respect for our tax structure as a whole. In addition, these tortured constructions and special situations are mainly available to well-financed shippers with a battery of legal talent and the resources to charter vessels and flotillas of trucks.

I still remember my conversation with the mayor of a small town in Oregon's lovely Wallowa Valley, a realm of granite peaks and pine timber. "Senator," said he, "why does Uncle Sam follow a policy that makes it tough for the little sawmill operators and easy on the big ones?" He then went on to explain to me that the large lumber mills own their own logging trucks. So, the large mills do not pay the 3 percent United States freight tax on the ponderosa pine logs they are hauling out of the uplands or on the finished lumber they are transporting to the Union Pacific railhead at Enterprise or LaGrande. But the little family-owned mills have no such equipment. They must hire contract haulers to transport their logs and lumber. In this way, they become subject to the 3 percent transportation tax, thus further increasing their disadvantage vis-a-vis their big competitors.

In March of this year I sponsored an amendment to a general tax revision bill which would have eliminated the Federal freight levy. My proposal was defeated when Senator HARRY F. BYRD, of Virginia, chairman of the Finance Committee, insisted that the particular bill at issue was not the proper vehicle for the amendment I was offering. Yet the effort was not wholly wasted. Some salutary results were forthcoming. Senator BYRD strolled back to my desk at the rear of the Senate Chamber and said, in substance:

"Dick, you have some real points on your side. I have a lot of sympathy with your case. I know something about the operation of this tax because I buy each year, for my Winchester apples, thousands of fruit crates from lumber mills in your State of Oregon. I am aware of how much 3 percent on such a freight bill can amount to. I can't accept your amendment here, but I promise you

that it is going to receive serious consideration from me and my committee as a separate measure—entirely on its own merits."

There the matter stands, legislatively. Repeal proposals take several different forms. One is outright elimination of the whole transportation excise tax, as I have urged. Another is a slower method—to knock off 1 percent annually for 3 successive years, in order to ease the potential impact on the Treasury. The third is a more complicated suggestion made by Senator MAGNUSON. This would be to limit the tax to not more than 3 cents per 100 pounds of freight. The purpose of such a compromise would be to continue to collect the levy on hauls along short distances, but to lift the unfair burden off of long-haul shippers. Western shippers, for example, would receive no relief on a short freight haul between Portland and Seattle, but they would be greatly relieved with respect to the levy on the infinitely longer 2,200-mile hegira from Seattle to Chicago or St. Louis.

Senator MAGNUSON's modified recommendation has much to commend it. Yet, I would prefer to see the tax totally repealed. It is not an excise which makes sense—nor does the 10 percent levy on passenger tickets sold for trains, airlines, or over-the-highway buses. Since when has transportation of freight or people been regarded as a luxury, to be taxed punitively by the United States Government? During the debate over my amendment, Senator FRANK CHURCH, of Idaho, pointed out quite accurately that the 3 percent freight tax was enacted originally to discourage the use of the rails at a time when war was being waged. This justification for the tax has long since disappeared.

In my opinion, there is more wisdom in applying a 3 percent tax to a man's second suit of clothes or alternate automobile than to his transportation. Under duress, he can do with a single suit; there is only rare hardship in one car per family. But what family can survive without the freight haul which brings across mountains and prairie and valley its food supply, the materials built into its home or apartment, the seed and fertilizer for its garden, the fuel for its furnace, the appliances for its kitchen? And how many Americans can relinquish their own necessary journeys by rail, air, or bus?

I feel strongly about this issue because I help to represent a region which is caught in a cruel economic vice through this levy applied from the Federal Treasury. Some of us in the Senate have worked hard to expand the Bonneville power system, which has been selling hydroelectricity to large industrial customers for only 2.2 mills a kilowatt-hour. This low rate helped to attract to the Northwest many of the world's leading manufacturers of light metals and chemicals. Today, however, the Olin Mathieson Co. has discovered that it can produce electric power for 3.5 mills per kilowatt-hour, burning coal at the mine mouth in Ohio.

In an effort to learn how my State might attract new industrial payrolls, I talked with officials of the Olin Corp. They advised me that, in a choice between 2.2-mill energy in the Northwest and 3.5-mill energy in Ohio, there was a delicate point where the power rate and the freight rate intersected. By this, they meant that the aluminum products in Ohio would be produced within a "fungo swat" of millions of customers. By contrast, the ingots smelted in the Northwest would require the long transcontinental trip to market. In such a finely balanced situation, the 3-percent Federal freight tax could well be the determining difference to prevent the legitimate industrial expansions of the Nation's vast northwestern frontier.

Surely a tax which discriminates against a great region, against major segments of the transportation industry and—in certain instances—against the United States itself, can have little to commend it. "Nothing succeeds like success," wrote Dumas—yes, and nothing fails like failure. By all possible tests, including its effect on our total economy and on major areas of the United States, the 3-percent Federal excise tax on freight has been an abysmal failure. The time has come to repeal this unfair levy—now.

Mr. NEUBERGER. I yield the floor.

Mr. LONG. Mr. President, I wished to address my remarks to the distinguished chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], who is not in the Chamber at the moment.

I had in mind offering an amendment which would give veterans of World War II and veterans of the Korean war a 1-year period during which to apply and take out national service life insurance.

For many years after World War I the veterans of World War I had such an opportunity. My amendment is supported by the American Legion, the Veterans of Foreign Wars, and a number of other veterans' groups. It is sponsored by a majority of the Members of this body.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CARLSON. I am one of the cosponsors of the amendment which the Senator from Louisiana is discussing. While I strongly favor it, I hope the Senator will not press it as an amendment to the pending bill. It is embarrassing to any Senator to oppose an amendment of which he is a cosponsor; but I have taken such a definite stand against amending the pending bill that I hope the Senator will not press his amendment.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SMATHERS. I, too, am a sponsor of the amendment to which the Senator from Louisiana has referred, but if I were he, I should be very fearful of the situation which might develop if he were to press his amendment to the pending bill. For example, if the Senator's amendment were offered to the pending measure, relating to the tax on insurance companies, probably the majority of Members of the Senate would be very much in favor of the amendment, but about half the Members of the Senate would be opposed to the basic measure to which it was offered as an amendment, so they would be left in an embarrassing position. I completely agree with the purposes of the amendment, of which I am a cosponsor. However, it seems to me that it would be much more appropriate to offer it as an amendment to some less controversial piece of legislation.

Mr. LONG. It occurred to me that this might be a good bill to which to offer the amendment, providing for a 1-year period in which veterans of World War II and the Korean war could take out national service life insurance. Two years ago, when a similar provision was adopted by the Senate as an amendment to a veterans bill, the insurance companies went to work to bring pressure on Congress. They were successful in persuading the House conferees to resist the amendment and prevent it from becoming law.

It seems to me that if the insurance companies are to be benefited by the pending bill—and I am sure would be very beneficial to them—this might be an appropriate occasion to call upon them to leave us alone for a few minutes while we do something for the veterans of World War II and the Korean war.

I appreciate the Senator's point of view. If the chairman of the committee can assure me that we shall have an opportunity to have the proposal considered at a later date, perhaps as an amendment to some other bill, I shall be willing to withhold the amendment.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BYRD. I am very glad to give the Senator such assurance. I agree with the Senator from Louisiana. I am fully in accord with the amendment, but I think it should be offered to some more appropriate piece of legislation. I shall be glad to expedite consideration of the amendment.

Mr. LONG. I thank the Senator; and upon that basis I will not offer the amendment at this time. We all know that one thing we can depend upon is that when the distinguished Senator from Virginia, chairman of the Finance Committee, gives his assurance about something, we can rely upon it. He does not go back on his assurances when he gives them. He always stands by them.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator from Virginia his understanding and judgment with respect to the direction in which we are heading fiscally for the end of this year, assuming that certain things occur.

Does the Senator feel that, according to present indications, receipts will measure up to the estimate set forth in the budget?

Mr. BYRD. Is the Senator speaking of the present fiscal year or the next fiscal year?

Mr. LAUSCHE. Let us direct the question to the next fiscal year.

Mr. BYRD. In my opinion, from such investigation as I have been able to make, revenue for the next fiscal year has been overestimated between one and a half and two billion dollars. In other words, the Budget estimates $2 billion more revenue than for the preceding fiscal year. It is my feeling that if we collect the same amount of revenue in the fiscal year 1959 as we collected in the fiscal year 1958, that would be a much closer estimate than to estimate a $2 billion increase. This may be too optimistic on my part.

Mr. LAUSCHE. In the face of the present recession, is there any justification for assuming that revenues in 1959 will equal those of 1958?

Mr. BYRD. I do not think so. The Treasury estimated a 3-percent increase, or $2 billion.

Mr. LAUSCHE. Does the Senator from Virginia feel that that estimate will not be realized?

Mr. BYRD. I do not think it will be realized. My belief is that we shall be fortunate if we collect as much revenue in the fiscal year 1959 as we collected in the fiscal year 1958, which would put the budget out of balance to the extent of $2 billion and perhaps more.

Mr. LAUSCHE. What is the Senator's appraisal of what the increased spending will be, on the basis of what is thus far happening in Congress?

Mr. BYRD. I will say to the Senator from Ohio that that is a very difficult estimate to make. Things are happening every day and new spending is being authorized. I certainly think there will be a substantial increase in spending, running into several billions of dollars—perhaps as much as 3 or 4 billion dollars.

Mr. LAUSCHE. If it were $3 billion or $4 billion, that, added to the $2 billion deficit, would come to $5 billion or $6 billion.

Mr. BYRD. Without a tax reduction.

Mr. LAUSCHE. If the proposed reduction in income tax of $200 per person is enacted, what will that lose by way of revenue?

Mr. BYRD. That will lose approximately $6,200,000,000.

Mr. LAUSCHE. So we would have $5 billion or $6 billion covering the first two items, and $6,200,000,000 covering the last item. Therefore, the prospects are that we shall have a deficit of $12,200,000,000 if the proposed exemption is granted.

Mr. BYRD. All these figures are bound to be approximate. The Senator has correctly stated my view. By reason of an overestimate of revenue, by reason of increased spending, and by reason of a possible reduction in taxes of $6 billion, adding them together results in a deficit of approximately $12 billion.

Mr. LAUSCHE. Has the Senator any opinion as to whether that condition would finally further cheapen the dollar?

Mr. BYRD. Unquestionably. Our previous experience has been that deficit spending has been one of the greatest factors in inflation. We had heavy deficit spending from 1940 to 1952, as the Senator knows, and in that period we lost half the purchasing power of the dollar.

I do not mean that deficit spending is the only factor. It certainly is one of the main factors. It is my belief that we are building up forces which may bring about another spiral of inflation, which would be very tragic.

Mr. LAUSCHE. Am I correct in my understanding that compared with the 1935–39 period, when the value of the dollar was considered at par, the value of the dollar today is 49 cents?

Mr. BYRD. Between 48 and 49 cents.

Mr. LAUSCHE. That is the purchasing power of the present dollar?

Mr. BYRD. As compared with the other period; yes.

Mr. YARBOROUGH. Mr. President, I offer an amendment to the pending bill. I ask unanimous consent that it may be printed in the RECORD at this point, instead of being read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. YARBOROUGH is as follows:

TITLE II

SEC. 201. That (a) the following provisions of the Internal Revenue Code of 1954 are amended by striking out "$600" wherever appearing therein and inserting in lieu thereof "$800":

(1) Section 151 (relating to allowance of deductions for personal exemptions);

(2) Section 642 (b) (relating to allowance of deductions for estates);

(3) Section 6012 (a) (relating to persons required to make returns of income);

(4) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife); and

(5) Section 6015 (a) (2) (A) (relating to declaration of estimated income tax by individuals).

(b) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "$1,200" wherever appearing therein and inserting in lieu thereof "$1,600":

(1) Section 6012 (a) (1) (relating to persons required to make returns of income); and

(2) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns to husband and wife).

SEC. 202. (a) Section 3 of the Internal Revenue Code of 1954 (relating to optional tax if adjusted gross income is less than $5,000) is amended by striking out "who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of any taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in the following table:".

(b) Section 4 (a) of the Internal Revenue Code of 1954 (relating to rules for optional tax) is hereby amended by inserting after "the table in section 3" the following: "and the table prescribed under section 3."

SEC. 203. (a) Section 3402 (b) (1) of the Internal Revenue Code of 1954 (relating to percentage method of withholding income tax at source) is amended by striking out "(1) The table referred to in subsection (a) is as follows:" and inserting in lieu thereof the following:

"(1) (A) The table referred to in subsection (a) is, with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Tax Reduction Act of 1958 and before January 1, 1959, as follows:

"Percentage method withholding table

"Payroll period	Amount of one withholding exemption
Weekly	$17.00
Biweekly	35.00
Semimonthly	37.00
Monthly	74.00
Quarterly	225.00
Semiannual	444.00
Annual	889.00
Daily or miscellaneous (per day of such period)	2.40

"(B) The table referred to in subsection (a) is, with respect to wages paid (other than wages paid during the period to which subparagraph (A) applies), as follows:".

(b) So much of paragraph (1) of section 3402 (c) of the Internal Revenue Code of 1954 (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Tax Reduction Act of 1958 and before January 1, 1959, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee (other than wages paid during the period to which subparagraph (A) applies) a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a)."

SEC. 204. The amendments made by the first section and section 2 shall apply only to taxable years beginning after December 31, 1957, and before January 1, 1959. The amendments made by section 3 shall apply only to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, and before January 1, 1959.

SEC. 205. This title may be cited as the "Individual Tax Reduction Act of 1958."

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield, provided I do not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. What disposition has been made of the amendment offered by the Senator from Michigan [Mr. POTTER]?

The PRESIDING OFFICER. The amendment was withdrawn by the Senator from Michigan.

Mr. YARBOROUGH. Mr. President, my amendment is virtually identical in terms with S. 3411, introduced by the distinguished senior Senator from Oregon [Mr. MORSE], the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], and myself.

At this time I ask unanimous consent that I be joined in the cosponsorship of the amendment by the junior Senator from Wisconsin [Mr. PROXMIRE], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Rhode Island [Mr. PASTORE], and the senior Senator from Montana [Mr. MURRAY].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. The amendment would increase for the remainder of this year the personal income tax exemption of every individual from $600 to $800 at the annual rate. It is an emergency measure to aid in stemming the galloping recession with which we are now faced and which is galloping into a full-blown depression.

The glaring headlines in the Washington Post and Times Herald this morning reveal that private industry is cutting back its spending for plant and equipment by $5 billion in its construction plans. That $5 billion cutback will be on top of the depression we now have.

We who are old enough to remember 1929, 1930, 1931, 1932, and 1933 do not need to be told what it means when private industry says it is going to cut back $5 billion a year. I do not need to argue in the interest of the amendment, because almost every Senator has been reading the reports of economists. I have not read the report of any economist who has not said that this is the way to halt a depression, and to halt it quickly. The amendment will get money into the pockets of the buying public. It will increase the purchasing power of the people. I will discuss the matter statistically.

First, let me explain to Senators the applicability of the law. The amendment would reduce income taxes by raising the personal exemption of every individual from $600 to $800 a year for the rest of this year, and is applicable to those dates.

Section 204 of the amendment reads:

> The amendments made by the first section and section 2 shall apply only to the taxable year beginning after December 31, 1957, and before January 1, 1959.

In other words, it is for this year.

> The amendments made by section 3 shall apply only to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, and before January 1, 1959.

If the Senate should pass the bill within the next few days, and the House should pass it soon thereafter, and if it were signed almost immediately by the President, it would become effective April 1, and would continue in effect for the rest of this year.

The amendment is an emergency, depression-stopping measure. It would put money into the hands of the public quickly; not, as in the case of public works, next January.

I favor the construction of the wonderful highways and dams which are proposed. The amendment is not in conflict with that purpose. It is for the remainder of this year. It will not be possible to get the dams to the stage of hiring men and pouring concrete this year. It will not be possible to buy or condemn rights-of-way quickly. It will not be possible to start extensive highway building this year. It will not be possible to get much of the heavy building program started before January 1.

I favor the public-works programs. But there is no conflict between those programs and the temporary reduction in taxes from now until January 1, 1959.

I point out again that this is not a question of a conflict in ideology or beliefs between the two bills; tax cuts or public works are needed immediately to help the people, before the public-works programs for the construction of hospitals, schools, dams, and roads can be gotten to an actual building stage.

The amendment will put money in the pockets of the people now. Let us see who will be benefited by it.

Sixty-six percent of the people who would be affected have income of from $600 to $5,000 a year. They number 28,151,000. Sixty-six percent of the people who file income-tax returns would come under this bracket of the amendment. They and their families constitute the total number of 62,043,000.

The number of people in the income bracket from $5,000 to $6,000 a year is 12,355,000. They file 29 percent of the total number of taxable returns.

Added together, 95 percent of the people who file tax returns earn less than $10,000 a year. They number more than 40,506,000 of the total of 42,633,000 who file taxable returns.

Ninety-five percent of the people who file taxable returns have incomes of less than $10,000 a year. The people in these brackets will receive 83 percent of the total saving.

Fifty-six and four-tenths percent of the temporary tax cut will be for people who earn less than $5,000 a year.

More than half of the tax cut will go to the great group of people in the lower income brackets or middle income brackets. They constitute the mass purchasing power in the market. They are the ones who cause the wheels of commerce to turn. They are the ones who will end the depression. A few rich people cannot end the depression. It is necessary to have purchasing power in the hands of the masses of the people.

Our economy is sick. In World War II, millions of people saw sick men lying blanched white and turning yellow, on the verge of death. Their eyelids hardly flickered. The first-aid men came and hung up the bottle of plasma. Blood then flowed into a pale face, and color came back. The eyelids began to flicker, and the breast heaved a little. The man began to live again.

That is what this amendment will do. The money will come in the checks for the first week of April, while we are getting the great public works projects ready for construction throughout the country.

This amendment would take effect in connection with the paychecks for the first week of April, while the great public works projects which are needed in this country would be getting under way for construction later.

As the able Senator from Louisiana [Mr. ELLENDER] pointed out, the United States is behind the people who live within the Iron Curtain, as regards the number of hydroelectric dams being built. The United States needs more of them. But it takes time for the engineers and the architects to make the necessary preparations, draw the plans, and obtain bids.

But this amendment would put money into the marts of trade by April.

Mr. LONG. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Texas yield to the Senator from Louisiana?

Mr. YARBOROUGH. I yield.

Mr. LONG. It occurs to me that if this were to be done, it might be very desirable to try to work out a device by which the tax saving would be made available during the first month or two in which it would go into effect. For instance, if we could work out a provision to the effect that during the month of April, employing companies would not withhold the tax in the case of a particular worker——

Mr. YARBOROUGH. That is set forth in the amendment on page 4. Under this amendment, if it went into effect 10 days before the first of the month, then, beginning on April 1, 1958, the employers would not withhold at the present rates, but would withhold at the new ones. That would put the money directly into the pockets of the wage earners. If they are paid weekly, it would put the money into their pockets immediately after April 1.

Mr. President, this amendment would put life into the economy and would result in having the repossessed automobiles taken off the lots, and in having the repossessed washing machines and radios and refrigerators taken out of the warehouses. The amendment, if adopted, would start again the commerce that today is stagnating; in fact, it is stagnating faster and faster all the time.

I challenge anyone who is familiar with economics or business to point out any measure which would provide help more quickly than this amendment would. The tables to which I have referred show that the people pay these taxes by means of withholdings. So this amendment would put money into their pockets within less than 30 days.

Mr. LONG. Mr. President, will the Senator from Texas yield further to me?

Mr. YARBOROUGH. I yield.

Mr. LONG. It seems to me that money could be put into circulation much more rapidly if we were to provide for an 8-percent tax reduction straight across the board, and if we were to provide that during the first month when the reduction went into effect, every company in the Nation simply would not withhold, for that month, in the way it had customarily been doing. In that case, all the tax reduction and all its benefits would go into effect immediately, in the case of most workers.

I hope the Senator from Texas understands my point.

Mr. YARBOROUGH. By means of this amendment, the benefits would go into effect immediately. In that connection, I refer again to the table appearing on page 4. I believe that the

method proposed by this amendment is simpler than the method in connection with the plan the distinguished Senator from Louisiana has suggested.

Mr. PROXMIRE. Mr. President, if the Senator from Texas will yield to me, let me say that I believe the point the distinguished Senator from Louisiana has been making is that all these tax reductions would go into effect during the first 2, 3, 4, or 5 weeks, whereas we need to have such a beneficial effect on the economy continue for at least a year.

Mr. LONG. That is my point.

Mr. PROXMIRE. Of course the effect would be psychological. But if the people felt that they would receive such a forgiveness of tax for only 2 weeks or a few months, probably they would not increase their spending. On the other hand, if they felt that they would receive such tax forgiveness over an entire year, undoubtedly they would commence to spend the money, rather than to put it away, in the form of savings.

We want such money spent, so as to provide jobs.

Mr. LONG. My feeling is that if by such means, $4 billion of taxes were to be forgiven, such forgiveness of taxes or tax saving would go into effect immediately, rather than over the next few months. That is why I believe it would be desirable to have the saving go into effect even quicker than the Senator from Texas recommends.

Mr. YARBOROUGH. However, the distinguished Senator will recall that the cash bonuses paid to discharged veterans generally have disappeared rather quickly.

This amendment is a pro rata plan; it would go into effect during the period from April to December.

Today, many people make their purchases on the installment plan. If this amendment went into effect, its benefits would be felt over the period of the next 6 or 8 months, and it would help the people to continue making purchases during that period of time. It would inform the retailer that he would be able to buy at this time enough goods to last him for the next 6 months, and it would inform the wholesaler that he could make purchases at this time for the next 8 months; and it would inform the manufacturer that he could proceed immediately along similar lines, inasmuch as this tax reduction would go into effect immediately, and would continue for the rest of the year. At the end of this year, normal production should then have been resumed. But this amendment would result in immediate benefits for everyone.

Many small grocery stores are now on the verge of closing, because their owners or managers have extended a little credit to the people who live in the vicinity. Of course, when those people are unemployed, and when their unemployment benefits have begun to run out, they are unable to pay their bills. As a result, many of the small grocery stores are today "facing the wall." This amendment would enable their customers to pay their grocery bills—because most of the wages are paid to the people who are not in the high brackets.

Mr. President, I have further statistics on the distribution of the estimated reduction. For persons with adjusted gross incomes of less than $5,000 a year, $1,998,000,000, or virtually $2 billion, would, under this amendment, go into the pockets of such wage earners. Those people file 28 million income-tax returns, and they and their families constitute 62,043,000 persons. They have an enormous purchasing power, and thus they would be able to spend an additional $2 billion a year.

Mr. President, this amendment would result in a tax cut for a part of one year. When the effect is estimated on the basis of an entire year, the statistics I have received from the administration indicate that the amendment would cost from $5 billion to $5.2 billion. Perhaps $5 billion is the best estimate. Those figures have not been stated in a manner friendly to the amendment, I am sure. But certainly the amendment would not cost more than $5 billion. On the basis of three-quarters of a year, the amendment would cost $3,750,000,000.

Mr. President, can the Government's finances stand the amendment? For the fiscal year 1957, I believe the total revenue of the Government—from all sources—amounted to $80,200,000,000, of which $46,600,000,000 came from individual income taxes. This amendment would result in a reduction amounting to only approximately four or five billion dollars out of the $46,600,000,000; in other words, $42 billion would remain; or, in the case of the total tax revenue of the Government—which in 1957 amounted to $80,200,000,000—approximately $76 billion would remain.

And, under the amendment, the 5 million Americans who now are unemployed would find employment opportunities opening up to them. At the present time, small-business men who employ 2 or 3 workers are laying off their help. In my office I have a large number of letters which show that the small employers are now laying off their employees because the times are so hard. But if those employers could see new orders coming in during the course of the next 2 or 3 weeks, some of those employees would be rehired.

Mr. President, this amendment would result in reemployment within 30 days. This amendment provides the quick method of recovery.

I approve of the long-range plans for needed public works; I think the United States is behind in the construction of public works. But the construction of public works will not result in increased employment in 30 days, so that more people will begin to pour concrete or find other employment within that period of time. On the other hand, this amendment would get the job done within less than 30 days.

Mr. BYRD. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield to the distinguished Senator from Virginia.

Mr. BYRD. As I understand this proposal, it would give $30 of relief to a single person during the coming year.

Mr. YARBOROUGH. In the case of a person with $3,000 of level income, and with 3 dependents, under the present tax law he had an exemption of $1,800. This amendment would result in tax relief of $120 for him.

Mr. BYRD. The amendment would apply for three-fourths of a year, would it not?

Mr. YARBOROUGH. Yes; so the figure would be $90, instead of $120.

Mr. BYRD. For those in the 20 percent bracket, the relief would amount to $40 for an entire year, or $30 for three-quarters of a year, would it not?

Mr. YARBOROUGH. Yes.

Mr. BYRD. For a married couple, the amount would be $80 for an entire year, or $60 for three-fourths of a year; is that correct?

Mr. YARBOROUGH. Yes.

Mr. BYRD. For a married couple, with 2 dependents, the relief would amount to $160 for a full year, or $120 for the period from April 1 to January 1, would it not?

Mr. YARBOROUGH. Would it not come to $90, in the case of a married couple with 1 dependent?

The statistics I have before me have come from an analyst in the Economic Division of the Legislative Reference Service of the Library of Congress.

Mr. BYRD. Of course, a single man in the $2,000 bracket would benefit to the extent of $30.

Mr. YARBOROUGH. That is correct.

Mr. BYRD. The total cost would be $6,200,000,000; would it not?

Mr. YARBOROUGH. The computations we have from the Government agencies show that for a year it would be in the $5,250,000,000 range. For three-fourths of the year it would be roughly $3,750,000,000, which would be for the rest of this year, if the provision became effective immediately.

This is a temporary measure, to permit the working out of a long-range permanent plan.

Mr. BYRD. I am informed it would take 6 million persons off the tax rolls. Is that correct?

Mr. YARBOROUGH. I do not have the statistics before me. It would take off the tax rolls a considerable number in the low-income brackets, who pay very little in the way of taxes. It would save millions for those paying very small amounts in taxes.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Pennsylvania.

Mr. CLARK. It is with a good deal of reluctance that I find myself compelled to differ with my good friend from Texas in respect to this tax-relief suggestion.

Did I correctly understand the Senator to say he thought the cost to the Treasury would be around $5,200,000,000?

Mr. YARBOROUGH. Approximately four or five billion for the rest of this year. That is correct.

Mr. CLARK. Does the Senator have any information or thoughts of his own as to what the deficit in the Federal budget would be for the year in which this tax relief would become effective, if the Senate and the House should take

favorable action on the amendment and the President should sign it into law?

Mr. YARBOROUGH. A part of this amendment would be effective in one fiscal year and a part of it in another fiscal year. As the distinguished Senator knows, it will be impossible to tell, until the appropriations and sources of revenue are known, what the fiscal situation will be for the year beginning next July 1. The proposal is not a long-range plan; it is for the rest of this year.

In further answer to the question of the Senator from Pennsylvania, it has been computed that in the present fiscal year an even greater amount will be collected than was collected last year, which was about $80 billion. About $87 billion is expected to be collected in taxes this year from all sources.

Mr. CLARK. Would not the Senator agree that the administration's figures for the current fiscal year make it likely that there will be a deficit, even if the amendment shall not become law?

Mr. YARBOROUGH. I think it likely that there will be.

Mr. CLARK. Would the Senator not hazard a guess that, with the needed expansion of our military services, in order to protect ourselves against Communist enemies, it is highly likely we shall have an even larger deficit for fiscal 1959 than we shall have for fiscal 1958?

Mr. YARBOROUGH. If we do not slow down the recession or depression, we shall have a larger deficit than the two the distinguished Senator has mentioned combined, because tax money will not be coming into the Treasury. At present, there are 5 or 6 million persons unemployed. Unemployment is growing daily and weekly all over the country. As a result, the loss in revenues would be so great that the deficits the Senator has in mind would be mere child's play compared to what the deficit would be next year.

Mr. CLARK. I agree with the Senator. The only difference between us is the kind of measures necessary to bring the recession-depression to an end.

I do not think the Senator from Texas has answered my question, which is, Does he not anticipate an even greater deficit for fiscal 1959 than for fiscal 1958? I recognize that none of us are soothsayers or clairvoyants, but it does not take a prognosticator to know that the Eisenhower administration's estimates of revenues are overstated, that the estimates of expenditures are understated, and that we can look forward to an even larger deficit in fiscal 1959 than there will be in fiscal 1958, whether or not the amendment is adopted.

Mr. YARBOROUGH. I agree with the Senator from Pennsylvania that neither one of us is a soothsayer. I am not one, and it would take one to tell what the deficit will be at the end of the fiscal year 1959. I do not think we should stand here and see a recession wreck the country because we cannot figure what the deficit will be on June 30, 1959. I think it is time for action. I am not a soothsayer. It would take a soothsayer to answer the question of the Senator.

Mr. CLARK. The Senator from Texas and I are agreed on his statement that we should not stand still. In my judgment the administration has stood still too long. However, there is a point beyond which fiscal responsibility will not permit a deficit to go. I have been a strong advocate, and I think the Senator from Texas has joined me, in measures for Federal spending to construct schools, to help universities in their desperate plights, to expand the Federal highway program along the lines proposed by the Senator from Tennessee [Mr. GORE], and to provide slum clearance, urban redevelopment, river valley development, and for Hill-Burton hospital construction, to an extent far greater than the pinch-penny Eisenhower administration has been willing even to contemplate. I would say that if the Senator from Texas and I and other Senators on this side of the aisle, as well as some of our friends across the aisle, could have put those projects into being, we would already have had a deficit of four or five billion dollars.

It is for the reasons I have stated that I am unable to support the tax reduction provision of my good friends from Texas and Wisconsin. I think if we have a deficit amounting to ten, eleven, or twelve billion dollars, it will shake the confidence of the country. We have a sound economy, and can come out of this recession without much further trouble.

I thank my friend for yielding to me. I regret my inability to agree with him. I hope this will be the last time in the Congress when we shall find ourselves in disagreement.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MORSE. I wish to take this opportunity to make a brief comment in support of the Senator's amendment, of which I am proud to be a cosponsor. My remarks will relate to the comments of my friend the Senator from Pennsylvania [Mr. CLARK].

I am supporting the amendment of the Senator from Texas for all the economic reasons which have been advanced on the floor of the Senate for the past several weeks in connection with the relationship between a tax cut by way of this type of increase in tax exemption and the purchasing power of the people in the low and middle income brackets.

I can summarize that whole line of argument, which is voluminous, by this sentence, as the Senator has pointed out, namely, the tax saving of this amendment is to be put into the pockets of the consumers and then quickly passed on to the cash registers of the merchants of the main streets of America. I repeat the tax savings will go into the cash registers of the small-business men of the country, who need some attention in the debate we are having in regard to the growing recession.

It is interesting to note what the bankruptcy rate is among the small-business men, among the businessmen on the main streets of the towns of our States. Some relief needs to be proposed for them. This amendment will help them as well as the taxpayers generally.

So my first reason for supporting the Senator's amendment, of which I am proud to be a cosponsor, is that I think it is a small-business man's amendment, as well as an amendment that favors persons in the low and middle income tax brackets.

Second, I think there is involved a matter of timing, and also a matter of legislative possibility in supporting this amendment.

The Senator from Pennsylvania, the Senator from Texas, the Senator from Wisconsin, and the other colleagues of mine who are supporting a public works program, simply cannot support a public works program greater than the one I would support if I were allowed to write the legislative ticket, so to speak.

Now is the time for the Government to invest in capital investment which will benefit future generations to come. If it did so, as the Senator from Pennsylvania pointed out, we would create great wealth for the taxpayers.

By expanding our economy we will be able to obtain the tax dollars which will make it possible for us to meet the cost of the other programs to which the Senator from Pennsylvania referred. I agree that we should speed ahead with a public works program that will take the form of school construction, roadbuilding, construction of Federal dams, public housing, slum clearance, hospitals, and other public works which are so sorely needed if we are to promote and protect the general welfare of our people. All of those great general welfare projects, so sorely needed by the American people at this time, I am in favor building now by way of an accelerated public works program.

As the Senator from Pennsylvania says, if we could write the ticket here today and have the ideal public works and tax cut program we would have a deficit for a short period of time. But it would be a deficit only for a short period, because the capital investments which would be created would increase the wealth of the people of the United States, and that would cause new tax dollars to flow into the Treasury of the United States. Such a result will not come into being if we do not have the economic expansion which will result from the kind of public works program I am urging.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I hope the Senator will permit me to finish, and then I shall be glad to yield.

The deficit which will result from the kind of public-works program the Senator from Pennsylvania is discussing does not concern me a bit, whether it is for 2 years, 4 years, 5 years, or 10 years, because it is not going to break Uncle Sam. It is so very easy to victimize oneself with the delusion that if we spend more money than Uncle Sam collects in a given tax year we are somehow going to jeopardize Uncle Sam's credit.

I have been heard to say in the Chamber of the Senate many times much

of the propaganda about deficit spending would fall of its own dead weight if the Congress would adopt, as it should, a capital budget. No business firm in this country would think of operating under the type of budget that the United States Government operates under. It is a budget which mixes capital investment with operating cost. Thereby it gives the false impression that Uncle Sam is less solvent than he really is.

I wish to point out that the capital wealth of Uncle Sam is so tremendous in comparison with any suggestion which has been made about a deficit we may incur for the next 10 or 12 years that in my judgment we will not by the slightest degree be jeopardizing Uncle Sam's credit. There is great national wealth behind that credit. We are proposing by this amendment to give some dynamics to such wealth. We are proposing to make it more economically productive. We are proposing to use it in part for the relief of those suffering cruel hardships as the result of the Eisenhower depression.

I join with the Senator from Pennsylvania in support of the public-works program to which he has referred. I shall go as far as any Member of the Senate in furtherance of a public-works program. But that is not the only step we should take in order to bring some immediate relief of the taxpayers who are in the brackets to which the amendment of the Senator from Texas would apply.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I am almost through. I think the Senator needs to hear the entire argument in order to cross-examine me on it.

We need to provide some relief, also, for the taxpayers who, under the exemption benefit which the Senator from Texas proposes, would proceed, in my judgment, in the next year to put the money into small business. This would increase purchasing power and put men back to work as a result of the stimulus to the economy it would produce.

I say there are involved a matter of timing and a matter of legislative possibility in connection with this amendment. If we could do something to promote a public-works program and a tax-cut program, I would not be concerned about a deficit. But who among us thinks, on the very basis of the fine argument made by the Senator from Pennsylvania, that we will be able to do very much of either one? I am very much concerned about whether we shall be able to make any progress with the public-works program until we get some leadership at the White House. Judging from today's newspapers, apparently we are not going to get any leadership with respect to the tax program.

What should we do? Those of us in the Senate who believe that the general welfare clause of the Constitution is something which ought to be translated into legislation, when the needs of the people dictate it, face a serious legislative problem. I think we ought to do the best we can to get as much as we can in the Senate on both fronts. We should support both a public-works program and a tax-cut program. Therefore, I am in favor of the tax-cut amendment of the Senator from Texas. If we can get a public-works program also I shall support that too.

This leads me to my third point. I do not know whether on this point the Senator from Pennsylvania and I will be in agreement. I shall wait for his final judgment after we make the record this year on the whole foreign-aid program.

I say to my friend from Pennsylvania that I am in favor of voting for whatever is needed to keep America strong against the Communist threat. As a member of the Committee on Foreign Relations of the Senate, I respectfully say to the Senator that, in my judgment, there are hundreds of millions of dollars of waste in the foreign-aid program, particularly on the military front. We are spending millions and millions of dollars for obsolescence. We are spending millions of dollars elsewhere, such as South America, for example, where the expenditure does not increase the security of the United States or of South America, but, to the contrary, tends to strengthen totalitarianism rather than freedom.

I would ask my good friend from Pennsylvania to reserve judgment on this matter, until he gives us a chance this year to come forward with some suggestions as to how perhaps we can save considerable millions of dollars in the foreign-aid program, and by so doing strengthen our security and strengthen our defense against Russia. Such a saving in foreign aid will retain a good many millions of dollars to plow back into the domestic economy for use to help stimulate small business in this country and to get our unemployed back to work.

I am happy to yield now. I appreciate my friend's waiting for me to make my argument, because I would rather have him go after me on all three fronts rather than taking the items piecemeal.

Mr. YARBOROUGH. Mr. President, before I yield again to my friend, the Senator from Pennsylvania, I should like to comment, in answer to the distinguished Senator from Oregon, that the total cost of the tax cut for the remainder of this year is not less than $3¾ billion nor more than $5 billion, which is less than the amount the administration recommends be spent for foreign aid for 1 year. I am not asking that so large an amount be granted in the proposed tax cut.

In further answer to the distinguished Senator from Pennsylvania, he has drawn on speculation. I might say he has gone into the realm of soothsaying. Perhaps the deficit would be $10 billion, $11 billion, or $12 billion, but certainly such a deficit would not be caused by a tax cut of $3¾ billion for the remainder of this year.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Pennsylvania.

Mr. CLARK. I do not care unduly to extend this argument—I think one is brash, indeed, who engages in an argument in the Senate Chamber with the distinguished Senator from Oregon. One rarely, if ever, wins.

I do not believe this is the time to engage in an argument about foreign aid. We shall have plenty of time for arguments about that question later.

I wish to say to my friend from Oregon, however, in a somewhat more narrow arena I have become known in the District of Columbia as "HALF-A-LOAF CLARK" and the Senator from Oregon has become known as "IVORY TOWER MORSE." I am sure the Senator will not think either of us is violating the rules in referring to the other in that way.

I will say to the Senator from Indiana [Mr. CAPEHART] and the Senator from Connecticut [Mr. BUSH], who sit with me as members of the Committee on Banking and Currency of the Senate, I think I can almost anticipate what those good friends of mine will say if a tax reduction bill is passed, and we have before us for consideration in the Committee on Banking and Currency proposals to increase urban renewal and slum clearance, or if we have before the Committee on Labor and Public Welfare a proposal that the Federal Government shall engage in the construction of schools.

They will say, "We cannot do it. We have already unbalanced the budget with a tax cut, to the extent that financial solvency and the confidence of the country in the Federal Government have been shaken. We cannot go ahead with public works programs after the improvident tax relief program has been adopted"

Let us defeat the tax cut for the time being. Let us pass a good housing bill. Let us pass a good school construction bill. Let us put more money into highways. In that case I am willing to take my half a loaf.

Mr. CAPEHART. Mr. President, will the Senator yield in order that I may answer the Senator from Pennsylvania?

Mr. YARBOROUGH. I shall be glad to yield in a moment

I should like to answer the Senator from Pennsylvania. He has talked about improvident tax cuts. He has challenged the business wisdom of such cuts. Is it improvident to pour $4 billion into channels of trade, when collections for 1957 were $80 billion, and when this is merely a year?

As the distinguished Senator from Pennsylvania has said, I have joined him in recommending slum clearance programs, highway programs, and public works programs. Those are programs which must be figured out by the architects and engineers. They cannot start pouring concrete on those projects before next January. The present proposal is to plow money into the marts of trade before next January. How many men would be taken off the streets by a program for building dams next year, or the year after? Sometimes it requires as much as 5 years to plan the dams.

I think the distinguished Senator overlooks the fact that this program is not in conflict with a good, sound public works program. It would complement it. I have heard it whispered around the Chamber that if this amendment is adopted, we shall be reducing taxes and

increasing costs at the same time. That is not so. This proposal is a temporary program, a 9-month or 1-year program. It requires a long time to survey land and lay out the contours for a dam. First, title to the land must be obtained. The surveying requires a long time. It requires months to survey a superhighway. There must be conferences with local government officials, and authority must be delegated to the counties to obtain title to the right-of-way. They cannot be pouring concrete on four-lane superhighways while the tax cut is in effect for the remainder of the year.

This proposal is something that would put purchasing power into the pockets of most of the people, those in the lower income tax brackets. The money would be used to pay bills at the corner grocery stores.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I now yield to the distinguished Senator from Indiana.

Mr. CAPEHART. Mr. President, I wish to reply to the able Senator from Pennsylvania. He must be looking for an argument, a fight, or a debate. I thought I saw a glint in his eye, as though he wanted to start something.

I make no apologies whatsoever for being in favor of commonsense, sound fiscal policies, and balanced budgets, and promoting the private-enterprise system.

I congratulate Members on this side of the aisle who were here in January 1950. In January 1950 there were more than 5 million men unemployed. Members on this side of the aisle at that time were not trying to talk the country into a further depression, notwithstanding the fact that there were more than 5 million unemployed. President Truman made the statement at that time that the situation was merely a readjustment, and that things would be all right. Unfortunately they were not. We became involved in the Korean war.

I congratulate Members on this side of the aisle for not trying to talk the country into a further depression, or further unemployment. I repeat, as I said earlier, that the opposite of tight money and high-interest rates is loose money, low-interest rates, and unemployment.

About 9 months ago many Members of this body started sniping at President Eisenhower, sniping at the Secretary of the Treasury, sniping at the economy of the United States, and talking about tight money and high-interest rates as though they were something undesirable.

As surely as the sun comes up in the east and sets in the west, when we have full employment again—and we shall have full employment again; and we shall have it much more quickly if we stop talking about it—there will be pressure on money; there will be higher interest rates, and tight money. We cannot have full employment without having tight money and high-interest rates.

I make no apology to the able Senator from Pennsylvania for being able to add and subtract. I make no apology whatsoever for recommending a sound fiscal policy. Nor do I make apology for recommending that the people save money and put it in the bank, with insurance companies, or in savings accounts. They should save money to invest, in order that others may have a job in private industry.

How the 5 million unemployed today would love it if some private enterpriser, some man or group of men who had saved enough money to start a factory or a series of factories would give them a job. I make no apologies for believing in such a philosophy, and I make no apologies for standing up and advocating it. It is the American way of life. It is the private enterprise system. It is the thing that made this country great. I make no apologies whatsoever for that philosophy.

The difference between myself and too many others is that I want to do these things under the private enterprise system, rather than advocate that the Government spend and spend and spend.

If we do not stop talking about doing this, that, and the other thing, we shall have a depression on our hands. The best thing we can do is to do some of the good, sound things which the President is doing, and which the Congress is advocating. We should stop advocating all sorts of panaceas for solving the problem. We in the Senate cannot do it. Only private industry can do it. Only people with money can do it. I am sure the unemployed person appreciates that fact. He would like to have us get on with our regular business, and let private industry take care of the business of the Nation.

Mr. YARBOROUGH. Mr. President, let me say to the distinguished Senator from Indiana that it would be very convenient if private industry were to announce in the morning that it was calling back 5 million unemployed, or even 500,000, or even 50,000 of the 5 million. I should like to see it happen.

Instead, we read in this morning's press that private industry has announced that it is cutting off $5 billion of anticipated expenditures, and that it proposes to decrease its payrolls. It served notice in advance on the Government. It said to the Government, "If you do not want 10 million unemployed, you had better do something. We are serving notice now. We are pulling in our horns."

They act as though they were in a closed box, from which they could not see outside. If 5 million more become unemployed, unless the Government does do something, private industry will have to do something.

If the distinguished Senator from Indiana wants to strengthen the free enterprise system he had better do something about the 5 million people who are walking the streets. The people learned in the 1930's that God did not want them to starve. They do not have to starve, if we have intelligence enough to operate the Government. Economies can function without the starvation of millions of workers. In a great, rich country such as ours, with all our resources, it would be folly for us to sit idly by, as many did in 1930 and 1931. We are hearing many of the identical arguments today that were made in 1930, 1931, and 1932. We were told, "If we don't do anything, conditions will be all right." We were told, "We will turn the corner soon. We are going to turn a corner." That is what the Government in Washington was telling the people, in 1930, 1931, and 1932, "We are going to turn the corner."

We turned the corner every month of that year. Every one went downward, until March, 1933, when 13 million men were unemployed and 5,000 banks were closed. The country was on the verge of ruin.

In answer to the Senator from Pennsylvania, I would say, yes, I expect to help the public-works program, but that will not get the job done in the next 9 months.

This amendment is a temporary measure. I regard it as a financial responsibility measure, not financial irresponsibility measure. It is financial irresponsibility when, while seeing ruin facing us, we take no steps to relieve the situation. It is financial responsibility to act now to help revive our economy and to put confidence in the people and put money in the pocketbooks of the 42,633,000 taxpayers—their families embracing 111,609,000 individuals in America. They will have more money in their paychecks in April. This money will not go to those in the high-income brackets. It will go to the corner grocery stores, to the corner tailor shops.

In the first quarter of fiscal 1957 there were 25 percent more bankruptcies than in the comparable quarter of the year before, as has been pointed out by one distinguished Senator, and more than half of them were in the small-business men's bracket.

This money will not stay in a sock. This money, when it is paid, will go out in cash. It will be spent. It will be spent with the retailer and wholesaler, and it will reach up into the manufacturers. This is the fastest way of doing something to stop this galloping recession. It is the fastest way. It is the course of fiscal responsibility when we see an anticipated collection of $83 billion. Uncle Sam's pocketbook is going to shrink if we do not do something. What is proposed will put people to work, and it will help them to get paychecks. They are the ones who pay the taxes, because the taxes are taken out of their pay in withholding taxes. When we make it possible for millions of people to join the pay lines, Uncle Sam will feel it in tax collections. In my opinion, we are going to end up with greater losses, if we do not do something about it.

This amendment will not only help the people, but it will also help the Government, and it will help the institutions in which we believe. It will help our way of life, which was brought forth on this continent.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MORSE. I wish to comment briefly on some observations made by my friend, the Senator from Pennsylvania [Mr. CLARK]. I have had some honors paid to me in debate on the floor of the Senate over the past 13 years, but I have never had a greater one paid to

me than the one the Senator from Pennsylvania [Mr. CLARK] has paid me this afternoon. I have been called many things in my political career, some of them not printable. However, I have never had such a nice thing said about me as the Senator from Pennsylvania said, when he called me "Ivory Tower" MORSE. I appreciate it. I thank him. I think I know the beautiful compliment he had in mind when he used that title. Political ivory towers are the citadels of idealism. As such they are the workshops of political practicalities. The only practicality that the Senator from Pennsylvania [Mr. CLARK] or anyone of the rest of us will ever experience is an ideal put to work. In the ivory towers of political idealism is to be found the hopes of the American people for sound practical legislation. There is nothing practical about legislation based upon expediency or a compromise of principle. The amendment before us is sound in its ideals and sound in its practicality. It is good ivory-tower legislation.

I now speak in defense of the idealism of the Senator from Pennsylvania [Mr. CLARK]. I will not let him deprecate himself by calling himself "Half-a-Loaf" CLARK. It is unfair to him. He, too, is a political idealist. He is a great constitutional liberal. He sits in the political ivory tower with me, along with all the other constitutional liberals in the Senate. He is one of the greatest liberals among us. He is dedicated, as are the rest of us, to the general welfare clause of the Constitution. He places the general welfare of all of the American people ahead of selfish groups that unless checked by legislation will attempt now and then to exploit the people. He, like the rest of us, makes a mistake once in a while. He is making one now by not joining us in supporting the amendment offered by the Senator from Texas [Mr. YARBOROUGH]. He is entitled to his fair share of mistakes. It grieves me sorely when he makes one. I hope we may be able to save him yet, before the day is over from making the mistake of voting against this amendment.

In the debate he asked me, "What do you think the Republicans on the Banking Committee are going to say when I come forward with a public works program in that committee if I vote for this tax-cutting amendment?"

He should know. He and I know what they are going to say. They always will find some excuse for not supporting him. If they do not make one excuse, they will use another. Let us not fool ourselves. They do not have a record of supporting the general welfare of the people ahead of big business. They are not going to support us in urging that we provide some tax relief to the people who need it most. My advice to my good friend from Pennsylvania [Mr. CLARK] is to stop having any concern about what his Republican colleagues on the committee will say if he votes for a tax cut. He can be sure that they will not approve. He can also be sure that if he votes against this tax cut his Republican colleagues will find some other alibi for not supporting any sound proposal he may make for a very much needed public works program.

For many years I have recommended a cardinal principle of modern Republicanism to my Republican colleagues. The President of the United States quotes it sometimes, but he does not practice it. It goes back to Lincoln. It is that great tenet of Lincoln which he expressed in these words: "The legitimate object of Government is to do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves." In other words, Lincoln believed, as all constitutional liberals ever since have stressed, that Government has the duty to carry out the obligations of the general welfare clause of the Constitution. Surely, in time of great unemployment such as now sweeps our country, we in the Congress have the duty to put Lincoln's tenet into legislative practice. The amendment will help do just that.

As I said earlier, there is involved in offering this amendment a matter of legislative timing. I think the amendment of the Senator from Texas [Mr. YARBOROUGH] is well timed. It is one of the steps we can take now. The Senator and I know what will happen to us in a few minutes. There will be a few "yeas" and a chorus of "nays," and once again the people will suffer a defeat. Eventually the principle of the amendment offered by the Senator from Texas will be adopted by the Senate. I am not at all concerned about the argument that if we spend now for the people, even though it is deficit spending, we are in any way going to threaten the solvency of the Government. To the contrary, by taking the economic steps that are necessary to be taken to stop this depression we will guarantee that in the years ahead our Government will remain solvent. The fact that we may have a budget deficit for the time being does not mean that Uncle Sam will be insolvent.

Mr. President, it is on that premise that I support the amendment of the Senator from Texas, and I hope that upon further reflection my friend from Pennsylvania will go along with us.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. O'MAHONEY. I am prompted to make inquiry about what the Senator from Oregon has just said. I was delighted to have him quote the statement from Lincoln. We ought to have it spread on the RECORD today that that statement of Lincoln was written in his own handwriting on the back of an envelope which was deposited in the Library of Congress by Robert Todd Lincoln, with instructions not to open it until 25 years after the death of Robert Todd Lincoln. I was present in the Library of Congress when those documents were opened. I saw with great interest this particular envelope in the handwriting of that great Civil War President, stating specifically what the Senator from Oregon has just now stated: "What the people cannot do for themselves, the Government must do, and in all other things, let the people take care of themselves."

That could have been written by Jefferson himself. The truth of the matter is that Lincoln and Jefferson looked upon the problems of the people and people's government in much the same way.

Our trouble today grows from the fact that we have an executive branch of the Government which calls itself the follower of Abraham Lincoln but which follows an utterly different point of view. Instead of trying to do for the people the things they cannot do for themselves, the administration has been consistently, from the very beginning, in 1953, trying to turn the control of the Government and the benefits of the Government over to big business.

The best illustration of that comes from an incident in which the Senator from Oregon was very deeply concerned, and in which the Senator from Texas and the Senator from Wyoming, and other Senators were also deeply concerned. It was in connection with the Hells Canyon Dam issue.

Instead of the program of Lincoln, of having the Gover..ment do for the people what the people cannot do for themselves, the administration has been consistently pursuing a policy which, in the Madison Avenue dialect, is referred to as a policy of partnership. What is meant by that is a partnership by the Government with the Power Trust—not a partnership with the people, but a partnership with the Power Trust. That was illustrated in the famous Hells Canyon fight. All of us who had studied that question knew perfectly well that the only successful way to conserve the waters of the Snake River to make them useful to the greatest number of people was to build a high Hells Canyon Dam. Instead, Idaho Power Co., incorporated by the State of Maine, not by the State of Idaho, applied to the Federal Power Commission for licenses to build three small dams. The three small dams together could not do what the one high dam would have been able to do. But the partnership policy, substituted for the Lincoln policy, prevented us from serving the interests of the people.

I thank the Senator from Texas for permitting me to make this comment.

Mr. YARBOROUGH. I thank the distinguished Senator from Wyoming for his able and pertinent comments.

In response to the colloquy and the questions of the distinguished Senators from Pennsylvania and Oregon, who have discussed liberalism, I must, in all modesty, say that this is a conservative amendment. It calls for a tax cut of $3¾ to $5 billion for only 9 months. If I were proposing a liberal amendment, I would call for a $10 billion tax cut.

The estimated income for the year, if the economy does not continue its toboggan slide downward, is $87 billion. The amendment proposes a tax cut of $3¾ to $5 billion for the remainder of the year.

For 2 consecutive days the Senator from Indiana [Mr. CAPEHART] has argued that it is tight money and high interest rates which create full employment. He continues to make the same argument. I shall not argue the economics of the question. Persons who have had a high-school course in economics know that the answer is that he is wholly wrong.

The administration, with its high interest rate, is sapping out of the economy $2 billion every year by paying higher interest on the Government debt. This amount would not have been sapped out of the purchasing power of the people had not the Government raised the interest rates on its own debts.

The amount of excess interest which the Government is paying every year is more than half the amount which is sought as a tax reduction for an emergency period to keep people from starving.

The amendment will not defeat the public works programs. Those programs cannot actually be started immediately. It will not be possible to start the construction of dams, highways, hospitals, schools, and the other projects which have been mentioned, by midsummer.

The proposed tax cut is for this year only. By that time we hope that the public-works projects which have been proposed will have gone into construction.

Talk to the man in the corner grocery; to the man who has a little drugstore; to the man who operates a small hardware store. Why is he suffering and going bankrupt? His credit has dried up. If he had any credit, the interest rates have been raised so high that he can no longer make a small margin of profit with which to keep his business open. The 2-percent excess interest which the Government pays is small compared with the interest rates which the small-business man pays. He is down at the bottom of the ladder; he is at the foot of the totem pole. All the chips fall on him. He cannot borrow money at that rate.

Talk to the people who live in the small towns. I have been in the small towns in the past 5 months. Five years ago their businesses were prospering. Now more than 50 percent of the business houses are locked up. Some of them have even reached the stage where boards have been nailed across them, as was done in the old ghost towns of the West. That is what 5 years of tight money and high interest rates have done to the people. It has ultimately resulted in millions of people walking the streets, unemployed, as was the case in 1930. History is repeating itself.

Mr. PROXMIRE. Mr. President, as a cosponsor of the amendment, I first wish to apprise the Senators that the proposed tax cut was a major pledge in my platform when I was running for election to the Senate. I promised the people of Wisconsin, that if I were elected, I would do my level best to increase the exemptions from $600 to $800. I say that because I want Senators to know that I am speaking now in fulfillment of a pledge I made to the people of Wisconsin. I made the pledge because I thought it was right and necessary, and because I recognized the fact that tax cuts in the past—at least, in the recent past—have not helped most of the American people.

While I felt that a tax cut was right when I was running for election in August 1957, I think, in March of 1958, it is even more right, it is even better, it is even more in the public interest.

I point out again, in support of what the Senator from Texas [Mr. YARBOROUGH] has said, that this is not an extreme or radical, or even a labor proposal. This kind of proposal has been supported by the president of General Motors and by other leading executives. They say a tax cut is needed, and needed now.

The president of the Ford Motor Co., economists for the Ford Motor Co., and, as a matter of fact, the top economist in the United States Senate, the distinguished Senator from Illinois [Mr. DOUGLAS], who pleaded very eloquently last night for a tax cut which was very similar to this, all agree that such a cut is necessary.

A cut is particularly necessary now because, more than almost anything else I can think of, it will put people to work, and put them to work promptly.

Last night when I returned to my office I received the Wisconsin Industrial Commission's statement of the number of people now out of work in Wisconsin. I learned that from March 1 to March 8 the number had climbed from 59,000 to 68,000, a 15-percent increase. That is the number of people covered by unemployment compensation. On the basis of conservative estimates, this means that more than 100,000 are out of work today in Wisconsin.

The provisions of the amendment will make it possible to put money into the hands of people who will spend it. For a family of a husband, wife, and 3 children, having an income of $4,500, this proposal will give them, in the remaining 9 months of the year, $150 to spend. Believe me, that money will be spent. Anyone who has studied the spending habits of people earning small incomes knows that the money will go to work.

That money, multiplied by millions, perhaps tens of millions of American families who have it, will mean that there will be hundreds of thousands of jobs. I think a conservative estimate is that probably a million people will be put to work by this measure.

The Senate unanimously passed a housing bill which it was estimated will put 500,000 people to work. I think that was splendid. I was delighted to have the chance to support the bill. I was glad it was a bipartisan bill.

Here is another opportunity to put another million people to work. I point out the justice of the proposal. It is a cost-of-living adjustment for taxpayers. Since 1949, when the exemption for dependents was fixed at $600, the cost of living has climbed by 22 percent, according to the Department of Labor. That means that $4,000 in 1949 is worth $800 less today.

The amendment would go part way toward giving all taxpayers, not simply those whose earnings are in certain categories, a cost-of-living adjustment.

Furthermore, the amendment provides tax relief for all the people. I emphasize all the people because the 1954 tax cut, about which the Members of the minority have spoken so much, virtually did not give tax relief to all the people. As a matter of fact, the figures, as I understand them, showed that more than 75 percent of that tax relief went to the corporations of the country. If we put the corporations, and the other large earners—those in the top one-fifth or one-fourth income brackets—together, they received almost 90 percent of all the tax relief which the Senate, the House, and the President gave the American people in 1954. I say it is time for tax relief for all the people.

I noticed on the news ticker today that the administration has announced that apparently it favors the same kind of tax relief in 1958 as it gave in 1954. At least, the spokesman was of the opinion that the tax relief would go primarily to stockholders and business. I think they should have more money, too; but I think the tax relief should go to all the people, not simply to those who have the most economic and political influence.

The principal objection to the amendment by many sincere persons seems to be that while it may be a good amendment, it is the wrong time and the wrong place and the wrong bill to which to attach it.

Mr. President, before the House of Representatives could reach an agreement with the President and with the administration generally and before action could thereafter be taken, it might very well be that 6 million of the people of the United States would be unemployed. We know that more than 5 million are unemployed at this time.

This is not a time when we can afford to wait on technicalities. It seems to me that the time to stop this recession or depression is right now. This amendment will do it. It will do it in a way which I think is most attractive, because it is a cumulative way. I think that point was very well brought out in the course of the colloquy between the Senator from Louisiana [Mr. ELLENDER] and the Senator from Texas [Mr. YARBOROUGH]. They pointed out that this is something the people can count on; they will be able to make their purchases over a period of time and to increase their spending.

As I said before, in the State of Wisconsin I ran for election to the United States Senate—and let me say that Wisconsin has been overwhelmingly Republican—on this issue, as one of the major planks in my platform. I would not be honest with my colleagues if I did not say that all the people of Wisconsin—both Republicans and Democrats—like this proposal. They agree with what the economists are saying today, namely, that this is necessary. That is one of the reasons why the people of Wisconsin voted for me.

My distinguished colleague, the junior Senator from Texas [Mr. YARBOROUGH], has informed me that he, also, had this proposal as one of the planks of his campaign platform, when he ran for election in Texas. Mr. President, I am sure that if all the people of the Nation could speak their minds and could inform us of their views, they would agree that the best way to stop the recession is to put money to work—to put it to work in our free-enterprise system as much as possible, by means of making a tax cut.

Mr. President, I am astounded that those of us who make this proposal have

not received more support this afternoon from Senators on the other side of the aisle, inasmuch as, generally speaking, they are said to be the ones who favor the making of tax cuts.

I am very proud that on this issue we have the support of the distinguished junior Senator from Texas [Mr. YARBOROUGH].

Mr. President, I yield back the remainder of the time available to me.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. LANGER. Mr. President, would the Senator from Wisconsin be willing to have printed in the RECORD all the other planks of his platform when he ran for election in Wisconsin?

Mr. PROXMIRE. I would be delighted to do so.

Mr. YARBOROUGH. Mr. President, I believe the Senate has benefited as a result of the comments made by the distinguished junior Senator from Wisconsin.

Mr. President, I note that the great tide of Democratic victory in 1957—which the able junior Senator from Wisconsin led into the Senate Chamber—was predicated upon the promise of a tax cut which, this time, would go to the people. As has been pointed out, a tax cut was made in 1954, but approximately 75 percent of it went to the corporations. All but 9 percent of the benefit of that tax cut—in other words, 91 percent of its benefit—went to those in the higher income-tax brackets. Only 9 percent of the benefit of the tax cut which was voted in 1954 went to the people in the middle income-tax brackets and to the people in the lower income-tax brackets. But the people in the lower and middle income-tax brackets constitute 95 percent, or over 40 million of the 42,600,000 persons who file taxable returns.

Now is the time for the people of the country to receive the benefits which will come from a tax cut.

Mr. President, it is said that this is not the right time and this is not the right place to make a tax cut. Mr. President, when justice is to be done, all seasons are summer and all places are temples.

This is no longer a matter of abstract justice. It is a matter of economics—not only to the individual, not only to the millions of Americans who today suffer from unemployment, but also to the Government itself, for by means of this tax cut, the sources from which the Government expects to obtain the needed additional revenue will be developed, and in that way the Government will be able to increase its expenditures for defense, for roads, and for the other things required by an expanding economy.

Mr. President, of the 42,600,000 taxpayers who filed taxable returns, 28,151,000 have incomes of less than $5,000 a year, and 12 million more have incomes in the $5,000 to $10,000 bracket. So those 28,151,000 and those 12 million would be the ones who would obtain most of the additional purchasing power, and would plow it back into the economy.

Mr. President, I yield back the remainder of time available to me.

EXTENSION OF DURATION OF UNEMPLOYMENT COMPENSATION

Mr. CASE of New Jersey. Mr. President, on Monday of this week, March 10, I introduced, on behalf of myself and seven of my colleagues, Senate bill 3446, to provide for the extension of the duration of unemployment compensation payable under State laws and for Federal payments to finance such extended unemployment compensation. The bill would apply for the remainder of the year 1958.

Mr. President, I urge that that course be followed immediately by the Congress.

I have spoken to the chairman of the Finance Committee, the distinguished Senator from Virginia [Mr. BYRD]. With his invariable courtesy and consideration, he has assured me that the question of taking up the bill will be brought before the committee at its next meeting. Of course he did not make any commitment regarding his position or regarding the action the committee might take.

Mr. President, I rise to urge that the passage of this bill be made, not a matter of second, third, or fourth priority, but a matter of first priority. I urge that action be taken on the bill, not next month or the following month, or the months thereafter, but at once.

Mr. President, this bill should have priority over tax-cut measures and over measures providing for expenditures for public works and over all other measures which may be suggested—many of which are indeed worthy. But we are confronted with the necessity of keeping the American people at work; keeping jobs available to them; keeping them off relief; keeping their children with food in their mouths and clothes on their backs; keeping their families from deteriorating under the corrosive and searing fire this country knew not only in 1928 and 1929, but throughout the thirties, and that situation was not alleviated until World War II brought the country again into a state of economic prosperity.

Mr. President, we have it within our power, by means of the taking of action by the Senate and the House of Representatives, in the course of a day or two to lift the burden of insecurity from families, who, unless the situation changes quickly, will, by the hundreds of thousands, be facing the end of their unemployment compensation payments.

Mr. JAVITS. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I yield.

Mr. JAVITS. Mr. President, I had the honor of joining the Senator from New Jersey in the sponsorship of the bill.

Mr. President, we have been "piling on a lot of coal," calling for action which may help beat the recession. But, Mr. President, so far we have not been "piling on a lot of coal" in a call for action indispensable to meeting the human needs of those who have been hurt by the recession.

Last night I heard the Senator from Rhode Island ask why we should refrain from doing something which would, 2 months earlier, solve the recession. The answer is that if what we did turned out not to be unsuccessful, we would then have shot our bolt, but we would have gotten nothing for it, and in the process we would be that much worse off 2 months hence.

However, there is no such imperfection in the case of this bill.

The Senator from New Jersey and I and our colleagues who have joined us in the sponsorship of the bill are urging that while Congress "piles on coal" in an endeavor to take action in this recession, it takes action also in the interest of those who need immediate relief.

Mr. President, in my State alone there are about 20,000 persons whose unemployment benefits are rapidly disappearing. Certainly they need assistance now. I hope the Senate will make as much speed in doing that as in doing many other things which are not nearly so well directed at the target.

Mr. COOPER. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I yield.

Mr. COOPER. Mr. President, I had the honor and the opportunity to join the junior Senator from New Jersey [Mr. CASE] in the introduction of the bill to which he has referred.

It is true that for the last 2 or 3 weeks, almost every word spoken in this Chamber has related to the recession.

All kinds of plans have been announced. Many bills have been introduced. A great many of them are grandiose in character. A great many of them offer plans which could not be immediately effective.

The situation which the junior Senator from New Jersey is discussing is an immediate need. It is the need of insured workers, now unemployed, whose insurance is exhausted.

I received a telegram from the Commissioner of Economic Security of Kentucky, supplying information that the number of those who are now receiving unemployment compensation in my State is increasing every week. While it is not known what the number is of persons whose unemployment insurance is exhausted, it is certainly many.

The bill which the junior Senator from New Jersey has introduced, in which a number of us have joined, would go to the first problem faced by a person whose unemployment insurance is exhausted.

There are very few measures the effect of which can be immediately felt. Many of the proposals being made cannot be carried into effect for months. Much is said about what should be done, but I think the proposal which the Senator from New Jersey makes can become effectively accomplished. It is human. It directs itself to an immediate need. If the Senate and the House of Representatives wish to do something, this is the first area in which they should act.

Mr. CASE of New Jersey. I thank the Senator. As for myself, I favor permanent legislative action upon the question of unemployment compensation and the fixing of uniform standards of benefits throughout the Nation. I think action on such legislation should

be taken. Such a measure will raise many difficulties, and perhaps be impossible of passage by Congress. So before action on such a proposal is taken, there is no question that we should this year immediately take care of those whose benefits under State law are expiring.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I enthusiastically support the position taken by the distinguished junior Senator from New Jersey, and I congratulate him for having made the proposal. It is very appropriate and significant that he has seized the opportunity, under the circumstances at this particular time, when there is pressure upon some of us to get away, to bring to the attention of the Senate something that cannot wait another day or so. The fact is there are people out of work whose unemployment compensation benefits are running out. The Senator from New Jersey is moving to take action about it. I know there are literally thousands of people in Wisconsin who will say, "God bless you. Thank you." I shall do everything I can to help the Senator from New Jersey in his effort in this field.

Mr. CASE of New Jersey. I thank the Senator from Wisconsin.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to the Senator from Vermont.

Mr. AIKEN. I wish to associate myself with the remarks of the Senator from New Jersey, because he is calling attention to a state of urgency, which is particularly true of the Northern States, in one of which I happen to live. Winter is lasting a long, long time. Those who were laid off last fall are going to find their compensation periods expiring. We still have several feet of snow left on the ground. While we would ordinarily expect to have outdoor work begin soon, it appears that is not going to be true this year. The snow may not be gone before the last part of April, or in May, in the Northern States, because of the unusually late spring which seems to be upon us.

I think we ought not to waste time talking about what we are going to do for these workers sometime in the future. The fact remains that if we do not take action pretty soon, many of them will be without funds for a period of several weeks. I should like, therefore, to join the Senator from New Jersey in urging immediate action that will take care of these persons for the rest of this year, and give us time to determine what we should do in the way of permanent legislation.

Mr. CASE of New Jersey. I thank the Senator from Vermont.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to commend the Senator from New Jersey for the fine position he has taken in giving the highest possible priority to the consideration of unemployment compensation legislation in this session of Congress. Every week, thousands and thousands of Pennsylvanians are finding their unemployment compensation payments exhausted. I know that is true in the country generally. I had the opportunity to say a few words on the subject before the Senate yesterday.

I happen to have cosponsored a bill introduced by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], which would put into effect a permanent standard of unemployment compensation, and would also accomplish the payment of many additional weeks of unemployment compensation to those whose benefits had already expired.

Whether it is the bill of the Senator from New Jersey or the bill of the Senator from Massachusetts is not nearly so important as that prompt action be taken to obtain some unemployment compensation relief for unfortunate citizens who are no longer able to obtain such benefits.

It is my understanding a bill on the subject will be introduced in the other body soon. I hope it will come to the Senate and be referred to the committee. I hope both bodies will cooperate in obtaining, on the floors of both Houses, speedy action on unemployment compensation legislation, which I hope will be similar to the proposal of the Senator from Massachusetts [Mr. KENNEDY] whom I now see present in the Chamber, but which will at least bring immediate relief to unfortunate Americans who have been thrown out of work and whose unemployment compensation has expired.

Mr. CASE of New Jersey. I thank the Senator.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to the Senator from Maine.

Mr. PAYNE. I wish to join in full support of the bill of the Senator from New Jersey, of which I happen to be a cosponsor. Likewise, I happen to be a cosponsor of the so-called Kennedy bill, because it is my opinion that we must look into the question on a long-range basis. However, the so-called Case bill contemplates prompt action, and does not put off until tomorrow something which must be taken care of immediately. So the Senator will have my full support in anything that it is possible to have done, not only to press for consideration of the measure by the committee, but also once the bill is reported to press action by the Senate itself.

Since it will be talked about later, I wish briefly to mention that we have heard a great deal lately about things which have not been done. Let me point out that the President of the United States and his administration sent to the Congress of the United States 3 years ago, a measure looking to the relief of areas which might be hit by an economic situation such as we are now facing. What happened to that proposed legislation? It was bottled up in committee for a long period of time, and then finally was considered on the floor of the Senate, in the closing hours of the 84th Congress, and passed with a crippling amendment, and it never even saw the light of day in the House, as it was known it would not.

In the early part of last year another similar measure was sent to the Congress for consideration, designed to take care of the same areas where economic distress might occur. What has happened to that bill? It landed in the Senate Banking and Currency Committee, of which I am a member, and has remained in the subcommittee of that particular committee all during the past year, and up to the present time, with no action.

The Senator from Illinois [Mr. DOUGLAS] introduced another bill along the same line. That bill is bottled up in the subcommittee.

A few days ago I introduced a compromise measure, in which my colleague the Senator from New Jersey and other Senators joined in cosponsorship. The bill would positively alleviate conditions in areas where a readjustment must take place, and where help is needed, and needed badly. The tools are there if we in the Congress will stop talking about it, take some action, and get on with the job that lies ahead. But we are not going to accomplish that with 1-hour, 2-hour, 3-hour, or 4-hour speeches in the Senate Chamber. We will be able to act on the matter in the committees, when we are sincere, earnest, and honest in our efforts, and then to report a bill to the Senate so that this body may be given a chance to vote it up or vote it down.

Senators should not say that the administration has not been alert to the problem, because the administration was alert to it 3 years ago, and gave the Congress a chance to do something about it.

I can assure Senators there will be something more said on this point, in the days ahead, unless we get action. The present occupant of the chair [Mr. CLARK in the chair] knows what I am speaking of, because he also has joined in the effort to see that something is done in this regard.

I thank my colleague for yielding to me.

Mr. CASE of New Jersey. Mr. President, I thank my colleague from Maine for his support of this measure, of which he is a cosponsor, as I am a cosponsor of the bill he has introduced with regard to distressed areas. Everything the Senator has said is important.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield now to the Senator from Michigan, who has been waiting for me to yield.

Mr. POTTER. Mr. President, I wish to join my colleague from New Jersey in asking for immediate action on proposed legislation to provide for the extension of duration of unemployment compensation. I happen to represent in part a State which probably has the highest percentage of unemployed of all the States of the Union. The percentage is in excess of 13 percent. Three hundred and fifty thousand members of the labor force are now unemployed.

Michigan was one of the first States to feel the effect of unemployment, and is feeling it even deeper at present. The prospects for recovery are not so great

in Michigan as they are in other States. Many of our unemployed have already exhausted their unemployment compensation benefits, and an increasing number are exhausting them every day.

I wish to join with the Senator in urging immediate action to help rectify the situation.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I appreciate the comments and support of my colleague from Michigan. It is a bitter distinction his State has achieved. My State shares it with him. I think considering the proportionate population of the State of New Jersey, the per capita figure shows the highest percentage of people whose unemployment compensation has expired. This is not a pleasant prospect to face. I hope very much that we shall be able to obtain prompt action on this measure, as I said earlier, since it is of the very highest priority.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to my colleague from Indiana.

Mr. CAPEHART. I do not rise in opposition to the measure at all, but I rise to ask a question.

I believe the mechanics of the unemployment insurance funds are somewhat as follows: Each employer pays into a fund the sum of 2.7 percent of his payroll, which money comes to Washington. The money is allocated back to the States, and the States control the money. The States determine the amount to be paid per week in compensation, and the number of weeks of compensation to be allowed.

Each State, I believe, has on deposit or to its credit in Washington X amount of money in reserve. My question is, Why does not the State of Indiana, the State of New Jersey, or the State of Massachusetts pass a law to provide for the expenditure of a portion of the reserve which is being held in Washington? Is that not possibly the best way to approach the problem?

Let me say that the Federal Government no longer has control of the reserve fund. We may assume, perhaps, that Indiana has $40 million in reserve. The State of Indiana might well take $20 million of the fund and pay the unemployed persons compensation for a longer time—either pay them for more weeks or pay them a larger amount each week. Perhaps that is the best way to solve the problem. I do not know.

Mr. CASE of New Jersey. I share the Senator's belief that for the permanent program this should be a State-administered and State-controlled program, subject, however, to floors under benefits and a minimum duration period, along the general lines of the bill introduced by the Senator from Massachusetts, which I favor.

I am referring at present to an emergency period of time, and the provision of some Federal money for the insurance program. I believe that nobody, under existing State laws, should go without unemployment payments for this year. I say this because the States have not yet acted. Many of the States cannot act fast enough to accomplish what the Senator from Indiana suggests. Even in the States where the benefit payments are high and the duration long, there is special justice at this time in Federal intervention and Federal help.

The problem is the greatest in the States which, for the most part, are the most highly industrialized States, such as the Senator's State and my State, as well as other States. Generally we are referring to States whose citizens pay the highest proportion of Federal income taxes. Those are the States whose people must be encouraged, and where it is most desirable that something be done.

It is therefore most important to avoid increasing taxes this year on those businesses. That can be done. That is an indirect beneficial feature of the proposed legislation.

Mr. CAPEHART. My point is that the greater the population of the State, the more money it has in the reserve fund. Is there not some way the money being held in reserve could be used?

I do not know whether any Senator present in the Chamber knows the exact amount involved, but I believe the Senator will find it to be several hundred million dollars. That fund, in my opinion, is much greater than it needs to be. Is there not some way the money presently held in the fund for the purposes being discussed by the able Senator could be used?

Mr. CASE of New Jersey. I appreciate the Senator's suggestion. I do not by any means desire to give an answer now in the negative. It is my impression, however, it would be rather dangerous to rely very heavily on the reserve funds, because they have been calculated in most cases with very great care for the scale of benefits which have been paid under the existing law, and for the duration permitted.

Mr. CAPEHART. If the Senator will yield further I am not so certain that the Senator is correct in that respect. I know at the moment of one company which has been paying 2.7 percent of its payroll for years and years, but which has experienced no unemployment. It has had full employment for many years. I think the Senator will find that the reserve fund is very, very large.

If we can find some way of accomplishing it, I for one would be in favor of taking the proper amount—I do not know what the amount should be; but let us say 50 percent of the reserve fund—and paying it out for the purposes covered in the proposed legislation which has been introduced.

I only bring up the thought at the moment, so that we may explore the idea of the use of the reserve fund. If we should do that, then any additional taxation or any additional money would be required, because we would simply be using the money which has been previously paid in for the purpose.

Mr. CASE of New Jersey. I appreciate the Senator's suggestion. I believe it is one which the Committee on Finance should—and I am sure will—consider when the committee takes up the matter.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I should like to say to the Senator from Indiana that it is my recollection that in 1954 the unemployment compensation bill was passed providing for the redistribution to the States at that point. I do not think it was felt at that time that the reserves to which the Senator has addressed his attention should be held in a fund which would be available to States which had exhausted their benefits. Unfortunately, the views of some of us in that regard did not prevail, and the money was redistributed. I do not believe that those great reserves are now in existence.

Mr. CAPEHART. I believe the Senator will find that they are.

Mr. CASE of New Jersey. I thank the Senator from Massachusetts for his comments.

The PRESIDING OFFICER. Does the Senator from New Jersey desire to yield; and, if so, to whom?

Mr. CASE of New Jersey. Mr. President, I have yielded to the Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. I thank the Senator. I believe his position and mine are in general agreement. An emergency situation faces us. Those who have exhausted their benefits should be given immediately, through the assistance of the Federal Government, supplementary benefits. Does the Senator's proposal call for 13 weeks of benefits?

Mr. CASE of New Jersey. My proposal provides for the remainder of the year, to give some assurance that the benefits will not run out. This will allow time to consider permanent legislation.

Mr. KENNEDY. Many of us on this side of the aisle, along with the Senator from Maine [Mr. PAYNE], have been interested in such proposed legislation. Recognizing the fact that the State legislatures are not in session in many States, we know it would be impossible for some States to change the minimum rates or to extend the period of time of duration of benefits. We therefore would provide in such legislation that benefits shall be paid to the unemployed in every State where the benefit funds of the State have been exhausted, whatever the duration, up to 39 weeks. Then by 1959 every State would have to provide benefits up to 39 weeks and apply the minimum standards of duration and amount to which the Senator has already referred.

What I am concerned about is that if the Senator's bill is passed during the period when our attention is focused on the subject, it will mean that in 1959 or 1960, when we shall be out of this period, the States will feel that there is no pressure upon them. States which have only a three-tenths, four-tenths, or five-tenths of 1 percent tax, will feel that there is no pressure on them, because the Federal Government will come forward and bail them out.

I think we should pass a double-barreled bill—first, to give Federal assistance to the unemployed up to 39 weeks, and second, to impose a compulsory standard on the States at the same time,

requiring them to provide 39 weeks within their own borders.

Mr. CASE of New Jersey. I appreciate the thought which the Senator has suggested. I agree that we should have permanent legislation as quickly as possible to raise the standard of benefits and the duration over which they should be paid. If we can do it fast, that is fine; but it may require a good deal of time to enact the Senator's bill. It may be difficult to attain the standard which he and I desire. Therefore, because this is an emergency which, in my State, and to a very large degree in the Senator's State and many other States, is immediately upon us, I think we should pass the measure to which I have referred, so as to provide assurance, without which hundreds of thousands of families will have a very hard time, and will have seared into their souls some of the bitterness which was seared into the souls of millions during the 1930's. This is a matter of the first priority.

Mr. KENNEDY. I think we are generally in agreement. We should be able to grasp the whole nettle, instead of grasping half of it. If we grasp only half of it, I think the other half will never be forthcoming. I think the two halves can be joined, by cooperation on both sides of the aisle.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. CAPEHART. I am not quarreling with the bill. I am simply raising the question why we do not use, for the desired purpose, the reserve funds which have already been paid in before calling for new funds, if that is possible.

Mr. CASE of New Jersey. The reserves have a very distinct purpose. They are being used under existing State plans, and according to State actuarial tables. In the past I have been somewhat wary of efforts which have been made to compel the use of those funds beyond the actuarial purposes for which they were created, because in a sense they are there not only for the payment of benefits on the present scale, but for the payment of additional benefits authorized by the various State legislatures.

When we impose a compulsory temporary obligation, I do not like the idea of requiring it to be paid out of resources which should be available to the States.

Mr. CAPEHART. Why not let the States do it?

Mr. CASE of New Jersey. The States have had a long time to come up to this standard, and they have not done so. Every State is in competition with every other State to keep taxes low and offer attractions to business. Unless we have a Federal standard, the various States will continue to have low wage rates and low taxes for the purpose of attracting business from the high wage and high tax areas.

Mr. CAPEHART. Every employer, regardless of the State in which he is located, pays 2.7 percent of his total payroll every week.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. JAVITS. In the State of New York we have a merit system, under which many people pay as little as 1 percent. Some pay 2.7 percent. We are increasing it to 3.2 percent. There are other States in which much less is paid.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield; and if so, to whom?

Mr. CASE of New Jersey. I appreciate the enthusiasm and the buoyancy of the Senator from Indiana and his contribution to any debate. Sometimes it is a little difficult to get a word in edgewise, but that represents no loss when the comparison is made between his comments and mine.

There is a difference in taxes as between the various States. There is a difference in the amount of credit given to employers for experience. So the problem is not quite so easy as the Senator from Indiana suggests.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. AIKEN. I wonder whether requiring the expenditure of the reserve funds, as suggested by the Senator from Indiana, would not have about the same effect, and be about as sound, as requiring a bank to spend the reserve funds which it is required to have on hand according to law. Is there not a contract in regard to the use of these reserve funds, which we would be violating if we permitted them to be spent for the purpose indicated by the Senator from Indiana?

Mr. CASE of New Jersey. I believe the Senator from Vermont is correct.

Mr. President, I shall take no more time. I merely wish to emphasize once more that in my judgment this is a matter of the highest priority. It is a question which we must not dodge, and we must not delay consideration of it. I urge my colleagues, especially the chairman of the Committee on Finance [Mr. BYRD] and his colleagues on that committee, to give this subject that kind of attention.

Mr. President, I yield the floor.

FORMULA FOR TAXING OF LIFE-INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

Mr. ALLOTT. Mr. President, I hope we are about ready to vote on the pending bill. I cannot vote on it without first making a few remarks about some of the issues which have come up this afternoon.

First of all, so far as I am concerned, a great deal of the debate has been based upon emotionalism rather than common sense, and I must confess that I see in it a great deal of partisanship, rather than sound, objective thinking.

I opopse the amendment offered by the Senator from Texas [Mr. YARBOROUGH] because I believe it is neither a liberal nor a conservative proposal. It seems to me to be a political proposal, which will last until just before the election next fall.

With respect to the proposal offered by the junior Senator from New Jersey [Mr. CASE] and discussed by the Senator from Maine [Mr. PAYNE], I wish to say that I am in full accord with it and that it is my sincere hope that the Committee on Finance will immediately consider ways and means of trying to implement the extension of the unemployment compensation laws, because already complete machinery standards and criteria have been provided with which to take care of the people immediately.

The income tax exemption now proposed is a farce, because it will only take effect over a period of a year. If the real purpose is to give our economy a real stimulus, then certainly the proposal for the extension of unemployment compensation, advanced by the administration and advocated by many Senators, should be adopted.

I am happy to say that the whole world is not as cracked in its thinking as some persons in Washington. I have in my hand two editorials from my own State, the first of which is an editorial from the Boulder Daily Camera, entitled "The Only Thing We Have To Fear." It is a very sound, down-to-earth discussion of our present economic situation, which I recommend to all my colleagues who cannot quite get their feet down to the floor.

The second editorial is from the Rocky Mountain News, and is entitled "Trigger-Happy Politicians."

It points out that the picture in this country is not all black. It shows that in the 17 commercial banks in Denver, the total money on deposit is $910 million, an increase of more than $31 million over a year ago, and almost $59 million over the 1956 spring total. Whether we have approximately 4 or 5 percent unemployed, as we have in Colorado, or the 10 to 12 percent that some people have talked about, to the man who is unemployed, it is relatively immaterial. He is out of work, and he needs money. The soup line is the last way in which to take care of him. I believe we must consider all the factors in our economy. We must consider that both the defense budget and defense spending are going up rapidly. We must consider that we are facing or are going to face an acceleration of many of our present domestic programs. With all of that, I do not believe we can shirk the essential financial responsibility for the integrity of our Government. We cannot throw away millions in revenue and vote millions in appropriations and expect to maintain the responsibility we were sent here to discharge. At least, this is what I feel the people of Colorado sent me here to do. In any event, we will probably, this year, face a deficit because of the additional spending which is taking place in the defense area, even if we had not had a recession, or whatever one may choose to call it.

To me, this is a time for clear, unstampeded, nonpolitical objective thinking.

I recommend to my colleagues these two very thoughtful editorials which were published in the two newspapers, coming, as they do, from people having different points of view, but being of the same general tenor. I ask unanimous consent that they be printed in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, Denver, Colo., of March 12, 1958]

TRIGGER-HAPPY POLITICIANS

Over the last weekend a rash of cures for the so-called recession broke out in Washington—all inspired by politicians if not by simple politics.

This is an election year.

If all the alleged panaceas which have hit the Washington news datelines were laid end to end, they would cost the Government $8 billion, $10 billion—who knows? Which might not be so bad if they worked. But they never do.

The economy of this country, praise be, is built of much more solid stuff than the largesse of politicians. Given its own way, the economy will work itself out of its slumps—it did in 1949. It did in 1954, when the Eisenhower administration refused to get stampeded into the kind of Government meddling which now seems to be carrying the day in Washington.

It is the old story of the patient getting up and leaving his bed while the doctors were arguing over what was the matter with him. They were still arguing the 1954 recession while the highest prosperity in our history was on its rise.

Thus far, at least, we have been fortunate here in Colorado that almost everybody has gone right ahead with business and let other areas talk and fret about getting into a recession.

Latest evidence of how good things continue here is the report of the city's 17 commercial banks—more money in the accounts of their customers for this people spending as opposed to Government spending.

The total is a healthy $910 million—an increase of more than $31 million over a year ago and almost $59 million over the 1956 spring total.

That's just one more indication that we don't have any recession and that we have no business trying to talk ourselves into one merely because some areas have been experiencing a leveling off from the highest peaks.

The production, employment, and other keys to the economy depend on the consumer. The consumer buys according to his needs or wants.

If his needs or wants are supplied, he slows down his spending temporarily. More needs and more wants will start him up again—providing he isn't scared off by election-jittery politicians or, more likely, priced out of the market by inflation.

The only antidote you hear in Washington is more spending—of the taxpayers' money. This leads along only one route—another rising round in the cost of living. And that can lead to only one result—another leveling off. The greater the inflation the harder the fall.

This is what the politicians are cooking up in Washington.

And it reminds of what a famous man said in a speech a few years ago:

"Let me point out again that politicians do not produce the goods of America. Political parties do not produce the wealth of America. The people do it, and the only thing the political parties have to give out is what they first take from you, the people."

The man was Gen. Dwight D. Eisenhower, in 1952.

[From the Boulder (Colo.) Daily Camera of March 7, 1958]

"THE ONLY THING WE HAVE TO FEAR——"

In this atomic age many things seem to work by chain reaction. One small blast sets off another, starting a string of explosions that lead up to and add up to something terrifying.

Our economy being pretty well tied together by mass communication, mass credit, mass distribution, and mass transportation, the stage is always set for a chain reaction. The hysteria of the Red witch hunts in recent years, the scandalous impact of race trouble in Little Rock, the panic and shock of the first Russian sputnik—these are examples of the contagious spread of ideas across the land.

So it is also with recessions. Key sectors of the economy experience a slowdown, and the whole country becomes apprehensive. The stock market flutters, and the people start hanging on to their money a little tighter. A major industry finds it has guessed wrong and has overproduced, men are laid off, and workers everywhere begin to fear for their jobs.

During the great depression of the 1930's, President Franklin D. Roosevelt said, "The only thing we have to fear is fear itself." That down-to-earth gem of personal and collective courage was just what the country needed to steer its thinking out of the horse latitudes of negativism and back into the channels of positive objectives.

If fear was our worst enemy then, it is our worst threat now. For fear is contagious, and the American public seems peculiarly susceptible to contagion.

After the stock market antics of last year, business fell into a state of apprehension. Statistics on sales, credit, living costs, production, and unemployment were mildly discouraging in general and somewhat serious in a few spots. But apprehension over the prospects of fall and early winter business seemed to spread to all corners of the land. Businessmen were dubious.

When the season ended, however, sales records generally were healthy, and while there was not much percentage gain over the previous year, sales compared favorably with the previous year's mark.

Things weren't as bad as had been feared.

It would be silly for us to close our eyes and tell ourselves there is no recession. But it is just as silly to imagine the present slowdown to be worse than it actually is—or to make it worse by negative thinking. If in prosperous times aggressiveness and positive action keeps business growing, surely in slower times the same qualities will help keep business healthy.

The trouble with too many Americans—businessmen and customers alike—is that the mere suggestion of a recession drives them into the storm cellar to stand by and see what happens.

But no matter how bad times have been in the past, there have always been a few courageous souls who have used their heads to successfully fight out the storm. We've all heard of businessmen who put their imagination to work to stimulate sales during the great depression—and made money. We've all heard of workers, put out of work by the great depression, who had enough self-reliance to get out and find something to do—sometimes even creating jobs for themselves.

In time of economic stress a little gumption and a little imagination can go a long way.

We note that several major manufacturers already have put their common sense to work to good advantage in the current recession by abolishing that enemy of free competition—the so-called fair-trade pricing scheme.

We note that some retail firms have backtracked to the days before the country boarded the gravy train and are thinking again in terms of old-fashioned competition. We note here and there that genuine bargains are being offered—not hot-air bargains—but real money-saving bargains that give the customer the feeling that once more he is being courted rather than endured.

We note that a great publishing firm recently bought full-page newspaper space to spread the message of the role of advertising in time of economic stress. McGraw-Hill Publishing Co. headed its ad: "The Year Advertising Helped Kill a Business Recession." The ad referred to 1954, when sales dropped 4 percent. But management increased its advertising expenditures 5 percent. As a direct result of the positive action of advertising, sales were stimulated and that recession turned out to be one of the mildest on record.

Let's take a look at one fact—a fact that ought to be shining brightly as a guide to business and consumers, but unfortunately a fact that has somehow gotten lost in the shadow cast by the cloud of economic fear.

This fact is that consumer cash reserves in this country are in the neighborhood of $225 billion.

Does this figure justify the current trend to reduce sales efforts? What kind of fear is it that can blind us to plainly evident economic opportunities, and drive us into the corners of the storm cellar waiting for something to happen?

Let's be sensible—yes. Let's not squander our hard-earned money. Let's not throw our cash away on ballyhoo.

But let's be courageously realistic, too. As consumers, let's not deprive ourselves of the things we need and want as long as we can afford them. As businessmen, let's not sit on our hands and fret because things have tightened up a little. When the businessman gets down in the mouth his customers naturally get wary. Gloom does not attract buyers. Optimism does.

The magazine Purchasing Week said in its latest issue: "When the upswing does come, it will probably start in one area, become contagious, spread to other key sectors. And based on historical evidence, it could be soon."

Contagion works both ways. The somber mood of a funeral is contagious. So is the mirth of a comedy show. And the same people react to both extremes—catch the "bugs" of gloom and laughter.

The Good Book says: "As a man thinketh in his heart, so is he." If we think we're whipped, we are—even before the struggle.

Mr. YARBOROUGH. Mr. President, we have just heard a remarkable statement which seemed to imply that the extension of unemployment compensation for another 13 weeks, to persons out of work, which would provide a modest fraction of their weekly wage, would be a measure to end the recession.

I am for the extension of unemployment compensation, as proposed by the distinguished senior Senator from New Jersey [Mr. CASE] and the distinguished Senator from Colorado [Mr. ALLOTT], but these meager payments will not end any unemployment; they are just to hold body and soul of an unemployed man together until he can find a job.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ALLOTT. It does not take much mathematics to figure out that if a man

has a family of 4, and his exemption were increased $100, and he is on a 25-percent basis, which is a little high, although I will give him the benefit of the doubt, the total savings for the year would be $100.

If the $100 is spread over 52 weeks, that is no impact on the economy, and I cannot see how it helps the man materially.

But it really helps the man who is out of work and who has exhausted his unemployment compensation to have funds in his hands to take to the grocery store, to buy groceries, to pay the light bill, to buy coal, to keep himself off the soup line, or from begging, or something similar.

I do not say that this will end the recession. Many other factors are in the works. We shall have to watch carefully. But I say again this is no time to be stampeded.

When we talk about a tax cut at this time and talk about its curing the recession, we are talking politically; we are not talking sense or being objective.

Mr. LONG. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. LONG. I doubt that the amendment of the Senator from Texas will be agreed to today; but I assure him that if the present trend continues, there is no doubt that we shall be compelled to pass some sort of tax relief bill along the line the Senator is advocating today.

I do not know whether someone will call it politics, but I think it will be necessary to do something of that nature.

I think the Senator is premature with his amendment, but I know that he is, in good conscience, trying to provide some needed tax relief at a time when it is necessary to put additional money in circulation.

I deplore the suggestion, whenever someone calls for tax relief for the ordinary man, that he is playing politics. There have been bills for the relief of large corporations, which is what the pending bill is. I shall vote for it. But the bill provides relief to the amount of $125 million for the insurance companies of the Nation.

No one has charged the Committee on Finance with playing politics in reporting the bill. If the Senator from Texas wishes to offer his amendment, he has a right to do so. I hope no one will attempt to say it is politics because the Senator from Texas wants to make certain that the average workingman gets relief.

I hope that before this session of Congress is concluded, legislation along this line will be enacted.

Mr. YARBOROUGH. I thank the Senator from Louisiana for saying he hopes that no one will say this proposal is politics. It is wholly immaterial to me whether someone says it is politics. I do not fall for clichés. I am wholly unintimidated by the Madison Avenue approach to government. It is immaterial what terminology is used. This proposal is sound economics.

Mr. LONG. Coming from Louisiana, an adjoining State, I believe the Senator from Texas ran for office on the platform that he expected to fight and vote for an amendment such as the one he has offered. If that be politics, I say it is good politics—for a man to keep his word.

Mr. YARBOROUGH. I agree with the distinguished Senator from Colorado that an extension of 13 weeks of unemployment compensation to the unemployed is necessary. It is a small matter; a stopgap. It will not put a man back to work. It will help him for a short period of 13 weeks, when he has already used up all his unemployment insurance, because the recession has already gone on a long time. It will give him something to hold body and soul together. I am for it. But that is a minor matter compared with a tax cut or some other measure which will put people back to work and put money in the channels of commerce.

We find our colleagues on the other side of the aisle, when the economics, the logic, and the sound political science of a situation make a proposition unanswerable, using the old clichés they have used for 6 long years.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I will answer the Senator first; then I will yield to him. He says there is no sense in what I say. Let us see if there is. In 1954, when the Republican tax bill was before the Senate, the late distinguished chairman of the Committee on Finance, Senator George, offered an amendment to raise the personal exemption from $600 to $700. I do not think the distinguished Senator from Colorado would say that Senator George was a radical in any sense of the word or that his tax measures did not make sense. That proposal lost by a vote of 46 to 49. The Republican Party was successful in defeating it.

The 1954 tax cut was a corporation tax cut.

I say it is time now to extend a tax cut to the people, rather than to wait until later in the session, and then to have another big-business tax cut proposed by the Republicans.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ALLOTT. The Senator asked a rhetorical question a few minutes ago. I recall to his mind that it was the junior Senator from Texas himself who was going back 25 years, going back to the 1930's, and trying to fight the election of 1932 all over again.

We used to have in law school a saying—at least, our professor told us it was a common saying—that if one did not have the facts on his side, to argue the law; that if he did not have the law on his side to argue the facts; and that if he did not have either the facts or the law on his side, to holler like the devil and beat the desk.

Let me say to the Senator——

Mr. YARBOROUGH. Go ahead.

Mr. ALLOTT. The Republicans are not trying to be anything but objective. This administration has been objective. I shall not come into the Chamber—I say this for myself, but I think I can say it for other Senators on this side of the aisle—and try to play politics at this crucial time, when I think it is most necessary for the people of the Nation to keep their feet on the ground and to keep their heads working logically instead of politically.

Mr. YARBOROUGH. I have been somewhat amazed to hear the distinguished Senator from Colorado speak as he has, when 6 million persons are walking the streets, with no sound grasp on a job, wearing bleak looks because there is no paycheck.

The leadership in the move to alleviate that suffering has come from this side of the aisle, whether it be in the initiation of a public works program as proposed by the distinguished majority leader, or a tax cut.

Some people call it politics; some call it Government; some call it political science. It matters not what it is called. A rose by any other name would smell as sweet. When a man is hungry, his stomach empty, his hopes fading, it is time for action, and I demand it. Yet some persons call that demand for action politics.

Mr. ALLOTT. Does the Senator think that $2 a week will give a large family much help?

Mr. YARBOROUGH. Senators on either side of the aisle ought to blow either hot or cold. They talk about beating the desk and raising the devil; that is what they are doing, because half of them are talking about our tax cut bankrupting the Government, and the other half are saying that to give $2 a week in a tax cut will not amount to anything.

Mr. ALLOTT and Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. YARBOROUGH. Mr. President, in a moment I shall yield to the Senator from Montana, and then to the Senator from Colorado.

Mr. President, I did not originate this idea, although I would have been glad to have had the honor of doing so. It was a plank in the national platform of the Democratic Party in 1956. It was endorsed by the entire Democratic Party. But it did not originate there, either. Senator George, of Georgia, tried to have this proposal written into the tax law in 1954, but he was unsuccessful in doing so. He proposed that the exemption be increased from $600 to $700. But the vote in this Chamber on that amendment was 46 yeas and 49 nays.

Certainly my colleagues on this side of the aisle have fought for this for years. We are proud that they have done so. My colleagues on this side of the aisle have a responsibility to do something about this tax cut, because we pledged it as a party. It is a Democratic measure.

Mr. President, at this time I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I was going to call attention to the statement the Senator from Louisiana [Mr. LONG] made a few moments ago, namely, that in the campaign the junior Senator

from Texas advocated an increase from $600 to $800 in the exemption.

Furthermore, I believe the junior Senator from Wisconsin [Mr. PROXMIRE] campaigned on the same issue.

Is it not true that within the past week, the Vice President issued a press statement to the effect that he thought a tax reduction would be necessary within several weeks?

Mr. YARBOROUGH. Yes, so I understand.

Mr. MANSFIELD. Is it not also true that at the time when the Secretary of Labor met with the AFL–CIO delegation, he expressed the thought that a tax reduction should be forthcoming within a month?

Mr. YARBOROUGH. I believe he did.

Mr. MANSFIELD. Is it not also true that after the Secretary of Labor, Mr. Mitchell, made that statement, Mr. Jim Hagerty, who speaks for the President, cut Mr. Mitchell down to size, so to speak, by saying, "Well, let us wait and see."

In other words, we find that prominent persons in this administration have been talking about and advocating a tax cut. If it is politics for the Senator from Texas to make such a proposal, I say it is politics for them, too. Certainly what is fit for one is fit for the other.

Mr. YARBOROUGH. I thank the distinguished Senator from Montana.

Mr. President, I wish to ask a question: What is politics? It is an expression of the governmental ideals of the person who happens to be speaking at a given time.

For me, politics is good government. In my view of it—although I do not agree with everyone else on this subject—politics is nothing but the art of government, reduced to the everyday workings of government. It is the working part of political science; it is what helps the people make up their minds, and it is what results in writing measures into law.

Certainly the passage of any law is politics, but it is also political science. Whether a law is good or is evil is determined by its effect on the people and on the economy, and not because someone jumps up and says, "Oh, that is politics." Certainly that is no answer. Politics is applied political science.

Mr. ALLOTT. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield.

Mr. ALLOTT. I shall be happy to join the Senator from Texas in requesting that the yeas and nays be ordered on the question of agreeing to the amendment.

Mr. YARBOROUGH. I thank the Senator from Colorado.

Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

On this question the yeas and nays have been demanded. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I rise to a point of order: The Senator from Texas [Mr. YARBOROUGH] has the floor. He did not yield for the purpose of the suggestion of the absence of a quorum. Before the Senator from Massachusetts suggests the absence of a quorum, he must request the Senator from Texas to yield for that purpose. But that has not been done. Therefore, Mr. President, I raise the point of order.

Mr. SALTONSTALL. Mr. President, the vote on the amendment was about to be taken, so I suggested the absence of a quorum.

Mr. BUTLER. Mr. President, I rise to a parliamentary inquiry: After the Senator from Texas yielded to the Senator from Colorado, did not the Senator from Massachusetts have a right to suggest the absence of a quorum?

Mr. MANSFIELD. Mr. President, I rise to a point of order: The Senator from Texas yielded to the Senator from Colorado, and the Senator from Colorado said he would be happy to join the Senator from Texas in requesting the yeas and nays on the question of agreeing to the amendment of the Senator from Texas.

Then the Senator from Texas asked to have the yeas and nays ordered on the question of agreeing to his amendment. The Chair inquired whether there was a sufficient second, and announced that there was not a sufficient second. Then the Senator from Massachusetts suggested the absence of a quorum. But throughout that period of time the Senator from Texas held the floor; and he still has the floor.

The PRESIDING OFFICER. Let the Chair inquire whether the Senator from Texas desired to hold the floor.

Mr. YARBOROUGH. Mr. President, at this time I yield the floor.

Mr. SALTONSTALL. Mr. President, again I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will resume the call of the roll.

The legislative clerk resumed the calling of the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection being heard, the clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll; and the following Senators answered to their names:

Aiken	Clark	Hayden
Allott	Cooper	Hickenlooper
Barrett	Cotton	Hill
Beall	Curtis	Hoblitzell
Bible	Dirksen	Hruska
Bricker	Douglas	Ives
Bridges	Dworshak	Jackson
Bush	Ellender	Javits
Butler	Ervin	Jenner
Byrd	Flanders	Johnson, Tex.
Capehart	Frear	Johnston, S. C.
Carlson	Fulbright	Kennedy
Carroll	Goldwater	Kerr
Case, N. J.	Gore	Knowland
Case, S. Dak.	Green	Kuchel
Langer	Murray	Smith, N. J.
Lausche	Neuberger	Sparkman
Long	Pastore	Stennis
Magnuson	Payne	Symington
Malone	Potter	Talmadge
Mansfield	Proxmire	Thurmond
Martin, Iowa	Purtell	Thye
Martin, Pa.	Robertson	Watkins
McClellan	Russell	Wiley
McNamara	Saltonstall	Williams
Monroney	Schoeppel	Yarborough
Morse	Scott	Young
Morton	Smathers	
Mundt	Smith, Maine	

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I further announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] are absent on official business attending the funeral of the late Representative John J. Dempsey.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business.

The Senator from West Virginia [Mr. REVERCOMB] is detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing——

Mr. YARBOROUGH. Mr. President, I yield to the distinguished senior Senator from Colorado [Mr. ALLOTT]. He desires to request the yeas and nays.

Mr. ALLOTT. May I inquire if the Senator from Texas is yielding the floor?

Mr. YARBOROUGH. I yield the floor.

Mr. ALLOTT. Mr. President, I ask for the yeas and nays on the amendment which is now pending.

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, there are one or two matters to which I should like to address myself briefly, before the vote is taken. In doing so, one of the things I should like to do, if I may, is to address a question to the distinguished chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD], and that question is this: Were hearings held before the Finance Committee on the amendment now pending, or a similar one, this year?

Mr. BYRD. No hearings were held by the Finance Committee on the pending amendment.

Mr. ALLOTT. May I inquire if the amendment now pending before the Senate is a printed amendment?

Mr. BYRD. I assume it is.

The PRESIDING OFFICER. The Chair is advised that the pending amendment is the same as the text of S. 3411, but no amendment has been printed separately in the form of an amendment.

Mr. ALLOTT. I thank the Chair.

I desire to make perfectly clear what my own position in this question is. First, I do not believe such an amendment will offer any immediate relief or do any immediate good for the country. There may well come a time this year when we shall have to consider such legislation. The present unemployment

figures are already 30 days late. We are unable at this time to judge what the effects of the expanded governmental spending program will be.

We are unable to determine what are the prospects for increased reclamation projects, post-office buildings, and many of the other things this administration offers.

The proposal has not been considered by the Committee on Finance. I have confidence in the committee to consider these matters, which I think are of vital importance to the country. The committee has made no favorable recommendation, and because I believe it is an economic necessity at this time for them to make a recommendation, I think it would be premature in the extreme for us to take the proposed action. I oppose taking this action at this time. I want to make it very clear, on the other hand, that I support the proposition of the Senator from New Jersey [Mr. CASE].

I am willing to rest my remarks on this statement. I believe it will be for the good of the country if we do not take favorable action on the amendment at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH] for himself and other Senators. The yeas and nays have been ordered.

Mr. KERR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Green	Mundt
Allott	Hayden	Murray
Barrett	Hickenlooper	Neuberger
Beall	Hill	Pastore
Bible	Hoblitzell	Payne
Bricker	Hruska	Potter
Bridges	Ives	Proxmire
Bush	Jackson	Purtell
Butler	Javits	Robertson
Byrd	Jenner	Russell
Capehart	Johnson, Tex.	Saltonstall
Carlson	Johnston, S. C.	Schoeppel
Carroll	Kennedy	Scott
Case, N. J.	Kerr	Smathers
Case, S. Dak.	Knowland	Smith, Maine
Clark	Kuchel	Smith, N. J.
Cooper	Langer	Sparkman
Cotton	Lausche	Stennis
Curtis	Long	Symington
Dirksen	Magnuson	Talmadge
Douglas	Malone	Thurmond
Dworshak	Mansfield	Thye
Ellender	Martin, Iowa	Watkins
Ervin	Martin, Pa.	Wiley
Flanders	McClellan	Williams
Frear	McNamara	Yarborough
Fulbright	Monroney	Young
Goldwater	Morse	
Gore	Morton	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH] for himself and other Senators.

Mr. NEUBERGER. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order. Members will kindly take their seats. The Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I desire to state briefly why I am going to oppose the amendment of the able Senator from Texas.

I believe the amendment has great merit. I believe the amendment has great validity. Yet, Mr. President, I believe a responsible approach to fiscal considerations compels me to oppose the amendment.

During the past 2 days I have been the successful sponsor in the Senate Subcommittee on Public Roads of the Committee on Public Works of very substantial additional funds which will be of great benefit to my State. For example, I urged that the authorization for forest access roads be increased from $27 million to $34 million, and I urged that the authorization for forest highways be increased from $30 million to $36 million. These efforts on my part were, fortunately, successful.

Along with the able junior Senator from Idaho, I urged that at least an additional $4 million be provided for the great Lewis and Clark Tourway down the Lochsa River through the Bitterroot Mountain Range, which will cut off 100 miles of the driving distance between Portland, Oreg., where my home is located, and Missoula, Mont.

I have led the effort in the Indian Affairs Subcommittee to favorably report our Klamath Indian bill, which may cost up to $150 million, and I was successful this week in having reported from the Subcommittee on Public Lands my bill for the Fort Clatsop National Memorial Shrine, which will cost the Government some $266,000.

I have been urging the authorization of additional funds for the construction of the great John Day power, navigation, and flood-control project on the upper Columbia River.

I have been urging the authorization of further funds for the deepening of the upstream navigation channel on the Columbia River between Vancouver and The Dalles; for Green Peter Dam on the Santiam River, and for Hills Creek and Cougar Dams on the upper Willamette River.

In addition, I was successful in obtaining a grant approved in principle by the National Institutes of Health for $1,250,000 matching funds to the University of Oregon Medical School for a medical research center building at Portland. I am pleased that the great National Institutes of Health have ratified and approved this merited Oregon grant in principle.

There are so many public-works projects which we in the Pacific Northwest have been urging upon Congress and the administration that if I were to enumerate them all here today I would trespass unduly upon the time of my colleagues, far into the evening.

I do not believe that Senators should, on the one hand, urge all kinds of Federal expenditures, and on the other hand, vote for very large tax reductions, which would reduce the revenue of the Government. I can understand Senators who say, "I am going to support an extensive tax cut, and in order to make the tax cut valid, reasonable, and logical, I am going to be against any additional Federal spending." But I do not wholly understand Senators who say, "I favor, on the one hand, very large tax cuts, and on the other hand, a great increase in Federal spending." I do not believe that is possible. I do not believe the American people think that is possible, unless we so devaluate and cheapen the worth of the dollar that they spend at the Safeway stores for food far more than they ever gain in tax reductions.

As a Senator who has tried to take the leadership in increased expenditures for Federal public works which I believe will be of great benefit for my State and region, and as a Senator who has tried to take the leadership in increased authorizations for roads in our national forests which would make possible a far larger allowable cut in the lumber industry, which is Oregon's No. 1 source of employment, I do not see how I can advocate such increased expenditures and, at the same time, go along with a very large reduction in the revenues of the Federal Government.

It seems to me that the two positions are mutually inconsistent, and that I would be validly subject to the criticism of inconsistency and hypocrisy if I were to advocate them.

Therefore, I must regretfully vote against the amendment offered by my good friends from Texas and Wisconsin. I wished to state my reasons briefly on the floor for taking that position.

Mr. CAPEHART. Mr. President, there are a number of bills pending to pay additional unemployment compensation. It has been suggested, I believe, by the President of the United States.

This afternoon I made the suggestion that the additional unemployment compensation should be paid out of the reserve funds now in existence for that purpose. I refer to the reserve funds under the unemployment insurance program.

I now have figures from the administration. There is in the reserve fund $8 billion plus. That $8 billion plus belongs to the 48 States and the Territory of Alaska.

In addition, $200 million is being held by the Treasury for the purpose of lending money to the States which might exhaust the funds they have for this purpose. So far, no States have borrowed money from that fund. The Territory of Alaska has borrowed.

I rise to give these figures only to show that I think I am on sound ground when I suggest that if we are to increase unemployment-compensation payments we should take the money out of the reserve fund. I am not opposed to the suggested amounts, or the number of weeks' coverage. My suggestion is that we find some way to use the money in the reserve fund, which is now in the form of United States Government bonds, which would reduce the debt if they were to be used.

I thought the Senate should have the information that there is approximately $8 billion in that fund. I understand that the largest single portion of the fund is for New York State, which has $1,300,000,000 to its credit. So we might well use 20, 30, or 40 percent of the $8 billion for the purpose of increasing unemployment compensation. I insist that it ought to come from the reserve fund. We ought to find some way, by legislation, to use that money. At the moment I do not know how.

Mr. KERR. Mr. President, much as I regret to do so, I shall be compelled to vote against the pending amendment.

To begin with, it would cost the Treasury at the rate of $5,200 million a year. If it were in effect for the time I believe it would be in effect, as I read the amendment, it would cost the Treasury approximately $4 billion for the calendar year 1958.

I believe that when we reach the point where it will be possible, under the fiscal condition of our Government, to make a tax reduction, the first reduction should be in the form of an increase in the personal and dependency exemptions, or a tax credit calculated to achieve approximately the same purpose, but with this difference: An increase in the exemption of $200 would be disproportionate in the case of a large percentage of taxpayers—in fact, the great majority of them—because the tax benefit would be proportionately greater in their case.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. CASE of South Dakota. When the distinguished Senator started his remarks there was a little confusion in this area, and it was impossible for me to catch accurately the figures which he mentioned. I understood him to say that the cost to the Treasury of the pending amendment would be in the neighborhood of $5 billion.

Mr. KERR. The annual rate would be approximately that sum; but, as I understand the amendment, withholding would become effective after enactment, and the best calculation as to when it would become effective if attached to this bill as an amendment shows that the cost for this calendar year would be $3,900 million, or practically $4 billion.

Mr. CASE of South Dakota. Roughly, $4 billion for the remainder of the calendar year.

Mr. KERR. Yes.

Mr. CASE of South Dakota. And $5 billion plus for a full year?

Mr. KERR. Yes.

Mr. CASE of South Dakota. In other words, the impact on the Treasury would just about cancel out the room which we gave the Treasury a few days ago by raising the debt ceiling $5 billion.

Mr. KERR. The Senator is correct.

Mr. CASE of South Dakota. Would the adoption of this amendment mean that tomorrow we would have to increase the debt ceiling again?

Mr. KERR. It would mean either that we would have to abandon what I believe Senators had in mind doing when we increased the debt ceiling by the $5 billion additional leeway, or, to make the amendment workable and effective, we would have to increase the debt limit again in an amount sufficient to take care of the deficit or decrease in revenue which would be caused by the enactment of this amendment.

Mr. CASE of South Dakota. I thank the Senator for his statement.

Mr. KERR. If an individual is in the 60-percent bracket, the amendment would mean that for a husband and wife and three children there would be an additional exemption of $1,000; and for a taxpayer in the 65-percent bracket there would be a tax credit of $650.

In the case of an individual in the 20-percent bracket, the additional $1,000 exemption would give a tax credit of $200. As the Senator from Oklahoma tried to make clear last night, he feels that the No. 1 necessity confronting the Congress, insofar as aiding and assisting our national economy is concerned, is to put more people to work.

Even if we added to the pending bill a credit of $20 for each exemption, which would cost less than half as much as the proposal now before the Senate would cost, it still would benefit the people who are paying taxes and the people who are employed and the people with incomes. The great present need, which I know is in the minds of the Senators sponsoring the amendment, is an upswing in the economy. That can come only from additional purchasing power, which can come mainly from the employment of the unemployed. Therefore I must oppose the amendment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LONG. It seems to me that if we are to help the economy by means of the tax reduction, we should also think of those who are presently receiving welfare payments and are trying to get along on $25 or $30 a month. If we want people to spend more money, we should also include those who are retired under social security. The Senator could very well suggest that those who are not in possession of an income should also be considered.

Mr. KERR. The Senator is eminently correct. I cannot help but feel that the effective way to approach the recession confronting the Nation is to provide jobs for the unemployed, and purchasing power for those with reduced purchasing power.

What we sought to do in passing the joint resolution with reference to farm-price supports was to shore up and to stiffen the price supports, in order to improve the income and the purchasing power of the farm people.

The other front on which we must make the attack is that of providing jobs to the unemployed. To provide jobs for the unemployed by Government spending, we must spend money. We cannot do it by reducing taxes, especially at a time of economic recession. In my judgment it is not the wise approach to give an increased exemption to all taxpayers, so that those in the high brackets would get four times as much benefit as those in the low brackets, when those in the high brackets would not increase their spending even if we passed the bill, because their purchasing power has not been damaged by the recession. Nor would they increase their expenditures if we granted the exemption called for by the amendment. It would merely add to their already abundant purchasing power.

I must also oppose the adoption of the amendment for the reason that, in my judgment, if it were attached to the pending bill, it could not become a law. It might result in killing the bill. That might be the purpose some Senators have in mind in supporting it. I do not know. I would not be in a position to say. It is the opinion of anyone who makes a careful and accurate analysis of the bill that adding an amendment of this kind would be of no benefit to those whom the amendment is intended to help, because they would not be helped. It could not become the law as a part of the pending bill. Instead of the bill becoming the vehicle whereby the proposed benefit could be made available to those for whom it is intended, it would actually become the burden whereby the vehicle would collapse, the vehicle would not reach its destination, and the benefit would never go to those for whom the amendment is evidently intended, and worthily so.

Therefore, it seems to me that it would be wise to reject the amendment.

Mr. YARBOROUGH. Mr. President, I desire to take only about 2 minutes, in order to answer the argument of the distinguished junior Senator from Oregon [Mr. NEUBERGER] that the amendment is in conflict with the proposal for public works and public improvements. I should like to call to the attention of the Senate that the proposed reduction would expire on December 31 of this year. It is intended to be in effect for only 1 year.

We know we cannot get under way immediately the great dams proposed by the majority leader and we cannot get the great public-works program and the great public-roads program. We cannot pour the concrete until January. My amendment would let money flow into the channels of trade before January. If the amendment were adopted and the bill passed this month 10 days before the 1st of April, it would become operative in April. The amount withheld would become smaller and the saving would be spent in retail stores.

I call attention to the fact that of the 42,633,000 persons who file income-tax returns, 40,506,000, or a total of 95 percent, would receive most of the benefits. The amendment would put that money into the pockets of people all over the country. That is its prime purpose. Of all the measures pending in Congress, this amendment would be the one that would prime the pump the best and the quickest, and would make it possible to create jobs for the 5 million unemployed.

Mr. SMATHERS. Mr. President, I desire to take only a few minutes of the Senate's time to state the reasons why I propose to vote against the amendment, although I am, of course, sympathetic with the purpose of the amendment, and the goal which is sought to be achieved. All of us agree that unemployment is increasing every week and that new business starts are way down; likewise, I am sure all of us would agree, when we look at the record, that bank deposits are very high, that the individual income of those people who are working is as high as it was last year and in recent years. We see that the number of bank accounts is also increasing. The only conclusion we can arrive at is that the people who are working have money but they are afraid to spend it, they are uncertain about the future. Why are

they uncertain? It is because they have lost confidence in the future.

If we adopt the pending proposal before it has been presented to our Finance Committee, without having any testimony on it from the Treasury Department—and certainly the Secretary of the Treasury has some responsibility in this matter—we would follow an unwise course. Whether we are Democrats or Republicans, we certainly must agree that the men who administer our fiscal affairs should be heard from on this important financial matter.

Therefore if we rush it through and adopt a $5½ billion bill in the space of a few hours, without hearings and without one word of testimony before the Committee on Finance I believe we would wind up in having the people of this Nation lose confidence in the United States Senate. The Senate has been called, and I am sure it is, the world's greatest deliberative body. However, we have not been very deliberative or considerate of this measure. We do not want the people of the country to lose confidence in their Government to intelligently and judiciously meet the problems that confront us. Surely we would be guilty of hasty and ill-considered action. Furthermore I would say, as the able Senator from Oklahoma [Mr. KERR] has already said, that I doubt the wisdom of taking the step that is proposed here this afternoon on this bill. It may be that in a few weeks, or perhaps even in a few days, we will decide that the recession has become so bad that we should proceed in a proper way to do something about it. However there are normal procedures that should be followed and they can be followed with expedition. I for one cannot support this amendment because we have not been responsible, because we have not been deliberate, and because it involves too much money and is too far reaching to act on it in an ill-considered fashion as we are now doing.

Mr. MUNDT. Mr. President, I wish to take only a few minutes of the time of the Senate. I should like to congratulate the junior Senator from Florida on the soundness and persuasiveness of his argument. I associate myself fully with what he has said. I suspect that all Senators would be very happy if we could maintain fiscal responsibility and at the same time reduce taxes for all our constituents, and increase the personal exemptions. There is a great deal of appeal in it, and it may come to pass. I believe when it does come it should come after careful consideration by a committee and its wise staff and in conjunction with an overall tax bill.

I should like to add, as the junior Senator from Florida has said, that not only would the adoption of the amendment today very understandably and rightfully tend to shatter the confidence of the people in our Senate and in our fiscal policy, but it would inevitably trigger an inflationary spiral, because it would amount to a tax cut paid out of borrowed money. While it is proposed to help people with smaller incomes, it is the kind of tax reduction under which the people with smaller incomes would get hurt first and get hurt most through uncontrolled inflation, because the people with substantial incomes can always run to the cyclone cellars, by finding ways in which to protect themselves when inflation comes.

They have investments in the markets. They have real estate. They are able to move around with the capacity of considerable financial resources to protect themselves against inflation.

But the fellows who have small amounts of money, those whom an amendment of this kind is designed to help the most, are the greatest victims of uncontrolled inflation. They have no place to move. They are working with a small budget. They cannot increase their income. They cannot protect themselves.

It seems to me that in the long run by adopting this amendment now, we would be doing a great injury to the people having smaller incomes. By capricious action of the Senate, we would be throwing fiscal responsibility to the wind by adopting an amendment of this type when offered on the floor of the Senate by a Senator acting without prior committee approval.

Mr. BYRD. Mr. President, I regard this as an extremely important amendment. I have been in the Senate 25 years. I do not believe I recall an amendment of this great importance, affecting the financial conditions of the country, being adopted on the floor without its first having had committee consideration.

The amendment will necessitate the changing of the withholding tax forms within a period of 2 weeks. Every employer throughout the country would be required to obtain new forms by April 1, in order to operate within the amendment, because the amendment provides for 9 months of deduction of taxes in accordance with the increased exemptions.

I have prepared a few figures which I think the Senate should consider concerning the effect of the amendment.

On a 1-year basis, on a thousand dollars of taxable income, there would be a saving of $40, while a man who has $100,000 income would save $174. The man who has a $100,000 income would save, in order to relieve the recession, or whatever it may be, $174.

A married couple having no dependents, and having a $2,000 taxable income, would receive $80. A married couple having $100,000 income would save $288.

A married couple with two dependents, and having $10,000 income, would save $160. With a $100,000 income, the saving would be $576.

I point this out to show the complexity of the tax laws. The amendment does not apply to the so-called lower salaried income groups entirely; it also applies to the higher brackets.

I hope the Senate will not take action of this kind in such hasty fashion as this. This kind of proposal should go through the regular process of the Committee on Ways and Means of the House and then come to the Senate Committee on Finance. Let that committee examine such a bill and, in due course, report it to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH] for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Mississippi would vote "nay."

The Senator from Florida [Mr. HOLLAND] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Florida would vote "nay" and the Senator from Minnesota would vote "yea."

The Senator from Wyoming [Mr. O'MAHONEY] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Georgia would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business, and if present and voting, he would vote "nay."

The Senator from Arizona [Mr. GOLDWATER] and the Senator from West Virginia [Mr. REVERCOMB] are detained on official business. If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 19, nays 64, as follows:

YEAS—19

Carroll	Langer	Pastore
Douglas	Long	Proxmire
Gore	Magnuson	Scott
Green	Mansfield	Sparkman
Hill	McNamara	Yarborough
Jackson	Morse	
Johnston, S. C.	Murray	

NAYS—64

Aiken	Flanders	Mundt
Allott	Frear	Neuberger
Barrett	Fulbright	Payne
Beall	Hayden	Potter
Bible	Hickenlooper	Purtell
Bricker	Hoblitzell	Robertson
Bridges	Hruska	Saltonstall
Bush	Ives	Schoeppel
Butler	Javits	Smathers
Byrd	Jenner	Smith, Maine
Capehart	Johnson, Tex.	Smith, N. J.
Carlson	Kennedy	Stennis
Case, N. J.	Kerr	Symington
Case, S. Dak.	Knowland	Talmadge
Clark	Kuchel	Thurmond
Cooper	Lausche	Thye
Cotton	Malone	Watkins
Curtis	Martin, Iowa	Wiley
Dirksen	Martin, Pa.	Williams
Dworshak	McClellan	Young
Ellender	Monroney	
Ervin	Morton	

NOT VOTING—13

Anderson	Goldwater	O'Mahoney
Bennett	Hennings	Revercomb
Chavez	Holland	Russell
Church	Humphrey	
Eastland	Kefauver	

So the amendment offered by Mr. YARBOROUGH, for himself and other Senators, was rejected.

The PRESIDING OFFICER (Mr. CLARK in the chair). The bill is still open to amendment.

The LEGISLATIVE CLERK. A bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. When a yea-and-nay vote is in process, is it in order for a Senator to request unanimous consent that there be a 2-minute recess, in case some Senator has difficulty arriving in the Chamber in time?

The PRESIDING OFFICER. The Chair will confer with the Parliamentarian.

The Chair is advised that a unanimous-consent request is in order at any time.

The bill is still open to amendment.

If there be no further amendment to be proposed, the question is on the third reading of the bill.

Mr. KNOWLAND. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. It is my understanding that the bill already has been read the third time.

The PRESIDING OFFICER. It is the understanding of the Chair that the clerk read the bill the third time without having been requested by the Chair to do so. The Chair now makes the request retroactively.

Mr. KNOWLAND. On the third reading?

The PRESIDING OFFICER. Yes; on the third reading.

Mr. WILLIAMS obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Delaware yield to me, to permit me to propound a parliamentary inquiry?

Mr. WILLIAMS. Certainly.

Mr. JOHNSON of Texas. Mr. President, a moment ago I understood the Chair to say that a unanimous-consent request is in order at any time.

In view of an error the majority leader made last evening, and in view of a commitment which he had made, but did not keep, he would like to read to the Senate rule XII, or at least the portion of it on which he bases his parliamentary inquiry:

> And no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote.

Last evening, Mr. President, when I was attempting to obtain a unanimous-consent agreement, my friend, the Senator from Illinois [Mr. DOUGLAS] asked that the time required for quorum calls not be charged to the time available under the agreement. I explained that a quorum call could be had before the vote was taken, without having the time required for the quorum call charged to the time available under the unanimous-consent agreement. I added that there would be a quorum call before the vote was taken.

Then I was called from the Chamber. I returned to the Chamber just before the vote was taken. But the absence of a quorum was not suggested. As a result, one of my colleagues—who had relied on my assurance that there would be a quorum call, and who relied upon my commitment that there would be a quorum call—did not reach the Chamber until 2, 3, 4, or 5 minutes after the result had been announced.

I informed him that my understanding of rule XII was that under no circumstances could his name be added to the roll.

I now ask the Chair whether, by means of a request for unanimous consent, and if such consent is granted, in view of the error I made last evening, the name of a Senator may be added to that vote.

The PRESIDING OFFICER. The Chair has had his attention called by the Parliamentarian to the following sentence in rule XII:

> No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent.

That sentence immediately follows a clause which reads:

> No Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer.

The Chair is therefore reluctantly called upon to rule that a vote cannot be permitted by unanimous consent after the result has been announced.

Mr. JOHNSON of Texas. That was my understanding of the rule and my interpretation of the rule, and I have so stated in private conversations; but in light of the statements, I wanted to clarify it, and again express my regret and my apology to my colleagues for not suggesting the absence of a quorum.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Inasmuch as the matter is before the Senate, I wish to state I personally felt last night that those who were assured there would be a quorum call should have had an opportunity to have had a quorum call so they could get here. I had the cloakroom called every 5 minutes, to be sure I would be present to vote. I arrived a few minutes after the result was announced.

It seems to the Senator from Louisiana we should amend the rule so that, by unanimous consent, in a hardship situation, or when a Senator had been been assured he would be given notice in time to get here, he would be allowed to vote.

I recall instances when a Senator has been in his office and the buzzer was not working. The buzzer had broken down, and for that reason the Senator, who wanted to be in the Chamber in good conscience, was unable to be here.

It seems to me the rule should be amended so that, by unanimous consent, under certain situations, it would be possible for a Senator to be recorded, even though he arrived after the decision was announced.

I intend to submit a proposal for changing the rule, and shall try to get hearings on the proposal.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator from Delaware [Mr. WILLIAMS] has the floor. Does he yield?

Mr. LONG. Mr. President, my impression was I had the floor. I was speaking. I had obtained recognition from the Chair.

The PRESIDING OFFICER. The Chair believes the minutes will show that the Senator from Delaware had the floor and had yielded.

Mr. WILLIAMS. I had yielded to the Senator from Texas.

Mr. LONG. I believe the RECORD will show I requested recognition at the time the majority leader had spoken.

The PRESIDING OFFICER. The Chair rules the Senator from Delaware has the floor. To whom does the Senator from Delaware yield?

Mr. LONG. Mr. President, I ask that I may yield to the Senator from New Hampshire for a question.

Mr. WILLIAMS. Mr. President, I yield to the Senator from Louisiana for that purpose.

Mr. LONG. Mr. President, I ask unanimous consent that that may be done, without prejudicing the right of the Senator from Delaware to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BRIDGES. Mr. President, the Senator from New Hampshire, having great respect for the Senator from Louisiana, wants to differ with him very particularly and definitely, because the Senator from New Hampshire thinks that if the suggestion of the Senator from Louisiana were adopted, it would, perhaps, establish the worst precedent which could be set. It would mean any time there was a tie vote, Senators could be dragged into the Chamber. It would open up a whole vista of trouble. I certainly hope the Senator will not press for such a change in the rule, because, while it would be an accommodation to some Senators, I think it would cause much trouble.

Mr. LONG. My suggestion was that the privilege would be available only by unanimous consent.

Mr. BRIDGES. I understand, but I would not be in favor of such a rule even by unanimous consent.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. KNOWLAND. I merely wish to reiterate and back up what the Senator from New Hampshire [Mr. BRIDGES] has said. I can think of no more dangerous precedent which could be established or a rule which would be more fraught with bad consequences for the Senate in the future than to open up the yeas and nays after a decision had been announced by the Chair.

I certainly hope, if the proposal is pursued and it goes to the Committee

on Rules and Administration, there will not be reported to the Senate a proposal changing the existing rule which prohibits such a practice, or, if it should be reported to the Senate, I hope the change will not be adopted. I think if that happened the Senate would find itself in a more confused situation than some of the parliamentary bodies of Europe find themselves in.

Mr. WILLIAMS. Mr. President——

Mr. KNOWLAND. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. WILLIAMS. I yield to the Senator from California.

Mr. KNOWLAND. I merely should like to inquire, for the information of all Senators, if the yeas and nays have been ordered on the passage of the bill.

The PRESIDING OFFICER. The yeas and nays have been ordered on the passage of the bill.

Mr. WILLIAMS. Mr. President, I am opposed to H. R. 10021, the purpose of which is to give a $124 million, or 30 percent, retroactive tax reduction to the life insurance companies of America.

Should Congress pass this measure, we shall be establishing a precedent by recognizing for the first time in the history of our country the legality or the propriety of a retroactive tax measure.

Prior to this time it has always been the firm position of the Senate Finance Committee to refuse to adopt any tax measure retroactive beyond the year in which legal and official notice had been given of such prospective tax change.

For instance, in 1949 it was discovered that this same group of life insurance companies, under the then existing law, had paid absolutely no taxes to the United States Government for the calendar years 1947 and 1948. In 1949 the House Ways and Means Committee considered legislation, the purpose of which was to correct this glaring loophole in the law, and they passed and sent to the Senate a bill retroactively establishing a new tax formula for these life insurance companies for the years 1947, 1948, and 1949.

When this bill came before the Senate Finance Committee, it emphatically rejected the retroactive features of that tax bill for the years 1947 and 1948 on the basis that it would violate the sound principle of retroactivity as firmly established in our tax code.

I desire to quote from the CONGRESSIONAL RECORD during that debate statements by the chairman of the committee, Senator George, and the ranking minority member, Senator Millikin. Both of these men on behalf of the Senate Finance Committee took a strong position, not in defense of the companies having escaped the payment of taxes for 1947 and 1948, but against the principle of retroactivity.

Furthermore, these same insurance companies who are today advocating that Congress give them a 30-percent retroactive tax reduction for 1957 likewise testified before the Senate Finance Committee in 1949, when the question of retroactively increasing taxes for the years 1947 and 1948 was under discussion, and they strongly challenged the constitutionality of any such proposal of retroactivity.

I desire to quote excerpts from the statement of the chairman of the Senate Finance Committee and from the statement of Senator Millikin on this same question, as appearing in the CONGRESSIONAL RECORD of August 1950, as well as from the committee report. Both men strongly opposed the principle of retroactivity.

I read first from the CONGRESSIONAL RECORD, volume 96, part 10, page 13702:

> Mr. MILLIKIN. The Senate Finance Committee carried this bill back as far as it could see evidence of general information in the industry. Beyond that it would not go, because that would violate the principle of retroactivity.

Next I read from the CONGRESSIONAL RECORD, volume 96, part 10, page 13275:

> Mr. GEORGE. Mr. President, as I recall, I was trying to make clear the action taken by the committee on the insurance formula when the questions were kindly suggested.
>
> The proposed formula is intended to be a stopgap which will put an end to the tax-free status which the life-insurance companies enjoy as a result of the failure of the formula contained in existing law, and will permit the development of a permanent formula to be enacted in subsequent legislation. While no difference exists between the House and your committee with respect to the proposed formula, your committee is unwilling to recommend its retroactive application, whereas the House proposes to apply the formula in each of the years in which no tax was due under the formula containing in existing law. In the opinion of your committee the new stopgap formula should apply only to the years 1949 and 1950. Such action would not be retroactive, since the life-insurance companies have been on notice ever since the introduction of House Joint Resolution 371 on October 10, 1949, that a tax would be required for the year 1949.
>
> It is estimated that the provision contained in your committee's bill will yield approximately $122 million. Of this amount, $42 million represents the tax for 1949 and $80 million the tax for 1950.

I next desire to quote from the Senate Finance Committee Report No. 1434 on H. R. 371, 81st Congress, 2d session. I shall read from page 3 of that report, in which the committee rejected the principle of retroactivity in taxation as unsound.

I quote from the report as presented to the Senate under date of April 10, 1950, page 3:

> Your committee does not believe it advisable to apply the formula retroactively to the years 1947 and 1948. The returns for those years were filed some time ago; the books of the companies have been closed; and in some cases no reserves were established to cover the Federal tax liability. Testimony before your committee disclosed that some companies had made commitments in those years relying on the fact that no Federal income tax was payable under existing law. In some cases the payment of a tax now would impose a hardship upon the policyholders.
>
> The committee believes that the constitutionality of a tax imposed at this time on 1947 and 1948 incomes is at least debatable. From the testimony it is evident that some companies will contest the validity of such a tax. Others may be forced to do so through action of their policyholders.

I invite particular attention of Senators to the next sentence in the report of the Senate Committee on Finance:

> Even if your committee were of the opinion that a tax now levied on 1947 and 1948 incomes would be upheld by the Supreme Court, it would still oppose retroactivity extending over such a long period of time. The committee believes that the extension of a tax to 1947 and 1948 at this late date would not be a sound and reasonable step from the standpoint of fundamental public policy which requires that a taxpayer's obligation to his Government be made definite and certain at the time the tax is due.

Mr. President, in order to save the time of the Senate, I ask unanimous consent that the portion of the statement beginning on page 3, and down to and including the first paragraph on page 4, be printed at this point in the RECORD.

Mr. LANGER. Mr. President, I object. I want to have the statement read. I think this is one of the most important speeches I have heard since I came to the Senate.

Mr. WILLIAMS. I might point out to the Senator that the remainder of the statement simply points out the amount of money involved. I shall be glad to read it, if that is the Senator's desire.

Mr. LANGER. I would certainly like to have the Senator read it, if it affects the situation at all. I think the Senator is to be commended for digging up this information for the benefit of Senators.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Ohio?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the statement show what taxes would have had to be paid in 1947 and 1948 if the bill had been made retroactive to cover those 2 years?

Mr. WILLIAMS. I believe that is covered in the statement. I do not know whether I can quickly point it out for the Senator.

In the year 1950, the companies paid $73 million. I assume the figure was somewhere near the same in the other years. The figure may be in the report.

Mr. LAUSCHE. I thank the Senator.

Mr. WILLIAMS. I point out that my objection to this extension is not based upon the amount of money involved. I am opposing establishing the principle of retroactivety in tax legislation.

I remember the debate in the Senate in 1950 when this same question was discussed. I was not a member of the committee at the time, but in the debate in the Senate Chamber it was generally agreed the companies should have paid taxes for the years 1947 and 1948, however the Committee on Finance did not want to establish the principle of retroactivity. If we could do it for 1 year we could do it for 2, 3, or 4 years. If we ever adopt the principle that we can come in during 1 calendar year and make a new tax law applicable to last year's taxes, after the taxpayer has closed his books, the American taxpayers will never know under what kind of a system they are operating.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I think it is a very unsound principle. While the defeat of the measure today under consideration will provide $124 million in additional revenues for the Government, I made clear in my statement that is not the basis of my argument. I should be equally emphatic in opposing the measure if it carried a retroactive tax increase. Certainly the principle of retroactivity should never be extended beyond the year in which the tax law is passed. We should not deal with any year other than the year in which we enact the tax law. That is the sole basis of my argument here today.

I regret very much that for the first time in the history of our taxation, apparently, we are departing from this sound principle.

Mr. LANGER. Mr. President, I understand the Senator's argument to be that if we can go back 1 year we can go back 2, 3, or 4 years.

Mr. WILLIAMS. If we once adopt the principle as sound that it is legally or morally right for the Congress of the United States to adopt a retroactive tax measure in 1958 to affect 1957, then why can we not do it for 1956 or 1955? Where would it stop? If we can adopt a retroactive tax measure which provides a reduction in taxes, we can, by the same token, adopt a retroactive tax measure which provides an increase. If we can pass such legislation with respect the life insurance companies, we can do it for all corporations. If we can do it for all corporations, we can do it for individuals.

I am not speaking in defense of the existing law. I think the existing law should be modified. I made very clear to the insurance companies in the committee meetings that I would help them obtain an equitable formula for the permanent law. I will cooperate with our chairman, Mr. BYRD, toward achieving this objective. However we should not upset the sound principle that there shall be no retroactivity in our tax laws. If the existing law is wrong, then let us change it.

Mr. LANGER. I agree with the distinguished Senator from Delaware. I certainly commend him for bringing this matter to the attention of Senators.

Mr. WILLIAMS. Mr. President, I continue to read from page 3 of the Finance Committee report:

> The House report lays great stress upon the history of the preliminary negotiations between the Treasury Department and the representatives of the two associations of life-insurance companies, which have been in process ever since the autumn of 1947. However, your committee does not regard the negotiations as putting the insurance companies on notice that the Congress might adopt retroactive legislation extending as far back as 1947 and 1948. In fact some of the witnesses before your committee testified that they had no notice that such retroactive legislation was contemplated, even by the Treasury Department, until August 1949.
>
> On the other hand, the life-insurance companies have certainly been on notice that a revision of the formula was being considered by the Congress for the year 1949, at least since October 10, 1949, the date House Joint Resolution 371 was introduced in the House.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. GORE. The able Senator's opposition to the retroactive treatment of taxes, that is, going back to the previous year, is the principle upon which the senior Senator from Delaware, the junior Senator from Tennessee, and the junior Senator from New Mexico [Mr. ANDERSON] found common ground.

Mr. WILLIAMS. That is correct.

Mr. GORE. I should like to read the concluding paragraph in the minority views, to which the able Senator affixed his signature:

> Retroactive tax reduction, or tax forgiveness, is a highly questionable procedure—

The able Senator goes further than that. He says that it is not only highly questionable, but unsound.

> and should be resorted to only in cases of extreme hardship and clear justification. The record contains no evidence of such hardship or justification in this case.

The Senator has cited the record, where the United States Senate and the Senate Finance Committee refused to apply the rule of retroactivity to previous instances when additional taxes would have been levied thereby, but now, as the Senator has pointed out, there is before the Senate a bill providing retroactive tax relief back to January 1, 1957. Is that correct?

Mr. WILLIAMS. That is correct; and, as the Senator knows, there was a suggestion made in our committee that, as a substitute, we adopt the so-called 1950 formula, which would provide approximately $100 million over and above the existing law. I said I would be equally opposed to that suggestion, because that would be retroactive tax increase. I do not believe that retroactivity in tax legislation is a sound principle.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LONG. As the Senator knows, I withheld my vote when the bill was reported from the committee because I had considerable doubt about the measure. The Senator recognizes, does he not, that the insurance companies were led to believe that they would pay the tax on last year's income on the same basis as they were taxed in previous years?

Mr. WILLIAMS. No; I do not exactly agree with that, although I do wish to make this clear: I agree fully with what the chairman of the committee said in his opening statement, that unquestionably the Treasury Department has been dragging its feet for the past several years, and has not complied with the request of our committee by sending us what had been promised, namely, a formula for taxing insurance companies.

To that extent the insurance companies are not to blame. I am not arguing that they are to blame. Whether the responsibility rests upon the Treasury Department or the Congress, the job was not done. We have not as yet come forward with a permanent formula.

I was glad that the chairman of the committee was able to obtain a definite promise that the Treasury will come before us with a recommendation for a permanent formula not later than April 7. I assure the Senator, as one member of the committee, that I will cooperate in having a proper piece of legislation enacted, which will be a permanent formula.

I do not believe that the existing law, which is the 1942 formula, is the answer. I think there are inequities in that law as it affects some companies. I recognize that an objection to this bill is, in effect, support of some of those inequities. But I do feel that the $124 million extra tax that will be due from these insurance companies is not as important to them as would be the upsetting of the principle of no retroactivity.

Mr. LONG. The Senator knows that for the past several years we have been taxing insurance companies on the so-called stopgap basis. We would go along for a year, and then call upon the Treasury to suggest some appropriate formula for taxing insurance companies. At the end of the year the Treasury would not be here with it, and we would be compelled to extend the previous treatment for another year, still looking for some appropriate way to tax insurance companies. As the Senator knows, the subject matter is quite complicated.

Mr. WILLIAMS. It is. I think it should be pointed out that while I refer to this particular benefit as being a $124 million retroactive tax reduction under the existing law, it should also be pointed out, in fairness, that that is not exactly the true picture, because if the bill is passed, the insurance companies will still be paying a little more in taxes than they paid in 1956 and 1955, because in 1956 and 1955 they were operating under the same formula under which they would be operating in 1957 should this bill be passed.

So I do not wish to give the impression that by reason of the passage of this bill the insurance companies will not be paying taxes. They will be paying taxes, if the bill passes, on the same basis as they paid in 1955 and 1956. As a result of the increased business volume, the tax revenue will be a little higher. I think that should be pointed out in all fairness to the companies.

Nevertheless, we cannot get away from the fact that since 1957 the existing law has been, and is today, and will be until we amend the law, the 1942 formula. The 1942 formula was in effect throughout the entire calendar year 1957.

I should like to read certain questions from the committee hearings on House bill 10021. I read from page 22. I was interrogating Mr. Smith, of the Treasury Department:

> Senator WILLIAMS. During the calendar year 1957, did the Treasury Department at any time send in a recommendation to Congress dealing with this subject, either as to the extension of the stopgap——
>
> Mr. SMITH. No, we did not.
>
> Senator WILLIAMS. Were there any bills introduced in the House dealing with this question during the year 1957?
>
> Mr. SMITH. To the best of my recollection; no. But I am not sure of that.

However, I may say that I was subsequently advised that no bills had been introduced in 1957.

While it is true that, based upon previous action of the committee, the argument might be made that the insurance companies thought they would get another extension. However, as I read from the committee report of 1950, our committee took the position that negotiations were not accepted as legal notice, because negotiations might have been in progress with some companies, but there was always the possibility that some other companies would not be a party to these negotiations. They could claim that they had no knowledge. Therefore the committee said it would refuse to accept negotiations as being notice, and accepted as official notice only the introduction of the bill.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. LONG. The thought occurs to me that the reason we have to enact retroactive legislation—and I have grave misgivings on that point—is that the House of Representatives did not send us a bill last year. It waited until this year to send us a bill. The insurance companies were more or less assured by everyone that they would not pay taxes under the 1942 law, which would go into effect when the stopgap legislation expired.

Mr. WILLIAMS. When the Senator says they were assured by everyone, what does he mean? Who assured them?

Mr. LONG. My impression is that the House Ways and Means Committee more or less gave such assurance; and the House Ways and Means Committee proceeded to take its happy time about getting the bill to us. So by the time the bill reached us, it was retroactive, whereas it would not have been retroactive last year.

Mr. WILLIAMS. The bill was introduced in the House January 23, 1958. There was no official notice.

Mr. GORE. This year.

Mr. WILLIAMS. This year.

That is the difference. The bill was not introduced until after the taxable calendar year had closed.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. LONG. What the Senator is doing will assure us—and this is regardless of the outcome of the vote on the bill—that what has happened in the past will not happen again, and that the insurance companies will not sit around thinking they need not worry about their tax problems, because they can always come to Congress and get a stop-gap bill passed for another year. This is the last year they are going to get this stopgap.

Mr. WILLIAMS. Perhaps. We have been 7 years talking about the fact that each year would be the last. But to pass this bill here today we will have recognized the principle of retroactivity. Once we recognize the propriety of retroactivity in taxation, where will we stop? I could not go along with the principle of retroactivity.

Mr. BYRD. I am glad the Senator from Delaware has brought out the fact that the bill would raise $291 billion in revenue, which is $23 million more than in 1956, $48 million more than 1955, $69 million more than in 1954, and $136 million more than in 1953. It is the highest tax revenue from insurance companies in the history of the country.

Mr. WILLIAMS. That is correct. I did not have the figures before me, but the Senator is correct.

Mr. BYRD. Therefore, it is not a reduction.

Mr. WILLIAMS. No; it is not. I tried to make that clear in my remarks. I am not approaching this from the standpoint of the amount of revenue involved.

Mr. BYRD. I think it would be of interest to the Senator from Delaware and to other Senators as well to know that had the 1942 formula been in existence from 1942 to date, the total revenue derived would have been $1,736 million. Had the stopgap formula been in effect during that time, the total revenue would have been $2,334 million. In other words, the stopgap, which I would not like to see continued—in fact, I do not expect to vote to continue it, if I am chairman of the Committee on Finance—would have brought in $600 million more than the 1942 formula would have brought in, which was discarded in 1949 because it did not bring in any revenue for 3 years and has not been in effect since 1949. The 1942 formula has not been operative in the past 9 years.

Mr. WILLIAMS. That is correct. I am glad that the Senator from Virginia has incorporated these figures in the RECORD. I certainly do not want to give the impression that by passing this bill we are passing along some great bonanza to this group. That is not the purpose of my statement here this afternon.

Mr. BYRD. Although it is a little different situation than I have been confronted with since I have been in the Senate, it is the same law we had in 1956 and 1955. It was not introduced in the House until January, and in that sense it is retroactive, but it is retroactive to something that we had before.

Mr. WILLIAMS. The Senator is correct. I have tried to make that clear. It is so seldom that I find myself in disagreement with the chairman of the Committee on Finance that when I do I always question whether I am right. Certainly a great deal has been said in the discussions with the insurance companies which clearly indicates that no one thought we had the perfect answer. I am not defending the 1942 formula. I believe it needs to be revised.

Mr. BYRD. We are in accord that we must have a permanent method of taxation. I do not believe that another stopgap will stand a chance of getting through the committee.

Mr. WILLIAMS. The Senator is correct.

Mr. BYRD. The fault has been with the Treasury Department in not sending us a formula for perhaps the most complicated taxation on the books today. It covers casualty-insurance companies, accident-insurance companies, mutual-insurance companies, and all other insurance companies, and they are all taxed under the same formula.

Mr. WILLIAMS. That is correct. In reading the testimony given in 1950, the representative of the Treasury Department—I forget his name at the moment—definitely assured the Committee on Finance that in the next 3 months they would have before the committee a formula recommendation. That was 7 years ago, and the formula has still not been submitted. Each time since then they said, "We will have it in the next few months." The chairman this time has pinned them down to a definite date.

Mr. BYRD. April 7.

Mr. WILLIAMS. April 7. I certainly join the chairman in that. I will be glad to cooperate with him in working out a permanent formula.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. JAVITS. I have received from insurance companies in the State of New York a great many telegrams dealing with this subject. I have looked into the subject very carefully, and decided not to oppose the bill, because I felt that the problem was so tied up with dividends paid to insurance policyholders, and the insurance company really had relied on it, that failure to pass the bill could cause more mischief than would the amount involved. Therefore, I wish to join the chairman and other Senators in pledging myself—and I will be in the Senate next year—to vote against any similar extension unless there is provided a satisfactory, permanent method for taxing life-insurance companies.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LAUSCHE. I should like to go along with the views expressed, except that I find difficulty doing so because of the fact that in 1947 and 1948, under the 1942 law, no taxes at all were paid by any of the companies. It was an injustice to the general taxpayers of the country. I understand that the Senator from Delaware described the discussions which took place and which contemplate making retroactive the 1950 law so that there would be a recovery of the losses sustained in 1947 and 1948. Is that correct?

Mr. WILLIAMS. That is correct. The House bill that came to the Senate did incorporate a provision making retroactive the 1950 formula for the years 1949, 1948, and 1947. I might say that a substantial number of the insurance companies testified before the House committee that they recognized the inequity of paying no tax and would be willing to accept a retroactive tax for 1947 and 1948. However, Mr. Parkinson, president of the Equitable Life Assurance Society, appeared before the Senate Committee on Finance and raised the question of the constitutionality of such a retroactive provision. I should like to quote from Mr. Parkinson's answer to Senator Millikin. He said:

I still insist that no retroactive income tax has ever been validated by the Supreme Court or ever been enacted by Congress. So that, if you do enact this one, you will be establishing a precedent, not only because

of the receptivity of folks in the business, but also as a method of taxation.

We believe—our lawyers are responsible for this conclusion—that when the earnings of a taxpayer have been determined for any year, his books have been closed, his dispositions made, and his return made under the then existing law, any tax thereafter imposed as an income tax is retroactive and violates the provision of the Constitution that requires a direct tax to be apportioned among the States in accordance with population. And we think that this proposal is no exception. It is a simple type of retroactive tax, and we don't know why the poor policyholders of the life insurance companies should be selected for that experiment.

The Senate Finance Committee upheld the position taken by Mr. Parkinson. I read from the committee report in connection with Mr. Parkinson's testimony. This is largely what they based their decision upon. I am reading from page 3:

The committee believes that the constitutionality of a tax imposed at this time on 1947 and 1948 incomes is at least debatable. From the testimony it is evident that some companies will contest the validity of such a tax. Others may be forced to do so through action of their policyholders.

Even if your committee were of the opinion that a tax now levied on 1947 and 1948 incomes would be upheld by the Supreme Court, it would still oppose retroactivity extending over such a long period of time. The committee believes that the extension of a tax to 1947 and 1948 at this late date would not be a sound and reasonable step from the standpoint of fundamental public policy which requires that a taxpayer's obligation to his Government be made definite and certain at the time the tax is due.

Mr. LAUSCHE. Then, do I correctly understand that, adhering to the principle that taxes should not be made retroactive, the insurance companies were spared from paying any taxes whatsoever to the Federal Government in 1947 and 1948?

Mr. WILLIAMS. That is true. As one Member of the Senate—I was not then a member of the committee—I supported the Finance Committee's position. My support was not on the basis that I thought the companies should not pay taxes, but under the law of 1947 and 1948 they did not owe any tax, and I would not agree to imposing retroactive taxes.

Just as I objected then to the principle of retroactivity, which would have meant more taxes, I now reject the principle of retroactivity when it would mean less for them to pay. I would equally oppose a retroactive tax formula now to raise their taxes.

The question has been raised, Why could not the Treasury Department at this late date propose a new formula, which could be enacted now? I said I would not support a new formula and make it applicable to the taxable year 1957. I will do so for 1958.

Mr. LAUSCHE. If the 1955 law had been in effect in 1947 and 1948, when the companies paid no taxes, the taxes required to have been paid would have been $83 million in 1947 and $91 million in 1948. They paid nothing. Let me restate it. Under the principle of nonretroactivity, they were spared from paying anything in 1947 and 1948.

Mr. WILLIAMS. That is correct.

Mr. LAUSCHE. Under the principle of nonretroactivity, in 1957 they would have been required to pay $124 million more.

Mr. WILLIAMS. That is correct.

Mr. LAUSCHE. To spare themselves from paying $124 million more, they want an abandonment of the principle of 1950 and the institution of a new principle for 1958.

Mr. WILLIAMS. In 1950, when the bill was being debated in the Senate, I helped reject the principle of retroactivity, which at that time meant around $160 million to the same group. I now oppose a retroactive principle of law and think they should be required to pay the extra $124 million as required under existing law.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SCHOEPPEL. I associate myself with the position which has been announced by the junior Senator from New York [Mr. JAVITS]. A number of representatives of life insurance and other related insurance companies in Kansas have spoken to me about the matter. In looking into it, I have been convinced that in their operations the companies have made certain payments of dividends which they felt, if some change were made, would be a hardship upon them.

I share the views of the Senator from Delaware [Mr. WILLIAMS] and the Senator from Virginia [Mr. BYRD], the chairman of the committee, that the matter ought to be corrected. But in Kansas there are insurance companies of various kinds which find themselves in the same situation as that to which the Senator from New York has referred.

Mr. WILLIAMS. The Senator from Kansas is correct. I am not trying to direct any criticism to the insurance companies. I am speaking only to the principle of retroactivity. The insurance companies have been promised since 1950 that Congress would enact what might be described as permanent legislation. But it is my contention that the existing law is permanent law until it has been modified or repealed.

I hope that Congress will soon devise a permanent formula. I think the discussion we have had in the committee, and perhaps on the floor today, will at least bring home to the Treasury Department, the insurance companies, and all others concerned the need for permanent legislation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. GORE. It is not at all surprising that the distinguished Senator from Kansas should have heard from certain sources in Kansas. I suppose every Senator has heard from beneficiaries of the proposed stopgap legislation. The Senator certainly has every right to determine his position by whatever means he chooses.

But in agreeing with the accuracy of the calculations and statistics which the Senator from Virginia, the chairman of the committee, read into the RECORD, we should recognize that, although the mathematical calculations may be correct, they have no validity when applied to the existing situation, for two reasons.

First, some of the calculations are hypothetical. If the stopgap bill here proposed had applied to the income in 1947 or 1948, the revenue would have been thus and so. As a matter of fact, the stopgap bill did not apply. So what valid application do these figures have here?

Second, the so-called stopgap bill, when applied to the income of 1957, produced more revenue than when applied to 1956. Again, that is a hypothesis. It is no secret, no mystery, as to why it would hypothetically produce more revenue. The reason is that in 1957 there was the highest investment income that the insurance companies ever had in their history.

Mr. WILLIAMS. If the Senator from Tennessee will permit me to do so, I should like to finish my remarks. Then I shall yield the floor.

Mr. GORE. Very well.

Mr. WILLIAMS. If Congress, by passing this retroactive tax reduction, once establishes the principle of retroactivity in taxation as being sound, then under the same principle Congress at some future date could use this action as a precedent to justify the enactment of a retroactive tax increase.

Under the existing law, which has been on the statute books since January 1, 1957, the insurance companies would owe in Federal income taxes an estimated $415 million. H. R. 10021 proposes to repeal retroactively the existing law as it affects the income of these companies for calendar year 1957 only and substitutes a new formula for taxation under which their tax liability would be reduced to an estimated $291 million, or a 30 percent reduction of $124 million.

I am not supporting the existing law on the basis that it produces $124 million, although the Treasury Department can well use that money, but I would be equally firm in opposing this bill if it provided a retroactive tax increase under the same circumstances.

Let us not forget that it is the principle of retroactivity with which we are dealing here today and not the amount of money involved.

I emphasize that at no time during calendar year 1957 did any Congressional committee of either the House or the Senate or the Treasury Department give any official notice to the insurance companies of America that the 1957 law would in any way be modified or changed. It was not until January 15, 1958, after the 1957 calendar year had closed, that this bill was introduced in the House proposing retroactively that this group get a 30-percent tax reduction.

The Treasury Department in answer to the question has clearly stated that they have no record in the history of our Federal taxation which shows that under similar circumstances when notice had not been properly given they had supported the principle of retroactivity as it applied to either a tax increase or reduction.

I most respectfully suggest to the insurance companies, who naturally would now welcome this retroactive 30 percent

tax reduction, that they consider well whether or not this $124 million savings which they will gain as the result of this legislation will be worth their acquiescence in the destruction of the sound principle of nonretroactivity in Federal taxation.

Mr. BUSH. Mr. President, I had intended to address the Senate on the pending bill this evening, but in view of the late hour, I shall not do so. I ask unanimous consent that a statement which I had intended to deliver may be printed in the RECORD as a part of my remarks, following the address of the Senator from Delaware.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUSH

The Mills law for the taxation of life-insurance companies would be extended to cover the business of 1957 by H. R. 10021. This second 1-year extension was approved by unanimous vote of the Ways and Means Committee and later by the House without any dissenting vote.

The Mills law, if extended to cover 1957, will produce an estimated $291 million in revenues—a record high and $30 million more than the 1956 revenues. The life-insurance companies will have paid in Federal income taxes for the last 4 years more than they paid in taxes for all prior years since the beginning of Federal income taxation.

It is quite true that if no bill is passed now the 1942 law operates. Under the 1942 law, the life-insurance companies would pay $124 million more for 1957 than under the Mills law, or a total of $415 million. This would represent a 43-percent increase in the effective rate of the tax over the rate for the previous year. This is a large increase in the tax burden of a thrift institution already heavily taxed at the State level. If it is to be imposed at all, this should be done only after full hearings indicating the justification for this increase in the taxload on policyholders.

Taxes have not been collected from the life-insurance companies under the 1942 law since 1948. This law was discarded in 1950 by legislation retroactive to January 1, 1949, for the reason that due to the decline in interest rates the 1942 law produced very little revenue—less than $2 million a year for 1947 and 1948. Treasury and Ways and Means have stated, in effect, that it would be inequitable to apply the 1942 law under the changed conditions brought about by the lapse of years. If the 1942 law had been operative, in fact, in recent years, no doubt there would have been adjustments made to remove the inequities and to prevent unfair shifts from one life-insurance taxpayer to another.

There are two major problems involved in life insurance Federal taxation. One is the determination of the proper level of taxation to be imposed on a thrift institution already heavily taxed at the State level and which serves important social needs. Life-insurance taxes have jumped from $42,100,000 for 1949 to $261 million for 1956 and this is in excess of the rate of growth of the business. These taxes for 1957 under the Mills bill would be $291 million. There has been no testimony to show why there should be the further jump from $291 million to $415 million for 1957.

At last week's hearing before the Senate Finance Committee on the matter of another 1-year extension of the Mills law the life-insurance companies without exception asked to have this law continued to cover 1957 business. Testimony at the hearing indicated that policyholders will receive less in dividends if the 1942 law is applied to 1957 business because the resulting increase in the tax is most substantial.

The second problem in life insurance Federal income taxation relates to the form of tax. From 1913 to 1921 life insurance companies were taxed on a profit-and-loss basis following the regular corporate pattern. This method did not work and was replaced in 1921 by a tax imposed on the investment income of life insurance companies. This has been the tax pattern ever since. For 10 and more years during Democratic and during Republican administrations Treasury Secretaries have expressed dissatisfaction because it did not follow the standard pattern of corporate taxation. Also the revenue produced was claimed to be inadequate until recently.

Last week the representative of the Treasury promised to present to the Senate Finance Committee by April 7, 1958, the Treasury's recommendation for a permanent life insurance bill. We are not talking about that proposal now. We are here concerned only with the second 1-year extension of the Mills bill which the life insurance companies had every reason to believe would be enacted. We should act favorably on H. R. 10021 and later this year after full hearings adopt permanent legislation for the taxation of life-insurance companies.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT OF 1935, AS AMENDED—INTRODUCTION OF A BILL

Mr. MORSE. Mr. President, out of order, I introduce, and send to the desk, for appropriate reference, a bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended.

Mr. President, the growth of unemployment and the lag in purchasing power make action on unemployment compensation imperative.

The bill is the same as the bill which passed the Senate in 1955. Its major provisions are:

First. It increases the maximum weekly benefit amount.

Second. It changes the duration period for all eligible claimants to a uniform maximum period of 39 weeks.

Third. It changes the disqualification provisions to a straight 6-week disqualification, with no cancellation of benefits.

The bill makes the maximum weekly benefit amount a specified percentage—67 percent—of the average wage of all workers covered by the law, computed annually, rather than a fixed dollar amount.

In order to permit automatic adjustments in the maximum weekly benefit in line with wage trends, the bill provides for annual computation by the District of Columbia Unemployment Compensation Board of the average weekly wage of workers covered by the law. This computation will be based on reports by employers, including the Federal Government agencies.

It should be noted that the bill does not provide that all claimants shall receive the maximum weekly benefit amount or that any claimant will receive 67 percent of his own average weekly wage. Neither does it change the limitation in the present law, which limits the worker to no more than 50 percent of his weekly wage, or one twenty-third of his wages in a calendar quarter.

The bill provides that all claimants who are eligible for benefits will be able to draw 39 weeks of benefits if they remain unemployed for that long a period. During the period of unemployment, the worker would, of course, be required to be able to work, to be available for work, and to accept suitable work when offered to him. In short, the benefits will be payable for the full period only if the worker's unemployment is due to the lack of suitable job opportunities.

Under the present law, 26 weeks is the maximum for most unemployed, although some get substantially less because of an earnings formula. In addition to lengthening the benefit period to 39 weeks, the bill will eliminate the limiting formula.

A major problem in the District of Columbia, as well as throughout the country, is the plight of unemployed men and women who have exhausted their benefits. This is happening at an alarming rate. The 39-week period is in line with legislation proposed for the States under the McCarthy-Kennedy bill.

Mr. President, I request the appropriate reference of the bill, and I also ask that it be printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3493) to amend the District of Columbia Unemployment Compensation Act of 1935, as amended, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 7 (b) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946), as amended (title 46, ch. 3, D. C. Code, 1951 ed.; 68 Stat. 993), is amended to read as follows:

"(b) The weekly benefit amount of any individual qualified therefor under section 7 (c) shall be an amount equal to the lesser of the following: (1) one twenty-third of the amount of his earnings for the quarter in his base period in which his earnings were the highest, or (2) 67 percent of the average weekly earnings of all individuals performing service which constitutes employment (as defined in sec. 1 (b)) and of all individuals performing service which, if such service were not performed in the employ of the United States or of any wholly owned instrumentality thereof, would constitute employment (as defined in sec. 1 (b)) for the latest year for which such average weekly earnings have been computed. Such average weekly earnings shall be computed annually on the basis of reports of earnings and employment by all employers and by the United States, and shall be arrived at by dividing the total earnings paid to all individuals referred to in clause (2) of this subsection during the last completed calendar year for which reports have been received by a quantity equal to 4⅓ times the total monthly employment of such individuals for such period. For the purposes of this subsection the term 'earnings' shall have the same meaning as that assigned to such term in section 1 (d). All departments, agencies, and wholly owned instrumentalities of the United States shall submit reports to the

Board containing such information as may be necessary to make the determination required by this subsection."

(b) Section 7 (c) of such act is amended to read as follows:

"(c) To qualify for benefits an individual must have (1) been paid wages for employment of not less than $130 in one quarter in his base period, (2) been paid wages for employment in not less than two quarters in such period, and (3) earned during such period wages the total amount of which is equal to at least one and one-half times the amount of his wages for the quarter in such period in which his wages were the highest. Notwithstanding the provisions of clause (3), any otherwise qualified individual the total amount of whose wages during such period is less than the amount required to have been earned during such period under such clause may qualify for benefits if the difference between the amount so required to have been earned and the total amount of his wages during such period does not exceed $70, but the amount of his weekly benefit, as ccmputed under section 7 (b), shall be reduced by $1 if such difference does not exceed $35 or by $2 if such difference is more than $35."

(c) Section 7 (d) of such act is amended to read as follows:

"(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to 39 times his weekly benefit amount: *Provided*, That such total amount of benefits, if not a multiple of one dollar, shall be computed to the next higher multiple of one dollar."

(d) Subsections (a), (b), and (c) of section 10 of such act are amended to read as follows:

"(a) An individual who has left his most recent work voluntarily without good cause, as determined by the Board under regulations prescribed by it, shall not be eligible for benefits with respect to the week in which such leaving occurred and with respect to the 6 consecutive weeks of unemployment which immediately follow such week.

"(b) An individual who has been discharged for misconduct occurring in the course of his most recent work proved to the satisfaction of the Board shall not be eligible for benefits with respect to the week in which such discharge occurred and for the 6 weeks of consecutive unemployment immediately following such week.

"(c) If an individual otherwise eligible for benefits fails, without good cause as determined by the Board under regulations prescribed by it, either to apply for new work found by the Board to be suitable when notified by any employment office, or to accept any suitable work when offered to him by any employment office, his union hiring hall, or any employer direct, he shall not be eligible for benefits with respect to the week in which such failure occurred and with respect to the 6 consecutive weeks of unemployment which immediately follow such week. In determining whether or not work is suitable within the meaning of this subsection the Board shall consider (1) the physical fitness and prior training, experience, and earnings of the individual, (2) the distance of the place of work from the individual's place of residence, and (3) the risk involved as to health, safety, or morals."

SEC. 2. The amendments made by the first section of this act shall be effective on and after July 1, 1958, and the benefit rights of any individual having a benefit year current on or after the effective date shall be redetermined and benefits for calendar weeks ending subsequent to the effective date shall be paid in accordance with the provisions of the District of Columbia Unemployment Compensation Act as amended by this act: *Provided*, That no claimant shall have his benefits reduced or denied by redetermination resulting from the application of this provision. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the provisions of the District of Columbia Unemployment Compensation Act as amended by this act.

REPLY BY SENATOR MORSE TO EDITORIAL IN THE GRANTS PASS DAILY COURIER

Mr. MORSE. Mr. President, on January 28, 1958, the Grants Pass Daily Courier, of Grants Pass, Oreg., published an editorial entitled "Wayne Explains." The editorial was very critical of me, and was full of misrepresentations of fact.

Under date of February 11, 1958, I answered the editorial, and I requested that a copy of my answer be published by the Grants Pass newspaper. In concluding my letter, I wrote as follows:

Although I appreciate the fact that this is a long letter, nevertheless in fairness to your readers and to me, I respectfully request that you publish it.

I have not been able to find that my letter was published in the Daily Courier, of Grants Pass, Oreg. If it has been I have missed seeing it.

Therefore, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the critical editorial published in the Grants Pass Daily Courier and my reply to it.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

WAYNE EXPLAINS

We rather expected to hear from WAYNE MORSE, when we took editorial note of his recent trip to Florida to participate in the kick-off for an Israel war bond drive. WAYNE, whose principal forte is attacking everything and everybody—from the President of the United States on through the list—is very thinskinned when he personally is concerned.

We are happy to learn that the taxpayers did not finance the trip, and that WAYNE made it on his own time. Also that he did not appear at the meeting as an "Israel bond salesman," but as a member of the Senate Foreign Relations Committee to acquaint the group with "my views on foreign policy" issues.

If the views coincided with WAYNE'S previous public utterances they definitely were in bitter opposition to everything now being done by President Eisenhower and Secretary Dulles to preserve world peace and maintain American security. Most members of the Democratic Party, incidentally, are supporting the Eisenhower-Dulles approach to world problems and dealings with Soviet Russia. Responsible Democrats realize this is not a partisan issue.

Not our WAYNE, however. He reserves the right to follow the dictates of his conscience in all things—even though it means violation of promises to the voters of Oregon.

During the last campaign we attended a meeting at which Senator MORSE was the main speaker. This was at Bend. MORSE, at this time, declared without equivocation that, if reelected, he would support Eisenhower on foreign policy. The world situation was too critical to rock the boat for political purposes, he then indicated.

MORSE, the candidate, felt that the Eisenhower-Dulles team was steering a true course. MORSE, the reelected Senator, had not been back in Washington more than a few months before he completely reversed himself on this score. He has been a bitter and partisan opponent of United States foreign policy since then.

We challenge WAYNE MORSE to deny the accuracy of this statement. We talked with him, after the meeting, and he enlarged on his campaign remarks—even to stating positively that he had no presidential aspirations.

The news story we wrote about the meeting, quoting WAYNE MORSE directly, as favoring a nonpartisan approach to American foreign policy, was never questioned as to accuracy. We even wrote an editorial, commenting somewhat in wonder at the new reasonableness of WAYNE MORSE and predicting that it would serve him and his constituents well if carried out in event of reelection.

The Eisenhower-Dulles policy of Soviet containment has not changed from what it stood for while MORSE was campaigning. Yet, concerning the President's state of the Union message, MORSE had this comment, as reported by the Associated Press and never denied: "It was a sermon of apology delivered at the wake of a dead administration."

How does WAYNE MORSE explain this inconsistency and disregard for statements made during his campaign for reelection? He doesn't. If he did, he probably would merely reiterate that he is "following the dictates" of what would appear to be a politically pliable conscience. This same "conscience" caused him to quit the Republican Party that originally elected him and become a Democrat—a fact that quite a few Democrats since have come to regret.

Again to set the record completely straight, let us emphasize that WAYNE paid for that Florida trip out of his own pocket. He says so. He also assures us that he never has taken an unofficial trip at Government expense. That means the recent surprise visit to Oregon—this time made during the week, according to the Associated Press—also was paid for from the Senator's personal funds. On this trip he addressed the Multonomah County Democratic Central Committee.

How fortunate is Oregon's senior Senator, in that he can dip into his own pocket for long plane trips whenever the occasion arises. He would appear to have done real well, financially, in Washington. We only wish he had done as well, politically, insofar as representing the State of Oregon is concerned.

FEBRUARY 11, 1958.

Mr. KENNETH L. HICKS,
Editor, Grants Pass Daily Courier,
Grants Pass, Oreg.

DEAR MR. HICKS: Your editorial of January 28, entitled "WAYNE Explains" has just reached my attention. It is characteristic of your misrepresentations of my record.

In the editorial you state in part:

"During the last campaign we attended a meeting at which Senator MORSE was the main speaker. This was at Bend. MORSE, at this time, declared without equivocation that, if reelected, he would support Eisenhower on foreign policy. The world situation was too critical to rock the boat for political purposes, he then indicated.

"MORSE, the candidate, felt that the Eisenhower-Dulles team was steering a true course. MORSE, the reelected Senator, had not been back in Washington more than a few months before he completely reversed himself on this score. He has been a bitter and partisan opponent of United States foreign policy since then.

"We challenge WAYNE MORSE to deny the accuracy of this statement."

My reply to your challenge is not only to deny the accuracy of your statement, but to say further that I'm satisfied that you know

that the implications of your statement are false.

During the 1956 campaign I pointed out time and time again the foreign policy issues on which I disagreed with President Eisenhower. Thousands and thousands of voters in Oregon could be called as witnesses in answer to your misrepresentation of my position on foreign policy issues during the campaign because they heard me express my differences of opinion in many campaign speeches on many features of the Eisenhower-Dulles foreign policy program.

During the campaign I pointed out many times my objections to the Eisenhower Formosa policy. In many speeches I warned against the Dulles massive retaliation threat. In speech after speech I urged a reversal of the Eisenhower-Dulles policy of no trade with Red China. In those speeches I set forth in detail my reasons for agreeing with President Eisenhower and Dulles that Red China should not be recognized but that I thought the President and Dulles were wrong from the standpoint of promoting our country's best interests by refusing to permit American businessmen to sell noncombatant goods to Red China.

In campaign speech after campaign speech I criticized President Eisenhower and Dulles for circumventing the United Nations on many issues connected with our country's foreign policy. On the Saturday night before the election in Sheridan, Oreg., I made a major speech on foreign policy in which I severely criticized the President and Secretary of State for the position they had taken contrary to the recommendations of more than 200 top scientists in respect to ceasing the testing of hydrogen bombs.

For you to say in your editorial that I declared at Bend, Oreg., without equivocation that if reelected I would support Eisenhower on foreign policy, can be explained most kindly by attributing journalistic deafness to yourself. In the Bend speech I made it clear that I would support President Eisenhower on all foreign policy issues which in my judgment as a member of the Foreign Relations Committee of the Senate would promote peace and serve the best national interests of our country. In the Bend speech I pleaded for bipartisanship in foreign policy and I am still pleading for it. The sad fact is that the Eisenhower administration has never followed a course of bipartisanship in foreign policy.

As Senator Arthur Vandenberg used to point out, bipartisanship calls upon the administration in power to give the Members of Congress belonging to the opposition party the facts about foreign policy. The main reason we do not have a bipartisan foreign policy is because the President and Secretary of State plead executive privilege when the members of the Senate Foreign Relations Committee seek to obtain from the administration the facts we must have if we are to evaluate administration policies and cooperate on a bipartisan basis in implementing sound policies.

If I had taken the position in the campaign which you fasely state in your editorial, namely, "if elected he would support Eisenhower foreign policy," I would have been guilty of pledging that I would serve as an Eisenhower rubberstamp in the Senate on foreign-policy issues. Every voter in Oregon who stops to think of your charge would recognize how ridiculous it is. The fact is that hundreds of times throughout the campaign I made it clear in my speeches that if reelected I would continue to exercise an honest independence of judgment on the merits of issues in accordance with the facts as I found them. I made it clear that on the basis of the facts I would vote in accordance with what I considered to be in the public interests. Such a course of conduct is the primary obligation a Senator owes the people of his State and I have always kept faith with that obligation.

Your editorial is also false in other respects. It seeks to leave the impression that my record in the Senate on foreign policy is diametrically opposed to the policy of the President. What you fail to tell your readers is that although I have opposed the President on some foreign policy issues my voting record shows that I have voted with the administration a majority of the time on foreign policy issues. In fact, I have a better voting record in support of the administration on foreign policy issues than is the case with many Republican Senators. However, I do not sit in the Senate as a rubberstamp to be pressed into service by anyone.

In the last part of your editorial you sought snidely to leave with your readers a false impression as to the expenses of my trip back to Oregon. My recent trip to Oregon was for the purpose of carrying out a promise I made last fall to the Harbor Commission of Reedsport that I would arrange to have the Corps of Army Engineers join me in an on-the-spot inspection of Reedsport's harbor problems. I had planned to make the inspection sometime during the month of December because I expected to spend most of November and December at my home in Eugene. My plans for being in Oregon during those 2 months were upset because of the hearings called by the Small Business Committee of the Senate of which I am a member. These hearings took up much of my time outside of Oregon during November. You will recall that our Senate Small Business Committee held 2 days of hearings in Portland on November 14 and 15.

I was then appointed chairman of the American delegation that was assigned to the Parliamentary Conference in New Delhi, India, and other parts of Asia which prevented my getting back to Washington until December 30. My trip to Oregon was paid out of expenses I received for making a speech to a Democratic banquet in Long Beach, Calif., on my way back to Washington from Oregon.

Although I appreciate the fact that this is a long letter, nevertheless in fairness to your readers and to me, I respectfully request that you publish it.

Very truly yours,

WAYNE MORSE.

GOVERNMENT PROCUREMENT CONTRACTS AND UNEMPLOYMENT IN THE STATE OF OREGON

Mr. NEUBERGER. Mr. President, unemployment in the State of Oregon now involves well over 11 percent of the working force, and economic distress has hit harder in my State than any other State in the Nation. The metropolitan area of Portland and the counties of Multnomah, Clackamas, and Washington, Oreg., and Clark County in Washington State, have been declared distress, surplus-labor areas, eligible for certain special Government procurement contracts. However, the economic situation is not confined to the Portland area, but exists throughout the State.

Mr. President, I am indeed pleased to learn that the Governor of Oregon, Robert D. Holmes, has sent to the Secretary of Labor a telegram in which he urges that the entire State of Oregon be declared a labor-surplus area and eligible for Government contracts.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, the telegram I have received from Governor Holmes.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., *March 14, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

The following wire was sent to the Secretary of Labor this date, quote: "It has been called to my attention that the Army Corps of Engineers will purchase on Wednesday, March 19, some 35 million feet of lumber to be used in Korea, these lumber orders to be bids in open competition for purchase in all parts of the world. Oregon's lumber industry is in very bad economic straits and needs all or part of this order. I urge you to designate the entire State of Oregon as an area of labor surplus under section 3 (c) of Executive Order 10582, issued by the President pursuant to his authority under the 'Buy American Act.' Oregon's lumber industry's present condition is caused partially by competition from foreign producers. Total unemployment rate in Oregon as of mid February was 11.1 percent of covered employees, and is expected to remain well above the criterion of 6 percent through May. Oregon's present insured unemployment rate is 11.5 percent, the second highest in the Nation. This rate would be considerably higher had not about 10,000 unemployed already withdrawn all of their potential benefits. Claims are now being exhausted at the rate of from 800 to 1,000 per week, and will increase as time goes on. This level of exhausting is about 2½ times that of last year. This request for the designation for the entire State as an area of substantial labor surplus is realized as being a departure from the usual procedure of classifying only metropolitan labor market areas, but the lumber industry, comprising over 50 percent of Oregon's manufacturing employment, is located almost entirely outside the Portland metropolitan area. Therefore, in assisting this industry within this State, the designation should encompass the total industry potential in order to be of any value. Furthermore, I feel that the defense policy No. 4 must be reactivated to further combat business recession in this distressed State."

Your immediate attention and favorable action on this request is earnestly desired.

ROBERT D. HOLMES,
Governor of Oregon.

Mr. NEUBERGER. Mr. President, my office has already called this telegram by the Governor to the attention of Mr. Robert C. Goodwin, Director of the Bureau of Employment Security of the Department of Labor.

I have received from Oregon lumber firms many telegrams in which they urge that the procurement of lumber for the Army Corps of Engineers be allocated to the States of Oregon and Washington, because of the severe economic distress in our area. I have conferred with officials of the Corps of Army Engineers, and I have urged that a high proportion of this procurement be set aside for labor surplus areas, under the provision of defense manpower policy No. 4. It is my hope that this can be done. It seems only fair that our Government encourage the placing of contracts in areas of current labor surplus and of high unemployment rates.

Mr. President, I ask unanimous consent to have printed in the RECORD the telegrams I have received from Oregon lumber firms.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 13, 1958.*
Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Urgently request that you use your good offices to prevent other than United States suppliers from quoting on invitation ENG-35-026-58-165 issued by Corps of Engineers, Portland, Oreg., for export bids closing March 19. Under present provisions Canadian mills may participate in bidding. With conditions as they are in the Northwest this certainly is not protecting the common good of this country. We need all the support and all the potential business available to keep the wheels of the lumber industry in the Northwest going. Please do anything you can.

Kindest regards.

NIEDERMEYER-MARTIN CO.,
B. E. NIEDERMEYER, JR.,
General Manager.

PORTLAND, OREG., *March 12, 1958.*
Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Our belief under invitation covering lumber items for export INV-35-026-58-165 issued by United States Army Engineer District, Portland Corps of Engineers, would be unfair to United States lumber industry for foreign interests to be allowed to quote. Hereby request that you do everything possible in behalf of lumber industry in United States.

COLUMBIA WOODWORKING CO.,
CHARLES D. COMBS,
Vice President.

PORTLAND, OREG., *March 12, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We request that you vigorously protest to the United States Army Engineers permitting Canadian mills to bid on their invitation No. ENG-35-026-58-165, approximately 32 million feet of lumber destined for Korea. We feel that the Canadians should not have same opportunity and consideration and are unfair competition to us as manufacturers.

GEO. E. MILLER LUMBER CO.

PORTLAND, OREG., *March 12, 1958.*
Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Reference invitation ENG-35-026-58-165. Bids closing March 19, 9:30 a. m., Pacific standard time, Corps of Engineers, Portland, Oreg., our contention United States suppliers only should be allowed bid due to lumber market conditions this area. Any intervention you can make in behalf of best interests of our country would be greatly appreciated.

AMERICAN TIMBER & TRADING CO.

NEWPORT, OREG., *March 13, 1958.*
Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SIR: We feel it unfair that Canadian mills have been invited to compete with American mills on Army Engineers' invitation to bid ENG-35-026-58-165 for the purchase of 32 million feet of lumber for Korea. We know of your good work for the forestry industry and that you will do your best to eliminate foreign competition.

CASCADIA LUMBER CO.
TOLEDO, OREG.

PORTLAND, OREG., *March 13, 1958.*
Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

We wish to protest deletion of article 14 of the Buy American Act in reference to 30 million feet of lumber the United States Army Engineers intend to purchase through bids to be opened March 19. The Northwest lumber industry is in a demoralized state with many mills down and our own mill employing 100 men shut down last night. Under the circumstances any Government purchases of lumber should be confined to American producers.

PORTLAND LUMBER MILLS.

PORTLAND, OREG., *March 13, 1958.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

On March 18 United States Government will purchase 32 million board-feet construction lumber, United States Engineers bid No. ENG-35-026-58-161 through 165. We understand Canadian mills are also being requested to bid. We protest the admission of Canadian lumber on such bids because of the very depressed conditions in the west coast lumber industry of which you are fully aware. It would be shameful if foreign lumber were purchased by our Government when thousands of men in our lumber camps and mills are now unemployed due to lack of business. We respectfully request you use every effort to limit the bidders on this important bid and other Government purchases to American mills. Immediate action is necessary because of the short time available before March 18. Please advise what action you take and the results.

Thanks.

JAMES L. BUCKLEY,
Vice President, Georgia-Pacific Corp.

FORMULA FOR TAXING OF LIFE-INSURANCE COMPANIES

The Senate resumed the consideration of the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is, Shall the bill pass?

Mr. CARLSON. Mr. President, the Senate is about to vote on House bill 10021.

Unless H. R. 10021 is passed by the Senate and enacted into law, income taxes on life-insurance companies payable in 1958 will be increased over their 1957 taxes by as much as 50 percent in the case of some large companies, as much as 70 percent in the case of many smaller medium-sized companies, and as much as 95 percent in the case of the very smallest companies. In Kansas there are a number of very fine small life-insurance companies, and I am not willing to have them and their policyholders saddled with this extra burden, at least, without more information than has been developed on the merits of the subject.

Mr. President, I hold in my hand a letter which I received this afternoon from the National Reserve Insurance Co., of Topeka, Kans. The letter reads as follows:

NATIONAL RESERVE LIFE INSURANCE CO.,
Topeka, Kans., March 12, 1958.
Hon. FRANK CARLSON,
United States Senator, United States Senate, Washington, D. C.

DEAR SENATOR CARLSON: When in your office last week you expressed a desire to have some definite information as to how the Mills bill and the other taxation law would affect our respective company.

We will try to give the information herewith:

National Reserve's net investment income in 1957 was $1,980,496.

If we were to revert on the basis of the 1942 law, tax would be $224,570. Under the Mills bill, tax would be $135,978; incidentally, this would be 165 percent increase over Mills bill.

If we reverted to the 1950 law, tax would be $297,000, resulting in an increased tax, as compared with the Mills bill, of 218 percent.

By very careful management and somewhat reduced investment in agency plant during 1957, we had an increase in surplus of $188,000. This is an increase of approximately 4 percent of our reserves for 1957 which we feel is about one-half the increase in surplus necessary to provide adequately for increased contingencies involved in the business. In other words, our factor of safety actually did not increase in proper proportion to our general responsibilities.

One can easily determine from the above figures, what any additional taxation above the Mills bill does to the factor of safety which we consider necessary to properly protect our policy owners and beneficiaries.

It is interesting to note that our company had a gross return before Federal taxes of 3.75 percent on its assets, after Federal tax; the net return was 3.51 percent.

We hope this information will be helpful for your consideration in addition to that of the witnesses who appeared at the hearings of the Senate Finance Committee last week.

We certainly thank you, Senator, for the courtesies extended in connection with the above matter.

With kind personal regards, we are,

Yours very truly,

H. O. CHAPMAN,
President.

Mr. President, that letter states the position which is typical of the Kansas life insurance companies, or at least of the smaller companies in my State.

For that reason, Mr. President, I cannot vote against proposed legislation of this type.

In 1942, Congress enacted a law relating to life insurance company income taxes. That law was based on a complicated, intricate, and what proved to be a very volatile formula. The vagaries were such that the taxes fluctuated radically, out of all proportion to changes in circumstances. For instance, by 1947, no income taxes were payable at all. Now, under the same law, the taxes would be seriously increased without a corresponding increase in life insurance company income.

Since 1949, life insurance companies have been taxed under a series of temporary measures, each one expiring on December 31 of the year of its passage. The Mills law, under which the companies have been taxed on operations for 1955 and 1956, with the taxes being payable in 1956 and 1957, respectively, passed the House after extensive hearings, and was originally intended by its

author as permanent legislation. Because of Treasury objection, it was finally enacted on a temporary basis. The Treasury had originally planned to recommend a permanent law in time to apply to 1957 operations. Because of the complications and complexities of the problem, it did not produce a plan which it was willing to recommend at that time, but has now given definite assurance that such a plan will be offered for consideration by April 7. It seems to me, and it so seemed to a large majority of the Senate Finance Committee, that the fair thing to do was to hold this matter in status quo until the Treasury proposal for a permanent tax plan could be given adequate consideration.

This bill was recommended unanimously by the Ways and Means Committee, was passed by the House without dissent, and is recommended by the Secretary of the Treasury, who stated in a letter to Senator BYRD, chairman of the Senate Finance Committee, "I believe it to be generally agreed that the application of the 1942 formula would, after a lapse of 8 years, produce some inequitable results."

The Senate Finance Committee conducted hearings on this subject for a day and one-half; and to a considerable majority of us, it seemed that equity required the passage of this bill. The extra burden of taxes would, of course, fall primarily upon the more than 100 million citizens of our country, the small savers of the Nation, who are sacrificing currently to provide life-insurance protection for their families; and it would fall even more onerously upon the numerous dependents of deceased policyholders who are living on the proceeds of life-insurance policies.

Mr. GORE. Mr. President, the pending bill relates to the income-tax liability of insurance companies for the year 1957. It proposes to forgive insurance companies for an estimated $124 million of taxes already accrued and owed by the said companies on their 1957 incomes. The due date for payment is tomorrow, March 15. However, the taxes have been owed and have been fully accrued since December 31, 1957.

So, Mr. President, the bill not only is a tax-reduction measure, but it is a measure for retroactive tax reduction for the prior calendar year.

In the beginning of my remarks on this troublesome and technical subject, I wish to disclaim any bias against insurance companies or against the insurance business, as such.

Instead, I wish to acknowledge that the insurance companies have assumed—although upon what justification, I am not certain—that the Congress would see fit to enact a measure which would relieve them of the necessity for paying their taxes under present law.

Statements have been made on the floor that the insurance companies were given assurance that this would be done. I have heard that statement before, but I know of no citation of record as to who gave such assurance. I know of no one who had the authority to give such assurance. I know of no valid reason why the insurance companies should assume that the clerk of a committee or a member of a committee could give that kind of assurance. The tax laws of the country are enacted by the Congress of the United States. Retroactive tax relief is not within the power or the province of any agency other than the United States Congress.

Now that the taxes are owed, and have been owed since January 1 of this year, are fully accrued, and the due date for payment is tomorrow, the United States Senate is meeting in a night session on the night before the due date for payment.

Senators will search in vain the hearings before the Senate Finance Committee to find justification for this action. They will search in vain the records of the Finance Committee for precedents to find justification for this proposed action.

A tax reduction that is retroactive to the prior calendar year, in which the taxes have fully accrued and for which they are owed, is, I submit, a very questionable procedure, and should be resorted to only when clear justification is established and undue hardship is shown. Did the application of the present law on the income of insurance companies in 1957 impose an undue hardship? Not so, according to the Treasury of the United States.

On page 23 of the hearing before the Finance Committee it will be found that the junior Senator from Tennessee interrogated Mr. Dan Throop Smith, deputy to the Secretary of the Treasury, who appeared as the spokesman of the United States Treasury, as follows:

Senator GORE. I asked you if you were aware of any undue hardship under the present law, which is the 1942 law.

Mr. SMITH. Hardship? No; I am not aware of any.

Senator GORE. Then upon what basis did the Treasury agree to go along with the so-called stopgap bill?

I digress from a reading of the hearings, Mr. President, to say that the Treasury of the United States agreed to "go along," to use their words, with enactment of this retroactive tax reduction. The Treasury has not come forthrightly forward and recommended it. Upon one occasion the Treasury spokesman said the Treasury would go along with this retroactive tax reduction. On another occasion the committee received a letter in which the Treasury Department said it "joined with the Ways and Means Committee" in enactment of this bill. I have searched the record in vain to find where the Treasury has said, "We recommend enactment of the bill."

Going back to the record of the hearings, I asked Mr. Smith:

Then upon what basis did the Treasury agree to go along with the so-called stopgap bill?

Mr. SMITH. Because it seemed to us not unreasonable, in what we hope will be the last year for an interim form of legislation before the adoption of what we hope will be a permanent formula, to have a continuation of what has been in effect in the 2 preceding years. To repeat, it would not be unreasonable, rather than adopt a still substantially different method with differing impacts upon different companies, for a single year.

Senator GORE. Do you mean to say by that that the present law, the 1942 formula, is unreasonable?

Mr. SMITH. I do not say that.

Senator GORE. Do you say it is or is not unreasonable?

Mr. SMITH. I say it would not be unreasonable to continue a stopgap for 1 more year.

Senator GORE. Well, would it be unreasonable to allow the insurance companies, to permit them, to require them, to pay their taxes, their tax liability, as levied under the present law?

Mr. SMITH. Not to my knowledge. That would not be unreasonable either.

Is it because the insurance companies cannot afford to pay the taxes they owe?

Mr. President, I have before me a number of financial statements of insurance companies. I attempted in the hearings to find the identity of the principal beneficiaries of the proposed legislation. The information was not supplied for the record. The staff has assisted the committee since the committee reported the bill and recommended its passage, and has obtained certain information.

Would it not have been better, Mr. President, to have had the information before the committee acted, rather than to have a member of the committee bring it to the attention of Senators by placing it on their desks in the Senate Chamber, after the committee has acted and recommended passage of the bill?

I should like to invite attention to the financial statement of the Metropolitan Life Insurance Co. On page 4 of that statement I should like to read certain entries. "Net investment income for 1957: $506,244,047.98." With some adjustments up or down for tax exempt income and for other minor items, this figure with not too much readjustment is the sum upon which the insurance company has been taxed, and it is the sum upon which it would be taxed, or upon which its tax liability would be calculated, if we set aside the present law and retroactively gave this company the benefit of the so-called stopgap measure which is under consideration.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. YARBOROUGH. How much money did the distinguished Senator from Tennessee mention? Was that the profit for 1 year?

Mr. GORE. I have given the net investment income for 1957.

Mr. YARBOROUGH. For 1 year?

Mr. GORE. One year.

Mr. YARBOROUGH. How much was the figure, please?

Mr. GORE. Five hundred and six million two hundred and forty-four thousand and forty-seven dollars and ninety-eight cents.

Mr. YARBOROUGH. Over a half billion dollars?

Mr. GORE. This is only the income from investments.

Mr. YARBOROUGH. It does not include the life-insurance income?

Mr. GORE. This is, I repeat, only income from investments.

I wish to point out to the able Senator that the present law—which is also

true of the proposed bill—would levy taxes based largely on income from investment, but not at a 52-percent rate, as other corporations pay, and not on a graduated scale, as is true with respect to taxes levied on the income of individuals. The Senator might be quite surprised to know what the rate is.

Under the present law—I mean the present law under which this company and all other insurance companies already owe their taxes for 1957—the rate is only 11.6 percent of income from investments.

Mr. YARBOROUGH. Does the Senator mean that is the top bracket? The insurance companies do not pay taxes at any higher rate than that on income?

Mr. GORE. That is the percentage of taxation on investment income, and income from investment is practically all that is taxed. This is the top rate which is levied by the present law, and which has been levied against the investment income of 1957.

What are we asked to do? We are asked to substitute for the law under which the taxes are already owed a so-called stopgap formula. Why we call it stopgap I do not know.

Mr. YARBOROUGH. Does the Senator know any gap that it stops up? Does it not open one up for tax evasion?

Mr. GORE. Let me state what is proposed, and the Senator can place his own interpretation on it, as to whether it is a stopgap or a let-the-bars-down proposal.

The stopgap bill which we are asked to pass on the night before Christmas for the insurance companies provides that taxes on 1957 income from investment, and only on the income from investment, would be reduced from 11.6 percent to only 7.8 percent.

Why? Why? Upon what justification are we asked to reduce the small rate of 11.6 percent which has already been applied to the 1957 income to only 7.8 percent to be applied to only the net investment part of the income?

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. YARBOROUGH. Is the distinguished Senator from Tennessee a member of the committee which heard testimony on the bill?

Mr. GORE. I am a member of the committee which conducted hearings, but I must confess that I gained little knowledge from the hearings, because the principal witness read a long, 20-page statement which did not touch the issue top side or bottom.

Mr. YARBOROUGH. Was there any reason shown for the tax reduction for the insurance companies in the hearings? Was any logical reason given?

Mr. GORE. No reason has been given, as I would interpret the word "reason."

The plea has been made that the present law is inequitable. I am not prepared to say that there are not some inequities in our tax laws on insurance companies or otherwise. I know of no inequity so great as to allow but a $600 exemption for a dependent child.

Let me go on as to this company for just a moment.

Mr. SPARKMAN. Mr. President, will the Senator yield to me at that point in connection with this particular matter?

Mr. GORE. I yield.

Mr. SPARKMAN. There is one thing which has made quite an impression upon many. In the minority views, I find this statement:

> In fairness to the insurance companies, it should be said that the 1942 law has upon several occasions been superseded by temporary legislation, and that many insurance companies presumed, or were led to believe, that it would again be superseded with respect to 1957 income. Congress has not done so, however, and 1957 taxes are now owed.

I gather from the majority report that the stopgap arrangement—not this one, but some stopgap arrangement—has been the pattern ever since 1950. Furthermore, I gather that the Treasury Department was supposed to work out a formula for a permanent tax program so as to avoid the necessity for stopgap provisions.

What I find hard to dismiss is that a pattern had been set by Congress, so if there was any fault in leading the insurance companies to believe that the same course would be followed again, it was the fault of Congress and not of the insurance companies. I wish the Senator would clear up that point.

Mr. GORE. I would not undertake to say that the United States Congress is at fault because it did not, in the calendar year 1957, enact a law to give temporary relief or permanent relief to the insurance companies. It is true, as the Senator has stated, and as the minority view acknowledges, that upon several occasions the Congress has interposed a temporary revenue statute with respect to insurance companies, but it did not do so in 1957.

Mr. SPARKMAN. I believe it had done so since 1950.

Mr. GORE. The present law was not set aside in 1947 or 1948. It so happened that in those years the application of the present law yielded no revenue whatsoever from the insurance companies. As the Senator will recall, that was a period of low interest rates. That was a period when the insurance companies did not show significant income from investment for tax purposes; and, let me repeat, it is primarily upon income from investment that either the present law or the proposed law levies a tax liability.

In 1957 the benefits of high interest rates pyramided, and insurance companies owe a considerable tax bill on their income for 1957.

Back in 1947 and 1949, when the same law imposed no tax liability whatsoever, it was proposed that the Congress enact a law setting aside this inequitable law—so inequitable that the insurance companies owed nothing whatever for either of 2 years—and apply retroactively a law which would exact taxes from the insurance companies. But the Finance Committee of the United States Senate said "No." The record of that report has already been read in the debate today, and I shall not repeat it. The committee said that such action would violate a deep principle which we must not violate. When the calendar year is closed and the tax liability has accrued and is owed, the door is shut. Now the door is shut, under the present law, on the 1957 taxes. In all candor, I would not say to the junior Senator from Alabama that I would refuse to give retroactive tax relief in all circumstances; but it is a questionable procedure which, in my opinion, should be resorted to only when there is clear justification and unquestioned and undue hardship.

I wonder if there is justification or undue hardship in this case. Yesterday I gave the Senate a preliminary estimate, from the investigations my staff had made, to the effect that the pending bill would give tax forgiveness of $75 million to 10 large insurance companies. We have now made what we think is a correct calculation. The amount is not $75 million. It is $81,400,000. The Metropolitan Life Insurance Co., to whose financial statement I was referring at the time the distinguished junior Senator from Alabama propounded an interrogatory, shows a net income from investment—and, mind you, that is by no means all the income of an insurance company—net income from investment in 1957 of $506,244,047.98.

On line 28 on page 4 I see the entry "net gain from operations before dividends to policyholders and excluding capital gains and losses, $390,744,014.77."

After dividends, on line 37, there is this entry:

> Net gain to surplus account, $90,393,704.95.

Let me say to the junior Senator from Alabama that this company alone, under the pending bill, notwithstanding its tremendous profits and its strong financial position, would be given tax forgiveness of more than $20 million. Where is there undue hardship which would justify this action? Where is there extreme justification, upon which the Congress can, with justice and equity, pass a bill which would give to this company an unneeded tax forgiveness of $20 million?

I refer next to the Mutual Life Insurance Company of New York. A great deal has been said in the debates to the effect that mutual companies are something special, that they belong to the policyholders. I advise Senators not to try to will to anyone their share of such companies. I advise them not to try to collect their share. It is a peculiar kind of ownership if the policyholders own them. The extent of the ownership of a policyholder is limited by the terms of his policy.

It is said that the policyholders run the company. On page L–1 of the schedules of the company for 1957, I find the record of the election of directors. There were 10 places to fill. There were 10 candidates for the places. Although this company has a million and a half policies outstanding, how many votes did these directors get?

Each candidate got exactly 136 votes by policyholders present in person. The first man, Mr. David T. Beals, received by mail, 29 votes. Mr. Robert T. Stevens was almost defeated. He got only 26 votes. The lowest man got 26 votes by mail, and the highest man got 29. This is a democratically run institution, Mr. President. The miracle of compound interest has placed a concentration of wealth and capital in the hands of a few men, and the Senate should give consideration to this fact. Are Senators aware that one insurance company in this country has assets greater than any commercial bank in the country by about 50 percent, has assets equal to those of General Motors combined with the Ford Motor Co., plus the United States Steel Corp., added thereto?

The policyholders, it is said, control the company. I just read the record of the election. Oh, how democratic it is. We always hear about the widow who has a policy. The president of the company draws a salary of $134,500. I suppose that, too, is approved by the widows who hold policies. The 10 largest life insurance companies have total assets of more than $62 billion. Oh, the miracle of compound interest.

If this is continued, I leave it to the Senate to contemplate the future.

There must be equitable taxation of insurance companies. That we have not had. I agree with the distinguished senior Senator from Virginia [Mr. BYRD] that the Treasury of the United States should be severely reproached for not recommending to the Congress an equitable and fair system of taxation on insurance companies. Instead, we have here not a recommendation, I repeat, but a willingness on the part of the Treasury to go along with this tax forgiveness.

It is alleged by some that present law is inequitable because it lays a heavy hand on the small companies. Where is the evidence? That is something we cannot take upon assumption or idle rumor. Where is the evidence? Where is the hardship? Where is the undue hardship? The Deputy Secretary of the Treasury said he was not aware of any. Where is there unreasonableness when insurance companies pay their taxes according to the law on their income for 1957, just as the senior Senator from North Dakota must pay his, just as every man and woman with sufficient income to have tax liability must pay, and just as other companies must pay their taxes? Why on the night before the due date is the Senate to do this? Is it justified? What is the justification? I cannot find justification. The justification was not submitted to the committee, in my opinion. Some vague statements were made about inequity. I am not prepared to assert that inequitable results will not be forthcoming, but I would like to have them identified. Are we sure that the passage of the stopgap bill will not create more inequities than it will relieve? What about the inequity of giving $81,400,000 in tax forgiveness to 10 companies? Is that equity? Is that fairness? Who says so? Upon what evidence?

This is an unusual action the Senate is called upon to take.

I have before me a large stack of financial statements of insurance companies. I sent telegrams to a number of companies requesting them to supply me with their financial statements. Most of the companies complied. I appreciate their cooperation. However, I do not find in their financial statements the justification for retroactive tax reduction. I think it should be only upon clear justification and, let me repeat, undue hardship that we should resort to this unusual procedure.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Secretary will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Barrett	Hayden	Morton
Beall	Hennings	Mundt
Bible	Hickenlooper	Neuberger
Bricker	Hill	Pastore
Bridges	Hoblitzell	Payne
Bush	Hruska	Potter
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Jenner	Saltonstall
Carlson	Johnson, Tex.	Schoeppel
Carroll	Johnston, S. C.	Scott
Case, S. Dak.	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Curtis	Langer	Stennis
Dirksen	Lausche	Symington
Douglas	Long	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Malone	Thye
Ervin	Mansfield	Watkins
Flanders	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McClellan	Yarborough
Goldwater	McNamara	Young

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). A quorum is present. The question is, Shall the bill pass?

Mr. MORSE. Mr. President, I have received from representatives of insurance companies in Oregon telegrams in which they urge me to vote for the pending bill. In fairness to those constituents, I believe their representations should be included in the RECORD. Accordingly, I ask unanimous consent that the telegrams be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 7, 1958.*

Hon. WAYNE MORSE,
United States Senator,
Washington, D. C.:

Urge your presence and favorable vote when H. R. 10021 is up for consideration by Senate on Wednesday, March 12. Unless passed and signed by March 15, Federal income tax on life insurance companies will increase as much as 95 percent on 1957 business. In our own case tax would be on approximately $285,000 instead of $170,000. Being a mutual company this would be a direct charge to policy owners' funds creating a grossly unfair situation acting against those who are protecting their families through life insurance. Over 70 percent of our insurance is on residents of Oregon. The bill merits your full support.

GARNETT E. CANNON,
President, Standard Insurance Co.

EUGENE, OREG., *March 10, 1958.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Respectfully urge passage of H. R. 10021 to prevent an unjust tax burden on life insurance companies.

GEORGE B. SCHWIEGER, Jr.

PORTLAND, OREG., *March 11, 1958.*

WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Respectfully urge passage of H. R. 10021 to prevent an unjust tax burden on life insurance companies.

TED LODER.

Mr. MORSE. Mr. President, I have studied this bill very carefully. I have reached the conclusion that the bill is not a sound one. I shall vote against the bill, for the reasons I have already stated for the RECORD.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article published today in the Wall Street Journal. The article points out that the Bureau of Internal Revenue has announced that there will be an extension to June 15 of the requirement that the insurance companies pay their taxes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of March 14, 1958]

TAX AGENCY EXTENDS INSURANCE CONCERNS' DEADLINE FOR FILING

WASHINGTON.—The Internal Revenue Service took the pressure off the insurance industry on its 1957 tax bill.

As a result of the confusion over just how the industry is to be taxed—a problem awaiting settlement in Congress—the IRS delayed the final filing deadline for insurance companies.

This extension allows insurance companies to apply for the extension and get a delay up to June 15—if they pay half of their estimated tax now.

IRS officials say that since they don't know just how the insurance companies are to be taxed, they can't get the forms ready. And since they can't get the forms ready, the delay was extended on the filing deadline.

The now-revised deadline for payment of the insurance taxes had been Saturday. If the bill pending in the Senate is not passed, companies would have to pay on the basis of a 1942 law which would increase their tax liability by $124 million.

The House-passed bill would apply a 1955 formula to insurance company taxes.

Mr. MORSE. Mr. President, I recognize that, according to the chairman of the committee, these companies may be required to make some payment before June 15. But I believe the action on the part of the Internal Revenue Service granting the insurance companies an extension removes any necessity for any fast action on this bill.

Although I recognize that in this matter there are some equities the insurance companies can make out for themselves, the fact remains that the mass of the American taxpayers have much greater equities.

In view of the fact that it has been impossible to have added to the bill amendments to protect the great mass of the taxpayers, I do not propose to vote to have the insurance companies

given at this time such a handout. In my opinion, the bill provides for a loophole which would favor big business, at the expense of the people. Therefore, I shall vote against the bill.

Mr. McNAMARA. Mr. President, in a very short time, we are going to vote on the pending measure. I have no illusions about the outcome of the vote. But I want to make it clear that I am unalterably opposed to this measure, and will cast my vote against its passage.

In simple language, Mr. President, what we are doing here is giving a $124 million retroactive tax cut to the life-insurance companies, and we are doing it without any justification whatsoever.

I scrutinized the report of the Finance Committee on this bill, and I studied very thoroughly records of the hearings on it. I must assume that the Finance Committee has some secret justification for recommending the passage of this bill; but, if it has, it has not revealed it to me.

I grant that life-insurance companies expect us to give them this free gift of $124 million, and would perhaps be grievously disappointed if we refused. But I submit, Mr. President, that this is not a sufficient reason for giving away $124 million of the taxpayers' money.

This body voted down amendment after amendment to the pending measure—amendments which, while not altogether perfect, would have, in my opinion, given tax relief to those who deserve it—to the people of these United States—and would have given it in a way which would have helped to lift this Nation of ours out of the doldrums of this Republican prosperity.

This body chose to vote down those amendments; I certainly hope it will vote to defeat the bill itself—this bill which is unjust, unfair, untimely, and wholly unjustified.

I urge my colleagues not to give away the taxpayers' money in this inexcusable way to institutions that need it the least, and I urge them to do as I shall do—vote against the passage of the bill.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement relating to the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

To sum up, the bill now pending for the taxation of insurance companies is exactly the same as the law for 1955 and 1956.

It is not intended as permanent legislation.

The legislative record of this pending bill is as follows:

It was approved unanimously by the Ways and Means Committee, and, operating under an open rule for amendments, passed the House unanimously. It has been unequivocably endorsed by the Treasury Department for the taxation year of 1957.

The budget, when submitted to the Congress in January, included as a part of the Federal revenue, collections from insurance companies on a basis not of the 1952 act but on the basis of the tax bill now pending.

It was approved by the Senate Finance Committee by a substantial majority.

The Congress has twice passed this same formula for 1955–56.

The Treasury Department has made a definite commitment to bring in recommendations by April 7, next, for permanent insurance taxation.

This will apply to the year 1958.

This recommendation will go to the Ways and Means Committee, where, of course, hearings will have to be held, as well as in the Senate Finance Committee, and will apply for 1958 taxation.

The pending bill does not provide for a decrease in insurance taxation as compared to the previous year of 1956.

In fact, it will increase taxes for the year 1957 above actual collections in 1956 by $23 million. It will increase in 1957 above collections in 1955 by $48 million. It will increase in 1957 above 1954 by $114 million.

If this pending bill is enacted, it will bring in the highest revenue taxation of any year.

Had this formula—namely the Mills formula, as passed by the House—been in operation since 1942, the total collections from 1942 to 1956, inclusive, would have been $2,334,000,000 instead of $1,736,000,000 under the 1942 formula. The 1942 formula has not been in effect since 1949.

The following tables show the taxes collected from insurance companies and the tax comparisons under the different formula:

Taxes collected from insurance companies

Year:	*Millions*
1942	$27
1943	34
1944	34
1945	25
1946	22
1947	--
1948	--
1949	43
1950	73
1951	127
1952	144
1953	161
1954	177
1955	243
1956	268
1957 [1]	291

[1] Assuming passage of the pending bill.

Although for 1957 the 1955 formula would yield less than the 1942 formula, if the 1955 formula had been applied for all years beginning with 1942 (including 1957) it would have yielded far more revenue than that formula. The comparison is as follows:

[In millions of dollars]

Year	Tax under 1942 formula	Tax under 1955 formula
1942	27	65
1943	34	71
1944	34	74
1945	25	80
1946	22	79
1947	--	83
1948	--	91
1949	2	101
1950	30	122
1951	67	161
1952	101	184
1953	155	199
1954	212	222
1955	276	243
1956	336	268
1957	415	291
Total	1,736	2,334

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). The question is on passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas (when his name was called). On this vote I have a pair with the distinguished junior Senator from New Mexico [Mr. ANDERSON]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Idaho would vote "nay." The Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Tennessee [Mr. KEFAUVER] would vote "nay." The Senator from Florida [Mr. HOLLAND] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Florida would vote "yea" and the Senator from Minnesota would vote "nay." The Senator from Montana [Mr. MURRAY] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Wyoming would vote "nay." The Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Virginia would vote "yea" and and the Senator from Georgia would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business and if present and voting, he would vote "yea." The Senator from New Jersey [Mr. CASE] and the Senator from West Virginia [Mr. REVERCOMB] are detained on official business. If present and voting, the Senator from New Jersey [Mr. CASE] would vote "yea." The Senator from New York [Mr. JAVITS] is necessarily absent, and if present and voting, would vote "yea."

The result was announced—yeas 61, nays 19, as follows:

YEAS—61

Aiken	Curtis	Ives
Allott	Dirksen	Jenner
Barrett	Douglas	Johnston, S. C.
Beall	Eastland	Kennedy
Bible	Ervin	Kerr
Bricker	Flanders	Knowland
Bridges	Frear	Kuchel
Bush	Fulbright	Long
Butler	Goldwater	Magnuson
Byrd	Hayden	Malone
Capehart	Hennings	Mansfield
Carlson	Hickenlooper	Martin, Iowa
Case, S. Dak.	Hill	Martin, Pa.
Cooper	Hoblitzell	McClellan
Cotton	Hruska	Morton

Mundt	Smathers	Thye
Potter	Smith, N. J.	Watkins
Purtell	Sparkman	Wiley
Saltonstall	Stennis	Young
Schoeppel	Symington	
Scott	Talmadge	

NAYS—19

Carroll	Lausche	Proxmire
Clark	McNamara	Smith, Maine
Dworshak	Monroney	Thurmond
Gore	Morse	Williams
Green	Neuberger	Yarborough
Jackson	Pastore	
Langer	Payne	

NOT VOTING—16

Anderson	Holland	O'Mahoney
Bennett	Humphrey	Revercomb
Case, N. J.	Javits	Robertson
Chavez	Johnson, Tex.	Russell
Church	Kefauver	
Ellender	Murray	

So the bill (H. R. 10021) was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Virginia [Mr. BYRD].

The motion to lay on the table was agreed to.

ACCELERATION OF MILITARY CONSTRUCTION PROGRAMS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate Concurrent Resolution 69.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 69) favoring the acceleration of military construction programs for which appropriations have been made.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. BUTLER. Mr. President, I move that the resolution be read for the information of the Senate.

The PRESIDING OFFICER. Is there objection to the reading of the resolution?

Mr. JOHNSON of Texas. Mr. President, if I may have my motion acted upon, it will take only a minute. We have told Senators we expect to act upon the resolution. I am informed there will be only 2 or 3 minutes of debate on this side. We had hoped to avoid a Saturday session and the consideration of any controversial legislation on St. Patrick's Day, which will be Monday.

I have a brief announcement I should like to make, when it is in order. If I may have the motion acted upon, I shall be glad to have the resolution read, if desired.

Mr. BUTLER. I thank the Senator from Texas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution (S. Con. Res. 69) favoring the acceleration of military construction programs for which appropriations have been made, which had been reported from the Committee on Armed Services with amendments on page 1, line 2, after the word "substantial", to strike out "and growing"; in line 3, after the word "since", to strike out "many" and insert "some"; in line 4, after the word "are", to strike out "either"; in line 5, after the word "idle", to strike out "or" and insert "and many are", and in the same line, after the word "partially", to strike out "occupied" and insert "utilized"; at the beginning of line 6, to strike out "there is a clear danger involved in"; in line 7, after the word "unchecked", to strike out "until it becomes unmanageable and unresponsive to even a maximum effort" and insert "makes it less responsive"; on page 2, line 1, after the word "to", to strike out "take"; and after line 12, to insert:

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

So as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial unemployment in many areas of the country; since some of the productive facilities of our economy are idle and many are only partially utilized; since permitting an economic downturn to continue unchecked makes it less responsive to corrective action; and since there are many authorized and urgently needed military construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such military construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion and availability of these projects which are vital to our national defense.

The Congress commends the President and the executive agencies for such action as they have tken to accelerate these programs.

ORDER FOR CALL OF CALENDAR ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I should like to announce the legislative program for next week insofar as I am able at this time to determine it. On Monday we will have a call of the calendar, and I ask unanimous consent that, immediately following the completion of morning business, the unobjected to measures on the calendar be called from Calendar No. 1368.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, following the call of the calendar, at the earliest practical opportunity, the following measures will be brought before the Senate:

Calendar No. 1378, S. 3420, extending and amending the Agricultural Trade Development and Assistance Act.

Calendar No. 1392, S. 3441, providing for a minimum-acreage allotment for corn and other purposes.

Calendar No. 1393, S. 3408, amending the Agricultural Adjustment Act of 1938, as amended, to provide that cotton-acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956.

Calendar No. 1394, S. 3385, amending section 114 of the Soil Bank Act with respect to compliance with corn-acreage allotments.

Calendar No. 1395, S. 3295, amending the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act.

Calendar No. 1380, S. 3406, amending the Agricultural Adjustment Act of 1938, as amended with respect to wheat acreage history.

Calendar No. 1404, S. 2937, providing equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government.

Calendar No. 727, S. 72, increasing annuities payable to certain annuitants from the civil-service retirement and disability fund.

Calendar No. 1315, H. R. 9271, authorizing National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

Calendar No. 1074, S. 984, conferring jurisdiction on Court of Claims to make findings in connection with uranium claimants.

In addition, early in the week we plan to take up the motion to reconsider S. 3149, increasing the lending authority of the Export-Import Bank. We shall give adequate notice to the Senator from Indiana [Mr. JENNER] and others.

It is also anticipated that early in the following week the road bill reported from the Public Works Committee will be considered. The Treasury-Post Office appropriation bill from the Appropriations Committee should be ready by the middle of next week.

I am confident that during the week other bills will be reported from the standing committees, many of which will require prompt consideration by the Senate. It is our expectation that these measures will be dealt with as quickly as circumstances permit.

I should like to state to the Senate that it was necessary to act upon the bill just passed before March 15 otherwise the Treasury informed us, it would cause a very complicated bookkeeping situation.

I am very grateful to Senators for the hard week they have put in, and I think it will not be necessary to have a Saturday session or to have any controversial legislation or any yea-and-nay votes on next Monday.

I think next week will be a relatively light week. We have no deadline to meet. We will perhaps have an appropriation bill for consideration, but, so far as I can tell, it will not be controversial.

The following week we shall have for consideration the road bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. AIKEN. Did the Senator say that Calendar No. 1378, S. 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954, would be taken up for consideration early next week?

Mr. JOHNSON of Texas. Yes, sir. I wanted to give notice.

Mr. LAUSCHE. Mr. President, will the Senator speak a little louder?

Mr. JOHNSON of Texas. The Senator asked if Calendar No. 1378, Senate bill 3420, would be taken up next week. I announced that was one of the bills to be considered.

Mr. AIKEN. The bill will come up for consideration early in the week?

Mr. JOHNSON of Texas. Yes, sir. I would not expect it to come up Monday.

Mr. AIKEN. No, sir.

Mr. JOHNSON of Texas. If there is any controversy, I hope to avoid any yea-and-nay votes on Monday.

Mr. AIKEN. There is one provision in the bill which may be controversial.

ACCELERATION OF MILITARY CONSTRUCTION PROGRAMS

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 69) favoring the acceleration of military-construction programs for which appropriations have been made.

Mr. JOHNSON of Texas. Mr. President, this is the companion resolution to the measure which we passed the other day by a vote of 93 to 1. It would express the desire of Congress to accelerate military construction projects which we have already authorized and for which funds have been provided.

The Deputy Secretary of Defense appeared before the Senate Armed Services Committee yesterday and expressed his willingness to cooperate. As of the end of January, he said the Department had $1,715,000,000 in unobligated balances.

Since spending was very slow during the first 6 months of the fiscal year, this, in and of itself, would represent acceleration.

Mr. President, as a general rule it is probable that military spending of any type is not a good, long range, antirecession measure. But as a short-term proposition, the effects can be substantial.

We are confronted with an immediate situation. We have 5,200,000 unemployed. We hope it is a short-range situation. But whatever it is, there is an immediate need to put men and women to work.

The military construction projects that will be covered by this bill are essential to the security of our country. They have been examined carefully by Congress and the Defense Department. The only thing we are requesting in this resolution is that the projects be built a little faster so we can get some of the economic benefits.

Mr. President, I think all of us are aware that equal benefits would flow from acceleration in contracts for defense procurement. They are not included in this resolution simply because procurement of military hardware—which represents the great bulk of Defense Department spending—is a more complicated question. It involves strategic decisions and decisions on types of weapons that will be used.

I want the Senate to have assurances, on behalf of the Senate Preparedness Committee, that we are going to continue to urge faster decisions on the Defense Department. These decisions would be followed by contracts which would do a great deal to put men and women back on payrolls.

Many of these defense contracts would be placed in areas of greatest unemployment. They would be translated directly into production lines.

We are not unmindful of the need for action in this field, too.

Mr. President, I understand that the executive agencies are responding rapidly to the Congressional call for action. I commend this resolution to my colleagues so we can send it to the House quickly and clearly express the Congressional determination to combat unemployment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter written by me to the Secretary of Defense, dated February 19, 1958, and a letter from the Deputy Secretary of Defense, in reply to my letter, dated March 6, 1958.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 19, 1958.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D. C.

MY DEAR MR. SECRETARY: Upon reflection and study, I have reached the conclusion that it is possible to accomplish two very desirable results by a single action within the capabilities of the Department of Defense. The present economic recession has temporarily idled many of our country's workers and much of its resources.

I should like to recommend for your consideration the immediate adoption of a policy of accelerating the completion dates of each authorized construction project in the Military Establishment located in areas where there is substantial unemployment. I hope that this suggestion can receive your immediate consideration and I shall be very pleased to discuss it with you and to receive your reactions and comments at any time.

Sincerely,

LYNDON B. JOHNSON.

THE SECRETARY OF DEFENSE,
Washington, March 6, 1958.

Hon. LYNDON B. JOHNSON,
United States Senate.

DEAR SENATOR JOHNSON: I wish to thank you for your recent suggestion that this Department accelerate the completion dates of authorized construction projects located in areas where there is substantial unemployment.

Of course, our overriding aim in management of the Defense program must be to do those things that will contribute the most to our national security. Nevertheless, we are fully alert to the economic implications of the program. In this regard, it is significant that the rate of contract placement for major procurement and construction during the last 6 months of the current fiscal year will be more than 50 percent greater than the comparable rate during the first 6 months of the fiscal year. This substantial increase during the months ahead will unquestionably provide a desirable impetus to the economy. Moreover, the effect of this increase will extend beyond the end of the current fiscal year, as defense contractors translate the increase in their order backlogs into procurement from their own subcontractors and suppliers and into employment of labor.

With reference to your specific suggestion, we have checked our construction program and find that there are approximately $450 million of projects currently authorized and funded which will involve construction within the labor market radius of cities that have been designated as areas of substantial labor surplus by the Department of Labor. Construction of these projects is being initiated as expeditiously as possible. We are also exploring the feasibility of accelerating construction projects already under way in labor surplus areas without increasing the total cost to the Government.

Sincerely yours,

DONALD A. QUARLES, *Deputy.*

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the resolution, so that all Senators will be on notice.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. SCHOEPPEL. Mr. President, in lending my support to the principle established in this resolution I want to compliment the committee on that portion of its report on page 6 where special emphasis is placed on the reserve facilities. I should also like to invite attention to page 3 of the report, where there is shown the amount of money available for the construction of this type of facilities.

Senators will note that the Defense Department had available at the beginning of this fiscal year $142 million, and that the Defense Department plans to obligate $72 million, leaving a carryover from fiscal year 1958 to fiscal 1959 of $70 million—and that the Defense Department has only obligated as of January 31, 1958, $15 million of the $142 million available.

I think these figures clearly indicate what can be done in the reserve construction field.

I do not think I have to say here how important the National Guard and the Reserve programs are to our national defense. We all know that this phase of our defense program has been the backbone of our national defense during every emergency period.

I sincerely hope that the Secretary of Defense will vigorously pursue the construction of these facilities, and that he will make every effort to reduce the planned carryover of $70 million to the lowest advisable figure.

All of us have known instances of the Congress having appropriated money for armories and the like and the States and the local areas having, with much sacrifice to themselves floated bond issues and bought sites for the construction of such facilities. Yet many of these projects are no further along than someone's file case in the Pentagon.

In my own State of Kansas, nearly $3 million of approved armory projects are ready for immediate contract letting. Most of these projects are located in the southeast and south central sections of Kansas, where current unemployment is much greater than it was a year ago. In fact, I have been advised that unemployment in this area of Kansas is double that of the State average.

I am informed that projects for which building sites have been selected and which have been scheduled for construction in this fiscal year—but which are not yet contracted for because of lack of funds—are as follows: United States Army Reserve Training Centers at Pittsburg, Coffeyville, Independence, Galena, Emporia, Lawrence, Osawatomie, Ottawa, and Topeka. National Guard armories in this category are as follows: Yates Center, Neodesha, Colby, and Smith Center.

Mr. President, I realize my State is not the only State in this condition. I think it important that tonight we leave no area of doubt concerning our firm belief in the desirability of expediting this construction, especially in those areas where such construction will in its way help relieve the unemployment problem.

Mr. CASE of South Dakota. Mr. President, the resolution in the form in which it comes before the Senate is identical in language with the resolution which the Senate adopted the other day relating to civil works construction. The Committee on Armed Services adopted generally the same amendments as in the other resolution, including the amendment commending the President and the executive agencies for such action as they have taken to accelerate these programs.

Mr. President, the hearings on the resolution, as was true with regard to the civil works resolution, disclosed that there were certain basic reasons for such a lag as there may have been in the commitment and obligation of construction funds.

There were four primary reasons that could be assigned for a lag in the military construction program. The first was the debt ceiling.

The second was the nature of the weather, and the fact that, going into the fall and winter months, construction usually lags behind authorizations, whereas spring is the period of time when construction activity goes at a faster tempo.

The third reason was the readjustment and review necessary of the military program by reason of developments in the field and the activities of the Preparedness Subcommittee of the Armed Services Committee, resulting in a review of the essentialities or priority of certain military construction programs.

The fourth reason for some lag, as developed by the hearings, was the natural limitations or restrictions found in certain pieces of legislation. For example, there were the requirements which had to be met in connection with military housing, particularly the Capehart housing, which made some lag almost inevitable, because of acquisition of certain Wherry housing projects, and things of that sort, which had to be gotten out of the way before the projects could be carried on.

Circumstances have changed with respect to those four reasons. The debt ceiling has been changed. The Treasury now has elbow room in which to manage the public debt.

The time of year has changed. We are coming into spring, when construction will naturally open up.

The review of the priorities in military construction has been carried on, and the Defense Department is able to give a clear go-ahead sign with respect to many projects, which it could not do last fall.

Finally, the natural restrictions inherent in certain programs are being met in the time available for them.

Senators will find on pages 4205–4206 of yesterday's RECORD, a complete tabulation of all the construction funds available, both in the civil public works and the military construction programs.

They will find in one column the unexpended balances as of December 31, and in the next column the unobligated balances as of December 31.

As the Senator from Texas [Mr. JOHNSON], the author of the concurrent resolution, pointed out many times, there was a total of $7 billion in unexpended balances, and $4 billion in unobligated balances for the two classes of programs, civil works and military works.

The $4 billion in unobligated balances was divided almost equally between civil works and military or defense works. The unobligated balance of $2,071,000,000 as of December 31, in the Defense Public Works Program is substantially half of the $4 billion available. The breakdown of the various categories is set forth in detail.

I am glad that the Senator from Kansas has called attention to the reserve program. No part of the military construction program comes home more sharply to Members of Congress than the reserve program, which embraces the armory construction program.

The report of the committee clearly brings out the fact that the committee brought to the attention of Mr. Quarles and other representatives of the Defense Department the interest of the Congress in seeing that the reserve armory construction program should go forward at an accelerated rate.

The distinguished ranking minority member of the Armed Services Committee, the Senator from Massachusetts [Mr. SALTONSTALL], conducted the interrogation; and from what I have been able to see from the report and read in the RECORD, he brought out the facts substantially as I have stated them here. I wish to commend him and his colleagues on the committee for the facts which they developed.

I hope the concurrent resolution will be adopted by a unanimous vote.

Mr. SYMINGTON. Mr. President, in recent hours there have been several opportunities in this body to vote for tax reductions. Personally I think it is more important to consider people who have no work than to reduce the taxes of people who have work.

With respect to the pending concurrent resolution, and the testimony of the Deputy Secretary of Defense, some interesting facts developed.

As of July 1, 1957, and at the beginning of the fiscal year 1958, $2,751,000,000 was available for obligation in order to increase construction in the Military Establishment of the United States. How much of that do Senators suppose was obligated in the first 7 months? The amount was $315 million. Four of those seven months were after sputnik.

I was interested in the statement of the Deputy Secretary of Defense, who testified before the committee that one of the reasons why construction work had not been started, except to the extent of 11 percent of the money available, lay in the rigid expenditure ceiling which was placed on the Defense Department last spring.

The other reason was problems incident to the debt limitation.

I hope that, because of unemployment conditions in the country, the remainder of this money will now be utilized in the 5 months of this fiscal year.

Mr. SALTONSTALL. Mr. President, I agree with what the Senator from South Dakota [Mr. CASE] has said. I believe that the Defense Department is now going ahead fast with military construction.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks certain excerpts from the committee report, which I have marked.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Before I outline these in some detail, I would like to summarize the highlights that seem to relate most directly to Senate Concurrent Resolution 69. First of all, our plans call for the obligation of $1,715,000,000 in the 3 major military construction appropriations during the last 5 months of this fiscal year—this is 5 times as much as was obligated during the first 7 months. Similarly, during the last 5 months of this fiscal year we plan to obligate $57 million in the construction of Reserve facilities, or almost 4 times the amount obligated during the first 7 months of the year.

Although, for reasons I will discuss later, we cannot accurately forecast the amount of Capehart housing which can be funded by private capital, we hope that somewhere between a quarter- and a half-billion dollars of such housing will be contracted for this fiscal year.

With specific reference to the unemployment situation, I am pleased to report that some $450 million of these construction projects, not including housing, are planned for labor surplus areas during the last 5 months of this fiscal year.

I am sure that in the aggregate these various projects should have a beneficial impact on the surplus labor picture and can assure you they will have a most important and beneficial impact on national defense.

Taking the three major military construction appropriations as a whole, the Department of Defense carried over into the present fiscal year $706 million of unobligated appropriations. It received $1,995,000,000 of new obligational authority, including $520 million in the recent supplemental appropriation, and $50 million of reimbursements, so that its total fund availability for this fiscal year was $2,751,000,000. The Defense

Department's obligational plan for fiscal year 1958 called for obligation of $2,030,000,000. This would carry over at the end of this fiscal year some $721 million unobligated funds, virtually all of which represent the value of work under advertisement or negotiation at the end of the year, as well as amounts set aside to complete projects already under way. This is approximately the same as the carryover from the previous fiscal year.

The above applies to the program as a whole. I believe the committee would be interested in a further statement about the housing program. Of the 145,000 units authorized within the $2.3 billion mortgage insurance limit of the Federal Housing Administration, 35,237 units ($535 million) have been placed under contract. Additionally, we have accepted bids on 6,793 units, of which 1,600 units have FNMA financing. There are 9,172 units of Capehart housing being advertised for contract at this time. We are hopeful that these 15,965 units costing some $255 million will be placed under construction by June 30 of this year. In addition, there are 25,241 units for which plans and specifications are being prepared, and 6,624 of these units costing over $109 million will be advertised in the near future. We are hopeful that many of these 6,624 units may be started by the end of the fiscal year.

It must be recognized that the number of Capehart units which can be placed under contract is dependent on availability of mortgage financing.

With regard to Reserve Forces facilities, we carried forward $54 million of unobligated appropriations into the present fiscal year, and the Congress appropriated $88 million additional, so that the total availability for Reserve Forces facilities for the current fiscal year is $142 million. This includes $21 million Air Force Reserve facilities which are part of the overall Air Force military construction appropriation and which were, therefore, included in the construction figures mentioned earlier. Our program calls for obligating $72 million for this total in the present fiscal year, leaving $70 million for support, in part, of the fiscal year 1959 program. Of this $70 million, something like $22 million will have been released for commitments.

Of the $72 million obligations planned in fiscal year 1958, only $15 million had been obligated through last January. This leaves a forecast of $57 million to be obligated in the last 5 months of the present fiscal year, and the departments have plans for projects aggregating this amount. Moreover, we are reexamining this Reserve facilities program to see if it should be further accelerated.

Mr. SALTONSTALL. I place these excerpts in the RECORD because they show a very substantial advance in military construction. Many more housing projects are under contract, or are being obligated to be placed under contract. I think the showing is very helpful, and I hope we shall be able to proceed rapidly with military construction.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

The question is on agreeing to the concurrent resolution, as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], Senator from Idaho [Mr. CHURCH], Senator from Louisiana [Mr. ELLENDER], Senator from Florida [Mr. HOLLAND], Senator from Minnesota [Mr. HUMPHREY], Senator from Tennessee [Mr. KEFAUVER], Senator from Montana [Mr. MURRAY], Senator from Wyoming [Mr. O'MAHONEY], Senator from Virginia [Mr. ROBERTSON], Senator from Georgia [Mr. RUSSELL], are absent on official business.

I further announce that if present and voting, all of the above Senators would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business and if present and voting, he would vote "yea."

The Senator from New Jersey [Mr. CASE] and the Senator from West Virginia [Mr. REVERCOMB] are detained on official business. If present and voting the Senator from New Jersey [Mr. CASE] would vote "yea."

The Senator from New York [Mr. JAVITS] is necessarily absent, and if present and voting he would vote "yea."

Also the Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Jersey [Mr. SMITH] are necessarily absent. If present and voting, each of these four Senators previously named would vote "yea."

The result was announced—yeas 76, nays 1, as follows:

YEAS—76

Aiken	Green	Morse
Allott	Hayden	Morton
Barrett	Hennings	Mundt
Beall	Hickenlooper	Neuberger
Bible	Hill	Pastore
Bricker	Hoblitzell	Payne
Bridges	Hruska	Potter
Bush	Ives	Proxmire
Butler	Jackson	Purtell
Byrd	Jenner	Saltonstall
Capehart	Johnson, Tex.	Scott
Carlson	Johnston, S. C.	Smathers
Carroll	Kennedy	Smith, Maine
Case, S. Dak.	Kerr	Sparkman
Clark	Knowland	Stennis
Cooper	Kuchel	Symington
Curtis	Langer	Talmadge
Dirksen	Lausche	Thurmond
Douglas	Long	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ervin	Mansfield	Williams
Frear	Martin, Iowa	Yarborough
Fulbright	McClellan	Young
Goldwater	McNamara	
Gore	Monroney	

NAYS—1

Cotton

NOT VOTING—19

Anderson	Holland	Revercomb
Bennett	Humphrey	Robertson
Case, N. J.	Javits	Russell
Chavez	Kefauver	Schoeppel
Church	Martin, Pa.	Smith, N. J.
Ellender	Murray	
Flanders	O'Mahoney	

So the concurrent resolution (S. Con. Res. 69) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial unemployment in many areas of the country; since some of the productive facilities of our economy are idle and many are only partially utilized; since permitting an economic downturn to continue unchecked makes it less responsive to corrective action; and since there are many authorized and urgently needed military construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such military construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion and availability of these projects which are vital to our national defense.

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which Senate Concurrent Resolution 69 was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR SIGNING OF HOUSE BILL 10021

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Vice President or the President pro tempore be authorized to sign, during the adjournment, the enrolled bill, H. R. 10021, which passed the Senate a short time ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1378, S. 3420.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

AID TO FOREIGN NATIONS

Mrs. SMITH of Maine. Mr. President, I invite the attention of my colleagues to the editorial in today's Washington Star with respect to the thought-provoking and interesting proposal made by the distinguished junior Senator from Oklahoma [Mr. MONRONEY]. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW AID APPROACH

The lines have been firmly drawn for a major Congressional battle over foreign aid, with probably the bitterest division centering on the amount and nature of nonmilitary economic assistance. In brief, the administration is proposing extension of current programs in a total of $3.9 billion, of which $1.3 billion would be marked for various types of nonmilitary aid. In this form,

the administration plan is one of its highest priority legislative recommendations. It has strong bipartisan support in both branches of Congress, and it has influential backing from quarters outside Government. It has some equally tough and determined opposition, in Congress and out.

Against this background, Senator MONRONEY, a consistent supporter of foreign aid, has proposed a new approach. Dealing specifically with the question of promoting economic progress in the underdeveloped areas of the world, the Oklahoma Democrat has suggested establishment of a new international lending agency, to be designated the International Development Association, to supplement on a somewhat easier and more flexible credit basis the operations of existing agencies in this field. It would be associated most closely with the World Bank, but would be authorized to make long-term, low-interest loans which the bank, under present regulations, must reject. It would permit repayment of such loans either in dollars or in local currencies. Both the World Bank and the Export-Import Bank require repayment in hard currencies.

Mr. MONRONEY's proposal is a result of 18 months of study by the Senator, including consultation with qualified authorities both here and abroad, and discussion with members of both parties on Capitol Hill and with leaders in the executive branch. In submitting a resolution calling for Senate consideration of his plan, the Senator made a persuasive plea for some such step as this at a point when our foreign-aid program, sorely needed at this time, is in the gravest possible danger of defeat or mutilation. His warning of the danger is not by any means exaggerated. And the Monroney proposal offers a new approach which might be helpful and constructive. It should be examined seriously in the Senate.

REINVESTMENT BY AIR CARRIERS OF CERTAIN PROCEEDS FROM SALES OF PROPERTY AND EQUIPMENT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MONRONEY, Mr. SMATHERS, Mr. BIBLE, Mr. SCHOEPPEL, and Mr. PAYNE conferees on the part of the Senate.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

CONCURRENT RESOLUTION OF MISSISSIPPI LEGISLATURE

Mr. STENNIS. Mr. President, several weeks ago I called to the attention of the Senate the vital role of the National Guard in our overall national defense picture. The Mississippi Legislature has adopted a resolution calling on the Congress to maintain the National Guard at the maximum strength. I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 130

A concurrent resolution of the Legislature of the State of Mississippi memorializing the Congress of the United States to maintain the strength and effectiveness of the National Guard of the United States by the enactment of legislation providing for a National Guard strength of at least 400,000 officers and men, retention of the present number of units in the troop allotment, strengthening of the armory construction program, and necessary appropriations therefor, together with necessary safeguards to insure release of such funds when the Congress has made such appropriations

Whereas from colonial days to the present the National Guard of the United States, composed of the patriotic citizen soldiers from every State, has performed vital services to the Nation and its people in thousands of emergency situations, including natural disaster in peacetime and the defense of our freedom in time of war; and

Whereas in these days of international peril and high defense costs the National Guard provides a most essential and effective link in maintaining our chain of strength to resist aggression and at only a fraction of the cost of providing a comparable full-time active duty force of regulars; and

Whereas it is essential to our national welfare and the defense of the Nation that the strength of the National Guard must be maintained if we are to preserve our freedoms, since the guard provides in constant readiness trained military manpower to be used with other forces against any future enemy and also a dispersed force in 2,600 communities which can be used to restore order from the chaos which would result if this country should be attacked; and

Whereas there are now afoot certain plans to reduce the strength of the National Guard and the units thereof, and other steps having been taken to lower its efficiency through such actions as that of the Bureau of the Budget in refusing to release funds for National Guard armory construction even though such funds are appropriated by the Congress; and

Whereas the Legislature of the State of Mississippi is deeply concerned at the proposals now being made to lower the strength and effectiveness of the National Guard and is desirous of expressing its unqualified opposition to such proposals and desires to register its strong support of a realistic program which will maintain the strength and effectiveness of the National Guard: Now, therefore, be it

Resolved by the Mississippi State Senate (the House of Representatives concurring therein), That the Congress of the United States of America be and it is hereby requested to provide for maintaining the strength and effectiveness of the National Guard of the United States by taking the following actions:

1. Provide by law for maintaining the National Guard strength at a level of at least 400,000 officers and men, and appropriate the necessary funds therefor, with necessary safeguards to insure release of such funds.

2. Make provision for retention of the present number of National Guard units in the troop allotment.

3. Appropriate sufficient funds for an orderly and adequate armory construction program for the National Guard, with necessary safeguards to insure the release of such funds when the Congress has made such appropriation; be it further

Resolved, That the secretary of state be, and he hereby is directed to send a duly certified copy of this resolution to the Senate of the United States and another copy to the House of Representatives in the Congress of the United States.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. MORSE:

S. 3493. A bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. BARRETT (for himself, Mr. MALONE, Mr. THYE, Mr. WATKINS, Mr. POTTER, Mr. BEALL, Mr. PAYNE, Mr. ALLOTT, and Mr. HOBLITZELL):

S. 3494. A bill to extend the period during which unemployment benefits may be paid under the Railroad Unemployment Insurance Act; to the Committee on Labor and Public Welfare.

ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 8 o'clock and 46 minutes p. m.) the Senate adjourned until Monday, March 17, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 14, 1958:

IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law.

To be first lieutenants

Anderson, John A., O77251.
Anderson, Richard L., O77253.
Bausler, Donald R., O77267.
Bowdoin, William R., Jr., O77275.
Burkard, Danny J., O77292.
Bush, Charles E., O77296.
Carlson, Gustaf R., O77306.
Caswell, Philip P., O77311.
Catalano, Victor J., O78257.
Cathcart, James E., O77312.
Cipriano, Alexander W., O77319.
Closs, William R., O77324.
Crawford, William R., O77342.
Crawley, Paul K., O77343.
Crook, George R., O78270.
Dickinson, John R., O78280.
Dreher, Henry E., O77368.
Early, Charles D., Jr., O72331.
Erickson, Roland S., O77379.
Folta, Russell J., O77391.
Garvais, Donald F., O77400.
Gorey, Paul J., O77409.
Gray, Robert L., O73150.
Greenwalt, James P., O74912.
Haendle, Karl V., O77421.
Hartrick, William L., O77433.
Hinkin, Paul E., O77447.
Hoffert, Charles E., O77451.

Holland, John J., O77455.
Huff, Don B., O77465.
Hurd, Chetwin M., O77469.
Jones, Burton D., O77489.
Jones, Glenn W., O74739.
Kaczenski, John A., O72337.
Kelly, William H., O77501.
Kirk, K. Leslie, O78388.
Kraak, Charles F., O77514.
Lorigan, Robert E., O77538.
Lovelace, Richard S., O77540.
Luthultz, Gene H., O74016.
MacManus, Frederick O., O77549.
Madigan, John J., 3d, O74763.
Malone, Howard E., Jr., O75015.
McBride, David M., O77560.
McDaniel, Cecil D., Jr., O77562.
McMillen, Earl J., O78427.
McNair, Jeptha I., Jr., O77574.
Miller, Louis G., O72523.
Moore, George D., Jr., O78440.
Moreau, Thaddee F., O77588.
Mulvanity, Donald C., O74786.
Munier, Paul L., O78448.
Neal, James W., O77595.
Nye, Jack G., O77602.
O'Leary, Francis D., O77609.
Owens, Frank E., O77614.
Pacelli, Vincent A., O77615.
Pede, August R., O72348.
Penney, Hubert F., O77621.
Poydasheff, Robert S., O71856.
Prescott, Warren T., O77628.
Register, Benjamin F., Jr., O77642.
Rider, Archie A., O77650.
Ripple, Larry M., O77652.
Robinson, Thomas J., O78480.
Roth, Bernard J., O77660.
Sato, Irving K., O77668.
Smith, Alfred L., Jr., O77693.
Smith, Richard R., O77695.
Stapleton, John R., O77702.
Stewart, William A., Jr., O77706.
Taylor, James O., O77723.
Thayer, Henry J., O77728.
Trowbridge, Clarence A., O78528.
Ueltschi, Donald R., O77746.
Ulrich, Charles F., O74875.
Valz, Donald J., O77749.
Vanderschaaf, John W., O77753.
Von Gortler, Frederick C., 3d, O77754.
Vosbein, Henry M., O77755.
Waltzling, John K., O77768.
Watson, Henry G., O72431.
Welsch, Hanno F., Jr., O77770.
Wendelken, William H., O77771.
White, Charles E., O77773.
White, Frederick B., O77774.
Winston, Neil C., O77784.
Wintz, Edward K., O77786.

To be first lieutenants, Women's Army Corps

Michael, Patricia A., L517.
Steelman, Lois M., L522.

To be first lieutenants, Medical Service Corps

Lawson, Lowell F., O72340.
Sommers, George A., O78171.
Stoltz, Richard B., O76833.

To be first lieutenant, Army Medical Specialist Corps

Latta, Patricia A., M10169.

The following-named officers for appointment in the Judge Advocate General's Corps, Regular Army of the United States, in the grades specified, under the provisions of title 10, United States Code, section 3292, and Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonel

Smoak, William Moore, Jr., O293736.

To be major

Beimfohr, Casper VanDyke, O349416.

To be captains

Oglesby, John Thomas, O2003605.
Parker, Charles H., O962862.
Rogers, William Thomas, O1305114.

To be first lieutenants

Katayama, Robert Nobuichi, O956843.
Thornton, James F., Jr., O2288859.

The following-named officers for appointment as chaplain in the Regular Army of the United States, in the grades specified, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be major

Shea, Daniel Patrick, O931372.

To be captains

Brooks, Porter Harrison, O1340051.
Goss, Charles Allan, O540376.
Rusnock, Michael Aloysius, O2266586.
Thompson, Parker Campbell, O999393.
Wood, Robert Jerome, O995316.

To be first lieutenant

Saylor, Daniel Theodore, O2276086.

The following-named persons for appointment in the Women's Army Corps, Regular Army of the United States, in the grades specified, under the provisions of title 10, United States Code, section 3311, and Public Law 737, 84th Congress, subject to physical examination required by law.

To be major

Harllee, Frances Elizabeth, L804185.

To be first lieutenant

Heinke, Selma Fay, L1010306.

The following-named officers for appointment in the Medical Service Corps, Regular Army of the United States, in the grades specified under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be majors

Hoeg, Arthur E., Jr., O1014755.
Mikuluk, John Andrew, O1533864.

To be captains

Bailey, Robert Wilson, O1171040.
Blank, Jay Paul, O926215.
Georgeff, Boris, O968889.
Janbaz, Edward Harry, O980047.
Johnson, Andrew John, O2048666.
Roueche, Mossman, O1997330.
Sims, Howard Russel, O1547795.
Tate, Robert Warren, O1541109.
Touchette, Norbert Eugene, O988199.

To be first lieutenants

Allen, Harold E., O2275049.
Lucas, Walter Herman, O2279289.

To be second lieutenants

Jordan, France Felton, O4083249.
Maeder Donald Francis, O4059901.
Ortega, Frank Adolfo, O1876010.

The following-named officers for appointment in the Regular Army of the United States in the grades specified, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Carr, Robert Addison, O297287.
Derzis, Peter Nicholas, O305029.
Preiss, Hollis James, O311902.
Purcell, William Wood Rowe, O305056.
Shafer, Howard Thomas, O329852.
Stratta, Maurice Domonic, O345702.
Undercoffer, Charles E., O330490.

To be majors

Abrams, Bernard Bradson, O336100.
Ariail, Thomas Muldrow, O386457.
Bailey, Bernard Opison Arado, O1845729.
Bartelt, Robert Hernandoz, O331187.
Blalkie, John Woodrow, O390862.
Bone, George Addison, O418252.
Colley, Ernest John, O1174538.
Coulter, Joseph Stewart, O430515.
Crispell, John Phillip, O394995.
Dempsey, Albert, O1030025.
Einhaus, Gordon Madison, O340660.
Evans, William Evan, O1594823.
Flanders, Walter Clark, O399022.
Fox, Thomas Daniel, O1288884.
Fragala, Augustine Michael, O383531.
Giddings, Ralph Leander, Jr., O392668.
Goff, Robert Edward, O1584275.
Goodman, Paul, O454205.
Hamlin, John James, O1573254.
Heffelfinger, Harlan Bell, O405490.
Herzer, Arno Perry, O1100591.
Holochwost, George Gregory, O358502.
Kaufman, William Francis, O397883.
Knight, John Thornton, 3d, O1165249.
Kudrna, James Francis, O383217.
Lathey, Charles Edwin, O450979.
Leinhaas, Ralph Paul, O1595645.
Ligon, Walter Batchelor, O383499.
Lippencott, George Henry, O1633372.
Maiello, Ernest Anthony, O1824054.
McLaughlin, Hugh Sinclair, Jr., O454748.
McNeil, Murrell Bernard, O465176.
Mulvanity, Edward Donald, O359598.
Murray, Howard Carey, O400690.
Nason, Condee Conner, O413164.
O'Callaghan, James Patterson, Jr., O1100272.
O'Donnell, Charles Francis, Jr., O405798.
Patch, Lloyd Edwin, O364576.
Pierce, Gardner Thiele, O464878.
Quin, Hillrie Marshall, O1549579.
Rashid, Ralph James, O1285816.
Sanders, Joseph Lloyd, O404246.
Shelton, Earnest Allen, O414503.
Smith, Hulett Dewharton, O1000866.
Smith, James Park, O432951.
Stanek, Frank J., O453034.
Taylor, William Darrington, O418441.
Thompson, Edwin Gerard, O390956.
Townsend, Emmett Carpenter, O1031278.
Valencourt, Charles William, O1280901.
White, Stephen Harold, O338838.
Williams, John Joseph, O419980.
Willmann, William Godfrey, O461994.
Willson, Clayton Ross, O1059685.

To be captains

Adams, Lawrence Edward, O1913252.
Adler, George, O1013222.
Allen, Charles William, Jr., O1296334.
Allen, Robert Wilkinson, O1649176.
Almand, Benjamin Franklin, 3d, O1332124.
Almond, Hugh Harvard, O1581480.
Anderholm, Cecil Carl, O1587809.
Anderson, Andrew Milton, Jr., O1012703.
Anderson, Charles Wesley, O1299516.
Anderson, Warren Stanley, O522537.
Appleton, Rolland Dale, O1045012.
Armstrong, Robert Allen, O963011.
Asbury, Harold DeRoy, O1338890.
Bagot, Alfred William, O528357.
Banks, Ray Cushing, Jr., O956799.
Beckwith, Charles Miller, O959516.
Beers, Edwin Donald, O2011530.
Bell, Allan Duncan, Jr., O1688782.
Bettelli, Aldo, O2032070.
Beveridge, Theodore Melvin, O405520.
Bithos, Franklin John, O1017887.
Bledsoe, Thomas Dee, Jr., O1640237.
Blumenthal, Peter Julius, O514909.
Bovee, Warren A., O1289862.
Bowers, Verne Lyle, O1001516.
Bradley, Charles Richard, Jr., O1336602.
Branch, Raymond Lonnie, O982343.
Bridgman, J. Allington, Jr., O442090.
Brock, Ernest Otto, O2210174.
Brown, Charles Herndon, O1688791.
Burkett, Joseph Francis, Jr., O1299370.
Burks, John Royden, O1636744.
Burrus, Charles Colvin, O1643671.
Campbell, Norman Joseph, O1651944.
Chase, Lawrence Rexford, O1306062.
Clark, James Daniel, O451578.
Clark, John Edward, O1822110.
Close, Malcolm Robert, O993396.
Coe, George Burnet, O2204139.
Connors, William John, O1335627.
Conway, Walter Edward, O1292309.
Cook, Morris Gardner, O978443.
Corcoran, Frank, O565093.
Craig, Robert Jean, O862133.
Crochet, Harold Joseph, O1118354.
Cummings, Lloyd Russell, O2019141.
Dalton, Edward Joseph, O1913482.
Daly, David Jerome, O982348.
Davidson, Lonnie Melvin, O2019014.
Davis, Edward Milton, O394118.

Deming, Donald Allen, O400548.
Dews, Robert William, O997543.
Dixon, Willie Foster, O990744.
Dowell, Vern B., Jr., O531980.
Dudley, Thomas Duvall, O2020635.
Dundas, Gerald Wilbur, O1544395.
Falkenstein, Richard Charles, O1897774.
Faul, Lloyd Joseph, O1688527.
Fay, John Edward, O1039337.
Fell, Thomas Francis, O2050469.
Ferguson, Thomas John, O1638375.
Fessenden, Jack Clayton, O946828.
Fletcher Robert Alfred, O974255.
Fogleman, Paul Vernon, O1295529.
Fox, Thomas Joseph, O1183071.
Fraysse, Andre Louis, O1181602.
Frith, Kenneth Arnold, O993272.
Gaddis, Hubert D., O2045014.
Gaillard, Jack Wesley, O991832.
Garland, Albert Nutter, O519682.
Gemmer, Frederick Lewis, O1799276.
Getz, Wilbur Dean, O982479.
Gillentine, Lunceford Pierce, O1642097.
Gillette, Stanley Lawrence, O1336902.
Glasgow, Keith Arthur, O2037487.
Goepper, Edwin Saxby, Jr., O563115.
Goodlow, Edmund Raymond, O984566.
Goodwin, Andrew Lawrence, O1309547.
Gordinier, Ted Ernest, O1323921.
Green, Gordon, O1685409.
Gregoire, William Nelson, O1924976.
Grubbs, Alfred Thomas, O948971.
Guinan, Warren Alonzo, O496730.
Hackett, Edward Joseph, O1334282.
Hagerty, James Joseph, Jr., O1315302.
Haney, Billy Earl, O2207263.
Herzig, John Alois, O965123.
Hill, Benjamin Harvey, O1306095.
Hodges, William Judson, O1338596.
Holmes, Kenneth Eldridge, O1304387.
Hon, William MacLeod, O1172076.
Horne, Paul Rush, Jr., O1327235.
Horton, Max Griffith, O956673.
Hoshal, Quentin Stanley, O450304.
Hubble, Philip Cleveland, O1046137.
Jefferson, Alfred Roland, O984793.
Jones, Donald Merritt, O1317917.
Jones, Frank Phelps, O1292532.
Kisling, Richard Dunnam, O1341345.
Kruger, Robert Edward, O1326190.
Kussmaul, William Guy, Jr., O424031.
Lassetter, James David, O1334722.
Laue, Martin Walter, O966369.
Lavin, Peter Edward, O454591.
Law, William Thomas, O467726.
Leahy, Thomas Melvin, Jr., O2037731.
Ledda, Daniel Laureta, O1896803.
Leonhauser, Paul Constanz, Jr., O2019609.
Longsworth, Ned Vernon, O1286674.
Loy, Albert, O1331637.
Lynch, Thomas Bernard, O809391.
Mankin, Richard Thurmond, O551912.
Maxwell, Benjamin Beam, Jr., O392389.
Mayo, Leon Daniel, O995647.
McAleer, John Joseph, Jr., O1328826.
McAuley, Edward, O2032924.
McCabe, Jerome Michael, O2202010.
McClenahan, Frank Clifton, O417513.
McCoy, Clarence Ernest, O1080052.
McGilton, Howard James, O1056170.
McGurk, Jack Burress, O2206059.
McIntire, John Edward, O1948509.
McManus, John Joseph, O1924649.
Mejasich, Matthew Joseph, O1924838.
Melton, Paul Everett, O1641576.
Miller, James William, O1799468.
Mills, Stanley Raymond, O463314.
Montgomery, Burton William, O1547078.
Montondo, Robert Douglas, O435926.
Morley, Leonard Aardale, O2010785.
Morton, Ernest Loraine, Jr., O1046208.
Mulhern, John Francis, O1300687.
Myers, Joe Bartlett, O2205880.
Nelson, Ivan Chester, O1686310.
Nick, James Theodore, O1307063.
O'Connor, John Sheehan, O2033793.
Oravetz, Milan Joseph, O1305637.
Paris, Edward Joseph, O2210007.
Parish, Freddy Brady, O2206061.
Patton, Teddy Lee, O955981.
Pederson, Leonard Marvin, O1041875.
Perkins, James Hiram, O947814.
Philopena, Raymond Charles, O1037235.
Phinney, Jack Thomas, O451030.
Pickett, Edward Francis, O981452.
Powell, Joseph Lomax, O949627.
Powers, Louis Walker, O1342209.
Pribram, Otto Ewald, O946624.
Reinikka, Arnold John, O1342298.
Rheuark, George DeLeslie, O1107654.
Roberts, Stanford, O1647908.
Robitshek, Irving Herman, O948722.
Rolfe, Richard Lyle, O1698148.
Root, Donald Gene, O1339474.
Sams, James Harvey, O961466.
Scarbrough, Hobart Dewey, O1558974.
Smith, Charles Henry, O2208616.
Smith, Chester Roland, O413267.
Smith, Herbert Marvin, Jr., O2207712.
Smith, John Archibald, O962625.
Smith, Olin Earl, O1692940.
Smith, Wesley Coombs, O530183.
Smothers, William, O1329405.
Snodgrass, Homer Grant, Jr., O1171776.
Soucy, Robert Henri, O712688.
Spinello, Michael Samuel, O1583706.
Stacy, Thomas Judson, O977149.
Stiefel, Lawrence Elmer, O1311229.
Stiles, Lester Webb, O443139.
Stogsdill, Charles Herbert, O1045266.
Strube, Richard Lee, O1048209.
Swan, Charles Henry, O2200942.
Swank, Marcell Galen, O1950463.
Tesko, Stanley, O2275044.
Thomas, John Elam, Jr., O991917.
Thomas, Roderick Morton, O1166195.
Thomas, Wilson Eugene, O2204163.
Thrush, Francis Hoy, O1032787.
Tiemann, Philip Wyeth, Jr., O2201141.
Torrey, Clarence Tudor, O963135.
Tymchak, Michael, O1310948.
Vickers, John Dale, O1557388.
Waller, Elbert Cecil, O452575.
Walts, Charles Conrad, Jr., O408366.
Weible, Oscar Joseph, O1329539.
Weinzettle, John Joseph, O1557697.
Whipple, Howard Woodrow, O1340725.
Wickers, Charles Allen, O1897766.
Wieben, John Douglas, O1100392.
Williams, Howard Clark, O1111438.
Wilson, Charles Donald, O2055241.
Wilson, Charles Llewellyn, Jr., O2204214.
Winter, Leonard Marcus, O949680.
Wolfe, Melvin Merle, O1583858.
Wood, Burl Adock, O1001280.
Yonushonis, William Leonard, O1108435.
Zimmerman, Albert Charles, O1177260.

To be first lieutenants

Adams, James Edgar, O991392.
Alexander, John Venson, 3d, O2021870.
Anderson, Thomas Lee, O1891307.
Andy, Charles Wilbur, O4004406.
Arena, Darrell Ricardo, O2028657.
Austin, Freddie Clarence, O4024083.
Bardwell, Lloyd Richard, O1936145.
Barron, John Joshua, O962523.
Benedict, Alfred Payden, O1877341.
Bente, James Alvin, O1892202.
Bernstein, Harold, O4014788.
Bill, Gary R., O4038931.
Boman, Jack Dean, O2104896.
Bonsall, Edward Horne, 3d, O1925880.
Bowers, Ronald Clifton, O4010107.
Braley, Theodore Leroy, Jr., O2263580.
Brigman, Laneau Morris, Jr., O1885831.
Brockman, Harry James, O2274649.
Brown, Bury Guard, Jr., O1926317.
Bryan, Clyde Milton, Jr., O4042525.
Burnett, Clark Albert, O4005652.
Burns, Joseph Clarence, O4031921.
Carney, Harland Elmor, O1925000.
Caron, John Eugene, O4004803.
Carrasco, Valentine Enrico, O4003245.
Cesar, Edison Martins, Jr., O1876954.
Clatterbuck, Gary Lee, O4031751.
Cole, Carl Kermit, Jr., O4027979.
Crain, Leonard Bruce, O4012373.
Cravens, James Oscar, O1872375.
Creamer, Edmund John, Jr., O1935331.
Custer, Robert George, O4009681.
Deacon, Reynolds J., O4015645.
Dearborn, Charles Stanton, O4007060.
Dirkx, Gerard Mathias, O1876399.
Dorschler, Richard Kent, O4041037.
Downer, Harry Scott, Jr., O1926612.
Eckhart, Amil Joseph, O2266380.
Enright, Eugene Joseph, O4020612.
Fahey, James Paul, Jr., O1919226.
Fasone, James George, O2030490.
Fletcher, David Forbes, O4002286.
Francois, Frank, O1939867.
Garman, Frederick Edwin, O1935022.
Gilmore, Edward Rogers, O4013518.
Ginger, Walter Daniel, O4032700.
Goss, Wallace Fayette, Jr., O1926735.
Graham, Joseph E., O4036966.
Greany, Virgil Raymond, O4009032.
Guenther, Leo Andrew, O4009611.
Gunn, Robert L., O4005206.
Guyton, Robert Eldon, O1940518.
Hanlin, Emmert L., Jr., O1879140.
Hannas, Robert, O1938571.
Harrington, Robert Henry, O2262517.
Hastings, C. Frederick, Jr., O1890412.
Haxton, Owen Virgil, O2097428.
Heintz, John Peter, O4037251.
Higgons, Warren Westervelt, 2d, O4020771.
Hole, James A., O4020144.
Holloway, James E., O1940192.
Honeycutt, Weldon F., O2028700.
Huber, Helmut, O995151.
Huntley, David Larkin, O1936419.
Jimison, John Gordon, O2030474.
Johnson, Cornell, O4005222.
Johnson, Wilbert Theodore, Jr., O1695182.
Kennedy, Walter George, O2021824.
Kerby-Miller, John Craighill, O4014003.
Ketteman, Rollin Lee, O1929815.
King, James Archie, O2262218.
Langford, Paul Peden, O4009625.
Larkin, Phillip Samuel, O4006926.
Lauzon, Donald Ernest, O2028604.
Lawrence, Robert Sheldon, O1929229.
Linkous, Claude Douglas, Jr., O1890008.
Lucido, Jack Augustine, O4037840.
MacMillan, Richard Hunt, Jr., O4029376.
Mariani, John, O4030600.
Marsh, Martin Keith, O2102287.
Martin, Frederick Lee, O1885455.
Masterson, Joseph H., O1924620.
McAfee, Darwin Lee, O2105109.
McGreevy, Edgar Raymond, O1872437.
Means, John Arguyle, O2265782.
Millimet, Stanley, O956240.
Mitchum, Dwyer K., O1887750.
Mizell, John Joseph, Jr., O4012661.
Mooney, Charles Wallace, O2004652.
Morris, Patrick W., O4031694.
Morrissey, Robert James, O1893836.
Munroe, Robert Stetson, O1881340.
Northcut, Jimmy Eugene, O2265271.
Norwalk, Frank Edward, O1915631.
Nowalk, Charles Lawrence, O1936593.
Parmenter, Russell Eugene, O2103209.
Paul, Alfred Lee, O1931413.
Perkins, Andrew Douglas, Jr., O1940711.
Perkins, Rodney Blake, O1883275.
Perry, Ronald Clair, O4036938.
Peterson, Jon Houghton, O4015153.
Phillips, Calvin Fish, Jr., O4040529.
Pierce, Walter Hugh, O1919427.
Powel, Ben F., Jr., O4044196.
Purrington, Donald Eugene, O2021862.
Randall, Eugene Joseph, O4011573.
Rayl, Wallace Irvin, O4009778.
Rohrbach, Roger Brown, Jr., O4033125.
Rouchon, Anthony Claude, Jr., O4011772.
Rupert, Rodney Theodore, O2265528.
Russell, William Howard, Jr., O1881183.
Sandia, Robert Stephen, O4009273.
Santolli, Carl Joseph, O4038888.
Schoen, Frank Clifford, O4016706.
Schoendorfer, Frank Moyer, O4004277.
Schwarz, Charles Russell, O1916308.
Sheider, Augustus Lee, Jr., O4012688.
Smith, Harlan Van, O1914667.
Stallings, James Donald, O4044443.
Stevens, Story C., O1186859.
Sunell, Robert John, O4019661.
Surmiak, Edward P., O4034022.
Swann, H. L., Jr., O1917924.
Sweat, Melvin Harold, O1894201.
Therianos, Pericles Leonidas, O1938608.

Thomas, Joseph Trexler, O1892243.
Thomason, Dana Lee, O1876818.
Thompson, Duayne Benton, O4010240.
Thrasher, Billy John, O1932460.
Travas, John Edison, O4005745.
Trinkler, Kenneth Thomas, O1881843.
Troutman, Allen Coolidge, O1923527.
Utzman, Charles D., O1882641.
Vail, Ira Duffy, O1939423.
Van Horn, Robert Harlan, O1890078.
Vaughn, Lowell Wishton, O1915659.
Watson, Carroll Ross, O2102872.
Whalen, John J., Jr., O4005959.
Whitbeck, Robert Earl, O1937462.
Willard, Robert Boyce, O1936084.
Willwerth, Dean Richard, O1930453.
Wright, Bruce Tutwiler, O4003676.
Wright, Joseph, O4009233.

To be second lieutenants

Ament, Richard Glenn, O4050444.
Armstrong, Charlie Curt, O4028762.
Bender, Richard C., O4026323.
Berrey, Thomas Gilbert, O4050298.
Brugger, Karl A., W2206005.
Butler, John R., O4035208.
Chandler, John Coleman, O4004961.
Childres, James Hoyt, O2284135.
Christensen, Gerald L., O4069693.
Clarke, Walter Joseph, Jr., O4035179.
Craft, Vernon Edwin, O4027947.
Dugan, John Edward, O1935615.
Dunn, James Alan, O4029989.
Duxbury, Dean D.
Elder, Perry B., Jr., O4024829.
Emery, Ronald H., O5301681.
Fitzgerald, John Morton, 2d, O4046426.
Flitcraft, Anthony D., O4031191.
Foster, Robert Glade, Jr., O4031135.
Fraley, Robert Ray, O4045118.
Gamble, John Frederich, O2266255.
George, James R., Jr., O4025805.
Goad, Robert Earl, O1931759.
Grover, Dwight L., O4031309.
Heitman, Robert Donald, O4030781.
Hill, Robert Golden, O4045006.
Hoffman, John Francis, O4046099.
Holzheimer, Richard D., O4031814.
Hooker, Cloyd Talmade, O4048269.
Jones, Charles Edward, O4031098.
Jones, Robert Allen, O4025880.
Kattar, Richard J., O4031151.
Knepper, Charles Francis, O4042070.
Lawson, Richard Gregory, O4041178.
Lehner, Scott James, O4076868.
Love, Thomas Wilfrid, O4042112.
Lynch, Gerald H., O4044813.
McCulloch, William Crews, O1932433.
McCurdy, Neal Blake, O4049946.
McWilliams, Fred Miles, O4028196.
Meaney, Edward Joseph, Jr., O4064609.
Montgomery, Budd Vernon, O4044949.
Moore, William Baker, O4010516.
Nauman, Alan Arthur, O4042107.
Nelson, Thomas Clarke, O1890640.
Quirk, Edward Thomas, O4031353.
Rummler, Richard E., O4045925.
Schackman, Barry David, O4044767.
Schott, Richard Simpson, O1893247.
Shannon, Robert, O4038043.
Shirley, Frank Roy, Jr., O4059130.
Smisson, William Howard, O2267620.
Smith, Lloyd Andrew, O4004824.
Steffen, Albert Joseph, O4020203.
Syring, Herbert William, O4057226.
Tomlinson, Walter C., Jr., O4051479.
Vandergrift, Kennard Smith, Jr., O4069226.
Vaughan, Charles Upton, O4027535.
Wilkens, Walter Frederick, O4037685.
Young, Carl Louis, O4030967.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Dickover, Robert A.	Hopkins, Carl M., Jr.
Gillem, Richard D.	Jackson, Norwood E.
Haas, Willis J., Jr.	Patterson, Twyman L.
Hiland, Bobby A.	Tyler, James R.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Dickson, Richard C.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3294, as amended by Public Law 497, 84th Congress; title 10, United States Code, section 3291, as amended by Public Law 85–155, 85th Congress:

To be lieutenant colonel

Stacy, Harold G., MC, O76662.

To be major

McKinley, Robert L., MC, O76416.

To be captains

Black, Mary L., ANC, N769738.
Brown, Virginia L., ANC, N763910.
Connolly, Margaret M., ANC, N754563.
DePriest, Oscar S., III, MC, O4039771.
Jones, Quitman W., MC, O2269201.
Peterson, James H., DC, O981030.
Rabke, Henry B., MC, O1941180.
Robinson, David M., Jr., MC, O4039749.
Venezia, Antonio, J., Jr., DC, O2271823.

To be first lieutenants

Abrams, Harold, MC, O2285087.
Acuff, Robert P., MC, O1930258.
Albert, Normande R., ANC, N901972.
Andrews, Billy F., MC, O2283907.
Benisek, George J., MC, O4073870.
Benway, Robert E., MC, O4011906.
Druepple, LeRoy G., MC, O2284735.
Durden, Walter D., Jr., MC, O2284384.
Farrell, Thomas E., MC, O2289185.
Geiger, Edwin R., Jr., MC, O4019391.
Gilmore, Mary E., ANC, N805479.
Hoja, Witold A., MC, O2285094.
Keenan, Richard L., MC, O2284039.
Kroening, Paul M., MC, O2284051.
Kruse, Audrey C., ANC, N902602.
Lewis, Betty J., ANC, N901459.
Lindell, Maurice E., MC, O5200549.
Mathews, Thomas P., MC, O2284045.
McIlroy, William, MC, O2284665.
Mittelmann, Michael, MC.
Patterson, Peter H., MC, O4067956.
Remsen, Wallace M., DC, O2289855.
Rogers, Robert E., MC, O1876559.
Rozanski, Thomas I. F., MC, O4064744.
Rudnicki, Richard P., MC, O2283967.
Scott, Monte M., MC, O2283876.
Smith, Darrell F., MC, O2288915.
Stiny, Constantine P., MC.
Thomas, Fred W., MC, O2284245.
Trobert, Betty J., ANC, N901264.
Wells, Ralph F., MC, O2284776.
Yancey, Henry A., Jr., MC, O2284867.

To be second lieutenant

Rhinehart, Grace A., ANC, N901924.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 14, 1958:

UNITED STATES ARMY

Maj. Gen. James Francis Collins, O16819, United States Army, to have rank of lieutenant general, while serving in a position of importance and responsibility to be designated by the President under subsection (a) of section 3066.

REGULAR AIR FORCE

Maj. Gen. Oliver S. Picher, 540A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10, of the United States Code.

ADDITIONAL APPOINTMENT IN THE REGULAR AIR FORCE

The nominations of Col. Robert F. McDermott, and 1,112 other officers for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on March 6, 1958, and the complete list thereof may be found in the Senate procedure of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Col. Robert F. McDermott, which occurs on page 3600 and ending with the name of Eldon T. Winston, which is shown on page 3604.

EXTENSIONS OF REMARKS

Address by Hon. Edward Martin, of Pennsylvania, to the Kiwanis International

EXTENSION OF REMARKS
OF
HON. EDWARD MARTIN
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Friday, March 14, 1958

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered on October 7, 1957, to the Kiwanis International, in Pittsburgh.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF UNITED STATES SENATOR EDWARD MARTIN, OF PENNSYLVANIA, AT THE PENNSYLVANIA STATE CONVENTION OF KIWANIS INTERNATIONAL IN THE PENN-SHERATON HOTEL, PITTSBURGH, MONDAY, OCTOBER 7, 1957

It is an honor to address this fine organization of patriotic Americans.

You represent the spirit of cooperation and constructive service which contributes so much to the progress of our Nation and the well-being of our people.

Kiwanis has gained an outstanding place of honor and prestige because in every respect it exemplifies all that is best in the American way of life.

It has always seemed to me proper and appropriate, in meetings such as this, to consider the problems that confront us as a Nation.

As Americans we are fortunate that we can discuss our problems against a background of achievement unparalleled in all world history. In less than 200 years of independence we have built a Nation with the greatest and most diversified industrial and agricultural production in the world. We have developed the highest living standards ever known to the human race. We have advanced to spiritual and cultural heights never before attained by any other people of the earth.

Although we are the richest and most powerful nation in the world today we are not free from danger. We would be lacking in Americanism if we failed to recognize the

perils that can undermine and destroy the greatness of our country.

Now let me assure you that I am an optimist. I believe with all my heart, just as you do, in our form of government, in our free, competitive economic system and in our way of life. I have faith in the sound, common sense of the American people and in their capacity for self-government. Here in the United States "we, the people" are the government and "we, the people" must find the solution to our problems. We can do so if we have the courage to bring them out in the open for free and frank discussion. In groups such as this we can plan the defense of America on every front where danger threatens.

Let us consider briefly some of the dangers confronting the United States.

First. Big government and too much dependence upon government.

In the last quarter of a century there has been a vast expansion in the size and cost of government at all three levels. The people are constantly demanding more and more services with little regard for the price they must pay. Under that pressure government has become involved in many functions in which it does not properly belong. The result has been excessive taxation and continued borrowing. In the last 20 years total tax revenues, Federal, State, and local, have increased from $11 billion in 1936 to more than $107 billion in 1956. This year 20 States have increased tax rates of various kinds.

About 8 million men and women are now employed by government, exclusive of the Armed Forces, with a payroll of about $40 billion a year. The Federal payroll alone has reached an alltime high of $1 billion a month. Of course, the large majority of these employees are hard working and are doing a useful service. Too many, however, are doing things we should do for ourselves.

One American out of every seven receives a monthly check from Uncle Sam.

Second. Too much centralization of government. This is a dangerous situation because it means the advance of creeping socialism. In the last 25 years we have seen the Federal Government assume control of many functions which properly belong within the jurisdiction of State and local government. This has been accomplished by so-called grants-in-aid and subsidies, involving more than 50 different programs.

In 10 years, Federal grants to the States have increased from $1,678,000,000 in 1946 to more than $4 billion in the 1957 fiscal year. Many States depend upon grants from Washington for a large percentage of their total revenues. This ranges from at least 20 percent in 20 States to a high figure of more than 40 percent.

You realize, of course, that there is actually no such thing as Federal aid. Every dollar paid out of the United States Treasury was put there by the taxpayer or by going deeper into debt. The United States has no other source of funds.

Federal payments are made to individuals as well as to divisions of government.

From 1934 to 1956, inclusive, the grand total of both these types of expenditures was over $81½ billion. Of this, nearly $50 billion or 62 percent, went directly to individuals, either in cash or kind. State and local government units received about $31 billion.

The rate of payment to individuals is increasing each year. These direct payments are now a part of the American system and are not chargeable to either political party. Thus, in 1934, with great unemployment, Federal payments to individuals totaled $1,699,000,000. In 1956, with practically no unemployment, the total was almost identical, $1,689,000,000.

There is danger of creeping socialism also in Government competition with private enterprise. For example, the largest electric plant owned by the Federal Government is twice as large as the largest private plant.

Seventy years ago the per capita tax rate was $1.98. It is now $444.86, more than 200 times as much, and each of us pays 1 dollar out of every 3 for taxes. If taxes increase as rapidly in the next 25 years as they have in the last quarter of a century, Government will be taking more than half of our earnings and our Nation will be socialized.

Third. Too much public and private debt. Individual, corporate, and governmental debt have increased at an alarming rate. This should be of deep concern to all the people of our country.

Let us look at the figures.

According to an official Department of Commerce report issued last May, the American people at the end of 1956 owed a total of $803 billion in gross private and public debt. This total is an average of about $4,700 for every man, woman, and child in the Nation, or about $18,800 for the average American family of four persons.

The Federal debt is just about touching the legal limit of $275 billion with additional contingent liabilities of another $275 billion. These include such items as guaranteed mortgages, Federal Reserve notes and obligations of Government agencies involved in international finance. Net State and local government debt has increased from $13½ billion in 1945 to $42.7 billion at the end of 1956 and is rising rapidly. Net corporate debt went up from $93½ billion in 1946 to $208 billion at the end of 1956.

People have been buying out of tomorrow's paycheck. At the end of 1945 they owed less than $6 billion in installment debt. In 1956, this figure had increased to $42 billion.

The danger of this crushing burden of debt was pointed out at the recent Senate Finance Committee hearings relating to the monetary and fiscal situation in our country. During the testimony of Chairman Martin of the Federal Reserve Board, I asked him about the influence of debt upon our economy.

He replied, and I quote: "There must be provisions for borrowing of many kinds, but we must never forget that the worst kind of slavery is the slavery under borrowed money."

At this point the distinguished chairman of the Finance Committee, Senator BYRD, of Virginia, interjected:

"You have just made one of the wisest statements I have ever heard."

In further questioning the Reserve Board Chairman asserted that the basic inflationary pressures of today come from "overspending and undersaving."

That brings us to the fourth, and perhaps the most serious danger confronting the United States. I refer to the rising spiral of inflation which has the power to crush any economy upon which it fastens its grip and thus can destroy a nation. In fact, more great nations have been overthrown by inflation than by invading armies. A nation crushed by military force can rebuild itself but a nation where incentive of the individual is destroyed has very little opportunity of recovery.

One of the most difficult functions of a free government is to maintain a stable currency. At the same time it is one of the most important objectives of government.

Let us look at the inflationary figure and the decline in the purchasing power of the dollar.

As shown by the Consumer Price Index the inflationary figure rose from 59.4 in 1939 to 120 in August 1957.

In 1939 the dollar was regarded as worth a little more than 100 cents in purchasing power. Inflationary pressure during World War II forced the value of the dollar down to the level of 78 cents. The decline continued during the postwar years and at the beginning of 1953 the dollar represented only 52 cents in purchasing power. For a time it appeared that the value of the dollar had been stabilized at that point, and for the next 3 years the index remained practically unchanged. However, in 1956, the downward trend was resumed and the value of the dollar sank gradually month after month, going down to 50.3 in March of this year.

In the discussion of inflation and its dangers to the economic stability of our Nation, we must keep in mind that inflationary pressures are being exerted in every country in the world.

The depreciation in the value of money has been worldwide but the damage in the United States has been less severe than in most of the other countries of the world.

From many sources there have been complaints that interest rates are too high to meet our expanding industrial and commercial requirements. But we should not forget that the current rates of interest in the United States are lower than those of Great Britain and 53 other countries.

Rising interest rates throughout the world are the result of a long era of cheap money and the widely held expectation that the value of money will undergo further depreciation.

Because interest rates in the United States still are the lowest in the world many foreign borrowers are seeking funds here. This credit demand adds to the pressure upon available funds. The rent or price of borrowed money has always been determined in the same manner as the price of any other commodity, depending upon supply and demand in the market place.

The British Government, in an effort to check continued inflation, has found it necessary to increase the Bank of England discount rate from 5 to 7 percent. This compares with our Federal Reserve Bank discount rate of 3½ percent, a recent increase from 3 percent.

Now let us look at the causes of inflation. They fall into several categories:

1. Excessive governmental expenditures, deficit financing, a staggering burden of debt, printing-press money and unsound fiscal policies.

2. Increase in labor costs with a corresponding increase in the cost of production. There is no danger when rising wages are accompanied by increased production. Inflation results when overall production does not keep pace with rising wages and other income.

3. Too much expansion of business and purchasing by Government, corporations and individuals on borrowed money, particularly money borrowed from banks.

4. The great expansion in the size and cost of Government.

Let us briefly look at the results of inflation:

1. The dollar loses its purchasing power. This damages all with fixed incomes and inflicts severe hardship on millions of our people. The person with a pension, social security, or interest on savings cannot escape the evils of inflation.

2. Values built over a lifetime, or even over generations, are reduced or wiped out. Continued inflation ultimately can lead to disaster and economic collapse. Those damaged by inflation include the many millions of savers in the United States, the owners of savings bonds, life-insurance policies, and savings accounts. Men and women paying into social security make up another great list of savers who are the victims of inflation.

3. Another danger brought on by inflation is the difficulty of industrial replacement. An individual or a company in the past, laid aside so much per annum for replacement of plant, machinery and equipment. The dollars they have accumulated for the purpose are now deflated and do not have the value necessary to purchase the new equipment.

Experience has shown that there is no limit to human desire for goods and serv-

ices, but there is a limit to the means by which these desires can be satisfied.

We must remember that even though we are the richest Nation on earth there is a limit to our resources. We are not rich enough for everyone to have everything he wants. Therefore, when Government attempts to carry out competitive political promises often made by demagogs, and undertakes to supply the wants of groups and individuals the cost is certain to exceed available revenues. In that event increased debt is the natural consequence, and inflation is brought on unless strong monetary and debt management policies are enforced. This calls for fiscal and monetary discipline affecting all of us, and a high level of official responsibility, but it is the only safe course.

We all enjoy prosperous times but we want that prosperity to be based on sound monetary and economic policies. Prosperous times have often caused people to become overly confident and even reckless.

How can inflation be curbed?

The real way is less debt and more savings.

The Federal Reserve Board, by strict regulation of credit and the money supply has done much to check inflation. The stand of the Federal Reserve Board has been criticized but it has rendered a great service to the Nation.

We have, in the United States, an enormous number of borrowers, including the thousands of units of government. On the other hand, we have a greater number of savers and it is only through their thrift that we can have an expanding economy.

In every age in America we have looked forward. We have looked forward with a mixture of courage and doubt. Each one of us has fought his own battle. Many of us have lost. Some have won. The great majority have had both defeats and victories. But, in every generation, courage in the United States has prevailed.

Personally, I feel that America today has the same courage that caused our forefathers to move ahead. They did not have it easy. We will not have it easy. We must always fight for the stability of our medium of exchange; for the improvement of living conditions; for our upbuilding, morally and spiritually.

We are living at a time when each of us must revitalize our allegiance to the ideals and principles of America.

By precept and example we must inspire deeper love of our country, greater respect for its laws, more active support of the church and more individual assistance in all public-spirited undertakings.

Let us emulate our forefathers by taking a more active part in Government.

Our forefathers were courageous and self-reliant. Without seeking governmental aid, they crossed the mountains with Bibles, rifles, axes, and plows. The axes and plows provided their food and shelter. The rifle was for protection. The Bible was the source of their deep religious faith.

Let us depend more upon ourselves and less on Government.

Parallel Between St. Lawrence Seaway and Columbia River Projects

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, March 14, 1958

Mr. NEUBERGER. Mr. President, at a time when all the Nation is interested in useful public works to give employment on productive tasks to idle Americans, we must keep in mind the great St. Lawrence Seaway project for the development of hydroelectric power and improvement in navigation in the Northeastern States.

I am particularly interested in this vast undertaking because it parallels in many major facets the undertakings for waterpower, navigation, flood control, and reclamation on the great Columbia River system in my own Pacific Northwest. I also have just visited the St. Lawrence area.

In the Oregon Journal, of Portland, Oreg., for Sunday, March 9, 1958, I was privileged to review a most informative book entitled "The New St. Lawrence Frontier," about the St. Lawrence project, written by Sidney C. Sufrin and Edward E. Palmer, of the staff of Syracuse University.

I have had a number of excellent letters from my home State about this book review, inasmuch as many residents of Oregon hope that waterpower from the swift reaches of the Columbia River can provide new industrial opportunities in our area, as cheap power from the St. Lawrence and the Niagara—which is really part of the St. Lawrence watershed—is now making possible in the Northeast.

Mr. President, I ask unanimous consent that my book review of The New St. Lawrence Frontier, which was published in the Oregon Journal of March 9, under the title "St. Lawrence Seaway Mirrors Northwest Potentialities," may be printed in the RECORD.

There being no objection, the book review was ordered to be printed in the RECORD, as follows:

ST. LAWRENCE SEAWAY MIRRORS NORTHWEST POTENTIALITIES

(By RICHARD L. NEUBERGER, United States Senator from Oregon)

The New St. Lawrence Frontier. By Sidney C. Sufrin and Edward E. Palmer. Syracuse University Press, 98 pages; $3.

By a fortunate coincidence, this little book reached my desk only 5 days after I had returned to Washington from the strategic realm which the volume describes.

With Col. Loren W. Olmstead, district engineer at Buffalo, I toured the spectacular area where the Great Lakes pour their excess volume to the sea. I had never seen Niagara Falls before. The scene did not disappoint me. Nearly half the fresh water of the globe funnels through this mighty trough. The great maelstrom of the Horseshoe Falls shakes the earth, and plumes of spray rise majestically in the air.

The river is known as Niagara in some places, the St. Lawrence in others. But it is all the outlet of the five Great Lakes. As such, the name of the St. Lawrence of course predominates. This is one of the major rivers of the globe. At a Senate hearing I recently was told by that able man, Maj. Gen. Emerson C. Itschner, Chief of the Corps of Engineers, that only our own Columbia River system eclipses the St. Lawrence and its tributaries in potential waterpower production in the United States. There is another parallel between the Pacific Northwest and the St. Lawrence frontier—to a substantial degree, the key rivers in both regions are shaped by the United States and Canada.

As I read The New St. Lawrence Frontier I often have felt that I was looking into a glass which mirrored our own Northwest, because the problems and resources are frequently so essentially similar.

The St. Lawrence Seaway, a joint undertaking of Canada and the United States, is principally for navigation and power. It will provide a 27-foot inland artery for ocean-going vessels all the way from the Atlantic to the head of navigation on Lake Superior. The power possibilities at the huge Barnhart Island Dam will be virtually equal to those at Grand Coulee, mightiest of all the projects on the Columbia. Listen to these words by the Messrs. Sufrin and Palmer, both of whom are professors at the Maxwell School of Citizenship at Syracuse:

"Chemical and metal industries, and many others, are limited in their expansion by critical water availability. Thus the boundless water supply of the St. Lawrence River should stimulate the fertile imagination of the American businessman and technologist. Water, not only for power but for industrial processes as well, will surely make the St. Lawrence region worthy of investigations that are probably to be made by industrialists who are looking for investment possibilities."

Such language should be familiar to residents of the Pacific Northwest. Has it not been applied to the Columbia River on many occasions?

The predominant use of power for industrial purposes seems to be far less controversial on the St. Lawrence frontier than in our own State of Oregon. In Oregon, kilowatts from the Bonneville system are sought by private utilities and by public systems such as PUD's. There has been relatively scant support to date for my amendment to the preference clause, which would grant a new priority to industry. On the St. Lawrence, by contrast, it seems to be taken for granted that the new kilowatts from Barnhart Island will be used principally to stimulate payrolls.

"But perhaps one of the greatest advantages of the area," wrote Professors Sufrin and Palmer, "is the great enthusiasm on the part of many individuals and communities in the north country for further industrialization. There is intense desire in this direction, and it has already created a favorable industrial climate."

The New York Power Authority will receive from the St. Lawrence Seaway some 735,000 kilowatts of firm energy and 125,000 kilowatts of interruptible power. Already Gov. Averell Harriman has allocated to just two aluminum plants the following generous quotas:

	Firm kilowatts	Interruptible kilowatts
Aluminum Company of America	174,000	65,000
Reynolds Metals	200,000	39,000

This means that 50 percent of the firm power and 83 percent of the interruptible power, along the American frontier of the seaway, is going to a pair of aluminum factories. It is significant, in my opinion, that New York's Democratic Governor was praised by both major political parties and by the bulk of the press for these allocations. Yet in Oregon, any alleged monopolization of Columbia River power by aluminum companies is generally the cause of many political denunciations—from private-power groups on the right and from public-power groups on the left.

When I was in the twin cities of Niagara Falls—one in New York State, the other across the chasm in the Province of Ontario—I found business leaders assuming that additional cheap energy would be principally set aside for payrolls. There was scant thought of using this power for domestic purposes, if it could be made the source for attracting new manufacturing plants. I

was fascinated by the way in which the power authority intends to tap additional kilowatts at Niagara Falls.

Under cover of darkness, when the thundering tourist attraction is not at stake, water will be drawn from the Niagara River and held in reservoirs and pools. Then, during daylight, it will be poured through canals and dropped some 300 feet via penstocks to a huge powerplant at the bottom of the yawning Niagara gorge. Thus the maximum amount of energy will be produced in the daytime, while factories are working full shift. Nor will it be necessary to spoil the beauty and grandeur of the falls when pilgrims and newlyweds are looking at one of the world's famous spectacles.

One basic difference between industries locating on the St. Lawrence and those in our own Columbia Basin must be emphasized. The plants taking advantage of the low-cost kilowatts of the St. Lawrence frontier are only a midiron shot from millions of customers in the Eastern States. In the Northwest, by comparison, the long freight haul still intervenes across the continent and over the intermountain barrier—and freight rates, alas, are rising with every passing year of biennium.

Readers of this book review will be interested to learn that the Messrs. Sufrin and Palmer are opposed to special tax concessions for new industries. They support general New York State policy in this respect. They believe that tax rebates or "forgiveness" for new plants are almost always at the expense of existing industries in that particular community. They also warn that fly-by-night factories tend to take advantage of temporary tax concessions, and then perhaps migrate somewhere else, leaving behind a legacy of unemployed families and unsupported public facilities.

The cost of the St. Lawrence Seaway is about $1 billion with some $300 million invested by the two national governments in the navigation facilities and the rest in the intricate powerplants. According to present schedules, the seaway will be completed sometime during 1959 "and, when it is finished, it will provide a 27-foot channel between Montreal and the Great Lakes." Advocates of Columbia River and Snake River navigation then will have a real showcase to point to, when they seek appropriations and further authorizations from a somewhat reluctant administration or Congress.

SENATE

MONDAY, MARCH 17, 1958

Rev. Calvin Thielman, minister, the Presbyterian Church, Waynesville, N. C., offered the following prayer:

We bless Thee, O God, our Father, for all Thy goodness to the children of men; for the word of prophet and apostle, given for the enlightenment of the world; for the supreme revelation of Thyself in Thy Son, who became bone of our bone and flesh of our flesh, to redeem us; for the gift of Thy Holy Spirit, whose power is sufficient to restore our hearts and our world to the order that will please Thee.

We entreat Thy forgiveness for the shameful peace which we have often made with our temptations.

Create within us a holy dissatisfaction with all that is base and low. Dispel from our minds the stale languor of past failures that haunt us.

Lift us to a new vision of our work in its eternal perspective. Grant us the courage to be expendable in the fight for that which is right.

Make us deaf to harmful praise. Help us to sense the littleness that clings to deeds of vanity.

We intercede for Thy mercy on behalf of the people we represent.

We remember before Thee, our Father, the members of our families, our friends, and our staff, whose costly sacrifices have made it possible for us to serve here. Tender to them a solemn sense of pride in their unsung labors for the Republic.

Help us to make the clean and unsoiled hours of this session fruitful for good. In Jesus' name. Amen.

REV. CALVIN THIELMAN

Mr. JOHNSON of Texas. Mr. President, I am very proud to be present today to receive the inspiration which comes from the wonderful prayer delivered by a loyal and devoted friend of mine and a former Texan, who has moved on to other fields in North Carolina.

I am pleased to state that his contributions to our State, even when he was a boy in high school, and during his early years in college, were great and enduring.

I know of no more dedicated person.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 17, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 14, 1958, was dispensed with.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the Senate of March 14, 1958,

The PRESIDENT pro tempore, on March 15, 1958, signed the enrolled bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which had previously been signed by the Speaker of the House of Representatives.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Acting President pro tempore:

S. 1519. An act for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno; and

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—THE ROAD BILL

Mr. JOHNSON of Texas. Mr. President, I had anticipated that sometime this week the Senate would proceed to the consideration of the road bill, which on last Friday was ordered reported by the Public Works Committee. I had hoped the bill would be taken up by the Senate on Tuesday or Wednesday.

However, a very unusual situation developed in the Public Works Committee: Some of the members asked that the bill not be reported until minority views could be prepared, and found that it would be necessary to hold up that important, emergency measure for more than 1 week.

I hope it will be possible to work out some arrangement whereby the bill can at least be reported by the middle of the week, and whereby the Senate can proceed to its consideration in the latter part of the week.

In any event, I believe prompt action on the bill is not only desirable, but essential, particularly in view of the fact that 5,200,000 of the American people are unemployed, and the fact that the purpose of the bill is not only to provide good roads, but also to provide jobs for

Americans. I am told that it is estimated that 90 cents out of every dollar spent for roads goes for labor.

So, Mr. President, I believe it is rather difficult to justify taking more than 1 week to write a report and submit it to the Senate.

In any event, if the schedule which has been agreed upon is followed, the bill should be available for consideration by the Senate on Monday.

Mr. President, I anticipate that this week will be a relatively light one for the Senate. I do not believe the Senate will hold any night sessions this week; and I do not expect that the daily sessions will begin before noon. There may be exceptions, but at this time I do not anticipate any.

However, in view of the fact that I had hoped and believed, and had assured certain Senators, that the Senate would commence an Easter recess on Thursday, April 3, following the conclusion of its business on that day, and in view of the fact that the House of Representatives has made a similar arrangement, I wish all Members to be on notice that we hope to have the Senate complete its action on the road bill before the Senate commences its Easter recess. Therefore, if it is necessary for the Senate to meet early in the mornings and to continue its sessions until late in the evenings on Monday, Tuesday, Wednesday, and Thursday of next week, the leadership will ask that it be done, because I believe it is very important to the country that the bill be passed.

Mr. President, I turn now to another subject.

The ACTING PRESIDENT pro tempore. The Senator from Texas has the floor.

THE TEXAS QUARTERLY

Mr. JOHNSON of Texas. Mr. President, the University of Texas has just published the first number of a splendid magazine, the Texas Quarterly.

This is an auspicious event for Texans, and for enlightened men everywhere. It is another indication that the University of Texas is responding to the immense challenges that face us today—challenges that face us not only in the world of missiles and satellites, but also in the world of scholarship and humane education.

The Texas Quarterly reflects the spirit of a great institution of learning. In the Texas Quarterly, no artificial barriers are set up between men of science, men of Government and business, and men of art. As the Quarterly's editor, Dean Harry Ransom says in this issue:

> A university must not prize, even when it must acknowledge, artificially neat little packages which are the stock in trade of many departmental systems. It must recognize the unity of knowledge.

Mr. President, the Texas Quarterly is founded on this belief. Its pages are open to physicists and poets. It will provide a communications center for men of ideas and experience in many fields of endeavor.

I know the Senate will join me in congratulating the University of Texas on this splendid beginning, and in wishing the Texas Quarterly a long and informative life.

So that the Quarterly may be more easily available to my colleagues, the Members of the Senate of the United States, I have purchased a subscription to the Texas Quarterly for the Senate Library. I hope my colleagues will drop by the Senate Library and will examine our university's great, new publication.

Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Texas.

THE PRESENT SITUATION—ACCOMPLISHMENTS OF THE SENATE LAST WEEK

Mr. JOHNSON of Texas. Mr. President, I desire to express to the Members of the Senate, on both sides of the aisle, my appreciation for their indulgence and their understanding during the sessions last week. It was one of the most productive and constructive weeks I have ever observed since I became a Member of the Senate.

During that week the Senate passed a housing bill which provides for 200,000 new homes. I am told that there will be employed approximately 3½ man-years per home, or a total of 750,000 new jobs, as a result of the enactment of that bill. The bill was reported to the Senate by a bipartisan vote. It was passed by the Senate by a vote of—as I recall—86 to 0. It is a comprehensive bill; it is a far-reaching bill. It is a bill designed to operate in the spirit and the atmosphere of our free-enterprise system.

Mr. President, I am confident of the future of this country. I believe in its possibilities. I do not think we have even skimmed the surface in exploring the avenues we should explore. I believe the statement that the great President Franklin D. Roosevelt made when he was inaugurated in 1933 was never truer than it is today, namely—

> The only thing we have to fear is fear itself.

But there are many unemployed in this country. We must face up to that problem.

Last week there were reported from the appropriate committees two resolutions urging acceleration of approximately $7 billion worth of public works. Those resolutions were adopted by this body with only one dissenting vote.

The farmers of this country have been in an economic decline. Their income has dropped from $18 billion a year to $11 billion a year, to the point where those who lend the money—and there are only 14,000 of them—last year took more in interest income than the 20 million people who produce the Nation's food and fiber. Interest income rose to some $18 billion, and the farmers' income was $11.5 billion. It was necessary to give the farmers confidence. We did that by guaranteeing a floor under his prices, so he knows he will not have prices on wheat or cotton or dairy products or corn reduced, and therefore he can have confidence in the future of his farm production.

I am confident those resolutions urging the acceleration of public works will be adopted by the House. I am quite sure 400,000 or 500,000 additional jobs will be created thereby. Added to the 750,000 in housing, added to the four or five or six hundred thousand from the road bill, and the bill which will give the farmers confidence, I believe we have made a great step forward to face up to the decline in employment the Nation has suffered.

Today the Senate will be presented with a measure based upon the meritorious concept of helping local governments speed up public works. Soon, I hope we will able to consider on the floor a capital credit bill for small business.

I hope the Congress will give consideration to the problem of increasing old-age assistance benefits, improving social security, extending the time for which unemployment compensation may be paid, and reducing taxes, and will send us a bill, perhaps in one package, upon which the Senate can act.

I have made this statement this morning because it is very vivid in my memory what we went through in the early 1930's. I know it is much cheaper to prevent a depression than to get out of one.

Mr. KNOWLAND. Mr. President, I am sure both the administration and the Congress are mindful of the economic problems confronting the Nation. I believe that the 170 million people of our country expect the Congress to move ahead, with due deliberation, in the consideration of important legislation pending before it.

The distinguished majority leader has mentioned that last week the Senate passed the housing bill by an overwhelming vote, and a bipartisan vote, and that other proposed legislation will be coming before the Senate in the weeks ahead.

I believe that such measures should receive reasonable and adequate consideration in committee. I am sure American citizens feel they should have an opportunity to be heard if they desire such an opportunity. There should certainly be a reasonable time for minority views to be prepared, whether such views come from the other side of the aisle or this side of the aisle. It is only in the dictatorships of the world that legislation "whizzes" through without the opportunity for minority views to be heard.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. Now I am glad to yield to the distinguished majority leader.

Mr. JOHNSON of Texas. I desire to associate myself with the statement the Senator has made as to the desirability of adequate hearings and thorough consideration of all legislative measures, and to point out that it is my information that the road bill was reported from the committee unanimously. In that committee there was a difference on only one point, and that was the billboard matter. It seems to me, and I hope the Senator will agree, that a difference on the billboard section of the bill could be expressed in less than 10 days, in a period when we are trying to provide

five or six hundred thousand men with jobs as soon as action can be taken.

Mr. KNOWLAND. I am sure the Senator knows I have cooperated in facilitating the passage of proposed legislation through this body.

I expect to continue to do so. Both the distinguished Senator from Texas and I have been mindful that even though we find we do not always agree with the minority views on either side of the aisle, in our representative form of government the minority has the right to present its views, whether we agree with them or not. We certainly hope the bill will be facilitated. I am sorry there has been necessity for delay. With the implementation presently going on, if the bill be reported by next Monday, the Senate can then consider it. I am sure we shall be able to act on it in the 2 weeks remaining before the Easter recess; and I think we shall have made a very fine record. Of course, if its consideration can be facilitated and it can be passed earlier than that, that would be fine.

Mr. JOHNSON of Texas. I want the Senator to know the minority I am speaking of is not the Republican minority. It is a bipartisan minority. It happens to be a divided minority on the billboard section of the bill. I hope my reference to the minority did not prompt the Senator to feel I was being more critical of Members on his side of the aisle than mine. Weeks of hearings have been held on the bill. We are told certain Senators have necessarily to be out of town, and they are going to get around to writing minority views on the billboard question in the latter part of the week. I do not criticize them for it. I merely point out the fact that the schedule this week will have to be adjusted. I hope I will have the Senator's cooperation in having the Senate meet earlier.

Mr. KNOWLAND. The Senator always has my cooperation in having the Senate meet earlier and sit to a later hour. In view of the fact that we have used the terms "majority" and "minority" rather loosely, the Senator from Texas and I understand that majority and minority fluctuate from time to time. Sometimes the majority leader finds himself, as I have in the past, the leader of a minority, and the minority leader finds himself the leader of a majority. I wanted the RECORD to be clear that the minority the Senator was speaking of did not refer to Members on this side of the aisle in toto, but to a minority of the committee itself, and that the bill itself had been reported by a unanimous vote.

Mr. JOHNSON of Texas subsequently said: Mr. President, earlier in the day I made some remarks on the recession, on the necessity for our acceleration of public works; and on certain action the Senate took last week, which I considered to be very productive.

I ask unanimous consent to have printed in the RECORD, following those remarks, a letter to the editor of the New York Times, written by Edward K. Smith, of the department of economics, Boston University. The letter was dated at Chestnut Hill, Mass., on March 13, 1958, and was published in today's issue of the New York Times. I have read Mr. Smith's letter with great interest and stimulation. I believe he expresses in it many sound suggestions. I do not embrace all of the letter; but I hope each Member of the Senate will have an opportunity to read it, to digest it, and to consider it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO AID ECONOMY: CUT IN TAXES DEEMED THE BEST AND QUICKEST METHOD

To the EDITOR OF THE NEW YORK TIMES:

The still deepening recession is rapidly confirming the opinion that several economists advanced months ago; viz, the predicted downturn of midyear 1957 would not be corrected, in the absence of substantial intervention, at the earliest until late 1958.

This view did not anticipate sputniks but it did assume more prompt action upon the part of Federal Reserve authorities than did in fact materialize. Both have come too late, in a sense, to do much good in the short run.

The overall optimism about the long-run performance of the American economy has served to alleviate fears of short-run recessions seriously impairing our long-run ability to provide for a growing economy. But there is a distinct possibility that the present recession may engender a cumulative wave of pessimism contributing not only to the deepening and widening of the present downturn but also to doubts about the long-run prospects of the economy itself, even in the face of facts to the contrary.

TIME TO ACT

If this be the case, then the time to act is now and in a positive and forthright manner. A large and complex economy cannot be talked out of recession. It is far easier to keep a boom going than to banish recessions with an outpouring of optimistic views not grounded on fact.

The increased spending on defense and public works, especially the latter, has too long a lag built into it to be an efficient antirecessionary device. Public works are better suited to conditions of fairly severe depressions. They cannot be easily turned off if recovery is rapid and in many cases cannot be turned off at all. They tend to become built into the structure of things and invoke much more governmental control. Their inflexibility thus seriously impairs their ability to be timed to the kind of cycle we have experienced in the postwar period.

The best measure to take, in the present case, is to cut taxes—and not to cut them on present income, where the benefits do not accrue to the unemployed and come only in dribbles to the great majority of those still working—but to cut them on past income. This can be easily accomplished, for example, by allowing every taxpayer an additional $100 to $200 per exemption on his 1957 income tax due April 15. Some $3 billion to $6 billion could be pumped into the economy within 4 months under such a plan.

On the corporate-tax side a percentage reduction in total tax liability might be granted, again on the previous income year, perhaps with business in the first income bracket allowed a larger percentage reduction than those in the 52-percent bracket.

MANY ADVANTAGES

The advantages of this method are many. The tax cuts would be based on income already earned, and in most cases on taxes already paid out. Quick processing of tax returns would result in lump-sum payments of refunds available for immediate spending. It would reduce or eliminate payments to be made this April in the case of many thousands of other taxpayers. It would provide income for those who were working part or all of 1957 but not now. The lump-sum payments can have a far more stimulating effect than the very small increases in disposable income under other plans.

This is a one-shot affair and it does not tinker with tax rates and other provisions of the law, a process better left to careful evaluation in the longer run. And the action is a positive and forthright move to stem recession, worthy of a Government convinced of the long-run viability of the American economy.

The recession once cured, we may turn toward working out these adjustments necessary to our longer run stability, and not have to take the chance of the present kind of "readjustments" or "shakeout" leading to confusion and cumulative breakdown too serious to be turned about by the mechanism advocated above.

The public awaits the April 15 deadline and the Congress should act now.

EDWARD K. SMITH,
Department of Economics, Boston College.
CHESTNUT HILL, MASS., *March 12, 1958.*

LAUNCHING AND PLACING OF VANGUARD IN ORBIT

Mr. KNOWLAND. Mr. President, I am pleased to state at this session of the Senate that the Vanguard has been successfully launched and is in its orbit. All of us are familiar with what must have been some frustrating experiences of those charged with the responsibility, and, undoubtedly, many of us understand what some of the problems were. I think we shall want certainly without regard to partisanship to compliment the Navy, the fine group of organizations, and the other services that cooperated in the common effort. We think those who took part in the effort perhaps had the luck of the Irish, on this St. Patrick's Day, getting the satellite into orbit.

Mr. BUSH. Mr. President, I desire to join with the minority leader in expressing my gratification—indeed, my elation—at the success of the Navy in launching the Vanguard with its satellite, which is now in orbit. This is a reward of patience and of great ingenuity and courage on the part of the Navy. I certainly want to join the Senator from California, in congratulating the Navy upon this splendid achievement.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Texas?

Mr. BUSH. I yield.

Mr. JOHNSON of Texas. I wish to ask the privilege of associating myself with the statements of the Senator from California [Mr. KNOWLAND], and the Senator from Connecticut [Mr. BUSH] with regard to the successful launching of the Vanguard. I commend both Senators for their very great interest and more than usual activity with relation to the defense of the Nation, as well as for their patriotism. No member of the Committee on Armed Services has contributed more to our successful hearings, which lasted more than 3 months, than the Senator from Connecticut. I should like to recognize that fact and point it up

at this time, and, at the same time, express my great pride in our Government for its most recent success, even though it is simply one of a series of successes.

Mr. BUSH. Mr. President, I am honored to have the majority leader express his approval in associating himself with my remarks on this subject. I am deeply grateful to the Senator from Texas for his generous comments concerning my services with him on the Committee on Armed Services.

NAVY SATELLITE SUCCESS SERVES AS REMINDER OF NEED FOR ADMIRAL BYRD ANTARCTIC COMMISSION—NAVAL LEADERSHIP IN EXPLORATION CITED

Mr. WILEY. Mr. President, I wish to join in endorsing the fine statements made in relation to the launching of the Vanguard by the Navy. It is a welcome sign of the United States Navy's continuing leadership in the exploration of the unknown.

Throughout the history of our Nation the Navy has been among the pioneers in breaking through barriers to man's knowledge of his environment. Ships of our fleet have plowed through waters of the Seven Seas, discovering and charting unknown areas of our globe. Scientists from the naval observatories have helped to push back the limitation of man's knowledge of the universe—charting the heavens, laying the groundwork for today's outstanding achievement and for tomorrow's adventure of manned exploration of outer space.

Another area where the Navy has contributed significantly to man's knowledge of his early environment is in Antarctica. For many years the Navy has had the task of finding out about this vast unknown area.

Under the leadership of such outstanding Americans as Adm. Richard E. Byrd and Adm. George Dufek, the Navy has given our Nation a position of world leadership in knowledge of this, the last unknown area of the earth's surface.

Within the past few months, however, other nations, including Russia, have begun to take an active interest in the Antarctic Continent. As a part of the International Geophysical Year, many countries are conducting scientific studies of this area. During this period many other agencies of our Government have joined the Navy in conducting research programs in Antarctica. These programs, although they will lead to further knowledge of this area, are lacking in two essential factors, namely, coordinated leadership and programing for the future. Our present Antarctic program is contributing greatly to man's knowledge. Our program for the future must continue this pattern.

Last year, along with 22 of my fellow Senators, I sponsored a bill, S. 2189, calling for the creation of the Richard E. Byrd Antarctic Commission. The purpose of this Commission would be to coordinate all activities of our Government in this area under one Government agency. A companion bill was introduced in the House of Representatives.

Today the Committee on Interior and Insular Affairs of the House is holding a hearing on the measure. This comes as welcome news to all of us who recognize the need for immediate action on this measure. I urge members of the Senate Committee on Education and Labor, to which the Senate bill was referred, to follow the excellent example of the House Interior and Insular Affairs Committee in holding hearings on this important proposed legislation.

I ask unanimous consent that a statement I submitted to the House Interior and Insular Affairs Committee during today's hearing be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS ATOM BOMB BLASTS MAY PROVIDE KEY TO SECRETS OF MINERAL WEALTH IN ANTARCTICA—URGES CREATION OF RICHARD E. BYRD ANTARCTIC COMMISSION

(Statement by Senator ALEXANDER WILEY to be included in the record of hearings before the House Committee on Interior and Insular Affairs on H. R. 7869, Monday, March 17, 1958)

I regret that I am unable to attend this hearing personally so as to give my views on this bill, H. R. 7869, providing for the creation of the Richard E. Byrd Antarctic Commission to protect and preserve American rights in Antarctica. Unfortunately a conflicting commitment precludes my attendance. However, I appreciate the opportunity afforded me to present my views.

As you know, I am sponsor along with 22 other Senators of the Senate version of this legislation, S. 2189. I consider this legislation to be one of the most important bills to be considered by Congress in many years.

With every passing day, the need for this type of an Antarctic Commission becomes more and more evident. We continually read in the newspapers and magazines about Russian scientific advances in Antarctica. We know that Russia has definite plans for future development of this vast continent.

Very recently, the Government of Great Britain recommended that a 10-nation commission be formed to govern all future activities on the Antarctic Continent. The Governments of Argentina, Chile, Australia, and New Zealand have all asserted territorial claims in Antarctica.

Last November, Lawrence Gould, United States Chairman of the Antarctic Committee of the International Geophysical Year announced that the United States was going to maintain some permanent bases in Antarctica. This was a step in the right direction. But, it was only a step. There is great need for a continued program of coordinated activities on the part of the United States in this area. I think the time is long overdue for the United States to formulate—and announce to the rest of the world—a concrete policy with regard to its plans for the future of Antarctica.

In the first place, it is the United States which has contributed the overwhelming share of sacrifices in manpower, time, energy, and money for exploration of this so-called unknown continent.

The United States has done more work in Antarctica than the rest of the entire world combined. For us to be silent about our rights or by default arbitrarily give up our prerogatives in this area without first, at least, crystalizing our national policy on the highest level would be an absurd waste of our assets and indifference to our obligations.

There are many who feel that we should not bother with Antarctica because we don't know whether or not it is of any value. I think that these views show a lack of realistic thinking on the part of their proponents.

In the first place, the very fact that we don't know what is in Antarctica makes it even more imperative for us to maintain our rights and privileges on the continent. There is strong evidence of vast deposits of mineral wealth in this territory. These minerals might well prove the salvation of our Nation in the not too far distant future. Thus far, for example, more than 176 different metal ores have been detected in the mountains of the continent.

NUCLEAR EXPLORATION OF UNKNOWN ASSETS

We may well now be in a position to begin to determine just exactly what the Antarctic Continent holds.

Only last week the Atomic Energy Commission revealed the results of studies of underground nuclear explosions. According to the reports from the AEC, future underground atomic blasts may well be able to tell us exactly what mineral material lies beneath the surface of the earth.

By using atom bomb blasts, which, by the way, seem completely safe from radioactive fallout when exploded underground, we may be able to determine positively where the greatest mineral wealth in the Antarctic Continent lies. Nuclear power may also provide the key to harvesting the mineral wealth from beneath the ice. Are we going to give up our rights to this possible treasure chest of mineral wealth virtually the day before we will know what it contains?

Another argument frequently used against the creation of the Commission is that we already have too many Government bureaus and agencies. Some persons feel that the establishment of this Commission would be too costly.

I say that we have too many uncoordinated agencies and bureaus now involved in the Antarctic program. This fact is one of the prime reasons for creating the Commission. There is a desperate need for integrated activity in the future plans and programs of the United States in Antarctica. Many experts from the diverse agencies now involved in Antarctic projects could be released from their present official connections and employed by the Byrd Antarctic Commission. This would achieve the desired result of a unified, coordinated effort without the necessity of adding any new individuals to the Government payrolls.

Virtually the only cost in establishing this Commission would be a modest sum for administrative overhead.

I feel that the question is not whether we can afford to establish this Commission—the prime question is can we afford not to establish the Commission?

There are many other reasonable and sound arguments for the United States formulation of long-range policy in Antarctica:

1. The distance between Antarctica and any point on the continent of North America can be measured in a matter of minutes, in terms of missile flights.

2. In the event of warfare, and the possible destruction of the Panama Canal, anyone controlling the strategic area of the Antarctic Continent could well control all shipping between the eastern and western coasts of the American continents.

3. We are spending hundreds of millions of dollars in building defenses for the Western Hemisphere by constructing radar bases and antiaircraft and antimissile installations all along the northern borders of our continent. If we do not maintain a firm attitude and preserve our rights in the Antarctic, we will be leaving the door wide open to the possibility in the event of war, of Russian attack from the southernmost points in our hemisphere. This needless vulnerability, of course, would be sheer folly.

NEED PERMANENT AGENCY NOW

The end of the International Geophysical Year is fast approaching. America must have some positive and concrete long-range pro-

gram of action prior to the end of this great scientific experiment. It is imperative that our policies be clearly defined in order that other nations, as well as our own Government agencies and commissions know just exactly how we stand with regard to this vital area.

I want to make it clear that I am not against international cooperation in Antarctica.

I do not want America to claim more than her due and just share of this unclaimed continent.

On the contrary, I am delighted to have other nations cooperate in a forward thinking program of claim adjudication and scientific development in this area.

However, my major interest—like yours—is the national well-being of the United States.

If the United States does not assert itself in this particular instance, we will be betraying the memory of brave men such as Adm. Richard E. Byrd and others who have worn the uniform of our country and who have devoted much of their lives to exploring the Antarctic Continent.

We must immediately plan a permanent program for the United States in Antarctica. That means more than a few permanent bases. It means a broad scale program.

We must let the rest of the nations interested in Antarctica know our position. We must respectfully but firmly assert our prerogative with regard to this area.

We do not want Russia, or any other nation, for that matter, to have the privilege of casting a veto in an international commission on Antarctica. If it can possibly be avoided, we do not want any nation building submarine or missile bases in strategic areas of this continent which could interfere with the security of our Nation. We do not want other nations to acquire the rights to possible great mineral wealth that Americans have explored and developed.

Furthermore, we want to have the privilege of exploration of the mineral wealth of the continent, by means of the new underground nuclear blast methods, or any other method which can successfully detect what lies beneath the ice-encrusted surface.

This is a matter for every thinking American to take into immediate consideration. It is a subject vital to the actual security of our Nation.

The present spasmodic and uncoordinated activities of many of our Government agencies in Antarctica must be brought under the direction of one central organizational body.

There must be sound, continuous planning, organization, and forethought which goes into our future program with regard to future development of this continent. The decision made by this committee and by the Congress will without doubt, vitally affect the future of our Nation, possibly as much as the decision taken by preceding Congresses with regard to Alaska, the Louisiana Territory and other territorial acquisitions by our Nation.

I urge that this committee give favorable consideration to the bill on the Antarctic Commission, and that this consideration be given immediately, in order that Congress may have an opportunity to act upon this measure. The Byrd Antarctica Commission should become an integral part of the Government organization in the very near future in order that we may be ready when the IGY terminates in December.

Thank you again for giving me the opportunity to present my views.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now in order.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 1140. An act to amend Public Law 85–56 to permit persons receiving retired pay for nonregular service to waive receipt of a portion of that pay to receive pensions or compensation under laws administered by the Veterans' Administration (Rept. No. 1392).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 5382. An act to amend sections 102, 301, and 302 of the Servicemen's and Veterans' Survivor Benefits Act (Rept. No. 1393).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Finance:

John G. Kissane, of Vermont, to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt.;

Anne A. Mitchell, of Connecticut, to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport Conn.;

Harold R. Becker, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y.;

Josiah A. Maultsby, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N. C.; and

Jessie Dixon Sayler, of Georgia, to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOBLITZELL:

S. 3495. A bill to provide for the issuance of a special postage stamp in commemoration of John Brown's raid at Harpers Ferry; to the Committee on Post Office and Civil Service.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 3496. A bill to provide for the beneficiation of certain low-grade manganese ores purchased by the General Services Administration; to the Committee on Government Operations.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. HILL, Mr. MONRONEY, Mr. PROXMIRE, Mr. COOPER, Mr. CLARK, Mr. LONG, Mr. YARBOROUGH, and Mr. SMATHERS):

S. 3497. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3498. A bill to include the holders of star route and certain other contracts for the carrying of mail under the provisions of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. LONG (for himself and Mr. ELLENDER):

S. 3499. A bill to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Interstate and Foreign Commerce.

By Mr. MONRONEY (for himself and Mr. THURMOND):

S. 3500. A bill to require the full and fair disclosure of certain information in connection with the distribution of new automobiles in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 3501. A bill to authorize the Secretary of Agriculture to expend funds appropriated for the diversion of surplus farm commodities to provide balanced diets in schools and institutions and for needy families; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. MONRONEY (for himself, Mr. MAGNUSON, Mr. PAYNE, Mr. NEUBERGER, and Mr. YARBOROUGH):

S. 3502. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 3503. A bill for the relief of Marie Inette Konomos; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 3504. A bill to increase the amounts authorized to be appropriated for each fiscal year for the programs of maternal and child health services and services for crippled children provided for by title V of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

BENEFICIATION OF CERTAIN LOW-GRADE MANGANESE ORES

Mr. MURRAY. Mr. President, I introduce, for appropriate reference a bill to provide for the beneficiation of certain low-grade manganese ores purchased by the General Services Administration. My colleague, the junior Senator from Montana [Mr. MANSFIELD], is cosponsor of the bill and Representatives METCALF and ANDERSON are introducing companion bills in the House today.

Mr. President, bills for this purpose have been introduced in the Senate and the House by me and others as far back as 1953. Most of these bills, however, asked for extension and enlargement of both the low-grade and car-lot manganese programs and establishment of additional low-grade manganese ore purchase depots, as well as authorization to up-grade to specification material the low-grade ores. These bills met with uniform disapproval by the agencies involved in the minerals programs, as well as by the Bureau of the Budget, so none of them moved out of committee.

The manganese purchase depot serving the Butte-Phillipsburg area in Montana is due to shut down about the second or third week in May 1958, as by that time the 6 million units assigned by the Office of Defense Mobilization will have been delivered. Mr. Gordon Gray, Director of ODM, will not extend the program. Neither will he authorize the beneficiation or up-grading of the ore to usable specifications, as we have been urging him to do for some years, although the ore is useless in its present form. The Government, by the time the purchase program is completed, will have an investment of approximately $8,817,000 in the ore at this Montana depot, and some types of the ores, I am told, are subject to a certain amount of constant deterioration and should be processed with reasonable promptness.

This particular manganese depot is unique in that there is a Government-owned mill, or processing plant, already built on the premises which, handling similar ores, was operated during World War II, and which can be speedily put into operation. Additionally, a pilot plant recently has been in operation, the results from which indicate that satisfactory recoveries can be made of commercial grades of manganese.

Mr. President, as in many other areas of the United States, unemployment is rampant in my State of Montana, and Montanans now working are living under a nightmare of apprehension that they may be next in the queues of the unemployed, awaiting Government handouts. Already more than 14 percent of Montana's covered workers are getting unemployment benefits, though some have exhausted these, and there are 22,000 applicants for work pressing at the doors of the State unemployment offices. A great many of these are lead, zinc, and copper miners. The end of the low-grade manganese program will add to the misery by throwing several hundred more miners out of work.

The passage of the bill which I have just introduced will keep a substantial number of workers in jobs for perhaps a year, by which time it is to be hoped the administration will have devised methods of overcoming the recession.

I and my colleague [Mr. MANSFIELD] trust that this measure will have fast and sympathetic consideration as one way to keep men at work, and at the same time contribute to the production of a useful element for the national defense and the national economy out of ores which otherwise bid fair to be of little value to the country.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3496) to provide for the beneficiation of certain low-grade manganese ores purchased by the General Services Administration, introduced by Mr. MURRAY (for himself and Mr. MANSFIELD), was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. MANSFIELD. Mr. President, I wish to express myself as being in wholehearted accord with what the senior Senator from Montana, the chairman of the Committee on Interior and Insular Affairs, has just said.

In the State of Montana we are not faced with what has been called a recession. As the senior Senator from Montana has pointed out, we are faced with a depression. Montana has the shameful distinction of ranking No. 1, on a percentage basis, among the States of the Union in the number of persons drawing unemployment compensation insurance.

The latest figures at my disposal, figures issued by the administration, indicate that for the week ending February 22, 1958, Montana led the list with a percentage of 14.9 percent. This morning I called Mr. Walter Dougherty, financial secretary of Butte Miners Local No. 1, and I should like to call the attention of the Senate to the information I received from him. I asked Mr. Dougherty the number of miners employed in Butte on January 1, 1957. He replied that according to the books, they numbered 5,109. I then asked him how many miners were employed today. The answer was that, on the basis of his latest checkoff, which was on March 8, the number was 1,827. The figure in March of this year was 1,827, as compared with 5,109 in January a year ago.

This means that the miners in the Butte camp now unemployed amount to approximately 63 percent of the total number of miners employed a little over a year ago. This does not take into account the craft unions, which have been hit just as hard.

When commentators and columnists talk about rough spots and craters of distress throughout the country, I would suggest they take a look at Butte, Mont., a one-commodity mining camp, which depends on one product, and note the condition it is in.

Mr. President, it is up to the Government to step in and take a look at this particular situation. It is nothing new. It has been as it is for a long time, as I tried to indicate on occasions on the floor of the Senate, and as I have tried to indicate in correspondence with the President and other individuals downtown, who ought to take a more active interest in the situation that exists, not only in the mining industry, but in the lumber industry of Montana, as well.

Mr. President, I should like at this point also to raise a question with respect to the efficacy of defense spending if it is going to apply solely to research and development in the missile field.

I point out that although we can accelerate the defense spending all we want in the field of missiles, it will not mean much in the way of employment for our people. I also point out that we are not in a position as yet to forego the use of conventional weapons. I most respectfully suggest to the administration that it look into this particular aspect of our security, and that it do something about making certain that our conventional defense setup is as strong and impregnable as it can be; that we have the number of trucks, tanks, rifles, and other means of defending ourselves that we must have, and will not have to rely exclusively on the weapons of what many call the war of the future, a war to be based on missile and rocket developments.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I wrote to the President of the United States, dated September 5, 1957; a letter written to the President by the senior Senator from Montana [Mr. MURRAY] and me dated February 11, 1958; a letter written to the State Board of Examiners of Montana by my colleague, Representative METCALF, and me on February 12, 1958; a letter from Mr. Gordon Gray dated April 19, 1957; a letter written by me to more than 6,000 petitioners of Butte, Silver Bow County, Mont., dated February 21, 1958, relative to the manganese plant and its activation; a letter I wrote to the President of the United States on February 21, 1958; a reply I received, not from the President, but from Mr. I. Jack Martin, Administrative Assistant to the President, dated March 12, 1958, in which Mr. Martin enclosed a copy of a letter to Mr. Frank Murray, secretary of state of Montana, which the Montana delegation had sent him weeks ago, and a copy of a press release issued by the White House and addressed to the senior Senator from California [Mr. KNOWLAND] and Representative JOSEPH MARTIN, dated March 8, 1958, relative to what the administration proposed to do in the field of employment.

So far as concerns the specific question raised about the manganese plant in Montana and its use, and what will be done by the administration concerning the production of lead, copper, and zinc, and other matters mentioned in the letter to the President, no answer from him, was received. The letter sent to President Eisenhower was worthy enough, in my opinion, to have been brought to his personal attention because, I repeat, so far as Montana is concerned, and especially so far as Silver Bow County and Butte are concerned, they are not in a recession; they are in a depression. We think the administration should step in and give us some help in a legitimate manner.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
September 5, 1957.

The Honorable DWIGHT D. EISENHOWER,
The President,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: I respectfully direct your immediate attention to the depressed economic conditions existing in the Nation's domestic lead and zinc industry.

The lead and zinc industry contributes significantly to the economy and defense of this country, and specifically to some 27 States. The value of this industry, including mines, smelters, and refineries in the United States is approximately $1 billion.

Domestic production of lead and zinc has not kept pace with increased world production because our miners cannot compete with foreign labor, and the United States is being flooded with foreign imports of both lead and zinc. The impact of these imports in recent months has been tremendous. In my State of Montana, one of the largest zinc-producing States, the number of miners

engaged in bringing zinc out of the ground has dropped over 1,500 men in the last several months. This is not an isolated instance.

I had hoped that relief legislation would be enacted during the very recent session of the 85th Congress, but final action was not taken by either the Senate or the House of Representatives. Testimony presented in public Congressional hearings by both your representatives and those of the Department of the Interior have supported the need for relief for the domestic lead and zinc industry.

I have given considerable time and thought to this situation, and I feel that perhaps the dominant reason for the inability to obtain Congressional action was that many of my colleagues felt that relief legislation was not necessary since you, as the President of the United States, already have the authority to afford relief to the domestic lead and zinc industry from import competition. This authority was previously delegated to you by the Congress in trade-agreements legislation.

The authority you have is broad and general and applies to all industries which are injured or threatened with injury as a result of trade-agreement concessions. If not, the Congress has not been advised that your existing authority, under the escape clause and the national-security amendment, is inadequate in these matters.

It is clear that you have not made use of existing administrative procedures which are available to you to provide the necessary relief for this industry. I strongly urge that you do so, without delay.

The economy of our Nation is a metals economy. Our industrial life is based upon and is dependent upon a plentiful supply of raw materials demanded by our economy in times of peace and war. The best insurance for such a plentiful supply is keeping intact our domestic minerals production, thus insuring an adequate economic and mobilization base.

Again, I want to impress upon you the urgency of this matter, and ask that you personally review this situation, utilizing existing authority to bring relief to the domestic lead and zinc industry.

With best personal wishes, I am,

Sincerely yours,

MIKE MANSFIELD.

FEBRUARY 11, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Undoubtedly you are conversant with the very serious plight of our copper industry. The price of copper has plummeted from 55 cents a pound in April 1956 to a current market price of 25 cents a pound—a price which will not permit the economic operation of a large portion of the United States industry. For several months the copper market has been in a condition of glut and production exceeded consumption last year nearly 300,000 tons.

We would call to your attention the following facts concerning this vital industry:

1. Copper is an irreplaceable strategic raw material.

2. For national security reasons during the Korean crisis the Federal Government underwrote the development of new ore bodies, and most reliable current estimates are that projects developed under the Defense Production Act have added more than 250,000 tons to the annual American production. (In other words, the expanded capacity sponsored by the Government is almost equivalent to the surplus production which has depressed prices to their present level.)

3. American copper producers are mining the lowest grade ore, and paying the highest wages in the world today. (Their competitive disadvantage is indicated by the fact that the average hourly wage of the United States copper miner is more than 50 percent of the total daily wage paid by foreign producers.)

We also wish to point out that the American copper industry has, by its own volition, asked to have the copper tariff suspended in past years and has operated under a free market since the end of World War II except for a brief period of 4 months. The industry has turned to the Federal Government for assistance now only as a last resort measure to prevent economic disaster.

We consider it highly significant that the copper people are not demanding protection of a permanent high tariff. The legislation we, and other colleagues, have introduced (S. 2998 and companion House bills) contemplates a new floor and import tax which will tend to balance out competition between the foreign and domestic producer until such time as the influence of expanding markets will permit a return to normal operations.

We are not requesting at this time that you take steps to restrict imports of foreign copper, as by law Congress has suspended the import tax on copper until June 30 of this year. However, it is plain that major shutdowns will probably occur unless special legislation is enacted soon to provide temporary relief. (Nor does the industry feel that it has an adequate remedy before the Tariff Commission. All available evidence indicates that it would take more than a year to present a case and get a ruling on this problem.)

Although Members of Congress from copper producing areas have formed a united front, we are convinced that we cannot succeed unless strong executive leadership is forthcoming in support of our legislation. We urge you to throw the full weight of your office behind this legislation in order that the Nation may maintain a healthy and vigorous copper industry as an integral part of its national defense effort.

Sincerely,

JAMES E. MURRAY,
United States Senator.
MIKE MANSFIELD,
United States Senator.

THE WHITE HOUSE,
Washington, February 14, 1958.

The Honorable MIKE MANSFIELD,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: On behalf of the President, I am pleased to acknowledge your and Senator MURRAY'S February 11 letter respecting legislation for the relief of the copper industry, and to assure you that a further reply will be forthcoming at an early date.

With kind regards,

Sincerely,

I. JACK MARTIN,
Administrative Assistant to the President.

FEBRUARY 12, 1958.

STATE BOARD OF EXAMINERS,
Helena, Mont.

GENTLEMEN: Your letter of January 30, 1958, addressed to the Montana Congressional Delegation is at hand.

You probably are aware that we have been working with the Office of Defense Mobilization and the General Services Administration for several years: (1) To get an extension of the low-grade manganese program; and (2) to arrange for the beneficiation of the present GSA stockpile at Butte and Phillipsburg.

There seems to be some misunderstanding about the milling deduction from payments to the shippers. The deduction was for the purpose of computing payments on deliveries, as with deductions for grade and for impurities and there never was a fund established into which these deductions were paid. At the time the program was set up the Government felt a shortage of manganese might develop and these low-grade ores would have to be beneficiated. This condition did not develop. The Office of Defense Mobilization would have to authorize the General Services Administration to borrow Defense Production Act funds for milling these ores. ODM does not feel this action is warranted as the national defense manganese stockpile requirements are now fulfilled. This fact, aside from the expense involved, also is responsible for the failure of your delegation to get an extension of the low-grade manganese program, either by Executive order or by act of the Congress.

The report of the Special Stockpile Advisory Committee made to ODM Director Gordon Gray, entitled "Stockpiling for Defense in the Nuclear Age" recommends upgrading stockpiled materials to the ultimate usable form but only when the equivalent material cannot be purchased cheaper on the open market. The precise language states that subspecification material "should be up-graded when this can be accomplished at less cost than buying new material." An extensive correspondence with the General Services Administration indicates that the Butte-Phillipsburg stockpile does not fulfill this recommendation.

While your Congressional Delegation is acutely aware of the present unemployment situation and is anxious to alleviate it, ODM Director Gray has long taken the attitude, as did Director Flemming before him, that he is helpless to exercise his Defense Production Act authority for purely economic purposes where the project is one not directly required for national defense or essential for stockpiling.

This puts the matter squarely in the hands of the Secretary of the Interior, who has no money for the purpose and who has consistently opposed legislation aimed at extending the low-grade program and providing for beneficiation plants at the various low-grade manganese depots.

It is not a question of the feasibility of treating the stockpile. In spite of all our urging the Administration simply will not approve the project, administratively or legislatively. We shall, however, not relax our efforts to try and get something done.

Sincerely yours,

JAMES E. MURRAY,
United States Senator.
MIKE MANSFIELD,
United States Senator.
LEE METCALF,
Member of Congress.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., April 19, 1957.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: I have your letter of April 2 transmitting a petition signed by the manganese producers in the Butte and Phillipsburg, Mont., mining districts urging that the Government-owned manganese concentrating facilities and the nodulizing plant of the Domestic Manganese and Development Company at Butte be placed in operation at once to beneficiate and nodulize the low-grade manganese ores acquired under the low-grade purchase program at Butte to meet specifications for manganese sold to the Government under the carlot manganese purchase program. Your letter requests our comments on the petition.

At the time this domestic support program was established, the United States was faced with the possibility of all-out war and very limited reserves of metallurgical manganese. Emergency efforts, therefore, were directed toward developing domestic and other accessible sources of usable grades of manganese.

At present, however, Government-held inventories of specification-grade metallurgical manganese are far in excess of the minimum stockpile objective, and quantities on hand and on order are almost equal to the long-term objective. Thus we have on hand and on order sufficient specification-grade metallurgical manganese to meet any foreseeable national emergency.

There is thus no immediate urgency to utilize the low-grade material now in Government stocks and accruing under the domestic low-grade manganese support program. The material, of course, could serve as a reserve beyond the ample amounts of specification-grade material on hand and on order should unforeseen developments indicate a need for upgrading it to usable form.

In view of the foregoing, it is concluded that the defense justification cannot presently be established for the beneficiation program as requested in the petition.

Sincerely yours,

GORDON GRAY,
Director.

UNITED STATES SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
February 21, 1958.

To the 6,000 petitioners of Butte, Silver Bow County, Mont.:

This will acknowledge receipt of your petition relative to the use of the domestic manganese plant in Butte.

I want to assure you of my great interest in this matter and my desire to be of all possible assistance. To date the reports which Senator MURRAY and I have received from Gordon Gray, Director of the Office of Defense Mobilization, and others, have not been too encouraging. I am very much concerned, though, about the economic situation in Butte and having worked in the mines myself for 10 years, Butte is close to my heart, and I want to do everything I possibly can to be of assistance. I am, therefore, once again taking up the matter with Mr. Gray and other officials downtown and while I cannot promise anything definite, you may rest assured I will do all in my power to be of assistance to help alleviate the situation in Butte and Montana.

I am enclosing for your consideration the latest report from Mr. Gray and also a letter which Senator MURRAY and I sent to the President on the copper situation, together with the reply from the White House. As you know, Senator MURRAY and I have introduced a bill, S. 2998, seeking to set a floor of 30 cents a pound on copper imported from abroad. We have also introduced a bill to impose a tariff on lead and zinc, S. 2271. This matter is now also before the Tariff Commission for consideration.

I have also written a letter to the Secretary of Labor to declare Butte a distressed area so that it will be possible for defense contracts and other Federal works which may be proposed to be diverted to Butte.

The whole delegation has been very active, and I am also enclosing a copy of our last communication to Governor Aronson urging that he join with us in making arrangements for the distribution of surplus foods to areas like Butte where unemployment is bad and the need for this type of assistance necessary.

Must close now, but again assuring you of my interest in the situation in Butte and my desire to be of all possible assistance, I am

Sincerely yours,

MIKE MANSFIELD.

P.S.: I am enclosing a copy of a letter I am directing to the President of the United States asking for his personal assistance in the manganese matter.

Regards.

M. M.

FEBRUARY 21, 1958.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: I am in receipt of a petition signed by over 6,000 residents of Butte and the State of Montana seeking immediate aid for the activation of the mill of the Domestic Manganese and Development Co. in Butte, Mont. At that mill there are approximately 350,000 tons of manganese ore purchased by the Federal Government. The Federal Government has deducted from the shippers of manganese the sum of $16.60 per ton to process the ore. As stated in the manganese regulations, this mill charge is to be applied to process low-grade ores. It is my belief that such money should be applied to process low-grade ores which are worthless in their present form, because this money was intended for this purpose.

The Government-owned domestic manganese mill represents an investment of approximately $2 million and can be activated in 1 or 2 months. It is my understanding that the low-grade manganese program will terminate on July 1, 1958. If this should happen, it would mean that all small manganese producers in Butte, Phillipsburg, and the State of Montana would be forced to cease operations and, furthermore, that the domestic manganese company would be compelled to discharge its present working force. The total effect, if this were to happen, would be between 300 to 400 men now working in the Montana manganese industry. It is my belief and the belief of the people of Montana that the $16.60 per ton deducted to process this ore, with the mill available and ready for immediate production at Butte, that the immediate preparation for the activation of this facility would be of prime importance in avoiding additional unemployment which has already created a serious problem in Butte. Activation of the mill will enable small miners to continue operating their properties, will create new employment, and will, therefore, enhance Silver Bow's depressed economy.

May I point out, Mr. President, that on the basis of the latest figures I have, that 21,500 Montanans are, as of February 14, seeking employment—according to the figures of the Unemployment Compensation Commission of the State of Montana. This means that upwards of 90,000 Montana citizens are today feeling the effects of reduced earnings because of mounting unemployment in my State. As of January 18, on the basis of insured unemployment figures compiled by the Bureau of Employment Security of the United States Department of Labor, Montana ranked second to Oregon with a percentage of 12.3, compared to Oregon's 12.6. As of now it would be my belief that due to the continued depressed conditions, that we would very likely have the dubious honor of leading all the States in the Nation on an insured unemployment basis.

I cannot impress upon you too strongly the extremely difficult situation which exists in my State. As one who worked in the mines of Butte for 10 years as a mucker and miner, I am deeply aware and conscious of the situation as it exists in my old home town. I believe that the time for action in helping the people of Butte and Montana is now and not in the future and I, therefore, most urgently and most respectfully request that you give your personal attention to the request and the petition of my people for aid and assistance in activating the Domestic Manganese and Development Co. mill in Butte; that you urge the Tariff Commission to reach a decision and make known its findings on the question of lead and zinc which has been before them since last November; and that you as the President of the United States give your personal attention in support of the bill, S. 2998, introduced by Senator MURRAY and me to put a new floor of 30 cents a pound under copper and to impose an excise tax which will tend to balance our competition between the foreign and domestic producers.

The State of Montana is convinced that strong executive leadership is necessary if the depressed and downtrodden mining industry, which means so much to the people of our State and our country, is to be given the consideration, the protection, and assurance which it deserves. May I personally express to you the gravity of this situation and urge that you do all you can to help us at your very earliest convenience.

Sincerely yours,

MIKE MANSFIELD.

THE WHITE HOUSE,
Washington, March 12, 1958.

The Honorable MIKE MANSFIELD,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: This is in further reply to your letter of February 21 concerning the problems of the Montana producers of copper, lead, zinc, and manganese.

You know, I am sure, of the President's deep concern for those families experiencing the hardship of shortened working time or temporary unemployment. It is because of this concern for the welfare of all Americans that he has emphasized the importance of taking the proper steps to promote the renewed expansion of job opportunities. In this connection, many steps have already been taken or proposed to the Congress and others are being considered. Moreover, the President's statements of February 12 and March 8, copies of which are enclosed, clearly express his determination to pursue every measure that might become appropriate as the economic situation develops.

With respect to S. 2998 relating to copper imports, the executive branch study of this measure is under way and the reports will be forwarded to the appropriate committees at an early date.

The President also shares your interest in the problems facing the producers of lead and zinc. You will recall that last August, in a letter to the chairman of the House Ways and Means Committee, the President reaffirmed his interest in the long-range minerals program. The administration program included proposals for sliding scale import taxes designed to moderate lead and zinc imports. When the Congress did not enact these proposals, the lead and zinc industry filed the escape clause application to which your letter refers. On the following day, the President requested the Tariff Commission, by a letter to its chairman, to expedite these proceedings and was assured that the matter would move ahead as speedily as possible.

I need hardly say, therefore, that the President is greatly concerned over the welfare of our lead and zinc producers. He has made this clear through the administration's legislative proposals, in his August letter, and by his efforts to expedite the consideration of the industry's escape clause application.

With respect to the Domestic Manganese and Development Co., you know, of course, that the reactivation of this plant as urged in your letter is a question with which the Office of Defense Mobilization is primarily concerned. I have been in touch with the Director of that Office and understand that the defense needs for metallurgical manganese have been fully met. Since, moreover, the Government is fulfilling its obligation under the purchase program, there are no grounds for using defense funds to reactivate the processing plant as proposed. That reactivation would require appropriations and authority that are not now available. You may be interested in seeing the reply of the Director of the Office of Defense Mobiliza-

tion to the Montana secretary of state on this matter. I am glad to enclose a copy.

With best wishes.

Sincerely,

I. JACK MARTIN,
Administrative Assistant to the President.

DISCLOSURE OF CERTAIN INFORMATION IN CONNECTION WITH DISTRIBUTION OF NEW AUTOMOBILES

Mr. MONRONEY. Mr. President, on behalf of myself and the Senator from South Carolina [Mr. THURMOND], I introduce, for appropriate reference, a bill to require labels on automobiles, spelling out such things as freight charges, method of shipment and the retail price suggested by factories to dealers.

The bill would thus require automobile manufacturers to make public their suggested retail prices on new cars rather than keeping these prices secret.

It would not remove the opportunity for retailer and purchaser to engage in that great American sport of bargaining over prices of both the new car and the trade-in. But it would arm the presently bewildered car buyer with some necessary facts, and would do away with the advantage held now by a few unscrupulous dealers. Presently the dealer who is honest about the so-called list price cannot compete with the one who "packs" several hundred dollars extra into it so he can pretend to give more on the trade-in.

This proposal would remove the secrecy about a new car's price by a public label. Other facts of importance to the consumer would provide immediate improvement to the car market by helping to restore public confidence in car selling practices.

At present, how does one find out what a car costs? It is simply fantastic that the most wanted product in the world should have become a hydromatic pea in a Madison Avenue shell game. We can find out about hydromatics, mercomatics, dynaflow, torsion bar suspension, seat lifts with a memory, and even dual and triple jet fuel injection, but the one simple fact we really want to know—how much does the darn thing cost—we cannot find out at all.

The proposed label would include the name, make, model, serial number, freight charge, final assembly point, method by which the car had been transported, and the dealer to whom shipped, as well as price.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3500) to require the full and fair disclosure of certain information in connection with the distribution of new automobiles in commerce, and for other purposes, introduced by Mr. MONRONEY (for himself and Mr. THURMOND), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague, who is a member of the Subcommittee on Automobile Marketing Practices of the Committee on Interstate and Foreign Commerce.

Mr. PAYNE. My colleague was very kind and courteous to me, as he always is, when he offered me an opportunity to cosponsor this particular piece of proposed legislation. While I am not joining as a cosponsor, as I explained to my colleague from Oklahoma, I feel that the proposal has considerable merit. There are many features of it which I believe should be gone into very carefully by the committee. There certainly is a field which needs to be explored in this regard. I gain that impression not only from my work on the committee, but also from some experience which I have had in the automotive field. While I have not joined as a sponsor, I am very sympathetic to the aims and objectives of the proposed legislation, and certainly will work very closely with my colleague in connection with hearings on the particular bill.

Mr. MONRONEY. I deeply appreciate the comment of my distinguished colleague from Maine. This is merely a starting point. Hearings will be held, and the bill will be subject to such amendments as the trade and the public may have to suggest.

I think it is peculiar, indeed, that such great institutions as the Ford Motor Co., which spends hundreds of thousands of dollars in advertising through double-page spreads in the Saturday Evening Post to the effect that the new 4-seated Thunderbird can be bought for $56 a month, will not tell us what the car costs. A few people might want to know what the car costs, perhaps with the idea of paying cash for it rather than buying it on payments extended over 3 years, with the interest almost equaling the price of the car.

The automobiles being manufactured today are the most wanted product which the American people desire; and yet I defy any Member of the Senate or of the public to tell me what the suggested retail price of any of the big three or big four cars is. We can find out only through the $1,000 trade-ins which are offered, and by deducting the phony "pack" which is so often added.

RETAIL PRICING OF NEW AUTOMOBILES

Mr. MONRONEY subsequently said: Mr. President, earlier today I introduced a bill which will return the automobile industry to a system of advertised delivered pricing and put suggested retail price tags on new cars.

For almost a score of years as the great automobile industry developed into a major heavy industry it was the custom of the factories to advertise the prices of cars, so that any buyer could clearly know what the suggested or advertised retail price of the car was.

For the past several years, we have seen such advertising, which was so valuable to the public as a gauge to the price of the car, disappear from the colored one-page or double-truck advertisements of the automobile companies. Today practically no major automobile manufacturer and practically no retailer ever advertises the suggested retail price of the automobile.

For the past several weeks a committee of the Senate has been involved in an inquiry which has raised the question: Are car prices too high?

Numerous witnesses recently appeared before the Senate Antimonopoly Subcommittee hearing ably chaired by the Senator from Tennessee [Mr. KEFAUVER]. Walter Reuther, president of United Auto Workers, says the price of cars ought to be cut $100. One hundred dollars from what? Harlow Curtice says car prices are not too high. Ford Motor Co. agrees. So do the other manufacturers. Mr. President, these gentlemen did a good job in presenting their own viewpoints about who should get what share of the money that you and I pay for a car. They disagreed mainly on how the money should be divided. Mr. President, I think the public can be excused if their primary concern is in the amount of money they put up in the first place.

How does one find out what a car costs? It is simply fantastic that the most wanted product in the world should have become a hydromatic pea in a Madison Avenue shell game.

The bill I now present would require automobile manufacturers to make public certain things which the purchaser has a right to know in order to make an informed purchase. This would not do away with the great American sport of bargaining over the prices of both the new car and the trade-in, but it would let the customer know where to start.

A label affixed to the windshield would show the name, make, model, and serial number of the car; the assembly plant, the dealership to which delivered; and the method of transportation.

On the label would be stamped the advertised retail price which was suggested by the factory, including the freight charges and the retail price of the attached accessories.

If one walks within 10 feet of the door of an automobile show room, he will get an hour's lecture on the details of hydromatics, mercomatics, dynaflows, powerglides, twin-beam headlamps, torsion bar suspension, torsion air suspension, two- and four-way seat lifts with a memory, dual and triple carburetors, and even jet fuel injection.

One can find out about convertible hardtops, hardtop convertibles that do convert, hardtop convertibles that do not convert, power steering, power brakes, power windows, and a lot about horsepower.

But the one simple fact that he really wants to know—how much does the darn thing cost?—he cannot find out at all. It may help a little if one is an ex-FBI agent charged with vitamin pills, a jet-propelled slide rule, and a library full of blue books, green books, orange books, and red books—assisted by a Ph. D. in mathematics.

Not only is the car buyer unable to determine the factory-advertised price of the car; no one is able to tell him, in advance, how much the finance charges or insurance will be. Indeed, he may

not even see his insurance policy until weeks after he has bought the car.

The Senator from South Carolina [Mr. THURMOND], the Senator from Maine [Mr. PAYNE], and I have spent 3 years making the most comprehensive study of automobile marketing that Congress has ever undertaken. We held extensive hearings, and we hoped, as a result of the facts developed, that the industry would find its way out of the oriental bazaar without the necessity of Federal legislation. In that hope we have been gravely disappointed.

Recent editorials in Advertising Age magazine of December 30, 1957, and January 27, 1958, suggest that the traditional American system of honest sales for an honest price has deteriorated into the economic jungle of a Middle East bazaar, in which everything, including price, is a mystery. They reprint a newspaper advertisement offering for a charge of $5 to supply the prospective car purchaser the services of a car shopper who will get, in writing, 4 competitive quotations from authorized new-car dealers.

Other ads, from the Wall Street Journal of December 13, 1957, offer—for a fee—to supply information as to the automobile dealer's wholesale delivered costs. Thus we have come to the point that one must have a guide through the automobile marketing jungle.

I believe I speak for the public when I say it would be a pleasure to have a price label on cars. I think the people would heave a sigh of relief if they could go to a showroom and see what the advertised selling price is. In fact, much of the current slump in car sales is caused by plain old fear, or perhaps revulsion, on the part of the prospective car buyer. The car market today—with disposable personal income at almost record levels—would be immediately improved if public confidence in car-selling practices could be restored.

Mr. President, I ask unanimous consent that the editorials and advertisements be printed at this point in the RECORD.

There being no objection, the editorials and advertisements were ordered to be printed in the RECORD, as follows:

EXHIBIT A

[From Advertising Age of December 30, 1957]

THE BIGGEST MARKETING PROBLEM OF 1958

It could be that we are losing our perspective. But the more we think about it, the more we are convinced that the biggest marketing problem in America revolves around the marketing of automobiles.

We don't mean precisely how many will be sold in 1958, either. That is important to the economy—extremely important. But, what is infinitely more important, it seems to us, is how they are sold.

The American economy has evolved, through a couple of centuries, on the basis of trust and confidence; of clearly defined costs and prices; of standardized products available from trustworthy producers and dealers at identifiable prices and under clearly ascertainable terms.

Through the past half century, the automobile industry has been a leader in helping to develop this orderly concept of marketing on the American scene, a concept under which the buyer had less reason to beware than under any other previous set of conditions. And now this self-same automobile industry has led the way to a breakdown of all these concepts and a return to the economic jungle of a Middle East bazaar, in which everything, including price, is a mystery. Customers are no longer customers in the traditional American sense; they are traders and bargainers, pitting their puny knowledge and their buying skills against the experts, in a game which is rapidly discarding all semblance of rules.

No one knows any longer how much an automobile costs—any automobile. No one knows what equipment and gadgets belong on an automobile; what items are included in the cost and what items are available on option, at extra cost. No one knows what a trade-in is supposed to be worth. And no one, understandably, believes a word of the retail price advertising of automobiles that appears every day in our newspapers and over our air waves.

With perfectly straight faces, dealers advertise "savings up to $2,000" on cars that sell, altogether, for $3,500 or $3,600; with the utmost contempt for facts and for even the most elementary factors of human decency, they use weasel words and double-talk to snare the unwary buyers, who have no way of knowing what they are supposed to pay.

Whose fault is all this? It all depends, of course, on whom you ask. But one great big step to cut out all the double-dealing could be taken by manufacturers and should be taken by manufacturers. The public has a right to know what new cars are supposed to cost; what is standard equipment and what is not—and the manufacturers have an obligation to tell them. And don't tell us, please, that this can't be done. Approximate prices can be quoted; they have been in the past, and they can be now.

If we don't clear up this enormous area of economic jungle on the marketing scene, we can expect this jungle to encroach further and further on the marketing civilization we have so laboriously hacked out over a couple of centuries. Already the jungle has overrun enormous areas of our marketplace. We can't wait any longer to start beating it back again.

EXHIBIT B

[From Advertising Age of January 27, 1958]

TOOLS FOR AUTOMOTIVE JUNGLE

In the December 30 issue, Advertising Age said editorially that the biggest marketing problem of 1958 is how, rather than how many, automobiles are sold. We said that the marketing of automobiles has now reached a condition approximately like "the economic jungle of a Middle East bazaar, in which everything, including price, is a mystery."

The editorial apparently hit a responsive chord. It has been reprinted by a couple of newspaper financial columnists, and commented upon by several editorial writers. Its appearance has also resulted in a couple of very interesting pieces of mail reaching us, which bear out our original assertion that buying a car now forces Americans to become "traders and bargainers, pitting their puny knowledge and their skills against the experts." One of these pieces of mail is reproduced here. For $5 Jadar will get the puzzled buyer four quotations on a car, thus saving the buyer a bit of the slogging from dealer to dealer which otherwise is involved.

The other is a classified ad from a New York paper, in which Auto Costs Publications offers the puzzled auto shopper a book which "gives you the wholesale prices of 1958 cars and equipment," so that the buyer can "get in the driver's seat and save hundreds of dollars" when he buys a new car.

This is utterly and completely ridiculous. What kind of economy do we live in where such tools as these are hopefully offered to shoppers as protection against lack of elemental price knowledge? We suggested originally, and we suggest again, that the public has a right to know what new cars are supposed to cost, and what is standard equipment and what is not—and that manufacturers have a clear-cut obligation to tell them.

They are not living up to that obligation now, but they ought to be. The public ought to begin a sensibly close approximation of prices on all models and all gadgets, and the ridiculous price advertising and silly wheeling and dealing—much of it based on phony prices to start with—of dealers ought to be stopped, or curtailed.

Letting the public in on the secret of what the cars ought to cost is the logical and most important first step on the road to marketing sanity.

NOW BUY YOUR NEW CAR IN COMPLETE CONFIDENCE

Let us do your shopping for you and secure for you, in writing, four competitive quotations from authorized new car dealers.

Write or call today for more information and the order form.

State your preference on the form and return it back to us. We will then solicit, by mail, four quotes for you on the model of your choice.

Introductory offer fee, $5.

JADAR QUOT-A-CAR SERVICE.

CHICAGO, ILL.

EXHIBIT C

[From the Wall Street Journal of December 13, 1957]

NINE HUNDRED PERCENT RETURN TO NEW CAR BUYERS ON YOUR $10 INVESTMENT[1]

That's right—investment of $10 in a copy of Auto Costs will net you at least a 900 percent return. Auto Costs gives you the exact wholesale cost of all new 1958 cars and their equipment. It puts you in the driver's seat when you buy a new car—you can't be fooled—you may save hundreds of dollars. All model and price changes are included free. Send $10 for a 1 year subscription or only $18 for an economy 3 year subscription.

AUTO COSTS.

NEW YORK, N. Y.

NEW CAR BUYERS

Thousands saved money last year. You, too, can protect your pocketbook. Tell us make of car you plan to buy and we'll send you dealer's wholesale prices, including options and accessories, with instructions for figuring a fair deal in your locality. Send $1 for each make of car.

COOPERATIVE RESEARCH.

DETROIT, MICH.

NINE HUNDRED AND EIGHTY-FOUR PERCENT PROFIT ON YOUR $1 INVESTMENT

If you plan to buy a new car, tell us the make and we will send you wholesale prices on all body types, options, and accessories, with instructions for figuring a reasonable retail price including freight, taxes, and a fair markup for the dealer. You may save $200 or $300. Many of our customers have. In any case you will have the satisfaction of knowing what sort of a deal you made. With our report in hand you won't have to worry about packed prices and other sharp dealer practices. You can't bargain effectively without accurate price information. If you save only $10.84 in a car deal, you will have made $9.84 on your $1 investment.

Send $1 for each make of car.

AUTO PRICE REPORTS.

DETROIT, MICH.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MONRONEY. I am glad to yield.

[1] If you save only $100 in a car deal, you will have made $90 on your $10 investment.

Mr. THURMOND. I thank my friend the distinguished Senator from Oklahoma [Mr. MONRONEY] for his kind reference to me.

It has been an unusual pleasure to work with the Senator from Oklahoma on this important subcommittee. He has worked tirelessly and assiduously. I think the people of the United States should be greatly indebted to him for the magnificent service he has rendered in bringing to light the unsavory marketing practices in the automobile business. I think the achievements of the subcommittee are a great contribution to the public welfare.

Mr. MONRONEY. I thank my distinguished colleague, and fellow committee member, who also is a cosponsor of the bill about which I am speaking. The junior Senator from South Carolina helps to protect the most vital segment of our small-business community. He has fought determinedly for small business.

If we do not make certain ground rules against hitting below the belt in the merchandising of the most desirable product which America produces, a new automobile, then Congress will be guilty of turning its back on one of the last great hopes for the survival of small business.

The unscrupulous operators, in their greater degree of unprincipled activities, could exploit the public into believing that a car which has an advertised factory list price of $3,000 is really a $4,500 car, and that by giving the prospective buyer a $1,000 allowance on the old jalopy, he is getting a bargain, because the legitimate dealer will allow him only $350.

In other words, by marking up the list price of an automobile to an unrealistic amount—which is done repeatedly by unscrupulous automobile dealers—they are able to offer far more for trade-ins than can be offered by scrupulous dealers who wish to sell new automobiles at honest prices and to allow honest amounts for the old automobiles that are traded in.

But under the system which has developed in the "oriental bazaar," misleading pricing-practice that is engaged in at the present time, the legitimate dealer is penalized, and at the same time the purchaser of the automobile is subjected to deceit and fraud in connection with his purchase.

Mr. President, I have talked to automobile dealers in half the States in the Union, and I have rarely found one who wishes to see such practices continued by the great American automobile industry. This industry has put into the hands of the American people more automobiles than the automobile industry of any other country has ever dreamed of putting in the hands of their people.

The dealers wish to hold their heads high, as self-respecting businessmen who are honest in their advertised words and in their statements.

But the current practice, which a few automobile dealers have forced upon the industry, makes it impossible for the average citizen to know exactly what is the list price of any of the various models and makes of automobiles.

Mr. President, last December, in order to ascertain just how one finds the retail price of an automobile, a member of the subcommittee staff sent $1 in answer to one of the advertisements which I have just inserted in the RECORD. In return, he received certain documents, which I now ask unanimous consent to have printed in the RECORD.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

EXHIBIT D

INSTRUCTIONS ESTIMATING APPROXIMATE RETAIL PRICE

To the cost at the factory of the appropriate body type and series, add the cost of the accessories and options as shown on the opposite side of this sheet and mark up the total by 30 percent to reflect the full suggested retail margin.

Then list the prices of any special services which you may desire such as undercoating, antifreeze, dealer preparation, or waxing. To this must be added the freight from the main factory location of the make to your city which is approximately $10 plus 20 cents a mile for the first 150 miles plus 5 cents a mile thereafter, but not more than $125 for Ford, Chevrolet, and Plymouth. The freight goes up in proportion to weight for heavier cars.

To the grand total of the items listed above must be added the local sales tax, if any, and the charge for the license or registration fee and title papers, to arrive at total delivered price. All Federal taxes are included in the cost figures.

A Michigan Business Review study indicated that one customer in six paid more than the suggested delivered retail price as computed above, while about one-third of all customers secured a discount from this price of $200 or more on low-priced cars.

Dealer cost of 1958 model Lincoln and major accessories

MODEL AND BODY TYPE AND DEALER COST	
Capri series:	
53–A Sedan, 4 door	$3,755
57–A Hardtop, 4 door	3,755
63–A Hardtop, 2 door	3,645
Premier series:	
53–B Sedan, 4 door	4,225
57–B Hardtop, 4 door	4,225
63–B Hardtop, 2 door	4,035
Continental:	
54–A Sedan, 4 door	4,615
75–A Hardtop, 4 door	4,615
65–A Hardtop, 2 door	4,425
68–A Convertible	4,775
ACCESSORIES AND OPTIONS, DEALER COST	
Tires:	
Nylon white side walls 9.50 over 9	$64.95
Nylon white side walls 9.50 over 9.50	59.05
Rayon white side walls 9.50 over 9	42.10
Rayon white side walls 9.50 over 9.50	42.10
Air conditioner	491.20
Heater and defroster	104.00
Electric door locks, 2 door	22.35
Electric door locks, 4 door	33.85
Electric dimmer	38.00
Power lubricator	33.00
Power seat, 6 way, Premier and Continental	34.70
Power seat, 6 way, Capri	81.75
Power vent windows	51.00
Power windows, Capri	92.40
Radio	134.55
F. M. attachment	99.00
Front seat speaker	8.30
Automatic starter	8.30
Chrome curb guard	20.65
Directed power differential	44.00

Dealer cost of 1958 model Lincoln and major accessories—Continued

ACCESSORIES AND OPTIONS, DEALER COST—con.	
Front license plate frame	$5.85
Leather trim (std. conv.)	76.75
Remote control deck lidlock	23.10
Seat belts (front seat only)	18.20
Tinted glass	37.15
Transparent sun visors	20.65
Wheel covers	28.10
Special paint: std. conv	30.00
Freight from Novi, Mich.	

Work sheet

Dealer cost at factory:	
Basic charge for body type and series	$
Options and accessories (list)	
Subtotal	
Add 30 percent for suggested dealer markup	
Freight: (See instructions) (from main factory)	
Special services [1]	
Total	
State and local sales taxes on above total	
License, registration, and title fees	
Suggested retail delivered price	

[1] Special services includes waxing, gas, lubrication, undercoating, etc. These prices are set locally. You can ask dealer for other makes what they charge. In addition, many dealers ask $25 to $60 for preparing the car for delivery.

You should beware of phony options and accessories. A few dealers will allow their salesmen to charge customers for options, such as special colors, which the factory actually supplies at no extra cost.

Mr. MONRONEY. Mr. President, from an examination of this material—for which $1 was paid—it is possible to prepare a worksheet with mathematical calculations based on the data supplied; and thus one can finally determine the suggested retail delivered price of a Ford, a Buick, a Chrysler, or a product of the American Motors Corp. or Studebaker-Packard.

Mr. President, in the heyday of the automobile business, the price f. o. b. Detroit was advertised on every automobile-advertisement billboard. From it one could determine the delivered price. But, as I have said, today it is necessary to use a slide rule, and almost use an ouija board, in order to determine what the delivered price should be.

Mr. President, the automobile dealers themselves are beginning to recognize how their industry is being hurt by this flimflam.

Out of all the confusion there came—as usual, not from on high, not from the booming voices of big business or big labor, but from a hardheaded, and I may add, a hard-hit small-business man who recognizes the economic facts of life when he sees them—some worthwhile information.

Mr. George G. Downes, president of the New Jersey Automobile Dealers Association, sent to me the results of a poll of the automobile dealers of New Jersey. This question was presented to the dealers:

If all manufacturers consistently advertised an "advertised delivered price" listing what is included in the price, as well as Federal tax, freight, and an item to cover handling and delivery * * *.

Would you then favor such procedure?

Mr. President, of the 257 replies received within 1 week, 245—or 94 percent—of the dealers voted for the proposition.

The growing concern of the dealers is reflected by the fact that the National Automobile Dealers' Association at its recent convention adopted the unanimous recommendation of its board of directors, as follows: "That NADA continue to urge all manufacturers to use and advertise realistic uniform delivered prices on a national basis."

NADA's executive vice president, Adm. Frederick J. Bell, had this to say at a recent Senate committee hearing:

In the matter of pricing, we have recommended to the manufacturers that they return to a practice—that existed for many years in the industry—of having a nationally advertised uniform delivered price for their products.

Mr. President, I wish to read to the Senate the impromptu testimony of Birkett L. Williams. Mr. Williams, a Ford dealer from Cleveland, Ohio, frankly exposed the racket of packing new-car prices in order that the buyer will be fooled into thinking he is getting a higher trade-in allowance for his used car. This is what Mr. Williams testified on February 19 of this year, at a hearing of the Antitrust and Monopoly Subcommittee of the Senate Judiciary Committee:

I would like to say that nothing we want is in any way intended to lessen or do away with competition. I think we are all smart enough to know that the life of good business is keen competition and the ability to survive under those conditions.

But we would like to be able to get, as Fred Bell pointed out this morning, some decent ground rules under which we could play which we don't feel we can get at the present time.

Now nobody knows what the price of an automobile is today, and too many customers, too many consumers, are flimflammed, cheated, skinned because they go in and they trade on the mistaken theory that the only thing that makes any difference to them is how much they get for their old car.

Well, now, if one man prices his new car at $2,000, and the other man is pricing the same car at $2,200, obviously the second man can give him $200 more for the old car and still be even. Maybe he only gives him $100 more, and by raising the price of his new car unduly, he has profited himself—the dealer, I mean—$100. That is the sort of thing we would like to eliminate. We would like to get the deception, the flimflam stuff, the slight of hand, out of this business, and be able to get it on a basis where people know what the price of the car is, and know what they are paying for the car, and to eliminate all this razzle-dazzle stuff that is making all the trouble.

Mr. H. H. Shuart, publisher of Motor News Analysis, a widely read and informative automobile newsletter, further has amplified on the effect of this price confusion. I ask unanimous consent that his comments be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PUBLIC FORCED TO SHOP FOR AUTO PRICES

Just what is cross-selling: Might it not as well be called cross-buying? Who causes it? Dealer? Prospect?

Dealers blame fellow dealers. But could latter draw prospects from other areas unless those people were willing to desert their hometown dealer in hope of finding better value of treatment elsewhere.

What possible gimmick in contracts or in law can stop this perfectly human urge? With no public pricing structure anywhere in this industry car prospects are compelled to shop to find out how much autos cost.

Factory advertising gives no clue whatever to car prices; myriad options only serve to confuse, mystify, obscure. Public is told it can't trust dealer pricing when NADA's Sutter publicly deplores shady practices at retail level. What can innocent, befuddled prospect do except plod from dealer to dealer hoping somewhere along his route to meet some guy he feels he can trust, some quoted prices he thinks reasonable?

Why this price mystery? Is it not primarily due to factory abandonment of advertised delivered price? Did not that open door to packs, gimmicks, bait ads, other screwy devices in local dealer promotion?

And would not many of these devious practices fade in light of factory advertised prices formulated, not to take advantage of competition but to give public honest information?

Mr. MONRONEY. Mr. President, if the automobile dealers are in favor of such a price label, and if, as I sincerely believe, the public is in favor of such a price label, who could be against it? Is each factory afraid to take this step, for fear of losing competitive advantage? Or have the manufacturers of automobiles sought to prevent price competition by abandoning the once standard advertising of the delivered price? Former Assistant Attorney General Stanley Barnes, an able Republican trustbuster, has charged that the automobile manufacturers compete in every way except as to price.

At the present time, the suggested retail prices of automobiles and accessories are furnished to every automobile dealer by the factory. But the dealer cannot afford to make them public, or else he will lose in the competitive swim, for then he could not pretend to overallow for the customer's used automobile.

Perhaps the greatest effect of automobile price tags would be to halt the wild, deceitful, gimmick advertising. No dealer can offer $1,000 for anything that runs unless he adds that $1,000 to the new car price. He could not pack prices in that way if there were a label showing the factory suggested retail price. This would transfer the competitive advantage from the most deceitful dealer in town to the dealer of the highest character and efficiency.

I read a headline from an ad appearing in the Washington Daily News of Thursday, March 13, 1958:

Three hundred dollars cash and free weekend in New York will be given to the lucky buyer.

That is an example of some of the foolish and extravagant advertising claims made in order to sell cars at a price that never reveals what the honest list price is.

I have followed the advertising of automobile dealers from coast to coast for months, and I have been unable to find, except in rare instances, advertising by even the most responsible and respectable dealers that carries a standard advertised list or delivered price.

There are other things beside price that are important to the car buyer. He wants to know the condition of the car and how it got from the assembly plant to the dealer. Was it towed with the speedometer disconnected? Has it been shuttled from dealer to dealer? Is it really a bootlegged or a used or misused car?

If the purchaser wants to buy a bootlegged car, it is his privilege, but at least he should be able to find out if it has been bootlegged and where it started from.

The car buyer has a right to know the quality, condition, and price of the biggest investment he ever makes in his lifetime except for his home.

If pillows must be labeled, if bacon must be labeled, if even beans must be labeled for the protection of the consumer, surely cars should be.

Mr. President, if we have faith in the American marketing system, we believe that a citizen who has the facts can take care of himself. We should allow the car buyer to have the facts, and not allow the manufacturers to force him to go through the time consuming and sometimes frightening ordeal of today's automobile guessing game.

If the car buyer has the facts, we shall have less cause to worry about whether prices are too high or too low. The processes of competition would help to determine that. But there can be no competition in prices unless the purchaser can find out what the prices are.

Mr. President, I submit a bill which would require a label to be placed on the windshield of every new car. On this label would be detailed the advertised price of the car, accessories, freight, and also the method of transportation, and the dealer to whom it was first sold.

I feel that unless the automobile industry—a slump in which is now threatening the prosperity of the Nation—does not return to the fundamentals of clean, honest, true merchandising, all the public-works programs that can be enacted in this Congress—and I am a coauthor of many of them—will be of little avail in reviving the No. 1 industry of America. Incidentally, more than 17 percent of the people of Michigan are unemployed.

I believe competition must come about in the pricing of automobiles. I believe by forcing a factory to commit itself on an advertised delivered list price, we will do something toward accomplishing that objective.

It will be found that Ford and Chevrolet will try to beat each other's advertised price on the same kind of model. The price is the first thing the buyer needs to know about an automobile. As I stated earlier, it is at that point that there comes into play the great American sport of bargaining. If the delivered retail price is hidden away in the vaults of the Detroit manufacturers, or concealed only in the files of the dealer, the customer does not have the information he needs.

But do not think, Mr. President, that the customer is a "dope." Do not under-

estimate the intelligence of the American automobile buyer. No matter how the dealer or manufacturer may try to confuse the price, the automobile buyer has a device for meeting the situation. Today he is meeting it by staying out of the automobile showrooms, by not looking at cars, because he is tired of chasing all over town in an attempt to find what the price is.

There should be a suggested or nationally advertised delivered price of the car.

In conclusion, it seems to me this bill would establish truth in advertising.

It would establish truth in merchandising.

I believe it is the best way to protect the automobile-buying public.

USE OF SURPLUS FOODS TO ASSIST NEEDY FAMILIES IN COMMUNITIES SUFFERING FROM SERIOUS UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, I have received appeals from the mayors of La Crosse and Ashland, Wis., and from a great many individual citizens and community leaders in my State, to help obtain a larger quantity and a better selection of foods for needy families in communities suffering from serious unemployment.

I have learned that the Secretary of Agriculture has funds available, totaling $514 million, for the purchase, processing, and distribution to the States of surplus foods for schools, welfare institutions, and needy families.

In addition, Congress has authorized another $500 million to be appropriated if it is needed for this purpose.

Of this total of $1,014,000,000 authorized by Congress, the administration's present plans call for spending only $143 million—or less than one-seventh of the total.

The Secretary of Agriculture has ruled that items other than cornmeal, wheat, flour, cheese, dried milk, and rice are not in sufficient surplus to justify distribution to needy families.

Mr. President, the present unemployment emergency creates an urgent need for supplementary food supplies for needy families.

The Secretary of Agriculture has rejected recent requests for distribution of high-protein foods which are required to provide balanced emergency diets for needy families.

It is a shocking contradiction to have the same Department of the Government, on the one hand, justify low prices to farmers on the ground that there are burdensome surpluses, while on the other hand it is denying food for needy families, and also for the school-lunch program and welfare institutions, on the ground that there is not a sufficient surplus to warrant the use of the funds provided by Congress for that purpose.

Prices of many agricultural commodities which would be very valuable from the standpoint of providing balanced diets to those in need are extremely low. The following are the present parity percentages of some of the most depressed commodities:

Turkeys, 67 percent of parity; chickens, 69 percent; milk, 84 percent; butterfat, 79 percent; peanuts suitable for processing into peanut butter, 74 percent; eggs, 84 percent; and sheep, 81 percent.

I am introducing a bill to broaden the present statutory authority in respect to the distribution of food to the needy. My bill will direct that the funds available be put to use to provide increased quantities and a better selection from the standpoint of requirements for balanced diets, of the food products which our economy produces in such abundance.

Mr. President, I ask unanimous consent that the bill be permitted to lie on the table until the close of business tomorrow to allow other Senators who wish to do so to add their names as cosponsors.

The ACTING PRESIDENT pro tempore. The bill will be received, appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Wisconsin.

The bill (S. 3501) to authorize the Secretary of Agriculture to expend funds appropriated for the diversion of surplus farm commodities to provide balanced diets in schools and institutions and for needy families, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. PROXMIRE. Mr. President, I should like to point out that the bill would make it possible to do what I am sure vitually every Senator desires to do, and that is put our great abundance of food into the stomachs of hungry people. There is no reason on earth why it should not be done. The money is available. It has been appropriated. The food is available in surplus. The people are hungry. They need it. Mayors of cities in Wisconsin have asked for it. Outstanding citizens have asked for it. It should be done as promptly as possible.

INCREASED FUNDS FOR MATERNAL HEALTH AND CHILD HEALTH

Mr. NEUBERGER. Mr. President, in November of 1957 the Association of State and Territorial Health Officers recommended, in one of their formal resolutions, that Congress raise the statutory ceiling on maternal and child health and crippled children funds to $25 million for each fiscal year, from $16.5 million and $15 million, respectively.

The recommendations, Mr. President, were based on a detailed analysis of the job ahead and of the financial problems faced by the States which participate in this vital Federal-State grant-in-aid program. Basic among the problems of all States and affecting both the MCH and CC programs, are increases in costs, the increase in child population, and the need for trained personnel.

While the Bureau of Census reports that, between 1955 and 1965, the number of children under 18 years of age will increase by 21 percent and reach a total of 67 million, the cost of public health personnel continues to rise. Between 1947 and 1953, the salaries of public health nurses increased on an average of 74 percent. In addition to the cost of those who are already trained, States report that they require more personnel and more opportunities to provide graduate training in various aspects of the MCH and CC programs. The recommended increase in the Federal grants would allow the States to develop these long-range goals.

It is most urgent, Mr. President, that more Federal funds be made available to these child-health programs. I have learned from a highly respected and qualified authority in this field, my good friend, Dr. Martha M. Eliot, chairman of the Department of Maternal and Child Health, Harvard University, that at the present time there are many children whose operative care must be delayed because of a lack of funds in State agencies. Likewise, many States are not able to do needed work for children with rheumatic heart disease, for children who are deaf and require hearing aids, and for children with cleft palate. According to Dr. Eliot one of the newest and most appealing programs which is limited by a lack of funds is the provision of artificial arms and legs for children who either have been born without an arm or leg or have been injured in accidents. Amazing advances have been made in the manufacture of small-sized arms and legs for infants as small as 18 months of age. Yet, because of a shortage of funds, many children are still awaiting the opportunity to lead the normal life which these advances permit.

Mr. President, a Nation which spends over $40 billion a year for defense cannot afford, on either a humanitarian or a practical basis, to allow a resource as priceless as the health of its children to go without the best possible medical treatment. Therefore, I am proud to introduce, for appropriate reference, a bill which would raise the statutory ceiling on maternal health and crippled children funds to $25 million. I request that the bill appear in the RECORD along with my remarks.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3504) to increase the amounts authorized to be appropriated for each fiscal year for the programs of maternal and child health services and services for crippled children provided for by title V of the Social Security Act, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 501 of the Social Security Act is amended by striking out "for the fiscal year ending June 30, 1951, the sum of $15 million, and for each fiscal year beginning after June 30, 1951, the sum of $16,500,000", and inserting in lieu thereof "for each fiscal year beginning after June 30, 1958, the sum of $25 million."

(b) Paragraph (2) of section 502 (a) of such act is amended (1) by striking out "1951" and inserting in lieu thereof "1958",

and (2) by striking out "$8,250,000" wherever it appears therein and inserting in lieu thereof "$12,500,000."

(c) The first sentence of subsection (b) of section 502 of such act is amended to read as follows: "Out of the sums appropriated pursuant to section 501 the Secretary shall allot to the States (in addition to the allotments made under subsection (a)) for each fiscal year beginning after June 30, 1958, the sum of "$12,500,000."

SEC. 2. (a) Section 511 of the Social Security Act is amended by striking out "for the fiscal year ending June 30, 1951, the sum of $12 million, and for each fiscal year beginning after June 30, 1951, the sum of $15 million", and inserting in lieu thereof "for each fiscal year beginning after June 30, 1958, the sum of $25 million."

(b) Paragraph (2) of section 512 (a) of such act is amended (1) by striking out "1951" and inserting in lieu thereof "1958", and (2) by striking out "$7,500,000" wherever it appears therein and inserting in lieu thereof "$12,500,000."

(c) The first sentence of subsection (b) of section 512 of such act is amended to read as follows: "Out of the sums appropriated pursuant to section 511 the Secretary shall allot to the States (in addition to the allotments made under subsection (a)) for each fiscal year beginning after June 30, 1958, the sum of "$12,500,000."

SEC. 3. The amendments made by this act shall be effective with respect to fiscal years beginning after June 30, 1958.

AMENDMENT OF MIGRATORY BIRD HUNTING STAMP ACT OF 1934—AMENDMENT

Mr. MAGNUSON (by request) submitted an amendment, in the nature of a substitute, intended to be proposed by him, to the bill (S. 2617) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

CHANGE OF METHOD OF BASIC PAY FOR MEMBERS OF UNIFORMED SERVICES—AMENDMENTS

Mr. THURMOND. Mr. President, in accordance with the statement of the Honorable Charles S. Rhyne, president of the American Bar Association, before the Stennis subcommittee handling military pay legislation (S. 3081), that such general military pay legislation be amended to incorporate the provisions of two bills which I have previously introduced, S. 1165 and S. 1093, I have prepared and do now offer the substance of these bills as amendments to that effect and ask that the amendments be referred to the Committee on Armed Services and be printed. These amendments will carry out the objectives of the American Bar Association as set forth in Mr. Rhyne's statement, which statement was placed in the body of the RECORD on Friday last. That statement is fully descriptive of the urgently critical problems existing in connection with the procurement and retention of lawyers in the Armed Forces whose professional services afford protection not only to the individual rights of our citizens, but also to the economic interests of the American people. In addition, I made a statement before the Stennis subcommittee and my study has revealed the critical nature of this matter. Unless some action is taken we will have arrived at a situation which will be impossible to correct. Within 3 years we will see practically all of the experienced lawyers leaving active duty, and we will not have qualified legal personnel in the military services to protect the interests of the United States, either at home or abroad, nor will they be available to protect the interests of the boys we are drafting. I therefore urge that immediate consideration be given to this problem.

The ACTING PRESIDENT pro tempore. The amendments will be received, referred to the Committee on Armed Services, and be printed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1950—AMENDMENTS

Mr. AIKEN submitted an amendment, intended to be proposed by him, to the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1950, which was ordered to lie on the table and to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 3420, supra, which was ordered to lie on the table and to be printed.

TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—AMENDMENT

Mr. BUSH submitted an amendment, intended to be proposed by him, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

DAIRY PRODUCTS MARKETING ACT OF 1958—ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the Senator from North Dakota [Mr. LANGER] may be added as an additional cosponsor of the bill (S. 3456) to provide a substantially self-financing program to protect the returns of producers of milk and butterfat used in manufactured dairy products to the producers thereof, to provide a formula for computing parity farm income and parity income equivalent prices, to establish a Federal Dairy Advisory Committee, to promote and protect and encourage family-scale farming in the dairy industry, to enable milk producers to keep supplies in reasonable balance with the need and demand therefor, to prevent discrimination between the various manufactured dairy products in Government food-purchasing programs, and for other purposes, introduced by me, for myself, Mr. MANSFIELD, and Mr. HUMPHREY, on March 12, 1958.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JENNER:

Address delivered by him to the Indiana State Republican dinner on October 14, 1957.

Address delivered by him to the Knights of Columbus in East Chicago, Ind., on November 6, 1957.

Statement by him on S. 2646, relating to the appellate jurisdiction of the Supreme Court.

UNEMPLOYMENT STATISTICS

Mr. BUSH. Mr. President, I ask unanimous consent that an editorial entitled "Snowball," which was published in the Washington Post and Times Herald of Saturday, March 15, 1958, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SNOWBALL

It is seldom helpful to keep telling a patient who is ill that he may die. Too many quick generalizations about particular economic statistics could have a similar effect on the country in the recession.

Let there be no mistake: the recession is serious, and it justifies the concern about it. But there seems to be little smugness on this subject either on Capitol Hill or in the White House. The caution in the administration, and among some legislators, is primarily the care that properly is exercised in prescribing drastic drugs before the diagnosis is exact. There is certainly a danger in doing too little; but there also is a danger, if all the nostrums are applied at once, of loosing a mammoth reinflation that would be equally damaging to the country.

The resources of Government are dedicated, both by law and by determination, to the prevention of economic catastrophe. Apart from the interest rate reductions by the Federal Reserve Board, the administration already has taken a number of steps. The Defense Department, for example, has announced plans to let $10 billion in contracts by June 30—$4 billion more than during the last half of 1957. There are similar plans to speed up public works and reclamation spending.

Congress has been no less busy. The Senate has passed an emergency housing bill as well as a resolution to accelerate public works and military programs. Measures to extend unemployment benefits are sure to pass. A number of tax cut proposals, encompassing personal income, corporation, and excise taxes, either individually or in combination, are in readiness and could be applied quickly if such sweeping action were found desirable.

It is against this background that the new estimates on personal spending and plant and equipment expenditures for 1958 ought to be considered. The 13-percent drop in plant expansion is troubling, but the fact that business outlays are down is scarcely new. The $32.1 billion which industry is expected to spend is still a great deal of money.

No individual statistic is a reliable guide in this complex matter of assessing the state of the economy. Unemployment, particularly in certain distressed areas, justifies much of the worry expressed by the AFL–CIO. Yet department store sales last week were up 7 percent over a year ago. Railroad carloadings were down, but applications for FHA mortgages in February showed an astounding rise.

The point is that this frenetic pulsetaking every few moments can do as much harm as

good. It is unlikely that the country will or can talk itself out of the recession; some price adjustments and corollary wage restraint, in addition to governmental action already instituted, probably will be necessary. But it is altogether possible for the country to talk itself into something worse, in the manner of a hypochondriac.

Most of us tend to make judgments based on the prevailing confidence or state of mind. And if we keep telling each other, almost masochistically, how dreadful we feel, it will be easy to develop a psychology of recession that will further affect purchasing in snowball fashion. Neither the public nor Government alone can restore confidence, but both together can. Let there be no attempt to hide the facts, grim or otherwise. But let all of us, particularly those who interpret the figures, try to keep them in perspective.

IMPORTANCE OF HIGHWAY DEVELOPMENT TO COORDINATE WITH THE GREAT LAKES-ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, today we start consideration of legislation to strengthen the Federal-State highway program.

Our purpose is twofold: (a) To expedite this vital program for its own sake so as to provide for improved automotive and truck transportation for the American people and thereby increase safety, lower costs, and so forth; and

(b) To help enable highway construction to pick up the slack in our economy.

As the Midwest views the highway program, one of its most interesting features is the relationship between that program and the Great Lakes-St. Lawrence Seaway.

It is our hope and belief that as the 27-foot, 2,300-mile deep-water seaway comes into being, it will be served by an improved road network which will get the goods to and from the docks rapidly.

One of the big problems of American highway transportation, however, is that the huge tractor-trailers which currently move night and day across this Nation's highways, at 50 miles an hour or more, are slowed to a snail's pace when they get into American cities.

And as they approach dockside areas, which are especially crowded, the tractor-trailers become almost immobilized. The result is unnecessary delay and higher costs of transportation.

It is the hope of the Midwest, therefore, that the Federal highway program will, indeed, be accelerated and that it will help provide for improved access to the Nation's port areas.

Other actions are, likewise, essential if the full promise of the St. Lawrence Seaway is to be realized.

First. As indicated on the Senate floor on March 12, there must be a speedup in appropriations for the Great Lakes connecting channels. The current budget for 1959 contains only around $18 million for deepening the channels. At this rate it will be long after 1962 before the channels to the upper Lake States are both 27-foot downbound and upbound.

The deadline must be advanced, instead of pushed back. The channels must be completed as soon as possible.

Second. There must be improvement of harbors along the lakes so that they can make fullest use of the seaway.

Right now there are no less than 13 harbors in my own State that can accommodate moderate-sized seagoing vessels. But only three of these harbors, Ashland, Milwaukee, and Superior, now have channel depths about the same as the seaway. Both these and other harbors must be improved if they are to get full advantage of deep-draft shipping.

These and related facts were pointed out in an excellent statement which was delivered by Mr. Robert Mathes on the occasion of the 45th Wisconsin Highway Conference in January of this year. Mr. Mathes is the port-development specialist serving in the Wisconsin Division of Industrial Development. This division, in turn, is attached to the office of Gov. Vernon Thomson.

I believe that this statement will be of deep interest to all friends of the St. Lawrence Seaway as an illustration of what the alert State of Wisconsin is thinking and planning in terms of maximum State and National prosperity from the seaway.

Mr. President, I ask unanimous consent that the statement be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WISCONSIN PORT DEVELOPMENT AS IT RELATES TO HIGHWAY PLANNING

(By Robert F. Mathes, port development specialist, State of Wisconsin Division of Industrial Development)

Governor Thomson, Mayor Zeidler, Vice Chairman Doyne, President Howard, gentlemen. I am very happy to be here today and to have the opportunity to explain to you our study for the development of Wisconsin port cities.

It is significant that my talk is being given in Milwaukee because port development is not a new subject here. Under the guidance of Mr. H. C. Brockel, your very able municipal port director, and the City of Milwaukee Board of Harbor Commissioners, the planning and growth of one of the finest ports on the Great Lakes has taken place. Your city leaders are to be commended on their foresight in preparing the port of Milwaukee for a leading role in the development of world commerce via the St. Lawrence Seaway.

THE ST. LAWRENCE SEAWAY

The St. Lawrence Seaway navigation and power projects are among the major construction projects undertaken by man. The work being done to harness this great waterway is especially commendable because it is the joint effort of two nations—the United States and Canada. When the seaway is completed in the spring of 1959, for the first time in history, large oceangoing ships will be able to sail more than 2,000 miles from the Atlantic Ocean to our Wisconsin port cities on Lakes Michigan and Superior.

The St. Lawrence Seaway project, long a dream of many of us both in the United States and Canada, became a reality in May 1954, when President Eisenhower signed into law the enabling legislation introduced by our Senator ALEXANDER WILEY and Congressman George Dondero, of Michigan. Previously, in December 1951, the Government of Canada had approved similar legislation.

The term "seaway" applies to the manmade improvements along 180 miles of the St. Lawrence River between Lake Ontario and Montreal. The river here is studded with islands, sharp bends, and rapids which until now, have made navigation by large ships impossible. The work now underway will eliminate these obstacles by providing a navigable channel 27 feet deep and from 200 to 450 feet wide through this area. A series of 7 locks are being constructed to permit vessels to bypass the rapids, which cause the level of the river to fall from 246 feet above sea level on Lake Ontario to only 20 feet above sea level at Montreal.

Concurrent with the navigation improvements, the State of New York and the Province of Ontario are erecting a system of power dams that will utilize the flow of this mighty river to produce 2 million kilowatts of electricity. The St. Lawrence River, fed by the largest natural reservoir in the world—the five Great Lakes—has a remarkably even flow of water, making it an ideal source for the generation of electricity. The 3,200-foot-long St. Lawrence power dam, being erected near Massena, N. Y., will be the second longest hydroelectric power dam in the world. exceeded in length only by Grand Coulee Dam in the State of Washington. A second dam, the Long Sault Dam is being constructed nearby to control the slight fluctuations in the river level in order to provide a constant flow of water at the power dam. This part of the project will be completed and placed into operation July 1 of this year.

The entire St. Lawrence Seaway project will cost about $1 billion. The navigation phase of the work will cost about $450 million, paid about one-third by the United States and two-thirds by Canada. This work will be paid for from tolls charged to the vessels passing through the waterway. The power phase of the project will cost about $600 million, paid equally by New York State and Ontario. This work will be paid for from the sale of electric power generated at the dam.

IMPORTANCE TO WISCONSIN

What does the St. Lawrence Seaway mean to Wisconsin? A look at the map will show you that Wisconsin's shores are at the head of the Great Lakes. In other words, we are situated as far inland as ships can come.

This location makes Wisconsin the natural site for the establishment of industrial plants that can import their principal raw materials by water and that plan to market their products in the areas of this country and Canada that lie between the western Great Lakes and the Rocky Mountains. Water transportation is inexpensive, and is employed to its best advantage for the carriage of low value bulk cargoes such as iron ore, coal, gypsum rock, sulfur, phosphate rock, and a multitude of other commodities found here and abroad that are consumed in our manufacturing processes. The opening of the seaway will permit large oceangoing ships to carry full shiploads, of as much as 25,000 tons, in the case of high density iron ore, directly to waterfront plant sites in Great Lakes port cities.

Fortunately, Wisconsin is ready to capitalize on this new transportation medium because we can boast 13 harbors that can already accommodate moderate size seagoing vessels. Only 3 of these harbors—Ashland, Milwaukee, and Superior—now have channel depths about the same as the seaway. Proposals to improve the others, however, are presently under study as part of the most comprehensive single transportation study project ever undertaken by the United States Army Corps of Engineers, the Federal agency responsible for providing navigable ship channels in United States harbors. What is important to us now is the fact that many necessary harbor improvements, such as breakwaters, bulkheads, movable bridges, Coast Guard stations, and navigation lighthouses and buoys, already have been built. Of even more significance from the standpoint of industrial development, our port cities have sound industrial zoning ordinances and waterfront sites available for the erection of industrial plants. Having these physical essentials, our cities also can boast

that extra ingredient that is so very important in any program of this sort, namely, an enthusiasm for port development on the part of local citizens.

Two other advantages will be open to us when the seaway is completed next year. One will be the growth of foreign general cargo or merchandise trade, and the other will be the delivery of many products by water that now arrive via overland routes.

The term "foreign general cargo trade" describes the exporting and importing of the myriad of commodities that are traded amongst the countries of the world. This commerce, which includes almost every item from sewing needles to railway locomotives, and medicinal pills to live elephants, moves between the world's major ports on ships we generally term "freighters." Several of our Great Lakes ports, already very active in this trade, are improving their terminal facilities in order to handle what we anticipate will be a sizable increase in general cargo shipping next year.

In order to handle general cargo, a port operation must include a multitude of ancillary services, such as stevedoring, banking, customs, insurance, and export packing. And in order to make port calls profitable to ship operators, large minimum quantities of cargoes must be offered for each scheduled departure. Because of these requirements, it will be unwise for all but a few of our port cities to envision themselves as becoming leading general cargo ports.

The development of terminals for the receipt of specialized shipments will warrant the attention of several of Wisconsin's port cities, especially those located near the large Milwaukee-Chicago population center. Since the end of the war, several enterprising ship operators have successfully carried in bulk certain commodities traditionally delivered already packaged. Three of these commodities, transported in a rather spectacular fashion, are industrial chemicals, wine, and orange juice. These cargoes, all liquid, are carried between ports on the Atlantic, gulf and Pacific coasts of the United States in ships resembling the familiar petroleum tanker. At the destination, the liquids are pumped ashore into storage tanks at terminal facilities where they are bottled or packaged for local distribution and sale. This new method of shipment reduces both transportation costs and damage claims.

PORT DEVELOPMENT IN WISCONSIN

Last year the State legislature established the position of port development specialist, to which I have been appointed, within the Wisconsin Division of Industrial Development. This division, as you know, is attached to the Governor's office. The purpose of my work is to assist Wisconsin port cities in the formulation of their port development programs and to make recommendations to the Governor and the legislature on port development matters that affect the State as a whole.

My principal task, since I began my work here in Wisconsin about 3 months ago, has been to visit each of the harbors in our State. I have made trips to the port cities on Lake Michigan and Superior, along the Mississippi River and on the shores of Green Bay. Much to my pleasant surprise, I learned that there are about 25 cities and towns in Wisconsin with developed port facilities. These vary from improvements to river mouths for the shelter of recreation and fishing craft, to the development of the finest ports on the Great Lakes. I completed this indoctrination phase of my work only last week.

The next phases of my activity shall be to analyze the foreign trade patterns of Wisconsin exporters and importers, and to determine what types of industries would benefit by locating in one of our lakefront cities. I shall also investigate the ways that the growth of pleasure boating may affect our harbor improvement program.

In order to obtain the necessary data on Wisconsin's foreign trade, the University of Wisconsin School of Commerce is undertaking a detailed survey of this subject. Last autumn, by means of a postcard survey, the research group assigned to this study learned that one-half of our firms do some exporting and importing. The School of Commerce is now distributing questionnaires to these companies, asking for additional information regarding the quantity of goods that are exported and imported now and what volume is anticipated a few years hence, their foreign market areas or sources of materials, and the plans of these companies to use our Great Lakes ports upon the completion of the seaway.

I shall be working closely with the other members of the division of industrial development staff in order to learn which industries we should approach for discussions of relocation plans. You may have read that our office has retained an advertising agency to carry on our nationwide advertising program. One element of this program will be to explain to these industries the advantages our lakefront harbors have to offer.

As a more individual service to Wisconsin port cities, we shall assist in evaluating the suitability of waterfront sites for the construction of marine or industrial terminal facilities. The first aim of our studies shall be to determine the economic need for the proposed terminals. Beyond that, if the proposed projects appear to be feasible, we shall analyze the physical suitability of the sites by studying such items as the adequacy of the navigable channel, the accessibility to railroad and truck transportation, the suitability of subsurface conditions, and the size, layout, and design of the proposed terminal construction. Where the magnitude of the projects indicate that our staff cannot handle the work, we can assist in finding competent consultants.

HIGHWAY INTEREST IN PORT DEVELOPMENT

The interest that the members of the Wisconsin highway conference have in the development of our ports stems directly from the importance of motor truck transportation to today's port operations. Wisconsin's early and sincere concern with the improvement of highway transportation is evident from our fine highway system and our early regulation of motor carriers.

I understand that Wisconsin can boast one of the best secondary road systems in the United States. After driving over many of these roads in my recent travels to all parts of the State, and comparing them to similar roads in many other States I have visited, I can attest to the truth of this statement.

Good local roads are vitally necessary to permit our farmers to deliver their produce to market; they are going to be a great asset in enabling our manufacturers—especially those located in the more remote parts of the State—to carry their export products to our port cities and to bring back their import goods in return.

You are all well aware of the phenominal growth of the motor carrier business within the past two decades. I have been informed that here in Wisconsin, trucks haul almost all our milk and paper products, and carry from one-half to more than 90 percent of our poultry, eggs, butter and—beer. Wisconsin has been a leader in regulating the operation of motor trucks in the carriage of commerce, and led the Federal Government by 2 years in the passage of the present Motor Carrier Act.

I have already mentioned that trucks play an important role in carrying world commerce to and from our harbors. In the great Port of New York, for instance, about one-half the general cargo that is unloaded from ships is delivered to consumer by truck, while about 20 percent of the exports are carried from manufacturer to steamship pier by truck.

How can you help improve this flow of goods between our factories and our harbors? By sound planning of new arterial highways and local access streets in and around our port cities, and by the establishment of traffic ordinances designed to speed the flow of truck traffic to and from the waterfront. Close cooperation with municipal and county boards of harbor commissioners is essential to effectively achieve this program.

One of the major problems which confronts our large coastal seaports is vehicular-traffic congestion. Their streets were built decades ago to accommodate horse-drawn drey carts, not the large over-the-road tractor trailers in use today. These big trucks speed across modern turnpikes to get to these cities, only to lose this precious time advantage when they arrive because they have to creep along busy narrow streets to get to the waterfront, and then they frequently must wait in line for hours before they can drive into a narrow pier shed, where, after they are unloaded, they must back out because there is not enough room at the end of the pier to permit them to turn around. This is not to say that our seacoast ports are not striving very hard to correct this situation. They are doing a marvelous job in this respect. What we want to do is to benefit from their mistakes in our own street and highway planning.

There are a number of important points regarding streets that we must consider in our port-planning activities. As I mention them you will undoubtedly note that they are adapted from criteria you have frequently utilized. They are as follows:

(a) An arterial highway system designed to bypass congested business districts and to route trucks directly to the waterfront.

(b) A street system within the harbor-terminal area adequate to accommodate large over-the-road trucks.

(c) An efficient traffic-flow pattern in the terminal area and on the piers.

(d) Sufficient parking facilities behind and inside the pier sheds to accommodate trucks that arrive to load or unload cargo.

(e) Ample parking space in the terminal area for longshoremen and pier personnel.

(f) One point not concerned with port planning alone—adequate separation of highways and railroad tracks to permit the erection of industrial buildings in between.

In conclusion, let me say that you can be of the greatest assistance to our port-planning program by carefully considering these criteria and by working closely with local harbor boards whenever you plan streets and highways in Wisconsin port cities. By doing this you will be contributing in the most helpful way possible to our overall effort to develop the finest harbors on the Great Lakes.

SEARCH FOR PEACE BY THE UNITED STATES

Mr. MONRONEY. Mr. President, sometimes it is the little thing that shapes the course of world events.

Today America's position is portrayed by the Communist world network of propaganda as that of a warmonger. Sometimes I fear we help give credence to this canard by emphasizing in our publicity our progress in science for death, instead of science for life.

Saturday night the famous Washington Gridiron Club departed from its usual practice of lampooning the great and the near great with only satirical songs, written to parody the well-known song hits of today and of yesterday. I am told that this is one of the few times in its 73 years that this has been done.

This departure came in a serious closing song that brought the banquet to a cheering climax. This song was entitled "Around the World We Search for Peace."

It was written to the music of Around the World in 80 Days, which movie by Producer Mike Todd, has just been awarded the title of the "Best Moving Picture of the Year" by Film Daily's poll of critics, reviewers, and commentators.

I hope other Senators will join me in requesting the Voice of America to ask Producer Todd to release the copyright privileges on the music—with the words of the gridiron song—to be used as the theme song of the Voice of America.

Sometimes a good song is worth a thousand speeches. This is such a song, and the music going around the world for 80 days may help to show the world the peace-loving face of Uncle Sam instead of the grim face of military power.

It might be possible to translate this beautiful song and the wonderful theme of the words into other languages so that we could touch the heart of the world with the true desire of every American to find the road to a just and a lasting peace.

The words of the closing Gridiron song were written by Frederic W. Collins, Washington correspondent of the Providence Journal, and were sung by Gene Archer, with Fletcher Knebel as music chairman. The words are:

Around the world we search for peace.
Our goal is clear, we'll persevere. Our hope shall never cease.
We know somewhere, sometime, somehow
Mankind will know the blessed glow, he deeply prays for now.
Where hate and strife and fear now reign,
Let men and nations join their hearts and hands as one again
And pledge their vow that all around the world,
We'll always find our world at peace.

ST. PATRICK'S DAY—1958

Mr. McNAMARA. Mr. President, the Irish are a proud people—proud of their heritage and of their traditions.

But I don't think anyone ever called the Irish selfish about these things. An example of this unselfishness is the willingness of the Irish to share their beloved saint—St. Patrick—with one and all on every March 17.

I ask unanimous consent that an editorial from today's New York Times, entitled "Everybody's Saint," be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EVERYBODY'S SAINT

One doesn't have to be Irish in order to have an affection for St. Patrick—St. Patrick wasn't Irish, either, not by birth. This doesn't prevent St. Patrick's Day from being the festival of a particular faith and an especial nation, but it does make it possible for those among us who never walked down O'Connell Street or kissed the Blarney Stone or rode in a jaunting car around the Lakes of Killarney to be glad when this saint's day rolls around.

St. Patrick's Day doesn't come in what the calendar says is spring, and that is fair warning. However, there is a kind of spring thought in it. Its green is for Ireland, which is indeed a fair green land, but it is also because it won't be long now before the turn of the year will be at hand, and we can all relax and live happy ever after.

But St. Patrick's Day is mainly a day when everybody is, or ought to be, good-natured and in a kindly mood toward everybody else. It is true that the Irish have done enough fighting in their day—too much, to be sure, like the rest of the world. They are not a docile people, putting up gently with injustice. When there was no fighting to do at home they often went out and looked for it: they defended liberty in our own Revolution; they fought for the Union (and for the Confederacy, too, for that matter) in our own Civil War, and they were almost as numerous on freedom's side of the second World War as they would have been if their government had joined in it with the other democracies.

St. Patrick was willing enough to fight when necessary: against sin, against snakes, against anything that he judged was hostile to God's will. But it isn't fighting we think about today—and this day, in this year, in this generation, in this often sad, and tragic time, is a good day to think of a saint who was full to the brim of his heart with goodwill and a cheerful love for all mankind.

And he loved life, too—the parade would surprise him, for he was not a proud man, but he'd keep time to the drums, the pipes, and the brasses like the rest of us, and he wouldn't find any irreverence, where none is meant, in those who love his humanity as well as his saintliness.

CONTROL OF SIGNBOARDS ON THE INTERSTATE HIGHWAY SYSTEM

Mr. NEUBERGER. Mr. President, 1 week from now the Senate is scheduled to begin debate of a major new highway bill. Along with many other very constructive features, this bill will include a significant new section to protect the investment which America's traveling public is making in the highways through their taxes on gasoline and other automotive necessities. The bill will include a section to encourage and assist State regulation of billboards along the new Interstate Highway System.

I want to address a brief plea today particularly to my Democratic colleagues on this side of the Senate aisle, regarding this provision of the new highway bill.

Mr. President, the battle to recognize roadside beauty and scenery as a legitimate aspect of the Federal interest in the national highway network has been waged from the beginning in total disregard of party lines. I initiated this effort when authorization of the new Interstate System first came before the subcommittee on roads, on which I serve. I have from the beginning had the support of the able chairman of the subcommittee, the junior Senator from Tennessee [Mr. GORE]. Other members from both sides of the subcommittee table joined in support. When the billboard-control provision first came to a vote in the full committee last year, and lost by one vote, party lines were not involved.

This year, the able junior Senator from California [Mr. KUCHEL], who had reconsidered his previous opposition to the measure, and I joined together in submitting a single, unified billboard-control amendment to the highway bill. It was further amended in committee to reflect the views of the Senator from South Dakota [Mr. CASE], the Senator from New Hampshire [Mr. COTTON] and the Senator from West Virginia [Mr. REVERCOMB]. When the billboard-control amendment was adopted by the Public Works Committee this year, the vote again ignored party lines.

Mr. President, I recount this background to show that this issue has not been a partisan one. I am sure it will not be a party issue when it reaches the floor of the Senate. Instead—as I am sure every Senator knows from his mail and from editorial comment in the press of his State—it is a question of extremely widespread public interest, cutting across all political and economic lines, except of course for the narrow self-interest of the billboard industry itself.

It is, Mr. President, essentially a conservation issue in the broad sense of that term. And that is why I want to address my Democratic colleagues today—to suggest, not a spirit of partisan controversy, but perhaps of friendly competition with our colleagues on the other side in supporting the public interest in these spectacular new highways we are building across ouf land.

I want to remind my colleagues, Mr. President, that during modern times our party has been the party of conservation. I trust that Democratic Senators will recall, when they consider this issue, that ours is the party of Franklin D. Roosevelt, who set aside the Olympic National Park in Washington State and the Kings Canyon National Park of California; who established the Civilian Conservation Corps and the Great Plains Shelterbelt project, as well as the great river projects such as TVA, Bonneville, and Grand Coulee, the Central Valley and the Columbia Basin irrigation projects and many other good works to safeguard the natural resources and environment within which our Nation lives. More improvement of trails, shelters, and campgrounds took place in our national forests while Franklin D. Roosevelt was President than in any other era.

In addition, FDR was the man who founded our modern United States Fish and Wildlife Service and put it under the direction of a great career biologist like Dr. Ira Noel Gabrielson. He brought to the head of the United States Forest Service distinguished career forester Lyle F. Watts. Under the only President ever to be elected more than twice, the conservation agencies and conservation policies enjoyed their greatest support and highest prestige.

Can anyone doubt, Mr. President, where Franklin D. Roosevelt would have stood in the battle between the public and the billboard industry, with respect to preserving uncluttered and unobstructed the roadsides of a vast, new, limited-access superhighway system across America? Can there be any question of where this great Democratic President would have stood, any more than that other conservationist, his illustrious Republican namesake who preceded him in the White House?

I trust members of our party will not turn their backs on this heritage, when

the issue is squarely joined in the Senate to decide whether or not outdoor advertising companies are to be handed, as a gift from Congress, the bonanza of plastering their signs along the $40 billion worth of splendid new cross-country highways to be built from the taxes of traveling Americans. Billboard control has been included in this highway bill with the endorsement of the present administration. I believe President Eisenhower himself has expressed the wish that control could be accomplished. Can we do less than the extremely moderate steps now proposed to encourage and assist the States to act?

I hope that eminent leaders of the Democratic Party, such as ex-President Harry Truman, Gov. Adlai Stevenson, and others may find occasion to add their voices to the chorus demanding that the public interest in roadside billboard control be recognized by Congress in our highway legislation. One such leader has already done so, Mr. President, both by action in his own State and by public statements. The distinguished Governor of our most populous State, Gov. W. Averell Harriman, endorsed billboard control in testimony before our Senate Roads Subcommittee. In an article in the Reporter magazine, Governor Harriman explained what has been done in New York State, particularly on the beautiful New York State Thruway, and what ought to be done everywhere. In concluding my remarks, I ask unanimous consent to include in the RECORD this article by Governor Harriman, from the Reporter of March 6, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GREAT GREEN PATH ACROSS AMERICA

(By Averell Harriman)

ALBANY.—It seems to me that the case for banning billboards on our new National System of Defense and Interstate Highways is both simple and irrefutable. We have mapped out and begun building what will be the largest superhighway system in the world. If we keep it free of billboards it can also be one of the most beautiful.

In the field of transportation, the American genius for the practical has created many objects of unique utility, ranging from the Yankee clippers to the Brooklyn Bridge, which have also been uniquqely beautiful. The divided limited-access expressway, following the contours of the land rather than slicing through it, is in many ways our most impressive achievement yet. The gliding, effortless grace of these vast stretches of concrete sweeping along the American countryside has given a new dimension to travel, and thereby to life in the United States.

Three-quarters of the mileage of the Interstate System will be built over new rights-of-way, where no road has ever before existed. Since they can be entered only at 15- to 20-mile intervals, there will be none of the ribbon development that has grown up along our older roads. If the billboards are also kept away from our new superhighways the countryside will remain untouched; in constructing a military transportation system, we shall have built at the same time 41,000 miles of national park.

Legislation aimed at banning billboards from the Interstate System was defeated in Congressional committee last year. The same bill is up for action again this session, but if it fails again it may be too late. The States, which are paying 10 percent of the cost and carrying out the actual construction, have already completed some sections. The billboards are already going up. Once they are up, there is little likelihood of their ever coming down.

Toward the end of last year's battle in Congress, Arthur Krock observed that the public didn't seem to care what happened. I think it might be more accurate to say that the public didn't know what was at stake. Perhaps it still does not. It may be we have shouted "colossal" at one another so often we have trouble recognizing something really big when it does come along. In much the way that space satellites were once looked upon by some as just another scientific gimmick, the Interstate System seems to be generally regarded as just another highway program.

It is a great deal more than that. The Highway Act of 1956 authorized the largest public-works program in history. We are not simply improving our road-transportation facilities, the way Indian trails were made into wagon routes which in turn became highways. We are creating an entirely new system to bind centers of population together in a vast network of four-lane, limited-access, and for the most part toll-free superhighways. In the age of the metropolis and the automobile, it will become the primary transportation system of the Nation. It will take at least 13 years to complete and will cost $60 billion—three times the total capitalization of American railroads.

BLOCKING OUT THE CATSKILLS

Because what we are building is an entirely new system, it has become both more necessary and at the same time more possible for us to maintain our contacts with the strength and beauty of the American countryside. It is wrong to let the billboards spoil it all.

To understand the alternatives, one need only compare the New York State Thruway with Route 17, which connects with the throughway near my farm at Harriman 40 miles north of New York City. The throughway, running up the Hudson to Albany and from there west along the Mohawk to Buffalo and beyond, is one of the first major segments of the Interstate System to have been completed. In my opinion it is one of the most beautiful highways in the world, giving the traveler magnificent views of the Hudson and Mohawk Valleys. Route 17 runs through equally lovely country in the Catskill Mountains and along the southern tier of New York counties. It is not yet part of the Interstate System, but it is being rebuilt to interstate specifications by many of the same engineers who built the throughway. The only difference is that a State law forbids billboards within 500 feet of the throughway whereas Route 17, which is not so protected, is being lined with billboards that either block out the Catskills or distract the eyes from them.

As if that weren't bad enough in itself, we recently discovered that crews of workmen had been sent by unknown persons onto State property along a newly completed stretch of Route 17 to cut down stands of trees that were obstructing the view of some new billboards.

Banning billboards along the new Interstate Highways could scarcely be called a heavy blow to the advertising industry. There are 3,400,000 miles of streets and roads in the Nation, most of which remain open to as many billboards as advertisers are willing to pay for. The Interstate System will add a mere 1.2 percent to the total mileage. Moreover, the small businesses such as motels and restaurants that use billboards to advertise their whereabouts can do so at the exits, which are the only points where travelers can turn off the highways anyway.

The curious—and recently discovered—argument that billboards contribute to traffic safety by keeping people awake is an admirable bit of best-defense-is-a-strong-offense strategy, but that is about all that can be said for it. To be sure, it has not been established that billboards actually cause accidents on the open highways, although a study made by the Minnesota Department of Highways in cooperation with the United States Bureau of Public Roads indicated that the greater the number of nonofficial signs at intersections, the higher were the accident rates. As for the open highways, there is not one jot of scientifically documented evidence to prove billboards actually prevent accidents at any hour of the day, much less at night when most of them can't be seen anyway.

INDUCEMENT TO THE STATES

The responsibility for protecting the beauty of our new highways is inescapably that of the individual States that are designing and building them and will subsequently maintain them. Such is the power of the billboard interests, however, that it seems clear there will have to be some Federal inducement to persuade the States to act. Last year I requested the New York State Legislature to extend the throughway prohibition against billboards to all of our interstate and limited-access highways. The bill passed the assembly by a thumping 124 to 19, only to meet a silent death in a senate committee. I have requested legislative action again this year.

Senator ALBERT GORE of Tennessee, chairman of the Senate Subcommittee on Public Roads, is vigorously supporting a proposal to increase by three-quarters of 1 percent the amount the Federal Government will pay toward construction in any State that prohibits billboards within 660 feet of the interstate highway. This would add nothing to the total cost of the highways but it would provide a substantial inducement to State legislators. And it is they, after all, who must make the final decision.

THE SENATE'S MAJORITY LEADER, LYNDON B. JOHNSON

Mr. PROXMIRE. Mr. President, I congratulate the distinguished majority leader on his leadership during the past week. Last week was indeed a positive and constructive week in the history of the Senate. Action was taken which will put to work hundreds of thousands of persons who are now unemployed.

Considering the few weeks the Senate has been in session, this accomplishment was very remarkable, indeed. In verve and drive it has been compared by competent journalists with the first hundred days under President Franklin D. Roosevelt. It certainly constitutes a great landmark in Senate leadership. The majority leader deserves a world of credit for this.

As a Senator from Wisconsin, I feel certain I express the sentiment of the people of Wisconsin, especially those who are now out of work, who will be put to work by the accomplishments of last week. I express deep thanks for a remarkably able leadership.

CALE P. HAUN AND JULIA FAY HAUN—VETO MESSAGE (S. DOC. NO. 83)

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate the following message from the Pres-

ident of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 674, entitled "An act for the relief of Cale P. Haun and Julia Fay Haun."

The bill would provide that, for the purpose of determining the individual liability for income taxes for the taxable year 1953 of Cale P. Haun and Julia Fay Haun, sole stockholders of River Grange Co., Inc., which was liquidated pursuant to a plan of complete liquidation adopted on December 24, 1953, the elections of Cale P. Haun and Julia Fay Haun to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the adoption of such plan. The bill states that the mailing of such election was delayed, without negligence or fault on the part of such stockholders, beyond the 30th day following the adoption of such plan.

Section 112 (b) (7) of the Internal Revenue Code of 1939 provides a special rule in the case of certain complete liquidations of domestic corporations occurring within 1 calendar month for the treatment of gain on the shares of stock owned by qualified electing shareholders. The effect of this section is to permit deferral of tax upon unrealized appreciation in the value of the property distributed in liquidation. An election to be governed by section 112 (b) (7) must be filed by the shareholder or by the liquidating corporation with the Commissioner of Internal Revenue on or before midnight of the 30th day after adoption of the plan of liquidation. The bill would waive this requirement for the named taxpayers.

The records of the Treasury Department show that River Grange Co., Inc., adopted a plan of complete liquidation on December 24, 1953. The Internal Revenue Service began an examination of the return of this corporation on September 9, 1954, and a question arose as to whether the stockholders had filed an election under section 112 (b) (7). It was found that no such election had been filed. A representative of the taxpayers has advised that an election was mailed on or about September 10, 1954, which date was more than 7 months after the expiration of the statutory period for filing the election.

Except in the case of special circumstances, the enactment of special legislative relief for a taxpayer who has not made an election within the time prescribed by law constitutes an inequitable discrimination against other taxpayers similarly situated. The primary extenuating circumstance on which the taxpayers appear to rely in this instance is that a professional adviser, upon whom the taxpayers were accustomed to depend in legal matters, was incapacitated by illness 6 months prior to the adoption of the plan of liquidation so that the taxpayers were compelled to rely on other professional advisers. The circumstances of this case do not seem to justify special legislative relief.

The granting of special relief in this case would constitute an inequitable discrimination against other taxpayers similarly situated and would create an undesirable precedent which might encourage other taxpayers to seek relief in the same manner.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 17, 1958.*

WPA AND PWA

Mr. PROXMIRE. Mr. President, the Milwaukee Journal points out in a recent article that no American wants to return to the days of the WPA and PWA, and that while this was an unhappy period in American history, President Eisenhower, in a recent statement by him was unnecessarily harsh in criticizing the spirit behind these agencies.

The Milwaukee Journal has never been a New Deal paper. It has been extremely critical of many of the big Government, big brother implications of the New Deal. With a sense of fairness which has always characterized the Journal, however, it points out that many Americans have deep gratitude toward these New Deal agencies, which saved them from idleness and starvation, and provided in many cases a rich and invaluable investment in highways, bridges, libraries, schools, and erosion control and irrigation programs.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at this point following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DON'T BELITTLE WPA AND PWA

No American wants to return to the days of WPA or PWA. The very initials bring memories of an unhappy period in American history. Nevertheless, President Eisenhower was unnecessarily harsh in mention of WPA and PWA in his Saturday statement about the present recession.

Many Americans have a deep gratitude toward those New Deal agencies, which saved them from idleness and starvation. Furthermore, accomplishments of those depression-time, made-work programs are still with us today, 20 years after the agencies were liquidated.

What did the WPA (Works Progress Administration) and the PWA (Public Works Administration) do?

Between 1934 and 1943, the WPA and predecessor agencies pumped almost $15 billion into the economy. Jobs were provided for more than 8 million Americans on 1½ million projects. There was some waste, some leaf raking. However, WPA contributed 643,000 miles of highways, roads, and streets; 77,000 bridges and viaducts; 54,000 new public buildings; 5,832 schools, libraries, auditoriums, and gymnasiums; 1,650 parks, 3,000 playgrounds; 285 new airports; 944 sewage treatment plants; and hundreds of flood and erosion control, irrigation, and conservation projects.

Here in Milwaukee, the WPA improved 900 miles of roads and streets, erected 43 bridges and viaducts, reconstructed 91 schools, installed 222 miles of street lighting, and built many miles of storm and sanitary sewers. WPA and CCC (Civilian Conservation Corps) labor developed and improved much of the county park system. It made Whitnall Estabrook, and Lincoln Parks the beauty spots they are.

The PWA constructed 34,524 projects, ranging in size from a 1-room school in Arizona to a $60 million sewage disposal facility in Chicago. At its peak, it employed 650,000 men on construction sites and an estimated 1,200,000 off the sites. Total cost of PWA construction was $6 billion, of which roughly a third was contributed by benefiting communities.

In the Milwaukee area, PWA helped build the filtration plant and the Cherry Street bridge, nearly $4 million worth of school improvements, and $3 million worth of sewer repairs and extensions. The Parklawn housing project was a PWA development. Most of the suburbs built schools, sewers, and streets with PWA aid.

To apply such words as "schemes" and "dubious activities" and "unsound" in blanket indictment of WPA and PWA seems uncalled for and unjustified.

It may be, of course, that Mr. Eisenhower didn't have an awareness of the need or accomplishment of WPA and PWA. All of that time he was sheltered in the Army, much of it serving as General MacArthur's aide in the far-off Philippines.

ECONOMIC DECLINE

Mr. PROXMIRE. Mr. President, of course public officials do a great disservice to our country when they create a dangerous psychology of pessimism by exaggerating the seriousness of the economic decline.

On the other hand, they do a similar disservice by remaining silent or by exaggerating the optimistic trends in our economy.

I feel very strongly, Mr. President, that it is desirable for public officials to speak out and, on the basis of the most responsible and authoritative facts they can find, to indicate exactly what is the status of our economy. With this in mind, I call the attention of the Senate to two excellent articles which appeared recently. Mr. John G. Forrest, of the New York Times, reported yesterday that there are serious danger signals with regard to our Nation's economic health. The Department of Commerce and the Securities and Exchange Commission have said, according to Forrest, that business spending this year would fall 13 percent, or $5 billion below that of last year.

Forrest also reports that at the same time, the Federal Reserve Board describes in its latest survey of consumer spending a spreading pessimism about the economic outlook, and more seriously, a cutback by consumers in plans to buy major products. Forrest reports that home building last month dropped to the lowest annual rate since 1954. He calls attention to slumping exports and the prospect that these will be substantially below those of last year.

In a similar article by Mr. Harold B. Dorsey in this morning's Washington Post and Times Herald, Mr. Dorsey predicts that the annual rate of business capital expenditures for the first 6 months of this year is likely to show a year-to-year decline of at least $6 billion, and expresses his personal opinion that the decline will be much larger. He also points to the drop in the annual rate of exports of from $2 billion to $3 billion a year below last year, and expresses concern that Government moves

will not be able to accomplish a sizable recovery in the level of business activity.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD at this point following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 16, 1958]

RECESSION NEWS ARRIVES PELLMELL, BUT MARKET PUSHES DOGGEDLY UPHILL

(By John G. Forrest)

The state of the Nation's economic health continued to dominate both domestic and foreign news last week. That state was definitely queasy, though nothing like a crisis had set in.

Surprisingly, the stock market shrugged off the continuing rash of gloomy news. It ended the week with a modest gain. The New York Times combined average of 50 stocks closed at 280.99, up 2 points. The gains in specialty issues were largely attributed to short covering.

Wall Street had its reasons. The bad news had been discounted well in advance and the statistics that now were being issued came as no surprise. Unemployment was expected to rise, and it did; corporate earnings for the fourth quarter of 1957 were expected to show declines, and they did; capital expenditures for plant and heavy equipment were expected to dip, and they are falling.

SIX AND SEVEN-TENTHS PERCENT IDLE

In mid-February, unemployment rose to 5,173,000, the highest level since August 1941, and a jump of 679,000 from the mid-January figure, George Meany, president of the AFL–CIO, pointed out that listing those on short workweeks would add another 1,300,000 to the total. As it was, the officially reported unemployment rate stood at 6.7 percent of the labor force.

President Eisenhower announced he would recommend that the Federal Government extend benefits to workers who had exhausted their State jobless payments. The program would cost $600 million to $800 million and temporarily extend jobless pay for 39 weeks from the 26 weeks now prevailing.

The Department of Commerce and the Securities and Exchange Commission reported that business spending this year would fall 13 percent, or $5 billion, from the record $37 billion of 1957. The estimated decline is nearly double that predicted in surveys last fall.

At the same time, the Federal Reserve Board issued its latest survey of consumer spending plans. It showed a spreading pessimism about the economic outlook and, more significant, a cutback in plans to buy major products. Indications were that new-car sales would be hit—as they have been these last few months—and that there would be fewer buyers for new homes.

BUILDING DIP

Home building last month dropped to an annual rate of 890,000 starts, the lowest since 1954. As a rule, February heralds a seasonal upturn in home construction. This year, of course, the weather was unusually severe.

There are some who believe that slumping exports are a major contributing cause of the recession. Latest figures tend to bear them out. In January, overseas shipments were 10 percent below those of a year earlier. They fell 8 percent in December. The statistics in both months exclude military-aid shipments.

There was one thin ray of cheer, however, from the Washington statistical factory. The Federal Reserve Board said department-store sales in the first week this month ran 7 percent ahead of the like week last year. It was emphasized, though, that sales a year ago were badly depressed by the weather. Also, Easter is 2 weeks earlier this year and traditional buying may be well under way.

ARMS STEP-UP

Slowly but surely, defense spending is beginning to pick up. In the first half of this year, procurement contracts are now scheduled to run at a rate of $1.7 billion to $1.8 billion a month, compared with about $1 billion a month in the last half of 1957. The outlay for military construction in the first half will amount to about $1.7 billion, against $327 million in the final half of last year.

The Government soon will be back in the money market. The Treasury next month will seek $3 billion in new cash. The terms have not yet been disclosed. The reason for the borrowing: Later this month the Government will have to pay off about $3 billion in tax-anticipation notes issued last July.

IS THE RECESSION SLIDING INTO SOMETHING WORSE?

(By Harold B. Dorsey)

The apparent immunity of the stock market to very bad business news symbolizes Wall Street's interesting interpretation of the present business situation.

It is argued: "Everybody knows that business figures are bad. The worse they get, then the more pressure there is on the Federal Government to do something, and the palliatives administered by hysterical politicians will probably be of an inflationary character." Whenever speculators sense a revival of an inflationary atmosphere they tend to look with greater favor on common stocks.

In the presence of this rationale, a discussion of business statistics seems to have only the academic interest of a post mortem. In fact, however, a consideration of the business figures should have a real practical value, especially if one is willing in his diagnosis to clear his mind of the cloudy generalities and misconceptions about inflation.

So far as the business analyst is concerned, probably the most significant set of statistics recently released are those which indicate an acceleration in the downward trend of business capital expenditures. According to the joint report released last week by the Department of Commerce and the Securities and Exchange Commission, capital expenditures by business in the third quarter of last year reached a peak of $37.75 billion when the year-to-year gain was 5.2 percent. The revised figures for the fourth quarter of last year indicate that the scope of the year-to-year improvement had dropped to 0.6 percent. Now it is anticipated that capital expenditures for the first quarter of this year will show a year-to-year decline of 7.7 percent, for the second quarter the decline is expected to be 12 percent, and for the second half of this year it is anticipated that the annual rate of these expenditures will be $6.1 billion below the same period of 1957, a decline of 16 percent.

These figures tend to confirm a study on the same subject prepared by the National Industrial Conference Board sponsored by Newsweek magazine. That study indicated that appropriations for capital expenditures by the large manufacturing companies in the fourth quarter of last year were down 33 percent from a year earlier and the backlog of unexpended appropriations on December 31 was 20 percent lower than a year before. These figures give a good idea of the actual capital expenditures by these companies 6 to 9 months later.

In this column on February 3 it was pointed out that business analysts would be watching carefully to see "whether the decline will continue into the stage where weakness breeds weakness. * * * Whatever the original reason for the first decline in the volume of demand, the resulting deterioration in earnings has a further debilitating effect upon the demand for goods and services, which, in turn, is likely to cause a further drop in earnings."

Unquestionably, there is an association between the declining trend of business earnings and the declining—and accelerating—trend in business capital expenditures. Unfortunately, the latter trend has an adverse effect on job creation, which tends to reduce purchasing power and the ability to move goods at the consumption line.

It was officially reported last week that January exports recorded a 10 percent year-to-year decline. This tends to support an observation made in this column a few weeks ago that our export volume for this calendar year is likely to be $2 billion below last year.

The University of Michigan Federal Reserve Board analysis of consumer attitudes revealed last week a marked rise in pessimism about the general outlook, with some curtailment of plans to buy major items as compared with a year ago at this time. This more conservative attitude on the part of the consumer is another evidence of weakness breeding weakness.

The figures on the total dollar volume for all types of retail sales for the month of February recorded a 3 percent decline from January (seasonally adjusted), and were 1 percent below February a year ago. The decline in physical volume in the past 12 months was, of course, greater than the 1 percent decline in dollar volume, because prices have increased by over 3 percent in the past year. Perhaps the February figure was a fluke because of the bad weather. In fact, February seasonally is one of the slowest months of the year for business as a whole. The seasonal impulses should now turn favorable, and this might help the figures and the psychology. However, the March figures had better record good gains over a year earlier or the implications will be bad.

This brief summary of some of the more significant business indicators has negative implications about the outlook, certainly appearing to justify an increasing concern about the possibility that the current recession is sliding into something worse. In line with the pattern of current Wall Street thinking, this condition enhances the prospect for lower taxes and higher Government expenditures.

But in appraising the effects of the various estimates of probable tax reductions and of increases in Government spending, we should have in mind the above-mentioned prospect that the annual rate of business capital expenditures 6 months from now is likely to be showing year-to-year declines of at least $6 billion (it is my personal opinion that the decline will be larger). The annual rate of exports is likely to be running two to three billion dollars below last year and neither business nor the consumer seems to be in the mood to provide a satisfactory volume of demand at this price level.

The Government moves and the general ignorance about the subject of inflation may create some kind of inflationary psychology, but I can see some very good reasons for doubting that the Government moves will, in fact, be inflationary in terms of higher prices or even in terms of a sizable recovery in the level of business activity and employment.

Mr. PROXMIRE. Mr. President, I am an optimist. I believe that this Government can stop this economic downtrend, and can do so promptly. I call the attention of the Senate to an article in yesterday's New York Times by Mr. Herbert Koshetz. He points out that on the one hand there is a school that thumps for more Government spending.

An equally vociferous group argues that a cut in the Federal income tax is the quickest way to create purchasing power. Mr. Koshetz asks why not try some of each? In the same issue of the New York Times Mr. Edwin L. Dale, Jr., has a careful, well-organized article entitled "Cut Taxes or Spend? Answer To Be Both."

This morning Mr. Dale has a follow-up article in the New York Times entitled "Need for a Tax Cut Seen by Economists," in which Mr. Dale makes this extremely significant statement:

What do all the Presidential and Congressional antirecession actions add up to? A consensus of private economists here would go something like this:

All the items are useful, some more than others. But the whole package may not amount to much this year unless a tax cut is added.

Mr. Dale then makes an extremely careful analysis of the probable economic impact of each antirecession step which has been taken, or is likely to be taken by the Congress, including jobless pay, housing, highways, public works, defense and credit. It is on the basis of this analysis that Mr. Dale concludes that it is the consensus of economists that the whole package may not amount to much without a tax cut.

Mr. President, I ask unanimous consent that the three articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 16, 1958]

AN EXAMINATION OF COUNTERMEASURES AS RECESSION CONTINUES TO DEEPEN

(By Herbert Koshetz)

The debate in Washington on how to halt the recession has stirred echoes all over the land. It all goes to prove that fighting a recession is not a science but an art, and those who practice it aren't too sure of their skill.

Economists could easily draw upon their experience if they could pin down the exact cause. But no two recessions have produced the same set of statistics. Changed conditions create a lot of doubt on what are the best measures to be taken.

On one hand there is the school that thumps for more Government spending. An equally vociferous group argue that a cut in the Federal income tax is the quickest way to create purchasing power to pull out of the slump.

The casual observer is inclined to ask: Why not try some of each?

Fortunately, the Government is committed to a policy of full employment, and therefore it will act.

THE BAD NEWS

In the meantime, however, conditions tend to grow worse. Unemployment in February rose to more than 5,100,000, the highest in 16 years. Industrial production is expected to fall another 2 points to 131 percent of the 1947–49 average, the lowest point since December 1954.

Manufacturers' backlog of orders have been cut back, and even those companies that felt they could weather a long storm aren't quite so sure now. The National Industrial Conference Board last week reported that 3 out of 4 producers polled had reported their January 1958 orders well below those of 1 year previously. The average decline in new orders and billings, the conference board said, was 10 to 20 percent.

The board added, however, that most of the manufacturers surveyed were of the opinion that new orders had hit their low in the latter half of 1957 or would do so in the present quarter. One out of five showed gains in new orders and billings during January, as compared with January 1957.

ROUGH ON DURABLES

The hard-goods industries appear to have been hit the hardest. The conference board revealed that 84 percent of the metalworking companies had declines in new orders and 81 percent had lower billings. In the nonmetal group, 58 percent reported lower orders and 61 percent lower billings.

This is no time to lose heart, particularly since seasonal factors should work in favor of both producers and distributors. There are areas in which improvement in weather will bring about an upturn, such as in housing starts.

January housing starts, incidentally, showed a marked improvement over the final months of 1957. But the ground gained in January was lost in February. It is hoped that spring will induce a revival.

Retail trade likewise lost ground in February, and the weather was largely to blame. An early Easter, however, will tend to stimulate apparel sales. In the fashion field there are basic style changes, such as the chemise dress, which are making themselves felt.

Actually, the chemise does not have universal acceptance among women shoppers. It has created a lot of discussion, however, and aroused curiosity among all classes of shoppers. If they haven't come to the stores to buy, at least they come to look, and the aggressive retailer has been able to capitalize on the increased traffic in the apparel department.

STYLE INFLUENCE

Women are slow to take up new styles that might be considered extreme. But if the styles catch on at higher price levels, they generally do well after adaptations have been made in the medium- and popular-price ranges. The style handle is still one of the strongest tools that apparel retailers have for maintaining volume.

From the retail standpoint, a tax cut would do much to boost morale. In Washington, one of the most popular plans is to raise the personal exemption from $600 to $700, saving wage earners and other taxpayers about $2,800,000,000 a year.

And a moderate cut in taxes at the corporation level would prove beneficial also. It could well stem the decline in plant investment. It was estimated last fall that companies would be spending at an annual rate of $37.5 billion for new plant and equipment during the fourth quarter of 1957. Actually, their rate of spending was at least $2 billion below that. And the recession has brought a deep cut in estimates for the first quarter of 1958. These estimates had been reduced in the light of cutbacks on expansion plans. Now they are in for further reductions.

IMPACT OF EXPORTS

A decline in exports as revealed by the latest figures is also a matter of concern. In January, the United States exported $1,403,000,000 worth of goods, exclusive of military shipments. This was 10 percent below shipments in January last year.

It is recalled that in the recession of 1953–54, one of the factors that aided recovery was the rising trend of shipments abroad. But the Nation's economy now will not have that assistance, mainly because European countries are undergoing a gradual softening of the boom they enjoyed in the last 2 years.

If the United States suffers a loss of 10 percent in exports for 1958 as a whole, sales abroad will be $2.6 billion less than they were last year. If the loss could be kept down, it would mean less dislocation to the economy. But to keep exports at a high figure, the United States has no alternative but to accept a goodly amount of imports.

And this spells out why there should be no hesitation in renewing the reciprocal trade program in a manner that makes it possible for foreign countries to maintain their markets here.

[From the New York Times of March 16, 1958]

CUT TAXES OR SPEND? ANSWER TO BE BOTH—CONGRESS AND THE ADMINISTRATION WORK ON A PACKAGE PROGRAM

(By Edwin L. Dale, Jr.)

WASHINGTON, March 15.—The politics of fighting the recession—much like the politics of reacting to the Soviet missile-satellite threat—appears to have produced an extraordinary result: More agreement than disagreement about what to do.

This has major consequences for the economy. If Government actions can help, as almost all economists think they can, they can help best if they are taken quickly. And they could never be taken quickly in a divided government with one party running Congress battling the other party running the executive.

At the end of this week, the degree of harmony and sweet reasonableness seemed dazzling:

Item. Both the President and the Congressional Democratic leadership were clearly in agreement that the next major weapon to be fired is a tax cut.

Item. There were strong indications that the proposed administration tax bill would be along much the same lines as a bill being worked up by leading Democratic Congressional tax writers.

Item. Republicans voted unanimously for the big Democratic housing bill in the Senate, after the Democrats in the banking committee had compromised their bill somewhat to meet Republican demands.

PRACTICALLY UNANIMOUS

Item. All but one Republican in the Senate and all of the Republicans on the House Public Works Committee voted for the Democratic resolutions urging a speeding of public-works projects already under way. The President had already ordered a partial speedup.

Item. Both the President and the Democratic Congressional leaders are agreed on the need for an emergency bill to extend unemployment-compensation benefits, though they differ on details.

Item. The President and the leaders also quickly settled on the device of a stepped-up highway program, though again they disagreed on some important details. All of the Republicans on the Senate Public Works Subcommittee voted for the compromise bill.

All this does not mean that politics has suddenly vanished from the scene. An explanation of the situation might go something like this:

The Democrats count, to begin with, on the recession itself to help them in the next election. Under the disaffection theory of politics, what matters is the performance and results produced by the "ins" rather than the proposals of the "outs." The Republicans will be blamed for the recession, even if it is cured rather quickly.

The Democrats will be able to orate about the recession in the election—just as much as if they had tried to engineer a completely Democratic package of solutions.

Furthermore, most of the top Democratic leaders in Congress have become convinced of the responsibility theory of how to win elections. Under this theory, the worst thing the Democratic opposition could do in a condition of emergency—sputnik or economic—would be to balk the response of the administration to the situation.

Men like LYNDON JOHNSON and SAM RAYBURN are understood to be genuinely convinced that the vast middle group of Americans would give the Democrats far more credit for helping the administration than for appearing to ride off on a program of their own—always provided the Democrats add a little extra to each administration proposal to give it something of an opposition flavor.

And, finally, Messrs. JOHNSON and RAYBURN are working hard to make a Democratic record of their own—a record whose key descriptive word is speed. They have galvanized Congress into a pace of action almost unheard of for this stage of the session. And in some instances they have beaten the administration to the punch with actual proposals, the chief item to date being housing.

ECONOMICS AFTER POLITICS

If this explains the political paradox, it leaves two other major related questions:

How does the package stack up economically? And will the package work?

Economists can disagree about the right medicine for recessions just as much as ordinary citizens. For the first few months of the recession, there emerged a natural debate over the relative merits of more Federal spending and tax cuts.

Time and events have rendered the argument at this stage almost academic. There are two main reasons:

(1) The final package is clearly going to involve some of both. Spending on roads, unemployment compensation, public works, defense and housing will inevitably rise slowly, but over the next 15 months it will be some undetermined but significant amount, upward of $1 billion, higher than was projected when the President submitted his budget in January.

As for the tax cut, it will take an unlikely surge of pep in the economy this month to avert it. It is by all odds the most powerful weapon in the package, and the chances now are strong that it will be used.

(2) The recession—certainly in the sense of unemployment—gathered force rather more rapidly than was foreseen when the spending versus tax-cut debate was being conducted in January and early February. The same economist who argued at the turn of the year that it was far better to spend more on such things as education or hospitals than to cut taxes might well be ready to go along with a tax cut now because of the need for speed.

The administration and the Congressional Democrats appear to have picked out most of the spending items that can be stepped up reasonably quickly. A big school-building program aided by Federal funds, as an example, could not possibly get rolling for a full year. So any economist who agrees that massive Federal antirecession action is necessary is almost forced to agree at this stage that a tax cut is the next item.

MODERN THEORY APPLIED

The package as a whole reflects rather precisely the modern "compensatory" theory of combatting the business cycle. By more spending or by tax cuts or both, the Government, according to this theory, is supposed to incur a large budget deficit and thereby to supply the extra demand that is missing from the private sector.

The compensatory theory is not universally accepted, but its acceptance is far greater today—particularly after the writings of the late John Maynard Keynes in the late 1930's—than it was during the great depression.

In general, then it can be said that the majority of economists would accept the propriety and desirability of the package that is emerging. But the opposition is not negligible.

The opposition is of two types. Among many conservatives—the editorial page of the Wall Street Journal is a good example—the compensatory idea has never been accepted. This school doubts that big antirecession deficits will work to restore full employment and is convinced that they will only have the ultimate effect of further diluting the value of the dollar.

This school is much more strongly represented in Congress than the recent performance would indicate. But the conservative school has simply been swept along with the antirecession tide.

THREAT OF INFLATION

The other type of opposition, also among conservatives, accepts compensatory action as the right medicine, and medicine that will work. But it doubts that the recession has reached the stage where a major attack is necessary. This school—which includes some important people in the administration and Federal Reserve System as well as private businessmen and economists—fears that a too early and too strong onslaught on the recession will turn the economy around so drastically that inflation of a serious nature will be upon us again.

Under this line of thought, excessive antirecession action just postpones the day of reckoning. A new, artificial boom will be created, only to give way to really major collapse later.

It is important to distinguish between these two forms of opposition. The latter group has no doubts that the antirecession deficit will work; it merely fears that the deficit will work too well. Will it?

DEFICIT FORESEEN

The prevailing view among economists, it seems safe to say, is that it will—that is, a deficit of the order of $10 billion, which will be almost inevitable if the tax-cut weapon is added to the spending package already in the works. There is considerable skepticism, however, that the spending measure alone will have much economic impact.

Most economists, in fact, would probably go so far as to say a deficit of this magnitude—with its multiplier effect of perhaps another $10 billion in addition to the original sum—would work even if general psychology remains pessimistic while the Government actions are taking hold.

With the package now nearly inevitable, we shall soon know. The year 1958, in many respects, is providing the great test by fire of modern economic theory.

[From the New York Times of March 17, 1958]

NEED FOR A TAX CUT SEEN BY ECONOMISTS

(By Edwin L. Dale, Jr.)

WASHINGTON, March 16.—What do all the Presidential and Congressional antirecession actions add up to? A consensus of private economists here would go something like this:

All the items are useful, some more than others. But the whole package may not amount to much this year unless a tax cut is added.

Following is a rundown of the probable impact, as seen by experts here, of the various measures, other than a tax cut, that have been proposed:

JOBLESS PAY

The measure to extend the duration of unemployment compensation benefits is probably the most important item in the package proposed to date. No good spending estimate can be made until it is known what the final bill will provide, but spending could easily come to $1,200,000,000.

What is more, this will be the earliest spending of all the items in the package. It could start almost within a week after passage of the legislation.

However, there is one important qualification. This measure would not add to incomes and spending, but would merely prevent a threatened decline. In short, it cannot be an upward force by itself.

HOUSING

The array of administrative and legislative actions is extremely complicated. But housing experts appear agreed on one generalization about the whole group, including the $1,850,000,000 Democratic bill moving through Congress:

The actions are helpful, but they will not mean a big upsurge in housing starts while people are uncertain about the future.

Only restored confidence will spur home sales and home starts in a significant degree, according to this opinion. The point is stressed that the measures are aimed at bolstering private, not Government-built, housing. To quote one expert:

"A builder doesn't start a house unless he thinks he can sell it."

Nonetheless, there is some hope that the measure will, at least, lead to some revival of the veterans housing program.

HIGHWAYS

The trouble here is that it is difficult to spend money fast. The bill moving through Congress, despite its multi-billion-dollar price tag, would mean a maximum of only $800 million—and probably considerably less—of new contracts placed by the States in this calendar year. Most of that would be let in the last half of the year.

The $800 million is not, of course, a negligible item. But even that much would provide a maximum of only 100,000 jobs in direct roadbuilding and supplying industries, according to one rule-of-thumb formula.

PUBLIC WORKS

So far the amounts involved are small. Under proposals backed by the administration and Congressional leaders, probably no more than $300 million additional will be spent this calendar year. This includes water projects, hospitals, flood control, etc.

DEFENSE

This is the most difficult item to evaluate. There will be a large increase in placement of defense orders in the February–June period compared to the previous 7 months—about $2,300 million a month compared to $1,050 million.

However, this is somewhat deceptive. Much of the increase is merely to make up for the slow rate of ordering last summer, when the Government was making an effort at an economy drive.

Defense spending will rise somewhat during calendar year 1958, but not nearly so much as the figures on orders would indicate. The annual rate of spending is now estimated at only about $2 billion higher in the last half of this year than in the first half.

Finally, there is some doubt that the Pentagon will be able to pump out the contracts at the planned rates. This doubt has been implicitly acknowledged by the Secretary of Defense, Neil H. McElroy.

The defense step-up is a help. The question is whether it will be enough to offset downward forces in the private economy.

CREDIT

There has long been debate in economic circles over the effectiveness of making money easier during slumps. Monetary policy is often compared to a man and a string—he can pull it but he cannot push it.

The point is that easier money does not help if the private economy does not generate willing and worthy borrowers. To date, bank loans have been declining despite easier money. However, it is generally accepted that the easy money policy of the Federal Reserve System did play an important role in helping the economy out of the 1953–54 recession.

There is little disposition among economists here to sneer at the antirecession

efforts made by the administration and Congress. There is considerable praise for the speed at which the cumbersome machinery of Government has gone into action.

There are of course some economists in and out of Government who believe that the economy will recover within 6 months of its own accord.

But whether a person thinks that Government action is imperative or not, there is some doubt that the measures in the works will have a major impact on the economy. That is another reason why the betting here places heavy odds on the likelihood of a tax cut, and a big one.

THIS IS NOT THE TIME TO INCREASE INTEREST RATES ON HOUSING MORTGAGES

Mr. PROXMIRE. Mr. President, in the recent debate in the Senate concerning the interest rate for veterans' housing, Republican Senators who favored increasing the interest rate contended that was necessary in order to persuade capital to invest in GI housing mortgages. At that time some of us disputed that contention.

Mr. President, an article written by Mr. Albert L. Kraus and published yesterday in the New York Times bears importantly on this issue. Mr. Kraus indicates how increased savings deposits present a banking problem. With a decline in business loans, new investment sources are needed. Investment money is aggressively and eagerly seeking new sources of investment.

In the course of the article, Mr. Alfred J. Casazza, executive vice president of the Savings Bank Trust Co., of New York, is quoted as telling the American Bankers' Association that:

> The dynamic factor in the supply of investment funds is the transformation of commercial banks into aggressive buyers of securities and aggressive mortgage lenders.

Mr. President, this article provides strong documentary support for the Democratic position that this is not the time to increase interest rates. I call the article to the attention of the Senate in the hope that it will help forestall the taking of any similar action during the rest of this session.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAVINGS NOW POSE BANKING PROBLEM—WITH A DECLINE IN BUSINESS LOANS, NEW INVESTMENT SOURCES NEEDED—RATE DIP ALSO POSSIBLE—COMMERCIAL INSTITUTIONS ARE FACING BIGGEST DIFFICULTY WITH GAIN IN DEPOSITS

(By Albert L. Kraus)

Commercial banks, which took the lead in the race for savings deposits for the first time last year, face an uncomfortable prospect.

Because of the decline in business borrowing and a possible drop in rates, they must find other sources of investment at returns high enough to sustain the present level of interest payments, or cut the rate to savings depositors.

A cut in the savings rate would mean abandoning the measure of competitive equality the commercial banks have struggled to obtain with the mutual thrift institutions—the savings banks and savings and loan associations.

The commercial bankers have given no indication of surrendering easily. A recent survey by the American Bankers Association showed that commercial bankers will spend 28 percent more on advertising this year than in 1957. Once again first emphasis will be given to savings.

"More and more bankers are convinced that the extensive savings campaign of last year, which helped to boost savings so high, should be waged with just as much vigor in 1958," the association said. A principal reason is that savings depositors become prospects for a commercial bank's other services.

DEPOSITS RAISED LAST YEAR

In last year's drive, commercial banks increased their time deposits $5.4 billion to $56 billion, a gain more than twice that of 1956. In comparison, savings banks increased their deposits $1.6 billion to $31.6 billion, and savings and loan associations their share accounts $4.8 billion to $41.9 billion. Life insurance policy reserves rose $4.3 billion to $83.4 billion. The increase was less last year than in 1956 in all classes of institutions except the commercial banks.

A primary factor was the increase in savings rates. Commercial banks across the Nation increased their rates during the year.

In New York State, for instance, 3 out of 4 commercial banks paid less than 2½ percent at the start of the year. By the end, the proportion was reversed. Of 421 New York State commercial banks surveyed recently, 331 were paying 2½ to 3 percent on savings.

So far this year there has been no indication of any slowdown in the growth of commercial bank savings deposits. To the contrary, along with the mutual thrift institutions, the commercial banks report an upturn.

New savings have continued to increase, but the major gain has resulted from a significant decline in withdrawals. Fear of the possible extent of the recession and buyer hesitancy to purchase durable goods are cited as explanations.

Howard D. Crosse, assistant vice president of the Federal Reserve Bank of New York, says the downturn in short-term interest rates should pose no special problem for the commercial bank that shifted last year—when it raised its saving rate—to higher yielding investments.

Some, in areas that would support such activity, increased their mortgage and consumer lending. Others took losses in their bond accounts to obtain higher yielding Governments, corporates and municipals.

Because of the reverse in the pattern of interest rates, some of these banks already have been able to take profits this year.

Not all commercial banks, however, were able or willing to subject themselves to the necessary self-discipline.

Alfred J. Casazza, executive vice president of the Savings Bank Trust Co., said that despite the big gain in savings last year, overall commercial bank mortgage and security holdings increased only slightly. He told American Bankers Association's 55th annual savings and mortgage conference:

"The dynamic factor in the supply of investment funds is the transformation of commercial banks into aggressive buyers of securities and aggressive mortgage lenders."

From mid-November, when the Federal Reserve announced its first reduction in the discount rate, until the end of February, business loans of weekly reporting member banks declined $1.4 billion, while investments by these banks increased $2.7 billion, he said.

"So long as the demand for business and consumer loans lags, commercial banks will be under constant pressure to sustain earnings by expanding investments," he added.

The Chase Manhattan Bank's decision to resume warehousing of Government guaranteed and insured mortgages after a 2-year hiatus probably result in part at least from this pressure.

Chase Manhattan scored the largest savings gain among New York City banks last year. Its savings deposits rose 82 percent to $418 million.

In addition to shifting to higher yielding investments, commercial banks can effect economies by cutting expenses. A large New York City bank recently asked its branch managers to attempt to weed out low-balance savings accounts and accounts with much activity, two of the chief causes of higher operating expenses.

A recent cost study by a large thrift institution showed that a balance of $211 was needed merely to break even on the paper work and overhead, and a balance of $2,300 to pay the current dividend.

BASIS FOR OPPOSITION TO PROPOSED REDUCTION OF PRICE SUPPORTS FOR DAIRY COMMODITIES

Mr. PROXMIRE. Mr. President, only 15 days remain until the order by Secretary Benson to slash the price supports for dairy commodities is scheduled to take effect.

Mr. President, no other issue is of more urgent interest to the people of Wisconsin—not only to her dairy farmers, but also to her small-business men, professional people, working people, civic leaders, and Government officials. The prosperity of Wisconsin's dairy industry is as essential to the economy of Wisconsin as is the prosperity of agriculture generally to the prosperity of the Nation. The people of Wisconsin hail the action taken last week by this body, when it passed the joint resolution to maintain farm price supports at the 1957 level until improved legislation can be enacted by Congress. They hope the other House will see fit to join in the passage of the resolution.

Unfortunately, a great deal of misinformation has been given to many of our citizens who are not personally familiar with the facts about our farm situation. One of the most prevalent errors is the notion that the farmers who are in economic difficulty are engaged in small, inefficient operations.

According to the Department of Agriculture, dairy farmers in eastern Wisconsin in 1956 received on their labor returns of only 43 cents an hour. Mr. President. I should like to emphasize that the average dairy farmer in that region is not a marginal operator. He is one of the most efficient, most highly productive farmers in the entire world.

Mr. President, the following additional figures provided by the Department of Agriculture describe the scale of the average dairy operation in that section of Wisconsin:

The average dairy farmer there has a total investment of $33,770 in his dairy operation. He milks 20 cows and raises 25 hogs; and the farmer and his family provide almost 90 percent of the total labor on the farm. Only about 9 percent is hired.

He is a substantial buyer of industrial products. His biggest single expense is for machinery. The average farm has

two tractors, and the average farmer spends nearly $2,000 each year for farm machinery. He spends $802 for purchased feed; $216 for fertilizer and lime; $405 for fencing materials and farm buildings. His total expenses—most of which constitute a market for products of nonagricultural, manufacturing industries—total $4,658 a year.

These statistics apply to the average farm operator, Mr. President, who receives for his labor a return of only 43 cents an hour.

He is a heavy payer of taxes. His tax bills each year amount to $369. Who can point out any other group, Mr. President, whose tax payments amount to such a crushing burden on an income of only 43 cents an hour?

This average Wisconsin dairy farmer, Mr. President, has greatly improved both his efficiency and his productivity in the past 10 years. But his returns have dropped. He has been punished—instead of rewarded—for his efficiency and his increasing contribution to our standard of living.

If the change proposed by Mr. Benson is allowed to go into effect, further punishment will be imposed upon these farm families for their contribution to the prosperity and the strength of America. Mr. Benson's order is unfair; it is cruel; it is unwise. It endangers the economic security of hundreds of thousands of loyal, hardworking Americans; and it threatens to undermine the entire national economy. If Mr. Benson's order is permitted to go into effect, it will give the economy a dangerous shove toward the disaster of a major, nationwide depression.

DISTRICT OF COLUMBIA HEADQUARTERS FOR NATIONAL SOCIETY OF SONS OF AMERICAN REVOLUTION

Mr. THURMOND. Mr. President, the purpose of H. R. 9271, which now is on the calendar, is to permit the National Society of the Sons of the American Revolution to occupy the residence at 2412 Massachusetts Avenue as the national headquarters of the society. The society was given a charter by act of Congress 51 years ago to have its headquarters in Washington, D. C.

The Society of the Sons of the American Revolution is a leading, patriotic organization, nonprofit, nonsectarian, and nonpolitical. It is devoted to the support of the Constitution of the United States. It teaches the history of the founding of the Nation. It inculcates and stimulates love of our country and the flag and loyalty to our Government. This the society does by giving cash prizes and medals to students for good citizenship, as judged by teachers and student bodies. Cash prizes are given to student winners of historical orations in State and National contests. The local societies give medals to the outstanding members of the local ROTC. The local societies urge the teaching of American history in schools and colleges, and some of them give scholarships.

The adult population is influenced patriotically by the holding of commemorative exercises on the birthdays of patriots and on the anniversaries of the 4th of July, Constitution Day, and Flag Day. Annually, the governor of each State is requested to issue a proclamation for the observance of Constitution Day within his State.

None of this work with the schools and the public is done by or from the national headquarters. Instead, it is done by the local societies. The national headquarters is used to house a voluminous library which the national society's genealogist uses to verify and confirm the applications made for membership. It is used to house the records of membership. The membership is made up of distinguished leaders in the Senate and House of Representatives, governors of States, and leaders in the professions, education, and business.

When the present owner of 2412 Massachusetts Avenue applied for a variation in the zoning, to permit occupancy by the Society of the Sons of the American Revolution, a few citizens in that part of the city objected, on the grounds of noise and increase of traffic. The building is to be used as the residence of the national executive secretary. In the building during the day, there will be, also, the genealogist, two secretaries, and the telephone operator. Of these five persons, the executive secretary, only, uses an automobile. Twice a year there will be a trustees' meeting. Conventions are held in hotels in cities throughout the United States. So in the headquarters building there will be very little noise, and the traffic will be very light, when compared with traffic in the same block going to the Mexican delegation offices and to and from the huge Canadian office building. In the block immediately to the west there are two large apartment houses; the Japanese and Indian Embassies are between them; and there are also the Spanish Embassy commercial attaché offices. In the block to the east there are the embassies of Denmark, Ecuador, China, and Korea; also a private school, and the Fellowship House, Inc., offices. This side of Massachusetts Avenue is not in the restricted residential A zone but is in the third category of residential zone known as BR, which permits row houses and community or apartment houses.

The building at 2412 Massachusetts Avenue contains 10 rooms and servants' quarters. Its size is suitable and ample for the home of the national society. It has a plain and dignified appearance. There is no need or desire to change the external appearance of the building, and there is little need for change inside. The use of the headquarters is of a quiet, conservative, and residential character. Many residents of the neighborhood have written, to the Board of Zoning Adjustment, letters favoring the society's occupancy. The adjacent owners on each side of the building welcome the society there, so they have stated in letters.

The President of the Board of District Commissioners for the District of Columbia has written to the chairmen of the District of Columbia Committees of the Senate and the House of Representatives, letters in which he states that the occupancy of the building by the Sons of the American Revolution will have no adverse effect on the neighboring property and that "they (the Commissioners) do not offer objection to passage of the bill."

Mr. President, the bill was supposed to be reached during call of the calendar today. However, the distinguished junior Senator from Virginia [Mr. ROBERTSON] promised a resident of the District of Columbia that he would object. That resident stated that the headquarters could secure a building for possibly $60,000 or thereabouts.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from South Carolina has expired.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, the Senator from Virginia informs me that he was under the impression that the headquarters to be obtained would be used by the local chapter in the District of Columbia; he did not know it would be used by the national headquarters. However, since he promised to object to consideration of the bill during the call of the calendar today, he has requested that the bill not be considered today.

Out of courtesy to the Senator from Virginia, I shall not attempt to have the bill considered today. But I desire to give notice that on tomorrow I expect to ask that the bill be acted on by the Senate. There is a time limit in connection with this matter, inasmuch as the national headquarters has sold the building it formerly occupied, and it is necessary that arrangements be made promptly to obtain another building for the national headquarters.

I may say that, as a result of the proposed exchange, the national organization will be able to accumulate a reserve of approximately $100,000, which is badly needed for its work.

I am very anxious to have the bill passed, and to have the national headquarters accommodated in this manner. I am quite confident the Congress will act wisely in this connection.

GOVERNORS' INTERSTATE INDIAN COUNCIL—RESOLUTIONS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the agenda and list of 12 resolutions passed by the Governors' Interstate Indian Council at their 10th annual meeting held at Oklahoma City, Okla., on October 24, 25, 26, 1957. The great State of North Dakota is one of the States represented in the Governors' Interstate Indian Council and the Honorable John B. Hart, executive director of the North Dakota Indian Affairs Commission, was one of the speakers at this conference. I further ask that his remarks be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GOVERNORS' INTERSTATE INDIAN COUNCIL

K. W. Bergan, chairman, State Capitol, Helena, Mont.

Francis McKinley, vice chairman, Fort Duchesne, Utah.

John Shaw, secretary; Burbank, Okla.

Directors: Harold Farley, Boise, Idaho; Paul Jones, Windowrock, Ariz.; N. B. Johnson, Oklahoma City, Okla.; A. H. Wright, Salem, Oreg.; S. C. DeMers, Butte, Mont.

States represented: Arizona, California, Colorado, Idaho, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming.

AGENDA, 10TH ANNUAL MEETING, OKLAHOMA CITY, OKLA., OCTOBER 24, 25, 26, 1957

October 24

8 a. m.: Registration of official delegates, Blue Room, State Capitol.

9 a. m.: Conference called to order, K. W. Bergan, chairman, presiding.

9 a. m.: Invocation, Dr. Charles E. Webber.

9:10 a. m.: Address of welcome, Hon. N. B. Johnson, Supreme Court Judge, State of Oklahoma.

9:20 a. m.: Greetings and presentation of flowers, by Mrs. A. B. Cockrell, vice president, State Federation of Women's Clubs.

9:30 a. m.: Response to the Welcome, Maurice Powers, of Washington.

10 a. m.: Objectives and functions of the council, John Hart, North Dakota.

10:20 a. m.: History and accomplishments of the council, A. H. Wright, Oregon.

10:40 a. m.: Panel discussion—State problems from impacts of Indian people.

Hon. N. B. Johnson, Oklahoma, leader.

Discussants: A. H. Wright, Oregon; W. W. Hill, New Mexico; Fern Wanek, South Dakota; James Mosier, Colorado; Charles F. Miller, Bureau of Indian Affairs, Washington, D. C.; Forrest Gerard, Public Health Service, Washington, D. C.; Miss Selene Gifford, Bureau of Indian Affairs, Washington, D. C.

Recess for lunch.

1:30 p. m.: Panel discussion—Relocation and industrialization programs from the State point of view.

Hon. N. B. Johnson, Oklahoma, leader.

Discussants: Harley Fletcher, South Dakota; Pete Shepherd, Kansas; Maurice Powers, Washington; Clarence Wesley, Arizona; George Keith, Wisconsin; Clifford Rucker, Minnesota; Gordon Ibbotson, Colorado; Charles F. Miller, Bureau of Indian Affairs, Washington, D. C.; John Hart, North Dakota, summarizer.

3:30 p. m.: Panel discussion—Law and order in Indian country, State and Federal cooperation.

George Smith, Minnesota, leader.

Discussants: Gordon Dickie, Wisconsin; Lewis B. Holt, Idaho; William H. Kelly, Arizona; Patrick Gourneau, North Dakota; Miss Selene Gifford, Bureau of Indian Affairs, summarizer.

7:30 p. m.: Report of nominating committee—Chairman Fern Wanek, Hon. N. B. Johnson, Harold Farley, James Mosier, and Warren Emm.

8 p. m.: Panel discussion—Problems on welfare assistance for people of Indian blood.

Walter W. Broemer, Texas, leader.

Discussants: Raymond Thacker, Nevada; Clyde Edmonds, Utah; Vidal Ballard, Idaho; George Keith, Wisconsin; Selene Gifford, Washington, D. C.; Maurice Powers, Washington, summarizer.

October 25, 1957

8:30 a. m.: Panel discussion—State and Federal cooperation in vocational education, higher education, public education, and secondary education.

Harold Farley, Idaho, leader.

Discussants: Harvey Wright, Oregon; John Artichoker, South Dakota; Warren Emm, Nevada; Walter W. Broemer, Texas; George Smith, Minnesota; James Mosier, Colorado; Selene Gifford, Washington, D. C.; Fern Wanek, South Dakota, summarizer.

10:30 a. m.: Report by States—Termination of supervision.

George Keith, Wisconsin leader.

Alex Miller, Oregon. Roundtable discussion.

Recess for lunch.

1:30 p. m.: Miscellaneous problems.

3:30 p. m.: Resolutions—Report of resolutions committee: George Keith, Wisconsin; A. H. Wright, Oregon; Hon. N. B. Johnson, Oklahoma; John Hart, North Dakota; Clarence Wesley, Arizona; James Mosier, Colorado.

5:30 p. m. Election of officers.

7 p. m.: Dinner meeting—Guest speakers: Dr. Angie Debo, University of Oklahoma; Hon. Ed Edmondson, Congressman from Oklahoma.

RESOLUTIONS—GOVERNORS' INTERSTATE INDIAN COUNCIL, OKLAHOMA CITY, OKLA., OCTOBER 24, 25, 26

Resolution No. I

Whereas a high proportion of admissions to Indian hospitals and related medical facilities is due to illness which is predominantly resultant from unsanitary conditions due primarily to inadequate and unprotected water supplies and inadequate facilities for disposal of human waste and related environmental factors; and

Whereas the use of open surface and unprotected well-water sources of supply is to be found in some areas, and hauling of water for domestic use distances of 1 to 10 miles is a common practice on many reservations; and

Whereas promiscuous disposal of human wastes or use of totally inadequate privy facilities are found in some areas, with resultant fly problems and high incidence of diarrhea and dysentery; and

Whereas H. R. 246, H. R. 2894, and S. 1498 of the 85th Congress, known as the sanitation facilities bills, sponsored by the Public Health Service, embody principles and provisions which, if enacted into law, will greatly aid the Public Health Service in remedying these conditions and improve the health of Indians: Now, therefore, be it

Resolved, That the Governors' Interstate Indian Council in session at Oklahoma City, Okla., on this the 25th day of October 1957, reaffirms its recommendation and endorsement of the principles incorporated in these sanitation bills and urge that every effort be made to bring about the enactment of this legislation in the next session of Congress; be it further

Resolved, That copies of this resolution be sent to the Surgeon General of the United States and appropriate Congressional committees dealing with this type of legislation.

Resolution No. II

Whereas, based on the reports of the staff of the Division of Indian Health, the Governor's Interstate Indian Council is of the opinion that satisfactory progress has been made in improving both medical and public-health services provided for Indians during the 2 years of its administration of the Indian health program: Now, therefore, be it

Resolved, That the Governors' Interstate Indian Council endorse in full the recommendations of the Surgeon General to the Congress for funds for the operation of Indian health programs for the fiscal year 1958. While many improvements have been made during the past 2 years in the expansion of health services for Indians under the administration of the Public Health Service, the Governors' Interstate Indian Council is of the opinion that increasing appropriations should be made by the Congress from year to year until the standard of Indian health has been brought to the same standards of other racial groups.

Resolution No. III

Be it resolved, That the President of the United States and the Bureau of the Budget be prevailed upon and urged to release the frozen funds provided for the construction of hospitals in those areas where the need is most urgent.

Resolution No. IV

Whereas the Governor of Oklahoma has extended to the Governors' Interstate Indian Council the privilege of using the Blue Room adjacent to the Governor's office; and

Whereas the council deeply appreciates this courtesy: Be it

Resolved, That the council extends its thanks to Governor Gary for the courtesy so extended.

Resolution No. V

Be it resolved by the Governors' Interstate Indian Council, That it extend its thanks and appreciation to the press and TV for the publicity it has given this conference, and for the many other courtesies shown the council.

Resolution No. VI

Whereas the Oklahoma State Federation of Women's Clubs has presented to this council a beautiful bouquet of flowers; and

Whereas the council is desirous to extend its sincere appreciation for the courtesy so extended; Therefore be it

Resolved, That the council go on record as thanking the Oklahoma State Federation of Women's Clubs for the beautiful bouquet; and be it further

Resolved, That a copy of this resolution be mailed to Mrs. Charles Strother, president, Oklahoma State Federation of Women's Clubs, 811 West Taliaferro Street, Madill, Okla.; Mrs. G. E. Haslam, chairman, Oklahoma State Federation of Women's Clubs, Indian Affairs division, Anadarko, Okla.; and Mrs. Beulah Richardson, president, M'Ahote Club, 1016 NE. 15th, Oklahoma City, Okla.

Resolution No. VII

Be it resolved, That the Governors' Interstate Indian Council express its thanks and appreciation to Mrs. Hallie Johnson, 311 NW. 22d, Oklahoma City; Mrs. Lena Holloway, Oklahoma City Chamber of Commerce; and the Oklahoma City Chamber of Commerce for the fine assistance they rendered the council during its session.

Resolution No. VIII

Whereas the Governors' Interstate Indian Council is cognizant of the many and varied problems that face our Indian citizens; and

Whereas various State agencies have been striving to develop industries and programs so as to raise the economic and social levels of our Indian citizens; and

Whereas said States through their agencies have worked diligently in behalf of the indigent Indian citizen to raise their standards of living; and

Whereas said States have found that the path between reservation and integration is strewn with many obstacles difficult to surmount, and with the financial needs rising above all others; and

Whereas said States are trying to solve these financial problems and have tried to cooperate with the Federal Government and work out an equitable program of financial responsibility but have not been able to find solid ground upon which to stand in the matter of financial responsibility between the Federal Government and the States because no fixed legislation sets forth where Federal financial responsibility ends and State responsibility begins; and

Whereas said States have found only a very flexible Bureau of Indian Affairs policy in this matter of where Federal financial responsibility ends and where State financial responsibility begins: Now therefore, be it

Resolved, That the Congress be urged to enact legislation defining just when Federal financial responsibility ends and when State financial responsibility begins in their efforts to raise the economic and social levels of our Indian citizens.

Resolution No. IX

Be it resolved by the Governors' Interstate Indian Council, That the complete costs of any termination programs be borne by the Federal Government.

Resolution No. X

Be it resolved, That the Governors' Interstate Indian Council go on record wholeheartedly supporting the industrial development program now being sponsored by the Bureau of Indian Affairs, and that adequate appropriations be made to carry out an aggressive program of encouraging such industrial development on or adjacent to Indian reservations and where economically feasible; and be it further

Resolved, That this council support the relocation program where there is a lack of economic opportunity among the Indian tribes.

Resolution No. XI

Be it resolved by the Governors' Interstate Indian Council, That the Congress be memoralized to provide adequate appropriations for Indian scholarships.

Resolution No. XII

Be it resolved by the Governors' Interstate Indian Council, That Dr. William Kelly, the delegate from the State of Arizona, be designated by the council to investigate the feasibilities of a permanent secretary and report to the executive committee before the next regular meeting of the council.

Delegates: William H. Kelly, Arizona; James R. Mosier, Colorado; Gordon M. Ibbotson, Colorado; John Artichoker, Jr., South Dakota; F. R. Wanek, South Dakota; Harold Farley, Idaho; Vidal Ballard, Idaho; Lewis B. Holt, Idaho; George A. Smith, Minnesota; Clifford E. Rucker, Minnesota; K. W. Bergan, Montana; Raymond Thacker, Nevada; W. H. Clasby, Oklahoma; N. B. Johnson, Oklahoma; Warren Emm, Nevada; W. W. Hill, New Mexico; Patrick Gourneau, North Dakota; John B. Hart, North Dakota; A. H. Wright, Oregon; Avex D. Miller, Oregon; Walt Broemer, Texas; Mrs. Doris Sylestine, Texas; Clyde C. Edmonds, Utah; Maurice E. Powers, Washington; George M. Keith, Wisconsin; Gordon Dickie, Wisconsin; Clarence Wesley, Arizona; Pete W. Shepherd, Kansas.

Consultants: Miss Selene Gifford, Bureau of Indian Affairs; Charles F. Miller, Bureau of Indian Affairs; Forrest Gerard, Public Health Service; Harley Fletcher, State Planning Board of South Dakota.

HISTORY OF PREVIOUS CONFERENCES

First national meeting, St. Paul, Minn., 1949.

Second national meeting, Salt Lake City, Utah, 1949, Jarle Lierfallom, Minnesota, chairman.

Third national meeting, Oklahoma City, Okla., 1950, Jarle Lierfallom, Minnesota, chairman.

Fourth national meeting, Helena, Mont., 1951, Jarle Lierfallom, Minnesota, chairman.

Fifth national meeting, Phoenix, Ariz., 1952, Alva A. Simpson, New Mexico, chairman.

Sixth national meeting, Carson City, Nev., 1953, Allan P. Jeffries, Idaho, chairman.

Seventh national meeting, Sun Valley, Idaho, 1954, Allan P. Jeffries, Idaho, chairman.

Eighth national meeting, Santa Fe, N. Mex., 1955, A. H. Wright, Oregon, chairman.

Ninth national meeting, Sheridan, Wyo., 1956, Steve DeMers, Montana, chairman.

Tenth national meeting, Oklahoma City, Okla., 1957, K. W. Bergan, Montana, chairman.

OBJECTIVES AND FUNCTIONS OF THE COUNCIL

(By John Hart, North Dakota)

Gentlemen, I now feel like a real enrolled member of an Indian tribe. I was not consulted when assigned this topic.

Tradition is that old men counsel and young men do. With the retirement this year of Ed Rogers, it appears to me I am the only presently participating member of the March 1950 meeting creating this council. I take it the council wants me to limit my activities to counseling.

My counseling will be generally along the lines of what one of our leading daily papers in North Dakota heads its editorial page, "It Seems to Me."

Following the founder's meeting in March 1950 the governors' conference, composed of the governors of the 48 States, at the request of Governor Youngdahl of Minnesota, passed a resolution creating and assuming direct responsibility for this council. Thus this council has a theoretical standing of some considerable dignity.

At the meeting creating this council, there was thorough discussion on the question of Indian participation. The moving force behind the council, Governor Youngdahl, stated and restated: "The Indians will be brought into future discussions until the problem is licked." This thought was implemented in the creating resolution by stating, "This council shall consist of two persons appointed by the governor of each State, one of whom shall be an Indian whom the governor shall appoint from a panel of three names submitted by the Indians of the State • • •."

The mandatory provision for the panel system of selecting the Indian delegate results in a moral probability the Indian delegate represents the composite thinking of the Indians of his State—not merely the views of an isolated tribe or an isolated individual. Thus it seems to me an essential element for a livable, workable solution is uniquely present in this council. The other delegate appointed by the governor is authorized as the representative of State government. Each of the two delegates represents the views of sovereign governmental entites. Each has a clearly defined responsibility.

A laudable example of an Indian delegate representing the Indians of his State is the Indian delegate from the State of Oklahoma at the Helena, Mont., meeting of this council vigorously opposing the resolution of the council supporting a transfer of health services from the Bureau of Indian Affairs to the Public Health Service. This same delegate continued opposing this transfer of responsibility before the various committees of Congress. At all points he clarified his position by saying "the Indians of Oklahoma."

When we consider the other representative, it seems to me that since he represents the State government, he must, of necessity, be familiar with the views of the State and county officials and particularly with the views of the appointing governor. He is, in effect, voting for the governor. He is speaking for his State. Thus it seems to me a second essential element for a livable, workable solution is uniquely present in this council.

If this governor's representative is afraid to commit the governor, then we must acknowledge that this governor's representative is actually a governor's observer. There is an important distinction of authority between a governor's representative and a governor's observer. A governor's observer may or may not dignify this council, but he adds little or nothing to affirmative efforts.

The creating resolution states: That the council shall (1) consider the various aspects of the Indian problems; (2) act jointly on items of common interest; (3) exchange information among the States; (4) cooperate with the National Congress, Federal and local governmental agencies, and other organizations that are interested in the American Indians; (5) within a reasonable time and after meeting with Indians and Federal representatives, recommend to the governors proposed legislation for submission to Congress; and (6) consider such other matters as the council deems advisable.

The problem confronting us was defined by the creating resolution. This resolution states "Whereas it is obvious that it is necessary that the States coordinate and work together to solve their Indian problems." The proceedings show that Governor Youngdahl stated after the passage of the resolution, as follows: "The majority of the Indians want an opportunity for self-improvement and want to work with the white people in the job of becoming good citizens."

We have been selected as, so to speak, the architects to provide the blueprints of recommendations to our governors for proposed legislation for submission to Congress. True, we have discretion, but we cannot ignore our responsibility to actually draw the sadly needed blueprints. The foundation we blueprint for this house if it is to be livable and endure and solve the present problems must recognize and include the legitimate rights and interests of both the Indian tribes and the States. Ignoring the legitimate interests of either will make our time spent here strictly social. Four hundred thousand Indian people, several thousand BIA employees, and 17 State governments will be affected by our work or nonwork, our agreement or disagreement, as the case may be.

Do we, the representatives, want to perform the labor necessary to create these blueprints, or do we, the representatives, merely have a case of that lovely infectious disease called Oklahoma travelitis? Perhaps we can all agree we want the prestige of the Governor's appointment, but like a Congressman coming up for election, we will, at all costs, avoid endorsing anything except the multiplication tables and the Ten Commandments.

It seems to me the Governors' Interstate Indian Council is not convened for the purpose of creating a selective captive audience for government, State, tribal, or special interest politicians reiterating past policies, defending inconsequential criticism or singing the song of We'll Have Pie in the Sky By and By.

Our order for blueprint specifies "cooperate with the National Congress, Federal and local governmental agencies and other organizations that are interested in the American Indian." We will cooperate, but we must not be dominated. We should, at all costs, avoid being known as another resolution-endorsing agency. The influence of a resolution is limited by the resoluteness of the resolving body. We must exercise our delegated authority and fulfill our designated responsibility. Our governors want blueprints, not resolutions.

It seems to me we should not be afraid to examine old ideas or explore new theories. We must be ever mindful that no organization, Government bureau, or political party is the sole custodian of knowledge, scientific fact, and administrative insight in the field of Indian affairs. And we, the representatives of the governors, cannot declare a monopoly on being the friend of the Indian. It seems to me that in respect to the Indian people and the States we represent, we must view with alarm any attempts to stampede us in any direction or on any resolution without a full, free, and complete flow of information and discussion, unhampered by the necessity of attending social events or that age-old convention cry of "I've got to go home because I'm out of money." We cannot, however, view with alarm to the point where we do nothing except recall the trail of tears and the other 1,017 injustices of yesterday. We live with the problems of today. We plan the solutions of tomorrow. Our powwow dance will be to the tune of Accentuate the Positive, Eliminate the Negative.

It seems to me the representatives of the sovereign States and the sovereign Indian tribes rate the cooperation and counseling of the Government's dead horse. Our discussions must be with the Commissioner of Indian Affairs, not with his assistant or his public-relations counsel. I am reminded of pleasant Sun Valley where we listened attentively to the Commissioner of Indian Affairs reiterate the Bureau's policy. I am again reminded of Sheridan, Wyo., where we, the governor's representatives, paid the Commissioner the respect of attentively listening to him again reiterate the Bureau's policy. However, when it came time for consultation and questions, the Commissioner had a more important prior appointment. Our questions were discussed and largely unanswered by the Commissioner's personable assistants. As an audience, we listened to the lead horse; as governor's representatives attempting to cooperate we heard the second string defending team receive the Bureau's page-worn Book of Answers. Essentially the same book of answers that brought this council into being. Perhaps as realists, we should refill the teacup and do something worthwhile, like speculating on the future of Indian affairs by observing the tea leaves.

It seems to me that under the creating resolution, part 3, "exchange information among the States," we have preliminary blueprints for important panel discussions such as is on our present agenda. Our time is limited, but the necessity of full, free discussion and debate knows no time limitation if the decisions or compromises we reach are to be fully understood and retain influential value for the morrow. A panel discussion, Indian time if you please, can make decisions.

It seems to me that this council must deal with principles, items of community, State or national importance. Separating the significant from the insignificant is admittedly a difficult task. History records only the significant. Do we the governor's representatives have the capacity to pick out from the strawpile of talk the principles? My answer is yes, because so many people and so many States demand that we do something. When we permit our antagonists to lead us into inconsequential arguments, we are asking for defeat. If we stick and insist that the discussion be on ideas and principles, the inconsequential chitter-chat will solve itself.

I am reminded of a conversation I had with one of the prominent delegates after the Carson City meeting. This delegate stated approximately as follows: "Well, the Governor lets me do just about what I want to at this council meeting. When I get back, I usually visit with him for a few moments and tell him of the resolutions that we got through which were of interest to our State, but he really doesn't pay too much attention to this council." I reiterate this indictment because historically it is pretty much true. We, the delegates, have ourselves to thank for this criticism. The time of decision may be closer than we think. I submit that in conformity with our order for blueprints given us by the governors' conference, we should at this ninth annual council have had sufficient exposure to the BIA's historic position to take definite stands on the following important principals.

1. Is the ultimate objective in the field of Indian affairs the social and economic integration of the Indian people with the general citizenry?

2. If integration is the ultimate answer, what, if any, special Federal relationships should be retained by the individual Indians or by the tribes?

3. Again, if integration is the ultimate answer, what blueprint of desegregating community services for Indian people can and will be acceptable to both the Indian people and the States?

4. Should the Federal Government's financial responsibility for community services such as schools, medical care and welfare during the period of transition be related to the needs of land or should it be related to people?

In our discussions, we must be constantly striving for a uniform, mutually agreeable clarification acceptable to both the States and the Indian people of the basic principle of financial responsibility. In making this decision, we must decide which is the more important—land or people?

Until this council comes to grip with the realities of this problem, we will continue to splash water without materially raising the social or economic level of our Indian people. We have the authority. We have the command of the governors of the 48 States to unearth the mutually acceptable solution which has so long evaded the search of our forefathers. Let us work today without shifting this one problem to our children. Our children will need to use all possible energy to solve the big problem now unfolding in this, the infancy of the satellite age.

HISTORY AND ACCOMPLISHMENTS OF THE COUNCIL

(By A. H. Wright, Oregon)

Mr. Chairman, distinguished guests, ladies and gentlemen, from the great State of Oregon I bring you greetings from our Governor, Robert D. Holmes. Due to the urgency of State affairs, the Governor was not able to attend this meeting, but he sends his regards and best wishes for a successful meeting.

Governor Holmes is vitally interested in the welfare of our Indian people; for the State of Oregon probably faces the biggest, immediate Indian problem in the Nation today, due to the fact that our Klamath people are in the process of being released from Federal supervision. The Governor has set up definite policies concerning the State's relationship with the Indians and the Federal Government, and has instructed me to follow these in our deliberations here at this conference.

The policies of the State of Oregon may be defined as follows:

1. No Federal legislation which vitally affects our Oregon Indians should be enacted without giving the State, the Indian, and the local governmental agencies an opportunity to make a careful, analytical survey of the problems involved and the planning that must be made at the State level to implement the changes that would be brought about by this legislation.

2. All agencies of both the State and Federal Government at every level should unite in an effort to raise the social, educational, and economic standards of our Indian people.

3. All agencies of both the State and Federal Government should make a distinct effort to provide job opportunities for qualified Indian people.

4. All State and local agencies should use every means at their command to provide services for Indian people on the same basis they are provided for non-Indians.

5. Every effort should be made to do away with discriminatory practices.

6. Full citizenship rights should be given our Indian people as soon as feasible and possible, and they should be expected to accept the responsibilities and duties of full citizenship.

7. Within the framework of these policies, the State of Oregon should cooperate with the Federal Government and other States.

I have been requested to outline for this conference the history and accomplishments of the Governors' Interstate Indian Council. The Governors' Interstate Indian Council was organized in 1947. Governor Luther Youngdahl of the State of Minnesota was a bit disturbed with what he considered some of the arbitrary and unilateral practices of the Indian Bureau in dealing with the Indians in his State, and in an effort to get the State government into the picture, he requested the governors of the various States having a substantial Indian population, to meet in St. Paul and discuss the so-called Indian problem. Governor Youngdahl was of the opinion that the Indians were citizens of the various States as well as being wards of the Federal Government. Therefore, he concluded that the States had an interest in what happened to their Indian citizens. He stated that the Federal Government should at least confer with the States before it took some arbitrary action that would affect not only the Indian people, but the State and certain local governmental agencies as well. There were several governors at this meeting, and, where the governors could not attend, they appointed someone to represent them. It was the consensus at this first meeting that the States did have a vital interest in their Indian people, and that a permanent organization should be established to be called the Governors' Interstate Indian Council. While no charter, constitution, or by-laws was drawn up to govern the activities of the organization, nevertheless, certain guiding principles were set forth at this meeting.

EASTERN WILLIAMS SOIL CONSERVATION DISTRICT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from Mr. Howard Lund, chairman, Eastern Williams Soil Conservation District, and Mr. Morris Stromme, chairman of the Little Muddy Soil Conservation District, telling me of action taken by the district supervisors concerning Senate bill 2496.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WILLIAMS COUNTY
SOIL CONSERVATION DISTRICTS,
Williston, N. Dak., December 17, 1957.

Hon. Senator WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: At our December meeting of the supervisors of the Little Muddy and Eastern Williams Soil Conservation Districts we reviewed and discussed Senate bill 2496. We understand that this bill will be considered at the next session of Congress.

In reviewing this bill we were particularly concerned with part of section 2. Quote, "Whenever the waters of any stream or other body of water are proposed or authorized to be impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, or by any public or private agency under Federal permit or with Federal financial or technical assistance, such department or agency first shall consult with the United States Fish and Wildlife Service, etc."

As you know the cooperators in our soil-conservation districts receive technical assistance from the United States Department of Agriculture Soil Conservation Service. Also many of the cooperators receive financial assistance from the United States Department of Agriculture Agricultural Stabilization and Conservation Program when applying soil and water conservation practices. Thus, if our interpretation of proposed Senate bill 2496 is correct, much of the conservation work done by cooperators on their farms would first have to be approved by the United States Fish and Wildlife Service.

Our soil conservation district is pleased to cooperate with the Wildlife Service. However, if Senate bill 2496 as now written should become law, we think it would become more difficult for farmers to apply soil and water conservation practices on their farms. Thus we would actually make less progress in conservation of soil, water, and wildlife than we are making at the present time.

At our December meeting the supervisors of the Little Muddy and Eastern Williams Soil Conservation Districts went on record as opposing Senate bill 2496 as now written.

Kindly give our action your usual thorough consideration when considering Senate 2496.

Sincerely,

HOWARD LUND,
Chairman, Eastern Williams Soil Conservation District.

MORRIS STROMME,
Chairman, Little Muddy Soil Conservation District.

NORTH DAKOTA ASSOCIATION OF SOIL CONSERVATION DISTRICTS—RESOLUTIONS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from Mr. Fred G. Ehlers, president of the State Association of Soil Conservation Districts, enclosing two resolutions adopted at the annual meeting concerning agricultural conservation program practices and soil and water research.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

NORTH DAKOTA ASSOCIATION
SOIL CONSERVATION DISTRICTS,
Hettinger, N. Dak., December 26, 1957.

The Honorable WILLIAM LANGER,
The United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: Enclosed please find two resolutions passed by the North Dakota Association of Soil Conservation Districts while in session at their 19th annual meeting at Grand Forks, N. Dak., on November 15, 1957.

These two resolutions are:

1. Resolution on agricultural conservation program practices.

2. Proposed research resolution for soil and water research for North Dakota.

Our membership desired that you be informed of our attitude on these two subjects concerning agriculture.

In addition, may I take this opportunity to thank you for your previous support to us in conserving the soil and water resources of North Dakota and the Nation.

Very truly yours,

FRED G. EHLERS,
President.

RESOLUTION ON AGRICULTURAL CONSERVATION PROGRAM PRACTICES—RESOLUTION BY NORTH DAKOTA ASSOCIATION OF SOIL CONSERVATION DISTRICTS AT THEIR 19TH ANNUAL MEETING AT GRAND FORKS, N. DAK., NOVEMBER 15, 1957

We wish to commend the Agricultural Conservation Program Service for the assistance and impetus this Service has given to the establishment of conservation practices on farm and ranch lands in this State and in the Nation. This program has done much to further the goals of soil conservation districts.

While the entire program has been of much benefit to farmers and ranchers of this country there is a definite need to strengthen that part of the program dealing with permanent type practices. Benefits and financial returns are not immediate for these practices; nor always recognizable by the farmers or ranchers. Because of this there is a definite need for financial assistance to get permanent practices applied to our farm and ranch lands. We recommend that the Agricultural Conservation Program Service of the Department of Agriculture do everything possible to strength that portion of the program dealing with permanent enduring type conservation practices. Such strengthening might take the form of increased payments for the permanent practices or in some cases a reduction in emphasis and payment on the so-called annual practices if the annual practices appear to be too competitive.

The conservation reserve program offers many opportunities to landowners to achieve long time conservation benefits. We wish to recommend that the conservation reserve program of the Soil Bank Act be continued.

PROPOSED RESEARCH RESOLUTION FOR SOIL AND WATER RESEARCH FOR NORTH DAKOTA—RESOLUTION BY NORTH DAKOTA ASSOCIATION OF SOIL CONSERVATION DISTRICTS AT THEIR 19TH ANNUAL MEETING AT GRAND FORKS, N. DAK., NOVEMBER 15, 1957

Whereas grasslands and the livestock economy associated therewith represents a large portion of North Dakota agricultural land, and the conservation and efficient use of water, control of periodic runoff, and associated soil erosion poses a serious threat to these valuable resources on such lands, research in the vital area of conserving and efficiently utilizing limited rainfall on grasslands and protecting the soil resources on such lands needs continued attention. A permanent and stable livestock economy in this area requires establishment and maintenance of a strong research effort on these problems; and

Whereas a large percentage of precipitation received is lost by evaporation and surface runoff under the present practice of using summer fallow in the rotation. (Areas of the State having the least rainfall are using the most summer fallow resulting in a large water loss where water is most needed. Of course the 25 percent of annual rainfall stored in the soil for the use of next year's crop is also of the most value in the areas of lowest annual rainfall.) Soil losses due to wind and water erosion are proportionally very much higher during the summer fallow season than when the field is being cropped. Development of procedures to reduce these losses and improve the efficiency of water use by crops are essential for more effective use of limited rainfall supply. Possibilities of land surface treatment, management systems to reduce runoff, and chemical or other soil treatments to reduce evaporation and runoff losses on summer fallow need to be explored; and

Whereas soil and water problems in the State of North Dakota present a threat to sustained production of livestock and crop products, productivity in the lands of North Dakota have been good for the time they have been farmed. This has made it easy to overlook their decline to date. It is of the utmost importance that the research program be strengthened in line with the agricultural and productive capacity of this region. In this State, farm and ranch families have a continuous struggle to protect their cultivated and grazing land against erosion during high winds, frequent occurrences of excess runoff during winter and spring periods, adjustments of cropping systems to soil and water conserving practices which will insure adequate erosion protection; and

Whereas over a million acres of land are being considered for irrigation in North Dakota, the farmers in these potentially irrigable areas will need to know the expected economic benefits as well as the problems they will encounter in changing from dryland to irrigative farming: Now, therefore, be it

Resolved, That the North Dakota Association of Soil Conservation Districts hereby directs its officers to request adequate funds from the United States Department of Agriculture and the State of North Dakota to conduct a long-time basic research program commensurate with our needs and increase our present facilities to adequately assist farmers and ranchers in meeting the soil and water problems peculiar to the State of North Dakota. We also direct our officers to carry this resolution to the National Research Committee of the National Association on Soil Conservation Districts, and that they request the research committee to include such moneys as are needed to expand our research program in the national request for funds from the Congress; be it further

Resolved, That we hereby direct our officers to send copies of this resolution to our Congressional delegation, Secretary of Agriculture, and the Bureau of the Budget so that they may know of our needs.

STANDING ROCK SIOUX TRIBAL COUNCIL—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD, a resolution by the Standing Rock Sioux Tribal Council urging Congress to enact S. 809, introduced by me and cosponsored by 20 Senators. S. 809 is a bill to provide loans to Indian tribes to encourage industry near Indian reservations for the purpose of aiding the economy of that area and the providing of gainful employment to the American Indian so that he may properly support his family.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE STANDING ROCK SIOUX TRIBE OF NORTH DAKOTA AND SOUTH DAKOTA URGING PASSAGE OF S. 809, A BILL TO PROVIDE A FOUR-POINT PROGRAM FOR AMERICAN INDIANS

Whereas the American Indian community in the midst of the greatest and wealthiest Nation in the world by and large has a standard of living far below the average for this country particularly in the States of North Dakota, South Dakota, Nebraska, and Montana; and

Whereas the Government of the United States in its moral concern over the welfare of peoples in Europe, Asia, and Africa has spent and is spending billions of dollars in an effort to better the living conditions and economy of those foreign peoples; and

Whereas money and technical aid are gravely needed at home for the American Indian: Now, therefore, be it

Resolved, That Congress enact S. 809 in order that the point 4 program may be brought to the American Indian as well as to foreign nations.

INDIANS HAVE GOOD IDEAS, TOO

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled, "Indians Have Good Ideas, Too," published in the Devils Lake (N. Dak.) Herald of February 25, 1958. I believe this fine editorial will be most enlightening to the Members of the Congress in trying to solve the very complex problem of Indian affairs.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INDIANS HAVE GOOD IDEAS, TOO

In all the discussion of the Indian problem, which comes particularly close to towns like Devils Lake, no one has ever bothered to ask the Indians themselves what they would do to advance their own welfare.

Spokesmen for the Indian people have ideas but they have been too often ignored by the Government in its relations with them. Sometimes we forget that Indian leaders are well qualified to speak for their own people. If the rest of America listened to them, they could learn a lot.

Those leaders are well qualified by education and experience to voice the plight of their brothers. Some work in the professions. All have dedicated themselves to the welfare of their people.

Many Indians would write off the Bureau of Indian Affairs as a failure. Like most Government agencies, it has to unravel itself from a lot of red tape before it can take action on Indian problems, with the result that often not much gets done.

Among those of that belief is William J. Bordeaux of Sioux Falls, S. Dak., who left the reservation 26 years ago. He remembers the turn of the century when Indians had cattle, little supervision and freedom to use their own money. The Sioux began their decline, he says, when the Indian Bureau began selling off the cattle and making the Indian use purchase orders in place of money.

Local judges, he believes, should rule on the competence of individual Indians. Those who are competent should manage their own property free of control. They would pay taxes, in lieu of which States should provide housing in fringe areas of metropolitan centers near reservations.

Other Indians disagree with the idea of writing off the Indian Bureau, for that would make it easier for the Government to wipe its hands of the problem.

Indians and leaders from four States gathered at Rapid City, S. Dak., in early December for a discussion of their needs. They, too, came up with some advice.

They want the Bureau to extend social services to Indians in off-reservation communities.

City governments were asked to create local housing authorities to receive Federal aid from the Federal Public Housing and Redevelopment Administration.

Indigent Indian people also need the services of a legal aid society, which in some cities has been of great help to those in need.

Indians also need psychiatric and social services on the reservations to help them adjust to the complexities of modern life. Tribal councils were urged to consider employing experts on legal aid and psychiatric social services for their members.

Congress already has tried to help the Indians by training them in vocations under a law which went into effect last year. They also have been assisted under relocation programs, if they want it.

These are other attempts at solving a very complex problem, one which challenges our very best minds, both Indian and non-Indian, for a solution.

DEBTORS OF PEERLESS FINANCE CO., FARGO, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the Fargo Forum, Fargo, N. Dak., entitled "Debtors of Fargo Finance Firm Freed From Repayment by Cass Court Order," which was issued after a final report from the court appointive receiver, when a temporary injunction was imposed against the firm's operations in legal action instituted by the North Dakota attorney general's office.

Mr. President, I have publicly commended the attorney general, the Honorable Leslie Burgum, and his staff for instituting this action against the small-loans sharks which I hope will be completely smashed by these legal actions by the attorney general.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEBTORS OF FARGO FINANCE FIRM FREED FROM REPAYMENT BY CASS COURT ORDER

A Cass district court order Monday absolved 394 debtors of the Peerless Finance Co. of Fargo from any liability whatsoever for loans received from the company totaling $17,230 in face value.

The order was issued by Judge John C. Pollock after he heard a final report from M. A. Wilk, of Fargo, appointed receiver for the firm in December 1956. Wilk was appointed when a temporary injunction was imposed against the firm's operations in legal action instituted by the North Dakota attorney general's office.

Wilk, represented by Attorney Mart Vogel, of Fargo, recommended the court order in view of the civil liability imposed under North Dakota laws against those proven to have charged usurious rates of interest.

He told the court these same laws had prevented him from making any attempt to collect on any of the loans placed in his custody as a receiver of the firm.

Wilk contended that if he had tried to collect, the borrowers could have filed lawsuits against the firm and possibly collected amounts far in excess of what he could have realized for the firm on the notes.

He said the situation existed because so many of the outstanding loans the firms had made were to borrowers who had borrowed several times from the firm and had made some repayments of loans that included usurious interest charges.

All but 17 of the 394 debtors involved were "repeat" borrowers, Wilk said.

Wilk cited one example of a party that had borrowed 30 times from the firm since June 1948.

On a current $100 note, he said the borrower owed the company $48.80 in interest, or $46.75 in excess of the 7 percent annual maximum rate legally allowed now in North Dakota.

Deducting for the excess interest and 25 percent of the principal, which the debtor could do under the law because he had been charged usurious interest, would leave $77.05 that the company could collect.

This same borrower, however, had previously borrowed and paid back another $100 loan and interest of $48.80.

State law would allow him to sue the firm for twice the amount of the excess interest charged plus 25 percent of the principal, or $118.50 for the note and interest he had paid.

Thus, Wilk explained, any attempt to enforce the collection of the $77.05 that could be collected legally on the outstanding note would subject the company to possible legal action for $118.50.

This same situation exists for the bulk of the loans the firm has out, Wilk said.

A temporary injunction imposed against the firm in December 1956 was made permanent last January after attorneys for Dale L. Hooker, Omaha, Nebr., operator of the firm, signed a stipulation agreeing to end their opposition to the injunction action.

The firm has been closed and in custody of a court-appointed receiver since December 5, 1956, when the injunction action was brought by the North Dakota attorney general's office on the grounds the firm was charging usurious rates of interest.

Seven percent annually is the maximum legal rate of interest on borrowed money under North Dakota law.

In its complaint against the Peerless firm, the State alleged the company had charged as high as 277 percent interest on small loans.

Francis Murphy, Fargo attorney representing Hooker, was present at Monday's hearing before Judge Pollock and raised no objection to the court's ruling.

Asked about the possibility of an appeal from the order, Murphy told a reporter the hearing was the final step in the case so far as he was concerned.

Donald Crothers, of southwest Fargo, defense attorney with Murphy in the case, could not be reached.

UNITED MINE WORKERS OF AMERICA—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter and a resolution I have received from the United Mine Workers of America.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

UNITED MINE WORKERS OF AMERICA,
Washington, D. C., March 13, 1958.

To the Members of the United States Senate, 85th Congress.

MY DEAR SENATOR: On behalf of the international executive board of the United Mine Workers of America, I submit to you the enclosed resolution unanimously adopted by the board in executive session, Washington, D. C., March 12, 1958.

The resolution is self-explanatory and is designed to give the most direct and immediate succor to the unemployed peoples of this Nation.

It is our hope that you will give your personal attention and efforts in the enactment of legislation to activate the purpose of this resolution.

Yours very truly,

JOHN OWENS,
Secretary-Treasurer.

Whereas the United Mine Workers of America for a number of years have been advocating an increase in the schedules for unemployment compensation payments, and for the payments to continue for the duration of the unemployment period; and

Whereas we believe that this is the most direct approach in caring for the unemployed in the Nation; and

Whereas we further believe that these payments should be made by the Federal Government to the various States in behalf of the unemployed because to do otherwise would require concurrent legislation in the various States in many of which the general assemblies will not meet for some time; Therefore, be it

Resolved by the international executive board of the United Mine Workers of America, now in session in Washington, D. C., That we recommend to the Congress of the United States the immediate adoption of legislation upon the following basis: First, that the unemployment compensation payments be based on 75 percent of the average weekly wage of the beneficiary. Second, that the payments be made direct to the States on behalf of the unemployed beneficiaries, and that this amount be the difference between that paid by the State and the amount provided in new Federal legislation, as the basis for computing costs of the Federal Government. Third, that the new unemployment benefits be paid for the duration of the unemployment period.

FOREST ACCESS ROADS—RESOLUTION OF GRANGEVILLE, IDAHO, CHAMBER OF COMMERCE

Mr. CHURCH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a resolution of the Grangeville, Idaho, Chamber of Commerce, asking for increased appropriations for forest access roads.

Mr. President, the amount appropriated in fiscal 1958, and approved by the House of Representatives for fiscal 1959, for forest access roads is $5,914,000 less than the amount authorized. If this money were appropriated, it could be put to work now to achieve not only needed road construction, but also to help solve the unemployment problem.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas over 80 percent of Idaho County, Idaho (4,414,191 acres), is national forest land; and

Whereas only about one-half of the allowable annual cut of timber is being harvested each year from this Federal land; and

Whereas increasing sales of national forest timber to the allowable cut that can be continued in perpetuity would provide needed jobs and local revenue for schools and roads; and

Whereas the greatest obstacle to increasing the annual timber harvest is the absence of an adequate road system; and

Whereas the construction of forest access roads by the Federal Government makes it possible for the Forest Service to offer smaller blocks of timber for sale and thereby make it possible for small operators to bid competitively for timber; and

Whereas the preponderance of timber operators in this area are small operators who are dependent upon the national forests as a source of timber; and

Whereas construction of needed access roads will also enable hunters, fishermen, picnickers, campers and other recreationists to visit additional forest areas; and

Whereas every dollar used on construction of needed forest access roads returns more than the principal to the United States Treasury within 1 to 4 years: Now, therefore, be it

Resolved, That the Grangeville Chamber of Commerce, Grangeville, Idaho, does hereby recommend and urge the Congress of the United States to:

1. Immediately and substantially increase appropriations to the Forest Service, Department of Agriculture for access roads; and

2. Continue such appropriations until the road systems on the National Forests are adequate to provide management of all resources upon the sound principles of multiple use and sustained yield; and

3. That copies of the resolution be sent to all Senators and Representatives from Idaho in the United States Congress

NATIONAL CAPITAL CULTURAL CENTER OF THE PERFORMING ARTS

Mr. FULBRIGHT. Mr. President, I have introduced in the Senate, and Representative FRANK THOMPSON, of New Jersey, has introduced in the House companion bills, S. 3335 and H. R. 9848, authorizing construction of a privately financed National Capital Cultural Center of the Performing Arts, to be located on a federally owned site on the Mall, opposite the National Gallery of Art.

It is my understanding that the Senate Public Works Committee will hold hearings on this proposal in the near future.

In the Washington Post of Sunday, March 16, there appeared an excellent article entitled "Mall Is Fit Spot for Hall," written by the distinguished columnist and drama critic, Richard L. Coe.

I ask unanimous consent that this fine article, commenting on the merits of this proposal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MALL IS FIT SPOT FOR HALL

(By Richard L. Coe)

How about that auditorium?

New Jersey's dogged Democrat Congressman FRANK THOMPSON has been joined in his efforts by the lucid Senator from Arkansas, WILLIAM FULBRIGHT, in trying to latch onto Mall property opposite the National Gallery of Art for a National Cultural Center of the Performing Arts.

What could be a more fitting spot?

In the way and very much in the way is a concurrent attempt to latch onto the same land for an air museum. It doesn't take much imagination to see that a worthwhile air museum would soon be busting at the seams in such comparatively restricted space. Representative THOMPSON points out that Bolling Air Force Base is soon to be evacuated and that it would make an ideal setting for the air exhibits. An auditorium would need space—and parking underneath it—but nothing like the space of a worthy collection of air age mementos would require.

To resolve this impasse hearings will be held shortly before Senator PAT MCNAMARA's Subcommittee on Public Buildings. The Michigan Democrat heading this subdivision of the Senate Committee on Public Works plans to give good warning of the hearings since he is aware there is a definite conflict between the auditorium and air interests for the site.

What can Washingtonians who want an auditorium do to let their interests be known about this?

Looks like it's the old answer for this voteless community—letters, wires, public discussion, and whatever pressures can be mustered.

One outfit that's been supremely quiet about supporting an auditorium adjacent to the Mellon Gallery has been the board of trade. Now is the time for its cultural development subcommittee to start cracking.

One reason the Board of Trade may have lost interest was the failure of last year's auditorium commission to gain the Foggy Bottom site it envisioned for a far more ambitious project which would have included a huge convention hall.

Somebody should alert Board members to the fact that a worthy auditorium could well attract visitors to the city just as the Mellon Gallery has done. And someone should also remind the members that the projected annual performing arts festival could have no future at all unless a suitable building is created.

Representative THOMPSON's new bill (H. R. 9848) benefits from his experience last year with the more ambitious project in Foggy Bottom. When that was defeated its opponents said "We can still have the cultural center and quicker, on one of the several available Government-owned sites."

Now he has pinpointed, with eminent logic it seems to me, the land Congress picked out in 1938 for a national art center. That project has been moved to the old Patent Office building (Seventh and F Streets, NW.) but aviation interests have been trying to move in on the Mall property.

THOMPSON says that his bill would provide a cultural center similar in purpose to the $205 million Lincoln Square Center of the Performing Acts now under way in New York. Once the Government grants the land, Robert Dowling, president of the American National Theater and Academy, foresees financing on nongovernmental level.

The Ford and Rockefeller Foundations contributed $2½ million each to Gotham's Lincoln Square project and there are indications they also would contribute to a similar venture here. Private individuals and public groups also have promised contributions.

The ultimate set-up would be similar to the Smithsonian Institution, regents of which are directed to solicit gifts, bequests, subscriptions, and moneys to construct, furnish, equip, and maintain. The procedure is the same which set up the Mellon and Freer Art Galleries and is now working on the Bell Tower Memorial to the late Senator Taft.

The need for such an auditorium can hardly be exaggerated. It was glaringly reflected last week when a full-stage production of Back to Methuselah was pushed onto the hopelessly ill-equipped platform of Constitution Hall. It should never have been there, nor should operatic or ballet events, but so long as the platform is the only choice, the managers will be using it, a system under which the public and the artists are the losers.

What chance of success does this Fulbright-Thompson effort have?

With no District of Columbia vote and only a few spokesmen, fruition of the auditorium dream depends on letting the Members of Congress know how both Washingtonians and home State voters feel about the glaring cultural lack in what is supposed to be the capital of the Western World.

THOMPSON pointed out the other day that the real Trojan horse is the declining level of education with its vulgarization of cultural standards. If this is not reversed, and immediately, we shall soon become a big but second-rate people, fat, Philistine, and self-indulgent.

Granting by Congress of the Mall land for a fitting twin to the world-respected Mellon Gallery could clearly be a fruitful achievement. Surely with the space and equipment already at Bolling, the Air Museum already has a potential home. For our own and visiting foreign performing arts the capital of the Western World has none.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the unanimous-consent order entered on Friday last, the Senate will now proceed to the consideration of bills on the calendar to which there is no objection, commencing with Order No. 1368.

Mr. MCNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

The Senate is proceeding, under a unanimous-consent agreement, with a call of the calendar commencing with Order No. 1368. The clerk will state the first measure which is in order on the calendar.

ACQUISITION OF ADDITIONAL LAND FOR COWPENS NATIONAL BATTLEGROUND SITE

The Senate proceeded to consider the bill (S. 602) to provide for the acquisition of additional land to be used in connection with the Cowpens National Battleground site, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, at the beginning of line 8, to strike out "ground, the Secretary is authorized and directed to accept, for use as a parking lot for the convenience of persons visiting the monument heretofore erected on the land heretofore acquired pursuant to such act, any plot of land (not in excess of 5 acres) adjacent to such heretofore acquired land which may be tendered as a gift to the United States for such purpose" and insert "ground, the Secretary of the Interior is authorized, in his discretion, to accept, on behalf of the United States, donations of land not to exceed 1 acre, situated adjacent to and between the present battlefield site and relocated Highway 11", so as to make the bill read:

Be it enacted, etc., That, in addition to the land heretofore acquired by the United States by gift pursuant to the act entitled "An act to erect a national monument at Cowpens battleground," approved March 4, 1929 (45 Stat. 1558), for the purpose of erecting a monument on the site of the Cowpens battleground, the Secretary of the Interior is authorized, in his discretion, to accept, on behalf of the United States, donations of land not to exceed 1 acre, situated adjacent to and between the present battlefield site and relocated Highway 11.

Mr. JOHNSTON of South Carolina. Mr. President, the passage today of my bill, S. 602, will afford a great sense of satisfaction to the patriotic groups in South Carolina who have sponsored and urged the enactment of this bill. I may be pardoned a personal reference when I say it will likewise be a source of great personal pleasure to me. Having been born at Honea Path, S. C., and having had my home and office so close by the battleground at Cowpens, I have felt an abiding and continuing interest in a due recognition of the importance of this important engagement in the cause of American freedom.

The enlargement of the grounds surrounding the battle site is in part a fitting tribute to its importance. The historical accounts of the engagements in South Carolina culminating in Green's and Morgan's victory at Cowpens saved the Southern Colonies to the American cause. Many at that time felt that the victories at Kings Mountain and Cowpens would have an adverse effect in the efforts of the patriotic forces in the Southland. It was felt that they might become complacent with victory. To the contrary, these successes had just the opposite effect. They inspired the southern soldiers to a more determined effort. The battles at Camden, S. C., Kings Mountain, Cowpens, and Guilford Courthouse forced Cornwallis and his battered troops to retire to Wilmington, N. C. The net result of these successes of the Continental forces led Cornwallis to take refuge at Yorktown where on October 19, 1781, he finally surrendered. This surrender was followed by the signing of peace on November 30, 1782.

The Daughters of the American Revolution have urged the enlargement of the grounds surrounding the battlefield as a useful means of protecting and preserving its integrity. The recognition by the Congress in the enactment of S. 602 will be a fitting tribute to the patriotic efforts of these good women. Their relentless efforts to maintain and preserve our historic shrines are appreciated by Americans everywhere.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IMPORTATION OF ARTICLES FOR EXHIBITION PURPOSES WITHOUT PAYMENT OF TARIFF

The joint resolution (H. J. Res. 439) to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LENDING OF CERTAIN ARMY, NAVY, AND AIR FORCE EQUIPMENT TO THE GIRL SCOUTS OF AMERICA

The bill (S. 2630) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America, and to permit use of certain lands of the Air Force Academy for use at the Girl Scout Senior Roundup Encampment, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Girl Scouts of the United States of America, a corporation created under the act of March 16, 1950, for the use and accommodation of the approximately 10,000 Girl Scouts and officials who are to attend the Girl Scout Senior Roundup Encampment to be held during the period beginning in June 1959 and ending in July 1959, at Colorado Springs, Colo., such tents, cots, blankets, commissary equipment, flags, refrigerators, and other equipment and services as may be necessary or useful, to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such encampment, and to be returned at such time after the close of such encampment, as may be agreed upon by the Secretary of Defense and the Girl Scouts of the United States of America. No expense shall be incurred by the United States Government for the delivery, return, rehabilitation, or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Girl Scouts of the United States of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of Defense is hereby authorized, under such regulations as he may provide, to permit, without expense to the United States Government, the Girl Scouts of the United States of America to use such portions of the undeveloped lands of the United States Air Force Academy adjacent to such encampment as may be necessary or useful, to the extent that their use will not interfere with the activities of such Academy, and will not jeopardize the national-defense program.

WEARING OF UNIFORM OF RESERVE OFFICERS' TRAINING CORPS BY CERTAIN PERSONS

The bill (H. R. 7696) to authorize certain persons to wear the uniform of the Reserve Officers' Training Corps was considered, ordered to a third reading, read the third time, and passed.

REPLACEMENT OF CENTRAL PORTION OF THE UNITED STATES CAPITOL—BILL PASSED OVER

The bill (S. 2883) to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905, was announced as next in order.

Mr. TALMADGE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

WALTER F. GEORGE LOCK AND DAM

The bill (H. R. 9653) to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam was announced as next in order.

Mr. TALMADGE. Mr. President, the bill will designate the lock and dam on the Chattahoochee River between the States of Georgia and Alabama as the Walter F. George lock and dam.

Every Member of the Senate, of course, knew my distinguished predecessor in the Senate, the late President pro tempore of the Senate, Walter F. George. He had one of the most remarkable political careers in the history of my State. He was dearly beloved by all the people of Georgia.

I believe it is a very fitting tribute to the late distinguished statesman from my State that the Congress of the United States designate the Fort Gaines lock and dam in his honor. Senator George was one of the most beloved men who ever served in the United States Senate.

The best illustration I believe I could use to demonstrate the esteem and affection which his colleagues in this body had for Senator George is that when he passed away a little less than a year ago the Senate, out of respect to his memory, sent at least one-third of its members on a round trip of almost 1,500 miles to pay him honor and tribute.

I did not want to let this opportunity pass, Mr. President, without inviting the attention of Members of the Senate to

the bill, and in this way further showing a mark of respect to the late distinguished and great Senator.

Mr. KNOWLAND. Mr. President, I wish to thank the distinguished Senator from Georgia for the very fine statement he has made relative to the naming of the lock and dam for the late distinguished Senator from that State, our former President pro tempore, a man who served both as chairman of the Senate Committee on Finance and as chairman of the Senate Committee on Foreign Relations.

I did not want this opportunity to pass without assuring my friend and colleague from Georgia that the sentiments he has expressed today represent not only the feeling of those on his side of the aisle, but the unanimous feeling of all of us on this side of the aisle.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

TRANSFER OF CIVIL SERVICE COMMISSION BUILDING TO THE SMITHSONIAN INSTITUTION

The Senate proceeded to consider the bill (S. 1984) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution, which had been reported from the Committee on Public Works, with amendments, on page 2, line 7, after the word "essential", to strike out the semicolon and "but in any event such transfer shall be made within 5 years after the date of the enactment of this act"; in line 12, after the word "it", to strike out "entirely"; and in line 13, after the word "Institution", to insert "upon transfer of funds available to the Smithsonian Institution for such purposes"; so as to make the bill read:

Be it enacted, etc., That (a) the Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets and F and G Streets NW. in the District of Columbia, to the Smithsonian Institution without reimbursement, for the use of certain art galleries of the Smithsonian Institution.

(b) The transfer provided for by subsection (a) shall be made at such time as the Administrator of General Services determines that the use of the building by the Federal Government for office purposes is no longer essential.

(c) The Administrator of General Services, in consultation with the Smithsonian Institution, is authorized to enter into such contracts and take such other action as may be necessary to make it suitable to house certain art galleries of the Smithsonian Institution upon transfer of funds available to the Smithsonian Institution for such purposes.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—BILL PASSED OVER

The bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, was announced as next in order.

Mr. TALMADGE. Over, Mr. President. We do not think this bill is properly calendar business.

The PRESIDING OFFICER. The bill will go over.

ACCEPTANCE OF DECORATIONS BY CERTAIN PERSONNEL CONFERRED BY THE PHILIPPINE GOVERNMENT

The Senate proceeded to consider the bill (H. R. 8437) to amend the act of August 3, 1956, to authorize certain personnel of the Armed Forces to accept and wear decorations conferred by the Philippine Government, which had been reported from the Committee on Armed Services, with amendments, on page 1, line 4, after the word "amended", to insert "(a) by striking out the words 'Armed Forces' and inserting in lieu thereof 'uniformed services' and (b)"; in line 7, after the word "the", where it appears the third time, to strike out "Armed Forces" and insert "uniformed services"; and on page 3, after line 14, to insert:

(9) Following that part of section 1 captioned "Air Force" add a new paragraph as follows:

"COAST AND GEODETIC SURVEY

"Capt. Charles Pierce, 1030, Legion of Honor, degree of commander."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government."

WHEAT ACREAGE HISTORY

The bill (S. 3406) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history, was announced as next in order.

Mr. TALMADGE. Over, Mr. President, The bill is not properly calendar business.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CASE of South Dakota. May I ask the distinguished Senator from Georgia if it is intended that Calendar No. 1378, S. 3420, a bill to extend and amend the Agricultural Trade Development and Assistance Act of 1954, popularly known as Public Law 480, and Calendar No. 1380, S. 3406, a bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history, will be taken up for consideration by motion during this week?

Mr. TALMADGE. The majority leader has so announced. This side of the aisle—or at least the calendar committee—is wholeheartedly in favor of those bills, but we believed they were of sufficient importance and of such a major nature as to warrant debate and discussion by the entire membership of the Senate.

The majority leader, the Senator from Texas [Mr. JOHNSON], indicated last week that the major agricultural bills would be taken up by and would be voted on by the Senate this week.

Mr. CASE of South Dakota. Mr. President, both the bills are of major importance. It would be desirable, I think, to have the membership of the Senate on notice as to a definite time when the bill will be called up for consideration.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. TALMADGE. I refer to the CONGRESSIONAL RECORD of March 14, page 4483, where the Senator from Texas set forth the legislative program for the week. The Senator stated:

Mr. President, following the call of the calendar, at the earliest practical opportunity, the following measures will be brought before the Senate:

Calendar No. 1378, S. 3420, extending and amending the Agricultural Trade Development and Assistance Act.

Calendar No. 1392, S. 3441, providing for a minimum-acreage allotment for corn and other purposes.

Calendar No. 1393, S. 3408, amending the Agricultural Adjustment Act of 1938, as amended, to provide that cotton-acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956.

Calendar No. 1394, S. 3385, amending section 114 of the Soil Bank Act with respect to compliance with corn-acreage allotments.

And so forth. The list includes, in addition to the bills I have mentioned, at least six other bills, most of which deal with major agricultural products.

The PRESIDING OFFICER. The Chair will advise that Calendar No. 1416, House bill 11086, is a companion bill to one of the bills just mentioned. Undoubtedly it will be passed over.

Mr. CASE of South Dakota. I wonder if the Senator from Georgia can be a little more precise as to what the most practical moment will be for calling up these bills, and whether or not they will be called up in the order enumerated by the statement of the majority leader, which the Senator from Georgia has just read.

Mr. TALMADGE. I have no way of knowing what the majority leader had in mind, except what he said. I would not attempt to interpret the meaning of what he said. I think the statement is clear. I think it indicates that the majority leader expects to bring the bills up at the earliest possible opportunity this week.

Mr. CASE of South Dakota. I note that the distinguished majority leader is now present in the Chamber. I wonder if it would be possible for him to

give us any sharper definition as to the time when these agricultural measures may be brought up for consideration. With respect to one or two of them, the Senator from South Dakota was contemplating possibly making a statement, and perhaps offering an amendment. If it were at all possible to be a little more precise as to the time when they will be called up, I think it would be helpful, not only to me, but to other Members of the Senate.

Mr. HOLLAND. Mr. President, before the distinguished majority leader answers the question, I should like to have him know that in his absence we conferred with the calendar committees on both sides of the aisle relative to Calendar No. 1394, Senate bill 3385, which relates to the counties which have become commercial corn counties this year for the first time. We find there is no opposition to the bill. In view of the fact that corn planting is in progress in my State at this time, I had hoped that the bill could be passed today, either on the call of the calendar or upon motion later.

I do not believe any of the other agricultural bills are in the same situation. The bill to which I refer was unanimously reported from the Committee on Agriculture and Forestry.

Mr. JOHNSON of Texas. Mr. President, I did not hear the inquiry of my friend from South Dakota. If he will repeat it, I shall try to be responsive.

Mr. CASE of South Dakota. I wonder if it would be possible to fix a little more precisely the time at which the various agricultural bills which have been mentioned may be considered. As the Senator from Georgia [Mr. TALMADGE] has indicated, they are of wide interest. There is hardly a State that is not affected by them in some way. If we knew more precisely when they were coming up, we could adjust our schedules and be ready with statements or amendments more promptly.

Mr. JOHNSON of Texas. The majority leader wishes to retain a reasonable degree of flexibility as to the order in which the various bills are to be called up.

All the bills listed on pages 4483 and 4484 of the RECORD are ready for action, but because of the indication by the Senator from Vermont that there might be some controversy with respect to the measure relating to Public Law 480, I do not plan to call it up on motion today, because certain Senators desire to be absent on St. Patrick's Day. Unless I change my plans—and I do not think I shall—the bill relating to Public Law 480 will not come up today.

Mr. CASE of South Dakota. That is definitely helpful. Is it the prospect that the bill relating to wheat acreage will be taken up today?

Mr. JOHNSON of Texas. No. I do not plan to move to take up any bills today, other than those which may be passed on the call of the calendar.

Mr. CASE of South Dakota. That is certainly helpful, and I appreciate the statement.

Mr. JOHNSON of Texas. I am always glad to accommodate my friend, to reciprocate for his kindness to me.

Mr. HOLLAND. Mr. President, what can the majority leader tell us with respect to the bill I mentioned a few minutes ago?

Mr. JOHNSON of Texas. The calendar committees have cleared it. I am always glad to see such bills acted upon promptly.

The PRESIDING OFFICER. The clerk will state the next order of business on the calendar.

PETRIFIED FOREST NATIONAL PARK, ARIZ.—BILL PASSED TO FOOT OF CALENDAR

The bill (S. 2359) to authorize the establishment of the Petrified Forest National Park, in the State of Arizona, and for other purposes, was announced as next in order.

Mr. CLARK. Mr. President, I ask that the bill be placed at the foot of the calendar. House action is pending at this moment, and it is hoped that the Congressional action on the bill can be completed if we place it at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

BILL PASSED OVER

The bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill be passed over. It is not proper business to be disposed of on the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

RICHARD K. LIM AND MARGARET K. LIM

The bill (S. 1987) for the relief of Richard K. Lim and Margaret K. Lim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Richard K. Lim and Margaret K. Lim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SAYO ONO TAYLOR

The bill (S. 2735) for the relief of Sayo Ono Taylor was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sayo Ono Taylor shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ABBAS MOHAMMAD AWAD

The Senate proceeded to consider the bill (S. 2713) for the relief of Abbas Mohammad Awad, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds which may have issued in the case of Abbas Mohammad Awad. From and after the date of the enactment of this act, the said Abbas Mohammad Awad shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHANNA DIPPOLD

The Senate proceeded to consider the bill (S. 2807) for the relief of Johanna Dippold, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act Johanna Dippold, the fiance of Carl R. Pitchford, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Johanna Dippold is coming to the United States with a bona fide intention of being married to the said Carl R. Pitchford and that she is found otherwise admissible under the provisions of the Immigration and Nationality Act other than the provision of section 212 (a) (9) of that act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act. In the event that the marriage between the above-named persons does not occur within 3 months after the entry of the said Johanna Dippold, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Johanna Dippold, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Johanna Dippold as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPACT BETWEEN THE STATE OF OREGON AND THE STATE OF WASHINGTON

The Senate proceeded to consider the bill (H. R. 7153) giving consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States, which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 4, to strike out:

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

FOURTH INTERNATIONAL AUTOMATION CONGRESS AND EXPOSITION

The Senate proceeded to consider the joint resolution (H. J. Res. 347) authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958, which had been reported from the Committee on Foreign Relations with amendments, on page 2, line 3, after the word "authorized", to strike out "and requested"; and in line 7, after the year "1958", to strike out the semicolon and "and be it further

"Resolved, That no funds appropriated by Congress for any purpose whatsoever shall be used to defray the expenses of any foreign country or foreign individual participating in the Fourth International Automation Congress and Exposition to be held in New York City".

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The preamble was agreed to.

The title was amended, so as to read: "Joint resolution authorizing the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958."

BILLS PASSED OVER

The bill (S. 3441) to provide for a minimum acreage allotment for corn and for other purposes was announced as next in order.

Mr. ELLENDER. Over.

Mr. TALMADGE. Mr. President, I ask that the bill be passed over. It is not proper business to be disposed of on the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3408) to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton-acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes was announced as next in order.

Mr. TALMADGE. Mr. President, Senate bill 3408 is a bill authored by the junior Senator from Georgia and several other Senators. I ask unanimous consent at this time that the junior Senator from Mississippi [Mr. STENNIS] be listed as one of the sponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. The bill is extremely important to a vast section of our country, but it is the opinion of the calendar committee that it is not calendar business, and it is requested that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CORN-ACREAGE ALLOTMENTS

The Senate proceeded to consider the bill (S. 3385) to amend section 114 of the Soil Bank Act with respect to compliance with corn-acreage allotments, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 7, after the word "under", to insert "an acreage-reserve contract or", so as to make the bill read:

Be it enacted, etc., That section 114 of the Soil Bank Act is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this section, no person shall be ineligible to receive payments or compensation under an acreage-reserve contract or a conservation-reserve contract by reason of the fact that the corn acreage on the farm exceeds the farm-acreage allotment for corn if such contract was entered into prior to January 1 of the first year for which the county is included in the commercial corn-producing area: *Provided,* That the foregoing provisions of this sentence shall apply only to a farm for which an 'old farm' corn allotment is established for such first year. For purposes of this provision, a contract which has been terminated by the producer under the program regulations by reason of the fact that the county in which the farm is located was included in the commercial corn-producing area for the first time in 1958, and which is reinstated, shall be deemed to have been entered into as of the original date of execution of such contract."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. HOLLAND. Mr. President, I appreciate the courtesy of the calendar committees on both sides of the aisle, and of the majority and minority leaders in permitting passage of the bill at this time.

The bill provides that farmers in counties which become commercial corn counties for the first time—and there are 38 such counties in the Nation this year—who are regular corn planters, and who enter into conservation reserve or acreage reserve contracts prior to January 1 of the first year in which the county is included in the commercial corn area, shall be exempted from the requirement of cross-compliance with corn acreage allotments.

The House has passed a similar bill. There are minor differences between the two bills, and the Department of Agriculture is willing to recommend approval of the language of the Senate bill.

At this time I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of the House bill, H. R. 10843, that the Senate proceed to the consideration of that bill, that all after the enacting clause be stricken, and that the text of the Senate bill be inserted in lieu thereof.

The PRESIDING OFFICER. The Chair is advised that the bill referred to is not at the desk at the present time. The bill will be sent for.

Mr. HOLLAND. I was advised by the staff of the committee that it was ready to be acted upon.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. As I understand the situation, the Senator from Florida is asking that the Committee on Agriculture and Forestry be discharged from further consideration of the House bill. Would that not bring it automatically before the Senate?

The PRESIDING OFFICER. The first inquiry the Senator has directed to the Chair is correct. However, the Chair is endeavoring to get the bill to the desk. Once that has been accomplished, further action can be taken on the matter.

Mr. HOLLAND. I ask unanimous consent that the committee be discharged from further consideration of the bill and that when the bill reaches the desk the Senator from Florida be allowed to take up the item again for the action already indicated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND subsequently said: Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 1394, S. 3385. H. R. 10843, a companion bill, was before the Senate Committee on Agriculture and Forestry, but by earlier action the Senate discharged the committee from further consideration of the House bill, and I desire it substituted for the Senate bill and considered at this time.

Mr. AIKEN. Mr. President, may I ask the nature of the bill to which the Senator from Florida is referring?

Mr. HOLLAND. The bill, which was unanimously reported by the Committee on Agriculture and Forestry, relates to the counties which have become commercial corn counties this year for the first time, and in which corngrowers have found themselves in the very difficult position of being adversely affected by penalties not within the mind of either the Government or themselves at the time the corngrowers entered into earlier contracts with the Government for acreage reserve or conservation reserve under the Soil Bank. It also applies to future situations of this kind.

Mr. AIKEN. I realize that those growers are deserving of having something done for them, but I was wondering about Calendar No. 1392, S. 3441, to pro-

vide for a minimum acreage allotment for corn and other purposes.

The PRESIDING OFFICER. That bill was passed over on the call of the calendar.

Mr. AIKEN. I should like to inquire about it. That is the bill in which the Senator from Minnesota [Mr. THYE] is very much interested. It seems to me that it should be tied in with the bill which the Senator from Florida is seeking to have considered now, because it fixes allotments for corn. It also was reported unanimously by the committee. Was there objection to Calendar No. 1392, S. 3441?

Mr. CLARK. There was objection.

Mr. HOLLAND. I may say, for the information of the Senator from Vermont, that both calendar committees agreed to the consideration of the bill which I have just called up. The majority leader has announced that the other agricultural bills, five in number, will be brought up at the earliest practical opportunity.

Mr. ELLENDER. I objected to the consideration of Calendar No. 1392, S. 3441, on the assumption that it would be taken up tomorrow or at the earliest practical opportunity. The Senator from Minnesota [Mr. THYE] desired to be present when it was taken up. That is why I objected.

Mr. AIKEN. That is perfectly satisfactory to me. I am agreeable to having it go over until tomorrow. I simply thought that if we gave consideration to one of the bills, we ought to give consideration to the other, too. But on the assurance that it will be taken up shortly, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 10843?

There being no objection, the Senate proceeded to the consideration of the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments.

Mr. HOLLAND. I ask unanimous consent that the House bill be amended by striking out everything after the enacting clause and substituting, in lieu thereof, the text of the Senate bill, S. 3385, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 10843) was read the third time, and passed.

The PRESIDING OFFICER. Without objection, the vote by which Senate bill 3385 was passed is reconsidered, and the bill is indefinitely postponed.

FISHERIES LOAN FUND

The bill (S. 3295) to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

ATTENDANCE BY CERTAIN FOREIGN STUDENTS AT THE DISTRICT OF COLUMBIA TEACHERS COLLEGE

The Senate proceeded to consider the bill (S. 3243) to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia, which had been reported from the Committee on the District of Columbia, with amendments, in line 5, after the word "visas", to strike out "shall" and insert "may", and in line 9, after the word "Columbia", to insert "Admission to and attendance at such college by such students shall be subject to rules and regulations prescribed by the Board of Education of the District of Columbia"; so as to make the bill read:

Be it enacted, etc., That notwithstanding any other provision of law, not to exceed 25 foreign students who are in the United States on valid unexpired student visas may be permitted to attend the District of Columbia Teachers College each year on the same basis, so far as payment of tuition and fees are concerned, as a resident of the District of Columbia. Admission to and attendance at such college by such students shall be subject to rules and regulations prescribed by the Board of Education of the District of Columbia.

Mr. ELLENDER. Mr. President, may we have an explanation of the bill?

Mr. CLARK. Mr. President, the bill arises by reason of the fact that approximately 25 students from perhaps a dozen foreign countries were admitted to the District of Columbia Teachers College this fall without the payment of tuition and with the understanding that they would not be required to pay tuition. Their personal finances and the public assistance available to them from their countries were based on that understanding. After the conclusion of the first semester the local authorities advising the District of Columbia Teachers College discovered some legal objection in the law to permitting these foreign students to attend the Teachers College without payment of fees.

There was quite an uproar in the newspapers about the situation, to the effect that these young men and women had been unfairly dealt with in being brought to this country under an understanding and then being told that a fee would have to be paid, which fee they were unable to pay. Under the circumstances, as a member of the Subcommittee on the Judiciary of the Committee on the District of Columbia, I undertook to introduce proposed remedial legislation which would permit the students to stay in the country in accordance with the initial understanding. The bill was approved by the Board of Education of the District of Columbia and by the three Comsioners of the District of Columbia, and it was also unanimously approved by the Committee on the District of Columbia. It was also approved by the Department of State, which indicated it was quite relieved that the bill had been introduced, as the situation was causing the Department some embarrassment.

Mr. ELLENDER. The necessity for the bill is that under the present laws the Board of Education of the District of Columbia is precluded from giving free tuition to foreign students. Is that correct?

Mr. CLARK. The Senator is correct. They did not know it at the time they accepted the students.

Mr. ELLENDER. I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UNIFORM SIMULTANEOUS DEATH ACT

The bill (H. R. 3486) to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

RECREATION BOARD FOR THE DISTRICT OF COLUMBIA

The bill (S. 1843) to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following paragraph be added at the end of section 2, article II, of the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942:

"Notwithstanding the provision of section 301 of the Federal Employees' Pay Act of 1945, as amended (68 Stat. 1110; 5 U. S. C. 921), requiring regularity in the scheduled work between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, the Board shall have the power to prescribe rules and regulations governing the payment of night differential for nonregularly scheduled work between such hours by such of its employees as are subject to the Classification Act of 1949, as amended, when such nonregularly scheduled work is within the employee's basic workweek: *Provided, however*, That all other provisions of such section 301 shall be in full force and effect: *Provided further*, That no night differential may be paid for night overtime work that is not regularly scheduled."

REMOVAL OF DANGEROUS AND UNSAFE BUILDINGS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3059) to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof and for other purposes," approved March 1, 1899, as amended, which had been reported from the Committee on the District of Columbia, with amendments, on page 1, line 7, after the word "by", to strike out "(a)"; in line 9, after the word "thereof", to strike out "'Commissioners', and (b) conform to the term 'Commissioners' the pronouns

modifying 'inspector of buildings' wherever such pronouns occur in such act" and insert "'Commissioners'. The first sentence of the first section of such act, as amended, is amended by striking 'his opinion' and inserting in lieu thereof 'their opinion' and by striking 'he shall' and inserting in lieu thereof 'they shall' "; and on page 3, line 15, after the word "first", to strike out "four" and insert "three"; so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes", approved March 1, 1899 (30 Stat. 923, as amended; title 5, ch. 5, D. C. Code, 1951 edition), is amended by striking the term "inspector of buildings" wherever such term appears therein and inserting in lieu thereof "Commissioners." The first sentence of the first section of such act, as amended, is amended by striking "his opinion" and inserting in lieu thereof "their opinion" and by striking "he shall" and inserting in lieu thereof "they shall."

SEC. 2. The first section of such act, as amended (sec. 5-501, D. C. Code, 1951 edition), is amended by adding at the end thereof the following:

"The term 'Commissioners' means the Commissioners of the District of Columbia sitting as a board or the agent or agents designated by them to perform any function vested in said Commissioners by this act."

SEC. 3. Section 3 of such act, as amended (sec. 5-503, D. C. Code, 1951 edition), is amended by striking the third sentence therefrom.

SEC. 4. The second sentence of section 4 of such act, as amended (sec. 5-504, D. C. Code, 1951 edition), is amended by striking "bear interest at the rate of 10 percent per annum until paid, and be carried on the regular tax rolls of the District of Columbia and shall be collected in the manner provided for the collection of general taxes" and inserting in lieu thereof "be collected as general taxes are collected in said District in the manner provided in section 6 of this act."

SEC. 5. Such act, as amended, is amended by inserting the following sections immediately after section 4, reading as follows:

"SEC. 5. The Commissioners shall determine the cost and expense of any work performed by them under the authority of the first four sections of this act and shall assess such cost and expense upon the lot or ground whereon such structure, excavation, or nuisance stands, stood, was dug, was located, or existed, and this amount shall be collected as general taxes are collected in said District in the manner provided in section 6 of this act. Any person, corporation, partnership, syndicate, or company subject to the provisions of the first 3 sections of this act who shall neglect or refuse to perform any act required by such sections shall be punished by a fine not exceeding $50 for each and every day said person, corporation, partnership, syndicate, or company fails to perform any act required by such sections.

"SEC. 6. Any tax authorized to be levied and collected under this act may be paid without interest within 60 days from the date such tax was levied. Interest of one-half of 1 percent for each month or part thereof shall be charged on all unpaid amounts from the expiration of 60 days from the date such tax was levied. Any such tax may be paid in three equal installments with interest thereon. If any such tax or part thereof shall remain unpaid after the expiration of 2 years from the date such tax was levied, the property against which said tax was levied may be sold for such tax or unpaid portion thereof with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general real-estate taxes, if said tax with interest and penalities thereon shall not have been paid in full prior to said sale."

SEC. 6. Section 5 of such act, as amended (sec. 5-505, D. C. Code, 1951 edition), is renumbered "Section 7" and is amended to read as follows:

"SEC. 7. (a) Any notice required by this act to be served shall be deemed to have been served when served by any of the following methods: (1) when forwarded to the last known address of the owner as recorded in the real estate assessment records of the District of Columbia, by registered mail, with return receipt, and such receipt shall constitute prima facie evidence of service upon such owner if such receipt is signed either by the owner or by a person of suitable age and discretion located at such address: *Provided*, That valid service upon the owner shall be deemed effected if such notice shall be refused by the owner and not delivered for that reason; or (2) when delivered to the person to be notified; or (3) when left at the usual residence or place of business of the person to be notified with a person of suitable age and discretion then resident or employed therein; or (4) if no such residence or place of business can be found in the District of Columbia by reasonable search, then if left with any person of suitable age and discretion employed at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (5) if any such notice forwarded by registered mail be returned for reasons other than refusal, or if personal service of any such notice, as hereinbefore provided, cannot be effected, then if published on 3 consecutive days in a daily newspaper published in the District of Columbia; or (6) if by reason of an outstanding unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, then if served on the owner of record in a manner hereinbefore provided. Any notice to a corporation shall, for the purposes of this act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and notices to a foreign corporation shall, for the purposes of this act, be deemed to have been served if served personally on any agent of such corporation, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia.

"(b) In case such notice is served by any method other than personal service, a copy of such notice shall also be sent to the owner by ordinary mail."

SEC. 7. Such act, as amended, is amended by inserting a new section immediately after section 7, as renumbered by this amendatory act, reading as follows:

"SEC. 8. Whenever the Commissioners find that any building or part of a building, staging or other structure, or anything attached to or connected with any building or other structure or excavation shall cause a building to be unsafe for human occupancy, they shall give notice of such fact to the owner or other person having an interest in such building, and to the occupant or occupants thereof. If within 5 days after such notice has been served upon such owner or other interested person, such building or part thereof has not been made safe for human occupancy, the Commissioners may order the use of such building or part thereof discontinued until it has been made safe: *Provided*, That if in the opinion of the Commissioners the unsafe condition of the building or part thereof is such as to be imminently dangerous to the life or limb of any occupant, the Commissioners may order the immediate discontinuance of the use of such building or part thereof. Any person occupying, or permitting the occupancy of, such building or part thereof in violation of such order of the Commissioners shall be fined not more than $300 or imprisoned for not more than 30 days."

SEC. 8. Section 6 of such act, as amended, is renumbered "section 9."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION FREE OF DUTY OF ARTICLES IMPORTED FOR EXHIBITION PURPOSES

The bill (H. R. 10242) to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition to be held in July 1959, at Chicago, Ill., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CLARIFICATION OF NAVIGATION RULES FOR THE GREAT LAKES

The bill (S. 1976) to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act of February 8, 1895, entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters" (ch. 64, 28 Stat. 645; 33 U. S. C. 241), is amended by deleting the first sentence and substituting the following: "The following rules for preventing collisions shall be followed in the navigation of all public and private vessels of the United States upon the Great Lakes and their connecting and tributary waters as far east as Montreal and in the navigation of all other vessels upon such lakes and waters while within the territorial waters of the United States."

SEC. 2. Section 2 of the act of February 8, 1895 (ch. 64, 28 Stat. 649; 33 U. S. C. 244), is amended to read as follows:

"(a) Every licensed or unlicensed pilot, engineer, mate, or master of any vessel subject to section 1 of this act who neglects or refuses to observe the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty not exceeding $500.

"(b) Every private vessel subject to section 1 of this act that shall be navigated without complying with the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty of $500, for which sum such vessel may be seized and proceeded against by way of libel in any district court of the United States of any district within which such vessel may be found."

SEC. 3. Sections 4412 and 4413 of the Revised Statutes of the United States, as amended (46 U. S. C. 381) are hereby repealed.

LIGHTS FOR VESSELS TOWING OR BEING OVERTAKEN

The bill (S. 2115) to amend the act of June 7, 1897, as amended, and section 4233 of the Revised Statutes, as amended, with respect to lights for vessels towing or being overtaken, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That article 3 of section 1 of the act of June 7, 1897, as amended (30 Stat. 97, as amended; U. S. C., 1952 edition, title 33, sec. 173), is amended to read as follows:

"ART. 3. (a) A steam vessel when towing another vessel or vessels alongside or by pushing ahead shall, in addition to her side lights, carry 2 bright white lights in a vertical line, one over the other, not less than 3 feet apart, and when towing one or more vessels astern, regardless of the length of the tow, shall carry an additional bright white light 3 feet above or below such lights. Each of these lights shall be of the same construction and character, and shall be carried in the same position as the white light mentioned in article 2 (a) or the after range light mentioned in article 2 (f).

"(b) A steam vessel carrying towing lights the same as the white light mentioned in article 2 (a), when pushing another vessel or vessels ahead, shall also carry at or near the stern 2 bright amber lights in a vertical line, one over the other, not less than 3 feet apart; each of these lights shall be so constructed as to show an unbroken light over an arc of the horizon of 12 points of the compass, so fixed as to show the light 6 points from right aft on each side of the vessel, and of such a character as to be visible at a distance of at least 2 miles. A steam vessel carrying towing lights the same as the white light mentioned in article 2 (a) may also carry, irrespective of the position of the tow, the after range light mentioned in article 2 (f); however, if the after range light is carried by such a vessel when pushing another vessel or vessels ahead, the amber lights shall be carried in a vertical line with and at least 3 feet lower than the after range light. A steam vessel carrying towing lights the same as the white light mentioned in article 2 (a), when towing one or more vessels astern, may also carry, in lieu of the stern light specified in article 10, a small white light abaft the funnel or aftermast for the tow to steer by, but such light shall not be visible forward of the beam."

SEC. 2. Article 10 of section 1 of the act of June 7, 1897, as amended (30 Stat. 98; U. S. C., 1952 edition, title 33, sec. 179), is amended to read as follows:

"ART. 10. (a) A vessel when under way, if not otherwise required by these rules to carry one or more lights visible from aft, shall carry at her stern a white light, so constructed that it shall show an unbroken light over an arc of the horizon of 12 points of the compass, so fixed as to show the light 6 points from right aft on each side of the vessel, and of such a character as to be visible at a distance of at least 2 miles. Such light shall be carried as nearly as practicable on the same level as the side lights.

"(b) In a small vessel, if it is not possible on account of bad weather or other sufficient cause for the light to be fixed, an electric torch or a lighted lantern shall be kept at hand ready for use and shall, on the approach of an overtaking vessel, be shown in sufficient time to prevent collision."

SEC. 3. Section (d) of rule No. 3 of section 4233 of the Revised Statutes of the United States, as amended (U. S. C., 1952 edition, title 33, sec. 312), is amended to read as follows:

"(d) At or near the stern, where they can best be seen, 2 amber lights in a vertical line, one over the other, not less than 3 feet apart, of such a character as to be visible from aft for a distance of at least 2 miles, and so screened as not to be visible forward of the beam."

SEC. 4. Rule No. 10 of section 4233 of the Revised Statutes of the United States, as amended (U. S. C., 1952 edition, title 33, sec. 319), is amended to read as follows:

"Rule No. 10: (a) A vessel when under way, if not otherwise required by these rules to carry one or more lights visible from aft, shall carry at her stern a white light, so constructed that it shall show an unbroken light over an arc of the horizon of 12 points of the compass, so fixed as to show the light 6 points from right aft on each side of the vessel, and of such a character as to be visible at a distance of at least 2 miles. Such light shall be carried as nearly as practicable on the same level as the side lights.

"(b) In a small vessel, if it is not possible on account of bad weather or other sufficient cause for this light to be fixed, an electric torch or a lighted lantern shall be kept at hand ready for use and shall, on the approach of an overtaking vessel, be shown in sufficient time to prevent collision."

EQUITABLE TREATMENT FOR PRODUCERS PARTICIPATING IN THE SOIL BANK PROGRAM

The Senate proceeded to consider the bill (S. 2937) to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That the Soil Bank Act is amended by adding at the end thereof the following new section:

"COMPENSATION FOR INCORRECT INFORMATION FURNISHED UNDER 1956 PROGRAM

"SEC. 127. In any case under the 1956 program in which a producer, in reliance, in good faith, on incorrect or incomplete information furnished to him by an authorized representative of the Secretary, entered into an acreage reserve or conservation reserve contract, or took action with the intention of entering into such a contract, and the producer is not entitled to receive under the provisions of the program the payment which was stipulated in the contract, or which would have been stipulated if a contract had been entered into the Secretary is hereby authorized, whenever he deems it desirable in order to provide fair and equitable treatment to such a producer, to compensate such producer for any loss suffered by him as a result of action taken for the purpose of participating in the program."

Mr. LANGER. Mr. President, may we have an explanation of the bill?

Mr. ELLENDER. Mr. President, the bill has received the unanimous approval of the Committee on Agriculture and Forestry. It also has received the approval of the Department of Agriculture, which suggested some technical improvements which would be adopted by the committee amendment. The bill simply authorizes the Secretary of Agriculture to compensate producers for hardships suffered under the 1956 Soil Bank program as a result of incorrect information furnished by county committees. The 1956 program was put into effect hurriedly, after the Agricultural Act of 1956 was approved; and a number of mistakes occurred. In some cases the producer was given incorrect information as to the size of his allotment. In others, the Department's measurement of his acreage turned out to be incorrect. Examples of the types of mistakes covered are set out on pages 1, 2, and 3 of the committee report. These mistakes were not the farmers' mistakes, and the farmers should not be required to suffer for them.

The committee amendment, which was suggested by the Department of Agriculture, makes no change in substance in the bill, but was suggested by the Department and adopted by the committee as a clearer statement of the provisions of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HUNGRY HORSE DAM, MONT.

The bill (S. 847) to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in order to clarify the status of the Hungry Horse project, Montana, section 1 of the act of June 5, 1944 (58 Stat. 270, 43 U. S. C. 593a), is hereby amended by adding to it a new sentence reading as follows:

"The Hungry Horse project shall be subject to the Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto)."

COMPACTS BETWEEN STATES OF NEBRASKA, WYOMING, AND SOUTH DAKOTA

The bill (S. 2557) to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota, in order to extend the time for such negotiations, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the last sentence of the act entitled "An act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States," approved August 5, 1953 (67 Stat. 365), is amended by striking out "5 years" and inserting in lieu thereof "8 years."

TRANSFER TO THE GOVERNMENT OF PROPERTY IN PHOENIX, ARIZ.

The Senate proceeded to consider the bill (S. 2813) to provide for certain credits to the Salt River Valley Water

Users Association and the Salt River Project Agricultural Improvement and Power District in consideration of the transfer to the Government of property in Phoenix, Ariz., which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the word "Arizona", to insert "as evidenced by an acceptable abstract of title, certificate of title, or title guaranty policy"; on page 2, line 2, after the word "building", to insert "that the Attorney General of the United States has rendered a written opinion in favor of the validity of the title"; in line 5, after the word "accepted", to strike out "the tender" and insert "a warranty deed, in form approved by the Attorney General and with documentary stamps thereto attached in amounts required by law, conveying the unencumbered fee simple title to the properties therein described to the United States of America,"; and in line 19, after the word "District", to strike out the comma and "or so much of said amount as is not paid in cash or other valuable considerations" and insert a colon and *"Provided,* That if said amount is in excess of said obligations, the difference may be paid in cash or other valuable considerations."; so as to make the bill read:

Be it enacted, etc., That upon certification by the Administrator of the General Services Administration to the Secretary of the Interior that the Salt River Project Agricultural Improvement and Power District has tendered to the United States marketable title to certain properties in the city of Phoenix, Ariz., as evidenced by an acceptable abstract of title, certificate of title, or title guaranty policy now owned by it which are necessary for, or reasonably useful in connection with, a new Federal courthouse and office building, that the Attorney General of the United States has rendered a written opinion in favor of the validity of the title and that the Administrator, acting on behalf of the United States, has accepted a warranty deed, in form approved by the Attorney General and with documentary stamps thereto attached in amounts required by law, conveying the unencumbered fee simple title to the properties therein described to the United States of America, the Secretary shall credit toward repayment of such of the obligations assumed by the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District under the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) as he finds proper an amount equal to the value of the properties transferred, as determined by an appraisal satisfactory to the Administrator, the Secretary, and the Salt River project agricultural improvement and power district: *Provided,* That if said amount is in excess of said obligations, the difference may be paid in cash or other valuable considerations.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TWENTIETH ANNIVERSARY OF CIVIL AVIATION

The concurrent resolution (S. Con. Res. 72) favoring Congressional recognition of the 20th anniversary of civil aviation under the Civil Aeronautics Act of 1938, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States, on this 20th anniversary of the Civil Aeronautics Act of 1938, reaffirms its support of the policies set forth therein; and urges strict adherence to policies which will enable civil aviation to solve its present economic and technical problems and assure the public of the benefits of a strong air transport system and civil aviation industry.

The preamble was agreed to.

INCREASE IN EXPENDITURES FOR THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 272) authorizing an increase in expenditures for the Committee on Foreign Relations was considered and agreed to, as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the 85th Congress, $10,000, in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946, and Senate Resolution 152, agreed to July 3, 1957.

PAYMENT OF GRATUITY TO ELEANOR N. GAGG

The resolution (S. Res. 275) to pay a gratuity to Eleanor N. Gagg was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Eleanor N. Gagg, widow of William H. Gagg, an employee of the Senate at the time of his death, a sum equal to 7½ months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PROVISION OF ADDITIONAL FUNDS FOR THE OFFICIAL REPORTERS OF THE SENATE, IF NEEDED

The resolution (S. Res. 276) providing additional funds for the Official Reporters of the Senate was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, to the Official Reporters of the Senate debates and proceedings, during the period March 1, 1958, to December 31, 1958, so much as may be necessary, not to exceed $10,000, for the employment of additional office personnel.

PRINTING OF PROCEEDINGS RELATING TO ACCEPTANCE OF STATUE OF MARIA L. SANFORD

The concurrent resolution (S. Con. Res. 71) to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Maria L. Sanford, to be presented on November 12, 1958, by the State of Minnesota in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed 5,000 additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,900 copies shall be for the use of the Members of the Senate from the State of Minnesota, and 500 copies shall be for the use of the House of Representatives and 2,500 copies shall be for the use of the Members of the House of Representatives from the State of Minnesota.

REVISION OF FISH AND GAME LAWS OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 532) to revise and modernize the fish and game laws of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That the Commissioners are authorized to restrict, prohibit, regulate, and control hunting and fishing and the taking, possession and sale of wild animals in the District: *Provided,* That nothing herein contained shall authorize the Commissioners to impose any requirement for a fishing license or fee of any nature whatsoever: *Provided further,* That nothing herein contained shall authorize the Commissioners to prohibit, restrict, regulate, or control the killing, capture, purchase, sale, or possession of migratory birds as defined in regulations issued pursuant to the Migratory Bird Treaty Act of July 3, 1918, as amended (16 U. S. C. 703-711), and taken for scientific, propagating, or other purposes under permits issued by the Secretary of the Interior: *And provided further,* That nothing herein contained shall authorize the Commissioners to prohibit, restrict, regulate or control the sale or possession of wild animals taken legally in any State, Territory or possession of the United States or in any foreign country, or produced on a game farm, except as may be necessary to protect the public health or safety. As used in this section the term "wild animals" includes, without limitation, mammals, birds, fish, and reptiles not ordinarily domesticated.

SEC. 2. Authorized officers and employees of the Government of the United States or of the government of the District of Columbia are, for the purpose of enforcing the provisions of this act and the regulations promulgated by the Commissioners under the authority of this act, empowered, during business hours, to inspect any building or premises in or on which any business, trade, vocation or occupation requiring a license or permit is carried on, or any vehicle, boat, market box, market stall or cold-storage plant. No person shall refuse to permit any such inspection.

SEC. 3. (a) All rifles, shotguns, ammunition, bows, arrows, traps, seines, nets, boats, and other devices of every nature or description used by any person within the District of Columbia when engaged in killing, ensnaring, trapping, or capturing any wild bird, wild mammal, or fish contrary to this act or any regulation made pursuant to this act shall be seized by any police officer upon the arrest of such person on a charge of violating any provision of this act or any regulations made pursuant thereto, and be delivered to the Commissioners. If the person so arrested is acquitted, the property so seized shall be returned to the person in whose possession it was found. If the person so

arrested is convicted, the property so seized shall, in the discretion of the court, be forfeited to the District of Columbia, and be sold at public auction, the proceeds from such sale to be deposited in the Treasury to the credit of the District of Columbia. If any item of such property is not purchased at such auction, it shall be disposed of in accordance with regulations prescribed by the Commissioners.

(b) If any property seized under the authority of this section is subject to a lien which is established by intervention or otherwise to the satisfaction of the court as having been created without the lienor's having any notice that such property was to be used in connection with a violation of any provision of this act or any regulation made pursuant thereto, the court, upon the conviction of the accused, may order a sale of such property at public auction. The officer conducting such sale, after deducting proper fees and costs incident to the seizure, keeping, and sale of such property, shall pay all such liens according to their priorities, and such lien or liens shall be transferred from the property to the proceeds of the sale thereof.

SEC. 4. (a) Any person convicted of violating any provision of this act, or any regulation made pursuant to this act, shall be fined not more than $300 or imprisoned not more than 90 days, or both.

(b) Prosecutions for violations of this act, or the regulations made pursuant thereto, shall be conducted in the name of the District of Columbia by the Corporation Counsel or any of his assistants.

SEC. 5. (a) The Secretary of the Interior and the Commissioners, respectively, are authorized to delegate any of the functions to be performed by them under the authority of this act.

(b) The Commissioners are authorized to make such regulations as may be necessary to carry out the purposes of this act: *Provided*, That any regulations issued pursuant to this act shall be subject to the approval of the Secretary of the Interior insofar as they involve any areas or waters of the District of Columbia under his administrative jurisdiction.

(c) As used in this act the word "Commissioners" means the Commissioners of the District of Columbia or their designated agent or agents, and the words "Secretary of the Interior" mean the Secretary of the Interior or his designated agent or agents.

SEC. 6. Nothing in this act or in any regulation promulgated by the Commissioners under the authority of this act shall in any way impair the existing authority of the Secretary of the Interior to control and manage fish and wildlife on the land and waters in the District of Columbia under his administrative jurisdiction.

SEC. 7. Section 902 of the act approved March 3, 1901 (31 Stat. 1336), as amended (title 22, secs. 1607 and 1703, D. C. Code, 1951 edition), is amended to read as follows:

"SEC. 902. Penalties: Any person who shall violate any provision of the preceding section shall for each such offense be fined not more than $300 or imprisoned not more than 90 days, or both."

SEC. 8. The following acts or parts of acts are repealed:

(a) Sections 896, 897, 898, 899, 900, and 903 of the act approved March 3, 1901 (31 Stat. 1335, 1336), as amended (title 22, secs. 1601, 1602, 1604, 1605, 1606, and 1608, D. C. Code, 1951 edition);

(b) Sections 1, 2, 3, 4, 5, 6, 7, 8, and 9 of the act approved March 3, 1899 (30 Stat. 1012), as amended (title 22, secs. 1609–1620, D. C. Code, 1951 edition);

(c) Sections 1, 2, 3, and 5 of the act approved June 30, 1906 (34 Stat. 808), as amended (title 22, secs. 1621–1624, D. C. Code, 1951 edition);

(d) Sections 1 through 3 of the act approved December 18, 1919 (41 Stat. 368; title 22, secs. 1625–1627, D. C. Code, 1951 edition); and

(e) Sections 1 through 4 of the act approved March 3, 1927 (44 Stat. 1379; title 22, sec. 1603, D. C. Code, 1951 edition).

SEC. 9. This act shall take effect on the 180th day following the approval thereof.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSPORTATION ON CANADIAN VESSELS

The Senate proceeded to consider the bill (S. 3100) to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, or the continental United States, either directly or via a foreign port, or for any part of the transportation, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 7, to strike out "transportation" and insert "transportation, unless the Secretary of Commerce determines that United States flag service is available to provide such transportation", so as to make the bill read:

Be it enacted, etc., That, until June 30, 1959, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between ports in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in southeastern Alaska or the continental United States either directly or via a foreign port, or for any part of the transportation, unless the Secretary of Commerce determines that United States flag service is available to provide such transportation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 11086) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history was announced as next in order.

Mr. TALMADGE. Mr. President, this bill is not properly calendar business, and I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

PETRIFIED FOREST NATIONAL PARK, ARIZ.

The PRESIDING OFFICER. Calendar No. 1381, Senate bill 2359, which earlier today was ordered placed at the foot of the calendar, will now be called.

The LEGISLATIVE CLERK. A bill (S. 2359) to authorize the establishment of the Petrified Forest National Park, in the State of Arizona, and for other purposes.

Mr. CLARK. Mr. President, I ask that the bill go over. Perhaps it can be brought up later in the day, by motion. The corresponding House bill has not yet arrived at the Senate.

The PRESIDING OFFICER. Objection being heard, the bill will go over.

That concludes the call of the calendar.

PROCUREMENT OF ARTICLES WITHIN THE UNITED STATES UNDER THE MUTUAL SECURITY ACT

During the consideration of S. 3243, relating to attendance by certain foreign students at the District of Columbia Teachers College,

Mr. REVERCOMB. Mr. President, when the pending bill has been acted on, I shall address the Senate on another subject.

The PRESIDING OFFICER. The Chair will advise the Senator from West Virginia that under the rule the Senate is now engaged in the call of the calendar. The call will be continued through to completion, with each Senator having the right to object or reserve the right to object, and to speak on a measure for 5 minutes, or to speak on any other subject for 5 minutes.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. Do I understand correctly that Senators are permitted to seek recognition for 5 minutes in order to speak on any subject during the call of the calendar? I understand that to be the rule.

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. CLARK. Mr. President, I hope our good friend, the Senator from West Virginia, will permit us to complete the call of the calendar before he speaks on an extraneous subject. The calendar is quite short today, and we have every expectation of completing its call within 10 or 15 minutes. There are several Senators on the floor who are interested in the call of the calendar. Recognizing the complete right of the Senator from West Virginia to speak on an extraneous matter, I hope he will let us conclude the call of the calendar before he speaks on such a matter.

Mr. REVERCOMB. It is always my pleasure to comply with the request of the Senator from Pennsylvania. However, what I desire to say is very short and will not take more than a few minutes, and will not delay the Senate unduly. In that connection, I ask unanimous consent that my remarks may be printed in the RECORD at the end of the call of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REVERCOMB. I desire to make a very brief statement on a subject which I consider to be very important at this time.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. REVERCOMB. Mr. President, positive action is being taken on several fronts by both the administration and the Congress to speed economic recovery.

Another important step that would not require Congressional action would be for the President of the United States to invoke section 510 of the Mutual Security Act of 1957, as amended.

A large percentage of the commodities procured by the International Cooperation Administration under the mutual security program are being purchased abroad. In many instances, perhaps, they can be purchased cheaper in foreign countries. However, in view of the unemployment that exists in this country at the present time, it is my feeling that such purchases should be made in this country. Congress made specific provision for this course of action in adopting the Mutual Security Act of 1957. Section 510 of that act reads:

> Funds made available under title 2 or chapter 3 of title 1 of this act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweighs the economic advantages to the United States of less costly procurement abroad.

I point out that under this language the President is authorized to act, and if he determines "that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus," such purchases should be made in this country.

We are confronted with such a situation today. Because of present conditions, there is every justification, I feel, for invoking this provision. It is my understanding that purchases of commodities under the mutual security program are being made at the rate of more than $1 billion a year. If the purchase of such materials were made in this country, many additional jobs would be provided.

The coal industry in my own State clearly illustrates the importance of such action. Coal production has declined substantially in recent months, and unemployment in many areas is becoming a serious problem. The situation facing the coal industry, the steel industry, and other American productions is such that, to my mind, it clearly justifies invoking section 510 of the Mutual Security Act.

It is my feeling that the commodities we need at this time should be purchased from our domestic producers. This is particularly important now when every sound step possible should be taken to speed an upturn in business activity. Surely such a step would be understood by other countries. We would continue to assist them with the aid provided under the Mutual Security Act for our joint strength and defense.

I have written a letter to the President of the United States, urging that this action be taken promptly. It is my hope that the President will invoke section 510 of the Mutual Security Act so that American industries may receive the full benefit from this phase of the foreign aid program, and I have urged that this be done. Such action would be in keeping with the other steps which are being taken to check any recession in our economy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that, pursuant to the provisions of title 42, section 2251, United States Code, the Speaker had appointed Mr. Aspinall, of Colorado, as a member of the Joint Committee on Atomic Energy, on the part of the House.

The message announced that the House had passed, without amendment, the bill (S. 2042) to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50083, and for other purposes.

The message also announced that the House had passed a bill (H. R. 8250) to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes, in which it requested the concurrence of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Without objection, it is so ordered.

EXPANSION OF PUBLIC FACILITIES LOAN PROGRAM

Mr. FULBRIGHT. Mr. President, on behalf of myself, and Senators SPARKMAN, HILL, MONRONEY, PROXMIRE, COOPER, CLARK, LONG, YARBOROUGH, and SMATHERS, I introduce, for appropriate reference, a bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes.

I ask unanimous consent that the bill remain at the desk until the close of business tomorrow in order that any Senator desiring to add his name as a cosponsor may be permitted to do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the table, as requested by the Senator from Arkansas.

The bill (S. 3497) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there may be printed in the RECORD a short statement explaining the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROPOSAL TO EXPAND EXISTING PUBLIC FACILITIES LOAN PROGRAM FOR LOCAL PUBLIC WORKS, BY BROADENING SCOPE AND LOWERING INTEREST RATE

BACKGROUND

To counteract the recession, Congress is acting to accelerate Federal public works. It is proposed also to accelerate local public works, not by PWA approach, but through expanding and liberalizing existing loan program, to take off the shelf existing backlog of projects. Federal projects are usually large-scale, relatively few. Even when planning is complete, there is a necessary delay for organization and assembly of money, men, material, and machines. Local projects exist in virtually every community. There is a huge backlog because of war, inflation, and tight money. Two hundred and sixty million dollars worth of such projects, for which Federal Government advanced planning funds, have plans completed and are ready for construction. Projects costing approximately $366 million have received Federal planning advances, and plans are now under way. Another $500 million is represented by applications pending for planning fund advances. These figures do not include projects launched without Federal planning advances, and which may be ready for financing.

EXISTING FEDERAL PROGRAM FOR ASSISTANCE TO PUBLIC WORKS PLANNING AND FINANCING

(Administered by Community Facilities Administration of HHFA, an existing operating unit, with offices and programs throughout United States.)

1. Planning: Interest-free advances to provide a shelf of local public works. Forty-eight million dollars authorized as of July 1, 1958. Seventeen million dollars appropriated to date. Advances repaid when projects begin.

2. Public facilities loans; loans to, and purchase of obligations of, States and local political subdivisions to finance projects.

DEFECTS OF PRESENT LOAN PROGRAM

1. Practically limited to communities of 5,000 and under for water and sewer systems.

2. Interest rates of 4¼ percent on general obligation bonds, 4⅝ percent revenue bonds, 30-year maturity, make loans attractive only to communities with worst credit ratings.

3. Only $100 million authorization.

HIGHLIGHTS OF PROPOSED LOAN PROGRAM

1. Expand project eligibility: Construction repair, and improvement of public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other transportation facilities; public parks and other public recreational facilities; public hospitals; rehabilitation and health centers; public refuse and garbage disposal facilities; water, sewage, and sanitary facilities, and other public utility facilities; public police and fire protection facilities; public schools, libraries, offices, and other public buildings; and public land, water, and timber conservation facilities.

2. Set interest rate at maximum of one-fourth of 1 percent above average rate on all Government debt. (Results in present rate of 3 percent, same as college housing loans.) Compare sample recent private rates of:

	Percent
Top grade (Concord, N. H.)	2.80
AA (Memphis, Tenn.)	3.00
A (New York, N. Y., and Fort Smith, Ark.)	3.20
BAA (Hot Springs, Ark.)	3.85

Three percent rate for this program would tend to bring down interest rates, specifically for this type financing and generally throughout economy.

3. Increase authorization from $100 million to $2 billion.

Mr. FULBRIGHT. Mr. President, both the Congress and the administration are taking action to accelerate Federal public works programs.

On March 12, under the leadership of the Senator from Texas, the majority leader [Mr. JOHNSON], the Senate passed a resolution declaring it to be the sense of the Congress that construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent, to promote economic recovery. However, little, if anything, has been done to accelerate local public works.

I do not think it is necessary, for purposes of this statement, to argue the nature and extent of the recession which our economy is now undergoing. It seems to be generally acknowledged that the Federal Government should act to counteract the recession. The only argument seems to be as to the nature and timing of the steps which the Government must take.

Over a month ago the New York Times summarized the views of Prof. Arthur F. Burns, former Chairman of the President's Council of Economic Advisers, as follows:

Professor Burns believes that the recession which began after the peak in July and August 1957 will continue at least for some weeks or months. The contraction will not be ended by a revival of business investment, of export demand, or any other economic development but only by "massive" Government intervention.

The Joint Economic Committee on February 27 called for expanded programs for Federal and local public works to stimulate economic activity and to contribute to long-run growth.

The Senator from Tennessee [Mr. GORE] has proposed a bill, S. 3231, to create a Public Works Administration, which would make grants in the ratio of 90 percent Federal money to 10 percent State or local funds for local public works.

On March 9, in a letter to the minority leaders of the Congress, the President expressed his concern over the PWA approach. If I correctly understand the position of the majority leader on this issue, he proposes that the Senate decide whether or not to establish a Public Works Administration on a standby basis, or, as he puts it on March 12, "to engage in long-term planning and to be ready to go in the event a large scale public works program becomes essential." I think this is a wise precaution under the present circumstances. I do not think it is desirable that a Public Works Administration be put into actual operation at the present time. However, we are not limited to the alternatives of a PWA, on the one hand, or nothing on the other.

What I propose here is a more moderate and intermediate approach to accelerate local public-works projects.

While large scale Federal public works programs, such as the development of rivers and harbors, flood-control projects, highways, and Federal buildings, make great contributions to our economic well-being, so also can State and local projects such as public streets, sidewalks, roads, bridges, waterworks, parking lots, recreational facilities, hospital, sewer systems, fire-protection facilities, schools, libraries, and so on. Undoubtedly, as a result of war, inflation, and credit restraints, there is a great backlog of need for these facilities.

As desirable as large scale Federal public works are—and I, of course, think that they are—and even though planning may be complete, I question whether they can have as immediat an effect as many smaller local public projects such as those I have described. Large-scale works require time for the assembly of large numbers of professional, managerial, and working people, large amounts of material and money, transportation facilities, and equipment. Many smaller projects can be put into operation immediately, with smaller problems of organization, if financing is ready. Because of the greater number of them, however, they can have a great revivifying effect upon the total economy.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished majority leader.

Mr. JOHNSON of Texas. I am very much interested in the Senator's excellent proposal. I shall do all I can to see that it receives consideration by the Senate at the earliest possible date.

I have two questions I wish to ask the Senator from Arkansas. First, does he have any indication of how many—and in what dollar amount—applications are pending in cases in which plans have already been made and the projects could be put into operation immediately?

Mr. FULBRIGHT. Five hundred and five plans have been approved, with a projected cost of more than $666 million. There are under review 144 applications, which involve another $513 million. Of course, every one of them will not be approved, but those 2 categories would total $1,180,000,000.

Mr. JOHNSON of Texas. What the Senator is saying is that if the authority he seeks in his bill should be granted, we could expect, from applications already on file, more than $1 billion worth of applications would have to be considered.

Mr. FULBRIGHT. Yes, there would be more than $1 billion worth. I may say many others made plans without having borrowed money from this particular program, which are also ready to establish their eligibility for loans.

Mr. JOHNSON of Texas. As I understand, the Federal Government has authorized appropriations of $48 million for advances to State and local governments for planning purposes. Is that correct?

Mr. FULBRIGHT. The authorization, under Public Law 354, 84th Congress, was $48 million.

Mr. JOHNSON of Texas. And only $17 million of that authorization has been appropriated. Is that correct?

Mr. FULBRIGHT. That is correct.

Mr. JOHNSON of Texas. But under the $17 million which have been appropriated there has been submitted to the Federal agency, the agency already in existence, in excess of $1 billion worth of projects for which plans have already been made or are ready to be made. Is that correct?

Mr. FULBRIGHT. That is correct.

Mr. JOHNSON of Texas. If the Congress, in its wisdom, should appropriate the difference between what has been appropriated and what it has authorized, namely, the difference between $17 million and $48 million, or $31 million, then we could expect substantial applications as a result, could we not?

Mr. FULBRIGHT. For planning, that is correct.

Mr. JOHNSON of Texas. I assume the Senator will urge upon the Congress that it advance money at the earliest practical date, in the first appropriation bill, to provide advance planning money, so that it can be loaned to the cities and the political divisions desiring it?

Mr. FULBRIGHT. Yes. I shall come to that point later in my remarks.

Mr. JOHNSON of Texas. Has the Senator introduced a bill which would prescribe a certain limit on the funds which will be loaned?

Mr. FULBRIGHT. I have just introduced the bill.

Mr. JOHNSON of Texas. How much lending authority is provided?

Mr. FULBRIGHT. Two billion dollars.

Mr. JOHNSON of Texas. When does the Senator expect to have hearings on the bill?

Mr. FULBRIGHT. We have just cleared with the ranking minority member of the committee, the distinguished Senator from Indiana [Mr. CAPEHART], arrangements to have the first hearing on Wednesday afternoon.

Mr. JOHNSON of Texas. I understand the Senator contemplates that all these funds will be handled under an existing agency. Is that correct?

Mr. FULBRIGHT. The existing agency is a constituent unit of the Housing and Home Finance Agency. It is called the Community Facilities Administration. It has been engaged in these types of planning and lending functions for some years now. As a matter of fact, this was a continuation, in a sense, of an activity which used to exist under the RFC, which was of great help to small communities.

By law and administrative action I may say, it has been restricted to the very small communities, partly because it was felt such communities were the

ones needing it the most and there was no need for expanding the program.

The whole planning activity was intended to make ready plans for exactly such an emergency or contingency as that with which we are now faced because of which there is the need to step up public works.

Mr. JOHNSON of Texas. As I understand, there is no grant involved in the Senator's proposal, but it is all on a loan basis?

Mr. FULBRIGHT. This is a loan program. The bill proposes to make the funds available under the same interest-rate formula we used in the college-housing program.

Mr. JOHNSON of Texas. What about the interest rate?

Mr. FULBRIGHT. That is the formula to which I refer. The interest rate is arrived at under the formula of the college-housing program, which we debated at great length last year. That is a formula which we believe does not cost the Government anything.

Mr. JOHNSON of Texas. As I remember, we had a yea and nay vote on that matter.

Mr. FULBRIGHT. The Senator is correct.

Mr. JOHNSON of Texas. Does the proposal provide that the borrower shall pay the Federal Government the going interest rate, plus one-quarter of 1 percent?

Mr. FULBRIGHT. It is the average interest rate of all the outstanding Government obligations, plus one-quarter of 1 percent for administrative costs. That is, stated very briefly, the formula.

Mr. JOHNSON of Texas. I congratulate the Senator for his vision and his foresight. I think he has presented a very constructive proposal. I hope the committee will hold hearings at the earliest possible date and that the hearings will be thorough and conclusive. I look forward to the time when the Senator will report the bill from his committee, by a bipartisan vote, for consideration by the entire membership of the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will yield in a moment.

I thank the majority leader for his remarks. I might say that I do not think I deserve all the credit. I believe this is a good example of the foresight of the Congress in passing the law in the 84th Congress which continued this planning activity. All the bill which I have introduced seeks to do is, so to speak, to carry the program on through to its logical conclusion and to put into effect what the previous bill anticipated, and for which I think it very wisely made provision.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. I am willing to have the Senator from Arkansas share the credit with the entire Congress. I wish to congratulate him for taking the initiative, for making a very able speech, and for submitting the proposal as well as fixing a date for hearings on it.

Mr. FULBRIGHT. I appreciate the Senator's remarks.

Mr. JOHNSON of Texas. I am happy the Senator has taken that action.

Mr. FULBRIGHT. I should like to point out that this is an example of what I call foresight on the part of the Congress, in looking down the line ahead to anticipate the day when we could use the plans, encouraging communities to make them, and supplying a small amount of money to help them do so.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Indiana.

Mr. CAPEHART. The proposed legislation the Senator from Arkansas is discussing, for which he would now have the Congress authorize up to $2 billion in loans, was introduced by the late Senator Maybank and the Senator from Indiana. The purpose at the time was to provide loans of money to communities affected by Government action. The Government was building Army camps or atomic energy plants, and of course the communities did not have sufficient funds to pay immediately the necessary costs, as a result of the heavy load thrown upon them.

If I remember correctly, the program really started because of an atomic energy plant being constructed in South Carolina, in connection with which the Government took over thousands and thousands of acres and made it necessary to move a number of cities and towns. When the towns moved, of course, they did not have sufficient money to build the community facilities, so we passed the law which provided that the Federal Government loan them money.

The law has been in effect for some time. As I say, that legislation was introduced by me and the late Senator Maybank, when the late Senator Maybank was chairman of the Senate Committee on Banking and Currency.

However, I want to invite the attention of Senators to the fact that we are now talking in terms of $2 billion of Federal money to be used for the purpose of stopping a recession which in my best judgment has already spent its course. If we will exercise just a little patience and give the things which the Congress and the President have started, time to work, we will——

Mr. FULBRIGHT. Mr. President, I do not believe I care to yield to the Senator so that he may expound upon that subject. I wish to finish my statement, and then the Senator can criticize it in any way he desires.

Mr. CAPEHART. I appreciate the feelings of the able Senator. I should like to say one thing before I sit down. I am afraid there is going to be an opportunity for large sales of liniment for backs, because Senators on the other side of the aisle are bowing to each other and congratulating each other on new theories.

Mr. FULBRIGHT. The Senator may expound further upon that subject. I do not care to yield at this time for that purpose.

Mr. CAPEHART. The Senator never cares to yield when he is being hurt.

Mr. FULBRIGHT. I do not care to yield for that purpose.

I should like to say that the able Senator from Indiana has expressed his views before on the state of our economy.

Mr. CAPEHART. I notice that the Senators on the other side are making very, very deep bows.

Mr. FULBRIGHT. The record as to the origin of this kind of legislation is also quite clear.

Mr. President, the Federal Government for many years has had programs to assist State and local governments and their political subdivisions in the planning and financing of such facilities. Various Government agencies in the past have participated in this responsibility. Some of the loan programs which were formerly administered by the RFC have been continued, along with other programs of other agencies, in the Community Facilities Administration, a constituent unit of the Housing and Home Finance Agency. This Administration is existing, active, and operating, with offices and programs throughout the United States. We do not need a new agency to facilitate local public works. Among the programs it administers are:

First. Advances for public works planning: A program of interest-free advances to provide a shelf of planned public works which might be placed under construction quickly should the economic situation make such action desirable.

Second. Public facility loans: A program to provide loans or to purchase the securities and obligations of States and their local political subdivisions and instrumentalities and public agencies, corporations, and commissions established under State laws to finance specific public projects.

The bill I am proposing has as its purpose to take off the shelf this backlog of planned public works, and through the public-facility-loan program put them under construction. Of course, it would also enable the construction of many projects planned without Federal advances, and others which have not yet been planned. Undoubtedly, there are many of these programs which also have been on the shelf because of credit restrictions or for other reasons, but which are vitally needed.

The public facility loan program, as I have said, has been in operation for a number of years. However, a system of priorities has been established which, in fact, has limited its usefulness. It has been useful recently only to the smallest communities with the worst credit ratings, and for only a few kinds of projects. The interest presently charged is 4⅛ percent for 30-year general obligation bonds and 4⅝ percent for 30-year revenue bonds. These rates may be compared with the following sample interest rates on municipal bonds of recent date. Top grade—Concord, N. H., 2.8 percent; AA—Memphis, Tenn., 3 percent; A—New York City and Fort Smith, Ark., 3.2 percent; and BAA—Hot Springs, Ark., 3.85 percent. Other recent bond issues of municipalities have sold at various rates. For example, a recent rate paid by Little Rock, Ark., was 3.03 percent,

and Quitman, Ark., a very small town, 4.5 percent. These rates are for general obligation bonds. Revenue bonds usually require interest rates of approximately one-fourth of 1 percent higher.

A comparison of these sample rates with those charged under the present public facility loan program will illustrate why the latter program is of limited use under its present interest rate requirements.

The bill I am introducing would apply the interest rate formula under the college housing loan program to the public facility loan program, resulting in a maximum applicable rate at present of 3 percent. I believe this would be of substantial help to many municipalities, and it would also tend to bring down interest rates, specifically for these types of securities, and generally throughout the economy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from Louisiana.

Mr. LONG. I believe the Senator will recall that some years ago—in 1955, to be exact—the junior Senator from Louisiana, along with other Senators, was urging that we should revive this program, whereby loans would be made available to the small communities. Such a provision was subsequently incorporated as an amendment in the housing bill which was passed that year.

The limitations which caused this program to be available primarily to small cities were placed in the legislation because that was about the only thing we could hope to get at that time.

I believe the Senator will recall that the RFC had been abolished, and many people were contending that the Government should not lend money if the money could be found elsewhere.

Many of us pointed out at that time that many small cities simply could not obtain loans. Therefore we established a $100 million revolving fund, and made that fund available to the small communities, which in many instances were unable to obtain credit.

As I understand, what the Senator is proposing is that this program should be made available today more broadly, and that those limitations should be removed. I agree that that is a good proposal, so long as we have available enough funds to enable more people to be cared for. As I understand, the Senator states that such would be the result. Funds would be available not only for the small cities, but for the larger ones as well.

Mr. FULBRIGHT. The Senator from Louisiana is quite correct.

I compliment him for the part he played in keeping this program alive in the instance to which he refers. He has always shown a great interest in helping communities in this fashion, and he has always had a very great and effective interest in keeping the interest rate as low as possible.

I believe the proposed interest rate is fair. At least, in my view, it does not involve any subsidy on the part of the Government. It takes into consideration the average cost of all Federal borrowings, and adds one-quarter of 1 percent for administrative costs. So I think it reimburses the Government for its out-of-pocket costs.

The Senator from Louisiana is quite correct in that the program takes into consideration the plans which have been made, and any other plans local communities have, and makes available money at reasonable cost.

I congratulate the Senator on his foresight in 1955, in foreseeing that this program would become very useful in the future.

Mr. LONG. I thank the Senator from Arkansas. I wish to join him in sponsoring the bill. I am sure it would be a very substantial advantage to our economy if it were enacted at this time. In the event this program is undertaken as an emergency measure, I hope it will not inadvertently lead to a discontinuation of the earlier program, which I believe should be continued in good times and bad. We should see that smaller communities always have available to them some agency to which they can go if credit is not otherwise available for essential sanitary facilities and things of that kind.

Mr. FULBRIGHT. I thank the Senator. I invite attention to the fact that under the terms of the bill even the small communities now taking advantage of the law would get a lower interest rate.

Mr. LONG. That is extremely desirable.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. NEUBERGER. I am most intrigued by the proposal being explained by the Senator from Arkansas. I should like to make several inquiries as to the particulars of the program.

Is there any limit as to the population or assessed valuation of a community which may be eligible under the proposed program?

Mr. FULBRIGHT. There is no limitation in the bill. If the Senator is referring to local limitations, under which many cities are placed by State law, I do not know about that situation. But there is no limitation in the bill.

Mr. NEUBERGER. In other words, my home community of Portland, Oreg., with a population of 420,000 to 430,000, would be eligible to seek loans under the terms of the bill?

Mr. FULBRIGHT. The Senator is quite correct.

Mr. NEUBERGER. I should like to ask about one particular type of program which is of a special interest and urgency to my State. We are distressingly far behind in the cleaning up of stream pollution, and providing sanitary districts to take care of sewage. This is of particular significance in Oregon, where we have such valuable migratory fish runs, which have been imperiled and jeopardized because rivers are full of sewage and chemical wastes of one kind or another. I should like to ask the Senator—although I think I can anticipate what his reply will be—whether or not the loans he has in mind would be available for projects to clean up rivers, and to help dispose of sewage.

Mr. FULBRIGHT. It is my belief that they would. There is this language in the bill: "and public land, water, and timber conservation facilities."

In the existing program sewage and water facilities have been two of the most eligible types of projects.

Mr. NEUBERGER. And most useful.

Mr. FULBRIGHT. And most useful. I certainly think the kind of program mentioned by the Senator would be eligible under the terms of the bill.

Mr. NEUBERGER. I thank the Senator.

I do not know whether the Senator from Arkansas welcomes cosponsors. If he does, I shall be glad to join as a cosponsor.

Mr. FULBRIGHT. I announced before the Senator entered the Chamber that I would welcome cosponsors. The bill will remain on the desk until tomorrow for the purpose of adding the names of additional cosponsors.

Mr. NEUBERGER. I would feel privileged to be listed as a cosponsor.

Mr. FULBRIGHT. The point which I think is particularly important is that these programs, large and small, many of which have already been planned, could be put into operation sooner than many comparable public-works activities. I favor the construction of dams in the Senator's State and in other States as soon as possible. However, it is quite obvious that many small projects could get under way much more quickly than the larger ones.

Mr. NEUBERGER. The Senator has a valid point.

Only a few weeks ago I was visited by Paul C. Northrop, roadmaster in Multnomah County, Oreg., in which Portland is located. He pointed out that an effort is being made to mobilize a tri-county sanitary district to take care of suburbs which are spread out from Portland, where sewage conditions are very deplorable because the population has grown so much faster than have the necessary plants to dispose of the waste. He emphasized how useful it would be if there were some Federal agency which could provide loans for this purpose at a relatively low rate of interest, so that the carrying charge would not be unbearable from the standpoint of the taxpayers.

The Senator has a very cogent point, and I am pleased to be a cosponsor of his bill.

Mr. FULBRIGHT. I thank the Senator for his contribution. The formula for the interest rate in the bill is arrived at by adding one-fourth of 1 percent to the average interest rate on all Government obligations at the end of the month preceding the borrowing. Thus, the borrower would be charged an interest rate on the basis of the cost of Government borrowings, plus one-fourth of 1 percent for administrative expenses.

The bill would also increase the amount available to the Community Facilities Administration from $100 million to $2 billion. It would direct the Housing and Home Finance Agency and the Community Facilities Administration to assist in the immediate construction of essential public works and public facilities which would enhance the health

and welfare of the public of the United States and would reduce unemployment and stimulate business activity. The loans made under the amended statute could run for as long as 50 years, and, in some instances, up to 55 years.

Another provision of the bill would authorize the postponement of the principal repayments up to 5 years, or postponement of all payments of principal and interest up to 5 years; but, if interest were so postponed, it would be added to the interest due over the balance of the life of the loan.

The status on the advanced planning program of the Community Facilities Administration is indicated by the following table. The table also indicates the immediate impact this bill could have by providing financing for the backlog, or shelf, of projects which have received advance planning grants and are ready for construction.

Mr. President, I ask unanimous consent that a table, showing the figures I discussed a moment ago with the majority leader, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Program of advances for public works planning—Status as of Feb. 28, 1958

Million

Total authorization, Public Law 345, 84th Cong	$48
Authorization available as of July 1, 1957 (additional $14 million available July 1, 1958)	34
Actual appropriation to date	17

	Number	Planning funds	Estimated project cost
Applications approved (net)	505	$11,492,504	$666,523,727
Applications under review	144	5,773,674	513,980,974
Total		17,266,178	1,180,504,701
Plans completed	263	4,336,275	299,618,857
Advances repaid	40	701,699	40,013,911

Mr. FULBRIGHT. This table shows that first, projects costing approximately $260 million are already planned and ready for construction; second, projects costing approximately $366 million have received Federal planning advances and planning has started; and, third, projects costing over $500 million are being reviewed for advances of Federal planning funds. This table does not account for local projects which have been launched without Federal help but which may be in need of favorable financing.

This table also reveals that appropriations for planning advances are inadequate to permit approval of applications now on hand. There are only $17 million available, and approval of pending applications would require $17,266,178—thus appropriated funds are practically exhausted as of March 1, 1958. I am advised that the President has requested $8.5 million in planning funds for fiscal year 1959, but that no money for this purpose is contained in the 1958 second supplemental appropriation bill. I urge the Senate conferees on this bill to take note of this situation and to do whatever may be possible toward including additional planning funds in the second supplemental bill. If this is not possible, then such funds should certainly be provided as soon as possible.

I call attention to the fact that the authorization for such funds is already in existence.

On February 19 of this year, Chairman Martin, of the Federal Reserve Board, was asked the following question:

Last year you will recall there were many—I do not recall whether you were one or not—who said that Federal, State, and local public works should be postponed to prevent adding to inflation. I wonder if you would agree that at this time there is no further need to keep the brakes on Federal, State, and local public works in view of the substantial decrease in spending in the private sector of the economy?

He replied as follows:

I would agree with that. I would say that there ought not to be at this juncture created works just for the sake of creating employment. They should be items that are needed and necessary and going to contribute something. They should not be just strawmen.

I agree with this view, and this bill is designed to accelerate necessary public works projects at the State and local levels. Many of these projects are already planned, and the Federal agency machinery is already established. By providing additional funds, at lower rates of interest, to launch these projects, the Federal Government can make a quick and fruitful investment in the general health and welfare of the Nation.

Mr. President, for the information of the Senate, I ask unanimous consent that a summary of the bill be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF A BILL ENTITLED "THE COMMUNITY FACILITIES ACT OF 1958"

The Community Facilities Act of 1958 provides that a $2 billion revolving fund, from which the Community Facilities Administration of the Housing and Home Finance Agency can make loans to States, or to cities, counties, and other State agencies, for the immediate construction of essential public works and public facilities.

This would be an expansion of an existing $100 million revolving fund now being administered by the Community Facilities Administration.

The bill's declaration of policy states that the immediate construction of essential public works and public facilities by States and State agencies would enhance the health and welfare of the people of the United States and would reduce unemployment and stimulate business activity.

Loans could be made directly or in cooperation or participation with other lending agencies. Loans could not be made for operating expenses of the agency or project, nor could they be made if credit were otherwise available on equally favorable terms and conditions. Loans must be of such sound value or so secured as reasonably to assure repayment. Loans may run for up to 50 years. However, up to 5 annual installments of principal and interest may be deferred, and in such a case the maturity may run up to 55 years. The loan agreement may also provide, if the borrower wishes, for postponement of payments of principal or interest or both for up to 5 years. This would not reduce the total of principal and interest to be repaid.

The $2 billion revolving fund may be borrowed from the Treasury, and interest must be paid to the Treasury at not more than the average annual interest rate on interest bearing Government obligations, at the end of the preceding month, adjusted to the nearest one-eighth of 1 percent. The borrowers may be charged interest at not more than one-fourth of 1 percent over the rate paid to the Treasury. The interest charged the borrower, within these limits, is to be based on the need to promote the public works and facilities and stimulate business activity and employment.

The terms public works and public facilities are broadly defined. The following are included within the terms: construction, repair, and improvement of public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other transportation facilities; public parks and other public recreational facilities; public hospitals; rehabilitation and health centers; public refuse and garbage disposal facilities, water, sewage, and sanitary facilities, and other public utility facilities; public police and fire protection facilities; public schools, libraries, offices, and other public buildings; and public land, water, and timber conservation facilities.

NOTICE OF HEARINGS ON S. 3497—COMMITTEE MEETING DURING SESSION OF SENATE ON WEDNESDAY

Mr. FULBRIGHT. Mr. President, I announce, for the information of all Senators, and the public, that on Wednesday afternoon the Committee on Banking and Currency will hold a hearing on Senate bill 3497, to expand the public facility loan program, and that we shall invite representatives of the Community Facilities Administration to present information on the proposed legislation.

Mr. JOHNSON of Texas subsequently said: Mr. President, while the minority leader is on the floor, did I understand the chairman of the Committee on Banking and Currency to say that he expected his committee to meet on Wednesday afternoon?

Mr. FULBRIGHT. I made that announcement a moment ago. I had conferred with the ranking minority member of the committee, and it was agreeable to him. He so stated while he was on the floor a moment ago. He is agreeable to having the committee meet on Wednesday afternoon. I did not have a chance to speak to the minority leader or to the majority leader with respect to obtaining permission to do so.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Banking and Currency may meet during the session of the Senate on Wednesday, if there is a session on that day.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object in this instance—as a general rule, I believe it is preferable to obtain permission for such a meeting each day. However, in view of the statement just made, I shall not object on this occasion.

Mr. JOHNSON of Texas. I am not sure that we will have a session on Wednesday. The Senator from Texas would like to say that it is not inappropriate to ask for such unanimous consent at any time, but believes it is proper to make such a request at any time after the matter has been cleared

by both sides, so that the committee may make its plans, except, of course, in the event a minority member of the committee has objected, or the chairman of the committee does not desire to call such a hearing.

The PRESIDING OFFICER. Without objection it is so ordered.

EXPANSION OF PUBLIC FACILITIES LOAN PROGRAM

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. COOPER. I have joined the Senator from Arkansas in the introduction of the bill. I should like to state briefly my reasons. I agree wholeheartedly with the statement made by the senior Senator from Indiana. I have no doubt myself that in time—I do not know how long, but I believe within a reasonable time—the strong forces which are latent in our economy will assert themselves and that we will move on to new advances.

It cannot be denied that during the last 5 years new confidence in the economy of this country has been established. This is true because the administration has brought into balance expenditures and income, and for that reason enabled a tax cut which, while criticized at the time, has stimulated an investment, unparalleled in our history.

Within that ground, it should be realized that much that has been said during the last 3 weeks, while it expresses a proper regard for those who are out of work, and our desire they be put at work, an objective which all of us with human spirit should support, it does not take into account the real strength of the country. I have no doubt myself that the administration has taken steps—and other steps will be taken as needed—which have started the remarkable economic advance that we have had in the country in the last 5 years.

A few days ago some of us on this side of the aisle joined in a statement advocating antirecession steps. It might not have been interpreted correctly. We advocated that any programs which were in existence under existing governmental agencies and for which funds were available, and which could be immediately put into action, should be accelerated as started by us. We named the housing bill, highway construction, the allocation of contracts, and several other items. We did not exempt one need, even if it involved new expenditures. We urged that the Federal Government, as a matter of humanity, appropriate money to maintain unemployment insurance for those whose insurance had been exhausted. This was a matter to which the junior Senator from New Jersey [Mr. CASE] addressed himself last week.

I join the Senator from Arkansas on his bill for another reason. I believe the distinguished Senator would agree that his bill would not, if enacted, have any immediate effect on employment. Other expenditures such as housing, highway construction, and defense expenditures can have immediate effect, but the proposal under consideration is a long-range matter. I like it for several reasons. First, it does use an existing program operated by an existing agency, the HHFA. Second, it does not call for grants to communities, it places assistance upon the basis of loans, which are repayable with interest. It could have, possibly, an effect upon the debt limit, but I assume that that matter would be adjusted to the needs and to the fund. I know of some communities in my State, such as Newport, Covington, Bellevue, and other cities, which wish to make sewage improvements. Some cannot do so, because the fund at the present time is limited to, I believe, cities of 5,000 or 10,000 population.

Mr. FULBRIGHT. It is 5,000, I think, under administrative ruling.

Mr. COOPER. That is an illogical limit, it seems to me.

Mr. FULBRIGHT. That has been the administrative practice. The law provides for 10,000, but it has been kept to 5,000, under the conditions which have existed.

Mr. COOPER. There are improvements like sewage facilities which affect the health of the community. There are other improvements, as streets, that are necessary. I assume when the bill comes out of committee there will be a provision in it with respect to the size of the community. I believe that some of the larger cities, can take care of their needs.

Mr. FULBRIGHT. I should like to observe at this point that some of the larger cities have credit ratings which enable them to get money slightly cheaper than the bill would provide.

Mr. COOPER. I close by saying that I would not at this time support a public-works bill such as I have been reading about, based upon a WPA pattern, or one which makes full grants to cities.

As I understand the proposal, it is based upon the use of an existing agency, the HHFA, which would make loans to communities. If the committee placed some limits upon the size of the community in which the funds could be available, or some means of taking into account the taxing resources of the city, and its ability to finance improvements, it would be a good bill.

I can see that it might have inflationary tendencies, and that would be the possibility of exceeding the debt limit. But if managed properly the benefits could far exceed these possibilities.

There is another reason why the bill interests me. Ever since I have been in the Senate on various occasions I have been a sponsor, or a cosponsor, of education bills. A few weeks ago much was said in the Senate about the defense of the Nation. Not much has been heard about it lately. As an element of defense, we were concerned about education in the Nation. We know the problems which make it difficult to secure passage of school-construction bills. I favor Federal-aid programs for school construction and teachers, a program which over the next 10 years would improve the educational facilities of the Nation so that they might meet the needs of the country. But we know the difficulties which are involved in getting this legislation passed.

The bill would provide a method by which towns and communities themselves could borrow money and construct such facilities.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CAPEHART. I shall listen with an open mind in the hearings. At the moment, I am not too certain that I favor the bill as it is written. I shall offer an amendment to the bill or a substitute if it is proposed to do what the able Senator from Arkansas [Mr. FULBRIGHT] and other Senators suggest should be done concerning Government guaranties of private loans, as the Government now guarantees FHA loans. My amendment would require that the interest rate be the prevailing interest rate, rather than to subsidize the different agencies which are piling up, day by day, through various proposals, literally billions and billions of dollars of debt, which, if the money should be spent, would cause the debt to go through the ceiling.

I do not think anyone is giving any thought to the solvency of the Nation. If it is necessary to do what is being talked about, I think it ought to be done on the basis of the prevailing interest rate, with the Government doing nothing more or less than guaranteeing the payment, as it does for FHA loans. The communities and cities which use the service should pay a fee, just as do the home builders of America. Let the Federal Goverment guarantee or insure the loans.

Mr. President, I serve notice that I shall offer such an amendment as a substitute for this kind of bill. I do not think the Nation can afford to be thrown further into debt. I do not see any reason in the world why, if this is a good, sound project—and there are many such—the regular, prevailing interest rate should not be paid. Why permit one city to get the benefit of a very low interest rate, while its neighbor, perhaps 10 or 20 miles away, is financing projects by itself and paying the going rate of interest?

I serve warning that I shall offer a substitute to the bill on that basis, if it seems to me that it is needed.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Who has the floor?

The PRESIDING OFFICER. The Senator from Kentucky [Mr. COOPER] yielded to the Senator from Indiana.

Mr. CLARK. My understanding was that the Senator from Arkansas had the floor. Did he yield it? I wanted him to yield to me.

The PRESIDING OFFICER. The Senator from Arkansas yielded to the Senator from Kentucky.

Mr. FULBRIGHT. I yielded under a unanimous-consent agreement that the Senator from Kentucky might speak briefly without my losing the floor.

Mr. COOPER. I had asked unanimous consent that the Senator from Arkansas might yield to me for a few minutes.

Mr. CAPEHART. Mr. President, I rise to the point of order that the Senator from Arkansas has no right to yield the floor for any purpose whatsoever, except to sit down.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. CAPEHART. Last week the subject of unemployment insurance was discussed at length. I said then that the fund contained about $8 billion.

On last November 30, the unemployment reserve fund was $9,190,000,000. From December 1, 1957, through February 28, 1958, which was 90 days, or 3 months, $553 million was expended from the funds by all 48 States of the Union and Alaska, leaving in the fund $8,600,000,000.

I hope the press will circulate those figures widely, because that information ought to give confidence to the people who are unemployed and all the other people of the Nation that the unemployment-insurance reserve fund at the moment, which is the fund from which the States can call upon the Federal Government for assistance, was $8,600,000,000 as of March 1.

I call attention to the fact that, despite the recession, only $553 million of the $9,190,000,000 was used during the past 90 days, or the 90 days prior to March 1. That is a little more than 6 percent in 3 months.

This means that if unemployment-insurance benefits are continued on that basis for the next 12 months, the amount used would be a little more than $2 billion from the reserve fund which on November 30, 1957, contained more than $9 billion.

That, I think, should be good news to the people. It is good news to the people. I think the time has arrived when Senators, Representatives, and reliable public officials should start to tell the people of the United States about the soundness of this reserve fund.

I think the soundness of the economy can be demonstrated by, for example, the news that retail sales in Washington last month were up 7 percent over a year ago. We ourselves ought to show some confidence in the strength of the economy. I liked the statement which the majority leader made this morning, when he said that he was more optimistic than he has been in a long while.

I do not mean to say that the things which Congress and the President have been doing are not good. I think they are. I think that accelerated public spending for certain projects is very much worthwhile, especially for projects for which it was intended to spend the money anyway. I simply say that the time has arrived when, in my opinion, we ought to stand still for a little while on these things, in order to show some confidence and faith in the economy, because the economy is sound.

Just as a man can be talked into being sick, so a nation can be talked into a depression. Let me quote what Mr. Truman said during the 1949–50 depression:

> A certain amount of unemployment, say, from three to five million, is supportable. It is a good thing that jobseeking should go on at all times. This is healthy for the economic body.

That was on February 15, 1950.

In January 1950, 5,063,000 Americans were out of employment. At the end of February of this year, approximately 5,100,000 Americans were out of employment—for all practical purposes, exactly the same number as the number unemployed in January 1950, when President Truman said that although that was not a healthy situation, the Nation could stand anywhere from 3 million to 5 million unemployed.

Personally, I wish not one person was unemployed. However, my point is that, in my opinion, Senators may be talking the country into a recession.

I am not receiving from Indiana any letters on this subject. The people from Indiana are not writing to me to request that Congress do many unsound things.

I believe Congress should begin to be optimistic, and should call attention to the good things, and should help instill confidence.

At the same time, let us do the necessary things. But let us not overdo them—which is what I believe the Congress is doing now.

Mr. MANSFIELD. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. MANSFIELD. Mr. President, I never thought I would live to see the day when the Senator from Indiana would quote something President Truman said in 1950, in order to paint a rosy picture of the economy at this time.

I believe the country is in a recession. Certainly I do not rely on the figures circulated in Washington, D. C. I think too many Members of Congress have their noses buried in the District of Columbia.

In the State of Montana—from which I am receiving a great deal of mail on this subject—a depression exists, because, as I tried to point out earlier today, 63 percent of the miners who were employed a year ago in the Butte mining camp are out of work now, and 75 percent of the trades people and members of the crafts who work in and around the mines there are now out of work.

In Montana as of February 22, 14.9 percent were drawing unemployment compensation benefits; and that figure does not include those whose relief payments have run out or those who work for themselves or those who work on a part-time basis.

I wish to say to the Senator from Indiana that it is time for this administration and the Congress to wake up, because, although some might call the present condition a recession, unless something is done in the next several months, believe me, it is going to be a depression.

Let me call the attention of the Senator from Indiana to a particular aspect of the matter, which seems to have escaped the notice of the administration, the people, and the Congress, together: One of the things Mr. Stalin said at the end of the Second World War was that he was looking forward to the inevitable depression which was going to occur in the capitalistic United States; and that when that day came, he felt that his ideology would "make hay."

That is the danger. As one who went through the depression of the 1930's, I never want to see those days return. If they do, this country will pay a terrible price.

So I say it is time for the Congress and the administration, together, not to issue "chins up, eyes front" statements, but to begin to take action, and to see to it that the American people are given, not charity, but jobs.

Mr. CAPEHART. Mr. President, I wish to state that the Senator from Montana is 100 percent correct; but we should do it by removing the roadblocks which hinder private industry. We ought not throw more roadblocks in the way of private industry. We should permit private industry to do the job. To do it the way too many people are suggesting today would be to do it in Mr. Stalin's way, which was for the Government to own everything—of course, in Russia the government owns everything—and for the government to handle all these matters, and for the government to provide employment. As we know, in Russia everyone works for the government. Many of the suggestions we have heard of late would have the United States duplicate the socialistic system. We must be very careful, as a result of all such suggestions, we do not permit that to happen.

Mr. President, I have not heard anyone suggest that the Congress take steps to help private industry put more Americans back to work. All the suggestions I have heard around here have been on the basis of taxing the American people and having the Federal Government spend the money.

I am willing to have Congress do things that will permit private industry to increase its employment. Either the United States will have a society and a Federal Government in which the Government owns everything and does everything and spends all the money; or the United States will have a free, private-enterprise system.

Let us do things that will take the shackles off business. Let us permit private industry to do the necessary things.

Mr. MANSFIELD. Mr. President, will the Senator from Indiana yield for a correction?

Mr. CAPEHART. I yield.

Mr. MANSFIELD. Last week, did not the Senator from Indiana vote to have the excise taxes on automobiles and other manufactured products reduced—which, in turn, would have helped private industry?

Mr. CAPEHART. Certainly I did not vote for that amendment. However, I shall vote for that proposal when it is brought forward as a separate bill. But I refused to vote for it as an amendment to the bill which was before the Senate last week.

Mr. MANSFIELD. Last week the Senator from Texas and others of us advocated giving that help to private industry. Why did not the Senator from Indiana vote for that amendment?

Mr. CAPEHART. The Senators who advocated the adoption of that amendment were not fooling anyone; we know

that the proper way to handle that matter is to introduce such a bill and have it considered by the appropriate committee and reported to the Senate. The Senators who advocated the adoption of that amendment last week were not fooling me or anyone else about that move.

Mr. MANSFIELD. I hope we were not fooling the automobile manufacturers.

Mr. CAPEHART. Mr. President, I make no apologies for being fearful that Members of Congress and other high officials may talk the country into a recession. I make no apologies for being fearful that the Government may spend billions and billions of dollars in an effort to create jobs—made jobs—when it would be better to consider how to take the shackles off private industry and permit private industry to provide the needed jobs.

However, Mr. President, the Congress is fast moving down the road in the direction of having the Government do all these things. I have not added up the cost of all the proposals which have been made of late in the Congress, but certainly they will run into the billions and billions and billions of dollars.

That is why I said a moment ago that when the bill of the Senator from Arkansas [Mr. FULBRIGHT] comes from the Banking and Currency Committee I shall offer an amendment in the nature of a substitute. I do not particularly like the idea of having the Government guarantee private-enterprise loans, but I shall offer a substitute to the effect that the Federal Government shall guarantee or insure the loans in the way it is done under the FHA.

So, Mr. President, Senators had better stop, look, and listen before too many roadblocks are thrown in the way of private industry.

I believe it will be just as easy for all of us to devote our thoughts and our attention to figuring out ways and means to help private industry put the unemployed back to work; that will be just as easy for the Congress as it would be to figure out ways and means to spend the taxpayers' money in order to have the Government provide employment.

I say reservedly, and with apologies, that little intelligence is required to introduce a bill providing that the American people be taxed $2 billion in order to do this, that, or the other thing. But intelligence and ingenuity are required to draw up a bill to help the private-enterprise system in the Nation do the necessary job. However, as I have said, little intelligence or ingenuity is required to propose the spending of $2 billion, $4 billion, $6 billion, $8 billion, $10 billion, or $12 billion. Anyone can work out such a bill.

Mr. President, the Members of Congress should get together and should figure out the ways and means to do the job, if it needs to be done; and I am the first to say that it will need to be done if the depression or recession gets any deeper.

But my best judgment is that we have checked the recession. In that connection, I give the Congress—including every Member of the Congress—much credit, and I also give the President much credit, for taking certain actions.

But I say the time has come when we should stop talking about it, and should permit some of the things the President has suggested, or some of the things the Congress has suggested to the President, to take effect. Certainly there has not yet been time for them to take effect.

Mr. CLARK. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. Mr. President, I believe I have concluded what I wish to say at this time. On tomorrow, I shall have more to say.

Mr. CLARK obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. MANSFIELD. It has been interesting to listen to the Senator from Indiana. I do not see how we can talk ourselves into prosperity any more than we can talk ourselves out of a depression. I desire to point out that, in addition to my own State's having 14.9 percent of its employable workers on unemployment compensation, in the State of Idaho—this was true on February 22—the figure is 12.4 percent. In the State of Kentucky it is 12.3 percent. In the State of Oregon it is 12.3 percent. In the State of Michigan it is 12.2 percent. In the State of the present Presiding Officer [Mr. HOBLITZELL], West Virginia, it is 12.2 percent. In North Dakota, it is 11.7 percent. The national average is 7.9 percent. Those figures do not include persons partially employed or self-employed.

I do not know what the Senator from Indiana means when he says the Government should not do this, that, or the other thing, because, is it not true, insofar as the highway program is concerned, it is private industry that builds the roads and gets the contracts?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I think I have the floor.

Mr. MANSFIELD. So far as housing is concerned, private industry builds the houses and gets the contracts. I think the facts should be laid on the table. We had better face the facts as of now, and not be going back to the days of McKinley, or even Truman.

Mr. CAPEHART and Mr. MONRONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. CLARK. I am happy to yield to the Senator from Indiana, or to any other Senator, with the understanding that by so doing I do not lose my right to the floor.

Mr. CAPEHART. The figures the Senator from Montana gave us refer to those drawing unemployment insurance.

Mr. MANSFIELD. That is correct.

Mr. CAPEHART. There are literally millions of people who do not draw unemployment compensation.

Mr. MANSFIELD. And some who are not working do not draw unemployment compensation.

Mr. CAPEHART. And some who are not working do not draw unemployment compensation. I know that as well as the Senator from Montana does. I am not unmindful of that fact. I again want to say I make no apologies for trying to solve this problem in the private enterprise way, and not trying to solve the problem in what I consider to be the socialistic way of taxing and taxing the American people and putting people to work through that method. We may have to do it; I do not know; but I am going to be against it as long as I can be. I want to try to do it through the private enterprise route, by finding ways and means of helping private enterprise put people back to work, and not by putting that burden on the Federal Government.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I had obtained the floor for the purpose of engaging in a brief colloquy with my friend from Arkansas [Mr. FULBRIGHT], whose bill I have cosponsored. I shall not take more than 2 or 3 minutes, and then I shall yield the floor.

Mr. MONRONEY. Mr. President, I am also a cosponsor of the bill, and am very enthusiastic about making available for smaller cities, financing within 50 percent of what the larger cities enjoy in the big market, and seeing that the smaller cities enjoy the kind of cheaper financing which the bill provides.

Mr. CLARK. I could mention to the Senator 12 or 15 cities in the Commonwealth of Pennsylvania which are in that category.

Mr. President, I was happy to cosponsor the bill introduced by the Senator from Arkansas. I particularly desire to commend him for the fact that he has undertaken to fix interest rates for loans to help finance the construction of facilities at a rate identical to that applying in the college-housing loan program, which he sponsored, and which has been in effect with such great help to our educational institutions.

I find myself regrettably in complete disagreement with my friend from Indiana [Mr. CAPEHART] in his thinking that we ought to have high interest rates and a private market for loans in this kind of public works program, which definitely has behind it an antirecession purpose.

I am also happy that the Senator from Arkansas has undertaken to include public schools among the public facilities which can be financed with the loans. So I am happy to cosponsor the bill.

However, I say, in all candor to my good friend from Arkansas that, in my judgment, highly desirable though the bill is, it is not really going to have any helpful effect in the many depressed areas throughout the country, where unemployment is critical and has existed since long before the present recession occurred. As he knows, there are now pending before the Banking and Currency Committee, of which he is the distinguished chairman, bills offered by the administration, and a bill offered by the distinguished Senator from Maine [Mr. PAYNE], who is now present on the floor,

and a bill offered by the Senator from Illinois [Mr. DOUGLAS], of which I and other Senators are cosponsors. I do not know whether the name of the Senator from Oklahoma is on the bill, but I believe he is in sympathy with the principle involved therein. I hope we shall be able to have prompt action on one or more of those bills at the earliest possible time, because my people in Pennsylvania—and this is true in many other States where critically depressed conditions have continued for many years—are crying for action and need action now.

The chairman of the committee and I are in disagreement with respect to the political philosophy involved in the depressed areas bill; but I wanted to make it clear, that in cosponsoring his bill, which I endorse completely, I am not yielding the feeling I entertain that we must have area redevelopment legislation in this session of Congress, and the quicker we can get it, the quicker we shall put people back to work. I hope my good friend is going to give some of the rest of us on the committee time to convince him that our views have some merit.

Mr. FULBRIGHT. Was the Senator asking me a question, or was he giving me a lecture? It was not clear.

Mr. CLARK. I would certainly never willingly attempt to lecture the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Will the Senator yield for——

Mr. CLARK. In a second. I want the RECORD to be very clear that nothing is farther from my mind than an attempt to lecture the Senator from Arkansas, who knows so much more than I do about the subject. I would never want to be in the position even of seemingly attempting to lecture him. I was referring to an opportunity to have a hearing on the bill.

Mr. FULBRIGHT. I understood the Senator to say he wanted me to wait for a question. I do not know whether he has asked a question.

Mr. CLARK. The question is, Can we have a hearing on the depressed-areas bills?

Mr. FULBRIGHT. The Senator knows the bill to which he has made reference, and the other bills on the subject, are before the subcommittee and have not been reported to the full committee. I presume the Senator from Illinois [Mr. DOUGLAS], who is a sponsor of that type of bill, is eager to have hearings. I further should like to point out that the recession, or the so-called depression, that has occurred in some of the coal towns, particularly in Pennsylvania, has now spread to the whole United States. The bill which we are discussing, and others, propose to meet the problem, I think, on a national basis, and not upon a single-community basis.

Mr. PAYNE. Mr. President, will the Senator from Pennsylvania yield so I may ask a question?

Mr. FULBRIGHT. I do not think the bill is a cure-all for conditions in communities whose economy is based on natural resources or some other peculiar asset or resource. The bill does not offer to be a cure-all for all the ills of the Nation, in all its diversities; and no other bill will be, in my opinion. So far as hearings are concerned, I think the subcommittee is ready, willing, and able to hold hearings. It has not reported to the full committee. When it does, I think the full committee will consider the bills.

Mr. CLARK. Let me say it is my understanding the subcommittee has completed hearings.

Mr. FULBRIGHT. It has not reported the bill.

Mr. CLARK. It has not reported the bill, for reasons with which I think my friend is familiar. The fact of the matter is we have already created a precedent in our committee by bringing before the full committee the Sparkman housing bill. We are about to create a precedent by bringing before the full committee the bill introduced by its chairman [Mr. FULBRIGHT]. I hope we may have an opportunity to bring before the full committee a depressed areas bill.

Mr. FULBRIGHT. Of course, the bills the Senator has referred to are extensions of policies already existing, the basic principles of which have been approved, and constitute existing law. It is not customary to take a new, highly controversial issue, and bypass the subcommittee.

Mr. PAYNE. Mr. President, will the Senator from Pennsylvania yield for 1 minute?

Mr. CLARK. I shall be happy to yield to the Senator from Maine in a moment, but I wish to make another point first.

Mr. FULBRIGHT. Especially when the chairman of the committee feels strongly about such a controversial issue. That is customary in the committee system.

Mr. CLARK. The chairman of the committee is entitled to his views, which I respect, even though I do not agree with them.

The chairman will recall that in 1956 the Senate passed a bill practically identical with that which is held up in the committee. Therefore, we are not discussing a new measure.

Mr. FULBRIGHT. I do not think the Senator is fair in holding the previous action against me, because the Senator knows that under great pressure, and very reluctantly, in order to be sort of friendly to certain colleagues, I finally agreed to the bill at that time. For that matter to be brought up against me now will only make it difficult to be agreeable in the future as to some of these highly controversial measures.

Mr. CLARK. I am sure the Senator from Arkansas will always remain friendly.

Mr. FULBRIGHT. I was not in favor of the bill then; at least I was not very strongly in favor of it. Today the recession or depression is nationwide, and it ought to be met on a nationwide basis, not upon a particularized basis pertaining to a few special cases.

Mr. CLARK. Mr. President, I am sure the chairman's sunny disposition and friendly attitude toward all his colleagues will continue, and we shall shortly have a day set aside for hearings on these bills.

May I point out what has happened? Over a layer of an existing depression in Maine, Pennsylvania, and elsewhere, which lasted a long while, there has been superimposed another layer, creating a bad current recession.

The bill of my good friend from Arkansas, which I was happy to cosponsor, will take care of only the second layer, not the first.

Mr. President, I shall now be glad to yield to the Senator from Maine.

Mr. FULBRIGHT. Before the Senator from Pennsylvania yields, may I ask him to ask the Senator from Illinois to report the bill?

Mr. CLARK. I shall be happy to do so.

Mr. President, I yield now to the Senator from Maine, who wishes to address himself to the Senator from Arkansas, and I ask unanimous consent that I may so yield without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? Without objection, it is so ordered.

Mr. PAYNE. Mr. President, I, too, wish to inquire of my good friend, the Senator from Arkansas, who is the very distinguished chairman of the Committee on Banking and Currency, with relation to a couple of matters.

The indication was just given in a statement, unless I misunderstood the effect of it, that the proposed legislation had come before the subcommittee, but had not been reported, and, therefore, as I understood the implication, was a proposal of a type which probably should not be considered at this time. Is that inference correct?

Mr. FULBRIGHT. All I wish to say is that the proposal before the subcommittee is not an expansion of an existing program, such as the housing bill was. That distinguishes the proposed legislation from the treatment given the housing bill. The subcommittee should pass upon the matter. When the subcommittee passes upon it and refers it to the full committee we shall certainly take it up, in due time.

I suggest that the Senator address his pleas to the chairman of the subcommittee.

Mr. PAYNE. The Senator from Maine, I assume, understood the chairman of the committee correctly as to the matter.

I believe the Senator from Pennsylvania pointed out a moment ago that a bill very similar to the one which is before the subcommittee for consideration was reported by the subcommittee, was reported by the full committee, and was passed by the Senate 3 years ago.

Recently I addressed a letter to the very amiable chairman of the committee with reference to the legislation we are discussing at present, which would have an effect upon the areas which have had their economies dislocated because of certain economic conditions which simply will not be corrected by the type of work being proposed in the bill the Senator from Arkansas has introduced. There has been a complete change in the

complexity of the situation in certain given areas.

Let me simply state that in my letter to the Senator I requested that a hearing be scheduled before the full committee. I requested a hearing before the full committee on the administration bill, on the bill introduced by the Senator from Illinois [Mr. DOUGLAS], and on the bill I introduced.

What was the reply? The reply was to the effect that it could not be done, because the committee was busily occupied with numerous other measures, and examples were cited. I wish I had a copy of the letter with me. There was cited, however, date after date after date after date when it was going to be impossible for the full committee to give consideration to the proposed legislation, notwithstanding the fact that the many people who are idle in these communities are not going to be helped too much, as the Senator from Pennsylvania has stated—which is true—by the legislation now being proposed.

My question is, How does it happen that all of a sudden, after last week's correspondence, in which it was stated the Senate Committee on Banking and Currency could not hear the matter because the full committee was so rushed with hearings on other bills, today on the floor of the Senate we have introduced a piece of proposed legislation which was referred to the Senate Committee on Banking and Currency and as to which notice was given, sir, that hearings will be held on Wednesday of this week before the full committee?

Finally I desire to say, before the Senator answers, that this will be very good news, I am sure, to the thousands of unemployed textile workers in the area of Saco and Biddeford, to those who are out of employment in Lewiston and Auburn, and other areas of the United States, to the coal miners and others in Pennsylvania, of whom the Senator from Pennsylvania [Mr. CLARK] has spoken, and to those for whom the Senator from Illinois [Mr. DOUGLAS] has been working. It will be wonderful news to them that proposed legislation which would help straighten out their situations, by revitalizing the economies of the areas and making a change in the whole approach, is lying dormant in the committee and has lain dormant there now for over a year—for nearly a year and 3 months—without a single bit of interest shown in it or action having been taken by the full committee. Despite that, the bill relating to housing was brought up—and I was in favor of it—and passed by the Senate within about 3 or 4 days, and now the Senator from Arkansas is proposing the identical system of maneuvering in connection with the bill he has today introduced. I am not sure that I am not in sympathy with the bill to a great degree, but not to the point where I shall be willing to lend my name to it now, since the other bill has been held up for more than 15 months.

Mr. CLARK. Mr. President, I shall be happy to yield to my friend from Arkansas, and I ask unanimous consent that in so yielding I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, several observations could properly be made. As a matter of fact, the committee is very busy. The hearing for Wednesday had to be scheduled in the afternoon. The Senate will be in session.

The importance of this type of legislation, that is, the bill I have just introduced, in connection with the immediate problem of the recession has been recognized by many Senators and by the majority leader, who specifically requested that we fix a date for the hearing at the earliest possible time. I could not set aside the hearings which had been scheduled for this week on the bill in which the Senator from Oklahoma [Mr. MONRONEY] is very much interested, and as to which plans have been made long in advance.

As I have said, the measure I have introduced relates to an expansion of an existing program. I think it is noncontroversial. Therefore, the bypassing of the subcommittee is in accord with the practice which we have followed with regard to housing, and the practice which we follow in many other similar instances.

That procedure has nothing in common with the proposed legislation in which the Senator is interested. That legislation which passed the Senate in 1956 was then reported by the Labor Committee. I think the Senator has pointed out and has indicated the nature of the difficulty. The Senator assumes by his statement that the Congress by enacting legislation can correct inherent basic difficulties which arise in a community where the character of the business of the people has changed. For example, the Senator has mentioned coal.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Let me say a word, please.

I used to be interested in a company which made farm wagons. That company went out of business completely. There was not anything Congress could do about it. People simply do not use farm wagons anymore. I do not think any bill could have helped that situation.

If the coal industry is depressed, as it is, it is also certainly true that mostly it is depressed in the marginal areas. However, I notice from the reports that the Consolidated Coal Co. has reported the highest earnings in its history. The story is not all bad.

There are many of us who do not accept the principle the Senator from Maine thinks is self-evident, namely, that by waving a wand we can re-create the fundamental prosperity of every town in Maine which is suffering from a depression.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Let me say that is not something which is self-evident, as the Senator assumes, whereas the measure which is being set for hearing Wednesday afternoon relates to an existing program. It relates to something Congress has approved. It relates to a program in being. It has been a bipartisan matter.

A moment ago the Senator from Indiana [Mr. CAPEHART] made some remarks that confused me. At first he took credit for sponsoring the program. The next moment he was denouncing it as socialism. I was not sure where he stood.

In any case, Congress enacted the program. It is in being. So far I know of no one who has seriously questioned the basic validity of the idea which is involved, and which is proposed to be expanded by the legislation I have proposed. If there were great controversy, and the subject required thorough hearings, it would be referred to a subcommittee, as is the usual practice.

Mr. PAYNE. Mr. President——

Mr. CLARK. Mr. President, I still have the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. CLARK. I make this point only because at an earlier time the floor was lost because a technical point was raised. Ordinarily I would not make the point.

I ask unanimous consent that I may yield further to the Senator from Arkansas without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I had in mind one further point, because of the vigorous attack on the procedure by the Senator from Maine.

The chairman of the subcommittee, the distinguished Senator from Alabama [Mr. SPARKMAN], was in favor of the procedure in the handling of the housing bill, as was the Senator from Indiana [Mr. CAPEHART]. No one thought there was any need of hearings in the subcommittee. As I pointed out previously, bills similar to the Payne bill are before the subcommittee. Hearings have been held, and no report has been made to the full committee.

I do not think the Senator from Maine has any complaint.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Maine with the same understanding, that I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PAYNE. I should like to make one further observation. This is a brand-new approach to the problem. It is something to which the Congress has never given any consideration over the years. What is proposed by this legislation with respect to distressed areas and dislocations of the economy is a brand-new approach.

My good colleague the Senator from Arkansas is a very high-ranking member of the Committee on Foreign Relations. Does he want the RECORD to indicate to the American people, to the unemployed textile workers, to the unemployed in the coal industry, and in industries in other areas of our country that we have not had programs—some of which, I am sure

have been proposed by my colleague—of foreign aid based upon certain philosophies of technical assistance to various areas of the world, in an effort to help the people of other nations to rebuild their economies? Does the Senator wish to say that such programs have not been considered by the Congress?

Mr. FULBRIGHT. If the Senator is suggesting that the groups he has in mind are illiterate and know nothing about modern techniques——

Mr. PAYNE. The Senator knows better than that.

Mr. FULBRIGHT. The present situation is not at all comparable with the point 4 programs.

Mr. PAYNE. What did we do when we went into some foreign countries which previously had industries, which were in such a condition as to be almost nonexistent? We built up a new economy for them. The money of the taxpayers of the United States was used for that purpose. I did not object to it. I supported that program. I am simply asking that our own people, whose economy has been dislocated by reason of certain policies, receive the same consideration which we are giving to other countries. The committee is not giving such consideration.

Mr. CLARK. Mr. President, let me say in conclusion that I believe the colloquy has demonstrated that there is strong bipartisan support for an area redevelopment bill. The distress in Maine, Pennsylvania, Montana, and other States and communities is not Republican distress. It is not Democratic distress. It is American distress. It has existed for a shameful length of time. It is a disgrace to our country that we have done nothing about it up to this time.

I hope with all my heart that arrangements can be made by which Members of this body, will have an opportunity, on a bipartisan basis, to express their views as to whether that shameful condition shall be brought to an end by effective aid from the Federal Government.

I honor my good friend from Arkansas. Perhaps I have spoken with more heat than I should have spoken. The Senator from Arkansas is sincere in his views. He is a man of great compassion, with an interest in the welfare of the unfortunate.

I hope with all my heart that an opportunity will be given to the Committee on Banking and Currency to vote on area distress legislation at the earliest possible moment, and that an appropriate bill may be reported to the Senate.

Mr. PROXMIRE. Mr. President, I desire to congratulate the Senator from Arkansas [Mr. FULBRIGHT] for his introduction of the community facilities bill of 1958. I am glad to be associated with him as a cosponsor of the bill. I think the bill is wise and sound and is urgently needed.

I favor passage of the bill, for two reasons:

First, it will make it possible immediately to commence local projects and, in doing so, to put people to work.

Second, it will keep interest rates low; and it also will keep down local taxes, which by and large are regressive.

RAMON MAGSAYSAY, AUGUST 31, 1907–MARCH 17, 1957

Mr. KNOWLAND. Mr. President, 1 year ago on this day, the life of one of the great patriots and leaders of this age was tragically crushed out against a mountainside far off in the Philippines.

Americans who knew him respected President Magsaysay as fully as did his own countrymen. Though 10,000 miles from this Chamber, the ideals and spirit of that man are as close to our hearts as if he were one of us. Indeed, the nobility of purpose of Ramon Magsaysay's life stands as an image for all men who cherish liberty and justice to emulate.

He rose from humble beginnings in Zambales Province, just north of historic Bataan, to become first a garage mechanic and later the manager of a local bus line. When the American Army requisitioned his trucks, he himself voluntarily went with them to the war. The fall of Bataan found him organizing a guerrilla force in the mountains of his native province. His forces were so successful during the dark days of the Japanese occupation that they were able to clear the enemy from the entire Zambales coast. The long-awaited return of American troops found Magsaysay leader of all the guerrilla forces in western Luzon under orders from General MacArthur.

After the war he was elected to the Congress of the Republic of the Philippines, where he worked tirelessly for the welfare of his fellow veterans of the war. Twice he visited Washington on missions in which he showed the honesty, strength of purpose, and the tremendous vitality with which he later won for his country victory over the Communist armed aggression that threatened to annihilate it.

In September 1950, he was appointed Secretary of National Defense. Seeing the growth of the Communist Huk movement in the face of inadequate resistance from an army weakened by corruption and war-weariness, he revamped and revitalized his department. He personally set the standard of honesty, efficiency, and concern for the people. His insistence that the Philippine Army live up to this standard inspired his troops with enthusiasm and won the campaign that destroyed a powerful, organized Communist guerrilla force of 10,000 armed men.

As a result of his inspiration, the Philippine people overwhelmingly chose him as their new President. Not satisfied with mere military defeat of communism, Magsaysay launched the second great campaign of his public life. In the interest of political stability and social progress, he personally waged an effective fight against corruption in government, the great despoiler of the Nation's wealth. To destroy the treacherous allure of communism to the ignorant and poverty stricken, he led in the building of a better life for his people. Resettlement programs, land reforms, agricultural credit facilities, barrio—village—road development, education, social security, and public health improvement were some of the blessings he brought to a people that had known chiefly poverty and oppression aggravated by political corruption. His example of honesty and concern for the people was soon reflected in improved performance in every phase of Philippine Government activity.

In foreign relations he was just as courageous and imaginative in leading his nation to the signing of the Southeast Asia Collective Defense Treaty in Manila, and in encouraging every measure to check the infection of today's greatest threat to the world, communism.

The chief gift of his life unstintingly offered to his people was hope. Hope for more meaning to their struggles. Hope for a good life of freedom, dignity, and spiritual and material improvement.

His passing in the prime of life, before seeing the fulfillment of his great vision for his country, was a loss felt far beyond the Republic of the Philippines. In the words of our Secretary of State:

> That loss falls also everywhere upon those who, having liberty, would preserve it; upon those who never having had liberty, would gain it; and upon those who having lost liberty, would regain it.

We who viewed from afar his life of sacrifice and danger can console ourselves with the knowledge that 100 years from March 17, 1957, no less than 1 year from that fateful day, the truly great spirit of Ramon Magsaysay will live on to inspire and motivate the struggles of free men against enslavement.

EXTENSION OF TIME FOR FILING OF REPORTS BY COMMITTEE ON THE JUDICIARY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time for the filing of reports by the Committee on the Judiciary, required by Senate resolutions, be extended to March 31, 1958. The resolutions referred to are Senate Resolutions 49, 52, 53, 54, 55, 56, and 58.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETRIFIED FOREST NATIONAL PARK, ARIZ.

Mr. MANSFIELD. Mr. President, earlier today, on the call of the Calendar, consideration of Calendar No. 1381, S. 2359, was deferred because the House bill had not come to the Senate. Since that time the House bill has been received. I therefore ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2359.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2359) to authorize the establishment of the Petrified Forest National Park in the State of Arizona and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate the House bill, H. R. 8250.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 8250) to authorize the establishment of the Petrified Forest National Park, in the State of Arizona, and for other purposes, which was read twice by its title.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the House bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 8250) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. The Senate having just passed H. R. 8250, S. 2359 will be indefinitely postponed.

UNITED NATIONS CONTROL OF OUTER SPACE

Mr. MANSFIELD. Mr. President, once again the United States has been placed on the defensive in the cold war. Once again we find ourselves in a position where we must explain, and justify, and stammer.

This situation would be deplorable enough if it resulted from a weakness in our position. But it is even more tragic than that. The fact is that we led our weakest cards from a position of strength.

This morning's New York Times carries an article by a distinguished diplomatic correspondent, E. W. Kenworthy. The headline over this article is very revealing. It says: "United States Aides Concede Soviet Space Plan Is Propaganda Gain."

This article quotes our own officials as saying that the Soviet proposal for United Nations control of outer space "was a brilliantly conceived, executed, and timed propaganda stroke." And it is difficult to disagree in honesty with that estimate.

The fact that the Soviet proposal is merely a mask for unacceptable conditions will be little noticed by the world anxious for peace. The impact will be simply that the Soviet Union wishes to use outer space for peace while the United States hesitates and stands firm only on negative proposals.

Mr. President, there is no excuse for this situation. The potentialities of outer space for bringing peace to this world were first stated by the Senate majority leader, the senior Senator from Texas, LYNDON B. JOHNSON, on January 14 of this year in a public statement. He said:

> Further, it would be appropriate and fitting for our Nation to demonstrate its initiative before the United Nations by inviting all member nations to join in this venture into outer space together.

This statement struck a responsive chord in the breasts of people everywhere. On January 31, United Nations General Assembly President, Sir Leslie Munro, suggested a United Nations conference of scientists and diplomats to study control of outer space. He said, at the time, that the world was looking for someone to bring the issue to the United Nations.

On February 3, the Senate majority leader once again spoke on this question—this time to the Senate. His words are well worth recalling and I wish to quote a few paragraphs from his statement:

> There is no point in deluding ourselves that we can just call off the arms race on our own initiative. There is no point in debating why they do not call off the arms race at their own initiative.
>
> The only worthwhile discussion is what is said in the effort to find ways and means of breaking the logjam—of bringing the tragedy of the cold war to an end.
>
> This is the time to act—now, while the satellites are searching for facts instead of for targets.
>
> I would hope that our leaders would give urgent consideration to a proposal for joint exploration of outer space by the United Nations. I would hope that this proposal could be pressed earnestly, vigorously and with all the sincerity at our command.
>
> No one would stand to lose by this proposal. The alternative is a disorderly arms race which can end only in death and destruction.

Mr. President, had those words been heeded at that time, we would not find ourselves in our present predicament. We would be standing before the world in our true garb—that of the nation which desires peace and which is willing to take the necessary steps.

Instead, we have blundered into the world of George Orwell in which the aggressor carries the banner of the peacemaker, and the peacemaker is forced to carry the banner of the aggressor. And it would be a great mistake to underestimate the impact of such propaganda on the uncommitted portions of the world.

Mr. President, no one of us carries a crystal ball which actively predicts the future. We can only hope that the historians who describe that future after it has happened will not describe this particular chapter of American history as the age of timidity and defeat.

A proposal was advanced by the Senate majority leader. The President's special adviser on disarmament endorsed it. The Senate minority leader said he thought outer space should be handled by the United Nations.

The distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] lent his full support to the proposal, as did the distinguished senior Senator from Tennessee [Mr. KEFAUVER]. If I recall correctly, the Secretary of State, while he took no action on the proposal, thought it could be used as a step in the right direction.

At least, the Secretary of State said the idea was under consideration. Then the Soviet Union picked up the ball and ran with it dangerously close to a touchdown.

Mr. President, the stakes are enormous. They include the future of our Nation. They also include the concept of freedom as a social system whereby the affairs of mankind can be conducted.

We cannot forever depend upon a merciful God to save a people whose leadership handles so lightly the responsibilities which have been entrusted to it.

The responsibility here is plain. Congress can propose and Congress can authorize. But only the executive branch can conduct the foreign policy of this Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the article written by Mr. Kenworthy, of the New York Times; the statement made by the Senate majority leader on February 3; the speech made by the Senate majority leader before the Columbia Broadcasting System affiliates in Washington on January 14, 1958; and certain other excerpts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 17, 1958]

UNITED STATES AIDES CONCEDE SOVIET SPACE PLAN IS PROPAGANDA GAIN

(By E. W. Kenworthy)

WASHINGTON, March 16.—The Soviet Union's proposal for control of outer space was a brilliantly conceived, executed and timed propaganda stroke, in the view of some officials here.

In a statement issued yesterday, the Soviet Foreign Ministry proposed a United Nations agency to police a ban on outer space missiles and administer a program for the peaceful use of space.

The plan was conditioned on the removal of United States overseas military bases, first and foremost in Europe, the Middle East, and North Africa.

IMPACT IN NATO ENVISAGED

After reading the text of the statement, some officials here felt that Moscow might have scored a coup that could have considerable impact not only in neutral nations but also in some North Atlantic Treaty countries.

These officials said the condition that made the Soviet proposal so obviously unacceptable to the United States might appear reasonable to many persons in these countries if they accepted Moscow's plausible justification for it.

As the Soviet plan for a United Nations body to supervise peaceful space research, the consensus of many officials here was, we got scooped.

These are the points made by officials today in conceding that the Soviet plan was a shrewd propaganda move:

First, they note that the Soviet plan was prefaced by a long passage impugning the motives behind President Eisenhower's peaceful space proposal in his letter to Premier Nikolai A. Bulganin of January 12.

The Soviet statement said:

"In making this proposal, President Eisenhower singled out from the general disarmament problem the question of intercontinental ballistic missiles. * * * He proposes, in fact, to ban intercontinental ballistic missiles only. * * * It is noteworthy that, while proposing a ban on the intercontinental ballistic missile, the United States builds its military plans on the use of atom and hydrogen bombs as warheads in the short and medium-range rockets which they already possess."

In short, the Soviet statement says, the United States is trying to ban the weapon "which could be used against objectives on the territory of the United States," while insisting on retaining the bases from which it can reach the Soviet Union with nuclear-armed intermediate-range missiles and strategic bombers.

Officials note that there is a large distortion here. In his letter to Premier Bulganin, the President did not single out intercontinental ballistic missiles, or even mention them.

General Eisenhower called for an agreement banning all weapons using outer space, which would include both ICBM's and IRBM's. Actually, officials here comment, studies on the implementation of the President's proposal specifically mention a ban on the testing and use of both types of missiles.

These officials also note that the Soviet argument can be turned around. The Soviet Union holds captive all of Eastern Europe except Yugoslavia, refusing to permit free elections. Its ground forces far outnumber those of the NATO alliance. The great allied deterrent to extension of Soviet power is the United States Strategic Air Force.

If the United States is to dismantle its overseas air bases, then, these officials maintain, the Soviet Union should agree to free its satellites, reduce its land forces and withdraw them within the Soviet Union.

Nevertheless, these officials concede the skillfulness with which the Soviet Union is using the argument that they want us to pick up our slingshots but they won't give up their club.

Second, those officials concede that Moscow got the jump on us by suggesting a United Nations agency. They say, somewhat ruefully, that the administration has not followed up the initiative gained by the President's proposal to Premier Bulganin.

Oddly enough, they recall, studies undertaken here immediately after the President's letter suggested that, as soon as the United States successfully launched its first satellite, the President should make a statement urging a United Nations program for the peaceful use of outer space and declaring United States intentions to introduce a resolution to that effect in the next session of the General Assembly.

These officials also note that the same studies made general recommendations parallel with those advanced by the Soviet Union, a missile ban, control and inspection by a United Nations body and coordination of national research programs on peaceful use of space by the United Nations.

SOVIET TEXT CORRECTION

LONDON, March 16.—The text of a statement issued by the Soviet Foreign Ministry yesterday as issued by the Soviet news agency Tass and transmitted by Reuters, omitted through a transmission error a phrase that altered the sense of one sentence.

The sentence in question read: "Why is it then that the American proposals suggest the outlawing of intercontinental ballistic rockets which could be used against objectives on the territory of the United States of America, while evading the question of eliminating American military bases on foreign territories intended to launch rockets possessed by the United States Armed Forces and for the use of American bombers?"

The corrected sentence should read: "Why is it then that the American proposals suggest the outlawing of intercontinental ballistic rockets, which in the case of a retaliatory blow, and only in that case, could be used against objectives, etc."

THE SIGNIFICANCE OF THE AMERICAN SATELLITE EXPLORER

Mr. JOHNSON of Texas. Mr. President, on Friday, some very anxious moments for our people came to an end. An American satellite was put into orbit and at this moment is circling the globe.

The Explorer is a triumph of persistence against great odds. It represents the dedicated work of men like General Medaris, Wernher von Braun, and numberless scientists and technicians who will never receive their fair share of credit.

Our satellite is very aptly named. It is truly an explorer—a representative of the free people seaching for the facts of a totally new dimension into which men and women will soon step. And, in its search for facts, it brings us face to face with a sharp reality which we cannot ignore.

Neither the Explorer nor its Soviet predecessors can be considered military weapons. They are merely collectors of data which they are transmitting or have transmitted back to earthbound men.

But the facts and figures of the physical world are of a peculiar nature. They have no loyalty, no patriotism, no system of morality and ethics. They are available for the advancement of mankind, or for the destruction of mankind.

The science of biology has given us penicillin and germ warfare. The science of chemistry has given us medicine and poison gas. The science of physics has given us new sources of useful power and the hydrogen bomb.

Now a new science—astronautics—is moving rapidly from the drawing board to the workshop. Will it give us new frontiers or new forms of total devastation?

To continue the arms race at this time will inevitably bring us to the point of no return. There must be action now—now, while there is still time to bring the new forces under control.

It is not difficult to forecast the future if the present situation continues. This will be the world of the manic depressive—high points of elation when "we" make an important advance; low points of despair when "they" outstrip us.

And at some interval when "we" are at a low point and "they" are at a high point, somebody is going to press the button.

There is no point in deluding ourselves that "we" can just call off the arms race on our own initiative. There is no point in debating why they do not call off the arms race at their own initiative.

The only worthwhile discussion is what is said in the effort to find ways and means of breaking the logjam—of bringing the tragedy of the cold war to an end.

This is the time to act—now, while the satellites are searching for facts instead of for targets.

I would hope that our leaders would give urgent consideration to a proposal for joint exploration of outer space by the United Nations. I would hope that this proposal could be pressed earnestly, vigorously, and with all the sincerity at our command.

No one would stand to lose by this proposal. The alternative is a disorderly arms race which can end only in death and destruction.

For the moment, our prestige is at a high point. There is no better time for a display of the generosity, the initiative and the constructive desire for peace which lies in the soul of the American people.

The president of the United Nations General Assembly—Sir Leslie Munro—has spoken the desires of the world. He says the nations are looking for leadership in the drive into outer space.

We have heard this morning that our President has received another letter from Soviet Premier Bulganin. It rejects the idea of a foreign ministers' conference as a precondition to a summit conference.

Whatever the note may say, however, there has never before been a more golden opportunity to bring this war-weary world to peace. A strong and determined proposal to cooperate now may save all of us from a strong and determined—and probably successful—effort to destroy humanity later.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a United Press dispatch from the United Nations headed "U. N. Talks Urged on Outer Space."

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

"U. N. TALKS URGED ON OUTER SPACE

"UNITED NATIONS, N. Y., January 31.—General Assembly President Sir Leslie Munro, of New Zealand, tonight suggested a U. N. conference of scientists and diplomats within the next 2 or 3 months to study control of outer space.

"Munro, who has spoken several times of the need to get United Nations action started to deal with the age of space, made the suggestion in a broadcast interview recorded for U. N. radio.

"Munro said that despite many references by President Eisenhower and others to the need for space control, there has been no initiative except in embryo to bring the issue to the U. N."

ADDRESS BY SENATOR LYNDON B. JOHNSON, OF TEXAS, BEFORE A MEETING OF CBS AFFILIATES, WASHINGTON, D. C., JANUARY 14, 1958

I am here today to speak to a group which has a grave responsibility for informing our people.

In the Chamber of the Senate of the United States, I am the designated leader of the majority party. That is a title of which I am proud but one which carries with it responsibilities that would cause any man to be humble. But it is a designation which, for this occasion, I have left behind.

I am not here as a Democrat.

I am not here as a leader of the Senate.

I am here as an American.

In this town, we have the habit of dividing all things by lines of affiliation: the offices, the jobs, the various positions, and sometimes even our judgments.

At this hour in our history, I, for one, believe that there are certain facts which cannot be divided along such lines and certain judgments we must reach and decisions we must make together, as Americans, and as Americans only.

Even as we sit here at these tables there orbits in the sky above us—around and around this earth—the most compelling fact of our times.

The sputniks out in space have only one meaning.

There is no Democratic meaning.

There is no Republican meaning.

There is, in truth, no narrow American meaning.

In all history, mankind has never faced so great a challenge—or so great an opportunity. If outer space is allowed to become the province of the earth's imperialists, then the freedom we have fashioned at so high a price shall fall into eternal jeopardy.

If, however, free men set their sails for this new world as our forebears did when this continent was opened, then we have the opportunity of adding a new dimension to freedom—and, with it, the very real prospect of reaching our goal of total peace.

These are exciting thoughts, exciting goals.

We would be out of character with our American heritage if we were not stirred by what we can now see on ahead in this new age.

We would be even more out of character—both as Americans and as free men—if we should lose this hour of opportunity in preoccupation with partisan thoughts of who is to receive the credit and who is to receive the blame.

Facts are not partisan, and the facts are these:

For a decade now, the Free World—led by the United States—has summoned up its resources and resourcefulness to contain the most powerful and most ruthless aggressor ever to appear among the governments of the earth.

The physical containment has, in large part, succeeded.

It has succeeded, I should say, until now.

Today no responsible man can say or would say continued success of our past policies is assured.

There is now abundant evidence that a pattern of history is repeating. We, like the dynasties of ancient China on down to the Republic of France, have built a wall against aggression, but now we find that we are the imprisoned.

The Soviet has, dramatically, leaped over our wall.

More importantly, we are awakened to the reality that advances of Soviet technology and science have made our wall of security a relic of another age.

Let me cite for you certain specifics, certain facts which all of us, as Americans, must sit down and consider together.

These are not facts of my invention. These are facts testified to by our military leadership coming before the Senate Preparedness Subcommittee, of which I am chairman.

First. The Soviet has under arms nearly as many divisions as do all the free nations combined.

Second. The Soviet air strength is probably close to that of our own.

Third. The Soviet submarine armada now numbers 500, while ours totals only 110.

Fourth. The Soviet shipyards are building 100 new submarines annually, while we are building fewer than ten.

Fifth. The Soviet capacity to launch a one-half ton satellite into space indicates the capacity on their part to launch long-range ballistics missiles against our cities from Soviet soil.

Sixth. The Soviet has now the capacity to launch, from land bases or from its submarines, shorter range missiles against our installations at home and overseas.

These are military facts. They are important. I would mislead you if I did not say that there are more, more which in time I believe should become public knowledge.

What is the sum of these facts?

The facts of comparative strength between the two strong powers do not add up to disaster—but they do, clearly, total up to peril.

For the moment, the stalemate is not clearly broken. The Soviet striking power is great and growing greater, but our retaliatory power is great, also. This the Soviet knows, as we know.

The Soviet however, also knows—as we must come to know—that the rate of growth of their striking power far exceeds ours.

We are behind but we are not yet hopelessly behind. Our peril becomes a disaster when we fall so far behind that there is no hope of recovery. It is to the prevention of that disaster all free men must now dedicate their efforts.

How is such disaster to be prevented?

Some, looking back to the past, will answer only that the Nation must retool its productive capacity, get ready for a massive effort, and move forward to match the Soviet sputnik for sputnik, missile for missile, sub for sub.

If war were inevitable, I would join in such a call.

But no man who looks beyond the moment will suggest that war is the inevitable consequence of mankind's new adventure into space. I, myself, am confident that it is not.

Space may well be the sea in which the human race will some day find an island of peace.

To reach that island, we need more than weapons.

We need, in fact, to free ourselves of the bonds of a weapon psychology.

Our greatest need in this hour is to unleash the pioneering spirit and the daring and brilliance of our people and set this Nation's course on the pursuit of peace.

We cannot, of course, ignore the need for weapons now.

We need a faster rate of production for our missiles, far faster than any yet permitted or any yet envisioned.

As Prime Minister Churchill told the House of Commons on June 18, 1940:

"If we open a quarrel between the past and the present, we shall find that we have lost the future."

I say that such must be our creed at this hour.

It is with that creed before us that we must proceed, as responsible men, to assess the position of free men in the world today.

I see no gain in picking petty quarrels with the past.

I myself am willing to draw a line at the here and now, and measure responsibility in terms of what is done for the future rather than in terms of what was done in the past.

From this base, I believe we can take a more honest look at the problems we face.

What are those problems? Let me call them as I see them.

First and foremost, I believe that we are paying too high a price for conformity.

Ours has been, always, a Nation built by the greatness of men's hearts and spirits and minds. America's vigor has come from the originality, the freshness, the vision of our people—all our people, not merely an intellectual elite.

For a decade now, we have seen growing a climate of contempt for these values. We are paying a price for that.

Our investigating committee has found, in some most striking examples, that this has been at the heart of some of our preparedness difficulties.

The fight to build for this Nation an atomic submarine is a record of the persistence against great odds of one man, Admiral Rickover, who believed that it could be built. Because he was more determined to perform than to conform, this brilliant man was—on numerous occasions—shunted into obscurity and his services to the Nation were very nearly lost.

This past few days, in our committee room, I sat 2 feet away from a great Army general and watched him choke back the tears of deep emotion. He told us that his decision to retire from service was final. He said he could not speak freely and he could not support a policy which meant placing American troops in the range of enemy missiles without adequate weapons of defense.

Over and over again, I have heard—and our committee has heard—the leading military men of this Nation come before us and say that a conventional system has cut back on our programs for unconventional developments.

Over and over, we have heard them say that we are not, even yet, doing all that we could and should be doing to move forward in this hour of challenge.

This is not the road to strength.

This is not the road America should travel.

We must turn to the dedicated men of vision and welcome them into the council of respect and dignity.

We must provide a climate in which the men and women of our universities, our research centers, our career services, our world of journalism and communications, can make a full contribution of their talents.

Let me make this point clear.

It is not true that the abilities of Soviet science far exceed those of our American scientists.

As free men, who respect the freedom of man's mind, we must not allow political policies to chain our most priceless resource.

As we face this problem of removing the fetters from our capacity, we must also remove the fetters of tradition from our policy.

Our defensive strategies, in a military sense, are undergoing reappraisal and reexamination.

It would be a mistake to stop there.

Our foreign policies require the same reappraisal.

So, also, do our domestic policies and values.

We have, for long, held a position of strength in world affairs. That position is no longer secure. We must not be so inflexible that we can imagine no changed policy to cope with a changed position.

Domestically, likewise, each of you as businessmen know that our economy is now undergoing a period of change. This change is not merely a cycle through which we are passing. There are new problems, new challenges arising to the very functioning of our system.

Channels of distribution are undergoing change.

Changes are evident in consumer demand and consumer taste.

Profoundly important population shifts are continuing.

We must not wait for calamity before undertaking a cure.

Just as we erred in our estimate of what Soviet gains might mean in the realm of technology, so can we err by complacency in our estimate of what domestic losses might mean in the realm of our economic health.

These things I mention only briefly, to emphasize that in this challenging period we need more, far more, than a purely military response to the Soviet challenge.

We need the marshaling of our resources, physical and mental, such as we have never had before.

We need imagination and freshness.

We need force and boldness in our leadership.

We need, further, I believe, to look beyond the danger evident now to see the horizons of peace in outer space.

I am no scientist and I do not pretend to be.

But the brilliant men of this age—the brilliant minds of America—tell us things that we cannot ignore.

Out in space, there is the power to control the earth's weather, to change the climate where we live, to alter the tides and direct the Gulf Stream on a different course.

From space, snapshots can be taken of your backyard.

The whole technology of communication can be changed.

It is a fascinating, daring, exciting world.

The frontier it opens for human advancement exceeds any man has ever faced.

Surely we cannot, as leaders of free men, ignore it.

Surely we cannot, with this opportunity before us, fail to see that this affords us the one clear course to recapture the initiative for freedom.

Here is an opportunity to bring men together in common cause as never before.

Here is an opportunity for us to sponsor the flourishing of mankind's genius.

Before this session of Congress ends, I am hopeful that we shall be able to establish in our Government a proper agency for direction of a new national effort in this realm.

I am hopeful, also, that we shall be able to provide a program for the enlargement of our research activities, making the laboratories and the equipment available to draw the best from the minds of our people.

I am hopeful that, furthermore, we shall be able to foster the strengthening of our total educational process, not to produce an army of technicians, but, rather, to pour forth legions of broadly-educated men and women.

As we do these things, I trust that in our relations with other nations we shall be imaginative, and that we shall make it evident that America's Free World leadership is not sterile.

We should, certainly, make provisions for inviting together the scientists of other nations to work in concert on projects to extend the frontiers of man and to find solutions to the troubles of this earth.

Our President, holding as he does the esteem of men throughout the world, has a rare opportunity to lead in this labor boldly and forcefully, and in the vigorous pursuit of peace he will find the Nation undivided in his support.

Further, it would be appropriate and fitting for our Nation to demonstrate its initiative before the United Nations by inviting all member nations to join in this adventure into outer space together.

The dimensions of space dwarf our national differences on earth.

If we are to win space as the outpost of peace, all men may—and should—share in that endeavor.

We, with our great resources and our great abilities, must not allow the leadership to slip from our grasp.

The world in which we live is a world in which danger abounds.

There is no greater danger, though, than for us to shrink from the responsibilities of the hour.

Ahead, if we move with speed, if we move with daring, we shall find fulfillment of our quest for peace.

If we are to reach such a goal, our response must begin now. This, more than we realize, is the year of decision, the year our course is set.

In such a year, we need be responsible men, loyal to our nation, faithful to freedom, strangers to partisanship, and friends with the imagination that has been so much a part of our heritage.

THE GOAL IS TOTAL PEACE—EXCERPTS FROM STATEMENTS BY UNITED STATES SENATOR LYNDON B. JOHNSON

ADDRESS IN HOUSTON, TEX., DECEMBER 4, 1957

There is something much bigger and more important in front of us than a few pieces of military hardware. Ballistic missiles and the other fantastic weapons now on the drawing boards are not to be despised.

But they do not hold the key to the future. They are only a small part of the future—a part which will become obsolete almost as soon as it is developed.

What is really before us is something that should have a deep appeal to the American soul. It is a new frontier—a new age—that is exciting and challenging.

What we are doing is stepping into the age of space.

ADDRESS BEFORE MEETING OF DEMOCRATIC CONFERENCE, JANUARY 7, 1958

Within the short weeks since October 4, man has become master of horizons far beyond our imagination. We must respect this mastery, and from that respect we must, more than ever, seek to bring all men together in cooperative effort. The goals now within reach of the human race are too great to be divided as spoils, too great for the world to waste its efforts in a blind race between competitive nations. The conference table is more important now than ever it has been, and we should welcome to its chairs all men of all nations.

ADDRESS BEFORE MEETING OF CBS AFFILIATES, JANUARY 14, 1958

Our greatest need in this hour is to unleash the pioneering spirit and the daring and brilliance of our people and set this Nation's course on the pursuit of peace.

It would be appropriate and fitting for our Nation to demonstrate its initiative before the United Nations by inviting all member nations to join in this adventure into outer space together.

ADDRESS ON THE FLOOR OF THE SENATE, JANUARY 27, 1958

I do, however, have a great deal of faith in efforts to outlaw war when they are accompanied by positive steps to bring people together in cooperation.

When people work together to face a great challenge, they tend to lose their suspicion of each other. They become absorbed in the task before them—and fighting as an instrument of policy fades from the picture.

It is for this reason that I believe the current situation affords us such a great opportunity. There are positive steps which we can take in concert with the other nations of the world to face the great challenge presented by outer space.

ADDRESS ON THE FLOOR OF THE SENATE, FEBRUARY 4, 1958

Our plans for peace must progress jointly and must be as firm as our plans for defense. In other words, this must be a joint effort.

We must not spend all our billions of dollars and make all our plans to fight a war which may never be fought. But in preparing our Nation and in purchasing the implements, the missiles, the planes, and the submarines which may be necessary to prevent a war, we should also have some positive, affirmative plan for peace, to go alongside our preparedness efforts.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. FULBRIGHT. This development disturbs me very much. The headline, indicating that the Soviets are taking a suggestion which was made long ago—and I recall particularly the majority leader's statement early in the session about the control of space—and are now using the same ideas as great propaganda, confuses me very much.

I do not quite understand what was the attitude of the administration toward the suggestion by the majority leader. My attention was distracted a moment ago, and I did not hear what the Senator said about what occurred concerning the suggestion made by the majority leader.

Mr. MANSFIELD. That is the $64,000 question. The Secretary of State did not think it was a bad idea. The minority leader, the Senator from California [Mr. KNOWLAND]; the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Tennessee [Mr. KEFAUVER], all gave their approval to it. Mr. Stassen, the President's adviser on disarmament, likewise favored it.

Nothing was done. That is why I am taking the floor this afternoon. I was shocked to read the article by Mr. Kenworthy, according to which the administration admitted that the Soviet Union had performed a major propaganda achievement, had achieved a victory in the field of propaganda, even though the idea had originally been brought forth by the distinguished majority leader, even though several months had passed, during which the administration could have made use of the proposal, and even though the President of the United Nations General Assembly, Sir Leslie Munro, had advocated the idea and was waiting for someone to propose it.

Nothing was done until the Soviet Union took advantage of the idea proposed by the majority leader, and dropped a bomb, so to speak, in the lap of the administration. The result is that the administration says that the Soviet Union has achieved a great propaganda victory.

I do not know why the suggestion was not taken up; why Henry Cabot Lodge, the United States Ambassador to the United Nations, did not advance the proposal; why someone in the State Department did not call it to the President's attention; why, in general, we were found to be lagging; why, once again, we are reacting, instead of acting; and why, once again, we have to admit that the Soviet Union is on the offensive and is on the job, adding another victory to its lengthy string of propaganda victories.

Mr. FULBRIGHT. I thank the Senator from Montana for the explanation. It is certainly most discouraging to have ideas developed by Americans taken advantage of by the Communists. I do not know what the answer is, unless some way can be found to alert the State Department to take the initiative in following up the activity of the Soviets.

Mr. MANSFIELD. So far as the Soviet Union is concerned, I think they do not mean what they say, because tied to the proposal is the corollary that before it would be acceptable to the Soviet Union, we would have to withdraw from our air base complex in Europe and in other areas ringing the Soviet Union.

The Senator from Arkansas knows, as well as I do, that ever since the creation of NATO, the one overriding, predominant aim of the Soviet Union has been to get this country, with its forces, out of Europe—not so much our ground forces in Germany and northern Italy, but to break up the infrastructure of airfields. The Soviets know that in that infrastructure lies our only weapon which can be considered as a really retaliatory one and as a deterrent to aggressive action on their part.

The fact that the Soviet Union has coupled our withdrawal from Europe with the Johnson idea, or the Johnson plan, of a cooperative effort with respect to outer space indicates to me the falsity of their position. They are using an American idea to develop one of their own, and at the same time to put us on the defensive, so that we are once again made to look as though we are in a weak and ineffective position before the nations of the world.

Mr. FULBRIGHT. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. COOPER. I certainly would not wish to derogate the importance and broad scope of the proposal made by the distinguished majority leader several weeks ago, nor the importance of the subject to which the distinguished Senator from Montana has addressed himself. I wish that it were possible that the questions of security and peace to which he is speaking could be above partisanship. I do not believe it is possible, but we can hope that partisanship will be minimized. I know that would be the desire of the Senator from Montana.

Simply to keep the record straight, I know the Senator from Montana will agree with me that more than a month ago the President of the United States addressed a letter to Mr. Bulganin, in which he proposed the banning of weapons in outer space.

Mr. MANSFIELD. That is correct.

Mr. COOPER. I believe that was the first proposal about the peaceful control of outer space, either by the Soviet Union or the United States, and it was made by the President.

Second, I think the Senator from Montana knows that recent negotiations, proposals, exchanges of letters have been conducted in the context of possible meetings, the assumption of a possible summit meeting, in which disarmament, missiles as well as conventional weapons, as well as other political questions would came into discussion.

Mr. MANSFIELD. Would the Senator repeat the last part of his statement?

Mr. COOPER. The discussions which have been going forward between the President and Mr. Bulganin have dealt with the question of a summit meeting, subjects which might be discussed, including disarmament, and missiles.

Mr. MANSFIELD. The Senator is correct.

Mr. COOPER. So the proposal of the President to Bulganin is in context with the subjects to be discussed between the United States and Russia, if a meeting should be held, and in advance of the Russian proposal.

Mr. MANSFIELD. There is a relationship, but I point out that as far back as January 7, the majority leader advocated a meeting of this kind through the United Nations. The proposal was taken up by both Democrats and Republicans and was advocated, but nothing was done. There is a relationship, but all the other activities must be considered, too.

Mr. COOPER. As I have said, I am not derogating the importance of the situation or the breadth of the majority leader's proposal. But I thought I should show the full story, by saying that several weeks ago the President of the United States in a note to Mr. Bulganin, made the first proposal about outer space, to bar the use of missiles in outer space.

Mr. MANSFIELD. The Senator from Kentucky is always fair and accurate. I am glad he has straightened out the record to that extent.

Mr. CLARK. Mr. President, I commend the Senator from Montana for bringing this matter to the attention of the Senate today. I offer, perhaps belatedly, commendation to the distinguished majority leader for having had the wisdom to make the first suggestion in this regard.

I express my complete accord with the views of the Senator from Kentucky [Mr. COOPER] that, to the extent it is possible, these matters should be treated on a bipartisan basis. I know there is no Member of the Senate who feels that way more strongly than does the majority leader.

I think it is clear from what has been said today that mistakes have been made in our foreign policy concerning the handling of the question of outer space. Perhaps it is not for us to fix the blame; but our responsibility is to look forward and to see what we, as a body charged by the Constitution with the duty of advising with the President on matters of foreign policy, can do to persuade the President to pursue the matter further. It is my strong view that the simple fact that the Soviet Union has won a propaganda victory by taking up a suggestion first made by the distinguished majority leader, is no reason for running away from that suggestion now.

It is still a good idea to have the United Nations take up the matter of outer space and determine whether some kind of binding international agreement can be worked out. In fact, I think everything we can do at this time to strengthen the United Nations and support the President in his efforts to do that and to see whether, even now, we can move ahead with the suggestion the majority leader has made, and to make it fully effective, should be done. I know that those in the White House and those on the other side of the aisle in this Chamber will not discourage the taking of action on that suggestion merely because it came from the majority leader of the Senate.

I hope that, from now on, we shall move forward and get something done, rather than to attempt to assess the blame for the mistakes of the past.

Again, Mr. President, I wish to commend my friend, the Senator from Montana [Mr. MANSFIELD], for having the good judgment to raise this question now, while something can be done.

Mr. MANSFIELD. Mr. President, the Senator from Pennsylvania has put his finger directly on the head of this particular matter. I believe it should be considered in the United Nations, only, however, on the basis of its own merits, and away from any corollary proposal which would seek to achieve a diplomatic, strategic, or propaganda objective of the Soviet Union. I believe the latter is the second part of the proposal, and I believe the second part should be ignored. But I believe consideration should be given to the first part, namely, to have the United Nations consider the matter seriously.

Mr. CLARK. Yes; and that was the point I made.

Mr. MANSFIELD. I understand.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I desire to express full agreement with the point which has been made by the junior Senator from Montana [Mr. MANSFIELD], namely, that we have been left in the lurch.

I also wish to concur fully in the suggestion which has been made by the distinguished junior Senator from Pennsylvania [Mr. CLARK], namely, that it is not too late to act, not even at this late date.

Mr. President, we in this country have been made to appear in a very false light before the eyes of the rest of the world.

We cannot exercise indefinitely our leadership of the Free World, so long as we merely react to Soviet proposals. Freedom cannot be sustained on the basis of negative reactions to shrewdly timed moves by a very aggressive power.

There is no need for us to be caught in such a position. We have tremendous advantages on our side, if we shall just use them:

First, our country is founded upon a philosophy which has a deep and moving appeal to all men.

Second, we have a record of good-faith dealings to promote the independence of other peoples.

Third, we have the strongest industrial unit that has ever been built in the entire history of humanity.

Yet, Mr. President, somehow, in the eyes of the world, our philosophy is obscured; our record has been perverted; our strength has been pictured as a mere device for imperialism.

Mr. President, it does not take cleverness to advance our position. We do not need advertising experts or skilled propagandists. We have tried them, and they have been found wanting.

What we in this country need is confidence in ourselves and confidence in the willingness of humanity to respond to honorable proposals, honorably advanced.

Although it is late—as the distinguished Senator from Pennsylvania [Mr. CLARK] has said—it is not too late. We have lost a propaganda battle; but we have not lost the battle between freedom and aggression.

We can still go before the United Nations with a proposal stripped of all propaganda trappings and founded upon an honest desire to achieve peace through international cooperation.

The overriding importance of outer space to the future of the world was highlighted again just this morning. The Vanguard satellite that we placed in orbit is small; but it is the forerunner of things that are to come—things that are going to come quickly, Mr. President. Soon the skies will be filled with satellites which will do much more than merely go "beep." They will also do much more than merely collect information.

There is a point of no return in the affairs of mankind. There is a stage at which actions become irreversible.

Right now, the world is uncertain and hesitant. We are standing on the threshhold of mighty achievements, but we are not certain just what those mighty achievements may be.

In a few years—a distressingly short few years—the uncertain future will become a present reality. There will be a vested interest in the instruments of destruction. Attitudes will have been hardened. What should be mankind's greatest cooperative adventure will be, instead, a savage battle for the control of the universe.

Mr. President, I am convinced that no one nation can ever achieve the goal of controlling outer space. But if two great nations try to achieve such a goal, the end result will be destruction on a scale beyond our wildest nightmares.

Let us forget about propaganda battles. Let us forget about slogans and catchwords. Let us forget about transitory advantages.

Instead, Mr. President, let us push forward as boldly in peace as we would in war. Let us trust the good judgment and the good will of humanity. It is a force which, if properly tapped, can be greater than the hydrogen bomb.

I hope this country will go forward and will offer boldly and without reservation to engage in a joint venture, through the United Nations, for the exploration of outer space.

We do not know what lies out there. We do not know what such exploration will bring.

But, Mr. President, we do know that men who work together can live together and can build the kind of world and the kind of universe in which all of us want our descendants to live.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. THURMOND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

AID TO INDIA

Mr. JENNER. Mr. President, the Federal Government has recently decided to allot an additional one-quarter of a billion dollars to India. This means we have given India an estimated 1½ billion American dollars since she obtained her independence. Furthermore, we know that this is not the end.

India says she needs $1 billion right now. Here we are again, asking the same old questions, which are never answered. Why should we take this money from American producers and give it to India? Why should we not do it? Why should we do it now?

The Senator who preceded me, the Senator from Wisconsin [Mr. PROXMIRE], explained the very serious situation that exists in his State. Similar situations exist in other States. Are we to ask the American people at this time to dig down in their pockets and give another quarter of a billion dollars to India?

We are told we must give India this sum, or her 5-year plan will collapse and we are told that in that event India will then probably fall into the open arms of the Soviet Union. So we are to buy her aloofness from Soviet wiles, but we must never, never, never ask her to declare herself opposed to the Communist attack on the freedom of the whole world.

Why should we not give India this money? There are two reasons: First, the United States cannot afford it; second, I cannot believe such a grant would truly be a help to the people of India.

First, we have a national debt of over $275 billion, and at the rate legislation is being enacted by this Congress, although only recently we raised the debt ceiling to $280 billion, we will have to raise it again before Congress adjourns. We are spending money that fast.

So, the Federal Government has spent $275 billion of money it did not have, over and above what it spent from its monumental tax collections, and the windfall from reducing the value of the dollar to less than 50 cents.

To pay that debt, you and I, Mr. President, and the young people of today, will have to earn this $275 billion over and above all our current expenditures for our families, and all our taxes for defense and other Government expenditures, including war, if that should befall.

This has all been said before, again and again and again.

The present budget now going through Congress depends on revenues the estimates of which are likely to prove too high. Yet it is proposed that we raise the expenditure side, by stepping up outlays for defense, for roads, for housing, urban renewal, farm aid, schooling, reclamation, rivers and harbors, unemployment insurance, loans to small business, loans for foreign trade, and credits to the CCC to give away American farm products to foreign governments, through soft loans.

There are two bills coming up this week, one providing $3½ billion for the Commodity Credit Corporation, and the other to increase the lending authority of the Export-Import Bank by $2 billion. Thus, before the week is over the Senate will have committed $5½ billion.

How clever is the curtain of propaganda over foreign aid, which hides these grim facts about our economic crisis from the public gaze.

Now we come to the second point. Why should we believe the fairy tale that this outlay will help India? Our American money will go to bolster the 5-year plan, but what is the 5-year plan but Socialist economy tyrrany over the Indian people?

Socialism has never given the people of any country anything. What have their socialism and all their 5-year plans given the people of the Soviet Union? They have the mightiest war machine in their history. They have an all-powerful secret police at home to keep their own people in a state of terror. But do they have more to eat? More to wear? Better homes to live in?

Even czarist Russia had a superb system for admitting the sons of poor families to the universities.

Why should the people of the United States help to maintain the yoke of socialism about the necks of the Indian people?

The 5-year plan is a Communist governing device, which succeeded in Russia only because of the vast amount of machinery and statistical help supplied by American industry, and because of gifts by this country during and since World War II, and the deals made at Potsdam and Yalta.

The 5-year plan of India is in trouble because it promised too much, because it sent prices too high, because it was not efficiently managed by experienced men.

Are we going to bail out all the Socialist governments which do not know how, properly, to invest the capital wrung from their people, or donated by us?

Let me remind Senators, the Indians are famous traders and businessmen.

They have carried on a large part of the trading in Asia.

They operate throughout eastern Africa, and even in our West Indies.

They probably could teach us plenty about business operations.

The Indians, years ago, built up enterprises such as a fine steel mill operation, with private capital and the help of private American citizens, who were employed by private business without having the American Government involved at all.

Why should we penalize the producing classes of India by building up a government-controlled economy in place of a rapidly growing private economy?

Why should we help put the Indian people under the economic rule of planners, when Indian native commonsense and business acumen would bring them in increasing measure, both higher earnings and genuine liberty?

I believe the United States cannot offer the world any genuinely anti-Communist program, unless that program is dedicated to liberty, and socialism is not liberty.

That means we must end our policy of helping governments establish economic dominion over their people, which is not efficient enough really to raise living standards, and which we must bail out by adding to the heavy taxes our people are already paying.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. COOPER. I have just listened to my friend and colleague, the junior Senator from Indiana. We came to the Senate at the same time, in 1947. We are good personal friends, but I disagree with his speech.

I did not expect this afternoon to be called upon to rebut the speech of my friend from Indiana, who is a member of my party.

As Senators know, I had the honor of serving for a time as Ambassador to India in 1955–56. I went to a country which I had never visited. Since my return to the Senate I have not attempted to lecture in the Senate about India. I think I have been fairly quiet.

Nevertheless, as a man of some maturity, I believe, and one of reasonable powers of observation, I had to make my judgment about India during my stay in that country. I was called twice to return to the United States to testify before the Committees on Foreign Affairs and Foreign Relations of the Senate and House, and before the Committees on Appropriations of the House and Senate, to give my views upon the economic and political situation in India; and our relations with that country.

I have always been pleased that in 1955 and 1956, in addition to the regular group to whom I made those presentations, many other groups in the Congress asked me to talk to them. When I had finished, I numbered up those in the groups and from that I had talked to

some 250 Members of the House and Senate. They were very much interested in what was happening in India and anxious that our relations should be harmonious. I was pleased that they had interest and, I believe, confidence in the views which I expressed.

I know there are some persons who say that American representatives are "taken in." I do not live very far from the distinguished Senator from Indiana. We both live in the same kind of community—a small, rural community. We grew up with the same kind of people, who had the same backgrounds. We both served in the armed service. We have had many, many experiences which were similar; but we disagree politically on the issue of foreign aid, and on other international issues.

I think the Senator from Indiana, whatever he may think about my views, on these issues on which we disagree, believes that my judgment is my own.

In the few articles I have written about India and the speeches I have made, I have tried to be objective and to refrain from speaking of things which might appeal deeply to me, such as human goodness which would lead a people more highly favored, helping other people. I have spoken chiefly on the basis of self-interest, the self-interest of our country, the United States.

The distinguished Senator and I disagree upon the subject of foreign aid. He is not very strong for foreign aid.

Mr. JENNER. The Senator is correct.

Mr. COOPER. I favor a foreign-aid program, and I hope it will be made more effective and more useful. I expect, before the debate takes place on that subject, to express some views, drawn from my experience, which I hope will make the program more effective and in time more economical.

If the Senator debates the loan to India on the basis of the fact that he disagrees with the foreign-aid program, that is understandable.

I recognize there is a great appeal now to an opposition to a foreign-aid program, on the ground that we are in a recession. The argument has appeal. I know back home, in Pulaski County, Ky., and in many other counties in the eastern area of the State where I live—and I am very proud of the people who reside in the mountain section there—there are those who are out of work. Many ask me, "Why do you support a foreign-aid program, when we need so many improvements in our own State and in our own country?"

We are having our economic troubles today but I think of foreign aid as I think of defense. Whatever the situation in our country, we cannot forget that the defense and the security of the United States, are issues that stay with us.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JENNER. Those words sound good. The defense of our country is a great thing. But will the Senator point out to me one instance in which India, after the gift of $1½ billion from our people to the Government of India, has decided any question of foreign policy, in connection with any major problem, on the side of this country? She either remains neutral or sides with Russia. We are spending $40 billion this year to prepare a defense against communism; yet India, of which the Senator speaks so kindly, will take our money and either remain neutral or side with Russia, on every problem.

Can the Senator point out another example?

Mr. COOPER. I disagree with the Senator's statement.

Mr. JENNER. Can the Senator cite another example?

Mr. COOPER. The Senator's ideas about other countries, and what effect their policies have upon our security, differ from mine.

Mr. JENNER. I am not talking about other countries. I am talking about India. So far as aid to Poland is concerned, the situation is worse and less justifiable. Can the Senator point out one instance of India having sided with this country, which has given her $1½ billion?

Mr. COOPER. I would be very happy if every country in the world would agree with the United States. But every country in the world is not going to agree with the United States on every issue. One of the mistakes this country would make, would be to insist that every other country in the world must agree with the United States on everything, if they are to have our friendship and support.

What is it that we are seeking in the world? We are seeking, I think, security. We want this country to be safe. We want it to be free. We want it to be secure.

One thing which will determine our security in the long run, will be whether other great countries of the world which are now democratic, will remain democratic or will fall under the domination of Russia. I have heard the distinguished Senator and other colleagues, stand on the floor of the Senate during the past 10 years and speak about the loss of China to communism. For 10 years we have cried about China. I agree with my colleague that if China were not a Communist country today, the balance of world power would, without question, be upon the side of the democracies of the world, and security and freedom in the world would be brighter. But now China is gone.

Mr. JENNER. I agree with the Senator. China is gone. But will not the Senator admit that the policies which this country carried out helped her to go.

Mr. COOPER. I certainly believe we could have done more; that we should have made the greatest effort for our Chinese allies. The next largest country in the world, in point of population, is India. Years ago Lenin said—and I quote rather loosely—that the path to the conquest of the West and the democracies was through Asia, through China and India.

The China mainland is with Russia. Together they have a population of nearly 800 million. If the Government of India should fail, if its economic programs should fail, and their people should lose confidence in their government—and I say to the distinguished Senator that it is a democratic government; not in our own image, but a democratic government—and if her leaders could not produce economic advancement for her people by democratic means, the great risk is that the people of India, or of any new country seeking better living standards, might turn in another direction, to communism, for advancement.

Those who have talked about China for the past 10 years, would, if they had it in their power, give unlimited sums to the economic advancement of China, if it were free, to help it keep free and among the free countries of the world.

In some respects we are faced with a similar situation with regard to India, except that we have the advantage of the example of China. Are we to be so blind as to repeat our mistake? Let me say to my good friend from Indiana, that I think we have a much better chance to see India remain on the democratic side and grow stronger than was true in the case of China in 1947.

Whatever free China's chances were in the early 1920's and 1930's and after World War II—and I have a great admiration for the Nationalists, as our World War II allies, and as allies today; and I wish they were in power today on the mainland of China—yet they could not bring economic well being to their country and their people. There was a tremendous Communist force in China, with strong leaders, and they won China. The attrition of war, the broken treaties of Soviet Russia, our failure to give adequate help contributed——

Mr. JENNER. The Communist forces won with our help. Let us keep the record straight.

Mr. COOPER. Let us keep the same thing from happening in India.

Mr. JENNER. Let us keep the record straight. Did we not pull the rug out from under Nationalist China?

Mr. COOPER. I think we did; at least—when we failed wholeheartedly to give our aid.

Mr. JENNER. There is no question about it.

I think the Senator has misunderstood my premise. I stated, in the first place, that I did not know how we could ask our people to send to India a quarter of a billion dollars recently—and $1½ billion in all—when only a few days ago we increased our debt ceiling from $275 billion to $280 billion, and when we are expected to make further contingent commitments this week of more than $5 billion.

Only 30 minutes ago the Senator from Arkansas [Mr. FULBRIGHT] introduced a bill calling for a commitment of another $2 billion. It is billions here and billions there. I do not know how long America can continue at this rate, trying to support and defend herself, and trying to take care of the rest of the world, particularly when nations like India, in the crucial tests of history, are not even kind

enough to take our side. She is always on the side of our opponents.

If we go down the drain, what will happen to India and all the other countries of the world when there is no one left but us and we are bankrupt? It is important to begin thinking about that issue.

In the first 100 days of the session, God only knows how many billions of dollars we have given out. We shall not have the money to keep the budget balanced. We shall have to raise the debt ceiling again. Some are advocating removing the debt ceiling entirely. We have had inflation in this country in the past 10 years which has reduced the value of the dollar to 40 cents. Do we want a 10-cent dollar?

We have some terrible problems. India may be the finest country in the world. In the first place, I do not think we can afford these programs; and in the second place, I am not in favor of financing socialism, because socialism will not bring liberty; and communism is only socialism with a Russian name.

Mr. COOPER. It is difficult, I will admit, in a time of recession, to make a foreign-aid program popular; yet I make the point that the problems of defense and of security continue, and we cannot cut them off for a few months because we are in a recession. I have confidence that the present recession is temporary. But we cannot remove ourselves from the issue of our defense and security because we are in a recession.

Mr. JENNER. What defense benefits are we getting from India? I think she is siding with Russia.

Mr. COOPER. The Senator is mistaken.

Mr. JENNER. We have not time to go into that question at length, but the record will clearly show that my statement is correct.

Mr. COOPER. I have been in India, and I have been in Asia. Among the Asian countries, with the exception of the Philippines, and perhaps Japan, there is none which is striving harder for democratic government, for independence, and advancement than India.

Mr. JENNER. I am talking about defense. What good do these programs do us from the standpoint of defense?

Mr. COOPER. If India can become economically stable and maintain its democracy in the years ahead, it will be an influence for security and peace.

What is the alternative? Suppose India fails. Suppose she loses, and her people should turn to communism. Where would we stand then?

Mr. JENNER. I will ask my question again. What will happen to us if we go broke? Where will we stand, if we become a bankrupt and destroyed nation?

How could we have a defense? Does the Senator think India would come over here and defend us? If so, with what? Only with what we give her, apparently.

Mr. COOPER. The Senator is arguing the issue of foreign aid. We disagree upon the question of foreign aid.

Mr. JENNER. Of course, we disagree.

Mr. COOPER. I wished to answer the Senator's statement that we were financing and aiding a Communist country. There is nothing further from the true facts than that.

Mr. JENNER. I said a Socialist country, not a Communist country.

Mr. COOPER. India, in its plan, has adopted certain principles of governmental ownership. They are not what I would approve for this country. However, I will say there is less public ownership in India than there is in the United States. That might be of interest to the Senator from Indiana.

Mr. JENNER. Yes; it would be.

AMENDMENT OF FEDERAL AIRPORT ACT

Mr. MONRONEY. Mr. President, I send to the desk for appropriate reference a bill which I introduced for myself and on behalf of the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Maine [Mr. PAYNE], and the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3502) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, introduced by Mr. MONRONEY (for himself, Mr. MAGNUSON, Mr. PAYNE, Mr. NEUBERGER, and Mr. YARBOROUGH), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. MONRONEY. Mr. President, the bill would immediately provide $75 million in emergency airport aid and extend to Federal Aid to Airport Act for 4 years, which act will expire in 1959.

In the present program the Federal Government matches 50 percent of the money spent by cities or local authorities in the construction of airports. The program is working well, but the funds provided in the present act are insufficient to meet the needs of the local communities which have voted airport funds and are now waiting in a long line to receive the money that has been promised them for their airport-construction work.

Mr. President, within a few months, and certainly before the end of the year, there will be in use both on the trunk airlines and on the international airlines many of the huge jet transport planes, carrying 125 to 150 passengers, and requiring new types of runways with lengths of up to 12,000 feet and new types of aprons.

Under the present act it is impossible to allocate more than $1 million of the $63 million a year to any single airport. I know from personal experience that major improvements will have to be made to meet the requirements of the jet transport age. Cities which expect to be on the jet transport schedules will have to spend between five and fifteen million dollars or more in order to be ready. If there are available only the limited funds which we prorate at a maximum of $1 million a year to any one airport—to match the funds that have been voted by the cities—we will stretch out the work program by perhaps 5 to 7 years.

We cannot afford to wait that long, because the jet air age is upon us. For that reason, and for the reason that there is a vast growing unemployment in the country, I feel, and the coauthors of the bill feel, it would be wise to add at least $75 million of additional matching funds to the Airport Aid Act. This would mean the work could start immediately upon the passage of the bill, and in that way put literally thousands of unemployed people to work.

As I said, the bill would provide immediately $75 million in emergency airport aid and extend the Federal Aid to Airport Act for 4 more years at a rate of $100 million a year, rather than at the present annual rate of $63 million.

This is the type of program that the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON] has been pleading with Congress to accelerate. It is the type of work that has been necessary and needed, but which has been slowed down or stretched out or made expensive because of the small driblets of Federal money which have been made available.

I discussed the bill with the majority leader before I introduced it, and he has urged us to include the proposed amount. When the Aviation Subcommittee takes up the bill, we will consider enlarging the amount if the municipalities involved can show us that they have work ready and blueprinted and in a condition that can be made less expensive by expediting the program through the immediate authorization and appropriation of this emergency depression erasing device.

Mr. JOHNSON of Texas. Mr. President, the legislation proposed by the Senator from Oklahoma is of far-reaching importance.

It is a challenge to act with speed worthy of the jet age.

The airport construction and improvement projects that would be made possible under this program are both desirable and necessary.

At a time when we are rightly concerned about the number of people who are out of work, these projects would provide constructive jobs in communities all over the Nation.

Mr. President, in my own State of Texas 25 communities are prepared to move forward with airport construction and improvement projects during the 1959 fiscal year if Federal assistance is provided.

The sponsors are asking a total of some $3,300,000 for this work. They will match that sum locally in the various communities affected.

The situation in Texas is paralleled in other States.

The bill offered by the Senator from Oklahoma is a constructive proposal. It is in tune with the times. It is in accord with the sound principle of cooperative effort between the Federal Government and local units of government for the good of the people generally.

I believe in building airports and in improving airports. And I consider there is economic wisdom in planning to accelerate the work at this time.

Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point in my remarks a list of airport projects in the State of Texas which sponsors are prepared to undertake during fiscal year 1959, and for which they have requested Federal financial assistance.

The list was prepared by the Office of Airports, of the Civil Aeronautics Administration.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Texas

Location, sponsor, and airport	Description of work requested by sponsor	Federal funds requested
Abilene, city of Abilene, municipal airport	Construct new control tower, lengthen north-south runway 850 feet to north with necessary storm sewers and taxiways, extend ramp to north and taxiways from new T-hangars.	$200,000
Alice, city of Alice, municipal airport	Construction of new lighting system on northwest-southeast runway, reconstruct base and paving on outer 10 feet of north-south, northwest-southeast runways.	16,912
Alpine, city of Alpine, Starnes Field Municipal	Pave northeast-southwest runway 3,600 by 100 feet	22,000
Andrews, Andrews County, Andrews County Airport	Acquire land, extend north-south runway and northeast-southwest runway, additional taxiways	37,691
Austin, city of Austin, Robert Mueller Municipal Airport	New administration building, grading, pave ramps, access roads, parking areas, acquire land and utility connections; reconstruct north-south runway and remaining portion of northeast-southwest runway and connecting taxiways and acquire clear zone, medium intensity lights on north-south and northeast-southwest runways and connecting taxiways.	930,000
Beaumont, county of Jefferson, Jefferson County Airport	Construct taxiways, taxiway and holding apron lighting, construct holding apron north-south runway, construct holding apron northwest-southeast runway.	144,240
College Station, A. and M. College of Texas, Easterwood Field.	Rehabilitate field lighting and install taxiway lights at turnof points, runway marking	6,000
Colorado City, city of Colorado City, municipal airport	Purchase of land, grade north-south runway 4,200 by 100 feet, construct and pave north-south runway, install lights north-south runway, construct taxiway and apron.	102,750
Corpus Christi, city of Corpus Christi, municipal airport (new)	Light runways and taxiways, entrance road and auto parking, construct terminal building, terminal annex and walkways, construct equipment yard, fencing, utilities, service roads, taxiways to public hangars.	999,113
Del Rio, city of Del Rio and Val Verde County, Val Verde County Airport.	Land acquisition—reimbursement, construct runway, pave taxi strip and apron, install lights, construct administration building, move and rehabilitate hangars.	58,400
El Paso, city of El Paso, El Paso International Airport	Extend northeast-southwest runway 2,850 by 150 feet including taxiway, plus high speed taxiway turnoff system, entire 1 runway; extend high intensity lights and taxiway lights, resurface and strengthen existing taxiway, reconstruct entrance road and auto parking area, install underground gasoline storage and drainage systems, construct aprons.	425,700
Gladewater, city of Gladewater, municipal airport	Pave north-south runway 60 by 2,300 feet, airport roads, aircraft parking apron; drainage	7,800
Hereford, city of Hereford, municipal airport	Airport lighting (northeast-southwest-runway), pave hangar apron and access road	16,705
Hillsboro, city of Hillsboro, municipal airport	Acquire land site, grade and pave north-south runway (4,000 by 75 feet), pave apron, turn areas and taxiway, administration building and utilities, light north-south runway, access road and auto parking, fence area, grade and drain taxiway, easements.	55,000
Houston, city of Houston, Houston International Airport	Northeast-southwest runway extension 735 by 150 feet, taxiway No. 1, 1,600 by 75 feet; terminal building addition, apron pavement, loading finger, auto parking, new northwest-southeast runway, taxiway No. 12, 4,250 by 75 feet, storm sewers, remodel old terminal building, taxiway No. 3.	2,426,500
Houston, city of Houston, municipal airport (new)	Purchase 3,126 acres of land for new airport	930,469
Kingsville, Kleberg County, Kleberg Airport	Acquire site and grade, pave runway northwest-southeast 3,500 by 75 feet, pave taxiways and apron, auto parking, administration building, lighting runway northwest-southeast.	75,000
Lamesa, city of Lamesa and County of Dawson, municipal airport.	Pave road and auto parking, construct administration building	12,500
Laredo, city of Laredo, Laredo municipal airport	Land acquisition, runway 4,900 by 75 feet, taxiways and aprons, runway and taxiway lighting, terminal building 30 by 40 feet.	134,325
Lubbock, city of Lubbock, municipal airport	Enlarge and remodel terminal, sewage line to disposal plant, enlarge auto parking, enlarge and strengthen aircraft parking, center taxiway, taxiway lighting, parallel north-south runway.	355,220
Palestine, city of Palestine, municipal airport	Install waterline	5,000
Perryton, city of Perryton and Ochiltree County, municipal airport.	Pave runway and apron	44,620
Plainview, city of Plainview and Hale County, Hale County airport.	Acquire land, avigation easement and reroute road, extend northeast-southwest runway 800 feet and taxiway, control tower.	65,000
Port Mansfield, Willacy County, municipal airport	Land acquisition and clear zones, site preparation, pave north-south runway 3,500 by 60 feet, pave parking area 200 by 800 feet, pave access road, lighting of runway and parking, boundary fencing.	12,750
San Antonio, city of San Antonio, San Antonio International Airport.	Reconstruction and lengthening northwest-southeast runway (12-30) overlay 17-35 and taxiways 6, 9, 11, and 14; additional taxiways, aprons, and lighting; terminal and apron extension, service roadways and utilities, cargo building.	1,188,098
Waco, city of Waco, municipal airport	Install high intensity lights runway 18/36, install medium intensity lights runway 14/32, acquire north-south runway clear zone, acquire northeast-southwest runway clear zone, auto parking.	57,794

Mr. JOHNSON of Texas. I congratulate my beloved friend from Oklahoma for his prompt and constructive action this afternoon.

Mr. MONRONEY. I thank the distinguished majority leader. The same situation that prevails in his State prevails in the States of many other Senators, with whom I discussed the proposed legislation before it was introduced.

Both of these programs—the 4-year $100 million a year Federal aid program, beginning in fiscal 1960, and the emergency program of $75 million—are on a 50-50 matching basis for long-range public improvements of a permanent nature. This offers the best opportunity for absorbing a considerable amount of unemployment.

The request for an immediate $75 million is based on the fact that many cities already have voted bonds and could provide their share of faster-tempo construction, but are prevented from doing so by the lack of matching Federal funds. The emergency fund would be available at once for airports already under construction or under contract.

Many cities are moving as fast as Federal matching funds permit to provide the longer and heavier runways and improved taxiways which jet planes require—before inability to handle jets forces their airports off major airline schedules.

At the same time it offers a chance to get lower rates than usually prevail with contractors and earth movers and paving layers and other contractors in the building of airport buildings—prices that have been impossible to obtain. This is actually strongly supported by facts which have come to us from a national airport survey which has been conducted at their own expense by the Airport Operators Council, and affiliated groups. That survey showed the need for Federal funds of $150 million a year. Therefore, the proposed annual increase is actually conservative.

The bill which we are introducing today has another feature which will appeal to many Members of the Senate. It would prohibit the use of Federal funds for the construction of parking lots, bars, cafes, and other space rented to concessionaires. We hope and intend to limit the 50–50 percent Federal matching funds to those facilities which serve the public, and which are not rented for revenue-producing concessions which are found at many of the larger airports.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like the Senate to be on notice that later this week, perhaps tomorrow, Wednesday, or Thursday, it is planned to proceed to the consideration of Calendar No. 706, S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

I point out that the bill was reported from the Judiciary Committee on July 18, 1957, and it has been on the calendar since that time. I rather think we shall bring it up by motion, later.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

ORDER FOR RECESS UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

DEATH OF ROSE WALLACE BENNETT

Mr. WATKINS. Mr. President, I believe today we all wish to join in expressing our deep sympathy to our distinguished fellow Senator, WALLACE F. BENNETT, and to the members of his family, upon the death of Rose Wallace Bennett, the Senator's mother.

An eminent daughter of an illustrious Utah pioneer family, Rose Bennett exemplified many of the virtues we cherish and honor. In part her life is a reflection of the life and development of Utah.

Her parents Henry and Elen Harper Wallace came from England, as converts to the Church of Jesus Christ of Latter-day Saints, being married in Salt Lake City in 1863. Elen Harper Wallace was among those hardy women who walked the way West.

Henry Wallace worked for Brigham Young, then became an able business executive, a member of the Salt Lake City Council, a patriarch of the 18th Latter-day Saints Ward. Five times he returned to England, on church work and family affairs.

Rose Wallace followed in her mother's footsteps, as a member of the now famed Latter-day Saints Tabernacle Choir, with which she sang not only in Utah but at the Chicago World's Fair in 1893 and in San Francisco in 1896. She received her education at the University of Deseret, from which she gained a teacher's certificate in 1889. Her poetry won place in Utah and English publications.

Her marriage to John Foster Bennett was an event of November 1897. To them were born 3 sons and 2 daughters. Mrs. Bennett—always devoted to her church—faithfully carried out many assignments. In 1896 she was called to the Young Women's General Board of the Mutual Improvement Association, as a member of which she served for 41 years. In 1916 she came to Washington as a delegate to the National Council of Women, and as such long remembered a reception given by President and Mrs. Wilson at the White House, honoring the delegates.

John Bennett had a long and able record in the church and in western business affairs, being senior officer in many business and industrial firms, notably Bennett's Glass & Paint Co.

To John and Rose Bennett their sons and daughters were their chief joy, and the sons have followed their father's example with credit and distinction, in business, in the church. Bennett's today is one of our best-known western firms.

To Senator BENNETT and to his family, I wish—on behalf of us all—to express our condolences. Rose Wallace Bennett was a mother whose faith in God and man is an inspiration and a guiding light to us all.

Mr. THURMOND. Mr. President——

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from South Carolina.

Mr. THURMOND. Mr. President, I did not have the pleasure of knowing the mother of the distinguished junior Senator from Utah [Mr. BENNETT], but she must have been a wonderful woman to have produced such a distinguished, able, patriotic and kind son as the junior Senator from Utah.

Mr. President, I should like to extend my deepest sympathy to the distinguished Senator from Utah and the members of his family.

Mr. WATKINS. Mr. President, I thank the Senator for his kind expressions.

Mr. COOPER. Mr. President, I also join my colleague, the senior Senator from Utah [Mr. WATKINS], and other Senators in their expressions of sympathy for our colleague and friend, the junior Senator from Utah [Mr. BENNETT] in the loss of his mother.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The present occupant of the chair would also like to join the distinguished senior Senator from Utah in expressing his sympathy for the loss of the mother of a truly distinguished public servant and a great American, the junior Senator from Utah.

Mr. WATKINS. Mr. President, on behalf of the junior Senator from Utah and his family, I greatly appreciate the expressions just made.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 17, 1958, he presented to the President of the United States the enrolled bill (S. 1519) for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno.

RECESS

Mr. THURMOND. Mr. President, pursuant to the order previously entered, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate recessed, the recess being, under the order previously entered, until tomorrow, Tuesday, March 18, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 17, 1958:

DIPLOMATIC AND FOREIGN SERVICE

Horace H. Smith, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos, vice J. Graham Parsons.

POST OFFICE DEPARTMENT

Herbert B. Warburton, of Delaware, to be General Counsel of the Post Office Department.

UNITED STATES DISTRICT JUDGE

Walter H. Hodge, of Alaska, to be United States district judge, division No. 2, district of Alaska, for the term of 4 years. He is now serving in this office under an appointment which expired March 2, 1958.

UNITED STATES ATTORNEYS

Duncan Wilmer Daugherty, of West Virginia, to be United States attorney for the southern district of West Virginia for a term of 4 years. (Reappointment.)

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee for a term of 4 years. (Reappointment.)

Clarence Edwin Luckey, of Oregon, to be United States attorney for the district of Oregon for a term of 4 years. (Reappointment.)

N. Welch Morrisette, Jr., of South Carolina, to be United States attorney for the eastern district of South Carolina for a term of 4 years. (Reappointment.)

UNITED STATES MARSHALS

John Burke Dennis, of Missouri, to be United States marshal for the western district of Missouri for a term of 4 years. (Reappointment.)

Eugene Levi Kemper, of Kansas, to be United States marshal for the district of Kansas for a term of 4 years. (Reappointment.)

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 17, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Proverbs 3: 5: *Trust in the Lord with all thine heart; and lean not on thine own understanding.*

Almighty God, we humbly and penitently confess that again and again we enter upon a new day hesitatingly and wistfully for we fail to put our trust in Thy grace and goodness.

Inspire us to follow Thy leading with a firm step and with a courage of heart which nothing can daunt and a splendor of faith which will never be eclipsed by doubt and despair.

Grant that our plans and purposes for the health and happiness of our beloved country and all mankind may receive Thy benediction and redound to Thy glory.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, March 13, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 483. Joint resolution to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1519. An act for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno.

The message also announced that the Senate had passed a concurrent resolu-

tion of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military-construction programs for which appropriations have been made.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 5822) entitled "An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MONRONEY, Mr. SMATHERS, Mr. BIBLE, Mr. SCHOEPPEL, and Mr. PAYNE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1582) entitled "An act for the relief of Helen Demouchikous."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

MARCH 15, 1958.

The honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on March 13, 1958, the Clerk received from the Secretary of the Senate on Saturday, March 15, 1958, the following message:

That the Senate had passed without amendment the bill (H. R. 10021), entitled "An act to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957."

Respectfully yours,

RALPH R. ROBERTS,
Clerk, United States House of Representatives.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had on March 15, 1958, examined and found truly enrolled a bill of the House of the following title:

H. R. 10021. An act to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, March 13, 1958, he did on March 15, 1958, sign the following enrolled bill of the House: H. R. 10021—An act to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

APPOINTMENT TO JOINT COMMITTEE ON ATOMIC ENERGY

The SPEAKER. Pursuant to the provisions of title 42, section 2251, United States Code, the Chair appoints as a member of the Joint Committee on Atomic Energy the gentleman from Colorado [Mr. ASPINALL] to fill an existing vacancy.

RESOLUTION ADOPTED BY GUAM LEGISLATURE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a letter and a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, on February 19, 1958, the Honorable A. B. Won Pat, speaker of the Fourth Guam Legislature, addressed a letter to our beloved Speaker as follows:

FEBRUARY 19, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR HONORABLE RAYBURN: Forwarded herewith is a certified copy of Resolution No. 282, relative to expressing the appreciation of the people of Guam to the military services of the United States for their extensive defense establishments within the Territory, and emphasizing the continued desire and interest in welcoming even more extensive military utilization of this Territory, duly and regularly adopted by the Guam Legislature on February 11, 1958.

Sincerely yours,

A. B. WON PAT.

FOURTH GUAM LEGISLATURE, 1958 (SECOND) REGULAR SESSION—CERTIFICATION OF ADOPTION OF A RESOLUTION

This is to certify that Resolution 282, relative to expressing the appreciation of the people of Guam to the military services of the United States for their extensive defense establishments within the Territory, and emphasizing the continued desire and interest in welcoming even more extensive military utilization of this Territory, was on the 11th day of February 1958 duly and regularly adopted.

A. B. WON PAT,
Speaker.

Attested:

V. B. BAMBA,
Legislative Secretary.

(Introduced by J. C. Okiyama, A. B. Won Pat, A. L. Cristobal, F. T. Ramirez, G. M. Bamba, M. G. Sablan, V. B. Bamba.)

Resolution relative to expressing the appreciation of the people of Guam to the military services of the United States for their extensive defense establishments with the Territory, and emphasizing the continued desire and interest in welcoming even more extensive military utilization of this Territory

Be it resolved by the Legislature of the Territory of Guam:

Whereas in other areas of the world wherein the United States have established extensive military facilities as part of the global battle to defend the Free World, dissatisfaction and annoyance over the necessary changes and imbalances attendant upon such establishments have been expressed by the people of such areas; and

Whereas the United States Armed Forces have in this Territory also established large and extensive military facilities which have by their very size and complexity necessarily caused changes and deviations from a normal civilian economy for Guam; and

Whereas despite such initial strains the people of this Territory have been enormously benefited by the opportunities provided for employment in connection with such military bases and in addition have appreciated the knowledge that such bases are playing a vital role in protecting the American and democratic system; and

Whereas the highly satisfactory relationship existing between the Armed Forces on Guam and the people of the Territory demonstrated convincingly the ability of the American system of representative government, even when operating in comparatively small arena to handle with dispatch and fairness the problems and difficulties large military establishments bring about: Now, therefore, be it

Resolved, That the Fourth Guam Legislature does hereby on behalf of the people of Guam express to the Armed Forces of the United States gratitude and appreciation for the extensive military establishments within the Territory which play such an important part in the economic well-being of this island; and be it further.

Resolved, That the Fourth Guam Legislature on behalf of the people of Guam does hereby extend a wholehearted invitation to the defense agencies of the United States to establish additional military and related facilities on Guam as such are required in the continuing defense effort necessitated by the cold war; and be it further

Resolved, That such invitation be extended in the comforting knowledge that the democratic process, whose practice and procedures are now routine in this, the newest American Territory, assures meaningful and successful cooperation by the people of Guam with the efforts of our Armed Forces in such further establishment of defense facilities on Guam, which guarantees the absence of the ill will and dissatisfaction expressed in other areas wherein the American Constitution does not, as it does here, hold full sway; and be it further

Resolved, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Honorable Dwight D. Eisenhower, Commander in Chief, United States Armed Forces; the Honorable Richard Nixon, President of the House of Senate; the Honorable Neil McElroy, Secretary of Defense of the United States; the Honorable Thomas S. Gates, Jr., Secretary of the Navy; the Honorable Sam Rayburn, Speaker of the House of Representatives; Rear Adm. W. B. Ammon, United States Navy, commander, naval forces, Marianas; Maj. Gen. Charles W. Schott, commander, Third Air Division, Strategic Air Command; Lt. Col. Victor Gray, United States Army, 809th Engineer Battalion; and to the Honorable Richard Barrett Lowe, Governor of Guam.

This is a very constructive, a very forward-looking, and a very courageous action.

SUCCESSFUL LAUNCHING OF SATELLITE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, like all of my colleagues, I have read with pleasure that another satellite has been projected into orbit. The headlines state: "Vanguard Launching a Success."

The bulletin in connection with this item states:

President Eisenhower announced at 9:45 a. m., eastern standard time, today that the Navy's Vanguard is in orbit.

We all sincerely hope that it will be the success we are looking for. In view of the fact that this launching, and particularly if it is a success, is made on

the anniversary of St. Patrick's birthday, it might be well to call it Shamrock No. 1.

ST. PATRICK'S DAY

Mr. BOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOYLE. Mr. Speaker, through good offices of the beloved chairman of the Democratic Congressional committee, MICHAEL KIRWAN, of Ohio, we are blessed with these beautiful green carnations that point up the birthday of the great patron saint of Ireland.

The Ancient Order of Hibernians, a great organization which has done so much to preserve Irish culture, has favored us with these flowers today and they salute you and wish you "Erin go bragh." The "wearing of the green" is most aptly symbolized in these carnations.

In honoring St. Patrick, we are conversant with the fact that this great saint who freed Ireland is not the sole possession of his homeland. To the millions of Irish everywhere and to all freedom-loving people, St. Patrick represents true hope and inspiration for a more peaceful and better world. Let us hope the enslaved nations of the world with little in which to rejoice can visualize the day, decade, or the generation when a "great man with a mighty crozier will rid them of their snakes."

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield.

Mr. KEATING. Mr. Speaker, today we celebrate a great day, St. Patrick's Day. To many this is nothing more than an excuse to break out their green ties and socks or for the ladies to go out and buy a new hat, also green, of course.

But the day of the shamrock is more than this. It is, to be sure, a happy occasion. Irish men and women around the world are joined by like-minded peoples in every land in the festivities. The glories of Ireland, its people and traditions are proclaimed far and wide. And rightfully so, for the contributions they have made to our civilization, our way of life, almost defy measurement. But all too often the real meaning of St. Patrick is lost in the superficial trappings that have come to symbolize the occasion.

For St. Patrick was first and last a dedicated Christian. His great mission was carrying the Word of God the length and breadth of Ireland. In the course of his life he established over 300 churches throughout the Emerald Isle.

Born in England and trained in France, this man was no narrow patriot. His was and is a universal calling—the call of God. The qualities he exemplified are limited to no one country, no one faith. They are the qualities of God as they manifest themselves in man.

It has been over 1,500 years since St. Patrick strode the green hills and dales of Ireland. These years have seen man's everlasting struggle upward, through the Dark Ages, through the age of slavery, to the present time. They have seen a corresponding growth in man's ability to destroy himself, by bow and arrow, by cannon, by atomic bomb. Yet through all this the spirit of Christianity has endured.

Perhaps as never before the qualities possessed by St. Patrick are those we must call upon today. Faith in God, perseverence in His work, understanding and sympathy for your fellows; given these, the task before us cannot but be accomplished.

So, Mr. Speaker, let the wearing of the green proceed. Let the shamrocks wave. We join with the Irish in their pride of their great land and traditions. But as we do, we are also mindful of the sober truths by which this great man, whose name is honored this day, lived. It is for these he would want to be remembered.

COMMITTEE ON SMALL BUSINESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Small Business Committee may sit during general debate Monday and Tuesday of this week.

The SPEAKER. Is there objection?

There was no objection.

SPECIAL ORDER

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the special order granted me for March 19 be vacated, and that I may address the House for 1 hour on March 25.

The SPEAKER. Is there objection?

There was no objection.

AMERICAN SATELLITES

Mr. SCOTT of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I know that Secretary of the Navy Tom Gates, a fellow Pennsylvanian, must be enormously gratified today, and I extend my congratulations to him and to all of the Navy on the successful orbiting of the Vanguard. The day on which we commemorate the driving of the snakes out of Ireland by St. Patrick we have succeeded in driving the bugs out of Vanguard.

Russia now has one satellite in the air, the only one which is loyal to her; we have two. Russia has 13 satellites, all on the ground, all disloyal, all striving for freedom. She has one dead dog in the air, and that is not the only thing that is dead in Russia; freedom, too, is dead in Russia.

FATHER HARTKE DIRECTS SUPERB PRODUCTION OF THE SONG OF BERNADETTE WHICH WILL TOUR SOUTH AMERICA

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, Washingtonians will be treated to some very special theater fare, thanks to the imaginative and able work of the Catholic University Theater. Under the skilled guidance of the famed director, Father Gilbert V. Hartke, the players in the Song of Bernadette are presenting a deftly placed and moving masterpiece.

The play was adapted by Jean and Walter Kerr from the novel by Franz Werfel and first presented at Catholic University in 1944. Its subsequent successes are known to all.

The present production is of special interest because it has been selected to make a South American tour under the auspices of the President's special international program for cultural presentations.

Mr. Speaker, it is no secret that some of this country's efforts to communicate our culture to other nations have been severely criticized. At times, these criticisms have been justified. The Song of Bernadette is exactly the kind of thing we need to silence such criticisms. Wherever it goes in South America I am confident it will not only be a smashing artistic success, but will convey eloquently America's deep religious convictions and our strong cultural traditions. It is productions such as this which can most effectively dispel many of the misconceptions and misleading notions held by many of our neighbors around the world.

I want to urge every Member of Congress, if he is able, to attend a performance of the Song of Bernadette. He will be rewarded not only with a finely acted and superbly directed production. He will also come away with an increased awareness of the tremendous possibilities which such cultural presentations have in transmitting the true concept of America abroad.

Father Hartke and his coworkers deserve a ringing round of applause and a firm word of thanks from all of us for this grand production. It is American theater at its very best.

GOVERNMENT-CREATED JOBS FOR THE UNEMPLOYED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, last week the officials of certain unions and some others went down to the White House asking for legislation, presumably to be followed by appropriations, to assist in unemployment, lessening unemployment and its harmful effects.

The query that comes from some of the folks back home is whether if that legislation is enacted, if appropriations are made, as we assume they will be, to

create jobs, will those jobs be open to individuals who are unemployed and who are not members of a union? Or are we to appropriate and legislate only for those who are members or join unions?

CURRENT UNEMPLOYMENT PROBLEMS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, a great deal has been said in recent weeks about current unemployment and I have heard proposal after proposal advocating increased spending for highways, increased spending for housing, increased spending for public works, increased spending for foreign aid—all these proposals being advertised as the answer to the current unemployment problems. The situation has gotten to the place where New Dealers, who are still in the majority in Congress and therefore have a majority in every committee, are actually competing with each other to see who can promote the biggest spending program. I for one am of the opinion that it is time for us to stop and take a long, hard look at these proposals before we give them our approval. Unless we do, I am extremely fearful that we are in danger of becoming another New Deal—rubberstamp Congress.

There is not one of us here who is not 100 percent in accord with doing everything within reason to promote a sound economy. There is not one of us who is opposed to any worthwhile program to provide employment for every one of our citizens who wants the opportunity to work and provide a decent living for himself and his family. But, Mr. Speaker, let us remember that we cannot spend ourselves out of debt, and that every single dollar that we Members of Congress vote to spend must come from taxes assessed against the people of our respective districts. There is no such thing as free money, and every cent that we in Congress agree to spend today must eventually be paid for by the millions of citizens throughout our country.

Let us be certain, Mr. Speaker, that every penny we agree to spend will be on worthwhile projects, and will be beneficial to all. We do not want any more of the leaf-raking type of make-work projects which were so unsuccessfully used during the depression of a few years ago. Let us make certain in every single case that we are appropriating only the necessary and reasonable amount of money for projects and assistance of such a character that they will continue to be of value even after our economy is once more back to normal.

THE LATE RAMON MAGSAYSAY, FORMER PRESIDENT OF THE PHILIPPINES

Mr. VORYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, this is the first anniversary of the tragic death, in an airplane crash, of Ramon Magsaysay, President of the Philippines. From the perspective of a year in time and 10,000 miles in distance, his career stands out as a rugged peak of achievement, character, and inspiration in our times.

A guerrilla fighter in World War II, he helped rid his land of its enemies, then plunged into politics in meeting the new perils for his country that came after the Japanese surrender. With unflinching personal courage, he helped subdue the Huks as Minister of Defense, then went on to become a great leader as President.

He was the unswerving friend of the United States, and the incorruptible friend of the common people of his country.

I met him in Washington and again in Manila when he was President. His powerful personality, his courage and confidence, his energy, were magnetic, infectious. He drew men to him in life. His story will draw men to him forever for inspiration and renewed devotion to the cause of freedom.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on Senate Joint Resolution 162.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman tell us what that bill is?

Mr. ALBERT. That is the bill to freeze price supports and acreage allotments.

Mr. HALLECK. That is the bill that is generally applicable to all agricultural products?

Mr. ALBERT. The gentleman is correct.

Mr. HALLECK. Is it contemplated that measure will be called up next week or can the gentleman say?

Mr. ALBERT. The majority leader is present. I will yield to him.

Mr. McCORMACK. What is the question? Is that an agricultural bill?

Mr. HALLECK. I was inquiring as to what bill was involved in the gentleman's request because there has been some suggestion or report here that this measure might be called up this week. I was inquiring as to what the measure was and what action might be contemplated by the majority leader in order that we may know what to expect.

Mr. ALBERT. My request is to have until midnight tonight to file a report on the bill.

Mr. McCORMACK. Well, of course, I have to pick this up in the air. Is this the agricultural bill that passed the Senate, or a bill along that line which passed the Senate the other day?

Mr. ALBERT. The gentleman is correct. It is the Senate bill.

Mr. McCORMACK. I am unable to answer the question now. I do not program a bill without exploring it, and I am unable to answer definitely except to say that, if the chairman of the committee wants it brought up this week, if a rule is obtained I shall do everything possible to cooperate. That is about the only answer I can give now because no one has discussed it with me as yet.

Mr. HALLECK. Of course, this is a very important measure. As I understand, the measure that comes from the Senate is not a freeze on agricultural support prices for 1958 but is permanent legislation. It involves many other areas, and, certainly, if the bill should be reported by the committee in that form, then there should be some adequate notice to the membership before it is called to the floor for action; because, as I say, it is a matter of extreme importance and consequence.

Mr. McCORMACK. Nobody has discussed it with me as yet, except, if the bill is reported out today, as I hear it is likely to be, then action could be taken. Has it been reported?

Mr. ALBERT. No; it has not been reported.

Mr. McCORMACK. If I was requested and it could be brought up this week, I would cooperate as far as possible.

Mr. HALLECK. Of course, we have all known that this measure is here, and the request for leave to file the report by midnight tonight would indicate that action is contemplated in the committee today, and certainly that would indicate some possibility, if not probability, that the measure would be called on the floor very shortly. So, I understand the majority leader's position, and he has told us just about everything that he can as of this time, and my inquiry was not intended or calculated to delay consideration at all.

Mr. HOEVEN. Mr. Speaker, reserving the right to object, may I suggest to my good friend from Oklahoma that he defer his request until later on today?

Mr. ALBERT. I withdraw my request, Mr. Speaker.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Interstate and Foreign Commerce may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

BENEFITS TO WIDOWS OF EMPLOYEES OF LIGHTHOUSE SERVICE

The Clerk called the bill (S. 235) to increase from $50 to $75 per month the amount of benefits payable to widows

of certain former employees of the Lighthouse Service.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSAL OF CERTAIN UNCOMPLETED NAVAL VESSELS

The Clerk called the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels.

Mr. VINSON. Mr. Speaker, I ask unanimous consent, in view of the fact that a rule has been granted on H. R. 8547, that it be stricken from the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

BENEFITS TO WIDOWS OF EMPLOYEES OF LIGHTHOUSE SERVICE

Mr. BONNER. Mr. Speaker, I ask unanimous consent that S. 235, the first bill on the calendar, be stricken. It will be brought up under suspension of the rules.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REMOVE OTTAWA COUNTY, MICH., FROM CORN AREA

The Clerk called the bill (H. R. 10316) to exclude Ottawa County, Mich., from the commercial corn-producing area during 1958.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONVEYANCE OF TITLE TO CERTAIN LANDS IN ALASKA

The Clerk called the bill (S. 2042) to authorize the conveyance of a fee-simple title to certain lands in the Territory of Alaska underlying war-housing project Alaska–50083, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Housing and Home Finance Administrator is hereby authorized to convey, pursuant to the terms of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, and notwithstanding any limitations or requirements of section 2 of the act of May 14, 1898 (30 Stat. 409; 48 U. S. C. 411), or of any other law with respect to the use or disposition of lands of the United States in Alaska, a fee simple title to the lands or any part thereof underlying war-housing project Alaska–50083 located in Juneau, Alaska, together with such easements in, over, through, or upon the adjacent tidal flats as may be necessary to continue the existing main sewer line to deep water.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF FUNDS TO HAWAIIAN HOME DEVELOPMENT FUND

The Clerk called the bill (H. R. 7149) to provide for the periodic transfer to the Hawaiian home-development fund of certain excess funds in the Hawaiian Home Administration account.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (3) of subsection (f) of section 213 of the Hawaiian Homes Commission Act, 1920, as amended (48 U. S. C. 707), is amended by striking out "general fund of the treasury of the Territory," and inserting in lieu thereof "Hawaiian home-development fund."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVIGATION RULES FOR THE GREAT LAKES

The Clerk called the bill (H. R. 7226) to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act of February 8, 1895, entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters" (ch. 64, 28 Stat. 645; 33 U. S. C. 241), is amended by deleting the first sentence and substituting the following: "The following rules for preventing collisions shall be followed in the navigation of all public and private vessels of the United States upon the Great Lakes and their connecting and tributary waters as far east as Montreal and in the navigation of all other vessels upon such lakes and waters while within the territorial waters of the United States.

SEC. 2. Section 2 of the act of February 8, 1895 (ch. 64, 28 Stat. 649; 33 U. S. C. 244), is amended to read as follows:

"(a) Every licensed or unlicensed pilot, engineer, mate, or master of any vessel subject to section 1 of this act who neglects or refuses to observe the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty not exceeding $500.

"(b) Every private vessel subject to section 1 of this act that shall be navigated without complying with the provisions of this act or the regulations established pursuant hereto shall be liable to a penalty of $500, for which sum such vessel may be seized and proceeded against by way of libel in any district court of the United States of any district within which such vessel may be found."

SEC. 3. Sections 4412 and 4413 of the Revised Statutes of the United States, as amended (46 U. S. C. 381) are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF PROPERTY TO THE VIRGIN ISLANDS

The Clerk called the bill (H. R. 9410) to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the government of the Virgin Islands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Virgin Islands Corporation is authorized and directed to transfer and convey to the government of the Virgin Islands upon request of the Governor of the Virgin Islands, without cost, the following-described property:

(a) A tract comprising 5 acres, more or less, of parcel No. 3, Estate Upper Bethlehem, Kingshill, Saint Croix, now in use by the government of the Virgin Islands for educational purposes; and

(b) A tract comprising 12.44 acres, more or less, of Bluebeard's Castle Estate, Saint Thomas, Virgin Islands, now in use by the government of the Virgin Islands as a catchment area.

SEC. 2. Upon the transfer and conveyance of such property by the Virgin Islands Corporation to the government of the Virgin Islands, the interest-bearing investment of the United States in the Corporation shall be reduced by the appraised value of such tracts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING MIGRATORY BIRD HUNTING STAMP ACT OF MARCH 16, 1934

The Clerk called the bill (H. R. 10679) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to utilize funds available under section 4 of the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451), as amended, and such other funds as may be appropriated, to acquire by lease, purchase, or exchange, small wetland and pothole areas to be designated as "Waterfowl Production Areas." Such small areas shall not be classified as "National Wildlife Refuges," and shall not be subject to the inviolate sanctuary provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE MIGRATORY BIRD HUNTING STAMP ACT OF MARCH 16, 1934

The Clerk called the bill (H. R. 10803) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 10803) be recommitted to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PROTECTING THE ALASKAN FISHERIES

The Clerk called the resolution (H. Res. 451) requesting the Secretary of the Interior and all departments of Government to protect Alaska-spawned salmon.

There being no objection, the Clerk read the resolution, as follows:

Whereas the salmon fisheries of the Territory of Alaska are a valuable natural resource capable of producing several hundred million pounds of rich protein food annually; and

Whereas this resource provides employment for thousands of United States fishermen and shoreside employees; and

Whereas the resource provides incomes for such fishermen totaling more than $50 million annually, and provides additional incomes for other employees; and

Whereas the Alaska salmon is spawned in Alaska streams, and returns to those streams at the end of its life cycle for reproduction purposes; and

Whereas the Congress of the United States has heretofore recognized the value of said fisheries and the necessity for protecting it, and has enacted laws regulating the taking of salmon by citizens of the United States; and

Whereas, in order to further protect and conserve said fishery resource, the United States Government has entered a treaty with the Governments of Japan and Canada whereby it is understood that citizens of Japan will abstain from taking salmon spawned in Alaskan waters; and

Whereas, notwithstanding such treaty, citizens of Japan have been taking millions of Alaska spawned salmon annually in recent years from international waters where such salmon grow to maturity; and

Whereas citizens of the United States are prohibited from taking such salmon in such international waters; and

Whereas such taking of Alaska salmon by citizens of Japan will destroy the valuable Alaska salmon resource if permitted to continue, and will deprive citizens of the United States of an important protein food resource, employment, and income: Now, therefore, be it

Resolved, That the Secretary of Interior and all departments of Government immediately take such steps as are necessary to protect the salmon fisheries of the Territory of Alaska.

With the following committee amendment:

On page 2, strike lines marked "1, 2, 3, and 4", and in lieu thereof insert the following: "*Resolved*, That the Secretary of the Interior is instructed to urge all departments of Government affected to immediately take such steps as are necessary to protect the salmon fisheries of the Territory of Alaska."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to speak out of order, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, it is well that we pause today on the birthday anniversary of St. Patrick, the patron saint of Ireland, to honor his memory and, in our recollections, to gain inspiration from the life and the faith of this notable saint.

It is unnecessary to go into detail on the life of St. Patrick, for his life of deep faith is known to all. For, without regard to creed, race, or color, St. Patrick and his memory are esteemed and deeply respected.

Throughout the generations the influence of St. Patrick has been tremendous in the minds of those of Irish blood, and also to countless of millions of those of non-Irish blood.

From the little island of Ireland throughout the centuries have gone her sons and daughters to all corners of the world.

While the population of Ireland is small in relation to that of other countries, the descendants are numerous throughout the world. Their influence is also far reaching; this is particularly so in our own beloved country.

The constructive influence of St. Patrick has grown from generation to generation, and will continue to grow.

His deep faith, his missionary spirit, his wonderful life in the service of God and of mankind have left for all time their indelible imprint upon those of non-Irish blood, as well as those of Irish blood, and upon all persons of religious mind, whether Catholic, Protestant, or Jew.

By pausing today to honor this great man and notable saint, and to reflect upon his life and its meaning and significance, in terms of our own lives, we are better persons for doing so. For St. Patrick's life is an inspiration for all persons to follow.

Mr. Speaker, I insert as part of my remarks the following editorial from the New York Times of Monday, March 17, 1958:

EVERYBODY'S SAINT

One doesn't have to be Irish in order to have an affection for St. Patrick—St. Patrick wasn't Irish, either, not by birth. This doesn't prevent St. Patrick's Day from being the festival of a particular faith and an especial nation, but it does make it possible for those among us who never walked down O'Connell Street or kissed the Blarney Stone or rode in a jaunting car around the Lakes of Killarney to be glad when this saint's day rolls around.

St. Patrick's Day doesn't come in what the calendar says is spring, and that is fair warning. However, there is a kind of spring thought in it. Its green is for Ireland, which is indeed a fair, green land, but it is also because it won't be long now before the turn of the year will be at hand, and we can all relax and live happy ever after.

But St. Patrick's Day is mainly a day when everybody is, or ought to be, good-natured and in a kindly mood toward everybody else. It is true that the Irish have done enough fighting in their day—too much, to be sure, like the rest of the world. They are not a docile people, putting up gently with injustice. When there was no fighting to do at home they often went out and looked for it: they defended liberty in our own Revolution; they fought for the Union (and for the Confederacy, too, for that matter) in our own Civil War, and they were almost as numerous on freedom's side of the Second World War as they would have been if their Government had joined in it with the other democracies.

St. Patrick was willing enough to fight when necessary: against sin, against snakes, against anything that he judged was hostile to God's will. But it isn't fighting we think about today—and this day, in this year, in this generation, in this often sad and tragic time, is a good day to think of a saint who was full to the brim of his heart with goodwill and a cheerful love for all mankind.

And he loved life, too—the parade would surprise him, for he was not a proud man, but he'd keep time to the drums, the pipes, and the brasses like the rest of us, and he wouldn't find any irreverence, where none is meant, in those who love his humanity as well as his saintliness.

Mr. BARTLETT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, my commendations go to the gentleman from Washington [Mr. TOLLEFSON], for having introduced House Resolution 451, now before the House. This is a further demonstration of his interest in the welfare of the American fishing industry. Several different suggestions have been made as to how the critical situation arising from Japanese fishing of salmon on the high seas may be remedied. This is one of them. I am sure it will be helpful and the people of Alaska are grateful to the gentleman from Washington for his leadership in this matter.

Very little is known about the life of salmon from the time they leave the streams in which they were born until they return to fresh water again to spawn and die. When the North Pacific Treaty was ratified by the other body in 1952 it was assumed that the line marked by the 175th parallel west, east of which the Japanese were not permitted to fish for salmon, would be fully protective of fish of American origin. The treaty provided for research and for moving that line farther west if it were discovered that Japanese fishing was based in substantial part upon fish which otherwise would return to the Alaska coast. The start of the research program was regrettably delayed. Even now it is far from completed. But evidence which cannot be questioned was developed last summer proving that Japanese are indeed taking salmon of Alaska origin, and in great numbers. To make a bad situation worse, immature fish are being caught.

Japanese nationals are not fishing illegally. I do not contend that, even though it is true that American and Canadian fishermen are barred from fishing in most high-seas areas. Japanese are abiding by the terms of the treaty covenant; notwithstanding, they are making devastating inroads upon a great American resource. The need for speed—the need for House Resolution 451 and allied measures—is that if action is not taken outside the framework of the treaty there may be no red salmon left.

Most of these salmon came from Bristol Bay. It is the site of the greatest red salmon fishery in the world. The resource is immensely valuable. Properly conserved, it will never be exhausted; fish will return every year to furnish needed human food and to provide employment for American citizens. On the other hand, if high seas fishing on the part of Japanese continues as it has for the last 2 or 3 years there will be no salmon left to return to spawn and to insure future stocks.

In a letter quoted in the report from Assistant Secretary William B. Macomber, Jr., of the State Department it is said:

> The Department understands that the Japanese Government recognizes the problems involved and the Department expects that measures will be taken to assure the continued productivity of the affected salmon resources of North American origin.

It is imperative that this be done this spring before 1958 fishing starts. The fishery simply will not stand repetition of that which occurred in 1957.

This resource is an important one for the Nation. It is even more important for Alaska. The red salmon fishery—which has been chiefly affected but which research may disclose is not exclusively concerned—is an important tax producer for the Territorial government of Alaska. There is another consideration so far as I am concerned which outweighs this. It is the welfare of several thousands of my constituents who live on the shores of Bristol Bay. They depend chiefly on fishing for their livelihood. Even before the Japanese encroachment, they were having a hard time. Three times the region has been declared a disaster area by President Eisenhower. These people are willing to work. They want to work. They must be permitted to work at an occupation which they have every right to expect will be protected for them. I realize that the Japanese have great need for fish but my sympathies in this case lie entirely with the Alaskans whose need is infinitely greater.

Therefore, I believe House Resolution 451 should be passed and the corrective steps under its provisions should be taken without further delay.

Mr. PELLY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I rise to support House Resolution 451, which was introduced by our colleague, the distinguished gentleman from Washington [Mr. TOLLEFSON]. I am sure there is no need to say to the Members of this House, because they cannot have failed to have noticed it, that the author of this resolution is always in the forefront of efforts to help our fishing industry. In particular, Mr. TOLLEFSON has been tireless in his efforts to protect the salmon resources of the Pacific Northwest and Alaska.

I hope most sincerely, Mr. Speaker, that we can pass this measure today. A somewhat similar resolution, I believe, authored by the senior Senator of the State of Washington, has passed the other body. I think time is important because the Japanese fishing fleets sail, as I understand, for the North Pacific early in May. Any discussions of our Government officials with Japan would have to be concluded before that date.

Actually, our red salmon runs that originate and spawn in Bristol Bay, Alaska, will be destroyed unless the Japanese can be prevailed upon to refrain from catching these salmon west of the 175th meridian west. If the Japanese would agree to keep their fishing boats west of the 175th meridian east, as I understand, it is thought that these Alaska salmon would be protected.

I introduced a somewhat similar resolution and, as I said, favor passage of this measure, but I am frank to say I do not feel House Resolution 451 is strong enough. It is a step, but if it does not succeed then we should pass legislation of a different kind. For example, the Japanese take fish by means illegal and not permissible in the interest of conservation to American fishermen. Since the United States is a substantial market for those fish, I introduced a bill to prohibit the import of any such fish caught by methods unlawful according to American standards.

It seems to me, Mr. Speaker, the United States and the Congress is going to have to meet this situation and simply refuse to allow any imports of those Alaska-spawned salmon. The Japanese fish 7 days a week and use nets that take the young, small fish so that very few salmon are left to return to their native Alaska rivers to plant their eggs and then die.

Accordingly, there has been very strong support for my bill, H. R. 10244, but I think we should pass House Resolution 451 today and see what happens. If our officials get results, all well and good; if not, let us prescribe a stronger remedy.

Mr. Speaker, in Geneva, Switzerland, the United Nations Conference on the Law of the Sea is presently discussing the International Law Commission's proposals for freedom of fishing on the high seas. An international law will not solve an individual fishery problem such as exists in the North Pacific Ocean. Treaties between interested nations are the answer.

Protection by agreement is needed not only for salmon but for halibut, herring and other species of fish, as well as the king crab.

The tripartite treaty between the United States, Canada, and Japan recognized that a nation which conserved and utilized a fishery had rights which other nations could not claim. This is the principle of abstention where a nation has, over a long period of time, scientifically regulated and made substantial use on a basis of sustained yield of its world fisheries, then it would have the legal right to the exclusive use of such fisheries regardless of the distance off shore such fisheries extended.

Our colleague, the author of House Resolution 451, is to be congratulated for his efforts in behalf of conservation of our fisheries. If our United Nations representatives and our State Department do not insist on these inherent rights we will wake up soon and find a rich national food supply and the basis of livelihood and income to our fishermen is lost forever.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to and a motion to reconsider was laid on the table.

GRANTING TO KERR COUNTY, TEX., THE REVERSIONARY INTEREST OF THE UNITED STATES IN CERTAIN REAL PROPERTY

The Clerk called the joint resolution (H. J. Res. 427) to grant to Kerr County, Tex., the reversionary interest of the United States in certain real property.

There being no objection, the Clerk read the joint resolution, as follows:

> *Resolved, etc.*, That (a) the second paragraph of the joint resolution entitled "Joint resolution to provide for the conveyance to the Texas Hill Country Development Foundation of certain surplus land situated in Kerr County, Texas," approved June 28, 1954 (Private Law 48, 83d Cong.), and section 2 of the joint resolution entitled "Joint resolution to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Texas," approved August 9, 1955 (Public Law 291, 84th Cong.), are hereby repealed.
>
> (b) The Administrator of General Services is authorized and directed to convey, without consideration, to Kerr County, Tex., all right, title, and interest of the United States in the real property conveyed under authority of such joint resolutions.

With the following committee amendments:

> On page 1, strike all after the resolving clause and insert in lieu thereof the following: "That notwithstanding any provision of Private Law 480, 83d Congress, or of Public Law 291, 84th Congress, or any of the terms, reservations, restrictions, or conditions of any deed granted under authority of either such law, the use and maintenance for park, amusement, or other recreational purposes of all or any part of the real property conveyed under authority of such laws shall not operate to cause or permit all or any portion of such property to revert to the United States.
>
> "SEC. 2. The right to use and maintain such real property for the purposes specified in the first section of this joint resolution shall be evidenced by an instrument of conveyance prepared and delivered to Kerr County, Tex., by the Administrator of General Services."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to permit use of certain real property in Kerr County, Tex., for recreational purposes without causing such property to revert to the United States."

A motion to reconsider was laid on the table.

AMENDING SECTION 73 (L) OF THE HAWAIIAN ORGANIC ACT, AS AMENDED

The Clerk called the bill (H. R. 9502) to authorize certain exchanges of public lands of the Territory of Hawaii.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I note that the Department of the Interior had some objections to the bill as introduced. Have those objections been reconciled by the bill as amended?

Mr. O'BRIEN of New York. Mr. Speaker, they have entirely.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 73 (1) of the Hawaiian Organic Act (48 U. S. C. 673) is amended by striking out "No sale of lands for other than homestead purposes, except as herein provided, and no exchange by which the Territory shall convey lands exceeding either 40 acres in an area of $5,000 in value shall be made." and inserting in lieu thereof the following: "No sale of lands for other than homestead purposes, except as herein provided, shall be made. No exchange of lands shall be made by the Territory except for lands of equal or greater value."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 73 (1) of the Hawaiian Organic Act (31 Stat. 141, 154) as amended (48 U. S. C. 673), is hereby further amended by increasing the amount of '$5,000' appearing therein to '$15,000'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 73 (1) of the Hawaiian Organic Act, as amended."

A motion to reconsider was laid on the table.

ISSUANCE OF AVIATION REVENUE BONDS AND AUTHORIZING CERTAIN LAND EXCHANGES IN HAWAII

The Clerk called the bill (H. R. 10347) to amend section 73 (q) of the Hawaiian Organic Act; to approve and ratify joint resolution 32, session laws of Hawaii, 1957, authorizing the issuance of $14 million in aviation revenue bonds; to authorize certain land exchanges at Honolulu, Oahu, T. H., for the development of the Honolulu airport complex; and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 73 (q) of the Hawaiian Organic Act (31 Stat. 141), as amended (48 U. S. C. 677), is further amended as follows:

(a) By inserting in the first sentence, after the words "all sales and other dispositions of such land shall' a comma and the following: "except as otherwise provided by the Congress."

(b) By inserting at the end thereof the following new paragraph:

"Within the meaning of this section, the management of lands set aside for public purposes may, if within the scope of authority conferred by the legislature, include the making of leases by the Hawaii Aeronautics Commission with respect to land set aside to it, on reasonable terms, for carrying out the purposes for which such land was set aside to it, such as for occupancy of land at an airport for facilities or carriers or to serve the traveling public. No such lease shall continue in effect in the event of withdrawal by the Governor, unless at the time of the making of the lease, the Governor shall have approved the same, or in any event for a longer term than 55 years.

SEC. 2. (a) Joint Resolution 32, Session Laws of Hawaii, 1957, is hereby amended by inserting in the place provided in section 137–94 thereof the public law number assigned to this act.

(b) The Territory of Hawaii, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, is authorized and empowered to issue aviation revenue bonds in a sum not to exceed $14 million payable from funds derived from aviation fuel taxes and all other revenues of the Hawaii Aeronautics Commission, including rents, fees, and other charges for the purpose of providing for the construction, operation, and maintenance of airports and air navigation facilities, including acquisition of real property and interests therein, in the Territory, and for expenses incurred for engraving, printing, advertising, legal services, financial consultant's services, or otherwise, with respect to the issuance of such aviation revenue bonds. The issuance of such aviation revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of the Hawaiian Organic Act, and shall not require the approval of the President of the United States.

(c) All aviation revenue bonds issued under authority of section 2 above shall be issued pursuant to legislation enacted by the legislature of the Territory which shall provide (1) that, so long as any of the bonds are outstanding, aviation fuel taxes shall be levied and collected in amounts at least sufficient to provide for the payment of the principal of the bonds and the interest thereon, as such principal and interest become due, and for such reserve funds and sinking funds as may be provided therefor; (2) that the Hawaii Aeronautics Commission or any officer or agency succeeding to its powers and duties, shall have the power to issue and sell the bonds and to expend the proceeds thereof and provide for the repayment thereof, in accordance with standards and pursuant to provisions which shall be set forth in such legislation; and (3) that the Hawaii Aeronautics Commission, or any officer or agency succeeding to the powers and duties of that commission, shall be continued in existence and shall retain the powers and duties set forth in such legislation, so long as any of the bonds are outstanding.

(d) Nothing in this act shall be deemed to prevent the application of Federal funds to aid in the retirement of said bonds, to the extent now or hereafter permitted by the acts of Congress relating to the use of such funds.

(3) As used in this act, the term "aviation fuel taxes" shall have the same meaning as is now or hereafter ascribed to it by the laws of the Territory of Hawaii.

(f) Joint resolution 32 of the session laws of Hawaii, 1957, as amended by subsection (a) hereof, is hereby approved and ratified.

SEC. 3. The Secretary of the Navy is authorized to convey without reimbursement, to the Territory of Hawaii, all of the right, title, and interest of the United States in and to those portions of the former naval air facility, Honolulu, and the general supply depot, Damon Tract, naval supply center, Pearl Harbor, comprising an area of 77 acres, more or less, and described as follows:

LAND SITUATE AT MOANALUA, HONOLULU, OAHU, T. H.

Being lot 35, area 12.973 acres, as shown on map 77, and lot 36–B, area 63.678 acres, as shown on map 144, said maps having been filed with the assistant registrar of the land court of the Territory of Hawaii in land court application No. 1074 of the trustees under the will and of the estate of Samuel M. Damon, deceased. Said lot 35 being the land described in transfer certificate of title No. 38090, and lot 36–B being a portion of the land described in transfer certificate of title No. 38094, both issued to the United States of America.

Together with any or all improvements or utilities thereon or used in connection therewith.

SEC. 4. The Secretary of the Air Force is authorized to convey without reimbursement, to the Territory of Hawaii, all of the right, title, and interest of the United States in and to that portion of Hickam Air Force Base, Honolulu, comprising an area of 170 acres, more or less, and described as follows:

A PORTION OF HICKAM AIR FORCE BASE

Being a portion of Hickam Field, United States Military Reservation (portion of parcel III, final order of condemnation, United States of America civil No. 289 dated April 9, 1935). Being also a portion of R. P. 7858 land court award 7715 Apana 2 to Lot Kamehameha and a portion of grant 4776 to Samuel M. Damon.

LAND SITUATE AT MOANALUA, HONOLULU, OAHU, T. H.

Beginning at the northeast corner of this piece of land, on the west side of John Rodgers-Keehi Lagoon Access Road, Hawaii project DA–NR 10–B (1), and on the south side of lot C–4–B–1, map 136 of land court application 1074, the true azimuth and distance from the southeast corner of said lot C–4–B–1 being 97 degrees 20 minutes 15.99 feet, and the coordinates of said point of beginning referred to Government survey triangulation station "Salt Lake" being 10,524.00 feet south and 5,894.95 feet west, thence running by azimuths measured clockwise from true south:

SOUTH

1. 00 degrees 00 minutes 626.01 feet along lot C–6, map 74 of land court application 1074, along Territorial law numbered 17194;

2. 00 degrees 00 minutes 563.79 feet along lot 36, map 77 of land court application 1074, along United States civil numbered 527;

3. 349 degrees 19 minutes 24 seconds 3,178.18 feet along present Honolulu International Airport, Governor's executive order No. 1016;

4. 90 degrees 03 minutes 20 seconds 1,922.84 feet along the remainder of Hickam Air Force Base to a pipe;

5. 180 degrees 03 minutes 20 seconds 1,760.25 feet along same to a spike in pavement;

6. 90 degrees 03 minutes 20 seconds 400.00 feet along same to a pipe;

7. 180 degrees 03 minutes 20 seconds 1,908.49 feet along same to a spike in pavement;

8. 276 degrees 29 minutes 450.90 feet along same to a spike in pavement;

9. 186 degrees 29 minutes 851.01 feet along same;

10. 277 degrees 20 minutes 1,196.15 feet along lot C–4–B–1, map 136 of land court application 1074, along United States civil numbered 436 to the point of beginning and containing an area of 170.990 acres.

Together with any or all improvements or utilities thereon or used in connection therewith.

SEC. 5. The Governor of the Territory of Hawaii is authorized to convey without reimbursement to the United States all of the right, title, and interest of the Territory of Hawaii in and to that portion of the Honolulu International Airport, comprising an area of 174 acres, more or less, and described as follows:

LAND SITUATE AT MOANALUA, HONOLULU, OAHU, T. H.

Being a portion of the Honolulu International (formerly John Rodgers) Airport as described in and set aside by the Governor of the Territory of Hawaii by executive order

numbered 1016, and being also a portion of the land as described in and title transferred to the Territory of Hawaii by Presidential Executive Order Numbered 10121.

Beginning at the westerly corner of this tract of land, being also a point in common on the converging boundaries of Hickam Field and Fort Kamehameha Military Reservations, the coordinates of said point of beginning referred to Government survey triangulation station "Salt Lake" being 16,874.10 feet south and 5,896.30 feet west, and running by azimuths measured clockwise from true south:

1. 228 degrees 49 minutes 0.35 foot along Hickam Field, United States Military Reservation (United States civil No. 289), being along parcel 2 of proposed Navy seadrome area;

2. 244 degrees 22 minutes 33.00 feet along same;

3. 231 degrees 55 minutes 30 seconds 298.50 feet along same;

4. 222 degrees 20 minutes 30 seconds 401.40 feet along same;

5. 212 degrees 53 minutes 139.80 feet along same;

6. 207 degrees 57 minutes 30 seconds 222.80 feet along same;

7. 201 degrees 40 minutes 104.87 feet along same;

8. 233 degrees 00 minutes 878.84 feet along the remainder of Honolulu International Airport, being a portion of reclaimed lands transferred to the Territory of Hawaii by Presidential Executive Order No. 10121;

9. 270 degrees 00 minutes 3,607.69 feet along same, along the remainder of area 3 as reserved for purposes of the United States of America in Presidential Executive Order No. 10121, to highwater mark at seaplane docking basin; thence along the seaplane docking basin and seaplane runway "A" following along highwater mark for the next three courses the direct azimuth and distance between points at said highwater mark being:

10. 52 degrees 30 minutes 1,871.69 feet;

11. 16 degrees 00 minutes 767.64 feet;

12. 52 degrees 59 minutes 05 seconds 1,722.70 feet;

13. 110 degrees 00 minutes 414.47 feet along the remainder of Honolulu International Airport; along the remainder of Moanalua fishery (Territory of Hawaii final order of condemnation law No. 16653) to a point on the easterly boundary of Fort Kamehameha United States Military Reservation;

14. 216 degrees 30 minutes 421.10 feet along Fort Kamehameha United States Military Reservation, and along area 9 of the United States Naval Reservation;

15. 163 degrees 00 minutes 260.00 feet along area 9 of the United States Naval Reservation (formerly portion of Fort Kamehameha United States Military Reservation);

16. 105 degrees 44 minutes 1,607.00 feet along same, and along Fort Kamehameha United States Military Reservation;

17. 143 degrees 45 minutes 369.25 feet along Fort Kamehameha United States Military Reservation to the point of beginning and containing an area of 174 acres, more or less.

Together with access thereto and easements for utilities to be used in connection therewith.

SEC. 6. The Governor of the Territory of Hawaii is authorized to convey without reimbursement to the United States all of the right, title, and interest which the Territory may have in and to those portions of the Halawa and Moanalua fisheries, and the submerged lands subjacent thereto, comprising an area of 156 acres, more or less, and described as follows:

Being a portion of Moanalua fishery (Governor's executive order No. 1016) and a portion of Halawa fishery.

SITUATE AT MOANALUA, HONOLULU, AND HALAWA, EWA, OAHU, T. H.

Beginning at the northeasterly corner of this piece of land, on the easterly side of Fort Kamehameha Military Reservation, the coordinates of said point of beginning referred to Government survey triangulation station "Salt Lake" being 18,210.90 feet south and 4,293.81 feet west, thence running by azimuths measured clockwise from true south:

1. 290 degrees 00 minutes 414.49 feet along the remainder of Moanalua fishery (Governor's executive order No. 1016);

2. 52 degrees 59 minutes 05 seconds 2,503.69 feet along same;

3. 110 degrees 00 minutes 7,986.50 feet along same;

4. 110 degrees 00 minutes 957.00 feet along the remainder of Halawa fishery; thence along shoreline, along Fort Kamehameha Military Reservation for the next 19 courses, the direct azimuths and distances from point to point along said shoreline being:

5. 270 degrees 35 minutes 20 seconds 225.02 feet;

6. 280 degrees 05 minutes 40 seconds 290.85 feet;

7. 257 degrees 50 minutes 239.14 feet;

8. 243 degrees 05 minutes 142.51 feet;

9. 233 degrees 12 minutes 92.13 feet to Kamumau;

10. 268 degrees 46 minutes 1,342.70 feet;

11. 285 degrees 45 minutes 1,560.00 feet;

12. 301 degrees 53 minutes 1,208.00 feet;

13. 287 degrees 00 minutes 30 seconds 311.80 feet;

14. 290 degrees 41 minutes 980.80 feet;

15. 298 degrees 23 minutes 30 seconds 797.00 feet;

16. 293 degrees 26 minutes 768.70 feet;

17. 318 degrees 40 minutes 498.20 feet;

18. 278 degrees 48 minutes 494.10 feet;

19. 268 degrees 30 minutes 568.80 feet;

20. 256 degrees 00 minutes 360.00 feet;

21. 187 degrees 00 minues 235.00 feet;

22. 232 degrees 00 minutes 790.00 feet;

23. 216 degrees 30 minutes 318.90 feet to the point of beginning and containing an area of 156.844 acres, more or less.

Together with access thereto and easements for utilities to be used in connection therewith.

SEC. 7. The Governor of the Territory of Hawaii is authorized to convey without reimbursement to the United States all of the right, title, and interest which the Territory may have in and to those portions of the Halawa and Moanalua fisheries, and the submerged lands subjacent thereto, comprising an area of 344 acres, more or less, and described as follows:

Being a strip of land 1,000 feet wide and 15,000 feet long, and being a portion of Moanalua fishery (Governor's executive order No. 1016) and a portion of Halawa fishery.

Situated offshore of Moanalua, District of Honolulu, and Halawa, District of Ewa, Oahu, Territory of Hawaii. Beginning at the most easterly corner of this piece of land, on the southeasterly side and offshore of Fort Kamehameha Military Reservation, the true azimuth and distance from the most southerly corner of proposed Navy seaplane base being 329 degrees 35 minutes 51 seconds 4,029.15 feet, the coordinates of said point of beginning referred to Government survey triangulation station "Salt Lake" being 21,827.75 feet south and 1,865.30 feet west, thence running by azimuths measured clockwise from true south:

1. 19 degrees 00 minutes 1,000.00 feet along the remainder of Moanalua fishery (Governor's executive order No. 1016);

2. 109 degrees 00 minutes 15,000.00 feet along same and along the remainder of Halawa fishery;

3. 199 degrees 00 minutes 1,000.00 feet along the remainder of Halawa fishery;

4. 289 degrees 00 minutes 15,000.00 feet along same and along the remainder of Moanalua fishery (Governor's executive order No. 1016) to the point of beginning and containing an area of 344.353 acres.

With the following committee amendments:

Page 2, line 11, strike the words "or carriers" and insert "for carriers."

Page 2, strike the sentence appearing on lines 12 to 16, inclusive, and insert the following sentences in lieu thereof: "No such lease shall continue in effect for a longer term than 55 years. If, at the time of the execution of any such lease, the Governor shall have approved the same, then and in that event the Governor shall have no further authority under this or any other act to set aside any or all of the lands subject to such lease for any other public purpose during the term of such lease."

Page 2, line 20, change the period to a comma and add the words "and by striking the words 'first session.'"

Page 4, line 12, strike the figure "(3)" and insert in lieu thereof the letter "(e)."

Page 6, line 2, strike the word "court" and insert the word "commission."

Page 10, line 16, strike the words "172.212 acres." and insert the words "174 acres, more or less."

Page 12, line 2, strike the word "Kamumau;" and insert the word "Kumumau;".

Page 13, line 16, strike the figure "21,827.75" and insert the figure "21,827.76."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING HAWAIIAN ORGANIC ACT RELATING TO TRANSFER OF THE TITLE OF CEDED LAND BY THE PRESIDENT

The Clerk called the bill (H. R. 9543) to provide for the conveyance of certain real property used by the University of Hawaii to the board of regents of such university, for the use and benefit of such university.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey, without consideration therefor, to the board of regents of the University of Hawaii, for the use and benefit of such university, all rights, title, and interest of the United States in and to the lands of the United States which are being devoted to the use and benefit of such university on the date of enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 91 of the Hawaiian Organic Act (31 Stat. 159), as amended (48 U. S. C. 511), is amended further by inserting after the words "other political subdivision thereof" a comma and the words "or the University of Hawaii,".

"SEC. 2. Joint Resolution 5 of the Session Laws of Hawaii, 1957, shall be construed as authorization by the legislature for the transfer of title by direction of the Governor to the University of Hawaii of any lands title to which may be transferred to the Territory by direction of the President for educational institutions under the provisions of said section 91 of the Hawaiian Organic Act, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Hawaiian Organic Act relating to the transfer of the title of ceded land by the President."

A motion to reconsider was laid on the table.

YUMA IRRIGATION DISTRICT, ARIZONA

The Clerk called the bill (S. 2037) to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OF SECTION 161 OF REVISED STATUTES

The Clerk called the bill (H. R. 2767) to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records.

Mr. BYRNES of Wisconsin. Reserving the right to object, Mr. Speaker, I cannot understand why this particular bill was put on the Consent Calendar in view of the fact that the committee itself filed a minority report. I therefore ask unanimous consent that it be stricken from the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PETRIFIED FOREST NATIONAL PARK, ARIZ.

The Clerk called the bill (H. R. 8250) to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to permit the establishment of the Petrified Forest National Monument, Ariz., and other lands as provided for herein, as the Petrified Forest National Park, such national park shall be established (a) after title to all of the lands described in section 2 of this act shall have been vested in the United States, with the exception of such easements and rights-of-way for railroad and highway purposes as may be acceptable to the Secretary of the Interior, and (b) when notification of the effective date of such establishment of the park, as determined by the said Secretary, is published in the Federal Register. Disestablishment of the Petrified Forest National Monument shall be effected concurrently with the establishment of the park.

The Petrified Forest National Park shall be preserved and administered in its natural condition by the Secretary of the Interior for the public benefit in accordance with the general laws governing areas of the National Park System and in accordance with the basic policies relating thereto as prescribed by the act of August 25, 1916 (39 Stat. 535; 16 U. S. C., 1592 edition, secs. 1–3).

The exchange authority prescribed for the Petrified Forest National Monument in the act of May 14, 1930 (46 Stat. 278; 16 U. S. C., 1952 edition, secs. 444, 444a), is hereby extended to all the lands within the Petrified Forest National Park as herein authorized.

For the purposes of this act, the Secretary is authorized to acquire, in such manner as he shall consider to be in the public interest, any non-Federal land or interests in land within the area hereby authorized to be established as the Petrified Forest National Park. In acquiring any State-owned land or interests therein within the aforesaid area, such property may be procured by the United States without regard to any limitations heretofore prescribed by the Congress relating to the disposal of State-owned properties.

Upon establishment of the Petrified Forest National Park, as authorized by this act, any remaining balance of funds that may be available for purposes of the Petrified Forest National Monument shall thereafter be available for expenditure for purposes of the Petrified Forest National Park.

SEC. 2. The Petrified Forest National Park, authorized to be established pursuant to section 1 of this act, shall comprise the following described lands:

GILA AND SALT RIVER MERIDIAN

Township 20 north, range 23 east: Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, 36, all.

Township 20 north, range 24 east: All.

Township 20 north, range 25 east: Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, all.

Township 19 north, range 23 east: Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, all.

Township 19 north, range 24 east: Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, all; section 11, northwest quarter and north half northeast quarter; sections 16, 17, 18, 21, 28, 33, all.

Township 18 north, range 24 east: Sections 4, 9, 10 (southwest quarter), 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all.

Township 17 north, range 24 east: Sections 2, 11, 14, 23, 26, west half; sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, all.

Township 17 north, range 23 east: Sections 34, 35, 36, all.

Township 16 north, range 24 east: Sections 3 and 10, west half; sections 4, 5, 6, 7, 8, 9, all.

Township 16 north, range 23 east: Sections 1, 2, 11, 12, all; sections 3, 10, east half.

With the following committee amendments:

Page 1, line 9, following the word "railroad" insert ", public utilities."

Page 2, line 24, strike the word "precribed" and insert "prescribed."

Page 3, strike out all of lines 21, 22, and 23, and insert in lieu thereof: "Township 18 north, range 24 east: Sections 4, 9, all; section 10, southwest quarter; sections 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all."

Page 3, line 25, strike the word "half;" and insert halves;."

Page 4, line 5, strike the word "half;" and insert "halves;."

Page 7, strike the word "half." and insert "halves."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECONVEYANCE OF CERTAIN SURPLUS REAL PROPERTY TO NEWAYGO, MICH.

The Clerk called the bill (H. R. 10009) to provide for the reconveyance of certain surplus real property to Newaygo, Mich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services shall convey all right, title, and interest of the United States in and to the real property described in section 2 of this act to the village of Newaygo, Mich., in consideration of $1. Such real property was acquired by such village and conveyed to the United States for $1 for use as a post-office site; however, such real property has not been so used, and has been declared surplus property and plans have been made for its sale.

SEC. 2. The real property referred to in the first section of this act is more particularly described as follows:

"A parcel in the southeasterly corner of Brooks Park, village of Newaygo, State of Michigan, 100 feet east and west and 175 feet north and south, lines being parallel with adjoining streets, and more particularly described as beginning at the northwesterly corner of the intersection of Quarterline and Justice Streets, thence north 16 degrees 45 minutes east 175 feet, thence north 73 degrees 30 minutes west 100 feet, thence south 16 degrees 45 minutes west 175 feet, thence south 73 degrees 30 minutes east 100 feet to place of beginning."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Administrator of General Services is hereby directed to convey to the village of Newaygo, Mich., by quitclaim deed and without monetary consideration therefor all right, title, and interest of the United States in and to that certain parcel comprising approximately 17,000 square feet of land in the village of Newaygo, county of Newaygo, State of Michigan, more particularly described in the proceeding in condemnation entitled United States against certain land in the village of Newaygo, county of Newaygo, State of Michigan; and the village of Newaygo, et al., civil action No. 125, in the United States District Court in the Western District of Michigan, together with easements for rights-of-way acquired in connection therewith."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That is the last eligible bill on the Consent Calendar.

LEAGUE OF WOMEN VOTERS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks and to include some correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, the League of Women Voters is engaged in a campaign the purpose of which is to prevent the House from acting on a

bill which is designed to undo the decision of the Supreme Court when it invaded the legislative field in the case of Cole against Young. It just seems inconceivable to me that this organization or any organization or any individual for that matter would be in favor of preventing the discharge from the Government service of a person who is not loyal. As a matter of fact, nobody works for the Government of the United States as a matter of right. It is a matter of high personal privilege, and it seems to me that anyone enjoying that privilege should at least be loyal to our Government.

The correspondence referred to is as follows:

LEAGUE OF WOMEN VOTERS
OF EASTON, PA.,
Easton, Pa., March 7, 1958.

The Honorable FRANCIS E. WALTER,
House of Representatives,
Washington, D. C.

MY DEAR MR. WALTER: The League of Women Voters of the United States has gone on record as believing that, in the interest of strengthening national security and maintaining our traditional concepts of freedom, the Federal loyalty-security programs should be modified so as to limit coverage to sensitive positions. The league also opposes any extension of these programs.

In keeping with this position, the League of Women Voters is taking action to oppose Senate bill 1411 because this bill, in opposition to the *Cole* v. *Young* decision, deems all Government workers to be employed in an activity of the Government involving national security, and is thus an effort to reextend the coverage of the Federal loyalty-security programs to nonsensitive as well as sensitive positions.

The league has taken this position after a 4-year study of individual liberty as related to the public interest. The last 2 years were concentrated upon an evaluation of the Federal loyalty-security programs. The Easton League is one of more than 1,000 local leagues whose conclusions were pooled to formulate the national position. Membership thinking within the Easton League is clearly in line with this position.

We believe that legislation such as S. 1411 will not increase our national security. We fear that such legislation may provide undesirable and unnecessary limitations on individual liberty.

Sincerely yours,
WINIFRED K. LILIENTHAL
Mrs. Paul F. Lilienthal,
President.

MARCH 17, 1958.

Mrs. PAUL F. LILIENTHAL,
President, League of Women Voters of Easton, Easton, Pa.

DEAR MRS. LILIENTHAL: I am deeply shocked and concerned at the campaign to defeat enactment of S. 1411, a bill to strengthen the Federal employee security program, that apparently has been touched off throughout the country as a result of certain material emanating from the League of Women Voters of the United States.

The article entitled "Loyalty-Security" under the column Keeping Up With Program in the March 1958 issue of The National Voter evidence a complete and, in my judgment, dangerous misconception of the condition at which S. 1411 is directed. The issue is as simple as this: Do you want to have Communists working in any position in the Federal Government? S. 1411 as reported by the House Post Office and Civil Service Committee would be a valuable preventive measure in this regard. Failure of its approval, on the other hand, would leave the door open for employment of Communists, subversives, and dangerous security risks in many of the approximately 2,400,000 positions in our Federal Government.

The language of the mentioned article is at best an exposition of how badly it misses the point. S. 1411 will extend the Federal employee security program to cover all Government positions because all such positions are sensitive. In other words, it will spell out in the law what is and has been a fact. There is no question of extending the program to nonsensitive Federal positions. There are none.

Similarly, the third paragraph of the article lends itself to a misconception of the effect of the Supreme Court decision in *Cole* v. *Young*. The Court decided, in effect, that under Public Law 733 only positions in those departments and agencies specifically named in such law by the Congress could be deemed to be sensitive positions within the meaning of that law and that further provision of section 3 of the law—authorizing the President to extend its application to other departments and agencies—is inoperative. There is no implication, as indicated by the language in the article, that some Federal positions by nature are sensitive and some by nature are not.

The result is that no adequate procedure now is provided by law whereby even a known Communist may be removed promptly from a Federal position, having completed the probationary period, if the position is not in one of the departments and agencies specifically named by the Congress in Public Law 733. Already a number of known members of Communist cells have had to be restored to positions from which they were removed under Public Law 733 before the Court decision. Many newspapers throughout the Nation carried press accounts of some 11 of these restorations, in which cases the Department of Justice has been forced to withdraw because of the Supreme Court decision.

Sensitivity in Government positions, and the need for maximum security therein, by no means is limited to military activities, nuclear functions, or procurement and operation of planes, missiles, tanks, and guns. Every Federal program exists solely to serve the national welfare and interest—to promote our economy, culture, and American way of life. Every such program is, therefore, inescapably and directly linked to the national security. Soviet Russia devotes a tremendous part of its energy, time, and substance to attacking our economy, culture, lines of communication, and other essential day-to-day activities. They, at least, by their unceasing efforts recognize that weakening America in these respects necessarily weakens our national security.

As one example of the fallacy implicit in the position taken by your organization, you should know that, under the Supreme Court decision, none of the 518,000 positions in the United States postal service may be termed sensitive. A number of Communists and fellow travelers already have been restored to this service under the Court decision. Bear in mind that the postal service is the greatest communications system in the world. It is vital to our national security. Yet, following the league's position to a logical conclusion, it would be perfectly all right to permit Communists to work in this vital communications system.

High officials of the Department of Defense testified last fall before my Committee on Un-American Activities that American communications are a prime objective of Soviet infiltration and sabotage. The postal service carries all but top secret Government communications. It should be obvious to everyone that a few well-placed agents in this communications network could wreak havoc in our Government in time of emergency. These officials unqualifiedly urged the strengthening of our Federal employee security program, which will be accomplished by S. 1411 as reported to the House of Representatives, as well as a separate program to strengthen employee security procedures in private enterprise that could have an adverse effect on the national security.

From the tenor of some of the letters and telegrams from local units of the League of Women Voters it seems very probably that they have not been fully informed of the content of the majority report of the House Post Office and Civil Service Committee. In a number of instances they emphasize, and quote favorably from, the minority views filed with this report. Suffice it to say that certain statements in the minority views are not factual and completely avoid the real issue. Moreover, only 2 of the 25 committee members signed the minority views. S. 1411 as reported had the overwhelming approval of the committee, which conducted a thorough study and held exhaustive hearings.

The extreme urgency and importance of this matter has impelled me to address the League of Women Voters of the United States and point out pertinent facts in our Federal employee security situation which I feel must have been overlooked or misunderstood in the league's taking its present position. I cannot too strongly emphasize that a course of action directed at obstructing necessary security legislation in the present critical period is fraught with real danger to our national security. It is my hope that the league will carefully review and reconsider its position in the light of all the facts and circumstances which in the unanimous judgment of our national leaders is both well-conceived and essential to close existing loopholes in the law protecting our national security.

Sincerely yours,
FRANCIS E. WALTER.

SUBSCRIPTION TELEVISION

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, it is with some reluctance that I take the floor today to discuss the highly controversial proposal that subscription television be given a controlled test before a final decision is reached by the Federal Communications Commission as to whether this means of transcription is in the best interests of the American public.

In the first place, I do not have any particular desire to engage in an argument as to the relative merits of so-called free TV versus paid TV. I recognize that tens of millions of American families have bought television sets with the understanding that there would be no further charge for their use. For this reason, I will steadfastly oppose any device that would deprive the viewing public of free television shows.

But this is not the issue which Congress must decide. The real issue is whether the three network companies which presently control and dominate the television industry, together with organized owners of movie theaters and their affiliates, shall be allowed to coerce Congress into arbitrarily rejecting any new idea that poses any measure of competition to these vested interests.

No doubt the companies of which I speak will assume an air of injured innocence to have their motives so questioned. But we must not forget that back in the days of radio it was part of this same cast of characters that used every means imaginable to protect the established amplitude interests from the then new and infinitely superior frequency modulation.

Many of us will recall that when Maj. Edwin Armstrong, inventor of so many basic communication devices, committed suicide, the funeral oration was delivered by the Reverend Thornton B. Penfield, Jr., of the First Presbyterian Church of Yonkers. That was in February 1954. Among his memorable words were these:

His [Armstrong's] late years were unfortunately clouded with a battle to secure for the children of his inventive genius the full opportunity to serve mankind. Frequency modulation, in particular, involved a fundamental change in radio broadcasting, and its introduction was resisted, using every possible means, by the older, already established amplitude interests.

What established interests? The same that today resist any invasion of the new television medium which they have come to regard as their own private property: Radio Corporation of America and the National Broadcasting Co.

Mr. Speaker, it must be clear to all of us that NBC, ABC, and CBS are only competing within a monopoly they jointly share and that they collectively maintain an ascendancy over the airwaves. In economic and political fact, there are just three men who have possession of this power. They are Frank Stanton of CBS, Robert Sarnoff of NBC, and Leonard Goldenson of ABC.

These three men now control the programs seen by some 47 million TV-set owners. And it should come as no great surprise to us that it is these three men who have undertaken the campaign against paid TV in order to maintain their power and control over the industry they dominate.

Not only have the networks and their affiliates utilized the airwaves and their licenses for the purpose of perpetuating their domination of the TV channels, but they have done so through a campaign based on the most flagrant kind of misinformation. In dozens of cities throughout the country, TV stations have been organized to send out scare messages during time breaks. Even children watching their special programs are being urged to have their parents write to Congress to stop the menace of subscription TV. One slogan utilized in the saturation brainwashing told the youngsters themselves to tell Congress that "we don't want to pay for Rin Tin Tin." Throughout the campaign, stations have openly flaunted the regulations of the Federal Communications Commission which require that in dealing with controversial questions a fair presentation of both sides be made, and which prohibit exactly the kind of propaganda buildup that the networks have been conducting.

The purpose of the campaign, of course, has been to generate a flood of mail designed to intimidate Members of Congress and coerce them into opposing tests of a new service which might be competitive with the networks. It seems to me that this frightening demonstration of network power to influence the very workings of our National Government is worthy of Congressional inquiry.

Nor should we overlook the letter campaign launched by the owners of movie theaters. An example of their efforts to edify the American public is the leaflet issued by a joint committee on toll TV, which, according to a press release from the theater owners of America, was established to inform Congress that the public is opposed to subscription TV. Let me read to you and enter into the RECORD the kind of appeal these showmen are making. I will read the simulated headlines at the top of this leaflet: "City Declares Emergency, Business Blames Toll TV—5,000 Theater Owners Closed During Last 5 Years—Divorce Is Up, Paid TV Cause of Domestic Unrest—No Free TV for Baseball Majors, To Go to Pay TV—Paid TV Health Menace to the Nation—Slot Machines Gobble Up Public TV Money—Unemployment Increase, Paid TV Blamed—Government Seeks Remedy."

Readers are then advised that "you can argue that toll TV is illegal, that it will cause unemployment, that it deprives you of a fundamental right to use the airwaves, it will kill good quality TV programs, it will put all TV in the pay-or-you-don't-see class, it closes stores, it curtails business, increases the burden of taxes if business folds, it's un-American."

In addition to using airwaves, direct mail, and speeches, the networks have assailed the public—with a view to assailing Congress—with newspaper advertising chiefly placed by CBS affiliates on instructions from one Howard Lane, apparently of that network. This advertisement was first printed in TV Guide, as a CBS ad and then matted for newspaper advertising by CBS affiliates throughout the country.

I have no quarrel with CBS purchase of advertising for any purpose whatsoever. It certainly has a right to do so, but I do object to the improper classification of such advertising. It is outright propaganda similar to that on the network air. It is part of the same propaganda campaign, part of the network effort to exert pressure on us. I resent such methods.

These sentiments were expressed by Senator RUSSELL B. LONG recently on the floor. He said he had written to the chairman of the FCC asking for an investigation of the methods and procedures used by the networks to influence the public regarding the subscription TV test already scheduled by that Commission. I quote from Senator LONG's speech:

Immediately thereafter, and before I had even received an answer from the Chairman of the Commission, I began to receive thousands of letters and postcards from northeast Louisiana. I learned that Station KNOW-TV in that area had been presenting programs in which it was represented to the public that pay television would mean that there would be no more free programs. The public was told that they would be required to pay for the same programs they are presently seeing.

I know, Mr. President, that other Senators have been receiving the same type of pressure. The public has been misinformed about this issue and the campaign of misinformation continues.

To fully appreciate the irony of a situation in which the very mediums we are supposed to regulate are used in an effort to regulate us, we must bear in mind the character of the participants in this battle. We find RCA, parent company of NBC, indignantly fighting the Federal Government's antitrust suit on the basis that it is an invasion of private enterprise, at the same time appealing frantically to the other agencies of the Federal Government to restrain other businessmen in their private endeavors.

But the situation really is not so strange, Mr. Speaker, when you consider the stakes involved. From the very first Federal Communications Act of 1934, all legislation relating to air communications has presumed that the airwaves are the possession of the American people. It now appears, however, that the airwaves belong only to the networks—a tidy possession worth protecting. Last year, for instance, the Columbia Broadcasting System reported earnings of about $35 million before taxes on an investment of land, buildings, and equipment valued at $53 million. According to Standard & Poor data, their net profits for the first 9 months of 1957 were 48 percent greater than for the same period in 1956. Except for operation of some relatively minor phases of the business, all of these earnings came from the public, through sales of airwave use to advertisers. And neither CBS, NBC, ABC, nor any TV station paid a cent to the United States for the use of these publicly owned channels.

Mr. Speaker, all of us understand the profit motive upon which our private enterprise system is based; we understand too that competition within this system can take the form of freezing out potential members of an industry before they can get a toe hold.

It is hard to imagine a clearer example of these economic facts of life than the assault on subscription TV by the established networks and movie interests. And it is for the very reasons that the three established networks do control the entire TV industry and possess the enormous economic leverage which comes from such control that the Congress and the FCC must act as arbiter of the public interest in this vital area.

FOR 2 WHOLE DAYS HIS CHILDREN DID NOT HAVE A BITE TO EAT

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, we can amuse or entertain ourselves here on the

House floor debating whether this recession is really serious or not or who is to blame or whether things might once have been worse under the Democrats in 1939. Good, clean political fun. Or is it?

I hope none of the Members here regard me as a sob sister. I try to be pretty practical in my outlook on legislative issues and problems. But frankly, Mr. Speaker, after reading an article in our Post-Dispatch in St. Louis, I was in tears. It is a story of a couple with five children—a hard-working, conscientious husband out of work and unable to find work—and these children went 2 whole days without a bite to eat. This news article, by Dickson Terry of the Post-Dispatch staff is really frightening. I am placing it in the RECORD. I hope the Members will read it. I am sure those who do will have the same sick feeling I did that such suffering can be permitted in the United States of America.

Mr. Speaker, I ask unanimous consent that the article referred to may be printed at this point in the RECORD as part of my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

ST. LOUIS FAMILIES IN DEPRESSION—CHILDREN HUNGRY, SOME HAVE NO SHOES AND CANNOT ATTEND SCHOOL—FATHERS ARE INELIGIBLE FOR RELIEF OR UNEMPLOYMENT COMPENSATION

(By Dickson Terry)

The man is 41 years old and he has 5 children who range in age from 3 to 13. The family has never been well off, but they've been properly fed, well clothed and reasonably secure. Two weeks ago, however, this man went through an ordeal that was almost more than he could endure. For 2 whole days his children didn't have a bite to eat.

"I never would have believed that I'd ever hear my children crying for food," he told me.

As a father, my question was involuntary: What does a man do?

He looked at the floor and it was plain to see that even the memory was almost too painful to recall. "There isn't much you can do," he said finally. "You just suffer and try to pacify them."

He had gone out and gathered some beer and soda bottles off the street and on the highway, washed and sold them for enough to buy a little milk.

Then he went to the Salvation Army. It was the first time in his life he had ever had to ask for help. It was a hard decision but there was nothing left to do. He couldn't see the children go hungry again.

This family is one of the estimated 1,000 or more in St. Louis whose breadwinner is out of work, unable to find work and is ineligible for State relief or unemployment compensation. These families are virtually destitute.

With most of these families it isn't a matter of relative hard times, or a mere setback coming on the heels of prosperity. In many cases it has meant near starvation.

In the course of several days' investigation I have encountered families who have been without food, without even milk for babies and small children, and without fuel for heat.

In many cases they have been helped by friends, relatives and neighbors. Some have found aid at the Salvation Army, but the recent wave of unemployment, particularly among factory workers and unskilled laborers, already has overtaxed that agency.

Last month the Salvation Army gave out $4,446 for direct relief, which was $700 more than their budget. And even then 40 percent of those who applied had to be turned away.

Miss Mary Taylor, head of the Salvation Army's Family Service, said: "These are not the usual unemployables or people who don't want to work. They're a different type, people who have been self-supporting, paying taxes, even buying homes, but who suddenly found themselves out of work, and who have appealed, for the first time in their lives, for help—because they're desperate."

The father of the five children, to whom we were talking, had been a construction worker for 10 years. There was nearly always plenty of work. Before that he had been a tree-trimmer, self-employed, and when construction work fell off periodically, he could always find tree work to do, or some other kind of a job.

Late last summer he started buying a home of his own, near Fenton. It was a summer cottage, made over into a year-round house, and he had plans for remodeling it into a good home with his own hands.

Then in October he was laid off the construction job he had been working on. But this time it was different. He started looking for tree work, but there wasn't any. He started looking for any kind of work. There wasn't any.

"I raked some leaves, and cleaned some gutters," he said. "Anything to try to get by and get some food in the house."

But there wasn't much of that, and it takes a lot of food for five kids.

In November things got so bad he had to sell his truck, even though, if he hoped to pick up any tree work, it was almost indispensable. But he had to buy food. After that went his last chance for independent earning—his chain saw.

He had contracted to buy the house for $2,800, with payments of $50 a month. He is now 2 months behind in his payments. A week ago he got 1 day's work with another tree man. He made $10. He owed a $34 electric bill and had to pay $10 on that to keep the electricity from being turned off.

The electric bill is high because the mother has been cooking on a two-burner electric plate. They have a gas stove, but no money to buy bottled gas. The house is heated by a furnace. It is not far from the river, and the family has a ready supply of fuel in driftwood. Otherwise they would be without heat.

All 5 children were at home, although 4 are of school age. Two of the little ones have no shoes and were barefoot. It is more than a mile to the place where they catch the school bus. Their father used to take them there in his 1948 automobile, about his only remaining possession, but has has no money for gasoline.

He has job applications in at more than a dozen places, and in the meantime he answers advertisements and walks the streets looking for work. The Salvation Army, he said, has given his family two food orders. 'I don't know what we'd have done, but they said they could help us only one more time," he reported.

His wife stood in the kitchen door, her arms folded, a look of fear and desperation in her eyes. "I don't know what we're going to eat after this week," she said. Her husband made a not very convincing effort to reassure her. "If the weather'll straighten up," he said, "I'll get something."

In North St. Louis a 53-year-old man, Harold Hamilton, sat in his kitchen after a fruitless day of job hunting. He has a wife and five boys at home (a sixth is in the Army). The sons range in age from 5 to 15. They live in a five-room apartment ("if you want to call that little bathroom a room") and he, too, for the first time in his life, has had to ask for help.

Hamilton had been working for 12 years for a storm-window company, installing windows and doors. Now he is out of work, and has been since November. Unemployment compensation?

"That's just the point," he explains, "I can't qualify. I have my truck, and I'm sort of self-employed, in that I install the windows for them on a contract basis.

"And anyway, if you qualify for unemployment compensation you can't draw even 1 day's pay, or it disqualifies you, and mister, I prefer to work for a living, even if it's only 1 day a week. I've maintained my family for years."

He went to the kitchen wall and took a piece of paper from a nail. "Here's some of the places I've tried to get a job." Listed were 19 factories and other plants. They had been checked off, one by one. "They're all very nice about it," he said, "but there's just nothing doing."

He pays $30 a month rent, but he's far behind. How much does it cost to feed his family? "Depends," he said, "on how you look at it. There's existing eating, and there's setting down to really eat. We're existing. Beans, oatmeal, spaghetti, that's about it. The kids, they like milk, but we've had to give it up. They like butter too, but they don't see much of that."

They have the living room closed off now, to save fuel. He wouldn't say how much he owes for groceries. "But the bill's getting mighty big, and that's for sure," he acknowledged. There was no money for even things like soap and soap powder. "The man at the grocery store is being mighty good to us until we get on our feet," he added.

Although Hamilton finally went to the Salvation Army for a food order, he proudly insists "We're not destitute. Our son in the Army sends us a few dollars, the relatives help what they can, and I get a day's work now and then."

But everywhere he looks for work, he says, there are other men just like him looking for the same jobs. And other men like him are scouring the town for odd jobs. He hangs on to his truck.

"Gasoline money is about gone," he said, "but you have to have some way to get around looking for something, and not only that, but I can carry my tools with me, and if I get some kind of an odd job or a repair job, I can go right to work.

"I may be 53, but I got plenty of life in me yet. I've always provided, and I always will."

In Missouri no State relief funds can be given to a family which has an employable member, even though the employable member is unable to find a job.

The employment insurance program, which pays up to $33 a week for 26 weeks, is restricted mainly to men who are steadily employed most of each year. Many workers, particularly construction workers who move from one job to another and work intermittently, cannot qualify.

Furthermore, the law does not require firms with four or fewer employees to carry unemployment compensation. This eliminates many more workers from unemployment insurance. Thus a man who is employable but not covered by unemployment compensation, has no place to turn but to private agencies. For all practical purposes this means the Salvation Army. The Red Cross is not a direct aid agency for unemployed. The Family and Children Service, a United Fund agency, has been doing what it can, although direct aid is not a part of its program.

Of the 35 families living in an apartment house at 5502 Maple Avenue, the heads of 14 families are out of work, and no better example could be found of people caught up in this situation.

There are 19 children in the unemployed families. Until their plight came to the attention of the manager of the building, most of the children were without milk, some virtually without food, and many of the adults had actually gone hungry for days at a time so that what food they had could go to the children.

When the manager of the building and his wife learned of their tenants' plight, they set out to try to get relief. But all the fathers were employable. Only two in the building qualified for unemployment compensation. The rest knew no place to turn.

One was a maintenance man at a vending machine company. He was laid off in January. He was eligible for unemployment compensation, but there was a waiting period of 2 weeks. In the meantime he ran out of money and out of food, but like many others in this fix, he had never asked for help. It wasn't until there was no milk or food for his two small children that he and his wife revealed their plight to the apartment manager.

"I don't know that I would have done it even then," the woman told me, "but my husband got to talking about going out and holding up a grocery store to get food for the children."

Another tenant, a construction worker, told me he had walked from the apartment on Maple Avenue to the river and back, looking for anything. "I offered to work for 50 cents an hour, just to see my kids get something to eat," he said.

A drill-press operator was laid off 6 weeks ago when his employer went out of business. "They didn't even have enough money to pay me off," the man reported. "If it hadn't been for our landlord and his wife, we wouldn't have eaten."

When this man got desperate he sold a pint of blood for $5 to buy food. His wife searched the streets picking up soda bottles to sell.

A young pair, 21 and 17 years old, have a 3-month-old baby. They were married while he was working at an aircraft plant. Last June he was laid off. In September he got a job at an auto assembly plant, but was laid off after a month.

In searching for a job, he found one as driver of a taxicab for a small company in the county. He had been there 6 weeks when business got so bad he was laid off again.

Their baby was born in November. The father's last paycheck and his savings came to $120. "I didn't dare spend any of it," he said, "and I had a hamburger for Thanksgiving dinner. I borrowed a quarter to buy that. I needed every penny I had for the hospital bill." The hospital bill came to $119, and the couple went home with a new baby and $1.

"For a while I managed to get a little work here and there," he continued, "to get milk for the baby and some food for us." Another couple in the same fix, also with a small baby, lives across the hall.

"We would pool what money we had," the young man related, "and buy a little meat and some vegetables, and make a big pot of stew. One pot of stew would keep us for 2 days or more. Then we would cook spaghetti; that would be good for 2 or 3 more days. But the day came when we didn't have any food, or money for the rent. I ain't a guy that goes around asking for things, but I had to ask somebody."

The apartment manager and his wife, who had seen hard times themselves, took it upon themselves to help out the tenants. Those who had food, shared it, and the manager and his wife have been running sort of a soup kitchen in their apartment.

"They spent all their money buying food for us, and even borrowed money," one of the tenants reported to me. "If it hadn't been for them, a lot of us would have gone hungry."

When news of the situation in the apartment was disclosed by the Post-Dispatch last Sunday, it brought some response. A local dairy sent a check for $100 to provide milk for the children. Private citizens sent about $35 in small donations. The money was divided among the families. They bought a case of peas and a case of corn. And somebody sent a 24-pound turkey.

"We didn't have any Thanksgiving here," the manager's wife said. "About the most anybody had was a hamburger. So this Sunday we're going to cook that turkey and all have a Thanksgiving dinner."

SBA LOANS

Mr. COFFIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. COFFIN. Mr. Speaker, in our present warfare against recession we are facing the same temptation that threatens in the military field. In our desperate search for ultimate weapons, we tend as in military defense, to overlook our capabilities to wage limited war.

We have, Mr. Speaker, weapons and capabilities which we are not using. There is, for example, the danger that we are focusing our major energies on devising area assistance legislation which cannot be debated, voted, signed, and implemented in time to change the economic picture substantially for some months. This does not mean that we should relax our efforts in this direction any more than we should slow down research and production in missiles. What it does mean is that we should also look at the weapons at hand and use them.

One tool that is at hand for waging more effective economic warfare is the Small Business Administration. In addition to its other loan authority, SBA started out with a limited charter to move into areas suffering from flash-type disasters. As Members of Congress have run up against particular kinds of trouble, they have turned, significantly, to the Small Business Administration as a vehicle for other forms of constructive help. In recent months Congress has approved separate bills giving SBA authority first to provide help in case of drought and then for disaster resulting from excessive rainfall. There are bills pending to assist where businesses have been hurt by urban renewal progress, the highway program, and by the Soil Bank program.

I submit, Mr. Speaker, that the urgent need for many such forms of disaster assistance will recur frequently. But I believe that this trend, while paying a compliment to the potential of SBA, necessitates a piecemeal Topsylike accretion of responsibilities that is, on the whole, undesirable. It seems to me preferable to recognize that the Small Business Administration can and should be empowered to play a role in any area where disaster strikes, whether it is a disaster of nature or the economy. It was with this thought that I introduced a year ago H. R. 5650 to empower SBA to make loans when the President or his designee determines help is necessary to avoid or alleviate the effect of a serious economic disaster, depression, or dislocation. I felt that the reasons for such action then were adequate justification; I now feel that they are compelling.

Let me point out a few facts about Government which should be taken into account as we plot our countermoves against economic depression. No matter how well devised is any long overdue legislation for area assistance, no matter how strong and flexible a new agency is, it will for some time exist only on paper. It takes time to establish procedures. It takes even more time to attract the kind of technical and financial experts needed to staff an effective area assistance agency. In the meantime, until such an agency is organized, equipped, and staffed, businessmen face no moratorium on their crises. The Small Business Administration has now been functioning, with, I believe, increased competence, for 5 years. It has procedures. It has the core of personnel necessary to deal with economic disasters resulting from any cause. If a simple amendment, enlarging its disaster-loan powers, were to be adopted, and if additional funds could be provided, this agency would be in a position immediately to help reverse the tide of recession.

I cannot urge too strongly, Mr. Speaker, that we not overlook the hand tool on the bench dreaming of the power tool in the mail-order catalog. I can think of no more immediately effective step for the Committee on Banking and Currency, and this House, to take than to equip the Small Business Administration for the emergency we face today.

CONSTITUTIONAL OBLIGATION

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, I have today introduced a bill which I hope is so clear in language, so unmistakable in its terms, that for once and for all Congress will assume its constitutional obligation.

My bill makes it "unlawful for any officer, agent, or employee of the United States or any department, bureau or agency thereof to withhold or impound or otherwise prevent any moneys appropriated by the Congress" from being promptly used for the purpose for which they were appropriated.

Section 8 of article 1 of the Constitution gives Congress the power to lay and collect taxes, the duty to determine what the revenue shall be and the obligation to fix by rate and source the levies needed to support the appropriations which Congress makes.

There are 16 duties imposed upon Congress in section 8 of article 1 of the Constitution.

But the 17th provision in section 8 is this, and I quote: "to make all laws which shall be necessary and proper for carrying into execution—and I underscore 'execution'—the foregoing powers."

Among these, of particular interest to me are my constitutional duties as a member of the Armed Services Committee, whose jurisdiction includes the constitutional obligation "to raise and support armies" and "to provide and maintain a Navy" and "make rules and regulations for the Government thereof" only to find that nonelected officials in the executive department of the Government are apparently free to, and do, in fact, frustrate the will of Congress and determine whether moneys appropriated by the Congress shall be used for the projects for which they were designed and appropriated and when.

Last week, the majority leader of the Senate announced that the $32 million appropriated by Congress for armories, to train and maintain our National Guard—another constitutional requirement of the Congress—were not going to be used for the purpose for which they were appropriated.

What had happened was this: Congress appropriated $32 million. Someone, somewhere in the executive department decided that only $10 million should be used; and picked the places where this appropriation would be used.

I cannot imagine the Congress of the United States or a Member of Congress going home to his District and reporting to his people that after he has collected the money in taxes from his constituents and appropriated it for a constitutional purpose, must report later to his people that a nonelected official has withheld that appropriation.

This secret, third party, in the dark above the Senate and the House, exercising powers neither designed nor anticipated by our constitutional founders, is defeating and frustrating the will of the people.

I am perfectly willing to stand up to the people in my District and tell them exactly what I have done as a Member of Congress. But I am unable to explain to them why, after I have voted for an appropriation and specified the purpose for which it is to be used, someone, in the dark, behind me, can substitute his whims for my expressed judgment and my constitutional responsibility.

How long is Congress to remain mute? How long will the voice be Jacob's and the hands Esau's?

This bill will keep the voice and the hands in the same person—the constitutionally elected representatives of the Government of the United States.

This bill is not a plea nor a prayerful hope for something to be done. This bill is designed to reach by direct action, the heart of the problem. It is time Congress stops talking about these abuses and does something about them. This bill gives Congress the opportunity.

A DEBT ACKNOWLEDGED—AN ACHIEVEMENT APPLAUDED

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, on April 24 men of all faiths in this country will extend their greetings to the State of Israel on the 10th anniversary of its national independence. The date marks an occasion of special significance. The action of the United Nations 10 years ago which established Israel as an independent nation was an act of faith in the hundreds of thousands of its present and future citizens. By making possible the long awaited Jewish homeland, the United Nations gave its sanction to the just and moral foundation of the fulfillment of that age-old dream.

In the 10 years just past, Israel has herself fulfilled the faith of the world many times over. Conceived in liberty and freedom for her people, and rooted in democratic principles, Israel has built cities and villages, reclaimed the wilderness and integrated her ever growing numbers into the economy and the culture of the country. The infant of the community of free nations has truly grown to adulthood—a valued friend and strategic ally in the Middle East.

Our special affection for Israel may well stem from our historic identification with the struggle for our own independence. The democratic ideals which we hold in common have given rise in both cases to examples of great courage and patriotism, often on the part of men whose home has been another land.

The people of Israel will never forget David Marcus, the brilliant young American military man who left his home to organize the defense of Jerusalem against the Arab Legion and who was instrumental in opening the corridor between the capital and the coast. When a sniper's bullet killed him, they knew that they had lost one of their own.

Woven into the fabric of our war for independence is the thread of the life of one of our own most courageous although lesser known patriots. He was Haym Salomon, whose selfless devotion to the cause of freedom tells a story of courage, romance, and tragedy.

Haym Salomon learned the basic elements of democracy from his intimate association with Pulaski and Kosciusko in his native Poland through the struggle to maintain the independence of their country, and against its partition. When their efforts failed in 1772 and Poland fell under the rule of Austria, Prussia, and Russia, Salomon fled to England and then to America.

Here he was naturally drawn to the cause of liberty. He was by profession a merchant, banker, and financier, and it was in this capacity that he performed the services for the Revolution that have most perpetuated his name. There were many men who risked their lives for a future that meant freedom for themselves and their children. Haym Salomon was certainly one of these. He was arrested twice by the British as a spy, the second time charged with being an accomplice in a plot to destroy the King's fleet. He was confined to the infamous prison, the Provost, and condemned to death. But the power of wealth is not new, and a string of golden guineas, which he had judiciously concealed on his person, persuaded the jailer to aid in his escape to the American lines.

His imprisonment had taken its toll, and Haym Salomon, whose health and strength had all but been destroyed, was to die before his time, leaving his widow and four small children in poverty. But in the few years between his escape and his death, he earned the affection and gratitude of the Revolutionary Congress and of the statesmen of his time by his enormous contribution to the common cause.

Haym Salomon's contribution was direct and effective. He provided almost limitless funds to the then bankrupt Federal Treasury. At a time when the Government's credit was in a perilous condition and the Treasury exhausted; when Army officers were without clothes and public officials were going without pay, Salomon willingly loaned both the Government and individuals money, without asking security or any guaranty other than that freedom be secure in his adopted land.

Many of the records of the Treasury have been lost or destroyed, and so we can only guess at the real extent of his help. We do know, however, that he held Government obligations for money advances, and promissory notes that totaled $658,007.43. This figure has been authenticated. On the record, too, is a promissory note from Robert Morris for $20,000. As Superintendent of Finance, Morris was then engaged exclusively in financiering for the Government, and it is likely that the proceeds of this note also went to meet its desperate needs.

It was Morris who wrote to the President of Congress in 1781:

> The Treasury was so much in arrears to the servants in public offices that many of them could not, without payment, perform their duties, but must have gone to jail for debts they have contracted to enable them to live.

Haym Salomon took it as his responsibility to see that they did not go to jail.

His generosity and high principle, and the esteem and affection in which he was held is typified by the words of James Madison, who in 1782 wrote to Edmund Randolph:

> I am almost ashamed to acknowledge my wants so incessantly to you, but they begin to be so urgent that it is impossible to suppress them. The kindness of our little friend in Front Street near the coffeehouse, is a fund that will preserve me from the extremities, but I never resort to it without great mortification, as he obstinately rejects all recompense. The price of money is so usurious that he thinks it ought to be extorted from none but those whose aim is profitable speculations. To a necessitous delegate he gratuitously spares a supply out of his private stock.

From his private stock, too, Haym Salomon supported the ambassadors and agents of friendly foreign powers when the British blockade cut off the avenues of communication. It was he who made possible the continued good offices in this country of the Ambassador of Spain. In a report to the 31st Con-

gress is the statement that Mr. Salomon "maintained from his own private purse Don Francesco Rendon, the secret Ambassador of that monarch for nearly 2 years, or up to the death of Mr. S. during which Rendon's supplies were cut off."

America's debt to Haym Salomon is largely one of gratitude. In one sense, he has been repaid through the growth of the very democratic traditions which he worked to establish. The Government's debt of money has never in any part been paid to him or to his heirs, however. His death in 1785 came when the affairs of the Government were in great confusion, and although his wealth had been so freely applied to the Revolutionary cause that he died penniless, attempts to settle his claim have been futile, and no real recognition has ever been given his patriotism and devotion to the democratic ideal.

This year we have an opportunity to make what I believe to be a fitting memorial to Haym Salomon—consistent with the principles that governed his life. At the same time, we can send a most meaningful message of congratulation to the State of Israel on the 10th anniversary of its independence. That opportunity lies in the program of State of Israel bonds.

Designed to enrich the economy of the country through the development of Israel's resources and industries, bonds have been one of the most significant factors in providing homes and job opportunities to the million immigrants who have entered the country in the last 10 years. We must realize that the fact of a Jewish homeland would be a hollow thing indeed if that fact were one of mere geography. Implicit in the dream has always been the opportunity for a full, happy life for the men and women who would make the dream a reality. State of Israel bonds have provided the opportunity.

I have introduced a joint resolution providing that the Secretary of the Treasury be given the discretion to purchase State of Israel bonds, which bear 4 percent interest, in the amount of $60 million. This figure has been arrived at by taking the authenticated debt of $658,007.43 plus interest at approximately 2½ percent. I would point out that the orignal figure is one which excludes the cost of all but direct loans to the Federal Treasury.

Additionally, it should be noted that I have not directed the Secretary of the Treasury to make this investment, but merely authorized him to do so, because of my awareness that while it may be the wish of the Congress to express forthrightly the sentiments included in the resolution, nevertheless, implementation of the foreign policy of the United States must remain with the executive branch of the Government, and be subject to its appraisal of the effectiveness of each and every action which is taken in the name of the United States.

Not only would the adoption of this resolution afford long overdue recognition to Haym Salomon, it would also authorize a financially sound investment, particularly of the trust funds of various Federal programs such as the civil service retirement and disability fund.

Israel has proven herself in the last 10 years to be both economically and financially on firm foundation. Her record of repayment on loans made under our foreign aid program is 100 percent. In light of past history dating from World War I, I cannot believe that any argument based on a question of the security of such an investment can have any validity. We continue to incur the financial obligations of countries which have almost completely fallen down on their commitments. The amount of the allied war debt which was funded in 1932 totaled $11,577,300,000, with interest, and would now come to $18,174,570,000. Of those nations concerned, only Finland has continued to pay on her debt.

And yet, when Great Britain in 1956 and 1957 asked for an extension of the loan of $4,022,000,000 which we granted in 1945, that extension was given when it was demonstrated that England could pay nothing on the debt in those 2 years. Nor has our generosity to other nations been limited to Great Britain.

If it has been sound for our Government to make such gestures of faith in our allies in the past, certainly the patriotism of Haym Salomon and the 10-year record of the State of Israel justifies us now in extending in this form our heartfelt congratulations to our newest ally; and will demonstrate our faith that Israel's devotion to freedom, justice, and morality will survive the future challenge to her independence. Her success in securing for her people economic security and stability in the years to come will be the cornerstone upon which peace can and will be brought to all the peoples of the Middle East, and with it the end of aggressive domination for the benefit of any one community alone.

Mr. Speaker, I urge that the House pass this resolution at the earliest possible moment, so that our message of friendship and admiration may reach all the free people of the world.

CHICAGO'S INTERNATIONAL HOUSE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it will be of interest to my colleagues, especially at this time when committee hearings on the mutual-security bill are under way, to learn more of the grassroots approach to world understanding as promoted by the University of Chicago and its world-famed International House, which is the campus home and center of activities of students from two-thirds or more of the nations of the world.

During my recent visit to Africa as a member of the study group from the Committee on Foreign Affairs I met in Uganda a young man who had lived at International House and had received his degree from the University of Chicago some 4 or 5 years ago. He now is a schoolteacher in his native land, a virile leader in the work of education among an awakened people reaching out for a fuller share in all things that make for the dignity of man. His associations at International House, his rubbing elbows with his fellow students, his occasional visits in American homes, have given him an understanding of us, and the things we live by, that is reflected in his present work.

By unanimous consent I am extending my remarks to include the following article from the January 1958 issue of Tower Topics, the alumni publication of the University of Chicago:

THANKSGIVING IN PARIS—A GRASSROOTS APPROACH TO WORLD UNDERSTANDING

Every schoolchild has heard of Paris—Paris, France, that is. Relatively few, however, have heard of Paris, Ill. Yet, in the short span of less than 2 years, this city of 10,000 population, 165 miles south of Chicago, has established itself in the minds and hearts of citizens from countries throughout the world as the most hospitable town in the United States. For many a foreign student it has afforded the only "true" glimpse of America he has had since coming to this country for studies.

Paris, Ill., has been put on the world map by Mrs. T. J. Trogdon, Jr., and fellow residents of Paris, who for the last 2 years have opened their homes to share Thanksgiving with foreign students from the Chicago metropolitan area. The first year of the program, Thanksgiving, 1956, 142 foreign students and their families, including wives and children ranging from 7 months to 8 years in age, were guests of Paris over the 5-day Thanksgiving vacation. Last Thanksgiving, 121 adults were in the group which entrained from Chicago, representing approximately 40 nations. Over half of the student guests were from the University of Chicago, one reason being the large number of foreign students enrolled on campus and another the support given the program from its inception by Jack R. Kerridge, foreign-student adviser at International House. The program also has had active participation from Northwestern University, Illinois Institute of Technology, Roosevelt College, DePaul University, and other Chicago area institutions.

Basic idea of the Thanksgiving fellowship, conceived by Mrs. Trogdon, is to aid world relations and world peace at the grassroots level by giving foreign students a chance to observe and take part in the daily life of an average American family and by giving their American hosts, at the same time, a chance to acquaint themselves with the thoughts and ideas of their foreign-student guests.

Most foreign students in large centers of population have little or no opportunity to gain knowledge of the United States other than from their stay in the metropolitan area, where, by the necessities of their studies, they more or less remain in a small, closed group.

Wrote a student from India to his host: "Had it not been for me to know you all, my visit to the States would have been an utterly dry one, and I would have gone back from here with an entirely different outlook for the people of the United States. Now I know that there are really good people, and their goodness is beyond my reach or thought."

Saiyid M. Naqvi, a student resident of International House from Pakistan, who has spent his last two Thanksgivings in Paris and has made a host of friends there, is one of the most enthusiastic supporters of the program and is hopeful other towns will follow

Paris' lead. He has been foreign-student representative from International House at orientation and planning meetings in Paris from the inception of the Thanksgiving fellowship program.

Summing up the value of the program, Harry Evans, a Commonwealth Fund fellow, wrote last fall: "It is a year since I visited Paris as an English student taking part in the Thanksgiving fellowship organized by Mrs. Tom Trogdon, Jr. Since then I have traveled 30,000 miles in this great country over a period of 8 months, but I think I can honestly say I have never had a better glimpse of America than those few days in Paris with Mr. and Mrs. Ed Gumm and Kathy (his hosts). America to the European too often means simply Elvis Presley, glossy cars, and high buildings—as if there were just space between New York and Los Angeles, and every American wore sideburns and played a guitar.

"There is nothing wrong with Mr. Presley or skyscrapers, but America is not just that—and the trip to Paris proved it more than anything. What a wonderful thing it was that Paris initiated the International Thanksgiving fellowship. At home the Midwest has somehow always been thought of as the center of an unfriendly isolationism that wanted to have nothing to do with the outside world. It was a wonderful experience for me to learn that this dangerous old conception was wrong, and my friends at home were equally delighted.

"I like to think, too, that my friends in Paris learned 1 or 2 new truths about my country in the good, frank discussions we had. It was a time of great education, and friendliness, from which nothing but good came for the relations between countries. Paris will always be the real America for me. When my wife joined me in America this year, it was the one place I wanted her to visit, and we spent a happy weekend with Mr. and Mrs. Gumm and the people of Paris."

Students are guests of individual families and of the city of Paris. Church, fraternal, business and professional, and civic organizations, as well as schoolchildren from kindergarten through high school, participate in the program of activities. Guests are under no expense, their train transportation being arranged from Chicago to Paris and return. Costs are covered by the community.

The first year of the program $1,100 was contributed by residents of Paris without any personal solicitation. The response last Thanksgiving was even more enthusiastic, with many more families volunteering their homes to house and entertain the guests.

ST. PATRICK'S DAY

Mr. O'HARA of Illinois. Mr. Speaker, on this St. Patrick's Day, when we pay our tribute to the Emerald Isle and her sons and daughters who have carried Irish cheer and Irish love of freedom into every clime and every country, I am addressing my remarks to the part played by the Irish in the writing of the greatest document of government the world has ever known, the Constitution of the United States. It is worthy of mention, certainly on the 17th of March, that of the 39 men who signed the Constitution 7 were of Irish birth or descent.

Fifty-five delegates attended the Constitutional Convention; 39 remained and signed the document. Sixteen either left before the work was completed or refused to sign. Eight of the original fifty-five members were of Irish blood. Of this number 4 were Irish immigrants, 3 were the sons of Irish immigrants, and 1 was of Irish descent.

Of the 39 who signed the Constitution, 4 were Irish immigrants; 2, the sons of Irish immigrants; 1 of Irish descent. Here are the Irish seven:

PIERCE BUTLER

Pierce Butler, born in Ireland 1744; major in His Majesty's army, resigned his commission 1773 and married Mary Middleton, of South Carolina. As a member of the South Carolina Legislature, to which he was elected several times, he was a champion of backwoods democracy.

DANIEL CARROLL

Daniel Carroll, brother of the archbishop of Baltimore, Irish descent; member Constitutional Convention; signed the Constitution and worked for its ratification; Member of the Senate from Maryland in First Congress. Ardently supported the first amendment to the Constitution which provided for religious toleration.

THOMAS FITZSIMMONS

Thomas Fitzsimmons, born in Ireland; emigrated to Philadelphia as a youth. During the War for Independence he recruited and commanded a company of volunteers. He also aided the American cause by supplying fireships and equipment. At a crucial time during the war he and his brother-in-law contributed $25,000 for the use of the Army.

As a Member of the Congress of the Confederation he championed the cause of the veterans of the War for Independence, insisting that they be paid back wages in full before demobilization. He was elected to the first House of Representatives, 1789, and reelected to the Second and Third Congresses.

JAMES M'HENRY

James McHenry, Irish immigrant who became Washington's senior surgeon at Valley Forge; later he was Secretary of War. His son inspired the writing of the National Anthem. Born in County Antrim, educated in Dublin; he studied medicine in Philadelphia under Dr. Benjamin Rush. At the outbreak of the War for Independence he hurried to Cambridge where he offered his services to Washington. Hospital facilities were crude; experienced workers few. Dr. McHenry's services were so outstanding that the Continental Congress gave him public recognition.

However, the Irish blood cried for the combat. He was transferred to the Pennsylvania battalion and during the retreat of the American Army across New Jersey he became a prisoner. He managed, somehow, to secure a parole; for he served as senior surgeon at Valley Forge, although his formal exchange was not completed until March 1778. After Valley Forge he was appointed to Lafayette's staff where he served until the close of the war.

Dr. McHenry's son, John, during the War of 1812, commanded the fort which bears the family name. After a night of anxiety, Francis Scott Key, inspired by the sight of the Stars and Stripes still floating over the fort, wrote the Star-Spangled Banner.

WILLIAM PATTERSON

William Patterson, born in County Antrim, 1745. William Patterson was brought to Delaware at the age of 2. During the War for Independence he served as an officer in the Somerset County Battalion of Minute Men. He was one of the two Senators from New Jersey in the First Congress. In 1793 he was appointed to the Supreme Court of the United States.

GEORGE REED

George Reed, son of an Irish father and Welsh mother. He was one of the signers of the Declaration of Independence as well as the Constitution. Appointed to the United States Senate, he resigned as Senator in 1793 to become chief justice of Delaware.

RICHARD D. SPAIGHT

Richard D. Spaight, the son of an Irish immigrant. His mother died when he was 8 years of age and his father sent him first to Ireland for his education. When he reached college age Spaight was transferred to the University of Glasgow. He served in the Army as aide-de-camp to General Caswell and was present at the Battle of Camden.

He was a Member of the Continental Congress, 1783–85. He was elected Governor of North Carolina three times and later was elected to the House of Representatives. In the House he advocated repeal of the alien and sedition laws.

MERCER MISSED THE BOAT

Of the 16 who missed a great opportunity by not signing the Constitution, only 1 was of Irish blood, the son of an Irish immigrant. He was John Francis Mercer of Maryland. While he took an active part in the debate in the Convention, he left without signing the Constitution.

ARCHBISHOP CICOGNANI, APOSTOLIC DELEGATE TO THE UNITED STATES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, today is the 25th anniversary of the naming and designation of the Most Reverend Amleto Giovanni Cicognani as the apostolic delegate to the United States, as the personal representative of His Holiness, the spiritual head of the Catholic Church.

I congratulate Archbishop Cicognani on the silver jubilee of his service as apostolic delegate, in which post the archbishop has served longer than any apostolic delegate before him.

It is only a few years ago, 1955, that Archbishop Cicognani observed the golden jubilee of his ordination to the holy priesthood.

The entire life of the archbishop has been dedicated to the service of God and mankind. His life is an example and inspiration for all to follow.

Archbishop Cicognani has performed the responsible duties of apostolic delegate with outstanding ability, with dignity and strength, and with tactfulness that commands widespread respect.

The archbishop is highly esteemed and deeply respected by countless of millions of persons here and abroad, members of all other creeds, as well as communicants of the Catholic Church.

I know that all such persons join with me today in congratulating Archbishop Cicognani on the 25th anniversary of his designation as apostolic delegate to the United States, and in hoping and praying that God will continue to bestow upon him His choicest blessings for countless years to come, thereby enabling the archbishop to carry on his dedicated work for God and mankind.

DEPARTMENT OF COMMERCE USES PUBLIC FUNDS TO LOBBY TRADE AGREEMENTS BILL

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, the Department of Commerce has undertaken a clever little maneuver to help the beleaguered trade agreements bill across the goal line in Congress. The gambit is in the form of surveys of Congressional Districts conducted by the Department. These surveys or reports have a way of showing how important exports are to the individual Congressman's district in providing employment and how necessary imports are because they supply many essential materials for the manufacture of this or that.

These surveys or studies are of highly questionable standing in view of their preconceived purpose, their method of preparation and their one-sided presentation. No public funds should be allowed to be funneled into the production of such biased reports. These funds come from all the taxpayers and not only from the export and import interests. Those who oppose the trade agreements program or its present manner of administration should not be asked to contribute to the support of legislation that is contrary to their views.

The executive branch has already built up a wholly unjustified control over the foreign commerce of this country. When we now find the Department of Commerce sliding its hand into the public till to pay for propaganda designed to tighten this executive control it is time to call a halt.

At this time, Mr. Speaker, I would like to call attention to chapter 93 of the Federal Code, section 1913:

Lobbying with appropriated moneys: No part of the money appropriated by any enactment of Congress shall in the absence of express authorization by Congress be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence in any manner a Member of the Congress to favor or oppose by vote or otherwise any legislation or appropriation by Congress whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

And, in addition:

Whoever, being an officer or employee of the United States or of any department or agency thereof violates or attempts to violate this section shall be fined not more than $500 or imprisoned not more than 1 year, or both, and after notice and hearing by a superior office vested with the power of removing him, shall be removed from office or employment.

If the Secretary of Commerce persists in carrying out these "surveys" he should be rebuked for callous disregard of the elementary requirements of fair play. If the Department is to make surveys they should be made in a fair and objective manner. They should show the impact of low-cost imports upon industry and agriculture no less than simply loosely estimating how many jobs may be ascribed to exports.

In recent testimony before the House Ways and Means Committee, and in other public statements, proponents of the Executive's request for broader authority to reduce tariffs have claimed that 4.5 million Americans owe their jobs to foreign trade.

The figure itself is open to question. In addition, many observers have misinterpreted this statistical argument to mean that 4.5 million jobs are linked to export trade alone and that these jobs would be jeopardized unless the administration's proposals are approved.

The American Tariff League has analyzed the employment claims advanced on behalf of the Trade Agreements Act, and their research brings to light important statistical weaknesses.

Briefly, permit me to analyze the statistics used by those who favor the administration's foreign trade bill:

First. The recent job estimates are a projection of an earlier compilation made by the United States Bureau of Labor Statistics in 1952. Furthermore, that 1952 study had its origin in findings of an industry-by-industry survey covering nonagricultural employment levels in 1947. This information applied only to a portion of the total workers, that portion allegedly dependent on export trade. In other words, the only existing detailed basis for the 4.5 million job figure appears to be already 11 years old, and solely applicable to the export subtotal.

Second. According to BLS, a total of 2,526,600 nonagricultural workers were dependent on United States export trade in 1947. According to latest estimates, by the United States Department of Labor, a total of 2,516,000 were dependent on export trade in 1956, even though exports had increased 32 percent during this period. In other words, a 32-percent gain in our export trade seems to have resulted in a reduction of 10,600 jobs.

Third. On May 5, 1953, the Department of Commerce presented to Congress an estimate that 4,376,000 American jobs depended on the volume of our gross foreign trade in 1952. The Randall Commission's staff papers cited these figures. The current Department of Labor estimate of 4,500,000 is presumably based on the volume of trade in 1956. In the period, 1952 through 1956, the volume of United States trade rose 23 percent, yet apparently produced an increase of 124,000 jobs, or less than 5 percent in employment.

Fourth. Furthermore, the BLS survey classified as directly dependent on exports some 400,000 workers—as distinguished from indirectly dependent—in service industries such as coal, gas, and electric power, railroad and other transportation, marketing, communications, and other nonmanufacturing pursuits. This is a dubious classification, since these same jobs and similar services would also be required to support import-vulnerable industries producing for the domestic market.

Fifth. The Labor Department further estimated that 1.4 million workers are engaged in processing, transporting, and distributing imported materials. However, industries which process imported materials include automatically such import-distressed industries as woolen manufacturing, rope and twine production, aluminum wares, and lead and zinc refining. Clearly, these last-named industries are not dependent on foreign trade in the sense of seeking still lower tariffs as a condition of prosperity. As a matter of fact, important segments of each of these industries have been severely disrupted by excessive imports.

Overall, we note that the Department of Commerce, in estimating trade-dependent jobs in 1952—from which current estimates are projected—stated that: "There is no regular reporting system to any of the Government departments on the number of persons dependent for their employment on foreign trade." In the absence of controlled and reliable sources of information, can we assume that the resulting estimates represent anything more than guesswork?

The league recognizes that there are American jobs linked to our exports, just as there are American jobs in jeopardy from imports. However, the league believes it a disservice to Congress for proponents of H. R. 10368 to continue repeating the dubious figure of 4.5 million jobs as tied to our foreign trade, and at the same time to minimize the number of American workers who can be displaced by imports.

There should be recognition that jobs are at stake on both sides of the issue and that the difficult task facing Congress is to determine policy so that the least amount of job disturbance occurs, particularly at this time of increasing economic distress and unemployment.

Such surveys should also estimate the extent of reliance of a number of important raw material producers on protection, which if torn away would greatly shake strong segments of the economy. Wheat grain and wheat flour are highly protected by import quotas; so is raw cotton; so is sugar. Dairy products also benefit from tariffs and quotas. Shipbuilding and ship operation are supported by subsidies to make possible competition with foreign shipyards and foreign merchant marine.

Rip away this protection and the exporters in various Congressional Districts might find the domestic market, which in nearly all areas still looms as the great absorbent of domestic production, shrinking badly and leaving exports as a

very poor substitute. Yet in going into any Congressional District these facts are overlooked. The economy as it is is taken for granted.

Thus a distorted picture is drawn of the question at issue. The issue is not one of cutting off imports of materials needed by our industry for production. It is ridiculous even to insinuate that such a proposal is involved. Nor for that matter is there any disposition to cripple imports in general. The goal is fair import competition in place of destructive competition that springs from low wages paid in foreign countries. None of this would be guessed from the Department of Commerce's approach in its Congressional District surveys. Again, it is clear that some 20 percent of our exports originate not from private commercial considerations but from Government-sponsored program, such as foreign aid and agricultural surplus export program.

The Department of Commerce is setting a very poor example for executive department behavior. These Departments should serve all the people and not a favored few. From the behavior of the Department of Commerce in this matter one would easily conclude that it is nothing more than the servant of export and import interests. If that is in fact the case we should examine closely the appropriations for surveys and reports and stop at the source the abuse of public trust that is involved in making highly slanted reports on the foreign trade interests of particular Congressional Districts.

Mr. Speaker, I ask permission at this point to insert into the RECORD an article from the New York Times, headlined "United States Studies Back Trade Extension."

(The article referred to follows:)

UNITED STATES STUDIES BACK TRADE EXTENSION—DEPARTMENT OF COMMERCE IS FURNISHING SURVEYS FOR CONGRESSIONAL DISTRICTS

(By Richard E. Mooney)

WASHINGTON, March 8.—The administration has developed a new weapon in the battle over foreign trade. It is a series of reports on how exports and imports affect the average citizen of Bristol, Conn., Flint, Mich., and Bessemer, Ala., among other places.

The Department of Commerce has made a foreign trade impact study of 2 Congressional Districts in Connecticut, 2 in Michigan, and 1 in Alabama, and is working on more. The studies were requested by the Representatives whose districts were surveyed, an official of the Department said.

Four of the five say that foreign trade contributes very greatly to the welfare of the people in the district. The fifth says it is essential.

The reason for studies is the administration's request to Congress that the Reciprocal Trade Agreements Act be renewed for 5 or more years.

Strong opposition to the program has been generated by industries that tell their Representatives that imports of competing products are forcing unemployment in the constituency.

AID TO EMPLOYMENT CITED

The Commerce Department studies do not deal so much with unemployment caused by imports as with employment that is based on both exports and imports. Export sales provide employment as any sales do, and without imported raw materials certain manufacturers would not be in business at all.

While acknowledging that competitive imports may be causing some unemployment, each study concludes that the net effect of imports is overwhelmingly favorable in the district surveyed.

The 5 districts reported on so far are: Connecticut's First, around Hartford, where the aircraft industry is the highest manufacturing employer; Connecticut's Fourth, around Bridgeport, nonelectrical machinery; Michigan's Sixth, around Flint, automobiles; Michigan's Eighteenth, around Pontiac; and Albama's Ninth—where trade is called essential—around Birmingham, iron and steel and other primary metals.

The studies have not been publicized by the Department for fear that opponents of the administration's liberal trade policy would accuse the White House of lobbying. However, the Department does not balk at answering questions about them, nor at making copies available on request.

Department officials say they will make a study for any Member of Congress who requests it. The reports, ranging in length from 17 to 22 pages, are in such form that the Representatives can relay them directly to interested constituents.

If all reports were to describe such net benefits from foreign trade, however, it is not likely that a convinced protectionist would ask for one on his district.

The report on Connecticut's Fourth District concedes that some segments of the machine tool industry are being affected adversely, but said the tool and die industry as a whole exports more than several times as much as is imported.

PETROLEUM RESERVES

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. KILDAY] is recognized for 15 minutes.

Mr. KILDAY. Mr. Speaker, Sputnik I and the era of the ballistics missile have jarred the Nation into a defense alert. We have crash programs on space research, rocket development, and antimissile missiles. The Secretary of Defense has said we need to spend $1½ billion immediately for additional B–52's. The Armed Services Committee, of which I am a member, is looking into the possibility of accelerating a number of military construction programs.

In short, we are a nation determined to meet any and all challenges to our position of strength which is so vital in maintaining the peace. Our Government and the American people are of one mind in this matter: We will do what must be done to meet our security needs.

While we are engaged in the costliest and most far-reaching preparedness efforts in our peacetime history, I was distressed by the sobering news that, for the first time in 15 years, the Nation lost ground in development of its most vital munition of war, petroleum. The American Petroleum Institute has released its annual report on reserves showing that domestic petroleum reserves declined by 349 million barrels in 1957. This means we produced 349 million barrels more petroleum fuels than was discovered and developed by the domestic industry last year.

This is shocking and somber news, Mr. Speaker. No material is more essential to our security than oil. We must not forget that 2 pounds out of every 3 that we shipped to the allied fighting forces in World War II—including men, machines, munitions, foodstuffs, everything used in that war—2 pounds out of every 3 consisted of petroleum and its products.

Experience has proved that this country cannot have a mobilization base without oil. Oil is the basis of our industrial and military strength. Without abundant supplies of petroleum fuels, we could not hope to maintain the strength required to maintain leadership of the Free World. We could not hope to sustain a global striking Air Force—composed of aircraft which use many times the fuel required by the B–29's of World War II.

Because of our ever-expanding requirements, and the essential nature of petroleum fuels as the primary defense fuel, I submit that we have much at stake in maintaining adequate oil supplies. We, likewise, have a deep concern as to any threat to our future supplies of petroleum.

The fact that our oil reserves declined in 1957 cannot be attributed to a lack of oil to be found. Only last week, the industrial publication, Petroleum Week, published an estimate that the ultimate recoverable reserves of petroleum in the United States exceed 430 billion of barrels. We have not exhausted the places to drill. Why, then, did our proved reserves decline?

There is only one answer. We found less oil because we drilled fewer wells. The first significant decline in domestic well drilling since 1942 occurred in 1957. The Independent Petroleum Association of America has said this drilling decline represented a loss of 7,500 wells below average drilling trends of the previous 10 years. Based on oil found per well drilled since World War II, the domestic industry would have added more than half a billion barrels of reserves in 1957 had drilling followed its normal course. Instead, the decline in drilling resulted in the first net decline in proved petroleum reserves in 15 years.

The failure in drilling and the resulting failure to add to our national reserves of our most vital material of war resulted from the simple economic fact that domestic oil producers did not have the funds and incentives to maintain drilling, development and reserves in keeping with our expanding national oil requirements. The domestic industry was denied these funds, in my opinion, largely by reason of the fact that imported foreign oil has taken a larger and larger share of the domestic oil market, year after year, and these imports have now clearly reached the point of undermining one of our most essential defense industries.

My colleagues know that the problem of oil imports is not new. It has been before the Congress for a number of years. Repeatedly, there have been warnings that there must be a breaking point at which our security as to oil would be undermined through excessive use of foreign oil and that, as a nation, we would then become dependent on foreign oil.

These many warnings apparently are now being fulfilled, and the dangers resulting cannot be overstated. It was

ironic, Mr. Speaker, that the headline, "Oil Reserves Off After 14-Year Rise," in the Oil Daily for March 12, was followed the same day by a headline emblazoned across the front page of the Washington Evening Star, which read, "Indonesians Seize United States Oil Field."

This latter headline came as a timely and mute warning of the dangers of reliance on foreign oil. It is significant that the oilfields developed by American interests in Sumatra, which now face an uncertain future in the civil strife which has brought war to Indonesia, has recently become the largest single sources of imports to the United States west coast.

The Indonesian problem is only another of a long succession of incidents which leave no doubt as to the folly of reliance on foreign oil. One of the first and most memorable of these incidents was the expropriation of American oil properties by Mexico. The nationalization of Iranian oil properties in 1951 was another dramatic example of why we must avoid dependence on remote oil supplies. Last year, the Suez crisis in midwinter denied oil to all of Western Europe. Economic distress was prevented in Europe only by immediate large shipments of oil from the United States.

Venezuela recently again changed governments at gunpoint, and while there is every indication that economic relationships may not be affected, such political instability serves to illustrate the importance of full development of our own petroleum supplies within our own arsenal and our own control.

Remember, that the coalition between Egypt and Syria, in the politically unpredictable Middle East, gives those two countries control over both the Suez Canal and the pipelines from Middle Eastern oilfields to the eastern Mediterranean port of Sidon. Is the Middle East, then, an oil source on which we wish to rely in any manner for our security as to essential petroleum supplies?

In face of these historic facts, Mr. Speaker, we find our domestic oil producing industry drilling less, developing less, and proving up less reserves for the future. At a time when provision for our security is the watchword of Government and of our people, we are witnessing the fearsome spectacle of our defense-vital oil-producing industry being submerged in a flood of foreign oil to which we have access only so long as we do not need it.

As if the picture were not already bleak enough, the worst is yet to come. I have inquired into how the domestic petroleum industry is faring in 1958, following the year 1957 in which it lost ground for the first time in 15 years. The answers I received are not encouraging.

What about drilling? Mr. Speaker, in the latest week the number of drilling rigs operating in the United States were at a 10-year low. Drilling is not below the depressed levels of 1957; not below 5 years ago, but below the levels of 1947.

My inquiry to industry sources also revealed that so far in 1958, the domestic oil producing industry has drilled 10 percent fewer wells than in the same period in 1957, and 25 percent fewer exploratory wells on which we depend for new additions to our oil bank of proved oil reserves.

I submit to my colleagues that these are shocking trends. They are shocking because once the domestic industry is undermined, once its skilled technical workers are forced into other fields, once we have lost our strength as to oil, it will be impossible to call the industry back into service overnight. We cannot just turn on an oil spigot when the going gets rough. The acquisition of lands, exploratory work by seismic and geophysical crews, drilling, development, and completion of an oilfield from the time when it is envisioned by a geologist is a process that requires 7 to 15 years. This, the maintenance of oil supply, must by the nature of the industry be a continuing and constantly expanding operation.

Therein lies the fallacy of the arguments sometimes advanced that we should import foreign oil and save our own. In theory this sounds plausible. In practice it is unworkable, impractical and impossible. Only by the process of producing more and more oil can the industry finance more and more efforts to maintain our supplies. The more oil we use, the more oil we find; this has always been true. To whatever extent we would quit using domestic oil, the industry is constricted in its operations, and our supplies of a primary defense fuel are diminished.

The decline in the domestic oil producing industry is clearly the result, primarily, of the fact that domestic producers have been increasingly displaced in their own market by foreign oil.

This is a condition that can no longer be condoned. The importance of a healthy oil producing industry to our security is such that the Congress would be derelict in its duty to our national safety if it now fails to provide some reasonable limits on oil imports. We cannot further postpone a solution to this problem. To do so is to risk placing our country at the end of an oil lifeline reaching halfway around the world—a lifeline which at any time could be served by any one of a dozen monarchs or dictators.

I submit that to spend billions for defense on one hand, and then allow our most vital defense industry to deteriorate through excessive imports which primarily benefit the handful of American importing oil companies, is the height of folly. Without oil, no plane can fly, and no tank can roll. By failure now to impose proper limits on oil imports we will hasten the day when we will be without oil. We would thus lose the power resource which enables the leadership for which the Free World now looks to our country.

I hope my colleagues will keep these few facts in mind as we consider the proposition of extending the trade-agreements program. If any extension of this act should fail to recognize the plight of the domestic oil industry by providing a definite and specific limit on oil imports the consequence could be further diminution of our petroleum reserves and back-door destruction of the most costly mobilization program in history.

RELIEF FOR THE AUTOMOTIVE INDUSTRY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. NIMTZ] is recognized for 60 minutes.

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent that I, and those to whom I yield, may have permission to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NIMTZ. Mr. Speaker, in January of last year, shortly after Congress convened, I introduced a bill to provide much-needed tax relief to an important segment of our economy—the owners of more than 60 million motor vehicles in America and the approximately 9 million workers who depend for a living on the automotive and associated industries.

My bill, H. R. 3854, introduced January 28, 1957, called for repeal of the burdensome excise tax on automobiles and trucks as a means of giving the auto industry—the most vital segment in our entire economy—"a shot in the arm."

Unfortunately, the House had no opportunity to vote on this or similar proposals in March of last year when we had under consideration H. R. 4090 to extend corporation and excise tax rates. Under the usual "closed rule," the excise tax on autos was lumped with luxury taxes on alcoholic beverages and tobacco. No amendments were permitted. We had to vote either for or against the entire package. There was no chance to consider the auto tax as a separate measure and on its merits.

Since that time the need for some form of tax relief to help spur activity in the auto industry has become more apparent. Auto production dropped more than 24 percent between January 1957 and January of this year—from 641,591 cars in the first month of last year to only 487,700 cars during January 1958.

Production figures for the month of February were even worse. The figures show that auto plants were turning out cars and trucks at a rate 31 percent below a year ago.

During the first 2 months of this year, automobile retailers sold fewer than 700,000 new cars, according to an Associated Press report.

The total, based on unofficial computations, will give you an idea of the pickup that will be needed if this year's total sales are to reach 5½ million units. It will take a substantial upsurge of boom proportions to reach that total.

The industry does not usually experience a boom in the last half of the year. That is when dealers are struggling to sell outgoing models The best marketing period, generally, is in the April-June quarter.

Severe weather in February may have kept many would-be car buyers away

from showrooms. But inventories have mounted. Dealers probably have twice as many cars as they need. Dealer stocks of passenger cars, as reported by Ward's Reports, Inc., were about 900,000 on March 1, exceeding their record high of early 1956.

Sales during the month of March are traditionally looked upon by the industry as an indication of the total expected volume for the year. There is no present indication, however, that this month's total will equal the 572,917 sales made in March of last year.

It is evident that a great selling job must be done by retailers to get this year's total above the 5 million unit mark. The drop in retail sales is a cause for real concern in the industry.

This situation, in the opinion of many economists, is directly related to the high cost of cars. And taxes, of course, are a big factor in this cost. It is estimated that more than 25 percent of the cost of cars is the result of taxes.

Anything we in Congress can do to bring auto costs down and instill new life in America's No. 1 industry is bound to have a beneficial effect on the entire economy. If tax relief is granted—and if auto sales start to pick up in the next few months—you can be sure that consumer and business confidence will pick up everywhere.

I sincerely hope that members of the Ways and Means Committee will keep these facts in mind when they consider extending the excise tax on automobiles. I hope they will not again treat this as a luxury tax in the same class as liquor and tobacco taxes. I hope they will give us the opportunity to discuss the auto tax on its merits and consider it in relation to its effect on the entire business economy.

Administration leaders have indicated that if business fails to pick up by spring, consideration will be given to applying tax relief to sagging parts of the economy. This also is the thinking of many members of the Ways and Means Committee.

If tax relief is recommended, I say that top consideration should be given to the auto industry for, in my opinion, it would benefit not only every car-owning family in America but every aspect of the economy as well.

Mr. Speaker, I would now like to read a splendid editorial on this subject which appeared on March 11 in the South Bend, Ind., Tribune.

The Tribune is one of Indiana's most influential newspapers. Its editorials are read with respect by thousands of citizens in northern Indiana and southern Michigan.

Here is what the South Bend Tribune had to say last week about the auto tax and the responsibility Congress has to act immediately to repeal it. The editorial is entitled, "End This Depressing Tax." It reads as follows:

END THIS DEPRESSING TAX

Members of Congress talking about tax reduction as a means of stopping the business recession still have to prove that they are thinking straight. The failure of most of them to mention abolition of the wartime-excise tax on automobiles brings their sincerity into question.

As an emergency wartime measure Congress slapped a 10 percent tax on cars at the manufacturing level. The war that needed financing then is long past but that tax remains.

Right now it is one of the factors in the business recession. Abolition of the 10 percent tax would cut car prices substantially. That could stimulate automobile buying.

This is vitally important. The automotive industry influences a lot of other industry. Depression in the automotive area means depression in many other areas. It looks as if we can't expect the end of this recession until the automotive industry and its supplying industries are stimulated.

The Federal Government needs a lot of money. But depending on a tax that is obviously intensifying and expanding this business recession is dangerous nonsense.

This 10-percent excise tax on automobiles should have been rescinded at least 11 years ago. When World War II ended it became an unjust, grossly discriminatory tax. Now it is promoting human misery.

Walter Reuther, of the UAW, recently proposed a $100 reduction in automobile prices. But he hasn't mentioned repeal of the 10-percent excise tax, which would cut the price on each car far more than that. For example, it would mean a car now selling for $3,000 could be bought for $2,700.

Rescinding this unjust discriminatory tax could be the most effective single anti-recession move.

Mr. Speaker, my home city of South Bend, Ind., is also the home city of the Studebaker-Packard Corp.—one of the oldest and one of the last of America's independent automobile manufacturers. We in South Bend are proud of this firm and the craftsmanship of its thousands of workers. We are proud of the cars that it turns out and the great contribution it has made over the years to improvements in car styling.

The Studebaker-Packard Corp. also has taken the lead in the movement to keep car costs down. It produces the lowest-cost car in America today—the Studebaker Scotsman, which retails for under $1,800.

The president of the Studebaker-Packard Corp. is Harold E. Churchill. Last week, after obtaining a special order to speak today on automobile excise taxes, I sent a telegram to Mr. Churchill asking him to comment on this problem. I received his reply just a few moments ago and I would like to read it in the RECORD at this point:

SOUTH BEND, IND., *March 17, 1958.*

Congressman F. JAY NIMTZ,
House Office Building,
Washington, D. C.:

Downward revision or elimination of the excise tax upon automobiles enacted during a wartime emergency should increase the sale of cars and have a stimulating effect on the economy of the whole Nation. One out of every seven jobs in the Nation is dependent upon the automotive industry. The business that creates these jobs has slowed today. The effect is apparent.

Studebaker-Packard will pass on to its dealers any reduction in auto excise taxes so they in turn may pass it on to the customer; thus, the general public can promptly benefit and the constructive effects be felt swiftly by the entire country. This important action should be taken without delay and should be made retroactive on all unsold new car inventories so that while legislation is pending potential retail buyers will be assured they will not be penalized by buying now. As a resident of South Bend you are aware of what elimination of this tax would mean to our neighbors and friends.

HAROLD E. CHURCHILL.

Mr. Speaker, the gentleman from Michigan [Mr. CHAMBERLAIN] has been interested and most active in this effort to repeal the excise tax on automobiles and trucks. It was on January 16, 1957, that he introduced H. R. 3022 for such repeal. He has contacted Henry Ford II, president of the Ford Motor Co.; H. H. Curtice, president of the General Motors Corp.; George Romney, president of the American Motors Corp.; and L. L. Colbert, president of the Chrysler Corp., as to their attitude and the position of their respective companies concerning the repeal of this tax. The responses from these gentlemen to our colleague, Mr. CHAMBERLAIN, are as follows:

DEARBORN, MICH., *March 6, 1958.*

Hon. CHARLES E. CHAMBERLAIN,
House of Representatives,
Washington, D. C.

DEAR MR. CHAMBERLAIN: Your recent letter is a thoughtful appraisal of the current economic situation as it affects the automobile industry and I am glad to have had the opportunity to read it and discuss it with my associates at Ford Motor Co.

The atmosphere of uncertainty to which you refer is a strong deterrent in the minds of many thousands of people who have the means to buy but who are putting off their buying decisions because they lack confidence in the future. Uncertainty breeds more uncertainty and can lead only to increasing difficulty for all segments of the national economy.

We have reached a crucial point in the recession—the point where optimistic words are of little avail and where prompt and direct action is indicated. Repealing the excise tax on automobiles is certainly the sort of action that will help to reverse the present unfortunate trend. This one step cannot by itself cure every problem, but it could produce beneficial results for an industry which exerts an important influence on the entire American economy.

As far as Ford Motor Co. is concerned, any reduction in the excise tax will be excluded from our charges to our dealers with the specific recommendation that they, in turn, exclude it from their charges to their customers.

With regard to your suggestion for a thorough reevaluation of our prices, I want to assure you that the prices of our products are under constant study. Price reductions, however, cannot be made in the face of rising costs. In the past 10 years, for example, while our labor costs were rising 70 percent the price of a typical Ford car was increased only 30 percent.

Although it would not be appropriate for me to comment on your proposal to Mr. Reuther, I naturally would be interested to hear his response to this point.

Thank you again for your expression of constructive interest.

Very sincerely,

HENRY FORD II.

GENERAL MOTORS CORP.,
Detroit, February 21, 1958.

Hon. CHARLES E. CHAMBERLAIN,
House of Representatives,
Washington, D. C.,

MY DEAR CONGRESSMAN: I take pleasure in acknowledging your letter of February 17 and attachments. I am in full agreement with the points you make, namely, that public confidence is an importantly significant factor as regards the business outlook; that assurance of a realistic and peaceful settlement of the collective bargaining issues in

the automobile industry would strengthen public confidence, and, finally, that a tax reduction would be most helpful with respect to both the willingness and ability of consumers to buy.

I am enclosing a copy of my year-end statement and copies of two letters I have written to the UAW-CIO. As you will note, I spoke out on the first 2 of these 3 points in these documents. As you may be aware, I suggested an across-the-board tax reduction in my recent appearance before the United States Senate Subcommittee on Antitrust and Monopoly. I am confident that such a move would revitalize confidence on the part of both consumers and the business community. My suggestion was given excellent visibility by the press, as indicated in the enclosed brochure with excerpts from news articles and editorials on this subject.

Thank you for writing to me. I appreciate your point of view and your evident willingness to take constructive action regarding these important matters.

Sincerely yours,

H. H. CURTICE.

AMERICAN MOTORS CORP.,
Detroit, February 20, 1958.

Hon. CHARLES E. CHAMBERLAIN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CHAMBERLAIN: I have read with care and interest your thoughtful letter of February 17. You suggest three programs to encourage employment: (1) A 1-year continuation of present agreements with the UAW: (2) a reevaluation of automobile prices, and (3) the repeal of the excise taxes on automobiles.

We have, of course, been studying the causes of the present business decline insofar as they are ascertainable. We believe that the fundamental cause of the drop in automobile sales is the excess concentration of power in both industry and the union. The result of this excess concentration has been to force labor costs and consequently prices to such high levels that buyers are postponing car purchases.

Furthermore, in our opinion, this excess concentration has resulted in a lack of product competition with the Big Three automobile manufacturers offering excessively bulky and costly vehicles. This point of view is expressed more fully in my recent statement to the Senate Subcommittee on Antitrust and Monopoly, a copy of which I am attaching.

We believe there is considerable merit to your proposal that the automobile industry and the UAW agree now to a continuation for at least 1 year of present union agreements. We wish to point out, however, that any such continuation would extend for another year the present inequities between American Motors agreements with the UAW and those of the Big Three. These inequities involve our paying higher wages and more costly economic benefits and practices than do the Big Three.

We have studied and restudied the pricing of our vehicles. We have been eager to keep our prices at a minimum consistent with our costs and the imperative need of being in the black. As nearly as last September, in order to generate more sales and employment, I proposed to our automotive employees and their unions that we explore the possibility of a $100 price rebate. This possibility could become an actuality if our employees, through their unions, would reduce our labor costs to Big Three levels and if, through the cooperation of suppliers and dealers, we could generate additional volume and lower costs per unit. We are still awaiting a reply from the union to this proposal.

We believe that the repeal of the excise taxes on automobiles as suggested in your bill would stimulate automobile sales and employment through the price reduction it would make possible. We hope that the House Ways and Means Committee will act favorably at the earliest possible moment.

Sincerely,

GEORGE ROMNEY, *President.*

CHRYSLER CORP.,
Detroit, Mich., February 21, 1958.

Hon. CHARLES E. CHAMBERLAIN,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I want to express my sincere thanks to you for your thoughtful letter of February 17 and complete agreement with the goal of stimulating business and employment by strengthening confidence.

With regard to your suggestion concerning a reevaluation of automotive price structures, I want to assure you that Chrysler Corp. has a long-standing policy of pricing our vehicles at the lowest possible level, consistent with labor, materials, and other costs and our obligations to the public, our employees, and the people who have invested their money in our company. As recently as February 6, I reaffirmed this policy at some length before the United States Senate Subcommittee on Antitrust and Monopoly, chaired by Senator KEFAUVER.

Concerning automotive excise taxes, as you know the automobile industry has consistently opposed the singling out of the automobile for a discriminatory tax burden. We have never been willing to accept the concept that a product as essential to the progress and growth of our Nation's economy should be treated the same taxwise as are luxury items.

I deeply appreciate your interest in matters so vital to the automobile industry and I want to thank you again for your thoughts.

Sincerely,

L. L. COLBERT.

As to the attitude of the automobile dealers of the country and whether they will pass on to the customer the savings and reduction in price the repeal of this tax would bring, Frederick J. Bell, executive vice president, National Automobile Dealers Association, has wired President Eisenhower as follows:

THE PRESIDENT,
The White House,
Washington, D. C.:

The 25,000 franchised automobile dealers who comprise the National Automobile Dealers Association urge most respectfully and emphatically that the manufacturers' excise tax on automobiles, parts, and accessories be removed. Our members have pledged themselves to pass along immediately to the consumer the cost benefits that would thus accrue when passed to the dealer by the manufacturer. In the opinion of these many thousands of small-business men, this action would be dramatic, heartening, and of immediate benefit in removing the log-jam that seems to be bottling up consumer confidence in the current state of the economy.

FREDERICK J. BELL,
Executive Vice President, National Automobile Dealers Association.

Mr. Speaker, all of these letters and telegrams indicate that there is impelling necessity for a repeal of this excise tax without delay. It is my hope that we here in the House may have early opportunity to vote on the repeal of this excise tax on automobiles and trucks.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from New York.

Mr. KEATING. I am prompted to rise, Mr. Speaker, to commend the gentleman from Indiana for bringing this matter to our attention. I am inclined to agree with him that the elimination of this excise tax would be the most effective method of helping to cure the unemployment situation in the automobile industry. I want to add that it seems to me the remarks of the gentleman from Indiana are typical of the attention which he has given to the affairs of his District since he has come to the Congress. I have been very much impressed with the performance of the gentleman from Indiana and realize in this particular matter how both he and the gentleman from Michigan [Mr. CHAMBERLAIN] have been hammering away at this problem of the excise tax on automobiles for so long. I certainly hope that their vigorous and able efforts will bear fruit.

Mr. NIMTZ. I thank the gentleman from New York, my senior colleague and the ranking member on the Committee on the Judiciary, for his kind remarks.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the distinguished gentleman from Michigan whose district adjoins mine on the north.

Mr. HOFFMAN. Mr. Speaker, the people of the South Bend district are to be congratulated on the wonderfully fine service which their Representative has given since he came here. I have been wondering whether the purpose of eliminating this tax is to give employment to those especially in the automobile industry and the companies which supply that industry as well as the people who work for the companies making farm machinery. Does the gentleman think that eliminating the tax would be helpful?

Mr. NIMTZ. The gentleman is correct. It would start the production line in the factories so that new cars could be manufactured. It would give added employment, undoubtedly, to salesmen and agents who must now seek other lines of endeavor because they are not selling automobiles. It would give employment to suppliers of accessories and parts.

Mr. HOFFMAN. In the gentleman's opinion, would it lessen the burden on the workers or employees of those industries?

Mr. NIMTZ. It would.

Mr. HOFFMAN. I wonder if it would also lessen the burden if there would be a moratorium on union dues; that is to say, if we left the excise taxes off and helped them that way, how would it be if those in control of the unions postponed the collection of dues? Would that better living conditions, give them more money, so that they could apply it on the rent and the grocery bills?

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the distinguished gentleman from Michigan, who has been so active in this field of legislation.

Mr. CHAMBERLAIN. If I may respond to the question of the gentleman

from Michigan, my colleague [Mr. HOFFMAN], I should like to tell him that I have had many communications from my constituents indicating that very thing, that these dues that they are being compelled to pay are a great burden, particularly in this time of unemployment.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. NIMTZ. I yield to the gentleman from Michigan.

Mr. HOFFMAN. It has occurred to me, and several suggestions have been made, that some of the union men who happen to be Republicans object to the payment of assessments or dues which are used to support candidates of the opposite party.

I do not ask the gentleman for an expression of opinion as to what the folks in his District think, but it does seem to me that it is a little unfair to compel Republicans to pay in order to elect Democratic candidates, or vice versa. I do not see how that can be.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield further?

Mr. NIMTZ. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. May I respond to my colleague from Michigan again by saying that the responses to the questionnaire that I circulated widely throughout the Sixth Congressional District indicate that very thing.

Mr. Speaker, I should like to commend my colleague from Indiana [Mr. NIMTZ] for his splendid presentation of this problem that has become so important to our economy. As he knows, I have also been interested in this since last year. I should like to ask the gentleman if he has given any thought to the retroactive aspects of this problem. I have been told that, since we have been considering repeal or reduction of this excise tax in Congress, there have been those who have suggested that this may have a depressing effect upon automobile sales. For that reason it has been urged that any action we may take should be retroactive to a certain date, March 1, for example, as I have suggested myself. How does the gentleman feel about that?

Mr. NIMTZ. Mr. Speaker, I know that the gentleman has been most active in this field. As has been said by our distinguished colleague from New York [Mr. KEATING], the gentleman from Michigan [Mr. CHAMBERLAIN] has been interested in the repeal of the excise tax on automobiles and trucks from the time he took his seat in this House. I believe on the 16th day of January 1957 he introduced his bill H. R. 3022 to repeal this tax.

Mr. CHAMBERLAIN. That is correct.

Mr. NIMTZ. Of course, that provides for repeal. I believe the gentleman's bill and my bill and bills introduced by other Members are similar in that they call for outright repeal. With respect to the retroactive feature of such legislation, I believe that the Committee on Ways and Means with their knowledge of these matters and in their wisdom and experience could write a bill which would be retroactive in nature and which would eliminate the ill effects concerning sales to which the gentleman from Michigan has referred.

Mr. CHAMBERLAIN. Our purpose is, is it not, to help the automotive industry and to do nothing that would depress or retard sales; is that not correct?

Mr. NIMTZ. That is correct.

Mr. CHAMBERLAIN. If the gentleman will yield further, Mr. Speaker, I should like to put in the RECORD at this point some information that I have relative to unemployment in the Sixth Congressional District of Michigan. I would like to say that, according to the latest figures available to me we have more than 71,000 automobile workers in my District, more automobile workers than in any other Congressional District. The report I have for February indicates that there were 14,500 workers unemployed in the Flint area during the month of February, which constitutes approximately 9.6 percent of the total labor force.

Since I received that report, I have had telephone conversations with people in the Michigan Employment Security Commission in Flint with respect to unemployment there. They indicate, in a letter addressed to me on February 13, that in addition to the 14,500 unemployed there were 5,500 additional automotive workers who had been laid off. Then in a letter I received in this morning's mail I am told that layoffs in the Flint area for the week ending Thursday, March 14, 1958, numbered 1,950, and that about 200 of the reduction occurred in smaller-sized plants, while the rest were in the motor vehicle supplier class. So we have 14,500, plus 5,500, and now we have approximately 2,000 more. I say, how long are we going to sit here while this unemployment continues without taking action? I certainly would urge that the Committee on Ways and Means give this early consideration. I am grateful for the support we have had from our colleagues here in the House with respect to this legislation and the other bills that have been introduced. I should also like to pay tribute to our senior Senator from Michigan for his spirited fight for reduction or repeal of this measure in the other body this past week.

Mr. NIMTZ. I thank the gentleman for his fine contribution.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman is making a very, very constructive speech. If there is anything I say that is going to interfere with his thoughts, I wish he would put it at the end.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Utah.

Mr. DIXON. I wish to compliment the gentleman from Indiana on his fine statement. If the recession continues tax reduction is imminent. When that occurs, I have the feeling that this question of reduction in the excise taxes would be one of the finest steps we could take to relieve this unemployment.

I also was glad that the discussion indicated that the Government should not be expected to do everything. That manufacturers, labor, and all concerned should unite to reduce prices, because automobiles are being priced out of the market.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Indiana.

Mr. BEAMER. I want to compliment my colleague from the Third District of Indiana for his forthright statement. We are neighbors in Indiana. We have the same problem. In fact, the Fifth District has a large number of automotive industries located in it.

I think in addition to the comments the gentleman has made is the fact that not only those people who are making and selling automobiles but those people also who are supplying automotive parts to the industry should receive some of the benefits that are accruing to the automotive industry as such.

I think another point to bring out in this discussion is the fact that some States, and the gentleman from Michigan can attest to it, have a tax structure that is set up under the present administrations of those States that is driving industry into other areas. They are coming into Indiana at the rate of about 10 per month. We welcome these new industries. In welcoming them to our State, we like to feel we are doing our part in trying to help them. For that reason, I am going to lend my support to the bills in regard to the excise taxes and the nuisance taxes.

Mr. NIMTZ. I thank the gentleman. May I say to the gentleman from Indiana on behalf of my colleagues that we appreciate his support. I know the gentleman has been very active in regard to the matter of which he speaks.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Illinois.

Mr. VURSELL. I wonder if the gentleman knows what effect the raise that Reuther and the leaders on the part of the workmen are now seeking might have in wiping out whatever we do on the part of the Government. Does the gentleman know what they are asking at their next meeting with the automobile manufacturers in the way of increased wages, fringe benfits, and so forth?

Mr. NIMTZ. I would say to the gentleman I do not know the answer to that question. Our distinguished colleague from Michigan [Mr. CHAMBERLAIN], as I informed the House earlier in my remarks, has contacted the leaders in the auto industry to get their opinion in this regard. I believe he has also written Mr. Reuther. I will yield to the gentleman from Michigan as to any answer he has received from the labor leaders in this regard.

Mr. CHAMBERLAIN. I would be very happy to answer that question. Four weeks ago tomorrow I addressed a letter to Mr. Reuther and also to the major automobile manufacturers in the country. I suggested to Mr. Reuther that

because of the economic conditions that now prevail throughout our country it might be well for him to consider forgoing his demands for a 1-year period and agree to an extension of the present contracts. I also called upon the major automobile companies to reevaluate their price structure and do everything they possibly could to reduce the price of their cars. I had replies from all of the automobile manufacturers, but as yet Mr. Reuther has not given me the courtesy of even acknowledging my letter. As I understand it from the information which has been made available, he is asking for certain increases in wages as well as a profit-sharing plan. I do not have any further details here before me with respect to what the current situation is, but, to me, it is obvious that with the economic situation as it is, this is no time to rock the boat any more with such demands and threats of strikes. If he would just come out and say that he would go along with the present contract for another year, it would be like pouring oil on the water, and a tremendous boost to our whole economy.

Mr. NIMTZ. I thank the gentleman.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman.

Mr. VURSELL. As I recall, last year the President of the United States sent a letter or a communication to the big labor leaders and the big business organizations asking them to help hold the line against inflation. Two or three times he was queried about that afterward in his press conferences. At one time, and I am quoting him as nearly as I can remember it, but it is substantially correct, he said that unless the big labor leaders of the Nation, and the big business organizations of the Nation, and the people generally, cooperated with the Government to stop the constant rise in the cost of living to stop inflation that we are lost. So my thought was the other day, when I noticed that Mr. Reuther and Mr. Meany went down to tell the President what they thought should be done in order to get the people back to work that if we had passed a resolution in the Congress of the type that I introduced last year urging the Members of the Congress to join with the President in a unanimous voice, both Democrats and Republicans, urging that they help to stop this inflationary rise and not continue to increase wages, and the same appeal was addressed to the business organizations to stop increasing prices if they would have followed that, and if the Congress had acted last year, in my judgment, there would have been such a power behind the Congress speaking with the President at that time that probably Reuther and the labor leaders would have forgone, I think, their request for an increase at this time. Now, if they want to know how to put people back to work, I would suggest to Mr. Reuther and Mr. Meany and all the labor leaders of the Nation that they stop pyramiding these wages year after year because of the power that they have, and that they quit pricing the rank and file of labor out of jobs. The facts are that there is no question but there are two elements in this. The cost of material and increase in wages has pushed the price of the cars too high, and there is a sort of a buyers' strike on. The other thing is that the public is probably waiting for the Congress to reduce excise taxes, and people who are able to buy cars and who would otherwise buy them, are waiting.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield.

Mr. POFF. Mr. Speaker, may I say the gentleman from Indiana [Mr. NIMTZ] is making a very valuable contribution to our thinking not only in connection with the tax field, but in reference to our economic situation in general. The gentleman is speaking with particular and specific reference to the automotive industry. I am sure the gentleman would also agree that the transportation industry, which is allied in many respects to the automotive industry, is in urgent need of some relief in the excise-tax field. I have reference to the 3-percent and 10-percent excise taxes on the transportation of passengers and freight.

Mr. NIMTZ. I cannot speak for my colleagues who are acting with me in this particular field on automotive taxes, but I would agree with the gentleman in regard to his thinking on the tax on transportation.

Mr. POFF. I thank the gentleman.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield.

Mr. ADAIR. Mr. Speaker, I should like to join in this commendation of the gentleman for presenting this matter to the House at this time. It is obviously a matter of deep importance not only to the local communities concerned, but to our Nation as a whole and, of course, to our national economy.

I think the gentleman is performing a great service in presenting this question at this time.

Mr. NIMTZ. I thank the gentleman, and I now yield to the gentleman from Michigan [Mr. McINTOSH].

Mr. McINTOSH. I thank the gentleman.

I would like to join in the many remarks that have been made complimenting the gentleman upon the beneficial presentation he is making, with his usual fine ability to vigorously bring to the attention of the House the needs of the people of his District.

But I would also like to express my feeling that this is a wholesome presentation because I feel it is important that the House and Senate realize that this is not a relief-for-Michigan proposal. It is indicative of the importance of the automobile industry generally that the gentleman feels the urgency of this problem enough to make a presentation on this floor. It was apparent in the debate last week in the Senate that a great many Senators felt that this was purely a Michigan proposal, designed to alleviate the serious problems we have; whereas, as a matter of fact, the automobile industry is important in almost every State. In fact, the automobile industry directly or indirectly affects one out of seven of the employed people of the United States. This is a national problem, and particularly so when we realize that the bulk of this present recession is being felt in factory employment, not in service industries; and that there is no greater stimulus that the manufacturing segment of our country could have than a sizable increase in automobile production. So I join the many colleagues who have mentioned their admiration for the gentleman from Indiana, and join with him in hoping that something can be done in the near future on this excise tax.

Mr. NIMTZ. I thank the gentleman for his excellent contribution. With his typical thorough analysis he has hit the point, that this is not just a Michigan or Indiana problem; it affects every Member's community and it runs through every segment of our economy. It is not a problem of just one State or one community.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Michigan.

Mr. KNOX. I should like to associate myself with the gentleman from Indiana in this legislation which is pending. I have introduced legislation which would set up a retroactive date as of March 1 to reduce excise taxes on automobiles and parts. My bill does not reduce the excise tax on trucks because of implications on highway funds involved as far as the Interstate Highway System funds are concerned.

It is my hope, however, that in the deliberation by the Committee on Ways and Means it may be able to devise some method by which any reduction in excise taxes will also apply to trucks and buses. I think we all recognize, though, and understand the fact that anything which interferes with tax revenues earmarked for the Interstate System might slow down the highway construction program instead of advancing it; and it is my hope that there will be some advancement this year.

But I certainly am wholeheartedly in favor of the gentleman's position and also those expressions of opinion from automobile manufacturers and others. It does not affect just the States of Michigan, and Indiana, but it is an operation that affects the entire Nation. The entire Nation is closely geared to the automotive industry, and anything that reflects on the automotive industry will in turn reflect upon the general economy.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, I wish to compliment the gentleman from Indiana [Mr. NIMTZ] for bringing to the attention of the Congress the importance of repealing the excise tax on automobiles. I have also introduced a bill, H. R. 11390, for this purpose. There is, however, a problem involved in this legislation which should be considered by the Committee on Ways and Means. Most auto dealers have a large number of new cars on hand on which the excise tax has already been paid. To repeal the tax but not provide for compensating dealers for taxes paid on cars

in inventory could cause great injury to our automobile dealers. This matter can be taken care of by the Committee on Ways and Means in any legislation reported out by the committee.

The automotive industry is one of the most vital segments of our economy. Approximately 9 million workers earn their livelihood from the automotive and associated industries and one out of seven Americans is directly affected by this industry, and the effects of economic ups and downs in the auto industry are felt throughout the entire economy.

Auto production is down about one-third from this period last year. New-car inventories are at a record high, and recent sales figures show no sign of a quick return to the expected market for these cars. In this industry we can pinpoint one of the major causes of the economic downturn of recent months; it is well worth our time and attention if we can find ways to restore a healthier condition to the auto trade for it will prime the pumps of business all over the Nation.

More than 60 million motor vehicles travel the roads and highways of the United States. The demand for cars and trucks has been unprecedented in recent years, and the auto industry has met that demand. As a result we have seen more and more of the newer cars, with many improvements designed to increase auto safety, on our roads. The public has demonstrated its need and desire for these autos, but in recent months, as a result of several economic factors, price has become more of a deterrent to new-car sales. A very significant factor of the cost of new cars and trucks is the Federal excise tax, and its immediate repeal would, in my opinion, do much to stimulate sales in the auto industry and grant relief from this burdensome tax to the millions of auto and truckowners.

This excise tax on trucks and autos is a carryover from World War II days. It is one of several taxes imposed to discourage sales and production in some fields so that the materials and productive energies thus saved could be turned to things more urgently required. Some of these taxes were known as luxury taxes, although that appellation does not fit many of the products or services to which the taxes were applied. I believe all of these taxes should be reviewed and many reduced or eliminated, but the auto and truck tax stands out particularly as unnecessary and is today a significant hindrance to a giant industry which we should be endeavoring to help in every reasonable way.

There is today no reason to discourage, through taxation, the buying of cars and trucks. We have the capacity to supply the materials that go into auto production without in any way reducing the supplies necessary for defense production or for other nondefense industries. Not only do we have the resources in steel, rubber, and oil to supply full production in the auto industry, but these allied industries are in fact geared to production at that level and suffer when the auto industry suffers. No defense effort is harmed by full auto production; as a matter of fact, the tremendous facilities and pool of trained labor in auto manufacturing are among the great resources we want to keep available for immediate use should we ever have to mobilize completely.

There seems no justification for a tax to discourage in any way car and truck production and sales. There are reasons of public policy that the public should be allowed to satisfy its demand for new cars and trucks without having to overcome this obstacle placed in its path by the Government. There are good economic reasons why this form of tax relief would be felt directly or indirectly by the great majority of American families. There are good reasons in terms of auto safety and users comfort which argue in favor of Government encouragement of auto production and distribution to the extent that public demand warrants.

I hope the members of the Committee on Ways and Means will consider these many reasons which, it seems to me, call for quick repeal of this tax. Repeal of the tax will not solve all of the problems which face our auto makers; it will not put new cars in the price range of our lower income families, and it will not remedy all of the economic factors which have caused the downturn of recent months. But it will contribute to reaching all of these objectives. I believe its results would more than offset the revenue which would be lost. It is one action we can take simply and quickly which will show immediate benefits to the public, the auto industry, and the economy of America. I hope that the Ways and Means Committee will report favorably on this legislation, so that the House may act on it in the very near future.

Mr. NIMTZ. I thank the gentleman for his excellent contribution.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Illinois.

Mr. VURSELL. Will the gentleman tell me how much in revenue the Treasury would lose if the entire tax were taken off and how much the Treasury would lose if only 50 percent of the excise tax on automobiles was taken off?

Mr. NIMTZ. Various figures have been quoted and the amount of expected loss is debatable but one authority estimates that the loss of revenue would amount to $1,100,000,000. That is if the entire tax was removed. However, one can say that because of increased employment which would result, part of that would be recaptured in the form of withholding and other types of taxes which would be paid because of increased employment.

Mr. VURSELL. If half of it was taken off, it would result in the loss of half of $1,100,000,000. Of course the gentleman knows, I know, we all know, that this was a wartime measure. Furthermore, we all know that this Congress keeps spending and spending and increasing the national debt with inflation now which gets nobody anywhere. It simply burns up the money. There has been a 5-percent inflation in the last 4 years as against a much greater inflation prior to that time. If we do not find some way of stopping this constant inflationary trend, even though I agree that these taxes should have been taken off, what we do here makes no difference. There was some talk about the tax being repealed or that it should be reduced, and I am in sympathy with the arguments that have been offered here today in that direction. I think it is time to do something. I think some relief should be given. At the same time unless this Congress shows some interest in getting at the core of this problem, that is, to stabilize the price line and the wage line of this country, what we do here today, if we could do it today, or what we do in this session, would amount to nothing of a permanent nature. If the increase in wages is to go on unlimited and unimpaired, there will only be a temporary ease to a few people, yet, all would be swallowed up by more inflation, more expenses, higher priced cars, another buyer slowdown, or strike, and we are in trouble again. I hope that the Congress before this session is over will come to grips with what I believe to be one of the real problems, that is, the constant pyramiding of wages at the hands of certain organizations who have the power to do it, which penalizes those living on social security, on annuities and with low fixed incomes, the farmers and all of the people, and ultimately penalizes the men that are in the ranks of labor as much as anyone else, not only with inflation but pricing themselves out of jobs. I hold the hope that maybe the Congress will really take an interest in this thing before this session adjourns.

Mr. McINTOSH. Mr. Speaker, will the gentleman yield further?

Mr. NIMTZ. I yield.

Mr. McINTOSH. I appreciate the gentleman's yielding further. I am disappointed that we have not had a more responsive participation in this discussion from the other side of the aisle, because this is certainly one thing that we can all be united on. The major push for this revision in the excise-tax field in the Committee on Ways and Means has come from the distinguished gentleman representing the First District of Michigan [Mr. MACHROWICZ], and we were all very shocked and disappointed here a few days ago when the gentleman from Michigan [Mr. MACHROWICZ] was reported in the press to have said that the leadership of the majority party in the House had refused to give us any urgent or priority consideration, because we feel this is one method on the tax front that can strike directly at the unemployment situation, not only in the automotive field but all through the industrial plants. So I had hoped that we could in this discussion have a greater degree of participation and interest expressed from the majority side. Obviously, since we represent a minority both in the subcommittee and the committee and in the House itself, excise-tax reduction cannot be accomplished without the blessing and support of the majority leadership, and I hope they will reconsider their present position.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Missouri who so adequately covered this field of excise taxation several days ago.

Mr. CURTIS of Missouri. I thank the gentleman, and I want to commend the gentleman for taking the floor. Possibly some good results have come from the speech I made on the floor last Thursday in which I was pointing out that the Democratic leadership in this Congress was doing an awful lot of talking and not doing very much acting. At least, judging from the silence here today, they have stopped talking. Now maybe we can hope that there will be some action. But I point out, as I tried to point out Thursday, that sitting over in the other body are two very large, comprehensive tax-revision bills, and there is no sense in talking about new proposals to cut taxes or do anything with taxes if they do not move on the bills that have already been studied, upon which public hearings have been held. Certainly there is one thing we do not want, and that is talk, and I am glad that the talk has died down, and now perhaps we can get some action.

Mr. Speaker, let me say that these proposals of just spending a great deal of extra money on public works, without providing their financing, is nothing more than printing money. Those proposals are part of the talk that has been going around about which I complained.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Has the President of the United States ever indicated that in his mind it is time for Congress to consider a tax cut?

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield to me for an answer to that question?

Mr. NIMTZ. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Yes, on these two bills that are sitting over in the other body. One on excise tax revision, introduced by the gentleman from Rhode Island [Mr. FORAND] as a result of 2 years of study. The administration sat in on those hearings through Treasury Department officials and has gone along and approved almost all the features of that bill. The same is true of the Mills bill, which passed the House in January 1958, revising the Internal Revenue Code. Almost all those provisions have the approval of and were worked out with this administration.

We have just completed rather lengthy hearings on many features of revising the tax laws upon which the administration has made recommendations; provisions for revising taxes in regard to small business being a measure that the administration has supported. Yes, this administration has requested the Congress to act and has worked very hard to bring action about. Now it is up to the Congress to do something, and certainly it is not up to Congressmen to do a lot of talking, when they control the Congress but still do not act.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield further?

Mr. NIMTZ. I yield further to the gentleman from Missouri.

Mr. CHRISTOPHER. How much would those two bills in the other body cut taxes, to which the gentleman has referred?

Mr. CURTIS of Missouri. If the gentleman will yield to me to answer, these are not tax cuts.

Mr. CHRISTOPHER. But that is what I am talking about—tax cuts.

Mr. CURTIS of Missouri. I should like to explain that.

Mr. NIMTZ. I yield to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. The point is this: According to most economists who have studied the matter, or problem, particularly in this recession, is primarily these impediments to growth and stability that have been written into and embedded in our tax laws. That is where we can move ahead. All this talk about tax cutting is not going to help this recession, let me say to the gentleman, because that will come too late. What I am saying is this. If you are interested in revising our taxes to remove these impediments to growth and stability, such as impediments to small-business growth, some may argue they are actually tax reductions, and in a sense they are tax reductions to particular segments of our economy; but the overall effect, strangely enough, is that the Federal Government will get more revenue, not less revenue, if we remove these impediments.

Mr. CHRISTOPHER. Mr. Speaker, I am very suspicious of a tax revision that makes me pay more taxes instead of less.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Indiana.

Mr. BROWNSON. Mr. Speaker, the distinguished gentleman from Missouri [Mr. CHRISTOPHER] must be a little put out with his own party, since the only tax reductions in recent history have come from this side, the Republican side, of the aisle, in the 80th and 83d Congresses and action to raise additional taxes has come from the gentleman's side of the aisle.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield further to me?

Mr. NIMTZ. I yield further to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I would give the gentleman from Missouri [Mr. CHRISTOPHER] a good example of a tax cut—in one sense it was a cut—that actually produced more revenue for the Federal Government. That is when we eliminated the so-called excess profits tax which was essentially a tax on new and growing businesses, primarily the smaller ones. When we completely eliminated that tax we ended up, within a year and a half, taking in more revenue at the Federal level from corporations as a whole. That is what I mean by an adjustment where you take the burden off one segment of the economy and balance that with the greater growth that we gain through the removal of uneconomic taxes.

Mr. SMITH of California. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from California.

Mr. SMITH of California. I wish to commend the gentleman from Indiana [Mr. NIMTZ] on his remarks here today and associate myself with them. It seems to me we have had a number of suggestions here in the past few weeks on how to take care of this recession, many of which are simply pump-priming thoughts. It will take possibly 2 or 3 years before some of them can be placed in effect or the results appreciated by the public. Here we have a wartime tax that was placed on in time of necessity. Right now, if we would take off this excise tax or at least cut it in two, we would help the people buying cars and help the dealers.

I have received a number of telegrams, calls, and letters from the dealers in Los Angeles County. Some of them I have written back for their assurance, or wired them, to see if this excise tax was taken off whether they would extend the benefit to the buyers of the automobiles and not simply raise the price. They have assured me that they would extend that benefit to the buyer. They are having some difficulty in selling automobiles in Los Angeles County. I think this would help the problem. More people could buy automobiles and in turn get money into circulation. Again, I want to commend the gentleman and associate myself with his remarks. I think it would be a wonderful thing if we could cut down this excise tax. I think it would stimulate business and would help remove some of this recession.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Indiana.

Mr. BROWNSON. I want to congratulate the gentleman from Indiana [Mr. NIMTZ] for his constructive suggestion. I cannot help but realize that in a very few weeks we are going to be asked to stand up here and be counted on a reciprocal trade bill. This reciprocal trade bill will gradually lower the tariffs on products imported into the United States, yet at the present time we are actually placing a tariff on products manufactured within the United States in the form of excise taxes on automobiles, making it even more difficult for our domestic manufacturers to compete with the small cars that are coming from foreign countries. These excise taxes actually serve to make it more difficult for our people who want automobiles and need automobiles in their daily business and social life to make these purchases, which would be a very definite spur to the economy.

I have heard from many of my automobile dealers. They are concerned about dwindling sales. I know there is unemployment in the district of the gentleman from Indiana, particularly in South Bend. There is growing unemployment in every district in Indianapolis in the assembly plants and branch factories of the large automobile concerns. I feel that a step in this direction is very worthwhile and would give a quick impetus to what seems to be one of the truly ailing industries in our entire economic complex at the present time.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield so that I may ask a question of the gentleman from Indiana?

Mr. NIMTZ. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Has not President Eisenhower asked for an extension of the reciprocal trade agreements?

Mr. BROWNSON. Yes, he has, as did President Truman. As a matter of fact, I have supported reciprocal trade in the past. May I point out the untenable position in which we in the Congress are placed when we are asked to back reciprocal trade recommendations which have been made by Presidents of both the political parties, and which I have supported, yet at the same time we are working this excise tax hardship against some of our American industries which are not doing very well. It puts us on a spot. I think the gentleman from Missouri will agree.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. NIMTZ. I yield to the gentleman from Illinois.

Mr. COLLIER. First, I want to compliment the gentleman from Indiana for handling this matter in his usual able manner. I think today it is probably more timely than ever before to do something about the automobile excise tax.

About a week or so ago on the floor of this House I pointed out that during the past year we imported into this country some 200,000 more passenger automobiles from the western European markets than we exported to the same countries. I think basically the problem that we face today in a very important area of our economy is to bring the automobile prices down to a point where many who want automobiles can afford them, because there is no question that not only the dealers but the unemployed folks in the automotive industry are suffering today. I do not think there is any question—as long as there is a problem of selling American-made automobiles that that excise tax would be passed on to the consumer in the form of a cut in automobile prices.

I might add we must face the sad reality that the western European manufactured automobiles from Sweden, France and Germany have practically taken the entire market in Spain, which at one time was almost entirely a market for American-made automobiles. We must realize too that the automotive industry in Western Europe today is geared to double its production, in most cases, with the specific purpose of shipping their automobiles to this country. So that in view of all that, in looking at it on a long range basis, I do not think there was ever a time when it was more timely, shall I say, to drop the excise taxes on automobiles. I might add also they should be dropped on many other articles where the tax was placed on the articles as a wartime measure. Here it is 13 years later and we are still suffering with these taxes which impose an additional cost to the consumer. I think that we had better take the bull by the horns now and get rid of some of these excise taxes, and particularly the one on automobiles which should have been eliminated years ago. I thank the gentleman for yielding to me.

Mr. NIMTZ. Mr. Speaker, by way of emphasis, may I say again in closing, it is my hope that we here in the House may have an early opportunity to vote on the repeal of this excise tax on automobiles and trucks.

Mr. DENNISON. Mr. Speaker, the gentleman from Indiana [Mr. NIMTZ] has convincingly demonstrated the importance and the value to our economy in these difficult times of reducing the Federal excise tax on automobiles. I congratulate my distinguished colleague from Indiana and wish to associate myself with his remarks.

Certainly if an equitable reduction could be made, many who are now refraining from buying automobiles in the expectation of the reduction in tax would enter the automobile market.

In addition, such a reduction in this excise tax would give a long range stimulus to the basic steel industry and to distribution of raw materials for the steel industry and would provide a real shot in the arm for the many diversified industrial facilities located in northeastern Ohio.

My congratulations to the distinguished gentleman from Indiana for his clarity and forthrightness. This is but another example of the distinguished service which he is rendering, not only to the people of his District, but to the entire Nation as a Member of the United States House of Representatives.

THE REPUBLICAN RECESSION

Mr. CHRISTOPHER. Mr. Speaker, I had a 30-minute special order today, but I was not on the floor when my name was called. I ask unanimous consent that I may be recognized at this time.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I want to assure my colleagues on the left-hand side of the aisle that if I get an opportunity to vote to repeal the excise taxes on automobiles, I will be glad to vote to repeal that tax. I feel sure that when that measure comes to the floor of the House, no doubt there will be more Democrats supporting it than there will be Republicans. That is the way I feel about the folks on the right-hand side of the aisle.

I have before me an editorial, which appeared on page 2 of the last issue of the U. S. News & World Report. They are doing a little predicting. They say:

> That a tax cut now appears to be as certain as anything can be in this world.

Well, maybe they are right.

They predict that it will go clear across the board.

They predict the personal exemptions will be raised from $600 to $700;

They predict a 5-percent tax cut for all taxpayers across the board;

That the corporation tax will be reduced from 52 percent as it is at the present time to 50 percent;

That the tax cut on cars will save about $100 an automobile on the purchase price;

That transportation taxes will be cut in half for passengers and will be completely eliminated on freight.

They predict that the effective date will be about July 1 for income taxes.

Mr. Speaker, such a tax cut should be a stimulant to business, of course. But, how about the Government's finances. It is liable to leave them in rather bad shape. We have to consider the budget outgo. Since the advent of sputnik when Russia showed the world that she is even with us and maybe in front of us in technical knowhow, it does not seem possible to me that anything can happen but that our national defense budget will go up. Foreign aid so-called will be fought to some extent on the floor of this House, but it is my opinion that some foreign aid will be again voted by the House.

I would say although the request of the President may be cut some, this House will finish up by recommending somewhere between $2 billion and $3 billion for foreign aid during this coming year. So it seems reasonable to suppose that if we are going to do something about this recession, which nobody denies now, we are liable to come up with a deficit of eight to ten billion dollars during the fiscal year that will begin July 1. We will be back in red ink once more. We recently raised the debt limit in this House by $5 billion, and if things go like it looks like they must go now, we will probably have to raise it to $290 billion before a year from today.

We have this recession, and nobody denies it, but everybody has different ideas as to what caused it. Perhaps it is not important what caused it. The only thing that makes important what caused it is to take steps to eliminate the cause of this recession and to take steps to keep the same thing from occurring again.

I would like to compare the national economy, if I may, to a building, a good strong building, with adequate foundation, not a crack in the wall, not a leak in the roof. It was such a building in 1952, because in 1952 the farmer received 100-percent parity for the food and fiber produced on the American farms for the 11th consecutive year. Labor was fully employed. Freight car loadings were high. Steel production stood at 102 percent of capacity.

I called up the Bureau of Labor Statistics and asked them how that could be possible. They replied that it was because of overtime; that the demand for steel was all the steel industry in the United States could produce, and they were giving some extra employees overtime above 8 hours a day and producing 2 percent excess above 100 percent capacity. Automobiles and trucks were selling well. There was nothing wrong with the economy. It was such a building then. But let us go down to the basement and find out what the foundation under that building is like now. The foundation under the building, which is our economic structure, is the dollars that were paid to the pro-

ducers of new wealth in these United States every year. What do I mean by "new wealth"? I mean coal, iron, raw aluminum, all petroleum products, natural gas, the products of our forests, the products of our fisheries, and the food and fiber produced on the American farms. That is the new wealth that is produced every year in these United States, and every bit of it comes out of the ground, out of the sea, and out of the rivers. That is the foundation for our economy.

The copper, lead, and zinc industries have been depressed recently and they have not received 100 percent of parity for the raw materials they produce. That has been one of the causes of this recession.

Another cause of this recession has been the selfish interest rates and tight credit policies of the Eisenhower administration that has siphoned off the purchasing power of the American people into the coffers of the great banking institutions in these United States, where that money ceases to be productive of anything except dividends for the people who own it, who already have so much money that they are piling it up in piles instead of spending it. That is another cause of this recession—a very grievous cause—and it has had its impact from one side of this Nation to the other.

Then, the American farmer has been paid $6 billion a year less than 100 percent of parity gross for the food and fiber produced on the American farms, an average of $6 billion a year less, each year since 1952. When you take all that from the foundation that is under this building which is our national economy, the building sagged. Nobody seems to be able to see anything except the roof leaks. The bedroom floors are sprung and the walls have cracked, but they have never gone down into the basement to see why those things happened. I knew they were going to happen in 1955 and I said so on the floor of this House. Now, what has happened? I tried to get a few figures together. I take the following from the March 14 issue of the Washington Evening Star:

Unemployment benefits claims in New York City increased 33.8 percent in January of this year over January 1957.

This farm recession has reached New York City.

Motor vehicle output last week totaled 87,882 cars and 15,520 trucks compared with 141,038 cars and 20,866 trucks in the like week a year ago. Those figures were taken from the World Automotive Report. Cars do not sell like they used to.

Business failures in the United States, the first week in March 1958, 338. That does not mean businesses that voluntarily sold out; those were involuntary bankruptcies. This would indicate a yearly rate, if conditions did not worsen, of 18,616 failures for the year 1958.

Persons who drew unemployment compensation for the week ending February 15, 1958: 3,130,200 were drawing unemployment compensation. This total is the highest since the unemployment insurance program began to pay benefits in 1938.

In the first 10 weeks of 1952 there were 7,185,920 freight cars loaded in the United States. In the first 10 weeks of 1958 there were 5,370,372 freight cars loaded in the United States. Freight car loadings are down 39.5 percent over that period.

Nineteen thirty-six was the high period for carloadings, but in that year there were 372,513 less cars loaded than were loaded in 1952.

Steel is now operating at 52 percent capacity instead of 102 percent of capacity as in 1952. You can see what is happening to business.

The total bankruptcies from 1953 to 1957 was 57,342. These figures do not include voluntary closings, they do not include mergers with larger firms which averaged over 350,000 firms annually, according to Dun & Bradstreet.

What has happened to the housing program? The slump in the housing program is directly traceable to the high interest rates and tight-money policy of this administration. In 1952 FHA financed 485,900 housing units, in 1957 168,400, a drop of 317,500 in 1957 below 1952.

The Veterans' Administration financed 200,000 veterans' housing projects in 1950, in 1957 128,200, down 71,800. The total new nonfarm housing is down 389,300 units for the 5-year period.

I realize that the Democrats in this Congress are more or less on the spot. Something has to be done about this depression. We are not responsible for the depression. The Eisenhower-Benson administration is responsible for the depression. But we have to cure it. The Republican Party is famous for driving the economy of the country into a depression that the Democrats have to pull it out of.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from West Virginia.

Mr. NEAL. I want to know if the Democrats desire to resort to the same policies to cure this depression that they resorted to in 1933 when it took 10 years to get 12 to 13 million unemployed people down to 9 million?

Mr. CHRISTOPHER. The Democratic Party is not going to permit this country to get into the depths that it reached in 1933, but if it should do that we would be lucky if we ever got out 10 years or 20 years from now.

Mr. NEAL. Does the gentleman believe that by continuing deficit spending, appropriating for every Tom and Dick and Harry game you can think of, thereby contributing to the decrease in the purchasing power of the dollar, will eventually mean that the financial condition of the country can remain stable?

Mr. CHRISTOPHER. You will never cure a depression by cutting wages, reducing farm prices, driving all prices down. You are never going to cure a depression by doing that. We have an expanding economy; we have an expanding population. The 1st day of January every year finds 900,000 wage earners in the United States who were not here the year before. If you have the same number of jobs on the 1st day of January 1959 that we had on the 1st of January 1958, we will have 900,000 more people unemployed than we had on January 1 of this year.

Mr. NEAL. Does the gentleman believe that any plan that has ever been devised by the Democrats has ever succeeded in curing a depression so far?

Mr. CHRISTOPHER. Yes. We cured the 1930 depression. We pulled our economy out of that depression. It would take me an hour to tell the gentleman about that depression. I know that it branded on my heart a situation and I could spend an hour telling the gentleman what it was like. If it had not been for Franklin D. Roosevelt and the Democratic Party, this country would have gone down to absolute financial ruin.

Mr. NEAL. May I ask another question?

Mr. CHRISTOPHER. Yes; a question.

Mr. NEAL. What does the gentleman really mean by curing a depression?

Mr. CHRISTOPHER. Putting the banks back on their feet after over 9,000 of them had failed, putting 15 million people back to work so that they could make a living, passing a Social Security Act so there would be some security for people when they reached the age 65, establishing a minimum wage, guaranteeing bank deposits, establishing an REA system in the country, a system of price supports, that the Republicans have not been quite able to destroy as yet for the American farmer, make this country prosperous, putting it in shape so that it could fight World Wars I and II and keep the swastika from flying over the Capitol of the United States.

That is what I call curing a depression. And we did it.

Mr. NEAL. Does the gentleman believe, if we are going to have a depression now similar to the one we had in 1930, that the economy of this country would be able to delve into the credit to the extent that it did in the 1930 depression without breaking up the financial system of the country?

Mr. CHRISTOPHER. I doubt it, and I hope we will never get to the point of a depression like that again, and I am sure the Democrats do not intend to allow the Republicans to draw us into a depression as deep as they did in the thirties.

Mr. NEAL. I am very glad to have you say you do not intend to.

Mr. CHRISTOPHER. We do not intend to.

I called the FDIC this morning and I asked them what their backlog of funds amounted to, and they said $1,850,459,429. This is the amount of premiums collected that they had not had to use. So, FDIC is still sound.

Now, the farm situation is this: Since 1952 the farmer's net income has gone down 23 percent, the parity index has gone down 20 percent, and their debt has gone up 58 percent. I do not like that. While that has been happening, the cost of living, which was at 113.5 in 1952, is now at 122.6, up 9.1 percent.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman will remember not so many years ago when our Republican friends used to take the well of the House and talk about the 53-cent Democratic dollar. Well, it is now a 48½-cent Republican dollar.

Mr. CHRISTOPHER. I thank the gentleman from Massachusetts, and I will say that the Republicans used to say that the farmer had no reason to love the Democrats because they got his dollar down to 48 cents. Now, this administration has got it down to 38 cents.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Well, if these spenders go on, it will be down to 30 cents pretty quick; will it not?

Mr. CHRISTOPHER. Yes, it just might.

Mr. HOFFMAN. Yes, sure.

Mr. CHRISTOPHER. The reason I say if this country is to be pulled out of this depression the Democrats will have to do it was demonstrated on the floor of this House just last week when we had S. 497 here on this floor for consideration. That was a bill to authorize the construction of projects all over the United States that needed to be done, that should be done, that would put people to work and make a market for material. What did the left-hand side of this House do? They offered a substitute, a crippling, gutting, quartering substitute, and when this House voted it down they were not content but cut that substitute up in little pieces and offered it as amendments piecemeal. And, we had to sit here all day and fight them down. And then they offered a motion to recommit the bill. What was the vote? One hundred and sixty-seven Republicans voted to recommit that bill and 21 of them voted to keep it. Now, on the Democratic side of the aisle not a single Democrat voted to recommit that bill, not one, and 213 Democrats voted not to recommit it. What happened on the final rollcall? Seventy-six Republicans voted the same way on final passage as they did on recommittal. Five Democrats voted against the bill on final rollcall, and 167 Republicans voted to recommit that bill. But only 76 voted against it on final rollcall. So the Democrats saved that authorization bill for public works in the United States. And if the people in the United States have those projects constructed, and people are put to work, and a market is established for materials, it will not be with the aid and support of the left-hand side of this aisle, but in spite of every roadblock that they could throw in our way.

I say that the Democrats are going to cure this depression. And the Democrats are going to have to cure this depression, because the Republicans do not know how to cure a depression, and never did. But they know how to get us into one and they do it every time. They have never failed, in my recollection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HOFFMAN. Conceding all that, and that the gentleman is thoroughly convinced that the Republicans are not any good and that the Democrats are all right, since the Democrats have had a majority here and in the other body, why do they not do something about it?

Mr. CHRISTOPHER. We are going to; just watch our smoke.

Mr. HOFFMAN. Oh, you are always going to.

Mr. CHRISTOPHER. We have not appointed 16 different commissions to investigate, to find out whether or not we are in a recession. We have not done that. You Republicans are good at that. Even my good friend from Missouri, the Honorable James P. Blair, realizes what the situation is. Here is a copy of a telegram sent to the President of the United States:

> Since my telegram to you of February 8 regarding the economic recession in Missouri, the situation has worsened and the recession has deepened. I note by newspaper accounts that your administration now recognizes the gravity of the economic condition of our country, and that the Congress is also aware of the situation and taking action on proposals to cure our ailing economy. Most of the measures proposed, however, as reported by the newspapers, appear to be of a long-range type, rather than those which would offer more prompt remedies.
>
> About 10 days ago I appeared before Senator GORE's Subcommittee on Public Roads and urged that the Congress take prompt action to increase Federal highway funds to the States. Missouri is in a position now to spend matching State highway dollars if additional Federal highway funds can be made available. I assume many other States are in like position. Senator GORE assured me that he intends to push highway development immediately and substantially.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. CHRISTOPHER. I yield to the gentleman.

Mr. HOFFMAN. The gentleman said, just a few moments ago, when I asked why the Democrats had not done something, that, "We are just agoing to." Let me tell the gentleman about my sister. When we were little tykes, mother used to give us some candy. There never was very much of it. I used to eat mine and sister saved hers. Mother used to say to sister not to eat hers in front of her brother, and sister used to say, "I am just going to divide." The gentleman is just going to do it, but he just does not get around to doing it.

Mr. CHRISTOPHER. We have done most of the things that have been done in this House.

Mr. HOFFMAN. And most of them are bad, the gentleman says.

Mr. CHRISTOPHER. Mr. Speaker, I think the gentleman from Michigan will admit that this recession would be a lot worse than it is if it were not for unemployment compensation that is being paid to people at the present time. Will not the gentleman admit that?

Mr. HOFFMAN. If the gentleman will yield to me further, that money is being paid by the employers who charge it back to those of us who buy what they make.

Mr. CHRISTOPHER. Does not the gentleman think that was a brake on the recession and kept it from getting worse?

Mr. HOFFMAN. It has been helpful, surely, just the same as if the gentleman gave me some of his money, it would help me.

Mr. CHRISTOPHER. Let me quote what the gentleman said on the floor of this House on April 18, 1935, page 5983 of the CONGRESSIONAL RECORD. Speaking of that very bill that made that unemployment compensation possible:

> The bill itself * * * takes from thrifty, saving Peter to pay unfortunate Paul, whether that misfortune be due to his lack of opportunity, lack of thrift, aversion to labor, or to misfortune over which he has no control.

Mr. HOFFMAN. That is right.

Mr. CHRISTOPHER. So I draw the conclusion that the gentleman was in opposition to the passage of the law that made unemployment compensation possible. Did the gentleman vote for it or did he vote against it?

Mr. HOFFMAN. Whatever the RECORD shows, and I have not any apology to make. All you are trying to do and always have been trying to do for the last 20 years is to take something from the fellow who earned and saved his money, and give it to somebody else who has not worked, perhaps. I have no objection to giving it to those who, because of something beyond their control, are in need. But I do object to the consumers over the country having to pay—well, some say 52 weeks of unemployment compensation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. A moment ago my friend from Michigan said that unemployment compensation was good.

Mr. HOFFMAN. Oh, no, no.

Mr. McCORMACK. He did not?

Mr. HOFFMAN. If I did, I said it was helpful to those who got it. There is no question about that.

Mr. McCORMACK. Then in 1935 he opposed what is helpful.

Mr. HOFFMAN. Now, wait a minute. That is just the same as though the gentleman from Massachusetts would give me a part of whatever his fortune may be. It would surely be helpful to me. But I know of no reason why he should work to support me and let me live in idleness.

Mr. McCORMACK. I will trade my income for the gentleman's interests.

Mr. HOFFMAN. I do not want to hold the gentleman to that because he would sure lose on that one.

Mr. CHRISTOPHER. Let me proceed. I know you gentleman are enjoying yourselves, but when this unemployment question is before the House I want to say to my esteemed friend, whom I love very much, the gentleman from Michigan [Mr. HOFFMAN] that he is in distinguished company when he takes the attitude he does, because many of the most distinguished people in his party think the same way he does.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. Not now.

Mr. HOFFMAN. Just to admit I am regular with the party?

Mr. CHRISTOPHER. You are.

Mr. HOFFMAN. That is no more accurate than what the gentleman said before.

Mr. McCORMACK. Which party does the gentleman mean? I cannot understand.

Mr. HOFFMAN. The sound conservative party.

Mr. McCORMACK. Who is the leader of it?

Mr. HOFFMAN. Who is the leader? We have three or four.

Mr. McCORMACK. Who?

Mr. HOFFMAN. The gentleman from Iowa [Mr. GROSS] is one, the gentleman from Massachusetts [Mr. MARTIN] is one, the gentleman from Indiana [Mr. HALLECK] is one, the gentleman from Ohio [Mr. BROWN] is another one.

Mr. McCORMACK. What about the President?

Mr. HOFFMAN. He is leading you fellows.

Mr. McCORMACK. He is not the leader of your party, is he?

Mr. HOFFMAN. The Democratic moneybags nominated him, they elected him, and now they have repudiated him.

Mr. CHRISTOPHER. I have many quotations here that I found in the old CONGRESSIONAL RECORDS.

The SPEAKER. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. CHRISTOPHER was permitted to proceed for 10 additional minutes.)

Mr. CHRISTOPHER. I have some good quotations here, but the men who said these things on the floor of the House have either passed away or are no longer in Congress, and I am not going to read them. But I have two quotations regarding unemployment compensation down here on the bottom of the page from men who I think are still in the House. One of these men said:

> You seek to compel every wage earner to pay for an insurance policy even though he cannot afford it.

That could have been said at that time about most anybody, because we were just beginning to get our nose out of that Republican depression and few men could afford anything.

He goes on to say:

> The Government, by virtue of the passage of this act, will tax out of the poor people of this coming generation the greatest surplus ever contemplated by the brain of any businessman.

That quotation is from the Honorable THOMAS A. JENKINS, Republican, of Ohio, April 18, 1935.

> Never in the history of the world has any measure been brought in here so insiduously as to prevent business recovery, to enslave workers, and to prevent any possibility of the employers providing work for the people.

That is a quotation from the gentleman from New York, the Honorable JOHN TABER, April 19, 1935. He evidently believes just like my friend, the gentleman from Michigan [Mr. HOFFMAN]. Therefore, I think I am on safe ground when I say that if we are pulled out of this depression the Democrats are again going to have to do the pulling, because when the Republicans start out after a depression they always get there too late and do not have anything when they arrive.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. I share the gentleman's concern for the unemployed in this country and I think people on both sides are generally concerned about the unemployed. We differ on some of the answers. I recall some history that goes back to 1939. If my memory serves me right, we have a labor force estimated at some 42 million people and the official figures of the administration which the gentleman boasts about was in charge at that time and indicate that there were some 9 million people unemployed, and that was after the administration had been in power some 7 years, and that was after this legislation that you are talking about was passed; is that not right?

Mr. CHRISTOPHER. I will admit it took the Democratic Party a long time to pull the economy of the United States out of that depression that the Republicans had for 12 long, worried and bitter years been building. But, we did the job. I think instead of you fellows finding fault with that situation, you ought to thank us for correcting your mistakes.

Mr. SCHWENGEL. How long after 1939 did we reach a time when there was less unemployed than there are now?

Mr. CHRISTOPHER. I have not checked those old unemployment figures, and I cannot tell the gentleman exactly, but perhaps the gentleman can enlighten us.

Mr. SCHWENGEL. Is it not true that the unemployment problem did not really solve itself in that administration until we were in a World War?

Mr. CHRISTOPHER. I notice the Republicans always try to retreat behind war. They do that invariably.

Mr. McINTOSH. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. McINTOSH. In the interest of statistical recollection such as we have been going through here for a while, you have been discussing the loss of value of the dollar over recent years. I believe you have used the figure 5 cents, depending on how you set the index up. We now have a 48 and some fraction dollar. Is it not correct that we achieved that roughly 5-cent figure at the period of time that the present administration was in power and the balance of it at the rate of about 4 cents a year for 12 years going back to 1939 was during the administration which you are speaking of?

Mr. CHRISTOPHER. I will say to the gentleman that I would rather have a 48-cent dollar that I can get than to have a 98-cent dollar that I cannot get.

Mr. McINTOSH. Are those figures accurate—that is what I was interested in?

Mr. CHRISTOPHER. I am not sure.

Mr. McINTOSH. May I ask the gentleman another question, if he will yield further? The gentleman was discussing the public-works bill that was passed here the other day which you seem to feel would have some significant and immediate effect on unemployment.

Mr. CHRISTOPHER. No; I did not say that. I said that was an authorization bill to permit us to start projects that ought to be done in this United States and which would at some future time put men to work; and if it did not help to cure this depression, it might help to cure or prevent another depression. You see, we still have 3 more years of Republican administration to live under and we had better shore up the House a little.

Mr. McINTOSH. Does the gentleman recall whether this figure would be accurate, that we now have $8 billion worth of authorized projects in a blacklog or ready in some degree.

Mr. CHRISTOPHER. I think that is probably true.

Mr. McINTOSH. So you cannot really support the final passage of that bill and cannot really look at that and explain that particular move as an antirecession bill; can we?

Mr. CHRISTOPHER. I am of the opinion that the Committee on Appropriations of the House led by my dean, the gentleman from Missouri, Mr. CLARENCE CANNON, will probably bring in an appropriation bill big enough so that most of the Republicans will fight it.

Mr. McINTOSH. I entirely agree with the gentleman.

Mr. CHRISTOPHER. Let me close by reading a little poem:

THE MAN WITH THE DINNER PAIL

(By Mrs. James H. Pratt)

Don't boast of the man with the diamond mines;
Of the man whom the gold controls;
Of the one high up, or the one low down
Who barters in human souls.
But talk of the man who is back of it all,
Who weathers the roughest gale
To give us the bread and the meat to eat,
The man with the dinner pail.

He sallies forth in the blinding storm
Or out in the blackest night;
He excavates in the deepest mines,
Or climbs to a dizzy height;
He sweats where the factory furnace roars,
'Mid fumes that are dank and stale;
He stands by the ship when the heavens growl
And adjusts the topmost sail.

With nerves of steel, an arm of iron
He pushes the thing called work;
He possesses brain with his mighty brawn,
And fingers that never shirk.
And though you be laden with untold wealth,
It would be of little avail,
If it weren't backed by your brother man,
The man with the dinner pail.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HOFFMAN. I presume in your opinion the first individual is a Republican and the other is a Democrat?

Mr. CHRISTOPHER. Well, I never checked on this fellow. I know there are misguided laboring people who are Republicans, but the number is growing less all the time.

Mr. HOFFMAN. And the fellow who supplies the job is a crook?

Mr. CHRISTOPHER. Not always.

Mr. HOFFMAN. But most of the time?

Mr. CHRISTOPHER. Well, he is usually a Republican, and I will not say anything more about it. I think that criticism is enough.

FACE THE NATION

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, yesterday, Senator BARRY GOLDWATER made an accurate and convincing statement on Face the Nation. A transcript of the program follows:

Mr. NOVINS. During the past year, while the Senate Rackets Committee has been investigating practices of labor and management, Senator BARRY GOLDWATER, Republican, of Arizona, has emerged as one of the leading critics of certain labor practices and certain labor leaders, notably Walter Reuther.

Senator GOLDWATER is here now to face the Nation.

Senator, you have been singled out as a prime political target by some labor groups and it has been suggested that you, in turn, have singled out Walter Reuther as one of your prime political targets.

We want to ask you about that matter, and others, so, if you will, let's take the first question from Mr. Madigan.

Mr. MADIGAN. Senator, your colleague, Senator MCNAMARA, of Michigan, and some others, have said that your committee has outlived its usefulness and it should disband.

How do you feel about that proposal?

Senator GOLDWATER. Well, first, I don't know how PAT could make an observation like that. He hasn't been there very much.

As far as its having outlived its usefulness, no, I don't think it has. I think we have a lot of work left to do. I think the—these hearings that we are in now are being rather dull because they are on legal points, and it's the first time we have been on legal points, might lead some people to believe that the committee has gone soft, that the counsel isn't digging in as strongly as he used to, nor the chairman; but I can assure you that's not the case.

Mr. CHURCH. Well, let's, let's be specific, Senator. What about the UAW–Kohler strike examination that you are into now? Are you satisfied with the way that one is going?

Senator GOLDWATER. Yes, I'm satisfied with it so far. I think that we have made some disclosures that had to be made in order to write legislation.

Now, mind you, this is probably the second time in all the hearings we have been in where we are, in effect, studying a union that is violating the law. The case of Hoffa, and the case of Beck, there were isolated instances in there where they violated a law or two, but here we have the UAW violating the law of Wisconsin and the law of the Federal Government.

And now we have to find out what to do to protect the public, when there is violence in striking. We have to find a definition for "peaceful picketing"; and some other things that are going to come out in this investigation, of course, will be the unlawful use of the secondary boycott, which we will get into, I understand, tomorrow or Tuesday.

Then certainly the case of Mr. Gosser, who was head of local No. 12, in Toledo, about whom is a story that's just as interesting as any of Mr. Hoffa's or Mr. Beck's. I feel that that, in fact, I know that is being looked into by the committee; and then I understand that the flower funds of the UAW, these unaccounted for, unaudited and, as I am informed, compulsory funds that are used for the reelection of UAW officials, will come in for investigation.

Mr. MOLLENHOFF. Senator GOLDWATER, you spoke of law violations here.

Senator GOLDWATER. Yes.

Mr. MOLLENHOFF. Federal law violations.

Under those circumstances, are you critical of what our Justice Department has done or hasn't done in this area?

Do you feel our Justice Department has done an adequate job?

Senator GOLDWATER. Mr. Mollenhoff, I couldn't answer that question honestly, because I don't know if they have even been asked to get into the case of violence in striking where—I think—where it violates section 8 (b) (1) or 8 (e) (1) of the Taft-Hartley.

Mr. MOLLENHOFF. Well, is there anything that your committee has gotten ahold of that the FBI couldn't have gotten ahold of if they had gone into the field and worked on it?

Senator GOLDWATER. No. The FBI could have gotten all of this, Mr. Mollenhoff. As you know, there are some 20,000 pages of testimony on this subject that have been presented before the NLRB.

Mr. MOLLENHOFF. Well, if there are law violations, as you state, why hasn't the FBI gotten into it, and what specific law violations do you charge the UAW with?

Senator GOLDWATER. I can't answer the first question, because I don't even know if the FBI is on it. They may be on it.

Mr. MOLLENHOFF. Well, haven't you called it to their attention? Hasn't someone—what is the reason for them not being on it?

Senator GOLDWATER. Well, put it this way: Our contacts with the FBI in relationship to law enforcement are matters that I have always felt are top security, and I don't, I don't tell about them except to the FBI. I have worked with the FBI in this field many times.

Mr. MOLLENHOFF. Could you tell us, is the FBI in this now?

Senator GOLDWATER. Not that I know of. I can say that honestly. I can't, if you ask me some other question, I might not be able to be so blunt about it, but in this particular field—no.

Mr. NOVINS. Senator, you mentioned a Mr. Gosser. Will you identify him and tell us why you think his particular story is so important?

Senator GOLDWATER. Well Mr. Gosser is at present a, one of the vice presidents of the UAW. Back around 1949 or 1950 he was a head of a local 12 in Toledo. His own members rebelled against his misuse of union funds for the purchase of lands, for the sale of lands to his benefit, for the operation of a hardware store to sell hardware to a camp maintained by the UAW, for his own personal benefit. It involves the purchase of a boat for his personal benefit.

The hearings on that are documented and are available, and they point out that Mr. Gosser was not reprimanded as other people in their own union feel he should have been reprimanded

Mr. NOVINS. Are you suggesting that he broke the law?

Senator GOLDWATER. No. I am not suggesting that he broke the law any more than I am suggesting that Mr. Beck or Mr. Hoffa in their taking money from their union funds actually broke the law. But what Mr. Gosser did, as I am informed from the evidence that we have, is precisely the same things that Mr. Hoffa and Mr. Beck did.

Now that, I don't think it's against the law, it's against the moral code certainly and it might be against the union constitution.

Mr. MADIGAN. Senator——

Mr. CHURCH. Is he going to be called before the committee soon?

Senator GOLDWATER. I can't say that, but I do know that two investigators are working on the case.

Mr. MADIGAN. Senator, you said a moment ago that there were some that thought the counsel and Senator MCCLELLAN perhaps weren't working as busily as they had in the past. I recall some months ago when a national magazine indicated in a lead article that there was some reluctance on the part of the Kennedys, the Senator and his brother, to go into the Kohler matter, and the UAW particularly, and you were confronted in open session by Senator KENNEDY.

Senator GOLDWATER. Uh-huh.

Mr. MADIGAN. As to a meeting on the stairs.

Senator GOLDWATER. Yes.

Mr. MADIGAN. Now, do you accuse Senator KENNEDY in any way of trying to further his political ambition in these hearings, or in trying to withhold these hearings?

Senator GOLDWATER. Well, let me first clear up the point that your opening statement indicates that you might be wrong on.

Now, I didn't say that the counsel or the Chairman were working less diligently on this.

Mr. MADIGAN. No, you said some people said so.

Senator GOLDWATER. No. I said it might appear to some people because this is a, more of a routine, a legal type of investigation than the flamboyant exciting investigations that we have been into up to now.

Now, I can't say whether Mr. KENNEDY is using this to further his political ambitions because I very rarely see Senator KENNEDY in the council room. I can't say. I don't know what he is doing on the outside.

Mr. MADIGAN. Do you mean to imply, by your failure to see him, is that a tone of derogation his failure to attend?

Senator GOLDWATER. No, no. Everyone of us are out of council room as much as anybody else.

Mr. MADIGAN. Well, prior to the hearings, do you accuse him of attempting to withhold their start or his brother, Bob Kennedy, the counsel, from attempting to withhold the investigation of the UAW because of political reasons.

Senator GOLDWATER. Only if you or anybody else can interpret the reluctance of the Democrats to follow the standard procedure that we have followed for 1 solid year. Now, if you attach that as being evidence of wanting to protect Mr. Reuther because he is a big backer of the Democrats, then the answer would have to be yes. I don't detect it that way. I don't know what their reason was for——

Mr. MOLLENHOFF. Senator——

Mr. MADIGAN. Look on the other side of the coin, is there any politics in your position in this, as you are the number one man who urged this investigation?

Senator GOLDWATER. Well, let me put you straight on that, too, because I have been accused of that. I urged it, along with everybody else, and I think it was last May we decided on 11 points of investigation. Now three of those points just happened to be points that would be covered by the current activities of the UAW. Now I held out along with the other three Republicans to follow standard procedure because we had done so well with it, and I think our case has been proven. We have now built a case up from the ground level and now if Mr. Reuther, or Mr. Kohler, or both of them feel that they can add to it or subtract from it by being there, that's up to them to ask.

Mr. CHURCH. What about—what about Mr. Gosser? Are you going to have him on the

stand, do you think, before you have Mr. Reuther?

Senator GOLDWATER. I can't answer that question because I don't know when Mr. Reuther is coming on the stand. He was supposed to have been on this last week and the plans changed; now I understand it's scheduled for this week.

I do know this, let me answer your question as far as I know, I would say that the answer would be no. Mr. Reuther will come on immediately following the Kohler violence hearings, and then we will have secondary boycott, the Perfect Circle strike and then Mr. Gosser, if that case proves to have anything to it.

Mr. MOLLENHOFF. Senator GOLDWATER, you have been quite critical of the United Automobile Workers on a couple of counts, violence and secondary boycotts, among other things. Now, a lot of people have gained the impression, or you have seen the editorial comments that accuse you and some of the others on your side of the aisle of actually taking after the UAW and being on the Kohler side.

Could you tell us if there are any things that you find in the Kohler side that are reprehensible, that you don't like?

Senator GOLDWATER. Yes. I think, in this case, there are skeletons in both closets. I think it's a case of two stubborn men running into each other. I don't know Mr. Kohler, I wouldn't know him if he came in this room, although I have seen him at a dinner once.

But here is Walter Reuther, who has spent over $10 million of his union's money, and Mr. Kohler, who has spent a considerable sum, I don't know how much, trying to keep the union out.

Now, there again, Mr. Mollenhoff, you get into a basic principle of American freedom. Maybe Mr. Kohler doesn't want a union at all, any union. I maintain it's his right not to have a union, if he can win a strike.

Now, something that we have overlooked in this entire hearing is—a strike is a weapon of labor, and it's a rightful weapon of labor, one that we must protect always.

When they use the strike, they are taking the chance that they'll have the strength to put it over. They are also taking the chance that they won't have the strength to put it over.

In my own humble opinion, the UAW has lost this strike and lost it a long time ago, but I don't say that Mr. Kohler or the Kohler Co. is scot free from blame in this.

Mr. MOLLENHOFF. Well, could you tell us a few of the things, I mean we put it on the record very clearly what you think is wrong with the UAW on some of these things. Could we put on the line just what you think they have done that's wrong on the Kohler side?

Senator GOLDWATER. Again, Mr. Mollenhoff, I have to put myself back where I was before I came to the Senate, as an employer.

And had I been in the fix that Mr. Kohler found himself in when the Wisconsin Labor Board handed down their hearings, I believe that I, BARRY GOLDWATER, would have said to the union, "Now we have reached this point, let's sit down and let's see if we can't work out our differences before you go running off into some more trouble and we go getting involved in other things."

That is the point that immediately comes to my mind.

I think if you were to ask for an overall word, I would have, and of course I am only speaking for myself, I would have tried to be more reasonable and more patient.

Mr. MOLLENHOFF. Well, what about the purchases of the guns by the Kohler people in '52 to '54?

Senator GOLDWATER. I don't look on that as a terrible misdeed. I think if you will look in any company, whether it is a corner grocery store or General Motors or General Electric, and I don't say this for a certainty, but I think I am pretty right in saying that you'll find some weapons to protect themselves within the event of holdup, in the event of riot, in the event of any happening where weapons might be needed.

Mr. MADIGAN. Speaking of guns, Senator, a—some national columnists have said that you have changed the locks on your doors here in Washington because you have had some threats of bodily harm.

Is that true?

Senator GOLDWATER. No, I have never been threatened with bodily harm.

Mr. MADIGAN. Some said you carried a gun because of those threats. Had you?

Senator GOLDWATER. No, I have never carried a gun in my life. I'll never carry a gun, and I'll never lock a door. In fact, the door to my apartment was unlocked all night. I didn't intend it to be that way, but I just forgot to lock it.

Mr. NOVINS. Senator, the complete name of your Committee, as I recall it, is the Senate Select Committee on Improper Activities of Labor and Management.

How much, in the year of investigation that you have already finished, how much improper activities on the part of management have you found?

Senator GOLDWATER. They all don't come to me quickly, Mr. Novins, but let me point out—collusion is the greatest example that we find, and we will continue to find it, where management and labor get together and make sweetheart contracts that's not to the advantage of the working man, it's to the advantage of the union leader and the management side.

And I am not sure in my own mind that this next one is wrong, but there seems to be a feeling that there is, and we'll thresh that out in debate, the use of outside people in handling labor difficulties, like the case of Mr. Schefferman.

Now, I don't condone what Mr. Schefferman did, the way he did it, but I'm not clear in my own mind that there isn't a place in our operation, particularly with small businesses who don't have the means to hire high priced experts in the field, there isn't a place for a man like Mr. Schefferman, or, say, a man who would operate better than Mr. Schefferman.

Mr. NOVINS. Well Senator, the whole purpose of these investigations, of course, is to provide a groundwork for legislation.

Senator GOLDWATER. That's right.

Mr. NOVINS. What legislation do you think will come out of this, or ought to come out of it?

Senator GOLDWATER. Well, I don't think we know enough yet about the violence in striking to write a good legislation on it. I don't think we know enough about putting unions under antimonopoly laws, and believe you me, that has to be done some day, that has to be done. The power, the uncontrolled, unabridged power of unions has go to be stopped in this country and placed under the same restrictions that business operate under or we're going to have trouble.

Now we don't know enough about it yet. In fact I only know of one book that has been written on the subject in a study way. I think we can get into the fields of democracy in unions, if that is constitutional; I think we can provide better reporting of funds; we can provide for strike ballots before a strike is taken, generally following the lines of the Kennedy bill which was put in the other day but the bill that I like the best is the bill—Senator KNOWLAND's bill of rights for the working man.

Mr. MADIGAN. All these proposals, Senator, deal with restricting the operations of unions.

Senator GOLDWATER. No, they go a little bit further, Mr. Madigan.

Mr. MADIGAN. Well, let me go a little bit further, too.

Senator GOLDWATER. Uh-huh.

Mr. MADIGAN. What are your proposals of some legislation that would correct some of the evils of management as a result of this investigation?

Senator GOLDWATER. I have no specific legislation in mind for any of this. The only piece of legislation that I have put in is to create voluntary unionism in the United States, and I'm going to live to see the day that that happens here. It isn't going to happen soon but it's going to happen.

Mr. MADIGAN. Will your position hurt your run for reelection out in Arizona?

Senator GOLDWATER. No, not at all, because the people in Arizona understand that the right to work is one of our basic rights in America.

Mr. MOLLENHOFF. Senator GOLDWATER, there has been some talk in the Reuther camp that you are dodging a debate with Walter Reuther. I understand you deny this but you have been unavailable. I wonder if you would meet Walter Reuther in a debate at any time.

Senator GOLDWATER. Mr. Mollenhoff, let's clear this rather childish thing up once and for all.

The 3 different occasions, the 2 different occasions, really, where I haven't been able to accept Mr. Reuther's invitation, I was busy. The same happened in Detroit when I had an engagement with him and he had to break it. I knew he was busy. I didn't go out and say "Reuther is a coward." I just kept quiet about it. Now, in the last month he and I have been asked to debate at the Harvard Law School, we've been asked to debate on two of the national television networks, and he hasn't been able to accept because of business reasons.

Now, I'm not going to sit here and say that Walter Reuther is a coward because he won't accept these dates. You know and I know we get busy in this business.

Mr. MADIGAN. Can you name a date right now, Senator, when you can meet him?

Senator GOLDWATER. Let me tell you what I'm willing to do, this is in the form of a challenge, or, I'd rather say an invitation: Out in Arizona we have wonderful sunshine. Today we are having our annual big rodeo in Phoenix. We are celebrating down in Tucson the selection of that, one of the oldest cities in the United States as the location for the world's largest observatory. We have good clean air out there. People can think in it, and I'd like to have Mr. Reuther come out to Phoenix or Tucson or any other place in the State and he and I will debate one of these two subjects, Right to Work, or Unions in Politics. He can pick the time, I'll get the hall and we'll charge admission to this thing and we'll give all the proceeds to the Samuel Gompers Clinic which is a hospital that has been built by our labor movement out there.

Now I hope that ends it for all, and I expect Mr. Reuther to be out in Arizona with me, when he can, at his convenience.

Mr. MADIGAN. You mean you wouldn't give him a return engagement in Michigan? You just want to go to your home State of Arizona?

Senator GOLDWATER. I'm running for election in Arizona and not in Michigan.

Mr. MADIGAN. Well, that's why you want to hold it there?

Senator GOLDWATER. That's a good reason and I'd like for Mr. Reuther to get out there where he's not so surrounded with all this damp clammy air and coldness, you know. I want him to get out there where there is warmth and sunshine and we can let some of that filter into his soul.

Mr. CHURCH. You said that was an invitation. That sounded mighty like a challenge to me.

Senator GOLDWATER. Well, we people out West quit getting rough about invitations a

long time ago. We just invite him and if he can't accept it because of business reasons, I'm not going to stand on the rooftops and say Walter Reuther is a coward.

Mr. NOVINS. Senator, you are very careful about not calling Walter Reuther a coward but you did call him something else in Detroit, as a matter of fact, in his home grounds. You said at that time that he was more dangerous, he and the UAW, more dangerous than the sputniks or anything that the Russians might do.

Senator GOLDWATER. I don't think I said UAW; but I did say Walter Reuther.

Mr. NOVINS. Well, let's talk about Walter Reuther.

Senator GOLDWATER. Yes, sure.

Mr. NOVINS. In that connection, then.

Senator GOLDWATER. Sure.

Mr. NOVINS. Have you any reason to change your opinion about that?

Senator GOLDWATER. No, no; I haven't. I haven't seen the sputnik, I might have made the degree more or less if I had seen the sputnik.

Mr. CHURCH. Well, spell that out a little bit. Why do you think he is more dangerous than a sputnik?

Senator GOLDWATER. Well, it goes back to something I mentioned just a few moments ago, and that is the power that is contained in the hands of our labor leaders today and when that power is misused, I don't care whether it is misused by government, by labor, or by business, it's wrong.

Now here is a man who has more money to spend in politics than both the Democrat Party and the Republican Party put together. He has openly said that he is going to move into politics this year and I have some figures here, just part of the AFL–CIO expense tab for the year, is, public relations, $753,000; publications, $696,000; research, $221,000; and so on and so on. They are in this political field.

Now, I have said long ago that Mr. Reuther is not interested as much in the—in the workingman as he is a political party, and let me read you his own words, and I read these up in Detroit, and these came out of his President's Column in the United Automobile Worker, August of 1948. He said, and I quote:

"Political action shall have first call upon my time and energy as president of this international union."

Now, if he is moving into the political field with a third party, or by infiltrating the Democrat Party or the Republican Party, then I think that is a serious menace to this country as we shouldn't have third parties nor should we attempt to infiltrate either of the major parties with the type of money and the type of manpower that this organization can put to bear.

I say either he becomes a real fullfledged labor leader or he becomes a political leader, one of the two.

Mr. NOVINS. Senator GOLDWATER, Mr. Reuther will be on this program next week——

Senator GOLDWATER. Yes, I know he will be.

Mr. NOVINS. And he has suggested within the last week or so in a public statement that was issued by the UAW that he would be very happy if a board of clergymen were set up to be selected by you and by Mr. Reuther, and he says that if a majority of that board determined that he was indeed more a menace than anything the Russians might do, he would quit the labor party, and he would assume that you would quit as Senator if the board found otherwise. What message would you like to leave for Mr. Reuther?

Senator GOLDWATER. Well, I sent—he wrote me a 10-page letter and I wrote him an 8-page letter.

Mr. NOVINS. Are you going to have a summit conference?

Senator GOLDWATER. And in that eight-page letter I pointed out that there had already been a committee of clergymen judge his union, and by that, himself, in Sheboygan, Wis. I didn't have to go any further, I didn't tell him this, but you can do it if you want, I think he knows it: In my State I have to sign an agreement known as the recall before I run for election. Now if he doesn't like what I'm doing and he can go out there and set up a hornet's nest and try to get me recalled.

Mr. NOVINS. Do you think he will?

Senator GOLDWATER. I don't think he will.

Mr. MADIGAN. Senator, I'd like to return to the Committee for a moment.

Is it true that you are hopelessly bogged down now in partisan side, Democrat against Republican, as a result of this Kohler hearing?

Senator GOLDWATER. Mr. Madigan, I hope that is not true.

Mr. MADIGAN. Do you know it isn't true?

Senator GOLDWATER. I feel that it isn't true. I can't say—I don't know that it isn't true, because I can say this to you: As far as the Republicans are concerned, we are not bogged down. Now we've gone at this thing, sure, you sat there, all of you gentlemen have sat there, you have watched we three Republicans interrogate the various witnesses because we feel this is of utmost importance to the American people, not because Mr. Reuther is the head of the union and the union, he happens to be a Democrat, mind you, about 40 percent of that UAW are Republicans according to Wayne University's study.

Mr. CHURCH. Senator, those of us who have been covering it have noticed, well, the past week, just for example, it's always been the three Republicans there and the Chairman, and rarely a Democrat. Now, doesn't that reflect considerable political conflict within the Committee?

Senator GOLDWATER. I think it probably reflects, Mr. Church, that they have other things to do.

Now, we think that the most important thing to do at the moment is to disclose to the American people what has been going on in the Kohler strike, the secondary boycott, the Perfect Circle strike, and these other cases that I mentioned.

Mr. MOLLENHOFF. Senator GOLDWATER, on that point, is it possible for you to make all of your basic points faster and get them out of the way? I think of this particularly in line with the comment that Senator MCNAMARA had with regard to this same questioning. He said it was farcial and that it reflects unfavorably on the Committee, and worse still, reflects on the Senate, too.

Apparently Senator MCNAMARA feels that the questioning that has been going on this last week is one of the worst things that could conceivably happen in the Senate.

Senator GOLDWATER. Well, Mr. Mollenhoff, you were there. You were there when the administrative assistant, Mr. Mazey, was on the stand. He out-Jimmied Jimmie Hoffa, he didn't answer any questions yes or no. Now, how do we—we can't tell anything if we let these people sit there and say, "Well, to the best of my recollection," or, "I don't quite remember that," or, "I don't believe this is true."

And I have checked this just because Senator MCNAMARA made the remark to me the other day, I went back and looked at some of the questioning in connection with Beck and Hoffa, and particularly where Hoffa was not answering yes or no, but was using the memory gimmick. And the questioning in that time was a little longer than the questioning we are doing today.

Mr. MOLLENHOFF. A little earlier, sir, you said PAT, meaning PAT MCNAMARA——

Senator GOLDWATER. Yes.

Mr. MOLLENHOFF. Hasn't been there very much. Do you wish, were you criticising Senator MCNAMARA for not being there?

Senator GOLDWATER. No, I'm not. I just said that it was hard for me to know how he can make a statement as all-encompassing as he made, when he has been busy with other committees. I know he has been tied up with Public Works, he's been on the floor a lot. I'm not critical of that. I'm not there all the time myself. I am a member of some 12 subcommittees, and I have to try to get some other work done once in a while.

Mr. MADIGAN. Senator, what was your thinking before these hearings began when you threatened, if you did, if I have you correctly, to walk out, quit, if Walter Reuther were the first witness and had the chance to get his licks in before the Kohler management?

Senator GOLDWATER. No. That has been misunderstood and I'm glad you asked that, Mr. Madigan, so I can clear it up.

One time in an executive committee hearing we were having an argument, it never got violent on this point at all. I said, "John, I just can't go along with this." Now, that's as far as I got there.

Then one day out in the hall a group of newsmen stopped me and I believe it was Mr. Kelly, of the A. P., said, "What's going to happen?"

And I said, "Well, if they hold a meeting tomorrow, the Republicans probably won't be there."

Now, that didn't mean that we would have quit the committee. It would have probably have meant had we carried on with our temper of that day, that we would have boycotted the appearance of both Mr. Kohler and Mr. Reuther.

Mr. MOLLENHOFF. Senator, are you satisfied today with the kind of a job that Chairman JOHN MCCLELLAN is doing, and the kind of a job the staff is doing, or are you dissatisfied?

Senator GOLDWATER. I am extremely satisfied with the job that JOHN MCCLELLAN has done throughout these hearings. I would be dishonest with myself if I said that I was completely happy with the job that the whole staff has done on the so-called UAW–Kohler hearings.

Mr. MADIGAN. Is that Bob Kennedy, you mean?

Senator GOLDWATER. The whole staff. I don't, I don't feel that there has been the intense interest in this that there was in the Hoffa, Beck, Schefferman, Sears-Roebuck——

Mr. MADIGAN. Are you implying that Counsel Kennedy is dragging his heels?

Senator GOLDWATER. No. I didn't imply that. I just said that I wasn't, I would be dishonest with myself if I sat here and told you that I was completely happy with the job. I know Mr. Bellino, one of the outstanding investigative auditors we have in this country, and I think that he possibly could have gone into the books a little bit more, so that we could have known whether some of these men have been paid off by the International or not.

Now, maybe he has. I haven't heard it, so I don't want to be dishonest with you, I don't want to be dishonest with the friendship that I have for Bob Kennedy.

Mr. NOVINS. Well, Senator GOLDWATER, many thanks, indeed, for coming here today to Face the Nation, and I want to express something that I know you may not want me to say at all, but I know you have been in great pain this last half hour because of a bad back.

Thanks again, indeed, very much.

Senator GOLDWATER. Thanks, Mr. Novins.

Mr. NOVINS. And thanks again to our panel of newsmen today: Clark Mollenhoff, of the Des Moines Register and Tribune; Wells Church, of CBS News; John Madigan, of the Chicago American.

UNEMPLOYMENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to

address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I may not have agreed with everything the gentleman from Missouri [Mr. CHRISTOPHER] said. Some points I could argue about. We all want people to have work and to prosper, as they did up to 9 months ago without a war. Looking back over the years, I sincerely hope we will not have a war to bring back prosperity, as we have had in the past.

I would like to say, in speaking of the gentleman from Missouri, there is no one more gallant in the House of Representatives, in my opinion, than the gentleman from Missouri [Mr. CHRISTOPHER]. He is a member of the Committee on Veterans' Affairs. He fights for what he thinks is right. He is fighting today for what he thinks is right. I have great admiration for his endless courage.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CUNNINGHAM of Nebraska (at the request of Mr. ARENDS), through Wednesday of this week, on official business.

To Mr. DOYLE, from March 17 to 22, inclusive, on account of official business at Boston as member of House Un-American Activities Committee.

To Mr. KEARNEY (at the request of Mr. ARENDS), on official business, holding hearings of House Un-American Activities Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KILDAY, today, for 15 minutes.

Mr. PATMAN, on Thursday next, for 30 minutes, and to revise and extend his remarks and include extraneous matter.

Mr. PORTER, on March 19, for 1 hour.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FORRESTER and to include extraneous matter.

Mr. ENGLE (at the request of Mr. ASPINALL) in two instances.

Mr. O'HARA of Illinois.

Mr. SANTANGELO (at the request of Mr. O'HARA of Illinois.

Mr. ROOSEVELT.

Mr. HÉBERT and include an editorial.

Mr. PORTER and include extraneous matter.

Mr. DAVIS of Georgia and to include extraneous material.

Mr. MCGREGOR and to include certain charts.

Mr. ALGER in two instances and to include extraneous matter.

Mr. MCCORMACK (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. LANKFORD.

Mr. RODINO (at the request of Mr. BAILEY) and to include extraneous matter.

Mr. CURTIS of Missouri in three instances and to include extraneous matter.

Mr. MACK of Washington in two instances and include extraneous material.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1519. An act for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 15, 1958, present to the President, for his approval, a bill of the House of the following title:

H. R. 10021. An act to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

ADJOURNMENT

Mr. LANKFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 18, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1719. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1959, involving increases in the amount of $136,980 for the legislative branch; $125,250,000 for the Department of Defense—Civil Functions; and $46,200,000 for the Department of Health, Education, and Welfare (H. Doc. No. 354); to the Committee on Appropriations and ordered to be printed.

1720. A letter from the Administrator, Foreign Agricultural Service, United States Department of Agriculture, transmitting a report concerning agreements concluded during January 1958 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1721. A letter from the Administrator, Federal Civil Defense Administration, transmitting the 28th Report on Property Acquisitions for the quarter ending December 31, 1957, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1722. A letter from the Assistant Secretary of the Navy (Material), relative to the proposed transfer of a 35-foot plane rearming boat, hull No. C–51554, and engine PNS No. 77615, to the Department of Agriculture and Conservation of the State of Rhode Island and Providence Plantations to be used as a quahaug dredge boat, pursuant to title 10, United States Code, section 7308; to the Committee on Armed Services.

1723. A letter from the Assistant Secretary of the Interior, transmitting the annual report of the activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year January 1 through December 31, 1957, pursuant to the Federal Coal Mine Safety Act (66 Stat. 692; 30 U. S. C., secs. 451–483); to the Committee on Education and Labor.

1724. A letter from the Secretary, Federal Prison Industries, Inc., United States Department of Justice, transmitting the annual report of the Directors of Federal Prison Industries, Inc., for the fiscal year 1957, pursuant to the act approved June 23, 1934 (18 U. S. C. 4127); to the Committee on the Judiciary.

1725. A letter from the Administrator, Housing and Home Finance Agency, transmitting the annual report with respect to tort claims paid during the calendar year 1957, pursuant to Public Law 601, 79th Congress; to the Committee on the Judiciary.

1726. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 1031. An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes; with amendment (Rept. No. 1504). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7953. A bill to facilitate and simplify the work of the Forest Service, and for other purposes; with amendment (Rept. No. 1505). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 11058. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; without amendment (Rept. No. 1506). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK of Illinois: Committee on Interstate and Foreign Commerce. H. R. 11234. A bill to amend the Federal Trade Commission Act and the Packers and Stockyards Act of 1921, to provide that the Federal Trade Commission shall have jurisdiction over unfair trade practices in connection with purchases and sales in commerce by meatpackers of all products other than livestock and live poultry, and to provide that the Secretary of Agriculture shall have jurisdiction over unfair trade practices in connection with all purchases and sales of livestock and of live poultry in designated cities, and for other

purposes; with amendment (Rept. No. 1507). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H. R. 11436. A bill to amend the Servicemen's Readjustment Act of 1944 to extend the direct and guaranteed loan programs for 2 years; to provide that the rate of interest on direct and guaranteed loans shall be prescribed by the Administrator of Veterans' Affairs; to eliminate discount controls on such loans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROOMFIELD:

H. R. 11437. A bill to permit postal patrons to avoid the delivery of third-class mail; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H. R. 11438. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. FENTON:

H. R. 11439. A bill to reduce income taxes, to provide relief for small business, to repeal the taxes on the transportation of property, to reduce the taxes on the transportation of persons, on communications, on automobiles, on automotive parts and accessories, and on radio and television sets, and for other purposes; to the Committee on Ways and Means.

By Mr. FLYNT:

H. R. 11440. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes, to the Committee on Ways and Means.

By Mr. HÉBERT:

H. R. 11441. A bill to prohibit the withholding or impoundment of appropriations; to the Committee on Government Operations.

By Mr. JENKINS:

H. R. 11442. A bill to provide a 10 percent credit against the individual income tax for the period beginning July 1, 1957, and ending March 31, 1959, to reduce corporate income taxes, to provide an additional deduction for employers who increase their payrolls, to provide relief for small business, to reduce or repeal certain excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. McINTOSH:

H. R. 11443. A bill to permit postal patrons to avoid the delivery of third-class mail; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H. R. 11444. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. RIVERS:

H. R. 11445. A bill to amend the Housing Act of 1956 to extend the period during which loans and grants may be made for the construction of hospitals under the Defense Housing and Community Facilities and Service Act of 1951, and to make additional funds available for that purpose; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H. R. 11446. A bill to provide a pension of $100 per month for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. THOMSON of Wyoming:

H. R. 11447. A bill to repeal the manufacturers' excise tax on passenger automobiles, parts, and accessories; to the Committee on Ways and Means.

H. R. 11448. A bill to permit the Secretary of the Interior to fix the size of farm units on the Seedskadee reclamation project at more than 160 irrigable acres in certain circumstances; to the Committee on Interior and Insular Affairs.

By Mr. WIER:

H. R. 11449. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. ANDERSON of Montana:

H. R. 11450. A bill to provide for the beneficiation of certain low-grade manganese ores purchased by the General Services Administration; to the Committee on Interior and Insular Affairs.

By Mr. BONNER:

H. R. 11451. A bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HALE:

H. R. 11452. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. KNOX:

H. R. 11453. A bill to amend the Tariff Act of 1930 to impose an import quota on iron ore; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 11454. A bill to provide for the beneficiation of certain low-grade manganese ores purchased by the General Services Administration; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H. R. 11455. A bill to authorize a 40-foot channel in the Mississippi River from Baton Rouge to connect with the authorized 40-foot channel from New Orleans to the Gulf of Mexico; to the Committee on Public Works.

By Mr. RUTHERFORD:

H. R. 11456. A bill to authorize the exchange of certain real property heretofore conveyed to the city of El Paso, Tex., by the United States for other real property of equal value, and for other purposes; to the Committee on Public Works.

By Mr. ROOSEVELT:

H. J. Res. 578. Joint resolution authorizing the Secretary of the Treasury to purchase certain bonds issued by the State of Israel; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Rhode Island and Providence Plantations, memorializing the President and the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of Pennsylvania:

H. R. 11457. A bill for the relief of Arturo L. Espinosa and Flora Quijano Espinosa; to the Committee on the Judiciary.

By Mr. LANKFORD:

H. R. 11458. A bill to authorize John C. Green, Director of the Office of Technical Services, Department of Commerce, to accept and wear the award of the King's Medal for Service in the Cause of Freedom tendered him by the Government of Great Britain; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. R. 11459. A bill for the relief of four Polish escapees; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

475. By the SPEAKER: Petition of the city clerk, Youngstown, Ohio, relative to urging Congressional leaders to alleviate the unemployment situation in the Youngstown area; to the Committee on Education and Labor.

476. Also, petition of the chairman, Kauai Economic Development Association, Kauai, T. H., relative to requesting Congressional legislation for the establishment of a bauxite industry in the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Alcoholic Advertising

EXTENSION OF REMARKS
OF
HON. EUGENE SILER
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. SILER. Mr. Speaker, as the author of H. R. 4835, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, it is my privilege and high honor to speak in advocacy of my bill and to tell you of its salutariness and desirability and constitutionality.

My bill would, in my opinion, if enacted into law stop practically all advertising of alcohol beverages by publication or radio or television all over America, because practically all of these mediums cross State lines in the flow of interstate commerce. Such a result would be entirely good and beneficial for the boys and girls of our country and even for confirmed alcoholics by way of removing the sight of these temptations from before their very eyes. Many eminent physicians and well known scientists have gone on record placing alcohol in the same category with narcotic poison. Of course, all of us would be shocked and repulsed at any kind of advertising of narcotics for daily consump-

tion. Yet we constantly have this blatant advertising of "booze" in all its harmful forms and although we know "booze" is truly the handmaiden of narcotic poison itself, still many will only yawn complacently as they gaze at its colorful pictures on the advertising page or as they hear it and see it through radio and television. National Safety Council tells us that about one out of four highway accidents comes from "booze," which stalks up and down the country like a hatchetman destroying many youthful lives and much valuable property. Now, if a real honest-to-goodness hatchetman were loose on our streets with all his deadly fury unleashed daily upon innocent men, women and children, we would immediately organize a strong posse to curtail him to the very point of extinction. Certainly we would never countenance respectable advertising of his supposed virtues. And if we, as a people, permit legal advertising of any imagined value of a 25 percent killer loose on the highways, such as "booze," then we are very deficient in common wisdom and completely callous about the priceless values of the lives of our children and other members of our family circles. I am quite confident that when Judge Braude of Chicago stated some time ago that 33 percent of child delinquency comes from alcohol drinking, he knew whereof he spoke and had full authority for his statement. Not for one moment would we allow some harsh hussy to advertise the open door of her place of prostitution for the allurement of our schoolchildren. And yet we permit the worst of hussies, a 33 percent child delinquency promoter, to call daily upon our boys and girls to continue to consort with her in all her destructive efforts against common decency. It surely must be time to quash advertising of this narcotic, this hatchetman, this hussy for the sake of a better country and a more salutary civilization.

It is certainly true that a great many worthy people all over America have a strong and powerful desire to stop "booze" solicitation that constantly comes into their homes through publications and through radio and television advertising. My own office has received hundreds of letters from Maine to Texas and from the Carolinas to California expressing profound interest in H. R. 4835 and urged that everything possible be done to promote passage and enactment of the bill into the law of our land. One Congressman told me he had a laundry basket full of letters approving my bill. I have heard of but few letters of disapproval and these have emanated entirely from the "booze" interests, in my opinion. One of my colleagues stated that his arms were worn out from carrying the scores of letters he received in support of the Siler bill to ban "booze" advertising. Looking at the World Almanac of 1955, I find it shows a total membership of all the religious bodies in America, Catholics, Jewish, Protestant, and others, in excess of 95 million, or more than 60 percent of our last official census. It is my firm belief that close to 90 percent of those bodies, or 85 million of people here in America, would vote in favor of Congressional passage of this proposed legislation. Many good Americans are shocked and mortified at the uninvited solicitation that constantly comes into their sacred homes in behalf of "booze," and always it is dressed as a nice white little lamb of decency when underneath are the sharp fangs of a black and uncivilized wolf ready to destroy all the unwary. I do not have the slightest doubt about the sincere desire of the majority of our American citizenship for early passage of H. R. 4835 and the complete banning of alcoholic advertising all across our land.

Now some good and patriotic people have sincerely harbored considerable doubts about the constitutionality of H. R. 4835, fearing that it may encroach upon the first amendment to our Constitution guaranteeing freedom of speech and of the press. I personally do not entertain those doubts and I speak just now as a lawyer and former Judge of the Kentucky Court of Appeals, our tribunal of last resort in my State. The United States Supreme Court declared in 315 United States Reports, page 568:

> There are certain well-defined and narrowly limited classes of speech, the prevention, and punishment of which have never been thought to raise any constitutional problem. These include the lewd and obscene, the profane, the libelous, and the insulting or fighting words—those which by their very utterance inflict injury or tend to incite an immediate breach of the peace. It has been well observed that such are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality.

I submit that all words of advertisement of "booze" are considerably insulting and degrading to average Americans—an estimated 85 million of them. Such words "by their very utterance inflict injury." Such words "are no essential part of any exposition of ideas." Such words are of "such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality." Again it was stated by Justice Reed of the United States Supreme Court in 336 United States Reports, page 77 as follows:

> The preferred position of freedom of speech in a society that cherishes liberty for all does not require legislators (that is Congressmen) to be insensible to claims by citizens to comfort and convenience. To enforce freedom of speech in disregard of the rights of others would be harsh and arbitrary in itself.

Our Supreme Court in the opinion just quoted stated a great and sound principle to the effect that the courts should not enforce freedom of speech in disregard of the rights of others. But if our lawmakers and courts should uphold freedom of speech to the disregard of the rights of 85 million of Americans who do not like to have the sanctity of their homes invaded by "booze" advertising, then such an attitude would be "harsh and arbitrary in itself," as Justice Reed so aptly stated. If H. R. 4835 should have any possible constitutional deficiency, it will be determined and declared in due time by our judicial tribunals and the sponsors of the bill will meet that issue and cross that bridge in due season. But able lawyers and judges have looked at the bill and have found no such deficiency in it. We are willing to take our chances on constitutionality. If a lion is loose in the streets we go forth with a halter and we have faith in the strength of the halter to do the job. This bill is our halter and we are quite confident it is constitutionally strong enough to hem the lion of "booze" advertising that constantly seeks to come into our doors.

I believe I can truthfully say that I do not know of any "booze" advertising that is not harmful and misleading. A current piece of full-page advertising in Life magazine, beautifully colored and eye appealing, is now advertising a leading whisky made in my own State, and it calls this pictured drink Manhattan Melody. This is entirely misleading, for it would be called Funeral Dirge of Hell instead of Manhattan Melody if it stated the real truth.

In conclusion, I can say that I am always honored to be called a "dry." It is worth while to realize that the people of my own State will get out the ginger ale and the tomato juice when they see me coming to social events, for these are my "cocktails" and I am not ashamed of them. And now I would express the sincere hope that H. R. 4835 will eventually be enacted into the law of our land for the sake of all of our children and for a more glorious and powerful America under God. This proposed legislation is salutary and desirable and constitutional. So, I hope it may have much support for the good of all the youth of America, who are truly the trustees of the future of our country and I am certain they should be completely sober trustees at all times.

Voluntary Plywood Quotas Do No Good

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. MACK of Washington. Mr. Speaker, the gentleman from Oregon [Mr. PORTER] and myself, last Thursday on the House floor, debated the issue of Japanese plywood imports and their effect on Pacific Northwest prosperity and employment. The gentleman from Oregon claimed the Japanese have imposed voluntary limits on the amount of plywood Japan will allow her plywood industry to ship into the United States.

It is true Japan, last year, placed a voluntary quota on the quantity of plywood that she would ship into the United States. But once Japan imposed that voluntary plywood quota she forgot about it and paid no attention to that so-called voluntary quota.

In 1957 Japan announced she had placed a voluntary quota on plywood shipments to the United States of 435 million square feet. Instead of observing her voluntarily imposed quota limit, Japan shipped into the United States in that year 679 million square feet or almost 250 million square feet more than her voluntarily imposed quota.

Voluntary quotas that are not observed are no better than no quota at all.

The voluntary plywood quota Japan said she was imposing upon herself by quarters for 1957 and the actual amount of plywood by quarters she shipped into the country were as follows:

	Quarters of 1957	
	Voluntary plywood quota of Japan	Actual imports of Japanese plywood
January-March	89, 993, 000	161, 000, 000
April-June	91, 800, 000	177, 000, 000
July-September	98, 970, 000	173, 000, 000
October-December	155, 000, 000	168, 000, 000
Total	435, 763, 000	679, 000, 000

In every single quarter of 1957, Japan exceeded the voluntary quota she said she was going to observe.

If American plywood workers are to be saved from unemployment and loss of income, quotas must be imposed by the United States Congress on plywood imports. Experience has demonstrated that voluntary quotas do no good.

Statement of Hon. William E. Jenner on S. 2646, Relating to Appellate Jurisdiction of the Supreme Court

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 17, 1958

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me regarding my bill, S. 2646.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM E. JENNER

I want to take this opportunity to make a public answer to several letters which I have received privately.

The letters have come to me from several different points of the country, and they have had to do with my bill S. 2646.

The reason I want to talk about these letters here is that they have contained common errors.

For one thing, these letters have expressed, in one form or another, the view which one of the writers expressed by saying that he thought a person who was "otherwise qualified" should be entitled to practice law whether he is Communist, anarchist, Republican, or Democrat.

The writer of that letter has "bought" one of the important Communist propaganda "lines"—the line that being a Communist is just a matter of politics, like being a Democrat. Actually, of course, being a Communist means being a part of a worldwide conspiracy seeking the overthrow by force and violence of all free governments, including the Government of the United States of America.

The matter came up in these letters because my bill S. 2646 would divest the Supreme Court of appellate jurisdiction with respect to any law, rule or regulation of any State, or of any board of bar examiners, or similar body, or of any action or proceeding taken pursuant to any such law, rule, or regulation pertaining to the admission of persons to the practice of law within the particular State.

The writers of these letters assume that what I am driving at in this bill is to keep Communists from practicing law. That is not the basic purpose of the bill. I have explained this point many times, but I want to explain it once more. I am opposed to Communists being permitted to practice law anywhere, because no Communist is fit to serve as an officer of any court. No man can remain a Communist and be true to his oath as a member of the bar.

But, what concerns me even more than the fact that in two recent cases the Supreme Court of the United States has seemed to favor Communists is the fact that in these cases the Supreme Court has elected to interfere with the rights of sovereign States and their duly constituted officials to control admissions to the respective bars of those States.

I cannot think of any question that is more a matter for local option than the question of who shall be officers of the courts of a State. This is a political matter with which the Federal courts should never interfere. This is a question for the people of the State to determine, because it is a question of the public policy of the State. There is no reason for having any uniformity about this matter. In fact, there are good reasons why there should not be uniformity—why each State should decide the question for itself and without regard to what any other State may do.

I would bitterly oppose Supreme Court invasion of this field no matter what policy the Supreme Court sought to impose upon the States. When that imposed policy is favorable to the admission of Communists to the practice of law—as in the Schware and Konigsberg cases—of course, my opposition is not lessened.

Now, there is another error common to a number of letters which I have received, to which I wish to direct attention.

The writers of these letters—and there have been 3 or 4 of them—have asked me if my bill, S. 2646, is in accordance with the philosophy of our Government.

Our philosophy of government is set forth in the Constitution of the United States. I don't think there is anything in that Constitution which got there by chance. I believe the framers of the Constitution knew, with perhaps greater vision than any group since, just what they were doing. I believe article III, section 2, clause 2 of the Constitution is one of the check and balance provisions of the Constitution, put there to provide a means by which the Congress may exercise a check on the Supreme Court when necessary to prevent the Court from usurping legislative powers. There is no doubt in my mind that the Court has usurped legislative powers to a tremendous degree in recent years, and that unless this is halted we are going to wind up with a different kind of Government than the Constitution provides for. Since my bill, S. 2646, is designed to call a halt to these judicial incursions into the legislative field, I think very definitely my bill is in line with our basic philosophy of government as that term should be understood.

Now, let me bring up another point. This concerns a single letter which I got from a friend who lives in Indiana. I do not wish to identify him, and I will not quote from his letter. But I should like to read two paragraphs from my reply, because they cover a point which cannot be too fully explained.

This is what I wrote my friend:

"You seem to equate review by the Supreme Court of the United States with the right to have a day in court. Actually, they are not the same. I will agree with you if you feel that any person should have an opportunity to have his rights protected in a court action, even against the Chief Executive of the United States or the Congress of the United States. But you miss the point when you talk about browbeating, harassing, belittling, and putting on exhibition witnesses before Congressional committees. There was no browbeating, harassing, belittling, or exhibitionism involved in the Watkins case. What was involved was the question of whether Congress must explain the pertinency of each question to the satisfaction of the witness, whether the Supreme Court is the arbiter of Congressional procedure in the exercise of its legislative functions, including the function of informing itself; and whether the Supreme Court can properly insert itself between the parent body and a Congressional committee to determine if the committee is satisfactorily performing the mandate of the parent body.

"A man always has a right to his day in court, but he does not have the right to any specific appellate procedure; that is always a matter of grace. It may be argued that for the sake of uniformity and 'stare decisis' we need Supreme Court review in all fields. But the framers of the Constitution obviously believed there were fields in which, under certain circumstances, the Congress might properly dispense with appellate review by the Supreme Court. Actually, in many areas it is recent decisions of the Supreme Court which have unsettled the law and done violence to the principle of stare decisis."

No, I spoke a moment ago about the Schware and Konigsberg cases. In this connection, there are one or two points which need to be made, and I might as well make them now, for the record.

These two cases came up on certiorari to the respective State Supreme Courts of New Mexico and California.

It has been said that a man should not be barred from the practice of law because of his past associations.

This statement is obviously too broad to cover all cases.

Schware was for 8 years a member of a conspiracy to overthrow the Government of the United States by force and violence. If the State of New Mexico in its good judgment wants to bar from the practice of law in its courts persons who were members of that conspiracy, I think that is a political matter with which the Supreme Court of the United States should not interfere.

There is no question but that the Supreme Court substituted its judgment for the judgment of the New Mexico Board of Bar Examiners, as to whether Schware was of good conduct. This it had no right to do. And the Court, knowing that it was dealing with the case of a former Communist, nevertheless cited the case of *Yick Wo* v. *The United States* and said "obviously an applicant could not be excluded merely because he was a Republican or a Negro or a member of a particular church. Even in applying permissible standards, officers of the State cannot exclude an applicant when there is no basis for their finding that he fails to meet these standards, or when their action is invidiously discriminatory." The Court said that the view that when Schware was a member of the Communist Party it was dominated by a foreign power and was dedicated to the violent overthrow of the Government and that every member was

aware of this, "did not purport to be a factual finding" and "obviously cannot be used as a substitute for evidence in this case to show that petitioner participated in any illegal activity or did anything morally reprehensible as a member of that party."

The Court then went on "during the period when Schware was a member, the Communist Party was a lawful political party with candidates on the ballot in most States. There is nothing in the record that gives any indication that his association with that party was anything more than a political faith in a political party."

This clearly indicates that the Court does not understand the nature of the Communist Party. The Communist Party had and has a policy of indoctrinating its new members, beginning with their membership. No one could be a member of the party over a period of 8 years and not know of its conspiratorial nature, and its objective of overthrowing the Government by force and violence. The Supreme Court seems to feel that at most Schware was guilty of political unorthodoxy.

The Schware decision also takes at face value the various self-serving declarations of the Communist Party with respect to its own nature, its objectives, and its policies. When the Court says "assuming that some members of the Communist Party during the period from 1932 to 1940 had illegal aims and engaged in illegal activities, it cannot automatically be inferred that all members shared their evil purposes or participated in their illegal conduct," it is missing the point. There is plenty of evidence to support a judgment that any member of the Communist Party during the period from 1932 to 1940 knew the aims of the party, that those aims were to overthrow the Government of the United States, and that the party planned to accomplish this overthrow by force and violence. The question properly before the Supreme Court was not whether it had been proved that Schware had illegal aims and engaged in illegal activities, but rather whether there was any reasonable basis for the classification of former Communists as persons whose moral character was so deficient as to render them unfit to practice law in New Mexico.

In the Konigsberg case there is misunderstanding about whether he denied that he was a Communist. Konigsberg would make no statement at all about Communist Party membership, and refused to answer questions about it. When there is testimony that a man has been a member of a conspiracy to overthrow the Government of the United States by force and violence—and the Communist Party is such a conspiracy—and the man himself will not deny it, I do not think it is highhanded and arbitrary to conclude that he has not borne the burden of showing fitness for membership in the bar, no matter how many persons testify to his high moral character.

In the Konigsberg case, again, the Court characterized questions about membership in the Communist Party as inquiries into his political association, and seemed to warn, in not too guarded language, that if any State makes failure to answer questions about Communist membership a basis for exclusion from the bar, the Court will declare this not constitutionally permissible.

The Court also declared that it did not approve or disapprove Konigsberg's refusal to answer the questions about his Communist Party membership.

Konigsberg did deny that he was a "small-c" Communist (in the philosophical sense, as distinguished from a member of the Communist Party); but this denial could have been a typical Communist dialectical exercise. The important question was not Konigsberg's philosophy, but his membership in a conspiracy.

It seems to me what the Court has said in both the Schware and Konigsberg cases is this: The fact that the people of New Mexico and the people of California (and the people of the United States generally) did not recognize the Communist Party for what it was in the 1930's has the effect of absolving anyone who was a member of the party at that time. I cannot go along with this reasoning.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my newsletter of March 15, 1958, as follows:

WASHINGTON REPORT

(By Congressman BRUCE ALGER)

The Vanguard stood alone, tall and slender, the gantry having moved away. White vapor escaped. The count-down cycle, many hours and pages long, was almost complete. At 35 seconds the count-down stopped. The helium lines wouldn't come loose. So it was that the multi-million-dollar effort to launch our most sophisticated intercontinental missile (with earth satellite aboard) was postponed. Before the difficulty could be corrected, surface winds built up and fog moved in. So the try was scrubbed. It was said that with 37,000 separate missile items, if each item is so reliable that it would fail only once in 100,000 times, the mathematical chances are that 1 missile in 3 would misfire. And we've fired hundreds. Not bad. The Cape Canaveral area is a beehive of activity with many launching towers. We inspected the Atlas (the beast), as big as a multistory building, the Thor, Jupiter, and the Snark. A successful Snark launching and flight took place. Cape Canaveral, a multi-million-dollar technical installation, is a sight to behold. Security is very tight, of course. It is located halfway up the east Florida coast. Stretching to the southeast are the islands which serve as tracking stations. At the Vanguard site, in a maze of technically complex and unrecognizable equipment, a workman shouted, "Hey, Joe, throw up a screwdriver." So we felt a little more at home. The sprawling complex Cape again demonstrates our missile prowess, advanced far beyond comprehension of the grassroots citizens—and the politicians, who tried to paint us last fall at sputnik time as doing nothing.

The F-104, Lockheed Starfighter, is a sleek (flying stovepipe) jet with a wing only 7 feet long on either side of the fuselage. In 2 minutes from a standing start we were at 35,000 feet going faster than sound, or in 5 minutes from the standing start we were 100 miles from Washington 7 miles up, going twice the speed of sound (1,400 m. p. h.). Cabin air pressure was maintained at 16,000 feet, although the pilot and I wore oxygen masks breathing oxygen from the ground up. At 35,000 feet if both cabin pressure and oxygen masks failed, we would have had between 18 to 60 seconds before losing consciousness and 2 minutes to death. The performance of the plane is unbelievable. These statistics have not yet been revealed. This can be said—it travels as fast climbing as cruising. The razor sharp, down-sloping wings change shape through front and back flaps, thus permitting slower flight, under 200 m. p. h. to take off and land. Also, there are air brakes to slow it down in flight. The safety of the pilot has been carefully planned. Pilot ejection in seat harness is down, not up, and entirely automatic even to the chute opening. Automatic protection to legs and arms is given though "balling up" the pilot at ejection. It was a real thrill to fly this plane through rolls, turns, climbs, and dives. Indeed, I felt and was close to space travel. At various times I felt terrific acceleration, weightlessness, and the force of many G's (gravities).

The weapons, missiles, nuclear explosives, conquest of space are all a result of the technology of our national defense. The destructive potential of the United States defense "in being" at this time is frightening. And the new weapons are almost incomprehensible. As Secretary of Defense McElroy said, "We are moving into a period of increasing danger—not only to ourselves but also to the U. S. S. R., and indeed to the peoples of all the world. This situation is not the result of anything we alone have done or failed to do. It is the inevitable consequence of the explosive progress in science and technology which is making available a succession of weapons of ever increasing destructiveness and speed of delivery." Is it inevitable, too, that these totally destructive weapons will be used—as man has always used developed weapons in the past? It must not be. Our type of society and ideals could not survive—there would only be rubble left. Has there ever been a world situation and danger to match ours today? Is our citizenry aware of the danger?

The omnibus rivers and harbors bill seems almost an unreal experience. Here were 130 public-works projects totaling $1.4 billion, with 18 projects included that were not even subjected to the usual Congressional procedure (Corps of Engineers, Bureau of Budget, and Interior Department study). Where were those who last year deplored the big budget with is necessary high taxes (and lurking behind, the big debt)? Where were those who recognized (as the President did in his budget message this year) that because of increased defense expenditures we must cut back elsewhere? Finally, where are those who believe a sound dollar is better than deficits, inflation, and devaluation of everyone's money? This is no time for a tax increase, and tax increases we must have if we spend more than we take in. Public works, particularly those not fully approved, should be postponed or abandoned, Government costs decreased and tax cuts made. "Make work," WPA-type is not the answer. Taxing everyone poor is not the way to help the jobless, or do we cure the anemic by bleeding? Is it the role of Government to keep everyone employed? Is Government able to do this even if it tried? Socialists and Communists think so. We'd better face up to this in a hurry. By straight party-line vote, Democrats voted for the projects, Republicans against.

St. Patrick's Day

EXTENSION OF REMARKS
OF
HON. ALFRED E. SANTANGELO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. SANTANGELO. Mr. Speaker, it gives me great pleasure today to join with many of my colleagues in commending this great Irish holiday, St. Patrick's Day.

From the earliest period of our country's history until the present time, St. Patrick's Day has become an integral

part of our way of life. Brought to America's shore by the Irish, St. Patrick is shared by all. From few celebrations in the mid-18th century, the observance of St. Patrick's Day has become a fixed institution in most American cities and towns. Every community gives welcome and honor to the Irish patron saint's anniversary. From north, south, east, and west, bits of green are worn on March 17 by all races, religions, and creeds. To America, the green, the shamrocks, the harps, these are symbols of Ireland's patron saint.

In recognition of the importance of this day and my warm feelings toward our Americans of Irish descent, many of whom are constituents of my District of the East Side of New York City, I wish to add my voice as we mark the day in honoring this saint—a saint who from slavery, became a symbol of peace, Christianity, and freedom to all of Ireland and all of America.

Zellerbach Commission Makes Sensible Recommendations on Our Emergency Refugee Programs

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. ENGLE. Mr. Speaker, for the past 5 years we have been talking about the injustices of the McCarran-Walter Act and the inadequacies of our emergency refugee programs. Tensions on the international scene continue to increase and we are long overdue in reviewing our immigration laws. There have been a number of announcements that hearings will be scheduled in the near future on Congressman CELLER'S omnibus immigration bill, H. R. 3364, to revise the Immigration and Nationality Act of 1952. I hope this will be soon. I will be proud to join in the fight to get favorable action on this legislation.

If we are to prove ourselves true to the American heritage, we must show by example that we mean what we say. Today there are nearly a quarter of a million homeless people existing in camps throughout Western Europe—people who risked their lives to escape the tyranny of communism. Thirty thousand of these alone are brave Hungarians who managed to escape during the revolution over a year ago. These are people whom we have encouraged in their resistance to communism—people who believed in our message of hope. They need more than our expressions of hope. They need and deserve our help, and that help must come now. It is a sad fact that America has not accepted its fair share of the responsibilities to these unfortunate people. In the case of Hungary, for example, the United States ranks 13th among the nations affording asylum.

What course shall we follow?

The situation has been carefully studied by a group of outstanding Americans, appointed by the International Rescue Commission and headed by Harold Zellerbach. This group, known as the Zellerbach Commission, has given us some solid answers to this critical problem.

First, it recommends that the McCarran-Walter Immigration Act be liberalized to permit the entry of 75,000 Iron Curtain refugees into the United States—to achieve the goal, in concert with other Western nations, of emptying the refugee camps by 1958.

Second, the Commission recommends—and I concur—that our officials in Europe must be freed from Washington redtape and given authority to make on-the-spot decisions.

Third, it recommends that the United States escapee program be given adequate discretionary funds to do the job.

Fourth, it urges countries giving asylum to these refugees to consciously make every effort to see that they get a friendly reception and humane treatment—an important step in rehabilitating their damaged morale.

Failure on the part of the United States to take this kind of decisive action will play into the hands of the Russians and materially weaken us in the cold war. Our best friends in Europe feel that positive American leadership is indispensable in coping with the problem. For example, a high-ranking member of the Austrian Government told the Commission that if the United States were prepared to open its doors immediately to only 1,000 of the 20,000 refugees left in his country, Austria herself would absorb 10,000 into her own economy. Other nations would be stimulated into taking the remainder and the whole problem would be resolved.

The course I commend is not new to us. Historically, the United States has always beckoned to the politically oppressed of all lands, and it is a source of our strength that we number among our people a diversification of national origins, races, and religions. To turn our backs on this opportunity now would be inimical to our national heritage and a denial of our faith in free men.

Irresponsible Charges of the Leaders of the Democratic Party

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. CURTIS of Missouri. Mr. Speaker, last Thursday, March 13, 1958, I took the floor for an hour to discuss the current economic situation and in particular to ask the leaders of the Democratic Party just what they meant by their gloom and doom talk in regard to the present recession when they were doing nothing about it. They control both the House and the Senate. I notified the majority leader the day before that I intended to take the floor to make these criticisms so that he could be present to make any rebuttal he chose to make. He was present and he attempted to make a rebuttal.

Significantly he did not retract his statement of Tuesday last which I challenged. In this statement he associated the Republican Party with recessions. I pointed out that was dangerous logic to use because the same logic clearly made the Democratic Party the war party. Now let us have no squealing if Republican leaders go out to document the charge that the Democratic Party is the war party. The following is the way it might be done. The inability of the leaders of the Democratic Party to distinguish between an economy based upon war and an economy based upon peace leads one to the conclusion that the Democratic leaders would be prone to accept war as a solution to economic problems of peace. The majority whip, the gentleman from Oklahoma [Mr. ALBERT], said in his remarks in conjunction with the remarks of the majority leader that the Democratic leaders had solved the depression of the thirties by the measures of the New Deal. History clearly shows that the depression of the 1930's was not solved by the New Deal, but rather by World War II, if, indeed, that was a solution.

So, the recession of 1949–50 was solved by the Korean war, if indeed that was a solution. Indeed, one can wonder if the Korean war would have come about if the leaders of the Democratic Party had been sufficiently aware of the differences between a wartime and a peacetime economy. Perhaps if they had some knowledge of how to handle prosperity based upon a peacetime economy there would have been a greater search to solve international problems other than by war. Certainly, the insidious knowledge that war can solve economic recessions can water down the will to avoid war.

The failure of the leaders of the Democratic Party to tell the people about the truth of the 1954 recession is a further indication that they either do not understand the difference between a war economy and a peace economy or that they do not care to have the people understand it. Indeed, they conducted their election campaign of 1954 on the recession of that year without once giving recognition to the fact that the Korean hot war was over and that our economy was adjusting from a war economy to a peacetime economy. Hundreds of thousands of young men were being let out of uniform, hundreds of thousands of employees in munition and other "hot war" plants were being let out. Peacetime jobs had to be found for them. Of course, there was an increase in unemployment. But it was a temporary matter and certainly not a basis for trying to frighten the people into believing a depression was just around the corner, as was done.

Our present farm problem is to a large degree a problem of adjusting from a war economy to a peacetime economy. In World War II we asked our farmers to plow up additional lands, to take an

additional overhead in machinery and other equipment to utilize the land in order to produce food for the warring world. When the war was over and the European battlefields went back into wheat and the oriental battlefields into rice, the European soldier and the oriental soldier went back to farming again, of course there was not going to be the market for the increased agricultural production of America.

Rightly the Federal Government took the position that it was going to protect the American farmers as he adjusted to a peacetime demand for his product. But what should have been only an adjustment was carried out as a permanent program by the Democrat administration. The Democrat administration did not tell the farmer he was going to have to adjust from a war economy to a peacetime economy. Quite the contrary, Democrat leaders did all they could to insinuate that the agricultural economy could continue just as it had. They compounded their sin by accusing those who suggested proposals to adjust from a war economy to a peacetime economy of not being interested in the welfare of the farmer. They are still at it, telling the farmer that those who want to get agriculture on a peacetime economy basis are trying to drive the farmer off the farm. Well, this is untrue. But it gives rise to another thought. Of course, the farm problem can be solved right now by going to war. Indeed, the Democratic leaders proved it by the Korean war. Now is that the way to meet this problem? Or is the way to meet the problem by analyzing it and seeing how we can adjust the agricultural problem from the economy of World War II to peace, as it should have been long ago, within a couple of years after the end of World War II?

Any political party led by men who have been so calloused as the record shows they have been in their disregard of the difference between a wartime and a peacetime economy, is certainly not the party in which the people of this country should entrust the peace of the world. And the leaders of this party arrogantly maintain at this very minute this same calloused position.

This is the way the argument that the Democratic Party is the war party might be documented. I again suggest, however, that the best debate would be one which avoids name calling. The Republican Party is not the recession party; nor, in my judgment, is the Democratic Party the war party.

After I finished my talk Thursday and the gentleman from Massachusetts had finished his rebuttal, saying among other things that the only person he had ever heard refer to the present recession as a depression was a Republican, President Eisenhower, when he made a slip of the tongue in a press conference, the gentleman from Missouri [Mr. MOULDER], took the floor for 15 minutes to discuss, as he entitled it, "Depression Grows From the Farms." The irony of this title, and the remarks of the gentleman from Missouri [Mr. MOULDER], in light of Mr. MCCORMACK's pious denial that Democratic spokesmen were using the word depression or hinting that a depression was just around the corner was apparently lost on him. He rose to praise the gentleman from Missouri [Mr. MOULDER], for his remarks and added of his own account this amazing self-contradicting statement:

> When we have a sharp recession affecting agriculture—in fact, there is a deep depression going on there—it is only a matter of time when it catches up with the factory workers in the city.

The gentleman from California [Mr. HOLIFIELD], rose to read some statistics, which were supposedly in support of the position that the gentleman from Missouri was trying to make, that there was a depression in the agricultural section of our economy.

In answer to all three of these gentlemen, the gentleman from Massachusetts, the majority leader, the gentleman from California [Mr. HOLIFIELD], the gentleman from Missouri [Mr. MOULDER] I pointed out that their statements and incomplete statistics were at complete variance with the studies recently completed by the subcommittee of the Joint Economic Committee on Agricultural Policy. This committee was chaired by Senator SPARKMAN, of Alabama. Further, I stated that the gentleman from Massachusetts would find difficulty in finding any economist supporting the statement he made about the condition of American agriculture. I further stated I would put some figures into the RECORD which would give a more complete and clearer picture of American agriculture. Regretably, I could not find in the RECORD the next morning the statistics that I thought I heard the gentleman from California [Mr. HOLIFIELD] read. However, the following data will give a more accurate picture of the farm economy than the statements of my three Democratic colleagues:

NINETEEN HUNDRED AND FIFTY-EIGHT FARM FACTS

Income per person on farms last year was highest on record, up 2 percent over 1951, the previous high year.

Farm assets are an alltime high, $188 billion as of January 1, 1958.

Farmers have less than $11 in debts for each $100 of assets.

In 1940 the ratio was $19 for each $100.

Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high; only 1 in 3 farms has a mortgage.

The postwar downtrend in prices which started in 1951 has been stopped.

Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same as 30 years ago.

The level of living on farms is highest in history.

Farm exports in fiscal 1957 set a new record of $4.7 billion, 68 percent higher than in fiscal 1953. The surplus production of American farms is being made available for hungry people at home and abroad.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

The inventory value of livestock on farms for January 1, 1958, was $14.2 billion, higher by $3 billion than a year ago.

The spiraling inflation of the war years has been almost halted. During the period from 1939 to 1952, the index of prices paid by farmers, including interest, taxes, and wage rates, increased more than 100 percent. From January 1953, when this administration took office, to January 1958, this index rose only 6 percent.

In the report of the Joint Economic Committee on the President's Economic Report of 1956, March 1956, 5 of the 6 Republican members had this to say on the farm economy in their supplemental views:

THE FARM ECONOMY

More words are expended in recommendation 8 on the farm economy than on any other recommendation. Yet the basic economic factors involved in the farm industry are not even posed, let alone discussed. We list a few which certainly must be considered in an analysis of the farm problem.

1. The ratio of farm income to national income has been declining since the establishment of our Republic in 1789, as our society has continued to industrialize. Looking ahead to the future, we may assume that this ratio will continue to decline if our country continues to industrialize.

2. The ratio of farm population to national population has continued to decline also as the Nation has industrialized. It may be assumed that this ratio will continue to decline if our country continues to industrialize.

3. Farm production has continued to rise. This is largely the result of mechanization, use of fertilizer, botanical research, etc. It appears that this, too, is a continuing trend.

4. Factories have moved into rural areas. The distributive industries have expanded as the demands of the people for service, packaging treatment, etc., have increased. All this has opened up part-time employment to the farm family. Today about one-third of the farm family's income comes from nonagricultural pursuits. What about this trend? Will it continue? What is its significance in the farm economy?

5. World War II brought unusual demands upon American agricultural production. The American farmer met those demands by increasing his acreage and acquiring the necessary machinery and increasing other overhead to utilize this increased acreage. The increased demand of World War II disappeared as the rest of the world went back to agricultural production. The American farm production was not geared to this lowered demand. Consequently, surpluses developed.

6. Increased efficiency in manufacture brings with it lower unit cost, which, in turn, if the laws of economics are operating, will be reflected in some lower cost per unit to the consumer. The same law operates in some degree in regard to efficiency in farm production resulting from mechanization. This situation is accentuated if supply is already well ahead of demand.

7. Although the per capita farm income (the standard of living of the farmer) has been decreasing since 1951 the great rises experienced during World War II have still left the percentage increase in per capita income of the farmer in 1955 (from 1934 the date figures are first available) considerably above the national per capita income increases.

8. Mechanization and increased overhead place a premium on larger operations at the expense of smaller operations.

9. The prices of farmlands (the basic investment of the farmer) are the highest in history.

10. Farm foreclosures are about the lowest in history.

Now, we do have a farm problem, but it is hardly in the area that most recent political discussion has been placing it. It must be within the confines of the economic factors we have set out, plus some others. We believe this committee would serve the farmers much better by taking the farm problem out of politics and placing it back into economics; at least until agreement is reached upon the economic factors. Then it can be referred back to the political area with some possibilities of solution; certainly with greater assurance that it won't be made worse by failing to pay attention to the few reliable economic facts we do have.

The creation of the Subcommittee on Agriculture Policy and the studies and hearings conducted by this subcommittee in 1957 with its report of January 1958 were largely the result of the expression of these views.

We now have the economics of American agriculture out in the open for any fair-minded person to review. The top agricultural economists participated in this work by preparing papers and appearing as panel witnesses in the hearings held by the subcommittee.

There is no excuse for the responsible leaders of the Democratic Party or anyone else, including certain of my Republican colleagues, playing the role of ignoramuses on the subject any longer. Now let us get on with the job of making America strong. There is plenty of room for honest political debate in the area of what to do about agriculture and indeed about all segments of our economy. Honest political debate is the real way to move ahead to solve the problems, not self-serving press releases appealing to emotions rather than facts.

In this world the amount of human knowledge is so little in light of what there is to know that it is tragic for political partisanship ever to operate on the level of ignoring and distorting what little we do know.

Hungarian Freedom Day

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. ROOSEVELT. Mr. Speaker, today our country, unique because of its tremendous variety of national religious, racial, and cultural background, pays tribute to the Hungarian people. The great contributions of Hungarians to America and to the world can be traced to the event we are celebrating today.

March 15, 1948, was a turning point for Hungary, for America, and for the world. When Louis Kossuth, an outstanding statesman, led the Hungarian people in 1948 to demand independence from the Austrian Empire, his action was to have far-reaching effects. On March 15 of that year a charter of freedom granted several economic and political reforms and the virtual independence of the Hungarian nation. But the Hungarian people had hardly begun to enjoy their new-found freedom when, once again, they were overcome by the Austrian and Russian Empires. Forced to flee their country, many Hungarian revolutionaries were welcomed to our country. Their fight for freedom had inspired reformers the world over and their settlement in America was the beginning of the magnificent contributions of the Hungarian people to our Nation.

In the early 20th century Hungarians came in great numbers to our shores. Leaving a country torn by the ravages of war, they sought economic as well as political freedom in America. Today the recent Hungarian revolution against the Russian regime is foremost in our minds. Again a wave of Hungarian immigrants are finding welcome and opportunity in our land.

Ever since the failure of the Hungarian war for independence, which began so gloriously on March 15, 1848, America has opened her arms to the Hungarian people. And we have received a people who have strengthened our Nation morally and enriched it culturally and scientifically. As Walt Whitman so ably said, we are "not merely a nation but a teeming of nations." The Hungarian nation is a vital part of this teeming nation.

Address by Hon. William E. Jenner at the Indiana State Republican Dinner

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 17, 1958

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the address I delivered at the Indiana State Republican dinner on October 14, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We have with us tonight most of the leaders of the Republican Party of Indiana.

I would like to speak frankly.

There's a fresh wind blowing in the world. An epoch is coming to an end, as suddenly as an epoch ended in 1929. People everywhere see the realities of socialism and its power seekers.

Now is the time for the Republican Party to offer the American people a program for the world of today.

President Eisenhower has given us a second era of good feeling. After 20 years of crisis government, this era of good feeling helped restore national unity.

An era of good feeling is, however, not a policy. It is a breathing spell, in which a nation renews its energies. It is a lull, in which the road is cleared for a new advance.

The second era of good feeling is now coming to an end.

Will the Republican Party be ready? I propose, my friends, that the Republican Party of Indiana decide it will be ready.

Governor Handley has urged our party to uproot socialist and centralist policies, especially grants-in-aid, which reduce our States to provinces of Washington.

I will speak about foreign policy.

During the Presidential campaign last year, Soviet plotting in the Middle East led to open war. The war in Egypt ended with public humiliation of our allies, England and France. It gave the Soviet Union enough time to crush the war of independence in Hungary.

Congress appropriated more foreign aid, and the President promptly allotted $175 million to the Middle East. Syria shows how much the Communists were impressed.

Recently the Soviet Union sent its U. N. representatives from Moscow to New York, in a spectacular flight of jet planes.

They plan, we are told, to set up a jet plane service from Moscow to Syria, which would reach out to Pakistan, India, Burma, and Indonesia.

Look at the strategy behind this move.

The Indian Ocean, once a British lake, will be so no longer.

The Soviet hammer and sickle will fly over the whole route. Trade will follow the new channel. Travelers, businessmen, and students, from every country on the route, will travel to Moscow. Moscow agents will travel outward, disguised as travelers, businessmen, and students, to do what they did in China.

The line will soon be extended to Australia and Tokyo, to North Africa, Egypt, and the rest of Africa.

This or something like this is what we shall get—economic competition at war pitch.

To 19th century imperialism, communism adds the fifth column. The Soviet Union has its agents in all Asia and Africa. But Lord Van Sittart, chief permanent official of the British Foreign Office, told Parliament British Communists were directing Communist penetration of India, and of Malaya where British planters and their wives slept with guns beside them. British Communist intellectuals were, he said, entrenched in the British civil service in Africa.

Remember, Britain has never had a Parliamentary inquiry into Communist subversion, such as we have had in Congress, as the Canadians had in 1945, and Australia not long ago.

Now I ask: Can our country meet this peril by sending ex-Congressmen, with checkbooks, to the proud Asian leaders, to ask, like the Ambassador in Call Me Madam, "Money, money, money. Need any money today?"

Can we safeguard our country while State Department officials who aided the agrarian reformers in China, or undermined the Free Chinese on Formosa, are transferred, by an invisible hand, to critical posts in the Middle East?

Millions of words have been printed on our foreign policy since 1941, but it has never been anything but a global giveaway. It is still a giveaway.

Senator Vandenberg realized early that Dean Acheson was setting up a series of postwar agencies to be financed with our money, but under international control, so Congress would have no jurisdiction. Vandenberg urged the Republicans to make foreign policy the issue in the 1944 campaign. But John Foster Dulles, who worked closely with Dean Acheson, brought a directive from Dewey that the Republicans would not challenge New Deal foreign policy.

When the Korean casualty lists told the score, Republicans in Congress led the fight against Dean Acheson, Alger Hiss, and their handiwork in China and Korea. But the work of uprooting the bipartisan foreign policy is still unfinished.

What should our policy be?

Let me tell you how the Republican Party met danger to our security, at the turn of the century.

After the long depression of 1893, the Republicans were elected on a platform of high employment, through free enterprise. The Bryan Democrats had offered only debasement of the currency.

Suddenly, war with Spain, and the Boxer Rebellion in China, plunged us into the turmoil in Asia.

Secretary of State John Hay, of Indiana, true to American principles, proclaimed freedom for Cuba, independence for the Philippines, and the open door in China.

Hoosier Senator Beveridge journeyed to China and Siberia, to study the Russian advance in Asia.

The Russians had completed the Trans-Siberian Railroad linking European Russia with the Pacific. Immigrants were pouring into Siberia. Soldiers were drilling, drilling, drilling. Beveridge decided the Russians had the greatest untapped reservoir of human energy in the world.

The czar had forced a concession from the Chinese emperor, for a railway across Manchuria linking Russia with China's ice-free harbor at Port Arthur.

Beveridge saw the Russians did not intend to leave Manchuria. They knew it was the key to control of all China and the Far East.

"So it is," said Beveridge in 1901, "that Russian statesmen are extending their network of power over Asia. * * * So it is that * * * by the lasting methods of material constructiveness Russia has achieved the first of her plans for the capture of the only remaining uncaptured markets of the world."

Was Beveridge overawed by Russia? Did he warn Americans to speak gently for fear the Russians would be angry?

Beveridge decided the United States had all the advantages. Baldwin locomotives from Philadelphia were pulling trains in Manchuria. American mining machinery, American reapers and plows were on sale in Siberia. American industrial organization was the best. Our consular service was vastly superior. We had a shorter haul to Asia, by sea, than European countries.

We had, he warned, neglected shipping, banking, and large-scale enterprise, but the Asian people liked us, because our traders were not followed by our soldiers.

A Chinese merchant said to Beveridge, "This port was once filled with your flowery, starry banner. Where has your flowery starry banner gone?"

Did our Indiana Senator propose Government aid? No, he urged American businessmen to turn their imagination to the China trade, as a market for our goods, and a source of employment.

"Perhaps," he said, "Americans are taking too much for granted as to our future. * * * It may turn out in the course of a few decades, that we have not been farseeing enough, that our eyes are fixed so immovably upon the steady stream of gold pouring into our coffers at this particular moment that we look not to the sources which must continue that stream into the future."

Let John Hay sum up how the Republican Party met its second great crisis. "The party," he said, "redeemed our paper currency, and made * * * our credit the best in the world. By persistent honesty in our finances—in the face of obstacles which might have daunted the hardiest statesman—it has reduced our interest charges, so that in any mart on earth, we can borrow money cheaper than any other people." I ask: Is that problem obsolete today?

"In the relation between labor and capital," Hay continued, "we have improved both the letter and the spirit. Labor knows that McKinley and Roosevelt have watched over its interests as a brother might, and capital knows that its rights will be sacredly guarded, so long as it is true to its duties."

I ask: Is there anything here we ought to change today?

In foreign policy, he said, "adhering with religious care to the precepts of Washington and the traditions of a century, and avoiding all entangling alliances * * * McKinley and Roosevelt have gone steadily forward protecting * * * American interests everywhere, and gaining, by deserving it, the goodwill of the world. Their advice has been constantly sought and sparingly given * * * We do not covet the territory nor the control of any other people. We hold ourselves absolutely apart from any combination or group of powers. We favor no national interest but our own.

"We stand today in independent though amicable relations to all the rest of the world—without an ally and without an enemy." I ask: Do we manage better today?

Hay continued: "For 50 years the Republican Party has believed in the country and labored for it in hope and joy; it has reverenced the flag and followed it, it has carried it under strange skies and planted it on far-receding horizon. * * * By just dealing, by intelligent labor, by a genius for enterprise, it has seen the country extend its intercourse and its influence to regions unknown to our fathers. Yet it has never abated one jot or tittle of the ancient law imposed on us by our God-fearing ancestors. We have fought a good fight, but also we have kept the faith. The Constitution of our fathers has been the light to our feet; our path is, and will ever remain, that of ordered progress, of liberty under the law."

I ask: Isn't that true Republican doctrine today?

Fifty years ago we were prosperous, confident, and happy. What happened? The Democrats were elected in 1912, and Woodrow Wilson turned the clock back. He undertook to settle Europe's quarrels. We have not extricated ourselves since.

I propose that the Republican Party of Indiana lead the return to Republican principles, for the next 50 years.

This will not be easy. We can no more rest on the thinking of the Republicans of 1900, than they could rest on the thinking of Lincoln or Stanton or Chase.

We have to study our world as Hay and Beveridge studied Asia, as Mark Hanna studied industry and employment. We are not doing it. At moments, I think Republicans have forgotten how to look at the world they live in.

You know the story of the novel "On the Beach." You know the pit that opens before us, if we fail. But we must not fail.

On July 5, 1776, John Adams wrote his wife, Abigail, "You will think me transported with enthusiasm, but I am not. I am well aware of the toil and blood and treasure it will cost us to maintain this declaration, and support and defend these States. Yet through all the gloom I can see the rays of ravishing light and glory."

The same rays of ravishing light and glory sustained Washington at Valley Forge. Men in blue saw them in the watch fires of a hundred circling camps. John Hay shaped his diplomatic papers by their glow, and Asians saw them wherever the American flag flew in the Orient.

How could we have smirched the vision of this light and glory in our day? How could we have let this light be dimmed by such little men?

We must cleanse our minds of all the sordidness, on which we have fed during the past 25 years. We must lift up our hearts. We must make ourselves worthy to see again the rays of ravishing light and glory.

Once we regain our vision of America, we shall have no doubts about whether the Constitution must be preserved. We shall know the defense of America must be free from all nationalist control.

I propose the Republican Party of Indiana put devotion to our country and its Constitution ahead of any question of victory. I too like to win elections. It is important to fight to win. But we cannot, in the dangerous world of today, bargain with expediency

I believe the people will flock to our side, and I include the Democrats. John Hay said the Democrats always come over to us in time of crisis, because their party offers them no sustenance.

But I would prefer to belong to a losing Republican Party, which is faithful to the Constitution, than to a winning Republican Party which makes deals with those who would betray America.

You asked who is going to lead this new cycle of the Republican Party. My answer is you. I do not think Indiana Republicans should wait on anybody. We should decide what is right and work with any of our sister States who are ready to work with us.

Washington said, "Let us erect a standard to which the wise and honest can repair. The event is in the hands of God." We can do no more. In this time of peril, dare we try to do less?

Truth About Tax Reduction

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. McGREGOR. Mr. Speaker, I have noted with a great deal of interest that some New Deal orators have been telling the public with the usual extravagant political claims of being the party of the "little man" in tax-reduction measures.

Let us look at the record. It is factual, it will speak for itself and it will show that under New Deal philosophies the so-called little fellow has had to pay higher taxes. The records will show it has been the Republican Party which has cut taxes for the lower income groups. Let us not forget that it was a Democrat Congress in 1913 that put on the statute books the first income tax law. Since that time there have been 15 income tax increases. Democrat Congresses voted all but one of these increases.

The New Dealers put the low income people and wage earners on the tax roll. In 1932 there were 1,900,000 taxable Federal returns. In 1952 there were 46,800,000 such returns. Republicans did the cutting 7 out of the 10 times that income taxes have been reduced since 1913.

In 1954, during the 80th Congress, when the Republicans were in the majority, taxes were reduced by a total of $7.4 billion—the largest cut in any 1 year in history. The Republicans reduced taxes on electric-light bulbs, stoves, refrigerators, electric toasters, telephone and telegraph bills, pharmaceutical supplies, and many other excise taxes. This cut benefited all taxpayers.

During the Republican controlled Congress legislation was put into law which gave 62 cents out of each dollar of tax reduction to individuals with approximately 25 cents of this going to taxpayers with incomes under $5,000.

The New Dealers have been endeavoring to play politics with tax legislation, claiming that they want to decrease income tax exemptions. Again, I say, let's

look at the record. The following chart shows the exemptions from 1931 to 1954:

	Republican	Democratic					Republican
	1925-31	1932-39	1940	1941	1942	1944	1948
Single	$1,500	$1,000	$800	$750	$500	$500	$600
Married	3,500	2,500	1,500	1,500	1,200	1,000	1,200
Dependent	400	400	400	400	350	500	600

St. Patrick's Day

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. RODINO. Mr. Speaker, this is that happy annual occasion when we Americans, of whatever racial and national descent, join the Irish all over the world in doing honor to the memory of that great Catholic bishop and saint, St. Patrick. We revere the apostle who brought the Christian faith to Ireland; we admire the bishop and church organizer, and we love the man of courage and devotion who from his early youth carried on a ceaseless warfare against slavery and oppression. St. Patrick, like his Ireland, stands before the world as the champion of freedom, as the symbol of indomitable resistance to tyranny and oppression.

It is good to recall, in this day when a large part of the world is enslaved by a tyrannical rule, and the rest of the world endangered by the international machinations of a coalition of gangsters, the defiant courage with which St. Patrick met the gangsters in power who were breaking the peace of his world, and killing and enslaving the converts he had been gathering in Ireland. One of the few extant writings known to be from the hand of St. Patrick, the letter to the soldiers of Coroticus, is a masterpiece of tender love for his Christian people and fierce wrath against their attackers, humble submission to God and scornful condemnation of the unrighteous ruler.

This Coroticus is differently identified by various scholars, but from what St. Patrick says it is evident that he is the independent ruler, with a show of authority from the Roman Empire, of the very region of Britain from which St. Patrick himself had come. This region is thought by many to be the northwestern portion of Britain, around the River Clyde in what is now Scotland, and some suppose Coroticus to have made his capital at Dumbarton on the Clyde, and St. Patrick to have come from the nearby town of Kilpatrick. This northern placing of Coroticus is made probable by the fact that St. Patrick accuses him of being allied with the Scots and apostate Picts. Coroticus and his soldiers ostensibly Christian and civilized, had with these wild allies made a raid on the coast of Ireland, burning, killing, and destroying, and carrying off booty, besides making slaves of many of St. Patrick's converts. From the extant letter of St. Patrick, it appears that the saint had sent a prior letter, by a deputation of clergy, asking for the return of the captives and of some of the stolen goods, and that the letter and deputation had been met with jeers.

In this letter appears all the personal feeling of St. Patrick, the former slave who hates slavery, the fervent Christian who despises hyprocrisy, the priest and bishop who loves his ravaged flock with a tender care. Through this letter, too, shines the God-given grace of Christian faith, that makes the saint happy for the sure salvation of the newly baptized who have been slaughtered, that makes him glow with love, even through his wrath, for the robbers and murderers to whom he is addressing his fervent appeal. It is no wonder that the centuries have bestowed honor upon the man who could write such brave and fierce and loving words as these, from the conclusion of the letter:

> I beseech very much that whatever servant of God be ready, he be the bearer of this letter, that on no account it be suppressed or concealed by anyone, but much rather be read in the presence of all the people, yea, in the presence of Coroticus himself; if so be that God may inspire them to amend their lives to God sometime; so that even though late they may repent of their impious doings—murderer of the brethren of the Lord—and may liberate the baptized women captives whom they had taken, so that they may deserve to live to God, and be made whole, both here and in eternity.

Surely it is appropriate that the memory of such a man should remain forever green among us.

A Student Loan Program and Scientific Education

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. GATHINGS. Mr. Speaker, the administration's proposal for United States aid in the scientific school program means Federal control of higher education. The Government follows its dollars and sets out its own policies in connection with the expenditure of public funds.

It is the purpose of legislation which I have introduced—H. R. 10908—not only to avoid, but prevent, the encroachment by the Federal Government on the operation of institutions of higher learning. This bill proposes the establishment of a student loan program at the college or university level. The funds made available through the program would not be gifts, but would be loans to be repaid after the completion of the advanced course of study. Such program would be handled through the United States Commissioner of Education, but the legislation expressly prohibits "any department, agency, or officer of the United States to exercise any direction, supervision, or control over the curriculum or program of instruction of any educational institution."

The theory behind the proposed legislation is twofold: First, to offer an opportunity for deserving young men and women to obtain a scientific, engineering, technical, or other advanced education to which they may be adapted, through a loan which the United States Government would insure; and second, to establish a $100 million revolving fund which can be loaned at no interest to institutions of higher education and to lending institutions with the proviso that such amount of money made available by any lending institution or institution of higher education shall not exceed 10 times the difference between the total amount of the funds of such institution currently outstanding in student loans.

Other features of the proposed loan program are: The United States would insure loans made to students for the purpose of entering any field of science or engineering—including mathematics—and on such loans, the insurance liability shall be 100 percent of the unpaid balance, and on all other loans to students not engaged in such specialized fields, the insurance liability of the United States would be limited to 80 percent of the unpaid balance of such loans; the student may select the college or university of his choice; the student loan would be evidenced by a note properly endorsed and secured; provides repayment of the principal amount in installments during the fourth calendar year after the student ceases to devote full time in educational work, and the full amount due would be paid within 6 years thereafter, making a total of 10 years' time for repayment of the full amount due for such schooling; interest on student loans would be limited to not more than 1 percent above the marketable Treasury obligation average interest rate, until the date the first installment payment is due, and thereafter the rate would not exceed 2 percent of the average interest rate of marketable Treasury obligations. The student, if he so desires, may pay off the installments at a faster pace and take advantage of the lower rate of interest.

The benefits of this program are numerous:

First. American youth needs and wants a chance, an opportunity—this program accords them that privilege. They are cognizant of the fact that at the conclusion of their college courses, lucrative jobs would be available to them.

Second. It would eliminate the excessive costs involved in the student-assistance plan which was recommended by the Eisenhower administration.

Third. The appropriation of money by Congress as proposed by the administration does not mean that America will overcome Russia in scientific know-how. The individual's desire to succeed is essential to accomplishing the results sought. The student will master his subjects better if he realizes that eventually

he will have to pay the cost of his college education. This realization would make for better scientists, physicists, engineers, and technicians. A person who pays for a course of instruction is more inclined to grasp the opportunities accorded him and his future usefulness is greatly enhanced. A student who is aware of the value of a dollar makes the better student and the best citizen.

Fourth. This plan is already working most effectively in Arkansas, providing opportunities to young men and women who otherwise would not have the privilege of obtaining a higher education. The Student Air Foundation, Inc., originated by the Luxora Rotary Club and now sponsored by the Luxora, Osceola, and Joiner Rotary Clubs, has a splendid record of successful operations. The plan will work on a nationwide basis and will not deprive higher educational institutions of the control that they now enjoy.

National Farm Organization (NFO) Beaten to Punch

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks I am inserting a portion of an article which appeared in the February 24, 1958, issue of Lowdown on Farm Affairs from Washington, authored by Mr. Glenn Martz. I feel that this article will be of real interest to my colleagues.

The Iowa unit of the National Farm Organization—fathered by an ex-feed salesman and nurtured by dollars from the till of Walter Reuther's United Auto Workers—quietly folded its tent last week.

It voted to disband.

Born a little over 2 years ago in the same area of the Corn-Hog Belt which in the early thirties spawned the notorious Communist-front Farm Holiday Association, the organization's two-point platform called for $20 hogs and $30 cattle.

It demanded a Government price support program—the Federal purchase of beef and pork—to achieve its goal.

When Agriculture Secretary Ezra Taft Benson refused, a third plank was added to its platform—a demand that Mr. Benson resign.

The reason for its disbanding was obvious.

Operation of the free market, as guided by the fundamental law of supply and demand, had beaten NFO to the punch.

Choice and prime beef was selling at many markets for well over the $30 mark.

Hogs were commanding a stout $21.75 per hundredweight.

There was no longer any reason for the organization's existence.

LESSON IN ECONOMICS

The death of Iowa's NFO was a lesson in agricultural economics for farmers everywhere regardless of commodities produced.

It demonstrated the fallacy of farmer dependence on Government subsidies for stable income.

One economist put it this way:

If Secretary Benson had yielded to NFO's demands Federal warehouses would be crammed with costly refrigerated beef and pork—saddling hard-pressed taxpayers with the burden of financing a surplus housing program which is already costing them more than a million dollars a day.

Lured by a high-pegged price, producers, with ample supplies of feed, would have expanded production. New producers would have gone into the business of raising hogs and cattle with a resulting oversupply which would have sent free market prices tumbling to new and unprofitable lows.

Like other high, rigid Government price-support programs, once inaugurated, difficult to abandon—a perpetual problem—another costly adventure into the realm of unworkable economic theories which already has the American farmer so bewildered that he can no longer prudently plan production or guess what Congress may do next to disturb normal patterns of farm operation.

Producers of red meat owe Mr. Benson a debt of gratitude for his courageous refusal to be stampeded into inaugurating a program which would have crippled the industry, made it dependent on the whims and caprices of Congress and Federal bureaucrats for years to come.

And taxpayers everywhere should vigorously applaud their escape from another costly Federal subsidy.

A SELLOUT TO REUTHER

The decision of Iowa's NFO to go out of business was made despite the desperate attempt of its national president, Oren Staley, to hold the organization together as a farm-labor coalition movement under the guiding influence of Walter Reuther's UAW.

Months ago Mr. Staley surrendered the organization to Reuther in return for financial aid from union funds.

Records show that Staley was given several checks, each in the amount of $1,000, from Mr. Reuther's union dues kitty.

An attempt was made to cover up the union subsidy by making the checks payable to an NFO board member who deposited the checks in a Missouri bank under his own name, later transferring them to NFO coffers with his own personal check.

The ruse was discovered by NFO's treasurer and secretary.

Both resigned when they learned Reuther had taken over.

Smoked out into the open, Oren Staley went before the NFO national convention recently and confessed to his financial tieup with Reuther.

Meanwhile, NFO's official publication blossomed out with a full standard sized four pages generously sprinkled with labor propaganda dealing with the proposed farm-labor coalition and bitterly attacking so-called right-to-work legislation pending in several State legislatures.

Thus was NFO converted into a propaganda tool for labor, just as the Lowdown predicted it would when it was first organized.

It now talks in terms of farm strikes, the weapon used by the old Farm Holiday Association.

Hon. Francis E. Walter of Pennsylvania

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. McCORMACK. Mr. Speaker, on March 3, 1958, on the occasion of his 25th anniversary as a Member of the Congress, at the Hotel Easton, Easton, Pa., a splendid and deserving testimonial dinner was tendered to our colleague, the gentleman from Pennsylvania [Mr. WALTER].

I had the honor to be present and to address the more than 900 persons, an overflow gathering, with hundreds of others who desired to attend, but who could not be accommodated.

It was clearly indicated by those present that the people of his district are proud, and justifiably so, of Congressman WALTER and the manner in which he represents them in the Halls of Congress.

I include in my extension, remarks I made on that occasion:

Mr. Toastmaster, it is a pleasure for me, not only from an official, but particularly from a personal, angle, to be with you tonight, and to join with you in honoring one of the ablest Members of Congress—a great American—my close friend and valued colleague—and one who so ably represents you in the Halls of Congress, Congressman FRANCIS E. WALTER.

The Congress of the United States is the greatest legislative body in the world. The Congress, and particularly the House of Representatives, is the people's body.

Speaking of the National House of Representatives, its collective ability and stability is not exceeded by any other legislative body in the world.

And one of the outstanding, as well as courageous, Members of the House of Representatives is the gentleman who represents you in an honorable and outstanding manner, your distinguished Representative in that body, Congressman FRANCIS E. WALTER.

And in speaking to you tonight I have been asked by Speaker RAYBURN to convey to you his high regard for Congressman WALTER. Your distinguished Congressman enjoys the complete confidence and respect of Speaker RAYBURN and myself. In joining with you tonight in honoring Congressman WALTER, at his specific request I am also representing Speaker RAYBURN, which it is a pleasure for me to do.

You are well aware that we are living in a most trying period of the world's history. You are well aware that the vicious forces of athiestic communism are bent on world revolution and world domination, with the enslavement of peoples, and the persecution and imprisonment, and even death and martyrdom itself following in the wake of such a catastrophe as any land and people coming under communistic control.

You are well aware that this goal cannot be attained until the Kremlin conquers America. And as long as we have men and women with the spirit and determination and intense love of our country, as Congressman WALTER has, that will never happen.

As indicating the high respect and deep confidence Speaker RAYBURN and I have in Congressman WALTER, several years ago when we were confronted with a delicate situation in connection with the, then open, chairmanship of the Committee on Un-American Activities, we decided that FRANCIS WALTER was the Member of the House well fitted for this important as well as trying assignment. In other words, we drafted him.

When the Speaker called him to his office and told him our views, and that we hoped he would respond to our request and our draft of him, Congressman WALTER did not hesitate for one second—looked the Speaker directly in the eyes and said "Mr. Speaker, as you know, with my other duties, I am a very busy Member, but if you want me, I will accept."

This shows the type of a Congressman that FRANCIS WALTER is—willing to accept any assignment, no matter how trying it may be.

In these trying days we need in the Halls of Congress representatives of the people like Congressman WALTER. For there is no Member of the Congress who has more fearlessly dedicated his public service to driving out of our ranks Communist traitors to God and country as has Congressman FRANCIS E. WALTER.

Giving other Members full credit for the part they have played, I think I am one Member of Congress who can make that appraisal and statement. Because, in 1934, I was chairman of the then special committee that investigated communism, nazism, fascism, and bigotry. I know the evil intent of communism as well as the vicious mind of the Communist. And so does Congressman WALTER.

There is no Member of the Congress today who more clearly understands the intent and purposes of communism, as well as the vicious, inhuman mind of the Communist than does your distinguished Representative in Congress.

The people of America owe a debt of gratitude to Congressman WALTER for his outstanding work in exposing Communists and their fellow travelers, and in combating successfully their damnable efforts. By doing that, he has cleansed America from Communist infiltration and thereby strengthened our institutions of Government.

Our country needs Congressman WALTER in the Halls of Congress to give to America his continued leadership in this field of great importance to all Americans, north, east, south, and west.

By you, the people of your Congressional District, keeping him in Congress, you are rendering a great service to our country.

But do not deceive yourselves for one second, the Kremlin is bent on world domination.

For Congressman WALTER, as chairman of the Un-American Activities Committee, and by reason of his years of service on that committee, is recognized as the leader in the vitally important field of detecting and exposing Communist efforts and attempts to undermine our institutions of Government. Congressman WALTER is also recognized as one of the ablest Members of Congress in all other fields of legislative activity. There is no harder working Member on Capitol Hill than he.

He is always found fighting for the best interests of the people of his district.

A sound legislator, he is always found fighting for forward-looking legislation, particularly legislation that will strengthen the family life of his district, your State, our country.

And such a person is the finest type of a legislator. Such a legislator is Congressman FRANCIS E. WALTER.

And I might say that you are justified in feeling proud of his service in the Halls of Congress—for he is your contribution to American history.

He serves you with distinction, with great ability and courage. He reflects credit upon you, the people of his Congressional District, Democrats, Republicans, Independents, and over and above all political consideration, as Americans.

When anyone asks you who your Congressman is, you can state with justifiable pride, Congressman FRANCIS E. WALTER.

I am happy to come to Easton this evening to join with you in honoring this outstanding legislator, this great American, FRANCIS E. WALTER, who is your contribution to a stronger and greater America.

Hungarian Independence Day

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. O'HARA of Illinois. Mr. Speaker, in November I visited the Hungarian refugee camps in Austria and drove to the Austria-Hungary border where brave Hungarian men, women, and children crossed over in their flight from Soviet brutality after the collapse of the Hungarian revolt. Memories of this came to me on Saturday, March 15, the Hungarian Independence Day, when the House was not in session. So today I address myself to the subject of Hungary's birthday of freedom and join with my colleagues in the Congress of the United States in the fervent prayer that soon again the people of Hungary will be free.

On the Ides of March in 1848 Hungary revolted against Austrian oppression, against the feudal system and against the Hapsburg dynasty. Louis Kossuth, the leader of that revolution, courageously challenged the might of the Austrian Empire and gained for his people freedom and independence. Kossuth was hailed by the world as one of the greatest statesmen of the age. When Hungary's independence was lost again to Austria in 1849, Kossuth fled into exile and in 1851 this world-renowned hero visited our own country. The ovation he received as he traveled throughout the land pleading the cause of human rights and the independence of Hungary was comparable to that received by Lafayette during the days of our own war for independence.

Louis Kossuth returned to Europe but many Hungarian revolutionaries sought permanent residence in this country. In the words of Kossuth these people "were received by the people and Government of the United States in the most generous manner—yes; like brothers they welcomed the humble exiles to partake of that glorious American liberty more to be valued than the glitter of the crowns."

In October 1956 Hungary again stunned the world by rebelling against one of the most oppressive regimes in history, the Soviet Union. Unable to regain the independence of their country, thousands of Hungarians escaped to our country as their ancestors had in the 19th century. In traditional American spirit these people have been welcomed into our way of life. The regrettable part is that, officially, most of these people have been admitted only temporarily.

Of the 38,000 Hungarians reaching the United States under the Refugee Relief Act, only 6,130 have received immigration visas under the special provisions of that law. The others have been admitted as "parolees" under the provisions of Immigration and Nationality Act. As parolees these Hungarian freedom fighters do not have the right of permanent residence nor the right to apply for citizenship.

People who have fought so gallantly for freedom against such overwhelming odds surely deserve the opportunity to find permanent freedom in our land of liberty. The Hungarians know how valuable freedom is because they have lived in slavery. Let us receive them with the same degree of enthusiasm extended to Louis Kossuth and his fellow Hungarians—as brothers and as future citizens, holding high freedom's torch for these "huddled masses yearning to breathe free."

Alterations on East Front of Capitol Building

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. DAVIS of Georgia. Mr. Speaker, I have received a number of communications from my District protesting the projected alteration to the east front of the Capitol Building. I have not received one approving the proposed change. The following telegram represents the position of a great American patriotic organization whose views are entitled to serious consideration:

ATHENS, GA., *March 12, 1958.*
Hon. JAMES C. DAVIS,
Member of Congress,
House Office Building,
Washington, D. C.:

The following resolution was today adopted by the 60th State Conference Georgia Society Daughters of the American Revolution:

"Whereas plans have been formed by high ranking Government officials to extend by 32 feet the east central section part of the Capitol Building at a cost of $10 million in money and the destruction of the scene of United States Presidential inaugurations for over 150 years; and

"Whereas the cost of this proposed alteration would be achieved at an unbelievable high figure of $200 per square foot of usable space which is a cost of 4 times higher than construction of equal space elsewhere:

"We urge your support of the proposed legislation to stop this project."

MRS. H. BENSON FORD,
State Corresponding Secretary.

I understand that the American Institute of Architects is also strongly opposed to this proposed desecration of the Capitol. Thus patriots and professions have joined hands in recording their strenuous objection to this indefensible project. The Capitol is regarded by all Americans as a national shrine. It oc-

cupies a unique and revered place in our national heritage. It might well be called the history of our country in stone. Congress has occupied this building almost continuously since 1800 with only a few brief interludes, as during the War of 1812 when the British burned part of the building. Much of the history of this country was written here.

Daniel Webster recognized this with his usual eloquence when he wrote the following in 1851:

And all here assembled, whether belonging to public life or to private life, with hearts devoted, thankful to Almighty God for the preservation of the liberty and happiness of the country, unite in sincere and fervent prayers that this deposit, and the walls and arches, the domes and towers, the columns and emblatures, now erected over it, may endure forever. God save the United States of America.

I feel that the alleged crumbling and deterioration of the sandstone front has been greatly exaggerated. It is also to be regretted that there were no hearings, nor any floor debate, at the time that the funds for this alteration were voted on as part of the general legislative appropriations bill for 1956. Proponents claim that this defacement will add some 45,000 square feet of badly needed space for offices and two additional restaurants. At approximately $200 per square foot, this office space is too expensive.

The third House Office Building will cost well over $64 million, and the new Senate Office Building some $23 million. The new House Office Building, the Architect's Office informs me, will give us some 1,375,000 square feet of space, plus a million square feet for a three-floor garage. The new Senate building will add another 700,000 square feet. This Senate Office Building will be ready for occupancy in a few months. With some 1,375,000 additional square feet available in the new House building, surely the need for a mere 45,000 square feet can be deferred until that building is completed.

Far more important, however, than money saved is the fact that the Capitol belongs to every American—not just those who presently happen to be in Congress. Tinkering and endlessly altering an old historic shrine is offending to most Americans. The last bit of vandalism practiced on this Capitol was during the War of 1812 when Admiral Cockburn, of the British Navy, ordered the edifice to be set afire. I regard this contemplated alteration as a comparable piece of totally unnecessary vandalism, and I sincerely trust that this body will find ways and means of blocking it.

District NAACP Hails Rise in Equality All Over the World

EXTENSION OF REMARKS
OF
HON. E. L. FORRESTER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. FORRESTER. Mr. Speaker, the Sunday Star, March 16, 1958, page A–20, carried a news item captioned "District NAACP Hails Rise in Equality All Over World," reading as follows:

DISTRICT NAACP HAILS RISE IN EQUALITY ALL OVER WORLD

The District branch of the National Association for the Advancement of Colored People was urged last night to muster renewed courage in the fight for equality and to forgive those who discriminate against Negroes.

Eugene Davidson, District NAACP president, told about 350 persons attending its Man of the Year awards dinner at the Presidential Arms, that the colored man is in the ascendency all over the world.

When he reaches the point where his majority is controlling the world, Mr. Davidson said the colored man must not discriminate against those who have discriminated against him.

He said Negroes in the United States must let the world know that discrimination still practiced in the South and elsewhere in the country is ending.

Receiving the awards were:

Ambassador Daniel A. Chapman of Ghana, because of the inspiration given Negroes everywhere by Ghana's independence. Mr. Chapman's award is the first international award given by the local chapter.

David H. Scull, Arlington printer, for his efforts to make the District a true citadel of democracy.

Mrs. L. C. Bates, of Little Rock, Ark., president of the Arkansas branch of the NAACP, for her efforts to end school segregation in Little Rock. The award to Mrs. Bates, who was not present, was accepted for her by Mrs. Anna J. Steen, member of the executive board of the local NAACP.

I wonder if the speech of the District NAACP president as quoted does not make even the wild-eyed leftwinger and pinko sick on his stomach?

I wonder if the do-gooders do not shudder over the statement that the world will be under the control of a race which knows only the law of the jungle?

Certainly, everyone who knows anything about Eugene Davidson, District NAACP president, knows that Davidson is the one who, a short time ago, made the asinine charges against the Chief of Police of the District to the effect that the Chief of Police had discriminated against colored people, and cited examples such as the charge that the police department had mistreated a colored woman who had been arrested over 100 times, and whose record showed that she was a moral bankrupt. Not only did Davidson make those asinine charges, but he scared the daylights out of the Commissioners of the District, and those Commissioners weakly kowtowed, and spent tax money for the purpose of investigating those wild-eyed charges and humiliating the Chief of Police.

Davidson will also be remembered as the man who vigorously denounced the police department for rounding up around 90 persons for the purpose of trying to discover just who the devils were that were robbing, raping, and yoking upon the streets of the District of Columbia, and even invading homes for the purpose of making sexual assaults and committing robberies and larcenies. It is my understanding that Davidson was successful in obtaining from the Commissioners a ruling to the effect that hereafter the Police Department of the District of Columbia would not be permitted to round up suspects for the purpose of trying to detect crime.

It will also be remembered that never at any time has Davidson ever made the slightest effort to assist the Police Department in the detection of crime, nor has he ever done anything to try to cause his race to take any pride in their race, or to have any respect whatsoever for the law.

It will also be noted that the above article says that David H. Scull received a reward for his efforts to make the District a true citadel of democracy. Now, we understand what is meant by the phrase "true citadel of democracy." That phrase simply means that in a citadel of democracy you will walk the streets of the Nation's Capital with the understanding that you will be robbed, raped, or yoked, and probably murdered, and that every effort will be made to protect the criminal, and no assistance whatsoever will be rendered the complainant. It means that if the Police Department does, under severe handicap, apprehend the criminal, they cannot even question him, and every obstacle will be thrown in the path of those who would enforce the law.

This article also means that the poor fools who have been contending that all the NAACP wants was equality before the law are now proven wrong by the NAACP itself.

Mr. Speaker, this article also portrays vividly just why the people in Little Rock do not want integrated schools. It also demonstrates just why the people in the South are willing to even close their public schools before they will bring the law of the jungle into the schoolrooms, and before they will place the lives of their precious children in jeopardy.

Also, Mr. Speaker, I might add, the white race has no idea of delivering the control of this world to the colored race.

Veterans' Affairs

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpt from an address of Hon. WILLIAM C. CRAMER, First District of Florida, before District Conference of the Veterans of World War I, February 10, 1958. My colleague specifically and ably expressed to Florida veterans the viewpoint and aims of the administration in the field of veterans affairs. I am honored to request inclusion of his speech in the RECORD. Certainly we can all benefit by this opportunity to share Mr. CRAMER's thoughts:

EXCERPTS FROM ADDRESS OF HON. WILLIAM C. CRAMER, MEMBER OF CONGRESS, BEFORE DISTRICT CONFERENCE OF THE VETERANS OF WORLD WAR I

You, along with myself, are primarily interested in the Communist challenge that is

being made this year to our technological and military superiority—and may I say at the outset that it is my firm belief that we still maintain total military superiority. You are interested in knowing what Congress and the President are doing about the challenge that has been made. You are entitled to an answer.

Already Congress has appropriated supplemental funds for fiscal 1958 in the amount of almost $1¼ billion to be used in a missile step-up program as recommended by the President—and we have also appropriated $500 million for military construction for the Air Force in specialized fields. I am proud to advise that Congress responded promptly to this immediate need; that action was unanimously taken within the first 3 weeks of Congress.

The President's message on the state of the Union proposed adequate spending to stay ahead of the Russians in all fields of defense—and provides money to catch up in very specific areas where there is some indication that the Communists have gained a temporary advantage.

Ike has also recommended reorganization of the Armed Forces to avoid duplication and to assure maximum results in all fields of endeavor. Just a few days later the President recommended some $3.5 billion more for defense in presenting his budget message. McElroy has streamlined missile and antispace planning and development, most recently appointing an outer-space civilian head.

The Congress of the United States has been thoroughly investigating the proper and best approach to the problem of catching up in the fields in which a temporary Russian advantage is indicated. This study got under way with the sound of the opening gavel as it fell on January 7. The Senate has appointed a Special Space Age Committee of 13.

Thus, I can assure you, the executive and legislative branches of your Government are following their dedicated purpose of making sure that the United States safety stays ahead both technologically and militarily. With this teamwork—success is assured. I have no fear of our position at this time—I can assure you we may all have faith in the future of our defenses. Russia dare not strike at the Free World today without suffering the most calamitous disaster.

Now to specific veterans' problems.

May I first say that this country—the men, women, and children of this era, as well as those who have gone before, owe a tremendous debt to those who have borne arms in defense of their homeland. I shall never fail to recognize that debt.

There has been a rumor going around that the administration is going to send to Congress a message on veterans' affairs that is going to substantially curtail present veterans' services, pensions and benefits. I simply do not believe this to be the intent of the President or the administration.

I have discussed this coming message many times with the White House and with the office of the new Director of Veterans' Administration, Mr. Sumner G. Whittier. It is my belief as a result of these conferences that there will be no substantial change recommended and no reduction in present programs will be suggested. Even if such a suggestion should be made, it is my considered opinion that Congress would not enact any such cutback of veterans' programs. I can personally assure you I would be right in the middle of any such fight on the side of the veterans.

Let's examine what is reflected in the budget message this year that we may get a better view of the attitude of the administration on this matter.

The total Veterans' Administration budget as proposed by the President for the 1959 fiscal year—that's the year beginning this coming July 1—is a little higher than it has been for the current 1958 fiscal year.

The budget for the year coming up allows VA to spend $4,967,000,000. That's $7 million more than VA can spend this year.

Now, total budgets do not tell the inside story of exactly how a Federal agency plans to spend its money. We must take a closer look at the VA budget which, by the way, is printed in a book thicker than the telephone directory we use back in Washington, D. C.

We see four major items, and I want to say a word about each.

We see one category called readjustment benefits—benefits such as war orphans' education, grants for homes for paraplegic veterans, G. I. training benefits and the like. And we note a decided drop—from $814 million this year to $718 million next year.

The reason is simple. VA expects fewer veterans to avail themselves of the educational benefits of the Korean G. I. bill. The peak of the program is passing, and from here on out there's only one way for it to go—downward.

We see another category, compensation and pensions. And this one goes up—from a little over $3 billion this year to $3,232 million next year.

There's a reason for this, too. Last fall, you will remember, Congress raised disability compensation rates. And it obviously will take more money to pay these deservedly higher rates.

I was interested to learn that 80,000 Florida veterans now are on VA's compensation and pension rolls. Thirty thousand of them are veterans of World War I.

Thumbing through the pages of the VA budget, we came across another major item, medical care. Nearly $811 million has been earmarked for VA medical care for the fiscal year coming up. That's just a trifle higher than the figure for this present year.

We find two items of particular interest to all Florida veterans, as we study the budget section on medical care.

We see one entry of more than $1,500,000 for the architectural design of a new VA hospital to replace its present hospital facility at Coral Gables. Total cost of this replacement project will be in the neighborhood of $15 million.

And we see another entry of $645,300 for architectural work in connection with the first phase of modernizing the VA hospital in Bay Pines. This entire first phase is expected to cost some $7,500,000—and will result in the construction of a modern, new medical building, making available additional necessary beds and operational rooms, with latest equipment.

Present plans, in phase I, are to provide five new operating rooms together with recovery rooms and clinical and X-ray laboratories. This will be a new wing added to present building facilities. Upon completion of the new area and when use has begun the VA will then be able to renovate older space areas for more efficient use—phase II. There will not, through this addition, be provided any more beds for Bay Pines such as requested in my bill that is now before the Veterans Affairs Committee in Congress. However, it is felt that with the more efficient facilities crowding will be lowered and that a much faster turnover of patients will result. This will have the effect of less patient-days in a bed and, consequently, more accommodations for your deserving veterans.

Returning for a moment to my bill to provide more beds—I have asked for an additional 1,000—I am hopeful that this will prove to be stage III of the improvement program. You and I know of the desperate need for this space here in an area that is one of the concentration points for the disabled veteran—a tribute to our wonderful climate and the atmosphere of welcome to the serviceman—but a burden on the present facilities at Bay Pines. It will take a great effort—the work of your Congressman and your organized veteran associations—to provide this space because of the present legal disability of the VA to construct additional beds anywhere in the United States—I know I may call on you for support and action when needed.

And, now, we come to one final major item in the VA budget which always gladdens the hearts of us taxpayers. VA's general operating expenses are expected to go down—from $161 million to $149 million.

Why the decline? Greater efficiency of operations, for one thing. Increased use of high-speed electronic equipment, for another. And don't forget VA's rapidly dwindling GI loan program, and its equally rapidly dwindling staff of GI loan officials.

One note about the drop in VA's operating expenses. VA assures me that despite the decline, service to veterans will in no way be impaired. I'll repeat that: Service to veterans will in no way be impaired. I am sure you join with me in demanding frugality in the administration of all VA's programs.

VA's total budget represents a lot of money. There's no doubt about that. Only two items rank ahead of it; defense expenditures of nearly $46 billion. And interest on the national debt, totaling nearly $8 billion.

But I prefer not to look at the VA budget merely as money spent by the United States Government in behalf of the veteran and his widow and his orphan.

I prefer to look upon it as an investment in our fellow men—an investment in those who responded to the call when America was in distress—an investment that helps our veterans maintain decency, self-respect, and a spirit of independence so that they might contribute in peace just as they contributed in war.

The $127 million which went to Florida veterans alone this past year, in the form of VA benefits and services, is a case in point. As many of you no doubt can testify, this did not represent a throwaway or a giveaway. Instead, it represented an investment in well-being—in independence.

Touching briefly on the field of recent legislation, you will recall that the President signed into law last August a bill providing higher compensation payments for more than 2 million disabled veterans with service-connected disabilities. This increase was about 10-percent across the board, except for those veterans 100 percent disabled whose payments went up about 25 percent.

Incidentally, this was the second increase in disability compensation payments in the last 3½ years. A law passed in August 1954 by the 83d Congress providing a 5-percent increase for these disabled veterans, and the same law increased compensation paid widows and dependents of veterans by more than 5 percent.

In a companion law, the 83d Congress increased by 5 percent the monthly rates of pension payable to veterans and their dependents.

Other legislation enacted during the first session of the current Congress included consolidating of widespread VA laws into a simplified "Veterans' Benefits Act of 1957"; amendment of the Social Security Act to bar deduction from social security disability payments the amount veterans received from VA for service-connected disability payments; authority for the Post Office to forward VA benefit checks, and a law providing that State war bonuses will not be counted as income for VA pension purposes.

Here, in brief, are some other figures which will give you an indication of what veterans benefits have meant to our veterans and to our State.

All told, about 125,000 Florida veterans of World War II and Korea have obtained GI

loans amounting to a little more than $1 billion.

Florida veterans of these two conflicts have utilized GI bill training and education for the benefit of themselves and the State. So far, more than 186,000 World War II veterans have received training, as have 55,000 Korean conflict veterans.

Compensation and pension, in the amount of $68 million of cash, is being paid to some 80,000 disabled Florida veterans of all wars. Widows, children, and dependent parents of another 22,000 veterans are receiving nearly $20 million in death compensation and pension payments.

As you know, incompetent veterans and their minor dependents, or incompetent beneficiaries are entitled to VA protection of their estates derived from veterans benefits payments. In our State, 8,400 wards are receiving this VA protection. They include 1,600 incompetent veterans; 6,100 minor dependents of these veterans, and 200 incompetent beneficiaries.

Thousands of our veterans, of course, have received hospital care at VA hospitals at Coral Gables and Lake City and hospital and domiciliary care at our Bay Pines Hospital.

The Charles County Tercentenary, 1658–1958

EXTENSION OF REMARKS

OF

HON. RICHARD E. LANKFORD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. LANKFORD. Mr. Speaker, under leave to extend my remarks, I wish to call attention of my colleagues to the fact that Charles County, Md., 1 of the 6 counties comprising the Fifth Maryland Congressional District which I have the honor to represent in Congress, this year is celebrating the 300th anniversary of its founding. Today the celebration will be kicked off with the lighting of a huge 300th-birthday cake which has been erected on route 301 at the county line. The cake, 24 feet in diameter and 30 feet high, is topped by 3 great fluorescent candles that are to burn throughout the 6-month celebration.

One in the series of events planned in celebration of the county's 300th anniversary includes a reenactment of the 1814 landing of the British at Benedict, Md. The British have been requested to send a warship with marines to Benedict to land in longboats as they did in 1814.

The official beginning of the celebration is scheduled for May 10 when a memorial wellhouse at Port Tobacco will be dedicated.

July 4 will be marked with special fireworks displays, parades, and caravans.

A huge festival will be held at Benedict on August 16 and 17. In addition to the British landing reenactment, other major events planned include a parade of illuminated vessels after dark; a night fireworks display; a carnival and water show.

On behalf of the Charles County Tercentennial Commission, I would like to extend a cordial invitation to the Members of Congress to visit Charles County during this celebration. The heart of Charles County, its county seat, La Plata, is located just 20 scenic miles from the Capitol. Charles County was founded April 13, 1658. It is more than one hundred years older than the United States itself. It was an old county when George Washington became the first President of the United States.

Charles County and communities of similar age gave birth to the United States.

Charles County produced many of the men who achieved prominence in the affairs of state during the Colonial and Revolutionary periods. Among them were John Hanson, president of the Continental Congress; Thomas Stone, one of the signers of the Declaration of Independence; Daniel of St. Thomas Jenifer, one of the signers of the Constitution; William Smallwood, a general in the Revolutionary Forces whose Maryland line is credit with saving George Washington's army in the Battle of Long Island; Drs. James Craik and Gustavus Brown, physicians who attended George Washington during his last illness; John Hoskins Stone, colonial governor of the State, and Leonard Neale, second archbishop of Baltimore.

The homes where some of these illustrious patriots resided stand today as living monuments to their memory. These homes are open to visitors. These homes are all located in the vicinity of Port Tobacco, a now deserted village nestled at the foot of commanding hills. From those hills the land gentry of yesteryear looked down upon a thriving seaport through which flowed much of the commerce of the Province; for Port Tobacco was also the county seat of Charles County from 1658 until 1958, when La Plata was selected as a new location for the county seat principally because the gradually silting up of the Port Tobacco River had pushed the town inland from navigable water and La Plata had the advantage of a railroad siding.

A bit of history—not to be proud of but nonetheless interesting—centered around old Port Tobacco in the stormy days following the despicable assassination of Abraham Lincoln by John Wilkes Booth. Charles County was the escape route to Virginia for Booth and his accomplice David Herold. With the aid of local Confederate sympathizers, the two men were concealed in a wooded area several miles distant from Port Tobacco until such time as it was thought they could make their escape across the Potomac River. Tom Jones, who years later wrote a book entitled "J. Wilkes Booth: An Account of His Sojourn in Southern Maryland After the Assassination of Abraham Lincoln, His Passage Across the Potomac, and His Death in Virginia," was the man who carried food and drink to the culprits in their wooded hideout. Union soldiers swarmed the area and it was at a bar in Port Tobacco that Jones, his identity, of course, unknown, heard this tempting offer made by a Union captain:

I will pay $100,000 to the man who will give me information leading me to John Wilkes Booth.

Jones replied:

That's a lot of money to offer for one man and if money will bring him out, that ought to do it.

The money prospect was not sufficient inducement for Jones to betray his trust and he successfully carried out his mission to put Booth and Herold safely across the Potomac.

Charles County, lying just north of St. Marys which was the cradle of religious freedom in the New World, can boast of many historical places of religious interest.

Just to mention a few: Old Durham Church, the oldest in the county, erected in 1732. George Washington attended services there on occasions with his friend Gen. William Smallwood.

St. Thomas Manor, overlooking beautiful Chapel Point, is one of the oldest Jesuit institutions in North America. The original chapel built prior to 1692 and the present manor house built in 1741 were used in colonial times as headquarters for Jesuit Fathers serving other Colonies as well as Maryland.

Not far up the valley from Old Port Tobacco is Mount Carmel, oldest monastery in the United States, founded in 1790.

From the date of its founding down to the present time the economy of Charles County and the livelihood of its farm population have depended primarily upon its fertile tobacco fields. The soil produces tobacco with an aroma and ready burning quality that makes it the pepper and salt employed by leading cigarette manufacturers in seasoning their product. The annual production ranges from five to eight million pounds, selling at an average of from 40 to 50 cents per pound.

Forestry products, however, make the next highest contribution to the wealth of the county. Approximately 70 percent of the county's 502 square miles of area stands in timber; and the pulpwood, lumber, veneer logs, railroad ties, and piling harvested annually sell for an estimated half-million dollars.

The Late George Harris Collingwood

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1958

Mr. MACK of Washington. Mr. Speaker, Mr. George Harris Collingwood, one of the ablest and most faithful servants of the Federal Government, died yesterday at his home here in the Capital City.

Mr. Collingwood at the time of his death was head of the Natural Resources Section, Legislative Service of the Library of Congress. He was a scholar, a historian, and one of the best informed men in the Nation on its natural resources. He was always obliging, cheerful, and helpful to the Members of Congress who

sought information from him. In addition to all this, he was a very courteous, kindly, and lovable American gentleman.

I am certain that many of the beneficial provisions in conservation and natural resources legislation enacted by the Congress in recent years are the result of information Mr. Collingwood supplied to Members of Congress and its committees from the wealth of his experience and his constant research.

The whole country is better and will be better for centuries to come because of his contribution to the legislation of his country.

As one Member of Congress I take this brief time to express my gratitude for the many times Mr. Collingwood has been helpful to me and to express my high esteem of his merits and his character.

America is a better nation because of his having served it.

Mr. Collingwood was born in Fayetteville, Ark. He was educated at Michigan State College and Muenchener Universitaet, where he studied forest practices in Germany, Switzerland, and Austria.

After being stationed for 2 years as a ranger in the Apache National Forest, Ariz., Mr. Collingwood went to Cornell University in 1916 as professor of forestry at the New York State College of Agriculture. As a teacher, he introduced important new procedures for forest demonstration areas in cultivated farm lands, and took a leading part in forest planting programs.

He came to Washington in 1923 to become extension forester in the Agriculture Department, and was an active exponent of forestry education in American colleges.

Mr. Collingwood served as head of the Forest Conservation Division of the National Lumber Manufacturers Association from 1940 to 1946, and was the author of the association's industry program. He later served as an agriculture expert on the Hoover Commission for executive department reorganization, and was a forestry consultant to the United States Chamber of Commerce.

In recent years Mr. Collingwood had devoted his time to research and writing on conservation problems. He was the author of several books in his field, and was a member of the Advisory Council of the National Arboretum, the Society of American Foresters, the American Forestry Association, and a fellow of the American Association for the Advancement of Science.

More Veterans in California—Less Veterans' Medical and Hospital Care

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. ENGLE. Mr. Speaker, the veterans' hospital and medical program is confronted with serious problems and unless immediate action is taken by the administration and the Congress, the Federal Government will no longer be able to fulfill its pledge to veterans to provide medical care second to none. There are several things which can be done immediately by the administration and the Congress which will improve medical services to veterans, both in scope and quality.

As a result of the budgetary policies followed during the past 6 years, there has been a steady curtailment of the bed capacities of Veterans' Administration hospitals. On December 31, 1957, there was a total of 7,308 beds in Veterans' Administration hospitals unavailable for patient care. Of this number, 4,974 were unavailable for the care of veterans because of an administrative decision that these beds are not required to meet current operating plans. It would be more accurate if these beds were placed in a classification "sufficient budget not provided VA to operate these beds." Of the 4,974 beds currently withheld from operation by administrative decision, 1,354 are in TB hospitals, 101 are in mental hospitals, and 3,519 are in general medical and surgical hospitals. These beds were constructed at costs to the Federal Government exceeding an average of $10,000 per bed.

Laws enacted by Congress state that care will be provided to eligible veterans to the extent that facilities are available to the Administrator of Veterans' Affairs. The intent of these laws enacted by Congress is being circumvented by administrative and budgetary decisions which have closed 4,974 beds. The budget presented by the administration to the Congress for fiscal year 1959 contemplates a further reduction of services to veterans and, if approved, would reduce the average daily patientload in Veterans' Administration hospitals by an additional 1,000 patients per day. In other words, we have approximately 5,000 beds now withdrawn from the program and, if the current budget proposed by the President is accepted by the Congress, this number will exceed 6,000 in another year.

This undesirable situation can be rectified by the Congress by adding to the Veterans' Administration medical budget, which is now under consideration, funds for in-patient care. However, it will also be necessary for language to be added in the appropriations bills directing the Administrator to place these vacant beds in use for veterans, thus freeing the Administrator of Veterans' Affairs from the administrative control which is now being exercised in this field by the Bureau of the Budget.

During recent weeks official Washington has been preoccupied with growing unemployment and there has been a variety of proposals to expand spending by the government, particularly in the field of public works. A few days ago the President sent a proposal to Congress suggesting acceleration of certain public works programs. The Secretary of Commerce has called for a speedup in the highway building program. It is entirely possible that these acts are justified, but these recommendations are strange indeed when considered in light of the action of the administration on the Veterans' Administration Hospital Construction Program.

Two years ago a program was devised by the Veterans' Administration, the House Appropriations Committee and the Veterans' Affairs Committee which called for a long-range modernization and replacement program in Veterans' Administration hospitals. Under this program, nine old hospitals were to be completely replaced and major repairs were to be accomplished in fifty other hospitals at a cost exceeding one-half billion dollars over an 8-year period. It was agreed that the minimum level of activity should not be less than $50 million a year. The Veterans' Administration requested $43,374,000 for its replacement and modernization program for fiscal year 1959. The President's budget reduced this amount to $9,145,000, or a reduction of $34,229,000.

This reduction is not justified. It is not good business to neglect the state of repair of our vast veterans' hospital facilities, valued at more than $2½ billion, and certainly if the economic needs of the Nation justify increased expenditures for public projects, this category of projects should receive first consideration. Strangely enough, it has not been mentioned at all by the administration in the proposals for expanded public works. Here again action can be taken by the Congress to restore funds cut from the Veterans' Administration budget by the administration. Several California hospitals are involved in this program. Extensive repairs are planned in Veterans' Administration hospitals at San Francisco and Palo Alto, Calif.

The Veterans' Administration has been steadily losing ground in its efforts to recruit doctors, nurses and technical medical personnel. The primary reason has been the inadequate salary structure in the Department of Medicine and Surgery of the Veterans' Administration. As medical salaries rise in private, State and other public hospitals the Veterans' Administration is experiencing greater difficulty in retaining its personnel. There is now pending in the Congress a bill which proposes substantial increases in the salaries for doctors, nurses and technical medical personnel in Veterans' Administration hospitals. This legislation should receive immediate attention by the Congress or irreparable damage will be done to the quality of medical care being provided in Veterans' Administration hospitals.

How To Fight Communists Today

EXTENSION OF REMARKS
OF
HON. WILLIAM E. JENNER
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, March 17, 1958

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address

I made before the Knights of Columbus in East Chicago, Ind., of November 6, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW TO FIGHT COMMUNISTS TODAY

You have asked me to talk to you about communism today. I am delighted to be here, but I wish we had a happier subject.

More than 2 years ago, speaking in New York, I said it was hard for me, as I looked ahead, to say anything hopeful about the fight against communism.

Since that time, our efforts have grown even weaker and more confused.

The final blow, as you know, is the recent series of decisions by the Supreme Court. Our highest court has now torn down one after another of the defenses, erected by Congress and our States, to safeguard this Nation against Communist agents in Government departments, in schools and colleges, in our bar associations and our courts.

Of course, I do not believe the United States lacks the ability to defend itself against subversion. We can protect our country against all the dark power the Communists can bring against us. I am confident, also, that if we do what is necessary to protect America, we shall, by that effort alone, start the great roll-back of Communist tyranny all over the world. Then the Soviet rulers will have to manage without the booty which the Red armies wring from the slave workers of Eastern Europe and China. The Soviet war machine will collapse. In time, the people of Russia, too, will be free.

The Communist leaders have won a great victory by sending up a satellite, to circle the globe every few minutes. This is a victory of Soviet propaganda, not of Soviet science, but let us not underestimate a propaganda skill which keeps the eyes of the people of Europe, Asia, Africa, and the Americas, focused on the little golden symbol of Soviet boldness and persistence. In the war of nerves, in which we are engaged to the uttermost, this is a major victory.

Let me remind you, however, that, in the very same weeks when the Soviet leaders put over their brilliant scheme for dazzling the world, the Communist empire, for the first time in history, lost control of a government it had taken over. The Republic of San Marino, which had been under Red rule since the end of World War II, booted the Communist government out of office.

The spark which ignited this revolt was lit by a schoolmistress, a nun. The Communist government ordered her to turn her school over to state management. She said, "No." Before the dust settled, the people of San Marino had risen up, the Italians on their borders had mobilized to help, and Communist rule of San Marino was over.

It is significant that the Soviet rulers won preeminence in the sky at the same time they showed their inability to control little San Marino. It is, I believe, a symbol of the struggle we are engaged in.

The Soviet Union has committed itself to materialistic power. In its chosen field it is winning spectacular victories. But it could not win a contest with an elderly woman who had no political power, no military power, no economic power, no propaganda apparatus. She was armed only with the strength of the spirit.

We know now, from a book called The White Nights, by Dr. Boris Sokoloff, that Lenin went to see Dr. Pavlov, in the early years of the Soviet Revolution. Lenin asked Pavlov how his experiments on dogs might be used to control emotions and energies of human beings, "I want the masses of Russia to follow a pattern of thinking and reacting, along a Communist pattern," said Lenin to Pavlov. "We must abolish individualism." So Pavlov's laboratory became a sanctuary which even the Cheka could not touch. The Communists manipulate the human heart as Pavlov played with the hunger pangs of his dogs.

Contrast this ignoble aim with our Declaration of Independence, which says, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights."

We owe to Dean Manion, of our own State of Indiana, the clearest statement of what this means in the confusion of today. In his little masterpiece, The Key to Peace, Manion points out that the American political system is founded on spiritual faith. Political rights are bestowed on man by his Creator, not by a government. These rights are unalienable because they belong to man as a human soul.

I believe the Soviet leaders can win spectacular success in any field of materialistic skill they select, for purposes of political blackmail. But I believe we can end their reign of terror, and free our globe from their evil spell, as soon as we harness our greater material skills to purposes no Communist could understand.

This belief in the spiritual end of man gives us direction, our North Star, so to speak. But how shall we apply this principle, to guide our ship of state through the stormy waters of today?

Dean Manion points the way. Our Constitution was carefully designed, by the Founders of the Republic, to prevent that centralization of power, which tyrants need, to destroy the liberty of their fellow men. It is, therefore, the best shield we could possibly have devised, to block Communist attempts to enslave our country.

My theme for today is strip for action. It is time we admitted that neither the United States nor the Western World will find any easy way to stop Communist world conquest. We have no certainty, whatever, that we shall win the final battle. We have been losing, not gaining, ground. Khrushchev told us over American TV stations that in a generation America would be Communist.

We should stop kidding ourselves, stop living in a dream world, stop trying to ride four horses in four directions at once.

Congress is going to be pressured, from the day it meets, to insist on all sorts of crash programs, to pour more billions down the drain.

There is nothing to be gained by such nonsense. The Communists sent up their satellite to create just such division in our councils.

The Communist legions of death, from Khrushchev to the newest recruit, know that our Constitution is the hardest barrier they must fight against.

Every member of their conspiratorial armies works without rest to undermine our States, to wipe out the separation of powers between Congress, the executive branch and the courts, and to dilute our national sovereignty through a host of international agencies.

I told you this message was strip for action. We will never safeguard our country in this very troubled and dangerous world, until Congress strips from our executive branch every activity, every bureau and every dollar which diverts it from its true responsibility—the defense of our country.

Let me illustrate.

In looking back over the war years, I noticed a curious thing. While Americans were straining every nerve to win two wars, and carry the Soviet Union on their back, someone was loading down our Federal Government with all kinds of social welfare programs. They were not the business of the Federal Government at any time, but certainly not in the midst of total war. The result was a smokescreen of confusion, which hid—among other things—the curious political policies we followed in Eastern Europe and China.

I am certain these efforts were masterminded by a few Communists, in or out of our Government, who knew what they wanted.

I also noticed another mysterious trend. The Federal Government, which was grossly overextended by taking on the duties of the States, overextended itself still further, in the middle of the war, by helping set up a multitude of international agencies in every area of American life.

Let me remind you of two points you know well. These international agencies were set up and staffed under the guidance of Alger Hiss, Harry D. White, Frank Coe, and a host of others whose names are familiar to you. Remember these international agencies operate with American funds, but they are completely freed from annoying interference by Congress or the people they represent.

These international bodies are still operating without interruption. They affect every step we take in defense, foreign policy, trade, labor relations, welfare, farm problems, and immigration. Their influence is growing every day.

Note that these international agencies build up the executive branch at the same time they weaken the Congress, the States, and the rights which individuals are guaranteed by the Constitution.

To this we must add the curtain of secrecy which, noiseless and shapeless as fog, hides the story of what our Government is doing with public money, from the knowledge of Congress and the watchful eye of the press.

You will tell me that many good and loyal people have favored this extension of Federal welfare, and this involvement in international government. I fully agree. But the Communists always win their victories with the help of warm-hearted, generous, trusting, patriotic people.

Some of you will say I exaggerate the influence of the Communists in this country. Last February the International Security Subcommittee heard testimony under oath, corroborated by two of the persons involved, that Earl Browder, head of the Communist Party, U. S. A., had a direct pipeline to President Roosevelt for several years in the war period. A woman Communist, from one of our famous colonial families, wrote chatty letters to the President in which she included political and military materials given her by Earl Browder. Whenever he was especially interested, the President sent for her to come to the White House or Hyde Park and enlarge on her ideas.

Among the documents this woman gave to the President was a report from the headquarters of Mao Tse Tung, the Communist leader. Browder had been sent by Moscow to do a tour of duty under the Chinese Communists and knew them well. The report alleged that the Nationalist Chinese were diverting their troops from the fight on Japan to fighting the "agrarian reformers" under Mao.

Members of his official family saw that Roosevelt got all the letters and reports from this correspondent, who was a direct link between Mao Tse Tung in North China and the President of the United States. How many good Americans at that time had a direct link to the President personally, which would carry their recommendations through all the curtains of secrecy, past the many levels of secretaries, to the President himself? At the time Browder was pouring poison in his ear about the Communists, Roosevelt was getting the same information from the State Department, the Treasury, the war agencies, members of the White House staff, and Henry Wallace, who went to China, escorted by John Carter Vincent.

This woman said definitely that President Roosevelt was opposed to the takeover of China by the Communists. He was farsighted enough to know a Communist China

would be disastrous, and yet he could not protect himself against the poisoning of his own mind by his official family. Who can say how far the Communist brain-washing network carries Communist lies and confusion about our defense policy today?

The lesson of sputnik, is this. America can meet any competition, any attack from the Soviet Government, but only if America is true to itself. America cannot be true to itself, or mobilize the vast energies of free men, until it cuts down the Tower of Babel which was built up in place of our executive of limited powers, while Americans were busy winning the war which freed Russia from fear of the Nazis and Japan.

We have the strongest economic reasons to cut down Federal spending and prevent the political and economic collapse that inflation brings.

We have the strongest political reasons for cutting down the size of the Federal Government.

But I say to you, these reasons, overwhelming as they are, are nothing to the fact that Federal Government agencies cannot do their own work of safeguarding our military and diplomatic security, unless they are freed from the burden of supervising our States, our private business, and the links to international agencies.

I am going to pass over the whispering campaign which hints that Congress dare not cut Government spending, or we will have the greatest depression ever known. There is no truth in that argument. The transition from an economy of Government spending to one of private spending must be worked out carefully, but it can be worked out whenever we decide to do it.

We must return to a Federal executive establishment where there are no dark places in which secret Communists can hide, to destroy American security, while Congress, the people and the press are unable to see why our efforts are going wrong.

True Americans want to unite on common objectives. Americans of every faith, of every race and color, of every section, every economic interest, can work together to make our Government lean and strong and ready for any hostile assault.

This brings us back to sputnik.

You will remember that Congress brought out a fantastic body of information about Communist influence over our foreign policy.

The House Committee on Un-American Activities brought out the sordid story of Alger Hiss, Harry D. White, and the rest of the crew of so-called experts in the State Department and the Treasury who gave the Soviet Union their best.

The Senate Subcommittee on Internal Security spelled out the links that bound the Institute of Pacific Relations to high Soviet officials and their military intelligence on one hand, and on the other hand to key points in the State Department, the Treasury, the White House.

The subcommittee also brought out the links between the Communist-directed groups in our Government and the staff of the United Nations. It showed how many of the more dubious Government officials were suddenly transferred to the United Nations agencies—beyond the scrutiny of Congress.

The Russell committee brought out five volumes of the story of our policy in China, the postwar policy of letting Korea fall but not letting it look as if we pushed her, and the incredible handicaps that were put on our military command in Korea, so they could not use the victory our men had won. The American Government was jockeyed into the position of fighting a barbaric war on the territory of its ally. We left the territory of our enemy, Red China, untouched by a single bullet or a single bomb. Imagine the glee with which the Communists spread the word—line up with America and the wars will be fought on your soil, killing your people, or line up with Communists and watch the slaughter from afar.

I hope Congress will carry on investigations of our military policies as exhaustive as those earlier attempts to trace the influences shaping our foreign policies. The chief study we have of strange forces in our Military Establishment was made by Senator Joe McCarthy at Fort Monmouth. You know how high that trail led, and you know what fantastic efforts were made to stop the disclosure of the rest of the story. Senator Welker, Joe McCarthy's floor manager in the censure debate, was defeated by those who are determined to destroy the political career of any man who dares fight communism.

I have, myself, pointed out again and again, certain curious facts about our foreign military aid. I have shown that this military aid, which is supposed to be critically important for the defense of our country, is entirely under policy control of the State Department. Only the State Department can decide how much help goes to Korea and how much to India or Indonesia.

We will not give the Koreans modern jets and atomic missiles because the Reds promised, in the cease-fire agreement, they would not modernize their weapons. Of course, they ignored their signed commitments, but we go on pretending the signatures mean something. Some of our best divisions, now stationed in Korea, will take the brunt if the brave Korean fighters fall back before superior arms.

There is a similar weak link hidden somewhere in every one of our programs of military aid.

We have kept most of the able-bodied men in Turkey under arms, when present-day military planning favors small units with devastating fire power. The Turkish economy is cruelly restricted, so we send American Government officials over to lecture them—on what? On balancing the budget.

We have given a billion and a half dollars to Yugoslavia, including the jet planes we refuse to Korea.

Our papers are filled with stories of poor Yugoslavs who are desperately working their way out of Yugoslavia by every road. Recently a little motor boat was rescued adrift in the Atlantic, filled with men, women, and children trying to escape from Tito.

Isn't it too bad our State Department cannot persuade Yugoslavs that Yugoslavia is free? Why do those who live under this benevolent government of Tito flee to the West by every means, even at the risk of death itself?

We entertain, over here, Soviet scientists working on the Geophysical Year, though they carefully forget to tell us about sputnik which is supposed to be merely a scientific project. Also, just by chance, I suppose, the kindly, benevolent old scientist from Red Russia, who was here conferring with our scientists, is in fact a general of artillery in the Soviet Union. Soviet scientists were taken to conferences at our naval laboratory, so secret that American newspapermen could not be admitted.

Radio commentator, Bob Siegrist of Milwaukee, submitted to the Senate Internal Security Subcommittee, taped interviews he held with Igor Gouzenko in Canada. Mr. Gouzenko sent a letter to President Eisenhower warning him sputnik was no scientific project, but a pure military operation. The letter probably was sent to the State Department and lies there unanswered. Gouzenko reminded us that some of the people exposed in the famous Canadian report were, even then, top scientists in the Canada National Research Council.

Ask yourself this question: If you were a high Soviet official, studying every day how best to undermine the military strength of the Free World, would you, or would you not, make every possible attempt to penetrate and misdirect the American Defense Establishment?

We do not need more money to maintain American supremacy.

Soviet scientists do not have, as a body, the capacity of our scientists. Their managers and engineers and technicians do not compare with ours.

We do not need to bring Dr. Oppenheimer back into the missile program any more than we need to bring Alger Hiss back into the State Department.

We have all the talent and all the patriotism we need to safeguard our country if you and I make sure our Government is not hobbled by secret bonds.

We must clear our minds of all the confusion and silliness which grew up in the war years. We must get back on the main track of true American policy, and do it at once.

My friends, you have for years been active in the fight against communism. You, too, have been discouraged by the slow decline in our efforts. It is time to strip for action. Let us strip the Federal Governmnet of every activity except national security. This task cannot be done by Congress alone, but it can and will be done by Congress with the help of determined people who love America and who respect the people of other nations because they are too endowed by their Creator with the unalienable right of life and liberty.

How the Postmaster General Could Help by Making His Position Plain

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following recent correspondence between the Postmaster General and me:

FEBRUARY 19, 1958.

Hon. ARTHUR E. SUMMERFIELD,
Postmaster General of the United States, Washington, D. C.

DEAR MR. POSTMASTER GENERAL: You will recall my questions the other day with respect to what White House action could be expected on whatever postal and classified rate bill is enacted by Congress.

I should have asked you this question: Will you recommend a veto if the percentage increase for postal workers is about 6 percent? I ask it now and add the following:

Will you recommend a veto if the percentage is 7½ percent. If the bill contains lump sum payments for the lower grades as in the bill filed by Congressman MORRISON and myself? What percentage do you regard as the maximum for a justifiable increase?

Along with you I am against gestures and cruel hoaxes in connection with pay legislation. It may be that Congress will decide to pass a bill even though the President is on record as being determined to veto it. However, it does seem that Congress is entitled to your explicit views on this important matter and I realize that you did present yourself before our committee for that very purpose, but hope that you will let me know promptly the answers to these vital questions so that I may inform the Post Office and Civil Service Committee at our executive meeting next Monday.

Very sincerely yours,

CHARLES O. PORTER,
Member of Congress.

MARCH 11, 1958.

Hon CHARLES O. POTTER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Reference is made to your letter of February 19 in which you request my recommendations to the President concerning the postal pay increase legislation.

I believe I made my position clear when I testified before the House Post Office and Civil Service Committee on February 11. It is quite impossible for me to express myself more clearly than I did at that time. I pointed out to you the severe inequities which would result from flat increases by reason of the distortion it would create in the classification structure of the postal field service schedule.

Insofar as my "explicit views" are concerned, I believe my testimony before your committee was quite clear in recommending a permanent straight 6 percent annual pay increase for all postal employees. However, it is impossible for me to state exactly what my position will be until the conferees have agreed on a proposal which has been approved by the Congress.

In my judgment, postal employees are entitled to pay increases as quickly as possible. That is why recommendations were made for a pay adjustment early in January. It is now the second week in March and the House of Representatives has not approved a postal pay increase bill, but the Senate, in its wisdom, approved a pay increase for postal employees which would cost about $310 million annually, which is almost double the cost of the proposal recommended by the President. This means that the conferees will have an opportunity to approve a fair and reasonable percentage pay increase for postal employees which, if agreed to, by the Congress, I hope I can recommend for approval by the President.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
The Postmaster General.

MARCH 13, 1958.

Hon. ARTHUR E. SUMMERFIELD,
Postmaster General of the United States, Washington, D. C.

DEAR MR. SUMMERFIELD: I have your reply of March 11 to my letter of February 19 asking you to make your views on a Presidential veto of postal-pay increase legislation more explicit than you did before our committee. At the time I wrote, as I mentioned in my letter, I wanted your views for consideration by the committee at its executive session scheduled for February 24.

It is too late for our committee to profit by such information but still in time for the conferees, on our side, who I understand will be appointed early next week when our chairman returns from the hospital. With this in mind I am undertaking once again to persuade you to make your views explicit.

Your letter of March 11 says it is "impossible for me to state exactly what my position will be until the conferees have agreed on a proposal which has been approved by the Congress." This, with all respect, does not make any sense to me. Don't you, by now, know how far you will go? For example, aren't you ready right now to recommend approval or disapproval for a bill which eliminates the 5-cent stamp but leaves cost of living differential in the lower grades? In short, since you know what you will approve, however reluctantly, why don't you say so and help the conferees frame a bill quickly that can be enacted into law?

It may be that the conferees would decide your limitations were too stringent. This is their decision. They have the job of gaging the possibility of a veto and the chances of overriding a veto in case the President again decided to take that action.

But why leave them up in the air as to your position? Certainly your recommendations of a permanent straight 6-percent annual pay increase for all postal employees does not represent your highest point of toleration. You will recall Senator CARLSON stated on the floor of the Senate that he thought 8½ percent would be acceptable to the President.

You write that postal employees are entitled to pay increases as quickly as possible. Most of Congress thought so last year when you opposed increases. The President will look to you for recommendations. My urgent recommendation is that you inform the conferees as to what, explicitly, your position is so they will not, as now, be forced to speculate about it.

As is true with all legislation the rate and pay bill will represent a compromise. Perhaps there was a time for the contestants to play poker with each other. The time is past. We want the best bill possible as soon as possible. Your position at this time should no longer remain a mystery. I renew the requests made in my letter of February 19 and, with all deference to your office and appreciation of your manifold responsibilities, ask that your reply be made available in time to be of assistance to the conferees.

Very truly yours,

CHARLES O. PORTER,
Member of Congress.

Mr. Nixon: "Action Prime Requisite"

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. HÉBERT. Mr. Speaker, I recently brought to the attention of the House a splendid article by Fred Digby, the general manager of the New Orleans Midwinter Sports Association, which presents the annual Sugar Bowl classic in New Orleans. The subject of the article was the President's Council on Youth Fitness.

At the time I made the observation that not a single representative of any athletic club in America was named to serve on the committee. The athletic club is, in my opinion, one of the most vital cogs in the whole physical-fitness program yet it had no spokesman on the committee. When the committee was being organized I personally attempted to have the national president of America's Athletic Clubs, Mr. Irwin Poche, the director of the New Orleans Athletic Club, named to the committee. I failed in the endeavor. When I examined the membership of the committee I was amazed at the amount of window dressing through big names. All splendid gentlemen, but certainly much less qualified to pass judgment and make suggestions than a man who has devoted his entire life to the development of physical fitness.

After Mr. Digby's article, which appeared in Catholic Action, he was called on the telephone by Dr. Shane McCarthy, the Executive Director of the President's Council. This prompted another article by Mr. Digby, which speaks for itself and which contains some pertinent observations.

Here it is:

MR. NIXON: "ACTION PRIME REQUISITE"
(By Fred Digby)

Our recent call for action by President Eisenhower's Council on Youth Fitness has brought letters from the Honorable RICHARD NIXON, Vice President, and Mr. Shane MacCarthy, Executive Director, and a considerable number of booklets and pamphlets on the subject of physical fitness.

Messrs. NIXON and McCarthy agree it is time for action, if we're to get the youth of the Nation physically fit but both contend the action must be provided by parents and community leaders, not the Federal Government.

One of the pamphlets is titled "A Plan for Action" and sets forth the objective of the Council:

"Our main goal for Council operation is to urge organizations and individuals to take further action to improve fitness of youth, with emphasis on physical activity."

Through this particular pamphlet we learned that not one of the large group of national athletic leaders and physical fitness experts invited to Washington and to West Point to discuss and advise what should be done, is on the Council.

The Fitness Council, as presently constituted, consists of five Cabinet members—the Interior, as Chairman; Secretary of Defense; Secretary of Agriculture; and Secretary of Health, Education, and Welfare.

In his letter, Mr. NIXON admits there are "differences of opinion" on whether or not there should be a master Federal program but says the "philosophy adopted by the Council" is in favor of action at the "community level."

Here is Vice President NIXON's letter:

WASHINGTON.

DEAR MR. DIGBY: Your recent column on youth fitness and the work of the President's Council interested me greatly. Although the press of other duties made it necessary for me to turn the chairmanship over to the Secretary of the Interior, I have retained my interest in the program.

As you so clearly saw and pointed out, action is a prime requisite in any fitness program. The question of on what level that action should be taken gives rise to differences of opinion, however. I realize there are those who favor a master Federal program. On the other hand, the philosophy adopted by the Council is that the action should be taken at the community level with parents and local leaders taking the primary role.

Under this concept the Council tries to assist the regional efforts, coordinate conflicting activities where necessary, and encourage and advise as to lines of action which may be most productive. We have also found that the limited budget which suffices for this type of Council action meets with the approval of Congress and the taxpayer, whereas an expensive Federal master plan might not.

With all best wishes.

Sincerely,

RICHARD NIXON.

Mr. MacCarthy, the Executive Director and the man on whom the Council relies to get across its plan called long distance from Washington and afterward wrote two letters.

What follows is a gist of these letters:

WASHINGTON, D. C.

DEAR FRED: Sincerely do I say I enjoyed every moment of our telephone visit a few days ago. * * *

Our main concern is with the fact that too many of our boys and girls are sitting and looking at too few being physically active.

This means a challenge to the adults in our society to provide the opportunity for youth for safe play and recreation, which is just as

important for their development as food and sleep. * * *

Since I spoke to you, I have been to two very important meetings, one in Indianapolis at the 42d annual convention of the National Association of Secondary School Principals and one in Kentucky at a governor's conference on youth fitness.

As the high-school principals are the ones who formulate policies for the use of activity areas in their establishments, I was very pleased with their positive reaction to the suggestion that indoor and outdoor school facilities should be available for community use.

In Kentucky, the Governor is setting up, what has taken place in many States already, a State-wide youth fitness committee and on the campus of the University of Kentucky itself a youth fitness committee of the students is being formed. This kind of leadership will have a very salutary effect upon what is done in other schools and localities throughout the State. * * *

It is indeed a tough task to change the pattern of living but that is what will have to be done if we are to stop the trend of human softness, and this kind of fitness must come up from below and not down from above.

Very cordially yours,

SHANE MACCARTHY.

During our long-distance visit, Mr. MacCarthy contended that the major athletic organizations in this country, like the Amateur Athletic Union are not doing the complete job on physical fitness.

This prompted a query as to wherein the Council thought these groups had been remiss and if such was the case, wasn't it correct to look to the Council to set up the proper program.

He said the Council wanted to avoid "body cultism" and the "manufacture of little champions." It didn't want anything like the Hitler youth movement or to imitate the Russians in their ambition to win the Olympics.

It is quite evident from these letters and conversation that the Council does not plan to offer to the Nation, (1) a master fitness program, (2) financial assistance to parents or community sponsors.

These were the points we had raised in our column which Congressman F. EDWARD HÉBERT inserted in the CONGRESSIONAL RECORD.

Mr. NIXON says "the limited budget of the Council meets with the approval of the Congress and the taxpayer."

Since we have no knowledge of what the budget represents in money, we don't know the cost to the taxpayer. However, we cannot agree with Mr. NIXON that the Congress would not approve a budget sufficient to support a master program. The Congress doesn't appear to have any limit on budgets for projects of less importance.

And whether or not the fitness program is Federal, State, or community financed, the taxpayer will bear the burden.

We doubt the average taxpayer would object to the Government spending some money on his sons and daughters to make them as physically fit as the children in Europe to whom we have given so freely of our bounty.

You will recall it was a report by a group of physical education experts on the comparative fitness of our boys and girls and those of Europe, that prompted President Eisenhower to set up the Fitness Council.

But if the Council's philosophy is against a master Federal program, we fear it will fail in its objective. There actually is little if anything in any of the fitness do-it-yourself pamphlets that hasn't already been written or said, over and again, year in and out.

Mr. MacCarthy undoubtedly is a sincere and dedicated man, but he can tour the Nation, and talk and write about physical fitness hour after hour but without a master Federal program his will be a voice crying in the wilderness.

Tax Revision Is Needed Now

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 17, 1958

Mr. CURTIS of Missouri. Mr. Speaker, on Thursday, March 13, 1958, I had a special order of 1 hour which I utilized to discuss our present economic situation. In replying to one of my colleagues who had asked me to yield to him for a comment and a question, I made the statement that if I had to lay the blame for our present recession on any one thing I would lay it on our Federal tax structure. Indeed, in my opinion, so much is the Federal tax structure at fault that this recession could properly be called a tax recession. It is for this reason that I stressed the importance of analyzing the present recession in economic terms and moving ahead in revising our tax code to remove the impediments to economic stability and growth which lie imbedded in it.

We do not have to have tax reduction to correct this recession but we do have to have tax revision—we have to remove its basic inequities and the impediments to economic growth. To do this it would help if we could have the demagogs agree to a moratorium on their pursuit of their activities in this area because taxes are complicated; they do involve rich people and corporations. Tax revisions in personal income-tax laws which affect all people affect rich people 91 percent and most taxpayers at only 20 percent. Of course, my revision across the board is going to reflect the present graduated rates in our tax laws.

If we do not have tax revision—and basic revision soon—we are going to have to rely more heavily each year on the most inequitable and damaging form of taxation ever devised—the tax of inflation. This will ultimately destroy our economy and the private enterprise system, which is responsible for our society attaining the highest standard of living of any contemporary society or any society in history. Inflation is a tax, let no one ever forget it. It transfers purchasing power from the private sector of the economy to the Government. It takes its toll from every person who buys a loaf of bread, a shirt for his back or hires a room to ward off the weather. It is a general consumers tax. It is a graduated tax, but graduated inversely to the ability to pay. The person who has to use all his dollars for consumer dollars, because he does not have much money is hit 100 percent by the tax. The richer the person is the less he is hit by inflation. The more money he has the more he can put into investment and less proportionately into consumption. The investment dollar avoids the tax of inflation and indeed can be used to gain from the tax. The tax of inflation, because it is graduated, inversely makes the rich richer and the poor poorer. More tragic, it makes the unscrupulous rich richer and those who are rich through an intelligent social use of their talents poorer.

I was reviewing the supplemental views I have written to the report of the Report of the Joint Economic Committee on the President's Economic Report of the years 1955, 1956, 1957, and 1958. I set them out here because they lend emphasis to the points I have been trying to make. I find that little has happened in the ensuing years which alters the basic theme:

1955

I concur in the committee report. However, I feel a supplemental statement is needed to clarify a few points in the report and point up certain additional economic factors which I believe are basic to our present-day economy. Inasmuch as whatever supplemental views have been expressed by my colleagues were neither submitted to the committee nor myself, I have no comments to make on them.

1. The committee report discusses a decline in farm income. The matter of immediate concern to our people is per capita farm income, not total farm income as long as farm production continues to rise and meet the demands of our population. Per capita farm income has increased in the past few months and seems to be rising. Farm population is continuing to decline which lies at the base of the foregoing economic fact. Of course, in a proper appraisal of the economics of our society the ratio of farm income to national income is an important factor. However, the ratio has been declining since pre-Revolutionary days as our society has continued to industrialize. I believe we can expect the ratio to continue to decline. What is of immediate concern, however, is the fact that per capita farm income has not been rising to the same extent that per capita national income has.

2. I believe the overall tax rate in our society has gone beyond the point of diminishing return and even with the recent tax reductions and revisions the normal growth of our economy is being restricted. The statements of governmental witnesses and economists appearing before the joint committee as well as the Ways and Means Committee, seem to indicate an obliviousness to the possibility that the retention of high tax rates is not only causing economic damage but is likewise defeating the professed objective of obtaining necessary revenues.

3. I believe it is important to emphasize that inflation is a form of taxation, indirect and hidden. It is a tax upon the consumer with no exemptions or graduations. Continued deficit financing means a continuation of this form of taxation which I believe proper study will reveal is the form potentially most dangerous and damaging to any society. This form of tax should and can be eliminated at once.

4. Tax take can be increased even though rates are decreased by expanding the tax base. In 1929 the ratio of private capital investment to governmental capital investment was 9 to 1. By 1952 this ratio had declined to less than 5 to 1.[1] Essentially private capital investment is the tax base of a society. By switching human endeavor from Government capitalization to private capitalization the following things are accomplished:

1. Government capitalization (debt) is reduced.

2. The tax base is increased.

[1] Conclusions based upon Facts and Figures on Government Financing, 1953–54, by the Tax Foundation, table 16, estimated national wealth in current 1929 dollars.

3. Competition is substituted for governmental cost accounting and appropriation procedures as a method of controlling efficiency and administration to social needs.

4. The personnel is returned to the free-labor market where the rights to organize and bargain collectively are regained.

5. The personnel operates under a system more suited to efficient production in that it is freed from the restrictive features of civil service made necessary to protect against the greater evils of spoils politics.

6. Federal expenditures are reduced (so substantially that the budget can be balanced).

This indicates that greater efforts should be made to move Government out of, and to keep Government from moving into, all human endeavors except those which by analysis and reappraisal require governmental operation.

5. The rise in the stock market comes directly from our tax structure. For several years corporation expansions have been financed more and more from bank borrowings and bonds and less and less from new stock issues—equity financing. In fact, many corporations have called in capital stock pro rata and refinanced through bonds or bank borrowing. The reason for this action by corporate management is as follows: Earnings on bond or note financing escapes the 52-percent corporate income tax while earnings from equity financing pay the 52-percent tax. The stockholder in the higher income brackets prefers to have equity investment in a corporation that expands through bond and note financing because added to the normal growth of the company is the savings of the 52-percent corporate tax. His equity investment reflects this growth in terms of capital gain which is taxed at only 25 percent instead of a maximum of 87 percent. The higher income bracket taxpayer, furthermore, does not need regular dividends for income to take care of his consuming needs, and prefers the corporation to plow back earnings, thus escaping the maximum 87-percent tax and paying only a 25-percent tax when he takes his capital gain.

Thus corporations have been increasing in wealth while their equity investment base remains the same or has been lessened. So the supply of available equity investment has not kept pace with demand, particularly when threats of further inflation increase the normal demand. (Equity investment along with investment in real and personal property alone escapes the tax of inflation.) The individual stock shares which represent a given percentage of the equity value of the corporate assets have indeed increased in real value. To a large extent the stock market is reflecting an appreciation on the part of the investing public of the real values of the equity shares. But it is the higher income bracket taxpayer who can afford to compete in the market for the limited supply of equity capital.

It was to check this trend that the tax dividend credit was included in the recent tax revision bill. It was the reasoning of the Ways and Means Committee that the tax incentive to corporate management to finance through bonds and notes instead of equity investment had to be lessened. The original thought was to do the equalizing at the corporate level, but in considering the mechanics required, the similarity to the retained earnings tax became apparent and the unhappy experience with the economic effects of this tax suggested applying the equalization at the stockholder level. Certainly corporate management would prefer equity financing to debt financing if the tax treatments were somewhat equalized, because in event of poor business conditions dividend declarations can be passed up, while payment of debt interest could not. From a Federal revenue standpoint, it is obvious if more corporation financing is done through stock issue instead of bonds and notes, the Federal tax take will be greater even after deducting the loss from the tax dividend credit, e. g., $1 billion 6-percent bond issue yields $60 million annual earnings, which is deducted from the 52-percent tax. The same $1 billion financed through stock issue yield $31.2 million in revenue.

The only question is whether the tax dividend credit has been sufficient incentive to corporate management to finance through new stock issues. Certainly the demagoguery on this complicated and difficult matter has badly hurt an intelligent understanding of it by the people and their representatives in Congress. As is frequently the case, the demagog hurts the most the very people he professes to be helping.

More equity financing produces (1) healthier corporation financial structures, (2) more revenue for the Government, (3) more inflation tax-free investment for more people. (In simple language, the little fellow has a fairer chance to invest in good common stock.)

6. Today very little machinery and equipment—or buildings—wear out. Most are junked because of obsolescence. This is a present day and brandnew economic fact and deserves basic consideration in present-day economic thinking. The subjects of technological improvements and automation are allied subjects but they are old economic forces and not the same as obsolescence. The new provisions in regard to depreciation in the recent tax revision bill reflect some thinking on this matter but more study and understanding are needed. Again demagoguery has badly hurt public understanding of the economic implications of this problem.

1956

Essentially we concur in the report of the committee. There are certain overtones in the report resulting from literary style perhaps, but nonetheless serious in their implications, which we feel must be clarified so that our concurrence in the report will not be misunderstood. Furthermore, there is, in our judgment, a completely inadequate treatment of the farm problem from the standpoint of economics.

The preamble of the report carries with it an assumption that the Employment Act has been accepted and its worth established. However, there still remains a basic disagreement as to just what the purposes of the Employment Act were and are. This involves the very philosophy of government. There are those who feel that the role of the Federal Government in maintaining maximum employment in our economy should be a more active one; there are those who do not believe that the Federal Government or any political government over a long period can maintain an active role without thereby damaging the economy and maximum employment; there are those who take intermediate positions. The Employment Act does not attempt to resolve these differences and remains, as we see it, merely a means of establishing machinery whereby both the executive and the legislative branches of Government may make studies and consider economic advice along certain broad lines.

The President's Economic Report both this year and last year stresses throughout the importance of maintaining a proper balance between private enterprise, the Federal Government, and the State and local governments. The President's Economic Reports clearly state that the primary emphasis must be placed upon private enterprise and that the Federal Government must be essentially in an ancillary role. There are those who disagree in varying degrees in both directions. This matter should be brought out clearly in the committee's report, and sidestepping of this basic issue should cease. We of the Joint Economic Committee have an obligation to clarify what appears to us to be the apparent intent of Congress in these respects. We believe the history and facts incident to the enactment of the Employment Act of 1946 clearly emphasize the conclusions reached by the President—that the primary emphasis must be placed upon private enterprise, and that the obligation of the Federal Government should be to constantly strive to create economic atmospheres in which private enterprise can accomplish the full purposes of the act.

The committee report, on several occasions, refers to the President's Economic Report and the President's budget as if they were together the basis of this committee's study. The point is raised that some felt the budget and the Economic Report were not consistent. The fact that the two Presidential documents are prepared to do two entirely different things is not mentioned, although that fact was clearly pointed up when the question of consistency was first raised. Naturally, the budget has relation to the Economic Report, but if this committee is maintaining that there is a hard and fast relationship between the two, we think it is incumbent upon this committee to make a thorough study of such a thesis instead of trying to dispose of the matter by presumption. This is an area worthy of study and we hope the committee will undertake it, along with a study of another presumption inserted into the report, to wit:

"An obligation rests upon the Council of Economic Advisers to take the leadership in efforts to coordinate the assumptions underlying the Government's entire economic program, etc."

Frankly, we don't know how the committee arrived at such a feeling; it was never examined or discussed in either public or executive hearings.

We want to call attention to an example of verbiage which carries overtones that may convey meanings beyond what the sentences were intended to convey. Recommendation 3 starts:

"The challenge of the coming year is thus one of adjusting to a more sustainable pattern of balanced growth."

Perhaps the pattern of balanced growth is not sustainable, but this is a matter to be openly posed rather than presented as something already concluded and agreed upon as the insertion of the adverb "more" accomplishes.

THE FARM ECONOMY

More words are expended in recommendation 8 on the farm economy than on any other recommendation. Yet the basic economic factors involved in the farm industry are not even posed, let alone discussed. We list a few which certainly must be considered in an analysis of the farm problem.

1. The ratio of farm income to national income has been declining since the establishment of our Republic in 1789, as our society has continued to industrialize. Looking ahead to the future, we may assume that this ratio will continue to decline if our country continues to industrialize.

2. The ratio of farm population to national population has continued to decline also as the Nation has industrialized. It may be assumed that this ratio will continue to decline, if our country continues to industrialize.

3. Farm production has continued to rise. This is largely the result of mechanization, use of fertilizer, botanical research, etc. It appears that this, too, is a continuing trend.

4. Factories have moved into rural areas. The distributive industries have expanded as the demands of the people for service, packaging treatment, etc., have increased. All this has opened up part-time employment to the farm family. Today about one-third of

the farm family's income comes from nonagricultural pursuits. What about this trend? Will it continue? What is its significance in the farm economy?

5. World War II brought unusual demands upon American agricultural production. The American farmer met those demands by increasing his acreage and acquiring the necessary machinery and increasing other overhead to utilize this increased acreage. The increased demand of World War II disappeared as the rest of the world went back to agricultural production. The American farm production was not geared to this lowered demand. Consequently, surpluses developed.

6. Increased efficiency in manufacture brings with it lower unit cost, which in turn, if the laws of economics are operating, will be reflected in some lower cost per unit to the consumer. The same law operates in some degree in regard to efficiency in farm production resulting from mechanization. This situation is accentuated if supply is already well ahead of demand.

7. Although the per capita farm income (the standard of living of the farmer) has been decreasing since 1951, the great rises experienced during World War II have still left the percentage increase in per capita income of the farmer in 1955 (from 1934, the date figures are first available) considerably above the national per capita income increases.

8. Mechanization and increased overhead place a premium on larger operations at the expense of smaller operations.

9. The prices of farmlands (the basic investment of the farmer) are the highest in history.

10. Farm foreclosures are about the lowest in history.

Now we do have a farm problem, but it is hardly in the area that most recent political discussion has been placing it. It must be within the confines of the economics factors we have set out, plus some others. We believe this committee would serve the farmers much better by taking the farm problem out of politics and placing it back into economics, at least until agreement is reached upon the economic factors. Then it can be referred back to the political area with some possibilities of solution; certainly with greater assurance that it won't be made worse by failing to pay attention to the few reliable economic facts we do have.

1957

We feel impelled to make an addendum to this report. We cannot understand the failure of the President's Economic Report or of this committee's report to analyze the economic features of the tight money situation which lies behind the present cost rise we are experiencing and other economic difficulties alluded to in the two reports. Practically every witness who testified on this matter before the committee agreed that behind the tight-money situation lay the shortage of investment capital for all business, not just small business.

Shortages are created by the play of the forces of supply and demand. The shortage of investment capital comes from an increased demand that is greatly in excess of the increased supply.

Several factors lie behind the increased demand for capital investment: (1) The increasing population; (2) the increasing productivity which requires an increasing amount of capital investment in machinery. Estimates were made before our Tax Policy Subcommittee in its hearings in December 1955 that it required an average of $14,000 of capital investment to employ one man in the United States today. Undoubtedly that investment figure rises as productivity (automation) increases; (3) the increasing living standards of our people (increased supply of consumer dollars); (4) the effects of inflation on replacement of capital plant and equipment. Under our tax laws depreciation is limited to the cost of the capital item. Most of the United States production plant is on the books at the 1940 dollar cost. After 10 years of inflation the capital items are being replaced at a growing rate. The replacements even for identical items require twice the dollar reserves set aside for replacement. So, just to stand still, let alone move ahead, in capital plant, we need additional investment dollars; (5) the high level of Federal Government's expenditures.

Several factors lie behind the lower rate of increase of the investment dollars available to meet the higher rate of increase of demand. (1) The high rate of Federal taxation which takes away potential savings; (2) the emphasis in the Federal tax structure on the taxation of the investment dollar as opposed to the consumer dollar; (3) the psychology of the people toward saving, as it is affected by Government fiscal and expenditure policies; (4) the various channels available to the investment dollar as affected by inflation and by our Federal tax structure. To illustrate, inflation, as a form of taxation, cut into savings channeled into investments with the fixed dollar sign such as savings accounts, bonds, notes, etc. Yet these forms of investment are given great preference over equity investment by our tax structure if the equity investor must realize a yearly increment on his investment. But the same tax structure gives a great preference to equity investment over fixed investment if the investor does not need yearly income; and even a greater preference to an investor who is content to pass his wealth on to his heirs. Our tax structure, in fact, encourages this preferred type of investor to desire to limit the availability of equity investment. (In simple words, our tax structure is a great deterrent to savings and capital accumulation and particularly to new equity investment.) (5) Our tax structure is a deterrent upon corporate savings, particularly on small corporations and small businesses not operating under the corporate form of doing business.

We have been disappointed that neither the President's report nor the committee's report spell out the evil economic effects of inflation, although in the appraisal of our economic condition in the President's report many factors are mentioned which upon analysis result largely from the inflation of World War II. We have mentioned the effect of inflation on such things as capital replacement. The difficulty experienced by school districts and other local taxing authorities in obtaining the revenue necessary to meet the needs of its citizenry, is the result largely of inflation. The situation is this: Our school districts and local taxing authorities get the bulk of their revenue from real-estate taxes. Real-estate taxes are based upon assessed valuations of the peoples' homes, buildings, and lands. These valuations are placed upon the assessor's books over a period of time. The bulk of the assessments on the books of our communities was placed there before 1945, before inflation. The result is that the total assessed valuation in most communities is based upon the preinflated dollar, but the costs of materials and labor which these communities must buy is based upon the inflated dollar. The situation cannot be corrected by raising the real-estate tax rate, because then even a more unfair burden (it is pretty unfair as it is) is placed upon the new property coming onto the books after 1945 at the inflated dollar value. The only answer is to go through the mechanics of assessing every piece of real estate all over again. This is not only a difficult mechanical job, but it is an even more difficult political job.

Certain overtones remain in the committee report though we have been gratified to have many that were in the original draft eliminated or muted, which carry the thought that somehow or other the Federal Government can plan and direct our economy. We are convinced that the best the Federal Government can do today is to preserve the climate under which our private enterprise system can thrive. Perhaps someday men will be wise enough to move into the unknown through a system other than an enlightened trial and error system. But that day has not yet arrived. In essence, the private enterprise system is no more than a trial and error system although many people seem not to appreciate it.

1958

In light of the extensive public and political discussion of the present economic decline it was especially important that this Committee on Economics attempt to define the present economic downturn in economic terms in this report. I regret that this was not done.

No two periods of economic decline are identical, yet much can be learned by comparison. Certainly the specific factors that go to make up a particular decline should be set forth. I suggest a few that seem to underlie the present phenomena: (1) The sudden sharp cutback of inventory in the fourth quarter of 1957, (2) the cutback in certain types of defense expenditure such as was occasioned by the shift of emphasis from airplanes to guided missiles, (3) the decline in expansion and replacement of capital plant expenditures, (4) the continued low level of automobile production, (5) the decline in exports.

And just as important to point up are the features of strength; e. g., (1) the maintenance of the high level of consumer purchasing, (2) the increased expenditures in research and development, (3) the resurgence of defense expenditures, (4) the increase in expenditures for the highway program, (5) the upturn of housing starts, (6) the relative high rate of capital plant replacement in spite of the decline from the high level of 1957, (7) the easing of tight money.

In view of the use of noneconomic terms and the abuse of economic terms in the public discussions describing the present phenomena, which can be called a recession if the overtone of "mildness" was understood by the public, it might be well to make a general comparison with the economic phenomena which occurred in 1949 and 1954. Both of these were recessions. Many competent economists agree that the present recession is probably more severe than that of 1954 and less severe than that of 1949. This knowledge should give us a little more perspective and keep us from rushing into programs which will not help us, but indeed can hurt us. Essentially, it should make us realize that the economy itself will adjust and that, at most, governmental action should be geared to assisting rather than hampering this adjustment.

In concurring in recommendation No. 1 on monetary policy, I want to refer to the warnings we were given by some of the expert witnesses that inflationary forces are still close to the surface and an injudicious use of monetary action may swing things too far.

I concur in recommendation No. 2 but I am disturbed by the implications which may be drawn from it by a careless reading. The report dated January 22, 1958, of the Subcommittee on Fiscal Policy based upon the hearings on the subject, Federal Expenditure Policies for Economic Growth and Stability, should be read in order to obtain a better understanding of the limitations that public-works programs have in assisting growth and stability and easing a recession. Only public works already in the advanced planning stage can be of immediate assistance in the present recession. Furthermore, as already stated, Federal expenditures according

to plan were to accelerate in 1958 and this acceleration is coming about.

The suggestion that the Federal Government should extend the public assistance grants and the unemployment compensation program involves questions of Federal-State relationship, matters of policy, and many technical difficulties which are the proper province of the legislative committees which have jurisdiction over these matters. If a quick cushion against the decline in income is needed, it will hardly be found in this complicated area. On this basis I disagree with the inclusion of this suggestion in the report.

SENATE

TUESDAY, MARCH 18, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Gracious Father of our spirits, beyond all the madness of these violent days which devastates the face of our discordant earth, we turn to Thee, who sittest above the floods of hate and misunderstanding, and in whose just balances the nations are weighed. Lift us out of our doubt and pessimism by a great faith to live by and great causes to live for. Teach us once again the everlasting mystery that only as we lose ourselves in some compelling concern that captures all our powers, can we find our highest selves.

In this darkened era, as we face foes who deny spiritual verities and who deal in distortion and falsehood, open our eyes to the conquering truth that the omnipotent forces which fight with us when we keep step with the drumbeat of Thy purpose for all mankind are more—infinitely more—than those arrayed against us. We ask in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 17, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 7149. An act to provide for the periodic transfer to the Hawaiian home-development fund of certain excess funds in the Hawaiian home administration account;

H. R. 7226. An act to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes;

H. R. 9410. An act to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the government of the Virgin Islands;

H. R. 9502. An act to amend section 73 (1) of the Hawaiian Organic Act, as amended;

H. R. 9543. An act to amend the Hawaiian Organic Act relating to the transfer of the title of ceded land by the President;

H. R. 10009. An act to provide for the reconveyance of certain surplus real property to Newaygo, Mich.;

H. R. 10347. An act to amend section 73 (q) of the Hawaiian Organic Act; to approve and ratify joint resolution 32, session laws of Hawaii, 1957, authorizing the issuance of $14 million in aviation revenue bonds; to authorize certain land exchanges at Honolulu, Oahu, T. H., for the development of the Honolulu airport complex; and for other purposes;

H. R. 10679. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; and

H. J. Res. 427. Joint resolution to permit use of certain real property in Kerr County, Tex., for recreational purposes without causing such property to revert to the United States.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 2042. An act to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska–50083, and for other purposes;

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply to the District of Columbia;

H. R. 7696. An act to authorize certain persons to wear the uniform of a Reserve Officers' Training Corps;

H. R. 8250. An act to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes;

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam;

H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 439. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 7149. An act to provide for the periodic transfer to the Hawaiian home-development fund of certain excess funds in the Hawaiian home administration account; to the Committee on Interior and Insular Affairs.

H. R. 9410. An act to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the government of the Virgin Islands; to the Committee on Government Operations.

H. R. 9502. An act to amend section 73 (1) of the Hawaiian Organic Act, as amended; to the Committee on Interior and Insular Affairs.

H. R. 9543. An act to amend the Hawaiian Organic Act relating to the transfer of the title of ceded land by the President; and

H. R. 10347. An act to amend section 73 (q) of the Hawaiian Organic Act; to approve and ratify joint resolution 32, session laws of Hawaii, 1957, authorizing the issuance of $14 million in aviation revenue bonds; to authorize certain land exchanges at Honolulu, Oahu, T. H., for the development of the Honolulu airport complex; and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 10009. An act to provide for the reconveyance of certain surplus real property to Newago, Mich.; and

H. J. Res. 427. Joint resolution to permit use of certain real property in Kerr County, Tex., for recreational purposes without causing such property to revert to the United States; to the Committee on Government Operations.

H. R. 10679. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Interstate and Foreign Commerce.

LEAVE OF ABSENCE

On request of Mr. IVES, and by unanimous consent, Mr. GOLDWATER was excused, because of illness, from attendance on the sessions of the Senate for the remainder of the week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. AIKEN, and by unanimous consent, the Subcommittee on Reclamation and Irrigation of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and sixty-four postmaster nominations.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

COLLECTORS OF CUSTOMS

The Chief Clerk read the nomination of John G. Kissane, of Vermont, to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Anne A. Mitchell, of Connecticut, to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold R. Becker, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Josiah A. Maultsby, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N. C.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Jessie Dixon Sayler, of Georgia, to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, and that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AROUND THE WORLD WE SEARCH FOR PEACE

Mr. JOHNSON of Texas. Mr. President, I should like to commend the junior Senator from Oklahoma [Mr. MONRONEY] for an excellent suggestion which he made yesterday, and which apparently is going to be carried through.

The Senator from Oklahoma, like all others who attended the gridiron dinner on Saturday night, was strongly impressed by the closing song Around the World We Search for Peace. He thought that it expressed forcefully and graphically the true desire of this Nation for a world without war.

It was his suggestion that the United States Information Agency seek a copyright release on the song, so that it could be broadcast to nations everywhere. As he said: "One song is sometimes worth a million words."

The news ticker this morning tells us that the producer of the movie Around the World in 80 Days has granted permission to use the song. A spokesman for the USIA has also stated that the song will be broadcast sometime this week to Europe.

It is a fact that frequently a word, a slogan, or a picture will carry far more impact than speeches or whole books. The junior Senator from Oklahoma was alert to the possibilities, and followed through.

FARM BUREAU MEMBERS IN WISCONSIN DISAGREE WITH NATIONAL OFFICERS

Mr. PROXMIRE. Mr. President, only 2 weeks remain before the order by Secretary Benson to slash the price support rate for dairy commodities is scheduled to go into effect.

Farm people throughout the Nation were heartened, I am sure, by the action on yesterday, of the House Committee on Agriculture in voting to recommend passage of a 1-year freeze joint resolution on price-support rates and acreage allotments.

Since the House committee's action makes it likely that this measure will need to come before the Senate again, for final approval, I should like to call to the attention of Members of the Senate what I consider an extremely significant aspect of the farm-policy debate.

Mr. President, last week I received a telegram—and I am sure that many or all other Senators received similar telegrams—from Mr. Charles B. Shuman, president of the American Farm Bureau Federation. Mr. Shuman's message urged defeat of the joint resolution to prevent the farm-price-support reductions proposed by Mr. Benson. Mr. Shuman said:

> Senate Joint Resolution 162, rigidly fixing price supports and acreage allotments, is against the long-time interest of farmers and should not be approved.

The telegram was signed "Charles B. Shuman, president, American Farm Bureau Federation."

Mr. President, I have a great deal of respect for the farm organizations, which farmers have developed at tremendous cost to themselves in money, time, and devotion. The sacrifices of hard-working farmers have made these organizations possible, and I make it a practice to give careful consideration to their recommendations.

But, after most careful search, I have concluded that Mr. Shuman is terribly mistaken. His recommendation is directly contrary to those of hundreds of farm-bureau local officers and members who have written to me during the past few weeks and months. I regretfully conclude that Mr. Shuman does not represent the views of his Wisconsin members, who contribute to the support of the organization, and on whose behalf he purports to speak.

Mr. President, the farm-bureau members to whom I have spoken personally and those whose letters I have read—and they number literally in the thousands—do not want Secretary Benson's disastrous price slash to go into effect.

I have before me two typical letters from Wisconsin Farm Bureau members which I wish to place in the RECORD because they illustrate so well the point of view that members of this fine Wisconsin organization uphold. I ask unanimous consent, Mr. President, that the letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

> BIRNAMWOOD, WIS., *March 13, 1958.*
> Hon. WILLIAM PROXMIRE,
> *Senate Office Building,*
> *Washington, D. C.*
>
> DEAR SENATOR: I have just completed a membership drive for farm bureau. I have had the opportunity to see farmers that usually don't voice their opinion on politics very loudly.
>
> Of the people I met on a 3-day drive, I found 1 in favor of price-support drop. The rest of the people would like to see dairy supports remain at 1957 level until something better can be worked out.
>
> It is my belief that a cut in dairy support April 1 would also be a cut into the economy of the Nation.
>
> Respectfully,
>
> ROGER JENSEN,
> *Vice President, Marathon County Farm Bureau.*

> KIEL, WIS., *March 12, 1958.*
> Hon. WILLIAM PROXMIRE,
> *Senate Office Building,*
> *Washington, D. C.*
>
> DEAR SENATOR: As I am a member of the Manitowoc County Farm Bureau national affairs committee, I am asking you to let the support prices for dairy products remain as they are for another year or two until some other plan can be worked out.
>
> Thank you.
>
> Yours truly,
>
> WALDO GRAF.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to call to the attention of Senators the announcement I made, which is reported on page 4551 of the RECORD of yesterday, to the effect that we expect to move the consideration of Calendar No. 706, S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

I pointed out yesterday the bill was reported from the Judiciary Committee in July 1957, and it has been on the calendar since then. I am informed there is some opposition to the bill, so I ask the attachés of the Senate representing both parties to notify all Members who

may be interested that we expect to consider the bill some time this week. We, of course, will conclude the consideration of the bill relating to Public Law 480, the unfinished business, before we take up S. 1356, but I do not want anyone to be caught by surprise.

MORNING BUSINESS

The PRESIDENT pro tempore. Routine morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D. C., reporting, pursuant to law, on agreements concluded under title I of the Agricultural Trade Development and Assistance Act of 1954, during January 1958 (with accompanying papers); to the Committee on Agriculture and Forestry.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF PLANE REARMING BOAT TO STATE OF RHODE ISLAND

A letter from the Assistant Secretary of the Navy (Material), reporting, pursuant to law, that the Department of Agriculture and Conservation of the State of Rhode Island and Providence Plantations had requested the Navy Department to transfer a plane rearming boat to be used as a quahaug dredge boat; to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that Administration, for the quarter ended December 31, 1957; to the Committee on Armed Services.

REPORT OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the Secretary, Federal Prison Industries, Inc., United States Department of Justice, Washington, D. C., transmitting, pursuant to law, a report of that organization, for the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY HOUSING AND HOME FINANCE AGENCY

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., reporting, pursuant to law, on the tort claims paid by that Agency, for the calendar year 1957; to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Paz Dominguez Cabatit from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF DIVISION OF COAL MINE INFECTION, BUREAU OF MINES

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on the Judiciary:

"Resolution H. 1248

"Resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States

"Whereas until in recent years, the imposition by the States of taxes upon intangibles was historically and traditionally limited to residents because the situs of intangibles was deemed to be that of the place of residence of the taxpayer; and

"Whereas following the adoption of the 16th article of the amendments to the Federal Constitution in 1913, it was generally assumed that income taxes would be imposed by the Government of the United States and that this field of taxation would be tacitly allocated to the Federal Government; and

"Whereas at later dates, income taxes were imposed by a number of the States and in most of these the income tax was imposed upon nonresidents as well as upon residents and, in the case of the nonresidents, the tax was imposed in respect to both earned and unearned income derived from sources within the State imposing the tax; and

"Whereas the right to impose such taxes upon nonresidents was sustained by the United States Supreme Court provided there was no discrimination against the nonresidents; and

"Whereas although generally the exemptions granted to a resident applied also to nonresidents, there are many instances where exemptions favoring residents and not allowed to nonresidents have been sustained by the courts; and

"Whereas the reciprocal provisions contained in certain State income tax laws are of some benefit to the nonresidents, nevertheless, there remain many inequities due to the taxation of nonresidents under State income tax laws; and

"Whereas it appears that the only way to prevent these inequities and to avoid the undue hardship resulting from the imposition of States income taxes upon nonresidents is by an amendment to the Federal Constitution; and

"Whereas there has been an ever increasing demand for action to alleviate the burden imposed upon residents of the State of Rhode Island by income taxes levied by other States and, particularly, by neighboring States because the residents of this State pay the income taxes imposed by the Federal Government and the taxes imposed by the State of Rhode Island and by its political subdivisions, and they should not also be required to pay income taxes to States in respect to which they are nonresidents: Now, therefore, it is

"*Resolved*, That the Members of the Congress of the United States be and they are hereby respectfully urged to propose an amendment to the Constitution of the United States by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

"*Resolved*, That the proposed amendment would be substantially in the following language:

"'ARTICLE —

"'Power to impose taxes on income by the State.

"'The several States shall have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax.'; and be it further

"*Resolved*, That the secretary of state be and he is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives of the State of Rhode Island in the Congress of the United States and to the respective Presiding Officers in both branches of said Congress."

Three resolutions adopted by the Kauai Chamber of Commerce, the Lihue Businessmen's Association, and the Kauai Economic Development Association, all of the Territory of Hawaii, favoring the enactment of legislation providing for the establishment of a bauxite industry in the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, with an amendment:

H. R. 776. An act to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes (Rept. No. 1394).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 5005. An act to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory (Rept. No. 1395).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H. R. 4815. An act to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes (Rept. No. 1396);

H. R. 7907. An act relating to contracts for the conduct of contract postal stations, and for other purposes (Rept. No. 1397); and

H. R. 7910. An act to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes (Rept. No. 1398).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with an amendment:

H. R. 7930. An act to correct certain inequities with respect to automatic step-increase anniversary dates and longevity step-increases of postal field service employees (Rept. No. 1399).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes (Rept. No. 1400).

By Mr. ROBERTSON, from the Committee on Appropriations, without amendment:

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1401).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOBLITZELL:

S. 3505. A bill for the relief of Philip F. Haddad; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 3506. A bill to authorize the transfer of naval vessels to friendly foreign countries; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (by request):

S. 3507. A bill to give effect to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington, February 9, 1957, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

S. 3508. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 so as to increase the insurance benefits payable under such title, to extend the insurance program established by such title so as to include insurance against hospital, nursing home, and surgical service, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 3509. A bill for the relief of Wong Wing Boa; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3510. A bill to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938; to the Committee on the District of Columbia.

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

S. 3511. A bill to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958; to the Committee on Armed Services.

By Mr. JOHNSTON of South Carolina:

S. 3512. A bill to facilitate the recruitment of trained and experienced employees in departments of Government; to retrain trained employees in Government; and to correct inequities under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

S. 3513. A bill to amend title 18 of the United States Code relating to threats or injury to Federal officers in the discharge of their duties; to the Committee on the Judiciary.

SPECIAL CONSIDERATION OF NEEDS OF LATIN AMERICAN COUNTRIES WHICH ADHERE TO CHARTER OF THE ORGANIZATION OF AMERICAN STATES

Mr. MORSE. Mr. President, today in the House of Representatives my colleague, Representative CHARLES PORTER, is submitting a concurrent resolution; and I wish to submit an identical concurrent resolution in the Senate, because I believe the resolution is sound.

In times past, as chairman of the Subcommittee on South American Relations, I have spoken on the purpose of the concurrent resolution.

At this time I shall read the concurrent resolution, and then shall send it to the desk, to have it appropriately referred. A reading of the concurrent resolution will show its purpose:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that, in furnishing assistance under the Mutual Security Act of 1954, special consideration should be given to the needs of the Latin American countries (and of organizations, persons, and other entities therein) which adhere to the charter of the Organization of American States, with particular reference to article 5 (d) thereof which states that "the solidarity of the American States and the high aims which are sought through it require the political organization of those States on the basis of the effective exercise of representative democracy.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 73) was referred to the Committee on Foreign Relations.

RESOLUTION

Mr. MORSE submitted a resolution (S. Res. 278) to increase the membership of the Select Committee on Improper Activities in Labor or Management Field, which was referred to the Committee on Rules and Administration.

(See above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

TRANSFER OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. SALTONSTALL. Mr. President, by request, I introduce, for appropriate reference, a bill relating to the transfer of naval vessels to friendly foreign countries.

This bill is requested by the Department of the Navy and is accompanied by a letter of transmittal explaining the purpose of the bill. I ask unanimous consent that the letter of transmittal may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter of transmittal will be printed in the RECORD.

The bill (S. 3506) to authorize the transfer of naval vessels to friendly foreign countries, introduced by Mr. SALTONSTALL, by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter of transmittal presented by Mr. SALTONSTALL is as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D. C., March 3, 1958.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation to authorize the transfer of naval vessels to friendly foreign countries.

This proposal is a part of the Department of Defense legislative program for 1958 and the Bureau of the Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation would authorize the President to lend a total of 43 ships of the destroyer, destroyer escort and submarine types from the Reserve Fleet. Such loans would be for periods not to exceed 5 years.

The loan of these ships would be very advantageous to the United States. One of the most important factors in countering an enemy threat is the timely positioning of forces. It is essential that forces that have vital tasks to perform must be organized and functioning at the outbreak of hostilities and the loan of these ships serve the most important purpose of deploying ships to critical areas about the world prior to D-day. We will look to our allies to assist us in many areas during any future emergency and with the loan of these ships, which in many instances would replace worn-out ships now operated by the recipient nations, such nations will be better able to carry out their functions of assisting our Navy. These loans would serve the additional purpose of allowing us to disperse part of our Reserve Fleet and prevent undue concentration of ships in reserve berthing facilities. It has always been true that a ship in operation is better than a ship in the Reserve Fleet. Though our Reserve Fleet comprises a strong potential, that potential would be vastly increased if the ships could be adequately manned, operated, and maintained in an active status. In order for us to accomplish ourselves what this proposal will do for the United States we would require an additional number of active ships with an increase in personnel and, of course, a tremendous increase in cost to the United States. By allowing our allies to operate these ships now, the ships would be readily available to us for any use we might have for them in any emergency.

Inasmuch as the details of the proposed loan program are classified, they are not transmitted to the Congress at this time, but will be made available to the Congress at the hearings on the proposed bill.

Section 7307 of title 10, United States Code, requires the authorization of Congress for the loan of destroyers and submarines that have not been stricken from the naval vessel register.

COST AND BUDGET DATA

It is estimated that the cost of activation, which includes rehabilitation, outfitting, and providing spare parts, ammunition, and logistic support, for each destroyer will be approximately $2.5 million; for each destroyer escort, approximately $1.7 million; and for each submarine, approximately $1.9 million. The costs will be charged to funds programed for the recipient government under the Mutual Security Act of 1954, as amended, or to funds provided by the recipient government under the reimbursable provisions of that act, on a country by country basis, in accordance with their economic capability.

Should the United States request the return of a ship loaned prior to the expiration of the loan period specified by the agreement, the foreign government, if it has paid the above costs under the reimbursable provisions of the act, will be reimbursed by the United States on a pro rata basis.

Sincerely yours,

RICHARD JACKSON,
Assistant Secretary of the Navy (Personnel and Reserve Forces).

AMENDMENT OF ANTITRUST LAWS, RELATING TO PREVENTION OF MONOPOLISTIC ACTS OR PRACTICES—AMENDMENT

Mr. YOUNG (for himself, Mr. O'MAHONEY, Mr. WATKINS, and Mr. CARROLL) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which was ordered to lie on the table, and to be printed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. MARTIN of Iowa submitted amendments, intended to be proposed by him, to the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, which were ordered to lie on the table, and to be printed.

EXPANSION OF PUBLIC FACILITY LOAN PROGRAM—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 17, 1958,

The names of Mr. MANSFIELD, Mr. FREAR, Mr. MCNAMARA, and Mr. REVERCOMB, were added as additional cosponsors of the bill (S. 3497) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes, introduced by Mr. FULBRIGHT (for himself and other Senators) on March 17, 1958.

USE OF SURPLUS FOODS TO ASSIST NEEDY FAMILIES IN COMMUNITIES SUFFERING FROM SERIOUS UNEMPLOYMENT — ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 17, 1958,

The name of Mr. CLARK was added as a cosponsor of the bill (S. 3501) to authorize the Secretary of Agriculture to expend funds appropriated for the diversion of surplus farm commodities to provide balanced diets in schools and institutions and for needy families, introduced by Mr. PROXMIRE on March 17, 1958.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. TALMADGE:

Address entitled "Values in American Education," delivered by Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare, before Rotary Club of Atlanta, Ga., on March 17, 1958.

By Mr. McCLELLAN:

Address delivered by Hon. James A. Farley, and statement by himself which was read, at New York Chamber of Commerce dinner in honor of Hon. Herbert Hoover and his associates on the First and Second Hoover Commissions, at the Waldorf-Astoria, New York City, February 21, 1958.

BOMBING OF JEWISH COMMUNITY CENTERS IN NASHVILE AND MIAMI

Mr. JAVITS. Mr. President, millions of Americans, both in and outside the South, must feel a sense of personal outrage at the bombing of Jewish community centers in Nashville and Miami and the threat to Federal Judge Miller of Nashville. Every citizen can understand that this kind of intimidation against the exercise of lawful constitutional rights is a fundamental threat to our system of government and society. It cannot and should not be tolerated, and it is most gratifying to report the spontaneous and determined reaction by public and governmental authorities in both cities, as well as the prompt interposition of the FBI to the extent of its jurisdiction.

I have very often spoken with full understanding of the difficult nature of the issue of integration in the public school system of the Southern States pursuant to the Supreme Court mandate, and of the sincerity of many who feel deeply that it should not be done; but the great tradition of law in our country prevails over everything else, and Americans have learned that discipline is required of citizens to preserve free institutions. I am confident that it is only a tiny minority which would outrage and besmirch our Constitution and its safeguards by a violent effort to intimidate the Jewish communities in Nashville, Miami, and elsewhere in the South by acts of lawless violence. I do not believe that these efforts at intimidation will succeed either in the Jewish communities directly concerned, or with the Federal judges. Jews have never hesitated throughout history to shoulder the burdens of conscience and the responsibilities of the struggle for freedom, knowing full well that the fate of all minorities is the fate of every minority. It is because our Constitution protects minorities as of right which makes it the embodiment of the ethical teachings of 5,000 years of Judeo-Christian thought and learning.

The religious conscience of the Christian faiths, both Catholic and Protestant, has already been aroused to the implications, in terms of religious teachings and the Bible, of segregation and discrimination on grounds of race and color; these attacks in Miami and Nashville are just as much an assault upon such Christians in the South as upon the Jewish community. The intimidation of these bombings will fail, but the intimidators must, in the national interest, be found and brought to justice.

It is my understanding that the Department of Justice, through the FBI, is investigating the bombing and the threats, but the jurisdiction under which the Justice Department operates is unnecessarily narrow and calls for immediate amendment to the existing criminal law. Under present law, a conspiracy to intimidate a judge in the exercise of his duties is punishable as a crime, but intimidation and threats made by a single individual are not subject to Federal jurisdiction, nor to the investigation by the FBI unless by happenstance the threat is carried over interstate communication systems—a totally irrelevant factor in attempting to preserve Federal justice from intimidation. I therefore am introducing legislation which will in substance provide that whoever, alone or in conspiracy with others, by threats, force, or intimidation, prevents or attempts to prevent a Federal officer, including a judge, from carrying out his duties or threatens to injure him because he has already done so shall be punishable as a felon.

I have long espoused the principle of education, technical assistance, and conciliation to bring about compliance with the decision of the Supreme Court regarding desegregation in the schools in order to achieve for all our people their full civil rights as guaranteed by the Constitution. The leader in that movement for a much longer time than I have been in it has been my senior colleague from New York [Mr. IVES]. But, I believe, just as strongly, that, in order to make the processes of education, technical assistance, and conciliation work, they must be backed up by Federal law to insure protection against violence and civil disorder, particularly when directed against the judges who are primarily charged with the impartial discharge of justice or against citizens obeying the law.

We see the two sides of the medallion in this situation, on the one side lawlessness, and on the other side the inevitable attention of the great body of citizens and the governments, including governments of municipalities, to see that justice is done, and that the American sense of fair play is properly applied. I am confident it is this side, rather than the lawless element, which will triumph.

ALASKAN AND HAWAIIAN STATEHOOD

Mr. CHURCH. Mr. President, the Washington Evening Star last evening, March 17, editorially called upon the Rules Committee of the House to report the Alaskan statehood bill to the House. In the editorial the newspaper called attention to the fact that statehood has the support of both party platforms, and has been considered for more than 40 years.

Mr. President, the time is growing short. Soon it may be too late to accomplish action during this session. Justification for further delay is nonexistent.

I ask unanimous consent that this excellent editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET THE HOUSE VOTE

The time has come for the House Rules Committee to do its part in redeeming a pledge made repeatedly by both major political parties. It is the matter of authorizing statehood for Alaska and Hawaii, a subject that has been brought to Congress intermittently since 1916 and that has received favorable support in Democratic and Republican platforms since 1948.

At this point, an Alaskan statehood bill—indorsed by the House Interior Committee—is before the powerful rules body, and Interior Committee Chairman ENGLE, California Democrat, has been promised that some time after March 15 consideration will be given to clearing the measure for action on the House floor. A similar bill already has been reported favorably in the Senate. Supporters of Alaskan statehood express confidence that they can win a favorable vote in both Chambers—if the Congressional leadership will clear the way to call the bills up for the ultimate tests.

The arguments pro and con on statehood for either of the Territories have been made

repeatedly and there is little new than can be added. It has been established that a majority of the inhabitants of each Territory want statehood. From the standpoint of population and on the basis of political and economic development, both Territories have met the proper tests for eligibility. Partisan political considerations have contributed to past frustrations, particularly when the case for both Territories has been joined in a single piece of legislation. They are separated now and, with the backing already given to the Alaska measure, the Rules Committee should let the full House vote.

CONTROL OF SIGNBOARDS ON INTERSTATE HIGHWAYS

Mr. NEUBERGER. Mr. President, one major reason that the Senate Public Works Committee has recognized for the first time in history the responsibility of the Federal Government for protection of roadside scenery is the fact that the distinguished junior Senator from California [Mr. KUCHEL] has been so cooperative in working with me toward a bipartisan compromise on our two proposals in the field of signboard regulation.

An excellent—and anticipatory—editorial with respect to such a compromise appeared in the Portland Oregonian, which is published in my home city, on February 21, 1958. Because the Senate soon will discuss the splendid new highway bill, with its signboard-control provision, I ask unanimous consent that the editorial, entitled "Roadside Issue Up Again," be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ROADSIDE ISSUE UP AGAIN

There is good reason for hope that the campaign to keep the projected new interstate freeway system relatively free of billboard clutter will soon bear some fruit.

For one thing, the roadside beautification forces have won an influential recruit. President Eisenhower, in his budget message, recommended "prompt enactment of legislation to control advertising on the Interstate Highway System" and later wrote as follows to Gen. U. S. Grant III, president of the American Planning and Civic Association: "I am convinced that this activity must be controlled and regulated if the public is to have the safe driving conditions and surroundings contemplated by the high standards applicable to the Interstate System. * * * I believe that Federal legislation on the subject is necessary to assure effective State action."

Another convert is Senator KUCHEL, of California, who has introduced in the Senate a bill intended as a compromise substitute for the Neuberger bill and the Bush bill, two other regulatory measures reposing in the Senate Committee on Public Works. The Kuchel bill (S. 3218) would, however, confine regulation to "outside incorporated municipalities," which would be a severe restraint where political subdivisions are continuous. All three bills would provide for Federal incentive payments to encourage States to enter into agreements restricting roadside advertising. The restricted area proposed ranges upward from 600 feet on either side of the highway. Eight similar bills are lying in committee in the House of Representatives.

The importance of favorable Congressional action on such legislation in this session cannot be overemphasized. As the President has said, such action "is necessary to assure effective State action." Application of controls is a State job. Federal law can merely provide the incentive. If Congress does not act this year, prior to next year's State legislative session, no widespread State action can be expected prior to 1961. And by that time the interstate freeway system could be well on its way to development as a billboard alley. Few States have roadside regulations even as extensive as those governing posting along new Oregon highways like the Baldock Freeway.

REV. FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. NEUBERGER. Mr. President, I have just been informed of the award made by the Freedoms Foundation to the Chaplain of the Senate, the Reverend Frederick Brown Harris. I desire to join in the congratulations already voiced to the illustrious spiritual leader of this body.

One of the genuine pleasures of my membership in the Senate has been to know personally Dr. Harris and his charming wife. Even more than the merited honor which has just come to him, I rejoice in his recent recovery from illness and surgery, so that he again may guide and steady us.

I am certain that many Members of the Senate—as well as the general public—received much inspiration from the outstanding sermons which were delivered by Dr. Harris, during his long tenure as pastor of the Foundry Methodist Church, and which are now frequently reprinted on the Sunday editorial page of the Washington Evening Star.

We rarely appreciate our friends until they have been absent. That may be why so many are delighted to have our Chaplain in the Senate chamber once more. I particularly appreciate his presence back with us.

SOIL AND WATER CONSERVATION

Mr. CARLSON. Mr. President, there is great interest in Kansas in Federal and State programs for the conservation of our soil and water as they fit into flood prevention programs.

The McPherson County soil conservation district is recommending that assistance for detention or flood-control dams under the ACP be increased to at least 80 percent or more of the cost of construction, and at a recent meeting adopted a resolution to that effect.

I ask unanimous consent that the resolution be printed in the RECORD as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

McPHERSON COUNTY
SOIL CONSERVATION DISTRICT,
McPherson, Kans., February 24, 1958.

Hon. FRANK CARLSON,
United States Senate,
Washington, D. C.

DEAR SENATOR CARLSON: The following is a copy of a resolution recently adopted by the McPherson County soil conservation district board of supervisors. We have given the problem covered by this resolution considerable study and we feel that it deserves the support and consideration of all people concerned with our soil- and water-conservation and flood-prevention programs. Therefore, we are submitting a copy of the resolution for your consideration and support:

"We, the soil conservation district board of supervisors of the McPherson County soil conservation district, feel there is still quite a gap between flood-control measures which can be built under the present ACP program and those contemplated under the small watershed program (566). We would recommend that assistance for detention or flood-control dams under the ACP program be increased to at least 80 percent or more of the cost of construction.

"Preliminary examinations of our smaller watersheds indicate that where good sites for flood-retarding structures are available, there is frequently such a small area of agricultural land below to protect that there may be difficulty in claiming benefits in excess of the cost of the structure as presently calculated under 566. We are of the impression that many of the flood-control structures we need are small enough that they should be built under the ACP program rather than under Public Law 566. However, the present rate of assistance (60 percent) under the ACP program puts so much expense on the farmers that we are not getting them built under that program either.

"Many of the smaller flood-control structures can be built much more expeditiously and at much less total cost under the ACP program and the benefits would consequently more easily exceed the costs if built under that program rather than under Public Law 566.

"Since the benefits are the same whether built under Public Law 566 or ACP if the same detention storage is provided, we feel that rate of assistance should be more comparable under both programs. We admit 100-percent assistance under the ACP program is probably too much to expect even thought we feel it is justified. We believe ACP assistance of 90 percent, or at the least 80 percent, for flood-control structures is justified and the increased rate would greatly facilitate a complete soil- and water-conservation program in our district.

"Adopted unanimously by the McPherson County soil conservation district board of supervisors on January 29, 1958."

Respectfully yours,

PHILIP D. SPOHN,
Chairman.
GEORGE V. NELSON,
Vice Chairman.
HAROLD K. OLSON,
Secretary.
HERBERT E. STUCKY,
Treasurer.
P. A. WALN,
Member.

AID TO INDIA

Mr. SMITH of New Jersey. Mr. President, our distinguished colleague, the Senator from Kentucky [Mr. COOPER], in an article entitled "India: Crucial Test of Foreign Aid," which was printed in the New York Times magazine of March 16, has ably presented the case for economic assistance to India.

From his rich experience, the Senator from Kentucky has described the strenuous effort, against difficult odds, being made by India to improve its economy.

The self-interest of the United States is the most forceful argument, the Senator from Kentucky states, for extending assistance to India to enable it to reduce its foreign-exchange gap. Without dollars and other currencies "necessary to buy the steel, tools, and other capital goods which India does not now produce," it will not be able to achieve the goals of its second 5-year plan, and the

Free World, as a consequence, may suffer an irremediable setback in its struggle against communism.

India has chosen the democratic road, but it needs help to overcome the serious problems confronting it. I congratulate the able Senator from Kentucky on his excellent presentation of this crucial problem, and I ask unanimous consent that both the article by the Senator from Kentucky and an editorial from the New York Times of March 16, entitled "India: Test of Foreign Aid," be printed in the RECORD following my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

INDIA: CRUCIAL TEST OF FOREIGN AID—WITHOUT OUR HELP, SAYS SENATOR COOPER, THE WEST COULD LOSE A BASTION OF DEMOCRACY

(By JOHN SHERMAN COOPER, of Kentucky)

WASHINGTON.—On March 4, the Department of State announced that the United States had agreed to lend to the Republic of India $225 million to help finance the second 5-year economic development plan, which will end in May 1961.

The United States has afforded substantial assistance to India since its independence, and the new loan is fresh evidence of our support. The question now is whether we understand the size of India's economic problem, its importance to the United States and to free institutions, and whether we will make available, during the remainder of its second 5-year plan, sufficient loans to help India solve its problem.

As ambassador to India in 1955–56, I had first-hand knowledge of the active support given by the President and Secretary of State Dulles to India's economic development. The statement of Mr. Dulles on March 4 that "we hope that we, together with other Free World countries and the World Bank, can give the foreign exchange requirements of the Indian program enough support, in the form of loans, so it will be possible for that program to continue in an adequate form" indicates that the administration will consider additional measures to aid India.

India's problem is a foreign exchange gap of $1.4 billion in her second 5-year plan. While the new loan of $225 million will be of substantial assistance in closing the gap, additional loans approximating $500 million will be needed from the United States during the remainder of the plan if India's economic program is to be successful. And it is necessary that we give India the maximum assurance possible that the loans will be available.

It is difficult in our constitutional system to give this absolute assurance. But there are steps that can be taken this year which will give evidence of our purposes. An additional allocation of $75 million from the Economic Development Fund can be made after July 1. And if, as I have recommended several times, payment by India of the balance of our 1951 wheat loan of $187 million is changed to payment in local currency, to conform with our present policy of agricultural surplus sales, India would be enabled to extend its credit at the World Bank by $125 million.

These two steps, coupled with the $225 million loan, would provide India with $400 million of credits during our fiscal year ending July 1, 1959, and would meet India's needs for that period. The additional $300 million that would be needed before 1961 could be provided by loans from the Export-Import Bank and the Economic Development Fund. If it is not possible to provide the full amount, the administration should submit to the Congress in 1959 its request for a direct loan to India.

At a time of economic recession, and in the face of the inevitable drive to cut expenses to meet the new costs of military security, I realize that proposals to advance economic aid will meet critical inquiry, and opposition. But I have no doubt that our economy will quickly resume its advance. And, if the full case is made for aid to India, I believe the Congress and the country will see that it is a matter of our national self-interest.

India has chosen democratic institutions and is staking its success on free and voluntary methods. Its leaders are unalterably opposed to force and coercion and are democratic in conviction. Twice they have taken their policies to their people in the largest free elections in the world. India's influence, already great, will increase throughout Asia and Africa, and in the world. And a strong democratic India is in harmony with our goal of independent, democratic nations. But in this article, I make my appeal chiefly to the self-interest of the United States.

It is crucial that India, the largest non-Communist nation, succeed. India is the most powerful country in the South Asian, Middle Eastern and African region in terms of resources and present economic development. Strategically it is the center of this vital region. It is a source of democratic strength and stability flanked by the inflammatory Middle East and turbulent south Asia. And it has undertaken to carry through its development through democratic means.

A watchful Asia and Africa will compare the results in free India and Communist China, to see whether the living conditions of millions of human beings are improved most effectively through India's voluntary methods or through the coercion of Chinese communism, backed by massive Soviet aid.

Post-Stalinist Russia has shown itself abundantly aware of the stakes in countries struggling to advance economically. While in India as Ambassador, I saw the beginning of a more flexible Soviet approach to the newly independent countries of Asia. Prime Minister Bulganin and Mr. Khrushchev took great liberties with India's hospitality, but the scope of their speeches indicated that infinite study had been devoted to their trip and what they should say. Not only did they do everything to show respect for India's traditions and aspirations, but they associated themselves constantly with India's compulsion to advance economically. Over and over, they repeated the theme: "Forty years ago, Russia was a backward country, economically. Now, we are standing up to the whole of the industrialized West. We will help you do likewise, and we will share our last crust of bread with you."

Since then, they have backed up their words with substantial help. The Russians have advanced over $250 million of credits to India upon very favorable terms. This includes the construction of an entire steel plant, machine tool plants, the commitment of 1 million tons of steel, and the training of hundreds of technicians, supervisors and skilled workers in basic industries.

As Lester Pearson of Canada said of this new political and economic challenge, "We in the West are facing a long and difficult period of competitive coexistence in this, as in other fields. The competition will be formidable in extent, and astute in its planning on the other side, and is not likely to be conducted under Marquis of Queensberry rules."

India will be a vital test case of our response to this challenge. The economic upheaval in India, as in other Asian countries, is part of a continuing revolution. After winning independence, India necessarily focused its energies on economic development. No nation any longer has the chance to carry through the industrial revolution at the slower pace at which the West moved during the 18th and 19th centuries. People everywhere now know that science and technology make possible an end to poverty. The West's own example immeasurably stepped up the pace, and the example of Soviet Russia and Communist China now whips up the passion for greater speed. Any democratic government in the newly independent countries that fails to show progress in economic improvement of the life of the people will lose the support of the people.

The difficulties in democratic India's way are infinitely greater than they were in the United States or any Western country. With a population of over 380 million, a national income of $22 billion, a per capita annual income of $56 and a per capita food intake of 1,900 calories a day, India faces a staggering problem.

Nevertheless, India presents a hopeful test, for there is every reason to believe that with adequate American aid it can overcome its difficulties. It has many important assets in addition to rich natural resources. It has a democratic government, whose leaders command the overwhelming support of the people. It has a first-rate civil service, probably the best in the region. It is one of the few newly independent countries which has a well-thought-out economic program, with blueprints and plans of specific projects drawn up in good detail.

Moreover, India's energetic efforts to pull itself up by its own bootstraps promise effective use of the aid we extend. To meet the demands of its people and to achieve economic self-sufficiency, India embarked on its first 5-year plan in 1950, and in May 1956 on its second 5-year plan. These were programs for balanced industrialization, based on a mixed economy approach, with development of both public and private sectors of the economy.

Substantial progress was made under the first 5-year plan. Food production, aided by good monsoons, increased by about 23 percent; industrial production rose by 33 percent. And the community development program of rural improvement, drawing heavily on the experience of United States agricultural extension workers, spread to include nearly one-third of India's 500,000 villages, stirring interest and local initiative in education, health and modern agriculture.

Successful as it was, the first plan laid only the base for the effort contemplated in the second 5-year plan. This plan calls for the investment by the Indian Government of $9.6 million, and by private sources of $4.8 million. An increase in food production is still a major goal. But emphasis is on the development of basic heavy industries, such as coal, iron and steel; electric power; machine tools and chemicals. Such development will free India in part from its present dependence on imports and provide the means of generating subsidiary and consumer industries.

The plan is not an overambitious one. An increase in steel production from 1,270,000 tons per year to 4,300,000 tons cannot be called excessive in a country with a population as large as India's. Even if the plan is completed, India's per capita annual income will increase only from $56 to $66, compared to ours in America of more than $2,000. And her national income will, at the end of the 5 years, only have increased from $21 billion to $26 billion.

Nor is India forgetting the immediate and human needs of the people, most of whom live in villages. Unlike the industrial development of the U. S. S. R. and China, which is based on the forced collectivization of the peasants, India's plan calls for the extension of the voluntary community development program to all its villages by 1961.

Of course, the chief effort must be made—and is being made—by India. In the first

5-year plan, 90 percent of the total investment came from its own resources, and about the same will be true of the second plan. Its primary capital is the labor and the savings of its people. Taxes are high in India, imports have been severely restricted, and internal deficit financing of more than $2 billion will be tried.

This is an important effort at self-help, equaled by no country in the Free World. And India is doing it by democratic methods, under a constitutional government that has twice now gone to the people in the world's largest free elections.

India's crisis comes over foreign exchange. For no matter how tightly India pulls in its own belt, its internal financing will not produce the dollars and other currencies necessary to buy the steel, tools, and other capital goods which India does not now produce. And unless India gets the steel and other goods, it will not be able to build the new industries called for—and the plan will fail.

For its second 5-year plan the Indian Government foresaw a need for $2,200,000,000 with which to buy capital goods abroad. Since 1956, however, crop failures, the closing of Suez, and additional purchases of Western military equipment (which India felt imperative as a result of our extensive military aid to Pakistan) have increased foreign exchange needs to $3,400,000,000.

India reduced this gap to $2,200,000,000 by drawing $1 billion from its sterling reserves and $200 million from the International Monetary Fund. Loans from the World Bank, and other sources, including Russia, will reduce the gap to $1,400,000,000. It is to help make up this amount that the United States is asked to provide additional loans and capital goods.

If we meet our present test with aid to India, I think we will be in a better position to take on the new Soviet economic and political challenge throughout the world.

In this time of crisis we will give new inspiration to the world by showing that we can formulate constructive policies for the difficult years ahead. To the extent that the struggle between Soviet communism and Western democracy can be shifted away from the immeasurable danger of an atomic battlefield into economic, social, and political fields, the world will be better off.

INDIA: TEST OF FOREIGN AID

A bloodless battle between the Russians and ourselves is going on within the world's largest population mass next to China—the people of India. This struggle, as Senator JOHN SHERMAN COOPER, our former Ambassador to India, describes it in today's Times magazine, is a phase of what is somewhat inaccurately called foreign aid. Aid to India is largely expressed in a new loan of $225 million and in possible further loans and credits that would bring the total to about $700 million. Senator COOPER admits that there may be opposition to such loans or gifts in this period of recession, but, as he says, his appeal lies chiefly to the self-interest of the United States.

The expression "self-interest" is not the most poetic in the world, but it may imply, as some of the greatest religious teachers have indicated, a kindly consideration for our neighbors. When we make loans to India or any other democratic country we may also make friends. The Russians, who, as Senator COOPER says, "have advanced over $250 million of credit to India upon very favorable terms," are also trying to make friends—not merely for themselves but for their doctrine of power and tyranny. We are trying to make friends for freedom, for if we do not succeed in spreading freedom in the world we may lose our freedom here.

Some indication of what has to be done if India is to be brought up to Western standards is India's per capita annual income of $56, as contrasted with America's more than $2,000. India began in May 1956, its second 5-year plan. At the end of this second period in 1961 it is hoped her annual per capita income will have risen to $66. This seemingly small achievement means a great deal to many millions who have long lived in such poverty as we can hardly imagine. It means the more because India is attempting to achieve results by voluntary methods.

It will be a long haul. Involved in it will be not only men's bodies but their souls. To Senator COOPER it seems, and we agree, that if "we meet our present test with aid to India we will be in a better position to take on the new Soviet economic and political challenge throughout the world."

RECESSION CURES FEARED AS WORSE THAN THE DISEASE

Mr. SMITH of New Jersey. Mr. President, all of us are vitally concerned with the current economic condition of the Nation, but it is essential that while we are promoting emergency measures for the relief of those who have been most hard hit, we also take into account the long-range aspects of the situation. Continuing careful appraisals can help to restrain us from adopting measures which contain within themselves the possibility of future fiscal crises in the form of heavily unbalanced budgets, and inflation.

Such a warning has been given by Mr. David Lawrence in his article entitled "Recession Cures Feared As Worse Than the Disease," which appeared in the March 14 issue of the Herald Tribune. I ask unanimous consent that this article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECESSION CURES FEARED AS WORSE THAN THE DISEASE

(By David Lawrence)

WASHINGTON, March 13.—There's an old saying that "the remedy could be worse than the disease," and that's what might happen if all or even some of the various antirecession measures being proposed in Congress were put into effect.

Senator HARRY BYRD, Democrat, of Virginia, chairman of the Senate Finance Committee, gives an inkling of what might occur when he says that if two pending bills, each providing $5 million or more in tax reduction, are adopted, this might throw the Federal Treasury $10 billion to $15 billion into the red.

There are about 5,200,000 persons now out of work but, if America embarks on what could result in a runaway inflation, the eventual bust could bring about an unemployment many times that figure.

The Eisenhower administration is not allowing itself to be stampeded by pressure for tax reduction and, when it comes up with a plan, it will be one that takes into account the long-range as well as the short-range aspects.

The Government would surely face a serious situation from a fiscal point of view if, without waiting to get a clear picture of just what has been happening in the national economy, it interjected an unbalancing factor in the way of a sharp reduction in tax receipts.

The psychological effect, in other words, of a deficit of $10 to $15 billion might tend to bring such a pessimistic outlook for the long-range future as to discourage the very sentiment needed now for business recovery. The stock market would be one of the first institutions to reflect the coming of an inflationary spiral. For, if the 50-cent dollar of today were to be headed down toward a 25-cent value in the next few years, obviously prices of stocks would tend to rise commensurately. This would be an artificial upsurge that could in the end bring on a smash.

TAX CUT NO JOBLESS AID

It is no surprise, therefore, that words of caution came from Secretary of the Treasury Anderson on Wednesday after his conference with President Eisenhower and his economic advisers. There is need, of course, for tax revision, but it should be undertaken on a gradually changing rate basis and not just as a means of distributing purchasing power to individuals. It should include a method of stimulating the heavy-goods industries so that manufacturing corporations can begin to plan for new equipment and plants.

If it were merely a case of giving cash to the public generally, it would cost far less to aid certain distressed areas on a local basis. For most of the tax proposals would give a tax reduction to those who already have jobs and savings enough to continue a high velocity of purchasing. The unemployed, on the other hand, would not benefit by a tax reduction to individuals. Business itself would have to be encouraged somehow by corporate-tax reductions to create more employment. This would have an impact on industrial conditions generally.

BUSINESS UPSET LAST YEAR

Last year, when this correspondent was almost alone in defending the $71 billion budget of the President, there was a widespread pressure in Congress for reducing the spending. It resulted in an artificial restraint on the flow of defense expenditures. The sudden cuts and the modification of the system of Government financing of defense contracts by advance payments threw many a business into an embarrassing position. The manufacturers were forced to borrow at high rates to pay bills the Government customarily paid while the work was in process.

This weakness has now been remedied and the Government is readjusting its method of handling defense contracts. It is speeding up the allocation of orders, too. Defense spending is now estimated by Secretary McElroy at $11,700,000,000 for the first 6 months of 1958, as compared with half that amount for the last 6 months of 1957. There are also to be noted some marked increases in spending not only by the Federal but by State and local governments for important projects previously put aside.

RETAIL SALES FAIRLY STEADY

There are signs, too, that retail sales have held fairly well throughout the country. The Federal Reserve Bank of Chicago in its latest report, says the decline in employment is basically due to inventory reductions and decreases in durable goods as well as defense hardware. These factors can be helped by the unspectacular steps already taken in the Defense Department and in purchases which were authorized for the Government to make but were delayed during the economy wave of last year.

The present recession wasn't planned, as some Democratic Senators are saying, but it is in part the direct result of the drive made early last year by some of the same Democrats to curtail defense appropriations. A change came when the first Soviet sputnik was launched late in 1957. The biggest economizers of last year in Congress are among those who would spend extravagantly this year and also would deprive the Treasury of billions of tax revenue. If politicians instead of economists are heeded, the remedy indeed may prove worse than the disease.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. McNAMARA obtained the floor.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Michigan may yield to me for the purpose of suggesting the absence of a quorum, without losing his right to the floor.

Mr. McNAMARA. I would be happy to yield.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WORK OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD—THE KOHLER STRIKE

Mr. McNAMARA. Mr. President, a few weeks ago the Senate agreed to continue the Select Committee on Improper Activities in the Labor or Management Field, with another $500,000 to finance it.

As my colleagues know, I am a member of that committee, and I have been since it was organized in January 1957.

When the resolution to continue the life of the committee was considered by the Senate some weeks back I had some serious doubts about the wisdom of this move.

Frankly, I wondered what further good could be accomplished by the committee.

As I understand, its main purpose was to provide legislative recommendations to the appropriate standing committees of the Senate.

Actually the select committee had not made any recommendations at the time the resolution extending its life was voted on last January.

But it is interesting to note that about 15 pieces of proposed labor legislation, all growing out of the work of the select committee during the past year, already were in the Senate hopper.

It is significant to note that 11 of these 15 bills were introduced by members of the select committee. I believe more have been introduced since, again by members of the committee.

Therefore, it occurred to me that there certainly were ample bills on hand to enable the appropriate standing committees to resume their normal and natural functions.

Confirmation of my reasoning came, I believe, when the chairman of the Subcommittee on Labor of the Labor and Public Welfare Committee announced the other day that hearings on the pending legislation would begin later this month.

Mr. President, the reason I raise this point today is simply to offer the observation that the select committee should have quit while it was ahead.

It had its record made. It had, I believe, the general confidence of the people of the country.

It had, I know, the cooperation of the AFL–CIO, which was just as anxious to eliminate any improper activities within the labor movement.

Yes, Mr. President, the select committee had its comfortable niche in history well secured.

Unfortunately, the good name of the select committee and the record its has achieved now are on the verge of complete destruction, if, indeed, the damage has not already been done.

The reason for this self-destruction is the farce now going on in the caucus room, which purports to be an investigation of the United Auto Workers strike against the Kohler Co.

This strike has been continuing for nearly 4 years. Certainly, it is a sad one. It is a bitter one. I would be the last to say that either side was completely blameless.

Yet, the record of this strike was well-developed long before the committee began its so-called hearing.

The National Labor Relations Board had gone into this case thoroughly, and the findings by a hearing examiner of unfair labor practices against the company are now before the full board.

To my knowledge, from the record of these hearings nothing new has been developed. I refer to the McClellan committee hearings—except possibly that the company was using labor spies.

What then was the reason for going into this strike?

There was but one real reason. That was to embarrass, or if possible, cripple, the UAW.

Anyone who has followed these hearings, either by attending them or by reading the transcript or the newspaper accounts, can readily attest to this.

Time after time the questioning of witnesses was not directed toward issues in the Kohler strike, but to the past history of the UAW or of its officers.

Not only that, but there were deliberate attempts to lay all the ills of labor-management relations, practically since the birth of Samuel Gompers, at the feet of the UAW and Walter Reuther.

An example of this came the other day, when it was implied that the CIO was responsible for 37 deaths in 13 strikes—a complete and deliberate distortion of facts.

No; there is no question of the objectives.

I do not say this in defense of the UAW. That organization certainly needs no defense from me or anyone else.

Yet, I would like to see the Kohler strike settled. I would like to see this bitterness erased and peace restored.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. PROXMIRE. Mr. President, speaking as a Senator from the State of Wisconsin, I should like to say to the distinguished Senator from Michigan that the people of Wisconsin would certainly like to see the strike settled. However, I should like to say several things as quickly as I can. I believe that Sheboygan and the State of Wisconsin have been put in a most unfortunate and unfair position by a number of developments which have occurred during the strike.

First, I deeply regretted it when a top representative of the United Automobile Workers called in question the integrity of the clergy of Sheboygan. I believe that was most unfortunate and unfair, because I know personally many of the leading religious leaders in that community, and I know that they are men of absolute integrity and of deep conviction. Although they have taken some part in the strike occasionally, I am sure they have always been motivated by a deep desire to settle the strike as quickly as it could be settled. I say this, although I realize, of course, that Mr. Mazey, after he made the statement, withdrew it. I am glad he did retract it. However, as a Senator from Wisconsin, I cannot permit this opportunity to pass without asserting my pride in the character of the clergy of Sheboygan that has been impugned.

In the second place, there has been a great deal of talk about violence in the strike. There has been some violence. This is most deplorable. But this strike has been in existence for 4 years. There has been tremendous bitterness. As a matter of fact, it is surprising, as the New York Times points out, that the number of persons who have suffered bodily harm in 4 years has been only about a half dozen. Of course, I deeply regret there have been this many. Nevertheless, all things considered, the Sheboygan record has been good.

The restraint and good sense of the people of Sheboygan and the whole community is to their credit, in view of the duress and stress under which they have been living. Most regrettable is the one act of particular violence which has been described to me, and which was charged to a man who left the State of Wisconsin and went to Michigan. It is unfortunate that he has not been extradited; I feel very strongly that he should be extradited, because the failure to extradite him constitutes a lack of faith in Wisconsin justice.

In speaking to the point the Senator from Michigan has raised, I should like to say that I, too, think the strike should be settled, and in that connection I should like to emphasize the fact that there have been a series of occasions

when responsible people and responsible officials have tried to settle the strike.

While I believe that there has been some fault on the part of the union, as I have indicated in my remarks so far, I believe that in this case the failure to settle the strike is very largely the fault of the company. I point out that on May 7, 1954, only a few weeks after the strike had started, Federal Judge Robert Tehan offered a truce plan. The union accepted it, but the Kohler Co. rejected it.

On June 29, 1954, Mr. Lawrence E. Gooding, the chairman of the Wisconsin Employment Relations Board, acting as a personal representative of Governor Kohler, entered the negotiations. The Kohler Co. made no change in its position, and walked out of the negotiations.

On July 8, 1954, Governor Kohler offered his services. Governor Kohler is a man against whom I have run three times, I know him as a political opponent. I have the greatest respect for him. He is a man of absolute integrity and fairness. He has not been biased. Incidentally, he is a nephew of the president of the Kohler Co., Herbert Kohler. Governor Kohler asked both sides to submit the issue in dispute to arbitration. The union accepted, but the Kohler Co. angrily turned down the offer in a letter made public in which they criticized the Governor for interfering with the Kohler Co.'s private business.

On January 28, 1955, Mr. Clyde M. Mills, Acting Director of the Federal Conciliation and Mediation Service, called both parties to Washington. The union indicated a willingness to negotiate. The Kohler Co. spokesman said their offer was unchanged.

On June 3, 1955, the Senator from New York [Mr. IVES], the late Senator from West Virginia, Mr. Neely, and the Senator from Michigan [Mr. MCNAMARA], at a meeting of the Committee on Labor and Public Welfare, urged both parties to negotiate in Washington. Again the union was willing. The Kohler Co. refused.

Mr. MCNAMARA. I should like to indicate at that point that this was a subcommittee of the Committee on Labor and Public Welfare.

Mr. PROXMIRE. The Senator is correct.

On the same day, June 3, 1955, Secretary of Labor, James P. Mitchell, offered to act as arbitrator of the dispute. The union accepted, but again the company refused.

On July 5, 1955, the mayor of Sheboygan called both parties to meet in an effort to settle the strike. The Kohler Co. officials walked out of the meeting, calling it a publicity stunt. The union had agreed to meet.

There are many other instances which follow the same pattern, with the union willing to accept negotiation and the company turning down such offers.

I conclude by saying that I feel very strongly that the strike should be settled, and that nothing is being accomplished by continuing or dragging out the strike. The people of Wisconsin are very grateful to the Members of the Senate and to the other public officials for their efforts in trying to settle the strike.

Mr. MCNAMARA. Mr. President, I thank the Senator for his contribution.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MCNAMARA. I yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I have listened with interest to the remarks of my friend, the junior Senator from Michigan. They are made with his characteristic candor and courage.

It has been my opinion, and it continues to be my opinion, that the chairman of the Select Committee on Improper Activities in the Labor-Management Relations [Mr. MCCLELLAN] and his colleagues on the committee, of whom the Senator from Michigan is one, deserve much credit for exposing corruption in certain labor circles. The very existence of the Ethical Practices Committee of the AFL–CIO is a demonstration that responsible leaders of labor recognize this fact.

Certain of the unsavory and shabby aspects of a few top leaders in the Teamsters union, for example, were known to many of us in the Pacific Northwest. These men betrayed and looted their rank and file members. Leading Northwest newspapers, like the Oregonian, had exposed such facts, but these so-called labor leaders were not exposed nationally until the select committee began its hearings and revelations.

In other words, I agree with the Senator from Wisconsin that the committee was far ahead and it had made a favorable impression upon public opinion throughout the Nation, in labor circles as well as with the general public, and in management circles.

I should like to inform the Senator from Michigan and other Senators what disgusted me with the present investigation into the Kohler strike in Wisconsin. Of course, I do not have the intimate knowledge of that particular local situation which the junior Senator from Wisconsin and the junior Senator from Michigan have. However, I became disgusted and disturbed when I read in the press that a member of the select committee became preoccupied, if I am not mistaken, with the private marital life of one of the labor leaders, to whom he addressed a prolonged series of questions, involving so-called disclosures, along that line.

In my opinion, there has been too much of this kind of prying and snooping. I am a Democrat, but I desire to say for the record that I was distressed and annoyed by the questions which were raised about the recent vacation taken by Mrs. Dwight Eisenhower, which was certainly a private matter and should have been left as such.

In conclusion, I wish to tell my friend, the Senator from Michigan that what disturbs me about the current trend of the committee is this: I have always been sympathetic with labor and I believe that certain legislation will be justified in order to protect the union members who pay dues, so that their unions will not be conducted in a high-handed or tyrannical fashion. I am a supporter of the bill introduced by our good friend, the senior Senator from Illinois [Mr. DOUGLAS] to safeguard and protect union welfare funds. I fear if the Select Committee To Investigate Improper Activities in Labor-Management Relations continues its present course, it may so discredit itself with respect to some of the good causes it has undertaken to espouse in the past that it may end with not providing any protection at all for union welfare funds, for democracy in unions, and for things which need legislative safeguards. Therefore I thank the Senator from Michigan for bringing the matter to the attention of the Senate today.

Mr. DOUGLAS. Mr. President, will the Senator from Michigan yield?

Mr. MCNAMARA. First, I wish to thank the Senator from Oregon. I appreciate his remarks and and the contribution he has made. However, I warn him that I think he may go a little overboard in his remarks on the subject of democracy in unions. I do not think he intends to go that far. When the record is made and when proposed legislation comes before the Senate, I do not think he will find justification for his expression.

It seems to me that democracy can be furthered in nonprofit organizations only by treating them in a democratic manner, whether it be a church, a school, or any other type of organization.

We can dictate democracy in various fields, but the very act of dictating democracy might destroy the benefits which we seek to obtain. I think we should be conscious of that and be careful about entering that field.

Mr. NEUBERGER. I appreciate the comments of the Senator from Michigan. It has long been my opinion that there should be more democracy, and more rank-and-file participation at the grassroots, in all phases of American life. That pertains not only to labor unions; it pertains to trade organizations and to business corporations. Just as I would like to see rank-and-file union members be more active in the control of their unions, so I should like to see the small, individual stockholders take a greater interest in the businesses in which they invest.

Mr. MCNAMARA. I certainly agree with the remarks of the Senator; but I know of no segment of our society which has made a greater effort to encourage attendance at its meetings than have the unions. By and large—and I am not now talking about the few which have been under investigation by the select committee—they have offered door prizes, free beer and sandwiches, and the like, to encourage attendance. I think the unions have made a greater effort to encourage democratic procedures than has anybody else. Therefore, I am a little concerned when proposed legislation is introduced which would attack the unions for undemocratic procedures. I think they have gone all out—perhaps more than any other segment of society—to encourage attendance at union meetings and democratic processes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MCNAMARA. I yield.

Mr. DOUGLAS. I also commend the Senator from Michigan for his general statement, and for his efforts to keep the select committee on the main track of the duties assigned to it.

I have not had occasion to study the complete transcript of the testimony before the select committee, but I have seen many press excerpts. I was somewhat startled to learn that one member of the committee is reported as having said:

I might say again that they (the Kohler Co.) have ample justification for expecting a rough strike because of 13 strikes the Bureau of Labor Statistics reports on prior to the one engaged in by the CIO, had 37 deaths. This is not an isolated example. This is an example of what this union has been doing in violence ever since its inception.

Am I correct in my quotation?

Mr. McNAMARA. That is as I remember the article.

Mr. DOUGLAS. I am informed that the Senator from Michigan found that the Senator who made that statement is unavailable for presence on the floor this morning.

Mr. McNAMARA. I have made no attempt to notify any Senator in particular to be on the floor.

Mr. DOUGLAS. But I am informed that the Senator in question does not find it possible to be on the floor.

Mr. McNAMARA. I have no such information.

Mr. DOUGLAS. I am so informed.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CARROLL. I have been following the investigation very closely in the newspapers although I am not a member of the select committee.

In Colorado we have an historic interest in the question of labor-management because of the infamous Ludlow massacre, which occurred 44 years ago next month.

It has seemed to me that I can detect some similarity between the Ludlow massacre and the Kohler case, although there were not so many deaths in the Kohler strike as there were in the Ludlow massacre in Colorado.

I am vividly reminded, by the discussion here today, of the so-called pattern of violence on April 20, 1914, at Ludlow, Colo. On that day 24 persons died as coal company guards, mobilized as State militia, besieged the striking miners' camp with machine guns and brutally slaughtered 12 strikers' children, 2 strikers' wives, 6 strikers and 1 nonstriker. Three company guards were killed in the battle.

This, then, was the pattern of violence in the Colorado coal-mine wars.

This enormous tragedy which grew out of a bitter hatred for, and brutal resistance to organized labor, is graphically described by an outstanding American journalist and author, a very dear friend of mine, Mr. Barron Beshoar. His book, Out of the Depths, is the story of the infamous Ludlow massacre and the other wanton killings and violence in the coal industry in Colorado. It is a book that should be read by all who honestly seek to know the true pattern of violence in these affairs.

The New York Times of March 1, 1958, published an article entitled "Kohler Purchase of Arms Depicted," which supports the contention of the distinguished senior Senator from Illinois that there was an attempt to create an impression of a pattern of violence, which had allegedly developed over a 9-year period as a result of 37 killings in labor-management strife. The impression is given that the history of the union—the CIO—seemed to justify the stocking of arms by the company. I shall quote the second paragraph of the article:

Weapons, ammunition, and sleeping equipment were brought into the plumbing fixtures factory at Kohler, Wis., the investigator said.

Later, shotguns, riot guns, rifles, and tear gas were brought in. The reason given by persons interviewed in the article was a pattern of violence on the part of the CIO in a series of strikes from 1937 to 1946. The newspaper interview referred to a record of 37 deaths during 13 strikes by the unions of the Congress of Industrial Organizations.

Mr. DOUGLAS. That is precisely the point I should like to try to clear up, because I have been analyzing, in the past few days, the statement I have quoted to determine its degree of accuracy. It is apparently based on a previous speech by Representative HOFFMAN, of Michigan, who supported it by a table drawn from information supplied by the Bureau of Labor Statistics, and which was published in the CONGRESSIONAL RECORD of February 27, 1958, pages 3040 through 3042.)

Mr. President, I ask unanimous consent that the table just referred to be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Case No.	Company and location	Union involved	Approximate date of deaths	Number of deaths
3705066	"Little Steel" companies, interstate	Steel Workers Organizing Committee (CIO)	May, June, and July 1937	15
3706456	Fein Tin Can Co., Brooklyn, N. Y.	do	June 1937	1
3706586	Maltrup Steel Products Co., Beaver Falls, Pa	do	July 1937	1
3803002	Northwestern Barbed Wire & Rod Mill Co., Sterling, Ill.	do	March 1938	1
3803138	Lone Star Bag & Bagging Co., Houston, Tex	Textile Workers Organizing Committee (CIO)	do	1
3809097	Rice Bros. Shrimp Co., Arkansas Pass, Tex	United Canners, Packers and Agricultural Workers (CIO)	September 1938	1
3904271	Bituminous coal mines, interstate	United Mine Workers (CIO)	May 1939	1
3905282	Coal mines, Harlan County, Ky	do	July 1939	3
4006542	Century Electric Co., St. Louis, Mo	Electrical Radio and Machine Workers Local No. 1108 (CIO).	July 1940	1
4104501	Bituminous coal mines, Kentucky	United Mine Workers (CIO)	April 1941	7
4105759	Wisconsin Steel Mine of International Harvester Co., Benham, Ky.	Progressive Mine Workers (AFL), United Mine Workers (CIO).	August 1941	2
4108010	Wiz Novelty Co., New York, N. Y	Playthings & Novelty Workers Local 223 (CIO), Wholesale and Warehouse Workers Local 65 (CIO).	do	1
4108714	United States Coal & Coke Co., Black Mountain Corp., Kenvir and Lynch, Ky.	United Mine Workers (CIO)	August 1941	2
4112532	Durant Hotel, Flint, Mich	Construction Workers Organization Committee (CIO)	December 1941	1
4202536	Aluminum Company of America, Detroit, Mich	Aluminum Workers of America, Local 11 (CIO)	February 1942	1
4512530	Southern Cotton Oil, Little Rock, Ark	Food, Tobacco, Agricultural and Allied Workers (CIO)	December 1945	1
4001024	Phelps-Dodge Copper Products Co., Elizabeth, N. J	United Electrical, Radio and Machine Workers of America (CIO).	September 1946	1

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Mr. DOUGLAS. I have analyzed these figures, and I ask the Senator from Michigan if what I am about to say is correct.

First, in the list presented by Representative HOFFMAN and upon which the Senator in question presumably based his statement, there is not a single death reported in any strike conducted by the UAW.

Mr. McNAMARA. I think that is correct.

Mr. DOUGLAS. I checked that, and I think it is true.

We have gone further in checking the facts with the Bureau of Labor Statistics and found that in one strike conducted by the UAW, a death occurred which was not listed by Representative HOFFMAN. But the man who died was a striker who died from a heart attack. He was not a policeman, a company guard, or a nonstriker.

In the list which Representative HOFFMAN placed in the RECORD, on which presumably, the Senator who made the comment based his statement—and in which, incidentally, the number of deaths comes to 41, not 37—I find 15 deaths in the Little Steel strike of 1937. All 15 deaths were of strikers. None of those who died were nonstrikers, none of them were guards, none of them were policemen.

I know something about the Little Steel strike of 1937, in Chicago, because of the opportunity given to me by the late Louis Ruppel, the former manager of Collier's, who was then the managing editor of the Chicago Times. He asked me to attend with him a showing of news reels which depicted the course of the

strike from beginning to end with the exception of a few seconds when the reels or lenses were being changed. The pictures showed that it was the strike sympathizers who were shot, and that most of them were shot in the back as they were fleeing. A club may have been thrown through the air during the 4 or 5 seconds when the reels or lenses were being changed; but that film, which was shown later in other parts of the country, clearly indicated that the violence which inflicted those deaths came from the other side.

I have since checked, and I find that in all the other cases of the Little Steel strike, the persons who were killed were strikers, not nonstrikers, not policemen, not company guards.

Another strike is listed as having had seven deaths. That was the coal strike in Harlan County, Ky., in 1941. We have checked that figure, and from the information thus far secured we find that four union miners were killed in ambush at the Crummies Creek Coal Co.—namely, Virgil C. Hampton, Charles Ruth, Oscar Goodin, and an unidentified Negro.

Those four persons were killed in ambush by shots fired from a company store. It is also true that one company guard—I believe his name was Earl Jones—was killed.

In the bituminous coal strike of May 1939, we find that one death is listed, and that person was a union picket.

In the list submitted by Representative HOFFMAN, we also find the name of the Fein Tin Can Co., of Brooklyn, N. Y. and the list shows that in connection with that strike, one death occurred. I find the dead man, Anthony Carbo, was a striker.

The list also includes the name of the Lone Star Bag & Bagging Co., of Houston, Tex.; and it shows that there was one death in connection with that strike. The person killed was a union picket, a woman, Cecilia Gonzales.

In the strike at the Durant Hotel, in Flint, Mich., a CIO picket was killed.

In the strike at the Southern Cotton Oil Company of Little Rock, a striker, Walter Campbell, was killed by a nonstriker.

In the strike at the Phelps Dodge Copper Products Co., of Elizabeth, N. J., a striker or strike sympathizer was shot.

I have one member of my staff at present in the Department of Labor, going over the newspaper clippings on these strikes. We hope that later we shall be able to identify all the persons who were killed. Later in the day, I shall try to have a further list printed in the RECORD.

I can say that, as of the moment, we find that during that period, 25 strikers or strike sympathizers were killed, and one company man was killed. In the case of approximately 15 of the persons who were killed, we have not yet been able to ascertain their precise affiliations.

But certainly I am sure that if the Senator who made the original statement knew the facts, he would not want to continue to stand on the statement he made, because the evidence clearly indicates that, in the first place, only one person died in a UAW strike, and that person was a striker. It also shows that of the 41 who have been killed in the strikes listed in the CONGRESSIONAL RECORD by the distinguished Representative HOFFMAN, of Michigan, the facts available as of this moment indicate that 25 of them were strikers or strike supporters. So far as the record shows at the present time, only one of them was on the company side; and the status of the other 15 is still undetermined. Later in the day I hope to have evidence regarding them.

So the figures I have stated check roughly with those the Senator from Michigan has in mind, do they not?

Mr. MCNAMARA. Yes, the information the Senator from Illinois has stated is generally in line with what I have.

I know that the zeal of the Senator from Illinois in digging out statistics must have taken him, as a member of the Committee on Labor and Public Welfare, to the facts in relation to the copper strike in Calumet, Mich., and the terrible violence there. That was in 1913. The Senator from Illinois probably recalls that approximately 70 persons, mostly strikers' children, were smothered to death in a panic, which was alleged to have been started by company guards, at a Christmas party for the strikers' children. Of course the Senator from Illinois is aware of that.

Mr. DOUGLAS. Yes. The record is full of facts showing the occurrence of violence—in Wisconsin, and in Colorado, for instance. Of course, the Senator from Colorado has already alluded to the copper strike there

Mr. MCNAMARA. Yes.

Mr. DOUGLAS. However, I was not speaking of that, primarily. I was referring to the specific statement that 37—really, 41—had died in strikes organized by the CIO or the UAW. My analysis shows that in only one of the strikes in which deaths resulted was the UAW-CIO involved—and in that case the man who died was a member of the UAW, and he was a striker, not a nonstriker. It further shows that the overwhelming number of the persons who were shot were strikers who were shot by nonstrikers, by police, or by private guards. I have found no evidence whatsoever to justify the clear inference—if not definite charge—that the UAW-CIO was somehow implicated in these 37 or 41 deaths.

Mr. CARROLL. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Michigan yield to the Senator from Colorado?

Mr MCNAMARA. I am glad to yield.

Mr. CARROLL. If the Senator from Michigan will permit, I wish to ask unanimous consent to have printed at this point in the RECORD an article entitled "Kohler Purchase of Arms Depicted." The article was written by Joseph A. Loftus, and was published in the New York Times of March 1.

Mr. MCNAMARA. Mr. President, I am glad to yield for that purpose.

Mr. CARROLL. Then I so request, Mr. President.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KOHLER PURCHASE OF ARMS DEPICTED—SENATE INVESTIGATOR TELLS OF PREPARATION FOR STRIKE—COMPANY DEFENDS THEM

(By Joseph A. Loftus)

WASHINGTON, February 28.—A Senate investigator told today of preparations for a violent strike made by the Kohler Co., in 1952, about the time the plant union joined the United Auto Workers.

Weapons, ammunition, and sleeping equipment were brought into the plumbing fixtures factory at Kohler, Wis., the investigator said. The village chief of police, who normally had a 5-man force, recruited and trained 45 more men.

A humane society was formed, the chief said, so he could possess machineguns and tear gas under State law. A humane society officer has the rights of a State officer in Wisconsin and therefore can possess weapons denied a village chief.

A company spokesman contended that some of the equipment had been bought for a rifle range club and for trap-shooting, and some for the normal use of plant guards. However, riot guns were admittedly bought for their indicated use.

A strike began in April 1954, and is still going on. There has been mass picketing and some violence, but the shotguns, riot guns, rifles, pistols, tear gas, and machineguns have not been used against the strikers.

INVESTIGATOR DEFENDED

Carmine Bellino, a certified public accountant, who has worked on Senate committee staffs for years under chairmen of both political parties, was quizzed by Republican members in a way that implied he had been more thorough in his examination of Kohler than of United Auto records.

At this point Senator JOHN F. KENNEDY, Democrat, of Massachusetts, declared:

"I resent these implications because you have been the most valued member of our staff."

Senator JOHN L. MCCLELLAN, Democrat, of Arkansas, the chairman, moved in, too.

"You have no instructions to whitewash anybody?"

"No, sir," Mr. Bellino said. "Nor would I."

Senator BARRY GOLDWATER, Republican, of Arizona, and Senator MCCLELLAN wanted to know whether Mr. Bellino had found any union preparation for the strike. He said he had found nothing in the way of weapons or ammunition purchased. He did find, he said, evidence that the international headquarters felt that Kohler union leaders had lacked strike experience and some help should be sent them.

Senator GOLDWATER and Senator KARL E. MUNDT, Republican, of South Dakota, were critical of the question asked by Robert F. Kennedy, committee counsel, about the recruiting of additional policemen and related matters. Senator MUNDT said the chief would have been derelict if he had not recruited and trained men.

The chief, Waldemar Capelle, testified the reason for the expansion had been because "there was tension there."

"I felt something might happen," he said.

He conceded that Kohler Co. taxes was the major source of the village's revenue but denied he had been instructed by anybody connected with the company to expand the police force.

Senator GOLDWATER asked:

"Did you know the pattern of violence by this union and was that what caused you to prepare?"

"Yes," the chief answered.

Senator GOLDWATER remarked that the company's stocking of arms had violated no law and that there had been "ample justification" because of what he said was a Bureau of Labor Statistics record of 37 deaths during 13 strikes by unions of the Congress of Industrial Organizations, to which the UAW then belonged.

Senator GOLDWATER, questioned after the hearing, said the strike violence record he referred to covered a period from 1936 to 1946 or 1947, and that it had not been limited to the United Auto Workers. There was no indication who had been killed—strikers or nonstrikers—or who did the killing.

SHERIFF RECALLED

Senator GOLDWATER recalled former Sheriff Theodore Mosch, who testified yesterday that he had learned that Herbert V. Kohler, head of the company, on one occasion branished a "billy club" and told pickets: "Never mind, I am the law."

The Senator asked the witness whether he had seen Mr. Kohler on such an occasion.

"One of my deputies, Albert Butala, happened to be near there," Mr. Mosch replied.

"Did he see him?"

"I don't know."

"Somebody else told the deputy and the deputy told you?"

"That's true."

"Is it possible he was trying to get into his own plant?"

"It could be."

The former sheriff also conceded that his instructions had been to try to get nonstrikers through the picket line, although yesterday he testified that his job was only to get them as far as the line.

A regional director of the Auto Workers, Harvey Kitzman, testified that the Kohler Co. was an "arrogant and dictatorial" concern, that it wanted a strike and that "frankly, the union was scared."

Mr. Kennedy, the counsel, declared that although Mr. Kitzman had denounced the company and its preparations for a strike "the fact is that the union committed the first illegal act by mass picketing."

The witness insisted that he had not believed such picketing was illegal until the Wisconsin Employee Relations Board and the courts moved in.

Mr. CARROLL. Mr. President, the article refers to one Carmine Bellino, a certified public accountant who has worked on the Senate committee staff for years, under the chairmanship of members of both political parties.

Let me ask the junior Senator from Michigan whether Mr. Bellino is an investigator on the committee staff?

Mr. McNAMARA. I do not remember his exact title; but he is in charge of the accounting division of the committee, as I would describe it, although perhaps that is not his official title. But so far as I know, he is an outstanding person, and has done a tremendous job in this area for the committee.

Mr. CARROLL. It is my understanding, from the article, that Mr. Bellino was asked by the chairman of the committee whether he had found any union preparation for the strike. According to the article, Mr. Bellino replied that he had found nothing in the way of weapons or ammunition purchased.

Then the real question was raised—as the distinguished Senator from Illinois [Mr. DOUGLAS] now has brought out with great clarity—namely, what was the pattern of violence?

The implication was that, as a result of the strikes of the CIO and the UAW, 37 men were killed.

The senior Senator from Illinois clarified that implication and has demonstrated that the persons who were killed were strikers.

Mr. DOUGLAS. Twenty-five of them were, and one was not a striker.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from Oregon [Mr. MORSE] be permitted to make a brief statement. He must leave in a few minutes, to take an airplane trip. I ask that the remarks he will make be printed in the RECORD following the present debate.

Mr. McNAMARA. Mr. President, I am sure the Senator from Oregon knows that I will yield to him whenever he is confronted with an emergency, and that he does not need any intermediary to make such a request. I assure my good friend, the Senator from North Dakota, that in making that statement, I intend no reflection on him. But I am sure the Senator from Oregon has never lacked the ability to make his wants known; and I shall be glad to hear from him when the occasion arises. [Laughter.]

Mr. MORSE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Michigan yield to the Senator from Oregon?

Mr. McNAMARA. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I thank the Senator from North Dakota for expressing concern about my interest. I thought he was going to make a speech; and a few minutes ago I asked him whether I might speak before he spoke. But I am not confronted with an emergency so great as to require that the remarks of the Senator from Michigan be interrupted.

Mr. DOUGLAS. Mr. President, will the Senator from Michigan yield further to me?

Mr. McNAMARA. Yes, but only briefly, because there is evidence that other Senators seek the floor, and I have about reached the conclusion of my remarks.

Mr. DOUGLAS. Is it not true that there was a strike at the Kohler plant in 1934, approximately 20 years prior to the strike which has been under discussion?

Mr. McNAMARA. Yes, and I am sure it was a very bitter strike.

Mr. DOUGLAS. I hold in my hand photostatic copies of clippings from the Sheboygan Press of July 28, 1934, and the Sheboygan New Deal for August 2, 1934. With the permission of the Senator from Michigan, I should like to read portions of the articles into the RECORD.

Mr. McNAMARA. Mr. President, I am glad to yield for that purpose to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Michigan.

I read the following from the Sheboygan New Deal of August 2, 1934:

MEDIATOR FOR TROOPS

The Reverend J. W. Maguire, one of the Federal mediators, addressing the county board, said he had recommended retention of the troops until the strike is settled, although the governor and adjutant general were anxious to withdraw them as soon as possible. Recognizing that they are civilians whose jobs may be in jeopardy through absence, Father Maguire recommended that those whose jobs are in danger be replaced by other guardsmen.

"This is the first time I know of when the coming of troops was valuable," the mediator said, declining to comment on merits or demerits of either side of the controversy and expressing hope of a settlement by August 7.

"I have been in many strikes, but I never saw such needless and ruthless killing by supporters of the law," he said in reference to the trouble at Kohler before the troops arrived.

SHOT IN THE BACK

"When it is understood that most of the people were shot in the back last Friday the ruthlessness is evident. You don't have to shoot people in the back when they are running away. I examined a score of wounded and all except two were shot in the back.

"As a member of the Chicago regional labor board I am not going behind fences to say what I have to say. There are human rights and property rights, but human lives are more sacred than property rights.

"A deep wrong has been done in this county and you should go to the bottom to discover who was responsible, and these should be punished as they deserve."

The testimony of the person quoted would be very conclusive with me. Father Maguire was one of the noblest and most truthful men I have ever known.

In addition to that, in the Sheboygan Press of July 28, 1934, there was published a column entitled "The Dead and Injured."

It reads, in part:

The dead:

Lee Wakefield, age 25, 902 Swift Avenue, rifle bullet through chest, was removed from back. Died while being brought to St. Nicholas Hospital at 9:10 p. m.

Mr. Wakefield was a strike sympathizer.

The wounded:

Henry Engelmann, 27, shot through back and abdomen. Died at Memorial Hospital at 4:10 p. m.

Mr. Engelmann was a striker.

Then there follows a reference to others who were wounded, describing shots through the leg, shots in the thigh, and so on.

Mr. President, I ask unanimous consent that the whole column be printed in the RECORD.

In other words, was there not a background of violence in the 1934 strike? People who were killed or injured were almost uniformly strikers or strike sympathizers.

Mr. McNAMARA. I thank the Senator. Mr. President, I ask that the unanimous-consent request that the article be printed in the RECORD be complied with.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEAD AND INJURED

The dead:

Lee Wakefield, age 25, 902 Swift Avenue, rifle bullet through chest was removed from back. Died while being brought to St. Nicholas Hospital at 9:10 p. m.

The wounded:

MEMORIAL HOSPITAL

Henry Engelmann, 27, 2515 South Seventh Street, shot through back and abdomen. Died at Memorial Hospital at 4:10 a. m.

Henry Nuss, 42, Route 1, injuries to knee and foot.

Joe Mehak, 22, 2009 Calumet Drive, gunshot wounds in legs and arms.

Christ Brack, 42, 1601 Alabama Avenue, burn on left shoulder.

Philip Eirich, 45, 918 Superior Avenue, flesh wounds on head and legs and fractured left foot.

Leonard Buss, 13, 917½ St. Clair Avenue, injured arm.

Fred Bentrup, 39, 1601 North Third Street, shot through leg.

August Grapentine, 24, 1211 North 16th Street, gunshot wound in thigh.

Ward White, 25, 1435 South 11th Street, lacerations and contusions of scalp.

Ervin Johne, 37, 1625 North Avenue, lacerations on head.

ST. NICHOLAS HOSPITAL

Alex Weinert, 42, 1610 Seaman Avenue, shot through chest; condition critical.

Walter Busse, 1733 North 12th Street, buckshot in arms and legs.

Tony Knaus, 707 Kentucky Avenue, buckshot in left arm.

Helmuth Kleinke, 42, 1217 Kentucky Avenue, bullet in leg.

Charles Lasky, 22, 1217 Kentucky Avenue, bullet wound in back.

Florian Slapnick, 45, Lake Shore Drive, head grazed by bullet.

Henry Horn, 15, 1313 Superior Avenue, buckshot wound.

Howard Owen, 29, 2822 South Seventh Street, buckshot wound.

Conrad Bauer, 47, 1413 North Eighth Street, buckshot wound.

August Tasche, 38, North 18th Street, buckshot wound.

Julius Talvaitis, Park Hotel, buckshot wound in head, arm, and back.

Karl Diener, 911 Niagara Avenue, buckshot wound in left hand.

Erwin Begemann, 36, 810 Michigan Avenue, buckshot wound in foot.

SHEBOYGAN CLINIC

John Seitenzahl, 24, 2225 North 15th Street, gunshot wound in right leg.

Alex Dann, 1233 Lincoln Avenue, wound on head from club.

John Dies, 1515 North 11th Street, scalp wound.

F. J. De Lorme, 33, 2130 South 11th Street, bullet wound in left thigh.

John Fischer, 25, 1022½ Michigan Avenue, laceration and gunshot wound.

Leroy Heller, 19, 1812 South 13th Street, gunshot wounds in both arms, left leg, and side of nose.

H. Hennig, 45, Park Hotel, gunshot wounds in thigh and right leg.

Lester Hulbregtse, 26, Sheboygan Falls, laceration on left leg.

Joe Jakolic, 1507 South Eighth Street, gunshot in left arm.

Mrs. Dorothy Kraus, 2121 South Tenth Street, shot in right thigh.

Rudolph Krueger, 23, 915½ Indiana Avenue, gunshot wounds on skull, cheek, and back.

Mrs. Hugo Leonhard, 830 High Avenue, burned by tear-gas bomb on left leg.

Joe Meilinger, 30, 1013 North Eighth Street, hit in chin by rifle bullet.

Mrs. Christ Rusch, 36, 1023 Ontario Avenue, gunshot wound in leg.

Mrs. Arno Schuh, Route 2, gunshot wounds.

Mrs. Fred Schindler, 1032 Michigan Avenue, gunshot wounds.

J. R. Whitney, Route 3, gunshot wound.

Mr. McNAMARA. I cannot believe that what is going on now before the select committee will do anything but further complicate an extremely bad situation.

I am disturbed about what these hearings are doing to the committee and to the Senate. I am not the only one concerned about this, Mr. President. The newspapers recently have been discussing the breakdown of this investigation at great length. The other day one suggested that the hearings have damaged the committee itself, the Kohler Co., and the union, in that order.

Another example of editorial reaction appeared in the Washington Post of last Sunday, in an editorial entitled "Trial By Inquiry."

I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRIAL BY INQUIRY

It is a curious kind of investigation that is going forward on Capitol Hill under the auspices of the Senate Rackets Investigating Subcommittee. Bitterly divided within itself, the subcommittee has lost all pretense of objectivity. From a useful exposure of dictatorship and exploitation by cynical leaders in certain unions, it has undertaken to stir the embers of the still-smoldering dispute between the Kohler Co. of Sheboygan, Wis., and the United Auto Workers Union. The merits of this unfortunate dispute are at this very time awaiting determination by the National Labor Relations Board, an agency created by Congress for this precise purpose.

The Republican members of the McClellan subcommittee, Senators MUNDT, CURTIS, and GOLDWATER, appear to have designated themselves counsel for the Kohler Co., while the Democratic members either absent themselves out of understandable boredom or else sit silent in an effort to impersonate aloof jurors. Nothing in this procedure is likely to contribute either to the enlightenment of the Senate or to the resolution of a tragic industrial conflict. If the subcommittee means to conduct a trial of the Kohler-UAW controversy, then as a matter of elementary fairness, the Kohler Co. is entitled to counsel less fumbling and bumbling than Messrs. MUNDT, CURTIS, and GOLDWATER, and the UAW is entitled to representation on the tribunal.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Franz Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of the C-L Electric Co.; and

S. 2110. An act for the relief of Shirley Leeke Kilpatrick.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. MORRISON, Mr. DAVIS of Georgia, Mr. REES, and Mr. CORBETT were appointed managers on the part of the House at the conference.

INCREASED MEMBERSHIP OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT FIELD

PROVISION FOR MAJORITY CONTROL AND RESPONSIBILITY IN LABOR-MANAGEMENT PROBE

Mr. MORSE. Mr. President, I rise today to discuss what is in one sense a very delicate matter, because when one proceeds to discuss working problems and procedures of a Senate committee, he necessarily does so with a great deal of hesitation, as I do on this occasion; but I do it also because I think as a Member of the Senate I have a responsibility to make what I think and hope are constructive suggestions which will be helpful to a committee. When and if a committee is running into difficulty, the Senate should know it.

As I make my remarks this afternoon, preparatory to submitting a resolution which deals with the McClellan select committee, I want to make very clear to the chairman of the committee, as I have on many platforms, that, in my opinion, the Senator from Arkansas has been performing ably in a very difficult position. I notified the chairman of the committee that I intended to discuss some of the problems this afternoon, and he has honored me by his presence on the floor. I hope he will participate in the discussion if he feels something I say is deserving of his comments. It is not an easy task the Senate has put on his shoulders. I happen to think we put it on his shoulders under one procedural limitation that is bound to be a handicap; but that happens to be my opinion, and, before I take my seat, I am going to make a proposal which I think will rectify that situation.

I desire to make very clear that anything I may say is not motivated by any intention on my part to be critical of the chairman of the committee, but quite to the contrary. My desire as a Member of the Senate, so long as the McClellan committee has the responsibilities which it has, is to try to be helpful in taking those steps, within the Senate, necessary to assure it a better guaranty of the successful conclusion of its work.

I also wish to say my personal relationships with the chairman are those of very sincere friendship on my part, and I know that is mutual. It is true the Senator from Arkansas and I do not agree on every question which comes before the Senate, but it is also remarkable how much we have agreed during our joint service in the Senate.

With that introductory remark, I wish to talk for a few moments about the

select committee known as the McClellan committee. It is the Senate's committee, and the Senate has the responsibility to make sure it is doing its assigned job. In recent weeks the select committee has become bogged down and stalemated because it lacks the ability to operate in accordance with the principle of majority vote under rules insuring full opportunity for orderly procedure. The Senate majority party has the same responsibility for this select committee that it has for all of the other committees of the Senate. All the standing committees of Congress have majority representation for the majority party by at least one Member, so that ties and deadlocks can be resolved. Such representation is not simply a reward for being the majority; it carries with it the major responsibility for the conduct of Congressional affairs.

I shall send my resolution to the desk at the conclusion of my remarks, and ask to have it appropriately referred, and also ask unanimous consent that the text of the resolution be printed at the end of my remarks.

Mr. President, I make that request now.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. All I propose is that an additional tie-breaking member be added to the select committee so that it can conduct its business, the Senate's business, in the usual and orderly fashion.

This is no new position of the Senator from Oregon. Let the RECORD show that when the committee was first proposed there were conversations by me with Senate leaders as to whether I would be interested in becoming a member of the committee. I do not wish to imply that any offer was made, but only an inquiry as to my wishes was made.

I made two points about which the RECORD is perfectly clear. I took the position that a jurisdictional contest should not be waged between a committee which had been in operation for some time and the Senate Committee on Labor and Public Welfare, of which I was a member. Theoretically, so far as the committee organization of the Senate is concerned, it would have fallen within the jurisdiction of the Committee on Labor and Public Welfare of the Senate to conduct any investigation which the McClellan committee has conducted thus far in the field of labor relations. But the McClellan committee, as a select committee, prior to its designation with its present label, had been operating, and operating very efficiently and effectively. I took the position, as a member of the Committee on Labor and Public Welfare, as the Senator from Alabama [Mr. HILL] can testify as my witness, that I did not think we should accept the suggestion, which was made at that time, that the Committee on Labor and Public Welfare should insist upon its jurisdiction and should insist on taking over the subject matter the McClellan committee had been investigating.

I also at that time, Mr. President, said I would not be interested in membership on the select committee for two reasons, because at that time there was a good deal of newspaper discussion about an investigation of the teamsters, and possibly other labor organizations in the State of Oregon. I said that, in view of that fact, I did not want to be in such a position that somebody could say I was functioning as a juror in a matter which involved my own State. That position has its limitations, I know. I have heretofore discussed it on the floor of the Senate.

If everyone took that position and an investigation involved every State, then, of course, no investigation could be conducted.

I say we are confronted with the rule of reasonableness. There are Senators from States which apparently are not going to be involved in any so-called investigation.

In the second place, I said I was not interested in becoming a member of the select committee because I did not want to serve on an equal-membership committee with an equal number of members from each party in the Senate.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McNAMARA. Mr. President, I should like to ask the Senator from Oregon if he thinks the things he believes would be accomplished by the adoption of the resolution could be substantially accomplished by reverting back to the procedure ordinarily followed by the regular standing committees with respect to that portion of the matter which belongs to the jurisdiction of the Committee on Labor and Public Welfare and the portion which rightfully belongs to the jurisdiction of the Committee on Government Operations?

I have just finished making the recommendation that I think such would be the proper procedure. I hope the Senator will agree with me on that point.

I think the Senator knows that the staff members of the standing Committees on Government Operations and Labor and Public Welfare have long experience and are well equipped to handle investigations of this character from now on. I do not mean the staff was capable of doing so at the outset, but from now on they should be.

I should like to have the Senator's reaction.

Mr. MORSE. I was going to mention that subject later in my remarks, but I am perfectly willing to discuss it now, since the Senator from Michigan has brought up the point.

Of course, if I were asked to write down what I consider to be the ideal solution of the problem, what the Senator has mentioned would be my first recommendation. In view of the very fine record which I think the McClellan committee has made on most issues up to date, my first recommendation would be that we should consider the labor investigation at an end and turn over to the Senate Committee on Labor and Public Welfare all issues involving labor, leaving under the jurisdiction of the McClellan committee questions relating to Government operations.

However, I am a realist, and I do not think that will be done. Therefore, I shall propose as an alternative, in the resolution I am offering, to add a member to the committee, who will break the tie.

Mr. McCLELLAN. Mr. President, will the distinguished Senator yield?

Mr. MORSE. I am pleased to yield.

Mr. McCLELLAN. I asked the Senator to yield at this point simply to make the record clear. The McClellan committee is a select committee, and its abolition would have no effect on the Permanent Subcommittee on Investigations, which is a composite of a majority and minority representation.

Mr. MORSE. Yes. I understand that.

Mr. McCLELLAN. The investigation which the Senator speaks of actually started in the Permanent Subcommittee on Investigations. We began the investigation, realizing at the time that there would be some areas as to which the subcommittee did not have jurisdiction. After the investigation was started, as I recall, I submitted a resolution proposing to broaden the jurisdiction of the Permanent Subcommittee on Investigations, so the subcommittee might have the authority and responsibility for doing the job. Other ideas presented were, and the matter was finally resolved by creating what is now called the Select Committee on Improper Activities in Labor or Management Field, sometimes referred to as the McClellan committee.

Mr. MORSE. I am glad the Senator has made those comments. I was referring to such subcommittee when I talked about the original McClellan committee, which was the Permanent Subcommittee on Investigations.

I desire to make clear to my friend from Michigan [Mr. McNAMARA] that, if we are to have what I think would be the ideal solution of some of the problems which have arisen, I think the time has come, when a good many of the things being handled by the so-called McClellan select committee at the present time should be handled by the Senate Committee on Labor and Public Welfare. That is a matter for the Senate to decide, of course.

I believe my proposal has a great deal of merit, and should at least be made a matter of record. There ought to be hearings on the resolution I am intending to offer.

So, as I say, all I propose is that an additional tie-breaking member be added to the select committee so that it can conduct its business, the Senate's business, in the usual fashion. The select committee has been bogged down in procedural squabbles which were insoluble or capable of resolution only by practices outside the accepted methods of conducting committee business. Procedural rulings by the chairman have become next to unenforcible—there is no majority to sustain or overrule him. This is not orderly procedure.

I feel that the most orderly procedure, Mr. President, would be to give to the chairman of any committee the power to rule, and the right to submit the ruling for consideration of his colleagues. It would be my hope that the reaction would always be nonpartisan,

but that is not always the case in the operations of Senate committees.

I think in procedural matters the chairman ought to have behind him a committee which is not divided on a 4 to 4 party break.

For days the committee apparently has ambled through a rehash of testimony in the Kohler case already presented to a duly constituted governmental agency, the National Labor Relations Board. A trial examiner heard all parties and witnesses under rules essentially like those of the Federal courts. Thousands of pages of testimony were adduced. Oral argument and briefs were presented by the parties. The trial examiner filed his findings, conclusions and recommendations consisting of 135 legal size single-spaced pages. The examiner's report and conclusions of law culminate in holdings that the Kohler Co. committed unfair labor practices. Many of the findings were based on testimony of Circuit Judge Murphy, who attempted to mediate the dispute. The conclusions are not all condemnation of the company; some criticism of union members and adherents is to be found in the report.

What—the Senate, the public, and the press ask—what is the purpose of this meander through such a well plowed field? Is there new evidence, not already available in official form? Is there a collection of material from sources not available to the trial examiner in this closely contested trial that is somehow relevant to a legitimate legislative purpose? If there is—what is the delay in presenting it?

A highly respected newsman, a specialist in labor-management, Joseph Loftus of the New York Times, reported on Sunday, March 16:

> Two days ago a member of the committee accepted an outsider's estimate that, in public opinion, the hearings had damaged the committee itself, the Kohler Co., and the union, in that order. The committee member was a Republican.
>
> The Democrats agree with that estimate. This is just about the only point of bipartisan agreement one can find on that committee today. The damage to the committee's effectiveness may be irreparable.

I suggest the Senate should have the advantage of that Republican committee member's views. Let him speak. The reported damage to the committee's effectiveness is damage to the Senate's effectiveness. It should not be permitted to continue in what appears to be a fishing expedition, as lawyers term questioning which has no demonstrable purpose.

In similar vein—regarding the impasse over Kohler procedure, a writer in the Washington Star reported March 16:

> To crack the impasse, Senator McCLELLAN voted with the Republicans. Immediately afterward he told reporters he did so to preserve the unity and usefulness of the committee.
>
> Now 3 weeks after, many observers are wondering whether there is any unity—or much usefulness—left to preserve.

In all likelihood the Kohler case is an example of the deterioration which takes place when good faith collective bargaining breaks down. The trial examiner and Judge Murphy attribute that breakdown to the Kohler Co. If they are wrong, the procedures of law afford a remedy.

I desire to refer to those procedures of law for a moment, Mr. President, because I so heartily believe in them.

I believe, Mr. President, that the Labor Relations Act now on the statute books should be allowed to run its course in the handling of labor disputes. As is well known by Senators, I think that act needs modification and amendment; but so long as it is on the books it is the law of the land, and I am in favor of the procedure of letting it follow its due course.

I do not propose, Mr. President, to pass judgment on the merits of the Kohler case this afternoon. I wish to make a brief comment, however, on what the record clearly shows is the position of the company in regard to a question of procedure; namely, the procedure of arbitration. I do not favor compulsory arbitration. But, Mr. President, I think when an impasse is reached, as is the case in this very serious industrial strife at the Kohler plant, a very good reason ought to be advanced by the company involved or by the union for refusing to submit its case to impartial third minds, or an impartial third person—if a single arbitrator is selected—on the basis of a documented record of evidence made by the parties before such arbitrator.

I am a firm believer in voluntary arbitration. I am very much at a loss to understand why this great industrial company, the Kohler Co., has so persistently refused to submit to arbitration, and has rejected any and all offers to submit the dispute to arbitration.

I have had a great deal of experience with arbitration procedure, and I know of no better procedure, when all other procedures have failed, to persuade industry and labor to resolve their differences on the basis of principles of fairness and justice.

I had a great deal of experience with that procedure during World War II. I remember the sad case of the Toledo, Western & Peoria Railroad Co. In the midst of a war the president of that railroad defiantly refused to accept a majority decision of the War Labor Board and submit the case to arbitration. In that instance not only the public members of the Board, but the employer members of the Board, along with the labor members of the Board, wrote opinions unanimously joining in the common conclusion that the railroad company should submit its dispute to arbitration.

How well I remember the day when we presented the case to the President of the United States. The chairman of the employers' side of the Board, the great Roger Lapham, of San Francisco, then president of the American-Hawaiian Steamship Co., made it very clear to the President that the employer members of the Board had done everything they could to bring reason to bear upon the president of the railroad company. He made it clear to the President that the employer members of the Board agreed that, in the interest of the war effort, either the case must be submitted to arbitration or the Government would have no alternative but to seize the railroad. It was the first seizure during World War II.

The President of the United States was very reluctant to accept our unanimous recommendaiton, but when he learned, from a very vicious telegram which he received from the president of the railroad company refusing the President's request, as Commander in Chief in time of war, that he accept the War Labor Board's decision, realized that we were correct in our position, and that he could not expect any response on the part of the company, then, and not until then, did he sign the papers to effect the seizure of the railroad.

That is one thing in time of war. It is quite a different thing in time of peace; and I certainly would not approve of such procedures in time of peace. Nevertheless, the principle exists.

Here we have a company which is apparently willing to fight it out on the economic battlefront, no matter how long it requires, and no matter what the cost to the employees and to the public may be. I think that position is worthy of note as we consider this problem today. It does no good to raise one's voice in a plea that the Kohler Co. submit this case to arbitration; but the American people ought to know the record is perfectly clear that in this instance the union was willing to have any one of a group appoint an arbitrator or a board of arbitration. I am sure I speak with accuracy when I say that they were willing to have the case arbitrated by judges, by someone selected by the President of the United States, someone selected by a group of ministers, or someone selected by anyone whom the public would recognize to be impartial.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. I have studied the intermediate report of Mr. Downing, the National Labor Relations Board examiner. It is apparent from his findings that since well along in 1954, the union has continuously offered to arbitrate the dispute. Is that correct?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. And that each time the request of the union for arbitration has been denied.

Mr. MORSE. That is correct.

Mr. DOUGLAS. Is it not true that the Select Committee itself made an offer of arbitration?

Mr. MORSE. That is true. I intended to mention that fact.

Mr. DOUGLAS. Mr. Conger, a representative of the company, stated that the committee did not have much experience in making bathtubs.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McCLELLAN. I may have misunderstood the statement of the distinguished Senator from Illinois. If he stated that the select committee offered to serve as arbitrators, he was in error. However, the select committee did afford another forum and another opportunity for the union to make the proffer to the Kohler Co. As I recall, it

announced that it would be willing to have the committee serve as arbitrators.

Mr. MORSE. That is a point which needs to be made.

Mr. DOUGLAS. I appreciate the remark of the Senator from Arkansas.

Is it true that the attorney for the company announced that he did not believe the committee had much experience in making bathtubs?

Mr. McCLELLAN. That is correct; but I have always taken the position—and I think members of the committee agree with me—that it was not the function of the committee to settle strikes. I believe that members of the committee might offer individually to serve in any way they could serve, but I think it is beyond the purview of our committee to act as arbitrators.

Mr. DOUGLAS. May I ask the chairman if it is not true that while a number of the members of the select committee, or others who might be selected to arbitrate, might not know much about making bathtubs, they might know a great deal more than the company representatives appear to know about making labor peace?

Mr. McCLELLAN. I felt that I did not know much about either operating a union or making bathtubs.

Mr. DOUGLAS. I referred to making labor peace.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MORSE. In a moment. I should like to have a statement from the Senator from Arkansas as to what happened in the committee. Is it not true that through the committee an opportunity was once again offered the company to adopt a position on arbitration, when the union representative made it clear that the union still stood ready and willing to arbitrate under any arrangement which could be agreed upon?

Mr. McCLELLAN. The Senator is correct. When the union representatives made that offer, while testifying before the committee, the committee immediately called the representative of the Kohler Co. before it, while the union witness remained on the stand, and the company representative was asked if he desired to make any statement. He made his statement, according to his own desire, with full knowledge of the offer which had been made.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CURTIS. Let me add to what the distinguished chairman of the Select Committee has said, that the Select Committee has no authority to adjudicate labor disputes. We have no authority to determine whose demands are right or whose demands are just. Our job is not to settle controversies. We were instructed by the Senate to make an investigation of alleged wrongful and unlawful acts and malpractices on the part of either labor or management in the conduct of their affairs, including such things as are now going on or have gone on in the past.

Our committee has followed rather liberal rules of evidence. I favor that policy. We are not a court. If a matter is somewhat relevant, we should not shut off the people who suggest it. Discussion did arise as to whether or not there should be arbitration.

As I have indicated, I am in favor of rather liberal rules of evidence, so that each side can say what it feels really bears upon the point of the investigation. However, the discussion with regard to arbitration was merely academic or moot. There is no law on the books compelling arbitration. It would be perfectly proper for a member of the committee to recommend such a law; and the Congress might enact it.

While it was a side issue discussion of which was permitted, it had nothing to do with the instructions the Senate gave to the select committee for their investigation. I thank the Senator.

Mr. MORSE. I wish to say to the Senator from Nebraska that I was not suggesting arbitration. I was merely pointing out, as the official record shows, the persistent refusal on the part of the company to participate in voluntary arbitration. That fact is one that should be known and should be recognized, because I do not want it lost sight of in the controversy now raging over the Kohler case.

I was making the point that the regular legal procedures now provided by law are the ones that should run their course in regard to a consideration of the merits of the controversy. Both sides today have their legal remedies. I believe they should seek those remedies, and we should look to the select committee for a consideration of labor problems which may be symbolized by this case from the standpoint of the question of what legislation, if any, ought to be passed this year by Congress in the field of labor relations.

Mr. McCLELLAN. Mr. President, will the Senator yield once more? I promise not to interrupt him again.

Mr. MORSE. The Senator is free to interrupt me as many times as he wishes.

Mr. McCLELLAN. I must leave the floor to go to the committee in a few moments. I wish to thank the distinguished Senator from Oregon for his complimentary references to the labors and services of the chairman of the committee. I am grateful for them. The chairman has had an arduous task, and sometimes under difficult circumstances. Some reference has been made to the usefulness of the committee. Whenever I reach the conclusion that the usefulness of the committee has come to an end for the purposes for which it was created, I shall walk out on the floor of the Senate and so report. If the Senate does not agree with me, then I shall ask to be relieved of my duties. I do not want to perform a vain and useless and ineffective labor, arduous as it is, for whatever vainglory there may be in serving as chairman of a Senate investigating committee. I want the RECORD to be very clear on that point.

If the Senator will permit me to make one further observation, which is more in the nature of an announcement, I believe that within a week the committee will be able to file an interim report on its work, covering the first year of its existence. I believe the record will fully justify to any impartial mind who may read it that the work of the committee in its first year was effective and was worthwhile, and that we did develop facts and information and made a record upon which Congress now can start enacting remedial legislation. We have not covered all the fields, but even if the committee's usefulness ends today or tomorrow, we have made a record which will justify Congress—and not only justify Congress but make it almost mandatory on Congress, in my judgment—getting busy and enacting remedial legislation in the particular field.

I thank my distinguished friend from Oregon. I am sorry that I must leave the Chamber, but my duties on the committee, as he can appreciate, do not permit me to be present on the floor at all times. I shall reserve my judgment on the Senator's resolution, but I shall weigh it very carefully.

Mr. MORSE. Mr. President, I wish to comment on two points the Senator has made. Knowing him as I do, I know that he would be the first in the Senate to walk out on the floor and recommend the end of his committee if in his judgment the committee had ceased to have usefulness. I do not question that for a moment.

However, a corresponding responsibility rests on all Members of the Senate to exercise what we consider to be our duty of surveillance over the operations of any committee, whether it is the select committee or the Committee on Appropriations, or the Committee on Labor and Public Welfare, or any other committee.

Whenever, as a Senator, I feel a committee is following a course of action which needs some rectification, then, delicate as it may be, it nevertheless is my duty to stand on the floor of the Senate and offer constructive suggestions in connection with and criticisms I may make.

I was heard to do that only the other day in regard to the Committee on Appropriations, which, in my opinion, is going out of bounds frequently by turning itself into a legislative committee and reporting appropriation bills which have imbedded in them legislation. I have made my comments on the select committee because I believe its procedures are in need of change, and the resolution I intend to submit offers the best guarantee that its procedures can be changed.

As to the other point the Senator from Arkansas has made, in regard to the accomplishments of the committee, I have not seen the interim report. I have listened to the Senator from Michigan, a member of the committee, who obviously does not find himself filled with enthusiasm over some of the prospective recommendations of the committee.

Furthermore, I have been following the publicity the committee has been receiving in connection with the Kohler case. It has given me some concern, which I am now expressing on the floor of the Senate. There is no doubt, as the Senator from Arkansas has pointed out, that the McClellan committee has accomplished a great deal of good. It is

UNIVERSITY OF MICHIGAN LIBRARIES

my judgment that the good it has accomplishd has certainly been aided by the cooperation it has received from the great labor leaders who have cooperated with the committee and pledged their future cooperation in their determination to stamp out of the labor movement any evil practices, such as alleged racketeering or alleged communism or alleged muscle tactics.

I cannot begin to name all the great and responsible labor leaders who have extended such cooperation to the members of the committee. I said earlier this year that if I were to pick the man of the year for 1957, I would pick George Meany, the head of AFL–CIO, for the labor statesmanship he has displayed time and time again during the past year in the very difficult post he has occupied, and the great courage he has displayed in making very clear that he proposed to do everything he could do to see to it that the house of labor remains—shall I say?—in a sanitary condition from the standpoint of being free from the filthy abuses which have been alleged against labor unions from time to time.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Does the Senator from Oregon not believe that to the name of Mr. Meany should be added the name also of Mr. Al Hayes, chairman of the ethical practices committee?

Mr. MORSE. I was about to name a whole list on the ethical practices committee and other officials who have urged and supported action to insure high ethical standards among trade-union leaders.

Mr. DOUGLAS. And Walter Reuther, president of UAW?

Mr. MORSE. All the members of the ethical practices committee, including Al Hayes, George Harrison, Jacob Potofsky, Joseph Curran, on the committee, and also Walter Reuther.

Mr. DOUGLAS. And David Dubinsky and others?

Mr. MORSE. David Dubinsky, Jim Carey, Joe Keenan, and Dave MacDonald. There is a long list of names which I will add to the enumeration—Schoeneman, Helstein, William Schnitzler, and many, many others.

I shall have something to say, before I finish, about responsible union leadership. I raise my voice this afternoon in opposition to what I fear is an inexcusable smear against union leadership, which at this time is being broadcast over the country. I want to be heard this afternoon when I say: "Watch out, America; if you destroy the house of labor, if you tear down the house of labor, you will also jeopardize freedom in America." One of the first things that happens under a totalitarian regime is to destroy the freedom of labor. One of the primary reasons why there is no freedom in Russia is that there is no trade unionism in Russia, in the sense that the Senator from Illinois and the Senator from Oregon talk about trade unionism.

Although it may not be good politics to take the position the Senator from Oregon takes in regard to this question, I am proud of the record the trade unionists of America have made from the time of Samuel Gompers until today. Of course, there have been mistakes and abuses; but organized labor and trade unionism have made a valuable contribution to freedom in America; without them, there would not be the freedom which we enjoy today.

This is a precious right of our neighbors. Who are the trade unionists? They are our next-door neighbors. They are members of the same congregations in church. They belong to the same lodges. They are fellow Americans, patriotic, free men and women.

Here is one Senator who will not be caught up in a popular movement of the time to smear trade unionism in America. I will join in helping to eliminate the abuses and the evils which may develop in the unions from time to time. But the whole record of American trade unionism, from Gompers until today, from Gompers to Meany, is a record of great credit, not only to the working men and women of the Nation, but to the country itself.

That leads me to the point I was about to make before my last digression. I recognize that illegality frequently provokes improper action in the course of a serious labor strike. That illegality frequently provokes improper action is no news to those familiar with labor relations. It is for that reason that the sanction of Federal law has been provided to encourage management-labor bargaining since the enactment of the Wagner Act. It was the Kohler Co. which, by its refusal to bargain in good faith, prolonged and embittered the Kohler strike. That is not my conclusion; it is the conclusion of the trial examiner of the National Labor Relations Board.

In my judgment, it is a great mistake for the Senators to use incidents in the Kohler strike as a springboard for an attack upon the UAW and other unions. To exploit the Select Committee hearings as a basis for public assertions that the UAW and many other honest unions employ and condone violence is a misuse of the powers of the Senate. If individual Senators care to make such assertions in defiance of the facts, let them do so. The Senate need not—should not—supply hundreds of thousands of dollars to provide a forum or base for such attacks upon unions.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. I have in my hand the report and recommended order of the trial examiner, Mr. George A. Downing. The Senator from Oregon was quoting him correctly. Would the Senator from Oregon permit me to place in the RECORD at this point the findings of the trial examiner as set forth on pages 133 to 135 of the transcript?

Mr. MORSE. I should be delighted to have the insertion made at this point, because it bears out the general statement I made, namely, that the trial examiner pointed out that it was the refusal of the Kohler Co. to bargain in good faith which prolonged and embittered the strike.

Mr. DOUGLAS. I so request.

Mr. MORSE. Mr. President, I ask unanimous consent that the material be printed at this point in the RECORD.

There being no objection, the excerpts from the findings were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE INTERMEDIATE REPORT AND RECOMMENDED ORDER OF TRIAL EXAMINER GEORGE A. DOWNING, OF THE NATIONAL LABOR RELATIONS BOARD IN THE CASE OF KOHLER CO. AND LOCAL 833, UAW–AFL–CIO, CASE NO. 13–CA–1780

CONCLUSIONS OF LAW

* * * * *

3. At all times on and after June 11, 1952, the union has been the exclusive bargaining representative of respondent's employees in the aforesaid unit.

4. Respondent failed and refused to bargain with the union by: Its failure to furnish, on or about March 6, 1954, certain incentive earnings requested by the union of employees in the brass diecasting department; by its failure to furnish on or about June 14, 1954, the incentive earnings of employees in the enamelware division, and on or about August 13, 1954, the remainder of the incentive earnings requested by the union; by its unilateral granting of wage increases on or about June 1, 1954, and August 5, 1955, respectively; by discharging striking temporary employees in the shell department on July 1, 1954, and by transferring the nonstrikers to other departments without negotiation or consultation with the union; by its refusal to negotiate on or about February 21 and March 1, 1955, concerning the identity of employees whom respondent considered ineligible for reinstatement upon termination of the strike and by discharging some 35 of said strikers for alleged misconduct.

5. Respondent failed and refused to bargain in good faith at all times after June 1, 1954, except during the periods between June 29 and August 5, 1954, and between August 18 and September 1, 1954, respectively, when its obligation to bargain was suspended.

6. By discharging, on or about July 1, 1954, the temporary employees whose names are listed in appendix A, and by failing to offer them reinstatement on the same basis as nonstrikers similarly situated, respondent engaged in discrimination within the meaning of section 8 (a) (3), and thereby engaged in unfair labor practices in violation of section 8 (a) (3) and (1).

7. By discharging the employees whose names are listed in appendix F, respondent engages in discrimination in violation of section 8 (a) (3) and (1) of the act.

8. By serving eviction notices on the striking employees whose names are listed in appendix B–1, and by its physical eviction of Peter Gasser and Frank Novak, respondent engaged in interference, restraint, and coercion, in violation of section 8 (a) (1) of the act.

9. By serving such eviction notice on Carl Faas and by requiring him to surrender occupancy, respondent also engaged in discrimination, in violation of section 8 (a) (3) of the act.

10. By threats and promises concerning the handling of grievances by a union steward (Majerus), and by its solicitation and promises of benefit to induce the return to work of a striker (Forstner), respondent engaged in interference, restraint, and coercion in violation of section 8 (a) (1) of the act.

11. The aforesaid unfair labor practices have occurred in connection with the operations of respondent's business as set forth in section I, above, have a close, intimate, and substantial relation to trade, traffic, and

commerce among the several States and substantially affect commerce within the meaning of section 2 (6) and (7) of the act.

12. Respondent did not engage in unfair labor practices by discharging the employees whose names are listed in appendix G.

THE REMEDY

It having been found that respondent has engaged in certain unfair labor practices, it will be recommended that it cease and desist therefrom and that it take certain affirmative action as outlined under recommendations, below, which the undersigned finds necessary to remedy and remove the effects of the unfair labor practices and to effectuate the policies of the act. Though the recommended remedies are all conventional ones, a word of explanation is necessary as to some of them.

Neither reinstatement or back pay is recommended as to discharge striker Robert R. Dean, who died during the course of the hearing and as to whom the record showed no abandonment of the strike or application for reinstatement. Neither is reinstatement nor back pay recommended as to James E. Bailey and Paul A. Gall, who were found guilty of serious acts of misconduct after their discharge and as to whom the records similarly showed no application for reinstatement.

Because respondent's offer of reemployment on November 22, 1954, to discharged strikers in the shell department was itself discriminatory, respondent should, of course, be required to offer them reinstatement [1] on the same basis as accorded the nonstrikers, i. e., permanent jobs with retroactive seniority. However, none of such employees are entitled to displace permanent striking employees who are herein found to be entitled to reinstatement. Back pay should run to the shell department employees from November 22, 1954, including any cases where back pay may be due to those who returned to work under respondent's former offer.

The provision for back pay as to all other strikers who are found herein to have been discriminatorily discharged (except Dean, Bailey, and Gall) shall run only from a date 5 days after their application for reinstatement on the termination of, or their abandonment of the strike. See Ford Radio Mica Corp. (115 NLRB 1046, 1048–1049); Happ Bros. Co., Inc. (90 NLRB 1513, 1518). Also in view of the finding herein that on June 1, 1954, the strike was converted into an unfair labor practice strike and was thereafter prolonged as such by respondent's unfair labor practices, it will be recommended that respondents shall, upon application, offer reinstatement to each striking employee (except those as to whom dismissal is recommended herein) who had not been replaced prior to June 1, 1954 (see City Packing Co. (98 NLRB 1261, 1262), back pay to run as above. The establishment of a preferential hiring list will also be recommended as to those for whom no employment is immediately available.

The remedies which are being recommended as to the evicted employees comport with those in W. T. Carter and Brothers (90 NLRB 2020, 2026–7), and cases there cited. Of course, respondent's obligation to furnish living quarters or leased premises to said tenants will terminate whenever they cease to be employees of respondent. Cf. L. J. Williams Lumber Co. (96 NLRB 635).

For reasons which are stated in Consolidated Industries, Inc., (108 NLRB 60, 61), and cases there cited, I shall recommend a broad cease and desist order. See also Kohler Co., (108 NLRB 207, 228, enfd. 220 F. 2d 3 (C. A. 7)).

RECOMMENDATIONS

Upon the basis of the above findings of fact and conclusions of law, it is recommended that respondent, its officers, agents, successors, and assigns, shall:

1. Cease and desist from:

(a) Refusing to bargain collectively with the union as the exclusive representative of its employees in the unit herein found to be appropriate;

(b) Discouraging membership in the union, or in any other labor organization of its employees, by discharging them or refusing them reemployment or reinstatement on the same basis as other employees; by evicting them from their living quarters or leased premises because they are on strike; or by discriminating in any other manner in regard to their hire or tenure of employment or any term or condition of employment;

(c) Threatening and promising benefits concerning the handling of grievances by union stewards; soliciting and promising benefits to procure the return to work of strikers; and serving eviction notices on, and evicting striking employees from, their living quarters or leased premises because they are on strike;

(d) In any other manner interfering with, restraining, or coercing its employees in the exercise of their right to self-organization, to form, join or assist local 833, or any other labor organization, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, or to refrain from any or all such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3) of the act.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CURTIS. I thank the Senator from Oregon. I am sorry I cannot remain to listen to his discussion and his references to the Select Committee on Labor-Management Relations, but the select committee is about to convene, and I must be present at the meeting.

I am not quite certain that I understand the Senator's position as expressed in his recent remarks. Does the Senator from Oregon believe that the committee should not investigate violence in labor disputes, regardless of who commits a violence?

Mr. MORSE. I have no quarrel with the investigation of violence in labor disputes. But since the Senator has raised the question, I may say, as one Member of the Senate, that I am not very much pleased with the way in which the investigation of this particular matter has been proceeding in the committee.

Mr. CURTIS. Does the Senator from Oregon feel that the committee should not investigate violence in the Kohler strike, if violence occurred?

Mr. MORSE. I am perfectly willing to have violence in the Kohler strike or any other strike investigated; but, again, I respectfully say that one of the reasons I am proposing my resolution today is that I have not been pleased with the observations I have made of the procedures which the committee has been following.

Mr. CURTIS. I know the Senator from Oregon is a very busy man; we all are. So I certainly would not censure him for not being present to follow the hearings.

Mr. MORSE. One does not have to be present to follow the committee's hearings.

Mr. CURTIS. In my opinion, our very distinguished chairman, the Senator from Arkansas [Mr. McCLELLAN], has been exceedingly fair, and has not permitted witnesses to hurl charges, but has insisted upon sworn testimony, and that witnesses relate the facts which they know.

Mr. MORSE. I say to my good friend from Nebraska that I have no question about the fairness of the chairman of the committee, but I think the procedure and setup of the committee have made it impossible time and time again for the chairman to execute his fair decisions. He has been in such a position that his decisions could not be enforced. A good many of his rulings on evidence have not been enforced because some of the members of the committee would not support the chairman. He was, therefore, disarmed because of the committee setup, which I am now protesting, and which my resolution seeks to remedy. My resolution would add another member to the committee, so that there would be a better opportunity to have procedural rulings sustained, rather than have tie votes by parties, which too frequently have characterized the action of the committee.

Mr. CURTIS. I think that during the long period over which the committee has worked, extending for more than a year, we have gotten along in a very affable manner. On one issue there was a division along party lines. I do not believe that has done any violence to the work the committee has done, or that it will do so.

I think the Senate has some basic reasons for making the committee a purely bipartisan committee. Both sides have to give and take, and they have done so.

Mr. MORSE. I understand the Senator's point of view. I am reviewing the reasons today. I do not share the Senator's opinion concerning what the procedure should be.

The record will show, for example, that a few days ago one Senator, over the ruling of the chairman of the committee, continued to read a communication which the chairman repeatedly stated should not be made a part of the record. The Senator continued to read it. That did not make a very good public impression that things were going as well in the committee as the Senator from Nebraska would have the Senator believe this afternoon.

As I said at the beginning of my remarks, it is not particularly pleasant, as a Member of the Senate, to comment on the work of a Senate committee. On the other hand, if I believe that a Senate committee is following a course of action which is subjecting the Senate to criticism—and the information to which I have referred thus far in my remarks leaves no doubt that the Senate is being

[1] Except James Rogers, LaVern H. Kuhlow, Mrs. Lucille M. Strutz, and Mrs. Margaret A. Balnaitis, who were reinstated with permanent employment on July 26, 1954, and Mrs. Susie Trestor, who was similarly reinstated on October 19, 1954.

UNIVERSITY OF MICHIGAN LIBRARIES

subjected to criticism because of the conduct of the committee—then I believe that as a parent of the committee, it is perfectly proper and correct for me to express my honest point of view regarding the functioning of the committee, even though at the present time it is not a very complimentary point of view.

Mr. CURTIS. Mr. President, will the Senator from Oregon yield once more?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. MORSE. I yield.

Mr. CURTIS. I appreciate the courtesy of the Senator from Oregon in yielding.

I believe that a search of the records of the committee will show that the rules of evidence, with regard to permitting a member of the committee to read something into the record, either as a basis upon which to ask a question or otherwise, have remained the same throughout the months of the investigation, and that just as many liberties were taken by members of the staff and members of the committee when the committee was investigating the teamsters union, the bakers union, the United Textile Workers Union, or the Union of Operative Engineers, as have been taken during the present hearings. Certainly the same rules should apply to all parties who appear before the committee, including those representing management, those representing unions, and those representing different entities in both categories.

Mr. MORSE. I am glad to have the Senator from Nebraska express his point of view. I simply do not share his point of view regarding the way the committee is operating procedurally at the present time.

Mr. CURTIS. I think what I have stated is supported by the record.

I thank the Senator from Oregon for his courtesy in yielding.

Mr. MORSE. That is the opinion of the Senator from Nebraska; but I respectfully suggest to him that he had better take heed of the widespread comments appearing in the press today, as those comments have been made by news observers regarding the operations of the committee. From them, he will find that the viewpoint I have expressed is not mine alone.

Mr. IVES. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from New York.

Mr. IVES. I was not in the Chamber when the distinguished Senator from Oregon submitted the resolution. Would it add one more member to the select committee?

Mr. MORSE. My resolution would add one more Democratic member to the select committee.

Mr. IVES. In other words, the resolution would make the select committee a partisan committee.

Mr. MORSE. It would make the select committee a committee on which the members of the majority party would take the responsibility.

Mr. IVES. I am responsible, more than any other Member of the Senate, for the present form of the committee, namely, bipartisan. It was at my suggestion that the committee was established in that way.

I wanted the Senator from Arkansas [Mr. MCCLELLAN] to be the chairman of the committee, because I believed that he, more than any other Member of the Senate, was—and is—best qualified to conduct a committee of that kind. He has demonstrated his ability.

If the Senator from Oregon has any particular complaints to make about the procedures of the committee, I wish he would point them out, because, after all is said and done, all Members of the Senate do not always feel alike. Not all the Republican Members always feel alike, at times; neither do all the Democratic Members. Certainly that is the way things should be in the case of such a bipartisan committee.

But if the Senator from Oregon wishes to point out anything which he believes should be corrected, I shall be glad to do what I can, as a member of the committee, to see that it is corrected.

Mr. MORSE. In the course of my remarks I have pointed out what I consider to be weaknesses in the procedure of the committee.

For instance, it was not long ago that the committee was in an impasse for several days in regard to its procedure. The chairman of the committee found that in order to have the committee hearing proceed, he would have to vote with the Republican Members; but he made perfectly clear that to vote with the Republican Members was not his first choice.

I say that in my opinion it is not fair to put the chairman of a committee in such a position. I believe the chairman of a committee—whether a standing committee or a select committee—should have a committee organization by means of which the majority party assumes the major responsibility.

Many of us have passed over party lines; the Senator from New York and I have done so time and time again, when we have served together on committees. But I believe it is a mistake, procedurally, to establish any committee on the basis of a so-called tie-vote arrangement.

Mr. IVES. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I am delighted to yield to the Senator from New York.

Mr. IVES. I have had a little experience in dealing with bipartisan committees. For 8 years, when I was a member of the New York State Legislature, I was chairman of a committee composed of four Democratic members and four Republican members of the two houses of the legislature. We never got into jams. When we disagreed, we worked out the disagreement.

I shall state exactly why the impasse with the chairman of the committee developed: It was because four of us agreed unanimously that we did not want Mr. Reuther to testify on the first day. I believe we had every right to our opinion on that point.

The chairman very graciously yielded on that point, although he did not have to do so. If he had not yielded, perhaps the committee would have been tied up indefinitely; or the chairman could have had Mr. Reuther testify on the first day. He had that right, as chairman.

But the chairman very graciously yielded, as chairman, on that one matter. So have the other members of the select committee yielded, from time to time. That is the way to run a bipartisan group.

Mr. President, I wish to state my position regarding any proposal to make labor relations a partisan matter in the Congress, which is what the Senator from Oregon is proposing. By means of his resolution, the Democratic members would be responsible for everything pertaining to labor relations done in the committee: I want no part of it; and if that happens, I will resign from the committee.

Mr. MORSE. Mr. President, I am glad to have the views of my friend, the Senator from New York.

I only wish to say that, as to the first point he has made, I think he has proved my case—namely, that if the Senator from Arkansas [Mr. MCCLELLAN] had not yielded to the four Republican members who took that adamant position, the committee would have been tied up. I think the chairman at least should have a committee composed of an uneven number, rather than an even number, so that the odd member could cast the deciding vote and make a majority, and thus the committee would not be tied up.

We should not put the chairman of a committee in such a position that he would have to state publicly—and the chairman of the select committee indicated very clearly that that was his position—that he yielded only because the committee could not otherwise proceed with its hearing. I believe procedural matters should be decided quite separately and distinctly from such power plays.

In the case of the Senator's point that my proposal is that the Democratic members take the responsibility for partisanship in connection with labor relations matters, let me say that I do not accept the charge, because I am talking about procedure. If there is a so-called odd-number committee, it might very well be that two Republican members and one Democratic member would cast the deciding vote.

My point is that, procedurally, the committee should be organized in such a way that the so-called odd member could cast the deciding vote; and thus the committee could avoid, let me say respectfully, the kind of personal plea or personal pressure or negotiation, or whatever it was, which caused a 4-to-4 division in the committee, and finally caused the chairman to vote for a procedure which he indicated very clearly was not his first preference.

Mr. IVES. Mr. President, on that point, will the Senator from Oregon yield again to me?

Mr. MORSE. I yield.

Mr. IVES. I wish to point out that when the impasse arose, it was not at all in regard to a matter of procedure. It was primarily in regard to a question of policy, not procedure. Our viewpoint on labor relations had something to do with

the matter, but it was not a question of procedure at all.

I am sure the Senator from Oregon will agree with me—for he knows that I am utterly impartial and utterly nonpartisan when it comes to labor relations, and I always have been—that procedure had nothing to do with that situation. I simply stated what my thought was, and stated what my belief was, and acted accordingly.

If the chairman yielded on such a matter, that was his right. But he did not have to yield. Instead, he could have proceeded to hold the hearing just the same.

Mr. MORSE. Could he?

Mr. IVES. Yes; he could. I understood at first that that was perhaps what he was going to do.

Mr. MORSE. The understanding of the people of the country at large certainly was that the committee could not reach a vote on the procedure, and could not decide how it would proceed.

Mr. IVES. No; as chairman of the committee, the Senator from Arkansas had a right to proceed to hold the hearing. I do not think there is any question about that, under the rules which guide him.

Mr. MORSE. I do not think the chairman would share the point of view of the Senator from New York, namely, that the chairman would have any right to force anything down the Senator's throat, so to speak, if what the chairman was trying to do was to work out, between and among the members of the committee, a cooperative program which would dedicate itself to the purpose of the committee, which clearly was to find out what legislation, if any, should be enacted.

Mr. IVES. If he had done what the Senator is talking about he would have forced it down our throats. As it was, we forced it down his.

Mr. MORSE. That made it better, I suppose?

Mr. IVES. No, it did not make it better, either way. I do not agree with the Senator. What he is proposing is to have an unbalanced committee, so any time the majority wants to force something down the minority's throat, it can do so. That is no way of doing business in this field.

Mr. MORSE. I understand the Senator's honest difference of opinion with me. I am pointing out that we ought to have a committee in which a majority can act. Senate committees are based on the party system. As I stated earlier, the majority party has the majority responsibility of proceeding with committee work. If the majority party plays politics with an issue, it will not be because of a procedural effort, but because of a position it takes on a substantive matter. The Senator from New York and the Senator from Oregon would be among the first to point out they were playing politics with a substantive matter. I am sure the Senator from New York and I agree that when we create Senate committees we should not establish them on a basis which will discourage a means for breaking deadlocks. Otherwise, committees would get into exactly the same situation which the Senator from New York described, namely, a deadlock, until the chairman, to use the language of the Senator from New York, graciously yielded, and the committee found itself out of the deadlock or stalemate.

Mr. IVES. The chairman could have gone ahead, as I pointed out.

Mr. MORSE. The Senator does not think, does he, that a procedure which would permit a chairman, under those circumstances, to go ahead, over what he knew was the adamant position of half of his committee, could lead to very much success?

Mr. IVES. Does the Senator think for one minute that if the chairman went ahead, over a solid minority of the committee, he would get much support from the committee?

Mr. MORSE. My answer is, "Yes; decidedly yes."

Mr. IVES. I disagree with the Senator.

Mr. MORSE. The Senator from New York and I sit on a committee in which the majority party has a majority vote. Let us assume the rare instance when, on a procedural matter, the members of one party vote a certain way. In our committee there constantly are so-called shifts in position on both sides of the committee table. But let us assume a hypothetical case where the members of one party follow what, for want of a better term, might be described as the party line. We get a decision. Those voting for that position assume the responsibility for the vote. We move on to further business. The minority does not feel the majority has crammed anything down its throat. The minority assumes that the majority has followed the practice commonly followed under our system, namely, that a committee is divided on the basis of odd numbers, not even numbers, and somebody is going to have to take the responsibility of speaking for the majority decision.

Mr. IVES. Time and time again I have sat as a member of the minority when I felt the majority was cramming something down my throat. That is why I wanted a bipartisan committee. That is why we had an impasse. More than procedure was involved; a policy was involved. Labor relations were involved.

Mr. MORSE. What I am at a loss to understand is why the Senator thinks his throat would be more protected by having a vote of 4 to 4 on a question so that no decision could be made, and a deadlock would be brought about.

Mr. IVES. Someone has to yield when such a situation occurs.

Mr. MORSE. I wish to say good naturedly, and I am sure the Senator will take it good naturedly, because of our friendship, I think the Senator from New York has made a good case for another type of veto against which I protest, and that is the Russian veto on the Security Council, where one person can really, in effect, say to the others, "Unless you graciously yield, this is it." I do not think that by a 4-to-4 split in a committee members of a minority party should be allowed, in effect, to veto the proceedings of the committee, unless, in the interest of harmony, or good will, or what not, the chairman graciously yields to the 4 Republican members who, as the Senator has said, from the very beginning—I paraphrase the Senator, and I do not attempt to quote him accurately, and I mean to do no injustice to him, thought the very procedure they had in mind should be followed. Why should the minority be in such a position of authority? Rather, the Senate should make it perfectly clear that when there is created a committee the majority shall take the responsibility for the work of the committee, unless a Senator in the minority can convince some member on the other side of the table. The Senator from New York has great ability to do it, because I have gone along with his persuasion when he has been on the other side of the committee table. I do not think the manority ought to be handed a weapon to enable them to split the committee by a tie vote because of which some other member has to yield graciously, although he may believe what is contended, but he wants to have business transacted. I do not like that procedure. That is the point on which the Senator from New York and I differ.

Mr. IVES. May I comment on that statement?

Mr. MORSE. Yes.

Mr. IVES. I do not think the Security Council and the committee operate in the same way. A veto is provided for the Security Council. The committee provides for no veto. The situation mentioned has occurred only once, and it probably is the only time it will ever occur. There was not a veto even then. As I pointed out, the chairman could have gone ahead. Does the Senator from Oregon think the Republicans on the select committee would have felt any better if there had been a Democratic majority on the committee and the Republicans had been forced into doing what the majority wanted?

Mr. MORSE. I object to the use of the word "forced."

Mr. IVES. That is the only way they could have gotten it—by forcing it.

Mr. MORSE. No.

Mr. IVES. The Democrats could not have obtained it in any other way. The Republicans were of one mind.

Mr. MORSE. In a committee with a majority I do not think the minority members can contend that anything is forced on them. The minority may not have its way, but that is characteristic of our system.

Mr. IVES. If the majority wants to do one thing, naturally, the minority is snowed under. That does not tend toward good feeling and cooperation in the committee.

Mr. MORSE. I respectfully say the procedure the Senator is now defending caused much more bad feeling than would have been caused by following the usual majority party system.

Mr. IVES. May I ask the Senator where this bad feeling is?

Mr. MORSE. Earlier in my speech I referred to a considerable number of newspaper comments pointing out that the writers felt the committee was doing great damage to itself. I think the committee is doing great damage to itself in public opinion these days, that the committee has succeeded in confusing the

UNIVERSITY OF MICHIGAN LIBRARIES

public, and that the committee is not making anywhere near the good record it made in its earlier proceedings. I think that situation developed when the position was taken that the four Republican members would stand pat until the chairman graciously yielded.

Mr. IVES. Will the Senator kindly tell me where the bad feeling is?

Mr. MORSE. Read the press.

Mr. IVES. I do not know of anyone in the committee who has any bad feeling.

Mr. MORSE. I am not talking about the committee alone. There have been a whole series of speeches this afternoon made on the floor of the Senate which would indicate a considerable number of Members of the Senate are not happy about the record the committee is making.

Mr. IVES. I cannot help how the other Members of the Senate feel. I am talking about the committee itself and the members of the committee. I know of no one, except one member, perhaps, who has any bad feelings about what is going on.

Mr. MORSE. One member has publicly expressed his criticism of the committee procedure.

Mr. IVES. Yes. I understand. That is the one to whom I was referring.

Mr. MORSE. I do not have to tell the Senator from New York, since he has been in politics so long as he has, that it is not uncommon for people to have views which they do not publicly express. The Senator and I are inclined to express our views. The Senator from Michigan is more inclined to express his views than some others.

I respectfully say to my friend from New York that I think as of now the committee is making a rather sorry record. That is why, as a Member of the Senate, I felt I should offer the resolution, because I think that since the committee is a child of the Senate, the Senate itself should take note of the growing criticism of the committee one reads almost daily in the press.

Mr. IVES. I recognize the criticism coming from the press. I can well understand it. But I point out that the feeling among the members of the committee is all right, with the possible exception of one member.

Mr. MORSE. I am glad to have the Senator's assurance.

Mr. IVES. I think the Senator will continue to have it.

I am very much opposed to the proposal the Senator is making, which would make the committee partisan.

Mr. MORSE. I understand.

Mr. IVES. I think it would be a grave mistake to do what the Senator proposes. Of course, if the Democrats want to take that action, they can do so; they have the votes.

Mr. MORSE. I am willing to stand on my proposal that a majority party should exercise majority responsibility.

Mr. IVES. It depends upon what the responsibility is.

Mr. MORSE. In the conduct of a committee.

Mr. IVES. It depends upon what the responsibility is.

Mr. MORSE. In the conduct of any committee, or the procedures of any committee.

Mr. IVES. I disagree with that entirely. I think some areas ought to be taken entirely out of politics.

Mr. MORSE. I desire to make perfectly clear that I think the best way of taking the matter out of politics is to adopt my resolution. The Senator will not agree with me, but I think there is strong indication that there is a remarkable amount of politics being played by the committee at the present time.

Mr. IVES. Very well, but the Senator's resolution——

Mr. MORSE. In regard to the 4–4 vote procedure.

Mr. IVES. The Senator's resolution will put politics into the heart of the committee.

Mr. MORSE. I think not.

Mr. IVES. It will make it wholly partisan.

Mr. MORSE. I think not. It is a resolution which I think will bring to an end the potential danger of stalling tactics by members of the committee, which can be used on the basis of the 4–4 vote ratio. I think there is always a much greater opportunity for politics to be taken out of any matter if there is followed a clear procedure which permits the majority to speak, to reach a decision, and to be done with the matter.

Sometimes, I say, such a decision will be not on a party line at all, but will be a decision by men sitting on the other side of the table.

Mr. IVES. Thereby, the Senator would make it partisan, fundamentally.

Mr. MORSE. If the giving to the majority of the right to function as a majority is what is involved, I am all in favor of it.

Mr. IVES. Then the Senator wants to make the whole matter partisan?

Mr. MORSE. Procedurally, if one wishes to call that a partisan procedure.

Mr. IVES. I cannot think of it in any other way.

Mr. MORSE. I am not afraid of democracy. Our democratic process is based primarily upon the majority vote rule. I see no reason, procedurally, why this rule should be denied to the McClellan committee.

Mr. IVES. I disagree heartily with the Senator's proposition when it comes to labor relations.

Mr. MORSE. I understand.

Mr. IVES. I think the Senator knows that. There was a time when the Senator from Oregon used to agree with me on such questions. I do not know when he and I parted company.

Mr. MORSE. That is very interesting.

Mr. IVES. Back in 1947?

Mr. MORSE. I have always been very much interested in a tripartite approach to panels within the labor movement and the employer movement, for the settling of labor disputes, if that is what the Senator from New York has in mind.

Mr. IVES. I do not have that alone in mind, because I have always questioned the advisability of the tripartite approach, which always means the public member does the deciding.

What I am referring to primarily is the keeping of politics out of labor relations. It seems to me I recall a time when I understood the Senator from Oregon felt that way, too.

Mr. MORSE. And I do today.

Mr. IVES. What the Senator from Oregon is advocating is not that.

Mr. MORSE. What I refuse to accept is the Senator's conviction as to my resolution, that I would put partisan politics into the labor movement, because I believe we ought to establish committees in such a way that they can reach decisions by a majority vote.

Mr. IVES. I am not talking about partisan politics in the labor movement. I am talking about partisan politics in the question of labor relations, which is something very different.

Mr. MORSE. I am talking about the same thing. I am simply saying that when a labor-relations problem is before a Senate committee, the committee should be organized on the basis of the majority-vote principle, so that a tie could be broken. Then we would not have the situation the Senator himself described as one which remained deadlocked until the chairman graciously yielded, or would have remained deadlocked until the chairman went ahead, as the Senator says he could have done, to exercise what is claimed to be an inherent power possessed by the chairman to force upon the committee something four committee members did not want done. I do not think the chairman should be put in that position.

Mr. IVES. In other words, what the Senator is advocating is a partisan control of the committee.

Mr. MORSE. I am advocating that the majority party in the Senate should have a majority membership on every committee of the Senate.

Mr. IVES. That is partisan control, is it not?

Mr. MORSE. It is partisan control by way of party control, but that does not mean a committee will make a partisan decision on the substance of an issue.

Mr. IVES. Not necessarily.

Mr. MORSE. Oh, no.

Mr. IVES. But when the chips are down, it sometimes happens that way.

Mr. MORSE. What does the Senator think of the situation when a stalemate occurs and four men say, "This is going to be our position. We are not going to move." The chairman can either get tough, under what the Senator says are the rules of the committee, or he can graciously yield.

Mr. IVES. I have told the Senator time and time again in the discussion that the chairman did not have to yield.

Mr. MORSE. Does the Senator think that would have helped the situation?

Mr. IVES. We would have gone ahead with the hearing.

Mr. MORSE. The committee would have gone ahead with the hearing, with a great deal of rankling. I am not speaking of the four as individuals, but hypothetically.

Mr. IVES. In regard to the rankling the Senator mentions, I do not think it would have amounted to anything at all. It would have passed out of the picture in 2 or 3 days.

Mr. MORSE. I am pointing out that the procedure is one which ought to be corrected.

Mr. IVES. We are going to have rankling if we have partisan control.

Mr. MORSE. No.

Mr. IVES. The minority is not going to be happy if they are subject to railroading process.

Mr. MORSE. It is not that. The majority speaks. The rule permits the majority to speak. The minority can file respectful dissents. If the minority thinks the majority is adopting a steamroller tactic, it can say it, but at least the procedures and processes will not be slowed down.

The Senator should recognize that all I am urging is that if a committee is to operate in the best interest of the Senate it ought to be a so-called majority rule committee.

Mr. IVES. I point out to the Senator from Oregon that the length of time the hearings have been slowed down, is no more than 2 days. Two days out of 3, 4, or 5 weeks of hearings do not amount to much.

Mr. MORSE. Of course, I respectfully disagree with the Senator as to what I have observed. If a different procedure had been adopted at the beginning, I doubt if the whole hearing would have lasted nearly so many days as the hearing now bids fair to last.

Mr. IVES. I call attention to the fact that I, myself, offered an alternative to the course the committee followed, but I was unsuccessful in getting the Democrats on the committee to go along.

Mr. MORSE. So what?

Mr. IVES. That is why we became tangled up and reached impasses now and then.

Mr. MORSE. I think they would be much more common in the case of an evenly divided committee than they would under the procedure I am advocating, whereby the majority would speak and the work would go ahead.

Mr. IVES. I did not balk simply because I did not have my own way.

Mr. MORSE. I am not suggesting that anyone balked because he did not have his own way.

Mr. IVES. The Senator is suggesting that four of us balked.

Mr. MORSE. I am only suggesting that the majority should have the power to act as a majority, so that the balkers can balk but the committee can move on.

Mr. IVES. It did move on.

Mr. MORSE. When the chairman graciously yielded to four men.

Mr. IVES. It moved on in that way. It could have moved on in another way.

Mr. MORSE. I understand the Senator's point of view, but let me assure the Senator nothing he can say will cause me to accept what I consider to be a procedure that defeats the democratic process of majority rule.

Mr. IVES. In other words, what the Senator is advocating is partisanship, pure and simple. That is where we started in the discussion.

Mr. MORSE. Does the Senator think majority rule is partisanship?

Mr. IVES. It certainly is, if one party controls the legislative body.

Mr. MORSE. If the Senator thinks majority rule is partisanship, he is welcome to tell that to the American people, but I do not agree with that point of view.

Mr. IVES. I do not think the American people would be very much fooled if they were apprised of the conditions.

Mr. MORSE. What would the Senator from New York think of an eight-man Supreme Court?

Mr. IVES. The Supreme Court is somewhat different.

Mr. MORSE. Granted.

Mr. IVES. It considers different subjects entirely.

Mr. MORSE. Granted.

Mr. IVES. It is not dealing with a delicate field such as labor relations.

Mr. MORSE. It must make decisions.

Mr. IVES. There is a great deal of difference between the Supreme Court and a committee established to deal with labor relations.

Mr. MORSE. I use it as an example to point out to the Senator from New York that the committee is a decisive body; and I believe that when a group serve on a decisive body, there should be procedures for majority decisions. Let the majority assume the responsibility if they make a bad decision. Let the majority assume the responsibility if they adopt partisan tactics as the Senator says they might. I think the situation in the McClellan select committee has developed into such seriousness that the entire Senate should take cognizance of it, and adopt my resolution.

Mr. IVES. The Senator knows what my position is.

Mr. MORSE. I am delighted to have it on the record.

The Senator from Arizona [Mr. GOLDWATER] reportedly stated that there were 37 deaths in CIO strikes. Is he referring to the Republic Steel strike Memorial Day massacre of 1937 in which 10 demonstrators were killed—shot in the back or side as they fled from police clubs—as Paramount newsreels showed and the La Follette investigation found? Is the Senator from Arizona referring to the murder of the 17-year-old son of a union organizer in 1937 by thugs and deputies organized by a coal company vice president in Harlan County—as found by the La Follette committee? If the remarks attributed to the Senator were made—let it be asked—who was killed—strikers, nonstrikers, innocent bystanders? I believe that the records show that in CIO strikes, the organizers and strikers were those who suffered the violence. Who will ever forget the photographs of two of the Reuther brothers and their fellow organizer Frankensteen, their jackets pulled over their heads to immobilize them, being blackjacked by company goons at a plant gate where they were attempting to distribute leaflets in the thirties.

Happily, the era of violent antiunionism is a thing of the past for the most part. As I stated earlier, in the heat of a labor dispute there are times when, because of human frailties, someone may lose his good judgment, and an assault is made or a wrong is done. To their credit, the majority of American corporations have accepted unionization as an essential part of the democratic process. They have embraced bargaining—hard bargaining—but bargaining—and put the blackjacks aside.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Oregon has just made a very significant statement, when he called attention to the time when Walter Reuther, Richard Frankensteen, and many others, were beaten almost to a pulp at an overpass to an entrance to the Ford plant in Detroit.

I hold in my hand a book written by Harry Bennett, for many years chief of staff for Henry Ford. It is an amazing book. He states that thousands of former criminals were taken on to the Ford payroll over the course of years; that an undercover system was maintained; that close and intimate contact was maintained with the underworld, and with leaders of the underworld; and that the company was informed as to what was happening in the plant at all times.

Chapter 11 of the book begins with these words:

> Our contracts with the underworld often led people to ask us for help.

The book is filled with statements to this effect. All this was in the period when the Ford Co. was fighting the unions.

I think the RECORD should, however, be clear and complete. It is to the great credit of Edsel Ford, Mrs. Edsel Ford, and Henry Ford II, that they were always opposed to these practices, and that as soon as Henry Ford II could obtain control of the company, he ousted Mr. Bennett, with the aid of his mother, the widow of Edsel Ford.

I think the record of the Ford Co., in the past 13 years is on the whole an excellent one, but it is the record of a period during which, as the Senator from Oregon has said, the Ford Co. accepted collective bargaining. During the period in which it refused to accept collective bargaining, very different tactics were used by it.

Quite apparently the Kohler Co. has believed, as honestly as Henry Ford believed, that it should not have collective bargaining. Is that correct?

Mr. MORSE. That is absolutely true. I am glad the Senator placed in the RECORD the statements from Mr. Bennett's book.

All one has to do—and I have been citing from that record this afternoon—is to go back to the record of the La Follette hearings to see what deplorable, inhumane tactics were applied to workers in American industry in those days, and then take a look at the situation today, to see the great strides forward that have been made.

Mr. DOUGLAS. This is a confession by Bennett himself.

Mr. MORSE. It is an admission that they hired the criminal element, that they hired goons, that they built up arsenals. It is an admission that they used force and violence on free men and women who were asking only for the

UNIVERSITY OF MICHIGAN LIBRARIES

precious right of freedom to bargain collectively for their own labor. We should beware if the time ever comes when such freedom is lost. Let me say to my banker friends, my lawyer friends, and others, including the candlestick makers, that the right of free men and women to sit around a table of freedom known as a collective-bargaining table and bargain—and bargain hard—for the compensation they are to receive for their services, is one of the great pillars of the democratic process. I do not intend to remain silent in the Senate when I see growing signs that such freedom is being jeopardized in America.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. In view of the fact that Mr. Reuther has been charged, either directly or implicitly, with permitting violence, should not the record show that in addition to the beating which he received in 1937, in 1948 he was nearly killed by a shotgun blast fired through a window in his kitchen, and his brother, Victor, was later nearly killed by a shotgun blast through a dining-room window at his home? The Detroit police were, to say the least, not very active in trying to run down the assailants.

Mr. MORSE. At least, they have never been detected to date.

Mr. DOUGLAS. On one occasion a man arrested escaped from the police under very peculiar circumstances.

Is it not also true that the Kefauver committee, in its investigations, as shown on pages 74, 75, 76, and following in the report, has pointed out that some of the leading manufacturers of Detroit hired the criminal element in Detroit to break up unions? While the connection between this criminal element and the attempts to murder the Reuthers has never been conclusively demonstrated, and while the Senator from Illinois does not wish to make any direct charges, certainly it is true that rough tactics were freely used against unions in the Detroit area, and that the criminal underworld was hired by some of the big employers. Is that not true?

Mr. MORSE. The Senator from Illinois is correct. Is he aware of the fact that, tragic as it is, there is a certain amount of grim humor connected with the fact to which I am about to call attention? I should like to have the attention of the Presiding Officer [Mr. PROXMIRE].

I understand that the laws of Wisconsin permit humane officers to carry weapons. The evidence is that there was organized within the Kohler plant a humane society, so that employees of the company could take advantage of the Wisconsin law and, as humane society officers, carry weapons.

It does not seem possible that that could happen in our day, but it is a perfectly good indication of the fact that what I said about employers has some glaring exceptions. It would appear from the official report of the trial examiner of the Labor Relations Board that such an exception is the Kohler organization.

Let me say, as we struggle through—and we hope it will be only for a short period of time—this growing recession, with more and more breadlines being formed, with more and more people living on Government surplus food, with more and more hardship facing the employed class of America by way of the cruelties of unemployment, that it is at such times that "unreconstructed"—I put put that word in quotation marks—employers, temporary converts to the collective bargaining system, try anew to break unions.

It is like communism. Anti-unionism thrives on unemployment, economic disjointure, and recession, just as communism does. So much of antiunionism and communism have many tactics in common. The interwoven police-state concept is to be found in the pattern of both.

Therefore in America today we need to be on guard against growing signs of antiunionism. That is why I am taking this time, after the Senator from Michigan [Mr. MCNAMARA] made his very able speech on some aspects of the select committee, to raise my voice in warning and why I urge that the Senate adopt a resolution which establishes the principle of majority rule for the McClellan select committee.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. DOUGLAS. Earlier in the afternoon, in colloquy with the Senator from Michigan, the Senator from Illinois gave some detailed facts which he had worked out about the people who had been killed in strikes—listed by Representative HOFFMAN, of Michigan—in which the CIO was engaged.

We have now completed a final tabulation, drawn from the clippings in the files of the Department of Labor.

It shows that 32 men on the union side—strikers or strike sympathizers—were killed, and seven on the employer's side, namely, one in the Rice Brothers Shrimp Co. strike, one company guard, two company officials, one company worker, and one deputy sheriff in the Kentucky coal mines strike of 1941 which had earlier seen the killing of four union men, and one in the Aluminum Company strike.

In two cases it is hard to tell whether the men killed were company men or union men, or victims of a straight jurisdictional conflict.

It is overwhelmingly clear, however, that the preponderant proportion, 32 out of the 39 who were killed, and who can be definitely identified as on one side or the other, were union men. They did not shoot themselves. Nor were they shot by fellow union members.

The charge that the CIO and Walter Reuther are responsible for these deaths reminds the senior Senator from Illinois of a cynical Italian saying that not the murderer but the murdered is guilty. I hope the real facts may come out as a result of this discussion. It is a cruel thing for an untruth to go around the world before truth has time to put on its boots. And for it to be unwitting does not make it any better.

Mr. MORSE. I thank the Senator for putting this matter in the RECORD, because it bears upon the question I have been raising and which I shall continue to raise and to stress. We hear a great deal about racketeers in the labor movement. The charge has publicity value. It gets attention. Let us look at the McClellan committee, however. How many racketeers has it exposed? The No. 1 man, perhaps, is Dio, who was even kicked out of the leadership of a local union.

I wish to repeat what I said earlier: great credit is due to George Meany and Al Hayes and Walter Reuther and Dave MacDonald and Jim Carey and Joe Keenan and the other labor leaders who have done a magnificent job in connection with labor's committee on ethical practices. They have been doing a great job of cleaning house. It is easy to charge racketeering, but let us have the names of the racketeers who have been exposed by the McClellan committee. Oh, it is said that Dave Beck is one. As I indicated earlier, what has been shown is that Dave Beck is a crook, not a racketeer in the sense that "racketeering" is professionally used as a term in the vocabulary of labor relations. He simply betrayed his trust to his membership. There are some crooked labor leaders. There will be more of them from time to time, just as there will be crooked bankers and crooked lawyers and crooked doctors and crooks in every stratum of society. It is a question of what we will do about it. It is a question of what will be done about that particular group before there is any justification for a public condemnation of the group.

The sad thing is that one of the by-products, I respectfully say, of the work of the McClellan committee is that it is giving the false impression that the labor movement is honeycombed with racketeers, musclemen, terrorists, and crooks. The great overwhelming majority, or 99.9 percent, of the union officials and other members are what I said earlier in my remarks—next door neighbors of ours. They belong to our churches and our clubs and our parent-teacher associations. They have the same aspirations the rest of us have. I do not intend, merely because I am in politics, to remain silent on the injustice that is being done to the great labor movement.

To the credit of unions and management strikes in the automobile industry have been free from all violence. In 1949 and 1952, some 600,000 steelworkers were out on strike after bargaining impasses without any incidents of lawlessness on either side. Major industry has come of age in industrial relations. There remain some who have yet to catch up; there are those who do not know or will not learn the A B C's of labor-management relations.

But, this is no reason for the Senate to permit its legislative child, the select committee, to be used as an arena in which attempts are made to trample the rights of legitimate, honest trade unions and their members.

Congressional committees are imperfect instruments at best as investigatory

bodies. Yet, no one in the Senate has sought more than I have to protect the right, with proper procedural safeguards, of the Senate to investigate through its committees in aid of legislation. That is a constitutional test, I submit. Relevance to that purpose must be insisted upon or else Congressional investigations will be ineffective and come into disrepute. Rulings on relevance by the committee chairman have been frustrated for lack of a majority vote procedure.

I referred to a member of the committee who refused to desist reading a letter even though the chairman of the committee said it was out of order. The chairman should have been in the position of being able to appeal to the majority of the committee. The fact is that he is confronted with a 4-to-4 vote situation on the committee. We should not handcuff the chairman and place him at a great disadvantage, as he is on the select committee. It would make no difference to me if a committee chairman said he liked it that way. That would have nothing to do with my position on the matter of procedure. I am not interested in a chairman's likes or dislikes. I am interested in applying the majority vote principle to the procedures of Senate committees.

That is why, when the committee was first formed, I objected to the procedure, and I respectfully submit that time has proved me right. What we need today is what should have been done in the beginning, namely, to provide a majority vote rule for the committee.

I say let the Senate get this apparently wayward, wondering legislative child back on its assigned path. We have given our child a whopping financial allowance. It remains our responsibility in the Senate to see to it that the money is expended wisely and not spent on a spree.

In my judgment, the American people are seeing on the television screens and are reading in the newspapers a committee procedure which I think is not resulting in great credit to the Senate. I again say that I place no blame on the chairman of the committee; I put the blame on the Senate. The Senate created the committee with a 4-to-4 vote arrangement. We, in my judgment, failed to establish the principle that the majority party in the Senate ought to assume majority responsibility. We ought to insist that all our committees—the select committee and all others—operate at all times on the basis of majority rule.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. Does the able Senator from Oregon know of other committees where there is not the majority requirement as provided by the rules?

Mr. MORSE. I understand that in the past there have been a few select committees in connection with which this policy has been adopted, but they have been so few that I know I am speaking with accuracy when I say that the general policy of the Senate has always supported the principle of a majority-vote rule for the operation of a committee.

Mr. CARROLL. Does not any investigation such as this have for its ultimate purpose a legislative act?

Mr. MORSE. That is correct; that is its primary purpose.

Mr. CARROLL. Is it not true that all legislative committees have the structure or the formation which the Senator from Oregon has been advocating?

Mr. MORSE. Yes, in almost all instances.

Mr. CARROLL. No instance comes to my mind of a case in which a decisive vote could not be taken by the majority party, because that is the theory of responsibility.

Mr. MORSE. I know of no legislative committee which has ever operated on an equal-vote, party-split basis. There may be; I have not checked with the Parliamentarian. If there are any, I will make a correction in my remarks. But my understanding is that the consistent policy of the Senate has been that legislative committees shall be established on the basis of majority rule.

Mr. CARROLL. I was out of the Chamber during a part of the Senator's colloquy with the Senator from Illinois [Mr. DOUGLAS] and the Senator from New York [Mr. IVES].

Was a question ever addressed either to the chairman of the select committee [Mr. MCCLELLAN], who is in the Chamber, or any other member of the committee, concerning the continuance of this type of investigation?

Has any new evidence been obtained, or is there any reason for continuing, week after week, the sort of testimony which has been rehashed, as I understand, in hundreds of pages of hearing record? Exactly what is the purpose of the investigation?

Mr. MORSE. That question was not discussed in the debate while I was on the floor.

I raised the same question which the Senator from Colorado is suggesting. I pointed out that the hearings before the trial examiner of the National Labor Relations Board contained thousands and thousands of pages, including his findings. The case is now pending before the National Labor Relations Board.

I have not mentioned this before, but I shall do so now. I have another objection to the way the committee is functioning. I do not think it is good or wise to have a controversy over the Kohler strike in progress before a Senate committee while the Kohler case is pending before a quasi-judicial body. I do not think that is the way the Senate should operate. I think the select committee has plenty of other things to consider without getting itself into a position where, rightly or wrongly, it will be subjected to criticism by someone if it seeks to do something which might influence the decision of the National Labor Relations Board.

The members of any board do not live in a vacuum; they all read the newspapers; they see television. Who among us knows when some influence may be exercised which we do not intend or desire to exercise, although it is exercised? I simply happen to think that while the Kohler case is pending before a quasi-judicial tribunal and is on its way "upstairs," as we say, going through the courts, there are other things the McClellan committee could be doing instead of conducting a so-called investigation of the Kohler case.

That is why I am not so certain that the Senator from Michigan [Mr. MCNAMARA] was not right when he raised the question whether in this particular field the usefulness of the select committee had not come to an end, and that a standing committee of the Senate, the Committee on Labor and Public Welfare, should not proceed to exercise its full jurisdiction.

Mr. CARROLL. I am indebted to the Senator from Oregon. I have not followed the case too closely and hence I must admit I was unaware that a case was pending before a quasi-judicial body. I am confident the public does not fully understand this.

It appears extraordinary to me that an open senatorial hearing is being conducted on a matter which has yet to be decided by a quasi-judicial body. I now understand that this matter has been in litigation for several years.

Mr. MORSE. It has been a full-employment program for a group of lawyers for some time past, and will be for some time in the future, I am sure.

Mr. CARROLL. I am not against a full-employment program for lawyers.

Mr. MORSE. Oh, I want them employed; I have just made the observation.

Mr. CARROLL. I think the question resolves itself to this: When will the investigation end? What is being obtained from this sort of investigation?

It had not occurred to me that this investigation might be, perhaps, a vehicle of intimidation against a quasi-judicial body.

I thank the distinguished Senator from Oregon for bringing to our attention that aspect of this matter.

Mr. MORSE. I thank the Senator from Colorado.

In closing my discussion of the matter, I shall stand on the record I have made this afternoon in support of the application to the McClellan committee and all other committees of the rule or principle of majority vote.

I now submit the resolution to which I have referred.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 278) to increase the membership of the Select Committee on Improper Activities in Labor or Management Field was referred to the Committee on Rules and Administration, as follows:

That subsection (a) of section 2 of Senate Resolution 74, 85th Congress, 1st session, agreed to January 30, 1957 (establishing a select committee to investigate certain matters pertaining to labor-management relations, which was continued by S. Res. 221, 85th Cong., 2d sess., agreed to January 29, 1958), is amended by striking out "the select committee shall consist of 8 members to be appointed by the Vice President, 4

UNIVERSITY OF MICHIGAN LIBRARIES

each from the majority and minority Members of the Senate" and inserting in lieu thereof "the select committee shall consist of 9 members to be appointed by the Vice President, 5 from the majority and 4 from the minority Members of the Senate."

AMENDMENT OF SOCIAL SECURITY ACT AND INTERNAL REVENUE CODE

Mr. MORSE. Mr. President, I introduce for appropriate reference a bill to amend the Social Security Act and the Internal Revenue Code so as to increase benefits and add insurance against hospital and surgical expenses, and for other purposes.

I shall make a brief statement about the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3508) to amend title II of the Social Security Act and the Internal Revenue Code of 1954 so as to increase the insurance benefits payable under such title, to extend the insurance program established by such title so as to include insurance against hospital, nursing home, and surgical service, and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. MORSE. Mr. President, the majority leader, the Senator from Texas [Mr. JOHNSON], in one of his statements in the Senate, has called for social-security improvements together with a tax cut. I, of course, have shared that point of view for a good many years.

The Senator from Wisconsin [Mr. PROXMIRE], the present Presiding Officer of the Senate, the other day spoke about his campaign pledges in his support of a tax cut amendment. He said he proposed to keep his pledge, and, in effect, stated that he would do so unless someone could show that a tax cut would not justify the position he took.

In 1956, I campaigned all over my State for improvements in the social security law. I keep my pledges, too. It is because I keep my pledges that I, figuratively speaking, have my veins pierced so frequently by the pinpoints of critics. But the position I took in 1956 on social security is as sound today as it was then. In fact, the deterioration in the economy of the Nation under the Eisenhower administration makes it, in my judgment, all the more important for the Government to do justice to the people in the social security field.

The bill raises benefits across the board by 25 percent, for those already on the rolls and for those still working.

It adds health insurance to the benefits available to those eligible for old-age and survivors' benefits.

It provides a new minimum monthly benefit of $40, and raises the ceiling of earnings on which benefits are figured to $6,000.

An increase in payroll deductions is included to cover the cost of the improvements.

A new formula is contained in it enabling workers to see what their monthly benefits will be just by looking at the table provided, instead of having to inquire from social security offices.

I am happy to present the bill as a great forward step in making social security a system for real economic security after working years. In particular, I think insurance against hospital and surgical costs for persons 65 and over is long overdue and I hope it will soon be added to social security.

I ask that the bill lie on the table for 3 days so other Senators may join as cosponsors.

Mr. President, I close by saying good naturedly, in advance, that I know what some of the critical editors in my State will say. Undoubtedly they will say "that is further evidence that Senator MORSE is in favor of creeping socialism."

Mr. President, perhaps in this case they will find that I have proceeded at a gallop.

However, such a reactionary response is to be expected from editors who show so little appreciation of the history of the general welfare clause of the Constitution as most reactionary editors do.

I wish to say to those critics that there is nothing socialistic about this bill. By this means the Government will be fulfilling the responsibility which, under the general welfare clause of the Constitution, it owes to the people of the United States, namely, that in order to keep the private-enterprise system sound, there must be on the statute books laws which will protect our people in their old age. We must remove the great fear that hovers over almost every family chimney in the land, namely, the fear of what will happen when illness or disease strikes. These people are fearful of what will happen; they wonder whether they are to be denied the best medical care that medical science can provide.

Mr. President, one has only to go with me and talk to the many aged persons to whom I talk, to realize that I am discussing an ugly reality in American life today, namely, the fear of the old people of the country as to what will happen to them when they have to lay down their burdens, so to speak, and have to rely on the most inadequate, parsimonious social-security benefits that this great country now offers to its people.

Mr. President, I shall always be proud that my descendants will be able to read that in the midst of a recession I was not afraid to introduce a bill to seek to bring needed relief and sustenance to the millions of the people of this country to which it owes so much.

I am reminded of the fallacious argument one often hears advanced by a person who has accumulated some wealth. Such a person often likes to say, "I did it all by myself; I did it all alone."

I like to point out to such persons that they did not do it all by themselves at all. Instead, many things over which they had no control made it possible for them to accumulate their wealth. I give such a person all credit for ambition and initiative; but the fact is that he has been the beneficiary of the economic environment provided by our American system, and no small part of that system is constituted by the part which makes us free men and women. The great mass of the people constitute the great reservoir and productive asset of the businessmen and the others of economic means who like to say, "I did it myself." Mr. President, they could not have gotten anywhere if it had not been for the great economic, productive power of the mass of our people.

As a totality, this population of ours, formed into a government of a free, political society, owes to those people the kind of social security that I propose in the bill I am introducing today, which is for the purpose of improving the social security system of the country in line with the campaign pledges I made across my State in 1956.

Mr. LONG. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LONG. I desire to congratulate the Senator from Oregon for introducing the bill to which he has referred. I have not had a chance to study it, but I believe I would be one of those who would support it and would vote for it.

I should like to ask the Senator from Oregon whether he has in his bill, which proposes amendment of the social security law, any provision for those who today are on public welfare. If we are to have a deficit—and my guess is that from today until 1 year from today we shall have a deficit of between $5 billion and $10 billion—and if we are to increase the present deficit by making a tax cut, I believe we should provide some spending power on the part of those who most assuredly would use it, namely, those who, for the most part, through no fault of their own, are no longer productive, but have to rely upon assistance. In most cases they have to rely on $25 to $30 a month—an extremely pitiful income. I believe we should consider them in connection with the planned deficit which apparently will be considered during the next year.

Mr. MORSE. Mr. President, I am pleased to say to the Senator from Louisiana that I have heard him speak on this subject before, and, as he knows, I have joined with him in his efforts in the Senate.

Mr. LONG. Yes.

Mr. MORSE. I am pleased to have his support of my bill for public welfare benefits, because what we are trying to provide for now can only be described as an oversight on our part which results in extremely cruel consequences. So I am seeking to have Federal assistance provided for those people, as well.

Mr. PROXMIRE subsequently said: Mr. President, earlier today, when the distinguished senior Senator from Oregon [Mr. MORSE] was speaking, I was in the Chair and it was impossible for me to comment on some of his remarks.

I particularly wished to comment on his remarks on social security. I therefore ask unanimous consent that what I shall have to say now on social security be printed in the RECORD immediately following the remarks of the senior Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. The senior Senator from Oregon pointed out that the

majority leader has recently indicated a degree of enthusiasm and approval for improvements in the social security law. I am delighted to see that because I have introduced a bill which would provide substantial improvements in the social security law. I think they are urgently needed. I think it makes a great deal of sense to have such improvements now. I concur very heartily in the remarks made by the Senator from Oregon that this is a humanitarian step which should be taken.

The Senator from Oregon said in the course of his remarks that they were in fulfillment of a pledge which he had made to the people of Oregon when he ran for reelection in 1956.

My action is in fulfillment of a pledge which I made to the people of Wisconsin when I ran for the Senate in 1957. I pledged that I would do what I could to improve the social security law. In fulfillment of that pledge I introduced a bill, in January, shortly after the Congress convened.

In conclusion on this subject, let me say that this is a proposal which is peculiarly fitted to the economic difficulties in which we find ourselves, because it would not result in a drain on our budget. The proposal I have made, and the proposal which I understand Representative FORAND has made in the House, would be self-financing, through a very modest increase in the social security tax. We could very substantially increase social-security benefits.

My bill would increase benefits by something like 12 percent. We could do so with complete fiscal responsibility, and the result would be to put money into the pockets of our old people, who desperately need it. Of course, it would also result in a substantial stimulus to our economy.

USE OF CERTAIN REAL ESTATE IN THE DISTRICT OF COLUMBIA BY THE SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. THURMOND. Mr. President, House bill 9271, which is on the calendar—Calendar No. 1315—would authorize the National Society of the Sons of the American Revolution to use the property known as 2412 Massachusetts Avenue NW. as a national headquarters of the society.

The bill has been cleared on both sides of the aisle. Therefore, I ask unanimous consent that the Senate now proceed to the consideration of House bill 9271.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, let me say that I serve on the Committee on the District of Columbia, and I was a party to the reporting of the bill by the committee. I shall be very happy to see the bill passed; but I believe we should wait a moment, to be sure about the attitude of the Members on this side.

Mr. President, after checking, I have no objection to the request.

Mr. MANSFIELD. Mr. President, reserving the right to object—and I must object to a request to have the bill taken up at this time—I point out to the Senator from South Carolina that notice was previously given to the Senate that Senate bill 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954, in other words, Public Law 480, would be taken up today. It is the unfinished business. So I respectfully suggest that it should be considered first.

Thereafter, perhaps, agreement can be reached regarding the bill to which the Senator from South Carolina has referred. But otherwise I would have to object, because of the commitments which have been made.

Mr. THURMOND. Mr. President, I know of no objection to having the Senate follow the course I propose.

Mr. MANSFIELD. Mr. President, I would regretfully be forced to object, because of the commitments which have been made.

After the Senate resumes consideration of the unfinished business, I shall be glad to discuss the other bill with the Senator from South Carolina, to ascertain whether it can be considered by the Senate later in the afternoon.

Mr. THURMOND. Mr. President, in view of that situation, I withdraw my request.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is Calendar No. 1378, Senate bill 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

At the conclusion of the morning business today, the Senate resumed the consideration of that bill; and the bill is open to amendment.

Mr. JAVITS. Mr. President, let the RECORD show clearly that there is no objection on my part and no objection from this side to having the Senate take up the bill which the distinguished Senator from South Carolina has asked to have taken up. However, I appreciate the exigencies which have dictated the withdrawal of his request. But I wish to make our position clear.

Mr. MANSFIELD. There is no objection on this side, either. But usually such matters are cleared first with the leadership—in this case, the Senator from Texas [Mr. JOHNSON] and the Senator from California [Mr. KNOWLAND]. So, as a matter of having the regular procedure followed, the acting majority leader can at this time do nothing other than take the stand he has taken.

Mr. THURMOND. Mr. President, I might say for the RECORD that yesterday a representative of the policy committee cleared the bill, and I assumed that was sufficient; but if there is any objection, I withdraw my request.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER obtained the floor.

Mr. MANSFIELD. Mr. President, I request of the Senator from Louisiana that he yield temporarily to the Senator from South Carolina in order that House bill 9271 may be taken up, and, I hope, passed.

Mr. ELLENDER. Mr. President, reserving the right to object, how long will it require?

Mr. THURMOND. About 2 minutes.

Mr. ELLENDER. I have no objection, provided S. 3420 is not displaced.

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. R. 9271.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 9271) to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MAINTENANCE OF LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. ELLENDER obtained the floor.

Mr. ANDERSON. Mr. President, I wonder whether the able chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], will yield to me so that I may ask the Presiding Officer to lay before the Senate an amendment of the House to a Senate bill. The request has been cleared by both sides.

I wish to suggest amendments to the House amendment which will correct errors made in printing the bill.

Mr. ELLENDER. I shall be happy to yield provided I do not lose my right to the floor.

Mr. ANDERSON. Mr. President, I ask unanimous consent that such action may be taken without the Senator from Louisiana losing the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ANDERSON. I ask the Chair to lay the amendment of the House of Representatives before the Senate.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, which was, to strike out all after the enacting clause and insert:

That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including particularly the act of July 4, 1955 (69 Stat. 244), but subject to exceptions herein contained), is authorized to undertake the rehabilitation and betterment of the works of the Hidalgo and Cameron Counties

UNIVERSITY OF MICHIGAN LIBRARIES

Water Control and Improvement District No. 9, Texas, and to operate and maintain the same. Such undertaking, which shall be known as the Mercedes division of the lower Rio Grande reclamation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract shall provide for payment, in accordance with the district's repayment ability, of the capital cost of the Mercedes division over a period of not more than 40 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

SEC. 2. Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the Hidalgo-Cameron Counties Water Control and Improvement District No. 9 or its designee or designees upon payment to the United States of all obligations arising under this act or incurred in connection with this division of the project, and shall, in addition, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of 160 irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.

SEC. 3. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which now have an irrigation water supply from sources other than a Federal reclamation project, and for which no new waters are being developed.

SEC. 4. There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this act the sum of $10,100,000 (January 1957 costs), plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indexes.

Mr. ANDERSON. Mr. President, the House has passed, with an amendment, S. 2120, to authorize construction and rehabilitation of the Mercedes division, lower Rio Grande project, Texas.

The sponsor of the bill, the distinguished majority leader [Mr. JOHNSON] and the Committee on Interior and Insular Affairs, are agreeable to the amendment, which provides:

First. That the construction costs shall be repaid in accordance with ability to repay, which has been indicated to be less than 40 years.

Second. That interest shall be paid on costs attributable to excess lands.

Third. That the authorized cost be increased from $9,300,000 to $10 million.

I move that the Senate concur in the House amendment, with amendments to correct a printing error, as follows:

On page 2, line 14, change the period at the end of line 14 to a comma and insert thereafter the present text of section 2, beginning with the words "and shall" in line 21, page 2; and to change the comma preceding the aforesaid words "and shall" to a period and delete the remainder of section 2.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from New Mexico to the House amendment.

The amendments to the House amendment were agreed to.

The question recurs on concurring in the House amendment, as amended.

The House amendment, as amended, was concurred in.

Mr. ANDERSON. Mr. President, I ask unanimous consent that a statement with reference to the amendments be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON AMENDMENT 1

In order to clarify the situation as to a proposed repayment period in connection with the first amendment, we feel the following statement is necessary:

In connection with the first amendment relating to the repayment ability of the Mercedes division, it is our view that a precedent for a repayment period for the construction costs of approximately 35 years has been established. This precedent came about in connection with a proposed repayment contract under the Small Projects Act in connection with an application for a loan to Cameron County Water Control and Improvement District No. 1 for the rehabilitation of the Harlingen division, lower Rio Grande project, where a 35-year repayment period has been agreed on between the Bureau of Reclamation and the Cameron County district concerned.

This 35-year term was agreed upon largely as a result of a hearing before the Subcommittee on Irrigation and Reclamation at which it appeared that the loan could be repaid in that period. The repayment capacity of the lands in the Mercedes division is, we understand, similar to that of the Harlingen area. In addition the Mercedes area has an outstanding bond issue which should be taken into account in fixing a period of repayment under the authorization in S. 2120.

The second amendment is in accordance with precedents in requiring repayment of interest on the construction charges attributable to lands held in excess of 160 acres in 1 ownership.

The third amendment reflects the estimated increased cost of the rehabilitation work on the Mercedes division due to rising prices.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. ELLENDER. Mr. President, the Senate has before it for consideration Senate bill 3420, which extends Public Law 480, the Agricultural Trade Development and Assistance Act of 1954.

Before proceeding to a discussion of the bill now before the Senate, I should like to state that, on February 26, the Committee on Agriculture and Forestry reported to the Senate, Senate bill 3039, which also is a bill extending and amending Public Law 480. It was introduced by the distinguished Senator from Kansas [Mr. SCHOEPPEL] and other Senators. The bill as originally introduced provided for a 1-year extension of Public Law 480, and an authorization increase in the amount of $1.5 billion.

The Department of Agriculture favored the enactment of that bill, provided that the bill be considered in connection with the Farm Food and Fiber Act, S. 3049; a bill which was introduced by the distinguished Senator from Iowa, for the administration. The bill S. 3049, it will be recalled, provided, among other things, for a further lowering of the support prices on various commodities, particularly the so-called basic commodities and dairy products.

Mr. President, when S. 3039 came before the committee, it was amended to increase the authorization from $1½ billion to $2 billion with not more than $500 million of the increase to be used during the remainder of this fiscal year. The bill was reported, as I stated, under date of February 26. The committee, at the suggestion of the distinguished Senator from Minnesota [Mr. HUMPHREY], agreed not to call the bill up until the committee studied certain amendments which were proposed by the Senator from Minnesota [Mr. HUMPHREY]. These amendments were submitted by the distinguished Senator from Minnesota at a succeeding meeting of our committee. The committee agreed, not unanimously but almost so, to most of the amendments submitted by the Senator from Minnesota [Mr. HUMPHREY]. Mr. President, that is the bill we now have before us.

Before proceeding with the discussion of the bill, I should like to point out that the Department of Agriculture is not entirely in accord with the measure we are now considering. As a matter of fact, in its reports to the Committee on Agriculture and Forestry, the Department of Agriculture, I believe, expressed a preference for the original bill which extended Public Law 480 for 1 year only, instead of 2 years, and the Department recommended that the authorization be increased by not more than $1½ billion.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from the Department of Agriculture dated February 17, 1958, commenting on S. 3039 as referred to our committee.

The letter indicates the views of the Department of Agriculture as to the extension of Public Law 480.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 17, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your request of January 17, 1958, for a report on S. 3039 which proposed to amend the Agricultural Trade Development and Assistance Act of 1954, as amended.

This bill would increase the maximum amount to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred under title I of the act, from $4 billion to $5.5 billion. The bill would also extend the terminal date, through which title I and title II transactions can be undertaken, from June 30, 1958, to June 30, 1959.

We favor the extension of this act as part of the Farm Food and Fiber Act (S. 3049). This temporary disposal program needs to be part of a farm program that will effectively bring the supply of farm products into better balance with market demand.

However, this program must not be allowed to become a device to postpone needed price support and production adjustments. In some instances the movement of basic commodities under Public Law 480 results, under the current escalator provisions of legislation, in higher price supports than would otherwise prevail. For example, on February 7 we announced the price support for cotton at 81 percent of parity. There is no question that this price support is substantially higher than it would have been in the absence of the exports under Public Law 480. This comes at a time when the cotton industry is having difficulties competitively with synthetics and foreign mills. Thus the effect of moving surpluses under Public Law 480 is resulting in incentives to build another surplus. It is not desirable to keep farmers continually under the shadow of price-depressing surpluses.

This program is desirable within our overall policy framework of expanding markets. However, maintaining a range of support prices which is too narrow to permit the commercial growth of markets needed to absorb our production prevents the needed expansion. Therefore, we favor the extension of the Agricultural Trade Development and Assistance Act with the additional $1.5 billion authorization as part of S. 3049.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point, a letter from the Department of Agriculture dated March 3, 1958, commenting on S. 3223, the original Humphrey bill, later considered by the committee and which, in an amended form, is the bill now before the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington D. C. March 3, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your letter of February 5, 1958, requesting a report on S. 3223, a proposed bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended.

We favor the extension of Public Law 480 as part of the Farm Food and Fiber Act, S. 3049. It is important that changes in the farm legislation provide for moving toward a better balance between production of farm products and market demand. The administration will also propose certain additional amendments of Public Law 480 in the near future, some of which are mentioned below.

TITLE I—SALES FOR FOREIGN CURRENCY

Extension of programing: The proposed bill would increase the title I authority from $4 billion to $4.5 billion at cost to the Commodity Credit Corporation to finance foreign currency sales concluded through June 30, 1958, and would provide a new authorization of $3 billion at market value for programing between July 1, 1958, and June 30, 1960. The proposal would also delete the clause which describes the title I authority as an objective to be reached as rapidly as possible within the safeguards of the act.

We oppose these amendments.

The administration has proposed that the title I authority be increased from $4 billion to $5.5 billion at CCC cost and that the terminal date of the program be extended for 1 year to June 30, 1959. This additional authority would permit orderly programing and maintenance of title exports through fiscal year 1959 at about the level attained in fiscal year 1957. The administration construes title I, Public Law 480, as a temporary means of moving accumulated agricultural surpluses abroad in a constructive manner. Therefore, the extension of the act should be limited to 1 year to afford annual Congressional review of the program.

If monetary limitations are to be made applicable to particular periods, such limitations should not apply to transactions carried out but should apply to agreements entered into by the President under title I.

We would have no objection to deletion of the clause describing the title I authorization as an objective to be reached as rapidly as possible.

Section 104 (h): The proposed bill would amend section 104 (h) to authorize use of currencies generated by title I sales on a grant basis for financing Smith-Mundt exchange programs in addition to the Fulbright educational exchange programs now authorized.

We favor the proposed amendment.

The use of currencies under section 104 (h) now is limited to academic exchanges such as students and professors. The amendment would permit such exchanges as agricultural leaders, labor leaders, journalists, and civic leaders.

In addition, we expect to submit shortly a proposal to amend this section to permit use of these funds to finance travel costs of dependents accompanying participants in the program.

Section 104 (j): The proposed amendment would delete the clause which states "but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor."

We favor the proposed amendment.

The clause which would be deleted makes it necessary to set out separately in each title I agreement the amount to be used for American-sponsored schools, libraries, and community centers so that such use will not be subject to the appropriation process. The necessity of doing this eliminates the flexibility which is achieved by lumping in the agreements the amount of currency, intended for several United States uses so that the amount for each specific use may be determined by the United States later.

Section 104 (k): New section 104 (k) would expand assistance to American-sponsored schools presently authorized in section 104 (j) and would permit grants for the establishment of new schools. We would favor a modified form of this amendment and such a proposal we expect to submit shortly.

Section 104 (l): New section 104 (l) would permit assistance to either public or private educational or vocational institutions whether foreign or American sponsored. We oppose this amendment since such assistance may be furnished under either section 104 (e) or 104 (g) to the extent that such expenditures will contribute to economic development.

Section 104 (m): New section 104 (m) would provide assistance to reconstruction, rehabilitation, health, self-help, and other technical assistance-type projects of American voluntary agencies.

We oppose new section 104 (m).

We believe that one of the most valuable features of the American voluntary agencies' program is that help is furnished on a people-to-people basis. This concept would be breached by the use of funds arising from an agreement between the United States and a foreign government to finance technical assistance-type programs undertaken by the voluntary agencies. In addition, turning over public funds for use by voluntary agencies, most of which are sectarian, would raise difficult administrative problems.

Section 104 (n): New section 104 (n) would provide for the financing of research projects in foreign countries to find new uses for United States agricultural commodities.

This new section is unnecessary since this activity is already authorized and is being undertaken under section 104 (a).

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

Extension of programing: The amendment proposes that the present title II authority of $800 million at CCC cost would expire on June 30, 1958, and would provide a new authority of $500 million for programing between July 1, 1958, and June 30, 1960.

We oppose this amendment.

The administration has recommended that the current $800 million authorization is sufficient for a 1-year extension of the program to June 30, 1959. Moreover, the provision for expiration of existing authority on a fiscal year basis would unduly complicate administration of this type of program.

Sections 201 and 202: The amendment would authorize the use of CCC funds for the purchase of non-price-support commodities to be donated abroad under title II.

We oppose this amendment since the basis for the title II legislation is to utilize commodities already in CCC inventory in providing assistance to friendly peoples.

TITLE III—GENERAL PROVISIONS

Sections 302 and 416: The amendment provides that nonfood commodities may be donated under programs authorized by section 416 of the Agricultural Act of 1949. This amendment would permit donations in the United States and abroad of commodities such as cotton.

We oppose this amendment.

The donation of nonfood commodities would involve expensive processing costs and would result in greatly increased costs in relation to the quantity of commodities which would be moved. In the case of cotton, for instance, at current mill margins, processing and finishing costs for sheeting, which is one of the lowest cost fabrics, would be in excess of $100 a bale. In addition, administrative costs to supervise the program would be relatively high. We do not believe that such a program could be operated without serious impact upon regular commercial markets for these products, particularly in the United States.

Section 303: The proposed amendment would establish a $500 million yearly ceiling on barter transactions unless a higher level is approved by Congress. It directs the Secretary of Agriculture to protect the funds and assets of CCC by barter for nonstrategic materials as well as strategic materials.

We oppose this amendment.

The Secretary of Agriculture is authorized by section 303, Public Law 480, to determine whether or not a barter transaction will protect the funds and assets of CCC. The exercise of administrative judgment is necessary to successful barter and to selection of transactions which will not be mere substitutes for United States dollar sales which would have been made in any case. The effect of the proposed change in section 303 is not clear. If it is to be interpreted so as not to preclude the continued exercise of judgment as to whether a transaction will in fact protect the funds and assets of CCC, then the change is unnecessary. If, on the

other hand, the proper interpretation of the proposed language is that the Secretary shall barter on the same basis as before changes in the program were announced on May 28, 1957, then we oppose it as not being helpful to farmers and as contrary to the best interests of the Government.

Expansion of the barter program at the expense of dollar sales would not result in savings in storage charges or increased agricultural exports but merely in substitution of imported materials for the dollars which would otherwise be obtained.

The application of an annual dollar limitation upon the total volume of transactions directed by this section is ambiguous. There are a series of transactions which take place over a period of time under a single barter contract. Would the limitation apply to the total exchange value of agricultural commodities moved during a year, or to the total exchange value of agricultural commodities covered by barter contracts entered into during the year? Does "annually" refer to fiscal year or calendar year?

The Bureau of the Budget advises that there is no objection to submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. Mr. President, I also wish to read into the RECORD a few statements made by Dr. Paarlberg, Assistant Secretary of Agriculture, which seem to me to be at variance with the views expressed by the Department of Agriculture in the two letters I have submitted for the RECORD. My reason for doing this, Mr. President, is to place the entire matter before the Senate so that Senators may be guided by all of the facts.

I read now from the testimony of Dr. Paarlberg, which appears on pages 2 and 3 of the committee report:

The request for a larger authorization this year is caused by changing world conditions. The dollar position of several countries has worsened and greater demand has resulted from poor harvests overseas. Shipments under past programs, particularly wheat for India, have been accelerated. In addition, we would expect to program part of the new authorization before June 30 if the extension is granted soon enough.

At the same time the Assistant Secretary testified as to the importance of providing adequate authorization, and stated as follows:

In the title I program, orderly programing and shipping is extremely important. These are dependent on continuous programing without time out between utilization of separate authorizations. We have run into periods when title I programing has come to a standstill; for example, the development of new agreements virtually ceased in January 1957 when our authorization was almost exhausted. The availability of funds during the following months would have avoided a backlog of program requests from interested countries. This backlog resulted in the necessity to scale down, delay, or exclude country programs, and in erratic shipment performance. Shipments were running about 800,000 tons a month last spring; these dropped off to less than 400,000 tons and are now just starting to increase again. It is possible that this same condition will exist again unless an extension is granted early in this session of Congress.

Mr. President, I wish to point out that, as I recall, nowhere in its testimony did the Department of Agriculture object to a 2-year extension. Its only objection to a 2-year extension is found in the letters that I have made a part of the RECORD; and while Dr. Paarlberg did not recommend a 2-year extension, his arguments for preventing any lapse of authority such as might occur with a 1-year extension are very persuasive.

Mr. President, I also ask unanimous consent to have printed in the RECORD in connection with my remarks a letter from the American Farm Bureau Federation, dated March 14, 1958, in which the Federation comments on the pending measure. There is no objection stated to the 2-year extension, but it is suggested that the amounts we have provided are entirely too high. It is suggested that the $1½ billion for the next fiscal year should be made $1¼ billion, and that for fiscal year 1960, the second year, the amount should be made $750 million. In other words, the proposal of the American Farm Bureau Federation would reduce the authorization which is provided in the bill by at least a billion dollars.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 14, 1958.

Hon. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: As you know the American Farm Bureau Federation took initiative in developing Public Law 480, the Agricultural Trade Development Act. We have always considered this act as a temporary measure designed to increase marketings of agricultural commodities abroad, to assist in reducing the surpluses in the hands of Commodity Credit Corporation and in facilitating foreign market development.

Farm Bureau is opposed to the provisions contained in S. 3420. While we support a 2-year extension of Public Law 480, we feel that it is imperative that we emphasize the fact that this is supposed to be a temporary measure. In order to do this, we must show our intent of a gradual tapering off of the money authorized for this program. We, therefore, support a 2-year extension of this act with authorization as follows—for fiscal 1959, $1,250,000,000; for fiscal 1960, $750 million.

We submit that by increasing the authorization for title I foreign currency sales up to over $3,500,000,000 in the next 2½ years, plus the proposed mandatory barter provisions of $500 million is a step not in the best interest of the United States. It will have the effect of making Public Law 480 a permanent part of our agricultural-export program and will have the effect of replacing dollar sales with sales for soft currencies. It is important that the Congress demonstrate its firm intent of tapering off sales for foreign currencies and thereby emphasize the temporary nature of this program.

We should not continue to use Public Law 480 to dump surplus agricultural commodities accumulated because of the continuation of unsound domestic price support and adjustment programs. The freezing of the present programs will insure a continued accumulation of commodities in the hands of Commodity Credit Corporation.

A program of sales for foreign currency can benefit American agriculture only a limited length of time before markets begin to be oriented to this way of doing business. Customer nations start to consider foreign currency sales as a normal part of commercial trade. We view with serious concern evidence that some countries are adjusting their dollar exchange so that very little of it is used for the purchase of American-farm products. Competitor nations will not accept a permanent Public Law 480 without taking serious trade retaliatory action against United States agricultural exports.

Farm Bureau also supports a program of bartering our agricultural surpluses for essential materials. However, we feel that barter transactions must be in addition to normal-dollar sales. Under the provisions of S. 3420 barter transactions would displace dollar sales to a substantial degree. The barter program should be a supplement to normal exports; it should not displace dollar purchases. A barter program as visualized in S. 3420 would cause irreparable harm to United States foreign relations and United States foreign trade. The provision in its present form will tend to nullify some of the good in title I of Public Law 480.

We know of your interest in this program and hope that you will assist us in keeping Public Law 480 on a sound basis. We urge your support in amending S. 3420 so as to reflect the above principles.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

Mr. ELLENDER. Mr. President, the bill which is now before the Senate does six things.

First, it extends titles I and II of Public Law 480 for 2 years.

Second, it provides $1.5 billion a year for title I.

Third, it permits foreign currencies acquired under title I to be used for broader educational exchange of persons, assistance to schools and workshops, and chairs in American studies.

Fourth, it provides for expanded barter.

Fifth, it extends the duty-free entry privilege to nonstrategic materials acquired by barter.

Sixth, it prohibits discrimination against extra long-staple cotton under the act.

I wish to add that this bill, S. 3420, provides, as does S. 3039 to which I referred a moment ago, for an additional authorization of up to $500 million for use during the current fiscal year, with any remainder being authorized for use in the next fiscal year.

The purpose of Public Law 480 is to use agricultural commodities instead of dollars to expand international trade, encourage economic development, purchase strategic materials, pay United States obligations abroad, promote collective strength, foster foreign policy, and relieve famine and needs at home and abroad.

Title I provides for the sale of surplus agricultural commodities for foreign currencies pursuant to agreements with friendly nations, and the use of those currencies for many purposes of the United States. While the cost of the program has often been charged to agriculture, the foreign currencies are actually used principally by other agencies for other purposes.

The agencies which use these currencies and the purposes to which they are put are shown in a table which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks. The table shows in detail

the various agencies and the amounts which have been programed for use by them through February 5, 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions of dollars]

Authority	Currency use	Responsible agency	Amount programed through Feb. 5, 1958
Sec. 104:			
(a)	Agricultural market development	Department of Agriculture	43.2
(b)	Supplemental stockpile	Office of Defense Mobilization	2.0
(c)	Common defense	International Cooperation Administration and Defense Department.	290.5
(d)	Purchase of goods for other countries	ICA	42.9
(e)	Grants for economic development	ICA	61.5
(e)	Loans to private enterprise	Export-Import Bank of Washington	44.7
(f)	Payment of United States obligations	Any agency	656.5
(g)	Loans to foreign governments	ICA	1,349.0
(h)	International educational exchange	Department of State	23.2
(i)	Translation of books and periodicals	U. S. Information Agency	3.3
(j)	American-sponsored schools and centers	State and USIA	14.5
Total			2,531.3

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. Before putting the question, I have in mind the situation under Public Law 480, dealing particularly with the section to which the able Senator is referring at this time, section 101.

Mr. ELLENDER. Of title I?

Mr. REVERCOMB. Yes. As the Senator has stated, it deals with the subject of foreign currencies, and taking foreign currencies in the sale of commodities abroad.

Is there anything in the act which would permit the President to keep such commodities at home and not sell them to foreign countries? I have in mind the situation which exists today in certain localities throughout the country, where there is need for surplus food. I am advised that the view is taken in the Department of Agriculture that the sale for foreign currencies under title I of Public Law 480 takes precedence over free distribution. Does the Senator feel that that is the expression and intent of section 101, or any other section of the law? Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

Mr. ELLENDER. I may say to my good friend from West Virginia that I do not believe there is anything in the act which gives precedence to our own uses with respect to surplus commodities until title I.

As the Senator knows, there are two other titles in the act which deal specifically with gifts to be made abroad, as well as gifts and donations to be made at home. I am certain that the administration of the act should certainly provide for home folks first.

To begin with, the surpluses must be available for contracting, and there must be an abundance, as I interpret the law. I do not know of anything in the act or in the administration of it which would warrant such a conclusion as that indicated by my distinguished friend from West Virginia.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I bring this subject to the attention of the Senate because, upon inquiry made by me of the Department of Agriculture, I was informed that sales under this law to other countries take precedence over free distribution, and that for that reason certain surplus foodstuffs now in the hands of the Government will be made the subject of sale instead of free distribution where they may be needed by our own people.

I make this statement so that the able Senator may advise the Senate upon that subject.

Furthermore, if such a provision is not clearly in the law, I advocate at this time that it be made clear that in any instance in which foodstuffs of any kind are needed for free distribution to our own people, such free distribution shall have precedence over sales abroad. I hope the Senator will agree with me.

Mr. ELLENDER. Am I to understand my distinguished friend from West Virginia to say that if the Department of Agriculture can make bona fide sales of such products—as I hope it has been doing in the past—a reservation must be made out of surpluses to take care of needs which may occur in the future?

Mr. REVERCOMB. No; I did not say that. I refer to the present needs. Once a sale to a foreign country is made, it must be carried out. What I am trying to say to the Senator is that no such sale should be contracted for so long as there is any need in this country for the particular foodstuffs at the time the sale is contemplated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Does not the Senator from Louisiana recall that section 416 of the Agricultural Act of 1949 gives the people of this country preference in the distribution of surpluses? That section is contained in the Agricultural Act of 1949.

Mr. ELLENDER. That was with respect to goods which might otherwise be wasted.

Mr. AIKEN. That section sets forth the order in which Commodity Credit Corporation commodities shall be made available.

Mr. ELLENDER. But I do not know of anything in the law, as I have just stated to my good friend——

Mr. REVERCOMB. I cannot find any provision in the law, either one way or the other. The point I am suggesting to the able Senator is that it should be made quite clear that when there are foodstuffs available, when there is a surplus owned by the Government, and there is need—as we know there is today in certain areas—no sale to a foreign country should then be contracted.

Mr. ELLENDER. I am quite sure that the Administrator would certainly have the good sense to keep the food for home use if we had need for it, rather than sending it abroad. I do not see the necessity of putting such a provision in the law.

Mr. REVERCOMB. I can only refer to the philosophy of the great Thomas Jefferson on that subject, when he said, "Let us not rely on the good sense or feelings of people. Let us tie them down with laws."

I suggest to the able Senator, who is chairman of the Committee on Agriculture and Forestry, and who is in charge of the pending bill, that that point be made crystal clear in the act itself, so that there can be no question of interpretation. The law itself should point out what shall be done. If there is any need for foodstuffs here, our people should have them before any sales of such foodstuffs are made elsewhere.

Mr. ELLENDER. Our counsel has pointed out a portion of the act which may to some extent cover the situation to which the Senator from West Virginia is referring. Under title I the President is authorized to enter into certain agreements with foreign countries for the sale of any of our surplus commodities, whereas, under the amendment made by section 301 to section 407 of the Agricultural Act of 1949 Congress states that the Secretary shall make available any form commodity or product thereof owned or controlled by it for use in relieving domestic distress.

Mr. REVERCOMB. For relieving distress?

Mr. ELLENDER. That is correct. That is as near as I can come to it, to indicate that with respect to the products we have on hand, certainly preference is to be given to the use of those products at home. Under title I it is permissive on the part of the Secretary of Agriculture to dispose of the surpluses for foreign currencies, whereas it is mandatory that he use them to relieve distress at home. The fact is that the Secretary should, without any doubt, in my judgment, use commodities in surplus on hand for home consumption, if there is need for it, rather than contract for their sale abroad.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I hope the Senator from Louisiana is correct. Certainly his view is a sound and fair one. I raised the question because an inquiry had been made. It was not a firsthand inquiry on my part. It was an inquiry made about the distribution of certain foodstuffs in America, and I was advised

by note that this could not be done; that legal distribution could not be made because under present law, title I of Public Law 480, the Agricultural Trade Extension Act, sales for foreign currencies take precedence over free distribution. I do not believe the law means that.

Mr. ELLENDER. No.

Mr. REVERCOMB. But when that interpretation is placed upon the act, I believe a clarification should be written into the law, even into title I, to the effect that sales for foreign currencies should be secondary and subservient to distribution locally when food is needed in this country.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WATKINS. Does the distinguished Senator from Louisiana know of any case of commodities such as those referred to having been sold when there was need for them in this country?

Mr. ELLENDER. I do not know of any such case at this time.

Mr. REVERCOMB. Will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. With respect to a recent inquiry with respect to stored butter, the question was addressed to the Commodity Distribution Administration, and it was also addressed to the Secretary of Agriculture. I received a reply, indirectly through the one who had made the inquiry, that the distribution could not be made because sale for foreign currency has precedence over free distribution under title I of Public Law 480. If there is any question about it, whether a case has occurred or not, if anyone handling the subject has any question in his mind, I suggest to the able chairman of the Committee on Agriculture that it ought to be made quite clear, so that that situation cannot arise in the future.

Mr. ELLENDER. I ask unanimous consent to have incorporated in the RECORD, all of section 416 of the act, which was referred to by the Senator.

There being no objection, section 416 was ordered to be printed in the RECORD, as follows:

SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminsh their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.

Mr. ELLENDER. Mr. President, in this section it will be noted that in donations preference is given, of course, to United States citizens, and it is fixed by categories. Domestic relief is provided for in category 3 and foreign relief is provided for in category 4; but category 4 provides only for donation of food commodities "in excess of anticipated disposition under" categories 1, 2, and 3.

Mr. REVERCOMB. Is that a matter of sales preference or distribution free?

Mr. ELLENDER. This is in the case of donations. The Senator is talking about gifts and donations.

Mr. REVERCOMB. I would say that there should be donations and gifts before there is a sale for foreign currency.

Mr. ELLENDER. I am sure the Secretary would so administer the act, and not the other way.

Mr. REVERCOMB. I should hope not.

Mr. ELLENDER. Of course not.

Mr. REVERCOMB. But the question has been raised. If there is any doubt about it we ought to make the language in the act so clear that there cannot be any question about it. That question has arisen in my mind, based upon an inquiry which was made of the Department of Agriculture.

Mr. ELLENDER. I do not believe the Senator from West Virginia need fear that the Secretary of Agriculture will dispose of commodities which can be used at home.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JAVITS. I note that the date, under section 3, has been extended from June 30, 1958, to June 30, 1960. It is my conviction and that of many other Senators that perhaps one of the most powerful weapons in the cold war is Public Law 480, because thereby—and this has been discussed many times—we are able to help a people, like the people of India, bring about industrialization without collectivization, as is the case in Communist China, by feeding themselves while engaging in some effort to industrialize in order to meet modern conditions.

Does the chairman of the Committee on Agriculture and Forestry feel that the time allowed is adequate for long-term agreements with the recipients of this kind of aid so they can fit them into their plans? India, for example, has a 5-year plan. We are helping India with money and also with some aid under Public Law 480. Has the committee given consideration to the question of sufficient time being allowed for long-term contracts so as really to make this kind of aid the decisive weapon in the cold war it is capable of being?

Mr. ELLENDER. As I understand, this does not limit the duration of any agreement that may be made. It is merely a limit on the time within which an agreement may be made.

Mr. JAVITS. In other words, delivery can be made even for more than 5 years, to the extent of the authorization, provided the arrangements be made before June 30, 1960.

Mr. ELLENDER. Yes. In other words, the 2-year provision simply limits the time in which the agreements can be made.

Mr. JAVITS. I think that is very desirable flexibility. I compliment the chairman upon that feature of the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I was very much interested in the statement of the Senator from West Virginia. I observe he has left the floor. I think the language which has just been discussed must be clarified if there is any doubt about it at all. I have no doubt in my mind.

Mr. ELLENDER. I have no doubt, either.

Mr. HUMPHREY. It is rather shocking to me, I say most respectfully to the chairman, if anyone in the Department of Agriculture has indicated by insinuation, by direct statement, or by whatever other means the indication may have come, that the food is not available for domestic distribution.

There are the school lunch program and the surplus disposal program, the latter a major program for the needy. Title III of Public Law 480 is just as controlling as title I.

Section 407 of the act is just as controlling as section 410. If there is no doubt at all, and if there are any needy people in the United States, all the President has to do is to declare that there are some, and the language is so drawn that even Mortimer Snerd can understand it. It reads:

Notwithstanding the foregoing, the corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product either owned or controlled

by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities.

Mr. ELLENDER. I pointed that out.

Mr. HUMPHREY. That is what the Senator said. Then there is section 416, to which the Senator has referred. I point out that if there is any danger of spoilage, then, indeed, there must be a use of the materials. More than that, there ought to be a warm heart, something which cannot be written into the law. There ought to be a little plain, good sense, which cannot be written into the law. If we add good sense and a warm heart to the specific details of the law, I am certain the Department of Agriculture will find no reason ever to tell any Senator that surplus foods are not available for the needy and distressed people of the United States. I am shocked to hear any Senator say he heard such a statement from the Department. I do not deny that it came from the Department; I am very certain that it came from the Department; but that is all the more shocking.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I remember making an inquiry of the Department as to why some surplus foods were not made available for relief purposes and for use by the States to help needy people.

About a week ago I received a letter from the Secretary, in which he said that the supply of butter on hand at this time was not adequate to guarantee that the school-lunch program could be supplied through another year. He said he felt it would be unwise to offer it for relief purposes until it was certain that there would be enough to supply the school-lunch program and other programs which are virtually required by law.

However, I would expect the Government to become the owner of a considerable quantity of butter within the next 2 weeks, and I think we may expect in the immediate future that butter will be made available for relief purposes and for the use of the needy. I hope that will be done; I believe it will be done; it ought to be done.

Mr. ELLENDER. Mr. President, the table which I offered a while ago, before I was interrupted, shows that through February 5, 1958, the total amount of the foreign currencies program has been $2,531 million. Of this amount, only $43.2 million has been planned for use by the Department of Agriculture for market development. The remainder of the planned uses for the $2,531,300,000, and the agencies responsible for their expenditures, are shown in the table.

The approximate quantities of agricultural commodities covered by agreements signed through February 5, 1958, which have been or will be used in lieu of dollars for the various uses authorized by title I, are as follows:

COMMODITY AND QUANTITY

Wheat and flour, 549,366,000 bushels.
Feed grains, 132,963,000 bushels.
Rice, 25,507,000 hundredweight.
Cotton, 2,982,600 bales.
Tobacco, 174,424,000 pounds.
Dairy products, 162,210,000 pounds.
Fats and oils, 2,246,072,000 pounds.
Poultry, 3 million pounds.
Dry edible beans, 44,000 hundredweight.
Fruits and vegetables, 196,826,000 pounds.
Meat, 150,962,000 pounds.
Hay and pasture seeds, 9,000 hundredweight.

As I indicated a while ago, title II of the bill provides for famine or other urgent or extraordinary relief to friendly peoples. Authorizations under this title through December 31, 1957, are shown in a table which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Transfer authorizations issued under title II, Public Law 480, July 1, 1954, to Dec. 31, 1957

[In thousands of dollars]

Area and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Rice	Raw cotton
Europe (total)	141,855	61,777	22,750	14,825	1,597	33,666	811	6,429
Austria	14,278		14,278					
Czechoslovakia	1,995		1,995					
Germany, Federal Republic	3,000	236	686	911		367	171	629
Germany, Soviet occupied	758	236	380	81			61	
Hungary	13,713	4,468	1,920	2,095	442	4,293	495	
Italy	59,016	11,459	3,491	10,306	1,155	28,905		3,700
Spain	2,100							2,100
Yugoslavia	46,995	45,378		1,432		101	84	
Africa (total)	23,840	22,636				1,204		
Libya	9,335	9,335						
Morocco	7,000	7,000						
Tunisia	7,505	6,301				1,204		
Near East and South Asia (total)	78,586	41,866	61	9,691		5,289	17,205	4,474
Afghanistan	11,153	11,153						
India	4,665	1,017				1,165	2,483	
Iran	2,748	2,748						
Nepal	210	145	61			4		
Pakistan	47,630	22,073		6,149		253	14,681	4,474
Turkey	12,180	4,730		3,542		3,867	41	
Far East and Pacific (total)	42,254	28,807				8,300	5,069	78
Cambodia	2,343						2,343	
Japan	36,381	28,081				8,300		
Korea	78							78
Laos	839						839	
Ryukyu Islands	1,887						1,887	
Vietnam	726	726						
Latin America (total)	40,836	15,690	13,688	1,491	1,393	1,281	4,765	2,528
Bolivia	17,182	10,102		1,137		391	3,024	2,528
British Honduras	273	22	25	106	46	44	30	
Costa Rica	212		37	68	51		56	
Guatemala	3,238		3,238					
Haiti	3,363	205	134	180	1,226	45	1,573	
Honduras	211		59		70		82	
Mexico	216		216					
Peru	16,141	5,361	9,979			801		
Christmas holidays	16,688	2,306		5,973	1,005	4,206	3,198	
Total commodity programs	344,059	173,082	36,499	31,980	3,995	53,946	31,048	13,509
Ocean freight: [1]								
Title I shipments	10,390							
Title III foreign donations	36,211							
Grand total	390,660							

[1] Including transportation costs financed under Public Law 480 only. Ocean freight paid by the United States prior to fiscal year 1957 was financed under the Mutual Security Act.

OPERATIONS UNDER TITLE III

Mr. ELLENDER. I now come to title III. Title III provides, first, for donations for domestic use and for distribution abroad by nonprofit voluntary agencies and intergovernmental organizations, and, second, for Commodity Credit Corporation barter activities.

During the last 6 months of 1957 domestic donations under title III and section 32 of Public Law 320, 74th Congress, totaled approximately 321 million pounds, of which about 240 million pounds, valued at $33 million, were distributed under title III. Recipients included more than 13.6 million schoolchildren, 1.4 million persons in charitable institutions, and about 2.6 million needy persons in family units.

Commodities approved for foreign donation during the last 6 months of 1957 totaled 1,174.3 million pounds, valued at $181.4 million, on the basis of Commodity Credit Corporation costs, which are shown in a table which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions]

Commodity	Pounds	Estimated CCC cost
Cheese	114.7	$52.2
Cornmeal	187.7	13.9
Corn	35.9	1.5
Wheat flour	402.8	31.4
Milk, nonfat dry	341.4	70.0
Rice	68.2	11.2
Wheat	23.6	1.2
Total	1,174.3	181.4

Mr. ELLENDER. Mr. President, barter contracts entered into in the last 6 months of 1957 totaled $3 million, as compared with $870.1 million during the entire period covered by title III, and $107.6 million for the period 1949–50 through 1953–54 under barter authority prior to the enactment of title III. I ask unanimous consent that the table containing these figures and other matters be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of barter contracts entered into in specified periods [1]

[In millions of dollars]

Materials	1949–50 through 1953–54	1954–55 through 1956–57	July–December 1957
Strategic:			
Minimum stockpile	71.8	[2] 138.7	----------
Long-term stockpile	----------	[2] 264.2	----------
Supplemental stockpile [3]	----------	[2] 368.8	3.0
Total strategic	71.8	771.7	3.0
Supply: [4]			
ICA	28.4	31.0	----------
AEC	----------	13.3	----------
Defense	7.4	54.1	----------
Total supply	35.8	98.4	----------
Grand total	107.6	870.1	3.0

[1] Years beginning July. December 1957 preliminary.
[2] Adjustments have been made to reflect total sales to minimum stockpile as follows: $119.2 million long-term and $8.9 million supplemental.
[3] Materials transferred or to be transferred to supplemental stockpile with reimbursement as provided by sec. 206 of the Agricultural Act of 1956.
[4] Materials, goods, and equipment for other Government agencies.

Mr. ELLENDER. Public Law 480 was enacted in 1954. Contracts under title I were authorized at that time to be entered into up to June 30, 1957. Programs of assistance under title II were authorized to be undertaken up to the same date, June 30, 1957. Title III authority was permanent. On August 13, 1957, titles I and II were renewed and extended until June 30, 1958. The program has been a highly successful one and its extension is generally favored. Extensive hearings were conducted on operations under the law last June and July and many of the provisions in the bill grew out of those hearings. The committee conducted 2 days of hearings this year, and no witnesses appeared in opposition to its extension.

The hearings to which I referred as having been held last year were conducted under the direction of my able friend, the junior Senator from Minnesota [Mr. HUMPHREY], who filed an excellent report with the committee. He outlined how the program had worked. The report has been of great assistance to the committee in determining whether or not there should be added to the bill the amendments which the committee finally decided to add.

The action of the committee in reporting the bill was unanimous, except as to the amendments relating to barter and, as I recall, on the amount to be provided for each year. Some Senators reserved the right to vote for such amendments as might be offered which would eliminate or modify the barter provision, and also such amendments as might be offered in order to reduce the amounts finally agreed to by the committee as a whole.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The amount included in the barter provision should be interpreted as the ceiling.

Mr. ELLENDER. Yes.

Mr. HUMPHREY. It is the maximum amount. There was no maximum provided in the previous authorization.

Mr. ELLENDER. When I referred to amounts, I did not have in mind the amounts in the barter provision. What I had in mind were the amounts fixed under title I for contracting purposes, for the 2 years of extension which have been provided.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. The Commodity Credit Corporation investment in agricultural commodities of $6 billion at the time of enactment of Public Law 480 rose to $8.2 billion on June 30, 1956, and is now $6.8 billion. United States agricultural production is expected to continue at a high level and the dollar position of many countries has worsened. All of these factors require the extension of titles I and II for 2 years to June 30, 1960, as provided by the bill. In providing for a 2-year extension and adequate funds, the committee hopes to avoid a cessation of activities such as occurred last year.

The original authorization for title I was $700 million. This was increased to $1.5 billion on August 12, 1955, then to $3 billion on August 3, 1956, and finally to $4 billion on August 13, 1957—which, by the way, is the amount under present law. The development of new agreements virtually ceased in January 1957, when the authorization was almost exhausted, and opportunities for new agreements were undoubtedly lost at that time. The present authorization is exhausted, or nearly so, only about $340 million having been still available on February 5. The Department expects to program part of the new authorization before June 30, if funds are made available soon enough.

The bill would put the authorization on a fiscal year basis, providing authorization of $1.5 billion for each fiscal year, any unused authorization to be carried forward to succeeding fiscal years. For the remainder of the fiscal year 1958 and for the fiscal years 1959 and 1960, this would mean a total of $3.5 billion. This is based on Commodity Credit Corporation costs. On the basis of the export market value of the commodities and other costs, this would be equivalent to probably somewhat less than $2.5 billion, since $3.7 billion used as of February 5 represented about $2.5 billion in market value.

This bill also provides two additional uses for foreign currencies under title I.

Section 104 (h), which now provides for educational exchanges under the Fulbright amendment to the Surplus Property Act, would be extended to provide for exchanges under title II of the Smith-Mundt Act. This would permit use of these funds for exchanges of persons not affiliated with educational institutions.

A new section 104 (k) provides for assistance to established American-sponsored educational institutions abroad, workshops in American subjects, and chairs in American studies.

These additional uses should do much to promote a better understanding and goodwill between our country and foreign lands.

Section 5 of the bill makes several changes in the barter authority provided by section 303 of Public Law 480. From the enactment of Public Law 480 until June 30, 1957, barter contracts totaling $870.1 million were entered into, for an average during each 6 months of $145 million. Barter contracts totaling $125.1 million were entered into during the first 6 months of 1957. In May 1957, major program revisions were made for the asserted purpose of assuring that commodities exported under barter arrangements result in a net gain in the total volume of agricultural exports. As a result of these program changes, barter has practically been stopped as a means of disposing of commodities—dropping to $3 million in the last 6 months of 1957.

Mr. President, a substantial decrease in barter occurred after the Department revised its program. In the 6 months before these provisions were put into effect, barter contracts totaled $125.1 million. The drop to $3 million, after the new regulations became effective is the principal reason why the committee considered the amendments which were submitted by the distinguished Senator from Minnesota [Mr. HUMPHREY].

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. ELLENDER. I yield for a question.

Mr. YOUNG. Is it not true that only under the barter agreements has the Department of Agriculture made a profit? In other words, when we accept the currencies of other countries for our surplus food—particularly some of them—there is a great loss. But under the barter arrangements we have actually made a profit.

Mr. ELLENDER. Yes; the Senator from North Dakota is correct. In fact, the distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out in his report, I believe, as well as at the hearings, that the Government made quite a good deal of money on the various materials it has taken in exchange for our commodities. I do not know the exact amount. On that point, I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the latest figures—and I believe they are agreed to by the Department of Agriculture—show that even at the present depressed world prices for raw materials—and we know that at this time the prices are down—there is a net profit of $55 million to the Government of the United States as a result of barter trades, plus the saving as a result of no longer having to store the goods which have been bartered. The goods bartered formerly cost the American taxpayers $106 mil-

lion a year in storage charges. Every year, that amount was required for storage charges, alone. On the other hand, the storage charges on the materials we have obtained through the barter agreements finally concluded amount to but $3,300,000 a year.

So every year there has been a saving of $102,700,000 in storage charges, plus a net profit of $55 million on the goods acquired.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. YOUNG. Is it not also true that many foreign countries are so hard up that the only things they can usually use, in trading for our surplus foods, are the strategic materials of which we are in short supply?

Mr. ELLENDER. In some cases that may be true.

Mr. YOUNG. They cannot use their own currencies in payment for our surplus materials, because in many cases their own currencies have little value.

Mr. ELLENDER. But the Senator from North Dakota knows that under the agreements under title I, the Secretary is authorized to accept the currencies of the host countries.

Mr. YOUNG. Yes.

Mr. HUMPHREY. For sales.

Mr. ELLENDER. Yes. As was pointed out by the Senator from Minnesota [Mr. HUMPHREY]—and, in fact, the entire committee agreed—we should make every effort to obtain something of value for these commodities, rather than continue to accept the currencies of the other countries, which may or may not be useful to us.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. YOUNG. Would the Senator from Louisiana mind if I read into the RECORD a statement of the position of the American Farm Bureau Federation in regard to barter; or has it already been placed in the RECORD?

Mr. HUMPHREY. No.

Mr. ELLENDER. I yield for that purpose.

Mr. YOUNG. I read from page 42 of the hearings:

BARTER

The Farm Bureau also wishes to take this opportunity to renew its support for the principle of the barter program. Farm Bureau policies state:

"Our essential raw materials stockpiling program should be continued with proper safeguards. Surplus farm products should be traded under Public Law 480 and otherwise, for essential materials that may be stored indefinitely without deterioration. Security stockpiles should be isolated from normal domestic requirements and used only in case of national emergency."

We feel that it is possible to conduct an effective barter program without displacing dollar sales.

I thank the Senator from Louisiana.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield further at this point?

Mr. ELLENDER. Yes; I yield.

Mr. HUMPHREY. I know the barter section of the bill is going to be a subject of controversy. I have already been visited by representatives of the executive branch of the Government. I extended to them the hand of cooperation, asking if they could suggest any language which they thought would be less objectionable than that contained in the bill before the Senate. The answer was "None," indicating a total lack of any cooperation. I may as well serve warning I am prepared to do battle on this matter.

Furthermore, what the Department is unable to prove—the loss of cash sales in normal markets or displacing of other sales from friendly countries. The Department is unable to show that by bartering we have in any way upset American markets.

No doubt the Department of State will say we are injuring somebody else somewhere down the line. I do not desire to do that. They have no evidence to indicate that would be the result, but they will make the assertion. Furthermore, barter does permit the accumulation of dollars by some countries, so that with the dollars they can purchase goods in the United States.

I wish to say to the Senator from North Dakota the one commodity the State Department and the Department of Agriculture are complaining about in connection with barter is wheat. The sales of all other commodities have been for soft currencies. Some time ago, for example, the Department of State was complaining about the sale of rice. Rice was sold for soft currency. Then it was complaining about the sale of cotton. Cotton was sold for soft currency. But there is one commodity to which the Department continually refers in its criticism, and that is wheat; but the Departments' argument in respect to wheat is just as fallacious as it was with respect to the other commodities.

Mr. YOUNG. There is probably a good reason for that. Two, and possibly three, international traders of wheat object to this means of doing business because they can make more money under other provisions of the bill. I think that is absolutely true. The Department went along with the barter program. The farm organizations were for it. It was a better deal for the United States and the countries involved. All of a sudden the Department dropped it because of the opposition of some international traders.

Mr. ELLENDER. Mr. President, as I pointed out, the record shows that the barter program was rather successful and that we were able to dispose of more than $800 million of goods for strategic materials.

The amendments proposed by the Senator from Minnesota [Mr. HUMPHREY] have broadened the base on which we can barter. He has surrounded these programs with new objectives. For instance, section 303 of Public Law 480, as it would be amended, provides that "the Secretary is directed, to the maximum extent practicable within the limit permitted by this section, to barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges"—as was pointed out a while ago.

Subsection (b) of section 303 contains these words:

Materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs.

It strikes me if there is a will to administer the barter provision as intended by the law a way can be found to do it successfully.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. NEUBERGER. On behalf of many of our wheatgrowers, as well as people who own fruit orchards, I want to thank the chairman of the committee for bringing before the Senate the proposed extension of Public Law 480. I know no Member of the Senate who is more qualified to sponsor a bill which will funnel our agricultural surpluses overseas, because he himself has had such intimate contact, in his wide travels, with countries in the rest of the world.

Mr. President, the people of Oregon have come to know about Public Law 480 favorably through the participation of the Oregon wheat growers in the programs authorized and implemented by what is known as the Agricultural Trade Development and Assistance Act, S. 3420. The bill to extend this act is also of interest to many Oregon growers of various orchard fruits.

I discussed the Public Law 480 program, at some length, on the floor of the Senate in August of 1957. I particularly emphasized the tremendous beneficial impact this program has had on good relations between the United States and the countries which have purchased these surplus foods with their own currencies.

Mr. President, Oregon has always depended greatly on export markets for the sale of a large share of its production of wheat and fruits. The Public Law 480 program has been helpful in keeping open many of these avenues of consumption and in developing some new ones. The peoples of Japan, South Korea, India, and Pakistan favor the soft wheats of the Northwest in their diet. The Oregon Wheat League, Mr. President, has spent many thousands of dollars of its own money exploring and developing the Asiatic markets.

When the ships move out of west coast ports, laden with wheat and fruits, and bound for countries participating in the Public Law 480 program, the benefits spread far beyond the producers of these commodities. Work is created for the men in the warehouses, mills, processing plants, and elevators. The transportation industry is greatly stimulated. Freight cars, trucks, and barges move wheat forward to ports where it is reloaded for its overseas destination. Crews are needed to man the ships, and the service industries who must do repair and maintenance duties share in the increased activity.

Thinking in these terms, it is natural that Oregon, now unhappily faced with the second highest unemployment rate in the Nation, should look with keen anticipation on the enactment of S. 3420 and extension of the Agriculture Trade Development and Assistance Act for another period of 2 years. In fact, some of our Oregon people have advocated the extension of the act for a 5-year period.

There is one question that we hope may be resolved in the near future that is tied inextricably to the operation of the Public Law 480 program. I have already mentioned the fact that people of the Orient, in about 90 percent of their purchases, prefer the soft white wheat which is the principal crop of the wheatgrowers of the Northwest. This makes excellent cakes, cookies, scones and crackers. However, for the past 5 or 6 months, the policy of the Department of Agriculture has been to restrict the movement of the soft wheat, and instead to channel the hard red wheat to the markets of the Orient—much to the dislike of the ultimate consumers, whose tastes and dietary habits are accustomed to a large percentage of soft wheat. Our wheat people of the Northwest feel this is a policy that may jeopardize an expanding market which is being developed through the investment of a tremendous amount of American capital. It is unfair to the Pacific Northwest.

Officials of the Oregon and Washington Wheat Leagues have had long conferences with officials of the Commodity Stabilization Service just recently. Northwest wheatgrowers are hopeful that the Department of Agriculture will see the wisdom of programing, via Public Law 480 channels, an additional 15 million bushels of soft wheat into the markets of Korea, Pakistan, and India during the months between now and July 1, 1958. The impact of this problem has now gone beyond the confines of wheat league membership. Labor has given official cognizance to it and recognizes in terms of the overall effect on the Northwest's economy, the importance of a favorable policy decision channeling Public Law 480 surpluses to the above-named nations.

Mr. President, I ask unanimous consent to have included, as a part of my remarks, the pertinent letter and resolution from the Multnomah County Labor Council, AFL–CIO, which is addressed to this problem. I also ask unanimous consent to include in the RECORD, three news releases issued by the Oregon Wheat Growers League which illuminate the importance of the Public Law 480 program.

There being no objection, the letter, resolution, and news releases were ordered to be printed in the RECORD, as follows:

MULTNOMAH COUNTY
LABOR COUNCIL, AFL–CIO,
Portland, Oreg., March 12, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Enclosed herewith is a copy of a resolution, which was unanimously adopted by the Multnomah County Labor Council, AFL–CIO, at its last regular meeting held March 10, 1958.

Certainly, as one of the large grain export ports on the west coast, any policies of the Department of Agriculture regarding the control of northwest white wheat is a definite factor in employment in this area.

We feel that because of the tremendous surplus of this same northwest white wheat now stored in this area, that a relaxation of the provision of Public Law No. 480 would greatly aid in the employment of everyone within the maritime industry of Portland and vicinity.

Sincerely,

EDWARD J. WHELAN,
Secretary.

Whereas the present policy of the United States Department of Agriculture, under Public Law 480, excludes the sale of western white wheat to India, Pakistan, and Korea and does give preference to hard red wheat sales from the gulf and Atlantic coasts; and

Whereas this policy based upon previous wrong surplus estimates has caused a price-depressing surplus of white wheat in the Northwest, and has deprived Pacific coast ships of many grain export cargoes, consequently causing wide unemployment among seamen, officers, and others in the Portland maritime industry; and

Whereas our community and Oregon is now a labor-surplus area with much unemployment and is in need of all business and contracts possible: Therefore, be it

Resolved, That in order to stimulate the northwest white wheat export business and shipping and reduce unemployment in the Portland maritime industry, that the Multnomah County Labor Council, AFL–CIO, request Secretary of Agriculture Ezra Benson to modify this policy and make effective immediately, a program that will allow a proportionate amount of northwest white wheat to be sold to these countries under Public Law 480; and be it further

Resolved, That we also enlist the aid of our Oregon Senators and Congressmen in Washington, D. C., in obtaining this change of policy.

Respectfully submitted.

MULTNOMAH COUNTY LABOR COUNCIL,
AFL–CIO.
EDWARD J. WHELAN, *Secretary.*

OREGON WHEAT GROWERS LEAGUE,
Pendleton, Oreg.

PENDLETON, OREG., March 4, 1958.—White wheat from the Pacific Northwest may soon sell again under Public Law 480, reported Jack Smith, president of the Oregon Wheat Growers League, on his return today from Washington, D. C.

Smith and Dick Baum, OWGL executive vice president, presented written and vocal presentations to Government agricultural officials and Members of Congress on behalf of white-wheat producers and exporters.

Continuation of price supports on wheat at an average national level of $2 a bushel for 1958 crop were strongly supported. "Lowering supports would not market any more wheat or reduce the price of wheat foods to the consumer," Baum said. He stated that chances are good that supports will be stabilized. The white-wheat policy was instituted last year after 204 million bushels of white wheat were sold from Pacific Northwest ports. The record movement primarily was caused by Public Law 480 sales to India.

Because of the movement, the price went up to about 40 cents above the loan rate, forcing the Government subsidy to 97 cents. The carryover on July 1, 1956, of 135 million bushels was reduced 1 year later to 55 million bushels. Red-wheat producers in the Corn Belt and Southwest weren't so fortunate.

The Department of Agriculture foresaw a storage problem in those areas because the red wheat wasn't moving nearly as rapidly as white wheat. The Department also predicted the white-wheat carryover July 1, 1958, would be 12 million bushels.

A major reason modification of the white-wheat policy is sought, said Smith, is that the estimate now has been raised to 36 million bushels. This is approximately half the annual white-wheat production in the Pacific Northwest.

India, Pakistan, and South Korea have requested white wheat under Public Law 480 for purposes which red wheat cannot satisfactorily fulfill.

Baum and Smith requested the Agriculture Department allow the movement of three to four million bushels of white wheat a month. This, they contend, would not upset the market price.

[From Far East representative, Oregon Wheat Growers League, Tokyo, Japan]

BREADMAKING, BREAD-EATING TECHNIQUES INVADING JAPANESE RICE REGIONS

Pacific Northwest wheat is invading rural Japanese areas where rice eating is traditional under one of the wheat-dish familiarization programs which have now been completed by the Oregon Wheat Growers League.

Under this program, according to the league's Far East representative, Joseph J. Spiruta, some 1,500 professional home economists are touring parts of the remotest prefectures to explain to housewives in agricultural areas the techniques of wheat-foods preparation and the beneficial aspects of wheat eating.

Spiruta's opposite number in the Ministry of Agriculture and Forestry, whose home-life improvement section has done so much to bring about the league program's success, is a diminutive Japanese lady, Mrs. Matsuyo Yamamoto, the first woman to be section chief of this key Japanese ministry. Mrs. Yamamoto, a graduate of the Tokyo Women's Christian University, is also a graduate of Washington State College in the home economics division.

Project D—as this program is known to the United States Department of Agriculture's Foreign Agricultural Service—started at the prefectural, or state, level.

Each prefecture sent a home economist, together with one food specialist, to Tokyo for training, to study (1) the fundamentals of wheat-foods preparation, and (2) the use of these foods in the daily diet with suitable side dishes.

After a period of 21 days of study, lectures, and observations, the 92 technicians returned to their 46 prefectures to teach, in turn, a total of nearly 1,500 women extension agents what they had learned about wheat dishes. These women, all part of the nationwide, rural extension, adult education, and home-improvement extension service programs, are already meeting with parent-teacher associations, with fisheries and agricultural cooperatives, and with other groups to spread the word about wheat—about Pacific Northwest wheat as it affects this Asian nation.

This program of taking soft wheat into regions where hitherto rice has reigned as king is yet another of the Oregon Wheat Growers League's ideas for probing the vast Japanese wheat-consuming potential. It has been operated through the cooperation of the foreign agricultural service and the home-life improvement section of the Ministry of Agriculture and Forestry.

[From the Oregon Wheat Growers League]

ALL-OUT ADVERTISING CAMPAIGN EFFECTIVE

TOKYO.—Release of Japanese Ministry of Agriculture and Forestry statistics reveal that soft wheat flour products gained 10 percent

in 1957 even though total wheat usage dropped. Abundance of domestic grown rice resulting from a bumper crop is to blame. Japan harvested its third consecutive abnormally large rice crop during the 1957 season.

Primarily responsible for the soft wheat gain under these adverse conditions has been an ambitious nationwide advertising and sales promotion campaign costing more than a quarter million dollars.

This past March 18, 1957, a project was entered into between the Foreign Agricultural Service of the United States Department of Agriculture and the Oregon Wheat Growers League for a broad-scale market development program to bolster the sale of wheat flour products in Japan.

Through advertising in newspapers and magazines, radio and television, posters and leaflets, cooking demonstrations and parades, bread festivals and special sales, films and quiz programs, and prize contests, Japanese housewives are urged to use more wheat foods. Cooperation comes from the Food Life Improvement Association, and the following industrial organizations; the All-Japan Bakers Cooperative Federation; the Japan Wet Noodle Makers Association; the Japan Dry Noodle Makers Association; the All-Japan Biscuit Makers Association; and the All-Japan Macaroni Makers Association.

Jack Smith, president of the league, said today, "Responsible people in Government and Japanese nutrition circles recognize that national health will be improved if steps are taken to increase the per capita intake of wheat by those now familiar with the grain and to introduce wheat foods to those to whom such things as bread, wet and dry noodles, biscuits, and macaroni are still virtually unknown."

"Steps have been taken," he continued, "to introduce Pacific Northwest soft white wheat to Japanese through a broad program of education carried forth to bakers, nutritionists, home economists, extension workers in rural areas, school lunch program planners, government officials, and, of course, the general public."

Mr. NEUBERGER. Mr. President, I realize this is quite largely an administrative question. Perhaps I should not burden the chairman of the committee with it at all. It may be that the additional grants provided for in the bill can have some bearing on it.

I know the wheatgrowers in the State of Oregon feel a disproportionate amount of hard, red wheat of the Middle Western States, rather than the soft wheat of the Pacific Northwest States, is going to the Orient. Is there any way at all in which this situation can be corrected legislatively, or in which Public Law 480, now before the Senate, can have some bearing on that question?

Mr. ELLENDER. I assume there would be, but personally I would rather see it be done without earmarking.

Mr. NEUBERGER. I realize that would result in a competitive situation which might open up a Pandora's box.

Mr. ELLENDER. It might do that. We had similar suggestions made to our committee by the ricegrowers. They thought—with perhaps some justification—they were not getting their just share of the amount made available in the bill. Although I come from a rice-producing area, I do not favor at this time earmarking any of the funds for any particular purpose because it will certainly pose great administrative problems. I hope, however, that good judgment will be exercised by the administrator of this measure and that he will see to it that all commodities in surplus are treated equitably, as indeed they must be.

Mr. NEUBERGER. I want to say to the chairman of the committee that although I come from a so-called soft-wheat State, I share with him the thought and the principle that there should not be any earmarking. Once it was started, the portals and floodgates would be opened. I am inclined to think—I am sure it is the chairman's thought—that the Department of Agriculture, within the limits provided, will administer Public Law 480 as equitably as possible, not only as between commodities, but as between various categories within commodities.

Mr. ELLENDER. I think so. So far as possible, I shall be glad to lend my efforts to that end. I think it ought to be done that way. Not only categories of commodities, but areas in the country, should be taken into consideration.

Mr. NEUBERGER. Geographical areas?

Mr. ELLENDER. Geographical areas. I have been given assurance that is what is being done.

Mr. NEUBERGER. I thank the Senator from Louisiana.

Mr. ELLENDER. I hope that it will not only be continued, but that there will be frequent reappraisal. If it is not being done in the manner we have just indicated, it may be necessary for us to act to see that it is done that way.

As I said, the rice producers came to me. I took the matter up with the Department. After going over it very carefully, I found that considering the quantity of rice produced in contrast with the quantity of wheat produced and in contrast with the quantity of cotton produced, rice had received a fairly equitable share of the amount appropriated.

Mr. NEUBERGER. That is as much as any commodity or any segment of a commodity could expect.

Mr. ELLENDER. That is correct. I have been assured by the Department that is the policy. I hope it will continue to be the policy, because all commodities must be treated equitably.

Mr. NEUBERGER. I think it is characteristic of the chairman of the committee that he has not sought preferential treatment for the commodity produced within his own State. I know his reply in this respect will be most reassuring to the growers of soft wheat in the Pacific Northwest, particularly in Oregon and Washington.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I would not want the RECORD to show that the wheat growers have been discriminated against in the program.

Mr. NEUBERGER. If the Senator will pardon me, I did not make any such claim. I trust the Senator heard my remarks.

Mr. AIKEN. I did not hear the Senator very well. To be complimentary, the Senator's voice is not raucous.

Mr. NEUBERGER. The Senator is very kind.

The point I made was not that wheat as a whole had been discriminated against. I brought up the fact that the growers of soft wheat in the Pacific Northwest, which is quite different from the hard red wheat produced in the different climate of the Middle West, felt that they were not getting their proportionate share of the Public Law 480 shipments to the Orient, where the people by tradition and preference have favored the soft wheat. There was no desire to claim that wheat as a commodity has been discriminated against, because I realize that is not the case.

Mr. AIKEN. I understand the Senator. I hear him very distinctly this time.

Mr. NEUBERGER. I am sorry I did not speak earlier with sufficient vigor.

Mr. AIKEN. I was going to point out to the Senator that of the $2,265,300,000 worth of contracts signed under title I, $923.5 million were for wheat.

Mr. NEUBERGER. I am aware of that.

Mr. AIKEN. I am glad that is so, because wheat is in surplus.

Mr. NEUBERGER. It provides our largest surplus; that is correct.

Mr. AIKEN. I sometimes think that if we gave reasonable export subsidies to four, five, or six of our principal commodities, on which we can really compete in the world market, we might solve our agricultural problems more quickly than we can by trying so many of the devious routes we have been following in the past and perhaps will follow in the future.

Mr. NEUBERGER. I remember the first time I ever became really interested in the farm problem was when I was a student at the University of Oregon and heard the late Senator Charles L. McNary, who, if I am not mistaken, was a colleague of the able Senator from Vermont. The late Senator McNary was concerned about the wheat surplus which, of course, affected Oregon and a substantial number of other fine States. He was the sponsor of the McNary-Haugen legislation, which contemplated a world price for wheat, so that a substantial portion of our wheat could be disposed of in the world market.

I am aware of the current situation. I want the Senator from Vermont to know that I do not believe wheat has been discriminated against. I merely referred to our own soft wheat in the Northwest, which seeks its fair share of the market.

Mr. AIKEN. It is impossible to conduct the program without discrimination against someone; I am sure of that. I think the Department has done the best it could. In my opinion the wheatgrower of the Northwest is entitled to the market in the Orient, if the growers produce the type of wheat the Orient wants to buy.

Mr. NEUBERGER. Our two wheat leagues in Oregon and Washington—particularly the Oregon Wheat League—have spent a good deal in the way of funds to send technicians to the Orient to educate the people there how to use soft wheat, as in baking pies, scones, crackers, cookies, and other things in the diet previously unknown to people

in Japan and other Oriental countries. They have tried to demonstrate ingenuity and resourcefulness in this situation.

Mr. AIKEN. That has been a worthwhile and successful effort.

Mr. NEUBERGER. It has been. I merely asked it be, to some fair extent, rewarded in the program.

I thank the Senator for his observations.

Mr. ELLENDER. Mr. President, under the program in effect prior to May 1957, barter contractors traded materials eligible for barter to Commodity Credit Corporation for agricultural commodities and then exported those commodities for dollars, usually through exporters normally exporting such commodities. By paying a commission, or in some other manner, the barter contractor enabled the exporter to lower the export price of the commodity sufficiently to make the commodity move. Furthermore, the purchase of materials eligible for barter in foreign countries generated dollar exchange needed for the purchase of the agricultural commodities. Materials eligible for barter are limited to those required for specified uses or which entail less risk of loss or substantially less storage charges. Barter therefore affords opportunities for savings in deterioration losses and in storage charges.

Under the revised program, shipments of agricultural commodities to countries considered to be dollar markets may be made only where additional trade can be assured, and the barter contractor is required to satisfy Commodity Credit Corporation that the proposed transaction will mean an increase in United States exports of the commodities involved. While the flexibility of barter arrangements permits the price reductions necessary to make the commodity move, generates the dollar exchange necessary to such movement, and therefore does increase overall exports, it is almost impossible to show that any particular barter contract will result in the so-called additionality required by the revised program. Just as we know that international trade is a two-way street, involving imports as well as exports, we know it is not possible to show that any particular import makes any particular export possible.

During the period prior to May 1957, the Secretary, in entering into barter contracts totaling $870,100,000, apparently had reason to believe that such transactions afforded an opportunity to protect the funds and assets of the Commodity Credit Corporation. The committee feels that there is as much opportunity to protect the funds and assets of the Corporation by barter today as there was prior to May 1957. The situation has not changed. However, the Secretary has changed his mind and is no longer able to find that such opportunity exists unless the barter contractor makes a specific showing of additionality. This cannot ordinarily be done on an individual transaction, and so further barter is prevented. Since the Secretary's inability to make the finding which the committee feels the facts require has resulted in the virtual stoppage of the program, the committee has recommended repeal of the requirement for such a finding. The Secretary is still required to exercise his discretion in making the best transaction possible. Just as a matter of course, implied in any direction to any Government officer, he is required to conduct the program in a manner which will protect the funds and assets of the Government. But the point is, he must conduct the program. He must do so to the best of his ability. The purpose of removing the Secretary's discretion as to whether he will barter at all, or not, is to make it clear that he is directed to conduct a substantial barter program, even though he may disagree with Congress as to the merits of such policy.

In addition to directing the Secretary to undertake a barter program without regard to whether he agrees with Congress that such a program affords an opportunity to protect the funds and assets of the Government, section 5 makes three other changes in section 303, generally intended to increase barter opportunities.

First, the direction of section 303 to barter is now limited to three types of materials, the first of which is strategic materials entailing less risk of loss or substantially less storage charges. The bill would broaden this category of barter material by extending it to all commodities of which the United States does not produce its requirements and which meet the criteria with respect to storage and risk of loss.

Second, since the bill directs the Secretary to undertake an expanded barter program in lieu of the restricted program favored by the Secretary, the bill would give him an objective and a limitation of $500 million a year. During the first 3 years of the program, the volume averaged just under $300 million a year. The committee believes that $500 million, therefore, represents a reasonable objective.

Third, the bill would prohibit the Secretary from excluding materials from barter by reason of the fact that they have been domestically processed if provision is made for the importation of an equivalent amount of similar raw materials. Section 303 does not exclude domestic or domestically processed materials from barter, but the program regulations do, so this would require a change in the regulations.

Section 6 makes two amendments to section 206 of the Agricultural Act of 1956 to reflect the extension of section 303 to nonstrategic materials not required for immediate use.

Section 206 (a) of the 1956 act provides for the transfer of strategic and other materials acquired through barter to the supplemental stockpile, unless acquired for some other purpose. This would seem to be as clear a direction as could be given that nonstrategic materials are to be transferred to the supplemental stockpile in the cases described. However, even after the enactment of section 206 (a), it appears that the supplemental stockpile may still be understood by some to be restricted to strategic materials. This is not the law; it is not so restricted. Of course, in the past section 303 has provided for barter either for strategic materials or for materials for which a specified use is contemplated, so that other materials not acquired for other purposes would not be acquired under section 303, although they could be acquired under other barter authority.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MORTON. It recently came to my attention—I do not know whether it is a fact or not—that certain Indian manganese producers were bargaining with German and French producers of ferroalloy materials who take the raw material and fabricate it, and that they want to make a barter arrangement with the Secretary of Agriculture. Under the bill as amended, and as it comes before the Senate, the Secretary of Agriculture could barter for the raw ore, which could be brought into this country and processed into the ferroalloy manganese, or any other product which can be preserved relatively permanently for the stockpile, or for reserve purposes.

Mr. ELLENDER. Yes.

Mr. MORTON. I thank the Senator for clearing up that point.

I should like to ask another question. Did not the committee reach the conclusion that, on the question of increasing our exports, it is impossible to show the criterion of what is called additionality? Did I correctly gather from the chairman that it was impossible or very difficult to prove?

Mr. ELLENDER. It is very difficult to show. The distinguished Senator from Minnesota [Mr. HUMPHREY] went into detail on that subject in his report. He held hearings for several weeks.

Mr. HUMPHREY. The Department says it cannot prove it.

Mr. ELLENDER. Hearings were held by the distinguished Senator from Minnesota on June 11, 12, 20, 21, 26, 27, and 28, and July 16, 18, and 19.

I understand that the Department failed to prove its case, according to the testimony which was presented. I will gladly yield to my good friend from Minnesota to shed further light on the subject under discussion.

Mr. HUMPHREY. Mr. President, I think it is only fair to say that no one can by statements prove or disprove additionality. I do not think I could say that one could disprove the statement that some barter sales had perhaps cut into other sales; but, by the same token, when the Department of Agriculture insists that the so-called doctrine of additionality shall be the standard by which to judge barter, it cannot prove that barter sales have substantially cut into cash sales. But the factual record furnished us by the Department of Agriculture indicates the opposite. The statistical tables show a rough correlation between the rise of barter sales and the rise of cash sales.

I have been checking over the statement of Mr. Berger, of the Commodity Credit Corporation. He says he cannot really prove that barter sales have supplanted or cut into cash sales; but, by

the same token, he says that the agency ran into some trouble with barter.

I think basically the trouble was that when the agency was giving interest-free commodities there were fears of some windfalls. If that situation had been really investigated—and perhaps this was where we failed in our responsibility, although I hope not—the result might have been very interesting. I have cause to believe that the reason for the issuance of the May 28 order cutting off barter and adding the so-called criterion of additionality, was that they might be accused of permitting windfall profits to be made, not from the exchange of goods, but from the interest-free commodities which were available.

The interest-free commodities have been stopped and in fact interest is now paid by the contractor. Nothing in this bill changes it.

So certain operators were previously able to make money from the use of commodities on which they were paying no interest. The regulations against this practice still stands, and there is nothing in the proposed amendments which would change that regulation. The Department came to the conclusion that this additionality factor was important after it was already in trouble on some other aspects of bartering.

Mr. MORTON. It is true, is it not, that since May 28, in certain countries, with respect to certain commodities, additionality has not had to be proved?

Mr. HUMPHREY. Yes. Those are what we call the underdeveloped countries. In respect to certain countries there is no application of the doctrine of additionality. All that "additionality" means is simply that before one engages in barter he must prove that the sale under barter would be in addition to any sale for cash. How anyone can possess such prophetic wisdom is beyond my comprehension. In other words, one is supposed to look into a crystal ball and see in advance that no one in the entire area would buy these commodities for cash. Thereby he proves additionality. At best it is a rough estimate. I think we would be foolish to judge the case of barter strictly on the basis of this single measurement particularly since the record shows that practically no parties have been approved under other criteria.

Do not misunderstand me. I am in favor of barter as such but earlier I challenged the Department because of what I considered to be a too liberal use of barter. After having been challenged on the basis of the liberality of the barter, the Department went from one extreme to the other. It is either in the Arctic Ocean or in a tub of hot water. They are either bartering wholesale or they are not bartering at all. What we ask for is reasonably good judgment.

Mr. ELLENDER. I wish to point out that I believe one of the principal arguments advanced by the Department of Agriculture is that commodities used for barter are sold by the domestic exporters for cash. The Department takes the position that since such was the case, then barter displaced cash sales. They said: If an individual could sell for cash, why could not CCC have sold for cash?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I will tell the Senate the reason the Commodity Credit Corporation did not do it. It was because they did not know how to sell. That is the plain fact of the matter. They did not know how to sell as well as some of the brokers knew how to sell.

Mr. ELLENDER. Was that not the pertinent argument, however?

Mr. HUMPHREY. That is surely a part of the argument. I may also say that the dollars generated by the barter arrangement were eventually returned to the United States for the purchase of finished goods. Those goods included diesel equipment, electrical equipment, and other finished products. While we were selling agricultural commodities, the dollars which had been generated by the sale of the commodities were used to buy materials from other countries under the barter arrangement and those dollars were then available for paying for exports from the United States. They were used for the purchase of manufactured goods. If that is bad, we need a little more of it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORTON. How do these transactions work? Let us say that a company has a million bushels of wheat which it takes from the Commodity Credit Corporation. The company goes to France, let us say, and finds a customer for that wheat, and it takes those funds and buys zinc with them. Is that it?

Mr. ELLENDER. Usually they will sell the wheat for cash in one country; then, in payment for the wheat the Commodity Credit Corporation gets the bartered goods, such as zinc, or whatever the material may be which is the subject of the barter.

I go back to the proposition that in practically all of the barter transactions that were made for surplus commodities such as wheat, the strategic material obtained in exchange did not come from the country that had received the wheat. The commodities went to the country having dollars, and through good salesmanship the exporter in the United States of that wheat got a good salesman to sell that wheat, and they proceeded to sell the wheat for cash. In any event, the Commodity Credit Corporation did not get the cash, but the strategic material. Therefore, the Department of Agriculture concluded that since all the sales for surplus commodities were made for cash, why not sell them and get the cash, instead of bartering for the strategic materials? That was their argument.

Mr. HUMPHREY. Mr. President, I believe the arguments of the chairman of the committee are very convincing. What happened was that the private traders would go forth and get the business. That is why 2 years ago I recommended that instead of the Commodity Credit Corporation trying to be an exporter of wheat, it turn it over to private trade channels. I have outlined in my report to the committee what really happened under the barter arrangement.

I wish to make my position quite clear. I prefer cash sales. I prefer title I sales. I look upon barter as an additional method of selling commodities, not as the last word in it. I have sought the cooperation of the Department of State, and the Department of Agriculture, in making barter work satisfactorily. In fact, at the conclusion of the hearings, when we were acting on the pending bill, I walked up to the Assistant Secretary of Agriculture and spoke to him about it, and the letter I have from the Department under date of March 11 so indicates:

> We have been requested by Senator HUMPHREY to give consideration and to report to your committee any possible language changes in the proposed amendment to title III which would make it more acceptable from our standpoint.

I have used them to help improve the barter program, and they know it. If any of their representatives are in the galleries, they know it. They went from one extreme, where they were bartering recklessly, to another extreme, where they refused to barter at all. Therefore, the majority of the committee decided that we ought to be as specific as necessary to get action.

The Senator from Kentucky asks how the arrangement works. When we started our investigation, this is how it worked:

An American international trading company which normally imports ore, minerals, or other materials into the United States would approach the Department of Agriculture and offer to the Commodity Credit Corporation materials which were on the so-called list of objectives for barter.

This list originates in the Office of Defense Mobilization and contains the materials for which surplus commodities may be bartered. It is forwarded to the Department of Agriculture through the General Services Administration. The materials offered must meet Federal specifications and be offered at a price acceptable to the Commodity Credit Corporation which uses the experts of the General Services Administration to advise them. That is done to make sure that we are not being charged an exorbitant price for a material, but a fair market price.

The offerer had to commit himself to take the materials from a friendly country, deliver the commodities to such friendly country, ship 50 percent of the materials on American-flag vessels—this will be of interest to my friends who represent shipbuilding States—and otherwise meet the special requirements established by the law and the Department of Agriculture.

Many countries to whom we would send foreign aid are the same countries in which the purchases would be made by the barter company. This permits those countries to have dollars that they need with which to buy additional goods from the United States.

If these conditions were satisfied, the Department of Agriculture would accept

the offer of the materials and agree to give in exchange surplus agricultural commodities which could be sold in any friendly country through normal trade channels.

The commodities were normally delivered promptly and sold, and the materials were delivered over the life of the contract.

Ordinarily, such contracts were for a period of up to 2 years. The offerer had the use of the proceeds of this sale until such time as deliveries of the materials were made and payment had to be accomplished. Prior to February 19, 1957, there was no limit on the interest-free aspects of the transaction, but subsequent to that time the period of no interest was limited to 2 years. Later, this was stopped entirely. This in part was where the profit was made. He was able to sell those commodities for interest-free money, while he was acquiring the materials that he was bringing into the United States over a period of 2 years.

That is why they were able to pay a little more to the Commodity Credit Corporation. That is why they were able to make sales. So they made money, and the Commodity Credit Corporation moved more commodities. That is the way it worked.

It works entirely through normal trade channels. As we have indicated, it results in the Commodity Credit Corporation making money. It results in friendly countries selling to the United States and buying from the United States. It results in the American merchant fleet getting 50 percent of all the material shipped in American bottoms. It results in a substantial amount of storage saving.

What was the trouble? I will tell you what the trouble was. The Commodity Credit Corporation became frightened over a few of its own deals with private companies. I am not accusing private traders of doing anything wrong. They bought smart and they sold smart. They bought at the right price and sold at the right price. They had the use of interest-free money. They made money. The Department of Agriculture was afraid that some committee of Congress would investigate them.

I am not interested in investigating someone who makes an honest dollar. We are interested in having the Department of Agriculture sell its commodities. We are interested in friendly countries buying the commodities. We are interested in friendly countries selling us materials.

I wish the administration would not be afraid to have someone be a good businessman.

So they came before the committee and opposed barter transactions, not because they do not work; they do work. Not because they deny anyone a sale; they do not. Not because they do not help the American merchant marine; they do. Not because they do not save the American taxpayer money; they do save him money.

Mr. President, do you know another reason why they object to bartering? They object because someone says it may complicate our relationships with some other countries; but even that cannot be proved.

There is no obligation whatsoever that cannot be handled by a reasonable amount of good administrative give and take, administrative cooperation, between the Department of State, and the Department of Defense, and the Department of Agriculture.

Furthermore, the amendment on barter merely restates existing law requiring that the various agencies and departments cooperate with the Department of Agriculture wherever possible to barter our commodities for raw materials for offshore procurement, including defense installations. In other words, we can barter wheat for sand and gravel which may be needed for the building of airports. I know that the Department of Defense would rather use dollars; it is easier that way. But there is no reason in the world why the Department should not be told to use commodities which we have.

The record of the testimony will reveal that the departments of Government were reluctant to barter with our commodities, were reluctant to use our commodities for bartering purposes, perhaps so some could talk of our mounting surpluses, when, in fact, the surpluses in many instances could have been used, and in fact some have been used for the building of military housing in France with American wheat, cotton, and other commodities.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I have only a short statement to make before I conclude.

Mr. AIKEN. The Senator from Louisiana knows that I do not take much time.

Mr. ELLENDER. I yield.

Mr. AIKEN. I believe the cut by barter trade into dollar sales is due to the fact that most of the bartering was done in the dollar-sales countries of England, the Netherlands, Germany, Belgium, and France. It is also true that in the early part of the program, private traders undoubtedly made more through interest on the money involved between the time they got the wheat or other commodity and sold it for cash, and the time the money was used to buy diamonds or whatever they were trading for. That period could extend to 2 years before the Commodity Credit Corporation would charge them for the use of the money; therefore, about 12 percent interest could be obtained.

Unfortunately, they did not seem to use that interest to pay the Corporation a higher price, but they did use it, if we are to believe what we are told, to undercut trade in those countries, more or less to demoralize not only American dollar sales but dollar sales of other countries, particularly Canada.

We did not become involved in a civil war over that; I do not think we ever will. But we did encounter a good deal of irritation, both in this country and in neighboring countries.

That was one of the weaknesses of the barter system, which led to great criticism before the final showdown. We got a good share of the criticism. I understand that at present barter deals in the amount of about $50 million are pending, but with Asia, not with the dollar countries.

Mr. ELLENDER. Mr. President, I should like to conclude my comments on section 6 of the bill.

Since the bill would amend section 303 to provide for barter for nonstrategic materials for which no immediate use is contemplated, the bill would amend section 206 (a) to eliminate any reference to strategic materials. This is intended to make it crystal clear that nonstrategic materials acquired through barter without a specific purpose in mind shall be transferred to the supplemental stockpile.

Section 206 (b) of the 1956 act provides for the duty free entry of strategic materials acquired through barter. Consistent with its amendment of section 303, the bill amends section 206 (a) to provide duty free entry for nonstrategic materials as well.

Last year and again this year the committee has heard complaints that extra long staple cotton, although in surplus and desired by friendly countries under title I agreements, has been excluded from those agreements for various reasons. Last year (as pointed out on page 5 of the committee report on the bill now before us) the committee commented on this treatment of extra long staple cotton and recommended that it be accorded the same treatment given other commodities. Apparently this recommendation has not been followed, so section 7 of the bill requires the fair treatment of extra long staple cotton under the act.

Mr. President, the evidence shows that the complaint made about extra long staple cotton was justified and admitted by the Department. In the meantime, we were informed that the friction had been eliminated; that long staple cotton was now being traded in the same manner as were other kinds of cotton, and that there was no objection to the placing of section 7 in the bill.

Since the committee reported the bill S. 3420 to the Senate, I have received from the Department of Agriculture, under date of March 11, a letter which states that the Senator from Minnesota [Mr. HUMPHREY] had requested suitable language changes which might make the barter provisions of the bill more acceptable to them. However, they were unable to furnish such language.

It seems that the Department is unalterably opposed to the proposal.

I ask unanimous consent to have printed at this point in the RECORD a letter dated March 11, 1958, addressed to me by Secretary of Agriculture Ezra T. Benson.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 11, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: We have been requested by Senator HUMPHREY to give consideration to and to report to your committee on possible language changes in the proposed amendment to title III of Public Law

480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to $500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes short of the virtual nullification of the proposed change which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction. We believe the best interests of the Commodity Credit Corporation, as a Government instrumentality, are synonymous with the best interests of the United States.

In our judgment the elimination of the principle of additionality as a result of barter cannot be justified. This amendment directs the Secretary of Agriculture to completely ignore what agricultural commodities could be moved into export channels through the normal channels of trade for purchase by our regular customers for dollars. Its effect could be to replace to the extent of up to $500 million per year of cash business by barter for materials which for the most part there would be no need in the near future. These materials would go into dead storage in the hope that at some future time we will be able to utilize them without serious effects on domestic producers of these materials.

We have diligently studied the potentials of barter as a means of expanding our agricultural exports. We believe opportunities do exist. We believe honestly and sincerely our present policies will give some measure of assurance that increased exports are being accomplished through barter. We believe that the assumption that barter offers almost unlimited opportunities for expansion of exports is false. Such an assumption is based on the fallacious premise that the have-not countries of the world with respect to food and fiber are countries that have great material resources to trade for food and fiber. This is not true. We believe, however, that substantial additional business can be achieved if export contractors are required to demonstrate additionality. If this requirement is eliminated all contractors will turn to easy barter and be content to merely replace cash sales.

There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefor is in order.

This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide-open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of those materials in the foreign countries and importers of those materials into this country want a price support and surplus removal program for those materials. We cannot solve the price support and surplus removal problems of our domestic agricultural economy by attempting to take on those same responsibilities for a much wider field of material production throughout the world.

Experience with our domestic agricultural programs has, we believe, led to one accepted axiom. Price support at profitable levels of production without effective controls on production can only lead to financial disaster. To the extent that barter provides a profitable outlet for foreign-produced materials, over and above that normally existing, foreign production and resultant surpluses will be increased. Certainly this country has not and could not have any semblance of control over such production.

There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities, we stopped the program for reappraisal. The domestic lead-and-zinc industry felt the full impact of the price depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials and serves as a stimulant for further expansion of such surplus production.

The importers of diamonds have been vigorous proponents of expanded barter. Diamond production is controlled by cartel. World prices are maintained by the quantities of diamonds released to the market by those cartels. Diamonds have been held up as the glowing example of a material "entailing less risk of loss through deterioration or substantially less storage charges" than surplus agricultural commodities. There are a few surplus diamonds in the hands of importers now. The Congress, by the enactment of this proposed amendment, would direct the Secretary of Agriculture to not only provide a home for those diamonds but also to assure the diamond cartels of the world an outlet at world prices for an expansion of production up to whatever portion of the $500 million limitation they could get the Department to accept.

Statements have been made in previous testimony before your committee by proponents of barter of the competitive advantage, pricewise, enjoyed by barter commodities. This has been advanced as an argument that barter stimulates agricultural exports. Assuming that such a price advantage exists, it can only serve to drive down the world price of agricultural commodities. Agricultural commodities moving under barter would be in competition, not only with agricultural commodities from other countries, but with agricultural commodities exported from this country through normal channels of trade. This can become a vicious circle. To the extent that the domestic market price is influenced by the price at which exporters can sell in world markets a lower price will result in order to meet the competition of the same commodity originating through barter.

The Department has, with the encouragement of Congress, made great progress in making agricultural surpluses in CCC inventory available on a competitive bid basis in order to meet world prices. The exporter who buys for dollars must and will bid lower than he ordinarily would, in order to meet whatever price advantage accrues from acquisition of those same commodities through barter.

Not only would the funds and assets of the Corporation suffer under such a progressively vicious circle but also the taxpayers who must make good the losses of the Corporation.

The Department is not opposed to barter. We believe it has a place in our multiapproach to surplus removal through expanding exports of agricultural commodities. We also believe, however, that the interests of agriculture and the United States as a whole will best be served if it is limited to those instances where administrative judgment believes it creates additional foreign purchasing power and channels that purchasing power into buying United States agricultural surpluses which would not otherwise move into export through normal channels of trade.

It is important to note that the proposed legislation will result in no saving in storage charges to the Commodity Credit Corporation. It will in fact result in increased costs. This comes about because we will not be gaining new agricultural export business but merely replacing dollar sales by barter sales. This means CCC inventories remain about the same on the agricultural side of the picture. We would, however, receive materials which must be stored at the cost of the taxpayers instead of dollars which at present we can use to reduce the indebtedness and interest payments of the Federal Government.

In summary, it may be helpful to tabulate a few of the things the proposed amendment would and would not do. The amendment—

(1) Would direct the Secretary to barter up to $500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of CCC and the Federal Government but would dissipate them.

(2) Would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash.

(3) Would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC even though such materials could not be used in the foreseeable future.

(4) Would increase the interest costs of CCC and the Federal Government.

(5) Would provide world price support for materials without permitting domestic mining interests to benefit directly.

(6) Would require CCC officials who are not experts in this field to spend up to $500 million for foreign materials each year.

On the other hand the amendment—

(1) Would not appreciably reduce CCC inventories of agricultural commodities.

(2) Would not to any measurable extent establish new agricultural export outlets or increase existing ones.

(3) Would not reduce storage costs of CCC.

(4) Would not reduce deterioration losses of CCC.

(5) Would not be of help to farmers or to our commodity inventory problems.

The proposed amendment prohibits the exercise of administrative judgment to an unprecedented extent. In our opinion it would, in retrospect, serve as a basis to discredit the Congress that enacted it and those who attempted to administer it.

Since this proposed legislation is ready for consideration on the floor of the Senate, we have not cleared this report with the Bureau of the Budget.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. ELLENDER. Now, Mr. President, let us look at the other side of the coin.

I read from a memorandum I have prepared concerning the Department's objections:

1. Department objection: The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction.

Answer: The bill does not propose the elimination of such consideration. Every Government officer must always have the protection of the assets of the Government in mind and perform his duties so as to protect those assets to the best of his ability. However, he must perform his duties without the necessity of any finding by him that their performance is required to protect the assets of the Government. The purpose of the bill is to direct the Secretary to undertake a barter program without the necessity of any finding on his part that the program directed by Congress is wise. This is not an unprecedented approach to legislative direction. In fact, it is difficult to think of any other legislative direction which is conditioned upon a finding that action under it will protect the funds and assets of the Corporation. There are many precedents to the contrary. To cite one example, the law requires the Secretary to support prices at certain levels. This direction is not limited to those cases in which the Secretary finds that such action will protect the assets of the Corporation. The Secretary might believe that support should be made at somewhat different levels, or should not be made at all. But the legislation does not give him a choice as to whether he shall carry it out. He now has and is exercising that choice with respect to barter. The bill would remove that choice.

2. Department objection: The elimination of the principle of additionality as a result of barter cannot be justified.

Answer: The principle of additionality is not being eliminated. That is the whole basis and purpose for barter. The bill recognizes that although additionality cannot be shown on a transaction-by-transaction basis, barter provides a valuable method of increasing the total disposition of agricultural commodities.

3. Department objection: This amendment directs the Secretary to ignore what agricultural commodities could be moved into export channels through the normal channels of trade for purchase by dollars. Its effect could be to replace cash business to the extent of up to $500 million per year.

Answer: The amendment does not direct the Secretary to ignore anything. It is hoped that he would be alert, diligent, and aware of every factor bearing upon the execution of his duties. Everyone recognizes that barter could replace cash business. This is a calculated risk. And the extent to which that could happen is also a calculated risk. Certainly the Secretary does not mean that $500 million worth of cash business would be replaced, since the Secretary states that he believes opportunities do exist to expand our agricultural exports through barter. So the question raised by this objection really is one of weighing the advantages of the additional exports that may be obtained through barter against the possible loss of an undetermined amount of cash sales. In determining this question consideration should be given to the following facts:

(1) Expansion of outlets through barter may result in greater cash sales rather than reduced cash sales.

(2) Up until May 1957 the Secretary found that almost $300 million a year in barter business protected the assets of the Corporation.

(3) In his letter of March 11, 1958, objecting to the provisions of the bill, the Secretary states: "We believe, however, that substantial additional business can be achieved if export contractors are required to demonstrate additionality."

(4) All the bill provides for is substantial additional business being achieved through barter. The Secretary may impose additionality requirements or any other requirements which may be reasonable and proper so long as he moves about $500 million worth of commodities by barter.

4. Department objection: Barter results in a worldwide price support and surplus removal program for, and expanded production of, barter materials.

Answer: Of course, any time anyone buys anything, he provides a market for it, and this tends to keep the price up, remove it from the market, and encourage production of more of the same. Under the bill, barter authority with respect to materials entailing less risk of loss and less storage charges would be expanded to nonstrategic commodities. The Department would therefore have broad authority as to what materials would be taken. The Secretary would be expected to make the best trades obtainable. If an item in surplus could be obtained at a good price, that might well be a wise trade. On the other hand, if it promised only a continuing decline in value, the Secretary might well decide to trade for some other material.

5. Department objection: Barter transactions have a tendency to drive down the price which CCC would receive for its remaining sales for cash.

Answer: So may any other sales or donations. It is better to move the commodities at a lower price than to hold them off the market at a higher price.

6. Department objection: Barter results in increased storage charges, since barter simply replaces dollar sales, so that we must store the same quantity of commodities and the barter materials as well.

Answer: This presupposes that barter sales do simply replace cash sales. This supposition is discussed elsewhere.

7. Department objection: Would require CCC officials who are not experts in this field to spend up to $500 million for foreign materials each year.

Answer: With a $500 million program to be administered, it might be possible to hire an expert or so.

Mr. President, another letter was addressed to me by Secretary Benson, under date of March 13, 1958, with further reference to the barter provision. To that letter was attached a press release indicating that there was objection on the part of some of our friends to bartering. I read an excerpt from the Department of State press release:

Canadian ministers maintained that United States surplus disposal operations have adversely affected Canadian wheat sales. In particular they emphasized the harmful effects barter transactions have had on commercial marketings of all exporting countries, including Canada and the United States.

Mr. President, I ask unanimous consent to have the letter and press release printed at this point in the RECORD, so that the Senate will have the full effect of the correspondence.

There being no objection, the letter and press release were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF AGRICULTURE,
Washington, March 13, 1958.

The Honorable ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: In further reference to my letter to you of March 11 commenting on proposed changes in the proposed amendment to title III of Public Law 480, 83d Congress, I attach herewith joint statement made by the 4 Ministers of Canada and 4 Cabinet officers of our own Government which has a bearing on the matter of barter.

Sincerely yours,

E. T. BENSON.

[Department of State press release of October 8, 1957]

UNITED STATES-CANADIAN JOINT COMMUNIQUE OF OCTOBER 8, 1957

The third meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs took place in Washington yesterday and today. The first two meetings were held in March 1954 and September 1955. In the discussions just held, the two Governments were represented by the following Cabinet members:

For Canada:

Donald Fleming, Minister of Finance (Canadian Chairman).

Sidney E. Smith, Secretary of State for External Affairs.

Douglas S. Harkness, Minister of Agriculture.

Gordon Churchill, Minister of Trade and Commerce.

For the United States:

John Foster Dulles, Secretary of State (United States Chairman).

Robert B. Anderson, Secretary of the Treasury.

Ezra Taft Benson, Secretary of Agriculture.

Sinclair Weeks, Secretary of Commerce.

In addition to the members of the Joint Committee, senior officials from both Governments were present.

The Joint Committee was established to provide an opportunity for the Cabinet members primarily concerned with economic relations to meet informally from time to time to exchange views and examine developments of mutual interest. The purposes of the Committee, as stated in the original terms of reference, are:

"(1) To consider matters affecting the harmonious economic relations between the two countries;

"(2) In particular, to exchange information and views on matters which might adversely affect the high level of mutually profitable trade which has been built up;

"(3) To report to the respective Governments on such discussions in order that consideration may be given to measures deemed appropriate and necessary to improve economic relations and to encourage the flow of trade."

This meeting was especially valuable as it was the first occasion since the Canadian election in June for a group of Cabinet members from the two countries to meet together. The meeting, which took place in an atmosphere of cordiality and neighborliness, provided an opportunity for a frank and informative discussion on trade and economic subjects of current interest to both countries.

The Committee examined a wide range of subjects including domestic economic developments in the United States and Canada, the trade policies of the two Governments, agricultural policies and surplus disposal activities (especially those relating to wheat), the trade in agricultural products between the two countries, United States investment in Canada, United States policies affecting Canadian mineral products and a number of other specific questions of special interest to both sides.

In the course of the review of current economic conditions it was recognized that the two countries have a deep and continuing interest in each other's economic stability and strength. In particular, representatives of the two Governments expressed their full accord on the importance of a

high level of business activity being maintained in their economies, and on the need for growth that does not endanger stability, both in their domestic economies and in the trade of the free world. The recognition of this reciprocal interest was considered basic to close and effective cooperation between the two countries as an integral part of their contribution to world peace and security, including the common defense of North America.

In the review of general trade policies Canadian Ministers drew attention to the important implications for Canada of the very high proportion of its external trade which is taking place with the United States. The volume and variety of goods entering into this trade made Canada by far the most important commercial customer of the United States and vice versa. In 1956 well over $4 billion worth of United States goods, or approximately one-quarter of the total cash exports of the United States, were sold in Canada. On the other hand Canadian exports to the United States amounted to less than $3 billion. In the light of these facts Canadian Ministers stressed the effects on Canada of developments in United States commercial policies.

The United States members for their part stressed the dependability of the United States economy both as a market and as a supply source. They drew attention to the strong economic position of Canada and pointed out that Canada's trading deficit with the United States had been accompanied by an inflow of capital from the United States and that the rest of the deficit had been covered by Canada's trade surplus and investment inflows from other parts of the world. In these circumstances, the United States members felt that the trade and payments relationships between the two countries were basically sound and demonstrated the effective working of multilateral trading policies.

It was agreed that in formulating its trade policies each country should show careful regard for the interests of the other.

There was considerable discussion of means for promoting the orderly expansion of world trade. In particular the representatives of the two Governments were in accord on the need for continued support of the General Agreement on Tariffs and Trade, to which both the United States and Canada are parties.

Canadian Ministers maintained that United States surplus-disposal operations have adversely affected Canadian wheat sales. In particular they emphasized the harmful effects barter transactions have had on commercial marketings of all exporting countries, including Canada and the United States.

The United States members affirm to the Canadian Ministers their intention in all surplus-disposal activities to avoid, insofar as possible, interfering with normal commercial marketings. They gave assurance that under the present revised Commodity Credit Corporation barter program each barter contract must result in a net increase in exports of the agricultural commodity involved, and that interest must be paid until the strategic materials are delivered or payment is otherwise effected for the agricultural commodities.

The members of the Committee were also agreed on the value of continuing consultation in order to keep to a minimum any harmful effects of surplus-disposal activities.

There was a full discussion of agricultural policies which affect trade between the two countries.

The Canadian Ministers expressed concern over the effect on Canadian producers which would result from any future action by the United States to raise duties on imported lead and zinc. The United States members explained the situation confronting their domestic producers. They called attention to the continuing need for imports of certain minerals and metals and indicated that any United States tariff action that might be taken to relieve serious injury to United States producers would have the primary objective of maintaining a normal relationship between imports and domestic production. They noted that any such action would be applied in accordance with the procedures of the General Agreement on Tariffs and Trade.

The Canadian Ministers clarified the concern frequently expressed in Canada regarding the nature and extent of United States investment in Canadian natural resources and important manufacturing industries. They made it clear that Canada welcomed the inflow of capital and recognized its important contribution to Canadian economic development. It was the hope of the Canadian Government that all United States companies participating in the expansion of the Canadian economy would develop and maintain closer and mutually beneficial relationships with the people of Canada. In this connection note was taken of the recent supplementary tax convention between the United States and Canada which was designed to facilitate greater Canadian participation in American-owned corporations operating in Canada.

The United States members welcomed this clarification by the Canadian Ministers and pointed out that the great confidence which United States business feels toward Canada is the result of many years of experience and association.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I simply want to have the RECORD include the fact that, as a result of barter sales, it has been possible for the United States to purchase an additional $60 million of ore and minerals from Canada.

Also—and I regret that this must be said—the whole issue of bartering became a basic political issue in the current election in our great sister nation to the north. I regret this, but it has become an issue between the two major political parties of Canada.

Recently other friendly nations have seen fit to sell substantial quantities of grain to the countries behind the Iron and the Bamboo Curtains. I am not trying to tell them how to run their business, and they ought not to tell us how to run ours. I am a member of the Committee on Foreign Relations and am generally considered to be friendly to foreign aid—a little more so than some of my colleagues—and friendly toward the needs of other countries. But, if I am not mistaken, in recent weeks a very substantial sale of grain has been made to China. Also, recently a very substantial sale of grain was made to India. That was fine; I am pleased to see the sale to India. But, Mr. President, by the same token I see no reason why the United States of America should not make some sales, too. After all, our wheat farmers are faced with the possibility of $1.78 wheat for the coming year, and that picture is not exactly what they regard as an entertaining one. In the meantime our surpluses remain in the storage depots, and the public is led to believe that the costs for storage are tremendous. Thus the farm program becomes discredited.

One way to help the farm program along is through orderly utilization—and I emphasize the words "orderly use"—of our stocks.

I wish it clearly understood that, as a responsible Member of this body, I have urged the Department of Agriculture to proceed cautiously and prudently in the closest coordination with the Department of State. But the kind of caution the Department of Agriculture has exercised amounts to standing still and literally refusing to negotiate or permit barter arrangements. That cannot be justified. No member of the Committee on Agriculture and Forestry can say that the Department of Agriculture has not, by the order of May 28, 1957, for all practical purposes, put roadblocks in the way of barter arrangements. The order of May 28, 1957, if it had any validity, could just as well have been made a year before, because it was made on the basis of the language of the law we are now in the process of amending. That language has been in the law since it was passed by the 83d Congress. That language was supported by the Secretary of Agriculture and the Secretary of the Interior and the representatives of both those Departments who appeared before the Committee on Agriculture and Forestry. In fact, even stronger language was supported by the Secretary of the Interior at the hearings of last June and July.

Mr. President, I repeat that when we consider the barter system, the question is entirely one of how it is to be used and the sense of direction to be followed. The sense of direction—not the purpose of the law—is what has caused the problem.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Mr. President, I confess that I am disturbed about the broad language in this barter provision. Not only have I been giving it personal study, but I have been receiving some inquiries from Florida.

The distinguished Senator from Louisiana knows that tung oil is one of the products of both his State and mine, and that the production of tung oil in the United States is less than the amount the United States can use. Yet almost yearly we have had great difficulty in getting the Government to limit imports from some of our friendly neighbors who produce it more cheaply than it can be produced in the United States.

My question is as follows: Under this wide-open, broad barter provision in the bill would or would not the Secretary of Agriculture in his sole discretion be allowed to trade a surplus commodity, such as wheat, rice, or cotton, for tung oil produced offshore, simply because tung oil can be easily and cheaply stored and preserved?

Mr. ELLENDER. It is conceivable that he could, if the conditions outlined in section 303 were met.

Mr. HOLLAND. What are those conditions?

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. ELLENDER. The first is as follows:

Materials of which the United States does not domestically produce its requirements——

Mr. HOLLAND. That is true in the case of tung oil, is it not?

Mr. ELLENDER. Yes.

I continue to read the first condition—

and which entail less risk of loss through deterioration or substantially less storage charges——

Mr. HOLLAND. That would be true of tung oil, would it not?

Mr. ELLENDER. I do not know about that, I may say to my good friend, the Senator from Florida, because it might be possible to show that it would be more expensive to store tung oil than to store wheat, or perhaps than to store any other commodity which would be exchanged for it.

Mr. HOLLAND. But if tung oil could be stored—and I believe it can be—much more cheaply and could be preserved over much longer periods of time than grain which was in surplus, that condition could be met, could it not?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. What is the other condition?

Mr. ELLENDER. The other condition is—

or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs——

Mr. HOLLAND. That is in another area or field, is it not?

Mr. ELLENDER. Yes.

The last condition is—

or (c) materials or equipment required in substantial quantities for offshore construction programs.

Mr. HOLLAND. That, too, is in another field, is it not?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Therefore, the only two conditions thus required, if met, could be complied with by barters for tung oil, even though nearly every year the American producers of tung oil have been crying to have a quota applied against imports of tung oil; is that not correct?

Mr. ELLENDER. That is technically correct, but I will be frank in stating that I do not see how the Department could barter for foreign tung oil when we support the price of domestic tung oil. In addition, I personally would oppose any such program most vociferously.

Mr. HOLLAND. Very well.

Mr. President, at this time I wish to inquire about another commodity. The Senator from Louisiana knows that many of the mines in the Western States are closed. I hope the Senator from Montana [Mr. MURRAY] will not leave the Chamber at this time, because I believe this matter is of very great importance to him.

I am thinking about copper mines, zinc mines, lead mines, and other mines. Some of the materials mined are not produced in the United States in quantities sufficient to meet our full needs. It seems to me that even though the strategic amounts required by our country—and more than that—have been stockpiled, under this provision, if it remains in the bill, the Secretary of Agriculture, in his sole discretion, would be allowed to exchange our surplus farm commodities for either the metal or the metallic ores which could be stored in any quantities the Secretary of Agriculture might desire to import, and which therefore would become a cloud hanging over our domestic production. Is that correct, or is it not?

Mr. ELLENDER. Let me put the matter this way: Any commodity or "materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges" could be an object of barter. There is no doubt of that.

Mr. HOLLAND. Of course the Senator from Louisiana is correct. It seems to me that at least permission is thus given by the bill, and could be used, so that under this barter arrangement the United States would be importing products which are not produced in excess supply in the United States, even though the American producers are finding it extremely difficult to continue their production operations.

I wish to ask a question in reference to sugar, a commodity of very great importance to both Louisiana and Florida, and also to many of the Western States. Sugar is a deficit product; it is a product of which the United States producers do not supply the full needs of the United States; is that not correct?

Mr. ELLENDER. Yes; the Senator from Florida is technically correct in his assumption. But I would say the bill would not apply to sugar, for the simple reason that, as the Senator from Florida knows, we have a quota system under which production in the United States is limited. I believe the United States produces approximately 29 or 30 percent of its sugar requirements; and a quota is given to Cuba, and quotas are given to various other producing areas. I doubt that, in view of the quota system of the present Sugar Act, sugar could be imported under the provisions of Public Law 480.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I admit there is some force to the distinguished Senator's argument; but this measure, which, if enacted, would be the last one on this subject to be placed on the statute books, establishes no condition and makes no qualification at all, but simply provides that "materials"—and the amendment would eliminate the word "strategic," which is in the present law—"of which the United States does not domestically produce its requirements"—certainly that is applicable to sugar—"and which entail less risk of loss through deterioration or substantially less storage charges"—and certainly that is true of sugar, as compared to some of the very bulky crops which are in surplus supply. So I am afraid that it might be said that under this language, unless an exception were made in the act, even sugar could be the subject of barter.

Mr. ELLENDER. Mr. President, I am sure the Secretary of Agriculture would have to look to the laws now existing with respect to sugar and tung oil, in fact, those with respect to any other commodity, before exercising the provisions of this act. It is inconceivable to me that any commodity subject to price support as is tung oil, or quotas as is the case with sugar, would be bartered for by the Department. I would certainly oppose any such interpretation.

Mr. HOLLAND. It seems to me there is no occasion for us to let down the bar by eliminating the word "strategic," which is the conditional word used in the present act, and to give to the Secretary of Agriculture—simply because he could avoid some storage charges—the power to get rid of some surplus agricultural commodity by bartering it, and thus importing certain materials of which the United States does not produce sufficient to meet its needs, even though the United States producers of such materials may be in trouble from time to time—just as the United States producers of tung oil are in trouble at this time, and just as many of the United States mineral producing industries are also in trouble.

It seems to me we were wise in the original instance in confining the law to the barter of strategic materials. I have very great confidence in the distinguished Senator from Louisiana. I realize this point was not raised in committee.

Mr. ELLENDER. Yes, it was. I think the Senator himself raised the question as to whether sugar would come under the provisions of the bill.

Mr. HOLLAND. No; the Senator from Florida did not.

Mr. ELLENDER. I beg the Senator's pardon. I know some Senator raised the question in committee.

Mr. HOLLAND. It seems to me we are taking a real chance if we open the door of barter to the extent of directing the Secretary—and this is a direction to the Secretary—if he can find something we do not produce to our full need, which he can store more cheaply than he can surplus agricultural commodities, to acquire it without reference to the essential economy of our country in connection with the particular article.

I am afraid if we provide that condition, we shall get ourselves in trouble and put ourselves in a difficult situation. If I should vote for the provision as it is now written, I would not like to justify it to our tung-oil producers, whom the Senator from Louisiana and I have tried so many times to protect, either by getting a quota in effect or getting a complete ban on importations in some years.

Mr. ELLENDER. I do not fear that the Secretary will trade tung oil for rice, sugar, wheat, or anything else. For one thing, if he attempted to do so, I would certainly demand an end to such a scheme. I would personally favor any necessary amendments to the law to preclude the implementation of a transaction of that kind.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. STENNIS. Mr. President, I commend the Senate Agriculture Committee for prompt action in reporting S. 3420, the bill to extend the Agricultural Trade and Development Act—Public Law 480—for 2 additional years. Since the enactment of this law in 1954, almost 3 million bales of cotton have been exported. Under this legislation 25 million bags of rice, 162 million pounds of dairy products, 1.8 billion pounds of vegetable oil, 225 million pounds of lard, 3 million pounds of poultry, and a substantial amount of other important surplus agricultural commodities have been exported.

This program has a threefold objective of reducing agricultural surpluses by exporting an amount over and above normal trade sales, expanding foreign markets through procedures which encourage maximum use of private trade channels and the use of a part of sales receipts for market development research and promotion. I strongly believe that this program has proved to be a sound approach to moving our surplus agricultural commodities in such a way as to get the fullest value for surplus commodities. This aid program has been based on a concept of trade rather than giveaway, and I hope the plan to extend its operation will receive the full support of the Senate.

Mr. President, for several years I have sponsored legislation through our Military Construction Subcommittee designed to use more foreign currencies received from the sale of agricultural commodities for construction of overseas military housing. The larger part of the cost of our overseas military housing program that would otherwise call for expenditures of dollars can be met through sale of surplus agricultural commodities. I believe that this program is a desirable approach from the standpoint of moving surplus agricultural commodities in a business-like way at the least possible cost and at the same time building badly needed military housing in foreign countries. Our committee has also urged greater use of barter of agricultural commodities in connection with military housing. This arrangement has enabled countries who have heretofore not been interested to obtain surplus commodities under Public Law 480.

Unfortunately, the Department of Agriculture has resisted barter transactions primarily because of the long period of time required for repayment. This certainly appears to be merely a technical problem, and I certainly hope that the Department of Agriculture will reexamine the importance of this program and adopt a more realistic policy which will encourage and expand barter transactions.

I should like to insert a summary progress report of the projects being financed with the proceeds of surplus agricultural commodity sales. In all cases except France, the commodity sales are made under the authority of title I, Public Law 480, and the local currency proceeds are used to pay construction costs. In the case of Morocco and Iceland, "Third country" use of local currency is involved as explained in the summary. In France, the initial project of 2,700 units of housing was supported by a barter transaction executed by the CCC under the authority of this barter act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED KINGDOM

The initial project of 1,500 units of housing in the United Kingdom is completed and occupied. A second increment of 748 units and a third increment of 307 units, plus schools and chapels at certain of the locations, have been approved and are expected to be placed under construction before the end of the current fiscal year. A fourth increment of 1,840 units is planned for execution during fiscal year 1959.

ITALY

The project for 493 units of housing for United States military personnel in Italy has been approved for several months and design work is complete. Actual construction has been delayed pending final acquisition of building sites by the Italian Government (at no cost to the United States). This acquisition has now been completed and construction is expected to proceed before the end of the current fiscal year.

SPAIN

A project for 334 units of housing at the Naval Air Station, Rota, Spain, and a first increment of 92 units for Department of the Air Force between several locations were placed under contract in the fall of 1957. In addition, a contract was executed for the in-leasing of 1,581 units of rental guaranty housing being constructed at Madrid, Sevilla, and Zaragoza. In this case it was possible, by executing a prepaid lease for 7 years under the surplus commodity housing program, to assure the completion of this urgently required housing while keeping costs at the same levels which prevailed before the recent inflation of Spanish currency.

Additional projects totaling 1,081 units of family housing are planned for execution in Spain during fiscal year 1959. These projects will be financed directly from title I, Public Law 480 funds.

FRANCE

The initial project of 2,700 units of housing at 19 locations in France was financed with the proceeds of a barter sale conducted by the Commodity Credit Corporation under the authority of its Charter Act. This construction is proceeding satisfactorily and is expected to be completed in the fall of 1958. An additional project for 400 units of family housing in France is planned for execution during fiscal year 1959. This project will be financed from the proceeds of a Public Law 480, title I sale of agricultural commodities to France.

MOROCCO

A project for 500 units of family housing is planned for the three Air Force bases in Morocco. Bids were taken on this project in the fall of 1957 and it is expected that award will be made within the next 60 days. This project will consist of prefabricated houses purchased in Austria with the proceeds of surplus commodity sales to Austria under title I of Public Law 480. Site costs will be paid from Austrian currency and from appropriated dollars. An additional project for 330 units of housing at the Naval Air Station, Port Lyautey, Morocco, will make use of prefabricated houses purchased in Finland with the proceeds of title I, Public Law 480 sales to Finland. The cost of site development and erection will be paid partly through the use of appropriated funds (not to exceed 25 percent) and will be accomplished partly through the use of Seabee labor.

ICELAND

A project of 300 units of family housing is planned for Keflavik Air Force Base, Iceland. It is planned that prefabricated houses for this project will be purchased in Finland with Public Law 480, title I finnmarks and that erection costs will be paid partly with title I Icelandic currency and partly with appropriated dollars.

BERMUDA

300 units of family housing are planned for construction during fiscal year 1959 at Kindley Air Force Base, Bermuda. The cost of this housing will be paid from British pounds sterling obtained through a title I, Public Law 480 sale to the United Kingdom. This project also will be supported (not to exceed 25 percent) with appropriated dollars.

PORTUGAL (AZORES)

It is planned to proceed during fiscal year 1959, with a project of 306 units of family housing at Lajes Air Force Base, Azores. The first increment of 135 units in this project will be supported with existing title I funds which have accrued from the sale of surplus commodities to Portugal. Financing of the remainder of these houses will be developed through further surplus commodity sales.

JAPAN

The original project of 1,700 units of family housing to be built at Army, Navy and Air Force installations in Japan has now been reduced to 1,350 units as a result of the redeployment of United States forces in Japan. No further housing construction is planned in Japan and plans are now underway to arrange for the use of the remaining local currency earmarked for housing to support housing construction in the Philippine Islands. It is expected that approximately $3 million will remain from the first Japanese agreement which can be added to the $8 million of housing funds created through the second Japanese agreement. This $11 million is expected to provide most of the necessary financing for the housing program in the Philippines described below.

PHILIPPINE ISLANDS

It is planned that 450 units of family housing will be built at Clark Air Force Base in the Philippines with the cost of construction to be paid from Japanese yen accrued from Public Law 480, title I sales to Japan, plus approximately $1.5 million in pesos obtained through a title I sale to the Philippine Islands. Additional support will be provided from appropriated dollars (up to 25 percent) if required.

Mr. STENNIS. Mr. President, the distinguished junior Senator from Minnesota [Mr. HUMPHREY] has on several occasions expressed a special interest in barter programs. I understand that he has introduced an amendment included in the committee bill which directs the Secretary of Agriculture to barter agricultural commodities for critical and scarce materials needed in the United States. These barter transactions would be limited to $500 million annually and would be especially directed toward acquiring materials which entail minimum loss due to deterioration and low-storage charges. This certainly appears to be a step in the right direction toward assuring an available supply of scarce materials which cannot be adequately produced domestically. To me it makes

UNIVERSITY OF MICHIGAN LIBRARIES

sense to use our present agricultural surplus to obtain the materials that we may need for an emergency.

Mr. President, I should also like to reaffirm my special support for using foreign currencies for market-development projects. Under existing agreements, about $43 million in currencies have been allocated for foreign agricultural market development. To date, more than $9 million is being obligated for approved projects in cooperation with private trade organizations that have contributed almost $3 million. I understand that cotton-promotion projects have been undertaken in 21 countries and have contributed to the free movement of cotton overseas and are expected to continue to create a foreign demand for American cotton. This program is a move in the right direction and will be of lasting benefit in building strong markets for all United States agricultural commodities in the years to come. I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Mr. President, looking ahead I strongly believe that title I and title III of the Agricultural Trade and Development Act combined with sound loans should systematically replace our foreign-aid programs. A great part of our huge cash outlay under the foreign-aid programs can and should be channeled more effectively through this program.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont has been trying to get the floor since about sunrise.

Mr. ELLENDER. Mr. President, I still have the floor. I think I was recognized some time ago.

Mr. AIKEN. I believe I was recognized.

Mr. ELLENDER. I yield to the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Does the Senator from Vermont have the floor?

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. ELLENDER. Mr. President, I do not remember yielding the floor, but it is all right.

Mr. AIKEN. Mr. President, I ask unanimous consent that I may yield to the Senator from Louisiana long enough for him to reply to a question by the Senator from Colorado.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ALLOTT. If the Senator from Louisiana will be so kind as to answer 2 or 3 questions, I would appreciate his courtesy. I have been trying to get the floor for some time. I realize that the colloquy has been long and involved. I attempted to get the floor before the Senator from Florida brought up the question of strategic materials.

As my first question to the Senator from Louisiana, I wonder if the Senator can give us, since I find nothing in the report about it, information as to the amounts of metals such as copper, tungsten, lead, zinc, and fluorspar, which have been imported into the country in the last year under this act.

Mr. ELLENDER. We do not have the information available. It may be that the distinguished Senator from Minnesota [Mr. HUMPHREY] has that information. He held hearings last year on the subject, as I stated.

Mr. ALLOTT. I wonder if we could have that information supplied for the RECORD.

Mr. ELLENDER. I shall see if the information can be obtained.

Mr. ALLOTT. Those of us who come from mountain States in which ore production is of great significance are very much worried about this matter. Am I correct in assuming that under the fifth provision contained in the report, on the first page, metals such as tungsten, lead, zinc, copper—nonferrous materials—could come into this country, under the barter program, duty free?

Mr. ELLENDER. If we are in short supply and we need them, and they are not domestically produced, yes. In doing that, I presume the administrator of the program would certainly survey the amount we have on hand of any of those materials. I would give him credit for doing that. If there is on hand in the stockpile a supply of tungsten or any other metal which we do not produce, and of which we have a 10- or 15-year supply, I presume the administrator would not let any more of the material be imported.

Mr. ALLOTT. Let us take the case of tungsten.

Mr. ELLENDER. I believe that we have a 10-year supply of that material.

Mr. ALLOTT. My understanding is we have a five-year supply.

Mr. ELLENDER. I thought it was a 10-year supply.

Mr. ALLOTT. But in the case of lead and zinc, as well as of tungsten, we are capable of producing those metals in this country. I am sure we can produce all the tungsten we need, but in the case of lead and zinc we can produce far in excess of what we can market. Is not the effect of the barter provision to depress the price of those metals?

Mr. ELLENDER. If we produced our domestic requirements we could not barter for the minerals the Senator has made reference to. In other words, section 303, on page 3 of the bill, states specifically that the Secretary can barter materials of which the United States does not domestically produce its requirements.

Mr. ALLOTT. I see that requirement. But in the case of any mineral of which we do not produce all our requirements, the Secretary could still barter for those materials and import them into this country, tariff- or duty-free, in competition with the mineral producers of this country. Is that correct?

Mr. ELLENDER. How would that differ from the present manner in which we obtain materials that are not domestically produced in sufficient quantities to meet our demands? In other words, how would there be any additional competition under the program?

Mr. ALLOTT. On page 3, line 8, it is stated:

> Materials of which the United States does not produce its requirements and which entail less risk of loss through deterioration.

Mr. ELLENDER. How do we obtain our supply of materials of which we do not produce a sufficient quantity? We buy them.

Mr. ALLOTT. We buy them offshore.

Mr. ELLENDER. Exactly.

Mr. ALLOTT. But we do not import them into the country duty free. That is the point.

Mr. ELLENDER. The minerals which are in our stockpile have come into this country in that manner. The minerals that would come into the country under the pending bill would likewise go into the stockpile. The law in that respect has not been changed at all, I say to the Senator from Colorado.

Mr. ALLOTT. I realize the law may not have been changed, but this is one of the practices which has been acting as a depressant to domestic mineral producers. For instance, under Public Law 480, a fluorspar mine was put into operation in Mexico, in competition with fluorspar mines in this country. While the producers in this country can produce our needs of that mineral, fluorspar from the mine in Mexico was imported in competition with that produced in our own country.

Mr. ELLENDER. I could point out to my friend from Colorado any number of industries which were established with his money and with my money, not under Public Law 480, but as a result of cash we, in part, furnished. Take, for example, the automobile plant rehabilitated by foreign-aid funds in France. We spent millions of dollars to revitalize that plant. It belonged to the French Government at the time. The French Government has since sold it. The Senator's money and my money was used to put the factory back on its feet. Today that factory is shipping carloads of automobiles in competition with those produced in Michigan.

This result is not peculiar to Public Law 480. I could point out any number of instances for the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield so that I may point out a reference?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Mr. President, I think it would be very helpful if the Senator from Colorado [Mr. ALLOTT] could refer to the hearings. I know the Senator is a very busy man, and we all do not have time to go through 600 pages of hearings.

Mr. ALLOTT. The Senator is correct.

Mr. HUMPHREY. I should like to refer the Senator to page 575 of the hearings.

Mr. AIKEN. Mr. President, I did not yield for the purpose of listening to a series of speeches. I yielded so that the Senator from Colorado might make an inquiry or two of the Senator from Louisiana. I hope I will have a chance to offer my amendment.

Mr. ALLOTT. Mr. President, I will yield the floor and later try to procure

the information I desire in a different way.

I thank the Senator from Vermont.

Mr. AIKEN. Mr. President, I call up amendment 3-17-58-B, on behalf of myself and the Senator from Iowa [Mr. MARTIN], and ask that it be made the pending question.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The amendment will be stated by the clerk.

The LEGISLATIVE CLERK. On page 3, line 3, it is proposed to strike out all of sections 5 and 6.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and the Senator from Iowa [Mr. MARTIN].

Mr. AIKEN. Mr. President, there have been some good arguments made in favor of the amendment this afternoon; and, therefore, I am not disposed to take much time of the Senate. I am sure we are all agreed as to the desirability of continuing Public Law 480, which has performed outstanding service for us not only with regard to agriculture but with regard to other segments of our economy as well.

I voted to report the bill from the committee, as did all the other members of the committee, but I reserved the right to oppose on the floor the provisions relating to barter, because I felt they were altogether too broad and would perhaps lead us into a great deal of trouble. Therefore, the Senator from Iowa [Mr. MARTIN] and I have offered the amendment which is now the pending question.

Public Law 480 has accomplished a great deal of good. It has helped to dispose of our surplus commodities. It has helped to pay the cost of mutual aid and other programs. It has helped to relieve famine and want in many of the poorer countries of the world.

Mr. President, I desire to speak on the provision of the pending bill which would change the existing law relating to barter transactions. The amendment has been offered, in an endeavor to strike out sections 5 and 6 of the bill, because of the proposed change in existing law.

The greatest objection to sections 5 and 6 is that they open up barter contracts so as to replace dollar sales. The agricultural commodities owned by this Government are a valuable although a burdensome asset. The pending bill would in effect almost earmark the proceeds from sales of commodities which are currently being sold for dollars for the purchase of foreign materials, up to $500 million a year. The Department of Agriculture would be operating a price-support program for metals and minerals produced all over the world. However, our down domestic mining interests could not participate, and any temporary benefits to them would be more than offset by the encouragement to the expansion of the productive capacity abroad and the maintenance of tremendous stocks of metals in Government hands in dead storage in this country; which stocks, if the taxpayer is ever to realize anything on his investment, must some day be utilized in competition with domestic production.

In that respect, Mr. President, we know how the enormous accumulations of farm commodities have depressed prices for farm products in this country. Is there any reason to believe that enormous accumulations of minerals taken in barter would not also depress the price of minerals?

Mr. JENNER. Mr. President, will the Senator yield on that point?

Mr. AIKEN. I yield.

Mr. JENNER. Is the stockpile program not now nearly $8 billion?

Mr. AIKEN. I believe it is.

Mr. JENNER. At least, a little more than $7 billion?

Mr. AIKEN. I am not a member of the committee which handles that phase of the proposed legislation, but I think it is an enormous figure. If we stockpile more than we need, it is bound to have an effect on the prices of those commodities produced in this country.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Utah.

Mr. WATKINS. Is it not a fact that we had a stockpile program for lead and zinc a short time ago, operated through the Department of the Interior, which program has been filled? The requirements of that stockpile have been filled, and it has ceased to operate. We have that stockpile, and we also have the stockpile which has been filled through the barter of agricultural commodities in years gone by. At the present time, therefore, we have two stockpiles which have been filled.

Mr. AIKEN. I believe the Senator is correct.

The weakness of the barter provisions in the pending bill is that under the proposed changes, we do not have to barter for strategic materials. We can barter for any materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges.

Mr. JENNER. For the benefit of the Senate, will the Senator from Vermont enumerate some of the items which might be brought in under the barter provisions?

Mr. AIKEN. I plan to do that very shortly.

Mr. President, since many Members of the Senate are present, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. AIKEN. I wish to say something about the argument which has been made regarding the exchange of farm commodities for strategic metals or other materials, to the effect that we will save large sums on storage. Unless the Office of Defense Mobilization or the agency which operates the stockpile is willing to take the materials for which we have bartered, the Commodity Credit Corporation will continue to have to pay storage on them until they are disposed of. It is conceivable that the Commodity Credit Corporation might be obligated to pay storage on the materials for the next 40 years. It is not likely that the Commodity Credit Corporation would have to pay storage on wheat or corn for more than 4 or 5 years, because those commodities would not keep much longer than that.

I also desire to point out, Mr. President, that the commodities which will be bartered for up to the amount of $500 million a year could come into this country duty free. It seems to me that would affect revenues. So far as I know, the Committee on Finance of the Senate and the Ways and Means Committee of the House have not considered the matter to any degree. I believe the proposal should be out of order on that ground alone.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ALLOTT. Under the previous law did these materials come in duty free?

Mr. AIKEN. I believe they did.

Mr. JENNER. They did, but they were limited to strategic materials.

Mr. AIKEN. But they were limited to strategic materials.

I believe other agencies of Government had to take custody of those materials when they came in, so that the Commodity Credit Corporation would not be obligated for storage for so long a time as it would under the pending proposal.

Mr. MARTIN of Iowa. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Iowa whom, I believe, became the father of the stockpile as a Member of the House of Representatives.

Mr. MARTIN of Iowa. The original creation of the supplemental stockpile came about in the Agricultural Trade Development and Assistance Act of 1954. It was my privilege to offer the amendment on the floor of the House of Representatives which created the supplemental stockpile under title I, "Sales For Foreign Currencies." We provided that the strategic materials—and that was all we had in mind at the time—were to be channeled into the supplemental stockpile and were to be frozen there as an insurance certificate for national defense use. They were strictly restricted to that purpose and were not to be taken out of the supplemental stockpile except by act of Congress.

The amendment which I offered in 1954 was very strictly limited to that extent. It provided that the materials could not be pried out by any other method than by an act of Congress.

We thought that was sufficient protection to the domestic mining industry, to avoid a clash between the mining industry and the agricultural interests in marketing our surplus agricultural products. That was particularly guarded against in the 1954 act.

Certain provisions in the pending bill—and that is why I join with the Senator from Vermont in the amendment—are very shocking to me. They do not point in the direction of national defense at all. They get away from the critical and strategic materials field. If those provisions are to go into the law, I

wish to offer an amendment to protect the mining industry of our own country against the possible prying out from the stockpile of strategic and critical materials, without the same safeguard which was provided in the 1954 act.

Mr. AIKEN. Mr. President, the Senator from Indiana asked me if I could give him a list of the materials for which CCC commodities could be bartered under the pending bill. I cannot do that. It would require a great deal of research work.

However, I should say that any material of which the United States imports substantial quantities for our domestic use would be included in this category. It would certainly include items such as wool, petroleum, metals of various kinds, copra, tung oil, probably extra-long-staple cotton, pulp, and paper, of which we import a great deal. I am not sure, but the category probably would include cement. It would include rubber, coffee, and a host of other commodities.

The Department of Agriculture is vigorously opposing this wide-open barter program. It points out that since the barter transactions would, for the most part, merely replace dollar sales, the Commodity Credit Corporation inventories of agricultural commodities would not be appreciably reduced, and there would be no saving on storage costs or deterioration losses.

As there would be no appreciable reduction in Commodity Credit Corporation agricultural inventories, there could be no benefit to farmers under any agricultural program likely to be in effect.

The legislation would, however, be of great benefit to the international diamond cartel, and to other mining interests all over the world, except in the United States. The only group in the United States which would receive substantial benefits from the proposed legislation would be those few corporations which customarily engage in importation and exportation of materials and commodities. International traders would gain what our domestic taxpayers and domestic mining interests and other domestic producers might lose.

If we have $500 million a year to spend, we should find some place for it which will benefit American labor and American farmers, and not let it be injurious.

As I have said, the State Department strongly opposes these barter provisions. The Department of Commerce advises me that it is strongly opposed to them. If the amendment which I have proposed is approved, the barter provisions of the law will remain as they are now.

I believe the Department is negotiating, to the extent of about $50 million, for the barter of manganese and other commodities on the list which we still need.

Mr. COTTON and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from New Hampshire, and then I shall be glad to yield to the Senator from Florida. I am about through. I shall try to be brief, as I heard some very good arguments for the amendment this afternoon on the floor of the Senate. I am sure other Senators will desire to take some time to discuss it.

I now yield to the Senator from New Hampshire.

Mr. COTTON. My question will be very brief. If, under this barter provision, commodities can be imported on the basis of the fact that they are being imported into this country at the present time, then even though the reason we are importing them is that some particular industry in this country is not producing because it cannot compete, such commodities could still be brought in, could they not?

Mr. AIKEN. I think that would be perfectly true. I have in mind the veneer industry, which claims to be in trouble now because of the large imports coming into this country.

Mr. COTTON. It might be true that because we are now importing finished textiles, they could continue to be brought in under this provision.

Mr. AIKEN. That is true. The reason we are not producing enough to meet our needs in some instances is that we are not even now meeting foreign competition.

Mr. COTTON. I wanted to make that point clear, because it is a dangerous provision in my opinion. I hope the Senator's amendment will prevail.

Mr. AIKEN. I now yield to the Senator from Florida.

Mr. HOLLAND. I note with concern not only the matters which the distinguished Senator from Vermont has mentioned, but also the wording found in lines 9, 10, 11, 12, and 13 of page 4 of the bill, which I read into the RECORD, as follows: "and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements."

It seems to me that means that if the Secretary of Agriculture chose to exchange a surplus agricultural commodity for tung oil, let us say, and if the Navy, the largest user of tung oil, wanted tung oil, it would purchase its needs of tung oil which was imported duty free, from the Commodity Credit Corporation, and it would be required to do so under the wording I have just quoted, because the words used are "shall purchase," instead of showing consideration to domestic producers. Is there any justification for that conclusion?

Mr. AIKEN. It is my interpretation that the other agencies of Government might be required to purchase such materials from the Commodity Credit Corporation rather than from their normal sources of supply in this country. In the case of tung oil, the Senator from Florida is well aware of what those sources of supply are.

Mr. HOLLAND. It seems to me that, while under the earlier law as to strategic materials, such a provision would not have been dangerous, because we are piling up strategic materials for the defense of the country, under the wording of the pending bill whereby the Secretary of Agriculture is encouraged—and perhaps mandated—to exchange surplus agricultural commodities for any materials of which we do not produce enough to supply our own needs, other agencies needing such materials would be required to buy them from the Department of Agriculture, even though they were brought in duty free, and even though they came from offshore.

It seems to me that we are striking a serious blow, in some instances, at the agricultural interests of this country, and at many other industries, including the mineral producing and petroleum industries, or we might do so under the provisions of the bill. I wonder if the distinguished Senator agrees with that conclusion?

Mr. AIKEN. The Senator from Vermont is very much in favor of bartering our surplus commodities for other commodities when such barter is in addition to business which would otherwise be done. I feel that the Senator from Florida has pointed out some very real pitfalls. I think there are others which probably none of us have observed as yet. It would be much safer to remain under the present law than to embark on some new venture which, to all appearances, might lead us into some very devious ways, and probably upset the normal channels of trade, even in places where we do not as yet suspect it would.

Mr. HOLLAND. I appreciate that expression.

Mr. HUMPHREY and Mr. JENNER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I have listened with considerable interest to what I am sure are very legitimate concerns of my colleagues about the language of this provision. Perhaps some improvements could be made, but I should like to say most respectfully that the word "materials" to which the Senators seem to be taking such exception, was used in the Agricultural Act of 1956, which was signed by the President. Section 206 (a) of that act provides:

> Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the strategic and critical material stockpiling act * * * shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Therefore the word "materials" has been a part of the law, and the supplemental stockpile has been inclusive of that word. Therefore all the fears that have been conjured up in an effort to distort the meaning of the amendment should have been brought up for the past 2 years.

Mr. JOHNSON of Texas. Mr. President, may I have the attention of the Senator from Louisiana and the attention of the Senator from Vermont, as well as the attention of all other Senators interested in the subject under discussion?

We had planned to continue in session until about 6 o'clock this evening. I would hope there would be no rollcalls after that hour. I wonder if it is agreeable to the Senators on both sides of the aisle if we continue to discuss the pending bill as long as it is desired to discuss it, say until 6 or 6:30 or 7 o'clock this evening, but that no votes be taken, until tomorrow, so that Senators who have been standing by may know.

Mr. JENNER. Mr. President, may we have the yeas and nays ordered on the bill?

Mr. JOHNSON of Texas. The yeas and nays have been ordered on the amendment.

Mr. JENNER. On the amendment. I ask for the yeas and nays on the bill. This involves $3½ billion. I believe we should have the yeas and nays ordered on the bill. I so request.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I should like to work out an arrangement which will be satisfactory to all parties involved. Is what I have suggested agreeable to the Senator from Vermont?

Mr. AIKEN. I do not know how much more speaking there is to be on the bill. I think it would be agreeable. It may be difficult to get a quorum after 6 o'clock this evening. I do not know how many Senators may wish to speak after that time. I should like to get a vote on the bill as early as possible tomorrow.

Mr. JOHNSON of Texas. I will cooperate with the Senator completely on getting a vote on the bill tomorrow. I do not believe we would be able to get it until a late hour this evening. Our schedule is such that we do not have to have a vote on it today. If it is agreeable to the Senator from Vermont and to the Senator from Louisiana, we will plan to start voting as early as possible tomorrow. Does the Senator from Vermont have any suggestion?

Mr. AIKEN. No. I do not know of any other speakers, but I cannot say positively, because there may be speakers on both sides of the question on both sides of the aisle.

Mr. JOHNSON of Texas. Then I shall announce for the information of the Senate, so far as it is possible to control the situation, there will be no rollcalls this evening.

Mr. JENNER. Mr. President, I should like——

Mr. HUMPHREY. Mr. President, I did not yield the floor.

Mr. JENNER. Did not the Senator from Vermont yield the floor?

Mr. HUMPHREY. I did not yield the floor, Mr. President. I yielded to the Senator from Texas for the purpose of making an announcement.

Mr. JENNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JENNER. Did not the Senator from Vermont have the floor?

Mr. HUMPHREY. I yielded to the Senator from Texas.

Mr. JOHNSON of Texas. The Senator from Minnesota was speaking when I interrupted him.

Mr. JENNER. I thought the Senator from Vermont had the floor.

Mr. AIKEN. I think I had it, but I do not know that I cared to hold it. If I had it, I yielded it.

Mr. HUMPHREY. I shall not take much time of the Senate. I merely wished to correct the RECORD——

Mr. JENNER. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I ask for the regular order, Mr. President. Who has the floor?

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. The Agricultural Act of 1956 refers to the transfer of bartered materials to the supplemental stockpile. It reads:

> Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities of products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stockpiling Act * * * or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Section 206 (b) reads:

> Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

The words "free of duty" have been on the books for 2 years. It is only free of duty from this point of view: It is a governmental agency which acquires the materials, and thereby it results in a saving to the governmental agency. It does not, however, mean that the governmental agency passes the duty on to the contractor. They reduce the price paid him by the amount of the duty.

I add that the fears which were alluded to a moment ago, relating to the directive in the law which require the other agencies of government to cooperate with the Commodity Credit Corporation in acquiring these materials for their use, is the very language in the present law under which we have been operating, and under which we have not been injuring the American economy in any way.

I would refer my friendly critics on the other side of the aisle to page 575 of the testimony shown in the volume entitled "Policies and Operations under Public Law 480," and the statement therein of the Hon. Hatfield Chilson, Under Secretary of the Interior, presented by Spencer S. Shannon, Director, Office of Minerals Mobilization, Department of the Interior. It states his view very clearly in this one sentence. "It is clear that this program can be of great assistance to these industries." That refers to the minerals industries and the mining industries because taking minerals for the supplemental stockpile provides an opportunity for mining and mineral activities to receive prices which are profitable, and because work markets have been stabilized and which should not be turned down.

TRADING SURPLUS GRAIN FOR MINERALS MEANS REMAKING INDUSTRIAL MAP OF UNITED STATES

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MALONE. I should like to point out to the distinguished Senator that his reasoning may not include the whole story. The ruling was clear during World War II—the early forties—that the Government does not pay the duty or tariff. It is a long-standing practice.

However, if the duty were paid it would just be out of one pocket and into the other—and would be less confusing than the present practice.

The mines have been shut down or much reduced in production by our trade practices; therefore, when the bill provides that the grain be traded for any material which is not produced in sufficient quantity for domestic use it means the mining industry can be down indefinitely through cheap imports.

The zinc, lead, tungsten, mercury, and many other mines are down—copper is much reduced in production—all due to cheap labor-produced foreign imports. So under this act as now written, they could be kept closed through trading surplus grain for such products. Under that policy the mines would never open again.

It would remake the industrial map of this Nation.

Mr. HUMPHREY. I do not want to argue the basic philosophy involved with the Senator from Nevada, because he has a very strong point of view and is a man of very deep convictions on this subject. He has done great work in behalf of the productivity of our mines and their solvency as a part of the economy of our country. I am only saying to the Senator regarding the argument that has been made before, that we are not changing the law——

Mr. MALONE. The Senator is not changing the law.

Mr. HUMPHREY. Whether the law is good or bad, the duty-free provision has been in the law right along. We are not talking about disposing of these goods in the normal channels of trade in the American market.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MALONE. The Government has imported goods free of duty since early in World War II.

Mr. HUMPHREY. I should like to say to the Senator that as the Senator knows, I have been very sympathetic in terms of his efforts to give some legitimate protection to our mines and mineral interests of our country.

Mr. MALONE. I appreciate it.

Mr. HUMPHREY. I commend him for all he has done. I remember that hearings were held when very few persons paid much attention to them.

Mr. MALONE. The reports on the Western Hemisphere are still available and show conclusively that we do not need to secure any of such material from across a major ocean. I appreciate the assistance of the Senator.

To clarify our discussion on duty-free products imported by the Government, it was ruled during World War I that whenever material was brought in by the Government for Government use, the duty need not be paid. That was argued at some length at the time. It would

be much more simple and just one pocket into another if the Government paid the duty. But we never got that point across.

So far as the duty or tariff is concerned, there is no change here. The danger, however, is that the products will be brought in through such trades, and productions of such materials in the United States be further reduced.

The whole foreign trade policy is pointed to reduce domestic production through the President's authority under the 1934 Trade Agreement Act—to trade any industry to further his foreign policy.

The duty or tariff as rearranged under that act—so-called Reciprocal Trade Act—bears no relation to the difference in cost of production here and abroad.

That is the chief danger of the bill.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Everyone recognizes the good and patriotic motives of the Senator from Minnesota. I do not think anyone is questioning them. Certainly I am not, but I call attention to the fact that the statement he just made was too broad.

If the Senator will look at page 20 of the committee report, he will find that the present provision of existing law is not nearly so broad as the one he is proposing. I quote the existing law:

> Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation, and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

The wording of the present act is broadened in that instead of "strategic materials" the wording proposed is "materials."

Mr. HUMPHREY. It says "materials."

Mr. HOLLAND. The Senator from Minnesota and the committee have inserted in the bill "materials" for "strategic materials" in every place, so the bill before the Senate reads:

> Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation, and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

Mr. HUMPHREY. That is correct. If the Senator from Florida will permit me to make this addition, when one takes section 206 (a) of the Agricultural Act of 1956, which applies to Public Law 480, he will see that in 1956 the act was amended to include strategic and other materials.

Mr. HOLLAND. I understand; but the provision for the purchase of the materials by other agencies of the Government is confined entirely, under the last enactment, the law now existing, to strategic materials. Other materials were not included. It is that to which I am inviting the Senator's attention, in the wording I have just read into the RECORD.

If the Senator from Minnesota will read from line 4 to line 12, inclusive, in the top paragraph on page 20 of the report, which is the compilation of the old wording and the new wording of section 303, he will see that the point I have made is correct.

In other words, the change now proposed would not only permit the purchase of materials generally, whenever we do not produce in this country all of such material we need, but would allow them all to be sold duty free to the other agencies of the Government, and would make it the duty of the other agencies of the Government to purchase them from the Department of Agriculture, so far as the volume accumulated would permit.

It seems to me that that is a completely different provision from that which is in the present law, which confines the purchases entirely to strategic materials.

Mr. HUMPHREY. I have great respect for the Senator's viewpoint. But it is my recollection that when we examine the act of 1956, which was amended to include strategic and other materials, the reference is to strategic materials that shall be acquired under the National Stockpile Act. All these materials shall be available for the supplemental stockpile, provided under section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

I think the Senator will find that the words "other materials" are broadening in terms of the ability of the Secretary of Agriculture to barter. He could barter for more than simply strategic materials. He could also barter for other materials, and those materials would be available for the departments that were working with the Secretary in the acquisition.

Mr. HOLLAND. If the Senator will read subsection (b) of section 206, as printed on page 20 of the report, he will find that the duty-free provision under the existing law applies only to strategic materials, whereas the Senator proposes to apply that provision to all materials.

Mr. HUMPHREY. That is correct; not to all materials, but to all materials bartered for and which go into the supplemental stockpile.

Mr. HOLLAND. All materials bartered for.

Mr. HUMPHREY. They are the same materials as were made available under section 206, including strategic and other materials.

Mr. HOLLAND. But under existing law, the duty provision does not apply to materials other than strategic materials.

Mr. HUMPHREY. I would accept an amendment on that point.

Mr. HOLLAND. That provision, I think, is good, whereas the bill as reported very clearly applies the duty-free provision to all materials, whether strategic or not.

Mr. HUMPHREY. I do not think the Senator can draw that conclusion at all.

Mr. HOLLAND. Let me quote for the RECORD the provisions of the existing law. Section 206 (b) reads as follows:

Mr. HUMPHREY. We do not amend section 206 (a) of the law.

Mr. HOLLAND. Section 206 (a) of the law is amended by the wording of the committee bill. Section 206 (b) is also amended. Section 206 (b) in the present law reads as follows:

> (b) Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

The pending measure provides an amendment to section 206 (b), so as to make it read——

Mr. HUMPHREY. The Senator from Florida is correct.

Mr. HOLLAND. I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator for his correction.

Mr. HOLLAND. The distinguished Senator from Minnesota is not to be blamed, and I am not blaming him; I am calling attention to the fact that I think the committee bill, as reported, goes much further than the Senator from Minnesota would want to go—certainly much further than the Senator from Florida would want to go. I am trying to be constructive in my suggestion.

Mr. HUMPHREY. I felt amendments were needed to this section of the bill. I do not say they are not. But I do not agree with the position taken by the Department, in which they were, on the one hand, running footloose and fancy free, but now are embedded in concrete. We are attempting to jar the Department loose from a fixed position of complete inertia. The Department is refusing to comply with the provisions of this section of the law. They are refusing to barter. They are refusing to barter at the expense of the people of the United States; at the expense of the taxpayers; at the expense of agriculture.

The Department of Agriculture is simply refusing to move, and their reason for refusing to move is that they are afraid of what happened prior to May 28. Mr. Berger knows I am telling the truth.

Mr. HOLLAND. I am not entering into any disputes or contentions between the Senator from Minnesota and Mr. Berger, whom I do not happen to know.

Mr. HUMPHREY. He is the head of the Commodity Credit Corporation.

Mr. HOLLAND. I am simply calling the Senator's attention to a fact which he has now conceded; namely, that the proposed law as drafted goes very much further than we could afford to go. I hope a further amendment will be suggested to clarify this point. I shall not support this section of the bill as now drawn. I do not believe the Senator from Minnesota would, either.

Mr. HUMPHREY. I think the Senator's point is worthy of our consideration and of adjustment, if such can be done tomorrow.

But, by the same token, the defense which is offered for the status quo is indefensible. The defense which is being made of the existing provisions for barter is a defense of surpluses. The very same Department of Agriculture that complains about its surpluses and refuses to liquidate them complains about the cost of storing surpluses and refuses to sell them. The very same Department of Agriculture that misused

the barter program prior to May 28 now refuses to use the program at all. That is the record. Those who will study the hearings will find that the Department of Agriculture cannot justify its unwillingness to move.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield further?

Mr. JENNER. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HOLLAND. I ask the distinguished Senator from Indiana to yield, in order that I may make a further comment, if the Senator from Indiana will be so kind.

Mr. JENNER. Mr. President, now that I have the floor, I am glad to yield.

Mr. HOLLAND. Mr. President, the Senator from Florida favors the continuance of barter, and has tried his best to help with the wording of the bill, so as to make it sound. But the Senator from Florida does not favor the continuance of barter in such a way as to make more difficulties for United States agricultural commodities which are not now in surplus supply, by the exchange of agricultural commodities, nor is he in favor of creating greater difficulties for other industries in the United States generally—not industries producing agricultural commodities—by the unwise use of barter. It is for that reason that we have engaged in this colloquy.

Mr. HUMPHREY. Mr. President, I say most respectfully to the Senator from Florida that he has been very helpful.

It seems to me that the majority of the committee could well accept the suggestions the Senator has advanced, in terms of including the words "strategic and other materials," rather than only the words "other materials," in both subsection (a) of section 206 and subsection (b) of section 206. I would be more than happy to join the Senator in such a proposal.

MORE BILLIONS FOR FOREIGN PROGRAMS

Mr. JENNER. Mr. President, the objection I raised when Senate bill 3039, for the disposal abroad of agricultural surpluses, was reached during the call of the calendar, was made because the bill would add $2 billion to the liabilities against the credit of our Government.

Now Senate bill 3039 has been replaced by Senate bill 3420, which is even more far reaching.

The authority of the Commodity Credit Corporation to engage in international transactions in farm products will be increased, by the new proposal, to $3.5 billions, or nearly double the amount under the earlier bill.

No new hearings have been printed.

The new bill would permit counterpart funds, which foreign countries pay for these farm products—and we have been referring to only a few specified items—to be used for new kinds of international activity—for more State-sponsored travel by agricultural, labor, press, and civic leaders, and also for American Government support of foreign schools, colleges, and universities.

I believe the Senate will wish to discuss thoroughly some important questions which are raised by this bill.

First. For instance, do we need to increase by $3.5 billion the funds available to the Commodity Credit Corporation for giving away to foreign countries our agricultural surpluses?

Second. Should we add more billions of dollars to American Government transactions in the currency of friendly sovereign nations?

Third. Do we need to increase both spending and currency operations for 2 full years after June 1958, including the first year of a not-yet-elected Congress?

Any bill which increases the charges against the credit of the United States—and that is what this bill would do—by $3.5 billion at this time should be subject to long and searching study by the Congress.

Mr. President, sometimes I am inclined to believe that the Congress has gone crazy on this spending business.

This is a companion bill to S. 3149, which would increase the borrowing authority of the Export-Import Bank by $2 billion, at a time when that bank is reinvesting counterpart funds from Commodity Credit Corporation transactions in development aid for private enterprise in foreign countries.

Mr. President, Senate bill 3149 is ready and I understand it will be brought up in the Senate immediately after the pending bill is disposed of.

Senate bill 3039 provided for an increase of $500 million in funds for the current fiscal year, and an increase of $1.5 billion in the funds for the fiscal year 1959.

The new bill would add an authorization for another $1.5 billion for the fiscal year 1960.

No one knows what may be our needs and resources in 1960.

Secretary Benson apparently prefers that funds be extended for 1 year only.

He said—as appears on page 11 of the Senate committee report on Senate bill 3039—that the surplus disposal program was meant to be temporary.

Of course, Mr. President, all the foreign programs and all the foreign-aid programs commenced as "temporary." I remember when, several years ago, the Marshall plan was begun. It was said to be a plan for temporary aid, to help war-ravaged Europe to get off its knees and become able to walk again. But once these things are begun, they never end.

In this instance we find that a bill which was on the calendar was returned to the Committee on Agriculture and Forestry; and, without having printed hearings, a provision for the spending of another $1.5 billion was added.

We find that the Secretary of Agriculture also stated:

> This program must not be allowed to become a device for postponing needed price support and production adjustments. In some instances, the movement of basic commodities, under Public Law 480, results, under the current escalator provisions of legislation, in higher price supports than would otherwise prevail.
>
> For example, on February 7, we announced the price support for cotton at 81 percent of parity. There is no question that this price support is substantially higher than it would have been in the absence of exports under Public Law 480.
>
> This comes at a time when the cotton industry is having difficulties competitively with synthetics and foreign mills.
>
> It is not desirable to keep farmers continually under the shadow of price-depressing surpluses.

The Secretary endorsed an increase in Commodity Credit Corporation funds, for disposal of farm products abroad, but only as part of something like the farm, food, and fiber bill—Senate bill 3049.

He wished to put the emergency foreign marketing plan into a framework which would, as he said, "bring the supply of farm products into better balance with market demand."

Secretary Benson merely restated this preference, when asked for his opinion on Senate bill 3420.

If the Secretary of Agriculture is not noticeably eager to have Congress grant this extension of Public Law 480 for so long a period, who is eager to have it?

I shall limit myself to mentioning a few facts.

Of the nearly $4 billion expended by the Commodity Credit Corporation on disposal of farm products abroad, nearly $1 billion was spent for wheat and flour.

In the 7 months of the fiscal year 1958 for which we have reports by countries, over one-third of this wheat and flour went to Poland and Yugoslavia.

Yet, Mr. President, the United States is supposed to be opposed to communism. The United States has been spending billions and billions of dollars to fight communism. Yet in 7 months of the fiscal year 1958, one-third of the wheat and flour under the program we are debating at this time went to Poland and Yugoslavia.

The Commodity Credit Corporation disposed of cotton worth almost half a billion dollars. Half a billion dollars, Mr. President. In 7 months of the fiscal year 1958, nearly three-fourths of the cotton went to Poland and Yugoslavia. Yet the United States is supposed to be opposed to communism.

Why is it that we never hear anything of this sort discussed on the floor of the Senate? Whom are we for, Mr. President? Are we opposed to communism?

We spend $40 billion for defense, and then turn around and spend billions of dollars to give our enemies aid and comfort in the form of food and fiber?

The crop surpluses which were moved by this program did not bring any return to American producers, either the farmers or productive workers in industry and trade.

CCC disposal abroad of farm surpluses made up nearly 20 percent of our agricultural exports last year; but, in terms of the American people's income, this was gifts to other countries, not trade repaid in goods.

Payments are made in foreign currencies. We are told the foreign countries cannot pay in dollars.

But that means either that the foreign countries are subsidizing wages above what they can afford, or we are pricing ourselves out of the market by a dozen forms of governmental interference in the pricing process.

Now, obviously the simple thing to do with foreign currencies is for the Treasury to sell them promptly, and get the

United States Government out of this dubious business.

Instead, we are reallotting these funds to 35 countries, in what is virtually supplemental foreign aid.

None of the money comes back to offset current spending, or reduce our debt.

I do not need to go into that subject tonight, because we all know where our spending is going and where our debt is going.

Foreign aid from this fund is not subject to the limits so carefully worked out by Congress in foreign aid legislation.

Agreements have been signed, so far, for the reallotment of $2.5 billion of the total paid for our farm products.

The Senate report on S. 3039 states:

> About 60 percent of the total will be used for economic development purposes in importing countries, about 10 percent will be used to support the defense forces of our allies, and the remaining 30 percent is planned for meeting United States expenses overseas, and expanding certain United States programs.

The quotation is from the report.

Let us look again.

Economic development is a vague, interesting, mysterious program, which keeps growing all the time.

As emergency economic aid in Europe is virtually finished, and hard military aid to anti-Communist nations is shrinking, we could be nearing the end of much of this overseas spending.

But instead of cutting down our aid, so-called economic development is taking up the slack, and the need for that will never come to an end until the billion people in undeveloped nations have everything they want.

Defense support is another name for economic aid. The House Committee on Legislative Oversight has recently reported what the General Accounting Office found when it looked into defense support. That is a pretty word.

What is meant by payment for United States expenses overseas?

How many of these vast foreign building programs are really needed for American purposes, and how many are really construction funds for a permanent foreign aid agency?

How much of the incessant travel by our officials serves any national purpose?

The use of counterpart for expansion in "certain United States programs" is also interesting. This money is to be spent to pay for two things. One is to expand "the educational exchange of agricultural leaders, labor leaders, journalists, and civic leaders."

It is therefore a supplemental appropriation for the exchange of persons programs of the State Department.

Should Congress permit CCC or any executive agency to enlarge, by indirect allotments, programs now carried on by the State Department or USIS, without direct Congressional appropriations?

The other educational purpose is giving counterpart funds for "schools, colleges, and universities founded or sponsored by citizens of the United States, and in the supporting of workshops in American studies or American educational techniques."

Is it wise for us to operate within the sovereign territory of friendly foreign countries by having the United States Government subsidize schools, colleges, and universities in their territories?

Are plans already worked out for sponsorship of such colleges and workshops by some of the ideological groups which work so hard to influence public opinion here in favor of their aims?

I am very much in favor of gifts by the American people for agencies like the Near East Relief, which gave magnificent assistance in education and training after World War I, or the various educational and training programs of Americans in China, like Yale-in-China. But I do not know any good reason why the United States Government should put American Government funds into an educational enterprise within the confines of a friendly foreign nation.

I also do not want the American Government to help pick the true exponents of American studies, or American educational techniques, or help carry on workshops like some of the disguised propaganda agencies we have seen called by that name in the United States.

I question also why the Congress should enlarge the term "strategic materials" to include "materials of which the United States does not produce its requirements."

Is that a legal term, Mr. President?

I see the Senator from Minnesota discussing this matter with the Senator from Florida. Maybe they can work out some other kind of terminology by tomorrow.

What is meant by the term "materials of which the United States does not produce its requirements," and what is meant by "strategic materials"?

Is it one of the soft cobwebby expressions behind which Government agencies with unlimited funds can do many things about which Congress cannot even guess?

Why the provision that these unknown commodities are to be admitted duty free?

Is all this tied to the rapidly developing mesh of governmental and international controls over our foreign trade, like GATT?

We know how often the wishes of foreign governments come first, in our participation in international economical controls.

I hope our cotton producers will listen to this:

The Senate report on S. 3039 tells how Spain preferred our long staple cotton over that from the Sudan, even when it was more expensive, but the State Department barred agreements to give away our long staple cotton, "For fear of getting in bad with Egyptians and Sudanese."

What kind of help do we give American agriculture if our farmers must depend on the friendly nod of Nasser to sell their cotton?

What is wrong with the historic American belief that trade and farming should be carried on entirely by private business, so that the Government is not entangled in business decisions, and agriculture and trade do not become tails to the State Department kite?

Our people came in sailboats over the trackless ocean to get away from busybody governments which tried to guide their every move.

Why is something right now, which was so very wrong then?

Let me mention some other items which aroused my curiosity.

These counterpart funds are deposited in overseas banks.

As long as they lie there, are they not in fact American contributions to the bank reserves of these friendly countries? Does this include Poland and Yugoslavia?

Could we not have used those funds last year to add to our bank deposits at home when were running so close to the edge?

Part of the funds is used for "the translation, publication, and distribution of books and periodicals."

What books? What periodicals? Who chooses the good books and rejects the bad?

Who decides what would be dangerous thoughts in any book distributed abroad?

Do we weed out pro-Communist books, or do we weed out books which stress liberty, private enterprise, decentralization of power and government under law?

Who picks the fortunate writers, and why?

Mr. President, if this is not censorship by smiles instead of frowns, what is it?

I can understand why the Soviet Government wants to pick and choose the books she sends to foreign libraries. But why should we imitate her?

According to the Senate report on S. 3420, page 6, another portion of these counterpart funds is spent for "procurement of military services." Does that mean we are paying the salaries of foreign armies?

Another curious item is the reference to "cash transfers to the armed services or to schools to supplement the diets of the services and of schoolchildren." Are we providing insufficient food allowances for our fighting men, and supplementing them by this circuitous route? Or are we providing additional rations for the armies of foreign countries?

Does this, too, include Poland and Yugoslavia?

Mr. President, I think we should take a second look at the types of programs which were authorized when we passed Public Law 480. Many things have changed even in this country.

Mr. President, there are eight types of programs listed in the law. One refers to agriculture, and another refers to private trade. That is what is involved in Public Law 480. What are the others? The others are:

> (c) To procure military equipment * * * among nations.
>
> (d) For financing the purchase of goods and services for other friendly countries.
>
> (e) For promoting balanced economic development * * * among nations.
>
> (f) To pay for United States obligations abroad.
>
> (g) For loans * * * made through established banking facilities of the friendly

nation from which the foreign currency was obtained, or in any other manner which the President may deem appropriate. * * *

(h) For the financing of international educational exchange activities.

Is this farm aid or international foreign policy?

Section 2, describing the policy of the act, says in conclusion:

It is further the policy to use foreign currencies which accrue to the United States under this act to * * * encourage economic development, * * * to promote collective strength, and to foster in other ways, the foreign policy of the United States.

We have spent nearly $4 billion on this hybrid foreign-aid program.

Now we are asked to authorize higher levels of spending for the rest of this year and for fiscal 1959, and fiscal 1960, which will add $3.5 billion to our Treasury obligations. There is not a man living today who knows what shape our Treasury is going to be in 6 months from now, let alone in 1960.

With the $2 billion to be added to the borrowing power of the Export-Import Bank, this is a total of $5.5 billion for foreign economic operations that the Senate is to consider this week—today and tomorrow.

We are adding more new obligations than Congress recently added to the borrowing power of the Treasury.

Is this responsible or irresponsible spending?

Mr. President, there will be a yea-and-nay vote on the bill. I hope someone can answer some of the doubts I have raised in these remarks before I vote.

ALLEGED LACK OF COOPERATION BY DEMOCRATS IN CONGRESS ON LONGSTANDING PROPOSALS BY THE PRESIDENT

Mr. PROXMIRE. Mr. President, in this morning's Washington Post there was published an article which reported on a speech which was delivered recently—I presume yesterday—by the chairman of the Republican Party, Mr. Meade Alcorn.

Mr. Alcorn decided to attack the Democratic Party in an unsual way. He accused the Democrats in Congress of dragging their feet on longstanding proposals by President Eisenhower.

I wish to take this opportunity, because I am in a peculiar position to refute this charge by Mr. Alcorn, to make a correction, and to set Mr. Alcorn straight on this subject.

Mr. Alcorn is quoted as saying that some of the pending proposals are: a request for authority for $3 billion a year for additional insurance of FHA mortgages; a $2 billion program for modernization of post office buildings and equipment; and a $2 billion increase in the lending authority of the Export-Import Bank.

I am a member of the Committee on Banking and Currency. I am also a member of the Committee on Post Office and Civil Service. It so happens that those committees deal directly with all three of the bills mentioned by Mr. Alcorn.

Let us consider first the post office charge. Let us get the facts as to whether or not the Congress has been dragging its feet.

The Postmaster General presented this program on Wednesday, February 12, for the first time. On February 18, a Tuesday, the Postmaster General appeared before the committee in a wind-up session. On February 19, the subcommittee met and reported to the full committee which met on the 20th and reported the recommendation to the Senate. The Senate started debating the proposal on the following Tuesday and approved it on Friday—just exactly 9 days after the administration finished presenting it to the Congress.

In fairness to the House of Representatives which has not yet acted on the proposal—I will say the administration has not yet appeared before that august body to explain its request.

That was the subject which was referred to the Committee on Post Office and Civil Service.

The two administration bills which were referred to the Committee on Banking and Currency were handled as follows:

The administration request for additional FHA insurance authorization of $3 billion per year for the next 5 fiscal years is a routine, business-as-usual recommendation. There is nothing startling or unusual about this request. The FHA insures private mortgage loans and it is a profitable activity for the Federal Government. The Congress raises this authorization, as required from time to time, with no fuss or fanfare, and with no partisan disagreement. It is possible that the delegates to the Republican women's conference were taken in by this phony claim of vigorous action, but I am sure that the minority leaders of the Senate and the House must have chuckled silently when the President urged them to act promptly on this request. What makes the situation more laughable is that the proposal was not sent to the Congress until March 4, and probably would not be here yet if the Democratic leadership of the Senate had not acted so swiftly on truly emergency legislation in the housing field—in spite of determined opposition from the administration.

I may say in that connection that the emergency housing bill was acted on by the committee, was reported to the Senate, and was passed unanimously by the Senate, an action which has been commented on very favorably by the press. If not unprecedented, it is a splendid example of prompt action to put people to work.

The third proposal discussed by Mr. Alcorn shows a tragic ignorance of national events. For Mr. Alcorn's information, the proposed increase in lending authority for the Export-Import Bank was handled about as swiftly in the Senate as anyone familiar with the legislative process could possibly hope for. Hearings were held and the bill was reported to the Senate within 8 days after it was introduced. The bill passed the Senate on March 3, and would be out of our hands, except for the fact that a member of the President's party has moved to reconsider the action of the Senate in passing the bill. This motion for reconsideration is scheduled for consideration in the Senate this week, and Democratic Members would appreciate the help of the President and Mr. Alcorn in defeating or tabling this motion.

I have spoken at some length on this subject because I am disturbed and disappointed at the lethargy and deception so apparent in the administration's attitude toward the present recession. It is understandable that a Republican President would assure us that prosperity is just around the corner; but it is distressing that such an attitude should be concealed by spurious claims of concern and action. I urge the administration to admit that the economy is weakening and to cooperate with the Congress in serious measures to stimulate quick recovery.

As one of the very newest Members of this body, I feel a great deal of pride in the promptness with which the Senate has acted during this session. I think it is remarkable. I think it is a fine thing that the press has compared the action of the House and Senate to date in this session with the action of the Congress in the stirring first 100 days under Franklin D. Roosevelt.

I think it is most unfortunate that our good friends in the Republican Party have decided to criticize the Democratic Party for inaction at a time when, above all, the Democratic Party in the Senate and the House has shown the Nation a marvelous example of how to act promptly to put people to work, and to solve problems which need solution.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 18, 1958, he presented to the President of the United States the enrolled bill (S. 2042) to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50033, and for other purposes.

RECESS

Mr. PROXMIRE. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 19, 1958, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18 (legislative day, March 17), 1958.

COLLECTORS OF CUSTOMS

John G. Kissane, of Vermont, to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt.

Anne A. Mitchell, of Connecticut, to be collector of customs for customs collection

district No. 6, with headquarters at Bridgeport, Conn.

Harold R. Becker, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y.

Josiah A. Maultsby, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N. C.

Jessie Dixon Sayler, of Georgia, to be collector of of customs for customs collection district No. 17, with headquarters at Savannah, Ga.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 18, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 33: 12: *Blessed is the nation whose God is the Lord.*

Eternal God, our Father, grant that during this day we may walk and work in the fear of the Lord as we strive to maintain the high idealism of our Republic.

May all who serve our beloved country in the affairs of Government bear clear and courageous testimony to their faith in Thy divine providence which is ever 'round about us.

We earnestly beseech Thee that our chosen representatives may discharge faithfully the duties which demand the dedication of their noblest manhood and womanhood.

Give us a reassuring vision of how truly great and blessed our Nation will be if we avail ourselves of the inexhaustible resources of Thy grace.

May Thy holy name be glorified. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 7696. An act to authorize certain persons to wear the uniform of a reserve officers' training corps;

H. R. 8250. An act to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes;

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam;

H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 439. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States;

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the Armed Forces to accept and wear decorations conferred by the Philippine Government;

H. R. 10843. An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; and

H. J. Res. 347. Joint resolution authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exhibition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 532. An act to revise and modernize the fish and game laws of the District of Columbia, and for other purposes;

S. 602. An act to provide for the acquisition of additional land to be used in connection with the Cowpens National Battleground site;

S. 847. An act to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont.;

S. 1843. An act to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942;

S. 1984. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution;

S. 1987. An act for the relief of Richard K. Lim and Margaret K. Lim;

S. 2115. An act to amend the act of June 7, 1897, as amended, and section 4233 of the Revised Statutes, as amended, with respect to lights for vessels towing or being overtaken;

S. 2557. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation;

S. 2630. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America, and to permit use of certain lands of the Air Force Academy for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

S. 2713. An act for the relief of Abbas Mohammad Awad;

S. 2735. An act for the relief of Sayo Ono Taylor;

S. 2807. An act for the relief of Johanna Dippold;

S. 2813. An act to provide for certain credits to the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District in consideration of the transfer to the Government of property in Phoenix, Ariz.;

S. 2937. An act to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government;

S. 3059. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes", approved March 1, 1899, as amended;

S. 3100. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 3243. An act to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia;

S. Con Res. 71. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota; and

S. Con. Res. 72. Concurrent resolution favoring Congressional recognition of the 20th anniversary of civil aviation under the Civil Aeronautics Act of 1938.

POSTAL POLICY ACT OF 1958

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and request a conference with the Senate.

Mr. ALLEN of Illinois. Mr. Speaker, reserving the right to object, has the gentleman from Tennessee consulted the ranking minority member, the gentlemen from Kansas [Mr. REES]?

Mr. MURRAY. Yes; that is correct.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MURRAY, MORRISON, DAVIS of Georgia, REES of Kansas, and CORBETT.

THE UNEMPLOYMENT SITUATION

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. If the remarks are not over 300 words, without objection the gentleman may do so, otherwise not.

Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I am today introducing legislation to assist unemployed railroaders whose unemployment insurance has expired or is about to expire. It would extend the present benefit period of 26 weeks to 39 weeks.

Current statistics show 155,503 railroaders are drawing unemployment insurance. An additional 14,000 have exhausted their benefits since the first of the year, the Railroad Retirement Board tells me. I am informed the numbers are unprecedented.

Cost of this extension of weeks would be borne by the United States Treasury. The legislation proposed would expire March 31, 1959. It is a privilege for me to introduce this bill which is identical to one introduced March 11 by my distinguished colleague, the gentleman from Pennsylvania [Mr. VAN ZANDT].

I am also filing today a bill to provide for unemployment reinsurance grants to the States to revise, extend, and improve the unemployment insurance program. It provides for minimum unemployment compensation coverage in each State of 39 weeks, and is like legislation proposed by my friend, the gentleman from Minnesota [Mr. McCARTHY] and others.

Letters from my district in Oregon are pessimistic, Mr. Speaker. The men and women and children there have been under a yoke of depressed economy far too long. Last week they saw a hopeful sign when the price of softwood plywood went up slightly instead of down as the trend has been all winter. But one step is not a hurdle and help is necessary now.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

RELIEF OF CERTAIN ALIENS

The Clerk called the first bill, House Joint Resolution 529, for the relief of certain aliens.

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, Lillian Schaffer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General be deposited as prescribed by section 213 of that act.

SEC. 2. For the purposes of the Immigration and Nationality Act, Theodore Elie Hadjithomas, Mabel Dorothy Hoffman (Clarke), Jahangir Afkhami Mohajer, Fatima Afkhami Mohajer, Eliseva Kaufman (Saltz), Frantisek Hanisko, Mrs. Young Chong How, Chu Fung Lau, Shu-Yuan Yen (Jane Yen), and Lina Miloslavsky shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

With the following committee amendments:

On page 2, line 4, after the name "Chu Fung Lau," insert the word "and".

On page 2, line 5, after the name "(Jane Yen)" strike out the following language ", and Lina Miloslavsky".

On page 2, at the end of the joint resolution, insert a new section 3 to read as follows:

"SEC. 3. That for the purposes of the Immigration and Nationality Act, Lina Miloslavsky shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this section of this act, the Secretary of State shall instruct the proper quota-control officer to deduct 1 number from the number of immigrant visas authorized to be issued to refugee-escapees pursuant to section 15 of the act of September 11, 1957 (71 Stat. 643–644)."

The committee amendments were agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MATTHEW M. EPSTEIN

The Clerk called the bill (S. 2498) for the relief of Matthew M. Epstein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Matthew M. Epstein, of Washington, D. C., the sum of $281.87. Such payment shall be in full satisfaction of all claims of the said Matthew M. Epstein against the United States for reimbursement of medical and other expenses incurred by him as a result of an accident which occurred on October 10, 1956, when a 1,200-pound weight fell from a tower clock of a United States Government building: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 9, strike out "medical and other expenses" and insert "personal property losses."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS HELMS AND OTHER EMPLOYEES OF THE BUREAU OF PUBLIC ROADS

The Clerk called the bill (H. R. 5424) for the relief of Thomas Helms and other employees of the Bureau of Public Roads.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States as reimbursement for personal effects destroyed as a result of the fire which occurred on January 19, 1957, at the Haines, Alaska, depot of the Bureau of Public Roads: Thomas Helms, $19; Eddie L. Mellott, $50; Lee R. Kinnman, $75; John M. Rorex, $23; Marvin L. Smith, $46; and Thomas A. Ward, $45.

SEC. 2. No part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H. R. 6963) for the relief of Mrs. Elba Haverstick Cash.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

DWIGHT J. BROHARD

The Clerk called the bill (H. R. 7203) for the relief of Dwight J. Brohard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Dwight J. Brohard, of Alameda, Calif., is relieved of all liability to pay to the United States the sum of $2,132.62 representing reimbursement of compensation paid him for work at Bureau of Federal Credit Unions of the Department of Health, Education, and Welfare, by the United States Government for the employment period of January 3, 1956, until October 6, 1956.

With the following committee amendment:

At the end of the bill insert: "In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amount disbursed to Dwight J. Brohard for which relief from liability is accorded to him by this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES J. JENNINGS

The Clerk called the bill (H. R. 7267) for the relief of Charles J. Jennings.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That 2d Lt. Charles J. Jennings, United States Army, retired (serial No. O1641433), is relieved of liability to repay to the United States the sum of $10,744.41, which was erroneously paid to him as retired pay for the period beginning July 20, 1950, and ending August 3, 1955, in violation of section 212 of the act approved June 30, 1932 (5 U. S. C. 59a). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amounts for which liability is relieved by this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That 2d Lt. Charles J. Jennings, Army of the United States, retired (service No. O1641433), is relieved of liability to repay to the United States the sum of $10,744.41, which was paid to him as retired pay for the

period beginning July 20, 1950, and ending August 3, 1955, in violation of section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amounts for which liability is relieved by this act.

"SEC. 2. The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to the said Charles J. Jennings an amount equal to all amounts paid by him to the United States, or withheld from his retired pay, before the date of enactment of this act on account of liability of which he is relieved by the first section of this act.

"SEC. 3. Notwithstanding any contract no money shall be paid, or delivered to, or received by any agent or attorney on account of services rendered in connection with this matter. Any person who violates any provision of this section is guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID J. CARLSON AND GERALD J. GEYER

The Clerk called the bill (H. R. 7684) to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to transfer to David J. Carlson, of Vienna, Va., a former employee of the Department of the Navy, and Gerald J. Geyer, of Springfield, Va., an employee of the Department of the Navy, all the right, title, and interest of the United States, including but not limited to letters patent, in and to a self-loading truck, the invention of David J. Carlson and Gerald J. Geyer, as described and claimed in United States application for letters patent filed in the Patent Office on August 22, 1956, designated as serial No. 605,679; except that there shall be reserved to the United States a nonexclusive, irrevocable, royalty-free license for all Government purposes with respect to such invention.

With the following committee amendment:

Page 2, line 2, after the word "on" strike out "August 22, 1953, designated as serial number 605,679", and insert in lieu thereof "July 14, 1953, and August 22, 1956, designated as serial numbers 368,020 and 605,679 respectively."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARMO TIRE & RUBBER CORP.

The Clerk called the bill (H. R. 8015) for the relief of the Harmo Tire & Rubber Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Harmo Tire & Rubber Corp. the sum of $13,660.25, such sum being equal to the actual expenses incurred by the said corporation in removing its stock in trade from the land which was taken from it by the United States under the power of eminent domain, less $1,125 heretofore paid by the United States under authority of section 501 (b) of Public Law 155, 82d Congress, 1st session (65 Stat. 364). The payment of such sum shall be in full settlement of all claims of the said corporation against the United States on account of the condemnation of such land: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Harmo Tire & Rubber Corp. the sum of $8,713.52, which sum, together with the $1,125 heretofore paid to said corporation by the United States under the authority of section 501 (b) of Public Law 155, 82d Congress, 1st session (65 Stat. 364), represents the actual expenses incurred by the said corporation in removing its stock in trade from the land in the vicinity of Wilkins Air Force Station, Ohio, which was taken from it by the United States under the power of eminent domain. The payment of such sum shall be in full settlement of all claims of the said corporation against the United States on account of the condemnation of such land: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARREN S. BOGGESS

The Clerk called the bill (H. R. 8316) for the relief of Warren S. Boggess.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,740.15 to Warren S. Boggess, a civilian employee of the Air Research and Development Command of the Department of the Air Force, in full settlement of all claims against the United States. Such sum represents damages sustained by him for loss of furniture, resulting from a flood on August 13, 1955, while stored in the Guardian Moving and Storage Warehouse, in Baltimore, Md., awaiting shipment to Mr. Boggess in Madrid, Spain. This sum is in addition to the amount as set by law of $6,500: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$10,740.15" and insert "$3,610.21."

Page 2, line 4, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARGARET N. MEISTER

The Clerk called the bill (H. R. 8407) for the relief of Mrs. Margaret N. Meister.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Margaret N. Meister, York, Pa., the sum of $1,007.70. The payment of such sum shall be in full settlement of all claims of Margaret Meister against the United States for arrears of military pay and allowances due her son, T. Sgt. Ralph N. Warne (serial No. 12142954), at the date of his death, February 16, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD LUCERO

The Clerk called the bill (H. R. 8444) for the relief of Lloyd Lucero.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lloyd Lucero, of 091 Pose Boulevard, Denver, Colo., the sum of $78.56. Such sum represents reimbursement to the said Lloyd Lucero for paying out of his own funds judgment rendered against him in the courts of Colorado, under date of January 7, 1957, arising out of an accident occurring when he was performing his duties as a motor-vehicle operator in the Post Office Motor Ve-

hicle Service at Denver, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

Mr. HEMPHILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 1, line 5, strike out the figure "091" and insert in lieu thereof the figure "9091."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIE C. WILLIAMS

The Clerk called the bill (H. R. 8448) for the relief of Willie C. Williams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be authorized and directed to pay to Mr. Willie C. Williams, 307 Perry Street, Marlin, Tex., the amount of $101.52. This sum represents the amount which Mr. Williams, who is a retired postal employee, earned while assisting in the post office at Marlin, Tex., during the Christmas rush during December 1956 at the request of the assistant postmaster who thought the employment of Mr. Williams was in accordance with laws and regulations.

With the following committee amendment:

Page 1, line 11, strike the period following the word "regulations" and insert ": *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER GROSSMAN

The Clerk called the bill (H. R. 9012) for the relief of Alexander Grossman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexander Grossman, of 1270 44th Street, Brooklyn, N. Y., the sum of $500. The payment of such sum shall be in full settlement of all claims of said Alexander Grossman against the United States, in connection with the $500 departure bond posted by the said Alexander Grossman on behalf of himself, and which was declared breached on March 2, 1950: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN A. TIERNEY

The Clerk called the bill (H. R. 9109) for the relief of John A. Tierney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That John A. Tierney, of Bethesda, Md., a former employee of the Department of State, is hereby relieved of all liability to refund to the United States the sum of $1,116, representing payments of a per diem allowance in lieu of subsistence paid to him for the period from October 27, 1952, through February 28, 1953, in connection with service rendered to the Department of State as budget specialist in Washington, D. C. In the audit and settlement of accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSHIRO SHOKO

The Clerk called the bill (H. R. 9317) for the relief of Oshiro Shoko.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury shall pay, out of money in the Treasury not otherwise appropriated, to the estate of Oshiro Shoko, deceased, formerly of Shuri City, Okinawa, Ryukyu Islands, the sum of $2,000, in full settlement of all claims against the United States arising from the death of Oshiro Shoko, which occurred on February 28, 1948, as a result of a criminal assault believed to have been committed by unknown members of the Philippine Scouts.

SEC. 2. Notwithstanding any contract, no part of the amount appropriated in this act shall be paid, delivered to, or received by any agent or attorney on account of services rendered in connection with such claim. Any person who violates any provision of this section is guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORNELIA V. LANE

The Clerk called the bill (H. R. 9395) for the relief of Cornelia V. Lane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $25,000 to Cornelia V. Lane, of North Hollywood, Calif., in full settlement of all claims against the United States for compensation for injuries and permanent disability which she sustained while living with her husband in Japan, as a result of being burned after an operation performed on her in the United States Naval Hospital, Yokosuka, Japan, on July 8, 1954. This claim is not cognizable under the Federal Tort Claims Act, since it arose in a foreign country: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out the figures "$25,000," and insert in lieu thereof "$1,500."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM T. MANNING CO., INC.

The Clerk called the bill (H. R. 9397) for the relief of William T. Manning Co., Inc., of Fall River, Mass.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

VALLEYDALE PACKERS, INC.

The Clerk called the bill (H. R. 9514) for the relief of Valleydale Packers, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to pay, out of money heretofore made available for the eradication of the disease vesicular exanthema in swine, to Valleydale Packers, Inc., of Bristol, Va., the sum of $2,569.91, an amount equal to that heretofore paid to Valleydale Packers, Inc., by the State of Virginia. The payment of such sum shall be in full settlement of all claims of Valleydale Packers, Inc., against the United States arising out of the destruction of swine at its plant in Bristol, Va., in January 1953, because of the infection and exposure of these swine to the contagious disease, vesicular exanthema. Such swine were destroyed by order of the Department of Agriculture of the State of Virginia, cooperating with the United States Department of Agriculture, under an agreement whereby such losses were to be indemnified on the basis of 50 percent by the State and 50 percent by the

United States: *Provided*, That no part of the amount paid to Valleydale Packers, Inc., under authority of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill (H. R. 10094) for the relief of the Western Union Telegraph Co.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

NATALE H. BELLOCCHI AND OSCAR R. EDMONDSON

The Clerk called the bill (H. R. 10260) for the relief of Natale H. Bellocchi and Oscar R. Edmondson.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

JOHN P. SOUVALDZIS

The Clerk called the bill (S. 1331) for the relief of John P. Souvaldzis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the requirements of section 15 through 20 of the Federal Employees' Compensation Act with respect to timely filing of notice of injury and claim for compensation are hereby waived in favor of John P Souvaldzis and his claim for compensation for disability alleged to have resulted from an injury sustained while in the performance of his duties on January 29, 1951, as a civilian employee of the United States at an Army Ordnance Depot at Ankara, Turkey, shall be considered and acted upon under the remaining provisions of such act in the same manner as if such notice and claim had been timely filed, if such claim is filed within 6 months after the date of the enactment of this act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALFONSO GIANGRANDE

The Clerk called the bill (H. R. 2093) for the relief of Alfonso Giangrande.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

ESTATE OF MR. SHIRLEY B. STEBBINS

The Clerk called the bill (H. R. 4445) for the relief of the estate of Mr. Shirley B. Stebbins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mr. Shirley B. Stebbins, late of Mecklenburg County, Va., the sum of $3,000. The payment of such sum shall be in full settlement of all claims of such estate against the United States for damage to real property owned by Mr. Shirley B. Stebbins, in Goochland County, Va., caused when heavy equipment of the Army was recovering an airplane of the United States Army Air Forces which crashed into the James River adjacent to such real property on September 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6: Strike the amount "$3,000" and insert "$1,170."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHESTER TOMASI

The Clerk called the bill (H. R. 5976) for the relief of Chester Tomasi.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MRS. HARRY B. KESLER

The Clerk called the bill (H. R. 7941) for the relief of Mrs. Harry B. Kesler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived with respect to the claim of Mrs. Harry B. Kesler, Charleston, W. Va., against the United States for benefits for herself and her child by reason of the act of July 15, 1939 (5 U. S. C. 797, 797a), arising out of the death of her husband, 1st Lt. Harry B. Kesler (Air Force serial No. AO-709890) on April 8, 1951, while serving on active Federal duty as a member of the Air National Guard, and such claim shall be acted upon under the remaining provisions of the Federal Employees' Compensation Act, without regard to section 206 (b) (1) of the Servicemen's and Veterans' Survivor Benefits Act, if she files claim for such benefits with the Secretary of Labor within the 6-month period which begins on the date of enactment of this act.

With the following committee amendment:

Page 1, line 10, before "while" insert "allegedly."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENNETH W. LENGHART

The Clerk called the bill (H. R. 8147) for the relief of Kenneth W. Lenghart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to John Lenghart, Jr., as guardian of Kenneth W. Lenghart, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of Kenneth W. Lenghart against the United States on account of the severe personal injuries sustained by him on January 29, 1954, in Wiesbaden, Germany, when struck by a vehicle owned by the United States, and operated by a German national employed by the United States, which failed to come to a stop behind a stopped school bus: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 4, after "as" insert "the legally appointed."

Line 5, strike out "$50,000" and insert "$35,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIDNEY A. COVEN

The Clerk called the bill (H. R. 9490) for the relief of Sidney A. Coven.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Sidney A. Coven, Boston, Mass., the sum of $221.20. The payment of such sum shall be in full settlement of all claims of Sidney A. Coven against the United States for payment of accrued annual leave equitably due him at the time of his resignation from employment with the National Labor Relations Board on April 19, 1957, which he failed to receive because of an alleged administrative error: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon

conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, after "act" strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL GUSTIN

The Clerk called the bill (S. 285) for the relief of Paul Gustin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Paul Gustin, the minor child of T. Sgt. and Mrs. Roger W. Gustin, the sum of $26,000. Such sum shall be in full satisfaction of the claim of the said Paul Gustin against the United States for compensation for permanent personal injuries, including loss of the left hand, part of the left forearm, and four toes of the left foot, pain and suffering, medical expenses, and future loss of earnings sustained as the result of the said Paul Gustin touching live electrical contacts inside an unguarded high voltage transformer building located near family housing quarters on Rhein-Main Air Force Base, Frankfurt, Germany, on September 14, 1955: *Provided*, That no part of the amount appropriated in this act in excess of $1,000 shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA ADORA JENSEN

The Clerk called the bill (S. 879) for the relief of Anna Adora Jensen.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

C–L ELECTRIC CO.

The Clerk called the bill (S. 1600) for the relief of the C–L Electric Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the C–L Electric Co., of 410 South Main Street, Pocatello, Idaho, the sum of $45,852.06, in full satisfaction of its claim against the United States for reimbursement of losses sustained by it under contract numbered 14–06–D–152 entered into on June 27, 1952, with the Bureau of Reclamation for the construction of the Lovell-Yellowtail 155 kilovolt transmission line, Missouri Basin project, such contract having been terminated on August 26, 1953, because of the failure of the Congress to appropriate funds for the carrying out of such contract subsequent to June 30, 1953: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUIDO WILLIAM GRAMBERGS

The Clerk called the bill (S. 147) for the relief of Guido William Grambergs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Guido William Grambergs shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIAS YOUSSEF MIKHAEL (ELLIS JOSEPH MICHAEL)

The Clerk called the bill (S. 161) for the relief of Elias Youssef Mikhael (Ellis Joseph Michael).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elias Youssef Mikhael (Ellis Joseph Michael) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KATINA APOSTOLOU

The Clerk called the bill (S. 1082) for the relief of Katina Apostolou.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Katina Apostolou, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Lionel C. Saint, citizens of the United States.

With the following committee amendment:

On page 1, line 7, at the end of the bill, change the period to a colon and add the following: "*Provided*, That the natural parents of Katina Apostolou shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARTHA A. CALVERT

The Clerk called the bill (S. 1249) for the relief of Martha A. Calvert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Martha A. Calvert, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, may be naturalized by taking, prior to 1 year after the date of the enactment of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after naturalization under this act, the said Martha A. Calvert shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEINZ AUGUST SCHWARZ

The Clerk called the bill (S. 1287) for the relief of Heinz August Schwarz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Heinz August Schwarz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEINRICH JOHANN ELLEBRECHT

The Clerk called the bill (S. 1322) for the relief of Heinrich Johann Ellebrecht.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. AVERY]?

There was no objection.

FRANZ HEHN

The Clerk called the bill (S. 1359) for the relief of Franz Hehn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Franz Hehn may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL JAMES BOLGER

The Clerk called the bill (S. 1403) for the relief of Michael James Bolger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Michael James Bolger shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORENE I. FAST

The Clerk called the bill (S. 1543) for the relief of Dorene I. Fast.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (4) of section 212 (a) of the Immigration and Nationality Act, Dorene I. Fast may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. This act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YASNA TREVIZAN

The Clerk called the bill (S. 2062) for the relief of Yasna Trevizan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Yasna Trevizan, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Warren H. Hornsby, citizens of the United States.

With the following committee amendment.

On page 1, at the end of the bill, strike out the period and add the following: ": *Provided*, That the natural parents of Yasna Trevizan shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIRLEY LEEKE KILPATRICK

The Clerk called the bill (S. 2110) for the relief of Shirley Leeke Kilpatrick.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. AVERY]?

There was no objection.

TASIA J. SOMAS

The Clerk called the bill (S. 2124) for the relief of Tasia J. Somas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Tasia J. Somas, shall be held and considered to be the natural-born alien child of Mr. John Somas, a United States citizen.

With the following committee amendment:

On page 1, at the end of the bill, strike out the period and add the following: ": *Provided*, That the natural parents of Tasia J. Somas shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING ADMISSION INTO UNITED STATES OF CERTAIN ALIENS

The Clerk called the House joint resolution (H. J. Res. 552) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Yoe Chul Koo, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Ralph T. Gardner, citizens of the United States.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Pero Corak, shall be held and considered to be the natural-born alien child of Pete Corak, a citizen of the United States.

SEC. 3. For the purposes of the Immigration and Nationality Act, Jamie H. Salva and Fred H. Salva shall be deemed to be nonquota immigrants.

SEC. 4. For the purposes of the Immigration and Nationality Act, Teruko Miesse shall be deemed to be a nonquota immigrant.

SEC. 5. The natural parents of the beneficiaries of sections 1 and 2 of this act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 551) for the relief of certain aliens.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

WAIVING CERTAIN PROVISIONS OF SECTION 212 (A) OF THE IMMIGRATION AND NATIONALITY ACT

The Clerk called the resolution (H. J. Res. 553) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, notwithstanding the provision of section 212 (a) (22) of the Immigration and Nationality Act, Nino H. Treichler may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That nothing in this section of this act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

SEC. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Nachum Pfeifenmacher may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiary is entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

SEC. 3. Notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Peter O'Hara may be issued a visa and admitted to the United States

for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 4. Notwithstanding the provision of section 212 (a) (3) of the Immigration and Nationality Act, Samuel John Edgecombe may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 5. Notwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Caterina Mileto may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 6. The exemptions provided for in this act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendments:

Page 2, line 14, strike out section 3.

Page 2, line 22, strike out the figure "4" and insert the figure "3."

Page 3, line 5, strike out the figure "5" and insert the figure "4."

Page 3, line 13, strike out the figure "6" and insert the figure "5."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. THOMAS B. MEADE

The Clerk called the bill (H. R. 1466) for the relief of Dr. Thomas B. Meade.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of funds of the District of Columbia, to Dr. Thomas B. Meade, of Brooklyn, N. Y., the sum of $159.87. Such sum represents reimbursement to the said Dr. Thomas B. Meade for repairing, at his own cost, his automobile which was damaged while being towed by the Metropolitan Police Department of the District of Columbia, on September 10, 1954.

With the following committee amendment:

Page 1, line 10, after "1954" insert "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HONG-TO DEW

The Clerk called the bill (H. R. 2763) for the relief of Hong-to Dew.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to pay to Hong-to Dew, out of the account established to accommodate the proceeds of the property vested pursuant to the vesting orders Nos. 15173 and 17574, issued by the Attorney General on October 5, 1950, and March 23, 1951, respectively, the sum of $2,820.32. The payment of such sum shall be in full settlement of all claims of Hong-to Dew against the United States on account of the vesting and liquidation by the Attorney General, under authority of the Trading With the Enemy Act, of 102 shares of $15 par value common capital stock of Socony-Vacuum Co., Inc., registered in the name of Hong-to Dew: *Provided*, That no part of the amount paid to Hong-to Dew under authority of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 5, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER JAMES O'BRIEN

The Clerk called the bill (H. R. 4073) for the relief of Peter James O'Brien.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter James O'Brien, Minneapolis, Minn., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Peter James O'Brien against the United States arising out of the death of his son, Mark James O'Brien, which occurred at the United States Naval Air Station, Minneapolis, Minn., on June 6, 1947, when the plane occupied by the said Mark James O'Brien (a member of the Naval Reserve) was struck by another plane while awaiting an opportunity to take off on an indoctrination flight. Under the decision of the Supreme Court of the United States in *Feres* v. *United States*, decided September 4, 1950, action upon such claim may not be brought under the provisions of title 28 of the United States Code relating to tort claims because the death of the said Mark James O'Brien arose out of and was in the course of activity incident to his service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 10, strike out "apropriated" and insert "appropriated."

Page 2, line 10, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGAPITO JOROLAN

The Clerk called the bill (S. 280) for the relief of Agapito Jorolan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

MRS. HELEN HARVEY

The Clerk called the bill (H. R. 1342) for the relief of Mrs. Helen Harvey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Helen Harvey, of Alexandria, Va., is hereby relieved of all liability to refund to the United States the sum of $1,750. Such sum represents the amount of the voluntary allotment payments which were erroneously made by the Department of the Army to the said Mrs. Helen Harvey, as the wife of Warrant Officer (junior grade) Merle L. Harvey, United States Army, during the period beginning April 1, 1953, and ending October 31, 1954, after the said Merle L. Harvey has been discharged from the Army. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

With the following committee amendment:

Page 1, line 10, strike out "1954" and insert "1953."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SONS OF UNION VETERANS OF THE CIVIL WAR

The Clerk called the bill (H. R. 9989) to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to present to the Sons of Union Veterans of the Civil War, an organization incorporated by the act of August 20, 1954 (36 U. S. C. 531), the gold medal which the act of July 18, 1956 (70 Stat. 577), would have authorized to be presented to the late Albert Woolson if he had survived.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIRLEY LEEKE KILPATRICK

Mr. WALTER. Mr. Speaker, I ask unanimous consent to return to the bill (S. 2110) for the relief of Shirley Leeke Kilpatrick.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Shirley Leeke Kilpatrick shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE DISPOSAL OF CERTAIN UNCOMPLETED VESSELS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution—House Resolution 483—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 483 makes in order the consideration of H. R. 8547, to authorize the Secretary of the Navy to strike from the Naval Vessel Register and dispose of seven uncompleted naval vessels.

The resolution provides for an open rule and 1 hour of general debate on the bill.

The vessels listed in this bill are a part of a group of vessels in which the percentage of construction exceeded 20 percent on March 1, 1946, and were required to be completed under the provisions of the Second Supplemental Surplus Appropriation Rescission Act of 1946. Then, in 1948, Congress authorized the President to suspend construction of these uncompleted ships.

Due to the passage of time, the design features of these seven ships have become obsolescent and the cost involved to modify the designs would be more than it would cost to convert completed vessels.

It has been determined by the Committee on Armed Services and the Department of the Navy that in the interests of economy these vessels should be disposed of. The disposal of these ships will mean a total recovery by the Government of over $4,400,000, in addition to about $136,000 annually in maintenance costs.

I urge the adoption of House Resolution 483.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield back my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

WRITS OF HABEAS CORPUS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules I call up the resolution—House Resolution 497—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8361) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority members of the Committee on the Judiciary, the bill shall be read for amendment under 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Virginia is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may consume; and I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Would the gentleman from Illinois care to yield his time? I have no other speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

AMENDED PROGRAM FOR BALANCE OF WEEK

Mr. ARENDS. Mr. Speaker, I take this time in view of the discussion I just had with the majority leader and to ask him if he will explain to the House the amended program about which we spoke a moment ago.

Mr. McCORMACK. I shall be pleased to.

One of the bills on the program, H. R. 11378, dealing with impacted school districts, has been stricken from the calendar and will not be called up under suspension. At that time, as a result of colloquy with some of the Members, I indicated a reservation in order to look into the matter further. That bill will not come up tomorrow under suspension of the rules.

The first order of business tomorrow will be the housing bill—S. 3418—which passed the Senate the other day. That will come up under suspension. Then, if a rule is reported out today on the agricultural bill, I think it is Senate Joint Resolution 162 but I do not want to be confined to the exact number at this time, it will be brought up either Thursday or Friday. That is a bill that passed the Senate. It has been reported by the House Committee on Agriculture and if a rule is reported, as I stated, it will be brought up on either Thursday or Friday. If a rule is reported tomorrow it will be brought up on Thursday. It will be brought up this week in any event if a rule is reported.

Mr. ARENDS. I thank the gentleman.

WRITS OF HABEAS CORPUS

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I have asked unanimous consent to speak out of order in order to discuss another bill which I consider of great importance, and which I will come to in a few moments.

The rule which is now before the House provides for the consideration of the bill (H. R. 8361) to amend the procedure in the Federal courts in habeas corpus proceedings. It is the same bill that passed the House last year but did not pass the Senate. It has the endorsement of the Judicial Council, the American Bar Association, the States Attorneys General Association, and all of the component parts of the legal profession. There should be no objection to the bill and I hope it will pass promptly.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is this not the identical bill that passed the House by unanimous consent and would have been acted on by the Senate but for the fact it got over there a little too late?

Mr. SMITH of Virginia. That is correct. As I said before, I do not think there should be any objection to it.

Mr. Speaker, at this time I want to talk about another bill that has been pending for the past 4 years. It is the bill (H. R. 3), now pending before the Committee on the Judiciary, a very busy committee. But I think this bill is of sufficient national importance to invite the attention of that committee, busy as it may be. The bill is to correct some decisions of the Supreme Court of the United States.

Many years ago the Supreme Court adopted what was known as the preemption doctrine in its dealing with cases involving States rights.

Now, that doctrine has remained rather dormant on the books for many years until recently. The thing that

brought it chiefly to my attention was this incident:

About 4 years ago there was a notorious Communist in Pennsylvania named Steve Nelson. Steve Nelson was indicted under the Pennsylvania antisubversion law, for treasonable conduct, tried and convicted, and when the case went to the Supreme Court of the United States, the Supreme Court held that the State authorities of Pennsylvania or any other of the 48 States had no longer any power to prosecute for subversive action or treasonable conduct becaues the Congress had passed the so-called Smith Act and had thereby preempted and taken away from the States the right to prosecute for those offenses.

Of course, Congress had no idea of doing any such thing, but the Supreme Court's doctrine is that they just read the mind of the Congress and say that Congress intended to do so and so, irrespective of whether Congress intended or not. That decision solemnly declared that the Congress, in passing the Smith Act, had in effect repealed all State laws, and that decision was in the face of the fact that the Smith Act, when it was passed, became a part of the Federal Criminal Code, and the Federal Criminal Code contains a specific section which says that nothing in this code shall interfere with the action of the States in enforcing their laws on any such subject. Well, that was the Steve Nelson case.

I introduced then a bill known as H. R. 3, and it has been known as H. R. 3 since then and is now in the Committee on the Judiciary. Full and complete hearings have been held. It is now ready to be voted up or voted down by the Committee on the Judiciary. I hope that the committee, busy as it is, will take 5 minutes off some nice, pleasant morning, call that bill up, and vote it up or vote it down, so we may have an opportunity to decide whether we will correct such situations as there exist. As I say, the bill has had complete hearings. And, I want to tell the House a few of the organizations that have endorsed the bill. It has been said by some that the bill would cause a lot of confusion. It is said that it will interfere with other things and other laws and cause a lot of litigation. But, the fact is I do not see how we could cause much more confusion than has already been caused by this doctrine under which the Supreme Court of the United States can and does repeal every State law on any subject where the Congress has touched that subject with legislation. Now, that is a pretty serious thing, my friend.

To name only a few of the major organizations that have endorsed H. R. 3, the National Association of States Attorneys General have endorsed it; the Conference of Small Business Organizations have endorsed it; the Women's Patriotic Conference on National Defense, National Association of Manufacturers, United States Chamber of Commerce, National Lumber Manufacturers Association, the American Cotton Manufacturers Institute, and the American Bar Association have all endorsed it, as well as the 48th annual governors' conference. I assume you all know what that is. The 48 governors of the 48 States have a conference every year to consider matters that they think of importance.

They, at their 48th annual convention, solemnly recommended the passage of this bill to correct the errors that are so disastrous.

The National Grange, a farm organization, has recommended it.

The American Farm Bureau has endorsed it.

The President of the United States, in his first campaign and on several occasions since, has expressed distress about the way the powers of the States are being gradually absorbed by the Federal Government. He made a very significant statement, and I quote from a speech of the President:

> I want to see maintained the constitutional relationship between the Federal and the State governments for if the States lose their meaning our entire system of government loses its meaning, and the next step is the rise of the centralized national state in which the seeds of autocracy can take root and grow. We will see that the legitimate rights of the States and the local communities are respected. We will not reach into the States and take from them their powers and responsibilities to serve their citizens.

Every Member of this House represents some State in the Union and I should think it would be of great interest to every Member to see that the constitutional rights of the States to exist and to perform their functions locally are respected. What can and does happen under this present situation where the Supreme Court has repealed all State laws dealing with any subject with which the Federal Government has dealt? Well, we have a Pure Food and Drugs Act that is intended to protect the health of the citizens of the United States. It is intended to protect the health of the citizens of every State.

I cannot conceive that Congress ever intended to repeal the right of a State to inspect and condemn food products that were deleterious to human health. And yet we have the decision of the Supreme Court of the United States in the State of Alabama which said that in view of the fact that Congress had passed a Pure Food and Drug Act the State of Alabama no longer had any power in its Health Department to inspect food products, any part of which was going into interstate commerce. Is not that an astounding thing? Have Members of Congress given that situation serious thought?

Here you have the Supreme Court of the United States dreaming up the idea that Congress, by passing the Pure Food and Drug Act; intended to repeal every State law for the protection of the health of their citizens. That is a fact. There it is—Supreme Court decision, and I can cite the reference if anyone needs it.

What activated me in taking the floor today is another law and another incident that happened in the last week in the shadow of the Capitol, and still the bill to correct the situation slumbers in the House Committee on the Judiciary.

You know, we have a Federal antikidnaping law. The question has not arisen yet, but suppose somebody is kidnaped in the State of Virginia and carried into the District of Columbia, and the State gets the kidnaper back and seeks to prosecute him. How in the world can the Supreme Court get away from saying that the State of Virginia no longer has any power to prosecute for kidnaping because the Federal Government has passed a law? They cannot get away from it.

The incident that I refer to happened in Virginia last week in Fairfax County, Virginia, in the shadow of the Capital. A gang of narcotics criminals was spotted in New York. They were traced down to Virginia by the Federal authorities under the Federal Narcotics Act, and there, in Fairfax County, in the exercise of their nefarious profession, they were caught by the Virginia authorities, and that county indicted them and undertook to prosecute them for violation of the law of Virginia against narcotics.

The first motion that was made in that case last week was that the State of Virginia no longer had any power to punish anybody for the narcotics trade because the Congress of the United States under the construction of the Supreme Court had repealed all State laws dealing with prosecution for illicit trade in narcotics.

Mr. Speaker, is that situation serious enough to have our attention for just long enough one of these days when we are not doing very much to consider that situation and do something about it in the Congress of the United States.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Wisconsin.

Mr. LAIRD. In the organizations the gentleman lists as supporting the Smith resolution I notice there was omitted the Conference of State Labor Commissioners and State Labor Boards, who are very much interested in this resolution. They have taken a stand in support of it because of the no-man's land that has been developed in the field of labor regulations because of the Supreme Court decision. This has a particularly bad effect on small business. They have no place to turn in this important field.

Mr. SMITH of Virginia. I thank the gentleman. I am glad that was brought to my attention because I had overlooked one Supreme Court decision that was very recent that I think is of great importance, and there are a number of other Supreme Court decisions.

I took the floor this morning just because this thing had come home right in my own community in this narcotics situation, but there was a case where a small organization was having labor troubles. I thought it was in Wisconsin; I am not sure. Anyway, it was a case of small importance. The National Labor Relations Board decided, "That is not the kind of case we want to handle. We will just get out of this and we will not take jurisdiction." Thereupon, naturally, the company entered its proceedings under the State law and won its case. But the case was taken to the Supreme

Court of the United States, and the Supreme Court of the United States solemnly said that this is a matter that Congress had taken jurisdiction over.

Even though the National Labor Relations Board refuses to consider it, nevertheless the State cannot act in this class of case. The net result of that was that there was a situation of a wrong that needed a remedy and the Supreme Court deliberately said there is no remedy for this wrong.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HIESTAND. I wish to register my conviction that this is as important a matter as will come before the present session of the Congress. I am heartily in favor and, emphatically in favor of the remarks made by the gentleman from Virginia. I have asked the gentleman to yield to me because he inadvertently made a statement at the outset of his remarks which I am sure the gentleman would appreciate my help in setting the RECORD straight. He said in the matter of the Steve Nelson case in Pennsylvania that Nelson was the victim under the Smith Act. I know the gentleman intended to state that it was under the State sedition law of Pennsylvania and that the Supreme Court felt that there should be precedence of any Federal law over State law. Those of us on this side of the aisle, Mr. Speaker, who have introduced either similar or identical bills, and there are a number of us, are very heartily in favor of this matter.

Mr. SMITH of Virginia. Is the gentleman also heartily in favor of inducing the distinguished gentleman from New York on some fine, sunny morning calling up that bill and having a vote on it?

Mr. HIESTAND. Most emphatically so.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BROWN of Ohio. I was very much interested in the remarks made by the gentleman about the situation that exists concerning the bill, H. R. 3. The fact is that we discussed that matter in the Committee on Rules and also I have discussed it personally with a great many Members of the House on the floor who are interested in this particular type of legislation. Is it not a fact that under the rules and precedents of the House that if it becomes necessary or essential in the opinion of the Committee on Rules that the Committee on Rules itself has the power to take this bill from the legislative committee where it is now bottled up and reporting it to the floor of the House for consideration and action on the floor under a properly drawn rule?

Mr. SMITH of Virginia. The gentleman from Ohio is an old and experienced member of the Committee on Rules and he knows the way it operates, and, of course, the gentleman answers his own question—the committee has that power if it decides to exercise it, which I hope will not be necessary.

Mr. BROWN of Ohio. That method has not been used very often, but it has been used in rare cases.

Mr. SMITH of Virginia. Yes; it has.

Mr. BROWN of Ohio. When it is the belief of the membership of the House and of the Committee on Rules that it is necessary to get action on some measure in which the majority are very deeply interested, that method has been used.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CRAMER. Mr. Speaker, I join with the gentleman in supporting the bill, H. R. 8361, but with regard to H. R. 3, I know the gentleman is familiar with the fact that presently the bill is before the full Committee on the Judiciary. Many of us are attempting to get action by the committee to consider a bill of that general nature dealing with the subject of preemption. I joined with the gentleman in the introduction of a bill similar to that offered by the gentleman. I think it is a field in which we must act where the Supreme Court in the Nelson case, for the first time, stated, and I ask the gentleman if this is not true, for the first time stated that there need not be any outside evidence with regard to the intention of the Congress, that is, by statements on the floor of the House or statements in the committee reports as to the intention of the Congress to preempt a State statute, but the mere existence of a Federal statute on the same subject matter is all that is needed for the Supreme Court to indicate the intention of the Congress, and manifest the intention of the Congress, and thereby preempt all State statutes on the same subject matter. Is that not an implied preemption in this matter?

Mr. SMITH of Virginia. Yes, I think it can be summed up by saying in effect the Supreme Court said that it was going to read the mind of the Congress to ascertain its intent. And there are some folks who do not think the Supreme Court functions very well as a mind reader.

Mr. CRAMER. If the gentleman will yield for one additional inquiry. Is it not true also that the Committee on the Judiciary about a year ago reported out a bill that dealt with the subject of the Nelson case itself and that that report regarding the Nelson case dealing only in the field of subversion, State and Federal, reported in substance the principle that is contained in the gentleman's bill as it relates to general legislation?

Mr. SMITH of Virginia. Oh, yes.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HOFFMAN. Can the gentleman tell us about how long it has been since that legislation was introduced?

Mr. SMITH of Virginia. About 4 years—right after the Steve Nelson case.

Mr. HOFFMAN. One more question. Many of us want to vote on that. How can we get it out? I am speaking of we ordinary fellows who do not belong to the Rules Committee or the Judiciary Committee.

Mr. SMITH of Virginia. Well, I think this discussion may stimulate the thing a little bit in the Judiciary Committee. That was the purpose of it. They are very fine folks over there.

Mr. HOFFMAN. Are the Republicans holding this thing up?

Mr. SMITH of Virginia. I do not know who is holding it up. It just does not come out.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. WALTER. I should like to point out to the gentleman that there are many members of the Judiciary Committee who are just as disturbed as he is because of the action of the Supreme Court in invading the legislative field. As a matter of fact, the bill to which the gentleman referred, with respect to the conviction of Steve Nelson, is my bill, but because this is an important matter and because of the great ramifications—after all, we are discussing a subject that covers at least 25 decisions of the Supreme Court—a special subcommittee was appointed to study this whole question. The chairman of that committee is the gentleman from Louisiana [Mr. WILLIS], and I am happy to be able to report to the House that several phases of this inquiry have been completed and that Mr. WILLIS' special subcommittee just this morning reported one of the bills which I am sure will be of a series dealing with those decisions.

Mr. SMITH of Virginia. Would the gentleman from Louisiana [Mr. WILLIS] care to comment on the statement of the gentleman from Pennsylvania?

Mr. WILLIS. The gentleman is correct, that a special committee was created to study recent decisions of the Supreme Court. Actually, under the resolution creating the subcommittee, Steve Nelson is not of the category or vintage before my subcommittee. However, as the gentleman from Virginia knows, his bill, H. R. 3, is now before the full committee for consideration and we are very hopeful—at least SAM, and I am sure many members of the Judiciary Committee who have talked to me are very hopeful—and very anxious to see it move on. There are certain things that we would like to have. Let us be frank about it. I would like to have the Department of Justice express itself. That would be one way of moving it.

Mr. SMITH of Virginia. The gentleman's statement is very timely, but I do not concede that Congress should be under the domination of the Department of Justice in the enactment of legislation which is desired.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CELLER. The committee has not been apathetic or indifferent to the importance of H. R. 3. It is not a very easy subject to handle. It is full of complexities. We are endeavoring to get the opinion of experts on the subject. There is a considerable disagreement among the experts. If the gentleman would read the Pennsylvania against Steve Nelson case more carefully than his statement apparently indicates this morning, he will find, I am sure, that what happened in the case that he cited, where certain lawyers made motions, that those motions were ill-advisedly made. I think those motions undoubtedly would have to be denied because of

the decision of the Supreme Court. If the gentleman will permit me, I will read a paragraph thereof.

Mr. SMITH of Virginia. If you will give the Members of the House the citation, they can read it.

Mr. CELLER. It is a very abstruse decision. It is not an easy decision to read, offhand. It is volume 350, United States Reports, particularly on page 500. If you will read pages 500 and 501, you will get quite a different opinion as to the import of the Nelson case than the gentleman has given us this morning.

Mr. SMITH of Virginia. There is no disputing the fact that one of the worst menaces in the United States was turned loose by the Supreme Court under this doctrine I have been telling you about this morning. I am glad to know that the gentleman from New York [Mr. CELLER] has it under serious consideration. We hope that now, at the conclusion of 4 years' consideration, he is able to call the bill up so that the House can have an opportunity to pass it.

Mr. WILLIS. I will say to my friend from Virginia that during the last week of the last session the full Judiciary Committee voted to have the bill regarded as being before the full committee and further agreed that action on the bill H. R. 3 would be taken by the full committee during the early part of this session. We are getting along toward the middle of the session and I have great hopes that something will be done.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. WALTER. It is indeed encouraging to see that the distinguished chairman of the Committee on Rules is concerned by the invasion of the Supreme Court in the legislative field, and I trust he will use his great influence with his committee to see to it that we get a rule very promptly on the bill which is designed to correct the decision in the case of Cole versus Young.

Mr. SMITH of Virginia. What bill is that? It is not before the Rules Committee.

Mr. WALTER. I understand application has been made for a rule. That is the bill that deals with the writing into the law by the Supreme Court of the provision that a person must occupy a sensitive position.

Mr. SMITH of Virginia. I will say to the gentleman that there will be a meeting of the Rules Committee tomorrow or the next day, and the Rules Committee will not take 4 years.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield back my time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8361) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8361 with Mr. BURLESON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New York [Mr. CELLER] will be recognized for 30 minutes and the gentleman from New York [Mr. KEATING] for 30 minutes.

The gentleman from New York [Mr. CELLER] is recognized.

Mr. CELLER. Mr. Chairman, I yield myself 2 minutes and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I listened with a great deal of interest to what the gentleman from Virginia said about H. R. 3. I want to turn the tables on him. He has pending in his Rules Committee the premerger notification bill which has been approved by the administration, the Department of Justice, and passed by a good healthy majority of the Judiciary Committee, yet that bill is bottled up in the Rules Committee and we have not been able to pry it away from the Rules Committee. What is sauce for the goose is sauce for the gander. I wonder whether or not I could get some action from the Rules Committee with reference to the premerger notification bill? Maybe then we would be placed in a better position to consider H. R. 3. I wonder what the gentleman from Virginia will say as to that, or the gentleman from Ohio [Mr. BROWN], who is also present in the Chamber.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield? Do you want to make a deal? Do you want to make a trade?

Mr. SMITH of Virginia. I had a conversation on that subject with the gentleman just immediately after that bill that he is anxious to get out of the Rules Committee came before us. To be blunt and frank about it, I said to him: "Now, MANNIE, I have got a bill before your committee that has been there for 3 years and your bill has been before my committee for only 3 weeks. Now, when we get down to the issue of time why do you not drop around and see me?"

Mr. BROWN of Ohio. There is a slight difference between the position occupied by the gentleman from New York [Mr. CELLER] and the gentleman from Ohio who is speaking. The gentleman from New York [Mr. CELLER] represents the major party and has control of the majority in his committee. Unfortunately, the gentleman from Ohio does not control the majority of the votes of the Rules Committee.

Mr. CELLER. The gentleman from Ohio is in the party that is in control of the White House and his party in power has approved the bill.

Mr. BROWN of Ohio. But the party in power that controls the Rules Committee is not my party, as the gentleman understands. I hope that somehow or other the two old foxes of this legislative body will get together and settle their differences.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. POWELL], may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. POWELL. Mr. Chairman, Members of the House who were interested in the habeas corpus bill were advised that the bill would come up at 2 o'clock today. For some unknown reason, it has been brought up almost an hour earlier. Those Members interested in the bill and who recognized the dangers involved in it were not present, and therefore, it was not open to the kind of free debate that such a bill of this nature should be open to. Frankly, it is amazing that my colleagues who have taken 82 years to pass the first civil-rights bill, have taken a few minutes to destroy civil rights today. This does not reflect, I am sure, the thinking of the American people, Negro or white. But it does indicate that we have to change our ways here if we are to make democracy the kind of thing it should be. You cannot destroy democracy in a few minutes and take years to broaden it and feel that this is progress. This is not even gradualism according to our friends in Dixie.

When this bill came before this body previously, I voted in favor of it. Since then I have had the dangers clearly pointed out to me by one of the most eminent constitutional lawyers of our day, Mr. Thurgood Marshall, and by one of the great labor leaders of our country, the vice president of the AFL–CIO, Mr. A. Philip Randolph. I am now quoting liberally from their remarks and I agree with their views completely. I would like to point out that the sponsors of this bill have been eminent in the field of civil rights. But, nevertheless, the best of us can make mistakes and I believe a grave mistake is being made today.

MEMORANDUM CONCERNING H. R. 8361, ABUSE OF HABEAS CORPUS, FROM MR. THURGOOD MARSHALL

In a letter to the Times published on January 24 Congressman EMANUEL CELLER defends legislation now pending in Congress which would restrict the availability of the writ of habeas corpus in the Federal courts.

Congressman CELLER correctly quotes me as stating in my testimony before his committee that the legislation has no special racial significance and does not contain a threat of racial discrimination. This, however, is not the whole story. I followed these statements by saying that the legislation to a degree "will lessen the law's protection of civil rights."

In the majority of the relatively few cases where Federal courts have sustained applications for habeas corpus, it has been because petitioners did not have adequate counsel in the State courts, or because in ignorance they waived their constitutional rights. These situations occur only where the accused comes from a class which is economically impoverished and poorly educated.

Members of minority groups make up the bulk of this class, and to this extent legislation removing the right to seek habeas corpus in the Federal courts will impose the greatest hardship on minorities.

NOT RECENT

Mr. CELLER indicates that the availability of habeas corpus in the Federal courts to redress deprivations of constitutional rights is a recent phenomenon. It was in 1867, however, that Congress enacted legislation which gave the Federal courts jurisdiction to protect constitutional rights by issuing writs of habeas corpus, and this protection has continued uninterrupted for almost 90 years.

He states also that the right to seek habeas corpus has led to flagrant abuse of the writ. But statistics quoted by Justice Felix Frankfurter in a recent Supreme Court opinion demonstrate that the writ is infrequently sought in the Federal courts and only rarely issued.

Mr. CELLER says that the purpose of the pending legislation is to require (prisoners) to first exhaust available State remedies * * * in the State courts before they will be permitted to make application to the Federal courts. If this were so, the bill would be unnecessary, because a Federal statute already requires the exhaustion of State remedies as a prerequisite to filing habeas corpus in the Federal courts.

Rather, this bill requires Federal courts to give conclusive weight to a State court judgment denying a petitioner's pleas. Thus, under the proposed legislation, the right to habeas corpus in the Federal courts is effectively destroyed; for if a petitioner fails to exhaust his State remedies he is barred from seeking Federal relief and if he does exhaust them he is barred by the State court judgment.

STATES SOVEREIGNTY

The avowed purpose of those who favor the proposed legislation is to assure that the Federal judiciary will have due regard for the sovereignty of the States. But the facts and figures on habeas corpus petitions in recent years clearly show that the Federal judiciary has exercised the most scrupulous respect for the judgment of the States. In fact, many eminent legal authorities not only oppose further restrictions on the right of habeas corpus but feel that the right is already too strictly limited.

There is a difference of opinion on whether this legislation is an unconstitutional suspension of the writ. The important point is that this bill, by closing the doors of the Federal courts to habeas corpus petitions, would nullify what Supreme Court justices have termed the "best defense of personal freedom" (Thurgood Marshall, special counsel, National Association for the Advancement of Colored People).

NEW YORK, *January 24, 1956.*

LIMITING HABEAS CORPUS

(Letter appearing in the New York Times of January 16, 1956, by A. Philip Randolph, president, Brotherhood of Sleeping Car Porters)

I have learned that there is a bill in the House of Representatives, H. R. 5649, to amend section 2254 of title 28 of the United States Code with reference to habeas corpus applications.

The amendment would provide in substance that only those Federal constitutional questions could be entertained by Federal judges which (1) had not been previously raised or determined in the State courts, and (2) which had been given no fair and adequate opportunity to be raised and determined, and also (3) which could not thereafter be raised and determined in the State court in some order or judgment which could be reviewed by certiorari in the Supreme Court.

I learn that the Committee on the Judiciary on July in House Report No. 1200 reported favorably on H. R. 5649 without amendment and recommended that the bill be passed.

It seems very unfortunate that more public attention has not been focused upon this proposal to place such crippling restrictions and conditions upon the grant or issuance of the writ of habeas corpus as to render it unavailable and useless as a remedy except in very exceptional circumstances. It would put especially wage earners and Negro citizens in situations where it would be difficult for them to vindicate their Federal constitutional rights and to secure their personal liberty.

The Federal law now provides that the writ of habeas corpus shall be available as a means of granting to any prisoner in custody freedom from illegal imprisonment or detention where the Constitution or laws of the United States have been violated. The writ of habeas corpus is the individual's means of protecting himself from loss of his liberty as a result of local prejudices, passions, or unpopularity because of political, social, or economic views.

Our Constitution provided the governmental structure for a nation of millions of people. The keystone of that Constitution is the provision in article VI that the Constitution, laws, and treaties of the United States shall be the supreme law of the land, anything in the constitution or laws of any State to the contrary notwithstanding. The writ of habeas corpus is the legal means in the local United States district and circuit courts by which the Federal Constitution and laws are made the supreme law of the land and also by which the individual's Federal constitutional rights are protected against violation by State authorities.

The right to have the writ of habeas corpus issued is a privilege and immunity of United States citizenship under the 14th amendment and has long been so recognized by the Supreme Court; and so is the right of access to the courts of justice in the several States. The proposed restrictions on the issuance of the writ would destroy these privileges and immunities guaranteed by the Constitution.

The Constitution provides that the privilege of the writ of habeas corpus shall not be suspended unless when in cases of rebellion or invasion the public safety may require it. The above provision is a limitation upon the Congress. It would seem plain to a layman, at least, that the writ of habeas corpus itself may not be so restricted, limited, or circumscribed in its issuance that in effect it will be denied when the Federal constitutional rights of a citizen have been violated.

Implicit in the language of the Federal Constitution that the privilege of the writ of habeas corpus shall not be suspended is the plain implication that the issuance of the writ itself shall not be denied by the Congress or so hampered, restricted, narrowed, or circumscribed by legislative conditions as to amount to denial.

The writ of habeas corpus is a poor man's remedy.

A. PHILIP RANDOLPH.

Mr. CELLER. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, the underlying purpose of this legislation (H. R. 8361) is to restrain the abuse of the use of the writ of habeas corpus in the lower Federal courts by persons who have been convicted in State courts and who seek to have the action of the State courts reviewed and reversed by the lower Federal courts.

This bill emanated out of a subcommittee of which I am chairman and received the unanimous approval of that subcommittee. It also received the unanimous approval of the full committee of the House Committee on Judiciary. Furthermore, this legislation has the approval of the Judicial Conference of the United States, composed of the Chief Justice of the United States and the presiding judges of the several courts of appeals, the Conference of Chief Justices of the several States, the Association of State Attorneys General, and the section on judicial administration of the American Bar Association. It also has the support and approval of the United States Department of Justice. In his report to our committee, dated June 22, 1955, Mr. William P. Rogers, then Deputy Attorney General and now Attorney General of the United States, said:

> The Department of Justice is pleased to add its support to the legislation for, as drafted, it would appear to constitute an excellent approach to a difficult problem.

Finally, an identical bill passed the House in the 84th Congress, but too late for Senate action.

Of late, a practice has developed to use the writ of habeas corpus as a writ of review. We all know that the writ of habeas corpus is one of the most important safeguards of individual liberty, but we know also that it was never designed to be a writ of review in the Federal courts. If a person has been convicted by a State court, he, of course, has a right to have the conviction reviewed through the highest court of our land whenever his constitutional rights have been invaded. But the right of appeal is one thing; and an application for a writ of habeas corpus is quite another, and this bill is designed to restrain the use of the writ of habeas corpus essentially as an appellate instrument.

This bill can probably be best explained by giving an illustration of exactly how the writ of habeas corpus has been exercised and abused to use the lower Federal courts as appellate courts, in effect, to review proceedings in State courts.

A person is charged with a common-law crime in a State court. He is tried under State law and found guilty by a jury of his peers. He appeals to the highest court of his State and his conviction is confirmed. For the sake of the illustration, let us assume that this judicial confirmation constitutes an exhaustion of the appellate rights of the individual under the laws of that State. Alleging proper constitutional grounds, the defendant then takes an appeal to the United States Supreme Court, and, upon this writ of review—petition for certiorari as it is formally called—the decision of the State court is affirmed and the sentence originally imposed is upheld. Let us again assume that this final decree of the United States Supreme Court in the case constitutes an exhaustion of appellate or judicial review under Federal law. The defendant then has had his day in court and has exhausted all of his appellate review provided by both State and Federal laws. This ends the matter so far as the use of the writ of review is concerned.

But then what happens under the practice that has developed as a con-

sequence of the interpretation of section 2254 of title 28 of the United States Code—Judiciary and Judicial Procedure—by certain decisions of the Supreme Court commencing with *Brown* v. *Allen* (344 U. S. 433)?

The defendant on presenting a petition alleging—yes, alleging—strong constitutional grounds obtains a writ of habeas corpus from a lower Federal court. After a time-consuming trial, the lower judge recalls the writ and refuses to free the defendant. Here, in effect, the defendant has used the writ to have a lower Federal court to review the original decision of the highest court of the State and to review the decision of the United States Supreme Court. But that is not all; the defendant then takes an appeal from the ruling of the lower Federal court to the United States Circuit Court of Appeals, and, losing there, applies for a writ of certiorari to the Supreme Court, and the application for the writ is finally denied.

And then what happens? The defendant, through resourceful lawyers, later on files another application for a writ of habeas corpus alleging—yes, alleging—perhaps stronger and different constitutional grounds. The lower Federal judge hears his case and rules against him; the defendant appeals to the circuit court of appeals and receives the same treatment and then goes throught the formality of applying for a writ of certiorari, which is denied. The defendant starts all over again and files a third application before the lower Federal court—and so, on and on.

Typical illustrations of these endless applications for and denials of the writ of habeas corpus are indicated in my report on this bill, beginning at page 14.

I am not saying that this repetitious procedure occurs in every case, but I am definitely asserting that it can be and frequently is indulged in, depending upon the ability of the defendant to hire resourceful lawyers. In my opinion, decent respect for the delicate field of Federal-State relationships requires a curbing of the abuse of the writ of habeas corpus as a writ of review in lower Federal courts.

This bill, of course, would preserve the right of the great writ as originally designed, both initially and after conviction. For example, the Constitution guarantees a speedy and public trial. If a defendant is incarcerated and his trial is unreasonably delayed, he of course, will still have the right to obtain a writ ordering the one having custody of his person to bring forth his body before a court to the end that his right to a speedy trial shall be preserved; because that is exactly what the writ of habeas corpus is—to bring the body of the person detained forthwith before the court. Again, if after conviction new evidence is uncovered, such, for example, as a confession by a third party, of course the writ of habeas corpus would be available. But what the bill seeks to do is to curb the practice on the part of convicted persons of hashing and rehashing issues foreclosed through normal appellate procedure.

Accordingly, under the instant bill an application for writ of habeas corpus on behalf of a person imprisoned under the judgment of a State court may be entertained by a Federal court or judge only if it presents a substantial constitutional question and then only if it meets all three of the following conditions:

First. The question must be one "which was not theretofore raised and determined" in the State court proceeding.

Second. Even if the question has not been theretofore raised and determined, it must appear that the prisoner had not had fair and adequate opportunity to raise and have his question determined. A defendant on trial should not be permitted to play fast and loose with the court in which he is being tried by withholding matters which he can bring forward, and then be allowed to raise them in a subsequent proceeding instituted in the Federal court, without time limitation, and upon new and independent evidence, in the event of a failure to secure a State court judgment in his favor.

Third. Even if the question has not been raised and determined, and even if the prisoner has not had fair and adequate opportunity to have it determined, it must appear that it is a question which cannot thereafter be raised and determined in the State court by an order or judgment subject to review by the Supreme Court of the United States on writ of certiorari.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think the tables contained on page 26 of the report dramatize the need for this legislation when you note that in 1941 there were 127 cases and last year, 778. So, the number is increasing annually and, of course, the abuse will continue until the Congress acts.

Mr. WILLIS. I thank the gentleman. He is eminently correct.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I am delighted to yield.

Mr. MORANO. Will the distinguished gentleman from Louisiana tell us how the committee feels on this issue? Is it united or is it divided?

Mr. WILLIS. The bill came out of the subcommittee and out of the full committee with unanimous approval. It has the approval of the Judicial Conference, of the American Bar Association, of the Department of Justice and there is an executive communication favoring it. The House passed this bill 2 years ago.

Mr. MORANO. In other words, there is no controversy over it?

Mr. WILLIS. Not in the committee. If there is any on the floor, let us have it.

Mr. KEATING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the writ of habeas corpus is one of the most important safeguards of individual liberty. Traditionally, its purpose was to enable one imprisoned to challenge the authority for his detention. Where a person had actually been convicted, however, he could be released on habeas corpus only on a showing that the court was without jurisdiction to render the judgment. If the court had jurisdiction, its judgment was binding everywhere until reversed on appeal by usual appellate procedures or on writ of error.

Recent decisions of the Supreme Court, beginning with *Frank* v. *Mangum* (237 U. S. 309), have resulted in extending the use of the writ beyond its original purpose. Those decisions have held that even though a court may have had jurisdiction at the inception of a case, it may lose jurisdiction if, during the proceedings, a defendant had been denied any constitutional right. Under this interpretation, the defendant, at any time after judgment, may attack the judgment of conviction through a writ of habeas corpus. If he can establish a violation of his constitutional rights, even by evidence outside the record in the case, his conviction may be set aside.

This open invitation to guard house lawyers in prisons throughout the country has led to frequent and unwarranted use of the writ of habeas corpus. Rather than a means of testing the jurisdiction of the court it has been used to review the entire proceedings—in short, as another method of appeal. Where a State court has convicted, and the highest court of the State has affirmed, and where the United States Supreme Court has refused certiorari, the defendant can now go, by habeas corpus, to the Federal district court for a review of his conviction.

The abuse of the writ of habeas corpus has led to interminable judicial proceedings, unjustifiable delays and unnecessary expense. The purpose of H. R. 8361 is to restrain this abuse. The bill represents the considered judgment of both State and Federal judiciaries. It has the approval of the Judicial Conference, the Conference of Chief Justices of the several States, the Association of State Attorneys General, the American Bar Association and the Department of Justice. It is identical to H. R. 5649, which passed the House in the 84th Congress, but upon which the Senate failed to act.

H. R. 8361 would add a new subsection to section 2254 of title 28 of the United States code. That section now provides that an application for a writ of habeas corpus, in behalf of a person in custody pursuant to a judgment of a State court, shall not be granted unless the applicant has exhausted his State court remedies, where those remedies are available and can effectively protect the prisoner's rights. State court remedies are not to be deemed exhausted within the meaning of this present section if the prisoner has the right under State law to raise the question presented.

The subsection to be added by H. R. 8361 provides that a Federal court shall entertain a petition for a writ of habeas corpus in behalf of a person convicted by a State court only if all three of the following conditions can be met:

First. The question must be one which was not theretofore raised and determined in the State court proceeding; and

Second. It must appear that the prisoner had not had a fair and adequate

opportunity to raise the question and have it determined; and

Third. It must appear that the question is one which cannot thereafter be raised and determined in the State court by an order or judgment subject to review by the Supreme Court of the United States on writ of certiorari.

The proposed legislation will, in my opinion, correct the abuses which have arisen and, at the same time, adequately protect a prisoner by enabling him to apply to a Federal court for relief where he has no adequate remedy in the State courts.

The writ of habeas corpus was never intended as a means whereby lower Federal courts might review actions of our highest State courts. It is time we returned this writ to its honored place in our arsenal against tyranny. To allow its use where it was not intended is to destroy its effectiveness where it is most needed. This bill will serve to restore the great writ of habeas corpus as a hallmark of our liberty.

Mr. CURTIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CURTIN. Mr. Chairman, I rise in support of H. R. 8361.

Of late years, there has been an increasing tendency to go to the Federal courts from the decision of a State court in all serious criminal matters. The defendant in a criminal action has constitutional rights which, of course, must not and should not be curtailed or jeopardized. However, society and law-abiding citizens also have a right, and that is to be protected from protracted court litigation which tends to thwart the due process of law.

We had a very notorious criminal case in my District which was in the courts for 7 years. After a trial, a conviction, and a dismissed appeal to the Pennsylvania Supreme Court, an initial petition for a writ to the United States Supreme Court in 1949 on a habeas corpus situation was followed through the years by four additional similar writs to the United States Supreme Court, two hearings before the United States district court, and three hearings before the circuit court of appeals, and, after all this, and 7 years later, it was finally decided that the original conviction was good and that the defendant had not been deprived of any constitutional rights.

The right to the Federal writ of habeas corpus is ingrained in our law, but it was not intended that the Constitution give a license to persons accused of a crime to keep a matter in abeyance until the original crime is forgotten.

The United States Code should be amended so that a defendant will have his day in court, but not necessarily his years in court.

Repeated petitions to the Federal courts for writs of habeas corpus on various and sundry technical questions involving the same subject matter should be eliminated in favor of one clear-cut determination of all problems before the court under rules which have been clearly and simply defined. This is the objective of the legislation now before this committee, and I strongly urge its passage.

Mr. KEATING. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, the morning paper in an article by John Herling, writer, carries this statement:

> As to Representative HOFFMAN'S reputed charge that somebody in the White House killed the Hoffa probe, should not the White House reply to the Republican Congressman from Michigan and set ugly suspicions at rest?

Now, let us get the record straight. Never at any time have I ever said anything which indicated to me, at least, that the White House had anything to do with any investigations in which I was interested or with the Hoffa investigation.

What was said was this—that at Detroit one time, when the gentleman from Kansas [Mr. SMITH] was chairman of a joint committee, a committee of three from the Committee on Government Operations and a committee of three from the Committee on Education and Labor, and the gentleman from Kansas was chairman of the two committees, the gentleman from Kansas [Mr. SMITH] was called to the telephone by someone in Washington—a long-distance call. He went out and then came back.

Certain investigations where subpenas had been issued were about to be heard. The gentleman from Kansas came back, and he was asked by the reporters after that session was over about that call. And what he did was to say—this way gesturing—you know he is a big man and an impressive individual—he said those up above or on high, whichever the words were—just called it off. He was referring to a situation we were about to investigate.

I know that he did not then, directly or indirectly, refer to the White House. But I can see how, with that gesture and those words, some reporter misconstrued it, gave rise to the present rumor.

It was a shame that those hearings were called off. I think it will be outrageous if a committee which at the present time has similar investigation under way does not carry on further investigation when it gets through with this Kohler matter—against Hoffa and all others who use unions for their own ends, and illegally.

This is on the record. Hoffa by conviction is a racketeer and extortionist. And he should, according to the testimony, at least in my opinion, be again convicted and sent to jail.

In the opinion of some people, there is just as much reason why Walter Reuther, because of his support ever since 1937 of violence and the violation of the law of the States of Michigan and Wisconsin, should follow Hoffa to jail. The testimony is ready. Some of it has been taken. The record is clear. There is no reason at all why both of those gentlemen, if properly prosecuted, would not land in jail. Of course, Hoffa was acquitted. But that is just one case. If I stole chickens 2 years ago and was acquitted, that is no reason why I should not be tried for another offense if I committed one.

Reuther may be welcomed and consulted at the White House, but that does not change the facts.

There is no excuse at all for anyone condoning what has been happening. The Democratic Party may think it is getting some advantage out of Reuther and his support, but it will not, in the long run. Reuther is no more in favor of the Democratic Party than he would be in favor of voting me a Congressional Medal of Honor. He intends to take over that party. He has already taken over in Michigan, and he intends to skin the everlasting daylights out of the Democratic Party if he is not stopped now.

Once in control, union men who do his bidding will be his candidates.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. KEATING. Mr. Chairman, I have no further requests for time.

Mr. CELLER. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

The Clerk read as follows:

Be it enacted, etc., That section 2254 of title 28, United States Code, is amended by placing "(a)" before the present language of the section and adding thereto subsection "(b)" as follows:

"(b) A Justice of the Supreme Court, a circuit judge, or a district court or judge shall entertain an application for a writ of habeas corpus in behalf of a person in custody pursuant to a judgment of a State court, only on a ground which presents a substantial Federal constitutional question (1) which was not therefore raised and determined, (2) which there was no fair and adequate opportunity theretofore to raise and have determined, and (3) which cannot thereafter be raised and determined in a proceeding in the State court, by an order or judgment subject to review by the Supreme Court of the United States on writ of certiorari.

"An order denying an application for a writ of habeas corpus by a person in custody pursuant to a judgment of a State court shall be reviewable only on a writ of certiorari by the Supreme Court of the United States. The petition for the writ of certiorari shall be filed within 30 days after the entry of such order."

The CHAIRMAN. If there are no amendments, under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURLESON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8361), pursuant to H. Res. 497, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The ques-

tion is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DISPOSAL OF CERTAIN UNCOMPLETED VESSELS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8547, with Mr. BURLESON in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Georgia [Mr. VINSON] will be recognized for 30 minutes and the gentleman from Illinois [Mr. ARENDS] for 30 minutes.

The gentleman from Georgia is recognized.

Mr. VINSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill would authorize the Secretary of the Navy to strike from the Naval Vessel Register and dispose of the seven naval vessels named in the bill.

Briefly, the history of this legislation is this: In 1946, Congress required that combatant vessels under construction on March 1, 1946, whose percentage of construction exceeded 20 percent on that date should be completed. Later, in 1948, Congress authorized the President to suspend construction of these uncompleted ships—and the construction of the seven vessels listed in H. R. 8547 was suspended.

As we all know, there has been a rapid advance in the science of naval warfare since World War II. This has rendered obsolete many of the ships which prior to that time were an essential part of our Navy. For example, guided missiles, nuclear power, and advanced antisubmarine warfare equipment have made new designs absolutely necessary.

It would appear at first thought that these ships could be converted for other use and thereby save large sums of money. Actually, this is not the case.

For example, it would cost about $153 million to complete the battleship Kentucky as a guided missile ship, while the cost to convert a completed battleship in the same fashion would cost only $138 million. To convert the Lansdale to a destroyer escort would cost approximately $15 million, but the cost to convert a completed destroyer would be only $4,500,000.

One must keep in mind also that a converted ship is rarely as effective as one originally constructed for the purpose for which it is intended because there are built-in deficiencies and inadequacies which can be removed only at very great cost.

While it is regrettable that these ships could not be completed and take their place with the fleet as instruments of our national defense, the practicalities, and economies of the situation dictate that these ships be stricken from the Register and disposed of.

I can assure you that the committee looked most carefully into both the defense and fiscal aspects of the action which this bill would authorize and it was convinced that disposal of these ships should be made.

I wish to draw the attention of the Members of the Committee to the report on this bill which sets out on pages 2 and 3 a description of each of the ships and the reasons why each should be disposed of. Also, on page 5 is a table which reveals at a glance the percentage of completion, the moneys invested, the annual maintenance cost, and the estimated scrap value. I believe that these few pages would answer any question which any Member might have.

I would like to mention in closing that the disposal of these ships will, as the table on page 5 indicates, cause the Government to save $136,000 in annual maintenance cost, recover $1,427,000 as the value of the salvageable items, and recover another $2 million as the estimated scrap value. This is a total recovery by the Government of over $3,400,000, in addition to the annual maintenance savings.

U. S. S. "KENTUCKY"—AUTHORIZATION AND KEEL LAYING

The U. S. S. *Kentucky*, BB66, was authorized under the act of July 19, 1940—54th United States Statutes at Large, page 779—which act increased the authorized tonnage composition of the Navy and further authorized the President to construct such vessels as necessary to provide the total under-age tonnage authorized in the act. The contract for the *Kentucky* was awarded on September 9, 1940, and the keel was laid at Norfolk Naval Shipyard on December 6, 1944.

THE 20 PERCENT COMPLETE ACT

The act of February 18, 1946—60th United States Statutes at Large, page 6—as amended, provided that "combatant vessels under construction on March 1, 1946 whose percentage of construction exceeded 20 percent on that date will be completed." At the time it was logical to complete the *Kentucky* but later because of rapid technological advances in warship design the completion of the ship could not be justified. Subsequently Congress by the act of June 19, 1948—62d United States Statutes at Large, page 492—authorized the suspension of the construction of the *Kentucky* and several other ships.

EXPENDITURES

At the time the work was suspended on the *Kentucky* about February 17, 1947, there had been expended on the *Kentucky* about $55 million and she was about 73 percent complete. These figures have been reduced to $50 million and 55 percent complete by reason of the fact that considerable equipment has been transferred or turned into Navy stock. Part of the bow of the *Kentucky* has been removed and installed on the collision-damaged *Wisconsin*. Completion of the *Kentucky* as a battleship would not be feasible as the Navy is not building any additional battleships such as the *Kentucky*.

STUDIES FOR CONVERSION (GUIDED MISSILE SHIP)

Numerous studies have been made by the Navy of the possible uses of the *Kentucky* other than as a battleship. The possibility of converting her into a guided-missile ship has been fully explored with many types of missiles being considered. To convert her in this manner would cost about $153 million as the battleship compartmentation would require extensive rearrangement for completion as a guided-missile ship.

It would be cheaper to convert a completed battleship than to complete the *Kentucky* as a guided-missile ship. In such a conversion it would not be possible to take full advantage of her size or capacity as radio frequency interference is the controlling factor on the number of missiles that can be launched and controlled concurrently from any one ship. Because of this, all of the deck space available for launchers on the *Kentucky* could not, therefore, be fully utilized. For the cost to convert the *Kentucky* to a missile ship we could build several nuclear-powered attack submarines or guided-missile destroyers.

AIRCRAFT CARRIER

Another possibility studied was to convert the *Kentucky* into an aircraft carrier. Studies revealed that the hull dimensions and characteristics of the *Kentucky* were wholly inadequate for completion of the ship as a carrier. Her length and beam would not permit a flight deck of sufficient size to accommodate modern jet aircraft. Much of the ship would be scrapped during conversion because of the need for major internal arrangements. Cost to convert her into a carrier would range from $150 million to $175 million as compared to $200 million for a much larger and more effective *Forrestal*.

SALVAGE

The Navy has salvaged, or intends to salvage from the *Kentucky*, every usable item, the value of which is commensurate with the cost of removal.

Much of the equipment is, of course, obsolete and of no military value. However, it is our intent to approach this problem with the idea of achieving maximum economy for the Government and of obtaining the greatest possible value, either from the sale of scrap or from the utilization of salvageable items.

In the case of the *Kentucky* the Navy has already salvaged furniture, fittings, valves, ventilation equipment, electronics and electrical equipment, armament except 16-inch turrets, and practically every other item which was originally procured to complete the ship but had not been installed.

The Navy estimates that approximately 50 percent of all equipment for

completion of the *Kentucky* already has been salvaged. The Navy intends to salvage from the *Kentucky* and place in stock for use aboard other naval vessels, turbines, gears, auxiliary machinery, air compressors, auxiliary motors and generators. Virtually all items will be removed except those which are peculiar to the *Kentucky* and would be of no practical use in other ships.

In some instances the location of material and equipment makes it uneconomical to attempt to remove it as the cost of removal would far exceed the value of the material or equipment removed. Examples of this are certain valves, pumps, and electrical installations. In addition, for obvious reasons, it would be uneconomical to attempt to remove armor plate, boilers, evaporators, or shafting.

If this bill is enacted into law, there will be an annual saving in maintenance costs of $75,000 for the *Kentucky* alone. In addition to this—and I am still speaking only for the *Kentucky*—the United States will recover $500,000 as scrap value and another $150,000 from salvageable items. This is a total of $650,000 recovery plus the annual saving of $75,000 a year for maintenance.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Florida.

Mr. HALEY. I wonder if the gentleman would tell us if hearings were had on this bill.

Mr. VINSON. I will say to the distinguished gentleman from Florida that no bill is ever brought to the floor of the House by the Armed Services Committee until there has been a thorough and complete hearing, a quorum being present when the vote is taken. Hearings have been held on this bill and it was reported out unanimously by the Armed Services Committee.

Mr. HALEY. Mr. Chairman, will the gentleman yield further?

Mr. VINSON. Certainly.

Mr. HALEY. I wonder if the distinguished chairman would give us some idea of how many witnesses appeared before the committee in regard to this matter?

Mr. VINSON. I believe this bill was reported out in July of 1957. I have had so many things on my mind it is impossible for me to remember exactly how many witnesses appeared on a certain bill back in 1957; I cannot recall, but I would say two.

Mr. HALEY. According to the report there was but one witness who appeared before the committee—Admiral Duke.

Mr. VINSON. I am sure that was sufficient. Of course, the bill is based on a policy of the Department of Defense. There was a letter from the Department of Defense showing the wisdom of doing this. Numbers of witnesses are not necessarily what we go by; rather it is the facts that one or two witnesses may convey to the committee.

Mr. HALEY. Will the gentleman tell us whether the committee explored any possible uses for these ships under our new security plan. Was any thought given to the subject of where you could use them for some other purpose?

Mr. VINSON. I will have to take the time of the House to tell what happened.

The *Kentucky*, as the report will show, was examined to see if it could be converted into a guided missile ship. I remember when I presented on behalf of the Naval Affairs Committee the bill authorizing the *Kentucky*. But warfare has changed. Weapons have changed. For example, airplane carriers have taken the place of battleships. In 1940 I presented this bill. The keel was laid on December 6, 1944. But conditions have changed since then. Later on we were determined that we should not lose what money we put in these ships, so we postponed any decision until 1948. We finally found that it would cost $153 million to convert the *Kentucky* into a guided missile ship. It is standing down there in the Newport News Shipyards. The bow of it has been removed. It was taken off and put on the *Wisconsin* after a collision took place. It costs $75,000 a year to maintain this particular ship at the dock. We cannot use it. It is not good common sense to let it stand there and become covered with rust, costing the taxpayers $75,000 a year just to have it standing at the dock.

Mr. HALEY. Will the gentleman comment on the two destroyers and the three submarines? He has talked about the battleship *Kentucky*.

Mr. VINSON. All right. It would cost $15 million to convert 1 of the destroyers into a destroyer escort. We can reconvert a brandnew destroyer for $4,500,000. So for these reasons the 37 members of the Committee on Armed Services think this bill is one that the facts and circumstances involved warrant.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Are we building missile ships?

Mr. VINSON. We are building them and we are converting certain types of ships into missile ships. It is far cheaper to convert a completed ship into a missile ship than to take one of these ships and convert it.

Mr. GROSS. Will the gentleman state the tonnage of the missile ship?

Mr. VINSON. We have converted certain ships of cruiser tonnage to missile ships.

Mr. GROSS. Are we building any battle cruisers?

Mr. VINSON. No, not battle cruisers of this type. They have ceased to be of any military value in this modern age of atomic warfare.

Mr. GROSS. Has any attention been given to the conversion of existing battle cruisers?

Mr. VINSON. Yes. The whole conversion program was gone into and studied in great detail. We had from 1940 down to 1948, 8 long years, to see if we could find some proper use for these 7 ships. It has been a continuous study.

Now, we save $136,000 in annual maintenance alone, and we gain about $2 million in scrap. Of course, if the House does not want to pass this bill, then they will stay just exactly where they are and we will have to pay $136,000 to maintain 7 ships that we cannot use.

Mr. GROSS. Of course, if there is no possible use for those ships, then they ought to be disposed of.

Mr. VINSON. That is right.

Mr. GROSS. But I am still not convinced that these ships could not be used for purposes for which we are now or will be building ships.

Mr. VINSON. I am sorry to say that there is no way that we can use these ships except in two capacities: either use them as targets or else scrap them.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from California.

Mr. HIESTAND. We are happily convinced that what the gentleman says makes sense. I do want to ask whether the gentleman has information as to how many other ships are in partial state of completion.

Mr. VINSON. Very few, and none of importance. We have a healthy shipbuilding program, but they are not types of ships like these.

Mr. HIESTAND. I refer to the old ones that have been abandoned.

Mr. VINSON. We had written a limitation that any ship that was 20 percent complete could not be scrapped. We did that in 1946. We investigated; we tried to convert them; we tried to use them, but in 1948 we found out we could not use them. So, they have been standing there at the piers at the different shipyards and it is costing $136,000 annually to protect them, to have supervision over them, and to maintain them. I submit that it is nothing but common sense to do either one of two things: take them out and use them as target ships or else scrap them; and if we scrap them we can get some $2 million for the scrap material.

Mr. HIESTAND. I thank the gentleman.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the purpose of H. R. 8547 is to authorize the Secretary of the Navy to strike from the Naval Vessel Register and, in accordance with the law, to dispose of the following seven naval vessels: U. S. S. *Kentucky*, BB–66; U. S. S. *Hawaii*, CB–3; U. S. S. *Lansdale*, DD–766; U. S. S. *Seymour D. Owens*, DD–767; U. S. S. *Lancetfish*, SS–296; U. S. S. *Unicorn*, SS–436; U. S. S. *Walrus*, SS–437.

Approximately $128,932,000 has been spent on the construction of the above ships. It is estimated that the above ships can be sold for scrap for $3,022,800.

The *Kentucky* is 55 percent completed; *Hawaii*, 80 percent; *Lansdale*, 20 to 25 percent; *Owens*, 20 to 25 percent; *Unicorn*, 20 percent; *Walrus*, 20 percent; and *Lancetfish*, 76 percent. These ships have never been commissioned but are new ships.

I have followed carefully the construction of the U. S. S. *Kentucky*. On March

23, 1955, Rear Adm. W. D. Leggett, Jr., Chief of the Bureau of Ships, informed me that there were no definite plans at that time for the *Kentucky* and because of rapid technological advances in naval warfare, particularly in the field of guided missiles, the Navy desired to retain the hull of the *Kentucky* for possible future completion or conversion. Again, on March 27, 1956, Rear Adm. B. E. Manseau, Acting Chief for the Bureau of Ships, informed me that the Navy was expanding its guided-missile fleet rapidly and the development of surface-to-surface missiles has resulted in the need for a larger vessel of the *Kentucky* type for use as a mobile launching platform. Therefore, consideration was being given to the completion of the *Kentucky* as a guided-missile ship.

Testimony submitted to the Armed Services Committee, according to the report of the committee, was to the effect that progress in ship designs has reached such a point that the mobilization potential of these particular ships is now very low. The report further contains the statement, and I quote, "even in emergency, if time were available, it would be advantageous from the standpoint of both time and money, to build new ships." These two statements are right unusual when considered together.

On August 16, 1957, the Navy issued a press release stating that immediate construction of an 85,000-ton atomic-powered aircraft carrier would begin and construction of 17 other warships would start immediately. The release stated that most of the 17 would be guided missile ships. Two 5,700-ton frigates, an amphibious assault ship, 5 guided missile destroyers, and conversion of 3 cruisers and 2 Liberty ships into guided missile and radar station ships are some of the 17 new constructions.

According to another press release from the Navy on August 20, 1957, the 17,000-ton cruiser, *Chicago*, mothballed for more than 10 years, is tentatively scheduled to be remodeled at a cost of more than $14 million into a guided missile ship. Obsolescence does not prevent a reconversion here and the same could apply to some of the ships in the bill under discussion.

It seems to me that more study should be given to the disposition of the 7 ships set forth in H. R. 8547 before they are scrapped. With new ships under construction it seems to me that the 7 ships provided for under H. R. 8547 are worth more to this country than just the scrap value set forth in the committee's report. I know the Members of this House are more interested in saving some of the original investment in the ships under discussion than in subsidizing shipyards. Removal of bows and complaints of obsolescence should be given additional study.

In addition to placing new ships under construction, the mutual security appropriation bill for 1958 calls for delivery of 147 ships to certain free countries of the world. The program request to Congress under the mutual security program, according to ISA Comptroller statement furnished to me on July 25, 1957, contains the following:

[Amount in thousands of dollars]

Type ship	Number	Amount
DD—Destroyer	7	15,395
MSO—Ocean minesweeper	3	12,690
MSC—Coastal minesweeper	4	9,360
MMC—Coastal minelayer	3	11,250
CL—Light cruiser overhaul	2	3,000
SS—Submarine	2	4,650
MSI—Inshore minesweeper	1	1,180
DE—Ocean escort	3	1,575
PC—Submarine chaser	7	3,400
AN—Net tender	1	2,000
CGPB—Coast Guard patrol boat	3	1,255
Various landing craft and ships	60	7,890
Other (1 tug and 50 junk)	51	3,035
Total	147	76,680

Notwithstanding the fact that we are to furnish seven destroyers and will be obligated to make certain overhaul repair jobs on ships heretofore delivered under the mutual security program, we are called upon to junk seven ships in which we have $128,932,000 invested for an estimated scrap value of $3,022,800.

Mr. Chairman, this bill should either be defeated or recommitted to the committee for further study.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the gentleman from Georgia has covered this bill in complete fashion and there remains little to say in its support.

If one single reason had to be given for supporting this bill, I think it would be the fact that never in the history of warfare have there been anything to compare with the advances which have been made in technology in the last 10 years.

Even in their partially completed condition, these ships had a function up until a few years ago. They provided a mobilization potential that would have made their completion entirely reasonable had not the changes to which I refer come about—and come about with such rapidity.

Someone has likened the keeping of these ships to the keeping of an old automobile in your garage. The automobile will not run, but you just do not feel that you should give it up for the small amount for which you can sell it for. Here we have ships which are taking up dock space—are costing $136,000 a year to maintain—and this is just to keep them afloat. Compared to the funds which have been invested in them, I will be the first to concede that the return to the Government is a very small one. Unfortunately, however, they simply have no function in modern warfare and the sensible thing to do is to get what we can out of them, save the maintenance cost, and free the space that they are now occupying for more productive use.

As has been pointed out, a part of the bow of the *Kentucky* has been removed and installed on the *Wisconsin*. Similarly, the bow sections of the two destroyers, the *Owens* and the *Lansdale*, have been removed and installed on other collision-damaged destroyers.

The two submarines, the *Unicorn* and the *Walrus*, are only 20 percent complete and, as the report points out, the cost to complete these hulls as modern fleet submarines would be twice the cost of converting completed reserve fleet submarines.

One thing which I don't believe has been pointed out and which I feel is very pertinent to the whole question of disposing of these vessels is the fact that to match machinery and other components already installed in some of these vessels, it would be necessary to tie up productive facilities for the manufacture of obsolete machinery. This in itself would be a wasteful thing, assuming that some other advantage would flow from their completion.

All of the details of the status of these ships, their percentage of completion, salvage and scrap value and so forth, are set out on page 5 of the report. A brief study of this table will indicate that this bill should receive favorable consideration.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, this bill provides for the scrapping of seven warships, including a battleship, on which some $55 million has been invested. There is some discrepancy in the committee figures. The testimony by 1 of the 2 admirals—and 2 admirals were the only witnesses who appeared before the Committee on Armed Services—gave the figure of $55 million. The committee report says there has been spent on the battleship *Kentucky* $50 million to date, and it is 73 percent completed.

The battle cruiser *Hawaii*, 84 percent completed with $43,450,000 invested in it.

Two destroyers, about 60 percent completed with $12 million invested in them, and 3 submarines, 75 percent completed, with $12.5 million invested in them.

A question I would like to ask the chairman of the Committee on Armed Services is this: Are we providing any money to foreign countries to build warships under the mutual assistance program?

Mr. VINSON. Mr. Chairman, I am not certain. I personally know of no money that is being used under the mutual assistance program for the purpose of building any ships. As a matter of fact, may I say that we have been trying to give away some relatively obsolete ships and we have been unable to get certain countries to take them.

Let me say this to my good friend from Iowa [Mr. GROSS] for whom I have the highest respect, because of his outstanding ability. I consider him to be one of the best legislators it has been my privilege to serve with. This bill is on sound grounds. We cannot afford to waste $136,000 a year in maintenance of 7 ships, from which we cannot get any use.

Mr. GROSS. I deeply appreciate the complimentary remarks of the gentleman from Georgia, one of the most experienced and esteemed Members of the House. My concern is this: We gave the French some ships. Are we going to be called upon one of these days to turn around and construct ships for some of

these foreign countries under some facet of the foreign aid program? I want to be doubly sure we are not going to do that.

Mr. VINSON. Of course, the gentleman must recognize the fact that foreign aid does not come under the jurisdiction of the Committee on Armed Services. But I can say that as far as I know of what goes on under that program, there is nothing in it for warships to be built. But we do have in our mothball fleet a large number of ships. Some of these we have loaned or given to other countries under certain conditions.

Mr. GROSS. Mr. Chairman, may I ask the gentleman whether the price of scrap is still $45 a ton?

Mr. VINSON. Unfortunately it has gone down. If I had gotten this bill passed last year we could have received a million dollars more for scrap than we would get today. When I prepared my statement last July I estimated the scrap value at $3 million. The scrap value today would be $2 million. I so stated in my remarks.

Mr. GROSS. So that with the decrease in the price of scrap we would not get $3 million?

Mr. VINSON. Two million dollars now.

Mr. GROSS. Instead of $3 million we would only get $2 million?

Mr. VINSON. For scrap, yes. Over $3 million when salvage is added.

Mr. GROSS. Do I understand the *Kentucky* was completed virtually, except for her superstructure? Her machinery and everything else in the *Kentucky* was new?

Mr. VINSON. About 73 percent. We have absolutely no military need for battleships now. We have them tied up in the mothball fleet.

Mr. GROSS. I am not talking in terms of battleships only. I am talking in terms of using this nearly completed battleship as a platform for the launching of guided missiles.

Mr. VINSON. It is not practical to do that. I stated it would cost $153 million to convert the *Kentucky* to a guided-missile ship. We explored that field thoroughly. No one wanted to get rid of the *Kentucky*. I was proud to have the privilege of introducing a bill for her back in 1940. But we just cannot use the ship now.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I asked for this time in order that I may ask the chairman of the committee this question. Is there any expectation that these ships will be replaced with something else?

Mr. VINSON. No; not a single one of these ships will ever be replaced by any comparable ship.

Mr. HOFFMAN. What would we be doing?

Mr. VINSON. We will be doing this: We will be building nuclear-powered submarines in which we hope to be able to carry the Polaris missile. We will be building guided-missile ships, we will be building airplane carriers to take the place of the old battleships.

Mr. HOFFMAN. Carriers? The gentleman means to fly through the air, or just what?

Mr. VINSON. No; carry us on the sea.

Mr. HOFFMAN. Are we going to have any air carriers that will launch other planes?

Mr. VINSON. If you are referring to ships, yes; we are building a nuclear one now that we authorized last year. We want to try to save every dollar we can. The gentleman and I and our friend from Iowa want to be economical.

Mr. HOFFMAN. One reason I was asking that is because, going over some things in the office this morning, I noticed this. This has to do with operations in the air. It is a little old, but the policy then announced still continues. This was in February of 1937. It is a quotation from Homer Martin, who was then the president of the UAW in Detroit. He was talking about the people who were building planes in California. This is what he said:

> If Douglas expects people to ride in his airplanes with a feeling of security, he should have good will in his plant.

Which, being interpreted, means that you let the union dictate operations and determine what the wages, hours and working conditions, and how long the hours of work should be.

The gentleman, I know, is very able and has had a very great deal of experience. Will there be opportunity for men like Homer Martin—he is still around, but he does not have the authority he then had; he was succeeded by R. J. Thomas and then by Walter Reuther—will there be any opportunity for people with their views to determine how the planes are made and what the cost is to be?

Mr. VINSON. I say that ordinarily I would find myself in the same frame of mind as the distinguished gentleman from Michigan on all such questions.

Mr. HOFFMAN. There was another thought. There was John Anderson, who was the Communist candidate for Governor of Michigan in 1934. He was talking about one of the manufacturers at Flint. He said:

> The union has given General Motors "———."

I wonder, will that or a similar situation be permitted when we get into the production of submarines and other implements of defense?

Mr. VINSON. The gentleman's question is not very much allied to the bill.

Mr. HOFFMAN. Oh, yes; let me interrupt the gentleman there. It is very important because it has to do with the cost.

Mr. VINSON. The cost is not involved except for the cost of the scrap, but I want to say this, that I am happy to say that I find myself again in almost complete harmony with the philosophy of the distinguished gentleman from Michigan on this subject matter.

Mr. HOFFMAN. There is the cost of replacement. There is another thought. At the same time in that same, year, Homer Martin, who was president of UAW, said that his organization—you will find this all in the daily press—intended to purge the Communists in the unions. He intended, he said, to transfer Mortimer, Reuther, and Kraus to other territory and get them out of Detroit. But of course he was not successful because Reuther stayed there. They were charged at one time by the president of the UAW with the destruction of the property of a company that was making the things that were readying us for war.

Mr. VINSON. I still find myself in agreement with the gentleman's general philosophy not only on these questions but on other questions relating to kindred subject matters. I always listen with respect and admiration to the gentleman's discussion.

Mr. HOFFMAN. As far as I know, every Member of the House has the utmost confidence in the gentleman and his committee, but with the way things are going now, and a 20-year record of violence and destruction of property and the taking over of factories, I was wondering what provision is now being made so that we will get the items that we want and need for national defense.

Mr. VINSON. We have not recently had any trouble along that line in the shipbuilding industry. When it was my privilege to be chairman of the Committee on Naval Affairs we had it and we brought bills in here to correct it. My recollection is that some of the legislation that is upon the statute books today had its origin in the old Committee on Naval Affairs. We will cross those bridges when we come to them.

Mr. HOFFMAN. Yes; but some of them are in front of us now.

Mr. VINSON. No; not today.

Mr. ARENDS. Mr. Chairman, we have no further requests for time on this side.

Mr. VINSON. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Secretary of the Navy is authorized to strike from the Naval Vessel Register and, according to law, to dispose of the following uncompleted naval vessels:
>
> U. S. S. *Kentucky* (BB–66).
> U. S. S. *Hawaii* (CB–3).
> U. S. S. *Lansdale* (DD–766).
> U. S. S. *Seymour D. Owens* (DD–767).
> U. S. S. *Lancetfish* (SS–296).
> U. S. S. *Unicorn* (SS–436).
> U. S. S. *Walrus* (SS–437).

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I see on the floor the distinguished chairman of the subcommittee of the Committee on Appropriations who handles the foreign aid requests. I appreciate that this is a spur of the moment question, but I wonder if the gentleman could tell us whether to his knowledge we are spending any money in the foreign aid program or the military assistance program on warships for foreign countries?

Mr. PASSMAN. Various types of ships are used in the mutual security program. I do not yet know the nature of the requests to be presented this year. We have just been assured by the dis-

tinguished chairman of the Armed Services Committee that the partially completed ships to be disposed of through the program under discussion could not be utilized through the mutual security program. But even if there could be effective utilization of the ships for mutual security purposes, it should be understood that the recipient nations would expect us to complete the vessels, which would involve the expenditure of many hundreds of millions of dollars. And, of course, if obsolete for use by our own Military Establishment, the ships would also be obsolete for similar use by the recipients.

Mr. GROSS. How about destroyers and submarines?

Mr. PASSMAN. As I have stated, provision is made for numerous types of ships; however, I do not yet have the information as to the requests which may be made this year.

Mr. GROSS. But, we are building merchant ships?

Mr. PASSMAN. Several types of ships are being provided through previous years' programs, under offshore procurement arrangements. In the issue under debate, I must personally rely upon the information given by the distinguished chairman of the Armed Services Committee, to the effect that the type of ships for which disposal is being sought cannot be used in the mutual security program. I do not have any information to the contrary.

Mr. GROSS. But to the gentleman's knowledge, we are furnishing no funds in any way for the building of combat ships for any foreign countries?

Mr. PASSMAN. Not for warships, as such.

Mr. GROSS. I thank the gentleman.

Mr. Chairman, we understand clearly what this legislation provides. Seven ships, in which the taxpayers of this country have $118 million invested, will be scrapped for a total return of some $2 million. I think we ought to clearly understand what the losses have been on these ships.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. VINSON. I think the House should clearly understand this. If we do not do this, then we will annually have to pay $136,000 and we will get nothing for that expenditure.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

If there are no amendments to be offered to the bill, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BURLESON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels, pursuant to House Resolution 483, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

VIII OLYMPIC WINTER GAMES

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MILLER of California. I will be very happy to do so.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. TABER. Mr. Speaker, I object.

Mr. VINSON. Mr. Speaker, will the gentleman from New York please withhold his objection at least until the distinguished gentleman from California may explain the bill? May I say to the gentleman that this bill relates to the winter Olympic games. The Congress of the United States has already extended the invitation to the foreign nations to come to the United States, and under our invitation they are coming and engaging in the winter Olympic games in California. It provides for a $4 million expenditure. The bill has already passed the Senate, may I say to the distinguished gentleman from New York.

Mr. TABER. Last year we turned down a request from Cleveland for something like $5 million for operations. Why we should go ahead and take up another one, I cannot see.

Mr. VINSON. May I say to the gentleman that he refers to Pan-American games. This is for the Olympic games. This Congress officially extended the invitation and it has been accepted. Now, are you going to say to the people that we will not provide any facilities if they come here to engage in the Olympic games? We are in an embarrassing position because it is on our invitation that they are coming here.

Mr. TABER. Mr. Speaker, I must object.

The SPEAKER. The Chair will state that on tomorrow he will recognize the gentleman from California to move to suspend the rules.

NEED FOR IMPORT TAX ON COPPER

Mr. DAWSON of Utah. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DAWSON of Utah. Mr. Speaker, it has been more than 2 months since 16 Members of the House introduced legislation designed to put a floor under our domestic copper price. To date, nothing else has been done on a legislative level. I think the Members of this House and particularly the Ways and Means Committee should be made aware of developments at the miners' level.

Mr. Speaker, misery is spreading in our western mining communities. In my district, one of the major copper producers last week cut back production another 12.5 percent, laying off 500 employees. This is the second cut within a 90-day period. In all, some 1,400 men have been furloughed.

In addition to inaction in the House, there are other disturbing features about this cutback. We can accept the American copper industry's contention that copper cannot profitably be produced from American mines at the present 25 cents per pound price that it commands. We can also accept, I think, their contention that the price situation won't improve until current surpluses in the world market are absorbed. What I do have difficulty in accepting, however, is a report that at least one American producer—Kennecott Copper Co.—has failed to cut back production at its mammoth operation in Chile.

I recognize, Mr. Speaker, that our American producers in Chile must obtain the approval of that Government before they can curtail production there. I am also informed, however, that the Chilean Government agreed to a 10 percent curtailment in production and that the American producer decided against it.

Under these circumstances—where production in Utah is cut back 20.5 percent and Chilean production is left undisturbed—our Utah miners are entitled to some explanation. To date, that explanation has not been made.

It has been my experience in the past that our workers are logical, reasonable people. In the past, they have accepted these temporary furloughs knowing that they are an alternative to overproduction and its resultant depressing effect on prices. They also know, however, that a pound of copper produced in Chile acts as a price depressant in the same degree as a pound produced in Utah. And they cannot, nor can I, understand why they must bear the full brunt of a cutback in copper production.

Under these circumstances—continued foreign production with no protection for those who mine our domestic metal—we in the West need action.

My fervent hope is that hearings can be held on corrective legislation in order that we can set a domestic price at a level that will permit our domestic ores to be mined profitably and will permit our domestic miners to earn their fair share of our domestic copper market.

We must never lose sight of the fact that it is the domestic miners, when employed, who purchase the refrigerators, the automobiles, and the hundreds of other items in which copper is used. It is they—not the underpaid Chilean miner—who are the ultimate consumers of the American copper producer. We must come to their aid.

EXCISE TAX ON AUTOMOBILES

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I take this occasion to advise my colleagues in the House of the contents of a telegram I received today from Harry A. Williams, managing director of the Automobile Manufacturers Association.

The telegram follows:

For your information, the following policy statement on tax reduction has been adopted by the board of directors of the Automobile Manufacturers Association and sent today to the President of the United States, President of the Senate, Speaker of the House and chairmen of the tax-writing committees of the Congress:

"As a major employer and generator of jobs throughout the economy, the automotive industry favors an immediate reduction in taxes to reverse the current recession. As an essential part of such a program, automotive excise taxes should be repealed or at least substantially reduced. One out of every seven jobs in the Nation normally is automotive, yet the businesses that create these jobs, motor-vehicle production and sales, have been among the hardest hit in the present economic slowdown. A serious drag on production and sales of cars, trucks, and their components, in good times or bad, is the special burden they bear in the form of discriminatory excises. The effects of these are particularly conspicuous in times like the present. The automotive industry believes that constructive action on excise taxes would constitute both an effective anti-recession measure and a basic tax reform. This important action should be taken without delay and should be made retroactive so that while legislation is pending, potential buyers will be assured they will not be penalized by promptly filling their automotive needs. Otherwise the possibility of reduction in excise taxes will materially slow up retail sales of motor vehicles. The benefits of fast, affirmative action would promptly reach the buying public and be felt with equal swiftness throughout the entire country."

The SPEAKER. The time of the gentleman from Michigan has expired.

LABOR-MANAGEMENT RELATIONS

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. CEDERBERG] is recognized for 1 hour.

Mr. CEDERBERG. Mr. Speaker, the recent actions of the House Subcommittee on Labor-Management Relations of the Committee on Education and Labor should make it apparent that the Democrats are more interested in playing politics with the Taft-Hartley law than they are in making any revisions in this law. The American people have listened for many, many years while the Democrats groaned about the alleged evils of the Taft-Hartley Act. Let me say at the outset that I know of no piece of legislation that is ever perfect at the time of enactment and certainly revisions are in order from time to time.

It is interesting to read the Democratic platform pledges regarding the Taft-Hartley Act, and I quote the excerpt from the Democratic platform of 1948:

We advocate the repeal of the Taft-Hartley Act. It was enacted by the Republican 80th Congress over the President's veto. That act was proposed with the promise that it would secure "the legitimate rights of both employees and employers in their relations affecting commerce." It has failed. The number of labor-management disputes has increased. The number of cases before the National Labor Relations Board has more than doubled since the act was passed, and efficient and prompt administration is becoming more and more difficult. It has encouraged litigation in labor disputes and undermined the established American policy of collective bargaining. Recent decisions by the courts prove that the act was so poorly drawn that its application is uncertain and that it is probably, in some provisions, unconstitutional. We advocate such legislation as is desirable to establish a just body of rules to assure free and effective collective bargaining, to determine, in the public interest, the rights of employees and employers, to reduce to a minimum their conflict of interests, and to enable unions to keep their membership free from communistic influences.

The 1952 Democratic platform pledges almost the same as the 1948, advocating repeal of the Taft-Hartley Act. The last paragraph of the 1952 provisions of the Democratic platform state this:

In keeping with the progress of the times and based on past experience a new legislative approach toward the entire labor-management problem should be explored.

Mr. Speaker, I might state that I know of no way that the pledge of the Democratic platform of 1952 in this regard can be fulfilled unless the Subcommittee on Labor-Management Relations of the House Committee on Education and Labor is willing to hold hearings on this very vital piece of legislation. The 1956 Democratic platform also contains provisions dealing with the labor-management relations. I quote the last paragraph in the 1956 Democratic platform:

Upon return of our National Government to the Democratic Party a new legislative approach toward the entire labor-management problem will be adopted, based on past experience and the principles of the Wagner National Labor Relations Act and the Norris-LaGuardia anti-injunction law.

Now, Mr. Speaker, in view of these facts it seems certainly inconsistent that the Democratic members of the Subcommittee on Labor-Management Relations voted unanimously to withhold any hearings in this field.

Mr. Speaker, in his message to Congress on January 23 President Eisenhower emphasized and reemphasized the need for some changes in our labor laws.

The President said:

No labor-management relations legislative program today can ignore the disclosures of corruption, racketeering and abuse of trust and power in the labor-management field. Many of these disclosures have been made in Congressional hearings and in investigations by grand juries and local law enforcement agencies. In the various States vigilant attention by law enforcement officials, and public interest in the effective enforcement of existing laws against criminal activity, are doing much to eliminate many of the evils and abuses which have occurred. Union officials—most of whom are decent, honest Americans—are also doing much to eliminate the few in the ranks of organized labor who are corrupt. However, the importance to American workers and to the public of preventing the impairment of the individual rights of employees and the fact that voluntary action is inadequate in this respect have become increasingly evident. In order to protect the basic rights of the individual worker and to maintain the integrity of trade unionism itself, action on the part of the Government is needed.

The President's recommendations include proposals in the labor-management area to protect the welfare of the individual worker and curb union abuses, include amendments to the Taft-Hartley Act, changes in other laws and enactment of new laws. They range from controls over union funds and activities, including boycotts and organizational picketing, to the elimination of the jurisdictional no man's land between State courts and the National Labor Relations Board.

During this Congress there have been a number of proposals introduced to amend the Taft-Hartley Act in one form or another. Some of these are in line with the recommendations of President Eisenhower. Others have been introduced by our colleagues on the Democratic side, all of whom favor outright repeal of the Taft-Hartley Act.

I might mention some of the bills, the date they were referred to the Labor Management Subcommittee and the title of those bills. They are submitted for the RECORD:

1ST SESS.

Bill No.	Author	Date sent to subcommittee	Title
H. R. 253	Mr. KEATING	Feb. 9, 1957	To amend the Labor-Management Relations Act of 1947 to equalize legal responsibilities of labor organizations and employers, and for other purposes.
H. R. 308	Mr. LANE	Feb. 1, 1957	To repeal the Taft-Hartley Act.
H. R. 539	Mr. BALDWIN	do	To amend the Labor-Management Relations Act, 1947, and for other purposes.
H. R. 1000	Mr. WIER	do	To repeal the Labor-Management Relations Act, 1947, to reenact the National Labor Relations Act of 1935, and for other purposes.
H. R. 1250	Mr. SCOTT of Pennsylvania	do	To amend the Labor-Management Relations Act, 1947, and for other purposes.
H. R. 2009	Mr. KEARNS	do	To amend the Labor-Management Relations Act, 1947, in order to facilitate the freedom of association of professional personnel.
H. R. 3212	Mr. BOSCH	do	To amend the Labor-Management Relations Act, 1947, to require that unfair labor practice cases be tried in Federal district courts, and for other purposes.

1ST SESS.—Continued

Bill No.	Author	Date sent to subcommittee	Title
H. R. 4299	Mr. PERKINS	Feb. 6, 1957	To repeal the Taft-Hartley Act.
H. R. 4374	Mr. CHUDOFF	do	To repeal the Taft-Hartley Act and reenact the Wagner Act.
H. R. 4664	Mr. PERKINS	Feb. 15, 1957	Do.
H. R. 6473	Mr. HOFFMAN	Apr. 1, 1957	To amend the Labor Management Relations Act, 1947, to prohibit labor organizations from paying, without authority from the members, the legal fees of officers accused of illegal acts allegedly committed otherwise than in the performance of their duties.
H. R. 6857	Mr. OSMERS	Apr. 15, 1957	To amend the Labor Management Relations Act, 1947 as amended.
H. R. 8329	Mr. BYRNE of Illinois	July 9, 1957	Do.
H. R. 9307	Mr. SMITH of Wisconsin	Aug. 27, 1957	To amend the Labor Management Relations Act, 1947, as amended, and for other purposes.

2D SESS.

H. R. 9678	Mr. LAIRD	Jan. 14, 1958	To amend the Labor Management Relations Act, 1947, as amended, so as to clarify the authority of the States and Territories with respect to certain cases within the purview of such act.
H. R. 10235	Mr. HOLT	Jan. 24, 1958	To amend the Labor Management Relations Act, 1947, as amended, and for other purposes.
H. R. 10248	Mr. RHODES of Arizona	do	Do.
H. R. 10273	Mr. FRELINGHUYSEN	Feb. 4, 1958	Do.
H. R. 10274	do	do	Do.

It is interesting to note that all of the proposals sponsored by Democrats call for the repeal of the Taft-Hartley Act and none deal with correcting the abuses which have been shown to exist in labor-management relations.

Both management and labor have acknowledged that abuses have taken place. Both admit there should be some revisions in the law to correct these abuses.

By its refusal to hold hearings the subcommittee thwarts the correction of these abuses.

It is very difficult for me to understand a situation wherein a Member of this body introduces legislation which is then referred to the subcommittee of which he is chairman and then refuses to permit hearings on his own and related bills.

That is exactly what happened a few days ago when the gentleman from Kentucky [Mr. PERKINS] called to order the first meeting of his Labor-Management Relations Subcommittee of the Committee on Education and Labor. This meeting was called to consider the subcommittee's course of action during the remainder of the session. The full membership of the subcommittee was present, being composed of the chairman, the gentleman from Kentucky [Mr. PERKINS]; the gentleman from Minnesota [Mr. WIER]; the gentleman from Pennsylvania [Mr. HOLLAND]; the gentleman from New York [Mr. TELLER]; the gentleman from Pennsylvania [Mr. KEARNS]; the gentleman from Arizona [Mr. RHODES]; and the gentleman from Michigan [Mr. GRIFFIN]. It is my understanding that the gentleman from Pennsylvania [Mr. KEARNS] proposed that the subcommittee set up an agenda and hold hearings as soon as possible on the proposals which President Eisenhower has characterized as vital to protect the basic rights of individual workers and to maintain the integrity of trade unionism. The gentleman from Arizona [Mr. RHODES] proposed that the subcommittee begin hearings on March 12 on the four parts of the President's program on which both management and labor had expressed an interest. They are:

1. Eliminate the statutory provisions of the Taft-Hartley Act which presently bars replaced economic strikers from voting in National Labor Relations Board elections but allows their replacements to vote.

2. Redefine areas of jurisdiction in labor disputes where the NLRB presently does not act and where the States are prohibited from acting.

3. Study the entire problem of secondary boycotts to eliminate features objectionable to management and to many unions.

4. Redefine the jurisdiction of the NLRB to enable it to concentrate solely on labor matters of a judicial or quasi-judicial nature.

When it came to a showdown, the Democratic members of the committee stood man to man against permitting any legislation of this type to come before the committee as proposed.

Last week, during a discussion of this legislation, the distinguished majority leader said:

> They know that if a bill comes out, you fellows in combination with some others are going to try to put through some antilabor legislation.

Obviously the majority leader was attempting to infer that the Republicans would attempt to put through some antilabor legislation when he said "you fellows."

I feel confident I can assure the majority leader we Republicans will not have any part in punitive legislation but are desirous of constructive revisions of the law.

Who did the majority leader have in mind when he said "some others"? This House is composed of only two parties—Democrats and Republicans. Apparently the gentleman has fears as to what some of the Members on his side of the aisle might do.

Does the majority leader and the chairman of the subcommittee fear the Democrats will support what he calls antilabor legislation? Is that why no hearings will be held on amendments to the Taft-Hartley Act?

The Democrats are in the majority in this House and the Democrats are in the majority on the Labor Committee and on its Subcommittee on Labor-Management Relations.

The Democrats have sufficient Members in this House and on the Labor Committee to control any legislation that comes before us. Let us not try to fool anyone about that. If the Democratic floor leaders and committee leaders fear they cannot keep their membership in line, that is unfortunate, but that is no excuse for clamping a lid on hearings on legislation which both labor and the administration agree will correct some deficiencies of the Taft-Hartley Act.

I believe it can be properly stated that the Democratic Party is more interested in playing politics with the labor issue and with the Taft-Hartley Act than it is in doing anything constructive toward the revision of that law.

I would like to call your attention to the fact that the four Democratic members of this subcommittee, under the chairmanship of the gentleman from Kentucky [Mr. PERKINS], and his colleagues, the gentleman from Minnesota [Mr. WIER], the gentleman from Pennsylvania [Mr. HOLLAND], and the gentleman from New York [Mr. TELLER], all of whom unanimously voted against holding hearings in the field of management relations, are among the 80 Democratic Members of Congress who signed the manifesto under the heading of Proposed Program for the Democrats in the House of Representatives, 85th Congress, which is found in the CONGRESSIONAL RECORD of January 30, 1957.

That manifesto said:

> We favor the repeal of the Taft-Hartley Act and its replacement by labor-relations legislation that is favorable to labor, to management, and to the public.

Mr. Speaker, and Members of the House, I ask you—How will any labor-relations legislation of the type referred to in this manifesto ever reach the floor of this House for consideration if hearings and consideration of the legislation are blocked by this subcommittee? Hoping to get an answer to this question today during our discussion, I notified the four Democratic members of the Subcommittee on Labor-Management Relations in writing yesterday that I expected to address the House at this hour. I regret that none of them is here.

Now I ask you how inconsistent can you be and what can be the motives of these Members? Labor itself in many instances has come out in favor of revisions of the Taft-Hartley Act. I know in many of the political campaigns of the past the Taft-Hartley Act has been an issue and yet the Democrats who are in control and who have been in control of the United States Congress for every year except 2 years since its enactment have done nothing. They have taken no steps whatsoever to revise this piece of legislation.

The only conclusion that I can reach from the actions taken by this subcommittee in this field is that some place somewhere someone has decided in the hierarchy of the Democratic Party that it is better to play politics with this issue than it is to do anything constructive about its solution. I really question in my own mind whether these Democratic colleagues who by their signatures agree in the manifesto to favor repeal of the Taft-Hartley Act are really unwilling to hold hearings. That ought to be explained to the American people and I would be very happy to yield to anyone on the Democratic side of the aisle for an explanation.

Just a few weeks ago members of the building trades and labor unions were in Washington and many of them visited our offices. They visited me. Several of the provisions that they were interested in had to do with revising certain provisions of the Taft-Hartley Act most of which have the support of this administration and have been proposed by the President of the United States. I asked those that came into my office why they do not go to the committee and request that hearings be held so that the provisions in which they are interested in can be made a part of the law.

Apparently these men were aware of the double talk engaged in by our colleagues on the Democratic side who out of one corner of their mouths pretend to be the great friend of the laboring man and out of the other vote to thwart consideration of this labor legislation we are discussing.

Certainly it is no secret to the gentlemen on the Democratic side that these labor groups have been calling for action on the Taft-Hartley bill. These very building-trades people who visited us were here in the interest of legislation. All of us, I am sure, have received a copy of the current issue of the AFL–CIO News dated March 15, and on page 4 is a picture under which is the statement:

Streaming into the House Office Building in Washington are some of the 2,800 delegates to the AFL–CIO Building and Construction Trades Department legislative conference on the way to see their Congressmen. At the same time, other delegates were visiting Senators. Both groups were seeking support for the department's legislative program.

What is that legislative program? Our colleagues on the Labor and Education Committee are probably better informed than any of us on the programs of these various labor groups because they are in firsthand contact with them.

The delegation which called on me left with me a brochure headed "Summary of Position of Building and Construction Trades Department — AFL–CIO — on Amendment to Taft-Hartley Act."

This branch of the AFL–CIO is seeking five different amendments to the Taft-Hartley law.

The brochure says:

The Department supports:

1. Amendment of section 302 of the Taft-Hartley Act to make it legal for an employer to contribute to joint labor-mangement apprenticeship or other training programs in the building and construction industry.

2. Amendment of the secondary boycott provisions of the Taft-Hartley Act to reverse the rule in the Denver Building Trades case so that union building tradesmen would no longer be compelled to work side by side on the same jobs with nonunion building tradesmen.

3. Amendment of the act so as to eliminate the mandatory injunction provision.

4. Amendment of the election and certification provisions of the act so that building trades unions can make legal prehire union-shop agreements.

5. Repeal of section 14 (b) so as to provide uniform rule on union security in each of the various States.

This AFL–CIO group wants the Taft-Hartley Act amended. The Democratic members of this subcommittee have blocked any possible attempt to consider any amendments to this act.

It is difficult to understand this kind of doubletalk. The Democratic Party presents one thing in its platform and its subcommittee members in the House throw up a roadblock apparently feeling that the public will not be aware that the Democrats are blocking the action.

Last December the AFL–CIO held its second convention at Atlantic City and some 908 delegates from 129 unions throughout the country deliberated numerous proposals presented to the convention and finally adopted over 150 policy resolutions. One of these resolutions had to do with labor legislation. Included in that resolution is this statement:

Unions are now required by the Taft-Hartley Act to file annual reports with the Department of Labor on their finances, and the new reporting forms prescribed by that Department are so unnecessarily complex that this convention has gone on record as urging their simplification. We would, however, have no objection to legislation making these reports public. The AFL–CIO will also be prepared to support such other legislative measures as may be necessary to strengthen the ability of the American trade union movement to fulfill its responsibility and to achieve its proper and legitimate objectives.

If the subcommittee continues its practice of sitting on legislation involving the Taft-Hartley Act little will be done toward "achieving proper and legitimate objectives" set forth in the AFL–CIO resolution. Yet next November we will probably hear some fantastic stories from propaganda peddlers of the Democratic Party as to their great cooperation with organized labor.

I certainly feel that the Democratic Party has a great deal of explaining to do. Certainly they should advise the American people as to the reasons for the actions that have been taken by this subcommittee and also issue a statement as to when we can expect some action in this field which they have themselves stated is worthy and deserving of some action. I believe one thing that we must call to the attention of the American people is the fact that the Democratic Party controls the House of Representatives and controls the Senate of the United States, therefore, it is their responsibility in this field if any action is going to be taken.

We Republicans stand ready to do what we can to assist in sensible and reasonable revisions of this act, but we must and feel compelled to state that the record should be crystal clear, that the Democrats are not interested in revisions of this act, but interested in merely playing politics with it. Certainly the laboring man of this country deserves more than that. Lipservice is not enough.

The position of the Republican Party has been made clear in our party platforms.

In their platform of 1956 the Republicans declared that they would continue to fight for dynamic and progressive labor programs. That part of the platform follows:

Revise and improve the Taft-Hartley Act so as to protect more effectively the rights of labor unions, management, the individual worker, and the public. The protection of the right of workers to organize into unions and to bargain collectively is the firm and permanent policy of the Eisenhower administration. In 1954, 1955, and again in 1956, President Eisenhower recommended constructive amendments to this act. The Democrats in Congress have consistently blocked these needed changes by parliamentary maneuvers. The Republican Party pledges itself to overhaul and improve the Taft-Hartley Act along the lines of these recommendations.

In the national convention 4 years earlier, namely, 1952, the Republican platform said:

We urge the adoption of such amendments to the Taft-Hartley Act as time and experience show to be desirable and which further protect the rights of labor, management, and the public.

It is apparent the Republicans favor sound corrective legislation in this field.

You Democrats are in control of Congress and its committees dealing with labor legislation.

You have been long on promises and short on their fulfillment.

We await your action.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. HIESTAND. I commend most heartily the sentiments of the gentleman from Michigan. He has expressed them well and they are sound. I particularly direct attention where the gentleman quoted President Eisenhower's sentiments which he characterized as vital to protect the basic rights of individual workers and to maintain the integrity of trade unionism. Furthermore, I feel confident I can assure the majority leader that we Republicans will not have any part in punitive legislation, but we are desirous of bringing about constructive revisions of the law.

Mr. Speaker, I would like to direct attention on that very subject to my bill, H. R. 10351, which would, in effect, establish a bill of rights, which might be termed a bill of rights of the worker. It aims to return control of the unions to the worker, to the man at the bench. It would protect the secret ballot and would investigate and supervise in an auditing way the investment in these very large pension funds which is much needed. The problem, as I see it, is even deeper, although this bill has received no attention, as the gentleman from Michigan [Mr. CEDERBERG] has so well mentioned, by the committee—the problem goes a little deeper. If we can get to

the causes of this whole labor problem which is now being aired in the other body, and on which there have been extensive hearings, the fact is that unions as a whole are exempt from the antimonopoly laws which is not generally known and when a group is exempt from a basic law, it is very difficult to enforce other laws. My bill, H. R. 678, is now before the Committee on the Judiciary. The gentleman from Michigan might have broadened his chastisement of the other party for not getting action. We are not getting action on that either. That would subject the unions to the law. If they were, many other things could be corrected. I hope the majority party will take it upon itself to do something not only on those bills before the Committee on Education and Labor but also the Committee on the Judiciary on antimonopoly legislation.

Mr. CEDERBERG. I thank the gentleman.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. HOLT. I want to compliment the gentleman from Michigan for his fine talk today. As a member for 6 years of the Committee on Education and Labor, I, of course, have followed this problem since the 83d Congress. It may be interesting for the gentleman to know that we Republicans in the 83d Congress lived up to our promises. We held hearings then on the Taft-Hartley law. We invited anybody and everybody both from labor and management as well as independent citizens to come in and testify. We lived up to our promises. That was in the 83d Republican-controlled Congress. The minute the Democrats took over, no more hearings were held on Taft-Hartley. I think that is very important because we did keep our word. I think it is very important to remember that the first investigation of wrongdoings in certain unions occurred during the Republican 83d Congress. The Republican-controlled 83d Congress, when Mr. McConnell was chairman of the Committee on Education and Labor, held hearings in Los Angeles. The committee staff which is now in the other body was first hired by the Republicans to do that investigating in the 83d Congress. But, as soon as the Democrats took over that was stopped in the House of Representatives. I I think we should have that on the record.

One subcommittee which the gentleman did not mention and in which also nothing has been done is the Labor Standards Subcommittee of which I am the ranking Republican. This is to extend the coverage to many folks in the retail trade under the Fair Labor Standards Act. No hearings have been held on this either. It affects retail clerks and many, many other industries throughout America. Once again the Democrats held no hearings on the legislation before the Labor Standards Subcommittee. From this day forward in the House of Representatives, the Republican Party should be known as the party of the laboring man and the individual and the party for the freedom of the individual because we are trying to get those individual freedoms enacted into law and we have been blocked everywhere by the Democrats. A letter was written to the chairman which was referred to the chairman of the subcommittee, the gentleman from Kentucky [Mr. PERKINS]. They have not answered the letter. A meeting was held several days later and there was a vote of 4 to 3 not to hold any hearings whatsoever. I think the gentleman from Michigan has done a great public service calling attention to the fact that the Democrats or the Democrat Party—I do not call them democratic because they have not been democratic because they have refused the right to have hearings. I think the gentleman has done a great service in bringing this to the attention of the American people.

I would like to say today that the Republican Party in the House of Representatives has become the party of the individual union member.

Mr. AYRES. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. AYRES. I wish to commend the gentleman from Michigan for presenting such a concise and constructive presentation as he has. It is interesting for me to note, representing one of the most highly industrialized districts in the United States, how few times labor leaders actually speak for the rank and file worker. I think the United Rubber Workers of America are making a serious mistake in their conference going on in Washington today. They have not invited one Republican to appear before their convention. However, the Democrats who are presenting their point of view before them are not mentioning the fact that in the past they have insisted that we repeal the so-called Labor-Management Act, or the Taft-Hartley law. Then they ask for amendments. Now, with the Congress under the control of the Democratic Party we cannot even get hearings to help correct some of the inequities that we Republicans admit are in the law. One of the most striking examples is happening at Winchester, Va., in the Sullivan Rubber case. Secretary Mitchell has been doing a marvelous job in behalf of the rank and file members of labor. He has recommended, as has the President of the United States, that the economic strikers be given a chance. If we could have hearings, perhaps those inequities could be corrected. The only reason I have been able to get from the leaders of the opposition party is that they do not want the Taft-Hartley law opened up at this particular time because they feel that what is happening and the revelations that have come out of the hearings in the other body, it might be that the law would be tightened up rather than loosened up. I, for one, believe that the rank and file will vote their convictions. They will not follow the dictates of their bosses in the union movement. I do not say this in a bragging sort of way, but representing some 90,000 working people, 70,000 belonging to some union, if I can be a member of this great body I take my hat off to the rank and file worker of this country when he votes the dictates of his conscience rather than the dictates of any labor boss.

Mr. CEDERBERG. I thank the gentleman.

Before I took the floor I wrote a letter to the four members of the subcommittee advising that I was going to take this time so that they might be able to be here and participate in the discussion. I do not find one of them on the floor.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. ARENDS. I want to add my endorsement to what the gentleman has said. It certainly should have consideration not only of the Labor Committee of the House, but likewise of the House itself. I am convinced in my own mind, after talking to many labor union members, loyal patriotic citizens, that they expect this Congress to take some action in their behalf to do something about the matter of unscrupulous labor leaders and the practices they have followed in the immediate past. I hope this Congress will meet their obligations and protect such people who have a right to ask for protection.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. FRELINGHUYSEN. I feel I can commend the gentleman from Michigan [Mr. CEDERBERG] on the very fine presentation of a lively topic for many of us on the Committee on Education and Labor. It, perhaps, would have been an appropriate topic for any one of us to have chosen.

I would like to point out as a little more background of the situation the fact that the 5 subcommittees of the full Committee on Education and Labor were set up, I think in part at least, because of a conviction on both sides of the aisle that we might get more done if we divided the responsibility for specific legislation and allocated that responsibility to certain subcommittees. But as a member of the full committee I am very much aware of our responsibility to take a look at some of these problems whether our subcommittee thinks that it should or should not.

I realize the practical problem that we face in committee and in the Congress with the Democrats in control of what legislation is to be considered. The gentleman has already quoted our majority leader in his discussion of last week pointing out that they are afraid that antilabor legislation is going to be enacted if any corrective measures are brought out by our committee for consideration by the House. Of course, that is a chance we would have to take. No one knows what will happen if we should propose modest changes.

It seems to me we have to get started on these programs and if there are too restrictive measures offered on the floor they should be repudiated. The plain fact of the matter is there are serious problems involved and there are changes in the Taft-Hartley Act which need attention and which have needed attention

for a number of years. It is quite obvious we are not going to get action as of now.

If I may for an additional moment I should like to mention one other field which the gentleman only briefly touched on in his reference to the President's message on labor legislation. No subcommittee has jurisdiction over this problem; that is, the question of more adequate regulation of the 30-odd billion dollars' worth of union welfare and pension funds. That is the responsibility of the full committee. We have the same responsibility as the committee on the other side of the Capitol which has been investigating this matter at length and has disclosed some of the abuses, the corruption which does exist. It seems to me a very pressing and overwhelming responsibility of our committee to at least continue the desultory hearings which were begun late in the last session, if we are going to get some kind of reasonable legislation which presently allows the abuses that we know do exist and that does attack the funds which are for the benefit of millions of union members. There again there is a pressing problem which is not receiving the consideration which it deserves.

I think the gentleman is to be congratulated for calling to the attention of the Members of the House the responsibility of this committee along these lines.

Mr. CEDERBERG. I thank the gentleman.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I wish to commend the gentleman from Michigan for his very forthright statement. After listening to his statement I am more convinced than ever it is very apparent that the Democrats are more interested in playing politics with Taft-Hartley than they are in doing anything constructive for the benefit of the individual working man in the United States.

Small business is also concerned with amendments to the Taft-Hartley Act which are presently pending before the Committee on Education and Labor. Under a recent Supreme Court ruling hundreds of small businesses throughout the United States have no place to go with labor disputes and with unfair labor practices. This applies not only to the employees of small business but also to the management of small businesses throughout the United States.

On January 14 at the request of the State Labor Commissioners I introduced a bill, H. R. 9678, to amend the Labor Act of 1947, as amended, to clarify the language there of the States and territories with respect to certain cases within the purview of that act. In view of the Supreme Court's decision a no-man's land has been created in the whole field of industrial relations, particularly as they apply to small business. I want to commend the gentleman from Michigan for calling this important matter to the attention not only of the Congress but of the American people, because this 85th Democrat Congress, if it closes the door, if it turns its back on small business, certainly will have to take the responsibility for that action.

Mr. CEDERBERG. I thank the gentleman very much for his comments, which point out again the need for hearings in this field.

Mr. BETTS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. BETTS. Mr. Speaker, the gentleman from Michigan [Mr. CEDERBERG] should be complimented for his remarks on a subject which has been in the forefront of the news for so long. In the light of his remarks, it is a coincidence to note what a Democratic leader, prominent in the work of the committee investigating improper labor-management relations, had to say recently on the same subject. The speech appears in the CONGRESSIONAL RECORD of March 3, 1958, on pages 3290–3292. Concerning the results of this committee's investigations, he made the following statements:

> Now, however, enough evidence has been amassed by the committee so that the Congress can, and should, legislate in those areas where the facts have been developed and evils have been brought to light. Otherwise, the intensive labors of the committee will not have reaped their rightful harvest.
>
> I believe the Congress will take action; encouraging signs point in that direction. The President has submitted the legislative recommendations of his administration. They are reasonably good as far as they go. I support in the main their general objectives, but they are inadequate in scope and strength to meet the full legislative responsibility.
>
> Some 14 separate bills proposing legislation in this field have been introduced in the Senate since Congress convened. Other bills, I am confident, will be presented during this session. Before, or simultaneously with, the filing of the committee's interim report I shall, myself, introduce a measure covering some of the areas in which the committee has already made startling disclosures.

This also represents the feeling of many of my constituents who have written to me asking why something has not been done to remedy the evils in labor-management relations uncovered by this investigation. Because of the prominence given to these proceedings in the press, people simply cannot understand the silence in Congress on this subject. I think the gentleman, as well as the minority members of the House subcommittee, has done an outstanding service in bringing into the open the fact that the majority members refuse to act. The American people are demanding and they have a right to expect that something be done.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Michigan.

Mr. KNOX. Mr. Speaker, I want to compliment my colleague, the gentleman from Michigan [Mr. CEDERBERG], on bringing to the attention of the Congress the action of the subcommittee which has jurisdiction over this labor legislation. It is unbelievable and unthinkable that a committee of this great Congress would deny the American people in all walks of life the right and the privilege to come in and have their statements documented so that the committee would have some conception of what the American people are thinking relative to amendments to the Taft-Hartley Act. I might say to my good friend and colleague from Michigan that you have rendered a great service not just to the Congress but to the people of the United States of America. I congratulate you.

Mr. CEDERBERG. I thank the gentleman.

Mr. ASHMORE. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from South Carolina.

ELECTIONS SUBCOMMITTEE

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent that the Elections Subcommittee may sit today during the session of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to my distinguished colleague from Michigan.

Mr. GRIFFIN. Mr. Speaker, I should like to commend my distinguished colleague from Michigan [Mr. CEDERBERG] for the excellent statement he has made today. As a member of the Labor-Management Subcommittee, I would like to provide documentation for some of the statements he has made. I have been a member of the Labor-Management Subcommittee since it was organized in the first session of this 85th Congress. The subcommittee did not meet last year until near the end of the session when we held 3 or 4 meetings on the important "no-man's land" jurisdiction problem. The meetings were called much too late in the session and no legislation was reported from the subcommittee last year.

In December, before this second session of the 85th Congress convened, Secretary of Labor Mitchell laid out the administration's program in this field before the AFL–CIO convention, and early in this session the President submitted his labor message to Congress and requested action.

On January 30, 1958, after waiting for nearly a month, the Republican Members of the Labor-Management Subcommittee wrote a letter to the Honorable CARL D. PERKINS, chairman of the Subcommittee on Labor-Management Relations, House Committee on Education and Labor, as follows:

JANUARY 30, 1958.

Hon. CARL D. PERKINS,
Chairman, Subcommittee on Labor Management Relations, House Committee on Education and Labor.

DEAR MR. CHAIRMAN: We, the minority members of the Labor Management Subcommittee, believe that the public at large, as well as rank and file union members, want and expect Congress this year to take action to remedy a number of obvious defects in the legislation which now regulates labor-management relations.

We further believe that the President is entitled to have his proposals in this field considered fully and promptly.

Accordingly, we respectfully request that you schedule hearings to begin at an early date on those proposals made by the President which fall within the jurisdiction of our subcommittee. We further recommend that a reasonable time limit be fixed in order that our subcommittee can make a report to the full Education and Labor Committee in ample time to permit action by the Congress during this session.

Respectfully,

CARROLL D. KEARNS.
JOHN J. RHODES.
ROBERT P. GRIFFIN.

Following that letter all of the Republican members of the full Committee on Education and Labor wrote a letter on February 26, 1958, to the Chairman of the Committee on Education and Labor, the distinguished gentleman from North Carolina, Mr. BARDEN. That letter read as follows:

FEBRUARY 26, 1958.

The Honorable GRAHAM A. BARDEN,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: President Eisenhower on January 23, 1958, transmitted to the Congress his recommendations for legislation in the labor-management field. He stated that action on the part of the Government was needed to protect the basic rights of the individual workers to maintain the integrity of trade unionism. The stated purpose of his program is to reassure the American public that—

1. The funds which are set aside for the benefit of working men and women in health, welfare, and pension plans are accounted for.

2. The moneys which are contributed by workers to union treasuries are being used solely to advance their welfare.

3. Organizations in which working people associate together voluntarily to improve their status through collective action will be administered in such fashion as to reflect their will.

4. The working people are more fully protected from dealings between representatives of labor and management which have the effect of preventing the full exercise of their rights to organize and bargain collectively.

5. The public is protected against unfair labor and management practices within the collective-bargaining relationship which give rise to the exercise of coercive power by one as against the other tending to impede the peaceful development of that relationship, or which infringe the legitimate rights of innocent third parties.

On January 30, 1958, the minority members of the Subcommittee on Labor-Management Relations requested the chairman of that committee to schedule hearings on the proposals of the President. As yet, no action has been taken to assure that hearings will be had on the President's proposals.

Accordingly, we, the minority members of the House Education and Labor Committee, respectfully request that you schedule hearings to begin at once on the labor-management proposals made by the President. We further request that the hearings be so arranged that there will be ample time for Congress to take final legislative action on the entire program during this session.

Respectfully,

RALPH W. GWINN, CARROLL D. KEARNS, CLARE E. HOFFMAN, ALBERT H. BOSCH, JOE HOLT, JOHN J. RHODES, STUYVESANT WAINWRIGHT, PETER FRELINGHUYSEN, JR., DONALD W. NICHOLSON, WILLIAM H. AYRES, ROBERT P. GRIFFIN, HARRY G. HASKELL, JR., JOHN A. LAFORE, JR.

Shortly thereafter, the gentleman from Kentucky [Mr. PERKINS] called a meeting of the subcommittee for March 5. It was at that meeting, to which the gentleman has referred, when, by a party-line vote, 4 to 3, the majority members of the subcommittee voted down a motion to begin hearings.

It would seem to me, there can be no plausible excuse whatsoever for refusing even to hold hearings when the need for action in some areas is so obvious to everyone. For example, action is urgently required to correct the no-man's-land jurisdiction problem to which reference has been made.

From the time the National Labor Relations Board first came into being under the Wagner Act, the Board has, by its own action, operated under self-imposed limits upon its jurisdiction. Recently, the Supreme Court has held that the States have no jurisdiction over labor disputes affecting interstate commerce even though the NLRB has declined to assert its jurisdiction. Incredible as it seems, at the present time, there are many employers and employees in a "no-man's land" where there apparently is no forum for the settlement of disputes.

I see no excuse for the inaction on the part of this subcommittee. The Republican members of the Labor-Management Subcommittee have stood ready and will stand ready, to hold hearings every day, if necessary, to bring out the constructive legislation that is demanded and expected in this field.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. ALGER. I should like to join my colleagues in congratulating the gentleman from Michigan on taking the time to call our attention to some facts which many of us on other committees have not had the time to study or become aware of.

I congratulate the minority members of the subcommittee who had the courage to bring this to the gentleman's attention and helped today to tell us about it.

I have been called the worst Congressman here by the AFL–CIO. Now may it be said to my credit that I am fully behind having hearings so that we can amend the Taft-Hartley Act, if it should be amended. I am wondering now if behind this there might be some smoke screen by the majority members of that committee not to hold hearings. I am wondering if the gentleman in his statement, which I am fully aware of, has any reasons as to why we do not hold these hearings.

Mr. CEDERBERG. I have no knowledge whatsoever.

Mr. ALGER. Is there anything that we on this side of the aisle, can do to get the attention of Congress to correct abuses by labor and management, if such there are?

Mr. CEDERBERG. Today we are trying to call the matter to the attention of the American people and the Members of the House who should have been aware of it in the hope that some action might be taken.

Mr. ALGER. It might not be too much to hope, then, that a bill I have before the committee might get some consideration. Again, I want to congratulate the gentleman on taking the initiative and calling the matter to our attention.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. NEAL. Mr. Speaker, the gentleman is to be commended for calling to the attention of this House the indifference or refusal of the subcommittee of the Committee on Education and Labor to call for hearings on the long-awaited and much-needed amendments to the Taft-Hartley Act. Representatives of labor and management have repeatedly expressed the need for such legislation to clarify provisions that tend to hinder mutually agreeable administration of this act.

The welfare of industry, business, and the general public depends upon prompt, impartial solution of problems arising out of disputes by the unions as to jurisdiction, as well as disputes between labor and management. Disclosures of wrongdoings by the leaders of certain labor unions, responsible for welfare funds, certainly justify legislation that will insure rank-and-file union members that proper stewardship of their welfare funds will be legally provided.

It is only natural that labor and management, each attempting to justify its respective claims, will find many points of disagreement during negotiations. This is to be expected. But, when negotiations are disrupted by improper retaliative means by either party, the need for legislation, specifically spelling out limitations, is justified by public demand.

Again, I think the gentleman has made a fine contribution by placing the blame for withholding legislation to correct the faults of the Taft-Hartley Act on the subcommittee of the Committee on Education and Labor, where it apparently belongs.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. CUNNINGHAM of Iowa. I want to thank the gentleman for the remarks he has made. I also appreciate the remarks that the gentleman's talk brought forth from other Members of this body today. I think it is wholesome. I think it is something we need and we should have hearings. Only a few days ago, I wrote the chairman of the subcommittee who has charge of the Rhodes bill and told him the union officials in my home town and the locals would like to have hearings on that bill, as well as the workingman in my home town; and I told him I would like to appear personally and testify in behalf of that measure. I have had no reply to my letter although possibly I may yet receive one. I want to thank the gentleman and all those who participated in this presentation today. You are doing something for the welfare of the workingman in America.

Mr. CEDERBERG. I thank the gentleman.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. DEROUNIAN. I want to congratulate the gentleman on the very admirable presentation he has made today and to point out the inconsistency of the Democratic Party's stand on this issue. I protest and detest and deplore the drawing of an iron curtain on the rights of the workers of the United States. That is what happened when that subcommittee decided not to hold hearings. Apparently, the millions of dollars that the labor bosses have spent in behalf of Democratic candidacies in the past seems to be paying off. Let us not underestimate the power of Walter Reuther. Let us not forget that he chose the Democratic candidate for President in 1956. I say that advisedly because I know that your Governor, the Governor of the gentleman from Michigan, was talking loud and long about how he wanted a real liberal—not like Stevenson—but he wanted a liberal like our Governor Harriman. Mr. Reuther had a brief conference with Governor Williams. Governor Williams who had been a bull before the conference came out like a lamb after 2 hours with Reuther and came out for Stevenson.

Mr. CEDERBERG. I would like to say to the gentleman that it is very easy to be liberal when you are a millionaire, which applies to both the gentleman's Governor and my own Governor.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. FRELINGHUYSEN. I would like to comment briefly on the fact that mention has been made that this might be a difficult subject or a difficult field in which to legislate. Nobody knows whether there would be restricting provisions offered as well as amendments liberalizing this law. I would like to suggest that we should not fear too much about whether or not we are opening a Pandora's box. I think the majority of the members of our committee are on record at least as favoring certain changes. I think the common sense of the Members of Congress will prevent any unreasonable changes in the law. I think the common sense of the Congress will see to it that if we are given an opportunity that certain modifications which all sides agree should be made will be made. I think that we deserve an opportunity for such consideration.

Mr. CEDERBERG. I thank the gentleman.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. SCHWENGEL. I want to join with those of my colleagues who have commended my colleague for his statement calling this matter to the attention of the House and, through the House, we hope, to the American people. I want to share an experience I had which is similar to the one the gentleman told about; but the reaction of this experience, I think, is worth while observing and getting in the RECORD. I, too, like the gentleman, had a group of people from my District here to talk to me about amending the Taft-Hartley bill in the interest of unions in the building trade. They came into my office and we had a nice visit about it. They sold me on the idea that this legislation was very much needed. After discussing this matter with them, I found it was the unanimous decision of their organization. I checked with certain industries—employers—and they indicated they were in favor of such legislation. Then I asked them if they took this matter up with the State labor organization of the State of Iowa. They said they had and they had passed on it unanimously. Then I thought—well, let us see what is happening. So I called the Labor Committee. It so happened that the subcommittee which the gentleman referred to had just finished their meeting, and they gave me the results of their decisions. I had to turn with a rather discouraging feeling to them and tell them the decision that was made by the committee. Naturally, they were very much disappointed. And this is the point I want to share with my colleagues, which is their reaction: One of them who does not belong to my political party said, "Well, I cannot understand that. Those people knew that we are having this convention. They did not tell us that this was their thinking. They led us to believe that they were going to have a hearing." He made this pertinent statement, and I think the RECORD should show it. "Isn't this a free country? I did not know we lived in this kind of a country." The other fellow said, "Well, can't we at least have a right to be heard?" I think that is a point that is important to be noted at this time.

Mr. CEDERBERG. I thank the gentleman from Iowa. I hope this discussion today will bring forth some action.

Mr. Speaker, I ask unanimous consent that all those who have spoken today may have permission to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE LATE HONORABLE SAMUEL BILLINGSLEY HILL

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HORAN. Mr. Speaker, it is my sad duty today to report to the House the passing of a former Member, the Honorable Samuel Billingsley Hill, better known as Sam B. Hill to those of us in the Fifth District of the State of Washington and to those colleagues who are here who served with him. Sam Hill was a good man and he served here with distinction.

Sam Hill was born in Franklin, Izard County, Ark., on April 2, 1875. He attended the University of Arkansas at Fayetteville and was graduated from its law department in 1898 and was admitted to the bar the same year. He commenced practice in Danville, Ark. Six years later, Sam Hill moved to Waterville, Wash., and continued the practice of law. He was prosecuting attorney of Douglas County from 1907 to 1911; judge of the superior court for Douglas and Grant Counties from 1917 to 1924. He was elected as a Democrat to the 68th Congress in a special election and was reelected to six successive Congresses. He rose rapidly on the Ways and Means Committee and was a ranking member when he resigned to become a tax judge. Of particular note is the fact that he became one of the recognized expert Members of the Congress in matters of internal revenue taxation. On June 25, 1936, he resigned to become a member of the United States Board of Tax Appeals—now the Tax Court of the United States. He served in this capacity for 17 years. Judge Hill was a legal resident of my District.

Sam B. Hill was loved by all who knew him. He was humble, scholarly, patient, affectionate and considerate in his dealings with his fellow man. He leaves a legacy of friendships and achievements to his widow, his son, his grandson, and his surviving sister and brother, both of whom live in California.

Mr. Speaker, I ask unanimous consent that all of those who wish may have 5 legislative days in order to express their sorrow at Sam Hill's passing and to convey through the medium of the CONGRESSIONAL RECORD their expression of sympathy to the family.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JENKINS. Mr. Speaker, under leave to extend my remarks in the RECORD with reference to the life and character of former Congressman Sam Hill, I feel that I would be remiss if I did not say that I knew Sam Hill very well and knew that he was a man of fine ability and superfine character.

The family of Sam Hill have every reason for looking upon him as a man of fine character and as a man who recognized his duty and who performed his duties most carefully.

I extend to Sam Hill's family my most profound sympathy at his passing and say to them that they should be proud of the life and character of their father and husband.

Mr. MILLS. Mr. Speaker, the passing of the Honorable Judge Samuel B. Hill on Sunday, March 16, is a loss to the Congress, to the Tax Court, and to the United States. Judge Hill was born in Arkansas, in the District which I have the honor to serve. While Arkansas lost a great son when he moved to the State of Washington in 1904, the Nation gained the services of a great statesman when he came to the House of Representatives in 1923. Although his service in the House and on the Committee on Ways and Means ended before I came to Congress, our mutual interest in taxation threw us into close contact. His advice and counsel to me have benefited me a great deal in my work as a Member of this body and as a member of the Committee on Ways and Means.

From time to time I have occasion to take up the reports of the Hill subcom-

mittee. To read them today is to understand the great insight, knowledge, and technical skill that Judge Hill brought to his work in the field of Federal taxation. The achievements of the Hill subcommittee stand as a monument to him and to the members of the Committee on Ways and Means of his day.

Mr. Speaker, it is with sadness that I mark the passing of Judge Hill. He, together with the late Jere Cooper, the late chairman of our Committee on Ways and Means, performed such noble tasks for the benefit of our country that one can but hope that their splendid example will inspire those of us who are left to carry on the work which is never finished.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. BETTS] is recognized for 30 minutes.

Mr. BETTS. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. MORANO].

BRUSSELS WORLD'S FAIR

Mr. MORANO. Mr. Speaker, once again, it appears, we are missing a golden opportunity to expose to people overseas the richness and breathless sweep of true American culture.

I was appalled to read in the New York Herald-Tribune, Monday, March 17, an incredible report by that paper's art critic, Emily Genauer, about plans for the United States Pavilion at the Brussels World's Fair.

In obvious disgust, this able critic pointed out that three exhibits will demonstrate only very isolated—and not truly representative—phases of American art.

One is American folk art which she calls stiff, naive, by untaught amateurs and artisans.

The other is Masterpieces of Indian Art which even the catalog calls provincial and almost primitive compared with the Indian arts of Mexico and Peru.

The third will be devoted to modern American art. This includes 44 paintings by 17 artists—few of whom have ever been heard of. All but one are abstract.

This is the kind of inexplainable judgment that help perpetuate the canard of American materialism, of misunderstanding and lack of appreciation for the true vigor and talent of American artists.

By a kind of ironic coincidence, the publisher of Time magazine reports in this week's issue a most heartening and stimulating response from behind the Iron Curtain to a book on American art recently published by Time. From Czechoslovakia, Rumania, Hungary, Poland, have come appreciative letters expressing surprise at how good American art really is and unstinting praise for the book.

What is pointed up here is that people across the sea cannot help but be impressed by a truly representative picture of America's art. The very excitement of our Nation's history is manifest in the panorama of its painting. Conversely, putting forth a few awkward or incomprehensible periods as reflective of our art is sheer idiocy.

I earnestly hope the plans for this fair will be reviewed and that something more symbolic of our great Republic will be substituted.

Mr. BETTS. Mr. Speaker, I yield back the balance of my time.

WARNING BEFORE THE SUMMIT CONFERENCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Connecticut [Mr. SADLAK] is recognized for 30 minutes.

Mr. SADLAK. Mr. Speaker, among other problems President Eisenhower proposed to put on the agenda of the summit conference was included unification of Germany and the case of the captive nations behind the Iron Curtain.

The Soviet Union, having conquered these nations and occupied them with the help of the Red army and security police, having falsified their will in false elections, after having exploited them for the cause of Communist world aggression, after the installation of Soviet military forces and construction of Soviet military bases on their territory, exposing these nations to the danger of complete destruction in event of a European military conflict, is now determined to keep these nations under its control at any price.

The Soviet Union violated not only all national and human rights of the subjugated nations but violated also all international agreements, concerning these nations, including the agreement which was, unfortunately, made in Yalta in 1945 between the leaders of the Soviet Union, United Kingdom, and the United States of America.

A divided Europe, with a divided Germany and central eastern European countries behind the Iron Curtain, ruled by force and fraud of Soviet communism and imperialism, is the main cause of unrest and danger of war. It prevents establishing of peace in the world and friendly international collaboration of nations.

The Soviet Union, refusing to discuss these matters at the summit conference, refuses to remove the main causes of East-West conflict in Europe and aims at forcing the United States to recognize the status quo in Europe with all its dangerous consequences.

One of the dangerous consequences is the Soviet aim to destroy with our help the morale of the captive nations, their friendship toward and faith in the United States, and to expose us as traitors to their drive for national independence, freedom, justice, and democracy.

A warning of such consequences is included in the article of the former Prime Minister of Poland, Stanislaw Mikolajczyk, president of the International Peasant Union, printed in the January issue of the monthly bulletin of the International Peasant Union, published in New York.

Mr. Speaker, I read this article into the RECORD and thus bring it more emphatically to the attention of each of our colleagues:

WHAT ABOUT THE SUMMIT CONFERENCE?—KHRUSHCHEV'S SUMMIT SPUTNIK

(By Stanislaw Mikolajczyk)

Hard upon the heels of the shrewd and well-conducted political and psychological offensive which he initiated with the launching of the sputniks, Khrushchev has undertaken a drive for a new summit conference.

FEARS AND GLOOM OF THE SOVIET PEOPLE AFTER SPUTNIK

Attitudes and opinions aroused by the sputniks differed in various parts of the world. In the Soviet Union, except for a display of national pride in certain chauvinistic and imperialistic Russian circles, the launching of the sputniks heightened the widespread fears of a possible return to full Stalinization of the Communist system. Many were apprehensive lest the bubbly champagne of success go to Khrushchev's head and prompt him to increase the already heavy burden of military preparedness, thereby moving toward world war III and diminishing the hopes of liberation still entertained by many people among the oppressed nations in the Soviet Union. Both the success of the launchings and the reactions to it helped Khrushchev to speed up his fight for power through purges of a number of top political and military leaders. They also made it easier for him to celebrate the 40th anniversary of the Bolshevik revolution as a glorification of the alleged superiority of the Communist system. Unquestionably, reaction to the sputniks aided Khrushchev in other ways as well: He found it easier to reunite the Communist parties in the Free World in support of a renewed offensive for Communist world domination. At the Moscow Conference, he managed to rally the Communist parties of many countries, plagued though they were by national opposition and internal differences, behind a new drive for increased Communist diversion, and to regiment them for a new campaign which should lead to Communist domination of the world.

Despite Khrushchev's success, the people of the Soviet Union are well aware of the fact that the sputniks will not produce more bread, build more houses or turn out more spare parts for tractors in the Soviet Union. The sputniks, therefore, far from creating a joyous atmosphere and offering perspectives for a better future, have only deepened the fear and gloom felt by the Soviet people.

THE WAITING ATTITUDE OF THE PEOPLE IN THE CAPTIVE COUNTRIES

In the countries behind the Iron Curtain, where the people have become accustomed to living under totalitarian systems—first under the Nazis and later under the Communists—faced with the constant threat of death, plagued by terrible living conditions and convinced that they have nothing more to lose, the sputnik propaganda was also not too effective in arousing any sincere feeling for communism. It is true that the hopes of the peoples behind the Iron Curtain for liberation are pinned to Western, and especially American superiority and that these hopes had already been diminished by Western indifference during the Poznan and Budapest anticommunist uprisings. Nevertheless, their faith in Western superiority and in the devotion of the West to principles of justice, democracy, freedom and national independence remained high. The sputniks, it must be admitted, did raise some doubts and created an attitude of apprehensive waiting: What would be the American reply to Khrushchev's sputnik propaganda?

KHRUSHCHEV'S SOCIALIST SUPERIORITY, POPULAR FRONTS, AND WOOING OF WESTERN EUROPE

Khrushchev has been trying to win over Western Europe by tempting it with increased trade on the one hand and on the other hand by trying to convince it of the superiority of the Socialist system. There was, therefore, a concerted drive begun to create a number of people's fronts—that is, a united front of social democrats and other radical democratic parties with the Communists. The social parties, however, are very well acquainted with the Communist slogans of unity, and here Khrushchev met with failure. Still, it is neither wise nor safe to underestimate the possible effects upon the minds of many in Western Europe of Soviet propaganda which presents the sputniks as proof of the superiority of a Socialist system.

The sputnik propaganda did not quite succeed in producing the intended results in Western Europe. The nations of Western Europe had been living for some time under the threat that any Soviet aggression against the West would strike at them first, but the boastful Communist propaganda campaign centered about the sputniks went too far. For it ended by demonstrating clearly that an atomic war would hit first the United States in order to prevent retaliation. This tended to diminish the fears that Western Europe would become the first victim of a nuclear attack, and the West European peoples, acquainted with Communist tactics from the daily struggle against powerful Communist parties in their own countries, began to look upon the sputnik propaganda more calmly.

Having shaken off some of their fear, the countries of Western Europe tried to counteract the effects of the sputnik propaganda by planning to reinforce the defensive organization of NATO, and to strengthen the NATO alliance by political and economic measures which would not only lead towards greater unity among the Western allies but also help to eliminate memories of old differences while preventing future disagreements. There was a notable tendency among some of the NATO members to insist that the Western reply to the challenge of the sputniks should not be couched only in terms of missile bases; for such a narrow approach would leave an opening for Communist propaganda to point out to the peoples of Europe that American policy in Europe is concerned only with military bases for missiles and goes no further. In this respect, the last conference of NATO did not meet the expectations of some European peoples, despite the fact that the conference did strengthen the power and unity of the alliance.

Khrushchev's tactics aroused a great deal of concern in Western Europe; for, while threatening the United States with immediate and complete atomic destruction, he also held out the promise that the United States and the Soviet Union could come to agreement between them and thereby solve all the outstanding problems endangering peace and security. The suspicion has spread throughout Western Europe that, in such a bilateral agreement, the interests of the West European nations might be disregarded or even sacrificed. Consequently, the tendency among certain West European statesmen to press for an early summit meeting is tempered by this suspicion and is prompted by an eagerness to be present at all East-West conferences, to forestall any possible agreements between the United States and the Soviet Union which might result in a betrayal of the interests of Western Europe.

INCREASED NEUTRALIST FEELING IN ASIA

In the Asian countries, where respect for American power and superiority has always been a great psychological factor, the sputnik propaganda was quite damaging. Among other things, it served to cover up the Soviet Government's failure to provide the economic assistance it had promised certain Asian governments and its inability to maintain its boastfully publicized program of economic and military aid to Asian countries. Under these circumstances, it was to be expected that neutralist tendencies should be strengthened in Asia.

We need not enter into great detail here concerning Soviet exploitation of sputnik propaganda in the Middle Eastern situation. It is sufficient to note that Soviet propaganda succeeded in greatly diminishing the influence of the Eisenhower doctrine and in damaging the reputation of the West.

EFFECTS OF THE SPUTNIK POLICY IN THE UNITED STATES OF AMERICA

The most damaging effect of the sputnik propaganda appeared in the United States. For a few days, American public opinion was caught by surprise. A materially prosperous nation was suddenly confronted with the prospect not only of losing its economic wealth but also of being threatened with physical destruction.

American public opinion, fed for years upon ideas of appeasement, containment, peaceful coexistence, belief in the possibility that national communism would split the Soviet empire and save the West a troublesome job, was unexpectedly faced with a choice between the possibility of losing everything, including the lives of millions upon millions of Americans, and the possibility of capitulating before Moscow's demands, supposedly to save lives and property.

But the sputnik propaganda overreached itself here too, and it backfired. It soon became clear that there was no ground for such apprehensive feelings, because sputniks are still a problem for future generations to cope with. The immediate threat to peace is created by Soviet military forces, submarine boats, bombers and long-range missiles. Today's military problem is not how to launch an earth satellite to bombard the earth from a height of 200 miles but how to destroy the enemy's long-range missiles and how to strike accurately at enemy targets.

In a short time, the Americans reasserted their superiority in this field, and their bases around the world still remain important factors in the defense of the Free World. Furthermore, the recent launching of the Explorer has not only demonstrated that America is capable of exploring outer space but it has removed any doubt that American scientists will do so more successfully than the Soviets.

Most important of all, the American people are not passive and have no intentions of considering capitulation or surrender. So far as the American people are concerned, the Soviet sputnik propaganda has backfired. Contrary to what the Soviets expected, the American people have displayed a sober attitude, an awareness of danger, and an understanding of the need to pool all resources—political, economic, scientific—and to close ranks tightly with all the free peoples of the world who are their allies in a common cause. In short, common sense prevailed and not panic.

IDEOLOGICAL WEAPONS AGAINST COMMUNISM UNDERESTIMATED

Nevertheless, a great deal remains to be done in the present situation, to rectify the errors committed by the United States in its leadership of the Free World.

Even in the matter of enlightening American public opinion, a great many mistakes must be undone. The truth, however unpleasant, and not wishful thinking, must remain the guiding principle of the American press and other mediums of communications.

One of the most modern and effective means of mass communication, the film industry of the United States, ought, finally, to enter wholeheartedly into the ideological struggle against communism. Until now, the film industry, except for a small number of films prepared for television, has really not produced any good ideological anti-Communist films, and has completely disregarded the need for widespread enlightenment of American public opinion in the matter of Communist aims and tactics. Guided solely by their business interests, and basing their product solely upon the principles of entertainment and suspense, many Hollywood producers can now export to the Soviet Union or to countries behind the Iron Curtain American films which not only do little to further the cause of freedom, democracy, and justice but can even be detrimental to American interests.

Let us hope that the policy which, in its attempts to appease the Communists in the matter of the atomic threat to peace, resulted in a weakening of the ideological struggle against communism will cease to exist. For it is precisely the fight against Communist ideology which has strengthened the morale of the oppressed peoples in their resistance to Communist oppression and has created many internal difficulties for the Communist regimes.

No sane person can deny the necessity for making every possible effort to find a solution for saving mankind from nuclear destruction. But this should not be done at the cost of sacrificing the ideological fight against communism. When all efforts to secure the world from atomic war have failed, and this is quite possible, ideological weapons will remain the chief, and perhaps the only, effective arms left to the West.

SUMMIT SPUTNIK TO REPLACE THE FADING EFFECTS OF SPUTNIKS I AND II

Although the world appears confused by wishful thinking and by misleading Communist propaganda, Khrushchev, who has never failed to openly declare the final aims of communism and to attack every non-Communist movement or government as capitalistic, imperialistic and warmongering, has not failed to perceive very clearly that the effects of his sputnik propaganda are wearing thin. He is, therefore, making every effort to bring about an early summit conference at which he can capitalize upon the already fading impact of his recent successes, before it is too late. As a result, the foreign offices of the Western countries are being bombarded by an endless series of Khrushchev's public statements and by Bulganin's letters. The foreign offices of the West barely manage to study and to reply to one series of statements and letters and to find time to consult among themselves when they are confronted with another series of letters and statements.

The average citizen in the Free World is even worse off, for all he can do is read excerpts from Moscow's letters and portions of the replies to them, but he is unable to study or sometimes even to read the full texts of these letters.

A few weeks ago President Eisenhower and Prime Minister Macmillan in their letters to Bulganin demanded, among other things, that the problem of the captive countries, where the Soviet Union has violated all international agreements and destroyed the national and human rights of the subjugated peoples, should be put on the agenda of any proposed summit meeting. The idea of a summit conference, however, seems already to have been accepted by all the Western nations. There remained only the method of preparing the conference and its agenda, for the necessity for a summit conference seems to have been determined. There have even been arguments for an early summit meeting, on the grounds that the sooner a summit meeting is held, the sooner we can find out what Moscow really has in mind, as if it were necessary, in the face of past experiences with the Soviets, and in view

of Khrushchev's many public statements, to search very far to uncover Moscow's real intentions.

There were some who argued that it wou'd be better to "talk it out rather than shoot it out with Moscow." I am opposed to a policy which requires shooting it out with Moscow, but I cannot forget that the policy of "talking it out with Moscow," pursued by some of the West's most prominent statesmen, did not save Central and Eastern Europe from Soviet aggression and failed to bring real peace to the world.

MOSCOW'S "NYET"

With Bulganin's last letter, however, those who most fervently supported an early summit conference on the grounds that the West could most quickly and easily discover at such a summit conference what the leaders of the Kremlin really want, have already been told what the Soviets have in mind.

Mr. Bulganin's last letter is practically a cynical "no" to all the most important items of the tentative agenda for the summit conference previously suggested by Western statesmen.

No wonder, then, that President Eisenhower, at his last press conference, made the following remarks on Bulganin's letter:

"There is no use in going to a summit conference with the knowledge that neither will adjust himself to the arguments of the other at all; and, frankly, you would just be glaring at each other across the table and go home."

President Eisenhower and Prime Minister Macmillan have also been told what Moscow has in mind for the countries behind the Iron Curtain. Soviet intentions were revealed by their cynical refusal of President Eisenhower's and Prime Minister Macmillan's request to put the problem of the captive countries on the agenda of any summit conference. After having occupied these nations and having saddled them with the Red Army and the Communist security police; after the mass deportations and the introduction by force and deceit of the Communist dictatorship which has exploited them for years and made them serve the purposes of Communist aggression against the Free World; after having violated all national and human rights, and after constructing Soviet military bases on their territory and condemning them to serve as the first atomic battlefield and their youth as cannonfodder in the service of Soviet imperialism, Soviet Russia is determined, at any price, to keep these nations under her control. Khrushchev claims that he does not want "to intervene in the domestic affairs of these nations."

To a request for discussion of the Hungarian problem, the reply was also a cynical "no," coupled with the accusation that the Hungarian people did not rise in despair against Soviet intervention in their domestic affairs, but that it was the Western Powers that instigated the Budapest uprising, so ruthlessly smashed by the Soviet armies.

Even in the case of Germany, Bulganin refused to agree to discussions, presumably to avoid a repetition of the comedy at Geneva, where, after agreeing to the Western demand for unification of Germany the Moscow leaders went straight to East Berlin the very next day and there announced that they had not the slightest intention of honoring the agreement reached the previous day in Geneva.

In view of Bulganin's most recent letter, then, the question seems to be not when the summit conference will be held, how it will be prepared and what will be its agenda, but rather why such a summit conference should be held at all, when all the most important problems to be discussed there, and if possible settled, have already been disposed of with a brutal and cynical "no."

WHAT IS THE TARGET FOR MOSCOW'S SUMMIT SPUTNIK?

Have Bulganin and Khrushchev outsmarted themselves again? I do not think so. They probably think that the Western Powers will come anyway. Furthermore, they themselves are not risking very much; the biggest risk they face is a possible delay of the summit conference. But if the Western Powers agree to come under such conditions, their consent will be interpreted as a "sputnik victory" and the surrender of the West. This will destroy whatever respect and affection the oppressed people have for the West, for it will undermine their belief in all the principles for which they believe the West stood. To their own people, the Moscow leaders will picture Western agreement to participate in a summit meeting when the main problems to be settled have already been disposed of with a negative reply, as a capitulation brought about by fear of the sputnik.

In the countries behind the Iron Curtain and in Germany, they will most certainly present Western participation in a summit conference on Soviet terms as follows: "You see, the West has agreed not to touch upon your fate at all. You have been abandoned by these faithless people whom you trusted. Obviously, they prefer to go along with us rather than make an issue of your future. You are forever doomed to live within the Soviet orbit, for by not raising your problem, the West has entered into an unsigned agreement to accept the status quo in Europe. Therefore, do not dream any more of freedom and independence or of aid from the West. Seek your happiness in the Communist paradise with so many others who are happy, and cease your idle dreams—or we will repeat the lesson of Budapest for you."

Bluffing as they are, the Soviets understand very well the psychological effects of their political actions. Will the West, by agreeing under such circumstances to a summit conference, allow itself to help the Soviets to destroy the morale of the peoples oppressed by communism? Will the West help Soviet imperialism to stabilize its radically weakened hold upon the minds of millions upon millions of people who are still friends and allies of the West in the fight for a common cause?

If today there is no real possibility of changing the situation, the West should at least refrain from helping the enemies of freedom, justice, and democracy to complete the moral defeat of the peoples already oppressed and conquered by Communist dictatorship. It must not undermine its own position, because, in the long run, this would increase rather than diminish the chances for world peace and security.

Hence the question: Why, under such circumstances hold a summit conference at all? What for? To help the Communist conquerors, oppressors, and imperialistic aggressors?

THE LATE WILLIAM F. MURPHY

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker the strength of this country of ours is in the many men and women whose lives are given to the enrichment of the communities in which they were born or to which that had come to pass the adult years of their stay on earth. They do not seek the plaudits of state or of nation for theirs is the interest of home scenes and home folks. The fame that they seek is in the good will of their neighbors. They are satisfied that if through their effort and dedication the place in which they live is kept true to the finest American traditions all will be well with the Nation.

In paying tribute today to the memory of the Honorable William F. Murphy, who will be buried tomorrow at St. Joseph, Michigan, the place of my birth, I am likewise paying tribute to all the men and women in all the many places of our country, the cities, and the villages and the crossroads, who by their devotion and dedication to the welfare of local communities maintain the strength of our beloved country.

Bill Murphy loved St. Joseph with a love of place of nativity that has never been surpassed. To him there was no other spot where the flowers bloomed and the birds sang and men and women reached such stature in a climate of warm association. He was a great American. He was my friend for over six decades. I knew him in his young manhood and the last time I saw him a year or so ago he was still dynamic, virile, smiling his cheer and his optimism with undiminished faith in the goodness of people. St. Joseph has lost one of her greatest sons, our country has lost one of its pillars of strength.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I will be delighted to yield to the gentleman from Michigan.

Mr. HOFFMAN. It would be a pleasure to join in the gentleman's commendation of our distinguished former neighbor who was well known in the community as a most helpful, patriotic citizen.

Mr. O'HARA of Illinois. I thank the gentleman.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER that his special order of 1 hour for tomorrow be transferred to March 26.

Mr. MACHROWICZ, for 30 minutes, tomorrow.

Mr. BETTS, for 30 minutes, today.

Mr. HIESTAND, for 1 hour, on Tuesday next.

Mr. SADLAK, for 30 minutes, today, and to revise and extend his remarks and include extraneous material.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and to include extraneous material.

Mr. CELLER.

Mr. ALLEN of Illinois and to include extraneous matter.

Mr. FLOOD (at the request of Mr. McCORMACK) and to include extraneous material.

Mr. WILLIS (at the request of Mr. McCORMACK).

Mr. MCGREGOR and include certain statements.

Mr. ANDERSON of Montana.

Mr. BREEDING.

Mr. MAY and to include extraneous material.

Mr. JENKINS.

Mr. MULTER (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. SIEMINSKI (at the request of Mr. McCORMACK).

Mr. RODINO (at the request of Mr. McCORMACK).

Mrs. GRANAHAN.

Mr. HOLTZMAN (at the request of Mrs. GRIFFITHS) and to include extraneous matter.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 532. An act to revise and modernize the fish and game laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 602. An act to provide for the acquisition of additional land to be used in connection with the Cowpens National Battleground site; to the Committee of Interior and Insular Affairs.

S. 847. An act to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont.; to the Committee on Interior and Insular Affairs.

S. 1843. An act to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942; to the Committee on the District of Columbia.

S. 1934. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution; to the Committee on House Administration.

S. 1987. An act for the relief of Richard K. Lim and Margaret K. Lim; to the Committee on the Judiciary.

S. 2115. An act to amend the act of June 7, 1897, as amended, and section 4233 of the Revised Statutes, as amended, with respect to lights for vessels towing or being overtaken; to the Committee on Merchant Marine and Fisheries.

S. 2557. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; to the Committee on Interior and Insular Affairs.

S. 2630. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America, and to permit use of certain lands of the Air Force Academy for use at the Girl Scout Senior Roundup Encampment, and for other purposes; to the Committee on Armed Services.

S. 2713. An act for the relief of Abbas Mohammad Awad; to the Committee on the Judiciary.

S. 2735. An act for the relief of Sayo Ono Taylor; to the Committee on the Judiciary.

S. 2807. An act for the relief of Johanna Dippold; to the Committee on the Judiciary.

S. 2813. An act to provide for certain credits to the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District in consideration of the transfer to the Government of property in Phoenix, Ariz.; to the Committee on Interior and Insular Affairs.

S. 2937. An act to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government; to the Committee on Agriculture.

S. 3059. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes," approved March 1, 1899, as amended; to the Committee on the District of Columbia.

S. 3100. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; to the Committee on Merchant Marine and Fisheries.

S. 3243. An act to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia; to the Committee on the District of Columbia.

S. Con. Res. 71. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota; to the Committee on House Administration.

S. Con. Res. 72. Concurrent resolution favoring Congressional recognition of the 20th anniversary of civil aviation under the Civil Aeronautics Act of 1938; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply to the District of Columbia;

H. R. 7696. An act to authorize certain persons to wear the uniform of a reserve officers' training corps;

H. R. 8250. An act to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes;

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam;

H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Illinois, to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 439. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Washington, to be admitted without payment of tariff, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2042. An act to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50083, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 509. Resolution authorizing the President to invite the States of the Union and foreign countries to participate in the second annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

ADJOURNMENT

Mrs. GRIFFITHS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 21 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 19, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1727. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 13, 1958, submitting a report, together with accompanying papers and an illustration, on a review of reports on Fort Pierce Harbor, Fla., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 1, 1946; to the Committee on Public Works.

1728. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1729. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order suspending deportation in the case of Hans Christian Gunnar Mikkelsen, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1730. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1731. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Pax Dominguez Cabatit, A-7427005, involving suspension of deportation under the provisions of section 244 (a) (1) of the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1732. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1733. A letter from the Comptroller General of the United States, transmitting a report on the review of the activities of overhaul and repair departments of naval air stations, Department of the Navy; to the Committee on Government Operations.

1734. A letter from the Comptroller General of the United States, transmitting a report on the audit of the United States Section, International Boundary and Water Commission, United States and Mexico, Department of State, for the fiscal years ended June 30, 1956 and 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1735. A letter from the Under Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. Senate Joint Resolution 162. Joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws; with amendment (Rept. No. 1508). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 1126. A bill to amend the Tariff Act of 1930 to provide that muzzle-loading pistols and revolvers shall be exempt from duty; with amendment (Rept. No. 1509). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 9923. A bill to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes; with amendment (Rept. No. 1510). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 11178. A bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to special dairy programs; with amendment (Rept. No. 1511). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAINS:

H. R. 11460. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. RAY:

H. R. 11461. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income-tax reductions and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H. R. 11462. A bill to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H. R. 11463. A bill to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. PORTER:

H. R. 11464. A bill to amend the Railroad Unemployment Insurance Act so as to temporarily increase from 130 to 195 the maximum number of days of unemployment, within a benefit year, for which unemployment benefits may be paid, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 11465. A bill to provide for unemployment reinsurance grants to the States to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H. R. 11466. A bill to amend and supplement the Highway Revenue Act of 1956, and for other purposes; to the Committee on Public Works.

By Mr. CRAMER:

H. R. 11467. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

By Mr. DOWDY:

H. R. 11468. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

H. R. 11469. A bill to amend section 872 of the act of March 3, 1901, relating to indecent publications to provide for a minimum jail sentence for violation of that section, and for other purposes; to the Committee on the District of Columbia.

By Mr. KILDAY:

H. R. 11470. A bill to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes; to the Committee on Armed Services.

By Mr. PILLION:

H. R. 11471. A bill to prohibit Government agencies to acquire or use the National Grange headquarters site without specific Congressional approval; to the Committee on Public Works.

By Mr. PRICE:

H. R. 11472. A bill to amend the Water Pollution Control Act with respect to the appropriation and allocation of construction grant funds for sewerage treatment works; to the Committee on Public Works.

By Mr. ROBSION of Kentucky:

H. R. 11473. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

By Mr. SPENCE:

H. R. 11474. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMPSON of Louisiana:

H. R. 11475. A bill to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIS:

H. R. 11476. A bill to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Merchant Marine and Fisheries.

H. R. 11477. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNGER:

H. R. 11478. A bill to amend the Internal Revenue Code of 1954 and the Internal Revenue Code of 1939 to provide that no documentary stamp tax shall be imposed with respect to any conveyance to which a State or political subdivision is a party; to the Committee on Ways and Means.

By Mr. BAKER:

H. R. 11479. A bill to amend the Federal Employees' Compensation Act to provide compensation for the anatomical loss, or loss of use, of a procreative organ as a result of a personal injury sustained by a Federal employee while in the performance of his duty; to the Committee on Education and Labor.

By Mr. GRAY:

H. R. 11480. A bill to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. MILLER of New York:

H. R. 11481. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

By Mr. MONTOYA:

H. R. 11482. A bill to amend the act of July 31, 1953, relating to the Arch Hurley Conservancy District, Tucumcari reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H. R. 11483. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 11484. A bill to repeal the excise tax on communications; to the Committee on Ways and Means.

By Mr. SAUND:

H. J. Res. 579. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. PORTER:

H. Con. Res. 297. Concurrent resolution expressing the sense of Congress that special consideration be given under the foreign aid programs of the United States to Latin American countries which adhere to the charter of the Organization of American States; to the Committee on Foreign Affairs.

By Mr. DELLAY:

H. Res. 504. Resolution favoring the application of the principle of self-determination to the people of Cyprus; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLE:

H. R. 11485. A bill for the relief of Mrs. Helen MacDougall; to the Committee on the Judiciary.

H. R. 11486. A bill for the relief of Charles R. Howard; to the Committee on the Judiciary.

By Mr. LONG:

H. R. 11487. A bill for the relief of Vassiliki and Maria Ioannou; to the Committee on the Judiciary.

By Mr. MAILLIARD (by request):

H. R. 11488. A bill for the relief of Ko Wai Sing; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 11489. A bill for the relief of Joyce Lee; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 11490. A bill for the relief of Giovanni Budano; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 11491. A bill for the relief of Charles Bernstein; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 11492. A bill for the relief of Mr. and Mrs. Moses Glikowsky; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 11493. A bill for the relief of Francisca Mortell Grepo; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 580. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

477. By Mr. HORAN: Petition of Mrs. Walter A. Zellmer and 21 other residents of Davenport and Harrington, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television and radio broadcasts; to the Committee on Interstate and Foreign Commerce.

478. By the SPEAKER: Petition of Perell McDowell and others, Benton Harbor, Mich., requesting passage of H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

479. Also, petition of the secretary, American Bar Association, Chicago, Ill., with respect to administrative agency practice and procedure and the desirability of a code of agency-tribunal standard of conduct; to the Committee on the Judiciary.

480. Also, petition of the president, Lihue Businessmen's Association, Kauai, T. H., requesting Congress to enact legislation for the introduction of bauxite mining in the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Domestic Parity or Two-Price Plan for Wheat

EXTENSION OF REMARKS

OF

HON. J. FLOYD BREEDING

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. BREEDING. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

STATEMENT BY THE HONORABLE J. FLOYD BREEDING, OF KANSAS, BEFORE THE HOUSE AGRICULTURE WHEAT SUBCOMMITTEE IN SUPPORT OF H. R. 8059, AND OTHER SIMILAR MEASURES

Mr. Chairman, first, may I thank you for this opportunity to present to this subcommittee a brief statement in support of H. R. 8059, which would provide for the establishment of the so-called domestic parity or two-price plan for wheat.

My bill H. R. 8059, and other similar measures, I believe, proposes a sound approach to the wheat producer's objective of attaining maximum production on the farm while maintaining the producer's income in a proper relationship with other segments of the national economy.

This objective would be accomplished by allowing the wheat farmer to deal more extensively in the open marketplace on the basis of quality, and by moving more wheat into export and feed-consumption channels.

There would be established a marketing system whereby the farmer would be guaranteed, through certificates issued by the Secretary of Agriculture, on the basis of the farmer's average yield, full or 100 percent of parity for approximately one-half his crop. In other words, the certificate would represent compensation to the wheat producer for the estimated difference between parity and the seasonal average farm price of wheat for his share of that amount of the Nation's wheat production which is estimated to be sold for domestic consumption, usually about half the country's production.

Since premium or high-quality wheat will naturally bring a higher price in the marketplace than a lesser grade wheat, the farmer will have greater opportunity to receive more per bushel for his wheat, based on quality.

For that portion of the farmer's production above his share of the estimated amount expected to be consumed domestically, he would sell competitively in the open market; thereby receiving prevailing market prices for wheat to be processed for export, feed, or industrial uses.

In addition, the system would be largely self-supporting since the money for the Secretary's revolving fund, from which the certificates would come, would be obtained from processors who will purchase the certificates for the wheat they mill for domestic human food consumption.

That, briefly, is the program, Mr. Chairman. I think the proposal would contribute greatly to placing the grain buyer and the farmer once again in the business of buying and selling wheat on the basis of quality; and allowing wheat to move more freely in the marketplace without Government subsidies and severe controls, while protecting the grower's income to the benefit of the overall economy.

Unemployment Worse in August 1941 Than It Is Today

EXTENSION OF REMARKS

OF

HON. J. HARRY McGREGOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. McGREGOR. Mr. Speaker, we are all in favor of doing everything possible to see that everyone has the right to work and earn a living for his family. The New Dealers, however, have been making many misstatements of fact. They would have us believe that somehow things were better during the Roosevelt regime, when our Nation was involved in the most colossal spending spree in its entire history. The record will show that deficit spending under the New Deal had driven the country deeply into debt and yet, at the beginning of 1941, 8 long years after Roosevelt's inauguration, there were still 8,120,000 unemployed, or 14.6 percent of the total available labor force. Today, the plain facts are that the number of unemployed and the percentage of the total available labor force unemployed are both less than half as large as they were in the first year of F. D. R.'s third term. Not until the beginning of World War II was there any relief from the tremendous unemployment problem, and then it was the sneak attack by the Japanese and not the New Deal spending program which caused the drop in unemployment. In only 3 of 14 years did Democrat administration succeed in holding unemployment below 5 percent of the labor force. In only 1 Republican year, on the other hand, did unemployment go above 4 percent of the labor force. Let us look at the record. It speaks for itself.

	Unemployment	Percent of labor force
1933	12,830,000	24.9
1934	11,340,000	21.7
1935	10,610,000	20.1
1936	9,030,000	16.9
1937	7,700,000	14.3
1938	10,390,000	19.0
1939	9,480,000	17.2
1940	8,120,000	14.6
1941	5,560,000	9.9
1946	2,270,000	3.9
1947	2,142,000	3.6
1948	2,064,000	3.4
1949	3,395,000	5.5
1950	3,142,000	5.0
1953	1,602,000	2.5
1954	3,230,000	5.0
1955	2,654,000	4.0
1956	2,551,000	3.8
1957	2,693,000	4.0

Overbrook High's Elvera Rena Erlich

EXTENSION OF REMARKS

OF

HON. KATHRYN E. GRANAHAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mrs. GRANAHAN. Mr. Speaker, I do not want to give the impression of being a superfeminist, but I think it is well worth noting here that both of the Pennsylvania winners in the Westinghouse science talent search recently were young ladies from the Philadelphia area, Lise Jo Waldman, 16, of 625 South Avenue, Secane, a student at Upper Darby High School, and Elvera Rena Erlich,

15, of 5648 Diamond Street, Philadelphia, a student at Overbrook High School.

Since only 8 girls throughout the Nation were among the 40 finalists in the annual contest this year, I think the achievements of these 2 girls from the Philadelphia area are really remarkable.

I am particularly proud of Miss Erlich for the reason that she resides in my Congressional District with her parents, Mr. and Mrs. Henry Erlich, whom I have known for many years.

Elvera Rena Erlich's project in the Westinghouse science talent search described her discovery of a new reaction product in the decomposition of ammonium dichromate and her search for the reasons for such a reaction.

Elvera, who intends to enter Bryn Mawr College to begin training leading to a career in medical research, has won several writing contests at press conventions and was given the Quill and Scroll Award as editor of her school newspaper. Her hobbies are reading, chemistry, and bacteriology.

She has invented a cleaner for mimeograph ink stains and has mixed luminescent paint for her basement stair treads. For her piano practicing, she devised a timer from a metronome, thread, bobbin, and a clock.

The people of Philadelphia are proud and happy that this outstanding young scientist has brought such honor to our city and to our schools, and on behalf of the citizens of the Second Congressional District I want to express that sense of pride here in the House of Representatives, particularly as we hear so much here these days about how the youngsters of our country are not showing sufficient interest in science.

Steel Prices Hold Despite Slow Demand

EXTENSION OF REMARKS
OF
HON. LeROY H. ANDERSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. ANDERSON of Montana. Mr. Speaker, this morning's paper has an article that should be carefully read by those who have been attacking the Democratic program of higher prices for farm products.

The headline says, "Steel Prices Hold Despite Slow Demand." The body of the article says that steel operations last week were at 52.5 percent of capacity. It says:

> Steelmaking continued at its lowest level of the year last week, but manufacturers show no inclination toward cutting prices to stimulate buying, Steel magazine reported yesterday.
>
> Experience has taught steelmakers that price cutting doesn't increase steel demand, the weekly magazine of metalworking said.

I also have an article by an executive of a steel company, complaining about Government help for farmers and suggesting that agriculture return to a free market. Now, why doesn't steel return to a free market and cut the price of steel when demand drops?

If the worker gets a few cents more, big steel ups their price several times the additional cost of labor and blames it on the unions. In spite of alltime record high profits made at lower levels of production last year, big industry is not willing to cut prices in the face of a lowered demand. My economics book describes the situation that now exists as a monopoly situation. Perhaps some antitrust action will be called for to get prices down, instead of letting big steel, big auto and other big industry drive the country to the brink of recession with their insistence on record profits under adverse conditions.

Total farm net income will not even pay farmers a decent wage for their labor, let alone give them any return on their enormous investment. Farmers and labor must stand together against those who would drag them down separately. In prosperity for agriculture and the workingman, we can find prosperity that will reach every corner of our economy.

Let steel apply to their own industry the prescription they are so willing to offer the farmer—a return to the law of supply and demand.

Mr. and Mrs. J. Wilber Cortright

EXTENSION OF REMARKS
OF
HON. LEO E. ALLEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. ALLEN of Illinois. Mr. Speaker, it is with great pleasure that I call the attention of the Members of the House of Representatives and the United States Senate to the 62d wedding anniversary of Mr. and Mrs. J. Wilber Cortright, rural route 4, Dixon, Ill., which they will celebrate on March 24.

Few, indeed, are the couples who reach such a milestone. Mr. and Mrs. Cortright have lived their lives together in the true American spirit—unselfishly devoting themselves to family, friends, and community.

John Wilber Cortright and Mary Etta Smith were united in marriage on March 24, 1896, in Dixon, Ill. Both were born in Dixon. Mrs. Cortright was 81 years of age on March 9; Mr. Cortright reached his 82d year on February 28. Two children were born to this couple: a son, Vernon Smith Cortright, who passed away in 1918 at the age of 18; and a daughter, Mrs. Queta Kathryn Wainscott, who resides on rural route 4, Dixon, Ill.

In his early life, Mr. Cortright was a teacher in the public schools of Dixon. In order to provide a better livelihood for his family, he later became a progressive farmer; and, although he officially retired in 1943, he still is the active manager of the family farm.

In 1952 a well-deserved honor was bestowed upon Mr. Cortright, which he appropriately shared with his wife, whom he credits with a great measure of his life's success. In that year he was named top American in the Dixon community, receiving the Americanism award which was cosponsored by the Dixon Jaycees and the Dixon Chamber of Commerce.

At the banquet at which the Americanism award was presented to Mr. Cortright, the official program had this to say:

> Mr. J. W. Cortright, recipient of the 1952 Americanism award, has, during the past year, served his community as supervisor of South Dixon Township, chairman of the Lee County Nursing Home, trustee of the Dixon Rural Fire Department, a member of the county board of school trustees, and teacher of a boys' Sunday school class. Nominated by the Practical Club of Dixon, Mr. Cortright—a gentleman 70 years young—was selected by the judges as outstanding in his personal advancement of Americanism, civic and community service, and citizenship responsibility in 1951.

In selecting Mr. Cortright for this award, the nominating group had taken into consideration his 16 years of service as town clerk of South Dixon Township; his 24 years as supervisor of that township; his early efforts in behalf of the county YMCA; his years as a Sunday school teacher; as well as the many days, weeks, and months given by him in behalf of varied civic and community endeavors.

In addition to the above, the nominating committee was also aware of the great humanitarian service performed by Mr. and Mrs. Cortright in the opening of their home to 5 orphans for a period of 16 years.

In accepting the Americanism award in 1952, Mr. Cortright summed up his life as one predicated on a belief in God, truth, and a heritage of his pioneer ancestors. He paid tribute to his life's partner as one who had worked at his side, and shared both his griefs and successes.

Mr. Speaker, I am certain all of you here share my pride in the lives and accomplishments of Mr. and Mrs. Cortright, and join me in sincerest congratulations to them on the happy and memorable occasion of their 62d wedding anniversary.

Recognition of Government Employee Unions

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. HOLTZMAN. Mr. Speaker, I would like to insert in the CONGRESSIONAL RECORD the statement I presented to the House Committee on Post Office and Civil Service on the desirability of reporting out H. R. 6, a bill which would grant official recognition of Federal employee organizations.

The statement follows:

STATEMENT OF THE HONORABLE LESTER HOLTZMAN BEFORE THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE ON H. R. 6, MARCH 11, 1958

Mr. Chairman, I would like to speak in behalf of H. R. 6, which was introduced by Congressman GEORGE RHODES of Pennsylvania, and which is now being considered by your committee. The bill would grant recognition to Government employee unions, and would require Government agencies to deal officially with such unions on personnel matters and grievances.

I appreciate the opportunity granted me to present my views on this legislation to the committee, and would urge you to report the bill favorably. I had introduced similar legislation in the 84th Congress, and at that time had urged your committee to act promptly on it.

As you know, the bill would extend to any national employee organizations representing postal or other Federal workers, the right to present in behalf of any member of such organization any grievance to the department or agency concerned. The law recognizing organizations of postal and other Federal employees was enacted in 1912, over 45 years ago. The enactment of H. R. 6 would permit these union representatives to present grievances in behalf of their members, and would certainly contribute to better personnel relations between employees and supervisory officials. It would boost the morale of our Federal workers, and would give them the job protection to which those in private industry are now entitled under the provisions of the National Labor Relations Act.

Granting the same rights and privileges to our Government employees is only fair and equitable, and I trust the committee will act favorably on this legislation.

On Behalf of Youth Two Editors Take a Positive Approach

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. PORTER. Mr. Speaker, Editor Charles V. Stanton, of the Roseburg (Oreg.) News-Review in my District has stated editorially that newspapers everywhere are striving to interest more young readers.

Charley Stanton and his assistant editor, George Castillo, may well say this because they have pioneered in this field.

Last year the News-Review inaugurated a new and special interest area devoted to youth. The newspaper later conducted a contest, asking their young readers in Douglas County to name the youth page. The winning entry was Today's Youth—Tomorrow's Citizen.

I have followed the progress of this page with interest. Last May 14 I wrote to George Castillo, as follows:

DEAR GEORGE: I have been following the development of the News-Review's high-school news page with considerable interest.

It seems to me that too often newspapers tend to ignore the needs of their younger readers. Therefore, when a newspaper realizes this need and does something about it, I believe high praise is in order.

Here in Washington, D. C., the Sunday Star carries a special teen section. Because you might find it of interest and possibly helpful, I'm enclosing a copy.

Meanwhile, I think the News-Review has a fine idea and I wish you all well in this pioneering work.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

Mr. Speaker, the Today's Youth page carries news of achievement and information. Students who have won honors are recognized. Wire-service stories geared to the younger reader appear on the page. I suspect that George Castillo sometimes wishes the pages were two or three.

Editor Stanton has summed up the reasons for the page in his editorial, The Youth Page, appearing in the Roseburg News-Review for March 10, 1958, and I should mention that the page has been given favorable mention by the American Newspaper Publishers Association. The reason for this honor becomes apparent from the editorial.

THE YOUTH PAGE
(By Charles V. Stanton)

Approximately 1 year ago the News-Review inaugurated its weekly youth page. The page has been so successful that a report to readers, I believe, is indicated.

The idea for the News-Review's special department, devoted to news of teen-agers, originated from a remark by a young man, who made the assertion that news items about bad kids outnumbered those about good kids.

It was my opinion that the conclusion voiced by the young man was inaccurate, but I couldn't prove it. A subsequent study of the newspaper, however, indicated that news items about the good kids were materially more in number than the stories about juvenile delinquencies. Favorable news was printed as a part of routine news coverage and as such failed to gain recognition as an offset to the news unfavorable to the teen-age group.

Discussing the problem with members of the news staff, the idea was developed that news concerning young people could be segregated from the general run and could be developed as a special department. It was believed that by consolidating items concerning youth activities the general public would be less inclined to look upon all youth as a delinquent class.

WIDESPREAD INTEREST AROUSED

Newspapers everywhere are striving to interest more young readers. Various methods are in use. The majority of newspapers use syndicated features, designed particularly for young readers.

It was the opinion of the News-Review staff that a page devoted to news concerning teen-age activities in the area would be of greater public interest than a page filled with canned features. We have had no reason to question that decision.

A chief factor entering into the development of our youth page was that of the adult outlook toward juvenile delinquency.

From letters to the editor, conversations with various people, and from public expressions at meetings and elsewhere, it seemed that many adults had the opinion that the great majority of teen-agers were to be classed as juvenile delinquents.

As newspaper people we knew that concept was entirely wrong. We knew that delinquents represent only a very small minority of the youth group. By far the vast majority of teen-agers are young people of whom we can be extremely proud.

With the growth of population, however, juvenile delinquents, though no more percentagewise, were more in number. Their escapades received publicity and caused the public to believe that these deviates from normal conduct composed a larger percentage of youth population than was actually the case.

SENTIMENT CHANGE SHOWN

We can't prove by any statistics that the Youth Page published by the News-Review for the past year has been responsible for a change in public attitude. We believe, however, that we can prove the public's attitude has changed.

We can prove it by the fact that we seldom now receive a letter from a reader seriously troubled by the juvenile delinquency problem. It has been a long time since we have had a caller in our office expressing the opinion that all our young people are going to the dogs. Although attention still is given the problem of juvenile delinquency, and many people are at work in an effort to remedy the situation, there is ample evidence that the public now is fully aware of the minority position represented by the delinquents. It is the hope of the News-Review that its Youth Page has helped in bringing about this better understanding and relationship.

The page has received much attention and comment within the newspaper field. It recently was given favorable mention in a bulletin circulated nationwide by the American Newspaper Publishers Association and has been reported in many of the trade magazines.

The page has been adopted as the baby of Assistant Editor George Castillo, who quite jealously insists on doing the editing himself. That it is a popular feature with the county's young people is evident from the way in which they strive to provide the weekly copy from which the page's content is derived.

The staff at the News-Review is grateful for the cooperation the page has received. We believe it has performed a valuable service, not only in disseminating news, but in the broader field of helping to give deserved credit to the good kids of the county and to help the adult population to rid itself of some concepts that previously handicapped relations with the young adults.

New York Chamber of Commerce Dinner in honor of Hon. Herbert Hoover and his associates on First and Second Hoover Commissions

EXTENSION OF REMARKS
OF
HON. JOHN L. McCLELLAN
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES
Tuesday, March 18, 1958

Mr. McCLELLAN. Mr. President, on February 27, 1958, the New York Chamber of Commerce honored, at a dinner in the Waldorf-Astoria, in New York City, the Honorable Herbert Hoover and his associates on the first and second Hoover Commissions.

I was unable to attend, but I have read with much interest the address delivered on the occasion by the Honorable James A. Farley. I believe, Mr. President, the tributes paid to the former President of the United States would be shared in by many of our colleagues, and that Mr.

Farley's remarks would be of interest to them and of interest to all those who read the CONGRESSIONAL RECORD. I therefore ask unanimous consent that the remarks of Mr. Farley be published in the RECORD.

Mr. President, as I stated, on that occasion I was invited to attend the dinner in honor of former President Hoover, and also to make some remarks. I regretted that I found it impossible to be present, but I sent my remarks and asked that the chairman of the occasion read them to the assembly, which I understand was done, and I therefore ask unanimous consent that my remarks be published in the CONGRESSIONAL RECORD immediately following those of Mr. Farley.

There being no objection, the statements of Hon. James A. Farley and Senator MCCLELLAN were ordered to be printed in the RECORD, as follows:

THE HOOVER COMMISSIONS AT WORK

(Address by Hon. James A. Farley, chairman of the board, the Coca-Cola Export Corp., at the New York Chamber of Commerce dinner in honor of Hon. Herbert Hoover and his associates on the first and second Hoover Commissions, in the Waldorf-Astoria, New York City, February 27, 1958)

Mr. FARLEY. It is indeed an honor to be with you here tonight and it is gratifying to see that such a great number of our fellow citizens have recognized and remembered the reports of the first and second Hoover Commissions. But, I think we all know the principal reason we have gathered here tonight and in saying this I know I am speaking for every member of the Commissions and for every person in this room. We are all here to honor one of the greatest citizens of any period of American history.

Herbert Hoover's persevering service has been crowned with many achievements. He has never hesitated to undertake the most laborious and nerve-racking assignment, so long as it promised some benefit to his country, some contribution to the peace and progress of mankind. But I wonder if we appreciate fully the magnitude of the task he undertook when he accepted the chairmanship of the first Commission on Organization in 1947.

The idea behind the Commission was by no means new. Quite to the contrary, it had been tried again and again. Dating back to the Taft administration and beyond, committees and commissions without number had struggled with the problems of Government. Many had worked hard and reported at length. However, all their findings met with official and public indifference and died eventually in the dusty pigeonholes of Washington.

Yet, against such odds, the report of the first Hoover Commission was heard throughout the land. Some 72 percent of its recommendations were adopted in the years between 1949 and 1952. The savings which can clearly be attributed to the report are reckoned conservatively at a total of $7 billion. Lasting and far-reaching improvements in Government management were installed, and the nonmonetary gains thus achieved were perhaps more important than any that can be stated in dollars and cents. Chief of these was the awakening of so many thoughtful citizens to the implications of modern big government and to their own responsibilities in the matter.

This awakening is exemplified to an extraordinary degree by the fine civic work of the New York Chamber of Commerce under your leadership, Mr. Chairman, while on a national basis the Citizens Committee for the Hoover Report has observed a continuously stronger citizen interest in the principles of the Commission in every area.

At all events, an unhappy precedent was broken and a new trend of great importance began to take effect. The first Hoover Commission paved the way for the second. As was fitting, one was conceived in a Democratic, the other in a Republican, administration and both were unanimously created by Congress. As was even more fitting, the man who gave life, breath, and meaning to the first Commission agreed to head the second.

You may be interested in a sidelight which demonstrates in a practical way that something can be accomplished when we attack problems of Government in a spirit of bipartisan teamwork. The first Hoover Commission recommended that the doublechecking of certain Government vouchers be dispensed with and the more modern practice of spot checking adopted in its place. In the past, carloads of vouchers and records were hauled to Washington from outlying Federal offices, where they had already been checked once, to be checked all over again at the General Accounting Office.

At the time the Commission suggested an end to this practice a large new building was being erected for the General Accounting Office in Washington. Soon thereafter, the Commission's recommendation on spot checking was adopted. The mighty flood of vouchers and records was reduced to a trickle. Consequently, when the second Hoover Commission came to town and began looking for a home there was plenty of room in the General Accounting Building and there we made our headquarters.

I felt deeply honored, of course, when President Eisenhower invited me to serve as a member of the second Commission. Frankly, I did not realize what a rich experience awaited me until the Commission assembled and began its work. Let me give you a few of my predominant impressions:

First, I was appalled by the sheer magnitude of today's Federal Government, its huge cost, its complexity—not to mention the frightening amount of duplication, inefficiency and waste which the Commission's studies revealed. When I entered the Federal service as Postmaster General in 1933, most of us thought we had a pretty extensive executive branch, with 572,000 employees, about 450 different departments and agencies, and a budget of approximately $4 billion. When I became a member of the second Hoover Commission I found a Federal Government of 2,300,000 employees, plus 3,000,000 in uniform, 2,100 departments, agencies, boards, bureaus, and commissions, and a budget of over $6 billion. I didn't think I had been asleep exactly in the intervening 20 years but I confess I did feel a bit like Rip Van Winkle when I began to study the task force reports.

Second, the spirit in which the Commission's affairs were conducted was a constant revelation of the way in which free men can bring their best thinking to bear on national problems if they simply seek to get the facts and deal with them objectively.

No one can say enough for the quality, accuracy, and complete objectivity of those task-force reports and for the stature and integrity of the men who prepared them. You may recall the Chairman's specific instructions to the task forces: "First get the facts. Both sides. No preconceptions. When you get all the facts, come up with whatever conclusions the facts induce." This they did.

Given the facts, the Commissioners went just as objectively about the business of hammering out their 19-volume report to Congress, containing 314 recommendations for Federal efficiency and economy.

I have said before, and I would like to repeat now, that at no time did politics enter into the deliberations of the Commission. Not once, to my knowledge, did one Commissioner solicit the agreement of another in return for support of some idea of his own. There were no cliques, no factions, no deals.

True, there were dissents and separate opinions. I recall with regret having to differ with the Chairman on a proposal to change the present method of selecting postmasters. But every difference of opinion was an honest one, and every vote was based solely on the individual's best judgment of the national interest. The facts were face up on the table at all times, and each man spoke his mind. The wonder was not that there were dissents, but that there were so few. This was a group of strong, but flexible-minded, independent men, representing widely diverse backgrounds and experience. Yet it is a fact that we divided less frequently, on the whole, than does the United States Supreme Court in an average term.

Third, it seems to me that the Nation is making too little use both of the facts which the Commission found and of the way in which it found them. Reports have been issued recently from two official sources detailing the status of the Commission's recommendations to date. One report comes from the Subcommittee on Reorganization of Senator MCCLELLAN's Committee on Government Operations, the other from Meyer Kestnbaum, President Eisenhower's special assistant on reorganization matters. Both reports show that something well over 50 percent of the Commission's recommendations have been adopted and are being implemented.

This is encouraging. It represents some very valuable gains. But it leaves untouched some of the most fundamental of the Commission's findings. These deal with such things as basic research, the unification of the Department of Defense, the elimination of needless Federal competition with private business, modernized Federal budgeting, up-to-date personnel policies, and the wiser use of our medical resources. The Commission's recommendations in these areas, conceived calmly in presputnik times, were never more timely or more pertinent than they are today. One can only wish that more of them had been adopted at the time they were issued in 1955.

While the 1958 session of Congress is still young, we have a good chance to make up for lost time. Legislation embodying some of the most important remaining Commission recommendations is pending. It needs only a good strong push from the leadership of both parties, reinforced, of course, by the vigorous encouragement of citizens everywhere. Right now we are very much in the position of having caught most of the little fish and only a few of the big ones.

There is much at stake for the Nation in the events of the next few months. This is a time for facing facts. Emerging from all the myriad facts contained in the reports of the Hoover Commission is one big central fact, the one we dare not ignore. It is a simple but frightful fact, and it can be stated in this way: We have been a foolish people in the use of our resources, both human and material. We have become dangerously indifferent to the conduct of Government affairs and neglectful of our own responsibilities. We must now or never accept the disciplines which free people must impose upon themselves if they expect to remain free.

To sum up: Our prayers for America may well include a full awakening to the true values of the Hoover reports as a means of maintaining "the full security of the Nation in a disturbed world."

We need right now citizens ready to stand up and demand action in the national interest above and beyond any group or individual interests, including their own. We need for the future more civic inquiries of a searching and unsparing nature, directed to

the dispassionate gathering and dissemination of facts.

Above all, we need, and with God's help we will have, citizens like Herbert Hoover who will ever battle to safeguard our country.

REMARKS OF SENATOR MCCLELLAN

It is indeed a distinct honor and a rare privilege to be afforded an opportunity to participate with you in paying tribute to a great American. For in honoring President Hoover, we are not just heaping accolades and kudos on an individual. We are, in fact, paying tribute to the American way of life, to our traditions, and to those institutions, habits, and customs which have made America the great Nation it is today.

I say this with deep humility and sincerity. For Mr. Hoover is, perhaps, the classic example—the very prototype—of the American way of life. Rising from the humble beginnings of an Iowa farm to the highest and most exalted elective office in the world; practicing throughout his life the principles of his Quaker religion—hard work, austerity, self-discipline, and devotion to God, Herbert Hoover stands before us today as a living symbol of America.

It may seem strange to you that a lifelong Democrat should unhesitatingly make these statements concerning a lifelong Republican. But it really isn't strange at all. President Hoover can never be thought of as either a Republican or a Democrat. For his continuous devotion to duty, his lifelong dedication to a strong, free America, his magnificent contributions to the cause of freedom throughout the world, and his tireless efforts on behalf of his country have long ago taken him out of the realm of politics. President Hoover today belongs neither to the Republicans nor the Democrats. He belongs to the Nation.

I have said that Mr. Hoover belongs to the Nation and that is true. However, despite the fact that he was born in Iowa and has roots in California, I like to feel that my own beloved State of Arkansas can also lay claim to him. For although this may not generally be known, during his student days at Stanford University, when his financial position had become slightly precarious, Mr. Hoover spent his first summer vacation as an assistant on the geological survey of Arkansas. For this 3-month job, he received the munificent sum of $60 a month, plus expenses. I might add that he obtained this job through one of his professors at Stanford, Dr. John C. Branner, who had been State geologist of Arkansas and who, in recommending Mr. Hoover for the assignment, exhibited that excellent judgment which we natives of Arkansas like to feel is characteristic of its public officials.

It may be of interest to note that Mr. Hoover's work on this assignment consisted of mapping outcrops on the north side of the Ozarks, and his only means of transportation were his own two feet, upon which he has managed to stand ever since. His description of this experience is, in my judgment, well worth recounting.

He says:

"I did my job on foot mostly alone, stopping at nights at the nearest cabin. The mountain people were hospitable but suspicious of all Government agents. Some were moonshiners and to them even a gawky boy might be a spy. There were no terms that could adequately explain my presence among them. To talk about the rocks only excited more suspicion. To say that I was making a survey was worse, for they wanted no checkup on their landholdings. To say I was tracing the zinc- or coal-bearing formations made them fearful of some wicked corporate invasion. I finally gave up trying to explain. However, I never failed to find someone who would take the stranger in at nightfall and often would refuse any payment in the morning."

I first came to know Mr. Hoover intimately during my service as a member of both the first and second Commissions on the Organization of the Executive Branch of the Government, popularly known as the Hoover Commissions. Perhaps, as an Arkansas boy, I, too, was suspicious of him. After all, who wouldn't be suspicious of a man who had served as Secretary of Commerce, President of the United States, chairman of innumerable boards and commissions; who has fed more people, clothed more people and saved more human lives than any other man in contemporary history, without ever accepting or retaining a single penny of public salary? I say retaining, because, as President of the United States, he was required to accept his salary, but since there was no statute requiring him to keep it, he gave it to charity.

Yes, who wouldn't be suspicious of a man who, after a lifetime of distinguished service to his country, at the age of 73, when most men are either preparing for or are already retired, undertakes to lead and direct one of the most monumental tasks of all times—the reorganization of the executive branch of the Government of the United States.

However, as I worked with Mr. Hoover, from day to day, gradually—very gradually—my suspicions were allayed, and my admiration and amazement grew. For Mr. Hoover's intimate knowledge of the organization and operations of the Federal Government, his great wisdom and judgment, all sparked by his remarkable energy and wise leadership were actually a revelation to me as well as to my other colleagues on the Commission.

I mentioned his remarkable energy and remarkable it is. For who ever heard of a man working 12 to 14 hours a day, Sundays included, not only at the age of 73 but also at the age of 83.

In conclusion, may I say again that it is indeed a high privilege for me to be here tonight to honor a man who, for the last 25 years, has devoted himself unceasingly to the achievement of a better Federal Government, greater economy in that Government and the elimination of nonessential activities; a man who is a stanch believer in the free enterprise system, and a vigorous and often prophetic foe of socialism, pseudo-liberalism and other credos which threaten to undermine the American way of life.

We fervently hope and pray that the good Lord, in His infinite wisdom, will cause His countenance to shine down upon President Hoover and grant him many more years of health, happiness, and hard work.

Hungarian Freedom Day

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. RODINO. Mr. Speaker, it was 109 years ago that the Hungarian National Assembly declared March 15 the first anniversary of Hungarian independence. It was a day of celebration for the Hungarian people, who under the courageous leadership of Louis Kossuth had cast off the tyrannical yoke of the Hapsburg rule. But this happy taste of freedom and liberty was not to last for long for within a matter of months, the Hapsburgs, aided by Russian troops, destroyed the newly formed Republic. And the brave Kossuth was compelled to flee or face certain death at the hands of the ruthless invaders. Kossuth came to the United States where he was accorded a hero's welcome for his great role.

In this year of 1958, on the 109th anniversary of Hungarian Freedom Day, the world of free men once again looks proudly upon those Hungarian freedom fighters who, loving liberty more than life itself, rose up in revolt against their Red rulers. We in America remember well their great sacrifice and bloodshed and how the Free World hailed their courage and denounced the Soviet massacre.

I pray that it may not be long before the weary men and women who fled from slavery and persecution, the Hungarian refugees, will find permanent asylum in this land of freedom. And I join with my friends of Hungarian origin in a salute to the great name of Louis Kossuth whose indomitable spirit and fierce love of independence lives on in the people of Hungary as an inspiration on this—Hungarian Freedom Day.

Values in American Education

EXTENSION OF REMARKS

OF

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 18, 1958

Mr. TALMADGE. Mr. President, on Monday, March 17, Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare, addressed the Rotary Club of Atlanta, Ga.

Mr. Folsom is a native of McRae, Ga., and the citizens of Georgia are proud of his many outstanding accomplishments both in the fields of business and Government.

I ask unanimous consent, Mr. President, that the text of Mr. Folsom's remarks be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

VALUES IN AMERICAN EDUCATION

(By Marion B. Folsom, Secretary of Health, Education, and Welfare)

It is a pleasure to be back in Georgia, among so many old friends and associates.

I am grateful that I had the opportunity of growing up here in Georgia. I had a good school and good teachers, and I look back over those boyhood years with pride in the fact that my home and community encouraged and respected good education. I am also grateful for my years at the University of Georgia, which in those days was a small college, but had an excellent faculty.

Most Americans, I believe, share a belief in the ideal of good educational opportunities for all. The trouble is that some of us keep this objective on a shelf reserved for vague ideals and good intentions—we do not face up to the hard and practical steps that must be taken to put more of the ideal into life. And so today there are grave deficiencies in American education, which have been the center of a lot of new-found public concern in recent months.

For this new attention to education, I suspect, we can thank the Russian sputniks. We Americans are not accustomed to thinking of ourselves as second in anything. Not being first into outer space, not being the nation to pull back the curtain on a new age, has come home to us as something of a national shock.

Inevitably, comparisons are made between the Soviet system of education and our own. In this situation, it is imperative that we understand what is right with our schools as well as what is wrong with them.

We have no occasion to question our fundamental concepts of the meaning and purpose of education in America. Our system is founded on respect for the dignity and worth of the individual. We believe that a system based on freedom of the mind and unshackled right of inquiry will accomplish more than a system based on conscription and regimentation. We believe that, in providing each individual with an opportunity to develop his talents according to his own interests and abilities, we not only help each person enrich his own life but, in the long run, we best serve the needs of the Nation as a whole.

We have developed a rich diversity of both public and private educational institutions. We have avoided the pitfalls of nationally controlled education. We believe in keeping control of education close to the people in the communities and States.

These concepts have served the Nation well. They are just as sound today as they have ever been. But no matter how cherished and valid our concepts of education, we cannot expect our system to work well unless we give it the attention and support it needs.

This country, by and large, has not been giving education the priority, the emphasis, the financial wherewithal, to do the tremendous job that is needed in our times.

This is a cause for grave concern—not about our concepts of the purpose and meaning of education, but about our failure to bring to bear the dollars and the hard work required if these concepts are to produce their full fruit.

Education is, to some extent, a mirror of the future—in Russia, as in America. There is danger to our free society in the ominous fact that the Russians are investing a larger share of their funds and effort in education than we are. There is a clear warning to America when a totalitarian and materialistic society gives greater priority and emphasis to education for its purposes than we give to education for our purposes.

A couple of years before the first Soviet satellite was put up, a prominent Russian education official said the Soviet Union was challenging America to a competition in the classroom. A few educators noted the remark at the time, but that was all.

Today, after sputnik, many Americans are more aware of the challenge. There is greater understanding now that, whether we like it or not, we are in competition with Russia in classrooms all across America. In the long run, this competition in education could be the crucial factor in preserving our freedom.

Competition, of course, is hardly foreign to the American temperament. We properly take pride in the competitive nature of the American economy, in the American emphasis on individual incentive. But in education, if in nothing else, the Russians seem to have applied the principles of competition and incentive to a greater extent than we have.

One of the most significant aspects of Soviet education is the intensive pressure put on students to excel in scholarship.

From their earliest years, Soviet young people are made to understand that their jobs and income, their privileges, their status in society—their whole future depends on their performance in school. Both the rewards for good work and the penalties for failure are very great. For most Soviet children, good work in school offers the only hope of rising above a standard of living which by our count would be dreary indeed.

Russian schools operate 6 days a week, and the homework is so heavy that prominent doctors have complained the health of children is being impaired.

Each child must carry a report card with him at all times, and marks are entered almost every day. Parents must sign the card every week.

At the end of the fourth grade, each child is subjected to a standard national examination. Those who fail to meet national requirements in a single subject must repeat a whole grade.

At the end of the seventh grade, the weeding-out process becomes more intensive. At this point each Soviet student is given a rigorous examination, based on national requirements, including an oral quiz by a three-man panel composed of his own teacher, his principal, and often a Communist Party representative.

Those who show promise go on to the regular 3-year secondary school, somewhat equivalent to our high school, to complete the 10-year Soviet school system. The less accomplished students are shunted by the Government into other forms of training such as trade or factory schools. Thus, for some Soviet children, the door to high advancement is pretty well closed even before the eighth grade.

The uniform, nationally required curriculum emphasizes subjects which contribute directly to military power and which aid in spreading Communist influence beyond Soviet borders. Science, mathematics, technical subjects, and foreign languages get the highest priority. Military training begins for boys in the 7th grade and includes target practice with machineguns in the 10th grade; and political indoctrination permeates the system.

All students take foreign languages starting in grade 5 and continuing for 6 years. Soviet students are required to spend about 5 or 6 times as many hours in science and mathematics as usually required in American high schools. Altogether, in the 10-year Soviet system, students get roughly as many or more hours of instruction as provided in 12 years in the United States.

At the end of the 10th grade, an even more intensive weeding out takes place. Less accomplished students are assigned to trade or technical schools. Those who excel in scholarship and political reliability, on the basis of stiff competitive examinations, are permitted to enter higher education. For these, the rewards and privileges are impressive.

College students not only receive a free education, but most of them are paid for their efforts. And the better they do in college, the more they are paid. Finally, the college graduates—especially scientists, engineers, top professors—are likely prospects for an elite group which receives high economic rewards and social prestige and privileges.

I do not suggest that any of these specific features of Soviet education would be desirable for the United States. But the pressures, the incentives and penalties, that have been built into the Soviet educational system, and which are brought to bear directly on the individual student, give some indication of the nature of the competition we face.

Perhaps even more significant, however, is the momentum behind the Soviet educational drive. I have been impressed more by the trend of expansion in Soviet education than by measurements of where they stand today.

A nation which was probably 60 to 70 percent illiterate in 1917 now claims to have about 1 out of 4 of its people in some kind of school. The Soviets report that the number of students enrolled in their 10th grade has increased 4 times in 4 years, reaching 1½ million last year.

In higher education, the Soviets claim enrollments have expanded in the last 30 years from 169,000 to almost 2 million. The number of students reported graduating from higher educational institutions increased about four times within the past decade.

One of the most significant reports on Soviet education indicates that almost half of the university graduates in recent years have not been scientists and engineers, as one might expect, but teachers. This emphasis on the teacher is a key to the whole Soviet program. It explains why there is an average of 1 teacher for every 20 students in Russia, while we lag behind with an average of 1 teacher for every 26 students.

Those who prepare for teaching in the Soviet Union today can look forward to both public esteem and material reward. It is said that if one sees a man in a car with a chauffeur, a wife and a dog in Russia he is bound to be a college professor—because no one else would be able to afford all three. Whether this is an accurate picture or not, reports indicate that beginning school teachers in Russia are paid twice as much as unskilled factory workers and some top professors about 16 times as much.

Consider by contrast some of the rewards for teachers in this country. The average salary for college faculty members throughout the United States this year is $6,120. This represents a shockingly low return for the large investment of time and money involved in preparation for a career as a college professor. There is also little comfort for us in the salaries we pay grade and high school teachers. Here in Georgia, for example, the average salary for public school teachers is below $3,500.

It is clear that this country gives poor recognition to those on whom we depend so much for training the doctors, lawyers, scientists, statesmen, businessmen and others who will guide the Nation's destiny a few years from now.

There are a number of other facts which indicate that—despite our progress over the years—many of us in America are still guilty of shameful neglect of education.

This year, in our public schools, we are short of our needs by about 150,000 classrooms and 135,000 qualified teachers. This means simply that several million children are being robbed of adequate educational opportunities because of overcrowded rooms, half-day sessions, or lack of a good teacher.

Every year, more than 200,000 of our brightest young people drop out of school somewhere below the college level—either because of lack of money, or lack of desire for education.

Studies in 3 States have shown that 2 out of 3 high school science and mathematics teachers did not major in those subjects in college. But what can we expect, when we offer starting teachers on the average about $1,000 a year less than college graduates entering business or industry?

It is small wonder that half of our starting teachers plan to leave the classroom within 5 years.

There are shortcomings not only in our provisions for classrooms and teachers, but sometimes there are deficiencies in what is taught.

Some two billion people—three-quarters of the world's population—speak languages that are rarely if ever taught in the United States. Of the 24 major languages around the world, each spoken by more than 20 million persons, only Spanish and French are studied by any appreciable proportion of Americans. A recent State Department study showed that 3 out of 4 incoming Foreign Service officers had no proficiency in any foreign language. It is sobering to reflect on the fact that an estimated 5 to 6 million Russians are studying

English—and fewer than 8,000 Americans are studying Russian.

To meet the requirements of today's world we also need greater emphasis on the teaching of science, and its essential base, mathematics. These studies embrace the very fields of knowledge most closely related to national security. Yet, in 1956, of the 2,800,000 boys and girls in the last 2 years of public high schools, only about 830,000 were studying science, and only 660,000 were studying mathematics.

While we recognize that all young people in our high schools should not be expected to study advanced subjects, it is a serious waste of talent when able students elect not to take courses needed for their full educational development.

We should recognize that education faces broader responsibilities and a greater task in the United States than in Russia. In the Soviet Union, the central Government fixes quotas and assigns facilities to concentrate educational effort in those fields which serve the objectives of the Soviet State. In the United States, we must not only match the Russians in specific areas of competitive importance—such as science and engineering—but we must continue to produce all the skills and abilities required by our own way of life. It is a major responsibility of our schools and colleges, for example, to prepare American young people for a wide variety of professions and occupations which receive relatively little emphasis in the Soviet Union. And yet Americans rightly consider that these professions and occupations make important contributions to the American standard of living and the American culture.

In Russia, one man or a small group of men make the major decisions about education—how much will be spent, what will be taught, and how it will be taught. In America, the same decisions about education are made in 50,000 school districts, 48 State governments, the National Congress, and hundreds of private schools and colleges. Ultimately, millions of citizens participate in deciding the extent and nature of our investment in education. In a sense, the proverbial man on the street in America needs to be wiser about education than the dictator in a totalitarian system.

Many things will be required to catch up and keep up with our needs in education. One of these things is more money—much more than we have ever spent before for education. We fool ourselves, and hurt only ourselves, if we try to skirt this plain truth.

Consider, for example, the impact of enrollment increases alone. I do not believe the American people sufficiently understand that the number of young people knocking at the doors of our schools and colleges already has increased far beyond any measure we have known before. And the tide of students is still rising rapidly and will continue to do so for years ahead. The total number of students in school and college will probably increase, roughly, from 31 million in 1950 to 52 million in 1975.

Our schools and colleges, public and private, are now costing us about $19 billion a year. If we only maintain current standards as to classrooms, teacher pay, and the number of students per teacher, we will need to invest about $25 billion a year in education within 10 years merely to keep up with enrollment increases.

But the lack of funds for education is only a symptom of a more deep-seated problem. What is needed most of all is a new appreciation of the value and crucial importance of education—to the individual and to our free society as a whole. We need a new emphasis on the pursuit of learning, a greater respect for intellectual achievement. In many of our schools and homes we need more hard work in fundamental academic subjects, and higher academic standards. Good teaching and good scholarship should be highly prized and greatly rewarded—by the school, the family, and the community.

I do not believe we have made as much progress along these lines in this country as we should. Education has not had the priority it deserves. If academic accomplishment has not fallen into actual disrepute, it is at least suffering under indifference and lack of esteem.

Respect for academic accomplishment cannot be obtained, of course, simply by decree, or even by investing more money in education, as desperately needed as more funds are. More esteem for teaching and scholarship must be an attitude—the result of a better sense of values of the American people.

My friend Ralph McGill had something to say on that recently, and it struck me as a fine suggestion. "If it isn't too late," he wrote, "the civic clubs might make a few resolutions to work out annual programs for public, formal honoring of the students who make the honor roll. This could be done not once, but 2 or 3 times per year. The high school graduates who have gone to college come home at Christmas. They, too, could be screened and those who have made good grades entertained and given recognition."

There is now, I believe, more room for hope that the American people are increasingly aware of the crucial importance of good education. Some of the steps you have taken in Georgia suggest a growing interest and support—officials in the Office of Education tell me, for example, that you are doing an outstanding job of school construction at very reasonable cost to the taxpayers.

All of us should understand, however, there is no quick and easy solution. Efforts for good schools are unending; they must continue as long as man seeks to improve himself.

In meeting new needs in education, in making change, in moving forward, we are investing in our most priceless asset—the individual human being. By acting now with foresight—in community, State, and Nation—we insure the ultimate triumph of free men in a free educational system, in a free society.

Inspection of the United States Penitentiary, Atlanta, Ga.

EXTENSION OF REMARKS
OF
HON. EDWIN E. WILLIS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. WILLIS. Mr. Speaker, now pending in the House Judiciary Committee under consideration by Subcommittee No. 3, of which I am chairman, are several bills affecting Federal prisons and prisoners. In order that the subcommittee might have first-hand familiarity with the problem areas covered by the bills, arrangements were made to visit the United States Penitentiary, Atlanta, Ga., which is the largest of the Federal penal institutions. For this purpose, I visited the Atlanta Penitentiary on February 19 and 20, accompanied by Mr. Cyril F. Brickfield, counsel to the committee, who has been working on several studies of prison matters.

Warden Fred T. Wilkinson personally conducted us about the Atlanta Penitentiary. He is a 20-year veteran of the Federal Prison Service, and has served previously as warden at the Lewisburg, Pa., and McNeil Island, Wash., Penitentiaries. An unusually impressive person with a distinguished war record, he is rated by Director James V. Bennett as a topflight prison executive. We were escorted by him to any point in the institution which we wished to see and were permitted to talk privately to any employee or prisoner.

The Atlanta Penitentiary, which is the second oldest of the 29 Federal penal and correctional institutions, was clean, orderly, and obviously well administered. It is one of three maximum security Federal penitentiaries, and to it are committed older, more serious offenders from the eastern section of the country. It has an extensive industrial program, education and vocational training opportunities, adequate medical facilities, and a large farm.

Two principal problems facing the Atlanta authorities stem from serious overcrowding and lack of an adequate, properly compensated staff. In the course of our inspection of the institution we learned that its present population is slightly in excess of 2,600 whereas its rated capacity, including the farm dormitory, is 2,100. The cell capacity of the institution proper is approximately 1,400. Into this space have been crowded about 2,300 prisoners. The result has been, for instance, that eight men are assigned to a cell originally constructed to hold at most four. Other cells constructed for a single occupant in all cases now hold two. Basements, shower stalls, corridors and makeshift quarters are being used for housing. We saw in the course of our inspection of one of the large cellhouses, which house as many as 900 men, that little space was available for lockers, clothing, books or personal belongings of the inmates. Bathing and toilet facilities were obviously greatly overcrowded.

We learned that such overcrowding not only creates serious disciplinary problems but also makes necessary the housing of promising inmates with older habitual offenders. Every effort is made to avoid intermingling of different types of offenders but it was frankly admitted that it was almost impossible to provide classification of inmates, according to the nature of their offenses, as Congress directed in the act establishing the Prison Bureau in 1930.

We looked into the small rooms along the main corridor which provide the only available space for families to visit inmates. It was difficult to visualize how these three small rooms could accommodate the many families who must come to visit inmates of this large institutional population. Warden Wilkinson advised us that the rooms were extremely crowded on weekends, when most visitors arrived, and that visiting time per family had to be restricted to 2 hours per month in order to equitably divide available space and time to approved visitors. Also, the visiting arrangements appeared to make supervision difficult, inasmuch as one officer could not keep all three rooms under his surveillance at any one time. Present funds are insufficient to

provide either the number of officers needed for desirable surveillance or to construct a more adequate visiting room which would require fewer supervisory personnel.

The dining room for the inmate population was congregate in type and rather aged. However, Warden Wilkinson, with considerable ingenuity, had recently had the room painted in a remarkably attractive fashion. The tables in the dining room, rows of ledges on which all inmates eat facing the same way, were battered from decades of use and struck a jarring note. Inasmuch as the dining room could accommodate at one time only half the inmate population, it was necessary that every meal be served in two shifts. One meal was hardly over when it was time to begin the next. On inspecting the kitchen and bakery, we noted that the food, although simple, was wholesome, and prepared under sanitary circumstances. Forty-five cents a day is allotted to feed each inmate.

We made an extensive inspection of the hospital facilities, going into the surgery and into each of the medical and postoperative wards, observing the outpatient department at the noon sick call, and talking with some of the mental patients in their ward. We visited the medical experimental project in which the chemical, lysergic acid diethylamide—LSD—is being used to induce schizophrenia in volunteer inmates whose reactions in this state are studied. Atlanta's inmates have voluntarily participated in many medical experiments. While receiving excellent medical care, the prisoners seem also to be making substantial contributions to the health of the community.

We also visited the yard, the school, and the chapel. The institution has a well-rounded recreational program, drill hall, and exercise yard. But its facilities for religious instruction, meditation, and services seem quite inadequate. There is a small Catholic chapel with a genuine religious atmosphere but no Protestant chapel has been provided. It has been necessary to use the auditorium for this purpose, with obviously unsatisfactory results.

Academic instruction is compulsory for all inmates who have not attained a fifth-grade educational level. Other day and evening school educational opportunities are available to the remainder of the institution on a volunteer basis. Upward of 50 percent of the inmates are enrolled in some academic or vocational training course.

We were given to understand that Atlanta's industrial facilities were more diverse and elaborate than those of any penal institution in the United States. The institution employs about 1,000 inmates in the manufacture of textiles, mail bags, canvas specialties, mattresses, clothing, and printing. The net sales of the industrial products last year reached $9,216,949.95, with an industrial profit of $1,789,721.79, which is approximately the cost of operating the institution. Federal Prison Industries is so organized that its industrial activities are not in competition with private industries. In other words, the Atlanta Penitentiary does not cost the taxpayers of the United States a single dime to operate. However, outside of minor expenditures for vocational training, for pay of inmates, and for incentive awards to civilians, the Federal Bureau of Prisons is unable to use these profits to finance construction or any other of its activities.

The staff of the institution seemed to be alert, well trained, and fully aware of their hazardous responsibilities. They also seemed most interested in trying to help those inmates under their supervision and to aid them in their efforts to return to the community as law-abiding, self-respecting citizens. The pay of the officers, however, may be less than adequate considering the diverse nature of their duties and their serious responsibilities for upbuilding the character and well-being of those inmates coming under their influence. Presently, the gross salary of a recruit officer is $3,670 a year. His actual take-home pay is approximately $60 to $65 a week. The institution has had great difficulty in recruiting its employees in view of the fact it is now in a large industrial area where salaries are fully up to the national average. We were advised that a local auto-assembly plant pays its watchmen up to $4,500 a year whereas the penitentiary next door can offer prospective applicants about two-thirds as much. The salaries of the officers of the institution are also lower, I understand, than those paid by a great many of the States, including my own State of Louisiana.

One of the most interesting parts of our visit was the opportunity furnished us by the warden to observe and participate in a classification committee meeting. This is a process by which the records and background of incoming prisoners are studied and discussed to the end that a program can be developed for the inmate. The committee consists of the warden or associate warden, the doctor, the chaplain, the psychologist, the parole officer, and other important officials of the institution. Each case is summarized for the committee and each member gives his views as to the custodial problems the man may present, the kind of rehabilitative program he should undertake, and whatever medical or other needs may be required. Sitting in on this meeting gave us an opportunity to note how widely the sentences of certain men convicted of similar offenses varied and we came to appreciate what a serious difficulty these inconsistent sentences presented to the institutional authorities. My subcommittee is giving thought to this problem and I hope that some better method of sentencing Federal offenders may be evolved, although I do not know whether additional legislation is the answer.

All in all, the visit was most interesting and informative. It is to be hoped that other inspections can be made by other members of the committee. The Director of the Prison Bureau and Warden Wilkinson are most anxious to acquaint Members of Congress, Federal judges, and others having an official responsibility affecting these institutions, with their problems. Warden Wilkinson was especially grateful for the inspection we made of the institution. I, of course, was pleased to have an opportunity to visit the institution and to know how efficiently a most difficult job was being accomplished with remarkably limited facilities, personnel, and funds.

Statement of Representative Emanuel Celler Introducing His Excellency Hervé Alphand, Ambassador of France to the United States, at the Dinner of the Alliance Israèlite Universelle, Pierre Hotel, New York, March 17, 1958

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement I made in introducing His Excellency Hervé Alphand, Ambassador of France to the United States, at the dinner of the Alliance Israèlite Universelle, at the Pierre Hotel in New York City, on March 17, 1958:

Introducing people can sometimes be the most delicate of assignments. You walk a tightrope between a photograph and a painting. But in this instance I have the comfort of knowing that I can speak my piece without reservation, because I have the honor to introduce a man of quality. He speaks for France and, in a measure, is France.

To France are ascribed universally the attributes of wit, precision, logic. Succinctly, the Frenchman is a rational man. Such a man is Hervé Alphand, present French Ambassador to the United States.

I consider it one of the rewards of public life that it afforded me the opportunity of getting to know him. His services to France have brought him international recognition. France herself has honored him again and again. It is amazing to me that in his comparatively young life, M. Alphand has occupied so many posts of high distinction. As political scientist, economist, and diplomat, he has participated in all the significant moments of contemporary French history—as Director of Economic Affairs of the Free French in London; as representative of France at the first United Nations conferences; as Director General of Economic Affairs; in the Foreign Ministry; as head of the French delegation in the Conference of European Economic Cooperation in July 1946; as author of the 60-nation report on the Marshall plan; as delegate to the NATO Council of Foreign Ministers; as France's representative on the Security Council; now as French Ambassador to the United States.

The nerves of the French have been stretched taut by events in North Africa. France needs our economic and moral support. No two countries have a longer record of mutual friendship than the United States and France. France is the only major power in the world which has never made war—hot or cold—upon America. Americans have had to fight the British, the Spaniards, the Italians, the Germans, the Japanese, the

Chinese, and no hot war has aroused more evil than the cold war against Russia.

France alone has been our ally since 1776.

I recall the letter sent by General Washington to his military envoy in Paris, April 9, 1781:

"We are at this hour suspended in the balance. Our troops are fast approaching nakedness. Our hospitals are without medicines and our sick without nutrition. In a word, we are at the end of our tether, and now or never, our deliverance must come."

It did come—from France—in our darkest hour.

It is of my own knowledge, I speak, when I say M. Alphand has played the most important of roles in cementing French-American relations. During his stewardship—I might say as trustee for France in the United States—there have been moments of great stress for our French ally, and without the presence of M. Alphand, the United States and her people would have understood less of France's problems. It was M. Alphand who brought home to us how much a part of metropolitan France is Algiers, and how much is at stake for the Free World in the French position. Today we have the United States using its good offices in negotiations between Tunisia and France. How much a part M. Alphand played there, I need not tell you.

In all that he has done and, I am sure, will continue to do, in serving France he serves the world of free people. It is, therefore, altogether fitting that the Alliance Universelle Israëlite has chosen to honor him. Concerned as the alliance is with matters of the heart, its dedication to the help of the helpless, is it to wonder that it has elected to acknowledge thus publicly its respect, its admiration, and its affection for M. Alphand?

The magnificent work in education done by the alliance, which dates back to the year 1860, calls for a very special kind of admiration. It is thus doubly significant and of more than ordinary weight that this most honorable of groups shall honor the most honorable of men.

It is my extreme pleasure, my extreme honor, to introduce to you the Ambassador of France to the United States, His Excellency Hervé Alphand.

Treason of Rosenbergs Was Worse Than Murder

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the third in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in the United States. These articles appeared in the Philadelphia Inquirer:

TREASON OF ROSENBERGS WAS WORSE THAN MURDER

(Third of eight articles)

(By Representative FRANCIS E. WALTER, chairman, House Committee on Un-American Activities)

News of Klaus Fuchs' arrest struck like a knell of impending disaster in a $51-a-month apartment in Knickerbocker Village, a low-rent housing development on Manhattan's Lower East Side. Far more than most Americans, Julius and Ethel Rosenberg, who lived there with their two young sons, appreciated the significance of Fuchs' downfall. They were key figures in the Soviet spy apparatus that included Fuchs and Harry Gold, a network that had enjoyed incredible success, thanks to professional skill, American carelessness, and sheer good luck.

Then all the good luck ran out at once. Fuchs was trapped; so was Gold. A pliant brother-in-law developed a stubborn streak. The Rosenbergs were arrested, and, worst luck of all, meanwhile the Communists had invaded South Korea.

Earlier the Rosenbergs' treason might have been regarded as the work of misguided dupes. The Communists' resort to force in Korea placed it in its proper perspective. Rosenberg and his wife, who regarded themselves as destined by fate for the glorification of communism, found their destiny in the electric chair.

"Plain deliberate murder," a judge told them sternly, "is dwarfed in magnitude by comparison with the crime you have committed."

The arrest of the Rosenbergs with the underlings climaxed one of the finest achievements of the FBI. And the international Communist conspiracy, in trying to make capital of their case, betrayed itself for all America to see it as the enemy of truth, freedom and decency.

Like Fuchs himself, Rosenberg was the product of a religious household dominated by a devout father who gloried in the freedom and the modest living he had found in the New World. Refusing to become a rabbi, as his father wished, Julius entered the College of the City of New York to study electrical engineering, became known as a campus radical and a convert to communism. He was a man who gravitated naturally to the sources of power in the party.

Ethel Greenglass was 3 years his senior, a small, dark-haired girl of literary and artistic pretensions. She had joined the party in the 1930's and met Rosenberg at its affairs. Between them, they sandbagged her younger brother, David, with lectures on Communist ideology to such good effect that, when they married in 1939, David joined the Young Communist League. It was his wedding present to the happy pair.

More than a year before Pearl Harbor, Rosenberg became a civilian junior engineer in the Brooklyn supply office of the Army Signal Corps. By May 1943, he had advanced to associate engineering inspector and by the spring of 1944 began spying for the Soviet Union as the world-wide conspiracy rounded up its fellow-traveling scientists and technological experts in an emergency effort to keep pace with the solution of atomic and other scientific mysteries.

His Communist associations brought about Rosenberg's suspension in February 1945, but he promptly went to work for Emerson Radio Co., one of the concerns whose war production he had inspected for the Signal Corps.

Greenglass, meanwhile, had married and entered the Army. A machinist in civilian life, he was transferred to the bleak mesa of Los Alamos, N. Mex., where he made up gadgets to the specifications of scientists. He knew his project was top secret but, aside from his immediate jobs, had no inkling of its true significance. Nor did he much care.

His wife, Ruth, who had remained home in New York, mentioned her husband's assignment to the Rosenbergs. Julius was well aware, through his espionage contacts, that Los Alamos was working on the A-bomb and to have an insider on the premises, in the person of his brother-in-law, came as a stupendous stroke of good luck. Greenglass, he informed Ruth flatly, would have to get him secret information.

When the sergeant's wife demurred, Rosenberg parroted the familiar Communist arguments, whining that Russia was an ally with whom the United States and Britain churlishly refused to share secrets. Ethel Rosenberg chimed in as the sergeant's "older sister." Their clincher, though, was more concrete.

They offered Ruth Greenglass $150 to visit her husband in New Mexico and, separated from him for months, she accepted. Their instructions to the sergeant were specific: They wanted a physical description of the project, approximate number of employees, names of scientists, security measures and distances from Los Alamos to nearby cities.

Learning from his wife, for the first time, that he was working on an A-bomb, Greenglass began by refusing to spy for his brother-in-law. Before his wife returned to New York, however, he gave her some of the desired information. Just one item, the fact that Dr. Niels Bohr, the famous Danish nuclear scientist, was at Los Alamos, was in itself invaluable to the Russians. Bohr had been using the name Nicholas Baker to conceal his real identity.

In January 1945, Greenglass himself visited New York and, in Rosenberg's apartment, drew from memory a rough design of a lens mold used in atomic experiments.

Rosenberg then made new arrangements. He gave the Greenglasses money with which to rent an apartment in Albuquerque and told the sergeant that thereafter he would pass his information to a courier who would call on them, identifying himself with a carefully cut half of a panel from a Jell-O box. The Greenglasses kept the other half, even though Ruth objected that they were getting "mixed up in things that are too big for us."

On a Sunday morning in the following June, at the Greenglass apartment at 209 North High Street, Albuquerque, a plump young man appeared with the greeting: "Julius sent me." He presented his half of the Jell-O box, which matched the half held by the Greenglasses. The stranger, who identified himself as "Dave from Pittsburgh," was Harry Gold. He gave Greenglass $500, receiving in return drawings and a written description of A-bomb components.

On August 6, the first atomic bomb used against an enemy wiped out Hiroshima. Three days later a second bomb of a different type devastated Nagasaki. The following month, Greenglass—back home in New York—drew detailed drawings explaining how the second bomb differed from the first. Ethel Rosenberg retyped his reports, correcting his ungrammatical English, and Rosenberg passed the information to his superiors.

That just about concluded Greenglass' spy work. He left the Army, returned to New York and saw the Rosenbergs occasionally although relations, for personal reasons, were severely strained. Then Fuchs was arrested.

Greenglass had not known the Briton personally but realized from newspaper stories that he and Fuchs had been part of the same spy network. He was not, therefore, unprepared for the FBI phone call that came to his flat a few days later. He invited the caller to drop in.

After polite preliminaries, the agent asked whether Greenglass had known Dr. Fuchs. Only as the name of one of the British scientists, the sergeant replied. There was a brief discussion of other scientists and of security rules and the agent withdrew, complimenting Ruth Greenglass on the cup of coffee she had poured for him.

"I was almost on the verge of telling him something," Greenglass confessed as the agent left.

"I wish you had," she replied wearily.

Within a week they had another caller—Rosenberg. He hustled Greenglass to Hamilton Fish Park, where they could talk safely.

"Remember the man who came to see you in Albuquerque?" he asked. "Well, Fuchs was one of his contacts. Now Fuchs is talking. He'll lead to the man you knew. Then

that man will be arrested and he'll lead to you. You've got to leave the country."

He outlined the standard escape route for suspected Soviet agents in America: Mexico, to Switzerland, to Czechoslovakia, to Russia. Whether the Greenglasses might ever have started that dreary journey will never be known because the next morning Ruth suffered painful burns when her flannel nightgown caught fire from a gas heater.

She remained in a hospital until mid-April and soon entered another to have her second baby. She had been home only 2 days on May 18 when Rosenberg burst into the apartment, clutching a newspaper. On its front page appeared the picture of Harry Gold, arrested as a spy suspect.

Rosenberg had the Greenglasses' future all arranged. He handed them $1,000 in cash. They were to obtain five sets of passport photographs and innoculation certificates, give them to him and head for the Mexican border.

When Greenglass reached Mexico City he was to write to the secretary of the Russian Ambassador. Three days later he was to go to the Plaza de Colon with his fingers stuck in a guidebook and stand in front of the statue of Christopher Columbus.

There, with the proper passwords, he would meet a contact who would produce passports and money for the next stage of the trip.

Greenglass did get the passport pictures and gave them to Rosenberg, who handed him another $4,000 and confided that he and his wife would soon be following them to Mexico.

"We've all got to leave sooner than we expected," Rosenberg confessed shakily. "They're closing in on us."

Ruth Greenglass looked at her husband.

"We're not going," she said quietly.

"No," her husband agreed. "We're staying here."

"Be sensible," Rosenberg shouted as he stalked out angrily.

The Greenglasses didn't see Julius or Ethel again until they faced each other in court. When four FBI men walked into the Greenglass flat on June 15, the sergeant greeted them quietly.

"Have a seat," he invited. "I'll talk to you as soon as I finish the baby's formula."

Just about 24 hours later, three agents called at the Knickerbocker Village apartment of Julius Rosenberg. He invited them in, excused himself and drew his wife into the bathroom.

'Shall I talk to them?" he said desperately.

"You'd better," she shrugged. "It might look funny if you didn't."

The interview shifted to the Federal Building at Foley Square. The conversation centered around Greenglass until one agent remarked:

"Do you know your brother-in-law said you told him to supply information for Russia?"

"Will you bring him here and let him say that to my face?" Rosenberg demanded.

"What would you do if we did?"

"I'll call him a liar to his face," Rosenberg shouted righteously. "You ask me to give you information on Greenglass, now you're trying to pin something on me. I want to see a lawyer."

With the agents' permission, Rosenberg telephoned his attorney. The lawyer, told that Rosenberg was not actually under arrest, advised his client to come to his office. Rosenberg turned to the agents.

"Goodbye, gentlemen," he smiled blandly, as he walked out.

Within a day or two, Rosenberg, his wife, and their two sons appeared at the photographic studio of Ben Schneider at 99 Park Row. They ordered 36 passport photographs in a variety of poses. Obviously, they were about to embark on the Mexico-Switzerland-Czechoslovakia-Russia escape tour. But from then on they were uncomfortably aware of FBI surveillance.

On July 17, a little more than a month after Greenglass' arrest, two agents called again at Knickerbocker Village. This time there was no sparring. Rosenberg was arrested. His wife, after refusing to answer a Federal grand jury's questions in three balky and truculent sessions, was taken into custoday 3 weeks later and on August 17 both were indicted.

They were charged with violation of the General Esplonage Law of 1917 in having conspired, in time of war, to transmit information concerning the national defense to a foreign power. That act does not specify that the foreign power must be an enemy.

Brought to trial with the Rosenbergs was their friend, Morton Sobell, another New York electrical engineer and radar expert. He had fled to Mexico to escape prosecution but was picked up by Mexican undercover police and escorted to the border, where he was seized by waiting FBI men. He was charged with joining the Rosenbergs in a conspiracy to persuade Greenglass to work for Russia.

At the trial, which opened in New York on March 6, 1951, before Judge Irving R. Kaufman, the Rosenbergs' defense was simple. They denied everything: Denied any connection with communism and attributed their arrests to a frameup.

But the evidence, painfully documented by the FBI and confirmed in large part by Harry Gold and David Greenglass and his wife, convinced the jury of 11 men and 1 woman. On March 29, after 19 hours of deliberation, they brought in verdicts of guilty against the three defendants.

Greenglass, who had pleaded guilty, drew 15 years' imprisonment—a reward for his cooperation in nailing the Rosenbergs. Sobell received a 30-year sentence. For the Rosenbergs, Judge Kaufman on April 5, 1951, pronounced the sentence of death.

"Only the Lord can find mercy for what you have done," he told them. "I believe your conduct, in putting into the hands of the Russians the A-bomb years before our best scientists predicted Russia would perfect the bomb, already has caused the Communist aggression in Korea, with resultant casualties exceeding 50,000 Americans. Millions of innocent people may pay the price for your treason. Indeed, by your betrayal, you undoubtedly have altered the course of history to the disadvantage of your country."

Mental-Retardation Legislation

EXTENSION OF REMARKS

OF

HON. EDWIN H. MAY, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. MAY. Mr. Speaker, in a pamphlet entitled "The Educator's Viewpoint on the Retarded Child," the authors begin their presentation with the following statement:

One after another of our major health and welfare problems is responding to scientific and social advances—furthered by vigorous public action. Now, one of the most heartbreaking of all handicaps * * * mental retardation—stands at the gateway of public enlightenment.

I have long felt that it is not only important that we see this tragic problem which faces so many in its proper perspective, but that every possible action be taken to alleviate the suffering of both parent and child.

Connecticut's Senator WILLIAM A. PURTELL has played a leading role in developing legislative and community approaches which will have a great and positive effect. I know that the parents of retarded youngsters and the people interested in their education are indeed grateful to Senator PURTELL. Today, I would like to join the distinguished Senator from Connecticut in his efforts to broaden the program for the education of the mentally retarded.

Statistics are indeed cold, but they can be used to clearly demonstrate the necessity for understanding and action. Every day there are born in the United States 300 children who are destined to be mentally retarded. On the basis of every 100,000 of population, 3,000 children suffer from mental retardation; 700 from rheumatic heart; 350 from cerebral palsy; 300 from polio of the permanent variety; and 200 from congenital blindness. Rheumatic heart, cerebral palsy, and blindness have received considerable attention from the general public and are today reasonably well understood. Much work remains to be done in these fields, but a strong start has been made. Unfortunately, this is not the case with mental retardation. Research in this field has been, until very recently, limited to a few brilliant and dedicated men. Action to raise required funds and educating the public has been solely in the hands of the retarded children's associations throughout the Nation. These are small groups of parents of retarded youngsters who have voluntarily banded together to solve their own particular problems.

The National Association for Retarded Children has done yeoman work and is to be highly commended. Perhaps it would be well at this time, Mr. Speaker, to define mental retardation. It is a condition of impaired or incomplete mental development dating from birth or an early age—usually associated with slowness to develop and limited ability to learn, reduction of social aptitudes, and limited vocational capacity. This is a definition provided by the national association.

For too many years, the general public and, yes, even medical science have felt that institutionalization was the most intelligent course to follow. They are beginning to think in other terms, particularly along the lines of education. Small cooperative schools have sprung up all over the country. They are performing well a considerable task. The objectives of education for the retarded are divided into roughly three categories.

First. The educable or marginally independent—these individuals have an I. Q. ranging from 50 to 75. They can be trained to become useful members of society, performing many manual tasks that are necessary to our economy and society.

The second group are known as trainable or semi-independent—their I. Q.'s may range from 25 to 50. Here the objective is to train them in adequate habits of personal behavior and self-care.

In the third category, we have those referred to as dependent. Their I. Q.'s are under 30. These youngsters can be helped with proper training to indulge in many interesting activities and their personalities made more compatible. At present, only about one-sixth of the estimated three-fourths millions educable retarded are receiving schooling. Many things are required to correct this situation, but in my mind the most important thing is to make provisions for the training of teachers especially qualified to instruct and aid the retarded.

Today, I am introducing a companion bill to that sponsored by Senator PURTELL, S. 395. It is designed to encourage expansion of teaching and research in the education of mentally retarded children by grants to institutions of higher learning and to State educational agencies. In the first instance, the bill would grant the Commissioner of Education authority to make grants to public or other nonprofit institutions of higher learning to assist them in providing training of professional personnel to conduct training of teachers in fields related to education of mentally retarded children.

In the second place, the Commissioner of Education would be authorized to make grants to State educational agencies to assist them in establishing and maintaining directly or through grants to public or other nonprofit institutions of higher learning, fellowships, or traineeships for training personnel engaged or preparing to engage in employment as teachers of mentally retarded children or as supervisors of such teachers.

Mr. Speaker, this bill represents, I believe, a sound approach vitally needed, which will be a major stride forward in solving the problem of educating and training the thousands of mentally retarded youngsters born every year. They can and must become useful members of society. I strongly urge action by the Congress in this session.

Statement of Representative Alfred D. Sieminski in Introducing Private Bill for the Relief of Charles Bernstein

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. SIEMINSKI. Mr. Speaker, before introducing this bill for the relief of Charles Bernstein I would like to relate its background. It is an almost incredible story of a man who was convicted and sentenced to the electric chair despite the absence of any direct, factual evidence. Saved from electrocution almost at the last minute, this man still had to spend several years in prison before his trial was finally stamped an injustice. Although subjected to this injury this man has lead an exemplary life since his release from prison in 1940.

The story began at 5:30 on the morning of April 21, 1932, when Milton "Milsie" Henry, a notorious District of Columbia gambler, was shot to death as he halted his car behind a milk truck on Brown Street. The killer got away in a Hudson automobile which was later found abandoned on 11th Street NW.

A man named Rhodes lived in an apartment facing Brown Street. Awakened by the shots, he rolled over in his bed and peered out the bedroom window. When the police appeared, he gave them a rough description of the killer.

The police broadcast this description. The man they were looking for, the report said, was about 6 feet tall and weighed about 180 pounds.

This was little to go on. Rhodes' description could fit many men. The police searched the abandoned Hudson for clues and fingerprints, but they found none. They tried to trace the car to an owner, but this effort proved futile.

Several weeks after the crime the police received a belated tip. Rhodes was telling friends he could identify the murderer if he saw him again. The police visited Rhodes.

On June 10, 1932, Charles Bernstein was picked up in Philadelphia and held on a routine charge. He seemed a possible suspect and District of Columbia detectives, accompanied by witness Rhodes, traveled to Pennsylvania to see him.

Bernstein was 5 feet 6 inches tall. He weighed 135 pounds. This could not be stretched to fit the description given the police by Rhodes immediately after the murder.

But witness Rhodes looked at Bernstein in the Philadelphia jail and said he was the man. And Bernstein also had been in trouble before.

Charles Bernstein was born in New York City in 1896. His parents were immigrants, Russian Jews. They had eight other children. The father was a tailor and didn't make much money. Bernstein began peddling papers when he was 9 years old, and he worked at many other odd jobs to help out the family's pinched larder. He had to leave school when he was in the 8th grade, but he managed to continue his high-school studies at night.

In 1914 when he was 18 he was arrested for attempted burglary and sentenced to Elmira Reformatory for 1½ years.

In 1919 he was arrested in New York City, and charged with a Minnesota bank robbery, he was extradited to Minneapolis. He was sentenced to the State prison at Stillwater for a term of 5 to 40 years. The prosecuting attorney was Floyd B. Olson.

After the trial Olson had misgivings about Bernstein's guilt. He tried unsuccessfully to get Bernstein released. Finally, in 1928 Bernstein was paroled, and later he was pardoned by the governor.

It must have seemed the same old story to the District of Columbia authorities when Charles Bernstein, identified as a murderer, again protested his innocence. Waiving extradition from Pennsylvania, he was held for interminable months in the District of Columbia jail.

He was brought to trial on March 21, 1933.

He had been in jail for nearly a year. He had no money. His lawyer was an unpaid volunteer. At this point nobody cared much.

His skin was pasty from his long confinement. His suit was the same one he had been wearing in jail, a sort of sickly green with a belt in back. His hair and eyebrows bushed out thick and black. His eyes held that expression of a man at bay.

Charles Bernstein looked the prototype of a gangster of that era.

The defense attorney tried to prove that Bernstein was in New York on the night of April 20, 1932. Bernstein had remembered the date because it coincided with the beginning of the Jewish Passover, which he had celebrated with his family. His landlady was on hand to back up his story.

But the prosecuting attorney forced the landlady to admit that she knew very little about Bernstein's activities.

"You don't know," the prosecutor said to her, "as a matter of fact, that he ever went to work in the morning, of your own personal knowledge?"

"No, I couldn't swear that he did," the landlady said.

"Did you ever see him with a gun?"

"No."

"You don't know whether he did or did not have a gun, do you?"

"I am positive he never had a gun in my house."

"That is, you are positive you never saw him with a gun in his hand?"

"I never saw him with one in my house, no."

"You don't know whether he had one in his personal effects that he brought there, do you?"

"No, I couldn't swear to that, no."

A shoe dealer testified that Bernstein had visited his store in New York early on the morning of April 21.

"Did Harris give any appearance of just having recently arrived in town when he came into your store that morning?" the prosecuting attorney asked.

"He didn't look any different to me than he did on any other occasion," the dealer said.

"How was he dressed?"

"I don't remember exactly what he wore."

"But you positively remember that he was in your store at 10:30?"

"I do."

A Bronx attorney related that Bernstein had called at his office earlier the same morning. He stuck to his testimony under intense cross-examination.

"Mr. Goldstein, even if you believed this man was guilty of murder," the prosecuting attorney said, "you would help him just the same?"

"Not at all, sir. He means nothing to me, absolutely. I don't care about the man, don't know the man, except I am coming here to tell you the truth and nothing else, to the best of my recollection, and what I believe to be absolutely the truth. I have no interest in the man whatsoever."

No member of Bernstein's family was permitted to testify. Bernstein himself did not take the stand. His attorney

UNIVERSITY OF MINNESOTA LIBRARIES

was afraid the prosecutor might force Bernstein to make damaging admissions of his prison record.

The prosecution now had the responsibility to connect him with the crime.

Four persons so far had seen the murderer, three from their bedroom windows and the other from the street. Only one of them pointed to Bernstein as the murderer. That was the witness, Rhodes.

Rhodes also claimed that even before the murder, he had seen Bernstein and another man parked on Brown Street. Rhodes had arrived home about midnight.

He said, "After I parked the car I went up to my room and sat and looked out the window at this car, and one of the two men that was sitting in the car struck a match and lighted a cigarette or cigar or pipe or something, and the forms of the men were revealed, their faces were revealed to me at that time."

"And you say positively it was Harris, do you?" the defense attorney said.

"It looked just like the same man."

"Just looked like him?"

"Yes."

"Well, now, how positive is this identification? I mean can you say positively, without any doubt, without any reservation, that it was Harris you saw that night?"

"I don't think there is anything a human being can say positively without reservation."

Rhodes had also identified the driver of the car to the police. A suspect had been arrested and indicted. Under questioning by the defense attorney, Rhodes admitted that this man was released when the identification did not stand up.

The milkman, Seitz, had the best opportunity to remember the killer. He walked within 15 feet of the getaway car and the killer. But he refused to identify Bernstein.

"Did you get a sufficient look at the man to identify him?" the prosecutor asked.

"I got a sufficient look, but not a satisfactory one. You wouldn't expect it of me, with a man standing right there, and a gun, who had just fired shots into this man."

"So you are unable to identify him?"

"I would not under the conditions, sir. The conditions are such that I was not normal and it would not be expected of me. I can tell the outline or looks of the man, in a way. He was on a kind of a dogtrot. He had on a light hat, and dark overcoat, and the man that was driving reached out and opened the door for him and let him jump."

Mrs. Jones, whose bedroom window looked out on Brown Street, had seen someone pass her window immediately after she heard the five shotgun blasts.

"Did the form you saw go by the window go back to a car or not, do you know?" the defense attorney said.

"Well, I don't know where it went. It just passed the window."

The prosecuting attorney asked her, "Could you say whether it was a man or woman?"

"I could not say."

Yet another witness who had been gazing out his bedroom window testified that Bernstein was not the gunman.

But the testimony of Witness Rhodes and the prison record worked against Bernstein. He was found guilty of first-degree murder and sentenced to die in the electric chair.

Because of the flimsy nature of the evidence upon which Bernstein had been convicted, many prominent people became interested in the case. They managed to get repeated stays of execution for Bernstein.

Word came to them from the underworld that the killing of Milsie Henry had been a professional job, done for a fee. Bernstein was not the hired gunman.

Bernstein's case was evenutally appealed.

There was new evidence. Both the Department of Agriculture and the Weather Bureau submitted affidavits. The affidavits threw strong doubt on the testimony of Witness Rhodes, the only person who had identified Bernstein as the murderer. According to both agencies, the trees in front of Rhodes' apartment were fully leafed at the time of the murder. The trees would have obscured Rhodes' view of the street.

A fifth witness had also showed up after the first trial. Another woman who had seen Milsie's murderer. She was firm in her declaration that the murderer was not Bernstein.

But it didn't make much difference. The appeal failed.

By this time several groups of citizens were working in Bernstein's behalf. They finally succeeded in getting Bernstein's execution, now scheduled for May 28, 1935, commuted by President Roosevelt to life imprisonment.

Charles Bernstein was sent to the Lewisburg Penitentiary to serve his sentence, and later on he was transferred to Leavenworth. He kept insisting that he was innocent.

There were more developments in the case.

The Hudson abandoned by the murderer had been bought by a mechanic at a police auction. In 1936, a year after Bernstein went to prison, the car developed some electrical difficulty, and the upholstery had to be ripped up. A secret compartment, undiscovered for 4 years, was uncovered in the front seat. It cradled a sawed-off shotgun and two pistols.

The guns could not be traced to anyone. Nor could they be tied in any way to Bernstein.

The feeling that Bernstein was innocent grew stronger.

In 1940 President Roosevelt commuted his sentence to time served, and after 9 years in jail and prison Bernstein went free.

In 1945 President Truman pardoned him unconditionally.

Through the years since 1940 Bernstein has led an exemplary life. He has a respectable job as a publication illustrator. He has stayed earnestly away from the kind of places that had visited so much misfortune upon him in the past. And he has tried to forget the year he spent in jail before his trial, the 2 years he waited agonizingly for the death chair, and the 5 years he served in the penitentiary.

It seems to me that injustice has been done to Charles Bernstein. On the basis of the doubtful testimony of one alleged eyewitness to the murder, this man was indicted, tried, and convicted. Yet five other eyewitnesses swore he was not the man.

Sustained and intense investigation over many years has supported his claim to innocence and eventually culminated in a complete pardon.

Charles Bernstein is not a constituent of mine nor is he a relative or friend of anyone in my District. He was sent to me by someone who knew of my intense interest in seeing that every American is treated justly and fairly by his Government. As I studied his case and learned of the hardships he had endured, I was deeply affected. Any injustice, whether inadvertent or otherwise, to any American citizen is a matter of deep concern to me.

For that reason I am bringing this case to the attention of the Congress, in order that the Congress may consider the matter carefully, satisfy itself as to the accuracy of the facts presented to me as I outlined above, secure the reports of all departments and officials concerned, and make such recompense as the facts justify.

Mr. Speaker, although no amount of money can every fully erase the injury which Charles Bernstein has suffered, it would seem he is entitled to some repayment for the 8 years during which he was deprived of his freedom. In order that the Congress may study this case and determine the propriety of a fair compensation I hereby introduce a bill for the relief of Charles Bernstein.

Tax Reduction To Cure the Economic Downturn

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1958

Mr. JENKINS. Mr. Speaker, as a member of the House Committee on Ways and Means my duties have required that I maintain a cautious watchfulness with respect to the health of the Nation's economy. I am of course concerned over recent developments with respect to the increasing unemployment. It is essential that the Federal, State, and local governments undertake coordinated efforts to alleviate the hardship and deprivation that confront an unemployed individual and his family.

I share the view of that distinguished American citizen and statesman, the Honorable Herbert Hoover, that tax reduction rather than hastily considered public works projects constitutes the wise approach in dealing with the current economic downturn. Temporary

tax reduction can in my judgment provide a needed stimulant to the economy that would create jobs. Such tax reduction both in terms of amount of tax reduction and in terms of duration could be adjusted to meet the needs of the occasion by courageous and prudent legislation. On the other hand, public works programs that are designed to create jobs rather than fill an essential public need for the facility being constructed cannot be terminated when the need for such artificially created jobs is at an end. To terminate them midway through the construction process would obviously be wasteful of the taxpayers' money. Furthermore, I am convinced that our citizens want jobs in private enterprise rather than Government enterprise. It is for these reasons that I have introduced the bill, H. R. 11442, to provide a sound program of tax reduction that will have a job-creating impact on the economy.

Mr. Speaker, this tax program that I have designed relates solely to the present economic decline and is not a tax reduction program of a type that I would advocate as permanent tax reduction. I believe my record during my tenure in Congress in support of minimum Government expenditures so that our tax burden can also be kept at a minimum consistent with fiscal responsibility will stand comparison with the record of anyone: It has been my privilege to be the cosponsor of one particular tax revision proposal that I think urgently deserves the consideration of the Congress. I refer to the bills, H. R. 9 and 10, which I have introduced along with my distinguished and very able colleague from New York [Mr. KEOGH]. That meritorious legislation would remove a discrimination presently contained in our Federal tax laws against self-employed individuals. Those bills would allow such persons to defer income tax liability on certain amounts of income that they have placed in a voluntary retirement program. It is my hope that the Congress will be able to give favorable consideration to the bills, H. R. 9 and 10, so that our tax laws will apply more equitably to these presently forgotten American taxpayers.

Mr. Speaker, as a part of my remarks I will include in the RECORD at this point a copy of a statement that I have released on the occasion of my introducing H. R. 11442:

The Honorable THOMAS A. JENKINS, Republican of Ohio, a member of the House Committee on Ways and Means, today announced the introduction of legislation to provide a balanced program of tax reduction that would benefit individual and corporate taxpayers and that would provide a reduction in certain excise taxes to benefit American consumers. It is estimated that the tax saving provided the American people under the bill would approximate $9 billion. Mr. JENKINS expressed confidence that the administration and the Congress would continue to keep a watchful eye on economic developments to determine the need for and extent of any tax reduction. Mr. JENKINS stated that his purpose in introducing the legislation at this time was to provide an opportunity for study of the meritorious and equitable techniques for providing immediate tax reduction contained in his bill to accomplish a stimulant in consumer purchases and business expansion at this time when the economy has taken a downward trend.

Mr. JENKINS stated that his bill, H. R. 11442, would provide a 10 percent credit against individual income tax for the period beginning July 1, 1957, and ending March 31, 1959; it would reduce the maximum corporate rate from its present level of 52 percent to a proposed level of 50 percent; it would provide an additional deduction against gross income for employers who increase their payrolls over a 1957 base-period experience; it would provide tax relief for small business by enacting into law the four recommendations of the President in regard to small business; it would repeal the Federal excise tax on transportation of property; and it would reduce to 5 percent the Federal excise taxes applicable to transportation of persons, communication services, automobiles, and automobile parts and accessories. With respect to the manufacturers' excise tax on automobiles and parts and accessories the reduction would be retroactively effective to March 1, 1958, provided such tax reduction was passed on to the consumer.

Mr. JENKINS stated he was confident that this tax-reduction program would result in considerable progress in reversing the current downward trend in the economy. It would have the immediate effect of increasing spendable income in the hands of the American public and thereby strengthen the demand for consumer goods. The reduction in the corporate tax rate would assist in providing to business a confidence that is a prerequisite to business expansion and the high level of economic activity that would accompany it. The excise-tax reductions proposed in his bill would remove tax deterrents that presently operate to deter consumer purchases. The repeal of the transportation tax on property would be of particular benefit to small business and would remove from our excise-tax structure what is generally recognized to be an uneconomic tax.

A brief statement of the details of Mr. JENKINS' tax-reduction proposal follows:

1. Individual income-tax reduction: The bill would provide a $6.5 billion tax saving for individual income-tax payers by granting temporary tax reduction retroactively to July 1, 1957, through the period ending March 31, 1959. An estimated $1.9 billion would be made available to the American taxpayers in connection with 1957 tax liability which for most individuals is to be finally reported on April 15, 1958. To the extent that such tax reduction would result in an overpayment of tax for 1957 tax liability, refunds would be available to increase public purchasing power. For calendar year 1958 the reduction in individual tax liability is estimated to be $3.7 billion and for the first quarter of calendar year 1959 the reduction would amount to $900 million. Tax withholding would be immediately reduced so as to reflect the reduction in tax liability and thereby increase income after taxes. Mr. JENKINS explained that by continuing this tax reduction to April 1, 1959, his bill would permit review of economic conditions early in the next session of Congress.

2. Corporate income-tax reduction: The corporate normal tax would be reduced from its present level of 30 percent to a proposed level of 28 percent so that the combined corporate normal and surtax would be 50 percent effective January 1, 1958. This proposed corporate rate reduction would constitute a full year tax saving to American business of $830 million so that for the 18-month period provided under the bill the tax saving would be $1.2 billion. Mr. JENKINS pointed out that when compared with present law whereunder the maximum combined corporate rate is scheduled to become 47 percent, effective July 1, 1958, the proposed change would result in a revenue gain of $830 million. In addition to the rate adjustment made in Mr. JENKINS' bill the proposed legislation also includes the proposals made by the President to benefit small business as follows: (1) Authorization for individuals to deduct losses sustained on new original investment in the stock of a small-business corporation without being subject to the existing general limitation on net capital losses of $1,000; (2) extension of the accelerated depreciation formulas made available under the 1954 code for new property so that such accelerated tax writeoffs would be available with respect to used property; (3) allowance of small corporations to be taxed as partnerships so that there be no tax at the corporate level; and (4) allowance for estate taxes to be paid in 10 annual installments. It is estimated that these tax revision proposals for small business would provide a tax saving of $200 million per year.

With respect to employers and as an encouragement for increased employment Mr. JENKINS' bill would allow an additional deduction for increased payroll expenses paid or incurred during the period beginning April 1, 1958, and ending March 31, 1959. Under the proposal an employer would be allowed to deduct 20 percent of the amount by which a taxpayer's total payroll in a 12-month period beginning April 1, 1958, exceeded his total payroll for a comparable period in calendar year 1957. This increased deduction would be an additional deduction. It is not possible to provide a revenue estimate in connection with this provision at this time, but Mr. JENKINS stated that if a 5-percent increase in payrolls is assumed over the base period, the revenue loss to the Treasury for the 12-month period that the additional deduction was in effect would be $900 million. Mr. JENKINS pointed out that such an amount would be more than offset by the revenue gain from taxes imposed on individual income-tax payers. This additional deduction would be available to all employers.

(3) Excise-tax reduction:

(a) The excise tax on transportation of property would be repealed. The estimated revenue loss would be $518 million per year.

(b) The excise tax on transportation of persons would be reduced from 10 percent to 5 percent. The estimated revenue loss would be $112 million.

(c) The excise tax applicable to communications would be reduced to 5 percent. The estimated revenue loss would be $312 million per year.

(d) The excise tax applicable to automobiles and automotive parts and accessories would be reduced to 5 percent, effective March 1, 1958. The estimated revenue loss would be $685 million per year.

The total excise-tax relief that would be provided under the bill would amount to $1.6 billion.

Mr. JENKINS stated that in the event tax reduction was decided upon to reverse any continued decline in the level of economic activity, he would press for consideration of the tax-reduction proposals contained in his bill.

How Long Will the Recession Last?

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 18, 1958

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the views of five authorities on the cur-

rent economic recession, its causes, and what policies are necessary to reverse the trend. These statements appeared in the March 17, 1958, issue of the New Republic, in reply to Sumner Slichter's views as they appeared in the issue of March 3, 1958.

The article follows:

HOW LONG WILL THE RECESSION LAST?

(Two weeks ago in our pages, Prof. Sumner Slichter explained why he still believes, as he wrote last November, that the United States economy will begin to expand again by May at the latest. The New Republic invited five respected authorities to comment briefly on his prediction. Their views follow:)

I am somewhat surprised that Professor Slichter, who was obviously overoptimistic in his November New Republic article, should persist in that optimism in the face of the unemployment, production, and investment figures which we have in March.

He minimizes the dangers of the present serious recession because the major declines have been in employment, production, and investment, while wholesale and retail trade, government, services, and miscellaneous employment have held firm. But this is the very reason why the present recession is potentially much more dangerous than those of 1948–49 and 1953–54. Those were essentially inventory recessions. This recession has all the appearances of also being a classical capital goods or investment recession. We do not have much investment for long-term growth but we do have more investment and production than there is demand for the products of industry at present prices.

Consequently, the real danger at the moment is that of a cumulative breakdown in the economy. I am not predicting that this will happen but when unemployment exceeds 8 percent—as the full-time equivalent of the unemployed and partly employed now does—and when production and investment indicators have fallen as they have, then such a breakdown is always possible.

Further, economic breakdowns do not proceed in some natural and orderly way. This is true even though the followers of equilibrium theory tend to believe that a decline in one economic sector can always be neatly counterbalanced by an equivalent increase in some sectors, e. g., Professor Slichter's statement that, "the contraction will cease when the decrease in the remaining forms of gross private investment—outlays on industrial plant and equipment and on inventories—no longer exceed increases in government spending and housing."

The fact is that when unemployment, production, and investment figures are at such levels as they are now, economic forces are more likely to be impetuous than orderly. At some point like that at which we now stand, the forces of breakdown can snowball and avalanche. Production, employment, purchasing power and investment all decline and each decrease leads to further decreases. Therefore, the danger is not that we will do too much or act too soon but that we will do too little and do it too late.

The quickest and most effective way to act is by means of a tax cut primarily designed for lower- and middle-income groups, i. e., those groups which tend to spend almost all of their income. Such a tax cut would be fed into the economy almost immediately; it would stimulate demand for goods and services; afford the best hope for stopping the current economic recession and help to start an economic upturn. The increase in the demand for consumers' goods should also stimulate the demand for, and investment in, capital goods.

I am also surprised at Professor Slichter's view that it would be difficult to devise a tax cut that would take effect within the next 2 months and which would not be extremely arbitrary in its effect. I have already proposed that we tax the first $1,000 of taxable income at 15 percent rather than 20 percent. This proposal could go into effect immediately and could be made retroactive to January 1, 1958. Further, such a cut should expire on January 1, 1959, so that if the recession is stopped, the loss of revenue—which is proper in a recession—could be recouped during a prosperous period. Such a tax cut would pump some $3 billion per year into the economy.

In addition, I have proposed that the excise taxes on consumer durables, such as radios, television sets, refrigerators, air-conditioners, gas and oil appliances, luggage, handbags and wallets, be repealed; that the excise taxes on the transportation of property and persons and on communications be cut in half; and, if the automobile industry will agree to pass along such a cut in lowered prices, a 50 percent reduction in the manufacturer's excise tax on passenger automobiles. The total revenue losses in the excise repeals cuts which I have recommended are in the neighborhood of $1.4 billion.

The personal income tax cuts would show up in the weekly paychecks of individuals within a week or two following Congressional passage, and the excise-tax cuts would bring a reduction in the prices of consumer durables for which demand has declined.

A tax cut, therefore, is the quickest and best way to proceed. If we do that now, it may be unnecessary to spend billions on public works later; but, if we rely on public works or monetary policy as the major antidote to a recession, we may well find that a few months from now we may need a tax cut of gigantic proportions to stop a decline.

While for both economic and social reasons I favor increased appropriations for schools, hospitals, slum clearance, and highways, the question of whether or not the recession turns into a depression will have been decided before the economic effects of these measures can be felt. It is for this reason, in particular, that a tax cut is necessary now.

PAUL H. DOUGLAS,
United States Senator from Illinois.
WASHINGTON, D. C.

Professor Slichter places great emphasis on the prospect that increased housing starts will regenerate economic growth. Yet census figures and projections indicate that new household formations dropped from a high of 1.5 million during 1947–51 to 833,000 in 1955, and they are expected to continue to drop to about 600,000 by 1960. Household formations cannot be expected to increase again until the crop of postwar children is ready for marriage—about 1965. We must depend for new household formations upon the children of the thirties and early forties, when the birthrate reached the lowest point in the history of the country.

Moreover, Professor Slichter appears unconcerned about the tremendous debt assumed by American households for homes, furniture, appliances, and automobiles. Short-term consumer credit rose from $5 billion in 1945 to $45 billion by 1952—mostly on automobiles. Housing mortgages rose from $18 billion in 1945 to $107 billion in 1957. Such credit expansion provided a strong but nonrecurrent boost to the boom. This debt burden now hangs over the American economy as a powerful potential decelerating factor in the event that incomes start to level off or decline.

The high rate of business investment in plant and equipment during the past few years was also largely predicated upon these expanding consumer expenditures generated by the rapid rate of new family formation and expansion of consumer credit. Since these two forces which have generated and regenerated our prosperity during the past 10 years cannot any longer be counted on, it is difficult to see how business investment in capital plant and equipment can quickly revive.

MATTHEW J. KUST,
Attorney at Law.
WASHINGTON, D. C.

Sumner Slichter takes it as a "fact [sic] that Congress will wisely insist on spending more on defense, education, conquest of space, natural resource development and compensation of Government employees than the President recommended" but will refuse to make cuts in other programs. If Slichter is right in this political prognostication and if these Congressional decisions will be implemented promptly, then I agree with his conclusion that the recession will not last long. However, some economists (the present writer included) would make a more pessimistic forecast if the question were asked: What is the likely economic outlook assuming that only the President's recommendations in the budget and the Economic Report are adopted? These forecasts would indicate the need for larger programs of the type assumed by Slichter. This was one of the questions which concerned the Joint Economic Committee and which was reflected in the committee's joint economic report issued last week. Thus, it appears to me that Slichter's views are less startling and not so different from the views expressed by other economists. They differ only from the views of those few who believe that the recession will be very serious and prolonged irrespective of what the Government will be doing.

Slichter also writes that changes in the sum of Government outlays and private investments determine changes in personal incomes and consumer spending. This appears to me as an oversimplification. I do not think that changes in consumer attitudes, particularly in the purchase of durable goods, can be neglected in the analysis of the present situation. An adequate Government program would be effective not only by supporting the payment of wages and other incomes but also by reducing the economic uncertainty which now unfavorably affects consumer and business buying. Therefore, such a program could have an "announcement" effect even before the actual increase in spending is under way.

A forecast which assumes as a "fact" that an adequate Government program will be adopted but does not state what the outlook would be in the absence of such a program, may lead to the misinterpretation that the recession is virtually over and that therefore no program is really needed at all.

GERHARD COLM,
Chief Economist, National Planning Association.
WASHINGTON, D. C.

In support of his prediction of last November that "the present decline in business will be shorter and milder than the contraction of 1953–54," Professor Slichter now offers an analysis that seems deficient on two scores: insufficient account is taken of expenditure plans and some important factors are neglected.

With respect to plans, the November-December Michigan survey of consumer buying intentions and outlook showed the most gloomy expectations in 5 years, even among the higher income consumers, and the surveys of planned business expenditures for plant and equipment have forecast a marked downward shift. The consumer forecasts have since been confirmed by the sharp drop in new auto sales and a considerable reduction in department store sales, and the declines in the past 6 months in disposable personal income and in security prices will depress spending over the near future.

As for the neglected factors, they include the reduced liquidity of business firms, the

large and widespread excess of industrial capacity built up in the recent investment boom, the continued decline in our exports in the past year, more unfavorable international conditions than prevailed in 1953–54, and a slump in business confidence in the Eisenhower leadership so that "chins-up" pronouncements are followed by declines in stock prices.

Professor Slichter's rather optimistic prognosis not only rests on somewhat questionable analysis but, in part, on hopes that Congress "will wisely insist on spending more" on constructive programs than the President has recommended and that the Federal Reserve authorities will engage in an "aggressive easing of credit."

What is needed, however, is a definite program for action that will restore confidence by indicating a determination to take specific steps over the next few months, including measures unmentioned by Slichter such as the Kennedy-McCarthy bill to provide decent benefits for the jobless. Such a program should not be hampered by worries about the Consumer Price Index, which suffers from temporary developments like the weather and has a short-run upward bias now because of various lags.

RICHARD A. LESTER,
Professor of Economics.

PRINCETON, N. J.

Sumner Slichter discusses the decrease in outlays on industrial plant and equipment and on inventories and concludes that "the balance of the economy will shift from contraction to slow expansion about the time that disinvestment in inventories begins to fall—about March at the earliest and May at the latest." This statement implicitly predicts consumer expenditures.

Discretionary consumer expenditures, such as those on durable goods, are a function both of financial means (income, assets minus debts), representing ability to buy, and of underlying attitudes, representing willingness to buy. Income and assets are still relatively satisfactory but consumer sentiment began to deteriorate quite a while ago, before the onset of reduction in business inventories. Following its June 1957 survey of consumers the Survey Research Center reported that "consumer optimism is weakening." According to the center's December 1957 survey, "Concern about the business outlook as well as about their personal financial situation has grown during the past 6 months among American consumers. A substantial proportion of the American people heard unfavorable economic news of late. This information has given rise to worries and feelings of uncertainty and lowered consumers' inclinations to purchase houses and automobiles."

The survey findings point to a fairly lengthy depression, though not to a severe one, unless something is done soon to improve both consumer buying power and consumer sentiment. Consumer inclinations to buy may revive if inflation could be arrested through widespread discounts, sales, and opportunities for good buys. Even if this does not happen, feelings of uncertainty and pessimism may wear off slowly, if, in due time, it is realized that the fears of really bad times have been unwarranted. Is it necessary to wait that long and risk that the recession deepens in the meantime? The Government has acted already through easing money rates and increasing defense expenditures. An analysis of how consumers think, presented in a report entitled "Signposts to Turning Points," indicates that increased defense spending does not necessarily raise the confidence and optimism of consumers because reminders of war and of higher taxes, associated in people's thinking with armament efforts, are depressive factors. Domestic spending programs and tax reductions may have a quicker favorable impact on consumer sentiment.

GEORGE KATONA,
Program Director, Survey Research Center.

ANN ARBOR, MICH.

SENATE

WEDNESDAY, MARCH 19, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord, Thou lover of mankind, in whose hand are the final issues of life: In a day when loud voices of evil threaten to overwhelm all that gives dignity to the individual, we steel ourselves in the assurance that, though the wrong seems oft so strong, God is the ruler yet. In that faith we dedicate all we think and speak and do this new day.

Thou hast given us our yesterdays, and their record is in Thy book of remembrance. Our memories of temptations resisted and victories won are secure. Our tomorrows are within Thy loving care, as the future lies before us. Today is ours. Help us to command it, to seize it, to mold it to Thy purposes, and so to number its hours that we may apply our hearts unto wisdom, being true to our best selves as we seek in this age to serve the Nation and this ailing world. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 18, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 15, 1958:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski;

S. 888. An act for the relief of Alex P. Collins;

S. 916. An act to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes;

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes; and

S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

On March 17, 1958:

S. 1086. An act granting the consent of Congress to a Bear River compact, and for related purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1082. An act for the relief of Katina Apostolou;

S. 2062. An act for the relief of Yasna Trevizan;

S. 2124. An act for the relief of Tasia J. Somas; and

S. 2498. An act for the relief of Matthew M. Epstein.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1342. An act for the relief of Mrs. Helen Harvey;

H. R. 1466. An act for the relief of Dr. Thomas B. Meade;

H. R. 2763. An act for the relief of Hong-to Dew;

H. R. 4073. An act for the relief of Peter James O'Brien;

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 7203. An act for the relief of Dwight J. Brohard;

H. R. 7267. An act for the relief of Charles J. Jennings;

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention;

H. R. 7941. An act for the relief of Mrs. Harry B. Kesler;

H. R. 8015. An act for the relief of the Harmo Tire & Rubber Corp.;

H. R. 8147. An act for the relief of Kenneth W. Lenghart;

H. R. 8316. An act for the relief of Warren S. Boggess;

H. R. 8361. An act to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court;

H. R. 8407. An act for the relief of Mrs. Margaret N. Meister;

H. R. 8444. An act for the relief of Lloyd Lucero;

H. R. 8448. An act for the relief of Willie C. Williams;

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels;

H. R. 9012. An act for the relief of Alexander Grossman;

H. R. 9109. An act for the relief of John A. Tierney;

H. R. 9317. An act for the relief of Oshiro Shoko;

H. R. 9395. An act for the relief of Cornelia V. Lane;

H. R. 9490. An act for the relief of Sidney A. Coven;

H. R. 9514. An act for the relief of Valleydale Packers, Inc.;

H. R. 9989. An act to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Yousef Mikhael (Ellis Joseph Michael);

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Franz Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of C-L Electric Co.;

S. 2110. An act for the relief of Shirley Leeke Kilpatrick; and

H. R. 9271. An act to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 1342. An act for the relief of Mrs. Helen Harvey;

H. R. 1466. An act for the relief of Dr. Thomas B. Meade;

H. R. 2763. An act for the relief of Hong-to Dew;

H. R. 4073. An act for the relief of Peter James O'Brien;

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 7203. An act for the relief of Dwight J. Brohard;

H. R. 7267. An act for the relief of Charles J. Jennings;

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention;

H. R. 7941. An act for the relief of Mrs. Harry B. Kesler;

H. R. 8015. An act for the relief of the Harmo Tire & Rubber Corp.;

H. R. 8147. An act for the relief of Kenneth W. Lenghart;

H. R. 8316. An act for the relief of Warren S. Boggess;

H. R. 8361. An act to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court;

H. R. 8407. An act for the relief of Mrs. Margaret N. Meister;

H. R. 8444. An act for the relief of Lloyd Lucero;

H. R. 8448. An act for the relief of Willie C. Williams;

H. R. 9012. An act for the relief of Alexander Grossman;

H. R. 9109. An act for the relief of John A. Tierney;

H. R. 9317. An act for the relief of Oshiro Shoko;

H. R. 9395. An act for the relief of Cornelia V. Lane;

H. R. 9490. An act for the relief of Sidney A. Coven;

H. R. 9514. An act for the relief of Valleydale Packers, Inc.;

H. R. 9989. An act to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels; to the Committee on Armed Services.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the postmaster nominations be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the unfinished business is Calendar No. 1378, Senate bill 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954. There will be further debate on that bill today. The yeas and nays have been ordered on the question of agreeing to an amendment, and also, I believe, on the question of the final passage of the bill. Therefore, all Members may know that it is expected that there will be yea-and-nay votes today.

Following the disposition of that bill, we expect to have the Senate proceed to the consideration of Calendar No. 1074, Senate bill 984, conferring jurisdiction on the Court of Claims to make findings regarding the compensation of certain producers of uranium.

We also expect to have the Senate consider the motion, which has been made by the distinguished Senator from Indiana [Mr. JENNER], to reconsider the vote by which the Senate passed Senate bill 3149 increasing the lending authority of the Export-Import Bank.

Shortly, we expect to have the Senate proceed to the consideration of Calendar No. 706, Senate bill 1356, to amend the antitrust laws with respect to meatpackers.

I shall try to make a more definite statement about the time when those measures will be brought up by motion; and I shall keep in contact with the minority leader.

However, I should like to have the RECORD show that we have plans for Senate consideration of the measures listed and the motion to reconsider, and the Senate will consider them, although not necessarily in the order in which I have listed them.

PUBLIC WORKS, PUMP PRIMING, AND THE FISCAL SITUATION

Mr. BYRD. Mr. President, I voted for expediting expenditures from appropriations for sound public works, but I am opposed to deficit spending for pump priming, the ineffectiveness of which was proved beyond any doubt in the depression 25 years ago. A public-works project should be sound, constructive, and advantageous to the public.

I have invariably opposed all deficit financing except that required to meet national emergency. That is my position now. The extent to which the current recession is, or becomes, a national emergency will determine what is essential to meet it.

My position is, and will continue to be, that anything done should be sound and productive of results, and should be done with the absolute minimum of deficit spending, limited to what is essential to meet emergency requirements.

Mr. President, whenever we engage in extensive and prolonged deficit financing, for any reason, it must be done with

full realization that the evils of burdensome debt and inflation are certain to follow.

In order to put into more balanced perspective the numerous deficit-making proposals currently being offered, I have attempted to analyze the fiscal conditions under which we are working. In this connection, the folly of our failure in more prosperous times to balance the Federal budget and pay off some of the staggering debt is plain to see.

DEFICIT

As I see the Federal fiscal situation developments to date for the fiscal year 1959, beginning July 1, it would seem conservative to estimate a deficit of at least $7 billion, without tax reduction—more than $2 billion resulting from falling revenue, as estimated, under present tax rates, and more than $5 billion from increased expenditures, as they now appear.

Revenue from present tax rates is falling now. I confidently predict that a general tax reduction, if and when finally enacted, would cause a further loss in revenue of from $7 billion to $8 billion.

The combination of increased expenditures, falling revenue, and general tax reduction could and I think would, result in a minimum deficit of up to $15 billion, and perhaps more.

Exclusive of tax reduction, my estimate of the 1959 deficit into which we are plunging pellmell may be shown briefly, in comparison as follows:

[In billions]

Receipts and expenditures	President's January estimate	Byrd March estimate
Budget receipts (at present tax rates)	$74.4	$72.0
Budget expenditures (exclusive of highway trust fund deficit)	73.9	[1] 79.0
Budget surplus or deficit	+0.5	[1] −7.0

[1] Any highway trust fund deficit would be in addition.

Mr. President, that is predicated upon the assumption that business will improve substantially in the fiscal year 1959. If it does not improve in that year, the receipts of $72 billion, which I estimate, will be considerably reduced.

In other words, Mr. President, it is my estimate that in the next fiscal year there will be a deficit of not less than $6,500,000,000.

I believe this estimate is conservative as of March 19, but under present circumstances the deficit may increase, as new measures are acted upon by the Congress and as new plans are proposed to increase still further public spending. As of now, the figures are supported by the following facts and conclusions:

REVENUE

First, as I have stated, the President's January budget overestimated revenue. It estimated 1959 revenue at $2 billion higher than was forecast for the current year. It anticipated increases in all major sources, including personal and corporate income, excises, and so forth.

The estimate of revenue is based upon a pickup in business conditions for the year between June 30, 1958, and June 30, 1959. If this improvement does not occur or is not strong enough, then the loss, due to overestimating the revenue for fiscal 1959, will be substantially more than $2.4 billion.

Mr. President, revenue is now falling considerably below the current year estimate. At present rates, every indication points to downward revision for next year. At this point I would estimate that the drop for the next fiscal year would, as I have stated, be not less than $2,400,000,000, and would be substantially more unless there is an upswing in business conditions, beginning in the next fiscal year. Tax reduction would be in addition.

EXPENDITURES

The President's January budget document underestimated expenditures to begin with. It was based on decreases which he recommended in certain programs, totaling $3.7 billion under current year spending levels, while it proposed increases in other programs totaling $4.9 billion over current year spending levels. Under present conditions it is to be assumed that the increases will be higher, and few of the decreases will occur.

Appropriations for the present fiscal year, which ends June 30, have been increased so far in the current session of Congress by nearly $4¼ billion. While these are called increases for fiscal year 1958, much of the money will actually be spent in fiscal year 1959.

Increased expenditures and falling revenues now indicate we shall end this fiscal year, expiring on June 30, with a 1958 deficit up to $2 billion; and the rapid rise in the rate of expenditure in the current year will send us into the new 1959 fiscal year on July 1 with the spending momentum already built up.

In view of the situation I have outlined, together with action taken to date by Congress on such legislation as housing, public works, roads, military, and so forth, I should not be surprised to see the President's 1959 expenditure estimate of $73.9 billion exceeded by from $5 billion to $6 billion.

Such an increase would be broken down roughly as follows:

Up to $2 billion in military and related expenditures;

Up to $2 billion public works, including highway deficit; and

Up to $2 billion in other expenditures.

Much of this increase would be in multiyear programs and projects. Such expenditures are usually higher in subsequent years than in the first year.

There is no such thing as temporary large-scale deficit financing. We know from 28 years' experience that deficit spending is not turned on and off as if controlled by a spigot. If the 1959 deficit should be as large as is now certainly indicated, Federal deficits would continue as long as anyone can foresee.

I predict that if we have next year a deficit of $15 billion or more, it will be many years before the budget of the country will be balanced.

Deficits pile up debt, and tax reduction in a period of deficit financing is simply charged to the debt. It is not only a tax reduction, but a postponement of the payment of taxes, because when money is borrowed to reduce taxes and that amount is added to the debt, the liability is one which is borne by all the people of this country.

We have just raised the Federal debt ceiling to $280 billion, temporarily, through next year. A $300 billion debt—if we reached it, and it is not impossible that we shall reach it in the next fiscal year—would be the greatest debt the world has ever known for either the United States or any other nation.

Resumption of large-scale deficit financing is certain to add fuel to the inflation fire, and inflation resulting from previous Federal policy is already bad. The value of the dollar dropped a third of a cent in February, as measured by the 1939 index. At that rate, the drop would be 4 cents in a year. Accelerated deficit financing is certain to precipitate the declining value of our 48-cent dollars.

Those who would resort to tremendous deficit spending as a temporary expedient in recession disregard the long-run evils which would ensue in terms of the value of our money, cost of living, welfare of fixed income people, and our fiscal soundness, which involves our democratic institutions and our form of government.

Mr. President, as chairman of the Senate Finance Committee, I fully appreciate the terrific burdens of our present tax system. In my judgment, every single category is overtaxed. But the solution does not lie in reducing taxes and adding the loss to the public debt. The solution lies in reducing our expenditures.

A general tax reduction, based upon the issuance of Federal bonds, and increasing the indebtedness, is not, in fact, a tax reduction. It is merely a postponement of tax collections, and the bonds issued to finance such tax reduction will bear interest and will add to future expenditures. Already we are paying 11 percent of our total revenue for interest on the public debt.

In conclusion, I wish to say if deficit spending of a magnitude which would produce disastrous inflation is to be avoided, the people of the United States must demand that Federal expenditures be limited to absolute essentials.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, and that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting a draft of proposed legislation to amend the Interna-

tional Claims Settlement Act of 1949, as amended (64 Stat. 12), which, with the accompanying papers, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

RESOLUTION OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. PASTORE. Mr. President, on behalf of my colleague, the senior Senator from Rhode Island [Mr. GREEN], and myself, I present a resolution adopted by the General Assembly of Rhode Island, memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States. I ask unanimous consent that the resolution be appropriately referred, and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

House resolution

Resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States

Whereas until in recent years, the imposition by the States of taxes upon intangibles was historically and traditionally limited to residents because the situs of intangibles was deemed to be that of the place of residence of the taxpayer; and

Whereas following the adoption of the 16th article of the amendments to the Federal Constitution in 1913, it was generally assumed that income taxes would be imposed by the Government of the United States and that this field of taxation would be tacitly allocated to the Federal Government; and

Whereas at later dates, income taxes were imposed by a number of the States and in most of these the income tax was imposed upon nonresidents as well as upon residents and, in the case of the nonresidents, the tax was imposed in respect to both earned and unearned income derived from sources within the State imposing the tax; and

Whereas the right to impose such taxes upon nonresidents was sustained by the United States Supreme Court, provided there was no discrimination against the nonresidents; and

Whereas although generally the exemptions granted to a resident applied also to nonresidents, there are many instances where exemptions favoring residents and not allowed to nonresidents have been sustained by the courts; and

Whereas the reciprocal provisions contained in certain State income-tax laws are of some benefit to the nonresidents, nevertheless, there remain many inequities due to the taxation of nonresidents under State income-tax laws; and

Whereas it appears that the only way to prevent these inequities and to avoid the undue hardship resulting from the imposition of State income taxes upon nonresidents is by an amendment to the Federal Constitution; and

Whereas there has been an ever-increasing demand for action to alleviate the burden imposed upon residents of the State of Rhode Island by income taxes levied by other States and particularly by neighboring States, because the residents of this State pay the income taxes imposed by the Federal Government and the taxes imposed by the State of Rhode Island and by its political subdivisions, and they should not also be required to pay income taxes to States in respect to which they are nonresidents: Now, therefore, it is

Resolved, That the Members of the Congress of the United States be, and they are hereby, respectfully urged to propose an amendment to the Constitution of the United States by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

Resolved, That the proposed amendment would be substantially in the following language:

"ARTICLE —. Power to impose taxes on incomes by the State.

"The several States shall have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax"; and be it further

Resolved, That the secretary of state be, and he is hereby, authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives of the State of Rhode Island in the Congress of the United States and to the respective presiding officers in both branches of said Congress.

SELF-HELP PLAN FOR DAIRY INDUSTRY—RESOLUTION

Mr. JACKSON. Mr. President, I present, for appropriate reference, a resolution adopted by the Snohomish County (Wash.) Dairymen's Association, relating to a self-help plan for the dairy industry. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas it is generally recognized that the dairy industry faces, and has faced, uncertain economic conditions due principally to uncontrolled excess production; and

Whereas the National Federation of Milk Producers in conjunction with the National Grange and the National Farmers Union has proposed a plan for control of the excess production, such plan being referred to as the self-help plan: Now, therefore, be it

Resolved, That the Snohomish County Dairymen's Association in regular session on February 27, 1958, go on record as endorsing the principles as provided in the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association express their appreciation for the efforts expended by the National Milk Producer's Federation, the National Grange, and the National Farmers Union in promoting the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association extend an expression of appreciation to those Members of the Congress, namely, Senator HENRY M. JACKSON and Congressman JACK WESTLAND, for their support of the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association support the action of our Congressmen and Senators in legislation which will provide that the support level on dairy products be maintained at its present level until such time as the self-help plan, or such other plan as will carry out the principles of the self-help plan, are adopted and made effective.

RESTORATION OF FARM PRICES—RESOLUTION

Mr. HUMPHREY. Mr. President, a number of farmers' union locals in Minnesota have sent me identical resolutions urging the restoration of farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power.

The following farmers' union locals have sent this resolution to me: Western Stearns Farmers Union Local, Double H Local, Storden Highway Local, Berner Local, Pioneer Local, and Sunny Side Farmers Union Local, No. 33.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That, we the Sunny Side Farmers Union Local, No. 33, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Crookston, Minn., March 14, 1958.

CLARENCE WENTZEL,
President, Fisher, Minn.

APPROPRIATIONS FOR PUBLIC WORKS—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the town board of supervisors, town of Great Scott, Kinney, Minn., requesting appropriations for public works as a partial remedy for the serious unemployment situation on the Mesabe Iron Range.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Resolution

Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabe Iron Range, with hundreds of iron ore miners unemployed and many more to be laid off as time goes on; and

Whereas this serious situation has created undue hardship and suffering upon these unemployed and their families: Now, therefore, be and it hereby is

Resolved, That the town board of supervisors, town of Great Scott, Kinney, Minn., request the Congress of the United States of America to appropriate Federal funds and aid for a public works program in this area affected by this serious unemployment situation and thus help relieve the undue hardship of these unemployed and their families; and to effectuate the securing of the same, copies of this resolution will be sent to Hon. Congressman JOHN BLATNIK, Hon. Senator HUBERT HUMPHREY, and Hon. Senator EDWARD THYE.

Supervisor Deanovic moved the adoption of the foregoing resolution and upon support thereof by Supervisor Aaby the same was adopted and so declared at a duly called meeting held March 4, 1958, by the following vote: Ayes, 3; nays, 0.

CHARLES KOSOLA,
Township Chairman.

Attest:

EVERT MALIN, *Clerk.*

VETERANS' BENEFITS—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Fifth District American Legion, Department of Minnesota, concerning veterans' benefits.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas in the present Congress there are many legislative bills and proposals to reduce veterans' pensions, to make small lump-sum payments against all future claims to veterans with war disabilities and to merge the programs administered by the Veterans' Administration with Federal social-security programs and to freeze the number of beds available in veterans' hospitals; and

Whereas it is the policy of the American Legion to oppose any such legislative or administrative attempts to merge the Veterans' Administration programs with the social-security programs; and

Whereas it is the policy of the American Legion to oppose any cutbacks on present veterans' pensions or hospital beds available: Therefore be it

Resolved by Wm. Laidlaw Post, No. 208, Department of Minnesota, the American Legion, in regular meeting duly assembled on the 17th day of January, 1958, That it does hereby go on record as being opposed to any lowering of income limitations, to any such reduction in veterans' pensions and against making any lump-sum payments against future veterans' claims and against freezing the number of beds now available in veterans' hospitals and against the merging of the Veterans' Administration program with social security; and be it further

Resolved, That each member should write their Senators and Congressmen in Washington, D. C., and that a copy of this resolution be sent to the Fifth District American Legion and to the Department of Minnesota for current action thereof.

This resolution was adopted by the delegates of the Fifth District American Legion in meeting assembled on March 5, 1958.

FIFTH DISTRICT AMERICAN LEGION,
DEPARTMENT OF MINNESOTA.
M. ALLIGIMI, *Adjutant.*

Attest:

DAVID S. GOODE, *Commander.*

PENSIONS FOR WIDOWS AND CHILDREN OF WORLD WAR II VETERANS—LETTER

Mr. HUMPHREY. Mr. President, I recently received a letter from the American Legion Grams-Schmidt Post, No. 475, of St. Clair, Minn., endorsing Senate bill 2966, to provide pensions for widows and children of World War II veterans.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA,
SECOND DISTRICT,
GRAMS-SCHMIDT POST, NO. 475,
St. Clair, Minn., March 3, 1958.

The Honorable Senator H. H. HUMPHREY.
The Honorable Senator EDWARD THYE.

GENTLEMEN: At the February 1958 meeting of the Grams-Schmidt Post, No. 475, of St. Clair, Minn., a resolution was passed by the membership to back Senate bill S. 2966 which is now before Congress.

We respectfully request that you vote in favor of the bill S. 2966 which is to provide for the payment of a pension to widows and children of veterans of World War II and the Korean conflict on the same basis as widows and children of veterans of World War I.

With kindest regards we remain,
Very truly yours,
FREDERICK J. OLSON, *Adjutant.*

JOBS AFTER 40—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by St. Anthony 1247 Aerie, Fraternal Order of Eagles, endorsing S. 3188, a bill which I cosponsored with the Senator from Oregon [Mr. NEUBERGER], relating to old-age employment.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas the Fraternal Order of Eagles is engaged in a nationwide jobs after 40 campaign to eliminate age discrimination in employment as an unwarranted practice which is depriving many thousands of physically sound, skilled, and experienced workers of the means of a livelihood, and which is resulting in a tragic waste of manpower in the American economy; and

Whereas there is now pending in the United States Senate bill S. 3188, introduced by Senator RICHARD L. NEUBERGER, and cosponsored by nine other Senators, to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; and

Whereas enactment of such proposed legislation would provide employment for many competent workers now barred by age discrimination, and would set an inspiring example by Government for all industry for the adoption of similar policies: Now, therefore, be it

Resolved, That 1247 Aerie of the Fraternal Order of Eagles hereby goes on record for support of bill S. 3188, and urges enactment of this pending legislation into law.

Adopted by St. Anthony 1247 Aerie, Fraternal Order of Eagles, on February 17, 1958.

FRANK LANG,
Worthy President.

Attest:

RALPH WELDELE,
Secretary.

Your support for this bill will be greatly appreciated.

NORMAN ARNESON,
Legislative Committee.

BILLBOARDS ON NEW FEDERAL HIGHWAY SYSTEM—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a copy of the resolution adopted by the executive board of the Minnesota State Horticultural Society concerning billboards along the new Federal highway.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

MINNESOTA STATE
HORTICULTURAL SOCIETY,
St. Paul, Minn., March 14, 1958.

Senator HUBERT H. HUMPHREY.

DEAR SIR: I have the honor of transmitting to you a resolution concerning a matter which this society believes is of vital importance to Minnesota. We respectfully solicit your support of the position stated in the resolution.

Very truly yours,
E. M. HUNT, *Secretary.*

RESOLUTION PASSED BY UNANIMOUS VOTE OF THE EXECUTIVE BOARD OF THE MINNESOTA STATE HORTICULTURAL SOCIETY, FEBRUARY 17, 1958

Whereas the Minnesota State Horticultural Society, representing more than 10,000 members, is highly conscious of and concerned with the natural beauty of Minnesota as seen from our highways; and

Whereas in our opinion natural beauty is already impaired by advertising signs not adequately controlled by present laws; and

Whereas construction in the near future of 900 miles of Federal highways through scenic parts of Minnesota will open the way to greater impairment of natural beauty; and

Whereas in our opinion it is imperative that steps be taken immediately to safeguard Minnesota's priceless natural beauty along all such new constructions: Be it

Resolved, That this society call upon representatives in Congress and the State legislature to support and further the enactment of any bill now pending in Congress or which may be introduced in the State legislature which will ban advertising signs along the entire routes of the new Federal highways; be it further

Resolved, That this resolution be published in the Minnesota Horticulturist, official publication of the Minnesota State Horticultural Society, and that the secretary is hereby instructed to send copies of this resolution

UNIVERSITY OF MINNESOTA LIBRARIES

to the Governor of Minnesota, United States Congressmen from Minnesota, members of the State legislature, the Minnesota commissioner of highways, other State and Federal officials as may seem appropriate, and communications mediums in Minnesota.

FEDERAL FUNDS FOR HIGHWAYS—RESOLUTION

Mr. HUMPHREY. Mr. President, I recently received a resolution adopted by the Beltrami (Minn.) County Board of Commissioners, urging support by Members of Congress for House bill 9821, providing Federal funds for highways.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolution requesting our Senators and Representatives in Congress to support H. R. 9821

Whereas there is now a bill in Congress, known as H. R. 9821, which provides for appropriations of Federal aid funds for highways for the years 1960 and 1961; and

Whereas these funds are urgently needed for construction of roads, which could not possibly be financed without these funds: Therefore be it

Resolved, That our Representatives in Congress and Senators be requested to support H. R. 9821 to the fullest extent possible; be it further

Resolved, That said Representatives and Senators also be requested to urge the Bureau of Public Roads to make allocations of 1960 Federal funds in August of this year, in order to make funds available for programming at the proper time; be it further

Resolved, That copies of this resolution be sent to Senators THYE and HUMPHREY and to Representative COYA KNUTSON and to Representative BLATNIK and to Minnesota Good Roads, Inc.

Resolution was seconded by Commissioner Caughey and, upon being put to vote, was unanimously carried.

UNEMPLOYMENT IN HENNEPIN COUNTY, MINN.—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the Board of County Commissioners for Hennepin County, Minn., regarding the unemployment situation in Hennepin County and proposing work projects to relieve the situation.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Whereas there is now a serious unemployment situation in this area; and

Whereas the Federal highway program and other Federal programs such as the lower loop redevelopment, construction of a Federal court building, post office, schools, housing, and the upper harbor in Minneapolis would create work projects which would help relieve the unemployment situation: Now, therefore, be it

Resolved, That the Congressmen and Senators from Minnesota be urged to do everything within their power to move these work projects along and to advance them wherever possible.

The vote on the motion was as follows: Ainsworth, absent; Eberl, yea; Hanson, yea; Scott, yea; Chairman MATTHEWS, yea.

Motion carried.

APPROPRIATIONS FOR DISASTER RELIEF—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted at the Farm Forum Meeting held on March 7, 1958, at Bagley, Minn., under the chairmanship of L. J. Lee. The resolution concerns the appropriation of funds for disaster relief.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

FLOOD RELIEF RESOLUTION

Whereas many farmers in Minnesota were subject to disastrous floods during 1957 and suffered from partial and, in many cases, total loss of income and are urgently in need of immediate relief: Be it

Resolved, That such funds appropriated by Congress for the alleviation of disasters, be dispensed to these disaster areas immediately so that their farm operations can be continued and that their means of livelihood be assured.

Adopted at farm forum meeting March 7, 1958, Bagley, Minn., 170 farmers present.

L. J. LEE, *Chairman*.

ADDITIONAL FUNDS FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE—REPORT OF A COMMITTEE

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on Post Office and Civil Service, I report favorably, without amendment, the resolution (S. Res. 273) to provide additional funds for the Committee on Post Office and Civil Service. I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared regarding the resolution.

The PRESIDENT pro tempore. The resolution will be referred to the Committee on Rules and Administration; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. JOHNSTON of South Carolina is as follows:

STATEMENT BY SENATOR JOHNSTON

Senate Resolution 273 was unanimously reported without amendment by the Senate Committee on Post Office and Civil Service and by the Senate Committee on Rules and Administration. It provides $10,000 for routine expenditures of the committee such as telephone expense and the expense of shorthand reporters for reporting committee meetings and hearings in connection with postmaster nominations and legislation before the committee.

Under the Legislative Reorganization Act, each committee is allotted at the beginning of a Congress the sum of $10,000 to take care of the functioning of the committee (general housekeeping affairs). When that sum has been exhausted, it is customary to offer a resolution, such as the one now pending. Senate Resolution 273 is of a routine nature and I, therefore, ask that it be approved by the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself, Mr. MURRAY, Mr. MORSE, Mr. LANGER, Mr. NEUBERGER, and Mr. MANSFIELD):

S. 3514. A bill to establish a National Food Allotment Program to augment the diets of low-income and needy persons and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3515. A bill for the relief of Alyda M. J. Kalmeijer; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 3516. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; and

S. 3517. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. DIRKSEN when he introduced the above bills, which appear under a separate heading.)

By Mr. CLARK:

S. 3518. A bill to permit the mailing of certain canes for the blind at the same rates as other appliances for the blind; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (for himself and Mr. BUTLER):

S. 3519. A bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 3520. A bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 3521. A bill to amend Section 5 of the Administrative Procedure Act; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3522. A bill for the relief of Sheu Shei Lan; and

S. 3523. A bill for the relief of Benedict Eremenko (Ben Zuke) and Victor Tatarnikov (Victor Kalin); to the Committee on the Judiciary.

NATIONAL FOOD ALLOTMENT PROGRAM

Mr. PROXMIRE. Mr. President, on behalf of myself and the senior Senator from Montana [Mr. MURRAY], the senior Senator from North Dakota [Mr. LANGER], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Montana [Mr. MANSFIELD], and the junior Senator from Pennsylvania [Mr. CLARK], I introduce for proper reference a bill to establish a national food-allotment program to augment the diets of low-income and needy persons

and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries, and for other purposes.

Many of us are deeply troubled, Mr. President, by the cruel paradox of surpluses of food in the presence of millions of hungry, undernourished Americans.

The Department of Agriculture estimated in 1956 that there were 25 million Americans—comprising 1 family in 7—who were unable, by spending as much as 40 percent of their total family incomes, to purchase enough food to provide the minimum diet needed for adequate nutrition.

Forty percent of the total family budget is an extremely heavy share to spend for food, particularly with other cost-of-living items in the family living budget at the highest point in history. Yet, even with such a heavy proportionate expenditure for food, these low-income families could not obtain enough to eat to provide adequate diets to maintain good health and to raise strong, healthy children.

Since these estimates were made in 1956, the economic situation has grown very much worse. Unemployment has climbed by more than 2 million since that time.

The food stamp program which I am proposing would enable these underfed American families to increase their food consumption to what nutrition experts in the Department of Agriculture have testified is the minimum standard needed for good nutrition.

I ask unanimous consent, Mr. President, to have printed in the RECORD, a statement I have prepared describing this food stamp program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FOOD STAMP PLAN—ENOUGH TO EAT FOR ALL AMERICANS

(Statement by Senator PROXMIRE)

Here is how the national food allotment program provided for in my food stamp bill would operate:

Families who wished to do so could purchase food coupons or "stamps" redeemable at their regular grocery stores for the purchase of food. They could buy enough coupons to provide adequate diets for every member of the family at a cost of 40 percent of the total family income, or one-fourth of the retail value of the coupons, whichever is greater.

The Department of Agriculture estimates that the retail cost of the food needed to provide a minimum adequate diet for a family of four would be about $22 per week. Under this proposal, a family of four persons could obtain $22 worth of food coupons for 40 percent of the family's total income, down to a minimum of $5.50 per week.

It would be to the advantage of any such family of four having a total family income of less than $55 per week to buy the food coupons. They could obtain a greater retail purchasing power in coupons with 40 percent of their income than the coupons would cost.

Food store dealers could cash in the coupons which they accepted in payment for food, through their regular bank.

MANY CHILDREN AMONG UNDERFED

A program of this kind is urgently needed to eradicate the shame of malnutrition in a nation which boasts of the world's highest standard of living at a time when many in high and responsible positions are maligning our blessing of abundant food as a burdensome surplus.

The need for additional purchasing power to buy sufficient food is concentrated among families with many children. There are nearly 2 million American families of 7 persons or more. For 41 percent of these families, 40 percent of the total family income is not sufficient to buy enough to eat for adequate nutrition. These families receive annual incomes of less than $571 per person.

Surely adequate diets for healthy development of these millions of American children is the kind of social and economic investment that we cannot afford to ignore, and one that is bound to repay itself in many ways, many times over.

The Department of Agriculture study of probable results from a food-stamp program indicates that the low-income families who would be eligible under this bill would greatly increase their consumption of certain kinds and qualities of foods if additional purchasing power were made available to them.

WOULD BOOST FOOD SALES

Assuming that families with annual incomes of under $2,000 were to increase their consumption to the level actually consumed by families with annual incomes ranging from $2,000 to $3,000, the following estimated changes in consumption by these lower income families would take place:

Fresh fruits: 25 percent increase.

Fresh vegetables: 17 percent increase.

Canned and frozen fruits and vegetables and juices: 50 percent increase.

Dried fruits and vegetables: Decrease of 19 percent.

Potatoes: 9 percent increase.

Meat, poultry, fish: 27 percent increase.

Milk (including nutritional equivalent of cheese, ice cream): 18 percent increase.

Eggs: 11 percent increase.

Bakery products: 28 percent increase.

Flour, meal, pastes, cereals: Decrease of 24 percent.

Fats and oils, including butter: 2 percent increase.

Sugar, sweets: No change.

Total food consumption: 34 percent increase.

The Department of Agriculture's study indicated that families having annual per family incomes of $2,000 to $3,000 spend 44 percent more money for food than the average family of the same size having annual incomes of $2,000 or less. This is a measure of the real deprivation that exists in our economy; few families of 3.5 persons average size can afford to overeat on a total annual family income of $2,000 to $3,000. Any family which buys less clearly must suffer from undernutrition.

The food-stamp program provided for in this bill would expand the consumption of food in our national economy by about 3 percent. This would constitute an impressive contribution to two extremely important national problems—the problem of agricultural surpluses, and the problem of expanding the overall national economy and volume of business.

HELP SOLVE SURPLUS PROBLEM

In recent years, overall farm production has not been more than 1 or 2 percentage points in excess of consumption. The surplus problem, however, has been concentrated in commodities other than those for which demand would be most increased by the enactment of a food-stamp plan.

Therefore, establishment of a food-stamp program would not be a cure-all for the farm problem; a sound and effective farm-income improvement and protection program would be required along with it. But it would make these important contributions to the farm economy:

1. Demand and prices of high-quality foods, including all livestock products, fresh fruits, and vegetables—would be strongly bolstered.

2. Some decline in the rate of accumulation of surplus commodities—particularly feed grains—would occur.

3. Some shift in production out of other surplus commodities to those for which demand would be primarily increased would be encouraged.

4. Total farm income would be increased, and the incomes of many individual farmers would be improved.

BOOST TO FOOD TRADES

An impressive boost would be given to the entire food producing, processing, and marketing economy through establishment of this food-stamp program.

A 3 or 4 percent expansion in the volume of food sold would be of much greater relative importance to business enterprises concerned. This is because of one of the most creditable aspects of this plan—that it would utilize the distribution facilities of the regular commercial trade channels. It would not require the establishment of a wasteful, cumbersome, and clumsy Government food-distribution bureaucracy to serve part of the population, while the private businesses serve the rest.

An expansion of the food trade of this size, 3 or 4 percent, could be accomplished in many cases at no extra cost to the private businesses who would handle the food. The stores are already there, in operation—the increased volume of sales resulting from operation of this program would not require additional buildings, employees, or equipment and facilities for most of the grocery stores, processing plants, and other distribution trades. The gross margin on this extra business at each stage of the food processing and marketing industry would be almost entirely an addition to net profit—because the extra business can be handled with little or no increase in fixed operating costs. It would provide a real boost for business—including the many truly independent small businesses that operate in the food trades.

REVENUE-GENERATING PROGRAM

This brings me to one of the most attractive features of all in this kind of economic program: It will add relatively little to the Nation's real tax burden. This is true because it is a revenue-generating program. It will expand our overall economy so much that it will create almost as much new tax revenue as it will cost to operate the program.

Almost the entire expenditure by the Government to finance food coupons for buying additional food will represent a direct increase in the incomes of various stages of the food industry—because it will add relatively little to fixed costs of the industry. Insofar as the profits of corporations in the food industry are expanded thereby, approximately one-half will return to the Federal Government as tax revenue.

Similarly, farmers who enjoy additional sales will also make larger tax payments.

But the income expansion of farmers who produce the commodities for which demand will be increased will be greater than a straight proportionate increase. According to economic studies, the prices received by farmers for food commodities of this type tend to increase by 4 or 5 or more percentage points for each 1 percent increase in demand.

By expanding farm income broadly, with higher prices for a wide range of farm commodities, the taxable incomes of farmers

will be expanded considerably more than the 3 or 4 percent by which food consumption itself will be raised.

COST COMPARATIVELY SMALL

Not all of the approximately 25 million people who would be eligible to supplement their food-buying power under this program would participate. The total direct cost of operating this program at its maximum scale—without taking the revenue-generating features into account—would probably be in the neighborhood of $1.5 billion. The actual scale of operation each year would be dependent upon appropriations by Congress.

This represents a far more humane and constructive approach to the paradoxical problems posed for the Nation by its abundance of food than those that have been tried in recent years. Within the past 5 years, the waste of food by our Federal Government has exceeded any precedent in all history.

For example, under the Soil Bank program instituted at the recommendation of the President 2 years ago, the Government has paid or committed a total of over $1.6 billion to pay farmers to destroy and to not produce crops.

The magnitude of this waste staggers the imagination. This enormous expenditure represents the direct destruction and subsidized nonproduction of sufficient grain to provide bread for the entire population of the United States for a full year's time—plus some ham and eggs, and a couple of cotton shirts for every man, woman, and child in the Nation.

The enormity of this waste must be a crushing burden on the conscience of any decent person who contemplates today's world—where there are millions who suffer from malnutrition and outright starvation. Its shame must oppress everyone who sees the misery and deprivation of 25 million of our own neighbors, who do not get enough to eat to maintain their health.

It is time that decent Americans asserted themselves in behalf of decent and constructive utilization of the abundant blessings that God has bestowed upon this land.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3514) to establish a national food allotment program to augment the diets of low-income and needy persons and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries and for other purposes, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

CONSTRUCTION OF FEDERAL BUILDINGS IN CHICAGO, ILL.

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, two bills dealing with the same subject matter. One would authorize by means of lease-purchase the construction of a court building and a Federal office building in Chicago, with a maximum cost limit of $98 million. The other would approach the same subject by means of direct appropriations.

With the latter bill I submit a section-by-section analysis, which I ask unanimous consent to have printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the section-by-section analysis will be printed in the RECORD.

The bills, introduced by Mr. DIRKSEN, were received, read twice by their titles, and referred to the Committee on Public Works, as follows:

S. 3516. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; and

S. 3517. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes.

The section-by-section analysis presented by Mr. DIRKSEN is as follows:

SECTION-BY-SECTION ANALYSIS OF BILL

Section 1 of the bill authorizes the financing and construction of a courthouse and a Federal office building in Chicago, Ill., by the Administrator of General Services pursuant to the Public Buildings Purchase Contract Act of 1954, as amended. The proviso makes inapplicable three provisions of the present act. First, it eliminates the requirement that the contracts provide for equal annual payments to amortize the principal with interest thereon in order to permit the commencement of such payments during construction, if this is desired. It also eliminates the limitation on the aggregate of all annual payments applicable to the program as a whole which limitation should not apply to this special legislation. Second, the limitation of the aggregate annual amount of payments under a purchase contract to 15 percent of the fair market value is eliminated. Any arbitrary limitation on the percentage of the fair market value which may be amortized annually might render the contract impossible of performance. New construction is involved under this bill. It is most impracticable, if not impossible, to determine in advance and before completion, what the fair market value will be upon completion. Third, making subsection (e) of section 411 of the act inapplicable, eliminates the approval of the project by the Director, Bureau of the Budget and the respective Public Works Committees of the Senate and House since this bill constitutes such authority.

Section 2 would permit the vesting of title to the buildings in the Government coincidental with the commencement of the purchase term. In the event the contract or contracts for the two buildings so provide, the requirement of subsection (1) of section 411 of the act that the real property acquired shall be subject to State and local taxes until title passes to the Government becomes unnecessary and, accordingly, is made inapplicable.

Section 3 authorizes the Administrator of General Services to increase the limit of cost specified in section 1 of the bill commensurate with the increases in construction costs generally dating from the enactment of the bill. Experience has indicated that there is an increase in construction costs between the time authorizing legislation is passed, an appropriation made, and the date construction bids are obtained.

Section 4 makes 4 technical and clarifying amendments of the basic act. Subsection (a) would amend subsection (c) of section 411 of the act by broadening the scope of the type of organization with which the Administrator of General Services might enter into agreements. Subsection (b) would add a new subsection to section 411 of the act intended to cure a major deterrent to the implementation of the act. Various potential sources of financing have indicated a lack of interest because of the fact that the Government's contractual obligation to make the annual payments due is the sole financial security. The pledge of the full faith and credit of the United States would materially aid market acceptability. Subsection (c) is a technical amendment of the act designed specifically to remove questions heretofore raised by counsel for financing institutions as to whether the terms "purchase contracts" or "purchase contract" as used in the act include any contract or series or group of contracts entered into by the Administrator of General Services as necessary to implement and effectuate the purposes of the act. Subsection (d) adds a new subsection to section 411 of the act. Counsel for potential investors of pension funds expressed the opinion that in the absence of a court decision or amendatory legislation, it had serious doubt as to whether a financing institution, acting as pension trustee, could qualify as an assignee under the Assignment of Claims Act of 1940, as amended. The question is not absolutely free from doubt even though the Comptroller General of the United States, by decision dated October 9, 1956, specifically held that the validity of the assignment of the proceeds of a Government contract is not impaired by the fact that the indebtedness secured by the assignment represents an investment of trust funds, where legal title to, and control of such funds are vested in a bank or trust company. Accordingly, new subsection (m) has been drafted to eliminate this obstacle and enable participation of additional sources of financing.

Section 5 is the usual provision in an authorizing act providing for the appropriation of the necessary funds to implement the bill.

Mr. DIRKSEN. Mr. President, for the RECORD I would make this amplified statement. At the present time the Federal Government leases 1,916,945 square feet of office space in the city of Chicago. The annual rental is $3,849,327. The Federal personnel is scattered in 134 buildings in the city of Chicago. No one will contend that that is very efficient operation.

In addition to this rental space, the Federal Government also owns six buildings in the city of Chicago, with a value of $36 million. They are the Post Office Building, the Custom House, the American Fore Building, the United States Court House, the Appellate Court, and the Rand McNally Building. At the present time 33 Federal agencies operate in Chicago, with a Federal personnel of 33,914.

I believe the construction of a new courthouse and a new Federal office building would be very timely. From the best information we can procure, 40 percent of the unemployed in the city of Chicago are members of the building trades unions.

The plan envisioned is for the progressive relinquishment of the rented space and then the sale, if practical and possible, of the buildings, and then applying the proceeds to the contracts involving the new buildings, the one purchased, of course, from the standpoint of being investor financed, with the title ultimately to vest in the Federal Government; the other, of course, would be by direct appropriations. All the space is exclusive of the post office space and the post office personnel, the former of course, being under Federal ownership.

I believe this plan is very timely, and I hope, as an accommodation to the

solution of the unemployment problem in the metropolitan center at the head of Lake Michigan, this plan can be undertaken.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. KERR. Mr. President, on behalf of myself, and my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects.

This bill, if enacted, would amend Public Law 566, 83d Congress, as amended by Public Law 1018, 84th Congress. The purpose of the amendment is to extend the authorization of loans contained in Public Law 1018 to 11 watershed projects authorized under section 13 of the Food Control Act of 1944.

Construction of watershed works of improvement in these 11 projects has been under way for a period of 10 years. They are generally identical in character to the types of improvements provided for in Public Law 566, as amended. The 11 watersheds include a total of about 30 million acres in New York, Pennsylvania, Maryland, Virginia, West Virginia, Georgia, Mississippi, Oklahoma, Texas, Iowa, and California.

Because the programs in these 11 watersheds were already authorized, the Department has not accepted applications for assistance within their boundaries under the provisions of Public Law 566, as amended. The only form of assistance not available in these 11 watersheds which can be obtained under authority of Public Law 566, as amended, is the securing of Federal Loans under the provisions of section 8 of Public Law 566, as amended.

The purpose of the bill is to further amend Public Law 566 to make the provisions of section 8 applicable to the 11 watersheds authorized in the Flood Control Act of 1944 in the same manner as it is applicable to all projects originated under Public Law 566 throughout the remainder of the United States.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3520) to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, introduced by Mr. KERR (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. JENNER submitted an amendment, intended to be proposed by him to the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to Senate bill 3420, supra, which were ordered to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 3420, supra, which was ordered to lie on the table, and to be printed.

ESTABLISHMENT OF PUBLIC LANDS MANAGEMENT STUDY COMMISSION—AMENDMENT

Mr. MAGNUSON (for himself and Mr. JACKSON) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the joint resolution (S. J. Res. 49) to establish the Public Lands Management Study Commission, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS AND TO MAKE TECHNICAL CHANGES—AMENDMENT

Mr. SMATHERS submitted an amendment, intended to be proposed by him to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Address entitled "To the Stars, Through Difficulty," delivered by him at the Fourth Congressional District Democratic rally at Wichita, Kans., on November 25, 1957.

NOTICE OF CONSIDERATION OF THE NOMINATION OF HORACE H. SMITH TO BE AMBASSADOR TO LAOS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I wish to announce that the Senate on March 17, 1958 received the nomination of Horace H. Smith, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos, vice J. Graham Parsons.

Notice is given that the nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARING ON NOMINATION OF GEORGE HARROLD CARSWELL TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF FLORIDA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 26, 1958, at 10:30 a. m., in room 424 Senate Office Building, upon the nomination of George Harrold Carswell, of Florida, to be United States district judge, northern district of Florida, vice Dozier A. DeVane, retired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

AID FOR UNEMPLOYED

Mr. CLARK. Mr. President, a few days ago I had occasion to call to the attention of my colleagues the distressed economic situation in the Commonwealth of Pennsylvania, and to suggest specific measures which might be passed in this session of Congress to help ease that economic disability.

Today I call attention to a bill introduced on Monday by the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], which I have cosponsored, to broaden the present statutory authority with respect to the distribution of food to the needy. The bill would direct that funds available and in the hands of the Secretary be put to use to provide an increase of quantities and from the standpoint of a balanced diet, a better selection of food which our economy produces in such abundance.

On the 27th of February 1958, the Council of the City of Philadelphia adopted a resolution requesting the Secretary of Agriculture to make available, through the Federal surplus food distribution plan, increased quantities and a greater variety of surplus food. I ask unanimous consent that a copy of the resolution may appear in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution 235

Resolution requesting the Secretary of Agriculture of the United States to make available through the Federal surplus food distribution program increased quantities and greater varieties of surplus food, with more frequent distributions

Whereas the extent of the current widespread unemployment in the city of Philadelphia is revealed by the fact that unemployment has increased from 60,000 in September to 100,000 in January with similar increases in applications for aid for dependent children and applications for public assistance; and

Whereas these figures are only a partial reflection of distress being experienced by the citizens of this city as a result of the business recession; and

Whereas citizens unable to obtain adequate relief through established channels are in need of supplies of food; and

Whereas the Federal surplus food program currently being distributed by the city of Philadelphia is limited to flour, cornmeal, dried milk and cheese, with a total retail value of such foodstuffs amounting to approximately $1.25 per person, per month; and

Whereas substantial stockpiles of surplus foodstuffs of these types and others not presently supplied exist in Government warehouses: Therefore

Resolved by the Council of the City of Philadelphia, That the Secretary of Agriculture of the United States is hereby requested to make available through the Federal surplus food distribution program increased quantities and greater varieties together with more frequent distributions of said surplus food for the duration of the present emergency;

Resolved, That certified copies of this resolution be forwarded to the Secretary of Agriculture of the United States and to the United States Senators from Pennsylvania and to the Members of the House of Representatives representing the Congressional Districts located in the city of Philadelphia and to the Governor of the Commonwealth of Pennsylvania.

Mr. CLARK. Mr. President, about 3 weeks ago, I, together with a number of my colleagues in the other body of Congress from western Pennsylvania, called on the Secretary of Agriculture and urged him strongly to take whatever administrative action was necessary to expand the surplus food program. I hope our call did not fall on deaf ears, although nothing constructive has been done to date.

At this moment the distinguished mayor of Philadelphia, the Honorable Richardson Dilworth, is in the office of the Under Secretary of Agriculture to make the same plea for his great city, located at the other end of the State. I hope also that plea will be effective, and that prompt administrative action will be taken to broaden the surplus-food program.

In the meantime, I have received from the Governor of Pennsylvania, the Honorable George M. Leader, a telegram directing my attention to the fact that thousands and thousands of Pennsylvanians have used up all their unemployment compensation and are now, in many cases, on relief, and are absolutely in need of the surplus-food program.

I ask unanimous consent that the telegram I received from Governor Leader may appear at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., *March 18, 1958.*

Hon. JOSEPH S. CLARK, Jr.,
Senate Office Building,
Washington, D. C.:

Urge you support Federal extension of unemployment compensation benefits. Number of Pennsylvania claimants exhausting benefit rights sharply increasing. Eighty-seven hundred in January, 10,200 in February. Estimate 12,000 in March and 16,000 in April. Prompt reinstatement of these people to eligible status is urgent to increase purchasing power of these families. Urge support of plan to grant each claimant 13 additional weeks of eligibility at State rates. Urge you oppose legislation to extend all benefits to 39 weeks or any other fixed figure, since this would favor other States over Pennsylvania. We already provide 30 weeks. Thirty-nine-week plan undesirable since average State would get 13 additional weeks while Pennsylvania would get 9. Details will be forwarded in early mail.

GEORGE M. LEADER,
Governor of Pennsylvania.

Mr. CLARK. Mr. President, I hope that, as a result of activity by so many Members of this body with respect to the difficult situations existing in their particular States, prompt and effective action will be taken in connection with the extension of unemployment compensation, and also with respect to the distribution of surplus food, both of which are so badly needed as an aid in the plight of the unemployed.

Mr. President, I turn briefly to another subject.

The PRESIDENT pro tempore. The Senator from Pennsylvania has the floor.

AID TO INDIA

Mr. CLARK. Mr. President, on March 17 a colloquy occurred in the Senate between the distinguished Senator from Kentucky [Mr. COOPER] and his distinguished colleague from Indiana [Mr. JENNER], in which the question of aid to India was rather hotly debated, with disagreement between my two friends on the other side of the aisle.

It so happens I had read that day an article entitled "India: Crucial Test of Foreign Aid," the author of which was the Honorable JOHN SHERMAN COOPER, which appeared in the Sunday magazine section of the New York Times.

The article states so succinctly and clearly the vital need for giving foreign aid to India, for our own purposes, because of our own sense of compassion, as well as a sense of our own well-being, that I ask unanimous consent it may be printed in the RECORD at this point in my remarks.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield in that regard?

Mr. CLARK. I will yield in a moment.

Mr. President, for my own small part I should like to associate myself completely with the stand taken by the Senator from Kentucky [Mr. COOPER], and I hope that when the time comes for action many of us on both sides of the aisle will see not only the wisdom but the justice of extending to free and democratic India the aid so badly needed to enable India to remain on the side of freedom.

I am happy to yield now to my friend, the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I am very happy to hear what the distinguished Senator from Pennsylvania has said. I am pleased to inform him that I noticed the same article, and I had the great privilege of having the article printed in the RECORD yesterday, with a commendation of the Senator from Kentucky [Mr. COOPER] along the line of that presented today by the Senator from Pennsylvania.

Mr. CLARK. Under those circumstances, Mr. President, I withdraw my request that the article be printed in my remarks today. I had not realized the Senator from New Jersey had the article printed in the RECORD yesterday.

Mr. President, I yield the floor.

PRESIDENTIAL OPPOSITION TO PRICE-SUPPORT FREEZE

Mr. SYMINGTON. Mr. President, in an address yesterday before members of his own party, the President stated:

The Senate bill passed last week freezing rigidly the price-depressing practices of the past, represents in my opinion a 180-degree turn in the wrong direction—the direction that can only lead to chaotic controls and perpetual troubles for the farmer. The administration program seeks to make Government a real partner of the farmer—not his boss.

In making this statement, the President not only takes direct issue with a majority of the Senate, but also with a majority of the members of the Senate Agriculture Committee, including the three ranking Republican members.

In addition, the President takes direct issue with the ranking Republican member of the Judiciary Committee; and also with the ranking Republican member of the Foreign Relations Committee.

When it comes to a definition of his conception of "partnership," it is interesting to note who have been, and are, the real partners of this administration among those who produce, process, distribute, and consume the products of agriculture.

In 1952 the farmer received 47 cents of every dollar spent by consumers for food.

Last year the consumer paid more for food than he did in 1952, but the farmer's percent of the retail food dollar dropped 7 cents, from 47 cents to 40 cents.

Between 1952 and 1957 total farm production was up 6 percent.

Farm prices were down 16 percent.

Farm parity ratio was down 18 percent.

Total farm income was down 20 percent. Realized net farm income for 1957 is at its lowest point since 1942.

Family farm purchasing power of that farm income was down 24 percent, the lowest since 1940.

In 1957, total farm debt reached an all-time high of $19.5 billion.

Farm mortgage debt is at its highest level since the early 1920's.

All this tremendous reduction in the farmer's position occurred at the same time corporate profits increased 14 percent, average weekly wages in industry increased 21 percent, and the Nation's gross national product increased 26 percent.

During this period, the Department of Agriculture's budget expenditures have almost doubled—from $2.5 billion in the fiscal year 1954 to an estimated $4.9 billion in fiscal 1958.

Now let us look further at the record to determine who have been partners with whom.

Profits of the food manufacturers, after taxes, were 36 percent higher in 1956 than they were in 1952.

It would appear, however, that these increased profits will not continue, because, as predicted by some of us on this floor for years, the warning of many farm leaders that recessions have invariably been farm bred and farm led may be turning out to be only too true.

FINAL COMMUNIQUE FROM SEATO COUNCIL

Mr. SMITH of New Jersey. Mr. President, last Friday the text of the final communique from the fourth annual meeting of the SEATO Council, at Manila, was published in the press.

The communique reemphasized the danger of the Communist menace, and, without minimizing the military threat, stressed the shift of Communist strategy into the economic, political, and cultural fields.

In many ways the tone of the communique was similar to that issued at Paris, last December, by the NATO nations. The policy of a continuing mobilization in many fields of the resources of the Free World against the Communist challenge was clearly set forth by the communique. This included expanding programs of economic, military, and cultural cooperation among the members of SEATO, and facilitation of the exchange of information and opinion between SEATO and other Free World alliances.

Here, as in the NATO communique, is a ringing affirmation that maintenance of Free World security and development is vitally contingent upon mutuality of effort and cooperation among Free World nations.

Mr. President, I ask unanimous consent that a copy of the final communique from the SEATO Council meeting at Manila, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the communique was ordered to be printed in the RECORD, as follows:

[Department of State Release No. 125]

FINAL COMMUNIQUE ISSUED BY THE SEATO COUNCIL, MARCH 13, 1958

The fourth annual meeting of the SEATO Council was held in Manila from March 11 to 13, 1958, under the chairmanship of the Acting Secretary of Foreign Affairs of the Philippines, the Honorable Felixberto M. Serrano.

The Council reviewed the world situation with special attention to the treaty area, approved the work of the organization since the meeting in Canberra a year ago, and considered reports by the Council representatives, the military advisers, and the Secretary-General.

The Council welcomed the appointment of H. E. Nai Pote Sarasin, of Thailand, as Secretary-General of the organization. This position was created at last year's meeting.

SECURITY OF THE REGION

The Council considered the continuing Communist threat to the region. The Ministers reaffirmed their determination to maintain national and collective defense against the possibility of Communist and Communist-inspired armed aggression, while at the same time earnestly working for international disarmament with adequate safeguards covering both nuclear and conventional elements.

SEATO has become a bulwark which has enabled the countries protected hereby to proceed in peace with their programs of national development.

Members of SEATO recognized that a threat to security or to freedom in any region of the world was a threat to security and freedom everywhere.

Some criticism of the aims and objectives of SEATO continues to be heard. The Council agreed that every country has the right to follow the policy it prefers. The Council noted with regret that some countries nevertheless continue to criticize the collective security arrangements of the Free World, though such arrangements are in accordance with the United Nations Charter.

SUBVERSION

The problems of Communist subversion in the treaty area were discussed at length. It was recognized that this represented the most substantial current menace.

The Council was of the opinion that collective security measures had resulted in the diversion of the emphasis of Communist activities from the military to the nonmilitary field.

Communist and Communist-inspired activity has continued within the treaty area. In countries protected by the treaty there has been a noticeable change of emphasis by the Communists to activity in the economic, political and cultural fields and also to activity within youth and labor organizations.

The Council welcomed the counter subversion measures being taken by the members and noted particularly the success of the seminar on countering Communist subversion held in Baguio in the Philippines last November.

The Council recognized that in view of the insidious character of Communist subversion there was particular danger arising from some non-Communist governments failing to distinguish between the aims and ideals of the Free World and the purposes of international communism.

ECONOMIC ACTIVITIES

The Council heard statements on the economic progress and problems of the treaty area and on what further steps could be taken inside and outside SEATO to attain the economic objectives set forth in the Manila treaty.

A principal means of attaining these objectives continues to be through extensive bilateral and other economic arrangements between the SEATO countries. During the past year over $700 million for economic purposes was provided for countries covered by the Manila treaty, principally by the United States. This aid is a major factor in preserving peace and genuine independence for countries of the region.

Australia announced that it would make available to the Asian members of SEATO a further 1 million Australian pounds ($2,240,000) for purposes generally related to SEATO defense; this is in addition to 2 million Australian pounds previously contributed by Australia for these purposes.

The United States announced that $2 million was being made available to the Asian members of SEATO for vocational and on-the-job training. Australia, France, New Zealand and the United Kingdom also offered to help on various aspects of skilled labor training.

The United States also announced that the major portion of its economic aid was now being directed to the region of Asia. The Council approved in principle a project submitted by Thailand to establish a SEATO graduate school of engineering in Bangkok and several members announced that they would be pleased to participate in providing the necessary funds. The Council agreed to continue and expand its program of cultural activities.

The Council expressed its satisfaction at the holding in Bangkok under SEATO auspices of a roundtable on the impact of modern technology upon traditional cultures in southeast Asia. A number of SEATO fellowships have been awarded and some members are conducting bilateral cultural exchanges.

The Council agreed to continue its fellowships programs and to initiate new cultural projects, the most important being a scholarship program and the appointment of professors at universities of the Asian members and of traveling lecturers.

RELATIONS WITH OTHER ORGANIZATIONS AND COUNTRIES

The Council expressed its interest in the development of relations with other collective defense organizations of the Free World as well as the facilitation of an exchange of information and opinion between these organizations on a mutually agreeable basis. The Council authorized the Secretary-General to enter into contact with the secretaries-general of other collective security organizations of the Free World.

The Council considered that contacts between SEATO and nonmember states had proved useful in many respects and directed that, as circumstances permitted, such contacts be continued and expanded in the coming years.

WORK OF MILITARY ADVISERS

The Council noted with approval the work of their military advisers and of the military planning office, which has completed its first year's work. Plans in fulfillment of the defensive role of SEATO have been developed to resist aggression in the treaty area. Since the last Council meeting four major SEATO military exercises have been held as well as three multilateral or bilateral exercises. These have served effectively to increase the degree of cooperation between the forces of the SEATO powers and to make them more ready for speedy action in the event of any sudden attack. The Council authorized a further program of combined exercises.

The Council learned with regret the news of the relief of Brig. Gen. Alfredo M. Santos, who has been the first Chief of the SEATO Military Planning Office. He is returning for reassignment in the Philippines.

The United States and the Philippines announced that they intend to cosponsor a defense college to be located in the Philippines. This would be open to members and nonmembers of SEATO. The Council took note of this announcement with particular interest.

NINETEEN FIFTY-EIGHT AND NINETEEN FIFTY-NINE BUDGET

The Council approved budget estimates totaling $850,360 for the financial year 1958 and 1959, to cover the cost of the Secretariat-General and Military Planning Office in Bangkok and to finance certain joint programs.

NEXT MEETING

The Council accepted with pleasure the invitation of the New Zealand Government to hold its next annual meeting in Wellington.

CONCLUSION

The Council considered that the work of the present meeting had helped to consolidate the work already achieved by SEATO. They placed on record their determination to continue to work together for the security and progress of South-East Asia in accordance with the principles and purposes of the Charter of the United Nations. The Council members again emphasized the defensive character of SEATO and reaffirmed the principle that international disputes be settled peacefully in accordance with the principles of the United Nations Charter.

The representatives attending the fourth SEATO Council meeting were: Australia, Rt. Hon. R. G. Casey; France, M. Christian Pineau; New Zealand, Rt. Hon. Walter Nash; Pakistan, Hon. Nawab Mozaffar Ali Khan Qizilbash; Philippines, Hon. Felixberto M. Serrano; Thailand, H. R. H. Prince Wan Waithayakon Krommun Narabhip Bongsprabandh; United Kingdom, Rt. Hon. Selwyn Lloyd; United States, Hon. John Foster Dulles.

EXTENSION OF RECIPROCAL TRADE ACT

Mr. SMITH of New Jersey. Mr. President, in the New York Times of March 11 appeared an editorial entitled "The Role of Imports," which describes the readiness of the Department of Commerce to prepare reports showing the overall effect of exports and imports in any Congressional District in the Nation.

Five reports which have thus far been prepared, have graphically demonstrated, the Times states, that—

The economic benefits of imports to the community as a whole have substantially, if not overwhelmingly, overshadowed in importance any temporary unfavorable effects they may have had in the case of industries immediately affected.

That such a condition is inescapable when applied to the American economy as a whole from a long-term standpoint—

The Times asserts—

goes without saying.

Mr. President, I ask unanimous consent that the thoughtful editorial endorsing the extension of the Reciprocal Trade Act be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ROLE OF IMPORTS

In support of its proposal for a 5-year extension of the Reciprocal Trade Agreements Act the administration has developed what is described as a new tactical weapon. Aware that most of the opposition to this measure stems from individual industries and individual concerns whose representatives have brought pressure to bear on the Congressmen from their districts, the administration has let it be known that the Department of Commerce is ready to prepare a report for any Member of Congress showing the overall effect of exports and imports in his district.

The Department has already made five such studies dealing respectively with two Congressional Districts in Connecticut, two in Michigan, and one in Alabama. These were undertaken, it is understood, at the request of Members of Congress from these five districts. Four of these five reports conclude that foreign trade "contributes greatly to the welfare" of the citizens of the district surveyed; the fifth declares it to be "essential." In some cases it is conceded by the reports that while here and there individual segments of an industry may be adversely affected by competition from abroad, even in such areas the economic benefits of imports to the community as a whole have substantially, if not overwhelmingly, overshadowed in importance any temporary unfavorable effects they may have had in the case of industries immediately affected.

That such a conclusion is inescapable when applied to the American economy as a whole from a long-term standpoint goes without saying. For a nation that provides its domestic producers with the largest free market in the world, and that, on top of this, consistently exports far more than it imports, to stiffen its protectionist policies would be to contradict the antimonopoly philosophy that has been one of the bulwarks of our competitive economy.

EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. SMITH of New Jersey. Mr. President, on the subject of the controversy over the extension of the east front of the Capitol, I ask unanimous consent to have printed in the RECORD two items which appeared in newspapers recently. The first is an editorial from the Washington Post and Times Herald of March 14, 1958, entitled "East Front Skirmish," and the second is a letter entitled "Let It Alone," written by Walter M. Whitehill, director, Library of the Boston Athenaeum, published in the Washington Post and Times Herald of March 17, 1958.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 14, 1958]

EAST FRONT SKIRMISH

There is no reason to be disheartened by the Senate's failure on Tuesday to block immediately the profligate and dubious scheme to extend the east front of the Capitol by 32½ feet. The Senate vote was only a preliminary skirmish; the final battle still lies ahead. Senator ROBERTSON of Virginia tried the unusual parliamentary tactic of adding legislation to an appropriation bill, a move requiring the suspension of Senate rules. Mr. ROBERTSON'S amendment failed to get the required two-thirds margin, but an informal count showed a majority of Senators favored the delaying device. Thus the vote is a bright augury, because another delaying bill introduced by Senator H. ALEXANDER SMITH, of New Jersey, will be coming up on the regular Senate Calendar, requiring only a majority for passage. Mr. SMITH reports that he has been assured an early vote by the Senate leadership. It is unthinkable that the promise will not be honored, since the Architect of the Capitol already has his workmen matching the marble on the stately old facade and is ready to let contracts. Surely the Senate leadership will not dawdle until the clang of wrecking bars makes a vote academic.

[From the Washington Post and Times Herald of March 17, 1958]

LET IT ALONE

T. R. Sullivan, in his Boston Old and New, observed that "in one of Miss Beatrice Herford's entertaining monologues a member of the new Let It Alone Club explains the purpose of its association: namely, to 'look for something which is getting along perfectly well and then—just let it alone.'"

The activities of the special Congressional commission that is bent on squandering some $10 million of public funds to disfigure the United States Capitol by extending its east front and resurfacing it in marble, indicate the need of a Washington branch of the Let It Alone Club.

In spite of vigorous protests from the American Institute of Architects and the National Trust for Historic Preservation, the Commission proposes changes that would sabotage the designs created by Thornton, Latrobe, and Bulfinch and approved by Presidents Washington and Jefferson, in order to make the distinguished central block match the banal mid-19th century marble wings.

It has, moreover, been reported that the Architect of the Capitol took the amazing stand at a public hearing on February 17 that what was done was not the public's business.

Such goings-on give substance to H. L. Mencken's allegation that the Government is apprehended by the people it governs not as a committee of citizens chosen to carry on the communal business of the whole population, but as a separate and autonomous corporation, mainly devoted to exploiting the population for the benefit of its own members. They suggest the need for an effective public scold to fill the places left vacant by the deaths of Mencken and Bernard de Voto.

House Minority Leader MARTIN is reported to be the only member of the five-man Commission for the Extension of the Capitol to oppose this foolishness. Vice President NIXON, Speaker RAYBURN, Senator KNOWLAND, and the Architect of the Capitol appear to have adopted as their motto the 18th century line: "Some write their wrongs in marble." Representative MARTIN deserves honorary membership in the Let It Alone Club.

WALTER M. WHITEHILL,
Director, Library of the Boston Athenaeum.

BOSTON.

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram from Mrs. Boyd Harden, regent, and Mrs. McIver Todd, corresponding secretary, of Battle of Alamance Chapter, Daughters of the American Revolution.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BURLINGTON, N. C., *March 17, 1958.*

Hon. W. KERR SCOTT,
Washington, D. C.:

Members of Battle of Alamance Chapter, DAR, wish to protest any architectural change in our National Capitol Building.

Mrs. BOYD HARDEN,
Regent.

Mrs. MCIVER TODD,
Corresponding Secretary.

DISTRIBUTION OF BUTTER TO STATES

Mr. AIKEN. Mr. President, a few minutes ago I was advised by the Secretary of Agriculture that as soon as it can be packaged and prepared for distribution, butter owned by the Commodity Credit Corporation will be made available for welfare work in the States. I am sure this will be welcome news, not only to the Members of the Senate who have been advocating such a course for some time, but also to the State officials who have been asking for some of the Government-owned butter to be used in the States during this period of greater-than-usual unemployment.

HIGH SCHOOL ROCKET PROGRAM

Mr. THYE. Mr. President, I ask unanimous consent that I may make a statement which may take a moment or two more than the 3 minutes permitted.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Minnesota be permitted to speak for 5 minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered, and the Senator from Minnesota may proceed.

Mr. THYE. I thank the Senator from Texas.

Mr. President, on February 8 of this year, I wrote Secretary of Defense Neil

McElroy, urging that the Department of Defense study the possible establishment of a high school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I believe, Mr. President, that we should do everything we can to encourage this interest in rockets and missiles, but at the same time we must see to it that proper guidance and safety measures are provided. It is my feeling that the Department of Defense can and should provide this motivation and much-needed guidance.

Since writing to the Secretary, I have been pleased to note that each of our services—the Army, Navy, and Air Force—has experimented, even though to a limited extent, with such a program as I have suggested.

I have also been pleased to read fine newspaper editorials and articles in support of my proposal. Therefore, on February 22, 1958, I wrote President Eisenhower. In this letter to the President I again set forth my proposal that the Department of Defense establish a full-scale high school rocket program. I suggested that the program have two phases: first, science seminars to be conducted by military personnel with the use of military facilities, and, second, supervision of actual rocket launchings. As I pointed out in my letter to President Eisenhower, the purpose of this program would be, as I see it, to first stimulate interest in science; second, make accessible guidance and facilities to the high schools; third, provide proper safety measures for rocket experimentation; and, fourth, recruit into the Armed Forces' rocket-missile programs.

I have suggested that these science seminars conducted by military personnel should be held in population centers and that they would be attended by high school science students and faculty members. Military facilities and supervision should be available for demonstrations and launchings.

This program would, of course, have to be on a voluntary basis, but the students and faculty would know that if it were desired, the Department of Defense would be prepared to cooperate in this program.

Mr. President, I am pleased to report that President Eisenhower has expressed his personal interest in my proposal and has contacted Dr. Killian, his Special Assistant for Science and Technology, in regard to this matter. I can also report that the Department of Defense is now studying the possibility of an extensive high school rocket program for the entire country.

Mr. President, I ask unanimous consent that the following be printed in the RECORD at this point in my remarks: First, my letter to Secretary Neil McElroy of February 8, 1958; second, my letter to President Eisenhower of February 22, 1958; and third, an editorial which appeared in the February 24 issue of the Mankato Free Press, Mankato, Minn.

There being no objection, the letters and editorial were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 8, 1958.*

Hon. NEIL H. MCELROY,
Secretary of Defense, Department of Defense, Washington, D. C.

DEAR SECRETARY MCELROY: In recent weeks, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. I have read these stories with mixed emotions. Of course, I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I believe we should do everything we can to encourage this interest in rockets and missiles, but we must also see to it that proper guidance and safety measures are provided. The Department of Defense can provide this motivation and much-needed guidance.

Actually, the Armed Forces have taken some steps in this direction already. The Army is about to publish a booklet on rocket construction, and I have read of the offer of the Navy to provide a launching site to a group of teen-age "rocketeers."

I believe much more can be done. Therefore, I respectfully urge that you, as Secretary of Defense, consider the establishment of a high-school rocket program.

The purpose of such a program would be to (1) stimulate interest in science, (2) make accessible guidance and facilities to the high schools, (3) provide proper safety measures for rocket experimentation, and (4) recruit into the Armed Forces' rocket-missile programs.

I believe the program should have two phases. First, science seminars, conducted by military personnel, would be held in population centers and attended by high-school science students and faculty. Secondly, military facilities and supervision would be made available to high-school groups for demonstrations and the actual launching of rockets. The entire program would, of course, be on a voluntary basis, and whether or not a given high school participated would be decided by the school system.

All of us are concerned with our Nation's scientific and economic progress. I feel we will not be making a maximum effort unless we include our secondary schools in this program.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

FEBRUARY 22, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

MR. PRESIDENT: Of close concern to myself and many others throughout the Nation during the past weeks have been the reports regarding rocket launchings and rocket development among students of high-school age and in a number of cases, under high-school age. Much of the concern centers around reports of injuries as a result of homemade rockets.

I have been concerned with this particular problem ever since last fall, when first reports began to come to my attention about the damage involved to our young people.

On February 17, I released to the public a proposal that the Department of Defense establish a full-scale high-school rocket program. I anticipated that there would be two phases to this program: First, science seminars to be conducted by military personnel and military facilities and, second, supervision of actual rocket launchings.

The purpose of such a program would be, as I see it, to (1) stimulate interest in science, (2) make accessible guidance and facilities to the high schools, (3) provide proper safety measures for rocket experimentation, and (4) recruit into the Armed Forces' rocket-missile programs.

It is my thinking that science seminars conducted by military personnel should be held in population centers and that they would be attended by high school science students and faculty members. Military facilities and supervision would be available for demonstrations and launchings.

This whole program would be on a voluntary basis but the students and faculty would know that if it were desired, the Department of Defense would be prepared to cooperate in this program.

I do not believe that the safety problem involved in recent rocket activity by teenagers can be overstressed. The Department of Defense has already taken certain steps to deal with this problem, but I do believe that more can be done and that every effort should be made by the Government to assist our students in every way.

I call this to your attention with the hope that through the Office of Special Assistance to the President for Science and Technology, a governmentwide program can be developed which will at the same time inspire a continued interest in science and rocketry and provide an adequate safety factor for young people who are engaged in such activity.

With kindest regards,

Respectfully,

EDWARD J. THYE,
United States Senator.

[From the Mankato Free Press of February 24, 1958]

A SOUND SUGGESTION

The proposal by Senator THYE that the Department of Defense set up a high-school rocket program is a step that deserves serious consideration.

It has become more apparent each day that the interest of young scientists in the rocket program is not going to be deterred. The time has come, therefore, to establish an agency that will encourage this interest, but at the same time provide for maximum safety.

The danger in the rocket experiments which have been going on all over the Nation is that they will cause serious injury, and sometimes death, to the participating youngsters. Many high schools have been emphatic in frowning on unsupervised rocket work, and some have said they will have no part in the experiments.

That, of course, doesn't prevent the experimentation from going on. Which means there should be a concerted attempt to help the young people and to steer their efforts in the best, and safest, direction.

The trend of military developments in recent years—and particularly in recent months—has been toward a defense based more on scientific power and less on manpower. It follows, then, that one of the future roles of the Department of Defense is to encourage the interest and training of young people who will be the future participants in the rocket and missile program.

Senator THYE suggested that military personnel conduct science seminars and supervise actual rocket launchings. This would mean setting up of teams to tour the Nation and help young people develop their interest

and ability in modern scientific programs, and at the same time stress the need for maximum safety.

In view of the fact that there appears to be less need for large numbers of young men in the conventional military services, this would be a role in which the Department of Defense could keep step with the new developments. The day appears to be approaching rapidly when there will be few, if any, manned aircraft, and the emphasis on arms-carrying men in all of the services will be less than it has been previously. This means the Defense Department rightfully may expand its efforts in the field of science, which is where the interests of the young rocketmakers lies.

The Department of Defense can modernize its role by following the Senator's suggestion.

Mr. THYE. Mr. President, I have now written to the commandant of the Ninth Naval District, to the commanding general of the Fifth Army, and to the national commander of the Civil Air Patrol. I have urged that each of the services actually initiate a high-school rocket program in a few schools chosen at random in the Midwest, as is now being done by First Army here in the East and in a few other locations across the country.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 19, 1958.*

Maj. Gen. WALTER R. AGEE,
National Commander, Civil Air Patrol, Bolling Air Force Base, Washington, D. C.

DEAR MAJOR GENERAL AGEE: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that the First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Civil Air Patrol carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a program would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

WASHINGTON, D. C., *March 19, 1958.*

Lt. Gen. WILLIAM H. ARNOLD,
Commanding General, Fifth United States Army, Department of the Army, Chicago, Ill.

DEAR LIEUTENANT GENERAL ARNOLD: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that the First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Department of the Army carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a program would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

WASHINGTON, D. C., *March 19, 1958.*

Rear Adm. EMMET T. FORRESTEL,
Commandant, 9th Naval District, United States Naval Training Center, Great Lakes, Ill.

DEAR ADMIRAL FORRESTEL: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Department of the Navy carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a program would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

ADVERTISING SIGNS ALONG NEW FEDERAL HIGHWAYS—RESOLUTION OF MINNESOTA STATE HORTICULTURAL SOCIETY

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution which I have received from the Minnesota State Horticultural Society, relating to the proposed ban on advertising signs along new Federal highways.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY UNANIMOUS VOTE OF THE EXECUTIVE BOARD OF THE MINNESOTA STATE HORTICULTURAL SOCIETY, FEBRUARY 17, 1958

Whereas the Minnesota State Horticultural Society, representing more than 10,000 members, is highly conscious of and concerned with the natural beauty of Minnesota as seen from our highways; and

Whereas in our opinion natural beauty is already impaired by advertising signs not adequately controlled by present laws; and

Whereas construction in the near future of 900 miles of Federal highways through scenic parts of Minnesota will open the way to greater impairment of natural beauty; and

Whereas in our opinion it is imperative that steps be taken immediately to safeguard Minnesota's priceless natural beauty along all such new constructions: Be it

Resolved, That this society call upon representatives in Congress and the State legislature to support and further the enactment of any bill now pending in Congress or which may be introduced in the State legislature which will ban advertising signs along the entire routes of the new Federal highways; be it further

Resolved, That this resolution be published in the Minnesota Horticulturist, official publication of the Minnesota State Horticultural Society, and that the secretary is hereby instructed to send copies of this resolution to the Governor of Minnesota, United States Congressmen from Minnesota, members of the State legislature, the Minnesota commissioner of highways, other State and Federal officials as may seem appropriate, and communications media in Minnesota.

MEANS TO HALT THE ECONOMIC SLUMP

Mr. PROXMIRE. Mr. President, there has been a great deal of discussion in Congress and the press recently on the relative merits of tax cutting on the one hand, and increased Government spending on the other, as means to stop the economic slump.

Each method has its advantages and its drawbacks. Mr. Bernard D. Nossiter, in an article in this morning's Washington Post, has one of the finest

and most concise analyses of these two methods of attack on the slump that I have read. This is a competent, objective discussion of what is probably the most urgent domestic problem that will face this Congress in this session.

Although Mr. Nossiter's article does not suggest this, his analysis would imply to me the importance of developing both alternatives as supplementary methods of stopping the economic recession.

Earlier in the day the distinguished senior Senator from Virginia [Mr. BYRD], who is chairman of the Senate Committee on Finance, pointed wisely and persuasively to the serious long-term difficulties of this problem.

Mr. President, I ask unanimous consent that the article by Mr. Nossiter be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO ATTACKS ON SLUMP—OUTPUT DROP ADDS DEBATE URGENCY

(By Bernard D. Nossiter)

The latest drop in industrial production, with indications of more ahead, adds fresh urgency to the running debate over the next counter-slump measures.

The administration, now holding to a wait-and-see position, has already opted for tax reductions before starting new public works. The Democratic-controlled Congress has so far given priority to stimulating construction.

Both devices have the same objective—pumping new dollar-backed demand into the economy to expand output and jobs. But the extent, speed, and after effects of the two tools are dissimilar.

Here is how economists size them up:

A $2 billion program of public works will bring perhaps a $10 billion increase in total output. New buildings take steel, lumber, cement, brick and other materials. These industries, as well as builders, will hire workers who in turn will have more to spend. Their buying of food, clothing, homes, furnishings, cars, appliances will strengthen other business and create more jobs. This multiplier effect is the chief argument for public works.

Another is the need to enlarge the Nation's social plant. Additional highways, dams, hospitals, libraries, and schools are the assets that the public works advocates see flowing from a spending program.

But works in progress for which funds have been appropriated are now being speeded up. And construction has not been hit as hard by the slump as other industries. Moreover, a dam in Utah doesn't directly affect employment in the industrial States. Even new building in Michigan won't at once put unemployed auto workers on payrolls.

The major objection to public works, however, is timing. At least 9 months and up to 2 years would elapse after legislation is passed before actual spending would start. Selecting sites, drawing up blueprints, arranging for financing and taking bids all eat up time.

Tax reduction, however, would make new dollars available in a matter of weeks. A cut in personal rates could be translated almost at once into reduced withholdings from pay checks. Individuals and corporations paying tax bills in advance quarterly installments also would rapidly pick up extra cash. Reduced excise or sales taxes could bring about lower prices as soon as a law is signed.

But would the money be spent or salted away by persons fearful of losing jobs or business unable to see new business prospects. Some would certainly be lost. How much depends on how the cuts are made. Because persons with low incomes spent a greater percentage of added earnings than the well off, a case is being made for concentrating tax cuts in the bottom brackets.

A much discussed model package, however, would combine a sharp slash at the bottom with an even cut in the middle and upper brackets, along with lowered business and excise rates. For the family of four earning $5,000, this formula might mean an added $2 a week in income. Tax-cut proponents argue that this would tip off a surge of buying decisions and that only the comfortably fixed scoff at it as a driblet.

In higher brackets, although relatively greater portions will be saved, some reduction is defended on the ground that a heavier amount of any tax saving will be spent for cars and costly appliances. And much of the slump is concentrated in these sectors.

A cut in business rates is not expected to appreciably stimulate sagging plant and machinery spending. But the added cash could stave off some planned layoffs and slow up the business drive to pare inventories.

Reducing excises on autos, freight, and other items would be valuable chiefly to the extent that they were passed on in the form of lower prices and so spurred buying. The 1954 drop in appliancemakers' excises, a study has found, led to a multiplied price cut for consumers because wholesalers' and retailers' markups were applied to a smaller base.

Aside from the leakage of unspent money, the biggest drawback to a tax cut is that it is more inflationary than public works. It would leave a residue of liquid resources that could propel prices up when the economy once again runs into shortages. Since the Federal Government would lose revenue more quickly than it could spend for projects, a larger, immediate deficit would show up in the budget. In addition, prices of consumer goods have not risen as fast as producers'; a burst of new retail buying may lift consumer prices. Finally, tax reductions add nothing to the incomes of the unemployed until the added demand leads to rehiring; at least some of the jobless would at once get work from building projects.

UTILITIES SHUT OFF SERVICE TO UNEMPLOYED

Mr. PROXMIRE. Mr. President, I have received a letter from Mr. Dale R. Williamson, of Racine, Wis., telling about the cruel effects of the recession when the public utilities shut off heat and light to the unemployed. People who have taken care of themselves and paid their way all their lives find themselves without heat and without light through no fault of their own.

This letter makes it clear that we must do something fast about unemployment compensation. Last Friday I enthusiastically supported the position of the distinguished junior Senator from New Jersey [Mr. CASE] when he introduced S. 3446, a bill to provide for the extension of the duration of unemployment compensation payable under State laws with the Federal Government financing the extension. I think that legislation should be enacted now. I have also joined with the very able junior Senator from Massachusetts [Mr. KENNEDY] in sponsoring S. 3244, a bill to improve unemployment compensation laws on a permanent basis. If this bill were law now we would have avoided much pain and hardship.

Mr. President, I ask unanimous consent that Mr. Williamson's letter be printed in the body of the RECORD.

There being no objection, the letter was order to be printed in the RECORD, as follows:

RACINE, WIS., *March 10, 1958.*

Hon. WILLIAM PROXMIRE,
The United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: I am greatly disturbed at the reports circulating the city of Racine, that the gas and electrical utilities are shutting off service to our unemployed who are unable to meet their service bills. There is an account in the Racine Journal Times newspaper dated March 10, 1958, of a woman with three children who had service disconnected even after being promised additional time to meet her obligation.

You certainly are aware that these are times of great duress here in Racine, and that we have many unemployed, both men and women, with families. You must realize also, as I do, that unemployment compensation cannot possibly cover food, clothing, shelter, and all the necessities for these families.

Those of us who are more fortunate, fully expect the doctors and merchants to display compassion until our economy betters, as we know it will. By the same token, we have a right to expect compassion and mercy, yes I said mercy, from the public utilities as well. It is bad enough to read and hear of the despair and hunger, but I, sir, am ashamed to hear of the cold and misery as being forced upon our neighbors for want of a few dollars. When Moscow broadcasts these conditions, we call it propaganda. It is not propaganda, it is a deplorable condition that a public sanctioned monopoly has forced upon these people. These are the unfortunate common people, those who work and have dirty hands, who perhaps do not speak with the eloquence of Senators. But these are the people who elected you and need your help now. They don't want light and gas free, just warmth and light until they get their jobs back.

My personal feelings are that before you and Senator WILEY give your thoughts to the foreign-aid program, you come home and see what you can do for these people here in Racine.

Respectfully yours,

DALE R. WILLIAMSON.

DAIRY PRICE CUT DEADLINE APPROACHES

Mr. PROXMIRE. Mr. President, only 12 days now remain before the dairy producers of this Nation will be subjected to a cruel and harsh cut in their income under the order of Secretary of Agriculture Benson. The justification offered for this cut in dairy price supports is that there is such an unwarranted surplus of milk that some of our farmers must be driven out of business.

Yesterday I received a letter that has a most significant bearing on the administration's position that farmers must be made to suffer economic hardship because of our burdensome surpluses.

This is the first sentence of the letter I received:

Because there is no lunch program in District elementary schools, there are many children in Washington who go each day without having lunch.

This letter, Mr. President, came to me from Mrs. C. R. Sutherland, an officer of

the Jayncees, the auxiliary of the Washington Junior Chamber of Commerce.

Mrs. Sutherland's letter went on to report that one of the particular concentrations of needy children is in Southwest Washington—literally no more than a stone's throw away from the office of Secretary of Agriculture Ezra Taft Benson.

The Jayncees organization has worked diligently and conscientiously to remedy, with private charity, the failure of the Federal Government to provide for a school lunch program for these needy children. They are providing school lunches for 200 of the most needy children each day. Mrs. Sutherland writes:

For many children this will be their only real meal for the day.

Mr. President, I consider it a disgrace that such want should exist anywhere in America. It is a particular shame that it should be permitted within the very shadow of the office where policies are formed on the basis that our country is burdened with surpluses of food.

There is a fundamental moral error, in my judgment, in the formulation of such policies. It is an error which has led this administration to sponsor the deliberate waste of enormous quantities of food and potential food—at the very time that it was curtailing and recommending reductions in appropriations for the distribution of food to needy Americans.

I wish the Jayncees of Washington all the good luck and success in the world in their efforts to alleviate some of the hunger that is robbing many Washington children of their opportunity for healthful growth and learning. But these fine young women cannot be expected to carry the entire moral burden for the care of these children. That burden should properly be borne by all of us—and the officers of the Federal Government bear a heavy share of the responsibility.

Mr. President, I ask unanimous consent to have the letter received from Mrs. Sutherland printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JAYNCEES,
AUXILIARY OF THE WASHINGTON
JUNIOR CHAMBER OF COMMERCE,
Washington, D. C., March 14, 1958.

The Honorable WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Because there is no lunch program in District elementary schools, there are many children in Washington who go each day without having lunch. These children are from families who are on public assistance or from large families living on marginal incomes. Many of them are suffering from nutritional deficiencies.

Several years of social service work at Barney Neighborhood House in southwest Washington have made the Jayncees aware of this unfortunate situation. We are calling this matter to your attention in the hope that you will share our concern and join with us in supporting a pilot-lunch program. It is hoped that as a result of this pilot study, funds will be appropriated to enable the School Board to establish a lunch program in all District elementary schools.

The Board of Education has approved this initial lunch program, if funds are provided through private contributions, which will provide hot lunches for 200 needy children in southwest Washington. Briefly, the facts are these:

1. The 200 children will be served lunch at Jefferson and Randall Junior High Schools. For many children this will be their only real meal for the day.

2. The cost per child is 25 cents per day or $25 per semester. The plan went into effect February 3, 1958, and enough money has been received to cover expenses through the end of March. It is our hope that further contributions will enable us to continue the program for the rest of the semester. The administrative costs are being paid by the Jayncees and a special pilot lunch program fund has been established at Riggs National Bank.

We hope you will be interested in this necessary program which will improve the children's schoolwork, attendance, and behavior as well as their health. Any contribution will be greatly appreciated. Please make checks payable to the Pilot Lunch Program Fund and mail to the Jayncees, 1616 K Street NW., Washington 6, D. C.

Yours very truly,

Mrs. C. R. SUTHERLAND,
Chairman of Solicitations, Pilot Lunch Program.

Mr. MORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORTON in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDUSTRIAL EXPANSION IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, a few weeks ago a State development board was established in South Carolina. The purpose of the board was to encourage and assist industry within the State and to bring new industry to the State. The board has done magnificent work. The head of the development board is Mr. Robert M. Cooper, of Columbia, S. C. He has provided outstanding leadership which has enabled South Carolina to make great progress in bringing industry to our State and in expanding the industry already located there.

The people of South Carolina are working together, diligently and in a spirit of complete cooperation, to make South Carolina as inviting as possible for industrial expansion.

We are blessed with a bountiful supply of power and water, a moderate climate, ample transportation facilities, and an industrious and intelligent labor force.

I recall that when I was Governor of the State several years ago, statistics were compiled which showed a remarkable labor record. At that time there was a loss of man-hours because of troubles between management and labor of less than one ten-thousandths of 1 percent. At that time, the record shows, no other State in the Union exceeded South Carolina's record in this respect.

Our State government is determined to create a tax climate which will encourage industrial growth.

These facts are of vital interest to manufacturers everywhere. This month the South Carolina Development Board will place full-page advertisements in the Wall Street Journal and the Detroit Free Press, setting forth some of the reasons why South Carolina has special advantages to offer industrialists who are looking for a place to expand.

The text of the advertisement was included in a news article entitled "New South Carolina Corporate Tax Laws To Be Advertised in the North," published in Columbia, in the State of South Carolina, under date of March 15, 1958. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW SOUTH CAROLINA CORPORATE TAX LAWS TO BE ADVERTISED IN NORTH

The South Carolina Development Board is scheduled to place full-page advertisements this month in two northern and national newspapers citing the new flexible and optional corporate tax laws which become effective in South Carolina in January 1960.

Both the Wall Street Journal, preeminent policy-reaching financial daily, and the regionally important Detroit Free Press will carry full-page ads in the hope of attracting the attention of business leaders who determine plant location and expansion and with the added anticipation this may bring more industry to South Carolina.

The ad will say:

"New flexible tax law offers income tax computation to meet the varying individual requirements of today's diverse industry.

"To create America's most inviting tax climate for out-of-State industry * * * and to open up the expansion potential of industry within the State * * * South Carolina's Legislature has created America's newest modern tax plan.

"Now industry can choose one of the optional methods that suits its specific operation. Thus another great new progressive step forward has been taken in the South Carolina concept of a stable government's proper relationship to and cooperating with industry.

"This step is typical of a State government which by constitutional mandate must operate in the black with no deficit spending; which has solved its school construction problem through a 3-percent retail sales tax; which makes tax assessments on a State and not a local level; and which has no bonds out for toll highways and can meet its share of the Interstate and A. B. C. Highway System cost without further hampering its gasoline-tax-supported road program.

"South Carolina's new tax law is simply South Carolina's famous hospitality in a new form—an invitation to enjoy the summit advantages of a State with plentiful power, water, transportation, labor, access to seaports, a kindly climate dedicated to the greater industrial growth of South Carolina. For further and detailed information of South Carolina's new tax formula, write the South Carolina Development Board, Columbia, S. C."

Though the advertisement did not mention it, the new optional and flexible corporate income tax law adopted at the 1958 session of the general assembly had the support of every member of both the senate

and the house, plus the signature of the Governor. It also had previously had the support of the State chamber of commerce.

ONEIDA TRIBE OF INDIANS—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated January 20, 1958, which I have received from the executive board of the Oneida Tribe of Indians.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE COUNCIL,
ONEIDA TRIBE OF INDIANS OF WISCONSIN,
January 20, 1958.

Mr. WILLIAM LANGER,
United States Senator,
United States Senate,
Washington, D. C.

Mr. LANGER: The tribal council has authorized the executive board to act on anything that would benefit the tribe; therefore as representatives we would like to encourage you to work and accomplish as much as possible on Senate bill 809 to be considered when Congress convenes in January.

Our reason for this is that the Indian Bureau in Ashland, Wis., says they think our land could be used by some industry if all rules and regulations concerning industry were in order. For more information on these rules contact Mr. E. J. Riley, Superintendent, Ashland, Wis.

JULIUS DANFORTH,
Chairman.
Mrs. IRENE MOORE,
Vice Chairman.
CECIL SKINANDORE,
Secretary.
ALTHEA SCHUYLER,
Treasurer.

PROPOSED DIVISION OF JUDICIAL DISTRICTS IN NORTH DAKOTA—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Williams County Bar Association on March 7, 1958, relating to the proposed division of judicial districts in North Dakota.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the volume of litigation in western North Dakota can be expected to increase materially as the petroleum industry development of the area proceeds; and

Whereas the volume of litigation respecting oil and gas interests in western North Dakota has materially increased: and

Whereas Subcommittee No. 5 of the House Judiciary Committee, Hon. EMANUEL CELLER presiding, is now considering S. 2703 and H. R. 10047 providing for the division of judicial districts in the State of North Dakota; and

Whereas the passage of these bills is of great importance to the profession and litigants in western North Dakota: Now, therefore, be it

Resolved, That the Williams County Bar Association of Williams County, Williston, N. Dak., dc hereby respectfully request and recommend to the Judiciary Committee of the House of Representatives of the Congress of the United States that S. 2703 and H. R. 10047 be favorably reported to the House of Representatives, and that the same be enacted into law; be it further

Resolved, That copies of this resolution be sent to the North Dakota Congressional delegation and to the Honorable EMANUEL CELLER.

Dated March 7, 1958.

SOCIAL SECURITY AND FARM PRICE SUPPORTS

Mr. LANGER. Mr. President, I notice that several Democratic leaders stated that the Russians have stolen the proposal of the Senate majority leader, the Honorable LYNDON B. JOHNSON, that the United Nations should control outer space.

I agree that the United States should take the initiative and go directly to the United Nations with an effective proposal for the control of space.

However, the main reason for my rising at this point is that what the Russians did to LYNDON B. JOHNSON, the Democrats have done to me all last week.

Yesterday, the majority leader urged increasing old age assistance payments, improving social security, extending the time for which unemployment compensation may be paid, and reducing taxes.

These proposals received wide attention in the press. I remind the Senate that I introduced, during the 85th Congress, bills to increase old age assistance benefits, improving social security, enlarging the category of workers who are covered by unemployment compensation and advocating the extension of time for which unemployment compensation may be paid, as well as several bills geared at reducing income and excise taxes.

Last week, the Senate passed a bill fixing price supports for dairy and wheat products at 75 to 90 percent parity.

I remind the Senate that my colleague, the distinguished Senator from North Dakota [Mr. YOUNG], and I introduced a bill to keep wheat and dairy prices at the 1957 level.

For years, I have been advocating and introducing bills to increase the personal exemption from $600 to $1,000 and the bill that I introduced was introduced on the first day of the 85th Congress.

However, during the past week, my good friend, the distinguished Senator from Illinois [Mr. DOUGLAS], attempted by amendment to do the very same thing. I am happy to say that I am one of the few Senators who supported the Senator in his proposed amendment which would reduce taxes at a time when the people could use the money for the purchase of the very goods which need to be purchased, since they are manufactured by industries where unemployment has reached its highest peak.

But there is a happy thought to my complaint, in that the Senate realizes that the proposed legislation which I have been espousing in the Senate for many years is worthy of their immediate attention and action.

THE PRESIDENT AND THE RECESSION

Mr. HUMPHREY. Mr. President, yesterday afternoon the President addressed a meeting of Republican women with what was described in this morning's newspapers as another chins-up speech.

The President told his audience that he thought the Government had acted so far in "a sound and timely fashion" in dealing with the recession. But I say most respectfully that the administration's actions to date are not reflected in the most recent economic indicators, nor have they given the economic experts any cause for optimism.

In the Wall Street Journal of March 18, on the front page, is an article entitled "Federal Seers Predict Deeper Recession, Now Doubt Mid-'58 Upturn." Another headline reads, "Industrial Output Off More So Far Than in Two Prior Setbacks Since Last War."

The Wall Street Journal reports how serious things are: Industrial production off 10 percent since August. Unemployment of 5.2 million in February to rise in March. Personal income down since August at an annual rate of $5.5 billion. Inventories $500 million higher than a year ago. Auto production dragging—a full 35 percent below last year. February housing starts even fewer than a year ago. Plant and equipment spending expected to be 13 percent less than in 1957—a drop of $5 billion. This is from the Wall Street Journal, Mr. President.

As to the future the Journal states:

As of mid-March business still is heading downward. There's no clear sign of the bottom yet. * * * The consensus is that the climate will be right for recovery about the fourth quarter of this year.

I repeat, Mr. President: "Recovery about the fourth quarter of the year." If a Democrat had made such a prediction even a few weeks ago, he would have been hailed by the GOP spokesmen as a prophet of gloom and doom. But the chickens are now coming home to roost. And all the fine chins-up statements from the White House are not going to hide the facts.

As I have said in the Senate in my speech on March 6 on the recession, it is time for the administration to take whatever actions are necessary in order to halt this serious decline, and to lay before the Congress the program that is needed. We cannot afford to let things slide any longer.

I am pleased that the President is meeting today with the executive committee of the governors' conference to discuss supplementary unemployment-compensation payments. Such a meeting is a step in the right direction, and certainly there is no more timely topic than unemployment insurance. However, I would commend to the attention of the President the bill introduced in this body by the Senator from Massachusetts [Mr. KENNEDY] and myself, and the bill introduced in the other body by the Representative of the Fourth Minnesota Congressional District, Mr. MCCARTHY. Those bills are designed to strengthen the unemployment-compensation program.

I suggest, however, that this alone is not enough. If we are to deal realistically with the recession, we need to have real teamwork at the Federal, State, and local levels. Such teamwork needs direction and leadership. There is only

one place from which such leadership can come from, and that is from the President, himself.

Therefore, I propose that the President call a conference of the governors of all the 48 States—not merely a meeting of the executive committee, but a meeting of all of the governors of all the 48 States—for the purpose (1) of finding out the problems, at the State level, which have arisen because of the recession, and ways in which the Federal Government may be of maximum assistance.

I believe, Mr. President, that in such a conference the governors could be most helpful in giving guidance to the President and to the Congress. It would be timely and highly desirable to have the conference held in Washington, D. C., while Congress is in session, so that the Members of Congress and the executive branch can meet with the governors of the respective States.

A second purpose of the proposed conference would be to impress upon the governors the seriousness of the present situation and the importance of their utilizing all the machinery at their command, as State executives, to spur economic recovery.

Mr. President, I make this suggestion because I have read that in some States there is a tendency to hold back with public-works programs and other economic projects, in the hope that the Federal Government may take up the slack. That, Mr. President, would be most unfortunate. What is needed is to have both the Federal Government and the State governments do much more than was originally contemplated 1 year ago. The present economic recession requires rather quick and drastic treatment.

I also propose that the President follow up such a conference with a similar meeting of county officials and mayors, along the same lines as those I have already outlined.

I further propose that the President set up a coordinating committee, made up of officials representing Federal, State, and local Governments, to draw up suggestions for a coordinated program designed to utilize in the best possible ways the machinery of Government to end the recession. In fact, Mr. President, the coordinating committee could be a second cabinet to aid the President; it could constitute a cabinet which would have as its specific purpose the coordination of policies and programs to combat the recession, and it could be used to synchronize the Federal programs with the programs at the State and local levels.

To date there has been no such coordinated program. Each governmental body has been working on its own—often at cross purposes with the others. This is even true on the Federal level, where the Treasury Department is offering long-term bonds, and thereby is holding up long-term interest rates, at the very time when the President urges a loosening of credit and lower interest rates.

I ask unanimous consent, Mr. President, that the two articles on the drop in industrial production and the deepening recession, as published on March 18 in the Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHAT'S AHEAD?—FEDERAL SEERS PREDICT DEEPER RECESSION, NOW DOUBT MID-1958 UPTURN—MOST FORESEE A GRADUAL RISE STARTING IN FOURTH QUARTER BUT SOME ARE LESS GLOOMY—OUTLOOK ON JOBS, SALES, STOCKS

WASHINGTON.—The Government's economic specialists are revising their recession forecasts. They now expect a deepening of the current downcurve and they are shoving the date of the expected upturn further into the future.

These officials are economists in key executive agencies and in Congress. Right or wrong, almost all are more pessimistic than administration policymakers.

The economists admittedly are far from certain in predicting the timing of an upturn. But they believe they're on sounder ground in viewing where the economy is heading right now. And what they see plainly indicates, they say, that the basis for new, more drastic anti-recession moves, including a tax cut, already has been laid down.

President Eisenhower and his aides have said they will make a decision on tax cuts and other anti-recession steps largely on the basis of what economic statistics for March show when they come out next month. The economists say there no longer is much question about what these indicators will show.

[Industrial production declined further in February, the Federal Reserve Board announced yesterday. Production has declined nearly 12 percent since the start of the current recession, more than in either of the other two post-World War II setbacks.]

WHAT ECONOMISTS SEE

The consensus among the economists on what the present and future hold adds up to something like this:

As of mid-March business still is heading downward. There's no clear sign of the bottom yet. The slide could go on for several more months, but it won't turn into a depression.

When the pickup comes, it will be gradual rather than the sharp, midyear upturn once predicted by administration spokesmen. The consensus is that the climate will be right for recovery about the fourth quarter of the year.

"All the news coming out in the next few weeks probably will be pressing the boys in the direction that it's dangerous to wait much longer," contends one Congressional specialist. "If the economy should be going to turn itself around, waiting would be okay. But if it isn't, then delay means more loss of production, more unemployment, and a bigger spending and tax-cut spree later."

An administration official rubs his chin and adds: "I still think there will be an upturn this year—but I'm less certain now than I was earlier." A Cabinet officer's economic adviser says: "You can't tell at what time it will come. We keep getting reports of decline."

Generally, the economists give this private size-up of the present status of some of the most sensitive indicators—and where they think these indexes are heading:

Unemployment, on which a tax-cut decision may hinge most heavily, probably is higher now than the 5,200,000 of mid-February. Auto layoffs, for one thing, are continuing. Joblessness may ease in April, but less than seasonally.

Retail sales will show some dollar improvement this month over last, but the gain may fall short of the normal pre-Easter upturn. Retail sales in February fell to $13.9 billion, the Commerce Department estimated. This was 3 percent below January and 1 percent under the level a year ago.

Personal income, which in February dropped $2 billion from January's annual rate, probably is falling further now; that could translate into a cutback in consumption of products beyond autos and hard goods. February's seasonally adjusted annual rate of $341.8 billion was $3.5 billion higher than in February last year, but was down some $5.5 billion from the peak rate in August 1957.

Inventories, notably manufacturers' stocks, still are being liquidated. At the end of January, manufacturers' inventories totaled $52.9 billion, down more than one-half billion from a month earlier but still a like amount above the level a year earlier. Most of the economists see signs the reduction will continue for as much as several months longer.

PRODUCTION DECLINES CONTINUE

Industrial production, as measured by the Federal Reserve Board, is dropping again this month from the February index figure of 130 (1947–49=100), and many economists expect it to drop even further. February's figure was a decline from 133 in January.

Auto production, though expected to perk up slightly this week, still lags well behind the 1957 pace. Production last week was 90,000 units, up from 83,900 in the prior week but well below the 141,000 units built in the like 1957 period. And the experts see no hopeful signs of any real gain in the steel operating rate, currently at about one-half the industry's capacity.

Home building is showing an improvement this month over February's pace, and the gain may prove more than seasonal. The spring upturn, in fact, may shove housing activity in first-half 1958 ahead of the corresponding 1957 level. But for the full year, home construction may hold just about even with last year and probably won't put as much zip into the economy as the administration had hoped. Private home starts totaled 60,000 in February, down from 64,200 in January and 63,100 in February a year ago.

Plant and equipment spending probably will continue to decline into 1959, and that is a key factor in the economists' assessment of the decline; they rate it primarily an investment decline rather than an inventory recession as in 1953–54. Business and plant equipment spending in 1958 will total some $32 billion—a 13-percent drop from the record $37 billion last year, according to a Government estimate.

Of course, not all the economists agree that a reading of current, scattered statistics can give a clear picture of just what's happening now.

"You never really know where you are," argues one top specialist. "Where are we going? I do not know for sure, and I do not think anyone else does. All we can tell is where we have been—and the figures are usually 30 days behind."

A few economists, who claim somewhat more ability to see ahead, voice more optimism than the majority. Gabriel Hauge, special assistant to the President, has implied he is looking for a third-quarter upturn. Says he: "I would certainly expect that the bringing of the drop to a halt would take most all of the second quarter of this year." In any case, he adds, before taking stronger anti-recession steps, the administration "would certainly want to see what kind of resurgent power the economy had once it cleared the typically bleak winter months that are always associated with a slowdown in activity."

Already, the White House has all but staked a tax-cut decision on the trend of unemployment—specifically mid-March joblessness,

which will be reported officially in figures coming out in mid-April. In a statement approved by the President last week, Treasury Secretary Anderson said the administration "will continue to examine all the facts and data as they become available and if, upon the basis of further developments in the economy, it appears that other actions are necessary and desirable, they will be taken." There's little doubt among economists here that the phrase "further developments in the economy" refers to the unemployment level more than anything else.

Administration officials hope mid-March unemployment figures will show a seasonal decline of 200,000 to 250,000 in joblessness. But the experts already say that's a hollow hope.

One economist, considered by his colleagues something of an expert in predicting unemployment, says the coming figure "probably won't drop. If anything, it's higher now than in the middle of February; there's just been no indication of any slackoff in the pace of layoffs. The hiring rate also remains low," he adds.

An administration expert notes "no evidence of improvement" in unemployment. "It may continue upward," he admits. "The sample week for the Census Bureau is pretty early in the month (it was last week), and March hasn't had much time to do its stuff."

He adds: "You can certainly look for more unemployment in manufacturing. The question is whether the pickup in outdoor jobs will be offsetting."

Pointing to the unemployment compensation load for the week ended March 8, which showed no improvement over the preceding week, another official says glumly: "The expected seasonal decline didn't start."

PESSIMISTIC MARCH PREDICTIONS

Still another economist, while declining to make any specific prediction of his own for this month's unemployment figure, says: "No one I've heard has had the courage to predict it will be below 5 million in March. I've heard estimates ranging from that to 5.7 million." Some Federal statisticians, working on the basis of the number of workers drawing unemployment compensation, figure total unemployment now may be as high as 5.5 million.

Most of the experts contend the administration would be mistaken in hanging any big decision on the March unemployment showing. "March figures will be inconclusive," argues an economist. "Anybody who is waiting on them to decide what to do will just have to wait longer."

Some economists outside the Government agree that there is no merit in waiting for March figures. At least some of these—notably those in labor groups—urge immediate anti-recession actions based on figures already in.

Scoffs an AFL–CIO economist: "This whole business that we have to wait to see what the March figures show is just plain nuts." The labor group's memo to President Eisenhower last week urging stronger anti-recession action declared: "Waiting another month will only further confirm the present downturn. No important economic indicator holds out hope for an upturn in the next month."

On the subject of retail sales, another basic business barometer, the economists' views are also something less than encouraging.

"MARCH SALES HAVE TO BE UP"

"March sales will be up," says one, "but they'll have to be up substantially over a year ago to show any real improvement, because Easter is earlier this year."

Notes another: "There's some weakness in retail sales now. But it's generally a bright spot." He adds, however, that "you have to have some whacking good sales for this month or you're in trouble. A boost in March is a must."

"There's just no help in the picture from auto sales," asserts an administration official. "They'd have to rise far beyond their 1957 peak to provide a surge to the economy. If you can't see this—and I can't—you've just got to look elsewhere for help. And I don't see any big surge coming elsewhere."

The state of business inventories, which may hold one key to the recession's duration, draws more conflicting views.

Some economists see a good sign in the rapid rate on liquidation of stocks, on the theory that businessmen will have to stop living off their stocks and start buying. They note that manufacturers' inventories, on a seasonally adjusted basis, were cut by $572 million in January, compared with $351 million in December. But others claim there's no basis yet for a belief that a shift toward rebuilding of stocks is in the making.

INVENTORY MYSTERY

"The inventory decline is by no means ended," declares a top administration adviser. "Why some people say the liquidation has gone so fast that it's due for a turnaround is a mystery to me."

Another administration specialist reasons that inventories still are being liquidated: "If they had stopped, you'd see a big boost in industrial production. The question is, however, whether they are liquidating them as rapidly as they were." Among manufacturers, he adds, reduction of stocks "might last until after the real pickup, as manufacturers will be selling out of inventory for a while."

The fact that manufacturers' stocks, when last counted at the end of January, still stood slightly above levels of a year ago "indicates an enormous backlog which can contain more liquidation," argues a specialist in this field. "With the prospects for sales improvement dim, this reduction can continue for some time." There are enough stocks still on hand, he reasons, to hold down production. One hopeful sign this official sees: "Steel started to liquidate quicker than most, so it may pick up more quickly."

However, some Congressional experts see a brighter side. "There's been such a large liquidation that even if inventories continue to drop, they'll fall at a slower rate," one Capitol staff man contends. "By the end of the year, they're bound to turn up."

He's joined by a colleague who predicts: "The liquidation will at least stop by the second half and inventories will either stay at a steady level or go up."

But a more pessimistic view comes from another economist on Capitol Hill. Says he: "If customer demand continues to drop, I doubt if the inventory problem will be licked." He reasons that a decline in demand will spur a downward price movement, causing people to delay buying hard goods in hopes of still lower prices, and thus continuing the inventory problem.

Though they have no real control over anti-recession policymaking, the majority of the economists would like to see the Government move more strongly now, generally in the direction of a tax cut.

"If you don't get a tax cut," warns one administration economist, "you are going to get a lot of ill-thought-out public-works projects that'll lock you in the 1960's." Such projects, he declares, at that time might prove inflationary.

INDUSTRIAL OUTPUT OFF MORE SO FAR THAN IN TWO PRIOR SETBACKS SINCE LAST WAR—FRB INDEX DOWN NEARLY 12 PERCENT SINCE END OF 1956—FELL 3 POINTS IN FEBRUARY TO 130

Industrial production has declined more in the current recession than in either of the other two post-World War II setbacks—in 1948–49 and 1953–54.

The Federal Reserve Board's seasonally adjusted production index, based on 1947–49 average output as 100, slipped to 130 in February, the Board announced.

The February figure represents a decline of nearly 12 percent since production started falling at the beginning of last year. In both 1948–49 and 1953–54 the drop was fractionally more than 10 percent.

The index figure for January this year was 133. In February last year it was 146. It had not been as low as 130 since December 1954. But it is still 7 points above the low of 123 reached at the bottom of the 1954 recession.

FROM A LOFTY PINNACLE

Here's a capsule picture of just how far the industrial recession has gone thus far, with seasonally adjusted industry-by-industry indexes (1947–49 equals 100) showing which has been affected how much. The high point before the current slide was December 1956, when mines and factories turned out the greatest production in the Nation's history. Thus the declines, some of them relatively slight, are from a lofty pinnacle.

Industry	Dec. 1956	Feb. 1958	Change
			Percent
Industrial output	147	130	−12
All durables	167	137	−18
All nondurables	130	125	−4
Primary metals	145	95	−34
Metal fabricating	183	153	−16
Clay, glass, lumber	136	121	−11
Furniture, fixtures	120	111	−8
Textiles, apparel	106	96	−9
Rubber, leather	118	106	−10
Paper, printing	147	144	−2
Chemical petrol products	170	167	−2
Food, beverages, tobacco	113	112	−1
Coal	80	68	−15
Oil, natural gas	153	143	−7

The big declines are centered in durable goods. The sharp contraction in steel making is the big factor in the slump in the primary metals group. Slowed auto output shows up in the metal-fabricating drop.

PRODUCTION STILL HUGE

One striking fact stands out in any appraisal of today's receded industrial output. It is still tremendous, measured by the historical yardstick.

It is four times as great as in big-depression 1932. It is twice as great as in booming 1929 and also twice as big as in 1939, just before World War II. It is nearly a third greater than it was just a bare decade ago in 1947–49.

A glance at the February figures in the table above, keeping 100 in mind as the 1947–49 production level, shows how steeply output of individual industries has been expanded in the past decade.

Metal fabricating, for example, is still 53 percent above the 10-years-ago level. Output of chemical and petroleum products is up 67 percent.

How does the present industrial recession compare with previous periods of decline in sharpness and duration?

While it now slightly exceeds the other two post World War II setbacks in percentage of decline, the slump has been far less drastic than that of any of the three principal recessions between the two World Wars.

On duration, if the present decline ended now, it would be comparable to every other principal recession since World War I except the big one that started late in 1929.

The table below compares six slumps since World War I in terms of duration and in percentage decline in industrial production. Duration covers the period from the start of

the decline to the point at which industrial production reached its lowest level in the cycle.

Period	Duration	Decline
		Percent
1920–21	1 year plus	32
1929–32	3 years	54
1937–38	1 year	34
1948–49	do	10
1953–54	1 year plus	10
1956–now	do	11

Omitted from this table is the period immediately after the close of World War II when industrial production fell sharply as the shift was being made from war material production to peacetime manufacturers.

PRODUCTION VERSUS CONSUMPTION

Is the current slide in manufacturing activity primarily just an inventory-adjustment recession? Nobody can say for sure. But there are some indications that the decline in production has not been matched by a like drop in consumption.

Building construction, a big absorber of factory output, rolls on at a brisk pace. Retail stores of all kinds sold $13.9 billion worth of merchandise in February, only a thin 0.7 percent below sales of $14 billion in February last year.

The much-headlined sickness in auto sales is notable. But sales of other things have thus far shown no such steep slump. Some samples:

Building materials: The $6.3 billion of construction put in place in January–February was a record high, 2 percent above the high 1957 level.

Consumer hard goods: Sales of all the Nation's durable goods retailers in February, hit by extremely rough weather over much of the country, were 11 percent below a year ago. But in January, before the bad weather hit, they were only 4 percent under a year ago—despite the drag of auto sales.

Consumer soft goods: Nondurable goods retailers had bigger sales than a year ago in both January and February. The rise was due in part to higher food prices. But apparel store sales in February were only 1 percent below a year ago.

Department stores: Sales of department stores this year up to March 1 were only 3 percent below a year earlier. In the week ended March 1 they were 1 percent above last year. And in the week ended March 8 they were 7 percent above a year earlier.

METAL MAKING, METAL USING

Probably the most notable example of consumption apparently running well ahead of production these days is in metals and metal products.

The F. R. B. production index for primary metals in February was down a whopping 34 percent from the level of December 1956, reflecting mainly the big slowdown in steelmaking. But the index figure on metal fabricating, the production of finished products made from steel and other metals, is down only 16 percent.

These figures put one point sharply in focus. Many manufacturers are reaching to their inventory shelves for needed metal—rather than ordering from the mills. At some point, unless their own production lines are slowed a lot more, they will have to increase their buying.

CAN'T CONTINUE INDEFINITELY

Commenting on this pattern, New York's First National City Bank said in its latest monthly economic letter:

"Fabricators all along the line are working down their stocks of metal. Obviously, consumption of steel cannot exceed output indefinitely."

Historical patterns suggest that if, indeed, the present recession is based mainly on inventory adjustment, the upturn in industrial production, when it comes, could move briskly.

This happened after inventories were shaken out in 1954. Starting up in September 1954, the industrial output index jumped 21 points, or 17 percent in 16 months. Steel production, at 1,400,000 tons weekly in mid-1954, soared to 2 million tons weekly, up over 40 percent by the start of 1955.

But there is no guaranty, of course, that the 1955 upturn pattern would be repeated should the present decline end soon.

Two fundamental differences, at least, may be noted between then and now: (1) Capital expenditures for plant and equipment were moving up in 1955—and right now they are headed down. (2) Auto makers produced nearly 8 million passenger cars in 1955—and the present outlook for 1958 is 5 million, or less.

The Federal Reserve Board gave this summary of business conditions along with its industrial-production statistics:

"Recession in economic activity continued in February. Industrial production, employment, incomes, and retail sales again declined, and unemployment rose to a new postwar high. Construction activity was curtailed slightly. In February and early March, prices of farm products and foods continued to rise, while prices of industrial commodities changed little. Total bank loans and investments rose appreciably although loans to business continued to decline. Free reserves of member banks increased further. Short-term interest rates were generally lower, while long-term rates rose somewhat."

The industrial output report noted that "severe weather contributed to the reduction in industrial activity last month but also led to a rise in the Board's index of utility output of electricity and gas."

It also said auto output in early March was curtailed further and steel production remained near the low February rate.

Business indexes

[1947–49 average equals 100]

	Seasonally adjusted			Unadjusted		
	1958		Feb. 1957	1958		Feb. 1957
	Feb.[1]	Jan.		Feb.[1]	Jan.	
Industrial production, total	130	133	146	131	132	148
Manufactures	131	134	147	133	133	149
Durable	137	143	164	140	143	167
Nondurable	125	126	131	126	124	131
Minerals	119	121	132	118	121	131
Consumer durable goods, total	111	117	138	115	118	143
Major consumer durables	113	122	149	119	124	157
Autos	115	127	167	122	132	178
Other consumer durables	106	106	114	104	102	112

[1] Preliminary.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD the weekly figures on business activity as reported in Barron's Financial Weekly of March 17. I call special attention to the fact that Barron's weekly index of business activity for the week ending March 8 fell again by 2.4 points—from 85.9 to 83.5.

There being no objection, the article was ordered to be printed in the RECORD,

Pulse of industry and trade

BARRON'S WEEKLY INDEXES OF PRODUCTION AND TRADE

	Latest date	Latest period	Preceding period	Year ago
Index, adjusted for trend	Mar. 8	83.5	85.9	106.2
Index, 1935–39=100	Mar. 8	183.2	188.2	236.2
Industrial production	Mar. 8	169.7	174.0	217.1
Steel activity	Mar. 8	177.5	185.8	300.9
Petroleum output	Mar. 8	199.8	216.0	246.7
Coal production	Mar. 8	104.9	109.2	125.4
Carloadings group index	Mar. 8	122.6	125.8	151.8
Miscellaneous	Mar. 8	127.9	130.8	157.8
Electric power	Mar. 8	562.7	550.7	566.2

BARRON'S MONTHLY INDEXES OF PRODUCTION AND TRADE

Combined index, adjusted for trend	Feb. –	110.5	113.7	128.1
Combined index, 1935–39=100	Feb. –	230.1	236.2	268.0
Industrial production	Feb. –	230.0	236.0	262.0
Freight carloadings, total excluding less-than-carload lots	Feb. –	124.5	134.4	156.3
Building activity	Feb. –	313.0	314.9	315.2
Electric power production	Feb. –	580.0	600.4	555.5

THE STATISTICAL RECORD

	1958		1957 Dec.
	Feb.	Jan.	
Price of 30 industrial stocks	444.16	445.68	436.94
Price of 20 railroad common stocks	106.64	104.90	98.13
Wholesale prices (all) commodities	118.9	118.7	118.2
Dow-Jones spot commodities	166.66	165.90	166.30
Yield on high-grade corporate bonds	3.56	3.58	3.85
Barron's index of prod and trade	110.5	113.7	115.3

PRODUCTION—WHAT THEY MAKE

	Latest date	Latest period	Preceding period	Year ago
WEEKLY				
Auto putput (Ward's), United States and Canada	Mar.15	111,492	108,322	172,476
Bituminous coal production (thousand tons)	Mar. 8	8,110	8,440	9,700
Electric power production (million kilowatt-hours)	Mar. 8	11,793	11,803	11,867
Paper production (percent capacity)	Mar. 1	89.5	88.3	96.1
Paperboard production (percent capacity)	Mar. 1	86.0	89.0	92.0
Petroleum, daily average production (thousand barrels)	Mar. 8	6,328	6,841	7,813
Petroleum, refinery operations (percent)	Mar. 8	81.9	82.7	90.8
Steel production (thousand tons)	Mar.15	1,442	1,425	2,401
Steel production index (American Iron and Steel Institute)	Mar.15	89.8	88.7	149.5
MONTHLY				
Boot and shoe production (thousand pairs)	Jan. –	53,441	44,019	51,465
Nonferrous metals: Zinc production (short tons)	Feb. –	68,354	82,343	88,078
Steel-making furnaces in blast (percent capacity)	Feb. –	53.6	56.5	97.1
Steel ingot production (thousand net tons)	Feb. –	5,788	6,754	11,009

DISTRIBUTION—WHAT THEY SELL

	Latest date	Latest period	Preceding period	Year ago
WEEKLY				
Carloadings, total (thousand cars)	Mar. 8	544	554	672
Miscellaneous (thousand cars)	Mar. 8	280	282	347
Merchandise (thousand cars)	Mar. 8	48	47	58
Coal (thousand cars)	Mar. 8	111	118	131
Coke (thousand cars)	Mar. 8	6	7	13
Forest products (thousand cars)	Mar. 8	35	33	39
Ore (thousand cars)	Mar. 8	15	14	23
Grain and products (thousand cars)	Mar. 8	45	48	54
Livestock (thousand cars)	Mar. 8	4	4	6
Department store sales (1947–49=100)	Mar. 8	105	100	98
Department store sales (percent change from year ago)	Mar. 8	+7	+1	−10
New York and Brooklyn (percent change from year ago)	Mar. 8	+15	+8	−16
MONTHLY				
Business sales total (adjusted billions of dollars)	Jan. –	53.7	54.5	57.9
Manufacturing, total (billions of dollars)	Jan. –	26.3	26.7	30.0
Wholesale, total (billions of dollars)	Jan. –	10.7	10.9	11.6
Retail, total (billions of dollars)	Jan. –	16.7	16.9	16.3
Manufacturing sales, total (adjusted billions of dollars)	Jan. –	26.3	26.7	30.0
Durable goods (billions of dollars)	Jan. –	12.6	13.1	14.9
Nondurable goods (billions of dollars)	Jan. –	13.6	13.6	15.0
Nonferrous metals: Zinc shipments, tons	Feb. –	49,072	58,211	67,731

Mr. HUMPHREY. Mr. President, the Journal of Commerce of March 18, in an article entitled "Behind the Figures," gives a breakdown of the drop in industrial production in February. It also reports that business failures for the week ending March 13 totaled 336—13 percent more than in the same week of 1939. It further reports that February business failures were the highest for any February since 1933.

I ask unanimous consent, Mr. President, to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEHIND THE FIGURES

INDUSTRIAL OUTPUT

The industrial production index for February, based on the 1947–49 average, dropped 3 points to 130. Indexes for major classifications of industry follow:

	1958		1957
	February	January	February
SEASONALLY ADJUSTED			
Industrial production, total	130	133	146
Manufactures	131	134	147
Durable	137	143	164
Nondurable	125	126	131
Minerals	119	121	132
Consumer durable goods, total	111	117	138
Major consumer durables	113	122	149
Autos	115	127	167
Other consumer durables	106	106	114
UNADJUSTED			
Industrial production, total	131	132	148
Manufactures	133	133	149
Durable	140	143	167
Nondurable	126	124	131
Minerals	118	121	131
Consumer durable goods, total	115	118	143
Major consumer durables	119	124	157
Autos	122	132	178
Other consumer durables	104	102	112
SEASONALLY ADJUSTED			
Durable manufactures:			
Primary metals	95	99	143
Metal fabricating	153	159	180
Fabricated metal products	122	128	138
Machinery	145	152	173
Nonelectrical	127	132	155
Electrical	179	192	206
Transportation equipment	186	192	222
Autos, trucks, and parts	102	109	136
Other transportation equipment	311	317	353
Instruments	159	165	174
Clay, glass, and lumber products	121	124	134
Stone, clay, and glass products	137	143	155
Furniture and miscellaneous	121	123	129
Furniture and fixtures	111	114	118
Miscellaneous manufactures	127	129	137
UNADJUSTED			
Durable manufactures:			
Primary metals	99	101	148
Metal fabricating	157	161	185
Fabricated metal products	122	127	138
Machinery	149	154	177
Nonelectrical	131	134	160
Electrical	183	192	210
Transportation equipment	193	197	231
Autos, trucks, and parts	111	116	148
Other transportation equipment	314	320	356
Instruments	159	165	174
Clay, glass, and lumber products	118	117	131
Stone, clay, and glass products	133	137	151
Furniture and miscellaneous	121	120	130
Furniture and fixtures	112	113	119
Miscellaneous manufactures	127	125	137
SEASONALLY ADJUSTED			
Nondurable manufactures:			
Textiles and apparels	96	96	105
Rubber and leather products	106	107	121
Paper and printing	144	145	147
Printing and publishing	139	140	141
Chemicals and petroleum products	167	169	172
Petroleum and coal products	131	133	143
Foods, beverage, and tobacco	112	111	113
Minerals:			
Mineral fuels	119	120	132
Coal	68	68	87
Crude oil and natural gas	143	144	154
Crude oil	128	131	144
Metal, stone, and earth minerals	121	128	132
UNADJUSTED			
Nondurable manufactures:			
Textiles and apparel	102	98	112
Rubber and leather products	114	111	130
Paper and printing	145	142	147
Printing and publishing	137	136	139
Chemicals and petroleum products	170	170	175
Petroleum and coal products	133	136	145
Food, beverages, and tobacco	103	102	103
Minerals:			
Mineral fuels	121	124	135
Coal	68	72	87
Crude oil and natural gas	146	148	157
Crude oil	131	132	147
Metal, stone, and earth minerals	104	107	113

BUSINESS FAILURES

Business failures dipped moderately to 336 in the week ended March 13 from the high of 358 in the preceding week, Dun & Bradstreet, Inc., reported. Despite this decline, casualties remained above the 301 in the comparable week last year and the 300 in 1956. About 13 percent more businesses failed than in the prewar year of 1939, when 298 occurred in the comparable week of that year.

Casualties ran lower during the week in all industry and trade groups except manufacturing, where the total edged up to 69 from 64. Among retailers failures declined to 174 from 178, among wholesalers to 30 from 32, while somewhat sharper declines brought construction contractors to 38 from 50 and commercial services to 25 from 34.

Retailing mortality was considerably heavier than last year, and mild increases from 1957 prevailed in manufacturing and services. Neither construction or wholesalers had as many casualties as last year.

Business failures last month reached the highest level for any February in 25 years, Dun & Bradstreet, Inc., also reported. Failures totaled 1,288, or 8 percent above last year. Casualties dipped slightly from the previous month.

STEEL PRODUCTION

Steel production this week will total 1,415,000 tons, the American Iron & Steel Institute estimated.

This compared with actual production last week of 1,463,000 tons, which was equal to 54.2 percent of capacity. A month ago the mills produced 1,373,000 tons a week and a year ago 2,392,000 tons.

Mr. O'MAHONEY. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Yes; if I have time to do so during the morning hour.

The PRESIDING OFFICER (Mr. COTTON in the chair). The Chair is compelled to state that the time available to the Senator from Minnesota, under the order in connection with the morning hour, has more than expired.

Mr. HUMPHREY. Mr. President, I wish to refer to another item; but I ask unanimous consent that at this time I may yield to the Senator from Wyoming.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I note that the Senator from Minnesota has just had inserted in the RECORD a very fascinating and important article entitled "Behind the Figures," which was published in the Journal of Commerce of March 18.

In the same issue the Senator from Minnesota will find another article, an Associated Press dispatch from Washington, which quotes the Department of Commerce as reporting that the individual incomes of the taxpayers of the United States have fallen $1,800,000,000 below the incomes for January; and that, on the basis of these figures, the annual rate of income will be $4 billion less than was estimated by the Director of the Bureau of the Budget, and as set forth in the President's budget which was submitted to the Congress in January.

Mr. HUMPHREY. Mr. President, I would only add to the remarks of the distinguished Senator from Wyoming—who is one of our foremost experts in the entire matter of the American economy—that in an article entitled "Failures at High for Month," which was published in the New York Times of yesterday, March 18, we find that the New York Times made note of the fact that there was only one category that showed no failures at all in February, namely, undertakers. I suppose that means that the economic casualties in other areas are rather high.

Mr. O'MAHONEY Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I think I should warn the Senator from Minnesota that in a minute he will be called a prophet of gloom, if he does not stop talking about undertakers and the increasing business failures. We are not supposed to look at the facts. We are supposed to put blinders over our eyes, and to hope that by drifting, some results will be obtained.

Mr. HUMPHREY. Mr. President, the Senator's admonition to me will be properly noted. But I shall ask to have printed at this point in the RECORD the factual statement which was published in the New York Times. That great publication will have to share the descriptive phrase used by our Republican friends, namely, "prophet of gloom and doom," if they seek to attach it under these circumstances.

Mr. President, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 18, 1958]

FAILURES AT HIGH FOR MONTH

In February failures reported by Dun & Bradstreet totaled 1,238, slightly fewer than in the longer month of January but 8 percent more than in February last year. It was the highest level for any February in 25 years. However, the liabilities of the bankrupts totaled only $65,295,000 this February, compared with $65,406,000 a year earlier.

More than half of the failures—662—occurred in the retail trade, especially in apparel and accessories. Construction accounted for 177 failures, mining and manufacturing 208, and textiles 45. One category showed no failures at all in February—undertakers. In January two failed.

This month failures have continued heavy. For the week ended last Thursday they totaled 336, well above the 301 for the similar 1957 week, but below the first week of March, when they reached 358.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an excellent article entitled "Budget Distortions Emerge." The article was written by Sylvia Porter, who has analyzed the budget—which I attempted to do in the Senate Chamber on March 6—and has some very revealing information for the American people. I believe the first paragraph of her article is a masterpiece of understatement. It reads as follows:

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958–59 budget.

In the concluding paragraph of the article, Miss Porter writes as follows:

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

In other words, no way for the President to hide the fact that his estimates, as set forth in his budget, were off anywhere from $8 billion to $10 billion, without any contemplation of a public-works program or of the tax adjustments which have been discussed.

Mr. President, I have requested that the article be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGET DISTORTIONS EMERGE

(By Sylvia Porter)

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958–59 budget.

For the budget the President presented 6 weeks ago is now scarcely worth the paper it's written on.

The 1958–59 budget won't be a half billion in the black, as the President predicted. There's not a chance of it. The 1958–59 budget easily may be 6 to 8 billion dollars in the red. Easily.

If the recession doesn't end soon and turn into a strong upturn, red ink may splatter the budget even more.

I am not distorting the picture. The distortions were in the President's original figures. I am not exaggerating the possible size of the deficit in the 1958–59 year. The gross understatements appeared in the budget sent to Congress in January.

STATISTICS OFFERED

Let's be specific. Document this with some cold statistics:

In January the President estimated that the Government would collect $74.4 billion in receipts in the year beginning this July. The assumptions were that personal income would run at $352 billion in 1958, up $9 billion over 1957, and corporate profits would run at $42 billion, upchanged from 1957.

But personal income is running at only about $342 billion now. If the President's estimate is to be reached, wages and salaries must go into a great upswing almost immediately and keep climbing through the rest of the year. As for corporate profits, they're far below the $42 billion rate today and an authoritative Congressional estimate actually is that corporate profits may not top $36 billion in 1958.

Is it likely that the President's forecast for receipts in the new year will be realized? It is not.

Rather, a conservative projection is that the tax take from us and corporations may run $4 billion under the budget prediction.

In January the President estimated that the Government would spend $73.9 billion in the new fiscal year. The assumptions were that Congress would accept the administration's defense budget, would cut spending on some nondefense items and wouldn't add to other programs.

DEFENSE COSTS RISING

But the administration itself is already adding $1 billion to $2 billion to its defense budget. Congress is pushing ahead with housing, welfare, other programs that almost certainly will add billions more to the budget. Budget cuts will be the rare exception.

Is it likely that the President's forecast for spending in the new year will be realized? It is not.

Rather, a conservative projection is that the spending total will run at least $2 billion-$3 billion—at least—over the budget prediction.

There you have it. A budget deficit of $6 billion plus.

And if business doesn't turn up on schedule, a tax cut by mid-year is the outlook. If the tax cut is to have a stimulating impact, it must run into the billions.

And then you really would have it. A deficit of $8 billion to $10 billion, or even more.

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to my friend from Illinois.

Mr. DOUGLAS. I wonder if the Senator has noticed that almost the only occupation in which there is not appreciable unemployment is that of administrators of unemployment insurance? That is one occupation that is booming.

Mr. HUMPHREY. The Senator's statement is surely accurate, and that fact is symbolic of what has been happening in the Nation, and underscores the urgent need for revision of the unemployment-compensation law, as provided in the Kennedy-Douglas-Humphrey-McCarthy proposal.

The PRESIDING OFFICER. Unless the Senator can proceed to a new subject, his time under the morning hour has expired.

ADDITIONAL APPROPRIATION OF FUNDS UNDER SECTION 701 OF NATIONAL HOUSING ACT—RESOLUTION OF TWIN CITIES METROPOLITAN PLANNING COMMISSION

Mr. HUMPHREY. Mr. President, I recently received a resolution from the Twin Cities Metropolitan Planning Commission in Minnesota asking for an additional appropriation of funds for the program being conducted under section 701 of the National Housing Act.

I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION URGING CONGRESS TO CONTINUE APPROPROPRIATIONS FOR COMMUNITY PLANNING ASSISTANCE UNDER SECTION 701, TITLE VII OF THE NATIONAL HOUSING ACT

Whereas many smaller communities, in Minnesota and the Twin Cities metropolitan areas in particular, are faced with mounting problems due to rapid urbanization; and

Whereas most of these small communities are lacking in funds to prepare urgently needed plans to meet these problems; and

Whereas the establishment of effective planning and governmental action at the local level is considered a prerequisite to the successful discharge of the Twin Cities Metropolitan Planning Commission's responsibilities to the area; and

Whereas in order to carry out its program responsibilities, the commission also has need to supplement its local tax revenues with a grant of funds under section 701 of the National Housing Act; and

Whereas previous Congresses have authorized an appropriation of up to $10 million for the 701 program; and

Whereas the commission has been advised that the funds which have been appropriated pursuant to the authorization have been either disbursed or largely encumbered: Now, therefore, be it

Resolved—

1. That the Congress act to appropriate additional funds either from the balance of the existing $10 million authorization to finance the so-called 701 program or from new authorizations as may be required on the basis of present national needs:

2. That copies of this resolution be sent to the following: (a) President Eisenhower;

(b) all Members of Congress from the State of Minnesota; (c) proper officials in the HHFA.

Adopted March 5, 1958.

TWIN CITIES METROPOLITAN PLANNING COMMISSION,
Mrs. A. V. MAKI,
Acting Chairman.
C. D. LOEKS, *Director.*

COMMENT ON SENATOR COOPER'S ARTICLE ENTITLED "INDIA: CRUCIAL TEST OF FOREIGN AID"

Mr. HUMPHREY. Mr. President, the distinguished senior Senator from Kentucky [Mr. COOPER], former Ambassador to India, contributed an excellent article to the New York Times magazine for last Sunday, March 16, 1958. His article was entitled "India: Crucial Test of Foreign Aid," and in it the Senator from Kentucky states the case for a commitment by the United States to assure the success of India's second 5-year plan.

Members of the Senate who are familiar with my own views on this challenge of economic assistance to India will recognize that my own estimate of the situation differs in certain respects from those of the Senator from Kentucky. I believe the challenge is somewhat larger than the one he states, and I feel that the amount of American assistance necessary, if the second 5-year plan is to succeed, is greater even than the Senator's article indicates. Nevertheless, I agree with the Senator from Kentucky completely in his estimate of the supreme importance of economic assistance to India. I am sure we both agree that the United States must be prepared to extend further assistance in a timely and a realistic manner.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

ST. PATRICK'S DAY

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I had prepared for the great day known as St. Patrick's Day, a statement which I was unable to deliver because of my absence from the Senate during the morning hour on the 17th of March.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ST. PATRICK'S DAY

(Statement by Senator HUMPHREY)

A Norseman with a strain of Irish blood in him would like to join in the chorus of tributes to Patrick, saint and schoolmaster, father of the Irish people.

Through 15 centuries the Irish have revered his memory, and the sons of St. Patrick in every land of the earth carry on his mission, which was a kind of spiritual point 4 program.

March 17 is a national holiday in Ireland, and I would like nothing better than to see this day proclaimed a holiday for all Americans of Irish descent.

We are well aware of the debt of the Western World to the colleges and missions of the Irish monks, who rekindled the lights of our culture in the Europe of the Dark Ages. We appreciate too the Irish talent for communication in literature and diplomacy. But we are not so aware of Irish activity in the field of science. I would like to mention, for example, that—

Irish astronomers and geographers were among the earliest to chart the heavens, to believe the earth was round, and to map the east coast of the United States. Later Irish missionaries carried the Gospel to Greenland, over 200 years before the arrival of Leif Erickson.

Sir William Rowan Hamilton, linguist, mathematician and astronomer, youngest professor at Trinity College, Dublin, published his Lectures on Quaternions in 1835.

Third Earl of Rosse, Member of Parliament, gave up politics for science, establishing a great telescope at Birr, in County Offaly, after 17 years' work and at an outlay of $100,000, in 1836.

George Johnstone Stoney, professor of natural philosophy, Galway University, introduced the word "electron" into scientific writings.

John Tyndall, president of the British Academy, delivered an address at Belfast, in 1874, on Atoms and Atomism, which occasioned tremendous controversy and was widely translated.

Prof. E. T. S. Walton, Dublin University, was awarded, along with Sir John Cockcroft, in 1951, the Nobel Prize for being the first to split the atom.

Of seven astronomical observatories founded in Ireland since 1782, two still distinguish themselves. Dunsink Observatory, acquired by the Government from Trinity College, pioneered in basic studies on stellar distances and brightness; settled a controversy between astronomers and physiologists recently, by confirming the atmospheric origin of the twinkling of the stars; and developed upper atmosphere data of extreme usefulness to meteorologists and rocket engineers.

Armagh Observatory conducted studies on meteors and stellar constitution; acclaimed the invention of the cup anemometer for work on wind velocity by its director, J. T. R. Robinson; and uniquely sponsors amateur astronomers through centers of the Irish Astronomical Society in six cities.

In 1952, the combined observatories of Dunsink, Armagh, and our own Harvard University erected a telescope at Blomfontein, South Africa, for more effective solar research, which now is the magnet of a growing movement toward international cooperation in astronomy.

This is just a sample of the potential of the Irish and an augury of a future that might well be greater than its past. The ancient Irish symbols of a good man—books, the sword, and the harp, that is to say, scholarship, strength and the good life, once again are urgently in need of devoted protagonists. The same of course is true for Ireland itself. Only internal peace will release and concentrate the energies of the Irish people and permit them to turn their creative attention to the problems of an imperiled Free World.

APPOINTMENT OF CARDINAL STRITCH TO A HIGH VATICAN POST

Mr. HUMPHREY. Mr. President, at this time I should like to call to the attention of the Senate the recent appointment of Samuel Cardinal Stritch to a high Vatican post. In his new position of proprefect of the Vatican's sacred congregation for the propagation of the faith, Cardinal Stritch will be the director of the Roman Catholic missions throughout the world. He becomes the first American prelate to head 1 of the 12 congregations of the Church's central administrative body. Catholics and friends of Catholics in the United States and throughout the world rejoiced in the news of his appointment, for the humility and the patience of this brilliant man have earned the respect and love of all who know him.

For the past 18 years, Cardinal Stritch has been archbishop of Chicago, but I suspect the two titles, "Bishop of the Poor" and "Bishop of Charity," have more meaning to the people in his see.

Mr. President, soon after Cardinal Stritch assumed his post in Chicago, he stated his creed in this way:

As long as 2 pennies are ours, 1 of them belongs to the poor.

He has lived that creed, and because of his untiring efforts countless hospitals, schools, orphanages, and centers for the mentally ill have been constructed and improved. He once gave up a long-cherished plan to restore the Milwaukee Cathedral because he believed the city's poor were more in need of the money.

Mr. President, Cardinal Stritch, at the age of 70, can look back on a life marked with success in everything he has endeavored to accomplish. His brilliance was evident at an early age, for he finished grammar school when he was 10. At the age of 14 he had graduated from high school with honors, and by the time he was 16 the cardinal had received the bachelor of arts degree. He studied for the priesthood in Rome, and at the age of 22 he was ready for ordination, receiving a special dispensation because the church does not ordinarily confer this privilege until the age of 24. He was appointed bishop of Toledo when he was 34, thus becoming the youngest member of the United States hierarchy. From Toledo, the cardinal went to Milwaukee, and in 1945 he was named a prince of the church.

Mr. President, the cardinal has always been a champion of the underprivileged and oppressed. Long before the United States had made up its mind on how to deal with Hitler, he had termed nazism as tyrannous and barbaric. He is a liberal, and has fought to see that all people were afforded the chance to intergrate themselves religiously, socially, and economically into the life of their community. He once told a medical convention that when a hospital staff refuses to admit qualified doctors because of their race, they are violating the truth that came to us when Christ died upon the cross.

Mr. President, Cardinal Stritch will direct the activities of 25,000 missionary priests, 10,000 missionary lay brothers, and more than 60,000 missionary nuns on five continents. More than 30 million Roman Catholics—mostly Africans and Asians—live in the vast area of his jurisdiction. We all know of the turbulent conditions that exist in those areas, and our hopes and prayers are with him as he takes on these grave new responsibilities.

Mr. President, I think the nature of this man can best be viewed by reading the text of his statement issued after he had been notified of his appointment by Pope Pius XII. I ask unanimous consent that the statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF CARDINAL STRITCH'S STATEMENT

When this news came to me, I was surprised and amazed. It never entered my mind that the Holy Father would think of me for such an important office in the Roman Curia, which assists His Holiness in the government of the Universal Church.

It is clear that His Holiness, in honoring me, principally had in mind honoring the church in the United States. Never before in history has an American prelate been called to such an important office. The sacred congregation of the propagation of the faith, under the immediate authority of the Holy Father, is entrusted with the care of the foreign missions of the church.

The Catholics of the United States have shown a growing interest in these missions. Quite evidently, the Holy Father, in calling me to this office, wished to give another expression of his fatherly appreciation for this interest.

At the call of His Holiness, I shall go to Rome and with God's help try to prove myself worthy of his confidence and of the great Catholic body of whom I shall be a symbol.

To my clergy and people on this occasion, I express my deep affection. They have been my support and edification through these 18 years. I know that I shall have their prayers in the discharge of the heavy responsibilities of the office to which I am called.

I may say to them that I have not received the official document calling me to this important office. When I receive it, I shall inform them in detail on what is involved in this call of the Holy Father.

For the present, all that I know is that the Holy Father has called me to be the proprefect of the sacred congregation of the propagation of the faith.

The prefect is the esteemed Cardinal Fumasoni-Biondi, whom we remember as being apostolic delegate in the United States. It will be a great comfort to me to have at my side this great cardinal, who, with the exception of his years as apostolic delegate in the United States, has been an outstanding official from minor to prefect of the sacred congregation of the propagation of the faith.

His knowledge of the foreign missions, his great abilities, and his understanding promise me some usefulness in helping the Holy Father in his great apostolate for the missions of the holy church in these difficult times.

May I add that, after 8 years here in Chicago, despite my being from other parts, I am a Chicagoan and I love Chicago, its people and its warmth. It is my prayer that through the years which God will give me I shall be able to contribute my little part to making Chicago the world's greatest city, in which spiritual values will take precedence over mere material and humanistic considerations.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I ask unanimous consent that I may yield to the distinguished Senator from Illinois, who I am sure wants to refer to the statement I have made with regard to one of the truly great citizens of his State, and one of the truly great citizens of our time.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. I have been trying to obtain the floor for some time. I have not felt like raising the question of the limitation of time in the morning hour. I know the Senator from Illinois would like to comment on the statement just made by the Senator from Minnesota, but I ask unanimous consent that I may be recognized after he has made his comment.

The PRESIDING OFFICER. The Chair will state that the Senator from Minnesota has 3 minutes on each subject. The time he was allowed on the last subject he discussed has expired. He has asked unanimous consent to yield to the Senator from Illinois. The Chair may state it was his purpose, in accordance with the general practice, to recognize the Senator from Colorado next.

Mr. DOUGLAS. Mr. President, I shall be glad to yield to the Senator from Colorado, and later I shall make a statement, which I hope can be printed in the RECORD immediately following the statement of the Senator from Minnesota.

Mr. DOUGLAS subsequently said: Mr. President, I am happy to endorse what the Senator from Minnesota [Mr. HUMPHREY] has said about Samuel Cardinal Stritch. Cardinal Stritch has been a citizen of Illinois for 20 years. During that time he has won the respect and affection of all. He has been active in every good cause, and has been charitable and high minded in thought and deed.

We shall miss him very greatly in Illinois. We are grateful for his devoted service, and rejoice in the added honors which have come to him.

His new duties will be heavy, but we know that he will perform with the same efficiency and insight which have always characterized his actions.

STATEHOOD FOR ALASKA AND HAWAII

Mr. ALLOTT. Mr. President, it is my deep and sincere conviction that the United States of America has a very definite obligation in relation to our own affairs in the troubled world of today.

The peoples of all free countries on the earth are looking to our country for leadership—the leadership to maintain a way of life consistent with the ideals and concepts of all those who believe in the rights of free people. To a large degree I feel it is the responsibility of the United States to provide the guidance which will lead to the preservation of the right to self-government for the citizens of free countries throughout the world.

Our country—and this Congress—face similar obligations in our internal affairs, obligations closer to home. One of these obligations was incurred almost a century ago. In fact, in a few days, March 30, 1958, it will be 91 years since Alaska became a Territory of the United States. Another implied and very definite promise was made when Hawaii assumed territorial status in 1898, at which time it was formally annexed as an integral part of the United States.

I have long thought that statehood for Alaska is unequivocably desirable. With respect to Hawaii, I have been troubled, in my own mind, by some of the problems related to un-American activities of certain groups in the islands. At the time the Alaskan and Hawaiian bill was reported from the Interior and Insular Affairs Committee by unanimous vote, I stated my reservations in this regard. After thorough and deliberate study of this question, it is my firm conclusion that all the many reasons for statehood for Hawaii are compelling and outweigh this consideration. The problem of un-American activities in Hawaii can and, I believe, should be dealt with separately from the question of statehood.

Mr. President, the citizens of Alaska and of Hawaii are American citizens, born under the same flag as your children and mine. Should not the United States and the Congress today recognize the real and definite obligations we owe to American citizens of Hawaii and Alaska? Should not these virile Americans—who have given their blood in our country's wars—have the right to cast their votes for those who govern them? Should they not have some voice in how the taxes they pay will be spent?

I for one believe that all these questions must be answered in the affirmative. The treaty of cession by which we acquired Alaska from Russia contains a solemn pledge:

> The inhabitants of the ceded territory * * * shall be admitted to all the rights, advantages, and immunities of the United States.

While there is no similar direct pledge in the annexation documents relating to Hawaii, it can be adequately demonstrated by the debates in both the Senate and the House at the time Hawaii was made an incorporated Territory that the Congress did recognize there was an implied pledge of statehood. Let me quote from a statement made by the Secretary of the Interior, Fred A. Seaton, to the Senate Interior and Insular Affairs Committee on April 2, 1957:

> On April 6, 1900, when the House debated S. 222, a bill to provide a civil government for Hawaii, Congressman Ebenezer J. Hill offered the following amendment:
>
> "SEC. 105. Nothing in this act shall be construed, taken, or held to imply a pledge or promise that the Territory will at any future time be admitted as a State or attached to any State."
>
> Mr. Hill said, defending this amendment:
>
> "No harm whatever can come from the passage of the amendment I have just offered. It commits Congress to nothing. It simply says that this bill and the admission of this Territory shall not be taken or construed as a pledge for the admission of the Territory to statehood either in the immediate or the distant future.
>
> "Mr. CANNON. Whether the amendment be adopted or not, is there anything in this bill which commits the Congress of the United States or the people of the country to admit this Territory to statehood?
>
> "Mr. HILL. I think there is, so far as the sentimental side of the question is concerned. The American people look upon the authorization and full organization of a Territory as the first step toward statehood. It has always been so construed; it always will be so construed. By the adoption of this amendment we shall simply put ourselves on record as declaring that this legislation is not adopted with that end in view."

A similar amendment presented to the Senate during debate on the same bill was not considered because of a point of order. The House amendment was defeated. While it was ably pointed out by Congressman John S. Williams, of Mississippi, that the amendment was either unnecessary because it could easily be repealed, or unconstitutional if every Territory was "necessarily in process of formation for statehood," the very fact that the gentleman from Connecticut proposed the amendment demonstrates that, prior to the annexation of Hawaii, no Territory has been acquired by the United States, the manifest destiny of which was not to become a State.

The PRESIDING OFFICER. The Chair is compelled to remind the Senator that his time has expired.

Mr. MORTON. Mr. President, I ask unanimous consent that the Senator from Colorado may proceed with his statement.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may be permitted time to complete my statement, which will probably not amount to more than 6 or 7 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

Mr. HUMPHREY. Mr. President, after the consideration the Senator from Colorado has shown, I think he more than deserves the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. I thank the Senator.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 6 or 7 minutes.

Mr. ALLOTT. Mr. President, at no other time in history could it be more appropriate for us to fulfill our pledges to Alaska and Hawaii. By so doing we will at one and the same time grant the full privileges of citizenship to Alaskans and Hawaiians, while demonstrating to the world that America practices what it preaches.

Let me again quote from the statement of the Secretary of the Interior—and this statement applies equally well to Alaska:

We are dedicated as a Nation to the principles of self-determination and self-government. Admission of Hawaii to the Union will demonstrate to the people of the Pacific and the world that—regardless of race, color, or creed—citizens of the United States, when they inhabit an incorporated Territory which has political and economic maturity, will be accorded all the privileges of citizenship.

Mr. President, this body has not acted upon a statehood measures since 1954, when it passed a joint Hawaii-Alaska bill. I want to make it clear that it is my understanding the administration opposes the joining of the Alaska bill with the Hawaii bill. For myself, I shall oppose any motion to join the two bills. The merits of each of these Territories' petitions for statehood should be determined separately.

I am for statehood for both Territories, and I am in accord with our distinguished minority leader in the hope that we will have the opportunity to vote independently on each of the bills so that the qualifications may be determined for each Territory on its own merits. Our distinguished minority leader stated that once the bill for statehood for the Territory of Alaska is called up for consideration and the Senate has had a chance to vote upon the merits of that bill then the next bill to be called up for consideration on the calendar should be the bill for the admission of the Territory of Hawaii. He pointed out that this was the procedure he favored as majority leader in 1954, and I heartily concur with him that it was a mistake to tie the two bills together.

Mr. President, Alaska and Hawaii are ready for and have requested admission into the Union. I personally feel it is timely for us to recognize our obligations to Americans in Alaska and Hawaii. In fact, I feel it is imperative to recognize these obligations so as to demonstrate our continued adherence to the ideals which are the cornerstones of this great democracy, namely, the right of self-government and equal rights for members of all races and all faiths.

In closing let me read from a letter which I received recently from our former colleague from Ohio, George Bender:

During this session of Congress you will undoubtedly consider once more the question of statehood for Alaska. I believe with all sincerity that the grant of statehood to Alaska would furnish definitive evidence to the people of our country and to the world that while we are acutely aware of the military problems we face, we are taking every step possible to insure the preservation of the traditional rights and privileges of our citizens wherever located.

We are all aware that the consideration of Alaskan statehood in the past has raised political questions. Some people, too, are concerned over the fact that the soil of Alaska is not physically contiguous to other parts of the United States. But, in these days when artificial satellites soar overhead with complete disregard for established national boundaries or continental limits, these issues appear to have become obsolete.

The statehood legislation now pending before Congress contains adequate provisions to meet the requirements of the defense efforts in Alaska. It is my considered judgment that Alaska holds the key to the military security of the United States. Its strategic location in this era of missiles, supersonic flight, and pushbutton warfare has enhanced Alaska's already established status as a radar warning center, as an air defensive core, and as a protective arsenal for the entire Western Hemisphere.

Alaskans have readily accepted the provisions in the statehood bill which will permit the Military Establishment to act under the President in times of emergency while at the same time adequately protecting their personal and property rights.

You may be sure that in the work which lies before you during the difficult days ahead you have the support and the prayers of the American people and people everywhere who seek for world peace under the blessings of freedom. The admission of Alaska into the Union could well be the symbol we need to assure the peoples of the world of our continued adherence to the principles of our forefathers.

Let us accept the obligations we have to the people of the Free World. Without regard to political affiliations, let us join together and act upon the petitions of these two great Territories to be admitted into the Union.

BLOCKADING OF SALMON AND IMNAHA RIVERS BY PACIFIC NORTHWEST POWER CO.

Mr. NEUBERGER. Mr. President, on March 11 the Pacific Northwest Power Co. made clear that it would imperil the most famous and historic fish runs in the United States, in order to exploit for private gain the priceless hydroelectric resources of the Middle Snake River.

On that date Pacific Northwest Power Co.—a holding company consisting of Pacific Power & Light Co., Portland General Electric Co., Washington Water Power Co., and Montana Power Co.—told the Federal Power Commission of its intention to study high Mountain Sheep with subsequent development of lower canyon.

The high Mountain Sheep project, the power company March 11 letter disclosed, would be located at a site downstream from the mouth of the Imnaha River, thus endangering the steelhead migration into that mountain stream of Oregon's Wallowa Range.

Lower Canyon Dam would blockade the entrance into the Salmon River of Idaho, where spawn some 60 percent or more of the valuable Columbia Basin run of spring Chinook salmon, which comes up from tidewater far below. Lower Canyon would be quite as fatal to the Chinook pilgrimages of the Salmon River as would the 700-foot Nez Perce project on the main stem of the Snake, for both would be insurmountable barriers to the Salmon's finny travelers.

The intentions of the private-utility combine as concerns the survival of the Columbia River fishery have been made quite plain. The letter to the Federal Power Commission states that the company "intends to prepare and file an amended application for a license for such project as appears as a result of such study to be economical and practical."

Mr. President, in the past some of the private utilities have shed crocodile tears for the fate of migratory fish runs. The letter sent by Pacific Northwest Power Co. to the Federal Power Commission on March 11, 1958, reveals that fish runs are brushed aside quite as ruthlessly as Corps of Engineers 308 reports, when these private power companies see an opportunity for exploitation.

Furthermore, the private utilities were the most blatant and vehement of any group in opposing my bill, S. 3185, at recent Senate Interstate and Foreign Commerce Committee hearings, when I sought legislation to give the United States Fish and Wildlife Service some jurisdiction in FPC licensing procedures on rivers with migratory salmon and trout resources.

S. 3185, the bill on which hearings were held, proposed to give the Secretary of the Interior authority over approval of dam licenses where migratory fish and dams are involved. Similar authority is now vested in the Secretary of the Army for approval of plans affecting navigation of our rivers. Yet, at the hearings on my bill, Mr. Alan G. Paine, represent-

ing the companies of the Pacific Northwest Power Co., declared:

The companies I represent believe such a proviso is unnecessary, wrong in principle and will hinder and delay the best development of our waterways.

I suppose it is only natural that the utility-combine would oppose legislation for protection of migratory fish which might interfere with plans to place concrete barriers across the Columbia's spawning grounds. Its interest is in development of profitable electric power. The commercial and sports fishermen of the Pacific Northwest would be well advised to take notice of the objections the company makes to protection of fisheries, and of its proposals for cutting off the great fish runs of the Imnaha and Salmon Rivers. These runs should be protected from private dams, public dams, and Federal dams.

I ask unanimous consent to have printed in the RECORD with my remarks the letter of March 11, 1958, transmitted by Pacific Northwest Power Co. to the Federal Power Commission.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PACIFIC NORTHWEST POWER CO.,
Spokane, Wash., March 11, 1958.

Mr. JOSEPH H. GUTRIDE,
Secretary, Federal Power Commission,
Washington, D. C.

DEAR SIR: Applicant has received a copy of letter from the attorney for the intervenors, dated March 4, 1958, and addressed to Commissioner William R. Connole. Attorney for intervenors misapprehends the relief requested. This letter is in reply thereto.

In the assignment of error No. 7, applicant refers to the Nez Perce and High Mountain Sheep projects, the latter of which is located below the mouth of the Imnaha and above the mouth of the Salmon. Preliminary investigation indicates that High Mountain Sheep with subsequent development of lower Canyon would have approximately 500,000 acre-feet more storage and about 150,000 kilowatts more installed capacity than Nez Perce. Under paragraph 3 of its prayer, applicant proposes to study the High Mountain Sheep project on a comparative basis with Nez Perce. Such a study is necessary before a final determination can be made as to the project which will constitute comprehensive development under the provisions of section 10 (a) of the Federal Power Act.

Approximately 10 months will be required to complete such study, depending upon the extent of drilling and engineering that may be necessary.

Specifically, in undertaking such comparative analysis applicant will:

(a) Make geological investigations and studies;

(b) Do such engineering work, including preparation of maps, plans, and specifications as may be necessary, to determine problems of construction, quantities of earth and rock to be moved, materials and supplies required, type of structure to be built, and such other determinations as may be relevant to make comparable estimates of cost;

(c) Determine the amount of storage usable for flood control and power production;

(d) Carry out power routing studies and power capabilities;

(e) Determine flood control routing and effectiveness of flood control;

(f) Investigate the extent and cost of facilities required for the consideration of fishery resources and recreation opportunities.

Applicant will report the results of such study to the Commission and to all parties.

Applicant intends to prepare and file an amended application for a license for such project as appears as a result of such study to be economical and practical and meets the requirements of section 10 (a) of the Federal Power Act.

Applicant does not expect a license to be granted without a further hearing.

We are making the same distribution of this letter to the Commission as was made by counsel for intervenors, and are mailing copies to the parties as noted below.

Yours very truly,
PACIFIC NORTHWEST POWER CO.,
JOHN J. BURKE, *President.*

WE COULD LEND MORE, GIVE LESS

Mr. CARROLL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial published in the Denver Post of March 12, 1958. The title of the editorial is "We Could Lend More, Give Less."

This editorial is highly commendatory of the creative thinking of the junior Senator from Oklahoma [Mr. MONRONEY] on the subject of the foreign-aid program. It is well worth reading. I commend the junior Senator from Oklahoma for his penetrating thinking in a field in which much thought is needed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE COULD LEND MORE, GIVE LESS

Senator MIKE MONRONEY, Democrat of Oklahoma, has proposed to Congress a compelling idea in connection with foreign aid. He suggests that as part of the overall program, this country help establish an international development association.

Monroney's IDA would make loans to underdeveloped countries that could not get them from the World Bank because of its more conservative lending policies.

According to the Oklahoma Senator—who is chairman of the International Finance Subcommittee of the Senate Banking Committee—many countries are unable to get loans for sound projects because of the necessity to repay the World Bank within 20 years, at 4 percent interest and usually in scarce dollars or other hard currencies.

IDA would lend all or part of such loans for longer periods at less interest. It would lend the money and accept repayment in currencies of many nations.

MONRONEY points out that large sums of these currencies are already in the possession of the United States, which has been accepting them in payment for our agricultural surpluses.

Further, IDA would invite participation of other nations of the Free World, and would encourage countries buying goods and services with the loans to do so from those Free World nations.

Through IDA, the ties of the underdeveloped nations to the Free World would be strengthened. The nation receiving the aid would maintain its self-respect, and the nations giving their aid would avoid the lingering resentments that arise too often from present aid programs.

MONRONEY figures IDA would need an initial basic capital investment of about $1 billion, of which the United States probably would need to put up 30 percent, or $300 million.

This, incidentally, is the amount Congress appropriated last year for a United States development loan program, very little of which has been used.

The flaw in the current program is that the United States does all the lending, which means (a) it costs us too much and (b) it repeats the mistake of much of our aid, which has opened itself to Communist attack as an all-American program of economic infiltration and imperialism.

It seems to us that the Monroney plan has much to commend it, and that it should receive a warm reception from a Congress that is looking with more suspicion than ever at handouts.

A NATIONAL EMERGENCY

Mr. KUCHEL. Mr. President, the distinguished junior Senator from New Jersey [Mr. CASE] states that "the revelations about the emphasis of Russia on its educational program should serve a useful purpose."

I agree. I believe those revelations—the fact that Soviet Russia is embarked on a tremendous educational program with emphasis on science, nuclear physics, engineering, and the professions—have brought the American people closer to the realization that we need to upgrade our own educational system.

The junior Senator from New Jersey has written an interesting and excellent article entitled "A National Emergency—Federal Aid for School Construction Has Become More Urgent Than Ever," which was published in the March issue of AFL–CIO American Federationist. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NATIONAL EMERGENCY: FEDERAL AID FOR SCHOOL CONSTRUCTION HAS BECOME MORE URGENT THAN EVER

(By CLIFFORD P. CASE, United States Senator from New Jersey)

"In this world of ours we are fundamentally in a race between education and catastrophe. Either we will have sufficient knowledge with which to solve our national and international problems or the catastrophe of an unwelcomed tyranny is bound to overcome us in our ignorance. That's why our free public school system is the great hope of our future preparedness and really the hope of the Free World."

These are the words of Gen. Omar N. Bradley, one of the Nation's greatest military leaders—a man who fully appreciates the challenges of our present situation. It is encouraging to have a military man emphasize the importance of education.

The leaders of both political parties have been quick to outline emergency programs for armaments, for improving scientific training and other worthwhile causes. But there is less emphasis on improving our school system.

If there is anything to be learned from the recent Russian achievements, it is that one of the Nation's greatest resources is its brainpower—the power to invent, to develop, to produce and to operate complicated weapons. And at the base of this is education.

We cannot expect to nurture scientific talent or, for that matter, any kind of talent in classes held in overcrowded and obsolete classrooms, or in basement boilerrooms, in school corridors, or, even worse, in classes limited to half sessions.

This is a national emergency. Education is now as integral a part of our national

security and national defense as the man with the bayonet or the pilot in the bomber. We have already lost several years by failing to enact an emergency program of Federal assistance for school construction. In my own view, this program has become more urgent than ever. Rather than cut this program down or shelve it, I propose to add it to the broad program advocated by the administration for stimulation of our scientific training.

It seems to me that we need both—not one or the other.

As things stand now, the education of our children depends in good part on accident of birth—whether they are born in a State which has resources and spends them on schools or whether they are unfortunate enough to be born in a State where schools are low on the budget ladder. Their education depends, too, on whether they have the devoted services of good teachers and principals or whether they are subjected instead to the second-best ones.

We all know of the devoted services of many underpaid teachers and principals who are forced to subsidize their important work by taking extra jobs as painters, cab drivers, grocery store clerks and similar ways of earning a few dollars. It is understandable that many of these have chosen to leave the field of education and now are replaced by less qualified people.

The very least, it seems to me, that we can do for these sacrificing educators is to give them the facilities and tools they need to carry on their important work.

Last year the Federal Office of Education reported that there were 2,295,000 pupils in our elementary schools in excess of normal capacity. The effects of this shortage of classrooms go far beyond the 2,295,000, for it is not just the 10 to 15 too many pupils crowded into some classrooms that suffer—it is the whole class. Many elementary school classes are now packed with 40 to 50 children instead of the ideal of 18 to 25.

Principals and teachers have been forced to strain existing facilities in order to give some education to all students. The result has been an inevitable decline in quality.

This is not a situation which developed overnight. During World War II and the Korean war there was a virtual moratorium on school building, and this came at a time when the birth rate was constantly setting new records. The result is that we found last year that we were 159,000 classrooms short.

Numerous school districts have strapped themselves, shouldering heavy burdens of taxation, to try to catch up. Some of these have now reached their debt limit and others are experiencing difficulty in marketing bond issues. Many conscientious school boards face the hard problem of how to improve teachers' salaries when all available funds have to go to provide the brick and mortar for schools.

Certainly one of the real values of the Federal school assistance program is that it would help lift the building burden in local communities and make it possible to raise teachers' salaries—and doubling them on the average would not be too much.

I recognize that a program of assistance for school construction will cost a great deal of money. The administration's program last year would have run to a half-billion dollars per year. This is a sizable sum, and its expenditure should receive thorough consideration.

Members of Congress have accepted quickly the necessity for the expenditure of $2 billion more this year for the development of missiles, but there has been less speed in accepting the importance of the development of our youngsters.

Why must this be so?

We all know young men and women who should have made a greater mark in life, who had the potential but lacked the encouragement and the stimulation of good schooling to achieve it. We have always taken for granted that our children will have a good education. This is as much a part of the American idea as that they will have steady work, decent homes, and a peaceful old age.

Unfortunately, we cannot take good schools for granted, and it seems to me that people in the labor movement have a particular stake in the school system. Since you represent such a large part of the Nation's population, when schools are below standard it is your children who will suffer.

Most of us do not have the means to provide private schooling or extra training. The great interest of union members and others in parent-teacher associations and in adequate school budgets has resulted in as much concern with the spending of the educational dollar as with the spending of the dollars in their own household budget. This is wholesome indeed.

In addition, there have been some remarkable contributions by such organizations as the International Ladies' Garment Workers local in South River, N. J. There the headquarters has been turned over to more than 200 high-school students who found there was no room for them in the nearby high school.

While this makeshift arrangement is better than no education at all, it is hardly befitting the high standards which we are trying to maintain.

It seems to me that a recent editorial in the Washington Post and Times Herald summed up the Federal responsibility very well indeed. This editorial said:

"Education being in the United States primarily a local responsibility, the main burden of revitalizing the country's schools and colleges must be assumed in the States and several school districts and by voluntary efforts of industry and labor and other citizen organizations. But the Federal Government must make two major contributions.

"First, for an emergency period, it must render financial aid to the States on a generous and imaginative scale in order to enable them to overcome the terrible lag that has developed from the two generations of neglect. Second, the Federal Government must provide leadership to arouse the Nation to the gravity of this neglect and to the vital importance of education as an element of national security.

"Happily, the American educational structure, though impoverished, is essentially sound; it rests on a rich tradition and it can count upon the fervent support of the American people when they are led to understand what is at stake. It constitutes nothing less than the key to the American future."

Other bad effects of inaction on the school front are unemployment, delinquency, and crime, which over the years will cost the community and the Government much more than the provision of an adequate education. This is not only the right thing to do, it is the sensible thing to do.

While we have been debating school legislation, the Soviet Union has greatly expanded its educational facilities. For example, in the past 15 years the average number of pupils per teacher in elementary and secondary education has been reduced from 27 to 17. And our educational authorities report that in the Russian 10-year elementary and secondary system their youngsters receive more hours of instruction than our children receive in our 12-year system.

It is clear that all along the educational line we need to make far greater efforts to encourage the fullest possible development of the minds of our youth and to assure that talent will not be wasted for lack of opportunity.

In concentrating immediately on the elementary schools and the high schools, we must not overlook the fact that there is rapidly developing a tremendous shortage in college capacity.

It is clear that unless we take some drastic steps to expand the capacity of our colleges, many of our brightest young men and young women will have no place to go. It is also clear that unless we find ways of reducing the constantly rising cost of higher education, many of our brightest young men and young women will be priced out of a college education.

The United States Office of Education has recently reported that the average cost of attending college is now $2,000 a year, or $8,000 for a 4-year education. In families where there are three or four youngsters looking toward a college education, the financing of such training poses a formidable, and often insurmountable, obstacle.

There have been many proposals for the establishment of a broad program of scholarships, perhaps with Federal and State support. A scholarship program would help many gifted youngsters attend college who might not otherwise do so.

On the other hand, it must be recognized that unless the total capacity of colleges is expanded, the new scholarship programs will merely bring about a displacement process. A scholarship program would do nothing at all to meet the sheer shortage of buildings, laboratories, teachers and other facilities necessary for a first-class education.

Similarly, there have been suggestions for long-term loan programs under which a student or his parents could borrow the necessary funds to finance a college education and then repay them when he has begun earning a living. This suggestion, I am told, has been criticized by some of the potential recipients on the basis that, although they desire a college education, they are reluctant to mortgage their futures to the extent that might be necessary.

The cost of a college education is so high that the repayments would weigh heavily on their budgets as they go about the usual process of getting married and raising a family—and this process is certainly desirable socially. A loan program might be helpful to a point, but there is a real question as to how much of the problem it would remedy.

From the viewpoint of the educational institutions themselves, neither of these programs meets the problem of how to avoid increasing the cost of tuition. It is well known that tuition fees meet only approximately half the cost. Thus, each step toward expanding the size of the student body makes the financial situation of our existing colleges, particularly the private colleges, even more pressing.

I have introduced legislation to provide Federal assistance to States interested in making a thorough survey of their anticipated needs in the field of college education and to help them determine what steps should be taken to meet this need.

Unfortunately, in many of our communities there are no public facilities available for higher education. Accordingly, I have introduced a companion bill in which I have suggested that the Federal Government assist the States in the establishment of the 2-year junior colleges which are known as community colleges in many cities.

The advantages of the community-college program are easily identifiable to readers of this publication. It would make possible training at a readily accessible place and without the extensive cost of dormitory living. The community colleges are particularly adaptable to meeting the needs for training beyond the high school, but for less than 4 years of college. In many fields of work, particularly technical in nature, there are now five jobs requiring 2 years of college for each one requiring a 4-year college education.

It will be by the growth of techniques such as this that we can come even close to meet-

ing the need for space for another 3 million qualified young men and women who will be seeking admission to college in the next dozen years.

Certainly, people in the labor movement realize that adequate education is essential to operating the complicated machines which are the key to our record of high productivity. We need educated men and women as never before.

The failure to expand facilities for higher education will take its toll as our population continues to grow and the number of doctors, scientists, teachers, and ministers does not grow apace. It will take its toll in industry and commerce as higher and higher skills are demanded and proportionately fewer and fewer young people can provide them. The Nation will lose the benefits of the talents and brainpower of the bright youngsters, and this loss can be counted in discoveries unmade and in services unrendered.

The suggestions I have made offer only a part of the solution. The basic problem is really one of upgrading the public attitude toward education. The low rung on the economic and social ladder occupied by our teachers should be recognized and drastic steps taken to overhaul this unjust and unworthy situation.

To this extent, certainly, the revelations about the emphasis of Russia on its educational program should serve a useful purpose.

We would not hesitate to spend millions—or billions—on some new weapon for the defense of our Nation. We should be equally willing to spend the necessary amounts to provide the best rounded educational program for our youngsters, for with them lies the future of our Nation.

SENATOR WILLIAMS, OF DELAWARE—"THE WATCHDOG OF THE TREASURY"

Mr. BUTLER. Mr. President, our good friend and distinguished colleague, the senior Senator from Delaware [Mr. WILLIAMS], has on more than one occasion been called the Watchdog of the Treasury. This is a distinction fully deserved. It reflects his great tenacity, vigor, and thoroughness in protecting the Federal Treasury. To most Americans, it is an affectionate title, spoken with thankful respect. To a few, however, it has been an omen of justifiable downfall.

A typical example of Senator WILLIAMS' vigilance in exposing tax frauds is recounted in an interesting article entitled "How the Senator Made the Racketeer Pay," appearing in the April issue of Coronet magazine, which, Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE SENATOR MADE THE RACKETEER PAY

(By Deane and David Heller)

This year approximately $46,610,239,000 in Federal income taxes will pour into the Treasury. The money will come from 60,186,000 taxpayers. Some will pay with a sense of resignation, others with a feeling of patriotism, and a few under protest. Nevertheless, they will pay. For as citizens they think they should.

Contrast this, then, with the attitude of triple-chinned, 360-pound Big Bill Lias, of Wheeling, W. Va. Described by the FBI as the racket czar of West Virginia and southern Ohio, bootlegger, slot-machine mogul, numbers operator, and gambler, he has amassed millions. But for years he cynically scorned even to file a tax return; and thereafter, although he went through the motions of filing, he resorted to every gimmick, dodge, and loophole that a racketeer with political connections can use to thwart our tax laws, according to United States Senator JOHN J. WILLIAMS, of Delaware.

Ultimately trapped through the efforts of Delaware's "watchdog of the Treasury," Lias has fought back bitterly as his assets were seized and $1,788,139 turned over to the Government for back taxes. He still owes close to another million, and faces possible deportation to Greece as an undesirable alien.

In a half-mocking, half-indignant retort, Lias claimed he thought income taxes were only for law-abiding citizens when the Senator forced him to admit, at a hitherto undisclosed conference in Washington, that he had failed to file any tax return until 1934.

Incredible as was Lias' attitude, it was no more so than some of the assertions and facts that emerged from his case (which Senator WILLIAMS had branded as the worst example of tax enforcement against the Nation's big-shot racketeers):

(1) Big Bill's boast that two prominent Congressmen accompanied him to the Office of the Commissioner of Internal Revenue to help adjust his tax difficulties.

(2) Lias' claim that he was friendly with a Federal judge who allegedly approved a deal whereby Big Bill was to be fined and put on probation instead of being jailed for pleading guilty to income-tax evasion.

(3) Lias was permitted to settle his income taxes for about 12 cents on the dollar; and the revelation that, despite delinquencies extending over 30 years, he has never been convicted on a tax charge.

The most incredible shocker of all came when tax officials, prodded insistently by Senator WILLIAMS, got the Government to place Wheeling Downs, Lias' racetrack, in receivership and impound his profits. A highly respected Wheeling lawyer, Carl O. Schmidt, was appointed to handle the track. But he couldn't run it profitably because he did not know the racing business. So the court appointed Lias general manager.

For his services, Big Bill was paid a $35,000 annual salary, of which $25,000 was applied to his tax debt. As assistant manager, Lias hired George Lewis, under prison sentence as a $1 million income-tax dodger, who was temporarily free while his conviction was being appealed.

Senator WILLIAMS got into the Lias case in March 1951, while in the midst of his sensational revelations of corruption in the Internal Revenue Service which ultimately forced T. Lamar Caudle, Assistant Attorney General, and other tax officials from office. The late Chester Potter, a newspaper reporter, tipped the Senator that Lias had offered to settle his $2,230,744 tax liability for $500,000. The offer "was about to be accepted by the Internal Revenue Service," says WILLIAMS. "By working fast I was able to keep the compromise from going through."

After a 7-month investigation, Senator WILLIAMS gave the Senate a report on Big Bill's underworld career, and how it allegedly flourished under official laxity. Lias got his start in 1914, when he was delivering bread for a bakery to Ohio. "He would take bread over and bring back a wagonload of beer and whisky," Senator WILLIAMS said. (Lias' lawyer, Thurman Hill, later revealed Lias accumulated some $219,000 by the time he was 26, and had the largest illegal liquor business in the area of Ohio, Pennsylvania, and West Virginia between 1922 and 1930).

Lias, according to Senator WILLIAMS, had been convicted on bootlegging charges four times, jailed three times, and fined a total of $17,250. Of these, fines of $3,500 and $10,000 had been carried on the Government books as unpaid until 1946, nearly 20 years after they were assessed.

Senator WILLIAMS told the Senate that on March 22, 1938, Lias "offered to pay $10,400 for all civil and criminal liabilities of income tax, penalties, and interest for all years prior to 1934." The offer was accepted; $80,003 in tax indebtedness settled for approximately 12 cents on the dollar. But after making three $1,000 payments, Big Bill's accountant wrote the Department of Justice that Lias was broke and couldn't pay any more. Subsequently, he made the same plea of poverty regarding his taxes for the years 1934 through 1940.

All of which was extremely peculiar, Senator WILLIAMS declared, because later in disputing Government assessments on his large increase in net worth during the years 1942–46, Lias claimed the increase resulted from $1 million in cash he carried over from the prohibition era.

The years 1942 to 1946 were easy ones for Big Bill. "During (that) period, the income-tax returns of Mr. Lias were not audited, the excuse being given that during the war the Treasury Department was short of help," Senator WILLIAMS charged. In 1947, an audit was begun and when Lias' expenditures apparently exceeded his reported income, the years 1942 to 1946 were opened. As a result, taxes of $1,276,320.18 were assessed. Penalties and interest of $716,850.81 brought the total to $1,993,170.99.

During this investigation, two of Big Bill's establishments were also found to have "forgotten" some of their income, Senator WILLIAMS declared. The Automatic Cigarette Sales Co., Inc., Wheeling, W. Va. (Lias' slot-machine distributing company) was assessed an additional $123,974.52 and Zellers Steak House, Inc. (a plush Wheeling gambling establishment) was assessed $87,106.28. This brought Lias' total bill, including penalties, to $2,230,744.82.

As a result of this audit, Big Bill was indicted on five counts of income-tax evasion from which, thus far, he has escaped imprisonment.

Lias pleaded guilty to one count. Then the Government moved to dismiss the other four. The presiding judge, William E. Baker, agreed with the Government's routine move and sentenced Lias to 5 years in prison. But about 2 weeks before he was to begin his sentence, Big Bill exploded a bombshell.

Charging in open court that he had been doublecrossed, he asked the judge to vacate his 5-year sentence and permit him to withdraw his plea of guilty. Big Bill claimed that (a) despite his plea, he was not guilty, and (b) because of the friendship existing between Judge Baker and himself and because of a conference between Judge Baker, the United States District Attorney, C. Lee Spillers, and his own attorney, Carl B. Galbraith, he had pleaded guilty since he was led to believe he would not be jailed but "would receive a substantial fine and suspended sentence and be placed on parole."

Denying there had been any deal Judge Baker said he had told Galbraith that "Lias had been before me five times and I had sent him to prison twice and I wasn't going to put that kind of a man on probation." Spillers also vehemently rejected Lias' contention of a deal.

In support of his motion, Big Bill offered these sworn statements:

"That for a long period of time immediately preceding the entry of the aforementioned plea * * * he and the Honorable William E. Baker * * * were friendly * * * that the * * * judge had been a guest at several of the business enterprises operated by Lias and was well aware of the activities involved in such enterprises * * * (that the judge had visited Lias' office, that Lias had sent him several season passes to his racetrack, Wheeling Downs—which were

returned—that the judge had been Lias' guest at Zellers Steak House.)"

Big Bill's gamble to escape the penitentiary paid off. Judge Baker vacated his sentence, and allowed him to withdraw his guilty plea. In a later trial, Lias was acquitted.

In cracking the case, Senator WILLIAMS pointed out that the acquittal of Lias on criminal charges had not ended his civil liability for his $2,230,744.82 income tax due; and that for nearly 3 years the Internal Revenue Service had done little to collect it. He further charged that 8 days before his trial, Lias had made gifts of nearly half a million dollars in property and securities to his brother and brothers-in-law; and, by excessive payments in salaries and dividends to relatives further drained off his assets.

The IRS, slow to move against Lias, now became tough; and Big Bill, suddenly losing hope of quickly settling his tax troubles, telephoned Senator WILLIAMS, insisting on seeing him at once in WILLIAMS' private office in the Senate Office Building.

But, on March 13, 1952, when he arrived for his private session with the Senator, he found himself in an executive session of a subcommittee of the Senate Committee on Finance. He was not very convincing as he sat overflowing onto two chairs.

Invited to "tell your own story in your own way," Lias claimed, according to Senator WILLIAMS, that Members of Congress at various times intervened for him in income-tax matters; confessed he hadn't filed at all until 1934 and admitted he had about $700,000 in cash at a time when he told the Government he could not meet a $500 income-tax payment.

Senator WILLIAMS also questioned Lias briefly about another of his scrapes with the law—one that failed to become a nationwide scandal only because of the direct intervention of influential politicians.

"During rationing, right after World War II, when critical materials were scarce and millions of veterans couldn't find homes, Lias built Wheeling Downs racetrack; the OPA investigated him and recommended prosecution," WILLIAMS said.

"I was told that when the file was sent to the district attorney in Wheeling, it was bounced back with the notation 'the District Attorney flatly refuses to prosecute.' I tried to get a copy of the file but, instead, received a letter from Eric Johnston, administrator of the agency, stating that because of '* * * an historic public policy recognized generally and in the courts that Government files should be kept confidential except in limited circumstances, such as by direction of the President, etc. * * * it is my duty * * * not to release this file.'"

Big Bill disclaimed personal knowledge of the OPA affair.

Spurred on by Senator WILLIAMS, Government receivers took over Lias' property, including Wheeling Downs. In United States tax-court proceedings, deficiencies were sustained against Lias personally for $2,487,548.87, against his slot-machine company, Automatic Cigarette Sales Co., Inc., for $176,466.42 and against his plush gambling spot, Zellers Steak House, Inc., for $37,543.53. Lias' deficiency included a 50-percent penalty for fraud. The United States Court of Appeals affirmed the decision, and the United States Supreme Court refused to review it, slamming shut the door on Big Bill's last hope on April 22, 1957.

How did Uncle Sam finally make out in the tangled Lias affair? Not too badly, thanks to Sen. WILLIAMS and a new crop of Revenue officials. All Lias' assets, including the race track, have been sold, and approximately $1,788,139 in back taxes collected. That's still almost $1 million short, of course. But any new Lias assets which can be found will be seized.

Meanwhile, the Government's long-delayed suit against Lias as an undesirable alien is being pressed. Should judgment go against him, he may yet be deported to Greece, where the United States Government claims he was born.

CLARIFICATION OF NAVIGATION RULES FOR THE GREAT LAKES

Mr. MAGNUSON. Mr. President, last Monday, on the call of the calendar, the Senate passed S. 1976, which clarifies the application of navigation rules for the Great Lakes and their connecting and tributary waters.

Concurrent with the Senate action, the House passed an identical measure, H. R. 7226. That bill is now at the desk.

Under the circumstances, I ask unanimous consent that the Senate reconsider the vote by which S. 1976 was passed; that H. R. 7226 be laid before the Senate for passage in lieu of the Senate bill; and that S. 1976 be indefinitely postponed.

Mr. JAVITS. Mr. President, reserving the right to object, will the Senator from Washington inform us whether this matter has been cleared with the minority leadership?

Mr. MAGNUSON. It has not been cleared. I am merely suggesting action on the House bill to clarify the matter. An identical bill was passed by the Senate. I did not know that it would be necessary to clear the request with Senators. Senate bill 1976 was passed unanimously by the Senate, and at the same time the House passed an identical bill. I simply wish to clarify the situation by having the vote by which the Senate bill was passed reconsidered, and to have the House bill passed. The House bill contains language identical with that of the Senate bill.

I can wait, if the Senator wishes, but the matter is quite important to navigation on the Great Lakes.

Mr. JAVITS. The Senator may proceed. I withdraw my reservation.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, the vote by which Senate bill S. 1976 was passed is reconsidered.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 7226) to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection to the request of the Senator from Washington?

There being no objection, the bill (H. R. 7226) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1976 is indefinitely postponed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and the Senator from Iowa [Mr. MARTIN], to strike out sections 5 and 6.

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

READJUSTMENT OF POSTAL RATES

Mr. HUMPHREY obtained the floor.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me on another matter?

Mr. HUMPHREY. I shall be glad to yield to the Senator, providing I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I ask the Presiding Officer to lay before the Senate the message setting forth the action of the House of Representatives on the amendments of the Senate to the postal rate bill.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, I wonder whether the distinguished Senator from South Carolina would postpone his request for a few moments. I should like to consult the ranking minority member of the Committee on Post Office and Civil Service. I understood the matter was not to be brought up at this time.

Mr. JOHNSTON of South Carolina. I withheld my motion yesterday. I understood it would not be brought up then. I have discussed the matter with the Senator from Kansas [Mr. CARLSON]. I told him what I was going to do.

Mr. KNOWLAND. As a matter of courtesy I should like to have the opportunity to discuss the matter with him before conferees are appointed.

Mr. JOHNSTON of South Carolina. Very well.

The PRESIDING OFFICER. The message will be temporarily laid aside. The Senator from Minnesota has the floor.

Mr. JOHNSON of Texas subsequently said: Mr. President, will the Senator from Minnesota [Mr. HUMPHREY] yield to me briefly so that conferees may be appointed on the postal-rate bill? I must leave the Chamber, and the Senator from South Carolina [Mr. JOHNSTON] would like to move that conferees be appointed.

Mr. JOHNSTON of South Carolina. Mr. President, I have already moved that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate. I renew my motion.

The motion was agreed to; and the Presiding Officer (Mr. LAUSCHE in the chair) appointed Mr. JOHNSTON of South Carolina, Mr. MONRONEY, and Mr. CARLSON conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I wish to direct my attention for a few moments to the full context of S. 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954. I also wish to comment upon some of the observations which have been made relating to the bill and the amendments included therein—observations made by my colleagues in the Senate and observations made by the Department of Agriculture in its letter of March 11, signed by Mr. Benson, which letter was referred to in yesterday's debate.

Consistent with our desire to utilize more of our agricultural surpluses, and at the same time spread the benefits of the program to our own country as well as to foreign nations, we found it necessary to reexamine and restudy certain portions of the law relating to the so-called barter program.

Mr. President, the committee report gives a section-by-section analysis. As I gather, the main area of discussion in the Senate is over the barter provisions. I believe it is pretty well agreed that the other provisions are acceptable and desirable.

There are those who wonder why we should ask for a 2-year extension of the act. The answer is that the farm organizations which have testified in behalf of the program every year have indicated the desirability of having at least a 2-year authorization, in order to give the Department of Agriculture the flexibility which is needed to enable it properly to administer the law. Many times agreements are in the process of being entered into but are not completed at the end of a fiscal year merely because the authorization was not a continuing one. Then after Congress has again authorized the program on a year-to-year basis, the negotiations are picked up again and started anew, thereby requiring a considerable loss of time and, at the same time, a loss of markets.

Section 1 provides the authorization on a fiscal year basis of $1,500 million a year. That is at the rate the administration is asking for. There is no reason to believe that the program will not be needed for at least another year beyond the present fiscal year. As a matter of fact, it is my belief that Public Law 480 will become a definite part of our overall foreign economic policy and our overall agricultural policy for several years to come. I am convinced in my own mind that, no matter what efforts are made to bring production into balance with demand, such efforts will not be fully successful. Therefore, we will need a constructive outlet for the abundance of our food and fiber.

Very frankly, Mr. President, Public Law 480 is the most constructive agricultural legislation of recent years. It is more than agricultural legislation. It is the beginning of a sound foreign economic policy. It is a vital part of our national security. It represents a new tool in our foreign policy, a new application of the resources of our country to the constructive ends of peace, security, and progress throughout the world.

We propose to amend the law so as to make available some of the foreign currencies generated to provide assistance in the "expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

Stated in layman's language, the amendment simply provides that when American food is sold to a friendly nation, that part of the proceeds obtained by our Government from the sale of the food may, by agreement, be designated for educational purposes. For example, some of the great American universities overseas, such as Roberts College, in Turkey, the American University in Beirut, Lebanon, the American University in Cairo, and many other overseas institutions, are desperately in need of additional economic assistance. Since they are located in foreign countries, they can utilize foreign currency.

In countries where sales of American surplus agricultural commodities are made, and foreign currency thereby obtained, we will make available, under the terms of the amendment, a portion of that money to American educational establishments.

In 1953 President Eisenhower suggested in a speech at Baylor University, Waco, Tex., that the United States engage in a program of vocational education and aid to technical schools throughout the world, especially in the underdeveloped areas and among the underprivileged peoples. That was an excellent speech. I checked the CONGRESSIONAL RECORD and found that it was heralded in the Senate. The President received praise for his worthy motives. The only thing is that nothing was ever done about it. This amendment makes it possible to do something about it.

In other words, American wheat can be converted into education; American cotton can be converted into vocational education and technical aid for countries with which the United States has alliances, treaties, mutual-security arrangements, or mutual-assistance pacts, or wherever we believe it would be desirable or helpful to our national defense and foreign policy. I am convinced that the provisions in the bill for the expansion of educational establishments by the use of Public Law 480 funds are highly desirable.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I received yesterday from the National Farmers Union, endorsing the extension of Public Law 480 and S. 3420, which is now before the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 18, 1958.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Over 600 delegates meeting now at National Farmers Union Convention in Denver, unanimously urge your support of Public Law 480 extension, as reported by Senate Agricultural Committee.

JAMES G. PATTON,
President, National Farmers Union.

Mr. HUMPHREY. Mr. President, I shall confine the remainder of my remarks to section 303 of the bill, even though I must say that title I and title II of the bill, the parts which relate to the sales of our surplus commodities for foreign currencies and contributions for famine relief, are undoubtedly the most significant portions of the bill or of the program under Public Law 480.

I also, in particular commend the voluntary agencies of the Nation, both sectarian and nonsectarian, for the wonderful work they have done in sending American food and fiber to needy peoples throughout the world under their programs of charity and philanthropy. Make no mistake about it, the food programs of the Nation, particularly the programs which are conducted by the great voluntary and religious groups of all denominations and faiths, are doing more to build good will for the United States than is any other single thing our Government does overseas.

Furthermore, those programs comport with the spirit of our country—the spirit of generosity, compassion, and humanitarianism.

So I pay tribute to the great work of the voluntary organizations of church groups of the Catholic, Protestant, and Jewish faiths, and other groups like CARE, because they have extended the hand of mercy and helpfulness by the use of American surplus foods in their programs of relief and charity overseas. A little more of this kind of policy on the part of our country, such as the work accomplished through the voluntary groups, and there will be much less tension and a much greater hope for peace throughout the world.

I take the time of the Senate to mention this because I am convinced that

far too few people in America really know what a blessing it is to have an abundance of food and fiber. The abundance which is referred to as surplus is one of our truly great material and spiritual assets. I often think what a terrible thing it would be if our Nation was not in a position, because of its abundance, to help those who really need help. I wonder how the American people would feel if we had programs forced upon us by some of the tough-minded economists and economizers, who have talked about bringing production into balance with domestic demand, if such a situation had happened when literally thousands and thousands of our friends were starving to death, and we were choking off food production in America simply to satisfy an economic theory.

The use of all surplus foods and fibers has been a positive asset for peace. In the years to come, we should plan to have extra food and fiber for our foreign policy needs, for our national security needs, and for the humanitarian needs of the people of not only America, but of the world.

I hope that some day Congress will stop talking about having an agricultural policy which will only be one of strictly supply and demand. Nothing could be more cruel, nothing could be more ruthless, nothing could be more un-Christian, nothing could be more un-American. What is really needed is sufficient food and fiber to meet our domestic needs, and, at the same time, to extend the warm hand of compassion to people who need help. This our country can afford to do.

When I have heard what the cost will be, as it relates to Public Law 480, the cost is immaterial. As a matter of fact, the cost is insignificant as compared with the cost which is now being incurred by Congress in many areas of activity. I think of the utter futility of the arms race, which no one can want, an arms race into which we are about to pour billions of dollars, because we are not smart enough to know what else to do, because of the ruthlessness of Soviet tyranny. Such an arms race cannot lead to peace, but ultimately will lead to catastrophe, unless something is done about it. When I think of the futility of that arms race and its cost, I am amazed to hear anyone comment, even momentarily, on the cost of our program in regard to surplus food and fiber. As a matter of fact, the cost of the failures in the attempts to launch missiles has been as great as the cost of the donation programs for all our church organizations all over the world. What is more, under Title I of the bill we shall be able to sell a great deal of food and fiber in other countries. Under Title I, we shall obtain currencies—not dollars—of the recipient countries.

I have heard some say that the currencies of some countries are not worth very much. I submit that is a very unfair reflection upon some of our allies. I wish to say now that the currency of Greece is worth something; it is worth the integrity of Greece. And Greece is a faithful ally of our country. It ill behooves any Member of Congress or anyone else to say that the currencies of some of these countries which are our allies, lack worth or value. But upon occasion I have heard some reflection upon the currency of countries such as Turkey. However, Mr. President, I say that Turkey, with her 32 divisions, is worth all the food the United States of American can give her, and then some—currency or no currency.

There happen to be more than five million men in the ground forces of our allies who are joined with us in mutual security. If those five million men were not there, we would have to have five million additional men in the Armed Forces of the United States, because the ultimate target of Soviet aggression is the United States of America.

So, Mr. President, whatever we have to pay or whatever we may have to do in order to be assured of the friendship, the loyalty, and the allegiance of peoples elsewhere, is all to our benefit.

Mr. President, I mention these things simply because some Members will discuss certain portions of the bill and will attempt to make it appear that there is something drastically wrong. They will literally discuss a detail when, in fact, what we are discussing and what we should be thinking about is the grand design, the total, overall operation of a foreign economic policy, of which food and fiber are integral parts.

Mr. LONG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield.

Mr. LONG. Is it not possible to make these arrangements so that the loans will be paid off in dollar equivalents? In other words, if the foreign country were to inflate its currency, it would then make a larger monthly payment to the United States, in order to offset or provide for the difference in the exchange of currencies.

Mr. HUMPHREY. We do that under Public Law 480 agreements. In the agreements we include a cushion for the inflationary factor.

Mr. LONG. In that way we could protect ourselves, as regards repayment of the loans.

Would not it be possible for our country to spend some of those soft currencies for the purchase in those countries of various commodities and thereby tend to maintain their value?

Mr. HUMPHREY. Yes, indeed. In fact, I have repeatedly recommended to the executive branches of the Government that, where possible, we immediately utilize the currencies obtained from the sale of American surplus commodities for the purchase of materials, which may be needed for our purposes, in other parts of the world, particularly in the countries where the sales have been made.

Mr. LONG. Yes.

Mr. President, will the Senator from Minnesota yield for a further question?

Mr. HUMPHREY. I yield.

Mr. LONG. Does not our military-assistance program have the effect of helping the American manufacturer or producer make a profit, when our Government places with him an order to build a tank, for instance, because as a result of producing that commodity he receives some benefit and profit from the foreign-aid program?

On the other hand, is it not also possible that a farmer could be helped simply by the sale of some of our agricultural commodities? As a result, the United States could use the soft currency obtained by selling such agricultural commodities to pay the foreign country to produce a commodity which could be produced there, and in that way the farmer would be helped by the program.

Mr. HUMPHREY. Yes. As a matter of fact, the barter provisions of the bill make that possible.

Mr. LONG. Yes. So, while it is a good idea to help our industrial producers, it is also a good idea, in connection with the program, to give help to the American farmer.

Mr. HUMPHREY. Yes. I thank the Senator from Louisiana for his timely observation.

Mr. President, the argument on the bill seems to center around section 303, which provides for a revision of the barter section of Public Law 480.

The barter provisions of the bill, however, constitute only a small part of the total. The barter provisions are revised in the pending bill, simply because in recent months the Department of Agriculture refused to utilize the barter tool or the barter authority which was granted under Public Law 480, and which had been used for 2½ years. Suddenly the Department of Agriculture ended its use.

Yesterday, I stated candidly, frankly, and honestly that we had requested the Department of Agriculture to suggest language which would be helpful in giving guidance to the Secretary, in order to facilitate the proper use of barter arrangements. The response to that request from me is set forth in the first paragraph of the letter received on March 11 from the Secretary of Agriculture. The response is in the negative. I now read that part of the letter, which is addressed to the Senator from Louisiana [Mr. ELLENDER].

> We have been requested by Senator HUMPHREY to give consideration to, and to report to your committee on, possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to $500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes, short of the virtual nullification of the proposed change, which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

It is on that statement of opposition that considerable debate has already taken place in the Senate.

I should like to direct my attention, for a few moments, to the reason why I believe the opposition of the Department is unwarranted and cannot properly be validated or substantiated by the Department's arguments.

As I stated earlier, the method by which the Secretary of Agriculture—and let me say that here I refer to the Secretary only because he is the head official of the Department of Agriculture; actually, the one primarily involved is the head of the Commodity Credit Corporation—has killed the program has been one of interpreting certain language in existing law which permitted the Secretary of Agriculture to barter when he determined that such transactions afforded an opportunity to protect the funds and assets of the Commodity Credit Corporation. Based upon my study, and the studies which were made during the hearings, we have come to the conclusion, and therefore in this section are making the determination, that barter does protect the funds and the assets of the Commodity Credit Corporation.

The evidence on this point, which incidentally was furnished to us by the Department of Agriculture, cannot be legitimately contested. However, operating under their own interpretation of the present law, which interpretation, incidentally, was made more than 2 years before they started operating a sizable program, the Department of Agriculture established a requirement that before materials could be accepted in exchange for surplus agricultural commodities, the offerer either had to assure the Commodity Credit Corporation that the commodities going into a particular country were in addition to the normal cash sales, or sell them in certain specified countries where no certificate of additionality was required.

It is a matter of record, furnished, incidentally, by the Department of Agriculture, that from the time this requirement was established, which was May 28, 1957, until the end of October, or November 1, 1957, only one barter contract had been made, for a total of $400,000. That was in sharp contrast to the preceding months in 1957, when approximately $20 million worth of contracts were being made each month. In fact, the Department of Agriculture's figures for 1956 indicate that they contracted for $423 million worth of materials under barter arrangements.

I wish my colleagues to note that this so-called certificate of additionality has been predicated upon certain language in the present law. A certificate of additionality is not required by law. It is an interpretation of existing law carried out by administrative regulation.

I also want my colleagues to know that for more than 2 years no such certificate was required, and that even when barter arrangements were made, at the rate of about $200 million a year, the Secretary of Agriculture never required any such certificate. What is more, during that time the Secretary had an arrangement which permitted the offerer of the barter to have the use of the proceeds from the sale of Commodity Credit Corporation goods, with no interest charged, which, of course, gave the offerer of the barter arrangement a considerable economic advantage.

All at once, on May 28, 1957, with little or no information given to anyone—and surely, to my knowledge, no information given to the Congress—despite 2½ years of experience under the present law, and with nothing in the testimony before any committee of Congress indicating anything wrong with the present law, the Department closed off barter, shut off the spigot, stopped the entire business, under the guise of new rules and regulations which they claimed were suddenly necessary.

Mr. President, one of two conclusions seems inevitable. Either for 2½ years the Department was guilty of gross mismanagement, or the ruling of May 28, 1957, was unwarranted. One or the other alternatives must be accepted. They cannot have it both ways, because if for 2½ years they did not need the ruling of May 28, if for 2½ years they did not need a certificate of additionality, if for more than 2½ years, during which almost $1 billion worth of agricultural goods were bartered, the administrative action of May 28 was not needed, then apparently there was no reason why the action of May 28 was needed at all. Or, if it was needed, it was needed earlier, because the high rate of barter was in 1956. That was the year when most of the goods were bartered. I should like to know where the representatives of the Department of Agriculture were when there was bartering left and right, when parties were bartering on a very limited list of materials, most of which were diamonds. Were they asleep at the switch, Mr. President? Is this what we ought to be looking into? Should the Congress thoroughly investigate this matter and determine really what went on, because for more than 2½ years the Department of Agriculture did not require in its rules and regulations the language which was made effective on May 28, 1957?

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. Is it not a fact that the committee adopted the provision suggested by the distinguished Senator from Minnesota because the rules and regulations of May 28, 1957, actually killed off barter?

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. I understand the distinguished Senator proposes to offer an amendment in a little while which would make some changes in the language dealing with the materials which may be bartered for. It would still expand the list of such materials over what we have now.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. Otherwise the law would be administered just as the Secretary of Agriculture administered it prior to May 28, 1957.

Mr. HUMPHREY. Yes. I have said quite candidly that I do not contend the amendment is perfect, but the whole purpose of it is to have the barter program resumed, as it is needed.

I want my position perfectly clear. I personally believe the best program in most instances is sale for foreign currency, under title I. It is the one I have supported vigorously. However, I also note that even in the Commodity Credit Corporation charter the Department of Agriculture is authorized and directed to barter in order to protect the assets of the Commodity Credit Corporation. Furthermore, it is directed to barter for strategic and critical materials which go into the national stockpile or into the supplemental stockpile.

In fact, in the Agricultural Act of 1956 we amended the barter provisions so as to include more than strategic materials, and specified strategic and other materials, which is exactly what the language of section 303 requires, using the word "materials" only. Later I intend to offer a clarifying amendment to change the language to "strategic and other materials," so the language will be in coordination with and fall into the pattern of the Agricultural Act of 1956, which provides for stockpiling of strategic and other materials. That is what we are talking about in section 303. If there is any doubt about the language, I think we ought to change it. It is my intention to do it, under the procedures permitted in amending the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. Would the Senator still be for his barter provisions if he knew that the result would be the disruption of foreign markets for American commodities and the offering of American commodities at from 4 to 10 percent below the prevailing price? Would the Senator still be in favor of it, if he knew that? I am not saying it is so; I am simply asking the Senator if he would be in favor of it if he knew it meant a reduction of 4 to 10 percent in the market price of American grains, oils, or anything else sent to Western Europe?

Mr. HUMPHREY. I wish to say to my friend from Vermont, first, I do not wish to see foreign markets disrupted, but neither do I want to see American agricultural markets left static.

I shall now refer to the point raised by the Senator. First of all, a company which seeks to barter surplus agricultural commodities must pay the Commodity Credit Corporation the price of such commodities. The company must pay the price which the Commodity Credit Corporation asks.

If such a barterer, after having paid the price which the Government has asked, and which the Government has determined is a fair price, is able to make a sale, I see no reason why we should object. It is perfectly true that if American exporters are to make sales, they will have to do 1 of 2 things: Either they must give a better product or they must give a better price. How else can a sale be brought about?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. As I understand the Senator from Minnesota, he is saying that he has no objection to the barterer going into foreign markets if he is smart enough to do it, and taking a 4- to 10-percent advantage over other American businessmen, thus cutting the props out from under them. Is that a correct statement of the Senator's position?

Mr. HUMPHREY. First of all, let me say frankly to the Senator from Vermont that these barterers are American businessmen.

Mr. AIKEN. Very few of them.

Mr. HUMPHREY. There is no law to restrain them. More of them could be American.

Mr. AIKEN. I think they have foreign financing.

Mr. HUMPHREY. I am not going to base my case upon what I think. I am saying the record before the committee is that those who have been engaged in barter are American business firms. They buy the same commodity any other business firm buys from the Commodity Credit Corporation, and they buy it at the same price. The advantage they have had up to date was not an advantage Congress gave them; it was an advantage which the Department of Agriculture gave them, the advantage of permitting a barterer or offerer to come to the Commodity Credit Corporation with a deal.

The Secretary, after consulting with the General Services Administration, with the Office of Defense Mobilization, with the Office of the Secretary of the Interior—after consulting any and all affected agencies of the Government—then made a determination that such a deal was a fairly good one. The Secretary will do that under the amendment we have suggested. If the Secretary thinks it is a good deal, and if he thinks it is something that will permit us to get along fairly well, he is then at liberty to offer to the barterer or the business firm the Commodity Credit Corporation's commodities.

In the past the Secretary gave the barterers the commodities at a time before the delivery date of the material which was to be received. In other words, he gave them the agricultural commodities, let us say, in January of 1957, with a receiving date for the goods to be obtained of December 1959, 2 years later. It was during the 2-year period, between the time the bartering company obtained the Commodity Credit Corporation goods and delivered the metals for which the barter deal had been agreed upon, that the interest-free money was available. In other words, the company was able to sell the Commodity Credit Corporation goods and was able to get money for them, yet at the same time did not have to deliver right away the metals which the Department of Agriculture agreed to receive under the barter arrangement.

It was the interest-free money—the interest-free money which the Department of Agriculture permitted—which made possible the underselling in the market. That process made possible the special advantage of the bartering companies.

Mr. President, the Secretary of Agriculture has stopped that practice, and there is nothing in the bill before us which changes the situation at all. As a matter of fact, it is now required that the bartering company pay interest, exactly as anyone else would.

That is provided by administrative regulation. So all the problems incident to barter which the Department says it had, were problems the Department permitted to arise under the law it was administering. All we are attempting to do by the amendment is to say to the Secretary, "Look, Mr. Secretary, we are asking you, as the committee report says, to use prudent judgment, to use good business sense, and to try to barter, if possible, the surplus agricultural commodities in a manner which will be of benefit to the United States of America." That is all we are saying.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not a fact that the Department of Agriculture stopped extensive bartering in May of 1957 for the reason that the agencies in charge of the stockpiles did not desire to accept any more industrial diamonds? Is it not a fact that under the proposal of the Senator, future bartering of barley or vegetable oil for industrial diamonds will require the Commodity Credit Corporation to carry the diamonds if no stockpile will accept them? That is one of the difficulties.

Mr. HUMPHREY. I may say to the Senate that we are not discussing only diamonds. A point was made in the hearings with respect to that. The hearings should be studied. I stayed up rather late last night to refresh my memory of the hearings.

The point was made in the hearings that the Department of Agriculture and the Office of Defense Mobilization were placing limitations on themselves. They were setting limits upon what they would take, without legal requirements to do so.

Mr. President, we have received evidence in the hearings to show that the Government of the United States refused to accept platinum for cotton and refused to accept platinum for wheat. That is a matter of uncontested record. In other words, platinum, which does not deteriorate, which is one of the precious metals, and which can be stored for a fraction of the cost of storing wheat or cotton, was refused. The Secretary of Agriculture and the Office of Defense Mobilization said, "We have enough platinum"—as if we did not have enough wheat.

I have suggested what I am trying to do by the amendment. If somebody comes along and offers to the United States of America platinum for wheat, we are going to be willing to do business if the value of the platinum is at least equal to the value of the wheat. That is what we are trying to do. It seems to me that is reasonable. We are trying to ascertain whether there can be obtained by barter certain minerals, metals, or other materials which do not deteriorate, which we can store for less cost, which perhaps will be needed by our country for national security, for offshore procurement or for the purposes of our national defense. We say that if we can barter for those things, we should do so. What is the argument against that?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Kentucky.

Mr. COOPER. My colleague knows I am a strong supporter of Public Law 480. There are many reasons upon which to base my support.

It is very important to our farm population that Public Law 480 be maintained. Further, I consider that Public Law 480, by providing for the sale of surplus food to other countries, contributes a great deal to our program of foreign aid and to our international relations. I am sure the reasons are self-evident.

The law enables our country to assist others to meet the basic needs—food and clothing. These we have in abundance, but there are millions and millions of men throughout the world who do not have enough food and very little clothing.

Even with the programs available under Public Law 480, many needy people cannot understand why this country, rich as it is, does not make available more of its wealth in food. They question the validity of our humanitarian and ethical principles. For religious and humanitarian reasons, this is an excellent program.

And again, it is in our national interest. Today, we are in competition with Soviet Russia, both economically and politically. The Soviet Union can provide strong competition economically because it can direct its economy to meet a particular situation. In the provision of food, however, the Soviet Union cannot match the United States. We ought to be very thankful that we have this great asset. Now I come to the issue that Public Law 480 is a very desirable program. I am very much worried about new provisions which might lead to its ultimate destruction. With high regard for the great interest of my colleague and friend from Minnesota in Public Law 480, I have fears about the barter provision.

One of the things which might cause Public Law 480 to break down would be its use to supplant normal trade channels. That has been used as an argument against the act. If the barter of agricultural products, as now proposed by this new amendment, should bite deeply into normal trade channels for the export of food, eventually it would bring strong opposition to Public Law 480. I think that is the danger in the barter provision in this bill.

Moreover, as the law now stands, it permits barter for strategic materials. Strategic goods needed, and their value, can now be reasonably determined by the Office of Defense Mobilization and by other agencies. But under the proposed amendment with no strict limits as to what goods may comes into this country in view of all the elements involved and the many avenues of trade and import, I do not see how any Government agency could really determine whether we need the goods which would be brought in by barter arrangements. Barter operations would upset the normal export and import trade for materials other than strategic materials. I think there is grave danger involved.

I make these points because I am very much interested that Public Law 480 be continued. It is a good law for our country and for our farmers. It it good for

the countries which receive our food and cloth. It is perhaps our best foreign-aid program. It is, today, an area in which the Soviet Union cannot compete with us. So I am concerned about this barter provision which could lead to abuses which might destroy Public Law 480.

I will vote against the amendment but will vote to continue Public Law 480.

Mr. HUMPHREY. I thank the Senator from Kentucky. He was one of the Senators who took the time to come before the committee and testify relating to Public Law 480. His testimony was very constructive and helpful.

I assure the Senator from Kentucky that I have no desire to have any provisions in the law which would bring discredit upon it. Under no circumstances do I wish to see the law administered in any way which would bring discredit upon the purposes of Public Law 480, or prevent it from being properly used for the purposes for which it was enacted. The main argument against the barter provision is that it displaces normal cash sales. A supplementary or corollary argument is that it is an unorthodox method of trading. That cannot be substantiated, because barter is as old as commerce, and it is a definite part of trading in modern commerce and industry.

I believe that the best way to find out about these matters is to take a look at the testimony. It so happens that the Department of Agriculture witnesses were present in the committee when testimony was taken from representatives of some of the large grain companies and others engaged in barter.

It also happens—and I will leave the record for the objective examination of my colleagues—that the Department of Agriculture witnesses did not submit one paragraph of effective refutation of the testimony given by the witnesses to whom I am about to refer.

The Department of Agriculture witnesses came forward with opposition, but were unable or unwilling to provide evidence to refute the very points raised by eminent businessmen of the United States.

For example, one question I asked the Department witnesses was, "Did you consult with exporters on your May 28 ruling which stopped bartering?"

Their answer was "No."

Another question I asked of the witnesses of the Department of Agriculture was, "Do you have an Advisory Committee on Exporting under the barter provisions of Public Law 480?"

The answer was "No."

A third question was, "Did you, prior to the time of the May 28, 1957, order, notify the companies and the concerns which had been traditionally engaged in barter of the pending action? Did you seek their advice and counsel?"

The answer was "No."

One of the largest companies in the United States is the Crofton Grain Co., of New York. Another is the Continental Grain Co. These companies have been doing business for some time.

Another is the Standard Milling Co. A gentleman by the name of Ralph Friedman, chairman of the board of the Standard Milling Co., of New York, testified before the committee. This is what he had to say:

Mr. FRIEDMAN. When the barter program was first incorporated we had taken a rather dim view of it, that is, to go back to that archaic procedure, but I am here to say that our experience with this—and I am speaking now transcending our own business operation—is that it has been effective means of implementing American exports of surplus products.

I will simplify this:

Perhaps I will oversimplify it, but I think this has validity.

In order to establish and maintain exports of American agriculture in competition to the severe threat of other grain exporting and agricultural exporting countries, I think it is obvious that you have to make this of interest to people to go out and sell it.

When we as a firm, or the other gentleman here representing grain firms, enter into a barter contract we take on an obligation to dispose of commodities.

And this obligation is one that we cannot walk out on at all. We go to work on it. And we export it. So it is not a simple or an easy thing to do.

The only way in our experience that this can be done, it seems to me, is to make it a responsibility, as the barter program does, of responsible grain firms.

I want the RECORD to show that these are the same grain firms which sell for cash. They are not ready to cut their own throats. The record reveals that they make a great deal less profit on barter than they do on cash sales. Three of the companies offered their accounts and financial reports to the committee. They testified that they made 1.5 percent on barter transactions. The representatives of grain companies testified that the profit on barter transactions was substantially less than on normal cash sales. But they said that barter transactions were a part of their total business operations.

Continuing, Mr. Friedman said:

I want to say so far as my own company is concerned that we are heavily involved in many aspects of the grain storage, and milling industry, et cetera.

I feel that there is a degree of impartiality in what I say, because our interests are both in storage in this country as well as in trading and export from the United States.

Senator HUMPHREY. You do cash sales on an export basis?

Mr. FRIEDMAN. Yes. We are in all aspects of this thing.

Senator HUMPHREY. It is very important that we get this down from the witnesses because the main argument against barter by the Department is the interference with cash sales.

Mr. FRIEDMAN. We are very much involved in the cash-sale business. Also, I would say that we are large storers of Government-owned commodities in this country.

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the norms of procedure of other nations this growing surplus which constantly replenishes itself.

Mr. President, at this point I will yield to the majority leader, with the understanding that I do not lose the floor. Following the statement by the majority leader I shall return to the testimony of Mr. Friedman and the testimony of other witnesses, which I believe should be answered by the critics of the barter program before we vote on the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, today the majority policy committee met and cleared for Senate action Order No. 706, S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

We expect to move to consider that bill following the conclusion of the debate on the pending bill.

We also plan to take up by motion Order No. 727, S. 72, to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

That bill was introduced by the Senator from Kansas [Mr. CARLSON]. I am informed that the Senator from Kansas will offer an amendment to the bill.

I do not mean that those bills will necessarily be taken up in the order I have stated. However, I should like to have it understood that we plan to consider them this week, if possible, as well as the Treasury-Post Office Departments appropriation bill.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Texas has the floor.

STATEMENT BY THE DEMOCRATIC POLICY COMMITTEE ON ACTIONS TO ASSURE A HEALTHY ECONOMIC RECOVERY

Mr. JOHNSON of Texas. Mr. President, the Democratic policy committee met today and approved the following statement:

The President has stated that his administration is ready to take any action that would lead to a healthy economic recovery in this country. He also said that he will send his plans to the Congress as soon as they are ready.

This is welcome news to the American people, including 5,200,000 unemployed men and women whose need for help is acute. His plans, of course, when they reach us, will be expeditiously considered in the same nonpartisan spirit with which Congress has been acting already.

The steps which have been taken in the Senate thus far have been virtually unanimous.

I interpolate as my own statement that the same situation is true in the House of Representatives. I am informed that the housing bill was passed unanimously by the House and has been sent to the White House today, and that the resolutions accelerating civil works and military construction were also adopted unanimously.

Both Democrats and Republicans suffer when times are hard and both Democrats and Republicans in the Senate have approved the measures which we hope will bring some relief.

The housing bill was approved by a vote of 86 to 0. The two resolutions urging acceleration of public works were approved by votes of 93 to 1 and 76 to 1. The Senate Public Works Committee has approved by unanimous vote the substance of an accelerated highway program, with the only division referring to an issue that does not directly affect its job-producing potentialities.

We confidently expect that other measures will receive the same nonpartisan treatment. We think that the President is correct when he opposes panic. We also believe that members of both parties in the Senate who have voted with such a high degree of unanimity are equally determined to prevent panic—especially panic of the type that came in 1929.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I was reading from the hearings on the Policies and Operations Under Public Law 480, in the 1st session of the 85th Congress, and for the information of my colleagues who may be interested, I was reading from page 338, from the testimony of Mr. Ralph Friedman, chairman of the board, Standard Milling Co., New York, N. Y.

Mr. Friedman states:

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the norms of procedure of other nations this growing surplus which constantly replenishes itself.

If the United States were to institute a policy of dumping which would provide many headaches, that would transcend the question of just what balance-sheet profit or revenue you might have, or the Agriculture Department will have on the total operation of price supports here and for commodity storage.

What Mr. Friedman is saying is that the dumping procedure is a matter of high significance to our foreign policy and transcends any profit statement.

Then Mr. Friedman proceeds to say:

I think that the barter program, which as I say I started out by having great skepticism about, I think has been effective. I think it continues to be an orderly procedure for moving commodities in very sizable quantities.

I would say one further thing, that is that as far as our company is concerned, we would be glad to make available the amount of earnings out of barter. They are very modest by any standard—a very modest percentage of the total involvement of the risk.

I will tell you, also, one thing on behalf of the so-called free interest ride. This is a form of payment for service. I don't want to confuse the issue. This is where you make some money. It has merit from the standpoint of the United States Government, it seems to me. That is that it puts a pressure on the exporter to get moving and to do something. And to really do the job.

We have that pressure. While I like to think we have a very efficient organization there are a lot of things that can happen.

That is the sum and substance of what I want to say.

Then his testimony is concluded by the statement:

We are going to have the Department of Agriculture here on this barter program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. As the Senator says, barter is as old as commerce. Generally speaking, I believe Public Law 480 has done a remarkably good and thorough job. I should like to ask the Senator some questions relative to the amendment under discussion. First, can the Senator state how much lead has been brought into this country under the Public Law 480 program?

Mr. HUMPHREY. One hundred and thirty thousand short tons.

Mr. MANSFIELD. Short tons?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. A short ton weighs 2,000 pounds. How much zinc has been imported?

Mr. HUMPHREY. Two hundred and fifty-four thousand tons. That is actually delivered.

Mr. MANSFIELD. Two hundred and fifty-four thousand tons?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. How much manganese?

Mr. HUMPHREY. Manganese ore, battery grade—there are several different grades, as the Senator knows.

Mr. MANSFIELD. Yes.

Mr. HUMPHREY. Manganese metal, none delivered. Manganese, electrolytic, 2,000 long tons. Then there is the battery grade.

Mr. MANSFIELD. Yes; the black.

Mr. HUMPHREY. The figure for that is 10,000 long tons.

Mr. MANSFIELD. Ten thousand long tons?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much tungsten has been brought into this country under the program?

Mr. HUMPHREY. No tungsten.

Mr. MANSFIELD. No tungsten?

Mr. HUMPHREY. No.

Mr. MANSFIELD. How much copper?

Mr. HUMPHREY. There is none in the supplemental stockpile, but there is some in the strategic stockpile. I do not believe any has been brought in. No, the figures I have indicate none has been imported under this program.

Mr. MANSFIELD. The Senator knows that the 5 metals I have mentioned are very important in the economy of the State of Montana.

Mr. HUMPHREY. Yes, indeed.

Mr. MANSFIELD. As is, of course, the disposal of surplus wheat.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. The Senator realizes that, insofar as manganese is concerned, we produce about 10 percent of the total needs of our country, and that of that 10 percent 90 percent is produced in the Butte-Philipsburg district in the State of Montana.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. I believe the figures for tungsten indicate about the same situation that applies to manganese. Ten percent of our national needs have been produced in this country, with a goodly portion of that being produced in the State of Montana. At the present time our tungsten mines and mills are shut down.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Our manganese mines and manganese plants in the Butte area will very likely be shut down sometime in May unless the Government takes action along the lines urged in the bill introduced by the distinguished senior Senator from Montana [Mr. MURRAY] and myself on Monday of this week. So far as lead and zinc are concerned, we have these metals running out of our ears, at a very depressed price.

Mr. HUMPHREY. The Senator is referring to lead and zinc?

Mr. MANSFIELD. Yes; lead and zinc.

Mr. HUMPHREY. I am happy the Senator has referred to this subject.

Mr. MANSFIELD. We have been trying to get some relief from the Tariff Commission since last September. I do not know why a decision has not been announced. We have communicated with the White House but have received no encouragement. We have received promises, which are about as vague in their meaning as they can be. Meanwhile, lead and zinc mines are closing down. Many of them are filling up with water, and the timbers are caving in. It will be a difficult task to get the mines open again.

Approximately 275,000 tons of copper are in surplus at present. It is my understanding that these metals—I understand copper is not among them, but the other four are—

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Were being obtained under barter, and were brought in to be kept for the stockpile. But with the decline of the barter agreement, the metals have continued to come in, and they have come in such quantities that the price has been depressed.

Mr. HUMPHREY. They came in under what might be called the free market operations, which depressed domestic prices.

Mr. MANSFIELD. Nothing was paid in the nature of a tariff.

Mr. HUMPHREY. No tariff was paid. The Senator is correct. We have some information about that. Last July, Mr. Shannon, Under Secretary of the Interior, testified before the Committee on Agriculture and Forestry. He said:

Similarly, the market effect of the Government's withdrawal from barter in any commodity is probably dependent upon such circumstances as the manner of the withdrawal, the quantity of the material the Government had been taking and the general condition of the market.

In the case of lead and zinc, the facts are that the entry of the CCC into barter in the middle of 1956 was not accompanied by a United States price increase. However, suspension of the barter program at the end of April was followed a few days later by a price decline which has brought zinc from 13½ cents to 10 cents and lead from 16 cents to 14 cents. Since the middle of 1956, the CCC has negotiated for $72 million in zinc and $40 million in lead. For purposes of comparison, it may be pointed out that the

zinc contracts were equivalent to about half the value of domestic zinc smelted in 1956 and about 35 percent of the value of domestic lead smelted and refined.

The metal trade seems to have concluded that the immediate cause of the decline in price following the suspension of barter was the suspension.

The Wall Street Journal of June 5 summarized the situation in these terms:

"Demand for zinc in the United States has been sharply reduced for the past several months by the three major users: The steel galvanizing industry, which uses the metal as a protective coating on steel products; die casters who supply the automobile industry; and the brass mill which manufacturers brass and other copper-zinc alloys.

"The break in zinc's price, industry men say, stems from the lack of any immediate prospects of important Government help, either from the new revised barter deal program of the Agriculture Department, or as from Administration's new long-range mineral-aid program.

"Barter, which involves the exchange of United States Government-owned surplus agricultural products for foreign zinc and lead, had been the major price prop for both metals since the latter half of 1956 and up to April 30, 1957, when such transactions were suspended. Last week, the Agriculture Department resumed barter deals, but industry men say they are so wrapped with restrictive conditions, it is almost impossible to arrange transactions. The acquisition of foreign zinc and lead had resulted in removing substantial surpluses of the metals from world market previously."

If barter is to be resumed on any substantial scale for metals and minerals over the long run, the Department feels that first priority should be given to procurement to meet mobilization objectives.

The evidence speaks for itself.

Mr. MANSFIELD. I noticed in the course of the testimony which the Senator from Minnesota quoted that it was stated the surplus was removed from the world market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But the stockpiling of it here increased the surplus in the domestic market. I would not be able to prove it, but I feel certain the Senator from Minnesota has information at his disposal to show that very likely Public Law 480 surpluses may have entered into relations, miningwise, with other countries, for example, Mexico, and Peru, and that the United States received zinc in return for surplus commodities. Is that correct?

Mr. HUMPHREY. I am not sure how much bartering we have done with those countries, but some arrangements were made with Peru under Public Law 480. I do not know about Mexico.

Mr. MANSFIELD. I selected those two countries because they, together with Canada, constitute from their point of view, the major exporters, of lead and zinc to the United States. Does the Senator from Minnesota have any idea of the present size of the stockpiles of lead, zinc, tungsten, and manganese in the United States?

Mr. HUMPHREY. The information may be available, but I only know how much of the metals are in the supplemental stockpile, obtained under the provisions of Public Law 480.

Mr. MANSFIELD. Is that the Public Law 480 stockpile?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Do the figures contain the strategic materials which are stockpiled with other materials?

Mr. HUMPHREY. No; there is one division which is called strategic and critical; the other is called supplemental. I shall try to obtain the exact figures for the Senator.

Mr. MANSFIELD. For the 4 months covered, has the Senator any idea of the sizes of the strategic stockpiles of lead, zinc, tungsten, and manganese, and also copper?

Mr. HUMPHREY. I will get the information for the Senator this afternoon if it is possible. It may be in the hearings. In the meantime, there are staff members with us who can ascertain the information. What the Senator wants is the total amount in both the supplemental and the strategic stockpiles—both piles.

Mr. MANSFIELD. The amounts of the five metals. If there are any others, I shall be pleased to have that information, too, because it will be interesting reading.

Mr. HUMPHREY. I am informed that part of the information desired by the Senator from Montana, relating to the strategic stockpile, is classified information.

The bill before the Senate is a little different from Public Law 480, because it provides for the blending of domestic ores with foreign ores in the processed material which the Department of Agriculture would acquire under barter arrangements.

Mr. MANSFIELD. That raises another question. The senior Senator from Montana [Mr. MURRAY] and I and our two colleagues in the House, Representative METCALF and Representative ANDERSON, on last Monday introduced bills to beneficiate manganese, so that the low-grade ore which is on hand at the manganese plant in Butte, Mont., can be improved in grade and thereby become of some value, something which it does not have at present. About 6 million units of such are stockpiled there.

The Senator from Minnesota now says that in the extension of Public Law 480 foreign ores will be brought in for the purpose of beneficiation of low-grade ores in this country. Where will that leave us, when we seek to do the same thing with our domestic ores which are lying idle? Unemployment is increasing in Butte. At the present time it is 63 percent higher than it was last January, and is increasing.

Mr. HUMPHREY. I have been very sympathetic with the Senator in his problem. It is not a problem which affects Montana only. A grave problem of unemployment exists in the iron ore producing section of Minnesota.

Mr. MANSFIELD. That is true.

Mr. HUMPHREY. Under the present law, Public Law 480, barter could be designed to bring in foreign ores, but not ores to be blended with domestic ores.

Mr. MANSFIELD. That is correct.

Mr. HUMPHREY. It seems to me it would be desirable for the Senator from Montana to have the producers of his State use domestic ores, rather than the foreign ores which are coming in, to take over the market.

Mr. MANSFIELD. As I understand, the metals which come from overseas under Public Law 480 go into the stockpile.

Mr. HUMPHREY. That is correct; and under the provisions to which the Senator from Minnesota is addressing himself, not only will the foreign ores which are processed go into the stockpile, but some of the domestic ores will also. So it has a tendency to do two things: first, to firm up world prices, which affect domestic prices; second, to utilize some of the domestic ores.

By specifically permitting domestic processing of ores, by means of this barter arrangement we have an opportunity to utilize low-grade domestic ores which are not being utilized at the present time. At best they are being stockpiled occasionally, but most of the time they simply are not being used.

As I have said, at one time the Department of Agriculture permitted the domestic processing of foreign ores. But it does not permit that any longer—not under present arrangements.

Since the processors always are purchasing high-grade ores for their own inventories, such importation of high-grade ores as could be done under a Public Law 480 barter agreement would not change the inventory arrangements; it would simply permit the use of some of the domestic ores for the stockpiling.

Mr. MANSFIELD. But who would purchase the imported ores for fabrication purposes?

Mr. HUMPHREY. Does the Senator from Montana mean the low-grade ores?

Mr. MANSFIELD. No, I mean the manganese and tungsten ores regardless of grade.

Mr. HUMPHREY. They would be purchased by the same people who have been purchasing them right along.

Two kinds of purchases are involved, private and public. One category is made up of purchases by the Department of Agriculture, under barter arrangements, in the case of materials which go into the strategic stockpile or remain an asset of the Commodity Credit Corporation, not of the private manufacturer or purchaser.

Mr. MANSFIELD. Do brokers enter into transactions of this kind?

Mr. HUMPHREY. Yes. What generally happens is that a firm begins the transaction, and frequently a broker is involved.

Mr. MANSFIELD. So they can manipulate a little here or a little there; and that would affect the domestic price; would it not?

Mr. HUMPHREY. I suppose that could be done. But the record shows quite clearly that in the case of lead and zinc, when bartering was done for lead and zinc, there were better prices.

Mr. MANSFIELD. Better prices for lead and zinc?

Mr. HUMPHREY. Yes. When there was no barter, there were lower prices.

Mr. MANSFIELD. Yes; because the materials kept coming into the United States and going into the open market, rather than into the stockpile.

Mr. HUMPHREY. Yes. That is why I say that in the case of manganese or ferromanganese ores or other metals involved in this case, the same arrangements can apply. When they are bartered for, that firms up the domestic price. When they are not bartered for, there is a lower world price, which hurts the domestic market.

I have received telegrams from persons who are involved in this matter. They are concerned from the point of view of making money or losing money, rather than merely making an argument.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not true that some of the materials which formerly came in and were put into the stockpile, have been removed from the strategic list and cannot now be bartered for?

Mr. HUMPHREY. But they can be; that is why we amended the 1956 act.

Mr. AIKEN. But has there not been a termination of bartering arrangements for certain materials which were formerly used for stockpiling?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. And would not the Senator's proposal in this bill make it possible for such materials to continue to be bartered for and brought into the United States, even if they were not stockpiled? Is it not true that they are to be held by the Commodity Credit Corporation, if a stockpile will not take them? Is it not also true that Government agencies which wish to use such materials are required to purchase them from the Commodity Credit Corporation's stockpile, to the exclusion of purchasing them in the normal channels of trade in this country?

Mr. HUMPHREY. That is exactly the case under the existing provisions of law. In the case of overseas transactions and offshore procurement, the provisions of the bill are exactly the same as those of the original Public Law 480.

Mr. AIKEN. No; under Public Law 480 they are not permitted to barter for them and bring them into the country, unless they are needed for stockpile purposes.

Mr HUMPHREY. But once they get them in——

Mr. AIKEN. Once they come into the country, they depress the market.

Mr. HUMPHREY. No, because they are sealed off in the strategic stockpile and in the supplementary stockpile.

Mr. MANSFIELD. When they are in the stockpile, they do not depress the market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. Once the barter arrangement for the stockpile comes into being, the materials are not thrown onto the open market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But in the case of lead and zinc, when they were not being purchased by the Government for stockpile purposes, the prices in the market were depressed.

Mr. HUMPHREY. That is correct. Certain amounts of lead, zinc, and manganese will be sold, and certain amounts will be needed. When the Government steps in, through barter arrangements, to acquire some of the production and to put it into the stockpile, that has a tendency to firm up the prices across the market. When the Government no longer purchases such materials, for stockpile purposes, and no longer purchases them for the Government's needs, that has a tendency to leave the production in the market and to depress the prices. The matter is just that simple.

I have received a copy of a telegram which was sent to one of our colleagues by the Pittsburgh Metallurgical Co. I notice that several Senators received copies of it. The telegram reads as follows:

> The Senate Agricultural Committee has reported a bill (S. 3420) which includes amendments to the "Barter Act" of a directive nature, to request the restoration of the program of exchanging surplus perishable agricultural commodities for durable materials which are required in our economy, such as ferrochrome and ferromanganese alloys, which can be stored cheaply and do not deteriorate. The program is of utmost importance to the ferroalloy industry because at present we are operating less than 50 percent capacity, resulting in serious unemployment, and indications are that additional cutbacks will be required. We have metallurgical plants at Calvert City, Ky.; Niagara Falls, N. Y.; and Charleston, S. C.
>
> We urgently need your support on the bill, S. 3240, which, if enacted into law, and ferroalloys included, as in the past, would substantially help the unemployment situation, not only for Pittsburgh Metallurgical Co., but for the ferroalloy industry as a whole. Also, other industries who furnish raw materials and equipment would benefit greatly from increased employment.
>
> We understand the Agriculture Department is opposing the bill (S. 3240), and, therefore, respectfully appeal to you for support on this bill, which has been reported by Senator ELLENDER. I am sure it would be most helpful if you would call Senator ELLENDER on this matter, upon receipt of this telegram.

The telegram is signed by Charles F. Colbert, Jr., chairman of the board and president of the Pittsburgh Metallurgical Co., of Niagara Falls, N. Y. That company is a domestic processor. I notice that one of the company's plants is in Calvert City, Ky.

Mr. AIKEN. What kind of metals does it use?

Mr. HUMPHREY. Ferroalloys—ferromanganese, for instance.

Mr. CASE of South Dakota. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. First, let me say that, on general principles, I favor the barter provisions of the bill.

However, I believe that in bartering there should be provided safeguards which will insure that we shall not be transferring the depression which agricultural-commodity prices suffer by reason of a large stockpile or surplus, over to the minerals field. We will not gain anything simply by converting the agricultural commodities surplus into a surplus of minerals, and then have the mining industry depressed thereby.

Mr. HUMPHREY. Let me say most respectfully that I am fully cognizant of this matter. I have checked on it with the Department of Agriculture. I have had members of my office staff look into it. The one point upon which everyone seems to agree—everyone except some Members of the Senate who disagree, because of some kind of confusion—is that the measure we have advocated will strengthen the metals market.

Mr. CASE of South Dakota. Let me point out the language of the bill which I believe modifies what the Senator from Minnesota has said.

Mr. HUMPHREY. Very well.

Mr. CASE of South Dakota. I thoroughly agree with the idea that if an agricultural commodity which deteriorates after a certain period of storage can be converted into a mineral which can be stored for a long time at less cost and with little or no deterioration, that is a good trade, and is in our interest, and presumably is in the interest of the peoples or countries which have a surplus of minerals and a shortage of food.

But the language which I believe causes the difficulty is to be found on page 4, in lines 10 to 13. That language is the latter part of the sentence which begins in line 8.

The sentence beginning in line 8 reads as follows:

> Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

Mr. HUMPHREY. That refers to the Defense Department, the AEC, the Office of Defense Mobilization, and to the General Services Administration and to the other agencies responsible for stockpiling. This same language is contained in the present act. In other words, other departments of the Government require metals for stockpiling purposes; and this language means that the metals shall be purchased by such other agencies of the Government, rather than to leave the matter entirely to the Department of Agriculture.

Mr. CASE of South Dakota. I see nothing in the language which would limit it to stockpiling.

Mr. HUMPHREY. Let me say that I have just been reaffirmed by counsel that the same language is contained in the existing law.

Mr. CASE of South Dakota. I realize that, and I think that is one of the reasons why a part of the mining industry of the United States today is depressed. I believe that when a stockpile or reserve of minerals is created and when governmental agencies are permitted to obtain their requirements from the minerals in the stockpile, regardless of the domestic supply situation, the result is to say to those agencies, "You are to obtain the Government's requirements from the stockpile before you purchase them from the normal production." I have always

believed that a reserve stockpile should have a padlock, and should be opened and used only in times of emergency.

Mr. HUMPHREY. That is the case now. The Senator from South Dakota ought to know that, and he does know it.

Mr. CASE of South Dakota. The Senator from South Dakota knows the regular stockpile of Government does have restrictions on it. The Senator from South Dakota knows further that if the agencies of Government which have current requirements are permitted to go to that stockpile and take materials from it, rather than——

Mr. HUMPHREY. If I may interrupt the Senator, I point out that Public Law 590 of the 79th Congress, section 104 (b), requires that materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Stockpile Act. It literally requires an act of Congress to change it.

Mr. AIKEN. That is subject to change.

Mr. HUMPHREY. If we are going to deny a representative form of government the right to change the law, I suppose there will always be a danger of such material being released. I am saying to the Senator the purpose of the language has been underscored in the present practice. What is the present practice? When the Commodity Credit Corporation acquires lead, zinc, fluorspar, or whatever the material may be, which it does not want to hold itself, there is in effect a directive that other agencies of Government shall take off the hands of the Commodity Credit Corporation some of the material which would go into the stockpile of strategic and critical materials. We amended the Agricultural Act of 1956 so that strategic and critical materials would go into the strategic and critical stockpile, and other materials would go into the supplemental stockpile.

Mr. CASE of South Dakota. In our experience with wool, when we had a supply of wool, we found the stockpile of wool was constantly operating as a threat to the then current wool market. The wool stockpile was liquidated during the latter part of last year. I think wool is now on the open market.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. But there was always an area of doubt and a difference of opinion between the producers of wool and those administering the wool stockpile in the Department of Agriculture with respect to how much should be released to the market at any one time. Wool is midway, so to speak, between wheat and hard metals. Wool can be stored for a period of time, certainly longer than some of the grains can. Still, replenishment of the wool or the revolving of the material in the stockpile is one of the things which had to be kept in mind with regard to the problem of storage over a long period of time. That area of difference of opinion has always been a disturbing thing to some of the wool producers.

I should like to see a provision written into the law that in administering the stockpile or stocks acquired by the Commodity Credit Corporation through barter provision, those materials would not be released, the padlock would not be unlocked, the stockpile would not be opened up in normal times, unless there was a short supply.

I think the idea behind having a strategic stockpile is to enable the country to have a supply of such material in times of emergency and in times of shortage.

Mr. HUMPHREY. What is before us goes beyond strategic materials. The record should be clear we are talking about not only strategic materials, but we are talking about strategic, critical, and other materials.

Mr. CASE of South Dakota. Perhaps the point is even stronger when we consider the nonstrategic materials.

Mr. HUMPHREY. I think such a point could be made. I say, with equal candor, we have no right to depress American agriculture.

Mr. CASE of South Dakota. We certainly do not want to depress American agriculture, but we do not want to transfer a depressing of agriculture to a depressing of minerals.

Mr. HUMPHREY. Of course not. If there was half the concern over the preservation of subsidies and holding up the market for corn and wheat as there was over being able to lock up materials in stockpiles, agricultural prices would be better. I have not heard a speech in weeks about the dumping of corn by the Commodity Credit Corporation, but if a little lead or zinc is dumped, supposedly that is bad. I think it is if it is supposed to be in the stockpile. I say to the Senator, insofar as strategic and critical materials in the strategic stockpile are concerned, it takes an act of Congress to release them. Here is the law, and the language reads——

Mr. CASE of South Dakota. We are dealing with the bill which is before us, and I should like to have the Senator's interpretation as a part of the legislative history of the bill.

Mr. HUMPHREY. Since the Senator from Minnesota has the floor and is yielding, let me say that Public Law 590, of the 79th Congress, provided that no material constituting a part of the stockpiles may be disposed of without the express approval of Congress, except where the revised determination is by reason of obsolescence of such material in time of war.

The law has been amended by what we call the National Stockpiling Act and by the Supplemental Stockpile Act, and the law locks up the material. Whatever goes into the stockpiles is locked up.

I see no danger of the stockpile act weakening the market. At this time the Commodity Credit Corporation has materials to the tune of $55 million more than was invested in them. That is much better than what happened with respect to cotton, corn, wheat, and a few other commodities.

Mr. CASE of South Dakota. I could not agree more with any proposition than that stated in the last sentence of the Senator. It is much better to have $55 million more of storable, nonperishable minerals, or metals, or whatever they may be, than to have perishable agricultural commodities of that value. What I want to do is see that the language is made as airtight as possible, in order to protect the natural, normal producers' market from being injured by the acquisition of similar goods and their distribution or placement upon the market, except in times of deficit or national emergency.

I should like to ask the Senator a question, because I think his opinion as to the interpretation of the pending bill will be important in the administration of the law or in any court interpretation of it.

Does the language which reads: "other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements" require purchasers of stockpile materials or the Government agencies that have need for such materials, but which do not administer the stockpile, to buy the materials from the Commodity Credit Corporation, rather than buy them in the open market?

Mr. HUMPHREY. My answer is as follows: Since the provision is identical with the provision which is presently in law, the arrangements which now prevail relating to the purchase of commodities by other agencies of Government would continue.

What are those arrangements? Presently, strategic and critical materials and materials eligible for the stockpiles go into the stockpiles.

Mr. CASE of South Dakota. And no others?

Mr. HUMPHREY. Those items which are available for the stockpiles go into them. There are some others.

Mr. CASE of South Dakota. Let us assume that the Signal Corps needs some crystals, or some other material which goes into electronic equipment, and wants to buy such material. Under the language of the amendment would the Signal Corps be required to buy that material from the Commodity Credit Corporation, rather than to buy it on the open market?

Mr. HUMPHREY. In my judgment, it would be required to do so. However, the Secretary might engage in barter for a particular purpose for our Government, as he did, for example, in an instance for ICA.

I have some information which was given to our committee. The United States Department of Agriculture purchased in 1953, 1954, 1955, 1956, and 1957, certain items for certain agencies of Government under barter arrangements.

For the Atomic Energy Commission the Department of Agriculture obtained some thorium nitrate, $8.8 million worth. It obtained some zirconium sponge, worth $4½ million. For the Department of Defense it obtained $4.1 million worth of boron material in 1956. For ICA in 1954 the Department obtained some $200,000 worth of blankets. The Department once obtained some fertilizer worth about $200,000. It also obtained some raw silk worth $1.4 million.

These items were obtained under barter arrangements.

I say to my friend, the Senator from South Dakota, we must depend upon the Secretary of Agriculture, as we say in the report, to use good, prudent judgment. I would not care to assume that the Secretary would flood the American market. He would be doing these things when it was to our advantage, rather than when it was to our disadvantage.

Mr. CASE of South Dakota. Certainly if the Secretary uses the barter provision for the purpose of getting wool blankets abroad, or cotton yarn, or some of the minerals which have been mentioned, it would seem to me that should be done only when there is an emergency situation which brings about a shortage.

Mr. HUMPHREY. I imagine that is what happened.

Mr. CASE of South Dakota. I can see that during a period of war the Secretary might purchase wool abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. He might then purchase wool blankets abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. Or even cotton yarn. He might have to go abroad for such materials in wartime; but normally it would seem to me those items should be supplied by the domestic market.

Mr. HUMPHREY. I could not agree with the Senator more completely.

Mr. CASE of South Dakota. The same thing would be true in normal times with respect to any minerals available on the domestic market.

Mr. HUMPHREY. The Senator is absolutely correct. I thoroughly concur.

As a matter of fact, I have been trying rather consistently to draft phraseology which would even more pinpoint what the Senator has in mind. I went to the Reciprocal Trade Act this morning, to see if I could not find language which would protect the American domestic market situation along the lines of what we find in the peril-point provisions as to reciprocal trade.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield further, the able Senator from Florida [Mr. HOLLAND] has invited my attention to a change in language between what appears in the sentence I have read in the bill pending and the existing law. I was under the impression, from what the able Senator from Minnesota said, that the language was identical.

Mr. HUMPHREY. That is correct. That is what I said.

Mr. CASE of South Dakota. The change, however, comes in the substitution of the plain word "materials" for the words "strategic materials" in the present law.

Mr. HUMPHREY. I may say most respectfully to the Senator that the Agricultural Act of 1956 makes possible transactions for both strategic materials and other materials. I knew that the point would come up again, since we had the discussion last evening, so I should like to invite the Senator's attention to all the barter authority for any kind of materials we ever want, under the Commodity Credit Corporation charter.

I have in my hands the budget of the United States Government for the fiscal year ending June 30, 1959. Some of the material relates to the Commodity Credit Corporation. I shall soon refer to the statute. In the budget, under the commodity export program—and I ask for the Senator's attention—it is stated that—

> The Corporation promotes the export of agricultural commodities and products through sales, barters, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (d) and 5 (f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949—

And so forth. What is the authority for barter under the charter of the Corporation? I have in my hand the Commodity Credit Corporation Charter Act, on page 145 of the Compilation of Statutes Relating to Agricultural Law, as of January 1, 1957. Subsections (d) and (f) in the Commodity Credit Corporation Charter Act, under which the Commodity Credit Corporation can use barter to accomplish this purpose, states:

> Remove or dispose of or aid in the removal or disposition of surplus agricultural commodities.

And:

> Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

In other words, the Commodity Credit Corporation has the authority under its charter to export under barter, and the limitation of "strategic" and of "critical" is not in its charter.

Mr. CASE of South Dakota. That is on the export side. What about the import side?

Mr. HUMPHREY. When one barters, one has to import.

Mr. CASE of South Dakota. Certainly.

Mr. HUMPHREY. One exports something out and imports something in. That is what is meant by barter.

All I am saying is that Public Law 480, which was enacted later, provides for barter of agricultural commodities for strategic materials but does not limit the authority of the Commodity Credit Corporation to acquire by barter other materials. That is why the Agricultural Act of 1956, at the request of the Department of Agriculture and at the insistence of the members of the Senate Committee on Agriculture and Forestry, provided that in the stockpiles we will not merely have strategic items, but other materials.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If the Commodity Credit Corporation charter is that broad—and it would necessarily be very broad—and if the authority is already available, why have we been wasting time all of these years enacting implementing legislation?

Why does the Senator from Minnesota think additional legislation is needed now, except that his proposed legislation directs the——

Mr. HUMPHREY. It is not my legislation. It is committee legislation. Let us make that clear.

Mr. AIKEN. I do not know whose legislation it is.

Mr. HUMPHREY. The committee approved the legislation.

Mr. AIKEN. If such a provision is not necessary in order to change the status quo, why do we have it under consideration? If all this power is included in the Commodity Credit Corporation charter, why is the legislation necessary?

Mr. HUMPHREY. I can tell the Senator why.

Mr. AIKEN. We have been implementing that charter for quite a while.

Mr. HUMPHREY. We have, indeed. All the Senator from Minnesota is saying is that the Commodity Credit Corporation charter provides for the broadest means of handling these commodities.

Mr. AIKEN. That is true.

Mr. HUMPHREY. One of them is barter. The barter arrangement is not restricted to critical or strategic items.

Second, Members of Congress are presumed to have known this, because in the Agricultural Act of 1956 it was stated that for the purposes of the stockpile there would be a stockpile known as the supplemental stockpile, into which other than strategic materials could go. All the language of the bill before us does is to use the word "materials," which encompasses both strategic and critical materials as well as other materials.

Mr. AIKEN. The Senator does not contend, does he, that the Commodity Credit Corporation could barter for pulpwood, cement, paper, coffee, rubber, or petroleum, without additional legislation?

Mr. HUMPHREY. I certainly do.

Mr. AIKEN. What, then, is the purpose of the language in the bill for which the Senator is responsible, to require the Commodity Credit Corporation——

Hr. HUMPHREY. The reason for this bill—and we will not allow anyone to becloud the issue—is that there was plenty of authority for barter, but the Department of Agriculture refused to act. Public Law 480 granted all the authority the Government needed to barter almost $1 billion worth of goods.

Mr. AIKEN. It still has such authority.

Mr. HUMPHREY. It still has such authority. The reason for the language in the pending bill is that the Department of Agriculture refuses to act.

What I am saying, quite pointedly, is that we have before us a type of directive to the Secretary, saying to him, "Mr. Secretary, you have authority in the Commodity Credit Corporation; you have authority under Public Law 480. We would like to have you get busy and barter, wherever you can find a commodity which will not deteriorate, and with respect to which you can save on storage, and which would be helpful to our overseas program or our national security. We would like to have you get busy and barter."

In the report we say, "Do it prudently, with good common business sense." We suggest to the Secretary that he follow the kind of advice and counsel he has been receiving from the General Services Administration, the Office of Defense Mobilization, and other agencies of Government which might need something.

For example, consider the Atomic Energy Commission. If we could barter our wheat for Indian thorium, it would be a pretty smart operation. The Indians have thorium, from which can be obtained fissionable material. If we could barter American wheat for the Indian thorium, I suggest that it would be a practical and economical operation.

Who would do the bartering? The Secretary of Agriculture. He has the commodities. He has the responsibility for those commodities under the Commodity Credit Corporation. All we are saying to the Secretary is, "Use the barter authority to dispose of these products, and do it in the most practical way." We ask him to do it with prudence and caution, and with good, sound business sense, protecting the value of the commodities.

What I sense is that some people in Government and out of Government would rather complain about the agricultural surpluses than get rid of them. Some of them would rather talk about the $1 million a day it costs to store wheat than to sell wheat for platinum. The record is filled with examples showing where good barter arrangements were made available, but the Department of Agriculture turned them down. Why? Because the Department had a limited list, a list of strategic materials. That strategic list was reviewed month after month by the Office of Defense Mobilization.

Furthermore, when the Department could not find a purchaser in the Government, such as the Defense Department or the General Services Administration, it did not barter.

In the meantime, dozens of articles in magazines are reminding farmers of what a wasteful thing the surplus program is.

How many Senators have read newspaper articles about millions of bushels of wheat locked up in old Liberty ships, rotting because of dampness and age?

The very same people who give information with respect to such an operation, and who complain about it, are also sending memorandums to Senators saying, "Do not barter it. We are going to sell it for cash."

They have not sold it for cash. An interesting fact, which no Member of this body can dispute, is that when barter sales go up, so do cash sales. When I finish reading from the testimony, I will have shown that the grain companies which are the largest exporters in America, and which export and sell grain for cash, also support barter.

Who is against it? The Department of Agriculture, which has the responsibility under the law of liquidating the surplus. A mandate was laid down by the Congress. In the act of 1956, we asked the Secretary to present to the Congress a program for utilizing the surpluses. What was his response? He stopped barter, by means of which we were able to liquidate almost $1 billion worth of surpluses in 1956.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does not the Senator know that the Commodity Credit Corporation has sold surplus commodities to the extent permitted by the Congress during the past 3 years?

Mr. HUMPHREY. No; I do not.

Mr. AIKEN. At least in the amount allowed of $1 billion during the current fiscal year. We also require a couple of hundred million dollars to be used in the mutual security programs.

Mr. HUMPHREY. They have sold surplus commodities, but they have not bartered. There is no limit on barter.

Mr. AIKEN. The Commodity Credit Corporation has used up the sales authority of $1 billion.

Mr. HUMPHREY. The Senator is absolutely correct. The Commodity Credit Corporation has used up the full authorization under Public Law 480 for sales, but it has refused to barter.

Mr. AIKEN. There is no question that it could barter every surplus commodity we have, if the bartering were done on the terms of the barterers. But I shudder to think what that might do to American industry.

Mr. HUMPHREY. The Secretary is required to barter only if it is to the interest of the United States. The Secretary of Agriculture does not have to barter recklessly. What the Secretary of Agriculture is asked by the Congress to do is to try to barter $500 million worth a year. He is not required to do it. We say that it would be well if he would do so; and we say that that is the maximum amount we want him to barter.

So I answer the argument of the Senator from Vermont by saying that all the surplus commodities are not to be bartered. The provisions in the law establishes a maximum of $500 million.

I also note for the record that the Department of Agriculture can and does sell for foreign currencies. I ask my friends which would they rather have—foreign currency from Spain, or a good metal which can be used in American industry or for our national security?

Would they rather have wheat lying in ships and spoiling, so that people can complain about it, or would they rather have certain ferromanganese ores in the stockpile?

Would they rather have lead and zinc in the stockpile? Would they rather have borax? Would they rather have thorium? These are items which can be stockpiled and would not deteriorate. The simple truth is that the Department of Agriculture is unwilling to utilize the tools it has at its comand.

I throw down the gauntlet in this Chamber. There is a record of testimony. The representatives of the Department of Agriculture were present to testify under friendly auspices. They were present and testified as much as they wanted to testify.

The testimony reveals that they had no answer to those who said that barter should be continued. The only answer they had was that in their view it was displacing cash sales, despite the fact that the companies which were doing bartering said that their cash sales were higher, along with the bartering.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Can the Senator explain to me why the Department of Agriculture suspended the barter program with respect to lead and zinc in 1957?

Mr. HUMPHREY. I think it was because the program was working. I do not wish to be cynical, but the Senator knows what happened to lead and zinc prices when the Department suspended the barter program affecting lead and zinc.

Mr. CARROLL. I intend to go into that question. But is there anything in the record to explain why the Department stopped the barter program? The Under Secretary of the Interior, in his testimony on page 575, completely supports the barter program, and says that the barter program is of tremendous significance to the mining industry.

Mr. HUMPHREY. Despite that fact, in the reception room are four members of the Department of Agriculture staff—and it is their privilege to be there—telling Members of the Senate that the barter program is to the detriment of the mining industry. On the other hand, the Assistant Secretary of the Interior testified before our committee to the effect that barter is to their advantage.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. The Under Secretary of the Interior, to whom the Senator has referred, comes from Colorado, and therefore knows a good deal about the mining problems of the West. In Colorado we also have problems similar to those described by the distinguished junior Senator from Montana [Mr. MANSFIELD], especially with the minerals lead and zinc.

The history of those two minerals—especially since 1954—has been a tragic one. Lead and zinc mining is an industry which is in severe distress.

The problem of the importation of lead and zinc was considered by the United States Tariff Commission in 1954, and it found the industry needed special consideration under the escape clause of the reciprocal-trade program.

That finding was submitted to the President of the United States for his approval. The President rejected the Tariff Commission's recommendations and the industry got no protection.

I note from the record that in 1956, under Public Law 480, the barter provisions were employed and, as a result of trading other materials for lead and zinc, some stability was restored to the lead and zinc industry.

Immediately upon the suspension of the lead-zinc barter program, the price

declined. It has thrown thousands of miners out of work in the West, and has caused a crisis in the lead-and-zinc industry.

Mr. HUMPHREY. The Senator's statement is absolutely correct. I may say that he has as a witness, in corroboration of his testimony, the statement and reports of the Wall Street Journal, as to what happened to the lead and zinc industry once the barter program was curtailed.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Let us assume that we retain in the bill section 5. It is section 5 which extends the barter program, is it not?

Mr. HUMPHREY. That is correct.

Mr. CARROLL. Is there a mandate in section 5 which compels the Secretary of Agriculture to barter more extensively than he has heretofore?

Mr. HUMPHREY. Yes; there is. The purpose of our amendment is to get the Department of Agriculture off dead center. That is where it is presently with respect to the barter program. The amendment directs the Secretary of Agriculture, insofar as practicable—of course, it gives him leeway, so probably I should say it indicates to the Secretary of Agriculture that Congress would like to see barter used as a part of the total program of disposal of our agricultural commodities.

Mr. CARROLL. Mr. President, will the Senator yield for one more question?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Does this interfere with section 1? In other words, does the Secretary of Agriculture still have complete discretion to dispose of our surplus commodities for foreign currencies?

Mr. HUMPHREY. It should be interpreted to mean, as the tradition and history of the legislation shows, that sales for foreign currencies are on a premium and have priority. No one is saying that the whole emphasis should be on barter. Not at all. In fact, there is a limitation in the measure as to how much can be bartered. It is both a goal and a ceiling. The amount which can be bartered is one-third of the amount which can be sold.

Mr. CARROLL. The goods which are received by virtue of the barter program, if they are strategic and critical materials, would go into the stockpile. Is that correct?

Mr. HUMPHREY. That is correct. It is a choice of whether we want wheat, which will deteriorate, or a commodity which, under the provisions of the bill, must be one which is less susceptible to deterioration and which involves less cost for storage.

Mr. CARROLL. I should like to ask the Senator a question on this point. Are lead and zinc and tungsten and copper——

Mr. HUMPHREY. They go into the stockpiles.

Mr. CARROLL. Is it not the position of the Under Secretary of the Interior, that these materials, once being subject to the barter program, should move into the stockpile, and in that way give some stability to the domestic price of these materials?

Mr. HUMPHREY. That is the contention of the Under Secretary of the Interior, to whom the Senator from Colorado has referred. I believe it is Mr. Shannon.

Mr. CARROLL. Mr. Shannon testified for Mr. Hatfield Chilson, Under Secretary of the Interior.

Mr. HUMPHREY. I should like to answer the Senator's question more specifically. I have in my hand the current list of strategic and critical materials for stockpiling, issued by the Executive Office of the President, Office of Defense Mobilization. Included in the list are such items as tungsten. The Senator is interested in that.

Mr. CARROLL. Yes; and lead.

Mr. HUMPHREY. Lead.

Mr. CARROLL. Zinc.

Mr. HUMPHREY. Lead, zinc, manganese ore, mica, copper, bismuth, agar, asbestos, cadmium. Even castor oil. There are 70 such items.

Mr. CARROLL. Castor oil is not a mineral.

Mr. HUMPHREY. It is a strategic material.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. As I continue to read the hearings in this matter, I observe that the Wall Street Journal of June 5, 1957, said:

> Last week, the Agriculture Department resumed barter deals.

The point is this: They had previously suspended barter deals which, as I have indicated, would have been beneficial to depressed mining areas. By taking this action the Agriculture Department caused great suffering in Colorado and other mining areas of the West, wherever lead, zinc, tungsten, and other important metals are mined.

If the Department of Agriculture has resumed barter negotiations, as the newspaper report indicates, what is the reason for concern and worry about it?

Mr. HUMPHREY. The Senator from Colorado has gone right to the heart of one of the matters which has been discussed. It is true that the Department has published new regulations which indicate a resumption of barter; but those regulations are so restrictive in the criteria which have been set forth as to how bartering can be conducted, what can be bartered, and where bartering can be carried on, that, for all practical purposes, it becomes an exercise in theory rather than reality.

Mr. CARROLL. In other words, it is not the same kind of barter program that was previously in existence?

Mr. HUMPHREY. Not at all. For example, now it is necessary to produce a certificate of additionality. Let me explain what that means. A company that wishes to barter some agricultural commodities for lead must be able to prove to the Department of Agriculture, which it is not even supposed to do in the first place, that the agricultural commodities will go into a market where there will be no displacement of dollar sales; that it will mean an additional sale of agricultural commodities beyond any possibility of sale for cash.

This suggests that the Secretary of Agriculture has such prophetic vision that he can look ahead for a year and can predict with, we might say, economic binoculars that Germany, for example, or Holland or France will buy X dollars worth of feed grains from the United States. This presupposes, of course, that the Secretary will have control over the weather, because obviously the weather will have something to do with the amount of feed grain which will be needed in any country, because the size of the crops of those countries will be conditioned on the weather.

So what the Department is saying is that anyone who wants to barter, will have to produce a certificate of additionality, as it is called, which will be proof to the Department that whatever is bartered for the commodities used in the barter transaction will be commodities over and beyond any commodities which would be purchased by the country into which the commodities will go. Even Houdini never undertook to perform that kind of magic.

Let me show what has happened to the barter program. I am referring again to the testimony of Mr. Berger, head of the Commodity Credit Corporation. Mr. Berger testified:

> About 86 percent of all barter procurement has been for strategic materials.

This means that by means of barter we were able to move out of our agricultural warehouses, according to the testimony, $844 million worth of agricultural commodities which were converted into strategic materials. More than half of the materials were earmarked for the strategic stockpile. We disposed of $844 million worth of surplus agricultural commodities, which were subject to deterioration.

Those are the agricultural commodities about which the Reader's Digest writes to scare the people. They are the agricultural commodities which some people said would spoil, such as milk and butter.

Mr. LONG. And potatoes.

Mr. HUMPHREY. That was when they wanted to complain about the agricultural program.

Mr. President, $844 million worth of surplus products were moved out and traded for lead, zinc, manganese, industrial diamonds, and a host of other commodities which do not deteriorate, the value of which has gone up $55 million since we obtained them.

The saving on storage alone for the agricultural surplus products is at the rate of $103 million a year.

Eighty-six percent of all bartering has been for this kind of goods. But the Department of Agriculture says, "We want no more of this." I suppose what they want is to have the surplus agricultural commodities deteriorate, or the butter spoil, or the milk become rancid.

Mr. CARROLL. Does the Department give any specific reason for this?

Mr. HUMPHREY. Oh, yes. The reason is given in the testimony. By the way, Mr. Berger, in his testimony, told how these arrangements were made. He said:

The prospective contractor's offer would set forth the quantity of material involved, the unit price at which the material was being offered, proposed delivery schedules, and related factors. Assuming that the material was one approved for barter acquisition by ODM—

Remember? They even went to the Office of Defense Mobilization to get approval—

we would consult with materials experts of the General Services Administration to determine existing stockpile inventories of the material, whether or not the offering price was at or below the current market price for the material and that barter acquisition would not unduly disturb market prices or otherwise interfere with availability of the material to private industry.

On that basis, $844 million worth of deals were made. That seems pretty sensible to me. The Department made certain that the market was not disturbed. They made certain that private industry was not being denied. They made certain that the current price was fair. They made certain that the deal was to the benefit of the Government of the United States. That was the testimony of the man who runs the Commodity Credit Corporation.

Mr. Walter C. Berger, the Administrator of the Commodity Stabilization Service, told the Senate committee how his Agency operated the barter system, and apparently he was quite proud of it. He said:

Ordinarily, such a contract would call for material deliveries over a period of up to 2 years—for a few contracts the delivery period was 6 years—and would normally permit the barter contractor to obtain for export during such period any agricultural commodity which CCC was offering for export sale.

In other words, the barterer could come in, look around, see what surplus goods were on the shelf, and pick out $100 million worth of goods which were accumulating and were in danger of spoilage. He would pay the price which the Commodity Credit Corporation asked. The Commodity Credit Corporation put a tag on the surplus commodities, and it was a price which was profitable to the corporation. The department bartered those agricultural commodities for strategic materials.

Despite that testimony, the Department of Agriculture now says, "We want no more of that. We are stopping it."

The Senator from Colorado asks, "But did they not renew it?" Yes, they renewed it, but they renewed it by putting chains around the arms and legs and binding the body with adhesive tape. They said, "Now if you want to do acrobatic stunts and handsprings, you can try to do so."

I have said a dozen times that I prefer title I sales, but I am sick and tired of hearing the Department of Agriculture complain about surpluses. I am tired of having the Secretary come to Congress and say that the surpluses last year and the price support operation losses last year cost more than $3 billion. I am tired of hearing him complain about the amount of surpluses when he has the authority to exchange the surpluses for manganese, for jewel bearings, for industrial diamonds, and for platinum.

I want the Department of Agriculture to send one of its henchmen here. Are they here? They are generally around outside somewhere. I want them to send here someone who will send in to us on a slip of paper the reason why they refuse to take diamonds or platinum for wheat.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I should like to obtain some information. I am sorry the Senator does not have before him the representatives of the Department of Agriculture, so that they can be cross-examined.

Mr. HUMPHREY. I had them before the committee once, I may say to the Senator from Wyoming.

Mr. O'MAHONEY. But they are not here.

Mr. HUMPHREY. That is correct.

Mr. O'MAHONEY. Those of us who do not have the good fortune to be members of the Committee on Agriculture and Forestry are deprived of the opportunity the Senator from Minnesota enjoys.

Is it possible that the Department of Agriculture has decided that it would not be in the public interest to administer the law which Congress passed and the President signed?

Mr. HUMPHREY. Mr. President, the Senator's insight into these matters is exceeded only by his eloquence and logic. What he has just said had never before dawned on me. But in view of the happenings around this city, it is quite possible that the Department of Agriculture has literally decided not to administer at least a part of the law which the Congress passed and the President signed.

Mr. O'MAHONEY. Is the Senator from Minnesota not aware of the fact that the city of Washington is overflowing with lobbyists, and that for a long period of years, antedating this administration, I am sorry to have to say, the Congress has been delegating away its legislative power to the Executive, and that, as a result, lobbyists seek to obtain positions of influence with the executive departments, in order to obtain interpretations of the laws which were not meant by the Congress or by the President when the laws were passed?

Mr. HUMPHREY. Again I think the Senator from Wyoming is placing his finger directly on one of the developments in the Government. I say most respectfully to him—as I have said again and again in this debate—that the change we are recommending in the bill reported by the committee——

Mr. O'MAHONEY. The Senator from Minnesota is referring to a committee amendment; is he not?

Mr. HUMPHREY. No; I am referring to the committee bill which amends Public Law 480.

Mr. O'MAHONEY. What will that bill do?

Mr. HUMPHREY. The bill will do two things: First, it will extend Public Law 480 for the sale of American surplus agricultural commodities. Second, it will amend the barter section, so the Secretary of Agriculture will be directed, insofar as it is practicable, whenever he can barter an agricultural commodity which will deteriorate, for a commodity which will not deteriorate, and whenever he can barter an agricultural commodity upon which the storage charges are higher than the storage charges on such other materials, and whenever such other materials can be used in terms of our overseas programs in our national security and our national interest, to proceed to do so. In other words, under those circumstances the Secretary of Agriculture will engage in such bartering. Of course, that is what the law provided in the first place.

Mr. O'MAHONEY. Is there any opposition to the provision now suggested?

Mr. HUMPHREY. I have been encountering some.

Mr. O'MAHONEY. Has such opposition been expressed on the floor of the Senate?

Mr. HUMPHREY. Yes; and it has been expressed along the following lines: first, that that would disrupt the markets; second, that it would flood the United States with such materials; third, that it would be bad for our foreign policy.

Mr. O'MAHONEY. Did the State Department take any position on this matter?

Mr. HUMPHREY. The State Department has taken a position as firm as any position taken occasionally by the State Department; it has taken a position as firm as the Rock of Gibraltar. In short, the State Department is opposed to this proposal. The State Department was opposed even to the barter arrangement we previously had.

Mr. O'MAHONEY. Never in the past 5 years have I heard the State Department referred to as resembling the Rock of Gibraltar. Why does the Senator from Minnesota now use that phrase in referring to the State Department?

Mr. HUMPHREY. I used it only when referring to the inflexibility of the State Department in regard to this matter.

Mr. O'MAHONEY. Is the State Department opposed to the amendment which has been agreed to by the committee?

Mr. HUMPHREY. Yes; there is no doubt about it.

Mr. O'MAHONEY. How about the Department of Agriculture?

Mr. HUMPHREY. The Department of Agriculture likewise is opposed.

Mr. O'MAHONEY. So this is a committee recommendation to upset the policy recommended by the Department of Agriculture and the Department of State; is that correct?

Mr. HUMPHREY. Yes.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCT COMMERCE

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from Minnesota for his prompt and complete answers to my questions, and I am obliged to him for yielding to me.

Since he has yielded, I wish to take this opportunity to announce that, as I understand the matter, after the pending bill has been disposed of, the next order of business will be Calendar No. 706, Senate bill 1356, a bill which has been reported by the Judiciary Committee. The bill would make the Federal Trade Commission, rather than the Department of Agriculture, the agency having jurisdiction to prosecute antitrust and monopolistic practices in the meat-packing business.

Let me take this opportunity to say—if the Senator from Minnesota will indulge me—that it will be my purpose to show that, if the bill is passed and is enacted into law, we shall be taking a long step toward restoring economic freedom in the United States.

I am aware that the American Meat Institute and the large packers and the big chain stores are seeking to convince the producers of livestock that they, the processors, are the best friends of the producers, and that the producers can profitably allow the processors to escape regulation in the public interest, because it is alleged to be good for the producers of livestock to be led around as though they were members of the livestock herds—in other words, by rings in their noses—by the processors to whom they sell their product.

Mr. President, I wish to say that I am satisfied we can demonstrate that if economic freedom in American agriculture is established by vesting in the Federal Trade Commission—which was intended to assume it—such jurisdiction and the power to supervise such violations of the antitrust laws, there will be fewer violations.

I give this notice because I believe the question is one of the greatest importance.

I hope all Senators who are interested in making the United States the home of economic freedom, as well as political liberty, will be on hand when the bill is brought up, to pay attention to the debate.

I thank the Senator from Minnesota very much.

Mr. HUMPHREY. Mr. President, I am very happy to have the benefit of the Senator's announcement. I shall be in the Chamber to listen to the debate and to the study he has made of this important matter.

Mr. O'MAHONEY. I thank the Senator from Minnesota.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I shall conclude on this point by stating that the testimony of every witness, without exception—save the witnesses on the part of the Department of Agriculture—was that the barter program had not supplanted normal marketing, but had supplemented it; and all the companies are in the cash-grain business.

In particular, I call attention to the testimony given by the representative of the Continental Grain Co. When Mr. Samuel H. Sabin, its vice president, testified and placed his statement before the committee, he analyzed the report of the Department of Agriculture and the recommendation of May 28, 1957.

I read the following from Mr. Sabin's statement:

> The basic premise of the revised requirements is that proof satisfactory to CCC must be presented to the effect that each barter contract results in a net increase in exports of the agricultural commodity involved. This premise is apparently based on an assumption that under the previous barter program, the agricultural commodities sold in world markets would have been sold for dollars in any event. The principal reason for this assumption seems to be the fact that agricultural commodities originating from barter contracts have been sold to certain European countries financially able to pay dollars.
>
> This hardly seems sufficient grounds for cutting back on the legislative intent of title III, of Public Law 480. It is a natural result of the barter program that the sales of the agricultural commodities obtained through barters would be sold for dollars or currencies readily convertible into dollars since the counterpart strategic material must be paid for by the grain exporter in dollars.
>
> Furthermore, we are, of course, confronted with the problem of exportable surpluses from other countries which are purchased by the very same buyers able to pay dollars for our own surpluses, and these foreign buyers are acutely conscious of any price advantage. While CCC attempts to keep its export prices competitive, there are times when the availability of surplus commodities obtained under barter permits the trade to make export offers and effect sales which would otherwise be lost.

He was saying that when dealing with an importer in Holland or in France or in Belgium or in England, one is dealing not with a social worker, but with a shrewd businessman who will buy where he can buy the commodities at the lowest price—which is a good, healthy, normal attitude to be taken by someone who is in business to make a profit.

The only way the American seller can make a sale in that market is by competing on two items—quality and price. Therefore, the argument the State Department and the Agricultural Department make, that we are displacing cash sales, falls on its face. The fact is that if the seller has a price low enough, he will get a cash sale without barter. The only advantage of the barter transaction is that it give the company handling it a sort of discount, and the company is able possibly to quote a slightly lower price in competition with another seller from another country. That is the only advantage.

Mr. Sabin continued:

> In practice this company, and we believe the grain trade generally, has never hesitated to forgo any possible barter advantage accruing to itself in order to effect sales which would be lost by the United States to other exporting countries if based on CCC's published price.
>
> Thus in our view, USDA has failed to establish its main premise and the Secretary should continue to exercise the barter authority which the law states is "in addition to other authorized methods and means * * *." A barter which effects the delivery of a valuable strategic material, which is durable and economically storable, and which furthermore assures the exportation of an equivalent value of a perishable United States surplus agricultural commodity would seem most advantageous to the United States Government.

That is the testimony of Mr. Sabin. It is backed up by the vice president of the Continental Grain Co., Mr. Edward W. Pierce.

I have a letter from the Calabrian Co., of New York City, one of the large concerns doing a great deal of bartering. It has answered some of the comments of the Department of Agriculture. The letter reads, in part:

> Rumors are now circulating grain circles that Mr. Benson (in a letter supposedly written by Mr. Berger) has been piqued by the Senate action in that he feels administration sacred toes are being stepped upon. It is a pity indeed that Mr. Benson and his aides, after openly flouting Congressional authority and intent for the past months has suddenly become insulted when Congress took definite steps to assert its Constitutional prerogatives. It is also a pity that conditions reached such a sad state as to make it necessary for Congress to use its authority in unmistakable language.
>
> It is also pathetic that Agriculture can continue to ignore logic in their arguments and repeat their confused and unintelligent remarks thereby hoping to make them become respectable by continuous repetition. It does not make any difference that their two main arguments:
>
> (1) Barter is displacing cash sales; and
>
> (2) We are hurting Canada by our barter sales;
>
> are paradoxical.

I think that is quite interesting. If barter is displacing cash sales and at the same time we are hurting Canada by our barter sales, I do not see how we can have both shoes on at the same time.

I continue reading the letter:

> Obviously, the fact that the claim we hurt Canada refutes their claim that barter displaces cash sales makes no difference to them. Also the fact their claim that we hurt Canada smacks of insincerity, fazes then not at all. First of all if indeed we hurt Canada, which is questionable, then we could hurt them only by our wheat sales.

I submit that there are many other commodities in the Commodity Credit Corporation eligible for barter besides wheat.

Continuing with the letter:

> However, in their stubborn anxiety to kill barter they overlook this simple inconsistency. Furthermore, they ignore:
>
> 1. The barter program has helped considerably another segment of the Canadian economy metals and minerals.
>
> 2. We have been restricted to sales of commodities as a matter of practice to friendly countries, whereas Canada has no such inhibitions. Only last week they sold to Red China, and the trade is bracing themselves for more of such trades.
>
> We appreciate very much your enclosed Senate bill 3420 and accompanying report.

The letter is signed by Charles A. Cogliandro, of the Calabrian Co., of New York City.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG. Is it not true that Canada has been opposed to all the provisions of Public Law 480?

Mr. HUMPHREY. I think our friends in Canada have not been happy about Public Law 480. I compliment the Government for administering Public Law 480 carefully, to see to it that the foreign-policy aspects of it are not injured. I want to see Public Law 480, as the Senator from North Dakota knows, administered in a way that is helpful, and not injurious, either to ourselves or our allies. I wish to do everything I can, within reason, to be of help and to be kindly to our friends in Canada, but I say, most respectfully, to our friends in Canada, their dollar is worth every bit as much as our dollar is.

Mr. YOUNG. It is worth more.

Mr. HUMPHREY. Canada's currency is solid. Canada's only overproduction problem is in wheat, but our overproduction is in more commodities than that, and I see no reason for American farm producers to drop dead merely because somebody says the law is going to make somebody unhappy. Our farmers have been unhappy for such a long time that they have difficulty smiling.

Mr. YOUNG. If we were to sit back and have no program to promote increased exports of our surpluses, we would probably please other countries which also have surpluses, but we would certainly not be doing justice to the rest of the world. How can we sit back with all these surpluses and not make them available to the hungry people of the world? I think we would be more subject to criticism for not making our surpluses available than we would be if we followed our present course of trying to make our surpluses available to food deficit countries.

Mr. HUMPHREY. I thank the Senator.

I wish to point out that in every barter deal dollars are involved. The argument of the Department of Agriculture about barter deals displacing cash sales falls flat on its face. First of all, the only way a barter deal is ever made is if the barterer converts the commodity into dollars, which dollars are then used to purchase minerals or materials in other countries. So if one of our objectives is to be able to get dollars into dollar-deficit countries, one of the best ways to do it is by barter.

Mr. YOUNG. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. YOUNG. I have always believed the Canadians were among our best friends in the entire world. I would have more sympathy with them, however, and with their problem of farm surpluses, if they tried to do something, as we are, to curtail their production and if they did more, as we are, to try to export their surpluses. I do not see how they can sit back, without any curb whatever on production, increase their production all the time, and then expect us to solve their problem for them.

Mr. HUMPHREY. I could not agree more.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. As the Senator knows, there is going to be considerable opposition to the effort to extend the Reciprocal Trade Act. Those who oppose the extension of the Reciprocal Trade Act will contend that the trouble with it is that it is not reciprocal. It will be said that while some of the other countries take some of our markets, often we get taken in many respects, because we never get a market when we give up some of our markets. Certainly, the provision now being debated is reciprocal, because if we give something, we get something in return. We give a market and we get a market.

Mr. HUMPHREY. Certainly. One of the arguments I heard on the floor last night about this bill and its provisions was that it would have a tendency to raise prices in America.

The Department of Agriculture issued a report which showed that Public Law 480 had tended to raise agricultural prices. That is one of the objectives we seek. The barter provisions of Public Law 480 have had a tendency to firm up the metals market when the barter provisions were used. The testimony is clear and unmistakable.

I wish we good Americans would recognize that in a world of competition there is nothing wrong with competing. I wish we would recognize, whether we use barter or do not use it, we are not going to make sales unless we offer a good commodity at the right price. I wish we would recognize that our friends in West Germany, France, Belgium, Holland, Denmark, Japan, or wherever they may be, are tough dealers. They are rugged traders. I love them for it. All the more power to them. They are out to get some business. I see no reason why this great free enterprise, competitive system of ours, under which we compete at home for every sale, should not enable us to compete abroad.

All barter means is an additional way of trading. It does not supersede something else. It is an additional means for trading. One can sell merchandise for cash, one can sell merchandise for credit, or one can sell merchandise on time payments. That is all it is. What would the American businessman think if we passed a law which said to him, "The only way you can sell anything is for cash." I am afraid the whole American economy would fall flat on its face.

We are being asked to limit the Department of Agriculture in its ability to dispose of surpluses in a legitimate manner, after consulting with all the agencies of Government and taking into consideration every conceivable factor. There are people who insist we should limit the authority and the power of the Department of Agriculture to dispose of these surpluses.

Let us have no more talk about surpluses, if we are not going to permit the Department to make use of them. Let us have no more talk about the cost of storing surpluses, if we are unwilling to barter for materials which involve little or no storage charge.

I want those who oppose this proposal of mine, or this proposal of the committee, to explain how they are going to justify the expenditure of an extra $100 million a year in storage charges. With respect to the $844 million worth of agricultural commodities which have been bartered, the Government of the United States has made $55 million net profit, and put it in its jeans. That is not bad in this day and age when a recession is under way.

Furthermore, the Government has saved $103 million every year in storage charges. That sum may not be much to the State Department, to the Department of Agriculture, or to some others, but to the folk I represent in Congress, $103 million a year is a sizable contribution.

I say to my colleagues that before they follow the line laid down by the lobbyists in the reception rooms, sent here by the administration to upset the proposal of the committee, they had better be prepared to announce to their constituents that again they took the advice of the Department of Agriculture, which will result in piling up more surpluses, in waste and deterioration of surpluses, and a continued high cost of storage, when we could have bartered at least an appreciable amount of these commodities every year—up to $500 million worth—for materials which had as much value as the agricultural commodities, or more, for commodities which were cheaper to store, which were not subject to deterioration, and which were needed for our national economy.

I want to be around when somebody explains to the wheat farmer or to the cotton farmer or other farmers that we have decided Ezra knew better than anybody else.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LONG. I believe the explanation should also include why Senators voted for economic support for some of these same countries—to give them money—when we could have traded with them and permitted them to have some of the commodities they needed.

Mr. HUMPHREY. I join with the Senator. Some of the very countries which would be involved in a barter arrangement would not only be getting the goods they need, but would also be getting American dollars. We must remember that the commodities which the bartering company obtains from the Commodity Credit Corporation are sold and made available to get dollars. The dollars are used in the countries where American loans are going, where American military assistance and economic assistance is going. I see no reason why the people of those countries should not earn a dollar from a reasonable barter agreement.

Mr. President, I send to the desk an amendment which would modify the committee amendment, by striking out section 6 on page 4—both subsections

(a) and (b)—and, on page 3, line 8, inserting "strategic and other" before the word "materials."

The purpose of the amendment is twofold. First, it will leave the reference in the Agricultural Act of 1956 pertaining to the supplemental stockpile exactly as it is, which means in substance that strategic, critical, and other materials are eligible for the supplemental stockpile. Secondly, the so-called duty-free provisions will apply only to the strategic materials.

The distinguished Senator from Florida [Mr. HOLLAND] pointed out my error yesterday, and the Senator was correct. I have studied the matter carefully. I have consulted with committee counsel. I am therefore offering an amendment to strike out section 6, on page 4, and to insert on page 3, line 8, after "(a)" and before the word "materials" the words "strategic and other," which will make the language of the provision the same as the language of the Agricultural Act of 1956, relating to stockpiling of strategic and other materials.

Mr. President, I believe I am correct, after having consulted the Parliamentarian, in stating that since the amendment is a refinement of the committee language it has precedence over the pending amendment.

The PRESIDING OFFICER. The perfecting amendment concerning the language to be stricken out takes precedence over the pending amendment.

The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 8, after "(a)", it is proposed to insert the words "strategic and other", and on page 4, beginning on line 17, to strike out section 6.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota to the committee amendment.

Mr. HUMPHREY. Mr. President, the amendment would make section 303 and section 302 identical as to the description of materials. The amendment would retain the directive to the Secretary as to barter which is contained in the committee bill, and would retain the authority in the present law to transfer to the supplemental stockpile strategic and other materials.

The amendment would limit the duty-free aspects to strategic materials. If the Department of Agriculture wants that provision extended to other materials, the Department will have to come before the committee and make its own presentation. It was the Department which asked for the duty-free aspect on strategic materials.

It seems to me the amendment will accomplish some of the purposes which were referred to yesterday, and should be helpful. It will not in any way change the basic law relating to stockpiling.

The amendment directs the Secretary of Agriculture to be considerate of both strategic and other materials in his bartering arrangements.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would the amendment proposed by the Senator provide that only strategic materials could be brought into the country duty-free?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Would it also mean that any other materials, as referred to on page 3, which are brought in by reason of barter, shall not be transferred to the stockpile?

Mr. HUMPHREY. No; it would not. It means exactly the opposite. It means that the strategic and other materials shall be available, as the act now provides, for the supplemental stockpile. That is what the present law provides.

Mr. AIKEN. The Commodity Credit Corporation can continue to hold them indefinitely.

Mr. HUMPHREY. My proposal provides exactly what the present law provides.

Mr. AIKEN. It refers to strategic and other materials. What does the Senator mean, on page 3, by saying that "strategic and other materials of which the United States does not domestically produce its requirements" may be bartered for?

Mr. HUMPHREY. It means what section 206 of the Agricultural Act of 1956 prescribes at present.

Mr. AIKEN. This means that the Secretary can barter for nonstrategic materials.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Up to $500 million.

Mr HUMPHREY. That is correct.

Mr. AIKEN. It does mean, however, that nonstrategic materials cannot be brought into the country duty-free.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. But strategic materials may be.

Mr. HUMPHREY. They may be.

Mr. AIKEN. Suppose strategic materials are bartered for, and are not acceptable to the stockpile. Are they subject to duty, or not?

Mr. HUMPHREY. Whether they are acceptable to the stockpile or not, strategic materials once bartered for by the Department of Agriculture are duty-free.

Mr. AIKEN. That would include lead, zinc, and so forth.

Mr. HUMPHREY. That is the provision of the present law.

The provision is:

> Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse free of duty.

What I have done is merely to restore the law as it was.

I confess that in the committee discussion of this subject there was an inadvertent error with reference to the revision of section 206 of the Agricultural Act of 1956, so we have restored the language.

Mr. AIKEN. It still leaves a virtual direction to the Commodity Credit Corporation to barter up to $500 million, even if it comes out of dollar sales or displaces dollar sales.

Mr. HUMPHREY. It does not, except that it states that the materials shall be strategic, and other materials, so that there can be no doubt about the will of the Congress.

Mr. AIKEN. It would eliminate the provision of the present law which requires the Secretary to protect the interests of the Commodity Credit Corporation and the United States.

Mr. HUMPHREY. That provision is not eliminated. The report takes care of that. The legislative history will take care of that matter.

The only reason certain specific language was eliminated from the proposal was that it was on that particular phrase or clause that the certificate of additionality was predicated.

Mr. AIKEN. It still requires the Commodity Credit Corporation to carry these goods until they can be disposed of.

Mr. HUMPHREY. The situation is the same as under the present law.

Mr. AIKEN. Under the present law, unless the commodities could be accepted in the stockpile, the Commodity Credit Corporation would have to carry them. But the Commodity Credit Corporation has no supplies of lead, zinc, or copper.

Mr. HUMPHREY. I say respectfully to the distinguished Senator that the testimony I read this afternoon, by Mr. Berger, of the Commodity Credit Corporation——

Mr. AIKEN. I would not say that the modification of the Senator from Minnesota would improve the situation much. It would improve it to the extent of requiring nonstrategic materials to be subject to payment of duty on being brought into the country. I do not see how it would prevent the bringing in of materials which are not required for the stockpile, or the supplemental stockpile.

Mr. HUMPHREY. I read from the testimony of Mr. Berger, at page 522 of the hearings:

> From the beginning of the program through last May 31, barter contracts covering $844 million in strategic materials have been negotiated, over half of the materials being earmarked for the strategic stockpile.

The rest of them went into the supplemental stockpile, as would any new amounts beyond immediate requirements of the strategic stockpile. As Mr. Berger's testimony reveals, one of the reasons we have asked for the supplemental stockpile to include materials other than strategic was so that the Commodity Credit Corporation would not find itself in possession of commodities other than agricultural commodities.

Mr. AIKEN. Does not the latest proposal of the Senator from Minnesota permit, or, in effect, direct, bartering for strategic materials and nonstrategic and other materials, even though they are not required for the stockpile?

Mr. HUMPHREY. Of course, that is the purpose of the supplemental stockpile, under present law.

Mr. AIKEN. Strategic materials would still come in duty free.

Mr. HUMPHREY. Yes.

Mr. AIKEN. Lead, zinc, and most other minerals would come in duty free.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. The principal purpose of the barter provision, as I under-

stand, is that under title 3 we get something of value for our surplus commodities. I would prefer having zinc or other similar materials stockpiled than an agricultural commodity which might deteriorate, provided that the conditions in section 303 were met.

Mr. AIKEN. If those in charge of the program barter for $100 million worth of industrial diamonds which are not needed, the Commodity Credit Corporation must carry them indefinitely, and they are charged up to the farm program, whereas formerly, when they were transferred to the stockpiles, we eliminated that cost.

Mr. HUMPHREY. I say most respectfully to my friend from Vermont that if I had $100 million worth of diamonds I would not call that a liability. I do not think the Commodity Credit Corporation would either. But if I had $100 million worth of wheat lying around in leaky ships in the harbor, or up in the Hudson River, I am not so sure that it would always be a total asset.

It is interesting to note how the Department of Agriculture can call surplus wheat an asset on one day, but the very next day say, "We are getting too much wheat, and it is a liability."

Mr. AIKEN. I would not call it a real liability.

Mr. HUMPHREY. I would not say it is a liability, either.

Mr. AIKEN. It is refreshing to know that we have enough.

Mr. HUMPHREY. But the Department wants it both ways. All the Senator from Louisiana said a moment ago was that under section 3, at least we have the opportunity to trade agricultural commodities for something of value. The proposal we are discussing refers to materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges, or materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, and so forth.

There is a limitation as to what goods we can take and for what purposes. The thing which disturbs me is that under the present situation we are denying ourselves one-third of the authority under Public Law 480. One part is for sales. Another part is for donations; and the third part is for barter. Under the present arrangement, one leg of this stool has been sawed off, or substantially shortened. All we are attempting to do is to say to the Secretary, "To the maximum extent practicable, get busy and do something. Try to barter if you possibly can."

In the report we ask him to protect the assets of the Commodity Credit Corporation. We tell him to use prudent judgment and good, sound, business sense.

Mr. Berger and others who have testified have told us about the elaborate arrangements to make sure they get the full value. I commend the barter division for doing a good job in the past. They did a good job. They made a $55 million profit. But they have now closed up shop.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I express my appreciation to the Senator from Minnesota for having met one of my suggestions of yesterday by moving to strike section 6 from the proposed amendment, which takes care of the question of duty-free admission of things other than strategic materials.

I notice, however, that the other suggestion which I made apparently is not taken care of in the amendment. I should like to call it to the attention of the Senator from Minnesota for such comment as he may care to make. If the Senator will look at line 8 on page 4 of the bill, he will see that the sentence which I objected to would be left unchanged in the bill and would read, as suggested by the present wording of the bill, as follows:

> Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

The provisions of the present law in that regard are to me quite preferable. I am reading from section 303 of the present act:

> Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

While I recognize that the suggestion made by the Senator in his latest amendment meets completely the point I raised with reference to the admission of goods other than strategic materials on a duty-free basis, it seems to me he has not met at all the other suggestion I made. Perhaps he did not intend to meet it.

Mr. HUMPHREY. I believe I have met the other point. If the Senator will refer to section 206 he will see why I believe I have met it. The Senator was very helpful yesterday, and I am perfectly willing to continue to get his assistance today.

We did not change Public Law 480 when we should have, after we had changed section 206 of the Agricultural Act of 1956. I hope the Senator will bear with me as I read section 206 as it will remain in the law with the perfecting amendment included:

> Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stockpiling Act, or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Therefore, when we added, in 1956, the words "other materials," we also added that the other materials shall be transferred to the supplemental stockpile.

In line 8, page 4, of the bill, we are providing for both strategic and other materials. In fact, we can write in again the words "strategic and other materials."

Of course, the word "materials" covers all of them, and it means that the strategic and critical materials go to the national stockpile, which is the top, or No. 1, stockpile. The supplemental stockpile was established subsequently, and it is in that stockpile, according to the Agricultural Act of 1956, that other materials acquired by the Department of Agriculture by barter shall be placed.

Mr. HOLLAND. I understand the point the distinguished Senator from Minnesota is raising. I should like to call his attention, however, to the fact that he proposes now to strike any amendment of section 206 of the Agricultural Act of 1956 from the pending bill.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. That means that the new law bearing on this subject will be entirely contained in section 303, as he proposes to amend it.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Unless the Senator changes the words to which I have already referred it will mean that all materials, both strategic and otherwise, will again be contained in the new law.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. What I have objected to is the provision concerning the acquiring by purchase of all other materials—both strategic and nonstrategic materials—from the Commodity Credit Corporation. That provision will then read as follows:

> Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials shall purchase such materials from the Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

That will mean that all materials acquired in pursuance of a barter arrangement by the Commodity Credit Corporation will be held to be sufficient assets of the Corporation to the point where they are available for purchase by Government agencies that may require them.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. And these Government agencies are required to purchase them from the Commodity Credit Corporation?

Mr. HUMPHREY. Yes.

Mr. HOLLAND. I come back to the point I discussed earlier. It would be detrimental to industries that are in trouble, or industries that may be in trouble, because we would be providing a preferred supply source to agencies of the Government. I gave yesterday the case of the Navy with reference to tung oil. It will make available supplies at less than cost and the sale price of the same commodity produced by our domestic people. Of course, there are many more illustrations like that, which will occur to the Senator.

It is in that respect that I think that, in order to make good the corrections we were talking about yesterday, it is completely necessary to restore the sentence which I have already read in my discussions at least two or three times, to where it will apply only to strategic materials.

Mr. HUMPHREY. May I ask the Senator——

Mr. HOLLAND. Provided it applies only to strategic materials, I shall be in a position to support the Senator's amendment and the bill. I believe such correction will meet the two objections I voiced yesterday.

Mr. HUMPHREY. Mr. President, may I ask a question of the Senator?

Mr. HOLLAND. Certainly.

Mr. HUMPHREY. Is it the Senator's understanding that the term "other materials," and the goods which would be acquired under that language, would be eligible for the supplemental stockpile?

Mr. HOLLAND. Yes; but not, as I understood the purpose of the Senator from Minnesota, eligible for sale to other agencies of the Government in such a way as to bypass a domestic industry that produces the same materials.

Mr. HUMPHREY. It is my understanding—and I may be misinformed, or I may be misunderstanding the Senator's objection—that lines 8 to 13, inclusive, are primarily directed at the Office of Defense Mobilization or the General Services Administration, that are in charge of the stockpiling operations, to make these purchases. That is what that language essentially means. It means that materials so acquired shall be considered as assets of the Corporation, and that the other agencies of the Government, such as GSA and the Office of Defense Mobilization, shall be required to purchase those materials for their stockpiles.

Mr. HOLLAND. This does not relate to stockpiles at all. It says that materials so acquired shall be considered as assets of the Corporation, just like surplus corn or surplus wheat, and that other agencies of the Government, which is a very general term, in purchasing such materials, shall purchase—and the provision is mandatory, because it says "shall purchase"——

Mr. HUMPHREY. I believe the Senator is right.

Mr. HOLLAND. It provides that they shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

If the Senator restores the sentence to where the language applies only to the purchase of strategic materials, as it is in the present law, I shall be in a position to support the bill.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Before the Senator makes that concession I should like to call his attention to the fact that we will be affecting strategic materials which will include lead and zinc. If lead and zinc are free for the commercial market and come in duty free, we are going to be in the same position we were in 1954. I was under the impression that all the commodities bartered for either go into the national stockpile or into the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. So I urge the Senator from Minnesota not to be hastily drawn into an agreement that might release strategic materials.

Mr. HUMPHREY. I am not being drawn into anything.

Mr. CARROLL. I have a vital interest in lead and zinc. If we are going to exclude one category, I believe we had better look to see what is in the strategic stockpile so far as critical and strategic minerals are concerned.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I am not trying to persuade the Senator to do anything. I am calling his attention to the fact that he has met one of the objections I made yesterday, but he has not met the other one. If he leaves the language so that nonstrategic materials will be in the hands of the Commodity Credit Corporation, in such a way that they are available to every other Government agency that may need them, and the Government agency is required to deal with them prior to its ability to deal with the general trade, I shall object to such a provision, because I believe it would harm some industries in our country. I do not want the act to be subjected to the carrying of a cross which I do not believe it can successfully carry.

Mr. HUMPHREY. As the Senator heard me say earlier, I was attempting to find language which would be properly restrictive, so as not to permit the vast importation of goods which would adversely affect or injure American producers, manufacturers, or processors. I felt that we had in the bill language which made that possible when we restored section 206, or rather left it intact, or removed section 6 from the bill, because, speaking now to the Senator from Colorado, we provide that so far as acquisition of any materials, strategic and otherwise, is concerned, they are eligible for the Nation's national or supplemental stockpile.

But what the Senator from Florida refers to is the warning to the different agencies of the Government that there is a stockpile agency which acquires materials. In other words, suppose the Department of Defense, the Department of Commerce, or some other department, desires to obtain goods which were acquired under the barter program. It is to this that the Senator from Florida is referring.

Mr. HOLLAND. That is correct.

Mr. HUMPHREY. There is the protection, in that sense, of denying to the agencies of Government the opportunity of purchasing from the Department of Agriculture the other materials which the Department of Agriculture may obtain.

Mr. CARROLL. This is of vital importance to the mining industry. I was under the impression that once the materials entered the stockpile, no Government agency could purchase from the stockpile. That would be to the great detriment of the domestic economy.

Mr. HUMPHREY. Exactly. That is still protected. This is over and above the items which would go into either the strategic or the supplemental stockpile.

Mr. HOLLAND. The Senator from Colorado has gone exactly to the point to which I have been addressing myself, namely, that materials in general, not strategic materials specifically, but materials in general, which could be acquired under the mandated program, would be not only held in the stock of goods available for sale by the Commodity Credit Corporation to Government agencies, but it would be required that other Government agencies which needed those goods should buy them, in the first instance, from the Commodity Credit Corporation, if they could be obtained there. That means that supplying groups, whether of an industrial, a mining, or an agricultural nature in this country, would be directly affected under their distribution programs.

I think this problem can be straightened out. I think the other amendments proposed by the Senator from Minnesota indicate that he is moving in the direction I had suggested. I hope he will move all the way. It is with that in view that I am bringing this point to his attention.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I note that the amendment offered by the Senator on page 3, line 8, inserts the words "strategic and other" before the word "materials."

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Would the Senator consider further amending his amendment by having it read, "scarce strategic and other materials"?

Mr. HUMPHREY. If a material is strategic, it is scarce. It reads: "Of which the United States does not domestically produce its requirements."

Mr. MANSFIELD. But we do not produce our needs in manganese and tungsten. We produce only 10 percent. Both metals have been coming in under the barter program. If "scarce" could be placed in the amendment, I think it would be of benefit to the mining industry.

The Senator from Minnesota, who comes from a mining State, knows that the iron and taconite holdings in Minnesota are, generally speaking, in a very depressed condition. I use the word "depressed" advisedly. There is not a recession in the mining industry; it is a depression.

Mr. HOLLAND. May I make an alternative suggestion? I think the point could be made in either one of two ways: By changing the word "materials," which is the first word in line 8, to "strategic materials," which is the language in the present law.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Or, if the Senator wishes, by limiting the agencies of the Government to which this sentence refers to those charged with the duty of accumulating stockpiles. Either approach would bring about the objective.

Mr. HUMPHREY. I think the best procedure would be to restore the words "strategic materials so acquired by the Commodity Credit Corporation." Thus the stockpiles about which Senators are deeply concerned, both the supplemental and the national stockpiles, would be protected.

Mr. HOLLAND. That would leave the law as it is, with two very real exceptions. Both of them, I believe, were in the minds of the Senator from Minnesota and other Senators. One is that a much stronger mandate is placed upon the Secretary of Agriculture to use the barter power than heretofore. The second is the provision that both the domestic and foreign stocks may be used in blending ore, such as was discussed before on the floor, under the new wording put in the bill.

Mr. HUMPHREY. That is correct. It sets a ceiling or a goal upon bartering.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would not the Senator be willing to place in his proposed amendment the provision in the present law which safeguards dollar sales?

Mr. HUMPHREY. No.

Mr. AIKEN. It virtually directs the Secretary to barter up to $500 million.

Mr. HUMPHREY. That has been the whole argument with the Department of Agriculture. If we put back what they have been resting their case on to stop bartering, then our proposal has been but exercise. Frankly, I am not that hungry for exercise.

I am of the opinion that we have done what needs to be done. I appreciate the thoughtful discussion which has been contributed by Senators on this matter. It seems to me that with the amendments which have been proposed and the clarifications which have been made, for which I owe much to the Senator from Florida, we have an acceptable measure. It does exactly what we have sought to do—to get the Department of Agriculture to look upon bartering not as a runaway dumping device or as a means not to be used, but rather as another of the instruments or tools to be used in the orderly disposal of the sale and use of agricultural commodities.

I modify my amendment along the lines suggested by the Senator from Florida. On page 4, line 8, before the word "materials," I insert "strategic," which brings the language into conformity with the established pattern of the Department of Agriculture used up until May 28 in the acquisition of and the disposal of strategic materials.

That pattern, I may say to my friends from the mining areas, was helpful so long as it was being exercised to stabilize the market and the price structure of our minerals, both in the United States and abroad.

I think we have all the protections we need, in light of the fact that both the supplemental and strategic national stockpiles are available for the strategic and other materials acquired. Once they are in those stockpiles, then they are to be taken out only in case of deterioration, war, or by act of Congress.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the junior Senator from Minnesota for a very clear exposition of a difficult question. One could almost use Colorado as exhibit A. In the plains area are great numbers of wheat farmers. They will have surpluses. In the mountain areas are the lead and zinc. There a depression exists; mines are closing and unemployment is growing.

As nearly as we can balance off the surpluses, we can use the bargaining program which the Senator has tried to reactivate. It was once a good program. I do not know why it was abandoned, except on the theory that the cash sales were desired.

The Senator from Minnesota has made a notable contribution to the public understanding of this matter. He is suggesting one of the ways by which we can reduce the storage costs and the great surpluses.

I hope the Senator, in the interpretation of his amendment, will give protection to the mining industry.

Mr. MANSFIELD. The Senator from Colorado is absolutely correct. When the stockpile program was inaugurated by the United States Government, lead and zinc began to come into the country and compete in the open market. From that time onward, prices were depressed, not because of the competition that followed, but because of a lack of buying from the stockpile.

Mr. HUMPHREY. It was because of the lack of absorption, and of commodities coming in without being added to the stockpile.

Mr. CARROLL. That is precisely the point. In 1954 the Tariff Commission was given this problem to study and solve. They made recommendations to the President of the United States, which hung fire for a period of time, until this barter program was reactivated or was put into action by the Department of Agriculture.

The junior Senator from Minnesota has made a great contribution by explaining the working of the whole program.

I wish to ask one more question for the record: By means of the amendments, will the bill leave the barter program where it was before?

Mr. HUMPHREY. No. By means of these amendments, the bill will leave the procedure for stockpiling as it was before, and will leave as it was before the procedure for the ascertainment of whether a deal would be worthwhile and whether it would bring in substance of value. But these amendments would remove from existing law the language which permits the Secretary of Agriculture to withhold bartering, on the basis of a belief by him that it would interfere with dollar sales. In other words, these amendments would give a limited directive; they would say that, so far as practicable, the Secretary of Agriculture would be directed to engage in bartering, within the limitations which have been written into the bill and into the amendments which have been accepted—those which the Senator from Florida [Mr. HOLLAND] suggested in the course of his participation in the debate both yesterday and today.

Mr. CARROLL. I did not quite finish my question. I observe that on page 577 of the hearings, the representatives of the Department of Agriculture reported that the Department has in certain stockpiles approximately $310 million worth of certain commodities, for instance.

Mr. HUMPHREY. Yes.

Mr. CARROLL. Some of those commodities or materials, valued at $135 million, were transferred to the national stockpile; and certain of them, valued at approximately $175 million, were transferred to the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. I wish to be certain that, under existing law, those critical and strategic materials in the stockpile cannot be sold in the open market. Is that correct?

Mr. HUMPHREY. Yes; it is correct.

Mr. CARROLL. In the case of this proposal, the amendment is the same as the law existing today, is it?

Mr HUMPHREY. Absolutely——

Mr. CARROLL. Except in the case of extending and expanding the barter program?

Mr. HUMPHREY. Yes.

PROPOSED INCREASE IN DUTY ON IMPORTS OF CANADIAN GRAIN UNFIT FOR HUMAN CONSUMPTION

Mr. LANGER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. LANGER. A few days ago I received from certain operators of North Dakota elevators and from other North Dakota citizens letters stating that there is only a 5-cent duty on the imports of Canadian wheat which is unfit for human consumption. They want to have the duty raised.

In that connection, I wrote a letter to the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER]. In that connection, a report was requested from the Department of State.

Believe it or not, Mr. President, the Department of State has objected to an increase in the duty; it did not want the duty increased. It said it was opposed to such an increase because it wished to maintain friendly relations with the Canadian Government.

On yesterday, we had under discussion that Canadian situation, in connection with this bill, as the Senator from Minnesota will remember.

It seems to me that when American farmers object to the importation of poisonous grain, grain which is entirely unfit for human consumption, and when they want a reasonable duty—of 15 or 20 cents a bushel—imposed on it, neither the Department of Agriculture nor the Senate Committee on Agriculture and Forestry should be swayed by what may be written in by some clerk.

Mr. HUMPHREY. Mr. President, I am sure the Senator from North Dakota will be very happy to know that this morning the Committee on Agriculture

and Forestry, at the request of the junior Senator from North Dakota [Mr. YOUNG] and the request of the chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER] and, I believe, the request of the Senator from Florida [Mr. HOLLAND], moved to report to the Senate the bill to which the Senator from North Dakota refers. I believe it is Senate bill 666.

Mr. HOLLAND. What bill is that?

Mr. HUMPHREY. I believe the Senator from North Dakota [Mr. YOUNG] moved that the bill be reported to the Senate.

Mr. ELLENDER. And it was reported.

Mr. LANGER. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service; and

S. 3418. An act to stimulate residential construction.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GATHINGS, Mr. HILL, and Mr. HOEVEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 483) to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made; and

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made.

AMENDMENT OF SOIL BANK ACT, RELATING TO CORN ACREAGE ALLOTMENTS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, in order to make my amendment completely clear, I modify it as follows:

On page 4, in line 8, strike out the word "materials", and insert "strategic materials."

That modification will take care of the situation indicated by the Senator from Florida.

Mr. LAUSCHE. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I have tried to read the hearings, in order to ascertain the positions taken by the Secretaries of the various departments. But I find the task to be rather difficult.

Therefore, I should like to hear the Senator from Minnesota state the position of the Department of Agriculture and the Department of State, and also the Department of the Interior, for I believe a representative of that Department, also, testified at the hearings.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. I should also like to have the Senator from Minnesota indicate the position taken by the representatives of other departments who testified, if the Senator from Minnesota can do so without going to too much trouble.

Mr. HUMPHREY. In relation to the extension of Public Law 480, without the barter changes we are proposing, the administration, through representatives of the Bureau of the Budget, the Department of State, and the Department of Agriculture, supports the basic extension.

As regards the amendments which were proposed——

Mr. LAUSCHE. Prior to the correction?

Mr. HUMPHREY. I believe I am correct in stating that all parts of this bill—with the exception of section 303, the barter section—receive support from the Department of Agriculture.

The 2-year provision, as I recall, was not opposed by the Department of Agriculture; but neither did the Department of Agriculture support it.

Mr. ELLENDER. The Department of Agriculture did not support it in its report; but Dr. Paarlberg, who testified, urged no objection to the 2-year provision.

Mr. HUMPHREY. Yes.

So the real argument has been over section 303 of the bill, which has received opposition from the State Department and the Department of Agriculture. I cannot speak for the Department of the Interior, except to say that the witness for the Department of the Interior who testified about bartering was much more sympathetic toward it, and, in fact, encouraged an extension of bartering—as contrasted to the position taken by the Department of Agriculture, which discouraged it.

Mr. LAUSCHE. That confirms the impressions I gained from reading the testimony.

Am I correct in believing that the objections are primarily on two or perhaps three bases: First, that it would create difficulties with friendly nations who, because of this method by which we dispose of grain, through barter, are encountering competition in the sale of grain?

Mr. HUMPHREY. That is the assertion that is made.

Mr. LAUSCHE. Second, that this method of disposing of our surplus agricultural commodities prevents the making of transactions which otherwise would be made in the market, on a dollar-sales basis?

Mr. HUMPHREY. That is the claim.

Mr. LAUSCHE. On page 524 of the hearings, I find the testimony of Mr. Berger, who explained why the barter program was discontinued. By referring to the last full paragraph on that page, we find that he pointed out the following:

You will note that this so-called easy market—this traditional dollar market for our commodities—took only 30 percent and 31 percent, respectively, in 1955 and 1956 of United States agricultural exports other than barter.

In the tabulation previously referred to, I take it that he identified the United Kingdom, the Netherlands, Belgium and Luxembourg, France, and West Germany as potential dollar purchasers.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. And he pointed out that those who bartered, and who normally would buy with dollars, in 1955 and 1956 bought only 30 and 31 percent, respectively.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. Third, is it the position of some of the Departments that we are foisting upon other nations the acceptance of obligations, in making public improvements, which will encumber their economies to a degree far greater than they will be able to bear?

Mr. HUMPHREY. I would not say that was one of the complaints that had been made; no.

Mr. LAUSCHE. I read one complaint which expressed that view. Those two are the primary complaints.

Mr. HUMPHREY. The two which the Senator has so succinctly analyzed are the primary complaints: No. 1, that bar-

ter replaces cash sales; and, No. 2, that it interferes with our foreign relations.

I only add to the evidence on that point by stating that we had complaint about the reception of that arrangement in only one or two countries, and that was primarily in the barter program. I must say, most unfortunately, that we had some complaints with respect to the sale of certain surplus dairy products and some cotton; but in the main, considering the amount disposed of, I think the complaints were minimal.

Insofar as cash sales are concerned, I am open to conviction, but I have not found testimony to back up the contention which has been made. I think Mr. Berger himself said we did not have conclusive evidence.

Mr. LAUSCHE. While he said he did not have conclusive evidence, in my opinion the tabulation which he put in the record offers sufficient strength, in my judgment, at least to cause minds to differ, and many minds would come to the conclusion that the barter program had displaced the cash sales program.

Mr. HUMPHREY. I may say, at that point, it happens that the best years we had for exporting agricultural commodities were 1955, 1956, and early 1957. It was in those same years that we had the greatest number of barter transactions. One must go back a little further and find out how well we were doing in export sales before bartering came into effect. When one does that, he finds we were not displacing cash sales; we simply were not getting them. The only reason why a barter sale works at all is that a little better price is obtained. The reason for that is that the product is not bought from another country.

Mr. LAUSCHE. I have a final question, if I may ask it.

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. In what manner is the present law changed so as to bar the Secretary of Agriculture from considering as a factor, in making up his judgment, the invasion of barter into the field of cash sales?

Mr. HUMPHREY. I point out to the Senator from Ohio that in the report accompanying the bill it is stated that we expect the Secretary to use caution, prudent judgment, and common and good business sense. That is the advice the Congress gives to him. Also, we say he shall barter, insofar as it is practicable, providing certain requirements are met, such as that the material bartered for is more storable, has good value, and does not cost as much for storage. We are just going to have to rely on the Secretary.

Mr. LAUSCHE. If we rely upon the Secretary to use his judgment, what is wrong with the suggestion made by the Senator from Vermont [Mr. AIKEN] that there ought to be language in the amendment which will not bar him from considering the extent to which barter has invaded the ability to make cash sales?

Mr. HUMPHREY. From my point of view, the reason is very easy to understand. It is that language which has killed the barter program. It is on that very language that the Secretary has rested his entire case. It is on that basis that he stopped the program—the same program, by the way, that was in operation 2½ years, the same program which was praised as doing good and as being a good tool in our surplus disposal program. On May 28, 1957, for reasons I have been unable to ascertain, the program was stopped, and only $400,000 worth of business was engaged in from May until October 1.

Mr. LAUSCHE. For the purpose of discussion, assume that, justifiably, and based on evidence, the Secretary of Agriculture does find that barter has hampered cash sales. What, in the opinion of the Senator from Minnesota, should the Secretary of Agriculture do under that circumstance?

Mr. HUMPHREY. I think under that circumstance he should make the cash sales.

Mr. LAUSCHE. Would the Senator from Minnesota go so far as to say that in that instance barter transactions ought to be stopped?

Mr. HUMPHREY. I would say that in that instance the Secretary of Agriculture ought to reject a barter arrangement. In other words, if he finds a cash sale can be made by a grain company—I trust they would be engaged by the private trade—he ought not to take, in its place, a barter arrangement. However, I point out that the same companies that engage in cash sales do bartering. The only reason why they sometimes engage in bartering is that they have an opportunity to make sales that could not be made for cash.

I want the record to be clear that, as I stated earlier in this debate, I feel Title I sales for soft currency surely ought to have a priority type of treatment. The most important sale is for dollars. The second is for soft currency. High in the same category is barter. So if the Secretary has any doubt about how the Senator from Minnesota feels, I hope this discussion will dispel that doubt. I feel the questioning by the Senator from Ohio has been very helpful. I think whenever we can make dollar sales, we ought to pursue them.

Mr. LAUSCHE. Will the Senator yield so that I may ask the Senator from Vermont his opinion on a matter?

Mr. HUMPHREY. I yield for that purpose.

Mr. LAUSCHE. I should like to ask the Senator from Vermont for his interpretation of the discretionary power which will lie in the Secretary of Agriculture in considering whether the situation is such that barter is invading cash sales.

Mr. AIKEN. I would say the proposal of the Senator from Minnesota removes all discretion on the part of the Secretary of Agriculture. It virtually directs the Secretary to barter, up to $500 million worth a year, even if all of it would come from what otherwise would be dollar sales. As I pointed out yesterday, a great majority of our bartering, to the extent of $900 million, was with countries of Western Europe which normally paid dollars. When we stopped the bartering, our deliveries kept up just the same. The countries paid in dollars.

Mr. HUMPHREY. I would say to the Senator from Ohio, in response to the view of the Senator from Vermont, the only reason a barter sale was made to a country in Western Europe was that the country was able to get a little better price from an American firm than from an Argentine firm or an Australian firm or a Canadian firm. Remember, if it was in Great Britain, for example, and the price was equal between the United States and a Commonwealth country, the Commonwealth country would get the business.

So we would not have had a cash sale if the cash prices had been equal.

When we talk about displacing American dollar sales, I point out that we cannot displace dollar sales if we were not going to get the sales, and we would not get them unless the price and quality were right.

The evidence which the traders have given is quite important. They are not all cheering for barter. Every one of the companies, except one, said they were essentially cash traders. However, they said bartering aided them in cash deals. That was the testimony of representatives of the Crofton Grain Co., the Continental Grain Co., and one or two others, who appeared before the committee.

We had a half dozen or more such witnesses before the committee. We heard a representative of the Bunge Corp., which is one of the largest companies in the world. It is an international company. Every witness said without exception that there was no evidence which might be called conclusive that bartering displaced cash sales, but everyone said there was evidence barter assisted in the sales program and provided a good market.

Mr. AIKEN. Mr. President, will the Senator yield so that I may further answer the question of the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I will give the Senator an example. The Berlin, Germany, grain market is very much upset today. A rumor spread through the market that the provision advocated by the Senator from Minnesota might be incorporated in the extension of Public Law 480, and feed grains might be purchased in Germany at from 4 to 10 percent less than the normal export price. The Federal Ministry of Agriculture in Germany has had many calls this morning, and has asked the State Department to find out what the situation is and report back to them, so that they can report to the Germans who are interested in the matter.

I also wish to say that international traders working through barter, apparently did go into Western Europe last year and the year before, and slashed the price of grain—I do not know whether it was from 4 to 10 percent, or how much—to such an extent that we narrowly avoided devastating trade war with Canada, Australia, and other countries.

I am sure if the provision in the bill under consideration is adopted, we will be in a trade war. While we may sell a little more barley to Germany by reason of the provision—and barley is the

commodity they have in mind—we will immediately be in a devastating trade war, which will force down the price of our wheat. When we get into a trade war involving wheat, we will get the short end of it.

The situation was so bad last year as a result of bartering that the topflight officials of Canada insisted on meeting with the topflight officials of the United States, and they entered into an understanding to the effect that the United States would stop the cutthroat trading in Western Europe, which is demoralizing not only that market but our market and the Canadian market. It is now proposed, within a year, that we violate the understanding and enter into cutthroat competition again, so that half a dozen international traders in New York can make fortunes in a very short time. That is the whole story.

Mr. LAUSCHE. May I say something to the Senator from Minnesota?

Mr. HUMPHREY. May I respond first to the rather dramatic expression I have just listened to?

We are not trying to benefit a half-dozen traders in New York. I will stake my record as to internationalism, international understanding, and international cooperation against that of the Senator from Vermont.

Mr. AIKEN. If this provision is approved, that is what will happen.

Mr. HUMPHREY. I have the most kindly attitude toward our good friends to the south, north, east, or west. There is no attempt to try to injure our friends. Just as we seek not to injure our friends abroad, may I respectfully suggest it would not be a bad idea to seek not to injure our producers at home.

When I hear, for example, that we can sell some feed grains, when we have a surplus of feed grains depressing the market to the point where the feed-grain producers are "going broke," that is all the more reason, I suggest, why we should get busy and sell some. We will not have much of a foreign-aid program or any other program if this country goes into an economic tailspin.

One of the purposes of the pending legislation is to attempt to help stabilize markets.

Mr. President, I say again that if the Secretary of Agriculture, the Secretary of State, or any other Secretary can show that the provision will injure our foreign relations, I shall be the first to join with any Senator, if it is properly handled, in putting into the bill whatever protective language or restraining language may be necessary.

Mr. President, for 2½ years the barter provisions under Public Law 480, which we are now seeking to amend, have been on the statute books. There were some complaints from other countries about dumping, but they were limited complaints, I must say, and, after careful examination, most of them were shown to be unfounded. I have had some of the complaints run down and have submitted the replies of Government departments to friends overseas.

I submit that we have gone from one extreme, where we were doing considerable bartering and the Department was praising its efforts—heralding its program—to the other, where we do no bartering.

I regret that the argument about bartering has gotten out of proportion, but the Department sought to make trouble. The Department did not come before the committee to say, "Congress will have to modify the barter provision." I wish to say to my friend, the Senator from Ohio, that not one witness from the Department of Agriculture came before the committee to suggest that there be any modification whatsoever of the law. Bartering was handled by administrative rule, or administration regulation. It went from the height of $414 million a year down to $400,000, in 5 months, at the same time the agricultural prices were depressed. It was all done on the basis of what was said earlier, international relations.

I know our Government officials met with the Canadians. I am glad they did. There is nothing whatsoever to prevent us from meeting with them now and having an understanding as to what shall be done in these markets.

Very frankly, it is about time that Canada and the United States got together to decide what to do with surplus wheat, rather than competing as if we were enemies. I have noticed that some of the leaders in Canada have suggested a kind of world food bank. In fact, the present Prime Minister of Canada suggested a world food bank. That was not suggested by our Government. No, we will not cooperate on that basis. The Canadian Prime Minister suggested that we work out some of these problems through the United Nations. I commend him for his suggestion.

I do not wish to be put in the position of saying anything or doing anything which would injure our relationships with our neighbor to the north. I repeat there is no real reason why anybody or any nation should be injured. What we are asking is that the Secretary of Agriculture be permitted to barter up to $500 million. That is up the ceiling. The bill does not say to him "You have to go that high." It says "You can go up to $500 million."

I grant, that is a desirable goal, but if the Secretary finds, as we have said in our report, that it cannot be done on a businesslike basis, with prudent judgment, following sound business practices, with respect for our national interests, then indeed he is not required to do it. I would be the first to receive suggestions in a friendly manner as to how to improve the situation.

Mr. LAUSCHE. I thank the Senator very much.

Mr. ELLENDER. Mr. President, during the debate yesterday the distinguished Senator from West Virginia [Mr. REVERCOMB] asked several questions of me with regard to the disposition of surplus commodities under title I. One of the questions the Senator addressed to me was—

> Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

My answer was, in effect, that the Secretary should without doubt, in my judgment, use commodities in surplus for home consumption if there is need for it, rather than to contract for their sale abroad.

When I gave the answer, Mr. President, I had overlooked the fact that under date of February 3 I had written the Department of Agriculture suggesting the possibility of obtaining additional surplus foods, especially fats and butter, for distribution to economically distressed families in Louisiana. I received an answer which came to my attention only this morning. In the last paragraph of the letter appears the following:

> The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This butter has been under constant review for several weeks. However, in view of the needs for school-lunch programs (approximating 65 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far, not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

That paragraph seems to be at variance with what we were discussing yesterday, but during the colloquy and thereafter I was notified by the Department of Agriculture that butter would be made available immediately to needy families in Louisiana. I presume the same thing applies to the cases cited by my good friend from West Virginia.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. The colloquy of yesterday, which appears in the CONGRESSIONAL RECORD of March 18, 1958, at page 4637, was brought about as a result of inquiries made over a considerable period of time on the question of distribution of surplus food under the control of the Department of Agriculture, to the States in the particular areas where there might be need for food.

For 3 or 4 weeks I have had this question up with the Department of Agriculture, not only with respect to sending more foods into particular areas, but also getting a quicker distribution of it, and, if possible, to get a greater variety of food.

The Department of Agriculture has been most cooperative and helpful. It responded at once. My colleague, the junior Senator from West Virginia [Mr. HOBLITZELL], the Governor of my State, and Dr. Egbert, head of the Dependent Persons Administration of West Virginia, have also manifest their interest in this problem. We have found the Department to be extremely cooperative in increasing amounts, in having conferences with those in charge of distribution, and in bringing about a quicker and wider distribution in particular areas where food was needed.

In the course of that inquiry and my efforts to obtain a wider variety of food, I asked that the great need for fats be

met, and that they be added to the list of foods. I hoped something like lard or some of the vegetable oils would be added to the list of foods. However, I learned that such commodities were not available in the Department of Agriculture as surplus foods, but that a large quantity of butter was in storage. Thereupon, I asked that butter be added to the list of foods for distribution.

I was informed, through an inquiry made by a member of my staff, that under the existing law, sales abroad of surplus food commodities took precedence over distribution of foods for needy persons in this country. I thought that was totally unsound, and, thereupon, I raised the question on the floor yesterday, as the RECORD shows.

I was advised later that butter would be added to the list of foods distributed, but there was a large quantity of it on hand, and that distribution would begin immediately, as soon as it was packaged. So I am delighted at the result. I am very much pleased that the Secretary of Agriculture has taken a position contrary to the information which was originally given me, and has agreed to distribute the butter available with other food available for distribution.

I hold in my hand a formal statement made by the United States Department of Agriculture, dated Washington, D. C., March 19, 1958, stating that butter is being added to the list of foods distributed in needy areas. I congratulate the Secretary of Agriculture. I commend him for the position he has taken in seeing to it that, where there is need in this country for food, commodities within his possession will be distributed to needy persons.

I ask unanimous consent that the statement to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

USDA TO DONATE SURPLUS BUTTER FOR DISTRIBUTION TO NEEDY

The United States Department of Agriculture announced today the addition of surplus butter to the foods currently being donated for distribution to needy persons within the continental United States. This action was made possible as a result of heavily increased price-support purchases of butter during recent weeks. The butter will become available to recipients at the local level as soon as it can be processed into 1-pound packages and shipped.

During the past year and a half supplies of surplus butter acquired by the Department have permitted distribution only for use in school lunch programs and by charitable institutions. In recent weeks, price-support purchases of butter have risen to an apparent rate that would permit extending the distribution of this food item to needy persons with reasonable assurance of adequate supplies continuing available for this purpose for at least the next few months.

In addition to butter, the surplus food items currently available for distribution to needy persons includes nonfat dry milk, cheese, rice, wheat flour, and corn meal.

Under its distribution program the Department of Agriculture donates surplus foods to those States that have entered into agreements to distribute these foods to needy persons certified as eligible recipients in local participating communities. At present approximately 40 States, the District of Columbia, and Puerto Rico are taking part in the distribution of surplus foods to needy persons in family units.

Mr. REVERCOMB. I thank the able Senator from Louisiana for yielding to me. I feel that our discussion of yesterday clarified a situation of considerable importance.

Mr. ELLENDER. Mr. President, as I pointed out yesterday, I did not see anything in the law which would give authority to the Secretary of Agriculture to donate surpluses abroad when there is need for them at home.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter of March 14, 1958, from the Assistant Secretary of Agriculture, to which I have just referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1958.

Hon. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: This letter is in reply to yours of February 3 regarding the possibility of obtaining additional surplus foods, especially fats or butter for distribution to economically distressed families in Louisiana.

We regret that additional surplus foods are not available at this time for this purpose. You know of course that the only sources of surplus foods for welfare donations are the Department's acquisitions under price support and surplus removal legislation. There are no current holdings or surplus supplies of farm foods like lard, shortening, and cottonseed oil, which are sometimes acquired in surplus diversion operations to stabilize the producers' prices at peak marketing seasons. Due to the favorable market conditions relative to these segments of the farm industry, no price stabilizing action has been warranted this fiscal year.

The only surplus foods in federally owned inventories and now available in adequate supply for nationwide donation to eligible needy families are price-support commodities like process cheese, nonfat dry milk, rice, meal, and flour. These food items are available to the full extent that eligible recipients can constructively utilize them without waste.

The holdings of surplus butter have been quite limited for many months, with available supplies since September of 1956 being inadequate for all eligible outlets. After a peak inventory of 466 million pounds of surplus butter in mid-1954, when all eligible outlets received donations, the Federal stocks gradually dropped to zero in March of 1956. Federal shipments of surplus butter for family-welfare distribution were suspended as of September 30, 1956, and have not been resumed; donations for use by needy and indigent persons in charitable institutions (including hospitals, orphanages, homes for the aged, child-care centers, etc.) were stopped during the period from October 1956 through July 1957.

Section 416 of the Agricultural Act of 1949, as originally enacted, expressly set forth an "order of priority" for recipients eligible to receive donated food commodities. The present section, as amended by section 302 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), omits any specific requirement of priority for donation of food commodities for use within the United States, and merely prescribes the permissible domestic outlets without specifying an order of priority as did the earlier version of the section. Donations are authorized on such terms as the Secretary may deem in the public interest. Consequently, it has been determined by the Department over the past several years to be in the public interest to distribute section 416 commodities, as well as those donated under authority of section 32 of Public Law 320, 74th Congress, in the following order: (1) to schools, (2) to charitable institutions, and (3) to needy persons who are public-welfare recipients.

Of course, no priority problem arises except when the available supply of a commodity is insufficient for donation on a nationwide basis to all eligible categories. When quantities are limited, institutions are given priority over welfare recipients largely because the quantities remaining after school lunch distribution would not be sufficient to reach all welfare recipients. We are sure you know that in order to be eligible for donated foods, a charitable institution must be nonprofit and tax-exempt and can receive surplus foods only to the extent that needy persons are served. The number of needy persons in institutions receiving assistance in this way throughout the country is approximately 1.4 million, which remains rather constant, whereas the number of needy people participating in welfare distribution has averaged around 3 million over the past few years and fluctuates widely at different seasons of the year.

Furthermore, the Department believes that placing charitable institutions in second position of preference in most cases results in the most constructive and effective use of surplus foods by outlets which are best equipped to handle and utilize them without waste. This is particularly true of food items acquired under section 32 authority, such as fresh shell eggs, frozen ground beef, or frozen turkeys, which are sometimes in excess of the short-term needs of the school lunch program but never sufficient for nationwide donation to all outlets.

The establishment of priorities by the Department results in uniformity of treatment in all States between recipients in various categories.

Although the total price support acquisitions of butter during calendar year 1957 amounted to about 173.5 million pounds, the uncommitted inventory at the end of December was only 31 million pounds. At this time the Department's surplus accumulations are on a somewhat accelerated scale, due partly to greater milk production (encouraged by large quantities and low prices of feed grains), but due also to heavy liquidations of butter supplies in anticipation of the scheduled reduction in dairy supports on April 1.

The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This matter has been under constant review for several weeks. However, in view of the needs for school-lunch programs (approximating 65 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

We are watching this situation very closely. Any change in policy will be brought to your attention. Thank you for your letter and your interest in this matter.

Sincerely yours,

DON PAARLBERG,
Assistant Secretary.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. There is nothing in the law that I can find which would justify the interpretation that the sale of foodstuffs abroad should take precedence over distribution to the needy at home. As I understand, there is nothing in the law one way or the other as to sales. I am very glad that the Secretary of Agriculture has placed an interpretation upon the law which will enable him to look after the needy in the distribution of surplus foods.

Mr. CASE of South Dakota. Mr. President, the parliamentary situation, as I understand, is that the pending amendment is the amendment offered by the Senator from Vermont [Mr. AIKEN], to strike two sections from the bill, and that there is, in preference to that, a pending and perfecting amendment offered by the Senator from Minnesota [Mr. HUMPHREY], which would make certain changes in the text of the sections proposed to be stricken by the Aiken amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE of South Dakota. I wish to speak on the implications of the perfecting amendment. The language is improved, I think, in some respects, by the proposals of the Senator from Minnesota. Certainly the striking of section 6 is desirable, because it eliminates the threat to import duties on nonstrategic materials. With section 6 remaining in the bill, if it were to become law, import duties would be waived on nonstrategic materials. To the extent that the Senator from Minnesota has responded to the suggestion of the Senator from Florida [Mr. HOLLAND] and other Senators, that is a gain.

However, I do not feel that the changes he would make in the text of section 5 meet the questions which have been raised. Superficially it might seem that striking the word "materials" and inserting "strategic materials," which is the wording of the present law, would meet the objections. However, the reason why the restoration of the wording of the present law is not responsive to the situation is that ahead of the words referred to, in the middle of section 303, there is a very material change, which takes from the Secretary the discretion he has under section 303, and makes it mandatory that he shall do certain things.

Section 303 in the present law provides:

> Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation—

He may proceed to do certain things.

The bill strikes that first clause, which relates to the Secretary having reason to believe, and so forth, and says directly, and without any qualification:

> The Secretary is directed, to the maximum extent practicable within the limit permitted by this section to barter or exchange—

And so forth. When we have done that, we have said that he shall barter or exchange for any materials of which the United States does not domestically produce its requirements.

The United States does not produce its requirements of sugar, of wool, and of a great many minerals.

Therefore we have in the first part of section 303, if it remains as it is in the bill, a direction to the Secretary of Agriculture "to the maximum extent practicable" to barter or exchange agricultural commodities for materials of whatever character, presumably, of which the United States does not produce its requirements "and which entail less risk of loss through deterioration or substantially less storage charges."

When we have broadened the field of barter in that way, we have changed the materials which are covered and which will be acquired by the United States.

Then on page 4, when we add to the word "materials", the word "strategic" so as to read "strategic materials" we have not prescribed or assured the disposition of nonstrategic materials which may have been acquired under the directive given in the first part of the changed language.

Personally I thought it was a mistake to direct and require the other agencies of Government to purchase broadly all such materials from the Commodity Credit Corporation to the extent that they were available "in fulfillment of their requirements." I believe that the insertion of the word "strategic" modifies that to a certain extent, but I do not believe it does so adequately. It does not cover the disposition of materials which might not be strategic but which would be acquired under the directive of the first part of the bill.

Mr. President, I now wish to speak for a time on another feature of the bill, but my remarks are related to this subject. For the benefit of Senators who may wish to sign their mail or who have some other duties to perform for the next 15 or 20 minutes, I assure them that unless I am taken from the floor in some way I shall speak for the next 15 or 20 minutes, in order to give them an opportunity to take care of their mail and such telephone calls as they may wish to make. I shall place the material in the RECORD or I shall read it, and I shall occupy the time in that way. I have assured other Senators who are not on the floor that there would be no votes before 6 o'clock if I am once recognized, and I shall extend that assurance to whose who are on the floor.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield, provided I do not lose the floor.

Mr. ELLENDER. I should like to ask whether the Senator proposes to discuss the amendment he intends to offer?

Mr. CASE of South Dakota. I do not propose to discuss that amendment particularly. I am going to talk about title I, and more or less by way of background.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield, provided I do not lose the floor.

Mr. WATKINS. I notice that the Senator said he had some arrangement to talk until 6 o'clock.

Mr. CASE of South Dakota. I expect to talk until 6 o'clock.

Mr. WATKINS. Does the Senator have any understanding as to when the Senate will recess?

Mr. CASE of South Dakota. I have no such understanding.

Mr. WATKINS. I thought perhaps he had some information on that subject.

Mr. CASE of South Dakota. I have no information on it.

Mr. WATKINS. I have been waiting since yesterday afternoon to make a short statement. I have not had any assurance as to how long the Senate will remain in session this evening.

Mr. CASE of South Dakota. I am sorry I cannot help the Senator from Utah.

Mr. ELLENDER. May I ask the Senator this question, in order to ascertain whether we may be able to dispose of the bill this evening? Will the Senator from South Dakota insist on his amendment?

Mr. CASE of South Dakota. Does the Senator refer to the one I have submitted and which has been printed?

Mr. ELLENDER. I do.

Mr. CASE of South Dakota. I expect to present that amendment for consideration by the Senate

Mr. ELLENDER. Aside from that amendment, there would be no further amendment to be considered than the one pending——

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. AIKEN. The Senator from Indiana [Mr JENNER] has an amendment to offer.

Mr. JENNER. Shall I offer it now?

Mr. ELLENDER. Is the amendment at the desk?

Mr. JENNER. No; I have not had an opportunity to submit it.

Mr. ELLENDER. The only amendments which are pending and which are to be considered are the amendment of the Senator from South Dakota and the amendment of the Senator from South Carolina, as I understand.

Mr. JENNER. I should like to submit my amendment.

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Indiana for that purpose?

Mr. CASE of South Dakota. I have no objection to it, provided I do not lose the floor. I ask unanimous consent that I may yield to the Senator from Indiana for that purpose, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JENNER. Mr. President, I offer the amendment which I send to the desk and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. CASE of South Dakota. May I have the attention of the distinguished Senator from Louisiana?

Mr. ELLENDER. Mr. President, will the Senator yield once more, so that I may make an announcement?

Mr. CASE of South Dakota. I shall be glad to do so, provided I do not lose the floor.

Mr. ELLENDER. Mr. President, I have been asked by the majority leader to announce that because the bad weather which is prevailing outside, it is desired not to keep the Senate in session much longer, and that there will not be any votes taken tonight.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KNOWLAND. I have just talked with the majority leader. Because of the lateness of the hour and the bad weather outside, the majority leader has recommended—and I concur in his recommendation—that as soon as the discussion has been completed, the Senate go over until tomorrow. This will enable Senators and the members of the staff to get home before the storm gets worse.

Mr. CASE of South Dakota. Mr. President, with respect to the portion of the bill which we have been discussing, I wonder if the Senator would look at page 4, line 9, the sentence which deals with the acquisition of the materials, and consider the possibility of placing a period after the word "Corporation" in line 9.

It occurred to me that that sentence might merely read, "materials" or "strategic materials"—either one—"so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation."

It would then be possible to obviate the fear which some Senators have expressed that other agencies of the Government, in purchasing such materials, would be required to purchase them from the Commodity Credit Corporation inventories to the extent available, regardless of the materials which might be on the open market.

That is a built-in guide to depressing the market price for whatever materials may be on the market, if there are also some in the possession of the Commodity Credit Corporation.

Mr. ELLENDER. The amendment now under discussion has been studied to a large extent by the Senator from Minnesota [Mr. HUMPHREY]. Before giving a positive answer as to whether a period should be placed after the word "Corporation," I wish to consult with him.

Mr. CASE of South Dakota. I also suggest striking the remainder of the sentence.

Mr. ELLENDER. Yes. As I understand, all the strategic material would be handled under the amendment proposed by the Senator from Minnesota [Mr. HUMPHREY] in the same manner as is now the case.

Mr. CASE of South Dakota. What would happen to the nonstrategic materials?

Mr. ELLENDER. The same as happens now.

Mr. CASE of South Dakota. Except that now the Secretary can use his discretion. He has to believe that the action he takes will add to the value of the assets of the Corporation. Under the language in the first part of the section, as changed, he is directed to go ahead and acquire such materials.

Mr. ELLENDER. I understand that; but the point is that after a material is acquired, it would then be handled in the same manner as is now the case. Personally, I do not see any difference in the handling or the administering of barter under the bill from what was the case before the order was issued by the Secretary last May.

The evidence discloses that by action of the Secretary of Agriculture, bartering has actually been stopped. In other words, bartering is a mere trickle now compared with what it once was.

What the committee sought to do was to direct the Secretary to proceed to barter along generally the same lines and in the same manner as he did before. I do not know of anything in the amendment which would change the practice, except that we have provided yardsticks or methods according to which he must proceed.

Mr. CASE of South Dakota. Would not the Senator from Louisiana agree that when we provide that the Secretary must proceed to barter for anything as to which the United States does not domestically produce its requirements——

Mr. ELLENDER. To the extent practicable, yes he has discretion as to what he will barter for within the terms of the bill.

Mr. CASE of South Dakota. The Secretary might convert surpluses of wheat into some sugar?

Mr. ELLENDER. No.

Mr. CASE of South Dakota. We do not produce sufficient sugar to meet our needs.

Mr. ELLENDER. But sugar is under a quota provided by law. Certainly the Secretary could not bypass that law.

Mr. CASE of South Dakota. What about wool?

Mr. ELLENDER. I do not think the Secretary could bypass that law.

Mr. CASE of South Dakota. What about wool?

Mr. ELLENDER. There is a support price on wool. I hope the Secretary would exercise his judgment and not barter for any commodity on which there is a support price.

Mr. CASE of South Dakota. We have taken away the discretion he had and are saying that he is directed, to the maximum extent practicable.

Mr. ELLENDER. That is correct. We have taken away his discretion as to whether he will have a substantial program.

Mr. CASE of South Dakota. "Practicable" does not carry with it the discretion contained in the old language, under which the Secretary had to have reason to believe that there would be an opportunity to protect the funds and assets of the Corporation.

Mr. ELLENDER. I simply desired to stress the point. Is the Senator now saying that the Secretary of Agriculture could have bartered for sugar or wool under the old system?

Mr. CASE of South Dakota. I do not know.

Mr. ELLENDER. He could have.

Mr. CASE of South Dakota. I think the new language raises a doubt.

Mr. ELLENDER. He could have, but I do not believe he would have, because there is a quota system for sugar. On the other hand, I doubt that the Secretary of Agriculture would desire to barter any crops on which there were support prices. To do so would aggravate the situation.

Mr. CASE of South Dakota. I shall renew that question later or bring it to the attention of the Senate tomorrow.

I shall now proceed with a discussion of the background of Public Law 480, particularly that portion of title I which deals with the sale of agricultural commodities for foreign currencies. Since I see that it is nearing 6 o'clock, instead of reading a great deal of material, I shall ask permission to have certain matters printed in the RECORD, preceded by such introductory remarks as may be necessary.

The background of Public Law 480, which relates to the sale of surplus commodities for foreign commodities, is found in hearings which the Committee on Armed Services conducted in March 1953. General Van Fleet had returned from Korea, and to him the Senator from Georgia [Mr. RUSSELL] addressed this question:

> Some very disquieting reports have come back to us as to the ration of the ROK's; some of the reputable press services have reported that as many as 7,000 soldiers a month from the Republic of Korea armies are being hospitalized due to malnutrition and tuberculosis, and that they are receiving a diet that has such a low caloric content—would you care to comment on that now, or do you prefer to do that in executive session?
>
> General VAN FLEET. No, sir; I will be glad to do it openly. I think we should air the whole matter.
>
> Senator RUSSELL. I am very much interested in it.
>
> General VAN FLEET. The basic diet of an oriental is rice, and they measure the quantity by a measure they call a hop. You get 6 hops a day, 2 hops per meal, and a hop—they measure it off in a little container, and smooth it off, and there is a cubic measure of dry rice. When it is cooked up, those 2 hops make a nice big bowl of rice, whole-grain rice, so it has got all the vitamins in it. It is not polished rice, as we get used to.
>
> That big bowl of rice fills the man's stomach and, you might say, satisfies the hunger appetite.
>
> Now, to put in the other balanced ingredients he gets vegetables. Well, he gets a supplement there of vegetables, and some fish, a little meat, and a type of pickle there they call kimchee. It has a lot of vitamins in it, like a sauerkraut.
>
> * * * * *
>
> Now, that ration is enough to normally keep the man in good condition. In hard battle, in hard cold, in strenuous work, he would like to have more, but the Army ration is more than the civilian ration, than the civilian is getting, far more, far better taken care of than the average civilian in Korea.

I shall skip several paragraphs. The Senator from Georgia then asked this question:

> The other angle is the reports are that the Communist prisoners that we have captured are receiving a better ration than our allies who are fighting with us in a joint

military venture in a war in which the lives of thousands of our men are involved.

Is it true that the Chinese Communists and North Korean prisoners get a better ration than our Republic of Korea troops?

General VAN FLEET. That condition has existed for a long period of time. I am advised that it has been corrected since I left Korea, but we have recommended repeatedly that the South Korean soldiers who are guarding these Communists get the same rations as the PW's do.

A little later, another question was asked by the Senator from Georgia [Mr. RUSSELL], as follows:

Why don't you give it to the Communists? They are orientals, too.

General Van Fleet replied:

Because we have to live up to the Geneva Convention which says that we have to give them our ration, and you have an International Red Cross there that submits a derogatory report every time they see it falling short in the slightest. We have to give them warmed barracks, hot showers, where orientals never had that.

Later in the interrogation that morning, General Van Fleet said:

The country has never produced enough food, even when it was occupied by the Japanese. They had to import a great deal of grain.

The average Korean family wears the same clothes they had before the war, which are just a few pieces of rags, plus what some charity has sent over there for the welfare program.

They are on a starvation diet, and with great need for shelter, clothing, farm tools, fertilizer, seed, livestock, to get reestablished on their farms properly.

Mr. President, it is not necessary for me to read all the testimony. But the general tenor of his testimony was that in Korea there was a shortage of food and a tremendous inflation; and that with the average Korean farmer called off to war, the Koreans were producing less food, and more money was being issued, with a consequent inflation of food prices.

At one point the Senator from Tennessee [Mr. KEFAUVER] asked:

Then, General Van Fleet, from a humanitarian viewpoint, as well as to help sustain the fighting qualities of the Koreans, you would hope that the American people would realize the necessity for additional charity; that anything that could be done to get surplus food products to Korea, would be very much in the public interest?

General Van Fleet replied:

Very much so, Senator. That program is lagging.

The hearing proceeded throughout that day.

On the next day, when I was reached in the order of questioning, I asked General Van Fleet this question:

Just one or two questions with respect to assistance in the way of food and supplies in Korea. Could you estimate what increase in efficiency of present ROK troops would be achieved if their diet were brought up to that of the prisoners of war?

General Van Fleet replied:

I am very much in favor of an increase in the ROK ration, but I would leave that increase to be worked out by our authorities in Korea, and I would not make it too big an increase. I do not have the facts before me to compare it with the POW diet.

Then I said:

A letter was forwarded to me by the father of a soldier, which I just received yesterday, which pretty well supports what you were saying about the diet there. He was complaining that the PW's, the prisoners of war, under our care were getting better food than the Korean soldiers, and also they were getting uniforms and clothing that was better than the Korean soldiers.

I think the American people generally would support the idea that with the food supplies that we now have, they would support providing more food for the Koreans, both civilian and military, if it could be translated into terms of (1) greater efficiency of troops; (2) fewer ROK troops going to the hospital; and, (3) possibly, the increase of troops available.

That was on March 6, 1953.

I then undertook to study the matter somewhat.

On March 9, 1953, I wrote to the Honorable Ezra Taft Benson, Secretary of the Department of Agriculture, a letter from which I shall read the first few paragraphs, and then I shall ask that the entire letter be printed in the RECORD.

I now read from my letter of March 9, 1953:

MY DEAR MR. SECRETARY: Attached you will find a copy of an informal draft of a bill which I propose to introduce in the Senate today, which would authorize you to sell the Republic of Korea food and clothing, commodities and to receive in payment legal currency of the Republic of Korea. The exact form and details are subject to revision, of course, but I hope that the general proposition will appeal to you and may have your support.

You will note that the bill also directs the Treasury to credit such currency against debentures of the Commodity Credit Corporation and to place it in a Korean Reconstruction Fund and creates a Joint Committee of the Congress to investigate conditions in Korea and recommends a program of reconstruction through the use of the fund so created.

Then in my letter I referred to the testimony given by General Van Fleet before the committee.

I concluded the letter with the following sentences:

Eventually, the United States will rehabilitate South Korea. * * *

Why not help ourselves by helping the South Koreans now—using some of the fibre and food products which the Commodity Credit Corporation is buying—thereby translating these growing stocks into strength at the front and providing the local currency funds that can be used in Korean rehabilitation later on?

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., March 9, 1953.

The Honorable EZRA TAFT BENSON,
Secretary, Department of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: Attached you will find a copy of an informal draft of a bill which I propose to introduce in the Senate today which would authorize you to sell the Republic of Korea food and clothing commodities and to receive in payment legal currency of the Republic of Korea. The exact form and details are subject to revision, of course, but I hope that the general proposition will appear to you and may have your support.

You will note that the bill also directs the Treasury to credit such currency against debentures of the Commodity Credit Corporation and to place it in a Korean Reconstruction Fund and creates a joint committee of the Congress to investigate conditions in Korea and recommends a program of reconstruction through the use of the Fund so created.

On February 26, the Associated Press reported Korean Defense Minister Shin Tae Young as saying: "The ROK soldier is getting only about one-third the calories he needs from rice and a few side dishes."

Last week, in the Senate Committee on Armed Services we heard Lt. Gen. James Van Fleet say that both the military and civilian populations of South Korea were living on a diet below that which we provide for our prisoners of war under the Geneva convention.

General Van Fleet also testified that fewer South Korean troops would go to the hospital, that more South Korean men could qualify for military service, that efficiency at the front would be improved if they had a better diet. He also said that many of the civilians are wearing the ragged remnants of the clothes they had on their backs when the invasion took place almost 3 years ago.

Eventually, the United States will rehabilitate South Korea. That would be in keeping with our traditions and the spirit of our people toward an ally to say nothing of the destruction occasioned by our own troop movements.

Why not help ourselves by helping the South Koreans now—using some of the fiber and food products which the Commodity Credit Corporation is buying—thereby translating these growing stocks into strength at the front and providing the local currency funds that can be used in Korean rehabilitation later on?

Using food to win the war and build the peace beats putting bluing on potatoes or burning wheat or killing pigs.

Respectfully submitted.

FRANCIS CASE,
United States Senator, South Dakota.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the bill I introduced—in keeping with the statement contained in the letter; it is Senate bill 1230, of the 83d Congress, 1st session, which was introduced by me, on behalf of myself and my colleague [Mr. MUNDT] on March 9, 1953—be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1230

A bill to provide for the strengthening of the Republic of Korea as an ally against aggression and for the reconstruction of that country from the ravages of war in resisting aggression

Resolved, etc., That the Secretary of Agriculture is hereby authorized, through the facilities of the Commodity Credit Corporation to acquire domestic supplies of wool, cotton, grains, dairy, poultry, and meat products, and to sell and deliver such commodities to the Republic of South Korea in an amount not exceeding $500 million under the authority of this act, and to accept legal currency of the Republic of Korea in payment therefor. In carrying out the provisions of this section, the Secretary of Agriculture shall, insofar as practicable, utilize stocks of such commodities as may be acquired by the Commodity Credit Corporation or the Secretary in carrying out other provisions of existing law.

SEC. 2. The Secretary of the Treasury is authorized and directed to receive from the Secretary of Agriculture currency of the Republic of Korea acquired pursuant to the authority of section 1 of this act and to credit such receipts in payment for and retirement of debentures or other evidences of indebtedness of the Commodity Credit Corporation to the Treasury and to deposit this currency in a special fund for Korean Reconstruction and Rehabilitation.

SEC. 3. There is hereby created a Joint Select Committee on Korean Reconstruction and Rehabilitation to consist of five Members from the Senate of the United States to be named by the President of the Senate and five Members from the House of Representatives to be named by the Speaker of the House of Representatives. This committee shall investigate the economic and social conditions of South Korea growing out of the resistance of the Republic of Korea to aggression and shall report its findings to the Congress not later than January 15, 1954, together with its recommendations for the reconstruction and rehabilitation of South Korea through the use of the Korean Reconstruction and Rehabilitation Fund provided by section 2 of this act. The expenses of such committee shall be provided from the contingent funds of the Senate and House of Representatives by appropriate resolution.

Mr. CASE of South Dakota. Mr. President, some time later, some question was raised as to the origin of the proposed legislation relating to the sale of surplus agricultural commodities for foreign currencies. I asked the Legislative Reference Service of the Library of Congress to make a determination of the chronological history of legislative measures proposing the exchange of surplus agricultural commodities for foreign currencies.

I received a memorandum under date of July 9, 1954. Apparently it was prepared by Mr. Samuel H. Still, of the American Law Division of the Legislative Reference Service of the Library of Congress. I shall read the first paragraph of the memorandum, and then I shall ask that the remainder of this chronological history be printed in the RECORD.

The first paragraph of the memorandum reads as follows:

The first bill providing for exchange of surplus agricultural commodities for foreign currencies was S. 1230, offered in the Senate during the first session of the 83d Congress, on March 9, 1953 by Senator CASE, on behalf of himself and Senator MUNDT. S. 1230 provided for the sale of surplus domestic supplies of wool, cotton, grains, dairy, poultry, and meat products to the Republic of South Korea, payment to be made in the local legal currency of that Republic.

Mr. President, I ask unanimous consent that the entire three-page memorandum from Mr. Still, of the American Law Division, on the chronological history of this legislation, be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JULY 9, 1954.

To: Senator FRANCIS CASE.

Subject: Chronological history of legislation proposing the exchange of surplus agricultural commodities for foreign currencies.

The first bill providing for exchange of surplus agricultural commodities for foreign currencies was S. 1230, offered in the Senate during the first session of the 83d Congress, on March 9, 1953, by Senator CASE on behalf of himself and Senator MUNDT. S. 1230 provided for the sale of surplus domestic supplies of wool, cotton, grains, dairy, poultry, and meat products to the Republic of South Korea, payment to be made in the local legal currency of that Republic.

After the original bill (S. 1230) had been introduced the idea of exchanging our surplus commodities for foreign currencies was discussed at length during the many hearings of the Agricultural Committees of both the Senate and the House. Several similar bills were introduced and the Senate on July 1, 1953, adopted the McClellan amendment to the mutual-security bill (S. 2128) which was subsequently rewritten in conference to become section 550 of the Mutual Security Act. The McClellan amendment, modified by the Case proposal to include livestock (meat and meat products), provided for the purchase of between $100 million and $250 million worth of surplus agricultural commodities to be sold by the United States to friendly countries for foreign currencies (sec. 550 of the Mutual Security Act of 1951, as amended, by Public Law 118 (H. R. 5710, 83d Cong., 1st sess., July 16, 1953).

Since the introduction of S. 1230 by Senator CASE on March 9, 1953, the following bills providing for use of foreign currencies for the purchase of our surplus agricultural commodities have been introduced:

March 11, 1953: Senate Joint Resolution 56, to provide for creation of an international food reserve.

March 12, 1953: House Joint Resolution 224, to provide for the creation of an International Food Reserve.

March 18, 1953: S. 1369, to establish a foreign trading division in the Commodity Credit Coporation in order to promote the disposal in foreign countries of surplus agricultural commodities.

March 18, 1953: H. R. 4087, to amend the Agricultural Act of 1949 to authorize the Secretary of Agriculture to sell certain agricultural commodities to the Republic of Korea, and for other purposes.

June 4, 1953: S. 2048, to provide for the use of surplus agricultural commodities in paying for offshore purchases of military supplies and other goods and services.

June 10, 1953: S. 2112, to provide for the transfer of price-support wheat to Pakistan [counterpart fund of only 5 percent of receipts by Pakistan Government from those able to pay].

H. R. 5659 (companion to S. 2112).

H. R. 5660 (identical to H. R. 5659).

H. R. 5661 (identical to H. R. 5659).

June 11, 1953: S. 2127, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 15, 1953: H. R. 5714, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 26, 1953: H. R. 5954, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 29, 1953: The McClellan amendment to S. 2128 was presented in the Senate, formally offered and adopted with Case modification July 1, 1953. (See Public Law 118 (sec. 550 of Mutual Security Act), 83d Cong.)

July 24, 1953: S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the United States.

August 3, 1953: H. R. 6845, to authorize the President to use agricultural commodities to improve the foreign relations of the United States.

All of the above bills were offered during the first session of the 83d Congress. During the second session, the following bills have been offered: H. R. Nos. 7875, 8267, 8268, 8269, 8270, 8271, 8278, 8327, 8396, and 9389.

SAMUEL H. STILL,
American Law Division.

JULY 9, 1954.

Mr. CASE of South Dakota. Mr. President, following my introduction of the bill in the 83d Congress, I received a call from the Honorable You Chan Yang, known to many of us as Dr. Yang, the Korean Ambassador. He called to express his appreciation of the introduction of the bill, which was designed to improve the food supplies for Korea, to combat their inflation, and at the same time to provide a practical way for us to dispose of some of our surpluses and to acquire currencies which would save dollars in the rehabilitation of Korea.

Following his visit, Dr. Yang wrote to me a letter, which was dated March 25, 1953. In the letter he reviewed the needs of Korea, and supplemented what I have indicated regarding the desirability of legislation along this line.

I ask unanimous consent that Ambassador Yang's letter of March 25, 1953, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KOREAN EMBASSY,
Washington, D. C., March 25, 1953.

The Honorable Senator FRANCIS CASE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CASE: It was a great pleasure for Mr. Han, our counselor, and me to meet you and your assistant this morning, and I want to thank you for taking time out to talk with us.

Again, I wish to repeat what I have written to you and what I have told you—namely, that I am very grateful to you for having given serious thought to the whole problem of relieving our very grave economic needs in Korea.

In compliance with your request, I wish to state the following:

As you well know, this horrible war has been going on for the last 3 years in Korea, and more than 1,000 villages have either been destroyed or seriously crippled. More than 50 cities and towns have met the same fate during the course of the fighting in Korea. Ten million of our people have been made homeless, and there are more than 100,000 innocent children who have become orphans. Bombing from the south, bombing from the north, bombing from the east, and bombing from above cause a great deal of destruction in Korea, and this explains why most of our agricultural production has been seriously disrupted. Furthermore, there are virtually no facilities for the production of consumer goods.

I am sure that you can understand very readily why we need help. We have to feed these homeless people, we have to clothe them, and particularly the unfortunate orphans must be fed and clothed also.

Naturally, the food problem is one of the most acute difficulties our people face. We have to supply our population and particularly our armed forces, and, despite the fact that many well-meaning non-Korean organizations have been assisting us, the problem still remains serious. That is why whatever you can do in this respect would be a tremendous contribution to the betterment of

the general well-being of our people. Grains such as barley, wheat, rice, corn, soya beans, and even flour would be most welcome to us. Any poultry products as well as other meats would be an invaluable addition to the task of meeting the shortage of food in Korea. However, dairy produce such as cheese, butter, and liquid milk would not be suitable, because the Korean dietary habits have not as yet been developed to include a taste for these items. On the other hand, it is my firm belief that powdered milk would be very useful, particularly for the children in Korea.

Any assistance that can be given to relieve the suffering of our people, particularly with regard to the need for food and clothing materials such as woolen and cotton goods, would mean a tremendous uplift in the morale of my countrymen.

I am sure that you will agree with me that, if the families and dependents of our soldiers in Korea as well as the police, who also have shared the burden of fighting in Korea, are given a more ample supply of food and clothing, the morale of our fighting soldiers and police would be greatly strengthened. Such help would make a direct contribution to the even more essential military operations in Korea.

As I told you this morning, due to the poor living conditions, because of the war, 30 percent of our people are tuberculosis cases. If something is not done to alleviate this situation, it may mean national suicide.

You may remember my comment on the farm animals. The losses in virtually all forms of livestock have been very heavy, and there has been a very sharp decline in the number of draft animals for tilling the soil. I am sure that in ameliorating this condition it would mean an increase of agricultural produce in Korea.

I also called to your attention our need for ships. Early in 1952 a bill was introduced by Senator WARREN MAGNUSON to authorize the transfer of 50,000 tons of ships to be used by Korea. This was passed in the Senate, but to our great regret the bill failed to get recommendation in the House.

In the last few years, kindhearted American people, through their churches, other organizations, and, in many cases, individuals, have collected large quantities of relief goods for our refugees in Korea. May I call to your attention that many times in the past these goods have failed to reach Korea because of the lack of transportation.

If we had, for example, 10 Liberty-type ships, there could be a continuous flow of transportation not only for our relief goods but also for grains that have been purchased now in the process of being sent to Korea. It would mean further that these ships could go to Korean ports directly instead of stopping first in Japan. This would eliminate piling up of goods due to lack of shipping space. Our Government, despite its very difficult financial situation, has been using its meager dollar funds for the purchase of grain in this country and elsewhere as well as for the transportation of these grains at a cost of up to $13 per ton. If we had these ships, the cost for transportation could be greatly reduced, and, naturally, this reduction would help us immensely. Ten of these ships could transport 40,000 to 50,000 tons of cargo per month.

The above is about the gist of our conversation this morning, and if there is anything I can do, please do not hesitate to call on me.

Very sincerely yours,

YOU CHAN YANG,
Korean Ambassador.

Mr. CASE of South Dakota. Mr. President, there has been an interesting sequel to all this. First of all, there has been legislation which we have come to know as Public Law 480. The idea of selling surplus agricultural commodities or exchanging them for foreign currencies was one which caught on very rapidly, and numerous bills were introduced subsequently to implement the idea and to extend it to the broad field of other countries, as well as to Korea.

I think one of the most interesting incidents that has happened has been the recent signing of a special agreement with the Republic of Korea, providing for the sale of $50 million worth of United States agricultural commodities.

I have in my hand a press release issued by the United States Department of Agriculture on February 5, 1958, almost 5 years from the beginning of the idea, in which the Department of Agriculture announced an agreement with the Republic of Korea for the purchase by that country of $50 million worth, including certain ocean transportation costs, of United States surplus agricultural commodities. The release states that the agreement was negotiated under title I of Public Law 480.

Then the statement by the Department goes on to list the commodity composition of the agreement, which included $24.5 million worth of wheat; $12.3 million worth of barley; $2.1 million worth of grain sorghums; $1.5 million worth of corn; and $9.6 million worth of ocean transportation. The release states that "Sales under this program will be made by private United States traders. Details of purchase authorizations will be announced later."

The release further states:

The agreement provides that $2 million equivalent of the hwan (Korean currency) obtained as sales proceeds will be set aside as loans to United States and Korean private enterprise. These loans will be made by the Export-Import Bank of Washington, Washington 25, D. C. Information concerning these loans can be obtained from that agency.

(Further information regarding this program may be obtained from the Foreign Trade Programs Division, Foreign Agricultural Service, U. S. Department of Agriculture.)

Mr. President, the signing of that agreement was witnessed by several Members of Congress. I considered it to be a privilege to be among those invited, although I had no prior notice of the date at which the signing was going to take place. A number of us were invited to the ceremony. My friend and colleague, the distinguished Senator from California [Mr. KUCHEL] was among those invited, as was also the Honorable OTTO KRUEGER, a Member of the House of Representatives from the State of North Dakota. Other Representatives were present, including Representative CHARLES M. TEAGUE, from California; and also some attachés, the Under Secretary of Agriculture, True D. Morse, and His Excellency, the Korean Ambassador, Dr. You Chan Yang, who had, 5 years before, come to call on me to express his appreciation of the initiation of the proposal.

On that occasion, the Under Secretary of Agriculture, Mr. Morse, made a statement, as did Dr. Yang, the Korean Ambassador.

I ask unanimous consent to have printed at this point in the RECORD the statement of Under Secretary of Agriculture True D. Morse, in connection with the Public Law 480 agreement with Korea, as made by him and read to the group present on the 5th of February 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNDER SECRETARY OF AGRICULTURE TRUE D. MORSE IN CONNECTION WITH THE PUBLIC LAW 480 AGREEMENT WITH KOREA

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, February 5, 1958.

I am happy to have the press here this morning to announce that a commodity agreement was signed earlier today in Seoul with the Government of the Republic of Korea for the sale to that country of $50 million worth of United States agricultural commodities.

A brief ceremony has been arranged here with His Excellency, Dr. You Chan Yang, the Korean Ambassador to the United States along with some Members of Congress.

This agreement has been negotiated under title I of Public Law 480 which provides for financing the sale of surplus agricultural commodities for foreign currency. The agreement provides for the sale of $24.5 million worth of wheat, or about 400,000 metric tons; $12.3 million worth of barley, or about 285,000 metric tons; $2.1 million worth of grain sorghums, or about 50,000 metric tons; and $1.5 million worth of corn, or about 30,000 metric tons. In addition, the United States will finance ocean transportation costs estimated at $9.6 million.

Mr. Ambassador, the negotiation of this agreement gives me much personal satisfaction. It brings the market value of title I agreements with your country to more than $130 million. I believe the conclusion of these agreements points up the ability of our countries to work toward the solution of problems of common concern.

The commodities to be sold under the new agreement will be helpful to us in our efforts to move agricultural surpluses in a constructive manner. The sale, totaling about 765,000 metric tons of food and feed grains, will be welcome to our grain producers.

Mr. Ambassador, we hope this agreement will be of assistance to your country. In addition to help that the commodities will be in increasing available supply levels in Korea, a very substantial portion of the hwan the United States receives in payment for them will be used to assist in the support of Korean military forces. A portion will also be used for loans to United States and Korean private business firms through the Export-Import Bank of Washington with the concurrence of the Korean Government.

Now, Mr. Ambassador, we would be happy to hear from you.

Mr. CASE of South Dakota. Following that, Mr. President, I ask unanimous consent to have printed in the RECORD, in full text, the statement by Dr. Yang, made at the same ceremonies on the 5th of February 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. YOU CHAN YANG, KOREAN AMBASSADOR TO THE UNITED STATES, IN CONNECTION WITH THE PUBLIC LAW 480 AGREEMENT BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES OF AMERICA

It is a very great pleasure as well as a privilege for me to respond to your words on behalf of my people and the Government of the Republic of Korea.

As you point out, this is a further evidence of the splendid relations existing between our two countries, and the commodities

which we will receive as a result of this Agreement which has been so quickly negotiated under title I of Public Law 480 will be of tremendous assistance in improving our general economy. Furthermore, our armed forces, as well as our business and industrial communities, will be in a position to benefit because of the amount of hwan to be used for credit and development purposes.

I am sure you all realize that my country is still doing its utmost to repair the ravages of Communist war. This has been a most difficult task. In fact, without the material aid of a direct nature which we have received from America in the past, it would have been a virtually impossible task. But I am happy to tell you gentlemen that the Korean people have willingly shouldered their many burdens and responsibilities, because they have realized that the country which was their chief partner in the fight against aggressive communism is today their chief partner in rehabilitation and reconstruction.

We Koreans wish to help ourselves as much as possible, and there is visible proof all over my country of this desire. This feeling has become the keystone of nearly all of our activity, because, and I say this with pride, we are a hardworking people, and we have never wanted to be on any international breadline.

The agreement signed today providing for the sale of surplus agricultural commodities to Korea further confirms the determination of both my government and my fellow citizens of Korea to put our nation on a completely self-sustaining basis. If a steady flow of these commodities is made available, our factories will have material to make the finished products my country needs so urgently.

With the help of God and the cooperation of the American Government and its people we are bringing this determination to a happy and prosperous realization. But I repeat, our achievement would not have been possible had it not been for American understanding and assistance.

Mr. CASE of South Dakota. When the President submitted a report to the Congress on the 4th of February 1958—that was the day just prior to the signing of the agreement with Korea—he stated:

Since the beginning of the program, agreements for the sale of agricultural commodities for foreign currency under title I total $3,343.2 million estimated CCC cost ($2,300.8 million at export market value), of which $332.8 million ($205 million at export market value) represents agreements signed during the period covered by this report.

I thought the sale of almost $3.5 billion worth of agricultural commodities for foreign currencies under title I was a remarkable record.

Mr. President, I ask unanimous consent that the portion of the President's statement which appears under the heading "Title I. Foreign Currency Sales Agreements Signed," and consisting of pages 3, 4, 5, and 6, down to the heading "Programs Carried on Through the Use of Public Law 480 Foreign Currencies," may be printed in the RECORD at this point.

There being no objection, the portion of the statement was ordered to be printed in the RECORD, as follows:

TITLE I. FOREIGN CURRENCY SALES AGREEMENTS SIGNED

Seven agreements, or supplements to agreements, involving a CCC cost of approximately $332.8 million, were entered into with seven countries during the period July-December 1957. The commodity composition, export market value, and CCC cost of these agreements are shown in table I:

TABLE I.—*Commodity composition of agreements signed, July–December 1957*

Commodity	Unit	Approximate quantity	Export market value	CCC cost
			Million	*Million*
Wheat and wheat flour	Bushel	[1] 51,994,000	$87.9	$139.8
Feed grains	do	[2] 31,524,000	40.0	91.9
Rice	Hundredweight	2,182,000	14.4	22.6
Cotton	Bale	122,600	19.5	25.7
Tobacco	Pound	4,731,000	2.7	2.7
Dairy products	do	54,284,000	13.4	23.0
Fats and oils	do	16,764,000	2.4	2.4
Fruits	do	882,000	.1	.1
Total commodities			180.4	308.2
Ocean transportation			24.6	24.6
Total, including ocean transportation			205.0	332.8

[1] Wheat and wheat equivalent of flour.
[2] Corn, 30,700,000 bushels

One hundred and seven agreements, or supplements to agreements, with a total CCC cost of $3,343,200,000, have been entered into with 35 countries since the inception of the program. The commodity composition, export-market value, and CCC cost of these agreements are shown in table II.

TABLE II.—*Commodity composition of all agreements signed through Dec. 31, 1957*

Commodity	Unit	Approximate quantity	Export market value	CCC cost
			Million	*Million*
Wheat and wheat flour	Bushel	[1] 507,292,000	$851.8	$1,462.4
Feed grains	do	[2] 107,776,000	135.4	244.5
Rice	Hundredweight	25,507,000	165.0	289.1
Cotton	Bale	2,813,400	425.8	595.2
Cotton linters	do	15,400	.3	.3
Meat products	Pound	150,962,000	40.4	40.4
Tobacco	do	165,591,000	113.4	113.4
Dairy products	do	182,253,000	35.7	50.3
Fats and oils	do	1,777,768,000	277.6	283.2
Poultry	do	3,000,000	1.2	1.2
Dry edible beans	Hundredweight	44,000	.4	.4
Fruits and vegetables	Pound	124,834,000	5.9	5.9
Seeds	Hundredweight	9,000	.4	.4
Total			2,053.3	3,095.7
Ocean transportation			247.5	247.5
Total, including ocean transportation			2,300.8	3,343.2

[1] Wheat and wheat equivalent of flour.
[2] Corn, 56,815,000 bushels. Oats, 5,806,000 bushels. Barley, 33,143,000 bushels. Grain sorghums, 12,012,000 bushels.

Title I shipments since the beginning of the program totaled approximately $1,650 million at export market value through December 31, 1957, of which about $250 million was shipped during the reporting period. The export market value of commodities programed under all agreements signed through December 31, 1957, was $2,053.3 million (excluding ocean transportation costs).

Shipments during the reporting period dropped sharply from the high levels attained in the January-June 1957 period because of reduced programing during calendar year 1957. The reduction in programing resulted from the limited availability of funds during the first 7 months of calendar year 1957 prior to extension of the program by the Congress and the time required to develop and negotiate country agreements following the increase in authorization. It is expected, however, that shipments will increase substantially during the next 6 months.

USUAL MARKETINGS

In accordance with the provisions of title I, appropriate assurances have been obtained from participating governments which require reasonable safeguards that sales of agricultural commodities for foreign currencies shall not displace United States usual marketings or be unduly disruptive of world market prices. Also, sales for foreign currencies under title I generally have been made at prices comparable to those prevailing in the market for export sales for dollars.

ROLE OF PUBLIC LAW 480 PROGRAMS

The sixth semiannual report provided statistics on exports under Public Law 480 compared with total exports during the fiscal year ending June 30, 1957. A similar analysis will be made in the next report for the year ending June 30, 1958.

ACCOUNTING FOR TITLE I COSTS

The CCC cost of commodities included in agreements signed through December 31, 1957, is estimated at $3,095.7 million. This includes the costs of acquisition of commodities at domestic support prices, storage costs, processing, and inland transportation. In addition, CCC will pay ocean transportation costs of $247.5 million for commodities required to be shipped on private United States-flag vessels. These commitments total $3,343.2 million.

The United States Government will receive foreign currencies in payment for the export market value of these commodities and the ocean transportation financed. The export market value of these commodities is $2,053.3 million, which is $1,042.4 million less than their cost to CCC.

The total CCC cost of $3,343.2 million is charged to agricultural programs as a surplus disposal operation. At the end of each fiscal year the realized loss is calculated and an appropriation is requested to reimburse CCC. Appropriations totaling $704 million have been made to reimburse CCC for losses realized through June 30, 1956. An appropriation of $1,290.8 million for costs during fiscal year 1957 will be requested at this session of Congress.

Mr. CASE of South Dakota. Mr. President, the portion of the President's report which deals with the programs carried on through the use of foreign

currencies under Public Law 480 is most interesting, but it has been dealt with in some of the statements heretofore made.

At this point I merely wish to read into the record one paragraph which appears on page 7 of the President's report, under the title "Military Housing." I shall read the portion because it is brief and because I want to make a direct comment on it. The President said:

> Use of foreign currencies for the construction of military family housing abroad as authorized by Public Law 161, 84th Congress, supplements the current Defense Department construction appropriation. On the other hand, over the years, dollar reimbursement of the capital cost of the housing will be made to CCC out of appropriations for the quarters allowances of the personnel occupying the housing. It is estimated that 15 to 20 years will be needed to effect full reimbursement without interest, assuming full occupancy and normal maintenance costs. Through December 31, 1957, $73 million in foreign currencies had been allocated for this purpose.

I invite attention to that language, Mr. President, because the possibility of using agricultural surplus commodities for the acquisition of military housing overseas and for supplying funds for financing other military requirements overseas is one which appealed to me very strongly. In the fall of 1953, following the introduction of legislation proposing sale of agricultural commodities for foreign currencies, it was my privilege, with the then Senator Duff, of Pennsylvania, and the Senator from Mississippi [Mr. STENNIS]—the three of us comprising a Subcommittee on Military Construction—to visit several countries overseas, and to investigate our military construction requirements.

We were in Spain at the time the base agreement was being negotiated with Spain, under which certain Air Force installations were to be constructed. We noted that Spain that year had a drought and was going to be short of wheat. We proposed in connection with the visit and subsequently that efforts be made to acquire Spanish currency in the form of pesetas, which might be stored more readily than wheat and used to pay some of the construction costs.

There was some delay in having the suggestion carried out, so on the 27th of January 1954, the first month of the Congressional session following our visit overseas, as chairman of the Subcommittee on Real Estate and Military Construction of the Committee on Armed Services of the Senate, I conducted hearings, at which were also present former Senator Duff, the Senator from Mississippi [Mr. STENNIS], and the late Honorable Pat McCarran, a United States Senator from Nevada. We invited representatives from the Department of Defense, the Department of State, and the Department of Agriculture to investigate ways whereby surplus commodities might be more widely utilized in meeting our construction costs for the bases in Spain. Present representing the Department of State was the Honorable Samuel C. Waugh, Assistant Secretary of State for Economic Affairs. Also present were Mr. John H. Davis, Assistant Secretary of Agriculture, and Rear Adm. Joseph F. Jelley, Director of Construction for the Department of Defense. Admiral Jelley was the person to be in charge of the construction work in Spain.

The hearing record on that occasion made about 22 pages. I shall not ask to have the hearing printed in the RECORD at this time, but I cite it for reference. The hearing was held January 27, 1954, and the record is available, printed for the use of the Committee on Armed Services.

The hearing explored the possibilities as to the use of agricultural commodities and laid the foundation for the sale of a considerable amount of wheat to Spain, which was converted into Spanish currency and subsequently used in meeting construction costs there.

In the military construction bill of 1954—I think it is the one to which the President alluded in his report—we placed a special paragraph authorizing and directing the use of agricultural commodities for the acquisition of foreign currencies to the maximum extent possible for utilization in our foreign military requirements.

So all in all, Mr. President, the program of utilizing our agricultural surpluses to acquire currencies which might be utilized either in meeting our direct cash requirements abroad or in improving our ability to carry on programs of economic reconstruction in countries abroad has been a most useful one.

I thoroughly support the extension of the act as provided in the forepart of S. 3420, which is under consideration. Title I should be extended as therein recommended.

I should personally like to see the act strengthened by strengthening the provisions relating to barter for commodities which are not produced in this country in sufficient quantities to meet our requirements. I hope, however, that in the further consideration of that portion of the bill which is represented by sections 5 and 6 we shall eliminate the requirement that nonstrategic materials be admitted duty free, and, further, that we shall not require the purchasing officers or procurement officers of other Government agencies to get their materials first of all from such imported commodities.

It seems to me that the importation of commodities acquired by the disposition of one surplus in the agricultural field should not be executed in such a way as to depress the markets of the producers of commodities in other fields—in the mineral field or possibly even other agricultural fields. I think when we acquire commodities from abroad which are subject to less deterioration in storage, we should take advantage of the storage quality and store them for times of emergency, or, more especially, periods of short supply. We should not permit such commodities to become depressants to other segments of our economy.

I hope in the further consideration of the bill now pending that matter will be kept in mind, so the bill can be improved in that respect.

Mr. President, I have an amendment which I should like to offer so it can be printed for the information of the membership of the Senate. The amendment, which is in the nature of a perfecting amendment, proposes to place a period in line 9 on page 4, after the word "Corporation", and to strike out the remainder of the sentence.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. CASE of South Dakota. After that amendment and the related amendments are disposed of, Mr. President, I intend to call up for consideration the amendment I previously proposed and had printed, namely, the one which would place the currency received under the authority of title I in a special fund in the Treasury, to be designated a "Foreign Currencies Fund." I shall discuss the amendment at the time I call it up.

Mr. President, I yield the floor.

Mr. SYMINGTON. Mr. President, we are engaged in a great struggle with the Communist bloc countries, the outcome of which will determine the future of millions of the world's population.

Our goal in this struggle is a free world, characterized by permanent peace, where the dignity of man reigns supreme.

If we are to win this struggle, if we are to attain that goal, we must use every tool available.

In Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—we have one of the most important tools. Through that law we have an opportunity to use one of our most important blessings, an abundance of food, in this struggle for world peace.

Putting it mildly, the Communist leaders recognize the importance of food. In a speech last May, Nikita Khrushchev, Communist Party chief, emphasized the importance of food "to influence the minds of waverers who were skeptical of Communist ideology."

In this same speech, the New York Times quoted Mr. Khrushchev as saying:

> We are not going to blast the capitalist world with bombs, but if we catch the United States in the level of meat, milk and butter production per capita we shall be releasing a mighty torpedo at the mainstays of capitalism.

In spite of Russian claims of superiority in many areas, some of which claims we know are true, they readily admit our superiority in the production of food and fiber.

Unless we use the results of our productive agricultural capacity to further our cause in the struggle for peace, however, we are wasting this superiority.

Is it not paradoxical that, with the future of the Free World at stake, we hear unending discussion about burdensome surpluses, when millions of people throughout the world, some in our own country, go to bed hungry?

Why can we not use some of our agricultural productivity as a blessing and not as a burden?

Public Law 480 offers a unique opportunity to this end.

In addition, it serves to stimulate and develop markets for American products in foreign countries; because, through the use of foreign currencies, it gives other countries the opportunity to pur-

chase our products, which otherwise they would not be able to do.

Finally, it is clear that Public Law 480 provides the means whereby surplus agricultural commodities not needed for domestic uses can be utilized as an important phase of our foreign policy program.

Mr. President, the Missouri Farmers Association is the largest farm organization in Missouri. Its president, Mr. Fred V. Heinkel, is one of our most distinguished citizens. I ask unanimous consent that an article by Mr. Heinkel, entitled "Food Can Lead the Way," which appeared in the December 1957 issue of the Missouri Farmer's magazine, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD COULD LEAD THE WAY

(By Fred V. Heinkel)

Amid the excitement of launching objects into outer space, we in the United States continue to lament the possibility that we're losing our position of world leadership to Russia. But I maintain that this Nation today has overlooked an asset which, if properly used, could turn the tables on the Communists.

Our sputnik is the ability to produce an abundance of food. When we can work out a way to seat the people of the world around America's dinner table, the Communist dictators might just as well throw in the sponge.

Nikita Khrushchev, the talkative Soviet Communist Party chief, recognizes the importance of our agricultural production and calls it the mainstay of capitalism. In a speech to a gathering of farm directors and specialists in Leningrad a short time ago, Khrushchev said: "We are not going to blow up the capitalist world with bombs. If we overtake the United States in the per capita production of meat and butter and milk, we shall have hit the pillars of capitalism with the most powerful torpedo yet seen."

The Russian dictator went on to say that if the Soviet Union could accomplish this agricultural feat it would make people flock to our side in an increasing number. He then predicted that the Soviets would catch up with the United States in this respect within 4 years.

Should we fail to make the most of our present lead in the field of agriculture, I predict that such lack of initiative will one day cause more furor than all the launchings of missiles, planets, and the like.

SHERMAN COOPER, distinguished former Ambassador to India and now a Republican Senator from Kentucky, is familiar with the problems of the world's undeveloped areas. In a talk last August, COOPER made this statement:

"We should not underestimate the crucial importance of food to countries which have seldom had enough to feed the people. In the newly independent countries of the world, governments are faced with sharp and insistent demands by their people for more food and clothing—simple things, which we take for granted—the first demands which the achievement of political freedom has permitted them to voice. If the democratic governments of these countries cannot meet this first and basic need, their people will question democratic methods and may in time look for other systems of government."

Why is it that we have such difficulty in recognizing the blessing of our abundance of food? Why, when such a vast majority of the world's population goes to bed hungry every night, do we mistreat, berate, and apologize for our surplus of food? How can we be so shortsighted as to look on our abundance as a surplus when such conditions exist?

Perhaps one reason why we fail to appreciate the potential of our agricultural abilities, is that in America hunger is just another six-letter word. It seems our main worry is over the possibility of war—and the thought of a worldwide conflict is certainly frightening. Yet to the vast majority of the people on the European and Asiatic Continents, the fear of war takes second place to that of famine.

HUBERT HUMPHREY, Senator from Minnesota, recently stated: "A country such as ours, which has a very fine and modern and up-to-date agricultural economy, a country such as our which has the God-given blessing of abundance instead of scarcity, ought to be using every means at its command to use this positive element, namely food, and build strength with it."

The express objective of communism is to dominate the world. The classic approach of a Communist nation is to emphasize industry even at the expense of starving the people—look at China, as well as Russia—and to parade its military might before its subjects and the world with the inferred threat that criticism or interference will be met with retaliation and oppression.

What have we done to counteract such brutish action? Does our approach prove that we are different? Can the man-in-the-street in India, Turkey, or Japan note any difference in the announcement of a parade of Russian tanks led by a hammer-and-sickle color guard, or a show of force by a fleet of battleships flying the Stars and Stripes? Are the Syrians aware of the difference? I doubt it.

We know that our forces are sent to protect, not dominate. But the common man in many nations of the world can, if at all, barely read or write. He can scarcely be expected to make decisions based on Free World versus communistic philosophy when he knows little about either. He believes what he sees, and what he is told by others.

It costs $10 million to put a B–52 on the runway of a SAC airbase. How many tons of beef, how many bushels of wheat, how many cases of dried milk could America send across the sea for $10 million?

I'll tell you. We could send enough to bring smiles to the faces of thousands of hollow-eyed youngsters; we could send enough to show the people in some starved country that we practice the Christian principles which we so often preach; we could send enough to make a start in strengthening the shaky economy of some nation on the verge of falling into the communistic camp.

Granting the desirability of a well-managed program of military assistance to our Free World friends, I would ask, What could we accomplish if we would go the second mile and work out a method to share with others our abundance of food? The reason this Nation enjoys such a high standard of living is because the efficiency of agriculture has made it possible for almost 90 percent of our population to go about building cars and homes and providing other conveniences without a need to worry about food.

In many nations of the world it is just the opposite—their problem lies in the fact that the bulk of their population is needed to produce food to keep people alive. We could provide them with food and release that manpower to build their industry and boost their standard of living. We could extend to the world the advantage which a highly productive and efficient agriculture has brought to America.

Such an approach would require a change in our thinking. It would mean a reevaluation of our agricultural resources. It would require the recognition of our productive abilities as a blessing rather than a problem. It would mean a realistic facing-up to what have been weak and biased excuses about the possibilities of expanding world trade. It would mean laying bare the selfish interests which have too often directed our steps.

But it could be the first major move toward peace in the history of the world. And the United States could lead the way.

This Nation is now contemplating an all-out effort to match Soviet accomplishments in the scientific field. I have no doubt we can do it. But I believe of greater significance is the fact that we now have at our fingertips the means for a peaceful solution to the world's real problem. When will we awaken to the realization that our agricultural ability is the greatest deterrent to war and the most powerful tool for peace today.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 19, 1958, he presented to the President of the United States the following enrolled bills:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Franz Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of the C–L Electric Co.; and

S. 2110. An act for the relief of Shirley Leeke Kilpatrick.

RECESS

Mr. ELLENDER. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 20, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 19 (legislative day of March 17), 1958:

FEDERAL MARITIME BOARD

Thomas Edward Stakem, Jr., of Virginia, to be a member of the Federal Maritime Board for a term of 4 years expiring June 30, 1962. (Reappointment.)

UNITED STATES ATTORNEYS

Maurice Paul Bois, of New Hampshire, to be United States attorney for the district of New Hampshire for a term of 4 years. (Reappointment.)

Theodore F. Bowes, of New York, to be United States attorney for the northern district of New York for a term of 4 years. (Reappointment.)

UNITED STATES MARSHALS

William Raab, of Nebraska, to be United States marshal for the district of Nebraska for a term of 4 years. (Reappointment.)

J. Bradbury German, Jr., of New York, to be United States marshal for the northern

district of New York for a term of 4 years. (Reappointment.)

George M. Glasser, of New York, to be United States marshal for the western district of New York for a term of 4 years. (Reappointment.)

B. Ray Cohoon, of North Carolina, to be United States marshal for the eastern district of North Carolina for a term of 4 years. (Reappointment.)

Dewey Howard Perry, of Vermont, to be United States marshal for the district of Vermont for a term of 4 years. (Reappointment.)

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

James S. Somerville, Aliceville, Ala., in place of R. H. Kirksey, resigned.

Virgil Wallace Fuller, Five Points, Ala., in place of A. M. Causey, retired.

William C. Wilson, Hodges, Ala., in place of H. P. Haynes, deceased.

Howard R. Jordan, Leighton, Ala., in place of G. C. Spangler, retired.

John Lee Betts, Monroeville, Ala., in place of E. E. Yarbrough, retired.

Marvin E. McKee, Pinson, Ala., in place of G. R. Tyler, retired.

Sara Jo Green, Pleasant Grove, Ala., in place of Elizabeth Morton, retired.

Jack D. Pence, Somerville, Ala., in place of C. P. Johnston, retired.

Thomas O. Rudder, Stevenson, Ala., in place of E. O. Mann, retired.

Newton J. Robinson, Verbena, Ala., in place of G. W. Deramus, resigned.

ARKANSAS

Vera M. Garrick, Hemitage, Ark., in place of J. I. Garrick, retired.

CALIFORNIA

Laura W. McNeil, El Cerrito, Calif., reestablished September 21, 1957.

Wallace R. Cate, Lakeside, Calif., in place of W. S. Oaks, removed.

Mary G. Mosby, Myers Flat, Calif., in place of G. F. Cloney, resigned.

Harold A. James, Oroville, Calif., in place of P. R. Walsh, retired.

Morris S. Butz, San Joaquin, Calif., in place of M. G. Hernandez, resigned.

CONNECTICUT

Ralph F. Camp, Bridgewater, Conn., in place of B. B. Randall, retired.

William H. Hills, Hebron, Conn., in place of A. E. Porter, retired.

HAWAII

Thomas M. Shigeta, Halaula, Hawaii, in place of A. C. Kong, transferred.

Shinobu Morimoto, Pepeekeo, Hawaii, in place of J. L. Spalding, retired.

IDAHO

Mary Jeane Jones, Donnelly, Idaho, in place of E. E. Moore, removed.

Glen E. Levers, Payette, Idaho, in place of L. M. Bowman, deceased.

ILLINOIS

Chauncey C. Glosser, Decatur, Ill., in place of R. E. Ellison, resigned.

INDIANA

Geraldine M. Johnson, Ashley, Ind., in place of B. L. Gage, retired.

James R. Davis, Flora, Ind., in place of Chester Wagoner, retired.

Gerald W. Scott, Floyds Knobs, Ind., in place of J. O. Best, retired.

Lowell M. Roose, Nappanee, Ind., in place of F. I. Troup, retired.

Arch Ralph, Sullivan, Ind., in place of C. O. Hall, retired.

Wesley William Mack, Wanatah, Ind., in place of L. J. Rosenbaum, transferred.

KANSAS

Eldon E. Klinzmann, Agra, Kans., in place of M. B. Hayes, transferred.

Vernon Ralph Bean, Anthony, Kans., in place of A. H. Poundstone, retired.

Eldor I. Duensing, Bremen, Kans., in place of J. J. Sedlacek, retired.

Wilbur Milton Talkington, Matfield Green, Kans., in place of J. E. Snedegar, retired.

Robert Anderson, Scammon, Kans., in place of P. J. Jolly, retired.

KENTUCKY

Kermit W. Cook, Beaver Dam, Ky., in place of E. M. Martin, retired.

LOUISIANA

Everett Hill, Pitkin, La., in place of C. W. Carson, retired.

Robert H. Welch, Robeline, La., in place of E. T. Cutrer, deceased.

Lillian T. Martin, Ruston, La., in place of E. D. McCallum, retired.

MAINE

John C. Swett, Howland, Maine, in place of E. F. McCloskey, retired.

Victor C. Brown, New Sharon, Maine, in place of V. G. Brown, retired.

Wilmot R. Crandlemire, Vanceboro, Maine, in place of R. E. Swaney, deceased.

MARYLAND

Adam M. Kraisser, Hanover, Md., in place of F. C. Finnerty, resigned.

John R. Corun, Jr., Jefferson, Md., in place of W. R. Horine, retired.

William R. Long, Sharpsburg, Md., in place of B. A. Palmer, deceased.

Anna N. Moore, White Marsh, Md., in place of R. M. Moore, resigned.

MASSACHUSETTS

Marion P. Norman, Bellingham, Mass., in place of R. S. Thayer, retired.

Albert A. Gaukroger, Beverly, Mass., in place of R. W. Fegan, retired.

Sydney E. St. Peters, Conway, Mass., in place of C. J. Dacey, retired.

Eleanor F. Ricker, West Chelmsford, Mass., in place of R. G. Anderson, retired.

Theodore A. Swieca, West Grot..., Mass., in place of M. M. Hill, retired.

MICHIGAN

Roger W. Bergdahl, Ishpeming, Mich., in place of J. T. Burke, removed.

Donald D. Iverson, Lake City, Mich., in place of C. C. Lerg, retired.

MINNESOTA

Rudolph F. Berg, Jr., Bagley, Minn., in place of W. C. Wiench, retired.

Robert G. Westrup, Eden Valley, Minn., in place of L. B. Rothstein, resigned.

Kenneth L. Lutner, Reading, Minn., in place of F. W. Nord, retired.

MISSISSIPPI

Reiford W. Castens, Camden, Miss., in place of J. S. Rimmer, retired.

Joseph D. Buckalew, Richton, Miss., in place of S. W. Johnson, transferred.

Charles F. Crigler, Starkville, Miss., in place of R. H. Redus, retired.

James W. Anderson, West Enterprise, Miss., in place of I. L. Moore, transferred.

MISSOURI

Joseph E. Manson, Keytesville, Mo., in place of O. L. Davis, deceased.

Wayne N. Welker, Williamstown, Mo., in place of J. S. Smith, retired.

NEBRASKA

Leonard L. Larsen, Fremont, Nebr., in place of F. S. Perkins, retired.

Denny L. Stecher, Hooper, Nebr., in place of F. A. Ott, transferred.

Aaron E. Brodhagen, Pierce, Nebr., in place of B. P. Boyd, retired.

NEVADA

Myrtle M. Curtis, Weed Heights, Nev., in place of A. M. Houck, resigned.

NEW JERSEY

Harold G. Tucker, Bayonne, N. J., in place of P. J. McGrath, deceased.

Wallace H. Harvey, Far Hills, N. J., in place of H. F. Sawyer, retired.

Warren J. Binns, Jr., Garwood, N. J., in place of J. F. Dugan, retired.

John A. Castellano, Mount Ephraim, N. J., in place of J. B. Beaston, retired.

NORTH CAROLINA

Audrey H. Cashatt, Randleman, N. C., in place of S. F. Matthews, retired.

Malcolm Vance Hickman, Winston-Salem, N. C., in place of W. B. Booe, resigned.

OHIO

Gail E. Collins, Lakeview, Ohio, in place of B. L. Geiger, removed.

Lloyd E. Ullman, Lower Salem, Ohio, in place of B. M. Watkins, deceased.

William Patrick Lochary, Pomeroy, Ohio, in place of Albert Russell, Jr., removed.

Robert M. Talmage, Sabina, Ohio., in place of C. L. Sparks, deceased.

OKLAHOMA

Lora A. S. Workman, Caney, Okla., in place of L. N. Simpson, retired.

Albert S. Bowerman, Cement, Okla., in place of B. D. Barnett, deceased.

Harriet T. Howard, Keystone, Okla., in place of Arthur Duck, deceased.

Ray K. Babb, Jr., Mangum, Okla., in place of J. W. Wheeler, resigned.

Doy McLain, Pocasset, Okla., in place of R. L. Dobry, transferred.

OREGON

Joseph W. Dougherty, Aumsville, Oreg., in place of H. E. Way, resigned.

Eva A. Murray, Dayville, Oreg., in place of W. W. Mascall, retired

Lucile R. Olney, Hammond, Oreg., in place of Carl Burk, deceased.

Lulu C. Sheasley, McKenzie Bridge, Oreg., in place of Willis Brewster, retired.

PENNSYLVANIA

Gerald Kilmer, Avondale, Pa., in place of A. S. Keating, retired.

Janet C. Marsico, Cheswick, Pa., in place of L. H. Lockerman, transferred.

Aleda U. Shumaker, Jerome, Pa., in place of Joseph Pugh, retired.

Pauline A. Gossick, Stiles, Pa., in place of M. M. Benninger, retired.

TEXAS

Alton B. Daniels, Bynum, Tex., in place of M. B. Rankin, retired.

Dorothy M. Henly, New Deal, Tex., in place of G. W. Henly, resigned.

Ruth J. Mras, Port Isabel, Tex., in place of M. E. Graves, retired.

Joseph L. Strother, Jr., Santa Anna, Tex., in place of F. C. Woodward, retired.

Robert L. Jones, Tom Bean, Tex., in place of Eva Devine, retired.

UTAH

Edwin W. Johnson, Bingham Canyon, Utah, in place of E. T. James, transferred.

VERMONT

James A. Colburn, Lyndon Center, Vt., in place of H. F. Mason, retired.

VIRGINIA

Lela O. Scott, Amelia Courthouse, Va., in place of G. C. Ligon, retired.

Wilmer J. Whitaker, Fries, Va., in place of G. K. Fielder, retired.

Harold E. Abbott, Goode, Va., in place of J. S. McCauley, retired.

William N. Legard, Marshall, Va., in place of H. H. Russell, retired.

Grace Aileene Ringstaff, Pounding Mill, Va., in place of M. E. Thomas, retired.

James L. Whitlow, Sandston, Va., in place of R. H. Woodall, retired.

Maud N. Ridley, Stony Creek, Va., in place of M. W. Lewis, transferred.

Roy M. Cleek, Warm Springs, Va., in place of W. G. Cleek, resigned.

Christine D. James, Waterford, Va., in place of J. J. James, deceased.

WASHINGTON

Harold H. Bechtold, Forks, Wash., in place of T. H. Mansfield, resigned.

Marion L. Ellsworth, Inchelium, Wash., in place of N. B. Judd, deceased.

John H. Gray, Shelton, Wash., in place of Warren Lincoln, resigned.

Bonnie M. Wade, Westport, Wash., in place of Everhard Nyhus, retired.

Darrell G. Dufresne, Jr., Winthrop, Wash., in place of R. M. Badger, retired.

WEST VIRGINIA

Clarence W. Haga, Cairo, W. Va., in place of C. E. Heckert, retired.

Gladys M. Lewis, Camden on Gauley, W. Va., in place of A. S. Been, retired.

Frances Adams, Hugheston, W. Va., in place of A. H. Taylor, retired.

Norman Edward Wagner, Marlinton, W. Va., in place of Kerth Nottingham, removed.

Frank H. Hardesty, Matoaka, W. Va., in place of V. L. Farley, deceased.

William A. Swearingen, Parkersburg, W. Va., in place of Fred Gainer, deceased.

James Woodrow Smith, Sophia, W. Va., in place of O. L. Green, retired.

Granville Curtis Sexton, Welch, W. Va., in place of Ann Fletcher, retired.

WISCONSIN

Jake Van Bendegom, Kenosha, Wis., in place of P. M. Saftig, deceased.

WYOMING

Rouse W. Anderson, Ten Sleep, Wyo., in place of F. H. Shriver, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19 (legislative day of March 17), 1958:

POSTMASTERS

ALASKA

Irene A. Begin, Aniak.

CALIFORNIA

Claude B. Hetherington, Calexico.
Fred G. Strong, Carmel.
Darrel Lawrence Burgan, Claremont.
Robert H. Kingham, Felton.
Donald E. Rothrock, Mira Loma.
Robert T. Sheldon, Paradise.
John H. Brass, Santa Maria.
Joseph R. Stanich, Sunnyvale.
Robert J. Bloodgood, Twentynine Palms.
Earl H. Chamberlain, Vacaville.
Fred W. Linneman, Watsonville.

CONNECTICUT

Horace Edward Leonard, Durham.
Charles W. Lindsay, Fairfield.

DELAWARE

Aubrey W. Pugh, Hockessin.

GEORGIA

James P. Burroughs, Colbert.
George T. Holloway, Midville.

IDAHO

Robert H. Braithwaite, Arco.
Edward L. Moberly, Middleton.
Boyd R. Moore, New Meadows.
Floyd K. Libey, Potlatch.

INDIANA

Charles E. Sweany, Crothersville.
Charles L. Oxley, Evansville.
Twanette S. Coleman, Forest.
Don Hubert Neff, Goshen.
Gerald B. Eitnier, Hillsboro.
Paul H. Miller, Macy.
Russell F. Berkheiser, Ossian.
Max I. Ward, Spencerville.

IOWA

Lloyd L. Giltner, Agency.
Bernard H. Richter, Ashton.
Roger M. Galloway, Cedar Falls.
Paul E. Garthwaite, Charles City.
Paul F. Hoyt, Cherokee.
John R. Johnson, Mallard.
John H. Pazour, Marion.
James C. Houle, Mechanicsville.
Benjamin P. Flack, Jr., Osage.
James L. Brown, Peterson.
Helen T. Kernen, Ralston.
Norman O. Walk, South English.

KANSAS

Tomas L. Kauble, Arcadia.
Francis W. Johnson, Argonia.
Gene C. Montgomery, Barnard.
William L. Pool, Bronson.
Harold T. Stodard, Burlingame.
Emmett E. Sutherland, Galena.
Ray D. Wiley, Lyndon.
Chalmers A. Hawks, Nickerson.
Harlin L. Hornbostel, Palmer.
Samuel P. Bell, Scranton.
Edward A. Fink, Stilwell.

KENTUCKY

William H. Burgess, Arlington.
Charles B. Neville, Park City.
Garrett L. Robey, Stamping Ground.

LOUISIANA

Samuel D. Castleberry, Ferriday.
Louise M. Townsend, Gilbert.
Olive J. DeJean, Hodge.
Andrew H. Ferguson, Marion.
Wanza G. Keaton, Tangipahoa.

MAINE

Gerard B. Guay, Bingham.
Marshall F. Holmes, Jefferson.
Hubert A. Cowan, Newcastle.

MARYLAND

Robert Joseph Sellner, Jessup.
Eliot W. Sperry, Lutherville-Timonium.

MASSACHUSETTS

Ernest A. Whitman, Centerville.
Arthur Edison Coakley, East Brewster.
Edward H. Morse, Mansfield.
Frank E. Dudley, Mendon.
Burton S. Young, Orleans.
William T. Bowden, Wales.
Samuel James Currie, Whitinsville.

MINNESOTA

Orvind P. Nichols, Borup.
Howard C. Eichhorn, Hill City.
Herbert M. Koster, Pequot Lakes.

MISSISSIPPI

Bester L. Files, Ackerman.
Andy J. Becker, Bay St. Louis.
Calvin J. Meaders, Hickory.
John T. Miller, Myrtle.
Ola L. McMath, Sidon.

MONTANA

Walter R. Richards, Hall.
Frank F. Pisk, Terry.

NEBRASKA

Mildred M. Heikes, Dakota City.
George A. Fenske, Jr., Dunbar.
Bryce E. Heckman, Hickman.
Wilmer G. Tollefsen, Kearney.
Sheldon B. Mitchell, Nehawka.
Quintin L. Nicholas, Palmer.

NEW HAMPSHIRE

Edwin F. Locke, Amherst.
David R. Elder, Dublin.
Philip M. Clark, Marlboro.
Allan H. MacDougall, Milan.
Arthur J. Denault, Plaistow.

NEW JERSEY

Timothy J. Flynn, Livingston.
Guido V. Camsocci, Osbornsville.
Frank Magill, Jr., Pompton Lakes.

NEW YORK

Leighton C. Austin, Alfred Station.
Merritt Pember Newberry, Canastota.
Ralph Seaman Lansing, Castleton on Hudson.
Clarence H. Tabor, Cato.
Frederick L. Gifford, Clifton Springs.
Hampton B. Scofield, Cold Spring.
Gordon Raymond Shepardson, Elmira.
James George Dougall, Evans Mills.
Heber Ashley, Jr., Grand Island.
Anthony J. Wirmusky, Hoosick Falls.
Joseph F. Clark, Hughsonville.
Everett W. Mussen, Keeseville.
Daniel J. Millicker, Mahopac Falls.
Anna L. Butcher, North Chili.
Frank LaVigne, Ogdensburg.
James Norton Engleson, Ontario.
Harrison M. Fairbanks, Portville.
George A. Gutterson, Rensselaer Falls.
James Joseph Barry, St. James.
Robert L. Bower, Sanborn.
George J. F. Secor, Scarborough.
Roy G. Peterson, Southampton.
Harvie Coleman, Summitville.

NORTH CAROLINA

John L. Pippin, Fremont.
Junius W. Rogers, Jr., Henderson.
Azer Dow Baucom, Sr., Monroe.

OHIO

Robert N. Croskey, Amsterdam.
James F. Braig, Buckeye Lake.
Carl I. Moser, Cridersville.
John W. Watson, Deshler.
Paul L. Burkholder, Edon.
Ralph Eugene Dresbach, Kingston.
Howard M. Lawrence, Long Bottom.
Harold Ralph Thompson, McDermott.
John B. Gibbs, Midvale.
John B. Carr, Jr., Monclova.
S. Eleanor N. Cope, Neffs.
Luther L. Burnett, Patriot.
Dale L. McDonald, Rushville.
John L. Zimmerman, Seaman.
Ray D. Hall, St. Clairsville.
Thomas A. Brayshaw, Tipp City.

OREGON

Harley D. Naas, Myrtle Creek.
Irvin Lewis Wence, North Plains.
Joseph D. McKay, St. Paul.
Ruby A. Keller, Vida.
John L. Shetterly, Willamina.

SOUTH CAROLINA

Daniel M. McCaskill, Camden.
Arace M. Crouch, Wallace.

SOUTH DAKOTA

Milton H. Collmann, Isabel.
Fred H. Knudsen, Viborg.

TENNESSEE

Thomas Harold Wilson, Madison.

UTAH

Rulon S. Wood, Cedar City.

VERMONT

Raymond A. Petelle, Derby Line.
Lawrence H. Riggs, Hinesburg.

VIRGINIA

James R. McLearen, Herndon.

WEST VIRGINIA

Thomas C. Booth, Littleton.

WISCONSIN

Golden M. Barritt, Barron.
Arthur E. Reid, Boscobel.
Robert E. Dietrich, Cassville.
Donald C. Swanson, Lakewood.
Elmer E. Bressler, Menomonie.
Carl F. John, Montello.
Arthur E. Rafferty, Mountain.
Ellen M. Schmidt, Newton.
Harold A. Wendt, Owen.
Valentine H. Habel, Ripon.
Leroy H. Graves, Sullivan.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 19, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Matthew 5: 16: *Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven.*

O Thou who art our gracious benefactor, we thank Thee for this new day, which has come as a fresh gift from Thy hand, bringing with it many glorious opportunities to serve Thee and our fellow men.

We pray that Thou wilt mediate unto our minds and hearts Thy divine wisdom that we may see our responsibilities more clearly, understand them more wisely, and discharge them more faithfully.

Grant that our President, our Speaker, and the Members of this legislative body may be blessed with insight and inspiration as they take counsel together in solving our national problems and in emancipating suffering and struggling humanity from the evil forces of aggression and aggrandizement.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9271. An act to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, with an amendment as follows: Page 2, line 15, of the House amendment, transpose all the language following the word "project" over to and including the word "centum" in line 4, page 3, back to page 2, line 8, following the word "pay."

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

S. 3418—HOUSING CONSTRUCTION

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, prior to consideration of this bill, I would like to express my views on this legislation, particularly in reference to the provision concerning VA mortgage interest rates. There is no question in my mind that affirmative action is the correct step to be taken.

Passage of S. 3418 will definitely have a forceful impact upon the economy of the country. It can provide the stimulus the housing industry needs to increase its productivity. This in turn will have a positive effect upon employment, providing thousands of jobs in various industries which are directly concerned with home building.

One of the unfortunate developments that has occurred is the misunderstanding that has been created in reference to the interest rate provision. The purpose of this legislation is not to raise or lower interest rates. This bill calls for adoption of a formula to bring VA and FHA interest rates closer together.

Under present law the maximum rate on FHA homes is 6 percent. But the VA maximum interest rate has been fixed at 4½ percent. The President determines what the interest rates will be, within the limits of the provisions of the law. At the present time the rate established by the President for FHA mortgages is 5¼ percent. The VA rate is frozen at the maximum of 4½ percent. This legislation would raise the maximum for VA mortgages to 4¾ percent, a change of only one-quarter of 1 percent.

The bill also provides that as the President raises or lowers the interest rates, either for VA or FHA, he must keep them within one-half of 1 percent of each other.

The GI home-loan program is almost at a standstill. VA mortgages are not being purchased by private firms simply because the demand lies elsewhere, in mortgages that can be purchased at a higher interest rate, such as the FHA mortgages.

Savings and commercial banks in my District have not negotiated GI loans for nearly a year. The interest rates do not provide a sound investment, especially when conventional loans are being made at rates varying from 5½ to 6 percent.

I realize that passage of this bill will not bring a flood of private investment funds for VA mortgages, but from my own observations and from information from lending institutions in my area, there will very definitely be a beneficial effect that will take this important program off of dead-center where it has been idling for so long.

Veterans are building homes today, but they are paying the FHA interest rate or the higher rates usually charged on conventional mortgages. Passage of this bill will reopen an avenue to veterans whereby they can obtain better terms than they now enjoy through the reactivation of a program designed to assist them. I might point out that this legislation will not apply to loans that already have been negotiated.

No one wants to saddle the veteran with additional interest costs, but neither does anyone want to deprive the veteran of the advantages of a program which was designed for him, but which is almost inactive under present conditions.

I do not think this legislation will result in a huge burden on the veteran. If the loans prevail at the increased rate of one-fourth of 1 percent it will mean an increased cost on average mortgages of $10,000 to $12,000 of only $25 or $30 per year. And the possibility is strong that this interest rate may drop in the future, as indicated by the reductions in the discount rate made by the Federal Reserve.

There has been criticism that this program will be harmful to the veterans, yet organizations such as the American Legion which represent the veterans endorse this proposal, and for good reason.

They know that under existing legislation in which interest rates differ as they do, the approximately 14 million eligible veterans are not getting the benefits of the GI housing law to which they are rightfully entitled.

Passage of this bill will give these veterans of World War II and the Korean war the opportunity of home ownership already authorized by law but for which they have not used their GI entitlement.

The bill we are considering today is sound, constructive legislation. It has my full support because it is the type of action which will promote our private enterprise system and which in turn will give our economy a boost, in this particular instance in the construction field.

SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

Mr. FRIEDEL. Mr. Speaker, I call up House Resolution 500 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the study and investigation to be conducted by the select committee created by H. Res. 496, not to exceed $100,000, including expenditures for the employment of technical, clerical, stenographic, and other assistants and consultants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

SEC. 2. The select committee, with the prior consent of the executive department or agency concerned and the Committee on House Administration, may employ on a reimbursable basis if necessary such executive branch personnel as it deems advisable.

With the following committee amendment:

Line 1, following "That" insert "effective March 5, 1958."

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Connecticut.

Mr. MORANO. The House Committee on Administration considered this matter this morning and was unanimous in reporting it to the House. I urge its adoption.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIDENTIAL CONSTRUCTION

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3418) to stimulate residential construction.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman from Michigan allow the bill to be reported first?

Mr. HOFFMAN. Yes, Mr. Speaker.

The Clerk read the bill as follows:

Be it enacted, etc., That (a) section 203 (b) (2) of the National Housing Act is amended by striking out "$10,000" wherever it appears and inserting in lieu thereof "$13,500."

(b) Section 220 (d) (3) of such act is amended by striking out "$10,000" wherever it appears and inserting in lieu thereof "$13,500."

SEC. 2. Section 305 (c) of the National Housing Act is amended by striking out "$450 million" and inserting in lieu thereof "$950 million."

SEC. 3. (a) Section 305 (f) of the National Housing Act is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "*Provided*, That the total amount of purchases and commitments authorized by this subsection shall not exceed $500 million outstanding at any one time: *Provided further*, That of the amount authorized in the preceding proviso not less than $58,750,000 shall be available for such purchases and commitments with respect to mortgages insured under section 809."

(b) The last paragraph of section 803 (b) of the National Housing Act is amended by striking out "4" and inserting in lieu thereof "4½."

SEC. 4. Section 305 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(g) With a view to further carrying out the purposes set forth in section 301 (b), and notwithstanding any other provision of this act, the association is authorized to make commitments to purchase and to purchase, service, or sell any mortgages which are insured under title II of this act or guaranteed under the Servicemen's Readjustment Act of 1944, if the original principal obligation thereof does not exceed $13,500: *Provided*, That the total amount of purchases and commitments authorized by this subsection shall not exceed $1 billion outstanding at any one time: *Provided further*, That applicants for such commitments shall be required to certify that construction of the housing to be covered by the mortgages has not commenced."

SEC. 5. (a) Section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 694 (1)) is amended to read as follows:

"DIRECT LOANS TO VETERANS

"SEC. 512. (a) The Congress finds that housing credit under section 501 of this title is not and has not been generally available to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. It is therefore the purpose of this section to provide housing credit for veterans living in such rural areas and such small cities and towns.

"(b) Whenever the Administrator finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed under section 501 of this title, he shall designate such rural area or small city or town as a 'housing credit shortage area,' and shall make, or enter into commitments to make, loans for any or all of the following purposes in such area—

"(1) For the purchase or construction of a dwelling to be owned and occupied by a veteran as his home;

"(2) For the purchase of a farm on which there is a farm residence to be owned and occupied by a veteran as his home;

"(3) For the construction on land owned by a veteran of a farm residence to be occupied by him as his home; or

"(4) For the repair, alteration, or improvement of a farm residence or other dwelling owned by a veteran and occupied by him as his home.

If there is an indebtedness which is secured by a lien against land owned by a veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

"(c) No loan may be made under this section to a veteran unless he shows to the satisfaction of the Administrator that—

"(1) he is a satisfactory credit risk;

"(2) the payments to be required under the proposed loan bear a proper relation to his present and anticipated income and expenses;

"(3) he is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans, a loan for such purpose for which he is qualified under section 501 of this title; and

"(4) he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act or under the Housing Act of 1949.

"(d) (1) Loans made under this section shall bear interest at a rate determined by the Administrator, not to exceed the rate authorized for guaranteed home loans, and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable.

"(2) The original principal amount of any loan made under this section shall not exceed an amount which bears the same ratio to $13,500 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to $7,500; and the guaranty entitlement of any veteran who heretofore or hereafter has been granted a loan under this section shall be charged with an amount which bears the same ratio to $7,500 as the amount of the loan bears to $13,500.

"(3) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction. The Administrator shall determine the expenses incident to origination of loans made under this section, which expenses, or a reasonable flat allowance in lieu thereof, shall be paid by the veteran in addition to the loan closing costs.

"(4) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in paragraph (2), (3), or (4) of subsection (b), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments.

"(5) The Administrator may sell, and shall offer for sale, to any person or entity approved for such purpose by him, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and shall guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 of this title.

"(6) No veteran may obtain loans under this section aggregating more than $13,500.

"(e) (1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, the Administrator may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of 3 months, or such longer period as the Administrator may authorize to meet the needs in any particular case, for the purpose of making loans to veterans to purchase such dwellings. Such commitment may not be assigned or transferred except with the written approval of the Administrator. The Administrator shall not enter into any such commitment unless such builder or sponsor pays a nonrefundable commitment fee to the Administrator, in an amount determined by the Administrator, not to exceed 2 percent of the funds reserved for such builder or sponsor.

"(2) Whenever the Administrator finds that a dwelling with respect to which funds are being reserved under this subsection has been sold, or contracted to be sold, to a veteran eligible for a direct loan under this section, the Administrator shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Administrator may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 percent of the value of the construction in place.

"(3) After the Administrator has entered into a commitment to make a veteran a loan under this subsection, he may refer the proposed loan to the Voluntary Home Mortgage Credit Committee, in order to afford a private lender the opportunity to acquire such loan subject to guaranty as provided in paragraph (5) of subsection (d) of this section. If, before the expiration of 60 days after the loan made to the veteran by the Administrator is fully disbursed, a private lender agrees to purchase such loan, all or any part of the commitment fee paid to the Administrator with respect to such loan may be paid to such private lender when such loan is so purchased.

"If a private lender has not purchased or agreed to purchase such loan before the expiration of 60 days after the loan made by the Administrator is fully disbursed, the commitment fee paid with respect to such loan shall become a part of the special deposit account referred to in subsection (c) of section 513 of this title. If a loan is not made to a veteran for the purchase of a dwelling, the commitment fee paid with respect to such dwelling shall become a part of such special deposit account.

"(4) The Administrator may exempt dwellings constructed through assistance provided by this subsection from the minimum land planning and subdivision requirements prescribed pursuant to subsection (b) of section 504 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

"(f) The authority to make loans under this section shall expire July 25, 1960, except that if a commitment to a veteran to make such a loan was issued by the Administrator before that date the loan may be completed after that date.

"(g) (1) The Administrator shall commence the processing of any application for a loan under this section upon the receipt of such application, and shall continue such processing notwithstanding the fact that the assistance of the Voluntary Home Mortgage Credit Committee has been requested by the Administrator for the purpose of ascertaining whether or not such loan can be placed with a private lender.

"(2) If the assistance of such Committee has been requested by the Administrator in connection with any such application, and the Administrator is not notified by such Committee within (A) 20 working days after such assistance has been requested, or (B) 20 working days after the date of enactment of this subsection, whichever is the later, that it has been successful in enabling the applicant to place such loan with a private lender or expects to do so within 10 additional working days, the Administrator shall proceed forthwith to complete any part of the processing of such application remaining unfinished, and to grant or deny the application in accordance with the provisions of this section.

"(3) As used in this subsection, the term 'working days' means calendar days exclusive of Saturdays, Sundays, and legal holidays."

(b) (1) Subsection (a) of section 513 of such act (38 U. S. C., sec. 694m) is amended (1) by striking out "June 30, 1957" and inserting "July 25, 1960", and (2) by inserting immediately before the period at the end of the second sentence thereof the following: "retaining, however, a reasonable reserve for making loans with respect to which he has entered into commitments with veterans before such last day."

(2) Subsection (c) of such section is amended by striking out "June 30, 1958" and inserting "June 30, 1961."

(3) Subsection (d) of such section 513 is amended by striking out "1957" and inserting "1960."

(c) (1) The fourth sentence of subsection (a) of section 500 of such act (38 U. S. C., sec. 694) is amended by striking out all that follows "in this title," and inserting "is automatically guaranteed by the Government by this title in an amount not exceeding 60 percent of the loan if the loan is made for any of the purposes specified in section 501 of this title and not exceeding 50 percent of the loan if made for any of the purposes specified in sections 502, 503, or 507 of this title: *Provided*, That unless the loan is made for one of the purposes specified in section 501 of this title the aggregate amount guaranteed shall not exceed $2,000 in the case of nonreal-estate loans, nor $4,000 in the case of real-estate loans, or a prorated portion thereof on loans of both types or combination thereof."

(2) Subsection (b) of section 501 of such act (38 U. S. C., sec. 694a) is amended by striking out all that follows "(b)" to the colon immediately preceding the first proviso and inserting: "Any loan made to a veteran for any of the purposes specified in subsection (a) or subsection (c) of this section 501 is automatically guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan."

(3) Subsection (c) of such section 501 is amended by striking out "may be guaranteed" and inserting "is automatically guaranteed."

(d) (1) Section 500 (a) of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 694) is amended by striking out "eleven" and inserting in lieu thereof "thirteen."

(2) Subsection (g) of such section is amended to read as follows:

"(g) Notwithstanding any other provision of this title, if a loan report or an application for loan guaranty relating to a loan under this title has been received by the Administrator on or before July 25, 1960, such loan may be guaranteed or insured under the provisions of this title on or before July 25, 1961."

(3) Section 507 of such act (38 U. S. C. 694h) is amended by striking out "eleven" and inserting in lieu thereof "thirteen."

(e) (1) Section 500 (b) of the Servicemen's Readjustment Act of 1944 is amended by striking out the last proviso and inserting in lieu thereof the following: "*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation from time to time such rate of interest as he may find the loan market demands, but the rate of interest so prescribed by the Administrator shall not exceed at any time the rate of interest (exclusive of premium charges for insurance, and service charges if any), established by the Federal Housing Commissioner under section 203 (b) (5) of the National Housing Act, less one-half of 1 percent per annum; except that such rate shall in no event exceed 4¾ percent per annum."

(2) The provisions of the Servicemen's Readjustment Act of 1944 with respect to the interest chargeable on loans made or guaranteed under such act which were in effect prior to the date of enactment of this act shall, notwithstanding the amendment made by this subsection, continue to be applicable (1) to any loan made or guaranteed prior to such date of enactment, and (2) to any loan with respect to which a commitment to guarantee has been entered into by the Veterans' Administration prior to such date.

SEC. 6. Section 605 of the Housing Act of 1957 is hereby repealed.

The SPEAKER. Does the gentleman from Michigan make a point of order that a quorum is not present?

Mr. HOFFMAN. No, Mr. Speaker; I want to withdraw it. I have never seen the bill. I do not know what they are doing. I do not care to make the point of order unless someone else wants to.

Mr. SPENCE. Mr. Speaker, S. 3418 which is under consideration is an emergency proposal designed to improve economic conditions throughout the country through implementing existing programs and establishing a new program which should provide the stimulus to many important segments of our economy and can do so with the least possible delay.

In my judgment among the most important provisions of the bill are those which extend and authorize funds for the Veterans' Direct Loan Program. It is only through this program that our veterans in small towns and rural areas can hope to receive opportunities comparable to those which will be received by veterans in larger metropolitan areas where the Loan Guaranty Program has been so successful. The extension of the Loan Guaranty Program provided in the bill is also a most desirable action.

A new special assistance program is established in the Federal National Mortgage Association as well as increased authorizations for two existing FNMA Special Assistance Programs. The new program will make available to FNMA $1 billion to purchase VA and FHA mortgages on new homes where the loan does not exceed $13,500. This provision will do much towards meeting the expanded demands which should be stimulated by the various provisions of the bill.

The bill also contains provisions authorizing increases in interest rates permitted on veterans loans and military housing loans. I doubt that we or anyone can justify higher interest rates at this time for there is every indication that interest rates generally are going down. Fortunately the bill only increases the ceiling to which interest rates can be raised and I would hope that the Administrator of VA will be most careful in administering this new provision.

The unusually swift action by the House on this measure reflects the genuine and deep concern of the membership over present economic conditions. Certainly inaction by this body could only have the effect of accelerating a business decline which already has reached serious proportions and justifies the extraordinary procedure which will permit immediate approval of S. 3418. This resolute action by the House should give encouragement and renewed confidence to all Americans.

The major provisions of the bill are:

First. Reduces the downpayments required under FHA's sections 203 and 220 sales housing programs. Under present law an FHA-insured loan under those sections cannot exceed 97 percent of the first $10,000 of value, and so forth. Under the amendment the limitation on the first $10,000 of value is increased to $13,500.

Second. Provides the following special assistance funds for the FNMA to create an immediate market for mortgage loans: (a) $500 million additional to be used at the discretion of the President after taking into account the condition of the building industry and the national economy to purchase or commit to purchase such types, classes, or categories or home mortgages as he shall determine; (b) $50 million additional for the purchase of sections 803—military housing—and 809—housing for essential civilian employees at a research or development installation—mortgages; (c) $1 billion for the purchase of FHA and VA mortgages on new homes where the loan does not exceed $13,500. This is a new special assistance program.

Third. Repeals provision of law relating to discount controls on FHA and VA mortgages.

Fourth. Authorizes commissioner of FHA, in his discretion, to increase the interest rate on military housing mortgages from 4 to not to exceed 4½ percent.

Fifth. Extends veterans direct-loan program and the VA home loan guaranty program to July 25, 1960. Present termination dates are: June 30, 1958, for direct-loan program; July 25, 1958, for the loan-guaranty program.

Sixth. Maximum loan amount of the veterans direct-loan program is increased from $10,000 to $13,500, and the interest rates on such loans may not exceed the interest rate on guaranteed loans.

Seventh. Provides an additional $150 million for each of 2 years—1958 and

1959—for the veterans direct-loan program.

Eighth. Authorizes the Administrator of VA to increase the interest rate on both the direct and guaranteed loans up to a ceiling of 4¾ percent, provided the rate established is at least one-half of 1 percent below the rate established by the FHA Commissioner on section 203 home-mortgage loans.

MADE WORK FOR THE MONEYLENDERS WILL NOT CURE THE RECESSION

Mr. PATMAN. Mr. Speaker, it is a very strange thing that such antirecession measures that are being passed contain a windfall for the moneylenders.

We have here a bill which is put forward as something that is going to stimulate home building. And at the same time it raises interest rates and increases the cost of homes to home buyers. This bill will have my support but I object to the windfall, or bonus, that it gives to the moneylenders.

The Republicans have never yet been able to figure out a way to have high interest rates and not bring on a recession or a depression. Their high-interest-rate policies have brought on the very recession which this bill is supposed to help cure. And adding more high interest rates will certainly go a long way toward defeating the alleged purpose of the measure.

Certainly the bankers have not suffered from the tight-money, high-interest squeeze. The tight-money policy reached a peak last year. This was the year when credit was squeezed hardest. The result is a general recession. And the result for many industries is not just a recession, but a depression. For the farmers—this is a depression. For unemployed workers—this is a depression. For the home builders—this is a depression. For small business—this is a depression. For the railroads—this is a depression. For the auto industry—this is a depression.

Yet bank profits shot up last year. Profits of the New York City banks, before taxes, equaled 44 percent of their capital stock. This was an increase of 53 percent from the previous year. Profits of all member banks of the Federal Reserve System, on their capital stock, went up 13 percent from the previous year.

Now where are we going?

Today we are treated with an announcement that the Federal Reserve Board has again reduced the percentage of demand deposits which the banks will be required to keep in reserve. This is announced as a move which is intended to help the country out of the recession. The announcement is headlined as a great antirecession move, and would lead the people to believe that this is a great and vigorous action being taken to put the unemployed back to work and lift business out of its high-interest slump.

What does this reduction in required reserves do actually?

It simply puts into the laps of the bankers $3 billion which they may lend and invest, and on which they can collect interest and finance fees.

If we had a proposal here today to lay out $3 billion to put the unemployed back to work, to extend unemployment compensation, to build roads and needed education, health, and other facilities, I daresay that a great many Members in the House would object. I daresay that the administration would object, and that the President of the United States would be on television, saying that only the alarmists and the faint-hearted would propose any such measure.

I daresay if we had a proposal here today to use $3 billion to help the farmers out of their depression, there would be similar objections.

The point is that here again an action which is being taken in the name of antirecession, strangely enough, contains in it a huge windfall, and an unnecessary windfall, for the moneylenders.

If the purpose of this action had been simply to increase the credit available in the private banks by $3 billion, then this would not have been done by reducing bank reserves. It would have been done by having the Open Market Committee of the Federal Reserve System purchase United States Government securities in the open market. This would have put the desired amount of free reserves into the private banks, and it would have had exactly the same effect as reducing the required reserves, except that it would have reduced interest rates. And it would have reduced the cost of carrying the Federal debt.

In this way, the interest payments on the Government securities purchased by the Federal Reserve would have gone to the Federal Reserve System; and then 90 percent of these interest payments would flow back to the Federal Treasury. Furthermore, interest rates on United States Government securities remaining in the open market would have been lowered, and in selling new securities, as the Treasury is doing from week to week, the Treasury would issue those new securities at lower interest rates. This would have kept down the burden being placed on the taxpayers, present and future. But, of course, this course of action was not acceptable to our money-managers, for the reason that this action would not support high interest rates.

Only the moneylenders in our country, it seems, are to receive from this Government a guaranteed security and a support for their profits.

The SPEAKER. Is a second demanded? [After a pause.] If there is no demand for a second, the Chair will put the question.

The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the passage of this bill in the summary manner requested for it is a recognition by this House of the urgent and pressing need for governmental action to stimulate a badly sagging housing industry—and there can be no question regarding the need for action in this field.

Most of the provisions in this bill will undoubtedly be helpful as a spur to increased housing construction, and the increases in guaranty and loan limitations are merely needed recognition of increased real estate and home values.

The additional funds authorized for direct loans to veterans and for FNMA secondary mortgage activity are definitely needed, and will certainly be helpful.

Personally, I regret the necessity, under the parliamentary situation, of voting for an increased interest rate on GI loans in order to obtain the other benefits of the bill.

With present-day trends in interest rates being what they are, and in view of yesterday's further reduction in reserve requirements by the Federal Reserve Board, I seriously question both the need for and the wisdom of this interest-rate increase.

Make no mistake about it, this provision will add many additional millions of dollars to the cost of the housing authorized by this bill—and the ultimate additional cost in interest may reach $1 billion.

In the other body, 47 votes were cast against this provision for increased interest rates, and the provision prevailed by only 1 vote.

In this body, it is not possible to have a separate vote on this question, in view of the parliamentary picture before us.

Except for the grave condition of the housing industry, and the very urgent need for immediate action to relieve it, I am sure there would have been extensive debate in the House on this question, and many votes against the authorized interest-rate increase.

I earnestly hope the VA Administrator will take full note of the other body's vote on the question, and impose the authorized increase only as a last resort.

Mr. TEAGUE of Texas. Mr. Speaker, the bill under consideration, S. 3418, with regard to the direct-loan program of the Veterans' Administration, is very similar in content to the bill H. R. 4602, which was passed by Congress last session but vetoed by the President.

I will confine my comments to the sections of the bill pertaining to the veterans' home-loan program. Sections 1, 2, 3, and 4 of the bill pertain to amendments, revisions, or modifications of the National Housing Act. Section 5 deals with the direct-loan program as established under the Servicemen's Readjustment Act.

This section repeals the existing language of the direct-loan program as set forth in section 512 of the Servicemen's Readjustment Act and defines clearly the

intent of Congress as to the types of loans that shall be made under the direct-loan program and the purposes for which a veteran can obtain a direct loan. This section also clearly states that a veteran can purchase a farm on which he intends to live with the assistance of a direct loan, regardless of his source of income. The Veterans' Administration has previously established a policy of requiring a veteran purchasing a farm to obtain at least 60 percent of his income from farming operations.

This section of the bill increases the amount of a direct loan from $10,000 to $13,500. During hearings held by the Committee on Veterans' Affairs last year and the hearings just concluded, the committee has found that due to the increase in the cost of construction and the increase in the price of land, the original ceiling of $10,000 is insufficient. The committee feels that by increasing the maximum amount of a direct loan to $13,500, it will permit many veterans living in small towns and rural areas to obtain a new home.

This section of the bill also provides a workable arrangement for builders to participate in the direct loan program. Under the existing program, it is almost impossible for a builder to build a new home for a veteran; however, this bill before us provides that a builder can now obtain a firm commitment from the Veterans' Administration upon the payment of a 2-percent fee. Further, the bill provides that during the construction a builder can obtain advances up to 80 percent of the cost of the in-place construction.

This section of the bill also provides that, through the voluntary home mortgage credit program, private lenders and investors will be given an opportunity to purchase direct loans from the Veterans' Administration within 60 days after the loan has been completed by the Veterans' Administration. Further, if the loan is purchased within this 60-day period, the Administrator of Veterans' Affairs is authorized to pass on the 2-percent fee to the lender as an inducement or a discount to purchase these loans.

The committee found in many rural areas that the Veterans' Administration was requiring the same type of improvements as they were requiring in urban areas: such as sidewalks, concrete curbs and gutters, and paved streets. In many of our rural areas this would constitute an overimprovement of the area. This bill directs the Administrator to establish only requirements that are in keeping with the surrounding area.

This bill also extends the direct-loan program for 2 years, or until July 25, 1960. It also provides that the Veterans' Administration can close a loan up until July 25, 1961, if the application has been received by the Veterans' Administration prior to July 25, 1960.

The bill further provides that the veteran's entitlement will be charged on a pro rata basis under the new ceiling of $13,500. This means that veterans who have previously obtained a $10,000 direct loan can, under this bill, obtain an additional loan in the amount of $3,500 for repairs, maintenance, and improvements to their existing homes.

On page 11 of the bill there are two technical amendments to the Servicemen's Readjustment Act regarding automatic loans. These amendments have been included in the bill at the request of the Veterans' Administration to clarify questions previously raised by lenders participating in the program.

The bill extends the guaranteed loan program for World War II veterans for 2 years. Under existing law, this program would expire on July 25, 1958. Provision is also made for veterans who have made applications for guaranteed loans on or before July 25, 1960, that their loans can be closed at any time up until July 25, 1961.

The bill increases to 4¾ percent the maximum amount of interest that can be set on a veteran's loan. There is a provision, however, that the interest rate on veterans' loans can at no time be more than one-half of 1 percent less than the established interest rate on FHA loans, for example, today the FHA interest rate is 5½ percent, under this bill, the interest rate on veterans' loans could be set at 4¾ percent. However, if the FHA interest rate is lowered in the future to 5 percent then the interest rate on veterans' loans would automatically go to 4½ percent. You may recall that last year the Committee on Veterans' Affairs rejected several motions to increase the interest rate on veterans' loans. This action was taken in view of the fact that the lenders appearing before our committee informed us that if the interest rate was increased, even to 5 percent, it would be of little benefit in obtaining more mortgage money for veterans loans. This, plus the fact that there were outstanding over $900 million in advance commitments, caused the committee to decide to keep the interest rate at 4½ percent. With the records closed for 1957, we note there were 306,000 loans guaranteed for veterans at 4½ percent. In retrospect I am convinced that the committee took the correct action. I believe as far as veterans are concerned that it was better to obtain 4½ percent interest for 306,000 veterans than it would have been to raise the rate by one-half percent and adding $250 million to the interest obligation of veterans holding an advance commitment simply in the hope that a few more loans could have been obtained.

Section 6 of the bill repeals the discount controls on both veterans and FHA housing loans. These discount controls were included in the Housing Act of 1957. The Committee on Veterans' Affairs opposed the discount controls at the time they were included in the Housing Act of 1957 and I wholeheartedly support the section of the bill repealing the discount controls.

Completely aside from the merits of the legislation under consideration, I think that as chairman of the Committee on Veterans' Affairs I must comment on the procedures which have been followed in handling this legislation.

Despite problems which have arisen in the past, the Senate committee combined legislation under the jurisdiction of the House Banking and Currency Committee with legislation under the jurisdiction of the House Veterans' Affairs Committee. Failure on the part of the other body to recognize the jurisdictional problems which result from this kind of action invariably creates serious problems and, in my opinion, contributes to poor legislation. In the case of this bill, although there is no disagreement with the major points of the bill relating to veterans, except possibly the interest-rate feature, there are several items which I believe should be changed.

The Committee on Veterans' Affairs held extensive hearings during the past week and I believe is better equipped than any group in the Congress to determine the course of action which will be in the interest of veterans. Because of the way this legislation is being handled the Committee on Veterans' Affairs is precluded from adding any corrective amendments it may consider necessary. I certainly believe that the usual rules of legislation could have been recognized in this case and, at the same time, the legislation could have been handled expeditiously.

It is interesting to note that some of the matters which we are attempting to correct here today have grown out of the confused jurisdictional handling of this legislation in the past. Last session, legislation arose in other committees, not having jurisdiction over veterans' housing matters, proposing to control discounts on VA and FHA loans. This action failed to recognize the jurisdiction of the Veterans' Affairs Committee and our committee was bypassed when this legislation was adopted by the conferees of the Banking and Currency Committees. At the time the conference report on H. R. 6659 was under consideration, the gentleman from North Carolina [Mr. SHUFORD], chairman of the Subcommittee on Housing of the Veterans' Affairs Committee, pursuant to direction of the committee, made the following statement:

> The record should reflect that the jurisdiction of the House Committee on Veterans' Affairs is being invaded, in our opinion, and that those responsible for this recommendation should assume responsibility for any adverse effect which it may create in the veterans' housing program.

The gentleman from North Carolina then placed in the RECORD a letter which I had written to the conferees of the Banking and Currency Committees stating the position of the committee as to jurisdiction of veterans' housing and specifically expressing opposition to the discount feature. Now, a year later, we find those same committees coming back to the Congress asking for a repeal of discount controls which were placed in the law last year over our objections.

In my opinion, there is another feature of the bill, that is the formula relating to interest rates, as between VA and FHA, that will require the same sort of corrective action. Had the proper legislative course been followed, the Committee on Veterans' Affairs could have made this correction. As the matter now stands, we are precluded from offering the necessary corrective amendments.

Mr. WHITENER. Mr. Speaker, I wish to associate myself with my colleagues in the House who are supporting S. 3418. I am pleased to note the expeditious manner in which this legislation has been handled in the Senate and has been brought up for consideration in this body.

It is imperative that S. 3418 be enacted and approved by the President as quickly as possible. The provisions of this bill are designed to stimulate our stagnant residential construction industry and, by so doing, aid our economy.

Briefly, this measure has several main provisions. First, it will reduce the required downpayments for homes and, as such, it will be a great stimulus to the purchase and construction of new housing units.

In addition it provides special assistance funds for the Federal National Mortgage Association in order that that agency can stimulate an immediate market for new construction mortgage loans.

Mr. Speaker, S. 3418 also provides for the extension of the veterans' loan program for the purchase of new homes by our veterans and also makes provision for additional funds for direct home loans. To me this is a very important provision of the bill. These provisions are substantially the same as those contained in my bill, H. R. 9744, which I introduced in the House of Representatives on January 7, 1958.

The veterans of this country are experiencing great difficulty in securing the financing and construction of their homes, and I am confident that if S. 3418 is approved by the President the hardship conditions that they now face will be substantially alleviated.

S. 3418 is a good bill, and it should be approved by the President as quickly as possible and every effort should be made to implement its provisions. The present recession facing the American people and the inability of our veterans and others interested in constructing a home to secure necessary financing demand immediate action on this matter.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following telegram came from the commander of the American Legion:

WASHINGTON, D. C., *March 18, 1958.*

Hon. EDITH NOURSE ROGERS,
House Office Building,
Washington, D. C.

In interest of time and in order to insure enactment of at least a minimum veterans' housing program this session of Congress, American Legion respectfully urges your support of S. 3418 when it comes up for vote.

JOHN S. GLEASON, Jr.,
National Commander, the American Legion.

I agree with the commander of the American Legion, and other veterans' organizations, and veterans all over the country, that in order to secure the passage of a veterans' housing bill it is important to vote for this Senate bill.

I deplore with all my heart the taking away of the jurisdiction of housing legislation from the Committee on Veterans' Affairs and from the Veterans' Administration veterans' housing, and therefore weaken the care of the veterans. It is an effort in my mind to weaken the Veterans' Administration, the Administration that was created to assist veterans. At a later date jurisdiction perhaps can be recovered. There are some improvements which will help the veterans to secure loans. The bill extends the Veterans' Administration direct loan and the loan guaranty programs for 2 years and increases the maximum mortgages for direct loans from $10,000 to $13,500.

Mr. ALGER. Mr. Speaker, I wish to protest the hurried presentation of the housing bill, so hurried that we are asked to vote on a bill we do not even have before us. I could not get a copy of the bill since they have not been printed and none of the Senate bills are left in the document room. This hurried procedure is not worthy of this body or of the legislation affecting the housing industry. In fact the very haste of this suspension of rules and voice passage before the bill is printed or made available is most suspect. Are there provisions in this bill which causes the leadership to railroad it through? Why do not we discuss the provisions of the bill? What is the rush? A few hours' delay can hardly affect the housing industry, and haste certainly makes waste when we deal with the taxpayers' dollars.

Mr. VANIK. Mr. Speaker, although I regret the limitations on debate under which this body must either summarily reject or accept the provisions of S. 3418, I must join in support of the proposal today because of the current unemployment crisis which does not permit further legislative delay.

The reduction in FHA downpayments and the added authority to the Federal National Mortgage Association to purchase FHA and VA mortgages should stimulate home construction, particularly for low and moderate priced homes, making it possible for thousands of additional families to enter the market for new homes. A vigorous home-building activity should stimulate the entire productive base of America, and it is certainly more worth while to the Nation than the renewed production of obsolete and surplus weapons authorized under hasty current actions of the Department of Defense.

I profoundly regret that this legislation provides for an increase of the interest rate on GI loans from 4½ to 4¾ percent. Present indications are that lending capital is very rapidly accumulating. With lower Federal Reserve discount requirements, lending institutions should be able to provide necessary home-building capital without compelling the payment of unreasonable interest rates. In this legislation we are raising the permissible interest rates on GI loans at the very time when conditions in the monetary markets indicate that funds might soon become available at the 4½-percent rate. However, the urgency for prompt action on this housing bill to help bring about economic recovery transcends the debate on the interest rates.

I also deplore the elimination of restrictions on mortgage loan discount controls. Congress has labored for 6 years to restrict the harmful and costly effects upon the home buyer of unrestricted mortgage discount practices. In this respect we make a step backward. It is my hope that the housing industry and the banking industry will act responsibly on this issue to curtail any attempts to return to discount practices which persisted in home building in various parts of the Nation.

Like every other Member of this body, I hope that this legislation will be a very effective contributing force to the stimuation of home building throughout America with the collateral effect of improving the entire economy and reducing unemployment.

Mr. DONOHUE. Mr. Speaker, because of the very serious proportions to which our unemployment situation has developed over these past several months I introduced, in the House, an emergency housing bill, H. R. 11395. The objectives of my bill are substantially the same as those embodied in this legislation before us.

This bill, as well as my own measure, is designed to stimulate the general economy in this emergency period by increasing the market for homes and thereby revive the home-building industry.

Our economy, it is obvious, has unhappily declined to a point which can no longer be ignored as a slight recession or a temporary adjustment. At this hour it is useless to consume time by attempting to fix the blame for such disaster or otherwise indulge in partisan dispute. Unemployment is reaching disastrous stages in my own State and throughout other major sections of the country. With over 5 million presently unemployed throughout the Nation, and those numbers are being added to daily, I submit that the time has come for action instead of words. The proposals in this measure before us cannot be termed rash or irresponsible pump priming by even the wildest imagination.

The most recent survey by the Bureau of the Census advises that over 13 million dwelling units in the United States are below the standards of decent and adequate housing. The authorities further tell us that the production of homes over the last 2 years was barely sufficient to provide dwellings for new families formed in that period and it was not sufficient to replace units lost through fire, flood, and other catastrophes. It is clear then that the housing construction provided in this bill will meet a definite need.

It is equally clear that the nature of the housing industry is such that it has a stimulating effect upon many other associated industries. The helpful impact of a stimulated housing industry upon our unemployment situation would be prompt and substantial.

The experts tell us that each housing unit built in recent years has provided between 2½ and 3 man-years of employment composed of 1 man-year of employment on the job, 1 man-year of employment directly in the factories producing the materials that go into the house, and an additional half man-year

to a year in such related items as transportation of materials and in the multiplier effect of new home building in such fields as retail sales, additional commercial construction in growing communities, and the like.

Assuming a volume of 200,000 units produced as a result of this bill, it would appear that employment could be increased, during a 1-year period, by 500,000 to 600,000 man-years of work.

So far as new homes are concerned, this would provide, in the remainder of 1958 alone, markets for an additional 2½ billion feet of lumber; 900 million to 950 million bricks; 460 million pounds of cement; 400,000 tons of steel; 1,800,000 doors; 2 million kitchen cabinets; 2 million asphalt roofing shingles; 5 million wall plug outlets; and 2.2 million electric switches.

Mr. Speaker, there is no need for me or anyone else to emphasize the fundamental benefits accruing to the Nation as a whole through the encouragement of private home ownership. Let us remember that there are still over 9 million World War II veterans, with their families, who have not yet exercised their entitlement to purchase a home through the medium of Veterans' Administration home mortgage financing. With regard to and consideration of them I earnestly hope that interest rates will be maintained at a level that will not be discouraging to them as well as countless millions of other potential homeowners.

Mr. Speaker, in view of the serious economic slump the country is suffering from; in view of the need for a stimulus of home construction; in view of the importance to the Nation of increasing family home ownership; and primarily because of the immediate and salutary effect a reactivated housing construction industry would have upon our distressed economy I urge prompt approval of this measure. The need is now, the hour is urgent, this is the time for action.

Mr. PORTER. Mr. Speaker, the depressed economy of our country will be vitally strengthened with the passage today of S. 3418. The emergency housing legislation which has come to us from the Senate is obviously needed.

It is not a perfect bill and not as much as I would prefer or feel truly needed to decrease the unemployment figures which are so high in my State of Oregon and elsewhere. Some 75,000 workers were without jobs in Oregon in late February and I am informed the number today is even higher. A total of 3,266 Oregonians had exhausted their unemployment benefits in January.

Let me say I regret that language in the bill permits an increase in the interest rate on veteran's housing. This sort of increase only ties the hand of the little man who might otherwise be able to have a new home.

However, under the conditions which confront us today I believe public policies should contribute to a halt in the economic decline and I believe S. 3418 will provide the help needed in the housing industry which indeed is a significant and sensitive area of our economy—an area which today dictates the well-being or ill-being of my District.

I should like to commend my colleagues in the Senate, Senator JOHN SPARKMAN, Senator LYNDON JOHNSON, Senator WAYNE MORSE, and Senator RICHARD NEUBERGER and the others who faced up to a pressing problem and met it with decisive action.

I should like to commend the leadership of this House for bringing this legislation before us so quickly.

I hope the President will use the powers granted him under this bill to the fullest extent, and I hope he will sign it immediately when it reaches him.

Oregon has suffered for 2 years under a depression resulting from the tight-money policy of an administration which refused to recognize the need for housing.

ACCELERATION OF MILITARY CONSTRUCTION PROGRAMS

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I move to suspend the rules and pass the resolution (S. Con. Res. 69) favoring the acceleration of military construction programs for which appropriations have been made.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial unemployment in many areas of the country; since some of the productive facilities of our economy are idle and many are only partially utilized; since permitting an economic downturn to continue unchecked makes it less responsive to corrective action; and since there are many authorized and urgently needed military construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such military construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion and availability of these projects which are vital to our national defense.

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

The SPEAKER. Is a second demanded?

Mr. ARENDS. Mr. Speaker, I demand a second.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The gentleman from Georgia will be recognized for 20 minutes and the gentleman from Illinois for 20 minutes.

The gentleman from Georgia is recognized.

Mr. VINSON. Mr. Speaker, this resolution would declare it to be the sense of the Congress that, in view of the substantial unemployment in some areas of the country, military construction programs for which funds have been appropriated should be accelerated to the very greatest practicable extent to reduce unemployment, to put our productive facilities to fuller use, and to move forward the date of completion of these military projects which are so vital to our national defense.

I don't think that there is anyone on the floor of the House who does not have a very full awareness of the fact that unemployment in the United States is a serious—very serious—problem.

Perhaps many of you saw an article by Francis P. Douglas in the Washington Star a few nights ago. Mr. Douglas' article was very precise, and according to my best information, a completely accurate picture of the unemployment situation today.

Mr. Douglas says this in the first part of his article:

> The number of jobless in mid-February jumped to the highest figure in more than 16 years, the Government announced today.
>
> The unemployment figure rose by 679,000 from January to 5,173,000 in February, according to a joint announcement by the Commerce and Labor Departments. This put the rate of unemployment—the percentage of the civilian labor force which is jobless—at 6.7 percent compared with 5.8 percent in January. These figures are adjusted to allow for seasonal variations.
>
> This February rate is now higher than at the peak of the 1954 recession, which was about 6 percent, and about the same as in the latter stages of the 1949 business downturn.

Note, unemployment in this country is the highest in 16 years.

Now, what do we do about this unemployment?

I think that we have found a most sensible and a most practical answer. Here we have millions and millions of dollars already appropriated for essential military construction projects throughout the length and breadth of our country.

These projects have been successfully defended by the military departments—they have been authorized by the Congress—and funds have been appropriated for their construction.

There is no need for any new authorization nor need for one single penny in new money.

The money is in the bank, it has been earmarked for all these various projects by line item in various military construction and appropriation laws.

But money that is not working and giving people employment and helping our economy is not of much use. What we need is to have this money doing a job for us, giving employment to people all over the United States.

And keep in mind that every single construction project which is the subject of this resolution would be built at sometime in any event. The resolution merely speeds up the process and gets the money spent at a time when it will do most good.

The advantages of spending this money now are twofold: First, we give a boost to our economy at a time when it is so sorely needed, and second, we speed up military construction which is essential to our defense.

Now, the Department of Defense has already taken some action along the line

of this resolution and I think that they should be commended for it. As a matter of fact, the committee amended the resolution so as to commend the President and the executive agencies for such action as they have taken to accelerate the military construction programs.

And, while I am on the subject of amendments, I would like to say that House Concurrent Resolution 286 was amended in several respects and now is in direct conformity with a similar Senate resolution which deals with civil construction, but it has the identical basic purpose as this resolution.

During the consideration of the Senate resolution on March 12, Senator JOHNSON, the majority leader, pointed out a number of matters which I have already dealt with. He says that:

> We will take the projects which we have already approved, and for which we have already provided money, and urge that the projects be constructed a little sooner and the money spent a little faster.

At another point in his remarks he said:

> We are not here to indulge in academic debate as to the future of our economy. Neither dark forebodings nor rosy forecasts will put people to work. The need of the hour is action—and action is precisely what we hope to accomplish with this resolution.

I would like to make one further reference to the Senate debate and quote a few lines from Senator KNOWLAND. Senator KNOWLAND said, and I quote:

> In the situation which is confronting this country, I believe that both the executive branch of the Government and the legislative branch have an obligation to work together in trying to find a solution for the common problems which affect the Nation.

He goes on to refer, I think with great pertinence, to the lack of partisanship which is found during any national emergency.

So these remarks show that we are all aiming at the same target; we are all trying to find the solution to a problem which has no politics, and I think that this is clearly established by the fact that the vote in the Senate was 93 to 1.

Now, to get down to cases. Just what will this resolution help to press forward in the way of dollars and cents.

From the testimony received by the Armed Services Committee, it is clear that the unemployment situation in the United States today had its beginning in a debt ceiling which was so low that it prevented the release of already appropriated funds and thereby prevented also the prosecution of these vital defense projects.

Secretary Quarles said in this connection:

> It was in the later months of this fiscal year that the willingness of the Congress to make supplemental appropriations and the willingness of the Congress to increase the debt limit made it possible for us to move more energetically into these programs, and this is the policy which the chairman has referred to and which we are carrying out at the present time.

I might say that Secretary Quarles' statement was in response to some very pertinent questions by Mr. VAN ZANDT.

Secretary Quarles later in his testimony gave some figures which show the practical effect of this situation when he said:

> In our construction program, we obligated only about a sixth of the program. It would be normal to obligate less than a half, but it is not normal to obligate as little as a sixth.

I might mention in connection with the raising of the debt ceiling that Mr. MCCORMACK stated on the floor during the debate on the raising of the debt limit that he felt the then limit was a contributing factor to what has now turned out to be widespread unemployment.

Let me quote what Mr. MCCORMACK said at that time:

> The basic question that I consider involved in this bill, and the reason why I am going to vote for it—I regret that the ceiling is not higher—is the world situation that exists. You and I know that much of the freezing or a considerable part of the freezing of the last 3 or 4 months is probably due to the fact that our Government is very close, and has been, to the debt limit. That has brought about restrictions through the freezing of appropriations and if a flexibility had existed some such action would not have been taken.

Now, in dollars and cents what will this resolution help to do?

Again, I refer to Mr. Quarles' testimony wherein he says that from February 1 of this year—1958—to June 30 of this year, the Department plans to obligate $1,715,000,000 for general military construction—and this is construction which has been specifically authorized by line item and specifically appropriated for in various prior laws. In addition to this, some $57 million will be obligated for the construction of Reserve facilities including facilities for the National Guard. The third large area of construction will involve some $500 million in Capehart family housing construction.

The total $2,272,000,000 was obligated in the 5-month period between February 1, 1958, and June 30, 1958, according to Mr. Quarles.

Now, I would like to point out that of the amounts to be obligated during the 5-month period, $450 million will be spent in areas which have been designated by the Department of Labor as areas of substantial unemployment.

And I would like to point out again—although I think I have already made this point clear—that none of these projects can be moved from one place to another because they all have been designated at specific locations in both the authorization laws and the appropriation laws.

So, here we have a resolution directed at two mutually compatible and very important purposes, giving a boost to our economy while at the same time speeding up very important military construction for the defense of our country. I am going to ask for an "aye" and "nay" vote on this resolution and I hope it will pass unanimously because it has absolutely no politics in it.

As of December 31, 1957, the following sums, by State, were unexpended. Since that time, of course, some of the money, about $200 million, has been obligated or spent. Also because of delay in the acquisition of land, bad construction weather, or for a great number of other reasons, some of the funds will not be expended during the 5-month period, but the very great proportion of them will be obligated or spent during this period.

Mr. Speaker, I will insert at this point two tables:

[In millions of dollars]

Alabama	50.30
Arizona	14.23
Arkansas	13.90
California	244.52
Colorado	78.67
Connecticut	20.90
Delaware	4.68
Florida	75.49
Georgia	30.60
Idaho	2.43
Illinois	41.37
Indiana	8.50
Iowa	5.30
Kansas	28.81
Kentucky	19.04
Louisiana	33.69
Maine	39.44
Maryland	82.65
Massachusetts	43.49
Michigan	27.90
Minnesota	14.21
Mississippi	25.90
Missouri	10.47
Montana	11.20
Nebraska	13.12
Nevada	6.30
New Hampshire	7.41
New Jersey	43.00
New Mexico	43.93
New York	85.70
North Carolina	24.51
North Dakota	36.10
Ohio	27.32
Oklahoma	32.63
Oregon	6.60
Pennsylvania	54.20
Rhode Island	11.00
South Carolina	30.80
South Dakota	6.70
Tennessee	40.50
Texas	146.60
Utah	2.82
Vermont	2.28
Virginia	60.57
Washington	26.07
West Virginia	4.40
Wisconsin	26.96
Wyoming	25.95

Military construction at Army, Navy, Air Force, Reserve Forces, and National Guard installations within the labor market radius of cities in the February 1958 list of areas of substantial labor surplus

	Total amount
Alabama	$18,416,000
Connecticut	4,914,000
Illinois	5,973,000
Indiana	7,753,000
Kansas	5,771,000
Kentucky	8,054,000
Maine	57,329,000
Maryland	2,179,000
Massachusetts	52,997,000
Michigan	53,087,000
Missouri	6,219,000
New Jersey	31,098,000
North Carolina	13,187,000
Ohio	63,262,000
Oklahoma	14,664,000
Oregon	12,567,000
Pennsylvania	14,065,000
Rhode Island	4,139,000
Tennessee	3,686,000
Vermont	1,607,000
Virginia	2,211,000
Washington	33,802,000
West Virginia	970,000
Wisconsin	15,483,000
Puerto Rico	27,930,000
Total	461,363,000

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. RABAUT. Did the gentleman mention Michigan?

Mr. VINSON. Yes. Michigan is in here to the tune of $53,087,000.

Mr. ANFUSO. Did the gentleman mention New York?

Mr. VINSON. New York is on the long State list.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. VINSON. West Virginia $970,000. That falls in this classification. It has been classified by the Department of Labor and the Secretary of Commerce or the proper officials who make the classifications of areas of labor surplus and greater unemployment in these cities.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Nowhere in this bill do I see any restriction as to domestic, or the word "domestic."

Mr. VINSON. I can anticipate how the gentleman's mind runs, so I purposely stated at the very outset that in continental United States $1,487,000,000 will be spent within the United States. This is out of the $2,272,000,000.

Mr. GROSS. So that billion dollars plus——

Mr. VINSON. No; approximately $700 million is available to spend on bases in Alaska, Puerto Rico, the Hawaiian Islands, and overseas. But they have no particular relation to one of the main objectives of this resolution which is to accelerate these expenditures to relieve the economic condition that is confronting us today. It will contribute to building these military installations more rapidly than was anticipated.

Mr. GROSS. What possible excuse can there be for accelerating spending in France or Spain or in any other foreign countries?

Mr. VINSON. It may not be accelerated except on the need for strictly national defense to get the bases finished. That is the only ground.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does it specify where the work is to be done in Massachusetts?

Mr. VINSON. The work is earmarked line by line in the four last authorization and appropriation bills. I may say to the House that it is earmarked in these authorization bills where this money can be spent. It cannot be diverted from one base to another base. It has all been earmarked line by line and the House has authorized them; the house has appropriated the money, and we are simply accelerating the use of the authorizations and appropriations heretofore made.

Mr. BURNS of Hawaii. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Hawaii.

Mr. BURNS of Hawaii. The intent and purpose of this resolution, I hope, applies throughout the limits of the United States, its Territories and possessions.

Mr. VINSON. It does.

Mr. BURNS of Hawaii. I thank the gentleman.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ARENDS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, I can speak in favor of this resolution in view of the fact that the committee hearings at the time clearly indicated that this was desirable legislation and in view of the fact that the resolution commends the administration and supports the administration in the fact that it has accelerated the program of the Armed Forces in that it will help the unemployment situation throughout the country.

Insofar as any politics are concerned, I am sure our good chairman has denied any element of politics in his own words, and the idea is to see to it that the program of the armed services that is necessary to move forward is carried out at this time.

Mr. Speaker, in view of the fact that the administration is carrying out this work and has been carrying it out for some time, I think we can all be in favor of it, and I join with my good chairman in hoping that it will pass unanimously.

Mr. VINSON. Mr. Speaker, I call the attention of the House to the fact that I offered these amendments, and I particularly invite your attention to this amendment.

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

Now, I sincerely trust that there will be no hesitancy on the part of any Member of this House in voting for it, and I am going to ask for a rollcall vote on this resolution. There is not the slightest tinge of politics in it. We are merely carrying out a sound philosophy under a policy which is also sponsored by the administration.

Mr. ARENDS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, I believe it is well that this resolution was introduced. Our committee explored this matter very thoroughly and came to the conclusion that the administration at the present time is exercising the sense which is reflected in this resolution.

Mr. VINSON. Mr. Speaker, I agree entirely. That is the position I have taken. It is the position I took in the committee and that I take upon the floor of the House.

Mr. BATES. So, in essence, Mr. Speaker, in view of the statement from our distinguished chairman, the gentleman from Georgia, the only purpose this resolution serves at this time is to commend the Department of Defense for doing exactly what the resolution suggests should be done.

Mr. VINSON. It is to show that there is unanimity, that the Congress as well as the administration is working in the same direction on this important matter.

Mr. BATES. Mr. Speaker, I thank the gentleman. Of course, the testimony before the committee indicates that they are doing exactly that.

Mr. VINSON. That is right.

Mr. BATES. Mr. Speaker, I should like to say further that at the present time, under the distinguished leadership of the gentleman from Massachusetts [Mr. PHILBIN], we are examining this whole problem very thoroughly and we shall complete our hearings within a few weeks.

Mr. ARENDS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, I should like to address myself to the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], and ask him this question. Is it possible for me, under the rules of the House, to offer an amendment to this resolution?

Mr. VINSON. No. May I say in that connection, had the distinguished gentleman been here when I made my statement, he would have seen that these expenditures are broken down by States and the States which his amendment would probably cover are included in that breakdown. Some $14,065,000 goes to Pennsylvania; $450 million is devoted to labor-surplus areas.

Mr. VAN ZANDT. I should like to ask the question whether I may offer an amendment to this resolution?

Mr. VINSON. I would have to make a point of order against such an amendment.

Mr. VAN ZANDT. Mr. Speaker, may I ask if it is not true, if the chairman of the Committee on Armed Services will recognize me to offer an amendment, that I may do so?

Mr. VINSON. Mr. Speaker, I regret very much that I would be compelled to follow the rules of the House. On motions to suspend the rules, amendments are not in order. Therefore I would have to decline to do so.

Mr. VAN ZANDT. Mr. Speaker, the amendment I had in mind was offered in committee and it would be offered at page 2 line 4 after the word "extent." The amendment would read "giving priority to distressed labor areas as may be determined by the Department of Labor."

This amendment was defeated in committee by a vote of 15 to 8.

Mr. Speaker, there are 149 distressed labor areas in this country, and since this resolution expresses to the executive agency of the Government our feelings in regard to accelerating spending money in the field of defense construction, there should be no objection on the part of anyone to including in this expression our feelings with regard to priorities for defense contracts being channeled into distressed areas.

Mr. Speaker, today there are thousands upon thousands of unemployed Americans in these labor surplus areas. Jobs could be provided for these unemployed if the Government would channel some of these defense contracts into the distressed areas of the Nation.

Mr. VINSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I rise in support of the resolution which is before the House. Of course I recognize, as I hope all will, that the object of the defense program is not to prime the pump or give employment just for the sake of employing people. The object of the defense program is the defense of this Nation. The funds available to the Department of Defense have been given to that Department for the essential programs which have been approved by Congress. There is no doubt that our military programs in some areas are lagging.

My purpose in rising is to make it clear that none of us wish the Defense Department program to be downgraded to merely a pump-priming operation, and the design of this resolution is in no way to do that, as I understand it.

The propagandists for the Soviet Union have been claiming for a long time that we are not serious in our desire for a workable disarmament program, for inspection, and so forth. They claim that we have been play-acting, they claim that we have to have a big defense program in order to prevent the collapse of our economy. We do not subscribe to any such philosophy and I do not feel that we want to take any chance whatever of giving our opponents an opportunity to place us in an incorrect posture before the people of our own country and the people of the world.

I want to make this further statement, Mr. Speaker, if I may, that in no sense is it the intent of Congress, as I understand it from talking to the chairman of the committee, that we are issuing an invitation to the Defense Department to spend, recklessly or unwisely, funds merely for the purpose of employing people and stimulating industry.

Mr. VINSON. May I say to the distinguished gentleman from Texas that I find myself in complete accord with his statement. This is not a crash program. We are not going to invite the Defense Department to use these authorizations merely for the purpose of keeping people working. We want to base it, and we do so base it, on military necessity.

Mr. MAHON. The gentleman in my judgment is on a sound basis. I am glad to support the resolution.

Mr. VINSON. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, it has been well stated that this is a sound step; that this is not a hurry-up measure whose sole objective is to combat recession. This step is taken in the public interest. The funds involved already have been appropriated; the projects already have been approved by the Congress. They are considered essential by both the Congress and the administration. Actually one principal aim of this legislation could well be to end the slowdown which administration agencies placed on nearly all public works projects after the adjournment of the last session of the Congress in an effort to improve the national budget picture. Fortunately there will also be benefits from this proposal as a counter against recession.

In particular do I hope this measure will end the log jam created on the construction of National Guard and Reserve armories. For 3 years this valuable program has largely been paralyzed by untimely restrictions, many of them originating in the Bureau of the Budget. Armories are, of course, essential to a sound Reserve program. But in addition they fill a very useful function as community centers. By their wide distribution they benefit every part of the Nation. Delays have been harmful to the program. In some instances, funds appropriated by the State legislatures already have reverted to State treasuries because of tardiness on the part of the Federal Government in carrying out programed construction of armories. Full speed ahead is needed on the armory program just to bring it up to schedule.

On all previously authorized and funded military construction there has been ample time for planning and for the preparation of specifications. This work should now move smoothly ahead if the defense agencies have done their work of preparation in a proper manner. There need be no waste or confusion as the result of this speedup order from the Congress. There can be no excuse for inefficiency under its terms.

It should be emphasized and reemphasized however that this is not a make-work measure. Everything covered by this measure was programed long months ago when there was no hint of recession. The Congress now is asking that this program be put speedily into operation. All of it is needed by the Defense Establishment, all of it would presumably have been built if there had not been a recession. But if the administration now moves promptly these projects will help to end recession.

Mr. BASS of Tennessee. Mr. Speaker, will the chairman of the committee yield to me for a question?

Mr. VINSON. I yield.

Mr. BASS of Tennessee. Does the military construction mentioned in the resolution here apply to the so-called Capehart housing on military bases?

Mr. VINSON. Yes; to the amount of approximately $250 million. These are in three items: The military construction program, the Reserve construction program, including the National Guard, and the Capehart housing program.

Mr. ARENDS. Mr. Speaker, I yield myself 1 minute to ask the majority leader if he will tell us of the change in the program for tomorrow.

Mr. McCORMACK. If the Committee on Rules reports out a rule on Senate Joint Resolution 162, which is to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, that will be the first order of business tomorrow. If we can dispose of that joint resolution, the Freedom Monument bill will be brought up. However, the first order of business will be the agricultural bill.

Mr. ALGER. Mr. Speaker, I must confess some bewilderment as I read this resolution and the report that accompanies it. Although I commend the gentleman, the chairman of the committee, for the statement he has just made, I observe that the bill, through amendments, has been toned down appreciably in the wording. It says:

> The committee feels that the amendments tighten and strengthen the resolution and remove certain language which might cause alarm to the general public. In view of the fact that the basic purpose of the resolution is to aid in an upswing in our economy, any language in the resolution which would tend to dilute its effectiveness should be avoided.

Mr. Speaker, it is my hope that this is not, indeed, doubletalk. I am casting no reflection and I mean no disrespect to those gentlemen who intend that this is not doubletalk, but I have observed in public, many Members of the House seem to be endeavoring to indeed alarm the public, and I commend the gentleman for presenting this to us on the basis that this is not to alarm the public and is not a political move. For my part I question the need for this resolution at all. Further, I want to state most emphatically that I do not believe that there is cause for alarm in our present national economic health. A free economy always has its adjustment periods.

Mr. VINSON. I thank the gentleman very much.

Mr. ARENDS. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted that Mr. VINSON, the minority member, Mr. ARENDS, the chairman of the committee, and the members of the committee have brought this bill out. I think instead of alarming people, it will give them a great deal of courage and a great deal of help. My own area is a distressed labor area. I hope it will fare well. I am sorry that the Van Zandt amendment was not passed. I most certainly would have voted for it. I hope something can be done about it at a later date.

Mr. PATTERSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. PATTERSON. I can say that under this particular resolution, the gentlewoman will not get anything in her area to relieve the unemployment situation. However, if the Van Zandt amendment was allowed to go into the bill, then it would have helped in these areas where there is surplus labor.

Mrs. ROGERS of Massachusetts. But, it will help Massachusetts as a whole, and also take care of the service men and women and I like that. As I stated before, I favored the Van Zandt amendment. I have had difficulty in finding

out just what areas will receive money. It will be terribly unfair and unwise not to give distressed labor areas priority. The distressed labor areas are not being given the Government help they should be given in contracts and a great injustice is being done.

Mr. VINSON. Mr. Speaker, I yield myself 1 minute to answer the distinguished gentleman from Connecticut.

Mr. Speaker, in reply to the gentleman from Connecticut, may I respectfully call to his attention that the State of Massachusetts under the provisions and the policy of spending in labor-surplus areas will find itself with an amount in the neighborhood of $52,997,000 and the State of Connecticut with $4,419,000.

Mr. ARENDS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, just a little while ago, the gentleman from Texas, the chairman of the Subcommittee on Military Defense Appropriations, made a statement which I think should be emphasized. Like the gentleman from Texas [Mr. MAHON], by our action on this resolution I hope we are not trying to stampede the Defense Department into spending money uselessly and wastefully on a crash program, as some advocate.

To be sure, we have experienced difficulties with military housing, for many years. We have had peaks and we have had valleys in military construction. Very possibly, in years past, we have failed to do the job that needs to be done with respect to military housing. It still presents problems. But, let me say that in the testimony before our committee on this bill Secretary Quarles presented convincing evidence that Department is doing exactly what this Congress has asked and is asking them to do. In other words, they are moving as expeditiously as they can and at the same time with care and prudence so that there is no waste of the taxpayers money. For many, many years we have been endeavoring to get a dollar's worth of defense for every dollar spent.

I join with the gentleman from Texas in the hope that we do not impart to the Department of Defense as our thinking that they should simply get busy and spend money regardless. That certainly should not be the interpretation of this resolution and should not be considered the intent of this Congress. There is the danger that this resolution may be construed by the country that we expect a crash program to be initiated. That would be most unfortunate not only from the standpoint of defense but from that of our economy as a whole. I will not allow myself to be stampeded by the existing economic situation. I have given some study to our unemployment and the only sound evaluation of it, in a comparison with former years, is on a percentage basis. I do not see why we should be panicked by the present situation. Our economy as a whole is still sound, and I expect it to move forward. I hope that no implication will follow from what has been said here today that we are entering into any kind of program which might lead to confusion and uncertainty on the part of the people back home by their misinterpreting what is proposed in the Congress, such as this resolution.

Mr. VINSON. Mr. Speaker, I yield 2 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, as the Member who introduced this resolution, I want to congratulate the chairman and all the members of the Committee on the Armed Services for the quick action by the committee thereon in reporting the resolution out.

Within less than 2 weeks one of the greatest legislative records has been made by this Congress in the entire history of our country. We just passed a major housing bill in Congress; it passed in the House just a few minutes ago. We are passing two accelerating resolutions today. Last week we passed the regular highway bill which is going to be very important; and also we passed other important bills.

It is important for the people to regain their confidence, and the Housing Act that was just passed will in my opinion play a very important part in the restoration of confidence in the minds of the people. So will this resolution and the following one.

Confidence, as we all know, has been badly shaken, and the confidence of the people plays a very important part psychologically in connection with our national economy. Public-works projects and projects of that kind can be of great importance if they are accelerated to bring about employment and to reduce unemployment, in getting our national economy back onto an expanding basis. Furthermore, these projects increase the wealth of our country as well as bringing happiness to our people through employment.

The distinguished gentleman from Georgia has presented the case very ably in relation to the amount of money involved in the various projects. It is, therefore, unnecessary for me to refer to them.

I hope the rules will be suspended and the resolution passed.

Mr. VINSON. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Speaker, of course I am in favor of this resolution and I believe the chairman of the Armed Services Committee [Mr. VINSON] has done an excellent job in reviewing the situation with the witnesses before the Armed Services Committee.

I was particularly impressed, Mr. Speaker, with the need of the armed services for additional housing. They testified before the committee that they need 145,000 Capehart housing units. This at a cost of some $16,000 per unit would amount to $2 billion in housing which would furnish a great deal of employment if properly handled. I think this gives the armed services an excellent opportunity to catch up on their housing requirements.

Mr. Speaker, we reviewed the Reserve situation. We found that they are getting caught up on the armory and Reserve facilities construction program. They testified, however, that there would still be some $41 million of money allocated for Reserve construction. I hope the $41 million will be considered in reference to the needs of the country at this time and the money made available at once by the Bureau of the Budget for the construction of the Reserve armory program and National Guard facilities throughout the United States.

Mr. Speaker, again I want to pay a tribute to my chairman, the gentleman from Georgia [Mr. VINSON], for an able job well and faithfully done on behalf of his committee and to the Majority Leader [Mr. MCCORMACK] for vision and ability to see clearly the needs of the hour and to be able to furnish a program to meet those needs.

Mrs. GRANAHAN. This resolution, introduced by our distinguished majority leader [Mr. MCCORMACK], puts Congress on record for an acceleration by the executive department of public works projects for which funds are already available.

Of course if the administration were on its toes—were geared to do its job effectively in the matter of combatting recession and assuring full employment, no such resolution as this would be necessary. President Truman would not have waited for such a resolution in order to act. Neither would President Franklin D. Roosevelt. They would have acted decisively as soon as their instincts told them the economy was headed downward—not wait, as President Eisenhower has done, for new statistics each week or each month to confirm what everyone else in the country know just by looking about.

Mr. Speaker, the newspapers reported this week that the month of February saw the greatest number of business failures in any February in 25 years.

Think back—count back—25 years. That was in February 1933. That was before Franklin D. Roosevelt took office—a few days before. It was when the banks were clanging shut in every city and town, and people were near despair and hungry. That was the low point in American economic history.

But February 1958 matched February 1933 for business failures. Think of that.

The White House staff probably read that report with surprise and disappointment, but certainly with surprise. Perhaps they have even told the President about it, and if so, I am sure he, too, was very, very surprised.

But, Mr. Speaker, anyone walking along North 52d Street in Philadelphia, or along any other business street in any of our major industrial centers, would not need the Dun & Bradstreet report to know how bad business has been. The empty storerooms stare out at you like ghostly sentries of lost prosperity.

Yes, Mr. Speaker, let us pass this resolution and its companion resolution dealing with a speedup on defense contracts. Let us give formal notification to the President through these concurrent resolutions that Congress wants him to act—to act as a decisive Chief Executive in a time of national economic emergency.

Let us get the wheels turning again. Let us help our citizens return to their jobs, and businessmen to face the day with a feeling that things are picking up.

Let us insist that our Government get busy so that the workers of this country are also busy again.

There is suffering and real depression in many of our cities today. The Full Employment Act has been, if not violated, at least disregarded and ignored.

Mr. VINSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is, Will the House suspend the rules and pass the resolution, Senate Concurrent Resolution 69?

Mr. VINSON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were: Yeas 375, nays 20, not voting 35, as follows:

[Roll No. 22]

YEAS—375

Abbitt	Collier	Haskell
Abernethy	Cooley	Hays, Ark.
Adair	Corbett	Healey
Addonizio	Coudert	Hemphill
Albert	Cramer	Henderson
Alexander	Cretella	Herlong
Alger	Cunningham, Iowa	Heselton
Allen, Calif.	Curtin	Hess
Allen, Ill.	Curtis, Mass.	Hiestand
Anderson, Mont.	Curtis, Mo.	Hill
Andrews	Dague	Hillings
Anfuso	Davis, Ga.	Hoeven
Ashley	Dawson, Ill.	Holifield
Ashmore	Dawson, Utah	Holland
Aspinall	Delaney	Holmes
Auchincloss	Dellay	Holt
Avery	Dennison	Holtzman
Ayres	Dent	Horan
Bailey	Denton	Hosmer
Baker	Derounian	Huddleston
Baldwin	Devereux	Hull
Barden	Diggs	Hyde
Baring	Dingell	Ikard
Barrett	Dixon	Jackson
Bass, N. H.	Dollinger	James
Bass, Tenn.	Dorn, N. Y.	Jarman
Bates	Dorn, S. C.	Jenkins
Baumhart	Dowdy	Jennings
Beamer	Dwyer	Johnson
Becker	Eberharter	Jonas
Beckworth	Edmondson	Jones, Ala.
Belcher	Elliott	Jones, Mo.
Bennett, Fla.	Engle	Judd
Bennett, Mich.	Everett	Karsten
Bentley	Fallon	Kean
Berry	Farbstein	Kearns
Betts	Fascell	Keating
Blatnik	Feighan	Kee
Blitch	Fenton	Kelly, N. Y.
Boggs	Fino	Keogh
Boland	Fisher	Kilday
Bolling	Flood	Kilgore
Bolton	Flynt	King
Bonner	Fogarty	Kirwan
Bosch	Forand	Kitchin
Boykin	Ford	Kluczynski
Boyle	Forrester	Knox
Bray	Fountain	Knutson
Breeding	Frazier	Krueger
Brooks, La.	Frelinghuysen	Lafore
Brooks, Tex.	Friedel	Landrum
Broomfield	Fulton	Lane
Brown, Ga.	Garmatz	Lankford
Brown, Mo.	Gary	Latham
Brown, Ohio	Gathings	LeCompte
Brownson	Gavin	Lennon
Broyhill	George	Lesinski
Burdick	Glenn	Libonati
Burleson	Granahan	Lipscomb
Bush	Gray	Long
Byrne, Ill.	Green, Oreg.	Loser
Byrne, Pa.	Green, Pa.	McCarthy
Canfield	Gregory	McCormack
Carnahan	Griffin	McCulloch
Carrigg	Griffiths	McDonough
Cederberg	Gross	McFall
Celler	Hagen	McGovern
Chamberlain	Hale	McGregor
Chelf	Haley	McIntire
Chenoweth	Halleck	McMillan
Chiperfield	Harden	McVey
Christopher	Hardy	Macdonald
Church	Harris	Machrowicz
Clark	Harrison, Nebr.	Mack, Ill.
Coad	Harrison, Va.	Mack, Wash.
Coffin	Harvey	Madden
		Mahon
		Mailliard
		Marshall
		Martin
		Matthews
		May
		Meader
		Merrow
		Metcalf
		Michel
		Miller, Calif.
		Miller, Md.
		Miller, Nebr.
		Miller, N. Y.
		Mills
		Minshall
		Mitchell
		Montoya
		Moore
		Morano
		Morgan
		Morris
		Moss
		Multer
		Mumma
		Murray
		Natcher
		Nicholson
		Nimtz
		Norblad
		O'Brien, Ill.
		O'Brien, N. Y.
		O'Hara, Ill.
		O'Konski
		O'Neill
		Osmers
		Ostertag
		Passman
		Patman
		Patterson
		Pelly
		Perkins
		Pfost
		Philbin
		Pilcher
		Pillion
		Poage
		Poff
		Polk
		Porter
		Powell
		Preston
		Price
		Prouty
		Quie
		Rabaut
		Ray
		Reece, Tenn.
		Rees, Kans.
		Reuss
		Rhodes, Ariz.
		Rhodes, Pa.
		Riehlman
		Riley
		Roberts
		Robeson, Va.
		Robison, N. Y.
		Robsion, Ky.
		Rodino
		Rogers, Colo.
		Rogers, Fla.
		Rogers, Mass.
		Rogers, Tex.
		Rooney
		Roosevelt
		Rutherford
		Sadlak
		Santangelo
		Saund
		Saylor
		Schenck
		Scherer
		Schwengel
		Scott, N. C.
		Scott, Pa.
		Scrivner
		Scudder
		Seely-Brown
		Selden
		Sheehan
		Shuford
		Sikes
		Siler
		Simpson, Ill
		Simpson, Pa.
		Sisk
		Smith, Calif.
		Smith, Kans.
		Smith, Miss.
		Smith, Va.
		Spence
		Springer
		Staggers
		Steed
		Sullivan
		Talle
		Taylor
		Teague, Calif.
		Teague, Tex.
		Teller
		Tewes
		Thomas
		Thompson, N. J.
		Thompson, Tex.
		Thomson, Wyo.
		Thornberry
		Tollefson
		Trimble
		Tuck
		Udall
		Ullman
		Vanik
		Van Pelt
		Van Zandt
		Vinson
		Vursell
		Wainwright
		Walter
		Watts
		Weaver
		Westland
		Wharton
		Whitener
		Widnall
		Wier
		Willis
		Wilson, Calif.
		Wilson, Ind.
		Winstead
		Withrow
		Wolverton
		Wright
		Yates
		Young
		Younger
		Zablocki
		Zelenko

NAYS—20

Andersen, H. Carl	Hébert	Norrell
Arends	Hoffman	O'Hara, Minn.
Budge	Jensen	Reed
Byrnes, Wis.	Kilburn	Taber
Cannon	Laird	Utt
Clevenger	Mason	Whitten
	Neal	Williams, Miss.

NOT VOTING—35

Bow	Evins	Radwan
Buckley	Gordon	Rains
Byrd	Grant	Rivers
Colmer	Gubser	St. George
Cunningham, Nebr.	Gwinn	Shelley
Davis, Tenn.	Hays, Ohio	Sheppard
Dies	Johansen	Sieminski
Donohue	Kearney	Stauffer
Dooley	McIntosh	Thompson, La.
Doyle	Magnuson	Vorys
Durham	Morrison	Wigglesworth
	Moulder	Williams, N. Y.

So two-thirds having voted in favor thereof the rules were suspended and the concurrent resolution was concurred in.

The Clerk announced the following pairs:

Mr. Rains with Mr. Wigglesworth.
Mr. Buckley with Mr. Johansen.
Mr. Grant with Mr. Bow.
Mr. Davis of Tennessee with Mr. Radwan.
Mr. Morrison with Mr. Stauffer.
Mr. Moulder with Mr. Kearney.
Mr. Thompson of Louisiana with Mr. Gwinn.
Mr. Shelley with Mr. Dooley.
Mr. Sheppard with Mr. Williams of New York.
Mr. Hays of Ohio with Mr. Cunningham of Nebraska.
Mr. Byrd with Mrs. St. George.
Mr. Doyle with Mr. Vorys.
Mr. Dies with Mr. Gubser.
Mr. Donohue with Mr. McIntosh.

Mr. H. CARL ANDERSEN changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that House Concurrent Resolution 286, as amended, be laid on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NEAL. Mr. Speaker, Concurrent House Resolutions 285 and 286 simply encourage spending agencies to rush headlong into contract awards for defense and civil programs before adequate preparation has been completed.

Administration requests that these programs be stepped up as rapidly as they can be economically justified have already been made in order to relieve unemployment in distressed areas.

With funds already appropriated and available for projects ready to be contracted, it would be less than reasonable to assume that the agencies concerned would unduly prolong contract awards when industrial units throughout the Nation are anxiously seeking orders that promise the opportunity to increase employment.

The action of the majority Members of the House on these resolutions not only indicates an attitude of panic on their part but tends to exaggerate this all too present state of anxiety in the minds of the general public. Haste and its accompanying waste have traditionally failed to restore public confidence in the Nation's economy. While acceleration of these programs is desirable, it certainly does not justify reckless haste in an attempt to win popular favor.

Let us resort to every legitimate means to encourage industry to create jobs but let us not encourage undue haste that can have no other than demoralizing effect on the economic and financial structure of the Nation.

It is for these reasons that I expressed my negative vote on these resolutions.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on Senate Concurrent Resolution 69.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY—LEAVE TO EXTEND REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that members of the Committee on Banking and Currency be allowed to extend their remarks preceding the passage of the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ACCELERATION OF CIVIL CONSTRUCTION PROGRAMS

Mr. BLATNIK. Mr. Speaker, I move to suspend the rules and pass the Senate concurrent resolution (S. Con. Res.

68) favoring the acceleration of civil construction programs for which appropriations have been made.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial unemployment in many areas of the country; since some of the productive facilities of our economy are idle and many are only partially utilized; since permitting an economic downturn to continue unchecked makes it less responsive to corrective action; and since there are many authorized and urgently needed civil construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion of these projects which will contribute greatly to enhanced national productivity and continued economic growth and prosperity.

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

The SPEAKER. Is a second demanded?

Mr. McGREGOR. Mr. Speaker, I demand a second.

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. The gentleman from Wisconsin is recognized for 20 minutes.

Mr BLATNIK. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Wisconsin is recognized.

Mr. BLATNIK. Mr. Speaker, the resolution is well known to all of us and is a companion resolution to Senate Concurrent Resolution 69 just adopted by the House by an almost unanimous vote.

The pending resolution merely expresses the wish and the intent of the House, that civil works for which moneys have already been appropriated be accelerated to accomplish the purpose of providing the needed facilities appropriated for, and at the same time to meet the growing need of employment which is a major problem and even a critical one in many areas of the country.

Mr. Speaker, the committee was advised that there is an unexpended balance of about $4 billion for civil public works. The committee feels that the acceleration which can be made and which is urged and asked for by this resolution would result in providing employment for many people in many areas of the country.

Mr. Speaker, I hope the resolution will be agreed to.

GENERAL LEAVE TO EXTEND

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DENT. Mr. Speaker, I rise to put in a strong objection to the motion to suspend the rules in order that this legislation may pass without any remonstrance or dissension against any of its features. First of all, I do believe that this is important enough that each Member give serious consideration to some of the results that could come about from the nature of the times we find ourselves in.

The rule suspension to allow this serious piece of legislation to pass without debate is certainly not in the interest of good government or of the taxpayers.

There are two basic amendments that should be considered by this body.

First, I have yet to talk to one Member of the Congress who believes the interest rate—4¾ percent—should be increased at this time; and yet, that is what the bill does.

The second and even more vital point is the unusual demand in these depressed economic times for an amendment to disallow the spending of this huge sum of money $1,800,000,000 on any project unless the building materials and products are manufactured and/or produced in the United States of America.

This is hailed as a antirecession measure. It provides for some 200,000 new dwelling units and is supposed to create one-half million jobs.

Where are we going to create these jobs—in the glass plants of Belgium, in the ceramic kiln of Japan, in plywood plants of Canada, and in the factories and shops all over the world producing building materials?

This is supposed to fit into our sick economy as a shot in the arm, but can we accomplish this end by depriving American workmen of millions of man-hours and the American economy of millions of dollars?

This is not a fight against foreign trade as such. It is an attempt to make the money do the job we need to have done now. The question of foreign trade and reciprocal trade agreements will be resolved at the proper time.

I want to give you one example of what I am driving at in this fight for an opportunity to amend this bill.

Two hundred thousand homes will use a lot of window glass, which can give thousands of workers millions of dollars in wages.

This appears to be a big order and yet, in 1 single year 6½ million crates of glass were imported into the country; enough window glass to glaze 1 million homes. That is five times as many as the bill provides.

Can you picture how much the American workman and the American economy will be deprived of when you count the windows, framing lumber, plywood, bath tile and all of the other building materials that will be used in building 200,000 dwellings if these materials are purchased abroad.

The time will come to discuss the overall picture on the effect of foreign trade upon the American economy and its value or lack of value in the field of international diplomacy. The division may be different, but today, every argument—every logic calls for a restrictive amendment to protect and help our own economy.

Standing alone, this legislation, if amended with my restrictive covenant declaring that American-made materials must be used, will give an added incentive to many who today are holding back because of a dread of the future. This action would signalize the first rocket in a message to the people that this Congress is aware of the grave unemployment situation and the depth of the present recession. Many of the Members of this Congress are confusing today's standards with those of yesteryear.

Do not be fooled by the clarion voices of those who would lull us to sleep in this vale of economic peril.

In 1929, when we were visited with a degrading depression, practically the entire civilized world was nearly strangled with the cord of misery and despair. Today we stand practically alone in our position of depresesd national economics. There must be a reason somewhere. Maybe it isn't just our foreign policy or just our domestic policy; it could be a little of both. Whatever it is, if we hope to face the future with any degree of confidence, both internally and externally, we must find the cause and destroy it.

There is no need in modern society for the old-age cycle of feast or famine. I regret that this rush, born of fear—fear that this Congress could not and would not discuss this legislation thoroughly, has caused what I believe to be a lost opportunity to aid American economy at the time that we need it most.

I intend to contact the Postmaster General and advise him that there would be a great deal more enthusiasm for the proposed $2 billion construction program if a restriction in the contracts compelled the use of American-made products.

Mrs. SULLIVAN. Mr. Speaker, no one could oppose the purposes of this resolution urging the President to use funds already appropriated for a speedup or acceleration in public-works projects. If anything, the resolution is much too mild in that the compromises reached in its wording seem to try so hard to lean over backward to save face for the slowness of the administration in this matter. I believe personally that the original resolution as introduced by our majority leader, the gentleman from Massachusetts [Mr. McCORMACK], had some phrases in it that should have stayed in it.

In other words, there is not only substantial unemployment, as the amended resolution states, but there is substantial and growing unemployment, as it originally stated. Not just some of our productive facilities are idle or partially utilized; many of them are idle. And I certainly believe, as the gentleman from Massachusetts [Mr. McCORMACK] phrased it originally, there is a clear danger involved in permitting an economic downturn to continue unchecked until it becomes unmanageable and unresponsive to even a maximum effort.

Taking some of this phraseology out of the resolution may make it somewhat

more palatable to the administration and its supporters, but these are factual statements nevertheless, and we all know it.

Mr. Speaker, I want to refer briefly to the report of Committee on Public Works in reporting out this resolution. It calls attention to the fact that this resolution does not cover the full extent of the need in the field of public-works stimulation for antirecession purposes.

As the committee points out, and as we all know, this resolution applies only to the speedup of projects for which funds have already been appropriated—using the appropriated funds faster. It does not apply to the so-called new starts, projects out or nearly out of the planning stage for which no initial construction funds have yet been voted.

As the committee points out, additional legislation should be considered by the Congress to develop our natural resources "to promote the increased growth of our economy, and to provide needed public improvements for the health, safety, and better living conditions for our citizens."

FLOOD CONTROL URGENTLY NEEDED IN ST. LOUIS

In this category, of course, is the St. Louis flood-control project, which is just about through the planning stage and soon ready for construction. The President has failed to provide in his budget for any such new starts in the coming fiscal year. I have urged that this policy be changed.

This recession is not going to end abruptly overnight, or in a month. It will be a gradual upturn as the various measures we have been urging are put into operation. I am sure no one can say that this will be an overnight reversal from recession to boom.

We will still need the jobs which long-delayed but necessary new public works projects will provide. And we also need the public works themselves. The St. Louis project, for instance is urgent from both standpoints.

Under the parliamentary situation, I know we cannot do a rewriting of this resolution on the House floor and it is not necessary to try to do so. The committee report makes clear we expect the administration to move forward not only on these projects for which funds have been appropriated already, but to initiate legislation for additional useful and necessary projects which would come under the heading of new starts.

Additional legislation, in case of the St. Louis project, of course, refers only to the necessary funds being included in an appropriate bill. That is all that would be needed for this project and others in the category of new starts.

Therefore, I urge again that the President rescind his policy directive to the Army Engineers which has been interpreted as meaning that funds may be sought this year only for going projects already in receipt of construction funds. That directive should be broadened to include permission to the Engineers to ask for funds on such new-start construction jobs as St. Louis—a very top priority project.

MAYOR TUCKER POINTS OUT PROBLEMS ARISING FROM DELAY

Of course, even if the administration refuses to ask for money for this project, I intend to push for it anyway, but I hope that the present obstacle presented by the President's policy directive will be removed. We need the work this project will provide; we also need the flood protection it will provide. This project has been fully authorized and approved by the Congress at every stage up to now. Now it is ready for construction in the very near future. It is a good, solid, worthwhile project.

Mr. Speaker, I include as part of my remarks a letter from the Honorable Raymond R. Tucker, mayor of St. Louis, on this very problem.

St. Louis has been buying up the necessary land for this project, and we do not want to see more of our valuable downtown land cleared and lying idle for years because of Federal budget delays on necessary, approved, important Federal-local projects. We have had that experience so often in recent years that we now want to see fast action by the Federal Government once we clear off a large area of land as part of our cooperation on a joint Federal-local project.

The mayor's letter to me, dated February 25, 1958, reads as follows:

OFFICE OF THE MAYOR,
St. Louis, Mo., February 25, 1958.

Mrs. JOHN B. SULLIVAN,
House of Representatives,
New House Office Building,
Washington, D. C.

DEAR LEONOR: I want to call to your attention another aspect of the question of Federal appropriations for St. Louis projects which may be of interest to you.

The voters of St. Louis have already approved the issuance of millions of dollars of bond funds for projects for which Federal participation has been authorized. Such approval bond issues—even when unspent—tie up significant portions of the total authorized bonded indebtedness of the city.

For example, for over 30 years, the city has had available $5,250,000 in approved bond money for the development of the riverfront Jefferson Expansion Memorial.

Further, in the $110 million bond issue of 1955, the voters endorsed proposition No. 20 setting up $7,547,000 for flood control within the city. The St. Louis flood-protection project had at that time been authorized by the Congress.

Thus for these 2 projects approximately $12,797,000 of city bond issue money, voted for projects bearing Federal authorization, has been pledged. This means that over 7.4 percent of the total constitutionally authorized debt limit of the city is tied to these projects requiring Federal participation.

It seems to me only proper to expect the Federal Government to meet the obligations it incurred when the people of St. Louis voted in good faith their share of federally authorized projects.

Similarly, when the city's voters supported proposition 4 of the 1955 bond issue for $110 million for urban renewal, they understood Federal participation in urban renewal would be on a ratio of $2 of Federal money for $1 of city money. Although the great bulk of the $110 million will be spent on that basis, it seems to me that the President's proposals for scaling down the future amount of Federal participation could raise real doubts among the voters if at any future date they are asked to grant the city's share of a program involving Federal participation.

Such doubts would surely be heightened by the abandonment by the Federal Government of authorized projects, such as flood protection, which have received bond issue authorization by the people.

I am told that the collections of the Internal Revenue Service in the eastern district of Missouri of which St. Louis is a major part, for the last fiscal year totaled close to $1¼ billion. Projects which strengthen the resources of an area which makes such a national contribution deserve to be considered as more than purely local in their rationale.

As you know, I have discussed the intrinsic merits of these vital projects of urban renewal, flood protection, riverfront development, and the like, in detail at other times. It is my thought that the points raised in this letter might be of additional help in your consideration of these matters of importance to the city of St. Louis.

Cordially yours,

RAY, *Mayor.*

Mr. ALGER. Mr. Speaker, I am opposed to this resolution because I do not believe it to be necessary, and I here protest our considering gratuitous matters. The resolution states "since some of the productive facilities of our economy are idle and many are partially utilized." As a matter of degree this statement could be. But even accepting it at face value, this is no cause for alarm. This is the normal situation under free enterprise. This resolution is not necessary as I see it; it is not legislation but only the expression of the sense of Congress. The sense of Congress is properly found in legislation passed by this House. Each of the many preceding legislative measures we have passed properly state Congressional intent. Repeating this intent here adds nothing. Actually the President has already requested this speedup in Government wherever feasible.

More serious yet, in departing from our more orderly procedures, all the while assuring each other there is no cause for alarm; we are disproving our intention and creating alarm where we claim none should exist. Thus, we may puzzle others—the Government agencies who now are exhorted to spend more quickly and our citizens who are misled into thinking we actually are doing something by this resolution. As to the facts about Federal spending, the Joint Economic Committee of Congress, a bipartisan group of Senators and Representatives, have clearly stated in their January analysis of the Nation's economy, that there is no necessary relationship between Federal spending and our national economic health. Spending a billion or two billion dollars on public-works projects, in a pump-priming fashion, will not greatly affect a $435 billion economy, if at all. It could even dislocate our economy. Further, the unemployed will not be employed, unless coincidentally they live at or near the job site. Rather, these programs will bid largely for workers from the employed ranks. The present unemployment is not great in terms of total employment, and those now loudly crying about the unemployment figures know this. Even Mr. Truman said 3 million to 5 million unemployed is to be expected and then we did not have 62 million employed. At peak prosperity 2½ million or more are unemployed. In fact, today the only cause for alarm

factually can be stated as being that we are not now at a peak of prosperity. Must a free economy always exceed its past peak all the time? Compared to any other period this Nation is doing very well. Savings are at an alltime high. Families have inventories of basic needs. Temporarily some have decided to save and not spend. This, too, will pass.

The heavy unemployment of the thirties—over 10 million of a 45 million work force—the depression period was stopped only by World War II. This is a fact. Now in peace, if we have some readjustment pains, why must we immediately become panic stricken? The people are not so upset as Congressmen, thank goodness. The percentage of unemployment in other periods since 1945 has been greater at various times than today, yet there was never the hue and cry. True, we had those with faint hearts and little faith, the doom and gloomers, as they were called even then, but never so loud and anguished as now. Look at the facts—number of employed, total gross national product, savings, standard of living—on every one of these factual bases we are progressing with the usual growing pains.

Now, can Congress change the direction of the national economy by intention? Absolutely not. Only the combined efforts of our people working and saving can do this. True, we can, through Government conduct, build confidence and so preserve and nurture our free enterprise type of economy. Are we building confidence by political chest beating, forgetful of the facts of our economic health, as each Congressman and each party competitively seeks to do more for the citizens, by spending the other fellow's money, redistributing the tax money?

It is a fact that additional governmental projects cost more tax money from every man's pocket, or inflation of the money in circulation and the abandonment of a sound currency policy. This is the lurking danger behind this resolution, an effort to cry wolf when our national economy is at stake. Just as we in this body can build confidence we can also jeopardize or destroy confidence. This resolution, either before or after the change of various words as shown, presumes this Nation to be in far more serious economic straits than shown by the facts. This is just talk, not action.

It is interesting to recall that the depression of the thirties ended only with World War II and the slump of 1949–50 in the Korean war. The recession of 1954–55 ended peacefully because we didn't get in an uproar but kept our balance and perspective. We should do no less now, even if this readjustment proves to be more than just growing pains.

Mr. McGREGOR. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER], a member of the committee.

Mr. CRAMER. Mr. Speaker, of course we are all for this resolution; we are all against sin; we all want action in combating present economic problems facing the Nation.

This resolution amounts to little more than a good public relations release from Congress. It sets forth our desire that the President go ahead and do exactly what he has already announced he is going to do and a part of which he has already put into effect, but amounts to all talk about the executive's action and no action by the legislative branch. I think the fact that this is all talk but no corrective legislative action by Congress should appear in the RECORD. I further wish to call the attention of the membership to the wording on page 2 at the end of the resolution, lines 9, 10, and 11, after attempting in the preceding part of the resolution to state the intention of Congress as that which has already been announced as being the intention of the executive branch of the Government, to accelerate the public works program. The resolution closes by stating that "the Congress commends the President and the Executive Agencies for such action as they have taken to accelerate these programs." This is clear and acknowledged proof of the fact that the President has already taken the action which Congress is in this resolution asking the executive branch to take—clearly are after-the-fact effort to claim legislative credit for executive action. It involves solely the expenditure of funds that have already been appropriated, which are already available for expenditure, asking that the President go ahead with the accelerated public works program which he has already announced and put into effect and has sent as a further step an appropriation for fiscal year 1959 increase to Congress in the amount of $171 million, asking that public works projects be proceeded with and accelerated, not only with the money we have in fiscal year 1958 appropriated, but in addition an additional 1959 appropriation. A program submitted this last week to Congress, a program, I suggest, that was announced by the President of the United States before this resolution was introduced either in the House or in the Senate. The President's action not only goes farther than this resolution which calls for expenditure of appropriated funds for 1958 but adds funds to 1959. I think it is important to know that we are not here in this resolution asking for new appropriations; we are not here in this resolution calling for new authorizations; we are only calling for the President to go ahead and expend those funds which are presently available; we are not going as far as the President himself has already gone in accelerating public works projects.

I want to point out this one fact in regard to why those fiscal 1958 funds which this resolution deals with have not been spent previously. That reason, in my opinion, is simply because the Congress of the United States did not accept its responsibility in raising the national debt limit last year, of course, the majority in Congress was preaching economy then and bragging about cutting spending—a vogue that is out of style this year. I remember well last year also a resolution sponsored by the majority calling for an investigation into executive spending and blasting the President for spending so much money—which passed—and now we are "resoluting" to increased executive expenditures. What a switch in position by the leadership. The executive could not proceed full speed with the projects nor expend all the money for the simple reason that had they done so they would have exceeded the national debt limit. We accepted our responsibility this year and that was the reason the President could now announce this accelerated spending program.

Mr. SCOTT of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. SCOTT of Pennsylvania. This is the 19th of March. Would the gentleman tell us whether this Congress has done anything about this situation since it convened?

Mr. CRAMER. I think the answer is obvious. Congress has not accepted its responsibility. It does not make any difference how many resolutions of good intent we pass; unless we authorize new and strengthen existing programs and appropriate money to carry out projects on the legislative side to carry out our announced antirecession intentions, such resolutions do not accomplish anything. Perhaps the majority leadership sponsoring this resolution would care to explain to the American people why, so far as trying to do something in a concrete fashion with regard to the present situation in evidencing action as well as words of good intention, the Congress did not this year and did not last year, for instance, provide for additional insurance on FHA mortgages of $3 billion a year for the next 5 fiscal years as requested by the President.

Secondly, why has not the Congress made an adjustment of the statutory interest rate to speed up the flow of investment capital. Why relief for small business has not been given consideration, as requested by the President of the United States. Why removal of the statutory limit on the life of the Small Business Administration and new authority for loans for small business, as requested by the President of the United States has not been brought up. Also an addition of $2 billion in the lending authority for the Export-Import Bank, and $2 billion post office construction program involving post offices and post office buildings, as requested by the President, and reactivation of the lend-purchase program which would result in the construction of thousands of post offices, as requested by the President of the United States and which would have up to this time put to work thousands and thousands of people in this country in the building of new post offices and Federal buildings and doing so through private enterprise, all requested in an effort to get the job done and to employ these people who find themselves out of work has not been considered.

These are some of the areas in which I feel Congress under the present majority leadership has failed in its responsibility to the people. When this resolution was up for consideration—I do not want any misunderstanding, every one on our committee voted for the resolution,

everybody knows that we, too, agree with the President; we, too, agree with the announced position of the President that these programs should be accelerated. But speaking for myself, I have the belief that Congress should go further than to commend the executive branch for what it has done when it has already acted. Congress should act in its own coequal legislative field in providing antirecession measures rather than trying to get in on the President's executive act.

Let me say that when this resolution was under consideration in the Public Works Committee, it was announced by the gentleman from Ohio [Mr. SCHERER] and by myself that it was our intention to request that the Public Works Committee consider approval of a bill passed unanimously by the Senate that would have extended the lease-purchase program. That matter has been residing in the Public Works Committee ever since early last year. Our motion was to have the Senate bill reported favorably by the Public Works Committee. We announced our intention to request or to offer such a motion. This pending resolution was brought up immediately when we went into executive session, a vote was taken, and, without opportunity to offer any other motion, the gavel sounded, the meeting was adjourned without anyone's motion, and there was no opportunity permitted to consider an effective lease-purchase program. This is a clear-cut example of legislating a lot of words and little action.

Even the subcommittee of the Committee on Appropriations dealing with independent offices has refused to give contract authorization for $26 million worth of post office and Federal building projects that have taken a number of years to process under the old Lease-Purchase Act. They are ready to go, but the General Services Administration cannot even get contract authorization from the Subcommittee on Appropriations in order to get these ready-to-go projects off the ground.

It is one thing to tell the American people we want something done, it is fine that we commend the President of the United States for going forward with a program, but I think that the Congress itself has to do something in these different fields, some of which I have indicated. I hope we will accept that challenge and will do something about it in the form of concrete action rather than in presenting a resolution commending the President of the United States for something he has already done.

The point I want to make is just simply that the President had announced his program and had put it into effect long before any resolution was proposed in the other body or in this body. I just want to suggest this, that Congress should go ahead and accept its full responsibility in this field and not attempt by implication or otherwise to pin the blame on anybody else. I am glad, however, that this last provision was added commending the President for his action in this matter.

We all want action that will stimulate our economy—within reasonable limits of Federal activity—by both the executive and legislative branches. I trust Congress will follow this good-intention resolution with good-intention action.

Mr. BLATNIK. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Speaker, it had not been the intention of the members on the majority side of the Committee on Public Works to talk on this bill. It was assumed it would pass virtually unanimously. But, since the gentleman from Florida has taken the time to raise some questions about this matter, I think they should be answered.

In view of the fact that the gentleman from Florida has opposed all public works programs in our committee that do not have the complete O. K. and instruction from the Bureau of the Budget and the President of the United States, I think he is not the best authority to get up and ask the Congress to take some action in freedom from the President, because he has rigorously followed the line of never favoring anything that has not been endorsed and approved by the Bureau of the Budget.

The question here is about the matter of who is responsible for this slowdown in public works spending. It is the Bureau of the Budget and the President of the United States. They are responsible. If they had spent this money when the Congress appropriated it, there would perhaps not be the current situation that exists today.

The Bureau of the Budget has given orders to the various departments and the Corps of Engineers, after the appropriation was made last year by the Congress, not to spend certain money even though it was appropriated by the Congress of the United States, even though the President of the United States had signed the bill appropriating that money. Today we, in this resolution, are making it clear that the sense of the Congress calls for the expenditure of these funds that have been appropriated by the Congress. And, it is in no sense a commendation of the policy that the President has followed heretofore.

Mr. McCORMACK. Mr. Speaker will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Florida made a point about increasing the debt limit. We received no recommendation from the President in the last session to increase the debt limit—and it is his prerogative and his responsibility to make that recommendation to the Congress—and when he did send it up we increased it $5 billion this year.

Mr. SMITH of Mississippi. We increased the debt limit $5 billion.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Will the gentleman from Mississippi tell the Members of the House exactly how many post offices were built under this lease-purchase program during its 3-year life? This program which the gentleman from Florida said was going to build thousands of post offices next year? Will the gentleman tell the House how many post offices were built under the lease-purchase program during the 3 years of its existence?

Mr. SMITH of Mississippi. I think the point should be made that until the House Public Works Committee disposed of that bill the gentleman from Florida was talking about, which is no longer before our committee and is now before the Committee on Rules—until the House Public Works Committee disposed of that bill there had not been any post offices built. After it became clear that the House Committee on Public Works wanted some action by putting out a bill to provide for building by direct appropriations, then the General Services Administration and the Bureau of the Budget changed some of their standards, raised the interest rates allowed and made some other provisions, and as the result some buildings are being built. But, before that action by our committee there was nothing being done. I think 1 or 2 contracts had been let during the whole 4 years prior to this.

Mr. McGREGOR. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I should like to say that I was not going to enter into this controversy, but I feel that the record should be made known the record speaks for itself. I might say to my distinguished friend from Mississippi [Mr. SMITH], the record will show that every single member of our Public Works Committee who are members of the majority party voted to allow the Lease-Purchase Act to expire on June 30. This is the law that allowed private capital to build Federal buildings and lease them to the Government, who in turn would pay for them in the form of rent. The fact that we are not getting the post offices, the fact that we are not relieving unemployment so far as the areas where Federal buildings are needed is concerned is something that lies directly on the Democratic side of the aisle, because the record shows that not a single one of them voted to extend the lease-purchase law which certainly would have given the opportunity to allow private capital to build buildings in certain areas and thereby giving employment to thousands of people. They cannot deny the record.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHERER. Mr. Speaker, while this resolution is not needed, since the President has already acted in this respect, it is perhaps appropriate that Congress express its approval of the action already taken by the President, and our commendation for that action.

It should be pointed out that if the Democrats really wanted to get action, rather than merely passing resolutions of intent, they should vote out of the

Public Works Committee the legislation which they have been sitting on and opposing for more than a year. It is the Republican-sponsored legislation to extend the lease-purchase program, which expired in June of 1957.

If this legislation had not been bottled up in our committee, the Government could have proceeded with the construction of many needed Federal buildings and post offices in all sections of the country. Structures, in all probability, could have been under construction at this moment, thus relieving some of the current unemployment.

Furthermore, the lease-purchase law uses private funds at a time when Federal moneys are so badly needed for defense and other purposes. It was my intention, and I so stated, at the committee hearing on this resolution, to again offer a motion to vote out the lease-purchase bill already passed by the Senate. Mr. CRAMER, the gentleman from Florida, stated he would second such motion. However, it is obvious that the majority was still opposed to this legislation because immediately upon the adoption of the McCormack resolution the chairman gaveled the meeting to a close simultaneously with the announcement of the vote. I was thus prevented from making a previously announced motion which would have brought Congressional action rather than words.

While the majority leadership is unanimously supporting promises in the form of the McCormack resolution, contrary action is being taken by the Independent Agencies Subcommittee of the Appropriations Committee in refusing to grant contract authorizations for $26 million worth of ready-to-go public-building projects that were cleared under the lease-purchase law, prior to its expiration.

The majority says it wants to build Federal structures by direct appropriations, rather than using private capital. It is significant that such direct appropriations would help to unbalance the budget and require deficit spending. Could it be that someone is interested in thus embarrassing the administration?

Mr. BLATNIK. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am rather puzzled by this needless controversy; it is not even a controversy, but, to be perfectly candid, is plain, cheap politics on a very grave and serious matter.

We had a very serious and expeditious meeting of the committee and reported this resolution out by a unanimous vote, in one morning. We had some good questions from the minority, questions that were justified, but not this type of smokescreen we have going around here now. The committee report makes it perfectly clear, and my very good and able friend from Florida [Mr. CRAMER], knows that we are commending the President for those steps which have been taken. We also point out, however, that it is the opinion of the committee that additional steps must be taken. We point out that there are $4 billion already appropriated for civil works projects which could be accelerated. Why the gentleman from Florida [Mr. CRAMER] mentions a whole list of legislative programs that have been under consideration and will be under consideration, but which are not affected by this resolution, I do not know.

It is not we on this side who are saying who was first or who was last. I say that we are in this together. We, in America, are in one tough spot, and I say this with deep regret. We just have not had the kind of leadership of this great country that we should have had.

First, we get caught flatfooted by the sputniks, and for 4 months we literally became a nation of stargazers, standing on our front lawns watching the sputniks whiz by overhead.

Now, when we turn around we find that the henroost in the backyard has been robbed and we are in serious economic difficulties at home, with 6 million people unemployed.

If that is leadership, believe me, you can have it. The President, with his economic advisers, and big-business men on his Cabinet and as heads of top agencies should have had some forewarning as to what was ahead. We need more foresight and less hindsight. Of course there are other programs that should be gotten underway by the Congress; but this resolution deals only with those for which Congress has already made appropriations, and such moneys now available, it is the President who is being urged to accelerate those projects where practicable and needed to provide employment and add to the upgrading of justifiable public facilities.

The gentlemen from Florida enumerates a list of steps the President has already taken, and the resolution does commend the President for such action; but it also makes it clear that that is not enough, and urges the acceleration of feasible projects for which money is already available. This is the least that he can and should do by way of immediate action.

Mr. Speaker, I say that America is in trouble, and in addition to the serious plight in which millions of Americans now find themselves, and with the cloud of uncertainty and anxiety increasing the apprehensiveness of millions more, we must also consider the impact this will have on our influence in international affairs. For, if we cannot help our own people, how can we tell the other people of the world that we will give them leadership and assistance to bring about stability in the difficult and problem areas of the world?

Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, in my part of the country a hunting dog who leaves the main trail to chase a rabbit is not considered a very desirable hunting companion. I think Members on both sides of the aisle sometimes fall into the temptation to leave the main trail of legislative discussion and chase the rabbits of extraneous and often irrelevant controversy.

This is what I believe has happened here today with the injection of the lease-purchase controversy into our discussion of this resolution. The resolution presently before us concerns itself solely with the need to accelerate those public works projects already authorized by Congress and for which appropriations already have been made. So far as lease-purchase is concerned, there are 149 projects which were authorized for construction under that device during the 3 years in which it was operative. During all that time, Congress did nothing whatever to impede the progress of this program.

If the lease-purchase device had been an effective and workable instrument of governmental policy, it seems logical to assume that many of those projects would have been completed today and many others would have been under construction. The fact that not one single completed public building has resulted from this law would seem to indicate clearly that extension of lease-purchase would have had a negligible effect at best upon the acceleration of construction throughout the country.

I regret that this resolution has been the occasion for partisan argumentation and attempts to assess blame as between the executive and legislative branches. I am sorry the expiration of the lease-purchase law has been injected into the discussion. Since it has become an item of controversy today, however, I think it should be pointed out that the House Committee on Public Works very deliberately did consider the idea of extending the lease-purchase law and deliberately decided against such extension, for a very valid reason. Under this program, more money was actually earmarked for interest and similar charges than for the buildings themselves. The total construction cost of the 149 projects approved for construction was a little less than $750 million. But when we projected them out over the 30-year period that it would require for some of them to be paid for, with the increased interest rates the Government would be obliged to pay to private financiers during this period of high interest, and with the local taxes we would be obliged to pay since the Government would not actually own the buildings until they had been amortized, the total cost of all these buildings under the lease-purchase law would have been more than $1,500,000,000, or more than twice the construction value of the projects.

I simply want to say, not in an argumentative or partisan way, that it was the judgment of the committee concerned with this legislation that this particular type of construction should not be extended, because it would have cost the American taxpayer more than $2 for every dollar's worth of building. Your committee felt that these buildings could be constructed much more efficiently and at much less expense to the taxpayers on a pay-as-we-go basis, out of current appropriations.

Now, let's consider this resolution on its merits and in the nonpartisan spirit in which it was presented.

The resolution recognizes that we have some 5 million unemployed. It does not seek to assess the blame, it simply says we share with the President and the administration a concern for these 5 mil-

lion and more people who are out of work, who would like to work but cannot find work; that we call upon the administration to accelerate those programs for which we already have appropriated funds, and that we commend the President for such action as he has already taken in accelerating those programs. I see nothing partisan about that. It was not the intention of the committee to bring before you a partisan resolution. I know that no Member of this House wants to make partisan, political capital out of human misery. Therefore, let us consider this in the calm light of reason and judgment and enact this resolution in that same spirit.

Mr. McGREGOR. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, it certainly is gratifying to attend a session where there is so much spirited discussion which is entirely nonpartisan. So often we engage in debate and partisan politics, in spite of our earnest endeavor, comes in in some unexpected way, either directly, indirectly, or by implication. That the debate today is not following the altogether too frequent trend to become or drift into a political discussion is evident. We find on the second page of the resolution, lines 9, 10, and 11, the statement in italics, mind you, it was put in italics so we will be sure to read it, this generous compliment. I quote: "The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs." And think who wrote that? The leader of the majority, the gentleman from Massachusetts [Mr. McCORMACK], put that right in there praising a Republican President. It may be due to an oversight that he did not write in lieu of the words "for such action as they have taken" the words "for the foresight and magnificent statesmanship he has shown," and so forth. If that commendation does not prove there is nothing partisan in this bill I do not know how one would go about making the debate free from partisan politics.

Permit me to commend and acknowledge once more the extremely superior ability of the Democratic floor leader. He can grab the tail end of a popular bandwagon quicker and with a firmer grip than anyone I ever saw.

It was only just a little while ago that we had a flood of letters from our people back home telling us not to spend so much money. Then the Democratic Party took credit for any action which was taken to lessen appropriations. They claim they cut appropriations, and for every cut that was made they claim credit.

If you go back into today's earlier proceedings just a little bit and get the concluding remarks of the gentleman from Massachusetts [Mr. McCORMACK] when he spoke on the resolution introduced by the gentleman from Georgia [Mr. VINSON], we will discover a remarkable, adroit political speech. I hope my Republican friends will take a lesson from it and profit by it, for you will notice he has taken credit for everything that has been done in the last few years which is thought to be helpful to our people. You get that. Read the gentleman's earlier statement made today, read it tomorrow. If anyone aspires to leadership in the Republican Party, I suggest he use that speech as a basic textbook. The gentleman certainly put it over. Listening to him one was almost persuaded that his party was perfect, that the country would go to the dogs were it not for the party of his choice. The gentleman was for economy when economy was popular. He was for spending when economy was forgotten; the gentleman supported all these appropriations time and time again; and then he was against wasteful spending when there was criticism of expenditures. His party has committee after committee, and one of them has over $600,000 investigating improper spending and too quick spending by the Republican executive departments. If they are Republicans? Now, he comes along and says, "We gave you the money. People are unemployed and for Heaven's sake, hurry up and spend it." And much of it abroad. My only purpose is to praise the gentleman from Massachusetts and to call attention to his astuteness and to the wonderful way in which he serves his party and how when anything is going on which might be helpful come November next, he is right there with the big horn joining the parade, pounding the big drum and, no matter how lacking in harmony the music may be, it nevertheless is wonderful, and be sure and look who is singing and calling the tune.

Mr. Speaker, I yield the balance of my time.

Mr. BLATNIK. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. HÉBERT].

Mr. HÉBERT. Mr. Speaker I rise to say just a few words as to why I am casting a vote against the resolution. I do not consider this a political matter. I consider it far deeper and much more fundamental than politics. This situation in which we find ourselves is something which has gone on through the years and which should have been faced up to before by the Congress. I do not believe that in keeping with the responsibilities of the Congress, we should pass any resolution or make any request whereby we have to go hat-in-hand and curtsy or genuflect to some people to carry out their duties and responsibilities. I believe the approach should be a more direct one, and I have indicated the step by introducing only this week a bill to make it unlawful for any individual or agency not to properly spend the money which the Congress has appropriated. I believe that is the direction in which we should go. If the individuals do not perform their duty, or conduct themselves under the direction of the Congress, then strenuous action should be taken to replace them, yes, impeachment. I think the day is here when we should realize that the Congress and not the Bureau of the Budget should run the country. Congress should tell—not ask.

Mr. McGREGOR. Mr. Speaker, I yield 3 minutes to the gentleman from California, a member of the committee [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I do not want to address myself to any question of partisanship with regard to this resolution, but I do want to say that many of the members of the committee on both sides of the aisle felt that we did desire to express ourselves and that if there is any way in which we can participate in speeding up action on some of these projects for which funds have already been made available that we desire to do so at this particular time. Many of us have areas in which there is considerable unemployment at this time. Throughout the country there are many projects for which funds have been appropriated and are available. The President recently announced that he intended to speed up the use of these appropriations for these projects that have already been authorized and for which funds are already appropriated. We felt, and I felt personally, that it was appropriate to support this resolution and to state that we join with the President in recognizing that it is desirable to take this action in view of the economic conditions in some sections of the country. That is the reason I supported this resolution in committee, and that is the reason I intend to support it here today on the floor.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman has expired.

Mr. McGREGOR. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we want to keep the record straight, we want the record, as I said a moment ago, to speak for itself.

We had a lease-purchase bill up last year which extended the lease-purchase law and I might say to my good friends on the other side that they are going to have to answer for a lot of unemployment because they by a solid party line vote last July stopped the lease-purchase program. Not a single Democrat of the Public Works Committee voted to extend the law where private capital could build Federal buildings when needed, and thus help keep people employed and save the taxpayers money.

We have been doing everything we could to put the post office construction program into effect. I note over the news ticker that the President has released some money. I really am glad that it is not coming before our Public Works Committee, because I am a little fearful that the same Democrat members who turned down the lease-purchase bill and the post office construction program might do the same thing to the President's program he has just started. I want to read this news release for the RECORD at this time:

President Eisenhower loosened the Treasury's purse strings today in an effort to speed job-producing work on $2,255,000,000 worth of public housing and rural electrification projects.

He directed Housing Administration Albert M. Cole and Agriculture Secretary Benson to do their utmost to accelerate work on projects financed at least in part by Federal loans and grants.

The total construction he is trying to speed up includes: $75 million for sewer and water projects and similar public facilities, $300 million for college housing, $1

billion for slum clearance and urban renewal, $140 million for public housing, and $740 million on rural electrification.

Again I say that it is to be regretted that you, my friends on the majority side of the aisle, stopped the post office construction program last July; because private capital was being used, we did not have to go to the Treasury to get the money. All we have to do is to look at the record. It speaks for itself. You of the majority party must assume the blame and each of you will have to answer to your constituents why they will not get the new Federal building that they were expecting and needing. The record of your activities is for all to see.

Mr. BLATNIK. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I take this time only to respond to one additional point regarding this lease-purchase act which has had so much attention from the other side as an answer to all of our problems. I think the gentleman from Texas pretty well pointed out the basic weaknesses, failures, and inadequacies of the program. The fact that they built practically no post offices in the 3 years of its operation is evidence of its practical failure. The fact is that our Government today has authority to lease buildings which private industry and capital are willing to build, to be used for post offices and Federal buildings. Failure of this program to go ahead is not due to Congressional inaction, but is simply evidence that private capital is not interested in this field. The so-called lease-purchase program has already had a thorough trial and has proved to be a failure, which is why that program should be discarded in favor of direct appropriation for building purposes, or the straight leasing program still allowed by the law.

Mr. BLATNIK. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, this resolution I think is one of great importance, at least to the area that I have the honor to represent, and I believe to all of our Nation.

As long as we keep purchasing power in the hands of the masses of our people we will have good economic times. If we go forward with a program that will build and build our great Nation and give people employment, it will be good for our Nation and a fine thing for our economy; regardless of who gets credit for it.

Sometimes the ladies and gentlemen on the left of the aisle will get more credit than we, who are on the right of it, will, sometimes we will get more credit than they will, but that is just the way the ball bounces. But regardless of who gets the credit for this resolution it is a good one, and I hope it will be passed by an overwhelming majority.

Mr. BLATNIK. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Speaker, this is a most important resolution. It comes at a time that is all-important in world events for the simple reason that we have been clothed with world leadership. To play our proper role in world leadership we are required to have our people employed and have the strength and vitality of our Nation so well in hand that we can perform an effective leadership role in world affairs in order to subdue communistic aggression on all fronts.

This resolution does not deal with the questions raised by the gentleman from Florida, nor does it deal with the question raised by the gentleman from Ohio, with respect to measures now pending before the Congress and which will be debated completely in this forum in due time.

The resolution as introduced by our majority leader seeks to stimulate those programs already authorized and that have received appropriations of money to carry out their function. These are in the field of public works that has been vacated and remains idle because of World War II and the fiscal situation that prevailed after the war. There is a great need, there is a great vacuum, for the acceleration of public works throughout the country, as demonstrated and attested by the great number of Members of the House who are appearing before the Committee on Public Works, the Committee on Interior and Insular Affairs making personal pleas for their projects.

We have some $14 million of authorized projects by the Corps of Engineers, $790 million for watershed works, which have been authorized. We have a continuing program of authorizing $714 million for public works. Contrary to what my good friend from Ohio stated, the public building law did not expire last July with respect to 149 projects. They are still in existence and the General Services Administration and the Post Office Department have made contracts since last July. Those projects identified already by the resolution of the House and Senate Public Works Committees are still in order to be prosecuted and completed.

We also have the Pollution Control Act, Public Law 660 of the 84th Congress, which is outstanding and is a very important field of legislation that could be accelerated because the quality of water is just as important as the quantity of water. So if we would engage in an enlargement of that program it can go forward. There are reclamation projects outstanding in excess of $2 billion.

These are some of the public works programs that can be accelerated. It is the sense of this resolution, Mr. Speaker, that these works projects be prosecuted as soon as possible, so as to afford employment to our people, to keep our strength and vigor, and to assure world leadership that only America can give to a free world.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. BLATNIK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 379, nays 16, not voting 35, as follows:

[Roll No. 23]

YEAS—379

Abbitt	Devereux	Kirwan
Abernethy	Diggs	Kitchin
Adair	Dingell	Kluczynski
Addonizio	Dixon	Knox
Albert	Dollinger	Knutson
Alexander	Dorn, N. Y.	Krueger
Allen, Calif.	Dorn, S. C.	Lafore
Allen, Ill.	Dowdy	Landrum
Anderson, Mont.	Dwyer	Lane
Andrews	Eberharter	Lankford
Anfuso	Edmondson	Latham
Ashley	Elliott	LeCompte
Ashmore	Engle	Lennon
Aspinall	Everett	Lesinski
Auchincloss	Fallon	Libonati
Avery	Farbstein	Lipscomb
Ayres	Fascell	Long
Bailey	Feighan	Loser
Baker	Fenton	McCarthy
Baldwin	Fino	McCormack
Barden	Fisher	McCulloch
Baring	Flood	McDonough
Barrett	Flynt	McFall
Bass, N. H.	Fogarty	McGovern
Bass, Tenn.	Forand	McGregor
Bates	Ford	McIntire
Beamer	Forrester	McVey
Becker	Fountain	Macdonald
Beckworth	Frazier	Machrowicz
Belcher	Frelinghuysen	Mack, Ill.
Bennett, Fla.	Friedel	Mack, Wash.
Bennett, Mich.	Fulton	Madden
Bentley	Garmatz	Mahon
Berry	Gary	Mailliard
Betts	Gathings	Marshall
Blatnik	Gavin	Martin
Blitch	George	Matthews
Boggs	Glenn	May
Boland	Granahan	Meader
Bolling	Gray	Merrow
Bolton	Green, Oreg.	Metcalf
Bonner	Green, Pa.	Michel
Bosch	Gregory	Miller, Calif.
Boykin	Griffin	Miller, Md.
Boyle	Griffiths	Miller, Nebr.
Bray	Gross	Miller, N. Y.
Breeding	Gubser	Mills
Brooks, La.	Hagen	Minshall
Brooks, Tex.	Hale	Mitchell
Broomfield	Haley	Montoya
Brown, Ga.	Halleck	Moore
Brown, Mo.	Harden	Morano
Brown, Ohio	Hardy	Morgan
Brownson	Harris	Morris
Broyhill	Harrison, Nebr.	Moss
Burdick	Harvey	Multer
Burleson	Haskell	Mumma
Bush	Hays, Ark.	Murray
Byrne, Ill.	Healey	Natcher
Byrne, Pa.	Hemphill	Nicholson
Canfield	Henderson	Nimtz
Cannon	Herlong	Norblad
Carnahan	Heselton	Norrell
Carrigg	Hess	O'Brien, Ill.
Cederberg	Hiestand	O'Brien, N. Y.
Celler	Hill	O'Hara, Ill.
Chamberlain	Hillings	O'Hara, Minn
Chelf	Hoeven	O'Konski
Chenoweth	Holifield	O'Neill
Chiperfield	Holland	Osmers
Christopher	Holmes	Ostertag
Church	Holt	Passman
Clark	Holtzman	Patman
Coad	Horan	Patterson
Coffin	Hosmer	Pelly
Collier	Huddleston	Perkins
Colmer	Hull	Pfost
Cooley	Hyde	Philbin
Corbett	Ikard	Pilcher
Coudert	Jarman	Pillion
Cramer	Jenkins	Poag
Cretella	Johansen	Poff
Cunningham, Iowa	Johnson	Polk
Curtin	Jonas	Porter
Curtis, Mass.	Jones, Ala.	Powell
Curtis, Mo.	Jones, Mo.	Preston
Dague	Judd	Price
Davis, Ga.	Karsten	Prouty
Dawson, Ill.	Kean	Quie
Dawson, Utah	Kearns	Rabaut
Delaney	Keating	Bay
Dellay	Kee	Reece, Tenn.
Dennison	Kelly	Rees, Kans.
Dent	Keogh	Reuss
Denton	Kilday	Rhodes, Ariz.
Derounian	Kilgore	Rhodes, Pa.
	King	Richlman
		Riley

Roberts	Siler	Ullman
Robeson, Va.	Simpson, Ill.	Vanik
Robison, N. Y.	Simpson, Pa.	Van Pelt
Robsion, Ky.	Sisk	Van Zandt
Rodino	Smith, Calif.	Vinson
Rogers, Colo.	Smith, Kans.	Vursell
Rogers, Fla.	Smith, Miss.	Wainwright
Rogers, Mass.	Smith, Va.	Walter
Rogers, Tex.	Spence	Watts
Rooney	Springer	Weaver
Roosevelt	Staggers	Westland
Rutherford	Stauffer	Wharton
Sadlak	Steed	Whitener
Santangelo	Sullivan	Whitten
St. George	Talle	Widnall
Saund	Taylor	Wier
Saylor	Teague, Calif.	Williams, Miss.
Schenck	Teague, Tex.	Willis
Scherer	Teller	Wilson, Calif.
Schwengel	Tewes	Wilson, Ind.
Scott, N. C.	Thomas	Winstead
Scott, Pa.	Thompson, N. J.	Withrow
Scrivner	Thompson, Tex.	Wolverton
Scudder	Thomson, Wyo.	Wright
Seely-Brown	Thornberry	Yates
Selden	Tollefson	Young
Sheehan	Trimble	Younger
Shuford	Tuck	Zablocki
Sikes	Udall	Zelenko

NAYS—16

Alger	Clevenger	Laird
Andersen, H. Carl	Harrison, Va.	Mason
	Hébert	Neal
Arends	Hoffman	Taber
Budge	Jensen	Utt
Byrnes, Wis.	Kilburn	

NOT VOTING—35

Baumhart	Evins	Moulder
Bow	Gordon	Radwan
Buckley	Grant	Rains
Byrd	Gwinn	Reed
Cunningham, Nebr.	Hays, Ohio	Rivers
	Jackson	Shelley
Davis, Tenn.	James	Sheppard
Dies	Kearney	Sieminski
Donohue	McIntosh	Thompson, La.
Dooley	McMillan	Vorys
Doyle	Magnuson	Wigglesworth
Durham	Morrison	Williams, N. Y.

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was concurred in.

The Clerk announced the following pairs:

Mr. Rains with Mr. Wigglesworth.
Mr. Grant with Mr. Baumhart.
Mr. Buckley with Mr. James.
Mr. Byrd with Mr. Miller of New York.
Mr. Hays of Ohio with Mr. McIntosh.
Mr. Morrison with Mr. Dooley.
Mr. Thompson of Louisiana with Mr. Jackson.
Mr. Davis of Tennessee with Mr. Williams of New York.
Mr. Dies with Mr. Bow.
Mr. Moulder with Mr. Radwan.
Mr. Doyle with Mr. Reed of New York.
Mr. Shelley with Mr. Kearney.
Mr. Donohue with Mr. Tollefson.
Mr. Sheppard with Mr. Vorys.
Mr. Magnuson with Mr. Cunningham of Nebraska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that House Joint Resolution 285, an identical House resolution with that already passed, be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REFUND OF PREMIUMS BY VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9369) to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized to make refunds, without interest, which are due on account of amounts collected by the United States Government by offset or otherwise from persons who made valid application for and were legally entitled to the protection of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as it existed prior to the amendments of October 6, 1942. No refund shall be made pursuant to this act unless application therefor is made to the Veterans' Administration, within 2 years after the date of enactment of this act and refund hereunder shall not be denied by reason of any other statutory time limitations, judgments heretofore rendered, or any other technical defense.

SEC. 2. The Soldiers' and Sailors' Civil Relief Fund may be used by the Veterans' Administration for making refunds pursuant to this act and there is hereby authorized to be appropriated such additional sums as may be necessary to carry out the purposes of this act.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

The SPEAKER. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. TEAGUE] will be recognized for 20 minutes, and the gentlewoman from Massachusetts [Mrs. ROGERS] for 20 minutes.

Mr. TEAGUE of Texas. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this bill provides for the refund of premiums on commercial insurance to approximately 8,400 World War II veterans guaranteed in their behalf during the period 1940–42. Later the VA compelled the veterans to repay any sums expended in their behalf. This bill is required by a decision of the Supreme Court in a case commonly referred to as the Plesha case. It involves a total cost of approximately $1,600,000, of which $1,300,000 represents new funds.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I believe the House will act favorably on H. R. 9369 introduced by the chairman, Mr. TEAGUE, on August 20, 1957. On August 14, 1957, I introduced a similar bill. Of course I most heartily endorse this bill which is just common justice and which will not further delay repaying nearly 8,500 veterans the amounts which the Supreme Court has determined in the Plesha case were collected from them in error.

These veterans obtained the benefits of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940 before it was amended in 1942. Under that law the premiums on their commercial life insurance which they had obtained before going into the service were guaranteed by the Veterans' Administration for the period of their service and for a while after service. This meant a great deal to them because otherwise they might have been unable to meet premium payments promptly and maintain their policies during their military service.

It is true that the Veterans' Administration construed the law as implying an obligation by the veteran to repay any amount which the Government was required to pay to the insurance company in these cases where the veteran allowed the policy to lapse at the end of the protection period and the surrender value of the policy was not enough to cover the unpaid premiums. However, the 1940 act did not spell out such an obligation, and when the question finally reached the Supreme Court that Court decided in United States against Plesha on January 14, 1957, that the 1940 act did not require the serviceman to reimburse the Government. The 1942 amendments to the act cleared up this question and provided that the veteran would be indebted to the Government, but this amendment did not apply to the earlier cases.

Unless the Congress acts to authorize the Veterans' Administration to make prompt payments in all of the 8,500 cases from whom collections were made under the 1940 act, this satisfaction of the Government's liability will be delayed, probably for a long while, until final judgments are obtained by these veterans in the courts.

I agree completely with the Veterans' Administration that it should be placed in a position to make these refunds by administrative action as soon as possible and that purely technical defenses, such as the statute of limitations or the fact that payments were voluntarily made in some cases, should be waived. This bill will provide the necessary authority which the Veterans' Administration must have to move ahead immediately. It seems to me that this should be brought to a swift conclusion and that this bill should be passed now so that these veterans will not have cause to feel that the Government is failing to recognize its obligations.

Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, this is an authorization bill involving the expenditure of approximately $1,600,000 to benefit 8,440 World War II servicemen. They have paid money for the maintenance of their insurance during the time they were in service, specifically during the years 1941 and 1942.

A Supreme Court decision requires that this money be refunded to them. That does set this group apart, as a class, from certain other veterans.

This bill before us authorizes the money required by the Supreme Court decision. It has been requested by the President of the United States and by the Veterans' Administration. When the matter was heretofore before the Committee on Appropriations for appropriation they very correctly pointed out that they needed an authorization, which this bill is. I think this bill should be passed to meet the requirements of the Supreme Court decision and, further, to meet the request of the executive department made purusuant to that decision.

Mr. TEAGUE of Texas. This bill first came to the attention of the committee last July when the President sent down a request that it be included in a supplemental appropriation. The Appropriations Committee properly decided at that time it was a legislative program and asked that it be referred to our committee.

Soon thereafter the Administrator of Veterans' Affairs sent the Speaker a letter which outlined the entire problem and asked that our committee take action as soon as possible.

There has been one law firm in town that has felt the bill should not pass. Our committee took into consideration their views, disagreed with them, and reported the bill unanimously. If that firm desires to do more, as far as their views are concerned, they will have an opportunity over in the United States Senate.

Mr. Speaker, under the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, it is provided that an individual who serves in one of the branches of the Armed Forces may have the premiums guaranteed on as much as $10,000 commercial life insurance for the period of his service plus 2 years. The Veterans' Administration administers this program. The act, in effect, is a suspension of the necessity for current payment of premiums as far as the individual is concerned, while he is serving in one of the branches of the Armed Forces.

As originally enacted in 1940, the act did not specifically provide for reimbursement by the serviceman for any loss sustained by the Government, but the Veterans' Administration construed the law as imposing such an obligation. The Veterans' Administration collected such premiums by direct remittances and also by deduction from VA benefit payments. This act was amended in 1942 and specifically provided, among other things, that the premiums must be repaid. The Supreme Court of the United States in *U. S.* v. *Plesha et al.* (352 U. S. 202), decided January 14, 1957, that the 1940 act, as distinguished from the 1942 amendments, did not impose an obligation upon the serviceman to reimburse the Government for premiums if paid where the serviceman permitted his policy to lapse.

The Veterans' Administration requested a decision by the Comptroller General as to use of the moneys in the soldiers' and sailors' civil-relief fund for the purpose of making voluntary refunds to persons from whom collections had been effected and which the Supreme Court ruled to be unauthorized. The Comptroller, on June 24, 1957, advised that the moneys in the fund could not be so used, and thus it is necessary to have legislation.

This legislation would involve an additional appropriation of approximately $1,300,000. The amount presently in the soldiers' and sailors' civil relief fund is approximately $446,000. Of this amount, a reserve of $104,000 should be maintained, in the opinion of the Veterans' Administration, to meet the claims of insurers as they arise. The Veterans' Administration estimates there are approximately 8,440 potential claims for refund under the Supreme Court decision. Claims must be filed within 2 years.

Servicemen from 1942 forward have had to pay their premiums or have their policies surrendered in order for the cash value thereof to go to pay the unpaid premiums, and in addition have become liable to repay the Government the amount paid by it to the insurer above the cash value. The great bulk of servicemen of World War II and thereafter have not taken advantage of this provision of law which is a valid and much needed protection for men who have their incomes seriously reduced as a result of serving in the Armed Forces.

As of June 30, 1957, a cumulative total of 90,411 applications for the benefits of the act had been approved, and 772 policies remained under protection. During the period since the enactment of the Soldiers' and Sailors' Civil Relief Act, nearly 20 million persons have served in the Armed Forces.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

AUTHORIZING CERTAIN ACTIVITIES BY THE ARMED FORCES IN SUPPORT OF THE VIII OLYMPIC WINTER GAMES

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Games, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That (a) notwithstanding any other provision of law, the Secretary of a military department may, with respect to the VIII Olympic Winter Games—

(1) permit personnel of the Armed Forces under his jurisdiction to prepare courses, fields, and rinks, maintain avalanche control, and provide communications;

(2) lend necessary equipment; and

(3) provide such other support as he considers appropriate.

(b) The Secretary of the military department concerned may spend such funds for the purposes of this section as Congress may specifically appropriate for those purposes. He may acquire and utilize such supplies, material, and equipment as he determines to be necessary to provide the support authorized by this section.

(c) The authority provided to the Secretaries of the military departments by this section is permissive and not mandatory.

SEC. 2. Out of moneys appropriated by Congress for the specific purpose, the Secretary of Defense is authorized to advance to the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, California, U. S. A. 1960, Inc., a nonprofit corporation of the State of California, at its request, funds to construct, on land of the United States in Squaw Valley, Placer County, Calif., a sports arena suitable for the conduct of sports and appropriate ceremonies in connection with the VIII Olympic Winter Games. Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States. The expenditure of such funds by the Committee is subject to such audit and control as the Comptroller General of the United States may prescribe.

SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act.

The SPEAKER. Is a second demanded?

Mr. WILSON of California. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, I am opposed to the bill, and I demand a second.

The SPEAKER. Is the gentleman from California [Mr. WILSON] opposed to the bill?

Mr. WILSON of California. I am not opposed to the bill, Mr. Speaker.

The SPEAKER. Is the gentleman from Iowa [Mr. GROSS] opposed to the bill?

Mr. GROSS. I am, Mr. Speaker, unqualifiedly.

The SPEAKER. The gentleman qualifies to demand a second.

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by the joint resolution of June 13, 1955, the Congress and the United States invited the International Olympic Committee to hold the VIII Olympic winter games in the United States—and specifically, in an area of California which has been called Squaw Valley.

The United States, therefore, will be host to these Olympic winter games and will have as its guests some 1,000 athletes and some 200 foreign newspapermen from 37 nations.

The Olympic games in themselves are important from the standpoint of their great tradition. Today, as never before, they have an importance which goes well beyond tradition. If there was ever a time when understanding among nations is important, it is today. And what better way for future understanding could be found than through the close asso-

ciation of fine young athletes from virtually every corner of the world.

And if we are going to be host, let us be a good host. Let us do this job in the way that our country should do it. The State of California has already appropriated some $8 million in furtherance of these winter games and is spending additional large sums in road construction and improvement leading to the area in which the games will be held.

This bill will authorize the Department of Defense to assist the Organizing Committee of the Winter Games by providing personnel, equipment, and supplies for the preparation of courses, fields, and rinks.

This is high and rugged country in this area of California, and while ideally suited for the winter games, it does present some problems in communications and other allied fields which are peculiarly within the province of our Army and Navy. For example, the Army will provide communications and otherwise assist with its highly trained winter area troops. The Navy is highly expert in the field of snow compaction. Here we have a double advantage of training troops in actual productive activities while at the same time contributing important help in the furtherance of the Olympic games.

Section 2 of the bill authorizes the Organizing Committee of the VIII Olympic Winter Games to construct a suitable sports arena on Government land in Squaw Valley for use in connection with the VIII Olympic Winter Games and requires the Secretary of Defense to provide funds therefor out of moneys appropriated by Congress for this specific purpose. As a permanent memorial of those games, this arena would be available for sports on a continuing basis. The United States has leased the area to the State of California, which will operate it as a State park consistent with the policy of Federal-State use of public land for recreational purposes.

I would like to draw specific attention to the fact that the construction work involved in the support of the VIII Olympic Winter Games will not involve the use of military labor. The construction will be performed, as all military construction in the United States is performed, through the use of private contractors. The participation of military personnel will be restricted, as pointed out above, to areas of activity which are peculiar to some of our military training programs.

I urge that every Member of this House support this bill for all of the reasons I have outlined plus one additional important reason: If we are going to be hosts, let us be wholehearted hosts; let there be no dissenting note to the invitation which this country has given to 37 foreign nations.

Mr. Speaker, the instant bill was introduced in the other body by Senators KNOWLAND and KUCHEL and six other Senators. It is in consonance with the invitation extended by this Congress in 1955 to the nations of the world to assemble here for these great Olympic games. Preparations have been made for the games. The State of California has been generous in supporting them, and if we are to be generous and wholesome hosts, we should get on with the work proposed in this bill. The urgency of the matter comes from the fact that there is a very short working year in the high mountains. We are anxious to get this bill adopted because they only have about a 4- to 5-month summer season this year and the same next year to prepare the course for the games in 1960.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. MILLER of California. I would be glad to yield.

Mr. TABER. I am wondering what it is proposed to spend the $6 million for.

Mr. MILLER of California. For the preparation of some of the trails and roads, for a communication system, above all for the construction of a rink and an auditorium building that will be on land owned by the United States and which will revert for purposes of public recreation after these games are held.

Mr. HILLINGS. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. HILLINGS. Mr. Speaker, I commend the gentleman from California [Mr. MILLER] for his statement, and I concur in it. I should like to ask the gentleman this question: We spend millions and millions of dollars every year on the United States public information program in an effort to show people abroad our peaceful intentions and our way of life in America. Does not the gentleman agree that this comparatively small sum will do as much in many respects as some of the money that we have spent in sending pamphlets and making broadcasts abroad to tell the peoples of the world what we are like in America?

Mr. MILLER of California. There is no question about it. This is a people-to-people approach. It brings the athletes of the world together, the enthusiasts; we all remember the games that were held at Garmisch and at Oslo and the Olympic games proper last held in Australia. All we are asking to do is to carry on the great American tradition. This expenditure will do much more than the expenditure of a like sum of money in other places.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. McDONOUGH. Mr. Speaker, I endorse the statement made by my colleague from California. As a cosponsor of this resolution I think it would be becoming for the United States to provide every facility for this great athletic event for which we are the host. This will provide a permanent memorial on this land in the form of an ice arena. It will also provide the means for training our ski troops in an area that may need that kind of training.

It seems to me it would be the proper thing for us to adopt this resolution, and I urge the House to take favorable action.

Mr. MILLER of California. I thank the gentleman.

Mr. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to my colleague from California.

Mr. WILSON of California. Mr. Speaker, I think we should point out the continuing benefit of this appropriation. The sports arena will be there as a permanent thing for the use of the people of this country after the winter games have been held. The State of California will operate the Olympic Park as a State park. This is in complete consonance with the cooperative policy between the Federal Government and the States in the use of Government-owned land for recreational purposes. In this instance this will insure continuing public benefits for the expenditure of both Federal and State funds.

Mr. MILLER of California. And may I say to the gentleman that the sport of skiing has increased very greatly and is one of the most popular in our country today.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I am glad to yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, first I would like to say that I am a sports enthusiast and have been active in promoting sports throughout my lifetime. For quite awhile I was a coach in a high school. I have been somewhat concerned about getting the Government into these things and I am wondering if the gentleman could tell us whether there is a precedent in this country for this sort of thing?

Mr. MILLER of California. I cannot recall one right now, but I think the time when the gentleman should have asked that was when we extended this invitation in 1955. I believe there have been occasions in the past where this has been done, but I cannot point to one specifically at this moment.

Mr. SCHWENGEL. I think the House ought to know what the precedents are, if any, or whether this is something that is brandnew. I should like to say that I was on the House floor when this resolution was passed, when the invitation the gentleman mentions was given, but I had no idea that it was to carry with it any obligation to appropriate money.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield for an answer to that question?

Mr. MILLER of California. I am glad to yield to the lady from New York.

Mrs. ST. GEORGE. Mr. Speaker, I think I might answer that question for the gentleman, because in days long past we had a United States horse show team that went to all the Olympic games and did very creditably. That was entirely financed by the United States Government. In my book it is a great pity that was ever given up. So there is a precedent for helping these Olympic games. I think it is a very proper thing for the Federal Government to engage in, especially at this time in our history when we are spending so much money on defense, which is quite proper; but I think it also well to spend a little money for

these friendly meetings where we can all get together.

I sincerely hope the bill will pass.

Mr. MILLER of California. I thank the lady from New York.

Mr. ALLEN of California. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to my colleague from California.

Mr. ALLEN of California. Mr. Speaker, I want to join the gentleman in support of this bill. With reference to the question raised a moment ago, the Olympic Stadium at Los Angeles was built as a contribution by the Federal Government for the 1932 games. I should like to say, also, that this type of activity is one in which we should engage, because it brings into this country and brings together from all over the world the young people who are engaging in sports, not only the participants in the actual games, but those of all ages who are interested in sports. It is one of the finest public relations programs in which the Federal Government can be involved.

Mr. MILLER of California. I thank the gentleman.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER], but preceding that I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. VINSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Aspinall	Edmondson	Powell
Bailey	Gordon	Prouty
Bow	Grant	Radwan
Buckley	Gwinn	Rains
Byrd	Hays, Ohio	Rivers
Celler	Horan	Shelley
Clark	Jackson	Sieminski
Cunningham, Nebr.	James	Smith, Miss.
	Kearney	Teague, Tex.
Davis, Tenn.	Kluczynski	Wigglesworth
Dies	McIntosh	Williams, Miss.
Dooley	Magnuson	Williams, N. Y.
Doyle	Mason	Winstead
Durham	Moulder	

The SPEAKER. On this rollcall 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING CERTAIN ACTIVITIES BY THE ARMED FORCES IN SUPPORT OF THE VIII OLYMPIC WINTER GAMES

Mr. TABER. Mr. Speaker, it is not a nice thing to always have to be on the negative side if you are trying to save a dollar, but that is the way it is. Now, a year ago we turned down Ohio on a proposition to put up $5 million for a stadium in connection with a similar operation. This is a proposal to put up $4 million. And, as the gentleman from California [Mr. MILLER], has stated, it is to be used to build roads and trails so that you can get to this site, which is an inaccessible place near Lake Tahoe, in Nevada.

Now, for my own part, I cannot see just exactly why we should do this. As I understand it, there is still a quarrel on between the promoter of this outfit, a man named Cushing, and a fellow named Poulson, over whether or not Poulson will give up his property, which consists of something like eleven-hundred-odd acres, to be used in connection with this proposition. The whole thing was spread out in the Saturday Evening Post for February 22, about 10 days ago. It tells all about the details of how this gentleman named Cushing lived in this Squaw Valley, which is made up of 30 or more people in the neighborhood, and he was sort of isolated out there in the country and he promoted this scheme to have the next edition of the Olympics in 1960 held there.

Now, we are in fine shape in this country right now. We are in the process of spending money for all sorts of things that we need. We need military equipment and supplies, and we need to have men trained to handle them, and the way things are going we are not going to have a great deal to spare. Under those circumstances I cannot understand how we can afford to put up $4 million more. Three and one-half million dollars of that $4 million, according to the committee report and the documents that were submitted with it, will be used for the purpose of building a coliseum.

How they will handle the coliseum I do not know. They say that the Army or the Navy is going to lend them the equipment which will operate buses in a snow-packing operation, with crawlers, to take the people who have a ticket of admission, free of charge to the show up there. It looks to me almost like a fantastic proposition. It is not like these Olympic games that have been held where hotel accommodations were available. It is not like the places where they already have skiways, and so forth as, for instance, at Lake Placid or in 1 or 2 of those big operations in Idaho or upper New Hampshire. This is an entirely different picture and it seems to me we are going a long ways if we attempt to embark upon such a proposition and spend all this money.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. GROSS. It is my understanding, and I hope I am correct in this understanding, that the State of California will take a 30-year lease upon this property that is to be erected in part by all the taxpayers of the country. Does the gentleman know whether that is true or not?

Mr. TABER. As I understand, that is probably so. As I understand it, they will put the skiways in such shape that there will be an interest on the part of certain people in occupying the place. But they would be up against this. They would have to have these snow-packing operations in order to carry passengers up there. There is no railroad there, there is no way of getting people over the snow. The bill itself provides for that.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. GROSS. For the purpose of these games, I would assume that the Army will furnish the equipment to haul them around.

Mr. TABER. It may be the Army, it may be the Navy. As I remember it, I saw the word "Navy" in here.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. McDONOUGH. The report, as I read it, indicates, contrary to the views of the gentleman, that in addition to the foregoing expenditures, the State of California is constructing and improving roads leading to the Olympic area at a cost of $43 million. The State of California is spending that much money, and in addition to that we are putting $8 million in toward the improvement of the immediate area. It is all being done on Government property. So that access to it is being provided by the State of California, not by the Federal Government.

Mr. TABER. The only source of my information as to the Government paying for the trails and the roads is what was said by the gentleman from California [Mr. MILLER]. He stated that to me on the floor just a few minutes ago. That is the source of my information. I wanted to know what the money was going to be used for, and he said that was one of the purposes, in his answer to me. That is the only source of information I have on it.

I am sorry if I have made any mistake, but I was trying to find out what was going on. I asked the question of him and that is the answer I got.

Mr. McDONOUGH. I am reading from the report of the committee.

Mr. TABER. I do not know anything about that, except I have a copy of it here, but I do not understand how they could manage this great big spectacle and get people up there where they would have to pack the snow down and have a lot of traction and that sort of thing to get there. It says that the machinery can be used for that purpose.

Mr. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WILSON of California. The gentleman mentioned an article in the Saturday Evening Post. I would commend that article to the Members of the House to read, because it focuses attention on these winter Olympic games and points out the importance of the games as far as our international relations are concerned. It also points out that with these improvements we are talking about these represent the finest winter Olympic games that have ever been held. There are many improvements already there at Squaw Valley. We have ski runs and ski slopes, and we have adequate housing in the Lake Tahoe area just adjacent, but we do need an area where these winter sports so far as skating is concerned can be participated in.

Mr. TABER. I understand, and I have just been reading the article here, that while Olympic games are a very interesting thing, nevertheless they cost a

great lot of money, and that is what we have to look out for if we are ever going to get anywhere ourselves.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. I notice this report speaks about an authorization of $4 million. Is that the entire contribution of the United States Government or will that likely be requested again in the years to come?

Mr. TABER. I do not have any idea about it. I cannot answer that. They generally come back for a little more. That is my experience. Most of them ask for more money.

Mr. WILSON of California. If the gentleman will yield further, we have asked the young people of 37 different nations to attend the Olympic games. The Congress invited them over here. If we do not provide facilities to allow them to participate adequately, we will be the laughing stock of the world.

Mr. TABER. The gentleman remembers we had this same question up when we invited all the Western Hemisphere in here, and last year the Congress turned down $5 million, as I understand it—I think that is correct—to swing that proposition and build a stadium in Cleveland.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Idaho.

Mr. BUDGE. I note that the committee report states that all of the construction will be by the civilian components of the Department of Defense. The bill itself states this in the first section, that notwithstanding any other provision of law the Secretary of a military department may, with respect to the VIII Olympic Winter Games, 1, permit personnel—I presume that would mean suppliers, if necessary—personnel of the Armed Forces to prepare courses, fields, and rinks, maintain avalanche control, and provide communications; and 2, lend the necessary equipment.

I should like the gentleman to tell us whether or not he feels that is a proper utilization of American military manpower, particularly the ones who might be in the military without their consent, in other words, draftees.

Mr. TABER. If we were in a position where we had absolute peace and the military were lying around without anything to do, that might be interesting, but at a time when we are right on the verge of trouble all the time and we have this Russian menace hanging over our heads, that is a poor way to use our manpower.

Mr. GROSS. Mr. Speaker, I yield myself 3 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, this bill is wide open to the use of military forces. There is no limitation except as to $500,000.

The gentleman from California [Mr. WILSON] a moment ago called attention to the fact that Congress invited these nations to participate. Let me read you Public Law 69:

[Public Law 69, 84th Cong., ch. 138, 1st sess.]

Senate Joint Resolution 51

Joint resolution extending an invitation to the International Olympic Committee to hold the 1960 winter Olympic games at Squaw Valley, Calif.

Resolved, etc., That whereas the United States Olympic Association will invite the International Olympic Committee to hold the winter Olympic games in the United States at Squaw Valley, Calif., in 1960, the Government of the United States joins in the invitation of the United States Olympic Association to the International Olympic Committee to hold the 1960 winter Oympic games in the United States at Squaw Valley, Calif.; and expresses the sincere hope that the United States will be selected as the site.

SEC. 2. The Secretary of State is directed to transmit a copy of this joint resolution to the International Olympic Committee.

Approved June 13, 1955.

There is not one word in this resolution suggesting or stating that anyone would come to Congress and ask for $4 million to finance these games. Now I say to you, if you were dealing in good faith, why did you not come in here with your 1955 resolution and provide for an appropriation? Instead you come before us today and say, "Oh, yes, you invited these people to come here more than 2 years ago, and now the taxpayers have to put up $4 million."

Mr. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. WILSON of California. We had the Olympic games in the United States in 1932 at Los Angeles. It was stated previously there was no precedent for this sort of expenditure. When we invited the Olympics here in 1932, we built an entire Olympic village to house all of the participants in the 1932 Olympics. This is the usual thing that is expected of the host nation. We are not asking too much when we are asking for a mere $4 million when the State of California is putting up $8 million out of its own treasury.

Mr. GROSS. How much did you get in 1932?

Mr. WILSON of California. I do not know.

I would like to make particular note of the fact that California is expending its own appropriation of $7,990,000 in erecting substantial improvements on Federal land other than that on which the sports arena will be located. For example, the Olympic Village costing $1,100,000 will be erected on Forest Service land and will represent a permanent improvement thereon.

The sewage disposal plant is on Federal property and its estimate of cost is approximately $500,000. Other permanent buildings of a service nature will be built on property of the United States and will represent substantial improvements at no cost to the Federal Government. The requested Federal appropriation of $4 million will, therefore, be more then offset by these additional permanent improvements financed entirely by California.

In addition to the foregoing expenditures, the State of California is constructing and improving roads leading to the Olympic area at a cost of $43 million. Naturally, all of these funds are not directed specifically to the VIII Olympic Winter Games, but a substantial portion of the expenditure will be so directed.

From the report, it will be noted that Mr. MILLER of California and I introduced bills similar to S. 3262. Bills were also introduced by other members of the California delegation; namely, Mr. HILLINGS, Mr. SHELLEY, Mr. MCDONOUGH, and Mr. ENGLE. I know that each of these gentlemen supports the bill as strongly as I do.

After the winter games have been held, the State of California will operate the Olympic area as a State park. This is in complete consonance with the cooperative policy between the Federal Government and the States in the use of Government-owned lands for recreational purposes. In this instance, this policy will insure a continuing public benefit from the expenditure of both the Federal and State funds.

Mr. Speaker, as has already been suggested, let the United States be a good host and show that the 37 foreign nations who will be our guests are completely welcome. The way to do this is to approve this bill.

Mr. GROSS. Well, no matter how thin you try to slice it, this legislation, if approved, will set a precedent. From here on out, Congress and the taxpayers will be financing the Olympic games wherever they may be held. Make up your minds to that when you vote, and I hope you will not vote for this appropriation.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SCHWENGEL. Is it not true then that we would be mimicking some other nations with whom we are fighting and in pretty much of a tussle with these days, who as a government sponsor their entire sports program? One of the strengths of our way of life has been the fact that our Government does not sponsor our sports programs in any way.

Mr. GROSS. I agree with the gentleman.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, no doubt these games will be helpful in our relations with other nations. But if we would only admit that there is some limit to what we can spend, it would be helpful. We were frightened half to death by the sputnik. Almost every bill that has come up since then has been a so-called defense measure. We have been frightened—or used fear as an excuse—I hope we are not so badly frightened as we seem to be—to make additional unneeded appropriations. We have a bill which came from our California friends for $32 billion for defense shelters for someplace to get into if and when a war comes. Then we have had bills to make appropriations for billions of dollars to prepare missiles, antimissiles, and implements of war.

First it is one thing, then it is another; the request is never the same, but always it is more; we can depend on that.

Just recently, along came this unemployment crisis, people out of work. There is not a Congressman in the House, not a Member of the House, who has not on his desk a stack of letters from people who claim—and many truly—that they just cannot get along on what the State or the Nation provides for food, clothing, and shelter.

Must we have legislation to help out? Sure. Unemployment compensation is good; no one disputes that—a fine thing. But jobs—employment is better. But can we afford it, $4 million for promotion of games at this time? The expenditure does not seem necessary at this time.

Very soon now we will have a bill before us for billions in foreign aid. I have no criticism of those who want to vote for all these appropriations, not a word; it is none of my business how someone else votes, but, for myself, I am going to pay attention to the needs of those letters that come from home, for aid for people who are in no way to blame for the situation in which they find themselves, for the conditions which make it almost impossible for them to meet their obligations. Some of them are in that situation because they have overbought; they bought on credit, more than they should. But we cannot do anything about that now. They will ask me if I voted for this bill: "How can you vote $4 million to entertain people at the Olympic games when neither I nor the people dependent upon me have enough to eat, to wear, or a sufficient roof over our heads?" When I tell them we do not have the money they will ask: "Where did you get the $4 million for the entertainment at the Olympic games?"

If you do not believe that our people are in need, come over and take a look at my file and then give me an answer that will be helpful in solving their problem.

Sometimes I think of the gentleman from Texas who spoke the other day—and I hesitate to repeat his words about our lack of patriotism, good sense, courage and determination; you remember the gentleman from Texas [Mr. DIES], who sat here and whose charge no one denied. Deep down in our hearts we know that too much of what he was saying is true.

I will have to be guided by the needs of my own people even though I may be accused of playing politics, when I believe that the best interests of the people as a whole will be served.

Mr. GROSS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I simply want to reiterate that under the resolution passed by Congress in 1955, Public Law 69, there is no obligation whatever upon any Member of Congress to vote $4 million for this purpose.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. TABER. I would like to read from a statement by Mr. Cushing, the chief promoter of this proposition:

> I, truthfully, do not see the need for such extravagance; but, as far as I am concerned, my feelings will not be hurt if they spend $20 million.

That is a quotation from him in the Saturday Evening Post.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to my colleague from Iowa.

Mr. SCHWENGEL. I recall earlier when I was teaching school as athletic director and coach that we were called upon to help finance in various ways American participation in Olympic games and help finance the supporting of athletes in various ways. I would like to ask some of those supporting this legislation if any attempt has been made to appeal to the sporting world and those interested in sports in this country to raise money on the outside, voluntarily, to help support this proposition? The people I have anything to do with in the way of promoting sporting activities are interested and will respond liberally if given a chance.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield briefly to the gentleman from California.

Mr. MILLER of California. I think the gentleman well realizes, having been an athlete himself, that the money that is being appropriated here and the money that is being made available by the State of California will not begin to meet the cost of these games, and that, as usual, interested people will again be asked to make private contributions for this purpose.

Mr. GROSS. Mr. Speaker, evidently the answer is that the public has not been called upon to support this proposal.

Mr. MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE. Mr. Speaker, commenting on the question just asked, the United States Olympic Committee has never permitted a government of any kind, as far as our people are concerned, to get into the financing of the expenses of the athletes who go to these Olympic games. No part of this money will be used for that purpose. It has been the practice, however, in this country and in other nations for governments of one kind or another to help create the physical facilities where the games are held. That was true in Italy, it is true throughout the world. It was true in Australia. The actual financing of the traveling expenses of the athletes is another matter—and is raised by public subscription.

I am the co-author of this legislation. Squaw Valley is located in my District. In 1955 I introduced a joint resolution asking the International Olympic Committee to hold the 1960 Olympic games in Squaw Valley. That resolution was favorably reported by the House Committee on Foreign Affairs and subsequently became the language of Public Law 69 of the 84th Congress. At the same time the State of California issued an invitation to the International Olympic Committee. In response to those invitations the International Olympic Committee made the decision to hold the winter games in 1960 in California.

This is not the operation of some hot rod promoter as has been implied. The international winter games will be held at the formal invitation of the State of California, through its State legislature, and the Congress of the United States.

The State of California has picked up its end. Nobody argued about what that was going to be. The State of California has put up over $8 million, the State of Nevada has subscribed over $300,000. Nevada, of course, is very close to that area. The State of California is accelerating the construction of a 4-lane highway that will cost $43 million. Contrary to what was said here, there was no intention to ask the military to supply transportation from the main highway to the games. The purpose of having the military in the area is to control avalanches and to enable people to get from the bottom of these slopes to the top. That is good training for ski troops and it is precisely what they are trained to do. The operation of the military will be solely in the areas where the military can operate. Three and a half million dollars of this money will be used to build a ski arena which is going to be built on Federal land of the National Forest Service.

After the games are over the arena and the area adjacent to it will be leased to the State of California which will make a State park out of the whole area. The State of California will pay a rental which is to be determined, of course, later, and which will proceed for another 30 years for the purpose of reimbursing the Federal Government, in part, at least, for its expenditures.

I would not be surprised at all if when we are through with this it will turn out to be a mighty good investment for the Federal Government, because over a period of 30 years and even longer this area will continue to be used. The cost of building the arena, $3½ million of Federal money, will be returned by those rentals. After a period of 30 years, if we look at this investment impartially, we will find that we have sustained the dignity and the pride of America as a host nation for the international winter Olympic games and we will probably more than be even moneywise inasmuch as California is gaining in population so rapidly that we do not have places for these people to ski any more.

I believe that this will not turn out to be a bad investment for the Federal Government at all. I want to call attention to the fact that there is a Federal interest in this matter. It is the interest of the United States Government in maintaining a good face to the world as a host nation in these international winter Olympics, and because of that the President of the United States—and I call careful attention to this—in his budget message and prior to the time that legislation was even introduced, approved the expenditure of $4 million in his budget message. This legislation implements the request made

by the President of the United States in that budget message.

And, I would say further and in conclusion that if you will look at the departmental reports that the Secretary of Defense, the Secretary of Agriculture, the Secretary of State, the Comptroller General, as well as the President of the United States have approved of this legislation and asked for favorable action of the House on it. I hope that that will occur today. I see nothing else for us to do. California is putting in $8 million to make these winter international games a success, and the Congress is now being asked to put up half that much money.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from California.

Mr. McDONOUGH. To supplement the remarks of the gentleman, may I read from the report:

For a number of years, the Armed Forces have been engaged in research and training for operations in mountain and cold weather conditions and are capable of providing the required assistance with a minimum of orientation and training. In addition, some training benefits will be derived in providing this support.

Mr. ENGLE. That is correct. As a matter of fact, if they were not spending it there, they would be spending it some place else to get the winter training. And, with reference to the balance, as I said before, it will not only meet our obligation, but in all probability we will get it back twice over. We cannot invite these people here and then refuse to put up the money to take care of them. California is doing more than its share—twice as much as is being asked of the Federal Government—and we should be willing to do our part to make these games an outstanding success and reflect credit on the United States. No other sensible course is open to us.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and the Chair being in doubt, the House divided and there were—ayes 134, noes 56.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 257, nays 139, not voting 34, as follows:

[Roll No. 25]

YEAS—257

Addonizio	Barrett	Boyle
Albert	Bass, Tenn.	Bray
Allen, Calif.	Bates	Breeding
Anderson, Mont.	Becker	Brooks, La.
	Beckworth	Brooks, Tex.
Anfuso	Bennett, Fla.	Broomfield
Arends	Bennett, Mich.	Brown, Ga.
Ashley	Blatnik	Brown, Mo.
Aspinall	Blitch	Burdick
Ayres	Boggs	Burleson
Bailey	Boland	Byrne, Pa.
Baker	Bolling	Canfield
Baldwin	Bonner	Carnahan
Baring	Boykin	Celler
Chamberlain	Huddleston	Porter
Chelf	Hull	Powell
Chenoweth	Hyde	Preston
Christopher	Ikard	Price
Clark	Jarman	Quie
Coffin	Jennings	Rabaut
Cooley	Johnson	Reece, Tenn.
Corbett	Jones, Ala.	Rhodes, Ariz.
Cunningham, Iowa	Judd	Rhodes, Pa.
	Karsten	Riehlman
Dawson, Ill.	Keating	Riley
Delaney	Kee	Roberts
Dellay	Kelly	Robsion, Ky.
Dent	Keogh	Rodino
Denton	Kilday	Rogers, Colo.
Derounian	Kilgore	Rogers, Fla.
Devereux	King	Rogers Mass.
Dingell	Kitchin	Rogers, Tex.
Dixon	Kluczynski	Rooney
Dollinger	Knutson	Roosevelt
Donohue	Lane	Sadlak
Dorn, N. Y.	Lankford	Santangelo
Dorn, S. C.	LeCompte	St. George
Dwyer	Lesinski	Saund
Eberharter	Libonati	Saylor
Edmondson	Lipscomb	Scott, N. C.
Elliott	Long	Scudder
Engle	McCarthy	Seely-Brown
Evins	McCormack	Selden
Fallon	McDonough	Sheppard
Farbstein	McFall	Shuford
Fascell	McGovern	Sieminski
Feighan	McIntire	Sikes
Fisher	Machrowicz	Sisk
Flood	Mack, Ill.	Smith, Calif.
Forand	Madden	Smith, Miss.
Ford	Mahon	Spence
Forrester	Mailliard	Staggers
Frazier	Martin	Steed
Frelinghuysen	May	Sullivan
Friedel	Merrow	Teague, Calif.
Fulton	Metcalf	Teller
Garmatz	Michel	Tewes
Gary	Miller, Calif.	Thomas
Gathings	Miller, Md.	Thompson, N. J.
Gavin	Miller, N.Y.	Thompson, Tex.
Glenn	Mills	Thomson, Wyo.
Granahan	Mitchell	Thornberry
Green, Oreg	Montoya	Tollefson
Green, Pa.	Moore	Trimble
Gregory	Morano	Udall
Griffiths	Morgan	Ullman
Gubser	Morris	Utt
Hagen	Moss	Vanik
Hale	Multer	Van Zandt
Halleck	Natcher	Vinson
Hardy	Nicholson	Wainwright
Harris	Nimitz	Walter
Harrison, Va.	O'Brien, Ill.	Westland
Haskell	O'Brien, N. Y.	Widnall
Hays, Ark.	O'Hara, Ill.	Wier
Healey	O'Neill	Willis
Hébert	Osmers	Wilson, Calif.
Heselton	Ostertag	Withrow
Hess	Passman	Wolverton
Hill	Patman	Wright
Hillings	Paterson	Yates
Holifield	Pelly	Young
Holland	Perkins	Younger
Holmes	Pfost	Zablocki
Holt	Philbin	Zelenko
Holtzman	Pilcher	
Hosmer	Poage	

NAYS—139

Abbitt	Chiperfield	Henderson
Abernethy	Church	Herlong
Adair	Clevenger	Hiestand
Alexander	Coad	Hoeven
Alger	Collier	Hoffman
Allen, Ill.	Colmer	Jackson
Andersen, H. Carl	Coudert	James
	Cramer	Jenkins
Andrews	Cretella	Jensen
Ashmore	Curtin	Johansen
Auchincloss	Curtis, Mass.	Jonas
Avery	Curtis, Mo.	Jones, Mo.
Bass, N. H.	Dague	Kean
Baumhart	Davis, Ga.	Kearns
Beamer	Dawson, Utah	Kilburn
Belcher	Dennison	Knox
Bentley	Dowdy	Krueger
Berry	Everett	Lafore
Betts	Fenton	Laird
Bolton	Fino	Landrum
Bosch	Flynt	Latham
Brown, Ohio	Fountain	Lennon
Brownson	George	Loser
Broyhill	Gray	McCulloch
Budge	Griffin	McGregor
Bush	Gross	McMillan
Byrne, Ill.	Haley	McVey
Byrnes, Wis.	Harden	Macdonald
Cannon	Harrison, Nebr.	Mack, Wash.
Carrigg	Harvey	Marshall
Cederberg	Hemphill	Mason
Matthews	Rees, Kans.	Stauffer
Meader	Reuss	Taber
Miller, Nebr.	Robeson, Va.	Talle
Minshall	Robison, N. Y.	Taylor
Mumma	Rutherford	Tuck
Neal	Schenck	Van Pelt
Norblad	Scherer	Vursell
Norrell	Schwengel	Watts
O'Hara Minn.	Scott, Pa.	Weaver
O'Konski	Scrivner	Wharton
Pillion	Sheehan	Whitener
Poff	Siler	Whitten
Polk	Simpson, Ill.	Williams, Miss.
Prouty	Smith, Kans.	Wilson, Ind.
Ray	Smith, Va.	Winstead
Reed	Springer	

NOT VOTING—34

Barden	Fogarty	Murray
Bow	Gordon	Radwan
Buckley	Grant	Rains
Byrd	Gwinn	Rivers
Cunningham, Nebr.	Hays, Ohio	Shelley
	Horan	Simpson, Pa
Davis, Tenn.	Kearney	Teague, Tex.
Dies	Kirwan	Thompson, La.
Diggs	McIntosh	Vorys
Dooley	Magnuson	Wigglesworth
Doyle	Morrison	Williams, N. Y.
Durham	Moulder	

So, two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

Mr. Rains with Mr. Wigglesworth.

Mr. Dies with Mr. Simpson of Pennsylvania.

Mr. Davis of Tennessee with Mr. McIntosh.

Mr. Thompson of Louisiana with Mr. Radwan.

Mr. Morrison with Mr. Gwinn.

Mr. Hays of Ohio with Mr. Kearney.

Mr. Buckley with Mr. Horan.

Mr. Byrd with Mr. Dooley.

Mr. Fogarty with Mr. Bow.

Mr. Grant with Mr. Vorys.

Mr. Shelley with Mr. Williams of New York.

Mr. Doyle with Mr. Cunningham of Nebraska.

Messrs. NORRELL, BYRNES of Wisconsin, and ALGER changed their vote from "yea" to "nay."

Messrs. PASSMAN and BOLAND changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

BENEFITS TO WIDOWS OF EMPLOYEES OF LIGHTHOUSE SERVICE

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 235) to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first section and section 2 of the act entitled "An act to provide benefits for widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved June 20, 1918, as amended," approved August 19, 1950 (33 U. S. C. 771 and 772) are each amended by striking out "$50 per month" and inserting in lieu thereof "$75 per month."

SEC. 2. The amendments made by this act shall take effect on the first day of the first month which begins after the date of the enactment of this act.

The SPEAKER. Is a second demanded?

The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the gentlewoman from Missouri [Mrs. SULLIVAN] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I rise in support of S. 235 and urge its passage.

Through the years that civilians have manned the light stations, the wife of the lightkeeper has been an indispensable part of the Lighthouse Service, and she received no pay for the work it was necessary for her to perform. Witnesses have testified that a prerequisite to appointment as a civilian lightkeeper, at stations affording living quarters, was a wife who could share the responsibilities of the light station, and who could perform the duties of its operation along with her husband. Employment as a lightkeeper usually meant living in an isolated place, and dwelling space provided for the keepers and their families afforded few, if any, conveniences. Periods of bad weather meant 24-hour duty, during which the wife of the keeper took her turn to make possible the round-the-clock maintenance of the station. At the larger stations, where two or perhaps three keepers were in attendance, the wife of each keeper had her regular duty hours. The contribution made by the keepers' wives was that without which there would not have been a Lighthouse Service, and there is little doubt that wives of the keepers lived an arduous existence, performing duties that often assumed heroic proportions.

HEARING ON S. 235, 85TH CONGRESS, MAY 1, 1957

As of the time of this hearing, held on May 1, 1957, there were a small group of 415 widows and the cost per fiscal year at that time was $249,000. The additional cost per year for the $25 per month increase would be $124,500 per year, subject, of course, to the death of these pensioners, since on the whole they are an aged group.

As of the date of March 1, 1958, there were 408 of these widows on the pension roll. This would decrease the pension roll at the present $50 per month by $4,200, and would subtract $2,100 from the figure of $124,500 which was set out at the 1957 hearing. There is no possibility of an increase in the number of people who would be affected by this proposed $25 per month increase. Rather, due to mortality, there will be a decided decrease as the years pass.

Had these pensioners been under civil service during the interval of time that they had been drawing $50 per month, they would have been entitled to an increase of 12 percent, based on the amount of pension at that time. Therefore, had they been under civil service, they would have in all probability been drawing approximately $68 per month over that interval of time.

The subcommittee, as well as the full Committee on Merchant Marine and Fisheries, agreed this bill should pass on its merits.

TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H. J. Res. 483) to amend the act of August 30, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, strike out "'March 15, 1958'" and insert "April 30, 1958."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I hope I shall not have to object, but is this going to cost any money?

Mr. FORRESTER. Not one penny.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SOIL BANK ACT

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, HILL, and HOEVEN.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I again ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

NATIONAL FREEDOM SHRINE FOUNDATION

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 459 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8290) to authorize the erection of a national monument symbolizing the ideals of democracy in the fulfillment of the act of August 31, 1954 (68 Stat. 1029), "An act to create a National Monument Commission, and for other purposes." After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, I have no requests for time on the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, this is a rule making in order the bill H. R. 8290 which provides for the Freedom Monument. I think some discussion will take place on the bill itself. I know of no objection to the rule. This is a project that was authorized by the Congress 4 years ago. A Commission was appointed. The Commission has performed its work. The work has been approved by the Fine Arts Commission and the other commissions of the District government; the Capital Park and Planning Commission and the National Monuments Commission.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. MARTIN. If this rule is adopted today, I understand the bill will go over until tomorrow; is that correct?

Mr. SMITH of Virginia. That is correct.

Mr. Speaker, before I yield to the gentleman who is on his feet, the gentleman from Iowa [Mr. GROSS], I will say that this does not cost the Government any money.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. GROSS. Mr. Speaker, I am surprised to hear the gentleman say that, because it is inconceivable to me that

those who sponsor this project are going to be able, in a time of depression, to go out and raise $24 million in nickels and dimes from the schoolchildren of this country. I understand that is the way the money is to be raised. It is still a lot of money, although we are used to throwing it around pretty fast here.

Does not the gentleman think that the best way to dispose of this bill is to defeat the rule?

Mr. SMITH of Virginia. Of course, I do not, because I favor the rule, and I favor the bill. I think the bill should be given the opportunity to be heard, at least.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Virginia. I had not intended to discuss the merits of the bill itself. If it is necessary to do so, I shall.

Mr. GROSS. Of course, the gentleman addressed himself to one of the alleged merits of the bill when he said that it would not cost the Federal Government any money.

Mr. SMITH of Virginia. I did that in deference to the gentleman, because I know he is very sensitive on that subject.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, with a Senate amendment to the House amendment and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 15, of the House amendment, transpose all the language following the word "project" over to and including the word "centum" in line 4, page 3, back to page 2, line 8, following the word "pay".

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. SAYLOR. Mr. Speaker, reserving the right to object, would my colleague from Colorado explain to the House just what has been done?

Mr. ASPINALL. This is a technical amendment which was adopted in the other body.

When the House acted upon the bill, the amendment which is in discussion at this time went to section 2. That was the wrong place to put the amendment. The Senate changed the position of the amendment so that it came at the end of the first section.

The amendment provides that in addition there shall be a requirement of a payment of interest on that pro rata share of the capital cost which is attributable to furnishing benefits in each particular year to land held in private ownership in any one owner in excess of 160 irrigable acres, said interest to be at a rate to be determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.

What we did in the House was to make this bill more favorable to the interests of the United States and provide for the payment of interest, but we placed it in the wrong position as far as the section is concerned. We placed it in the section that has to do with the title to the works and lands of the division, when we should have placed it in the authorizing section.

Mr. SAYLOR. The amendment is the same type of amendment, the same language this House has adopted on a number of other occasions when excess lands were involved.

Mr. ASPINALL. The gentleman is correct. It is the same amendment, word for word, that this body adopted when we were considering the bill just a week ago.

Mr. SAYLOR. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

AGGRESSIVE ACTION TO COMBAT RECESSION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, it is of greatest importance for the President and the Congress to take most aggressive action to combat the current recession, which has caused unemployment for over 5½ million Americans. With the single exception of national defense and national security, there is no greater question facing us today. In fact, with an economy and social structure weakened by unemployment, idleness and the demoralization of many fellow citizens, the national safety might well be greatly imperilled.

It is my personal conviction that the administration and the Congress have been moving much too slowly in effecting and implementing measures to fight unemployment. First, of course, we must see to it, and right now, that adequate unemployment compensation payments are insured over a sufficient period of time to tide over the millions of unemployed until conditions improve and they are again able to secure work. That is most essential.

But this is only a palliative, and of itself it does not strike at the roots of the distressing economic malady that has gripped the country. On several previous occasions, I have urged the adoption of programs and policies to keep the economy healthy and to prevent recession.

I have touched upon the importance of wise, sound monetary and credit policies, the need for intelligent, equitable tax program consistent with our free-enterprise system, eliminating the discriminatory burdens placed upon many classes of our American body politic.

I have urged efficiency in government to insure sound, economical administration and elimination and avoidance of waste and extravagance.

I have strongly urged the carrying out of the huge and necessary military construction and procurement projects, which Congress has authorized and appropriated for.

I have urged the implementation of great public works on a nationwide basis to be put into effect wherever they were needed to absorb dangerous unemployment and restore prosperity.

Since I have believed that monetary and credit policies were likely to be at the bottom of any economic troubles that might develop, as long ago as 1953, I urged the administration to move very cautiously in fostering deflationary measures in monetary and credit policies, which, I stated, would lead, if further pursued, to the unhappy results we now observe before us in the Nation. To my great dismay and alarm, the agencies vested with this great power over money and credit moved along lines, which, in effect, in my opinion, served to trigger the psychological, as well as the economic forces, that led to our present unemployment and recessions.

It is said that there should be no political control over money and credit and I am substantially in agreement with that statement. But I have great doubts that the devices provided for and used to regulate harmful cyclical developments in the economy can be appropriately or efficiently controlled by economists and financial experts alone.

There is something more than bare statistics or economic judgments involved in approaching this question. There must be knowledge of public psychology and the attitude and state of mind of the average citizen and the reactions of businessmen, workers and farmers, and the rank and file, when interest rates are raised, credit is restricted and the economy is tied up in a knot and inventories rise and unemployment starts to appear.

These controls and mechanisms can be very helpful if they are used correctly and at the right time. On the other hand, they can be very harmful, if they are used imprudently and at the wrong time, as I think they have been in recent months and years.

The proof of the fact is right before our eyes at this very moment. The economic controllers have demonstrated

that they can produce recession. Now let them demonstrate that they can restore prosperity.

To repeat: It is my sober view that these controls have been used unwisely, imprudently and shortsightedly and that those who used them have displayed shocking lack of knowledge of human reactions to the sharp withdrawal of business credit and the tightening of money throughout the Nation.

There was a miscalculation on the part of the controllers in gaging the true economic picture existing in the country and the world, and we must remember that the effects of their policies and actions have been more than nationwide; they have been worldwide.

The economic controllers were fighting inflation at a time when they should have been fighting the dangers of deflation. Some were and are preaching the doctrine—a cruel one in my judgment—that cyclical adjustments require harsh sacrifices and suffering by small-business men and the people, at a time when they should have been concerned about saving the jobs of the people and guarding the prosperity of the Nation.

The damage has been done now, but I hope it will be duly noted, not only by those responsible, but by the Congress and the American people as well.

There is nothing, in my opinion, more dangerous to democratic government than the practice of placing responsibility for the handling of intricate, complex questions of government and economics in the hands of inexperienced, inept or hard-boiled leaders, however great may be their reputation in nongovernmental fields. Sympathetic interest in the problems of human beings is a prime requisite of public service.

It is too bad that the American people have to pay the high price for the ghastly miscalculations of so-called experts. Now that this very unhappy situation is upon us, I hope that current conditions will have a chastening effect on those who are responsible for mapping our national policy and who now should and must move with every conceivable vigor, with courage, forthrightness, and determination to grapple with these great problems and take some action that will put our great economy back on the beam. Halfway, piecemeal measures will not suffice now. We must have a determined attack on economic recession.

There is nothing fundamentally wrong with the American economy. It is strong and powerful. If properly guided, it is capable of reaching new heights. It can continue to grow and develop at a fast rate once the confidence, initiative, and enterprising spirit of our businessmen and people is encouraged, spurred, and given free interplay to move forward.

The only trouble with the economy at the present time is that it is suffering from an economic fever induced in large degree by the shortsighted injections of defective monetary and deflationary vaccines administered by would-be experts long on theory and short on sound, sensible, practical judgments.

This muddle has given fresh impetus to the appeals of demagogs, doctrinaires, and radicals. I hope that never again in America will there be the repetition of the grotesque expert miscalculations which have produced economic recession at a time when we should be enjoying the greatest prosperity we have ever recorded in the history of man, and at a time when for our own very security we must have a healthy, efficient, full-operating economy more than ever before.

This is a time for very sober reflection upon our uneasy position in the world, and conditions in the Nation.

And it is a time for forthright action to strengthen the sinews, the muscles, and the composite strength of the Nation.

It is a time to use the right kind of vaccine—the antibodies that can and will banish the germs of economic lassitude and moral hesitancy that has temporarily afflicted our great system because of shortsighted, unsound monetary, credit, budgetary, and trade policies.

Let us put aside the philosophy of cutbacks, high interest rates, credit restriction and free trade and use the tools we have to bolster rather than to weaken the inner dynamic and creative elements that can, if given a chance, make for the largest measure of prosperity in the Nation. Let us put aside the notion that we can promote prosperity here by opening the floodgates of cheap foreign competition predicated on sweatshop wages and conditions.

I am not speaking about crash programs or unwarranted, extravagant expenditures. These are not at all necessary. Moreover they should not be tolerated. There is no need for panic. There is no need for hysteria. There is no need for improvident spending. But we must realize, first of all, that it is our job to put this economy back on its feet. We have the ways and means and the money to do it. So let there be no further delay about this crucial matter, which means so much to millions of Americans and which means so much to the national defense and security of the Nation. Let us have some courageous action now. And let it be not a little too late, but enough in time to bring back full prosperity.

If it is necessary for us to pass a good, strong tax bill, as I said it was last fall, to increase personal income tax exemptions, to remove onerous excise taxes on automobiles, appliances and other goods and services and give small business more of a chance to get out from under its present heavy loads and be given some encouragement to resume full-time activities, let us do so.

Let us move, as we are doing now, to accelerate defense contracts, military public works and other public works to provide maximum employment with a minimum of delay. I commend our President for the action he has taken thus far to restore prosperity and urge upon him every other necessary measure to this end.

Let us give encouragement to the elimination of obsolete plants and the modernization of industry to bring them up to date with new scientific developments, to diversify industry and attract new industry into distressed and other areas.

We should move to increase old age and survivors insurance and disability payments under the Social Security Act to accord with high living costs, so as to relieve retired workers and their families in some substantial way from the damaging effects of present price levels. Some consideration should be given to gearing these benefits to the cost-of-living index system so that they will move upward and downward with the cost of living. This would be something realistic for the Congress to explore.

The Federal Reserve Board should further consider its position in this crisis and do something realistic and effective, as it may be needed, by way of further lowering of interest, rediscount rates, and reserve requirements, or otherwise, to spur and increase business opportunities and employment and make it possible for small business, as well as big business, to benefit from a liberalized Federal expansion. I also commend the Board for its various actions to speed economic recovery and confidence.

Mere lipservice in meeting the credit needs of business will not suffice in the emergency confronting us. We must arrange to provide adequate credit for small business.

There will be controversy about recovery programs, I know. There will be those who think they go too far and those who believe they do not go far enough.

But the important thing now is to take action to break the back of the recession. Later on may be too late to avert major economic disaster. Let us act resolutely now.

DEVELOPMENT OF AREA RESOURCES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, even in the years of high-level prosperity, we have had labor-surplus areas. One-industry communities are the chief victims, and the disturbing fact is that, after heroic efforts by local groups to cure the malady, a persistent residue of unemployment burdens the economic life of these areas.

You will note from past issues of the Bimonthly Summary of Labor Market Developments in major areas, that some areas have been classified as labor surplus for years, indicating a chronic problem that has not been solved.

It is obvious that, even as the depressing effect of slums necessitated large-scale urban redevelopment programs, an industrial redevelopment formula of loans and grants is required to revive these stricken economies and create new job opportunities for displaced workers.

It is shameful and wasteful to allow the great human resources of the unemployed to rust through lack of a courageous and effective program on our part to provide them with an opportunity for constructive work.

The legislation I originally proposed years ago, and since revised to broaden its base, provides for development of the resources of the area, the construction of new plants plus the rehabilitation and alteration of old ones, and the purchase of machinery and equipment to attract new industries.

Loans would be provided for public facilities necessary to service new industries, to provide technical assistance, to retrain workers, and to surmount those pension and insurance barriers which prevent older workers from securing employment due to this discrimination.

After an area had been certified as eligible for Federal assistance under this program, the Administrator would name a local industrial redevelopment committee of seven residents to develop a plan for the revitalization of the local economy. All of the loan funds—to be matched by 25 percent participation on the part of local groups—would be handled on a revolving basis, so that they could be used again to assist other labor-surplus areas as the loans are repaid.

Depressed areas cannot pull themselves all the way up by their own bootstraps. They have accomplished much, for which we admire them, but they just lack the means to do the whole job. Even during the prosperous years since 1945, they have been unable to get out of the labor-surplus category. This indicates a chronic economic weakness that can only be cured by a large-scale program of industrial modernization that will restore these areas to a competitive status.

Now that the Nation as a whole is going through a period of readjustment, the position of these areas becomes more vulnerable. Static industries must give way to growth industries. The economic base must be diversified. Up-to-date functional plants with ample parking facilities, must gradually replace the high cost and archaic mills that were built before this century.

Anything less than these and other rejuvenating measures will prolong the stagnation and prevent these areas from catching up with and participating in the general progress. This problem has been thoroughly explored by committees of the Congress. The time for positive action has arrived.

The enactment of this bill will give reassurance to the Nation that the Congress is sympathetically aware of this economic problem, and, is determined, in cooperation with the affected areas, to do its share in promoting their economic recovery.

GOOD PROGRESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, early this month I placed in the CONGRESSIONAL RECORD an interchange of telegrams between Mr. Gordon Tiffany of the Civil Rights Commission and myself which was inspired by my deep concern for what I believe to be an inexcusable delay in beginning the work of the Commission. I pointed out to Mr. Tiffany the urgent need for immediate action respecting the appropriation of the Civil Rights Commission, and asked that he request a prompt hearing from the Appropriations Committee. To this I received the following reply:

> Appreciate your views expressed in your telegram. The budget has been studied with care. Be assured every step will be taken to expedite a carefully supported presentation before the Appropriations Committee at its earliest convenience.

I then immediately called Mr. Tiffany's attention to the fact that it is not the responsibility of the committee to initiate action, as he implied, but that it is the responsibility of the Commission to make the request for a hearing. Yesterday I received the following letter from Mr. Tiffany:

> The Appropriations Committee of the House has scheduled hearings on the appropriations request of this Commission on Tuesday, March 25, at which time we trust formal approval will be given to our proposed presentation.
>
> Dr. John Hannah, Chairman of the Commission, will be the witness. You will certainly be furnished with a copy of this testimony as soon as the presentation is approved.
>
> I wish to personally add my appreciation for your continued interest.

I am indeed glad to see such concrete evidence of progress, and sincerely hope that after the presentation of the Commission, the bill will come speedily back to the House for approval, so that the Commission may then proceed to do a truly outstanding and effective job.

THE USDA WATERSHED CONTROL AND FLOOD-PREVENTION PROGRAM

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, it is most gratifying for me to make note of the President's interest in the United States Department of Agriculture's watershed control and flood-prevention program, which is authorized by Public Law 566, 83d Congress.

Until recently, the budget request for this program for fiscal year 1959 was only $14 million in comparison to the $25 million appropriated by the Congress last year. In a special message to the Congress, the President, on March 12, requested an additional $14,780,000 to carry on the very effective work of this program which is beneficial to many sections of the country where huge flood-control dams and reservoirs are not warranted.

In my own State of Massachusetts, which has been plagued by periodic devastating floods—the most recent in August of 1955—many foresighted people see in Public Law 566 a suitable answer to flood-prevention problems for many communities where, for one reason or other, larger dams and projects are not legally authorized and where smaller projects would be practicable. In fact, Massachusetts now has six watershed control projects approved by the Department of Agriculture, one of which is in a deferred status. Nearly $200,000 has been channeled to the Commonwealth of Massachusetts by the Agriculture Department for watershed surveys and plans since the program was authorized in 1954.

It will be recalled that Public Law 566, 83d Congress, authorized the United States Department of Agriculture to inaugurate certain limited programs to prevent floods and protect watersheds through the building of small check dams, channel clearance, terracing, soil-conservation practices, and planning.

The program appears to be particularly suitable for smaller areas and is not competitive with the projects of the Army Engineers. Funds are furnished for this work to local communities and groups on a matching basis for the soil restoration and conservation phase of the program. The 84th Congress liberalized the program to some considerable extent by authorizing 100 percent Federal contributions for the flood-prevention aspects of Public Law 566 projects.

The objective of the watershed control program is to reduce the peak flow of floods, cut down on the flow of silt, debris, and rubbish, halt soil erosion, build up moisture in the subsoil of farms, and keep wells from going dry.

Considerable progress has been made in my State on Public Law 566 watershed surveys. So that my colleagues in the House may have some indication of the progress we have made in Massachusetts on Public Law 566 projects, I would like to discuss each individual project and its objectives of trying to cope with the water and soil problems of the watershed area in which it is located.

The Town River watershed project was the first to be approved for Massachusetts by the Department of Agriculture. This action was taken on September 9, 1955, after initial surveys had been made and State approval obtained on August 26, 1955. The project has been channeled to USDA through the soil conservation districts of Plymouth, Bristol, and Norfolk Counties. The Town River, a tributary of the Taunton River, is located near Brockton, and the watershed area comprises some 34,560 acres of land with about 100 farms in the area.

The bottom land is mainly level while the upland areas are gently rolling. The bottom land is subject to periodic and rather frequent flooding, with much of the flood damage usually resulting from the spring thaws. Watershed surveys show there is a slight amount of erosion on the upland areas. As a result of intensive cultivation some sediment accumulations have resulted in the stream channel and a considerable acreage in the flood plain, once in cultivation, has now been abandoned due to inadequate stream channel and the need for drainage outlets.

Preliminary surveys indicate that land treatment measures are needed in the watershed as well as channel improvement and enlargement. The Public Law 566 project for the Town River contemplates channel enlargement and the reduction in height of one dam on the channel as an improved outlet for drainage of the flood plain.

The second USDA project for Massachusetts deals with the Sudbury, Assabet, and Concord Rivers watershed. It is better known as the Suasco project. The soil conservation districts of northeastern Worcester County and Middlesex County forwarded the application to the Department of Agriculture on August 3, 1955, and it was approved by the Department on November 17, 1955, after State concurrence had been granted on September 13, 1955. These streams are tributaries of the Merrimac and are located near the towns of Framingham, Concord, Maynard, and Hudson. There are about 243,200 acres in the watershed area and approximately 2,885 farms involved.

The area is densely populated and includes parts of 34 communities with a population in excess of 400,000. Some floods result from intense local rainfall during the summer on the smaller streams. Major flood damage results from prolonged rains and the melting of ice and snow in the spring. More than $5 million worth of damage was caused to the area by the 1955 flood. After the 1955 flood, surveys showed many of the reservoirs previously used for water supply purposes and control works were in need of extensive repair. Silt bars hampered the flow of water in the main channels and several small dams were completely filled with silt.

The Public Law 566 project for the Suasco watershed contemplates channel improvement and water-retarding structures in the upper reservoirs to regulate flow. Groups and communities in the area have expressed interest in multipurpose structures for flood-water retention and municipal water supply. Local interests have expressed interest in pollution-abatement programs and the recreational aspects of the watershed project.

The third project for Massachusetts deals with the Baiting Brook watershed near Framingham. This stream is a tributary of the Sudbury River, which flows into the Merrimack, and is a subwatershed of the Suasco area just previously mentioned. Project sponsor is the Middlesex County soil conservation district.

USDA approval of the project was made on January 8, 1957, after State concurrence on December 10, 1956. Baiting Brook has flooding and water-control problems and the project contemplates flood prevention by land treatment and structures, conservation, development, utilization, and disposal of water as well as the elimination of stream pollution.

The Monatiquot River near Quincy is another watershed project approved for Massachusetts, the fifth such project to be authorized for the State by the Department of Agriculture. The Norfolk soil conservation district is sponsor of the project, which was just recently approved for planning by the Agriculture Department. The Monatiquot is a tributary of the Weymouth Fore River.

The watershed with an area of approximately 12 square miles has been plagued by floods on many occasions and there has been extensive damage in the area. In 1955, it is estimated about $300,000 damage was done to property and industry. Railroad property was damaged and highway bridges were washed away.

Watershed control measures contemplate the planting of trees in the Braintree highlands, floodwater retarding structures and channel improvement works.

The sixth Massachusetts project deals with Smelt Brook, a tributary of the Fore River, near Weymouth. The sponsor is the Norfolk County soil conservation district. The project was just recently authorized for planning by the Agriculture Department.

Here also we find periodic damage to property, delays, and inconvenience to traffic and interference with business activity from the flooding of a portion of the East Braintree-Weymouth Landing business district as a result of stormwater runoff from the Smelt Brook drainage area. Inadequate channel capacities, inadequate culverts and stormwater inlets aggravate the flood problem in this area.

The project contemplates study of the feasibility of an earth or masonry dam at the outlet of Pond Meadows to serve as a storage reservoir for the drainage area and the installation of culverts in the vicinity of the New Haven Railroad, under the Washington Street business district at Weymouth Landing, and also above Stetson Street.

I have not touched upon the fourth approved project for Massachusetts until now because this project, dealing with the upper Blackstone watershed, has been placed in a deferred status by the Department of Agriculture. This action was taken, I am told by Department officials, because "the State Conservationist and the local people agreed on November 14, 1957, there is no critical need for a watershed project at this time."

The sponsors are the soil conservation districts of southern Worcester County, northeast Worcester County, Middlesex County and Norfolk County.

When the Agriculture Department approved the upper Blackstone project for initial surveys, it took into account the historic watershed problems of the area, which include periodic flooding, lack of water control and the maintenance of a uniform flow.

The watershed area embraces 205,400 acres with a population in excess of 260,000 people.

In October and November of 1955, I held extended discussions with Dr. Benjamin Isgur, who is now the USDA State conservationist for Massachusetts, about the desirability of instituting some Public Law 566 projects in areas hit by the 1955 floods. The Blackstone Basin appeared to be ideally suited for watershed survey since the West Hill Dam and Reservoir and the Worcester diversion tunnel, the two major Army Engineer flood control projects, were then in the early planning stages.

Congress has since provided the necessary funds to begin construction of the Worcester diversion project and complete the preconstruction planning of West Hill this year. However, it must be emphasized that these two projects, once completed, do not provide a solution to the water problem of the Blackstone south of Worcester to Uxbridge.

The Worcester diversion tunnel will provide protection for the Webster Square area of Worcester by diverting water from the Leesville Pond through a bypass tunnel. West Hill project is planned on the West River just below the Northbridge-Uxbridge town line in order to provide flood protection on downstream points along the Blackstone.

The Blackstone area between Uxbridge and Worcester has been of deep concern to me. Several times I have made known to Brig. Gen. A. K. Sibley, the New England division engineer, and his predecessor, Brig. Gen. Robert J. Fleming, the apprehension of residents along the Blackstone in this area and my own apprehension about the possible increased flow of the Blackstone once the Worcester diversion project has been completed.

Last September, General Sibley wrote me in part as follows:

"Studies which have been completed for this project substantiate previous conclusions that the diversion project will not have any measurable effect on either Millbury or downstream communities. The project, which shortens the distance from 7 miles of river through Worcester to about 3 miles of tunnel and channel, diverts the flood waters from Kettle Brook directly to the Blackstone River in Millbury. The same amount of water will flow in the river at Millbury, with or without the diversion, and any change in the pattern of flow will have negligible effect on flood stages."

General Sibley pointed out that the initial design of the diversionary works included large manually controlled gates. This objectionable feature has been eliminated from the project.

Dr. Isgur, the State conservationist, in November of last year wrote me that further planning for the upper Blackstone watershed was being deferred. He said:

> After a conference with the upper Blackstone River Watershed Association, it had been mutually agreed that it would be unwise to plan the watershed under Public Law 566 assistance at this time.
>
> The Army Corps of Engineers, the Commonwealth of Massachusetts, and the city of Worcester are in the process of making studies and plans in the watershed area. We will wait until definite recommendations are made by these various groups and then make a decision as to whether or not to request approval of the watershed as a Public Law 566 project.

Dr. Isgur has been most cooperative and helpful in making available to interested groups the full facilities of his staff to discuss water and related problems. It is largely through his help that initial study of the Blackstone has been made in cooperation with the soil conservation districts of southern and

northeast Worcester County, Middlesex County, and Norfolk County. From this survey there came the creation of the Upper Blackstone Watershed Association which is continuing to devote full consideration to the water problems of the area.

I hope that at an early date this fine group will go forward with further planning of the watershed because there is no question that such planning looks toward adequate solutions of the problems of land treatment and conservation development utilization, spheres of activity which are outside the scope of any flood prevention plans of the Commonwealth or the Army Engineers.

I have every expectation that the Department of Agriculture will approve the seventh watershed-control project for Massachusetts in the very near future. This is the project sponsored by the Quaboag Watershed Association to deal with soil-reclamation and flood-prevention work along the Quaboag River in the western part of my District. Communities involved are Spencer, North Brookfield, East Brookfield, Brookfield, West Brookfield, Oakham, New Braintree, Warren, Rutland, Sturbridge, Paxton, Leicester, Charlton, and Palmer.

In recent talks with Agriculture officials I was given assurances that the Quaboag project would receive early approval so that detailed planning of the watershed area could go forward.

The Quaboag watershed appears to be ideally suited for this type of flood-prevention program since the Army Engineers do not contemplate the construction of the West Brookfield Reservoir on the Quaboag River, a project authorized by the Congress in the Flood Control Acts of 1936 and 1938. The Engineers classify West Brookfield as inactive due to a lack of economic justification. In addition, the Engineers have been unable to approve a $50,000 local protection project at West Brookfield under Public Law 685, the McCormack-Bush Act. In this respect, I ask unanimous consent to have printed in the RECORD a report I received last September from Brig. Gen. A. K. Sibley, the New England division engineer, on the West Brookfield Public Law 685 project, with the text of my reply.

The material follows:

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DIVISION ENGINEER,
NEW ENGLAND DIVISION,
Boston, Mass., September 23, 1957.

Hon. PHILIP J. PHILBIN,
Representative in Congress.

DEAR MR. PHILBIN: Very complete studies have now been made of the flood problem on the Quaboag River in the vicinity of West Brookfield, Mass. I am now able to answer your inquiry of August 15, 1957, with regard to this matter. The results of our studies are generally unfavorable to expenditure of Federal funds at this time for the alleviation of flood damage in the Long Hill section of West Brookfield.

Detailed studies of the complex hydrologic problems which result from the peculiar topographic features of the area at West Brookfield and upstream lead me to the conclusion that channel improvement, as desired by the Selectmen, would be unduly expensive and would not provide the desired degree of protection. Other alternatives studied include dike protection for the industrial area at West Brookfield which includes the Capitol Yeast Co. plant, buildings of a coal and grain dealer, a petroleum bulk storage yard and several residential properties. The flood damages in this area during the August 1955 flood when floodwaters stood 4 feet above the bridge deck of the Boston and Albany Railroad resulted in losses estimated at $88,000. Protection of this area by means of dikes would cost approximately $51,000 for the dikes and about $6,000 for necessary road modifications. The estimated annual charges would be about $2,000 and the annual benefits would be in the neighborhood of $1,500. The resulting benefit cost ration is about 0.8 to 1.0. We have been quite liberal in our determination of possible benefits but the resulting project is unfortunately too costly in relation to the benefits to be undertaken at this time by the Federal Government. I have attempted to design a lesser degree of protection with a viewpoint of reducing the first cost of the project but find that the benefits are likewise reduced and it doesn't appear possible at this time for Federal work to be undertaken.

I have also reviewed the effects which might be expected from the authorized, but unconstructed, West Brookfield Reservoir, the site of which lies upstream from the village of West Brookfield. The project was reviewed during the course of the New England-New York Inter-Agency Committee studies and found to be economically infeasible. We have made a review subsequent to the occurrence of the August 1955 flood using all of the data gathered as the result of this flood. The review substantiates earlier conclusions that this reservoir project should not be constructed because the topographic conditions in the reservoir area make it a natural flood control reservoir in times of flood even without an artifical dam across the valley.

The channel dredging I mentioned earlier, while it would provide some benefits to the town of West Brookfield would increase flood damages downstream through elimination of valley storage in the natural flood reservoir in the vicinity of Quaboag Pond. Although I have not evaluated the possible increase in damages which would occur downstream on the Quaboag and Chicopee Rivers, preliminary studies indicate that they would be severe in the recurrence of a flood such as we experienced in August of 1955.

Based on all of these rather extensive studies I must conclude that flood protection measures are not warranted at West Brookfield at this time.

Sincerely yours,

ALDEN K. SIBLEY,
Brigadier General, United States Army, Division Engineer.

SEPTEMBER 25, 1957.

Brig. Gen. ALDEN K. SIBLEY,
Division Engineer,
Corps of Army Engineers,
Boston, Mass.

DEAR GENERAL SIBLEY: I greatly appreciated your thoroughgoing report on the problem of flood control on the Quaboag River at West Brookfield.

Naturally, having lived with this problem over a period of time dating back to the consideration of the proposed and authorized West Brookfield Reservoir, I am disappointed that your present studies indicate that this project is not feasible. Of course I have noted the cost-benefit ratio.

However, the problems involved here are much broader than those relating to West Brookfield. As you know, practically along the Quaboag River Basin we have had recurrent and serious flood problems, and, at times, very extensive, periodic damage. It would appear that the early objectives of the Engineers to construct a reservoir to cope with these problems were soundly conceived, although I can understand the need for reevaluation following the floods of 1955.

Because the area taken as a whole presents difficult problems, I had been hopeful that the Engineers, with their usual versatility and thoroughness, would be able to come up with some solution by which the Federal Government could go forward with plans projective of the entire area here involved. The other possibility that occurs to me is that of reevaluating the cost-benefit ratio over a different or wider area so as to bring it up to current legal requirements.

I would certainly be most appreciative of your good advice regarding the general overall situation in the area. Perhaps you would be able to come up with some fresh proposal that would be helpful.

Hoping you are getting on well, and with usual good wishes, I am,

Sincerely yours,

PHILIP J. PHILBIN.

The Army Engineers have since expressed further their inability to go ahead with the West Brookfield work because the project does not meet economic criteria required by existing laws. However, the Engineers have assured me that further investigations will be made in the Quaboag River Basin to see whether one or more dam site locations can be found where sufficient flood reductions may result in order to make construction feasible.

The water problems of the Blackstone, the Quaboag, and other watersheds of Massachusetts are difficult and complex, but a start toward their solution is being made through such programs as the watershed control and flood prevention program of the Department of Agriculture. Other sections of the country have similar problems and benefit from the program.

I feel sure that our House Committee on Appropriations will give sympathetic consideration to the new budget request of nearly $29 million for this program when hearings are held on the Agriculture appropriation bill so that this vital and necessary work can be carried on without delay.

When measured against the obvious economic benefits, it is very evident that any savings secured at the expense of this worthwhile program would be illusory and in the end very costly.

I strongly urge the Appropriations Committee and the House to stand behind this constructive program and vote the funds to make it truly effective.

TRADE AGREEMENTS PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. DAVIS] is recognized for 90 minutes.

Mr. DAVIS of Georgia. Mr. Speaker, a few weeks ago I introduced a bill, H. R. 10818, relating to the trade agreements program. That bill's principal provisions called for withdrawal of the President's veto power over Tariff Commission recommendations under the escape clause and the establishment of import quotas by the Tariff Commission in accordance with specifications laid down by Congress.

Beyond that the bill called for limiting the time of extension of the program to 1 year instead of 5 years as proposed by the President in H. R. 10368. It also offered no additional tariff-reducing authority to the President.

I have now introduced a bill that differs slightly but not fundamentally from my previous bill.

The principal difference lies in providing that Tariff Commission recommendations under the escape clause will be sent both to the Congress and to the President, rather than to Congress alone. The President would then be in the position of accepting and proclaiming a recommendation made to him by the Tariff Commission or proposing its rejection or modification to Congress.

Should the President accept the Commission's recommendations that would be the end of it. Should he propose its modification or rejection, he would submit his reasons to Congress. If both Houses of Congress would sustain his proposal by adoption of a joint resolution, the Tariff Commission's recommendation would be modified as proposed by the President or rejected, if he called for rejection.

The President in proposing the modification of a Commission recommendation would not be authorized to substitute a tariff increase for an import quota should the latter be the Commission's recommendation; or vice versa. He could, however, propose a lesser increase in the duty than that recommended by the Commission, or a larger quota than the one proposed by that agency.

The quota proposal of the present bill differs from its predecessor in its greater simplicity. It provides that no import quota may be imposed that would restrict imports to less than half the volume during a previous representative period.

This new bill has a provision that was not contained in the first bill. Its purpose is to permit an industry that finds itself injured by imports to apply to the Tariff Commission for a remedy even if its product in question has not had a tariff reduction or a binding in a trade agreement. The fact is that today an industry has no recourse outside of legislation if the product that it produces has had neither a tariff reduction nor a binding of its rates in a trade agreement. There is no sound reason why a case of this kind should not be examined by the Tariff Commission in the same manner as under the escape clause and then recommending a remedy if it finds serious injury.

This provision is included for the simple reason that the relatively few products that find themselves in this situation such as frozen tuna and tungsten are confronted with the heavy burden of obtaining direct legislation if they are to enjoy a remedy against serious injury from imports. That does not strike me as equitable. It is for this reason that this provision was inserted into the bill. I think it should be adopted.

Mr. Speaker, now a few words about keeping the President in the escape-clause picture. I do not believe that the President should in any case have the final word; and this bill would not grant it to him. However, there is no intention of excluding the President from efforts to persuade the Congress. He could of course do this under my previous bill even though it provides that Commission recommendations go exclusively to Congress. There would be nothing to prevent the President and the Secretary of State from presenting their reasoning to Congress should they believe that the recommendations of the Commission should be set aside.

The present bill would, however, bring the recommendations to the President and he could propose a veto or modification to Congress within the administrative procedure governing the disposition of escape-clause cases. His ability to sway Congress into endorsement of his veto would actually perhaps be no greater or less than if he made his appeal under the circumstances of the present bill or is left out as in the preacting from within the orbit of the administrative procedure rather than from the outside. What we are trying to avoid is the impression that this proposed legislation is aimed at the present incumbent of the White House. That is not the case.

The object in either case is to restore to Congress the final authority over foreign commerce as vested in it by the Constitution. Whether the President stays directly in the picture as in the present bill or is left out as in the previous bill is more a matter of courtesy than anything else.

Mr. Speaker, at the risk of being repetitious I think it should be emphasized that unless this control by Congress is reestablished all other legislation on tariffs and trade would come to naught. The power of the President to strike down Tariff Commission recommendations is absolute and is about as autocratic as the action of a monarchy might be expected to be. All that the President now needs to do to upset a Tariff Commission recommendation is to send a letter to the Chairmen respectively of the Senate Finance and House Ways and Means Committees. Experience has shown that such letters are evidently easy to write and create no barrier against veto of the recommendations. This can be concluded from the fact that the President has vetoed seven unanimous Commission recommendations.

Some proposals now coming to the fore would have the Commission's recommendations go to both the President and the Congress as the present bill provides but would place the burden on Congress to override the President. This suggestion assumes that the right to set aside the Tariff Commission recommendations is original with the President and that to assure its own will the Congress must act positively. This turns the actual situation upside down.

It is the Congress that holds the original power. The President has only a delegation of authority in this matter. Therefore, it is much more in order to put the burden on the President to obtain positive action from Congress rather than the reverse. In other words if the President seeks to halt a Tariff Commission recommendation the burden properly falls upon him to obtain the endorsement of Congress. If he really has a cogent reason he will be able to persuade Congress, while if his reason is not impressive Congress should indeed not lend its support to him.

This placement of the burden on the President is all the more desirable because under the present system and as would be the case if the burden were placed on Congress to override the President, it is too easy to reject the Tariff Commission's recommendations by invoking international relations or fancied adverse foreign reaction or the national interest when in fact the real objections to the Commission's proposal might arise from nothing more weighty than the free-trade predilections of the State Department economists and their stanch allies in the other executive departments.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Oklahoma.

Mr. JARMAN. Mr. Speaker, I would like to compliment the gentleman from Georgia for his splendid presentation of a problem of eminent importance to the Nation. We all know that many industries in several States have suffered adversity and near annihilation from unwarranted and increasing importation, resulting in drastic loss of market.

My home State of Oklahoma and other oil-producing States have reached a climax of several years of struggle against a rising flood of imported oil. Presidentially appointed top level Cabinet committees have twice stressed that this increasing oil importation threatens to impair our national security. But, the sole action taken to curtail this engulfing of the domestic market has been the application of a totally unsuccessful and legally questionable voluntary program, by which the importers, contrary to their own economic interest, are requested to voluntarily curb imports.

Oklahoma, dependent upon the oil industry for about one-third of the revenue collected to run the State government, has cut oil production 11 percent. This, according to our Governor, will cost the State $9 million. This represents a loss to all citizens, not just those with an interest in the industry. This same condition faces all oil-producing States. The domestic petroleum industry is in a serious depression.

The net result of continuing this importation is tragically simple: If there is no market, there will be no production, no exploration for new reserves, no adequate transportation system, eventually, a static rather than dynamic industry, and finally, dependence upon foreign oil to satisfy this Nation's vast energy requirement. The crises resulting from the seizure of oil fields by Iran, the seizure of the Suez Canal by Egypt and the recent seizure of the Indonesian oil fields describe the foolhardiness of such dependence more than a million words.

It is understandable why the executive branch has not been able to persuade importers to use discretion against their own self-interest; but completely beyond understanding is the failure of that branch to impose its announced import policy upon its own departments. Captain Carson's committee has struggled to reduce imports by approximately 250,000 barrels per day while the Defense Department is importing 240,000 barrels

of products per day. This amount of oil purchased in the United States would quite obviously relieve the depression now facing the petroleum industry. Thus, oil-producing States are suffering a destruction of their basic economies participated in by departments of the Federal Government.

This situation has transcended the debating stage. The damaging of the economy of these sovereign States endangers the national security. Surely, no trade policy can justify such a result. Can any policy resulting in the destruction of essential industries, State economy, and the welfare of the individual be a sound way to achieve a satisfactory trade program?

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Connecticut.

Mr. PATTERSON. Mr. Speaker, may I say that I appreciate what our good friend from Georgia is saying here today. Certainly the manufacturing industry of New England has been severely hit and crippled through the influx of foreign-made goods.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Speaker, am I correct in thinking that the gentleman's proposal is designed to restore to Congress its historical and constitutional right and responsibility to regulate foreign trade?

Mr. DAVIS of Georgia. Indeed it is.

Mr. BURLESON. That is the essence and substance of the gentleman's proposal?

Mr. DAVIS of Georgia. It is.

Mr. BURLESON. Mr. Speaker, I feel the time is here when we must tighten up and plug the administrative leaks now found in the operation of the trade agreements program. The intent and purpose of Congress have been made meaningless through administrative abuses which must be prevented from recurring.

I might point out that the domestic petroleum industry offers a perfect example of how the intent and will of Congress has been circumvented and thwarted by the executive department. A look at the experience of the domestic oil industry under the trade agreements program will bear me out.

First, just prior to the enactment of the original Trade Agreements Act, Congress, in 1932, placed an excise tax on petroleum imports. Two years later in 1934 when the original Trade Agreements Act was adopted it was stated in clear and unambiguous language that such excise taxes imposed by Congress on imports were not to be reduced through trade agreement concessions. In its report accompanying this act—House Report No. 1000, 73d Congress, 2d session—the House Ways and Means Committee stated:

> In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are in fact customs duties.

Yet in spite of this direct and unequivocal statement, the United States entered into the Venezuelan and Mexican trade agreements and GATT which together have made largely meaningless the excise tax placed on petroleum imports by Congress back in 1932. It is difficult for me to see how, in light of this expressed intent, the executive department could take the action it has in reducing the excise tax on petroleum imports.

Although Congress did not adopt the escape-clause provision until 1951, the trade agreements affecting oil contain a provision similar to the 1951 escape-clause provision.

In 1949, the domestic petroleum industry filed an escape-clause application with the United States Tariff Commission for an investigation of injury and threatened further injury to the domestic petroleum industry resulting from foreign trade agreements. The application was turned down without even an investigation. The Commission stated:

> The present situation with respect to [oil] inventories, which has resulted in some current scaling down of both production and imports, thus appears to have been due almost wholly to factors other than past changes in duty.

The record discloses that there was no scaling down of imports. In fact, during 1948, average daily imports were 514,000 barrels. In 1949, the application was turned down, average daily imports were up 131,000 to 645,000 barrels per day.

Here again I feel that this was an administrative abuse which should be prevented from recurring.

Next, in 1951, the petroleum industry under the peril-point provision urged that no further reductions be made in the excise tax on petroleum imports, and that the 1932 excise tax levels be restored in order to avoid further serious injury to the domestic oil industry.

As a result of its investigations, the Tariff Commission divided equally on the proper peril point for the oil import tax. The President, however, solved this problem by disregarding the peril-point findings of both groups of Commissioners and established his own peril point which was lower than either of the peril points set by the Commissioners. I understand that your proposal would prevent such obvious and gross abuses.

I also understand that your proposal contains a provision to strengthen the so-called national security amendment. I am hopeful that it will provide machinery that will afford some real and lasting relief to industries essential to the national security, such as the petroleum industry. Experience under the present law demonstrates the need for further legislation. Oil imports have been endangering the national security ever since the amendment was adopted in 1955. Yet, effective adequate action has not been taken.

It is now abundantly clear that prompt and effective governmental action must be taken if the flood of foreign imported oil is to be brought under control. The provisions of this bill, I am sure, will go a long way toward meeting this problem and similar problems faced by other industries resulting from excessive imports.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Wisconsin.

Mr. WITHROW. Mr. Speaker, I would like to associate myself with the distinguished gentleman from Georgia and the position he is taking. May I say that this escape clause has not been helpful to we people in Wisconsin, and particularly to those in my District.

Mr. DAVIS of Georgia. If the gentleman will excuse my breaking in at that point, may I say I do not think it has been helpful to business in any section of this country. It certainly has not been in my District.

Mr. WITHROW. I agree with the gentleman. We have the lead and zinc industry in my State and we have been hit hard by the imports from abroad. As a matter of fact, there are 425,000 tons of zinc manufactured in this country and during that same period of time there were 792,000 tons of zinc and lead imported into this country from abroad. We just cannot compete with them. Again, I do want to commend the gentleman for the position he has taken. I think it is a very fine one.

Mr. Speaker, one of the hardest hit industries in the United States is zinc mining and my State is feeling the effect keenly. Although Wisconsin is understandably proud of its reputation for fine agricultural products, it also is important because of its mineral resources. In 1956, about 45 million pounds a year of zinc were mined in my State, but the sharp drop in the price of zinc which occurred last year has virtually demoralized zinc mining—not only in Wisconsin but elsewhere in the United States. The market had been sustained by the barter of our surplus agricultural stocks for strategic zinc, but when the Department of Agriculture changed its barter terms, barter ceased and the zinc market tumbled.

As my colleagues from the mining States know, the lead and zinc miners have followed the law in seeking relief from a most distressing situation. They have requested an increase in their tariff protection under the escape-clause provisions of the Trade Agreements Act now before the Congress. Unfortunately, it is taking an almost unbearably long time for the Tariff Commission to make its report despite an unprecedented and urgent request from the President to the Tariff Commission to expedite attention to the petition of the miners.

A great deal is at stake in what is happening to lead and zinc for it will demonstrate whether or not the escape clause really does provide relief from tariff cuts that can be shown to have generated an extraordinary volume of imports. The zinc industry has been literally swamped with zinc from all corners of the world. Last year all of the domestic mines in the country produced about 425,000 tons of zinc, but the imports were 792,000 tons, the highest on

record and almost twice as much as the domestic mines produced.

I do not think any zinc miner would object to letting our foreign friends have a reasonable share of our market, but I think it is necessary to call a halt when the end result is to extinguish zinc mining in my State and elsewhere in the United States. Much as I am in favor of trade liberalization in the overall interest of the American people, I want to be sure it is true liberalization and not an unnecessary and indefensible sacrifice of any essential industry in the United States.

I am sure all of us with mineral resources are anxious to make sure that these mineral resources are developed in an orderly manner and can contribute steadily to the growth of the country.

The entire country will be watching what the Tariff Commission does with the petition of the lead and zinc miners and what the administration does in either approving or disapproving it. I can see that the fate of the renewal of the Reciprocal Trade Agreement Act is intertwined with that decision, as I understand my distinguished colleague, the gentleman from Oklahoma [Mr. EDMONDSON] has already pointed out.

Mr. MACK of Washington. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Washington.

Mr. MACK of Washington. Mr. Speaker, I am wholeheartedly in favor of legislation that will give to the Tariff Commission and to Congress greater authority in establishing quota limits on foreign imports from low-wage countries.

In many industries heavy imports from low-wage nations are destroying the jobs of American workers and turning what have been prosperous areas into depressed and distressed communities.

The plywood industry is a good example of how too heavy imports from a low-wage nation can and is destroying the employment and the prosperity of an industry.

Plywood imports from Japan last year are estimated at $60 million. These plywood imports were the equivalent of the combined output of 12 large American plywood plants employing a total of not less than 5,000 workers. Last year's Japanese plywood imports put 5,000 American plywood workers out of work. In addition about 3,500 to 4,000 loggers who supplied these plywood factories their raw material also lost their jobs. The prosperity of many entire communities to which plywood operations supply the principal payrolls became distressed areas employmentwise.

The employment situation in the American plywood industry is bad now. It will become worse unless quota limits are placed on Japanese plywood imports.

The plywood industry in Japan since the end of World War II has been growing by leaps and bounds. Sixty percent of Japan's increased production of plywood is going into export. The lion's share of these exports are coming into the United States. In 1951, Japan produced only 625 million square feet of plywood. Every year since then Japan's plywood production has increased. In 1956 it totaled 2,250 million square feet or more than 3 times what Japanese plywood production had been 5 years previously in 1951. The source of these figures is the Japan Plywood Inspection Corp.

I have been told that Japan's plywood production for 1958 is expected to total 3,800 million or 6 times its 1951 output.

As Japan's plywood output has increased year after year the quantities of plywood Japan has exported to the United States also has increased.

Here is how Japan's production and exports of plywood to the United States have increased in recent years according to the figures of the Japan Plywood Inspection Corp.

The Japanese agency gives these figures for plywood production and exports to the United States:

Japan production and exports to United States of plywood

[In million square feet]

Year	Production	Exports to United States
1951	625	13
1952	789	21
1953	1,064	112
1954	1,404	311
1955	1,800	436
1956	2,250	541

NOTE.—The 1957 figures were much higher both as to production and exports to the United States.

To restore jobs in plywood plants of the Pacific coast and Southern States we need quota limits on the quantity of plywood Japan can ship into the United States. Our workers simply cannot compete with the 11½-cent-an-hour wage of the Japanese forest product and fishing industries.

The way to obtain these quotas is through the Tariff Commission after factfinding hearings or investigations showing the damage done to employment and prosperity of our domestic industry by too heavy imports.

The pending bill of the gentleman from Georgia, which he has today so ably discussed, I feel, gets at the heart of this matter.

The gentleman's bill grants to the Tariff Commission the authority to fix quota limits, under the escape clause of reciprocal trade, where an industry asks relief on any commodity that is entering the country in too large quantities.

The Tariff Commission must report its quota limit decision to the President and to Congress. The President, within 30 days, may put the Tariff Commission's recommendation on quota limits into effect by proclamation or he may recommend to Congress disapproval or modification by Congress of the Tariff Commission's recommendation. Then, unless Congress affirmatively takes action within 60 days to disapprove or modify the quota limit recommended by the Tariff Commission that recommendation will go into effect.

I hope Congress will approve of the gentleman from Georgia's bill. Its enactment will provide relief not only for the plywood industry in which there is great unemployment but also will be helpful to all branches of the fishing industry and to the dairy industry as well.

Mr. DAVIS of Georgia. I thank the gentleman from Washington for his remarks. And, I may say to the gentleman that we have some plywood industry in Georgia, and we certainly are acquainted with the difficulties to which the gentleman has referred which exist in his State of Washington.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Speaker, on March 5 I inserted in the RECORD a brief historical account of residual oil imports into the east coast of this country. I said at that time, as I have said on numerous occasions in the past 7 years, that Congress must defend America's coal and railroad industries to protect the Nation's economy and security.

I feel that today, as my colleagues from States across the Nation rise in protest against the more apparent defects in the Trade Agreements Act, is an opportune time to bring again this problem to the attention of Congress. I want to note particularly the fact that, during the week ended February 28 an average of 756,300 barrels per day of residual oil were shipped into the fuel markets of our country. This influx represents the largest weekly average in history. It raises serious questions that must be answered by Congress before any extension of the Trade Agreements Act can be forthcoming.

While recognizing that the figures for the last 7 days of February cannot categorically be listed as representative of a pattern expected to continue through many more or any more weeks of the year, we must nonetheless be more alert of the very great potential of imports of residual oil. The shippers themselves have now provided striking evidence that refining capacity in Venezuela and the Dutch West Indies and shipping capacity to our mainland are in excess of three quarters of a million barrels daily. Calculated on a yearly basis, this average would amount to more than 270 million barrels—or an energy equivalent of some 65 million tons of bituminous coal.

Mr. Speaker, the only foolproof safeguards against such a possibility is legislation. Our mining and railroad communities are already suffering under the impetus of the so-called normal residual oil import shipping schedules. If anyone would doubt the effect of these shipments, I refer him to Department of Labor statistics on surplus labor areas. Wide sections of central and western Pennsylvania are in economic straits, with thousands of our citizens depending upon surplus foods for survival. Considerable of our woes are directly attributable to residual oil imports.

Members of Congress who have undertaken to speak here this afternoon have my sincere thanks for your interest in a problem which has long been neglected. As the discussion continues, I hope that our efforts will become more unified through the sympathetic understanding of our mutual problems. We are confronted with the job of deciding just how

far American markets must be sacrificed for the acceleration of international commerce. So far as I can see, there is no serious disagreement among representatives of areas whose economy has been severely injured by unfair import competition. We are as one in our demands for rational policies governing United States trade with other countries. We are unanimous in our desire to expand this commerce, but we do not want to accomplish it at the expense of our own industry and labor.

We are convinced, through bitter experience, that negotiation of trade agreements, if left to the exclusive judgment of the State Department, will not react to the benefit of this country. We are agreed that Congress needs to regain the authority of review of Tariff Commission decisions. We believe that the request for extending the Trade Agreements Act over a 5-year period is unwarranted.

I feel that we are on the right track, and that through our concerted effort we are at last going to enact legislation necessary to give American workers an opportunity to return to their jobs.

Mr. DAVIS of Georgia. I thank the gentleman from Pennsylvania for his contribution, and I can certainly sympathize with him regarding the condition that exists in his State.

Mr. WESTLAND. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Washington.

Mr. WESTLAND. The gentleman from Washington who preceded me a moment ago stated our case very clearly. His District adjoins mine. I might also say that a company by the name of Georgia-Pacific, with which the gentleman from Georgia may be familiar, has recently closed one of its plywood plants in my District simply because of this excessive importation of Japanese plywood. These mills have found it to be simply impossible to compete, even though they are co-ops, which have turned out to be the most efficient operations possible, where the men turn out more square feet per day per man than in other allied industries.

The American plywood industry has been near disaster for 5 years. Plywood imports have taken over an increasing percentage of the domestic market while domestic producers' shipments have stayed about the same. This has led to depressed prices at a time when production costs have increased.

Domestic use of hardwood plywood was 89 percent higher in 1957 than in 1951, but the American industry supplied only 48 percent in 1957 as compared with 93 percent in 1951. Japan's share of domestic consumption soared from 1 percent in 1951 to 42 percent last year.

In the District I represent there are numerous softwood-plywood plants as well as two hardwood plants. All are affected by the hardwood market because the price of softwood is being undermined by cheap hardwood-plywood imports.

Today, I was informed that employment in the industry in my State has dropped between 20 and 25 percent. Normally, the State of Washington operates 31 plants with an employment of 7,500 to 10,000. Furthermore, the workweek has been shortened to 70 percent of the normal workweek so the work can be spread around.

Why has this situation come about? The answer is low prices made possible because of low-labor costs overseas. In Japan labor costs average $4.17 a 1,000 square feet. Average labor costs to the domestic industry amount to $38.50 a 1,000 square feet.

Most of the plywood industry in my District is operated by cooperatives in which the shareholders are workers. It is these people who risk not only their jobs, but also risk losing their investments, which usually represent their lifetime savings. I have received hundreds of letters from these shareholders who voice their concern over the impact of plywood imports on the domestic industry.

It is inconceivable that the Government cannot recognize the injury to these people and to the plywood industry. The gentleman's legislation which he offers here would certainly accelerate recognition of that fact, and I will support him in this legislation.

Mr. DAVIS of Georgia. I appreciate so much the remarks of the gentleman and I appreciate his support of this legislation. The situation which he has stated to the House is certainly serious and, in my opinion, it requires that Congress take the action which I provide for in this legislation.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, first may I compliment and congratulate the gentleman from Georgia for taking the time today to bring to the attention of the House this matter which I think is one of the most important pieces of legislation that we will have before this session of the Congress. I know that he is fully aware of the situation. I know that he feels, as I do, that this reciprocal trade is doing a great deal of damage to our domestic industry. I know for a fact that nothing has hurt more the textile industry in New England, as already announced here by the gentleman from Connecticut, than this reciprocal trade.

Mr. DAVIS of Georgia. If the gentleman will excuse me for breaking in, the gentleman has mentioned the textile industry, and I would like to say to the gentleman that in Georgia the textile industry employs more than twice as many workers as are employed by the next nearest industry in our State. The textile industry in Georgia employs 107,000 people. It is first in manufacturing, in employment, in Georgia. The second industry, the one approaching most nearly to it, is the wearing apparel manufacturing industry. That industry employs in Georgia 41,000 people, so that the prosperity of the textile industry in Georgia has a great effect upon the total economic picture in Georgia as I am sure it does in the gentleman's State of Massachusetts.

Mr. LANE. It is very interesting to know of this situation in reference to the textiles in Georgia also. It seems to me that down through the years, although we have been objecting to this procedure, we have not got anywhere because of the fact that our system is wrong. And the gentleman's bill is aimed to correct that system which has done so much harm, so much hurt, so much injury over these years.

As I understand it, for some time it has been our privilege to go to the Tariff Commission in reference to the escape clause provision in the law. We have those hearings before the Tariff Commission downtown. Those take sometimes weeks or months. Learned people from the industry go before that Commission, attorneys present briefs, Members of Congress appear with their statements, and the hearings last for a considerable period of time. Then the Tariff Commission makes its recommendations. We find that these recommendations sometimes are unanimous, as the gentleman has already stated, in some cases. They go to the President and there they are vetoed on the say-so of the Department of State for perhaps justifiable reasons.

Mr. DAVIS of Georgia. And in some instances, as the gentleman knows, the recommendations have been reviewed by the President and the question rereferred to the Tariff Commission for further study. That, of course, further delays final action and in the meantime the industry is suffering.

Mr. LANE. Which all goes to show that after the Tariff Commission has listened to the arguments, back and forth, up and down, here and there, and have made a unanimous report, everybody's time has been wasted for no justifiable reason.

Mr. DAVIS of Georgia. Yes.

Mr. LANE. The gentleman's bill seeks to correct this situation. It would transfer to the Congress the final decision over the escape clause recommendations favorable to an applicant in our industry. A favorable recommendation, as the gentleman has already stated, would be reported to the President and the President would have 30 days in which to proclaim the recommendation or advise Congress that the recommendation should be rejected or modified. Unless Congress, within 60 days thereafter, by joint resolution of the two Houses, approves the President's suggestion, the President must proclaim the Commission's recommendation. If Congress is not in session the Commission's recommendation would become effective provisionally, until the next Congress convenes. If within 60 days thereafter Congress by joint resolution had not ordered otherwise, the recommendation would finally become effective.

The President's authority to enter into trade agreements would be extended for 1 year—to June 30, 1959—and he would have the right to use only the residuary authority left under the current extension. In practice this would mean generally a 5-percent cut on items not reduced in the 1956 Geneva negotiations, or a one-third decrease in any portion of a rate above 50 percent ad valorem or ad valorem equivalent.

The bill adopts the provision in H. R. 10368 permitting a rate increase on an escape clause item to 50 percent above

the rate in effect on July 1, 1934—not January 1, 1945, as at present. In addition the bill would provide that for a specific rate of duty, the 50-percent permissible increase would be based, not upon the rate itself, but upon the 1934 ad valorem equivalent of the rate. This provision would compensate for the deterioration in the effective level of specific rates due to inflation of import prices.

The period in which the Tariff Commission must investigate and report on escape-clause applications would be cut from 9 to 6 months. To permit the already overburdened Commission to meet this requirement, the bill gives the Commission the power to subpena persons and records.

The present escape-clause provisions require the Commission to find that imports have contributed to a "downward trend" of the various criteria of injury. A "trend" may not always be determinable, although a deterioration may be observed. Accordingly, the bill substitutes "decline" instead of "downward trend." One of the present crite a is wages. Although a wage may remain the same, the workweek may be shortened in a deteriorating situation. Hence, the bill substitutes "earnings of workers" instead of "wages."

Although current law permits the Tariff Commission to recommend quotas as a remedy in escape cases, there is some feeling that the authority is not sufficiently explicit. Accordingly, the bill spells out the various kinds of quotas and provides that the Commission "shall recommend" them when "necessary to prevent or remedy" injury.

The bill provides that no concession below the peril-point findings of the Tariff Commission shall be proclaimed by the President unless such concessions are approved by joint resolution of Congress.

Today a product that has not been the subject of a trade-agreement concession is ineligible for the escape clause avenue of Tariff Commission investigation and remedy, even though the industry involved is being injured by imports. The bill authorizes the Commission to handle such cases just as they would under escape clause procedures, and without having to show that injury is the result of a concession.

The bill provides for hearings and procedures and sets forth criteria of relief for cases involving national security, so as to require the Office of Defense Mobilization to consider such cases much as the Tariff Commission considers escape clause applications. Tariff and quota relief is spelled out and made mandatory upon a determination of threat to national security and the existence of certain import levels.

An agricultural group may apply directly to the Tariff Commission, not, as now, initially to the Secretary of Agriculture. The Commission would have 6 months in which to consider and report on the application. The recommendation of the Secretary of Agriculture would be considered during this period. The scope of section 22 is widened to include consideration of whether imports are interfering with the national objective of achieving full parity prices in the marketplace for domestic products, and not limited to interference with price support or marketing agreement programs as at present. The bill also provides that the perishability of the product covered by an application is assumed, if claimed, unless the Department of Agriculture declares otherwise.

I see nothing wrong in this bill or in this recommendation made by the gentleman from Georgia. Again I want to say that I join him in support of it. In fact, I have filed a bill somewhat similar to his although the gentleman is the author of the original bill. We have taken his bill and filed a bill to conform with his ideas on this subject matter.

Again I congratulate the gentleman on his excellent statement on this subject matter and join him in what he has had to say.

Mr. DAVIS of Georgia. I thank the gentleman from Massachusetts, and I assure him I appreciate his support.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I am glad to yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I should like to say to the gentleman that I am delighted to see he is still in the vanguard of a movement which has as its purpose returning to Congress the authority which was taken away from it or which it ceded some years ago. The gentleman has always been one who has stood in the well of the House and on this floor on many occasions and proclaimed that as a representative of the people he wanted to perform the duties for which the Founding Fathers stated he was elected, that is, to represent his people.

Mr. DAVIS of Georgia. I thank the gentleman. There is no more stanch advocate of those principles than the gentleman from Pennsylvania.

Mr. SAYLOR. I thank the gentleman. May I say that I am sorry it has been necessary for the unemployment figures to creep to where they are now so that some people would begin to realize the effect of these imports upon our working population. The gentleman as one of the outstanding leaders has been cognizant of it. Some of the rest of us have been assisting in whatever way we could to let the people know that free trade as it is being practiced will actually mean the ruination of this country.

I commend the gentleman because I think the bill he has introduced, and others who have spoken here as well as I have introduced the same bill, is a method of bringing back to the Congress and to the American people some control so that this country can remain strong, because if this country goes down the entire Free World will fall with it.

Mr. DAVIS of Georgia. Undoubtedly. I thank the gentleman from Pennsylvania very much for his remarks. The gentleman has supported over the years the same principles which are embodied in this legislation. I am very grateful for his support of it.

Mr. SAYLOR. I thank the gentleman.

Mr. Speaker, the free trade faction is resorting to a unique type of reprimand for Members of Congress who are not willing to thrust America's destiny farther into the pits of international intrigue and entanglement. Those of us who refuse to submit to the latest edition of the program are accused of permitting local interests to take precedence over world considerations.

For myself, I am happy to be identified with the group being tainted with red, white, and blue by those who are now attempting to utilize the term, "local interests," derogatorily. In retaliation, we must stand firmly by the principles which these pseudopatriots contemptuously accuse us of espousing. We recognize that the community is the foundation upon which our Nation was built. What manner of man would disregard the needs of citizens in communities of my State and of your State?

Local interest? You bet we have them. We are more immediately concerned about residents of Johnstown and Ford City than those in Jodhpur and Brussels. We are here to give the needs of Indiana and Blairsville precedence over Versailles and Southampton. The welfare of Kittanning and Portage has a place in our hearts above that of Karachi and Caracas.

Whom are we elected to represent, my fellow Members of Congress? Who pays our taxes? Who fights our wars? Who is America? Our duty is to serve, under God, the interests of the United States.

The foreign trade program is a business venture in which each participant should attempt to become a party to pacts of benefit to the country he represents. Such treaties should, of course, be entered into with honest intention and the highest integrity. There should be no place at an international bargaining table for dishonest operations or snide bartering. Representatives of the United States should strive to extract from other countries whatever concessions are of most value to us, with mutual beneficial effects assumed. The Trade Agreements Act was not accepted by Congress as a charitable undertaking. If the intention of the program has been revised to provide trade advantages for countries less prosperous than ours, then this change should be made known in order that Members of Congress may make their decisions accordingly. I, for one, will not accept the program, either in its present state of subterfuge or with objectives restated. I should like to say, parenthetically, that in the coming weeks I expect to speak at length on the whole foreign-aid foreign-trade program. At this time I wish to confine myself to the bill under consideration by the House Ways and Means Committee for extending the so-called Reciprocal Trade Act. On March 4 a resident of my District appeared as a witness before the committee, testifying at length in support of the following two amendments to section 7 of the Trade Agreements Act of 1955:

Whenever the President has determined, under section 7 or other authority that imports of a commodity shall not exceed specified levels, any importing company whose imports exceed such levels shall be subject

to a duty on the excess imports equivalent to 30 percent of the value of the cargo at point of entry and shall be subject to specific penalties, including damages and confiscation of cargo.

Imports of crude oil and petroleum products, respectively, in excess of the 1954 relationship of such imports to domestic petroleum demand, shall be deemed to endanger national security and permissible imports of crude oil and petroleum products shall be limited to such relationship as indicated above.

The witness was Dr. C. J. Potter, president of the Rochester & Pittsburgh Coal Co., Indiana, Pa. He explained to the committee how manipulations of foreign residual oil prices had permitted millions of barrels to enter American markets each year at the expense of the coal industry and its employees. One phase of the Potter testimony which I consider most important was his explanation of why—during the periods of price fluctuation—residual oil was still in demand though being sold at levels higher than the going price for coal. The following paragraph is from Dr. Potter's statement:

The answer is that in most consuming plants and in certain localities there is no coal competition with residual oil after oil has taken the market. Many plants along the eastern seaboard have scrapped coal burning equipment and therefore can no longer burn coal. However, the large electric utility plants, along the eastern seaboard, can, in many instances, burn either coal or oil as well as gas. Furthermore, you may recall that a delegation of Florida utility executives appeared before Congress protesting increased prices of residual oil in 1956. The reason the utilities were complaining was that there was no competition with residual oil in Florida. (Since that time, certain Florida utilities are making arrangements to protect themselves against excessively high oil prices by having coalburning equipment available.) For these reasons, consumption of residual oil will be maintained, to a great extent, irrespective of price. However, even though this is true, there are numerous plants where coal is still competitive and we are striving to maintain that business.

I should also like to call attention to the closing paragraphs from the written text submitted to the committee by Dr. Potter. I believe that this material—brief though it may be—will be of value to anyone interested in the current railroad problems. It also provides ample reason for Congress to impose whatever restrictions are necessary on imports from Venezuela without questioning the justice of such action. I include this portion of Dr. Potter's statement in the RECORD at this point:

You gentlemen are naturally interested in the welfare of the railroads in this country. As you know, the three largest railroads serving the market territory where a great quantity of residual oil is consumed are the New York Central, Pennsylvania and Baltimore & Ohio. You are also aware of the fact that there has been a continued decline in the revenues of these railroads. To the extent that residual oil has displaced bituminous coal along the eastern seaboard, the decline in revenue of these railroads can, in large measure, be attributed to their resultant loss of lucrative coal traffic. The damage does not stop here. As railroad revenues decline, railroad employees are furloughed and other expenditures are curtailed. Industries dependent upon the railroads are affected and more unemployment results. Railroad freight rates are increased and coal's competitive position made more difficult. Thus, it will be seen that the ever increasing growth of liquid coal imports has a serious and widespread effect.

As you gentlemen are aware, practically all imports of residual fuel comes from oil produced in Venezuela. It is wise to critically examine the reciprocal trade program which Venezuela currently insists upon maintaining. The following is a Department of Commerce report on Venezuela trade policy:

"Venezuela commercial policy has followed a general trend toward providing maximum encouragement to domestic agriculture and industry. In addition to import duty, other types of trade control are imposed, such as licensing requirements, import quotas, regulations requiring the purchase of specified amounts of local products for each unit of product imported, import prohibitions and quarantine laws. State trading is also employed in products whose price is supported in the domestic markets."

I am not asking you to impose similar restrictions on Venezuela even though rightfully, under a reciprocal trade program you should do so. The coal industry is willing to share the energy market, but on a reasonable basis. I might point out that the United States Government permits residual oil from Venezuela to enter this country on a duty of 5.25 cents per barrel, the coal equivalent of which is approximately 22 cents per ton. On refined products, such as gasoline, the import duty is 1.25 cents per gallon (52.5 cents per barrel), or the equivalent of $2.10 per ton of coal.

While competing internally with oil, gas and hydroelectricity, the United States coal industry must also attempt to meet the competition of imported residual from Venezuela (the prices of which I have previously shown fluctuate more than $6 per ton) entering this country on a duty of only 22 cents per ton. Contrast this with the equivalent $2.10 per ton protection given United States refiners of gasoline and there is no other economic energy substitute available for this product, in this country.

With reference to extension of the Trade Agreements Act containing my suggested amendments, I would like to suggest also that it not be extended beyond 1 year. During the 1-year extension, the Congress, through this committee, or a subcommittee named by it, should keep informed on compliance with the provisions of section 7 with particular reference to energy supplies and resources.

Another reason for suggesting an extension of only 1 year is largely due to the attitude of our State Department toward the bituminous coal industry. For example, let us look at the situation with respect to Canada. I will now depart from the written text and discuss that subject verbally, from the map exhibit attached hereto.

Mr. Speaker, the free traders may say that Dr. Potter's testimony reflects the desires of local interests. I congratulate him for volunteering to appear before a committee of Congress in behalf of industries so vital to the economic health of many American communities. I share with him the disappointment in any Government program which is responsible for declines in business activity and consequent unemployment. It may be considered a local interest to Members of Congress. It may be a local interest for the many of us whose mines and plants are down because of irresponsible foreign-trade practices. It may be a local interest for representatives of farmers whose livelihood would be in the hands of international accountants if the objectives of the free-trade supporters were to be accepted by Congress. But combined local interests constitute national interest, and I say to you that the welfare and security of the whole Nation are jeopardized under the plan advocated by our critics. If we do not keep our mines running now, there will be no coal in an emergency. If we do not keep our railroads vigorous and our rolling stock moving, there will be inadequate transportation facilities. If we are to let our local industries fall, one by one, under the mad scheme of the free traders, America will be helpless against the enemy when he chooses to strike. Join with me, my colleagues, in the crusade for providing protection for your community and mine, for your Nation and mine.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from New York.

Mr. TABER. The question with reference to this reciprocal trade to my mind runs about like this: If we have a lot of ghost towns here in America with no factories turning, there is going to be no market for our agricultural production or for the manufactured goods that are still produced here. The situation because of the differential in wages between the wages paid across the water and the wages paid here is so harmful that it is going to force our factories to close. Then where would we be if by some mischance we should get into more trouble in the world and have to defend ourselves against attack from foreign sources?

In the days when we were in trouble no outsider was any good to us. We had to supply everything to everybody. If we allow ourselves to get in a condition where we cannot produce and keep our factories turning and have them ready to go, we are going to be in awfully bad shape.

Industry after industry in my district is troubled because of the present tariff situation. We do not want anything unfair, but we want enough so that we can maintain the standard of living of the people who work in our factories and on our farms and in our mines. I do not believe we can afford to miss the opportunity that should come as the result of the bill which I understand the gentleman from Georgia has introduced, along with companion bills by the gentleman from Pennsylvania [Mr. SAYLOR] and others.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from New York very much. He has clearly and logically stated some facts and truths which certainly need consideration by this Congress and by the country and by the executive department as well. I believe the gentleman feels as I do about this question, that we are glad to have reciprocal trade, but that the trade has reached a point now where it is not reciprocal and where there are industries in this country that some of these advocates of this so-called reciprocal trade think are expendable. They think some of the American industries are expendable and that we ought, in behalf of

this foreign policy that is behind this thing, stand by and be willing for our industries to be destroyed, to be put out of business, for the workers in these industries to be put out of their jobs and go on relief, and further that those who have invested their money in the stocks of these industries ought to be willing to see those stocks rendered worthless and see their dividends stopped; and that the taxes which the Federal Government and the State, county, and city governments derive from these going concerns be all destroyed. It presents a very bad picture.

Mr. TABER. The gentleman has stated some very pertinent facts that we must consider as we approach this problem.

Mr. DAVIS of Georgia. I thank the gentleman very much.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. MOORE. I am very happy to join with the gentleman from Georgia today in the remarks he has made concerning the bill he has introduced with reference to our reciprocal trade program. We in the State of West Virginia have been pushed both from the East and from the North and the West and the South in this trade program. We have been the real losers. My Congressional District has for many years been promient in the glass and pottery field. To mention only a name or two, it has given to our country Fostoria Glass and Imperial Glass. Some of the finest pottery produced comes from the First Congressional District of West Virginia. Also my District is one of the largest producers of steam coal in the United States, one in which the Pittsburgh Consolidated Coal Co., one of the largest coal companies in the world, has vast mining operations and employs great numbers of our coal miners. Today, we have a high rate of unemployment in the glass and pottery industries. Also, in our coal fields we have a three and on very, very rare occasions a 4-day week. There is 12 percent of our coal miners unemployed in our mines today. I am reliably informed that there is enough residual fuel oil awaiting entry into this country, that if the tariffs are so reduced and this residual oil be permitted to come into the country, will cause an additional 12 percent to 15 percent of our coal miners to become unemployed. I am a young man in the House of Representatives, and I am pleased to have this opportunity to associate myself with the remarks of the gentleman from Georgia, and to join in this fight which I consider to be the most important fight in this session of Congress. I sincerely believe, as he does, in this fight to restore control over our tariff program in the Congress where our Constitution states it belongs. I have introduced a companion bill requiring Congress to reassert its control and to end its delegation to the executive branch of this power because it is my sincere belief that the responsibility in this instance rests with the Congress of the United States, and it is not one with which we, whether we be Democrats or Republicans, should delegate to the executive branch of the Government, irrespective of what party controls that part of the Government. Strange as it may seem, the gentleman from Georgia taking the floor today to make these remarks in behalf of the legislation which he and the gentleman from Pennsylvania have introduced—as I say, strange as it may seem, those that they and myself are endeavoring to help throughout this great land of ours are aware of it.

I would like, Mr. Speaker, to receive unanimous consent to read into the RECORD a telegram I received this afternoon with respect to the bills under discussion today and to revise and extend my remarks.

The SPEAKER pro tempore (Mr. KEOGH). Without objection, it is so ordered.

There was no objection.

(The telegram is as follows:)

Hon. ARCH MOORE,
House Office Building,
Washington, D. C.:

H. R. 11462, SIMPSON; H. R. 11463, DAVIS, both bills intended to nullify Presidential authority under Trade Agreements Act are reported as being discussed in this afternoon's session of Congress with Congressman DAVIS allotted 90 minutes' time. In behalf of many thousands of pottery and ceramic workers and their families who have not averaged 60 percent of 40 hours work over last 10-year period and six to seven thousand job opportunities eliminated by shutdowns and failures in pottery managements, whose published reason for quitting business is cheap foreign competition, we urge your support today with Congressman DAVIS' rally in behalf of some protection under reciprocal trade agreements for hundreds of factories, large and small, perilously facing liquidation. To our membership the State Department's peril escape clauses under present Trade Agreements Act is baloney. Please assist us in this fight to protect also Congressional rights.

E. L. WHEATLEY,
President, International Brotherhood of Operative Potters.

Mr. DAVIS of Georgia. I thank the gentleman from West Virginia very much. While, as he stated, he is new here in the House, he is certainly making himself felt in this necessary fight which is being carried on.

I am glad to see the gentleman join his colleague from West Virginia [Mr. BAILEY], who has for a long time been helping carry on this fight. We certainly welcome the gentleman now in support of this legislation.

Mr. MOORE. Might I add to the remarks of the gentleman from Georgia that we are all quite aware of, and I greatly appreciate, the work of our mutual friend the gentleman from the Third District of West Virginia in this field and the service he has rendered.

Mr. DAVIS of Georgia. This is not a partisan matter; it is something that affects us on both sides of the aisle.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the Congressional District which I represent is relatively close to Washington; consequently I am in the fortunate position of being able to get back to visit my constituents frequently. The average resident of Washington—and probably of most of the larger cities in this part of the country—is not aware of the economic condition of the smaller communities suffering from competition from products of other countries, so I should like to ask the gentleman from Georgia [Mr. DAVIS] whether some information on this situation might not be appropriate during these remarks on the foreign trade program.

I realize that it is difficult to picture hardship in a country whose general industrial activity has risen so greatly over the past decade. The greater part of our populace has attained the highest standard of living in the history of man; yet, while this progress was taking place, pockets of unemployment and depression persisted in numerous areas of the country—as reflected in tables on surplus labor which the United States Department of Labor publishes periodically.

It might be expected that, over any long stretch of economic prosperity for the Nation as a whole, substantial benefits cannot help but accrue even to the communities most remote from industrial centers. In this case, Mr. Speaker, the hypothesis does not hold true. A very large part of my own constituency has found the going extremely difficult almost since the end of World War II. There have been business spurts, but they were always short-lived, and the benefits too limited. Many of our people have needed household repairs and equipment actually since the time of the great depression; but, during the war, materials were not available and since that time their work has not been steady enough to permit any such investments. Of course our people bought war bonds from 1941 until work began to slacken off, but what happened was that inflation prevented purchase of many of the commodities these citizens looked forward to getting in their homes when the war ended.

We have not had favorable economic conditions in parts of my District for a long time, and we can attribute much of our trouble to the competition from products made in foreign countries. I do not care what the theorists tell the House Ways and Means Committee about how free trade is going to benefit all of us. We know from experience that trade policies not designed to safeguard American industry and labor are the harbingers of unemployment and poverty. We have seen our mines and factories closed, and workers on the railroads laid off by the thousands as a result of the very program which the administration now wants to broaden.

As I have said, Mr. Speaker, it is hard for a resident of Washington to picture the unemployment that prevails in numerous communities of West Virginia. If advocates of more liberalized trade policies were aware of these conditions I very frankly doubt whether they would stand by their recommendations for extending this economic havoc. Although all instances of poverty are depressing, perhaps the most tragic cases are those of World War II veterans who

returned from action in the various lands and seas of the world with the fond hope of getting back to work and earning the things they dreamed about when they were away from home. What has happened is that imported products have come into the markets of the United States in such vast quantities as to deprive these veterans of job opportunities. Some of these men have been laid off their regular jobs for months or even years, and what they are doing today is actually foraging for the necessaries of life.

So far as we are concerned, Mr. Speaker, there is no argument about the merits of the current Trade Agreements Act and the extension requested by the White House. We have seen the indisputable destructive nature of this program. Foreign residual oil has swept into the fuel markets of the east coast at such a rate as to force many mines to close, perhaps forever. Foreign pottery and glassware have driven our own products from our own markets and taken away the jobs of thousands more American workers. Similar experiences are applicable elsewhere throughout the Nation if not in Washington, D. C., and its environs.

Mr. Speaker, I want to say at this time that I am greatly disappointed in the leadership—or lack of leadership—in these days of economic holocaust. For an administration to recommend a continuance of policies instrumental in creating much of the unemployment is distasteful to everyone who is familiar with the human sufferings that are unavoidable when jobs are so hard to get.

I say to you, my colleagues from both sides of the aisle, that the irresponsibilities thus reflected on the part of the administration is testimony for the bill which has been offered today in substitution for the State Department's plan to extend the Reciprocal Trade Agreements Act. Failure of responsible officials in the State Department to sympathize with the plight of unfortunate American citizens is proof that the powers of foreign-trade regulation entrusted to them must now be removed from their custody. It is imperative that Congress make the necessary revisions in our foreign-trade laws that will give our people a chance to get back to work.

I believe in a just, equitable, sensible reciprocal trade. Congress should have the last say on all our trade programs and not men who are appointed and not responsible to the people.

Mr. DAVIS of Georgia. I thank the gentleman from West Virginia very much, and I recall that many times his voice has been raised on the floor of this House in behalf of these very things for which he has spoken today.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I shall be pleased to yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am only going to speak of one part of the textile industry. I agree so thoroughly with the gentleman from Georgia that if we are to have reciprocal trade agreements they should in fact be reciprocal.

I deplore very much the idea of sacrificing the cotton textile industry and the woolen textile industry. The bankers, however, have told me that they are not interested in them any more, that they would rather have electronic industries and others that pay more. But in many instances they do not pay more than the textile industry.

Some months ago the mills in the Lowell, Mass., area employed 1,140 persons; now they are down to 350. Whether we can save the mills or not is a question. A year ago last December we were out getting signatures to help keep the mills open in Lowell, Mass.

To make a long story short, the Tariff Commission recommended an increase in the tariff. Finally, through the kindness of representatives of the State Department we were able to get the Government of Japan to agree to a quota of a certain number of yards per year. Up to November of this last year, however, they had exceeded their quota by 500,000 yards. I do not know what the added yardage from December to the present time will be, but it will be very considerable.

It is a very wicked thing to my mind to scrap great industries, to throw people out of work, to destroy their happiness and that of their families, to cause great economic loss to the communities where they live, and to destroy an important industry. The textile industry was one of the first industries to create prosperity in this country. Now some people are turning their backs on that industry. Does not the gentleman agree with me that we should have perhaps one commission? We have the Tariff Commission. We have another committee above that and we have still another committee above that, as well as advisers. Does not the gentleman feel if we had the Tariff Commission only it would be very much better?

Mr. DAVIS of Georgia. I agree with the gentlewoman and I will go further and say that efforts are being made now to complicate the situation even more by throwing us into the GATT and then into the OTC. The movement that is on foot apparently seems to be one to completely take away control from Congress of import duties and tariffs. That is a function of the Congress under the Constitution of the United States.

The gentlewoman has certainly painted a pathetic picture of conditions which exist in her District. I want to say to her that the textile industry in Georgia is an industry which has great impact upon the entire economic picture in Georgia. The gentlewoman has mentioned the workers who would be deprived of jobs, salaries, and incomes because of this loss of trade which comes when our business is destroyed through imports from low-wage countries. It not only destroys the income of the workers but there are many, many people who have worked and saved money and have invested their savings in the stock of these textile mills. When the mills are closed it means that those who have invested in the stocks lose their investment, they lose the dividends which come from it, and they also are injured just as seriously as the worker who is deprived of a job.

Mrs. ROGERS of Massachusetts. Many of them cannot eat either, because some of them have stock in the textile mills. They live on the dividends and there are no dividends. I think the gentleman has ginghams and handkerchiefs in his great State.

Mr. DAVIS of Georgia. We do.

Mrs. ROGERS of Massachusetts. The Japanese should be made to live up to their quota. I have been working steadily with the State Department and the White House. They seem to want to help us but we do not accomplish anything.

Mr. DAVIS of Georgia. It is a cumbersome procedure, it is a voluntary procedure, and there is no way we can make them live up to these voluntary agreements when they send in goods in excess of the quantity provided in those agreements.

Mrs. ROGERS of Massachusetts. My own feeling is that the Japanese like our good will. Certainly it is to their advantage.

Mr. DAVIS of Georgia. Of course it is.

Mrs. ROGERS of Massachusetts. I think if they were made to see that it is to their advantage they would live up to it.

Mr. DAVIS of Georgia. I prefer to have the law so that we, as a matter of right, can protect ourselves when the need for it arises.

Mrs. ROGERS of Massachusetts. And see if there is something that we can do to abolish some of these endless committees that have done nothing but harm us.

Mr. DAVIS of Georgia. If the gentlewoman will read the bill which I have introduced, H. R. 11463, I think she will see that this legislation will give us relief from the situation.

Mrs. ROGERS of Massachusetts. I am delighted, and I think on reading it I will be for it.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Utah.

Mr. DIXON. I appreciate the fact that our esteemed colleague has brought to the attention of our country certain critical industries that are sustaining injury through lack of proper legislation. I feel obligated to bring to the gentleman's attention and to the attention of the country the condition of our mining industry—lead, zinc, copper, and coal. In the great State of Utah more than three-fourths of the lead and zinc mines have closed entirely. Mind you, this is a defense industry. Were we to get into a war, I do not know what would happen. The President has been kind enough to permit us to stockpile lead and zinc, but now that has stopped because they feel there has been enough put in the stockpile.

We cannot operate those mines in competition with foreign labor at 65 cents a day when we have to pay 3 and 4 times that much an hour to mine our lead and zinc. And, the pitiful thing about it is that these mines are being allowed to cave in and fill with water, so in an emergency they are just not

there. Many of them, now that they are closed down, never will be opened, and we must see to it that more of them do not close down. Our copper is getting into the same situation. The price is down to 21 or 25 cents. They are laying off men by the hundreds in our State. In our coal mining camps we have just what has been described here, ghost towns, and the situation there is extremely critical and pitiful. And, too, as I understand it, much of the coal that we are buying to send as foreign aid to other countries is not even bought in this country, and I think that should be looked into, so that our domestic coal producers at least get the exports that we contribute to foreign countries. Now, I have great regard for the Tariff Commission, its chairman especially, who has served under five Presidents and been chairman under two Presidents. He has a magnificent grasp of our national situation. The gentleman's proposal, it seems to me, would place the responsibility where that responsibility will be taken and where it will be understood.

Mr. DAVIS of Georgia. And where it belongs.

Mr. DIXON. And where it belongs. I thank the gentleman.

Mr. DAVIS of Georgia. I thank the gentleman very much for his remarks, and I can certainly sympathize with him upon the situation which exists with reference to the mining industry in his State. While all of us hope that we will not have another war, at the same time I dread to think what would be the situation if we should have another war and these mines to which the gentleman referred were closed down.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I will be glad to yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. Mr. Speaker, I would certainly like to join in congratulating the gentleman for the sponsoring of this legislation. Since coming to this body I have admired and respected the gentleman from Georgia for his statesmanship both off and on the floor, and I think this is one of the fine instances of it. I am pleased to join with the gentleman in sponsoring this legislation. I had previously spoken about the effect in the State that I have the privilege to represent, the State of Wyoming, on the wool industry, on the oil industry, on the coal industry, on agriculture and on other important elements of our economy, of the so-called reciprocal trade policy, which has not been reciprocal at all. Few people, though, I believe, at this time realize the threat to the cattle industry which presently confronts us. In 1956, and for several years prior, that industry had its own little recession. The cattlemen, and I think very wisely so, refused any offers of Government price supports. Their prices, after having weathered this storm, have picked up. Now we see again the threat of the foreign producer coming in to capture the market, just as soon as the price shows improvement. The 1957 imports of foreign carcass beef increase over 1956, and the decrease of exports over what they were in 1956 accounts for about a 100-percent increase in the net importation of carcass beef. Now we are actually threatened with the bringing of live feeder cattle from Australia and New Zealand into California for feeding, again a threat to the industry. In 1955 when the extension of the Sugar Act was up, the leaders from both industry and business in Detroit were here suggesting that we give it all to Cuba. Library of Congress research at that time showed that this little population of one State, a small population of only a little over 300,000 people, bought more tractors, more trucks, more automobiles, and yes, even more railroad engines than the entire island of Cuba. At that time I pointed out that some day the automobile manufacturers and the people working in automobile plants would be concerned unless they took proper cognizance of this impact problem. It now looks like that day is fast approaching with the increase in foreign automobiles imported last year. This all brings me down to one thing, that I think is basic, and that is that your problems are our problems, and conversely our problems are your problems. I am just as much concerned about your textile industry as I am about the wool industry in Wyoming.

I say that because your manufacturer is our only market. Conversely we are your only customers. And I say to the gentleman and the Members of this House, and I know the gentleman already realizes it because he has spoken so well and so soundly upon the subject, that no business can destroy its customers without destroying the business itself. And that is exactly what we are faced with in a continuing vicious circle unless something is done about this. The exploiting of cheap foreign labor and lower foreign taxes to put American producers out of business and American workers out of work must stop. I commend the gentleman for his proposal to take care of the situation. I think it will do it and I certainly assure him of my continuing support.

Mr. DAVIS of Georgia. The gentleman is eminently correct in the statement he has given us. I am glad, indeed, to have this worthwhile information which the gentleman has presented. I want to say also that I appreciate very much the able cooperation of the gentleman from Wyoming [Mr. THOMSON] in support of this legislation which I think is of the utmost importance.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I am glad to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am sure the gentleman from Georgia knows the high esteem in which I hold him. He is one of the really distinguished Members of the House of Representatives. I do want to join with the many others this afternoon in commending the gentleman for taking this time and especially commending him for the legislation which he has introduced and which certainly I shall support with all the vigor at my command.

I want to say to the gentleman that I know of no one who advocates a return to high inflexible tariffs, tariffs of the old Smoot-Hawley vintage. But I would say to the gentleman and other Members of the House that the day is fast approaching when we will do one of two things. We will either levy tariffs that represent the differential between the cost of American production and foreign production, or we will resort to what some people are already advocating, compensatory payments to manufacturers to make up for the differential.

Mr. DAVIS of Georgia. We will have to do one of those two things or see our industries fall by the wayside.

Mr. GROSS. That is right. Of course, if we do the latter, we will then be embarked upon outright and direct subsidy to American industry and American labor, and I am sure there is no one here who wants to put foreign trade upon that basis, or exports upon that basis.

Mr. DAVIS of Georgia. Mr. Speaker, I appreciate very much the remarks of the able and distinguished gentleman from Iowa. There is no Member of this House who devotes himself more wholeheartedly to the interests and the welfare of this entire country than the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I am glad to yield to the distinguished gentleman from West Virginia who has raised his voice for many, many months on the floor of this House in behalf of the principles embodied in this legislation.

Mr. BAILEY. Mr. Speaker, may I presume to preface my formal remarks by observing that two of the Speakers pro tempore presiding over the House today during this discussion are members of the Committee on Ways and Means that would handle this legislation. I observe there is a third member sitting here. I sincerely hope that they consider this a wonderful opportunity to acquire some of the facts of life on the question of our trade policy.

Mr. DAVIS of Georgia. There is nobody better able to give them the facts of life on this important question than the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, I promise my colleagues that I shall be very brief.

The growing opposition to the administration's foreign-trade program such as the determination demonstrated here today by members of both parties from all sections of the Nation is indeed an encouraging development.

We who year after year have fought for a change in the policies that put our people out of work are aware of an excellent opportunity to realize our objectives at long last. Nor can our opponents fail to recognize what is in store for the bill that they are trying to sell Congress.

The crusade for pro-American trade laws is snowballing, and the only apparent danger would seem to be the possibility of a letup on our part in the weeks ahead. Obviously, we cannot relax in our efforts. There have been other occasions when the chances of putting a halt to reckless tariff slashes seemed good. I remember when the

gentleman from Pennsylvania [Mr. SIMPSON] sponsored a bill that lost by only a few votes when the showdown came. Since that time we have picked up strength, so much that the State Department's Organization for Trade Cooperation plan was not even brought to the floor last year.

But the State Department is back in business this time, and it has Commerce riding the same horse. I am quite certain that this duet, despite the lack of foresight that both Departments have perennially exhibited, realize that their nag is carrying entirely too much weight to get very far. I therefore hope that my fellow Members of Congress will be on the lookout for what is likely to happen on the stretch run.

The advocates of the plan to give away American markets to the rest of the world have heard the rumblings that are taking place up here on Capitol Hill. They have any number of well-paid reporters, messengers, and lobbyists devoted exclusively to the job of trying to stir up support for free trade, and the word is that the trade bill is in trouble. But perhaps this knowledge is not too disturbing, because their strategy is to make a few concessions and still come out with the essentials of their scheme. I admonish my colleagues against falling victim to such tactics.

In the first place, the OTC has already received so little encouragement its backers know we will knock the props out from under it whether it comes up for individual consideration or in an omnibus proposal. So please do not for 1 minute assume that the freetraders are seeing the light and beginning to compromise if they promise to forget OTC.

Then there is the matter of the 5-year extension of the Reciprocal Trade Agreements Act, as provided by the administration bill. You will soon be hearing that a 3-year extension will be acceptable providing opponents of the bill are willing to go along with the other provisions. Let us tell the White House and State Department and Commerce and everyone else that this deception is not going to work on us.

I ask my friends here today to stand firm regardless of the so-called concessions that the freetraders are ready to offer. Our primary objective is to get back into Congress the power over international commerce that is provided by the Constitution, to restore to the Congress what the Constitution said rightfully belonged to them, prior to 1934. We also will stand together on the other provisions of the bill introduced by the gentleman from Georgia [Mr. DAVIS], by me, and by numerous others of our colleagues pledged to protect American industry and labor.

The gentleman from Georgia [Mr. DAVIS] knows what I am talking about. I am talking about the first reciprocal Tariff Agreement Act, in which the Congress surrendered its constitutional powers.

Mr. DAVIS of Georgia. I do know, and I agree with the gentleman in his description of it.

Mr. BAILEY. If we just make up our minds now that we are going to stand firm on the principle of the bill introduced by the distinguished gentleman from Georgia you need have no fear. They are convinced today that they do not have the votes to fool us with OTC or the general agreements on tariffs and trade, but they have made up their minds to get through a 5-year extension of the trade policy. I say to you that if you extend these policies for another 5 years, by that time we will wake up and find that we are a nation of importers rather than a nation of producers and exporters.

I am not interested, my friends, in any one thing right now except jobs for the American workingman at good pay. That will solve 99 percent of the ills of the country. Nobody can do any rational thinking who would propose to ask Members of the House of Representatives and Members of the Congress to vote additional billions of dollars of economic mutual security aid abroad and then on top of that extend unfair reciprocal trade agreements that promise, if import duties are cut 25 percent over the next 5 years, to cost American workingmen an additional million jobs. Now, this is an election year and it is just not good thinking on the part of the administration or good business on the part of the Committee on Ways and Means to even propose such a damnable thing. We do not have any intention of doing it and they ought to know that we have no intention of doing it because they are not going to put their political careers and political futures in jeopardy and they do not have the votes to put through the present administration bill.

Mr. DAVIS of Georgia. Does not the gentleman think 5 years is too long a period for the Congress to vote away its connection with tariffs and its control over tariffs regardless of what might be in the bill?

Mr. BAILEY. I would say to the gentleman from Georgia, if you restore the authority back to the Congress to control it, the extension does not matter too much. And that also will settle the question of whether there is an additional 25-percent cut made in our import duties.

Mr. DAVIS of Georgia. I think the Congress in too many instances has abdicated its authority and responsibility.

Mr. BAILEY. That is true.

Mr. DAVIS of Georgia. I think this is one of the most important instances in which it has voted away its authority and its responsibility.

Mr. BAILEY. A lot of people think, and they are being led to think, that the defeat of this extension of this trade program will mean the defeat of our reciprocal trade policy. I am sure I am speaking for the majority of people who are not satisfied with our present trade policies. I never address the House and I never address the Committee on Ways and Means that I do not make it clear that we have to have a trade policy. I made it clear that I am interested in protecting about 145 or 150 small American basic industries that will not be with us for many years longer, if we continue these present trade policies.

Mr. DAVIS of Georgia. What we want to have is a policy that is reciprocal.

Mr. BAILEY. It is not going to destroy our trade agreements by restoring to the Congress the right to pass on the decisions of the Tariff Commission. You will still have the Tariff Commission. You will still have the trade agreements that are already made. You will still want to make trade agreements. It is easy for the President and the Secretary of State to apply to the proper committee here on a new trade agreement with some nation in case they want to increase the number. We are not destroying the trade agreements. We are just simply saying that the Congress should have back the power that they thoughtlessly and carelessly gave away in 1934.

Mr. DAVIS of Georgia. The gentleman is eminently correct. We are not proposing any procedure that would be cumbersome or which would make it difficult for the Tariff Commission to deal with situations that may arise.

Mr. BAILEY. I might say to the gentleman from Georgia there are a number of industries in my State where the situation that they are facing right now cannot be handled by an adjustment of import duties. It is going to be necessary in a few rare instances in this country to impose import quotas.

Mr. DAVIS of Georgia. The gentleman is correct.

Mr. BAILEY. Why do these gentlemen on the Committee on Ways and Means argue against the question of quotas? We enforce quotas in the field of agriculture; do we not? We enforce quotas under the agricultural act in the case of sugar. Why is it so bad when we talk about quotas in the industrial field?

Mr. DAVIS of Georgia. I agree with the gentleman.

Mr. BAILEY. There is just no answer to it. If they can be imposed in the field of agriculture, in the field of dairying, in the field of sugar production, in the field of cotton production, or in the field of tobacco production, they most certainly can be handled in the field of industry.

Mr. DAVIS of Georgia. There is no disputing the gentleman's argument.

Mr. BAILEY. The bill introduced by the gentleman from Georgia points out clearly new regulations for the Tariff Commission to follow in fixing these import quotas; and it will not cause a rush of American industries before the Tariff Commission. In the 8 years since this act has been on the books there have been only 72 cases; and it is not going to cause delay, because we are not giving the Tariff Commission the year they have now, but we are seeking to step the thing up; so there will not be any difficulty there.

I shall not discuss the bill in detail at this time. Instead, I should like to review briefly some of the highlights of testimony presented to the Ways and Means Committee by administration spokesmen supporting H. R. 10368, the administration bill. The leader of the Cabinet chorus, which has made more

noise around the country than McNamara's band on St. Patrick's Day, appears to be the Secretary of Commerce, who produced a table of figures to show the percentages of American production that is now moving overseas. The next day the Under Secretary of the Treasury read off practically the same list, possibly because he was afraid that the Committee might not have been listening to the Secretary of Commerce, but more likely because he did not want to talk about what a Treasury spokesman would be expected to explain; that is, why, if this reciprocal trade program has been working so well, the economy is in such condition that another raise in the debt ceiling was necessary, and why there are so many millions of Americans who, since they have no employment, are not paying a red cent in income taxes.

If these fellows want to base their case on the percentage increase of United States goods purchased by foreigners, it is true that they have a sound argument. So long as we continue to give our billions overseas and are willing to have millions of American workers idle, then quite naturally the percentage of total production purchased by non-Americans is going to rise. Our people cannot afford to buy new cars and trucks, furniture and household equipment, and other products so badly needed. Unless the American worker is given an opportunity to get back to his job, he cannot be expected to be much of a purchaser—not even of the foodstuffs that his family needs.

One category mentioned by the Secretary of Commerce and repeated by the witness from Treasury was machine tools, 11 percent of whose total output in this country was—according to the witnesses—exported. Under the present trade program, which the administration wants to continue and intensify in favor of foreign nations, there will be a further decline in the percentage purchased in this country. How in the name of heaven does anyone expect a company which has lost its markets to imported commodities to buy more tools? Does the textile mill in the South have the wherewithal or the inclination to buy new tools when it has no market for its product? The same story holds true for the pottery and glass plants in West Virginia, the coal mines in our State, and throughout the Appalachian region, the fish cannery in California, and for any number of other industries from coast to coast.

The Secretary of Agriculture concluded his stirring statistical sermon to the Ways and Means Committee with the profound observation that "People in foreign lands want to live better." Then he went on to say that enactment of H. R. 10568 would give them the assurance that the United States "continues to embrace the principle of mutually profitable international trade as the basis for better living for them as well as for ourselves." Mr. Speaker, perhaps the Secretary of Agriculture has not been reading the unemployment tables issued by the Department of Labor. Otherwise, even he might come to understand that millions of our own people are not living very well and would like to live better. Congress must make it possible for our American families to have this opportunity regardless of what the Secretary of Agriculture wants us to do.

Although the Secretary of Commerce boldly asked for United States membership in OTC, I failed to find any reference to this subject in the Secretary of Agriculture's prepared testimony. Apparently he felt better advised to stay away from this one, for he knows full well that even the American farmer's haven of tariff and quota protection under section 22 of the Agricultural Adjustment Act would be jeopardized if we jumped into this pool of international machinations.

Now, then, I would not want to omit from my remarks at least a few lines of wisdom from the Secretary of State. Whereas his partners in the Cabinet largely attempted to base their arguments on the pretense that H. R. 10368 would benefit United States business, he was at least honest enough to admit that he wants that bill passed for diplomatic reasons. Let me quote a paragraph from his testimony:

> But there are certain facts of life that we must recognize. One is that representative governments cannot ignore the sentiments of their people. And other peoples will scarcely believe that we regard security as a two-way proposition, or that we take the Soviet Communist danger seriously, if we seem to be unconcerned about their economic welfare and force them to economic dependence on the potential enemy.

I have said all along that the State Department wants the authority to manipulate our foreign commerce so that it can use American jobs and American workers as chips at the table of international poker. The Secretary was a candid witness on this point, although later on he found it convenient to depart from honest and factual testimony, in making the following statement:

> Venezuela petroleum prevented a major catastrophe when, in 1956, the Suez Canal was closed and the Iraqi-Syrian pipeline blown up.

Why, Mr. Speaker, the Suez crisis took place such a short time ago that even the Secretary should remember the circumstances. Rather than sacrifice the fuel markets on the east coast which had been seized from the coal industry by unfair pricing policies, producers in Venezuela chose to ignore the petroleum shortage in Europe. Millions of barrels of Venezuelan oil continued to flood this country, and it was the petroleum producers in our own Southwest who came to the rescue. Although the distance from Texas to Europe is about one-third farther than from Venezuela to Europe, it was Southwest oil which moved to the Continent because the Venezuelan producers preferred not to give up their illicit trade in this country.

The Secretary of State also had the temerity to tell the committee about the so-called voluntary restriction that is supposed to protect our markets against excessive imports of Venezuelan oil. If he does not know that this program is unsatisfactory, then he needs to look at import figures and to talk with some domestic coal and oil men. But maybe that would be asking too much of the Secretary, for he is so busy catering to the demands of foreign diplomats that he obviously has no time for the people back in your District and mine. Perhaps the Secretary should not be censured too severely for this apparent neglect, for his Department should not have been given authority over tariffs and trade in the first place. This responsibility was placed in Congress by the Founding Fathers, and only through constitutional amendment would we be morally and legally justified in turning it over to the State Department or to any other agency or individual.

Now is the time for us to reassume that responsibility; otherwise we must share with the executive department the culpability for the economic damage and the hardship that come with a foreign trade program whose primary objective is to make the rest of the world happy whether or not the American worker and his family go hungry in consequence. Our opportunity is here. Let us make the most of it.

Mr. DAVIS of Georgia. The gentleman's statement cannot be disputed and I thank him very much for his remarks.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Ohio.

Mr. HENDERSON. I would like to take this opportunity to join with the gentleman in his wholehearted fight for what he believes is a proper and just measure. I have read the gentleman's bill and think it is a worthy piece of legislation. I just want to say 1 or 2 things.

Legislation of this sort strikes very favorably in the District which I represent. The present practices and the proposed extension without the changes that the gentleman proposes are striking adversely at the very heart of the District I represent. It seems to me that America has more or less embarked upon a policy which is very near an inferiority complex. We seem to feel that we cannot stand and cannot gain unless we are willing to sacrifice some segments of our society and some parts of our industry just for the sake of America's prestige. America did not gain its prestige by that kind of sacrifice.

Every now and then we are willing to throw a few pottery workers, a few glassworkers, or a segment of our coal industry, or of our oil industry on the altar in exchange for some international gain that we might be seeking.

Mr. DAVIS of Georgia. I would say fancied international gain.

Mr. HENDERSON. Yes, fancied international gain; the gentleman is right. Who knows what the next victim for the sacrificial altar will be? It might be the automobile industry. After all, we are seeing a great influx of automobiles in this country bearing foreign tags. We know the bicycle industry has been hit, and many others. Who knows but what part of the sickness of the automobile industry today is due to the same thing that hurt the pottery industry of Ohio, the glass and coal industries of Ohio and West Virginia. I think the legislation proposed by the gentleman from Georgia and the other Members associated with

him will go a long way toward alleviating the situation which we face in Ohio.

I believe the gentleman from West Virginia has prophesied well that the show of strength here on the floor this afternoon in response to the gentleman's bill and his taking the time to present that bill is an indication that the Reciprocal Treaty Act as presently being studied by the Ways and Means Committee is not the bill that will eventually be enacted by this Congress.

Mr. DAVIS of Georgia. I appreciate very much the entering into this discussion of the able gentleman from Ohio, and I thank him for the information which he has given. I appreciate very much his cooperation and support of this legislation.

Mr. McMILLAN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from South Carolina.

Mr. McMILLAN. Mr. Speaker, I would like to associate myself with the remarks being made by my colleague the gentleman from Georgia [Mr. DAVIS]. We have the same situation in South Carolina that exists in the gentleman's State and a number of other States where we have just about traded ourselves out of existence.

We have 5 plywood industries in my District alone, and several textile plants that are working only 2 days a week at the present time just because we have imported so much plywood and textile goods from cheap-labor countries.

I certainly wish to assist my colleague the gentleman from Georgia [Mr. DAVIS] in every possible way to bring this legislation to the floor of the House for consideration.

I believe if we do not hold down this trend, we are going some day to find ourselves dependent upon some other country for funds to pay for some of our high-priced programs because the taxpayers of this country cannot afford to keep our defense in its present form if we cannot have industry and farm commodities strong. I know that we are suffering in a number of different ways in my State on account of certain trade agreements. I agree with the gentleman that we must have agreements, but certainly it is not necessary to sell ourselves down the river just to keep on the good side of certain nations.

Mr. Speaker, I have five large plywood manufacturers located in my District in South Carolina and for a number of years they were doing a thriving business and employing a large number of employees in these factories. However, during the past 2 years since our country has been permitting plywood to be imported into this country from cheap labor countries in direct competition with our own plywood industry, we have a sick industry on our hands. The five manufactories in my District have been operating only 1 and 2 days each week during the past year and have lost the majority of the profit they made during the past 10 years.

I would like to state that if the Members of the House would check the percentage of plywood that has been imported into this country during the past few years in comparison with the importation of this product into the United States in previous years, you would find that it has increased approximately 6,000 percent. We all know that the domestic consumption of plywood in this country has increased steadily during the past 10 years; however, the 151 plants located in the 22 States have not felt the benefit of this increase in consumption of plywood products. Only 7 years ago the United States supplied approximately 93 percent of the plywood used in the United States; however, at the present time our local industries are producing approximately only 48 percent of the plywood utilized in our country which shows that the plywood that is being imported from foreign countries is just about to wreck one of the greatest industries we have in the United States.

We were all willing and anxious to assist our foreign neighbors and friends in rebuilding their economy immediately after World War II; however, I certainly feel that we have gone far beyond our obligation in assisting these countries when we finance these countries with funds from our own taxpayers to assist them in building up industries in direct competition with our industries here in the United States. I certainly believe in foreign trade and would subscribe to trading with all the countries but not to the extent that we would wreck our own economy. I am certain we do not expect any other country to permit us to dump any goods we may have to sell into their economy in direct competition with their industries to the extent that it would destroy their local industries. We believe in competition and, of course, expect this country to import some plywood, textiles, and all other types of goods but not to the extent that we would destroy our own industries.

I know that the plywood industry has representatives here who can do a better job of presenting their case than I could possibly give you in any statement I could make; however, I wanted your committee to know that the plywood industry in my State and the United States is about to be destroyed and it seems that the only chance they have of securing any assistance is through action of your committee and the Congress of the United States. I do not believe that we can ever expect any relief from the executive department as long as they made secret agreements with foreign countries and the people who are affected do not have an opportunity to express their views on this and many other subjects.

Recently my colleague, Congressman DORN of South Carolina, introduced H. R. 11250 which embodies a comprehensive change in the trade agreement structure. I have given this bill some study and it has a great deal of merit. I am certainly of the opinion that if this bill could be enacted into law, it would provide remedies for many of the inequities resulting from the administration of the present act. This bill would provide a means for the plywood industry, the textile industry, and other industries affected in the same manner from the unfair competition of imports. I certainly want to go on record as approving H. R. 11250 and hope that your committee will give it your sympathetic and careful study.

Mr. DAVIS of Georgia. I thank the gentleman from South Carolina. The people of his great State are experiencing the same difficulties which we in the State of Georgia are experiencing.

We also, as the gentleman knows, have a great textile industry there. We have some plywood industry as well as many others.

I would like to state to the gentleman and to the House that just this last week a constituent of mine appeared before the Ways and Means Committee, that great committee which now has this matter under consideration. This constituent was chairman of the board of the Atlantic Steel Co. in Atlanta, Ga. He pointed out to the Ways and Means Committee that that plant, the Atlantic Steel Co., is operating now at 53 percent of its capacity. It has had to discharge workers who need the work, whose families need the money they could earn if the plant could run at full capacity. It is running now at 53 percent of capacity, because, as this gentleman stated to the Committee on Ways and Means, the imports into this country of barbed wire and other steel products from countries where they manufacture these products at labor costs far, far below our costs, are taking the market away from the Atlantic Steel Co. and from others who would be supplying that market if this situation did not exist.

I had stated that the real objection to the Tariff Commission proposal might arise from nothing more weighty than the free trade predilections of the State Department economists and their stanch allies in the other executive departments. This fact would come to light if the President were called upon to justify to the Congress his action in rejecting Tariff Commission recommendations. If foreign relations, for example, were simply the pretext for refusing to raise a tariff or for rejecting an import quota when the real reason lay in the economic philosophy of the executive bureaucrats, this fact would be difficult to hide. If, on the other hand, the President's reasons were in fact based on a clear danger, this in turn could no doubt be demonstrated to the satisfaction of Congress. That is all the leeway the President should have.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Ohio.

Mr. HENDERSON. I would like to elaborate on one aspect of the problem that faces certain industries. I mentioned earlier today that there were industries which were sick because of the trade situation, but I would like to explain how sick they are. It is not a matter of a few hundred workers being laid off. It is not even a matter of some factories being closed down temporarily, but there have been pottery plants and industries which have closed their doors finally, and the reason given for the final closing and the dissolution of their business is that they cannot meet the competition which is coming from abroad. It is a competition which is

based upon a low labor standard, and actually in continuing our trade policy we are contributing to that type of wage delinquency that is prevalent in other nations. It is not only the pottery industry; it is the glass industry and others. Just last week it was announced in Ohio that the price that one oil company was paying for crude oil was necessarily being reduced because of the export situation and the competition that that oil receiver was finding in the oil market. So it is, industry after industry after industry.

I thank the gentleman.

Mr. DAVIS of Georgia. The gentleman is correct.

The invocation of foreign relations and the national interest as an umbrella under which to comply with covert wishes of the free-trade adherents should be exposed, in any case, and the sooner the better. Placing upon the President the burden of persuading Congress to take positive action would stop this practice.

It is something of an enigma why it is imagined that the President better than the Congress can interpret the national interest. Where the President does have an advantage over the Congress is in foreign relations; and this fact I believe would be respected by Congress. If the President instead of merely invoking foreign relations, while his underlings have something else in mind, would make a real case on the basis of national security as affected by international relations, I for one believe that the Congress would sustain him.

Now, Mr. Speaker, the reason for changing the present system of escape clause administration, arises from no mere whim. The evidence is overwhelming on this point. All the Presidents since 1934, when the Trade Agreements Act was first passed, have publicly stated more than once that the trade agreements program would not injure domestic industry. Yet the record under the escape clause is sharply at variance with these assurances. So far only 9 cases out of more than 60 have been approved by the President after receiving some 27 recommendations from the Tariff Commission for relief. Most of the nine were minor cases, such as alsike clover seed, linen toweling, hatters fur, spring clothespins, and safety pins.

In other words, the Presidential assurances have been forgotten.

The Presidential rejections have been based on a variety of pretexts. A number have been based on the national interest as opposed to the interests of particular industries, while in other cases international relations have been cited. Whatever the pretexts, whether sound or questionable, it has become clear that the Executive opinion has been substituted for the will of Congress and that various clarifying and strengthening amendments of the clause adopted by Congress since 1951 have been ignored; no less so than the utterances of assurance by the three Presidents.

The time has come in view of the serious situation faced by many industries as a result of import competition and particularly now that increasing unemployment is arising on all sides, when the Congress should take a hand.

I wish to make it clear beyond the shadow of a doubt that in my judgment the Congress will have accomplished nothing whatsoever toward improvement of the escape clause administration if the power of the President to override the Tariff Commission is not withdrawn completely or severely restricted. We would be wasting our time with any other legislation in this field unless this is accomplished, just as it has become clear in recent times that we were wasting our efforts in the past when we amended the escape clause with the idea of assuring more regard for our will by the President.

The executive branch very stubbornly resists the recapture by Congress of its authority in this field; and if we make the mistake of leaving a loophole it will be our own fault. We will find ourselves next year or the year after on the same sideline we are on today.

Mr. Speaker, I would not be honest if I said or advocated anything different on this point. I would be false to my constituents, the textile industry of this country, the steel mill and its workers in my District and to all others who come to Congress for relief from import competition that cuts the ground right out from under them.

These American industries and their workers, more and more of whom are finding themselves out of jobs, find themselves helpless in confronting this fast-growing import competition. Since Congress itself has become helpless in one of the very fields marked off by the Constitution for Congressional supremacy, the afflicted industries do not know which way to turn.

Mr. Speaker, their plight is our responsibility insofar as it comes from the misregulation of our foreign commerce by the executive branch under a delegation of power from Congress itself. It would be one thing if the executive branch took heed of our complaints but they have persisted in turning a stone deaf ear in our direction. This, I, as one Member of this body, say is an intolerable situation and can no longer be condoned.

I have reached the painful conclusion that the system is wrong, because the executive branch is dedicated to carry out executive policy in all fields that belong to the Executive. It is not its function, however, to make policy or to change policy in a field that belongs to us here in the Congress. It is the function of Congress in any area where it is supreme, as in the case of regulating foreign commerce. The executive personnel on the other hand are under obligation to carry out the policies given to them by their executive superiors. Obviously if Congress has relinquished its function to the executive or if the executive has usurped power, the executive officials will be responsible not to Congress but to their own branch of the Government.

Congress can then no longer change the policy in a way that reaches any effective spot because the procedures adopted serve to keep Congress excluded, as under the escape clause. Obviously something has then gone wrong. Congress has lost its grip.

We cannot remain indifferent to a situation in which the constituents who come to us find us helpless because we have delegated our power and no longer exercise control over it. In escape-clause cases, as the system works today, the authority of Congress falls apart as soon as the Tariff Commission finishes a case. From there on the President has unlimited discretion; and so far as Congress is concerned, the point at which the Tariff Commission makes its recommendation to the President is the point of no return.

There is one honorable way to change this, one sound way of correcting this mistake and that is to undo the system that has led to the pass in which we find ourselves today.

For this purpose, I offer this new bill, H. R. 11463, and ask unanimous consent that it may be printed at this point in the RECORD.

(The bill follows:)

H. R. 11463

A bill to extend for one year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1958."

SEC. 2. One-year extension of authority to enter into trade agreements.

(a) In General: The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), is hereby extended from the close of June 30, 1958, until the close of June 30, 1959.

(b) Period during which decreases may become initially effective: The first sentence of paragraph (3) (C) of subsection (a) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a) (3) (C)), is amended to read as follows: "No part of any decrease in duty specified in paragraph (2) (D) of this subsection shall become initially effective after the expiration of the three-year period which begins on July 1, 1956."

SEC. 3. Maximum increase in duty.

Subparagraph (A) of section 350 (a) (2) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a) (2) (A)), is amended to read as follows:

"(A) If the rate of duty existing on July 1, 1934, was an ad valorem rate of duty, increasing such rate by 50 percent. If the rate of duty existing on July 1, 1934, was a specific rate of duty (or a combination of rates including a specific rate), increasing such duty to a rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined by the Tariff Commission to be 50 percent above the ad valorem equivalent of such July 1, 1934, rate (or combination of rates). For purposes of the preceding sentence, the determination of an ad valorem equivalent of a July 1, 1934, rate (or combination of rates) shall be made with respect to the values of imports during the calendar year 1934 (except that if during the calendar year 1934 there were no substantial imports, it shall be made with respect to the values of imports during the first calendar year after 1934 during which there were substantial imports)."

SEC. 4. Escape clause reports must be made within 6 months; Tariff Commission recommendation must be submitted to Congress.

(a) Time for making reports: The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (a)), is amended by striking out "9 months" and inserting in lieu thereof "6 months."

(b) Recommendations by the Tariff Commission: The last paragraph of subsection (a) of such section 7 is amended by inserting, after "President" wherever it appears, the phrase "and the Congress."

(c) Conforming amendment: Subsection (d) of such section 7 (19 U. S. C., sec. 1364 (d)) is amended by inserting after "President" the phrase "and the Congress."

SEC. 5. Serious injury; clarification of import quota provisions, etc.

Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (b)), is amended to read as follows:

"(b) (1) In arriving at a determination in the foregoing procedure, increased imports, either actual or relative, shall be considered by the Tariff Commission as the cause or threat of serious injury to the domestic industry producing like or directly competitive products when the Commission finds such imports have contributed directly or indirectly to (A) a decline in production, sales, employment, earnings of workers, prices, or profits in the domestic industry concerned, or (B) a decline in the proportion of the domestic market supplied by domestic producers.

"(2) Where the Commission finds, for any reason, that withdrawal or modification of a concession will not be fully effective or appropriate to prevent or remedy serious injury to a domestic industry found by the Commission to have been caused or threatened by increased imports of the product on which such concession has been granted, the Commission shall recommend such other measures, including the establishment of such quotas (either tariff quotas or absolute quotas, including seasonal quotas of either kind, world quotas, or quotas relating to the products of certain countries, such quotas to be allocated among countries of origin as the Commission may direct) as it may determine are necessary to prevent or remedy such serious injury. In no case may any such absolute quota limit imports of any article to a quantity less than 50 percent of the average imports of such article during a representative period immediately preceding the first concession made on such article under section 350 of the Tariff Act of 1930, as amended."

SEC. 6. Authority of Tariff Commission to obtain information.

Section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364), is amended by adding at the end thereof the following new subsection:

"(f) For the purposes of carrying out its functions and duties in connection with investigations conducted under the provisions of this section, the Commission and its duly authorized agents (1) shall have access and the right to copy any document, paper, or record pertinent to the subject matter under investigation, in the possession of any person, firm, copartnership, corporation, or association engaged in the production, importation, or distribution of any article under investigation, (2) may summon witnesses, take testimony, and administer oaths, (3) may require any person, firm, copartnership, corporation, or association to furnish in writing, in such detail and in such form as the Commission may prescribe, information in their possession pertaining to such investigation. Any member of the Commission may sign subpenas, and members and agents of the Commission, when authorized by the Commission, may administer oaths and affirmations, examine witnesses, take testimony, and receive evidence."

SEC. 7. Concessions below peril point finding to take effect only on approval by Congress.

Subsection (a) of section 4 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1361 (a)), is amended by adding at the end thereof the following new sentence: "The provisions of any such trade agreement applicable to an article with respect to which such limits or minimum requirements are not complied with shall not become effective until the Congress, by law, shall have approved the application of the provisions of such agreement to such article."

SEC. 8. Modifications to carry out Tariff Commission's escape clause recommendations.

Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended to read as follows:

"(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending a rate of duty as an alternate to that recommended by the Tariff Commission or recommending a quota as an alternate to that recommended by the Tariff Commission as a means of preventing or remedying serious injury to the respective domestic industry be adopted. Within 60 days after the submission of such a report, the President shall proclaim such adjustments, quotas, or modifications as have been recommended by the Commission, unless prior to the expiration of such 60 days, the Congress, by law, shall have approved the recommendations made by the President, in which event the President shall proclaim the recommendations so approved.

"(2) Should the President make his recommendation when the Congress is not in session, or less than 60 days before adjournment of Congress, the adjustments in the rate or rates, modifications, or quotas specified in the recommendations of the Commission shall be put into effect provisionally within 30 days from the date of the Commission's recommendation or the date of adjournment of Congress whichever date is later, and shall become finally effective 60 days after the convening of the next ensuing Congress, unless during such 60-day period the Congress, by law, shall have approved the President's recommendation."

SEC. 9. Modifications with respect to products on which no concessions have been granted.

The Trade Agreements Extension Act of 1951, as amended, is amended by adding at the end thereof the following new section:

"SEC. 12. (a) In the case of products on which no concession has been granted under a trade agreement and which the United States Tariff Commission has found are being imported in such quantities or under such conditions as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, there shall be imposed such increases in duty or such quantitative restrictions on imports as are found by the Tariff Commission to be required to remedy or prevent such injury.

"(b) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation (including a public hearing) and make a report thereon to the Congress and the President not later than 6 months after the application is made to determine whether any product is being imported in such quantities or under such conditions as to cause or threaten serious injury to the domestic industry producing like or directly competitive products and to determine what increase in duty or what quantitative limitation on imports of such product is required to be imposed in order to prevent or remedy such injury. The determination of such injury or threat of such injury shall be made on the basis of the same considerations as those stated in subsections (b) and (c) of section 7 of this act. Upon receipt of such report of the Commision, the President shall impose by proclamation such increased duties or such quantitative limitations under the same conditions as those stated in subsection (c) of section 7 of this act."

SEC. 10. Imports which threaten to impair the national security.

(a) Procedural changes; limitations on restrictions on imports: Subsection (b) of section 2 of the act entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U. S. C., sec. 1352a (b)) is amended to read as follows:

"(b) In order to further the policy and purpose of this section:

"(1) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon application of an interested party, or upon his own motion, the Director of the Office of Defense Mobilization shall promptly make an investigation to determine whether an article is being imported into the United States in such quantities as to threaten to impair the national security by retarding or inhibiting the creation, maintenance, or expansion of productive capacity or required skills essential to the national security. In the course of such investigation, if the Director finds any evidence of threat of impairment of the national security, or whenever so directed by the President, by resolution of either House of Congress, or by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House, he shall hold public hearings after reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings. Should the Director have reason to believe, as the result of his investigation and hearings, that an article is being imported in such quantity as to threaten to impair the national security, he shall promptly so advise the President, but in no event later than 3 months from the date of the initiating request, resolution, application, or motion.

"(2) If the President agrees, after such investigation as he may deem necessary, with the findings of the Director of the Office of Defense Mobilization that the article is being imported in such quantity as to threaten to impair the national security, he shall, within 30 days from the date of the report made to him by the Director, by proclamation impose on such article:

"(A) An increase in the excise tax or duty of not less than 50 percent of the excise tax

or rate of duty in effect on July 1, 1934; or if the July 1, 1934, tax or duty is a specific tax or duty (or a combination which includes a specific tax or duty), not less than 50 percent above the 1934 ad valorem equivalent of such specific tax or duty (or such combination) existing on July 1, 1934, determined by the Tariff Commission with respect to imports during the calendar year 1934 (except that if there were no substantial imports in the year 1934 such ad valorem equivalent shall be determined for the first calendar year thereafter during which substantial imports were entered). The increase under this subparagraph in the existing excise tax or rate of duty shall not exceed 50 percent of the value of the article at port of entry. Any increase under this subparagraph in the existing excise tax or rate of duty may be reduced for any country or countries of origin, after the President has conducted such negotiations as he deems necessary, in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the product may be transported to the United States with relative safety.

"(B) A quota limitation on the importation of such article reducing imports of such article to a level 25 percent or more below the average level of imports of such article for the 3 preceding calendar years. Any such quota limitation may be allocated, as the President determines, among countries of origin in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the article may be transported to the United States with relative safety.

"(3) The President may, in lieu of action required by paragraph (2), proclaim a lesser increase in the excise tax or rate of duty than that required by paragraph (2) or a larger quota limitation than that required by paragraph (2) if he finds and so certifies to Congress that the excise tax, rate of duty, or quota limitation required by paragraph (2) would impair the availability of materials determined to be essential to the defense of the United States."

(b) Effective date: The amendment made by subsection (a) shall not affect any action taken or determination made before the date of the enactment of this act under subsection (b) of section 2 of such act, approved July 1, 1954, as in effect without regard to the amendment made by subsection (a).

SEC. 11. Agricultural commodities and products.

(a) Emergency action for perishable agricultural commodities: Subsection (a) of section 8 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1365) is amended to read as follows:

"(a) In any case where—

"(1) any interested party has filed an application with the Tariff Commission stating that due to the perishability of any agricultural commodity emergency treatment is required; and

"(2) the Secretary of Agriculture does not, within 15 days after the day on which the application was filed, certify to the Tariff Commission that such commodity is not perishable,

the Tariff Commission, proceeding under section 22 of the Agricultural Adjustment Act or under section 7 of this act, shall (A) make an immediate investigation to determine the facts, and (B) make its report to the President. The President may take immediate action, however, without awaiting the report of the Tariff Commission, if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission shall be made, and the action of the President shall be taken, at the earliest possible date but in no event more than 60 calendar days after the day on which the application was filed with the Tariff Commission."

(b) Amendments to section 22 of the Agricultural Adjustment Act.—

(1) Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended (7 U. S. C., sec. 624), are amended to read as follows:

"(a) Whenever there is any reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market place, or any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, the Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts and to determine the extent of additional fees or quantitative limitations on imports required to prevent such tendency to interfere or render ineffective. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify. The Tariff Commission shall make its report to the President at the earliest possible date but in no event more than 6 months after the day on which a petition for investigation was filed.

"(b) If, on the basis of such investigation the Tariff Commission finds and reports to the President the existence of such facts, he shall, within 30 days, by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Tariff Commission has found to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market places, or, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Tariff Commission; except that, whenever a condition exists requiring special treatment, the President upon recommendation of the Secretary of Agriculture may impose such further limitation or suspension of imports as he deems necessary upon a full consideration of the impact of imports of competitive commodities on (1) domestic production, (2) normal marketing and storing of domestic products, and (3) any Government support or other program: *And provided further*, That in designating any article or articles, the Tariff Commission may describe them by physical qualities, value, or use, or upon such other basis as it shall determine."

(2) Subsections (d) and (e) of such section 22 are amended to read as follows:

"(d) After an investigation, findings, and a report to the President, in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation so issued or any provision thereof may be—

"(1) suspended or terminated by the President whenever the Tariff Commission finds and reports to the President that the circumstances requiring the proclamation or provision thereof no longer exist; or

"(2) modified by the President whenever the Tariff Commission finds and reports to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any finding of the United States Tariff Commission as to facts under this section shall be final."

SEC. 12. General agreement on tariffs and trade not affected.

The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive agreement known as the General Agreement on Tariffs and Trade.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I have been impressed with the mounting evidence of the dissatisfaction that has gathered around the trade agreements program in recent years. This has happened in spite of the unlimited flow of propaganda from the Government singing the praises of the program. It goes to prove the emptiness of official propaganda when it beats against the facts of experience.

The facts of import competition do not easily give way to official booklets, folders, releases and handouts that are manufactured for the sole purpose of sustaining the executive position, something that in turn is determined to a great extent by bureaucratic policy. This propaganda is a self-serving device used as a means of sustaining preconceived conclusions and hiding contrary and adverse facts.

A few weeks ago I examined the facts presented by the Secretary of Commerce, Mr. Weeks, to the Ways and Means Committee. These so-called facts were found to be highly exaggerated claims that shrank greatly when placed alongside the tabulated data available from official sources.

Mr. Weeks had said in a letter to Members of Congress, for example, that 4½ million people were employed "directly" by those engaged in foreign trade. He later changed this to include those employed at importing and the services related to foreign trade, plus the first-processing of imports.

Now that was quite a comedown. Unfortunately the loose and exaggerated estimates have a way of getting disseminated through press reports while the later qualifying phrases are lost.

There is a similar exaggeration relating to the estimated acreage of cropland devoted to production for export. This was given by Mr. Weeks as 20 percent of our cropland and this would be more than 60 million acres. Actually exports of farm products represent only 11 percent of farm income. So it turns out that thirty-five to forty million acres would be a better estimate than 60 million or more. It should require only 11 percent of our cropland to produce the 11 percent of the farmers income that came from exports. Why then did Mr. Weeks say 20 percent? Was it to reach a more impressive acreage figure?

It is surprising, in view of the quality of official departmental propaganda, to find a report recently issued by the Department of Commerce that was very modest, exacting in its expression and careful of inferences. I say it is surprising because it has come to be expected from the executive departments that their propaganda reports are about as accurate as advertising in general. Our surprise is soon dissolved, however, for in this instance the report was on International Comparisons of Tariff Levels—Their Nature and Significance. It was prepared during the summer of 1957 at the request of the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means.

I thought that now finally we could look into an official report and learn something about the tariffs of other countries. No doubt there would be a table that would list at least the leading trading nations by name and show what part of the imports are free of duty, what part dutiable and at what average rates.

I was doomed to disappointment. Not that there was a lack of printer's ink expended or a scarcity of verbiage. Both were present in abundance. At the bottom of the first of two columns on page 1 we find this:

> Unfortunately, however, there is no practical method of objectively measuring with even reasonable accuracy the relative levels and degrees of restrictiveness of the tariff levied by the world's trading nations.

Now that, I submit, is really straining for conscientiousness and virtue.

Translated, however, this merely means that the Department of Commerce is not interested in throwing much light on the tariffs and trade restrictions of other countries. To do so might reveal some inconvenient facts about the reciprocity in the so-called reciprocal trade agreements program.

The report, in its demonstration of the difficulties encountered in determining how high the duties of other countries are, says:

> Some countries import considerable quantities of merchandise under State trading arrangements, at artificial prices, on which import duties may or may not be paid.

It goes on to say that—

> Even greater difficulty arises in connection with obtaining comparable figures on customs receipts.

I wonder how such difficulties as are involved in learning how many people are employed in producing and preparing goods for export in this country could be so readily overcome when the Department is stopped cold by similar difficulties in ascertaining foreign official facts.

If, instead of running around trying to find ways of showing in one way or another what are supposed to be the great benefits of the trade program in this country, some time were devoted to seeking answers to the difficult questions raised in the report about what other countries are doing we might be in a better position to learn how the reciprocity that is supposed to underlie the program actually works out.

We do know of the numerous nontariff restrictions that are used by other countries to protect or control their trade. These include numerous import quotas, exchange controls, import licenses, and bilateral trading arrangements that hide a great deal of discrimination. Many of the countries would need no tariff at all in order to restrict imports. The other devices used by them are much more effective in holding them down or channeling them wherever the government wants them. These facts oddly enough are left out of the report.

The report does admit that our tariff on dutiable items has been lowered—all the way from an average of 54 percent in 1933 down to 12 percent in 1956. This is a drop of 78 percent; and the drop has not been hedged about by substituting exchange controls, currency devaluation, import licenses, and so forth for the reduced tariff. We do have a few import quotas on agricultural products, such as raw cotton, wheat and wheat flour, peanuts, dairy products, sugar, and a few other items.

As a result, we find the wheatgrowers, flour millers, and cotton growers turning toward free trade for everyone else. After accepting tight restrictions on imports that would compete with their products, they duly showed their gratitude by lining up with the Government and supporting vigorously the trade-agreements program and lower tariffs for everybody else. This is indeed a case of gratitude, but it does not add up to consistency or to soundness of policy.

The report does indicate that perhaps we have lowered our tariff substantially, but it is a slow-burning admission. Altogether, the report devotes most of its space to explanations why comparisons cannot be made between tariff levels of different countries.

There is still another little activity about which the Department of Commerce has been busying itself. It has been engaged in and is still carrying on what it calls studies of Congressional Districts to show the benefits of foreign trade to particular districts. These lobbying activities by an executive department, when a bill is in Congress on the subject, should be halted immediately. The Department expends public funds for the purpose. Among other things, these reports are biased, since they show only one side of the equation. The findings are likely to be precooked; the outcome a foregone conclusion.

This sort of thing represents a breakdown of representative government and ranges the Government, which is supported by all the people, on one side of controversial questions.

Mr. Speaker, it might be appropriate to have the Secretary of Commerce explain the nature of the Department's extreme activity in helping to lobby a bill through Congress. In so doing, the Department entrenches itself as a subsidized arm of the export-import interests. Mr. Weeks should explain why it is his mission as Secretary of Commerce to become an errand boy for these one-sided interests.

The time has come, and in fact it is past due, when Congress should pull back the power that has been so roundly abused by both the State and Commerce Departments in substituting themselves for Congress in regulating our foreign commerce.

I shall wholeheartedly support legislation that will accomplish this, and I shall certainly oppose the President's bill for a 5-year extension and a further 25-percent reduction of existing tariffs.

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. VAN PELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VAN PELT. Mr. Speaker, I rise to endorse H. R. 11462 introduced by Hon. RICHARD M. SIMPSON, of Pennsylvania, and H. R. 11463, introduced by Hon. JAMES C. DAVIS, of Georgia.

The Sixth District of Wisconsin which I have the honor to represent is one of the most important plywood manufacturing centers in the Nation. There are also a number of knitting mills and manufacturers of flatware. For some time these industries have been encountering increasing difficulty competing with imports produced by cheap foreign labor. Their present economic condition is desperate and some solution to their problem must be found to avert numerous bankruptcies. I am informed that similar difficulties are being experienced by many concerns throughout the United States.

I have studied the legislation offered by my colleagues and believe it is a step in the right direction. The most important from the standpoint of industries in my District is the provision that no concession below the peril-point findings of the Tariff Commission shall be proclaimed by the President unless such concessions are approved by joint resolution of Congress. This would transfer to the Congress the final decision over escape-clause recommendations favorable to an applicant American industry and would restore to Congress control over Tariff Commission recommendations.

I am fairly convinced that this is necessary if a large segment of American industry, which pays taxes and provides employment, is to survive.

WHY WE NEED LEGISLATION NOW TO DEAL WITH THE CURRENT ECONOMIC SITUATION

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 30 minutes.

Mr. RODINO. Mr. Speaker, every day's headlines prove more and more conclusively that the national economy today is in, if not a critical state, at least in urgent need of vigorous, immediate, and decisive action. Let us face the facts, even though they prick the balloon of postwar complacency. The facts are that in February unemployment leaped by 679,000 to 5,173,000, the highest figure in 17 years, and almost 7 percent of the total labor force.

But actually the unemployment news is far worse than figures on layoffs tell us. The number of workers whose hours have been cut and have therefore become part-time employes is steadily on the increase. Reliable sources assert that those on short workweeks would add at least another 1,300,000 to the total.

These layoffs are occurring in key industries—automobiles, steel, and other metal manufacturing, railroads, machinery, textiles, and some defense projects. The slowing up of operations in these basic industries affects other, related enterprises.

In my own State of New Jersey four cities, Paterson, Trenton, Newark, and Atlantic City, are on the United States Department of Labor list of areas with a critical unemployment problem. Unemployment in these cities ranges from 6 to almost 12 percent of the labor force. For these people who are unemployed or partially employed, the current downturn in the economy is not just a readjustment, not just indigestion after gorging on the fruits of prosperity; it is a depression.

Unemployment brings in its wake a serious decline in purchasing power. The December 1957 total for wages and salaries was $238.8 billion, down $1.3 billion from October, 2 months previous. The decline has continued. The latest estimates indicate that the January total has further dropped to $236.7 billion.

While millions are facing the gloom of unemployment and fading income, the cost-of-living index is actually rising. Food and other items are increasing in cost to already hard-pressed consumers. In January 1958, the latest quotation available, the Consumer Price Index climbed to an alltime high of 122.3. Four-fifths of the increase was due to advances in the prices of foods. Steep prices coupled with unemployment only add to the slump by discouraging consumer purchases. It is no wonder that consumer debt is reaching dangerous proportions of $44 billion.

Perhaps 5 million or so unemployed seems unimpressive to some—merely the result of the process of readjustment in the economy. But the hard fact of the matter is, the economy on the whole faces a downtrend. The annual rate of gross national production in the final quarter of 1957 fell off to $432.6 billion from $440 billion in the third quarter. The outlook for gross national product in the first quarter of 1958 suggests a further decline.

Another indicator of the overall economic health of the country is the index of production. Preliminary data place the index for January of this year at 133, down 3 points from December and 13 points from January 1957.

The most recent figures available, those for the week ending March 8, 1958, point up the declines in specific industries.

For this period steel production was 1,419,000 tons, almost 1 million tons less than during the comparable week of 1957. Motor vehicle production during the week of March 8, 1958, was down to 102,442, compared with 158,996 in the like period of last year. The bad news continues. Daily oil production amounted to 6,841,285 barrels for the 1958 week under review. The comparable figure for 1957 was 7,518,615 barrels. And freight-car loadings have likewise declined drastically. For the March 8 week of 1958, such loadings totaled 553,645, off 150,000 from the contrasting week in 1957.

And if these business indicators are not sufficient to prove the case, let me turn to business failures. Business failures last week climbed to the highest level in almost 20 years. During the week ended March 6, failures numbered 358, compared with 331 the week before and 327 a year ago. These business failure statistics help to illustrate the particularly serious plight of small business, for over 90 percent of all failures are experienced by small business.

These economic indicators of unemployment, wages, prices, gross national product, production, all underscore the real danger—a cumulative downswing, a snowballing of the effect of one depressed area upon others. The crisis is severe; it requires unfaltering action and not a "whistling in the dark" attitude of let's wait and see what tomorrow will bring. I speak as an American, and not as one who is interested in partisan politics. I speak in the interest of the welfare of the entire Nation.

Therefore I suggest for immediate consideration the following program of nine points to stem the tide of unemployment.

First. The quickest method of stimulating consumer purchasing power is a tax cut for the lower- and middle-income groups. This would be immediately reflected in higher take-home pay.

Second. Let us reduce or repeal many of the excise taxes which were instituted during World War II. This would likewise stimulate purchasing power by reducing the cost of many goods and services.

Third. Congress should enact minimum Federal standards of unemployment compensation to assure that all States will provide compensation benefits for at least 39 weeks, rather than the maximum of 26 weeks which only some States now provide.

Fourth. Production schedules on defense contracts now in production in distressed areas should be telescoped to provide maximum employment with a minimum of delay.

Fifth. Construction schedules on public works in distressed areas for which contracts have already been awarded should also be stepped up to provide the greatest possible employment opportunities.

Sixth. The Federal highway construction program should be speeded up.

Seventh. Federal aid for the construction of schools and hospitals should be enacted into law with all possible haste.

Eighth. Federal aid to provide slum clearance as well as low-cost housing should also be on the list of must legislation.

And, ninth, Government policies on lending to small business should be liberalized.

This nine-point program may sound drastic. However, can we honestly believe that the economic situation of our country is such that anything less will be enough? Most of you, as well as I, recall all too vividly not only the economic losses but the terrific cost in human suffering and loss of human dignity involved in the depression of the 1930's. We know all too well that this depression, worldwide in character, was in no small measure a factor leading to the rise of dictatorships in Europe and a world war of holocaust proportions. We cannot afford to let our economy slide. We must make sure that we make the necessary provisions that will bring us quickly again unto the road of sound economic progress which is necessary to assure the security of our children and help peace and growing prosperity prevail throughout the world. It is for this reason that I propose a program of this scope. We cannot afford to delay.

A PLEA FOR BALANCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. DORN] is recognized for 20 minutes.

Mr. DORN of New York. Mr. Speaker, since the end of World War II, the Communist menace—dictated by Moscow—has grown from an insolent pup into a snarling, extremely dangerous werewolf. In their climb to a position which presently threatens to wipe out all remaining remnants of our technological lead and balance of power, the Soviets have utilized every possible method to undermine the Free World. They have successfully exerted economic, political, and psychological pressure in any area where there might be internal weakness, unrest, or dissatisfaction. They have lied, cheated, tortured, and killed with great abandon. In the absence of weakness, unrest, or dissatisfaction, they have created dissension by worming their way in. To the Reds our existence on the earth is like a gigantic chess game where any means—the rape of Hungary, the barbarism of concentration camps, the slaughtering of United Nations soldiers in Korea, the pitifully obvious calling of white black and black white—justifies the end, the end which we know too well is world conquest.

In the days and years ahead we will continue to face the threat of this cancerous growth on the society of the world. It is a time for renewed deter-

mination to cut out this malignant tumor. As Dr. James R. Killian, Jr., President Eisenhower's missile adviser, has said:

> Our aim should not be that of duplicating the projects and programs of the Soviets, however spectacular they may be. Our aim should be to * * * do those things which represent our genius, and which best meet our needs.

This is no insolent pup with which we are confronted. It is a growing, powerful, and heartless brute; it is a totalitarian military and political machine that makes Hitler look like Dennis the Menace; it considers human dignity, common decency, and just plain righteousness hilariously funny—over a bucket of vodka.

We are dealing with barbarians, gentlemen, who play for keeps. It is time we put in our first string, taxed our reserves, laid our lives and total resources on the line, and played this game with every means. I repeat every means. The alternatives for the Free World are ultimate isolation—annihilation, the firing squad, or slavery. We are in the final quarter, and the clock on the scoreboard is running out. A mistake could mean the ballgame. Pearl Harbor is a rap on the knuckles compared with what we will suffer if we do not call the right plays. The United States and the Free World have never seen a darker nor a more challenging day.

No one has a crystal ball to foresee what moves the Soviets will next make. Nor do we know where, when, or what immediate stakes will be involved. We do know that at this very moment, the agents of communism are making inroads in every nook and cranny of the earth. Free men cannot comprehend what makes a human being devote his life to this evil cause. Perhaps it is the underprivileged, the bitter, the devil's disciples, the uncouth, the cruel, the sadistic, the gangsterous, or the insane who are drawn to communism; more likely, it is simple people who would rather exist under questionable conditions than die in this godless movement. But this type of mediation, while worth while, should not and must not be our major concern. Right now we must concern ourselves with a constructive and dynamic foreign policy. We know that our own principles and ideals fortified by our belief and trust in God are worthy of our total national support.

Our own civilian organizations and institutions, our educators, our scientists, our industrialists, our labor, our farmers, are all making their contribution. We must take the initiative and yet retain the humility to realize we cannot win them all. It is not because we assist struggling nations of the non-Communist world that they supposedly do not respect us. It is because we are too soft with the Communists; it is because they mistake our patience and our concerted attempts at conciliation with the Russians for a weak-kneed and Caspar Milquetoast approach to international problems. If we stand toe to toe with the Soviets on every count, if we are not afraid to call a spade a spade and force each issue, if we take an active interest in all Free World frustrations and assist in the best way we know how, if we sacrifice many of the luxuries to which we have become accustomed, if we build up our military deterrent forces and our capability to fight any kind of war, from a brushfire to a thermonuclear war, we may not have friends but we will have respect—we will have our stanch friends and our wavering friends on our side—we will stand erect and look Khrushchev square in the eye when he says, "We'll bury you," and say to him, "Others have said that. Review the people's epitaph on Il Duce and Der Fuehrer."

I have mentioned the importance of our military posture. In this field, as in any other field where your adversary is Soviet Russia, there is no prize for second best. We must have a military force—an Army, Navy, Air Force, and Marine Corps—that is second to none—a military force capable of running the entire gamut of possible conflict, from merely showing the flag to worldwide conflagration.

We must push for the earliest possible operational capability of intercontinental ballistic missiles and intermediate range ballistic missiles, the fleet ballistic missile, nuclear-powered aircraft, submarines and carriers, the antimissile missile, the Army's Pentomic divisions. We must have deterrent forces capable of delivering a certain deathblow to any potential aggressor—a capability which will make the thought of all-out nuclear war preposterous.

Further, we must be ready with every available facility to fight limited wars which are Communist tools used to consume new real estate. Limited war becomes more likely in my opinion as we aim nuclear rockets at each other's head.

Mark well the lesson of past wars—that no single weapon or weapon system is the answer. Our ability to gain victory in any kind of war will be dependent on our balance of forces. There is no one ultimate weapon that fastidiously answers all our warfare problems. Our job is to make sure that we have the proper elements, in the proper quantity, in our balance of forces.

Let us suppose that in the years ahead, the United States is not ready for limited war. Then, as in Korea, the Communists start a move with superior conventional weapons and equipment. It is significant to emphasize here that our antagonists have not slowed down for a minute in their development and production of aircraft, ships, and weapons for operational exploitation in limited war.

We, with inferior limited war forces, would certainly suffer defeat after defeat—with our secondary power we probably would not get into such a conflict in the first place. In this embarrassing position, we would have two alternatives: Thermonuclear suicide or moral indignation. With Khrushchev and company, moral indignation has the approximate effect of a Fourth of July firecracker.

I regret, as I know every American regrets, the necessity that we prepare for an all-out war. An all-out war is ever possible—even though remote. Therefore, we must make preparation for it. We must be able to throw, as they say in football, with accuracy and with certainty. In preparing for this H-bomb throwing contest we must not overlook any good plays—nor become overly enthusiastic with any single play. The Soviet spy system is not above scouting even our most secret plans. Therefore, our plan must be as foolproof as is humanly possible under the democratic system of government. As I listen to our military spokesmen, it is hard to know what kind of tools are best. They do not always agree, and, personally, I am glad they do not always agree. Some of our generals speak well of tools employed by our admirals and vice versa. But when any individual in the United States, particularly a civilian and more particularly one in a prominent position, makes a strong, sometimes vindictive speech against a proven weapon of warfare, I personally become suspect. I do not like to hear our Air Force's bombers criticized. Everybody should know that those bombers have helped deter all-out war. I do not like to hear our Navy's flattops criticized. Everybody should know that those flattops are a weapon of national policy that is second to none. I do not like to hear the Army's Pentomic divisions criticized. In the final analysis, it is the guy on the ground that makes the final decision on who owns the real estate. And, for the same reason, I do not like to hear a generalized indictment of our splendid Marine Corps. Specific questions and criticisms are always welcome—even by the services themselves—but blanket indictments hurt everyone, including those who make them. When we pass judgment on such important matters, we ought to call in the experts. If, in our judgment, the experts are not men of superior intelligence, then we ought to replace experts. We ought to read and study the facts about these matters that affect our national survival.

It seems to me that until we have definite ICBM and IRBM capabilities, we will rely on our manned aircraft and atmospheric guided missiles as our principal deterrent forces: the Strategic Air Command, the Tactical Air Command, and our naval carrier striking forces. When we do have proven ballistic missiles, we will still need these delivery systems for limited war. We will need pinpoint delivery of small packages in limited war situations. We will need those packages on the right spot and in the quantity desired. We don't shoot a dog for barking at the postman; we spank him.

I have stressed that we must be ready to fight all-out war within a moment's notice. For the foreseeable future we will need manned aircraft as well as missiles. I have stressed that we must be capable of fighting a small war. We cannot afford to forget this fact or to relegate it to a position of secondary importance. A key element in any small war is the flattop striking force. New weapons are coming along—missiles to be launched from land and from the sea. They will tend to augment piloted aircraft rather than completely replace them.

The attack carrier is and will continue to be for the forseeable future the most effective single element of military power

for the support of our national policy. The versatility of the carrier striking force makes it useful throughout the full range of possible situations from uneasy peace through varying degrees of international tension, in dealing with wars of limited objectives and in the conduct of all-out nuclear war.

New carriers of approximate *Forrestal* configuration are needed to insure continuing modernity of carrier striking forces. They should incorporate nuclear propulsion to give the greater tactical flexibility and strategic mobility that will be so important in the years ahead of us.

I enthusiastically endorse continuation of our land bomber concept and our aircraft carrier procurement program as indispensable parts of our national airpower in the foreseeable future. These forces are a primary requisite for our Free World security and our continued control of the earth's surface where we live and trade.

Today's international jungle is fraught with many diversified perils. If we want to stay alive, we must be strong and alert in many diversified ways; we must be able to claw and bite, if necessary, to flex our muscles no matter how big the enemy. Take away the tiger's teeth in the jungle and he is a dead tiger, unless, of course, he is fighting a fieldmouse. We are not faced with a fieldmouse and if we take away any of the teeth that we may need we are self-imposing obstacles to our own national safety.

REPEAL OF EXCISE TAX ON AUTOMOBILES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MACHROWICZ] is recognized for 30 minutes.

Mr. MACHROWICZ. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MACHROWICZ. Mr. Speaker, on March 17, 1958, after the conclusion of the regular order of business, the distinguished gentleman from Indiana [Mr. NIMTZ] was recognized for a special order, which he used for a discussion by himself and by other Members, mostly of the minority party, on the subject of the repeal of the excise tax on automobiles.

It would appear that the gentleman from Indiana notified the members of his party who are interested in this legislation, of his intent to discuss this issue. He did not similarly notify us on the Democratic side of the aisle, who have also been working for the repeal of this excise tax for a long time. Of course, he had no duty to do so, and I am not criticizing him for not doing so, but I note that the discussion alluded in part to me, and that the gentleman from Michigan [Mr. MCINTOSH], during the discussion expressed regret that membership on our side of the aisle did not "have a more responsive participation in this discussion" and that there was no "interest from the majority side." Perhaps someone might explain why, if participation on our side was wanted, we were not notified of the intent to bring this matter up at the time and in the way that it was done. I think the membership should know that in asking for this time today, I have notified both the gentlemen whose names I mentioned and the others who seemed interested, of my intention to take this time to discuss the issue. I am informed that the gentleman from Michigan [Mr. MCINTOSH] is out of the city.

At the outset, let me say, that the partisanship which was so evident in the presentation made, not by bill, but by some of those who participated in the discussion, is in my opinion, deplorable for many reasons. The gentlemen from Michigan [Mr. CHAMBERLAIN and Mr. MCINTOSH] know that I have been handling this problem in a nonpartisan manner and have invited their cooperation and that of anyone who could help us get favorable action on this legislation, which is intended not for partisan benefit but for relief of a large segment of our population. Since, however, partisanship has brought in, let me put the record straight on a few matter.

I have been interested in the repeal of the excise tax on automobiles for some time. Bills to that effect were introduced by me even before either the gentleman from Indiana [Mr. NIMTZ] or the gentleman from Michigan [Mr. CHAMBERLAIN] were Members of the House. Before me, my predecessor on that committee, the able and respected deceased father of the distinguished Member the gentleman from Michigan [Mr. DINGELL] was a stanch and vigorous consistent advocate for such repeal. Other distinguished Members from Michigan [Mr. RABAUT] and others have similar records. So I think it comes with poor grace and with little knowledge of what has been going on here, for anyone to infer that there was slowness on this side of the aisle to interest ourselves in this issue.

The gentleman from Michigan [Mr. MCINTOSH] in the discussion here the day before yesterday stated:

> I am disappointed that we have not had a more responsive participation in this discussion from the other side of the aisle, because this is certainly one thing that we can all be united on. The major push for this revision in the excise-tax field in the Committee on Ways and Means has come from the distinguished gentleman representing the First District of Michigan [Mr. MACHROWICZ], and we were all very shocked and disappointed here a few days ago when the gentleman from Michigan [Mr. MACHROWICZ] was reported in the press to have said that the leadership of the majority party in the House had refused to give us any urgent or priority consideration, because we feel this is one method on the tax front that can strike directly at the unemployment situation, not only in the automotive field but all through the industrial plants. So I had hoped that we could in this discussion have a greater degree of participation and interest expressed from the majority side. Obviously, since we represent a minority both in the subcommittee and the committee and in the House itself, excise-tax reduction cannot be accomplished without the blessing and support of the majority leadership, and I hope they will reconsider their present position.

I am grateful to the distinguished gentleman for having credited me for providing "the major push for this revision in the excise-tax field in the Committee on Ways and Means." I regret though that, for reasons best known to him, he has distorted my previous statement on the position of the majority-party leadership on this issue. In my press statement of March 12, to which the gentleman alludes, I stated that I had obtained the commitment from both our beloved Speaker and the chairman of the Committee on Ways and Means that "they favor the reduction or repeal of the excise tax on automobiles." They further assured me of their support for the inclusion of the auto-tax repeal or reduction in a general tax bill when one is considered by the House. This, incidentally, is the first indication of leadership support from either side of the aisle, or from the executive department, for this legislation. Rather than to criticize it, I would think that these gentlemen would applaud this breaking of the ice.

This is particularly so since the gentleman from Michigan well knows that the Secretary of the Treasury and Mr. Gabriel Hague, special assistant to the President, have both written to him very recently, opposing the bill. In the letter from the White House, a copy of which the gentleman from Michigan presented to me, and which I am attaching to my statement, it was specifically stated that there are other areas in which reduction of excise tax is more needed than that of the automobile tax and support for this legislation was refused. Why then, a forthright indication of support from the Democratic leadership should disturb these gentlemen is something I cannot understand. Why, only yesterday, I received a letter from the Under Secretary of the Treasury, Fred C. Scribner, Jr., saying:

> No decision regarding taxes has been made. Whatever decision regarding taxes is taken, will be reached only when the impact of current developments on the future course of the economy has been clarified and after consultation with Congressional leaders.

This, of course, could take months and months. So far as I know, the Republican leadership of the Congress has not, to this date, expressed itself in support of the repeal of the excise tax. Would it not be more helpful if the gentleman from Michigan [Mr. MCINTOSH] would seek the support of his leadership, both in Congress and in the executive branch, rather than to complain about Democratic leadership support for this action?

Surely he must know that even the distinguished senior Senator from Michigan [Mr. POTTER] last week expressed bitter disappointment over his inability to get the President's support for his attempt to get a repeal of the tax in his conference with the President.

It would seem to me that it would be much wiser, and certainly more beneficial to the people we represent, if we worked together and not tried to seek partisan gain from futile words not supported by acts. I can assure you that we, on this side of the aisle, are in a much better position than they are to make political hay from this issue. We have not done so

to this date. I hope the unfortunate excursion of the day before yesterday was an isolated slip and will not be repeated again.

During that debate, it was also said that Walter Reuther, president of the UAW–CIO, has failed to answer inquiries whether his union would use any reduction of an excise tax on automobiles as a basis for wage increases. If the gentlemen had told me they intended to raise this issue, I would have gladly shown them Mr. Reuther's telegram to me of March 11, in which he made clear the union's position in this matter. I quote from the telegram:

This is in reply to your inquiry regarding the position of the UAW on repeal of the excise tax on automobiles. We wholeheartedly favor repeal. If the full benefit of elimination of the tax is passed on to consumers, sales, production, and employment will increase with great benefit to the automotive production centers which have been hard-hit by the recession and to the entire national economy. As a union we are firmly committed to conduct our collective bargaining on a basis that will provide no legitimate justification for price increases. We offered some months ago to bargain within the framework of the economic position of the corporations that would result from a price reduction averaging $100 per car. The collective bargaining program adopted by our recent special convention is specifically designed to avoid any possibility that acceptance of our demands by the corporations could be used as a basis or excuse for a price increase. We strongly urge repeal of the excise and can assure you that nothing we do in collective bargaining will compel the automotive corporations to raise their prices.

It would appear, therefore, that there need be no fear that labor will try to capitalize on any relief we may enact here, and that it will be passed on to the consumer. I have also telegrams from the three largest automobile manufacturers that they intend to pass the benefits to the distributors, and from the organizations of distributors assuring me that it will in turn be passed on to the car purchasers.

I want to call to the attention of the House the fact that I have today introduced a new bill, H. R. 11494. This bill contains several features which I believe will be of interest to my colleagues.

The bill repeals all of the Federal excise taxes on passenger automobiles and on parts and accessories, and 50 percent of the existing 10-percent tax imposed upon the sale of trucks and buses, effective with respect to articles sold on or after March 1, 1958. At this point I should add that since only 50 percent of the Federal excise tax on trucks and buses would be repealed by my bill, the highway trust fund is not affected since only 50 percent of the existing tax on such articles is paid into the highway trust fund. To avoid a psychological reaction on behalf of automobile purchasers that might result in a decline in sales until my bill can receive favorable action by the Congress, the bill provides for floor stocks refunds in the case of automobiles held by dealers for sale on March 1, 1958. However, this floor-stocks refund would not be available to the dealer unless the benefit of such refund is passed on to the ultimate purchaser.

May I, in conclusion, appeal to my colleagues on both sides of the aisle to work together on this problem, bearing in mind only the benefit to the public and not any incidental political credit. Such course will do more to get results than partisan boasts and recriminations before anything beneficial is accomplished.

THE WHITE HOUSE,
Washington, February 17, 1958.

The Honorable CHARLES E. CHAMBERLAIN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CHAMBERLAIN: I appreciate and share your interest in the automobile industry and its importance to the whole country. The question of selective tax relief on the scale you contemplate, however, raises far-reaching questions. The automobile excise tax is estimated to produce $1,290,000,000 in the current fiscal year. This would be a tremendous amount of money to use in selective tax relief for a single industry, whatever it may be.

There are many other areas in which tax reductions are urged. In fact, it is argued that the transportation tax itself, which is estimated to produce $476 million from the 3-percent tax on property and $215 million from the 10-percent tax on persons, is particularly onerous because it discriminates against public and contract carriers in contrast to private carriers using their own vehicles and not subject to the transportation tax. Thus, even in the field of transportation alone, there are other forms of transportation where strong arguments are made for tax relief on grounds of discrimination as well as because of the depressed conditions in the industry.

The reduction in rates of various excises to 10 percent in 1954 was desirable to produce substantial uniformity among taxed articles and services. The previous range of rates, which had developed through a series of unrelated increases, produced unreasonable discriminations between different products and services. The present substantial uniformity in rates on taxed articles at least avoids this aspect of discrimination. A reduction in rate or elimination of tax on a single article would break this substantial uniformity of treatment which was achieved in 1954.

Warm regards.

Sincerely,

GABRIEL HAUGE,
Special Assistant to the President.

Mrs. GRIFFITHS. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. I would like to commend the gentleman not only for his exposition of the true facts of the situation regarding the excise tax, but I think that it should be made perfectly clear that the gentleman from Michigan has been one of the leaders in the repeal of the excise tax and that, far from criticism, Michigan owes the gentleman a real debt. I think it is hardly necessary to say over again that for those people who live in Michigan and who know the value of the automobile industry to our total economy, it is ridiculous to assume that any of us would oppose the repeal of the excise tax; and we must credit both parties with wanting the excise tax repealed.

I thank the gentleman.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. BENTLEY. I want to commend the gentleman for his efforts in the past and his continuing efforts in attempting to achieve a reduction or repeal of this automotive excise tax.

I want to agree with the gentleman furthermore that this is a question for us in Michigan that far transcends partisanship. After all, there are many thousands of automobile workers in the State of Michigan who suffer from unemployment, both Democrats and Republicans. Therefore I agree with the gentleman that this issue should be divorced from partisanship.

I should like to ask the gentleman to indulge me while I raise two points. I believe the gentleman quoted some correspondence from the White House to the effect that there were other types of excise tax whose repeal was more important than that on automobiles. Am I correct in quoting the gentleman thus?

Mr. MACHROWICZ. The gentleman is correct.

Mr. BENTLEY. I wonder if the gentleman has reference to a letter written to the gentleman from Michigan [Mr. CHAMBERLAIN] by Mr. Hauge, dated February 17.

Mr. MACHROWICZ. That is the letter I referred to.

Mr. BENTLEY. I have the original of that letter before me and I find nothing in it in which the White House categorically takes that position.

The White House, or Mr. Hauge, I believe, stated that there are certain areas in which tax reductions have been urged, certain areas in which tax reduction is important. Frankly, I would be grateful if the gentleman would point out to me the specific sentence in which Mr. Hauge states that there are other excise taxes that are more urgent than the one on automobiles.

Mr. MACHROWICZ. I refer the gentleman to the last sentence of the letter which says:

Elimination of the tax on any single article would break the uniformity of treatment that was achieved in 1954.

That was exactly what the gentleman from Michigan [Mr. CHAMBERLAIN] objected to as far as our Democratic leadership position was concerned, and he stated that the benefits of reduced excise taxes should be contained in a package bill with other excise taxes included.

Mr. BENTLEY. I just wanted to point out that both the leadership of the Congress and the executive branch believe that excise tax repeal for automobiles is important but not except as part of an overall tax relief program. Am I correct?

Mr. MACHROWICZ. That is right.

Mr. BENTLEY. The second thing I would like to call to the gentleman's attention is a matter which I believe is somewhat more fundamental.

There has been a great deal of talk about the effects of the excise tax relief for the automobile industry. I am wondering if it is the gentleman's own opinion on this subject that over-speculation on this particular matter might not, by reason of possible delay on the consumer's part in automobile purchases,

be of increasing damage to the automobile industry by reason of the fact that consumers might be delaying purchases of automobiles in the hope a tax reduction is about to be made?

Mr. MACHROWICZ. I think the gentleman is eminently correct; as a matter of fact, I have received communications from various manufacturers of automobiles in the last few days calling my attention to the fact that they deplore the excessive publicity given by certain Members of Congress which would seem to indicate that the reduction of the excise tax would be coming forthwith, or will come at least within a matter of weeks.

The gentleman from Michigan will note that I was aware of that for a long time. For that reason I have given very little publicity to the efforts made on behalf of this tax repeal, figuring that the publicity should come after the work is done, because there is right now a buyer's strike.

Mr. BENTLEY. I appreciate the gentleman's comment. I would say the communication from which he quoted, both the Manufacturers and the United Auto Workers endorsing the excise tax repeal, was rather unfortunate. The emphasis should not have been laid as strongly as consumers seem to think.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I do not mean to interrupt the gentleman unduly in the presentation he is making. I would like to have his suggestion before I make any extended comment. Since the one issue in the letter which was addressed to me by Dr. Hauge, the President's economic adviser, has been mentioned, I would like to clear up one aspect of that letter right now, then let the gentleman proceed. I believe Dr. Hauge did say that he could not go along with this idea of selective tax relief for this one industry. I would like to have the RECORD made clear right here and now that I disagree with the statement that has been made in this letter. I do think it is time we have some selective tax relief.

I would like to point out, and I am certain that the gentleman will share this view, that this tax when it was imposed was on a selective basis. Now, I think it should be taken off on a selective basis.

Mr. MACHROWICZ. Will the gentleman agree that the gentleman from Michigan [Mr. MCINTOSH] was not justified in attacking the Democratic leadership, in view of the position of the President and the Secretary of the Treasury.

Mr. CHAMBERLAIN. It is unfortunate that the gentleman from Michigan [Mr. MCINTOSH] is not present. He happens to be in Boston, Mass., attending a committee meeting there. So it is unfortunate he cannot be here today. While the gentleman is certainly entitled to his own interpretation of the statements made by my colleague the gentleman from Michigan [Mr. MCINTOSH], I do not read into those remarks all the matters which the gentleman reads into them. But I am going to join with my colleague from Michigan in his statement that I am not one who wants to make a partisan issue of this. I feel there is plenty of work for all of us to do on this one job. There is going to be plenty of credit for everybody if we do anything. I am ready to roll up my sleeves and work with the gentleman or with any of his colleagues on the other side of the aisle to see if we cannot do what is needed to be done for our great State.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. RABAUT. On March 10 I introduced a bill on this subject that I felt was right up to date. That set March 1 as the date for the elimination of the tax. I asked for full elimination of the tax, I asked for coverage of stocks on the floor, I asked that for 1 year, with the idea of stimulating trade and putting people back to work. One in every seven people that work are connected in some way or other with the automobile industry. What ought to be done under the present situation is to put a shot in the arm of the economy of this country. We should do it with people going to work and the money going into the economy of our country.

There is no place where it could better be done than in the automobile industry. Just think of it. General Motors is the biggest industry in the United States. Now, that gives you an idea that you are not playing around with something that is crawling on the ground. You have a giant to handle. And, it goes into every segment of the economy.

I want to commend the gentleman from Michigan [Mr. MACHROWICZ], not only for his excellent statement today but also for the tremendous work he puts in on the committee that has charge of this tax situation, and I hope he will continue, in his Herculean manner, to carry on.

Mr. MACHROWICZ. I thank the gentleman, and I want to state also that those who know him not only in this session of the Congress but also the preceding sessions recognize his constant efforts in trying to get excise tax relief on automobiles.

Mr. DIGGS. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Speaker, I wish to associate myself with the tribute that is being paid by our colleagues on both sides to the gentleman's efforts in relation to this piece of legislation. And, I am equally happy to hear expressed from the other side of the aisle the disavowal of any political motivations which were rather apparent in the discussion which took place a few days ago. As a matter of fact, some of us rather expected that excerpts from that discussion were going to be translated into CONGRESSIONAL RECORD leaflets and flooded throughout the State during the coming campaign. And, I am very happy to see my distinguished friends on the other side of the aisle disavow this kind of motivation, because certainly this is a matter which touches the sensitive economic nerve of our State, and all of us should be interested in its solution and not in who is going to get credit for it.

Mr. MACHROWICZ. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I am a little reluctant to get into this discussion. However, I may have been unwittingly the cause of some of this being started, and I think it is important to give this background.

Before doing so, I want to commend the gentleman from Michigan for the attitude and the approach he has taken on this matter. I think that is the approach that will produce the results that are necessary to meet this recession. I took the floor, though, after notifying the majority leader last Thursday to point out my concern about the statements issued by the leaders of the Democratic Party over the general situation and the fact that they were accusing this administration of not doing anything, and my point was that they controlled this Congress and if they were going to talk and not act, that that was not proper. It was during that debate, incidentally, if it amounted to that, that the gentleman from Indiana [Mr. NIMTZ] took the floor and pointed out that he thought one area, for example, of a lot of talk and no action, was this excise tax area. And, at that time the gentleman said he was going to take the floor on Monday to discuss the thing more fully, so there was that amount of notice given. The only reason I enter this debate is to say that I do believe it is necessary to approach these matters the way the gentleman and his colleagues on both sides are doing, but we must bear in mind that this is in an atmosphere that has been created, and I think this can be documented by the statements of the leaders of the gentleman's own party and the public press releases on this overall picture of this recession.

Mr. MACHROWICZ. I might say to the gentleman, if there is any criticism as to the leadership of my party on this side of the aisle, I might point out again that the only leadership, either in the House or in the Executive Department, that has committed itself in favor of the repeal of the excise taxes to this date that I know of is the Speaker and the chairman of the Committee on Ways and Means.

Mr. CURTIS of Missouri. The point is they say this and "maybe," and then not go ahead with a tax bill. Incidentally, that could cause more damage than anything else, because it might contribute to the buyers strike. The issue is this, and the gentleman has worked hard on it, but sitting over there in the other body right now are revision bills, very important bills, that would help a lot; also the Mills bill concerning the Internal Revenue Code. The thing I do not like is this constant talk for publicity when these same people that are talking actually control the machinery of the Congress.

I do not want to say it on that basis, and I commend the gentleman again for approaching this the way he has in his sector. What I am trying to do, if possible, is on the overall sector to reduce this to hitting economic issues and getting away from this business of trying to cast blame.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to commend my distinguished colleague, a member of the Committee on Ways and Means, the Honorable THAD MACHROWICZ, for his very fine presentation today and for a long history of work on the Ways and Means Committee, to remove the excise tax on automobiles, which those of us in Michigan happen to feel is one of the causes of the present downtrend in the auto industry.

I am sure my colleague in the well, my distinguished colleague from Michigan, will recall the conversation we had on the matter over a year ago when we discussed this very issue, and again when we discussed it the year previous to that; that is, the possibility of the removal of the excise taxes. In both of those instances my colleague said that one of the real dangers in making a great deal of fanfare and trumpetry about this operation of removing the excise tax is that it would tend to depress the market for automobiles and might even bring about a buyers' strike.

I am sure that my distinguished colleague, a member of the Committee on Ways and Means, who got this special order, will recall that and this is precisely what is happening today. I am delighted to know that my colleagues on the other side of the aisle have no intention to rush around in a dark room with one foot in the bucket, announcing what they were doing on behalf of this matter when none of them happen to be members of the Committee on Ways and Means. I am sure they know, as all of us know, that most tax bills of this type must come out of the Committee on Ways and Means under the sponsorship of just such a member as the distinguished gentleman from Michigan, the Honorable THAD MACHROWICZ, who is a member of that committee. I am sure they are aware that tax legislation of this type almost invariably comes out under the name and at the insistence of members of that committee.

Mr. Speaker, I would like to read something here that appeared in the press this morning. It refers to this very same grinding out of, "We are for this," for publicity purposes that has been going on, on this issue for some time. I am sure that my colleagues on the other side of the aisle understand to what I refer. It refers to what the representatives of the automobile industry did after the Vice President of the United States made one of this same kind of speech and, referring to what the representatives of the industry did, it says:

Immediately thereafter, representatives of the big automobile manufacturers sent frantic word to the White House to get the Vice President to pipe down. His hopes of a tax cut, they said, had caused an automobile-buying strike. People were not going to buy cars when the excise tax, averaging around $200, might soon be abolished. While the auto workers want the excise tax removed, they don't want a lot of futile talk unless it is removed.

I took the trouble last year and the year before to discuss this matter with representatives of the industry and I was advised that they were anxious to have this tax removed, but they were anxious to have it handled in a quiet, expeditious, and efficient way without a great deal of showmanship and without a lot of clanging and banging and rushing around in the dark with one foot in a bucket.

This is the way that my distinguished colleague, the Honorable THAD MACHROWICZ, has been handling it, and I want to commend him for it. This is one of the reasons I have refrained from introduction of this kind of legislation and from sending out press releases on this type of legislation.

In conclusion, may I commend my good friend and colleague for a fine job. I support him in his efforts, and I know my colleagues on the other side of the aisle will do so. I hope they will do it in a little more quiet and more efficient way than they have in the past.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. LESINSKI. I want to commend my colleague from Michigan on the splendid speech he is making today. I have for many years been in favor of repealing the excise tax on automobiles. In speaking to my dealers some years ago, they claimed that the general public at that time looked with disfavor on the excise tax. When they purchased a car on time the additional expense of interest rates on the full amount including excises affected the final sale.

I believe the gentleman from Missouri [Mr. CURTIS] has hit upon a very splendid point. The thing is that we on the House side have done the proper things to date. The other body has not acted.

I would sincerely hope that the committee proceed as the gentleman from Michigan has proceeded with the full understanding that the action to be taken be taken quickly, without fanfare, so that if there should be a tax cut the public shall continue buying at the same rate as it has in the past prior to any actual reduction.

(By unanimous consent, at the request of Mr. BENTLEY, Mr. MACHROWICZ was permitted to proceed for 5 additional minutes.)

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. BENTLEY. I thank the gentleman from Michigan, who has given such an able statement this afternoon. Again I want to pledge the cooperation of the Members on both sides of the aisle.

But I would like to point out the gentleman from Michigan [Mr. DINGELL] seemed to indicate that if a person was not a member of the Committee on Ways and Means, he had no business introducing a tax bill and, furthermore, those of who introduced tax legislation for the repeal of the automobile excise tax are doing so for publicity purposes. I do not think the gentleman meant to convey that impression because a Member on his own side, the gentleman from Michigan [Mr. RABAUT] just got through telling us of his own bill which he introduced, and I am sure that the gentleman did not introduce that bill for publicity purposes. Although the gentleman is not a member of the Committee on Ways and Means I do not feel he should be debarred from introducing such legislation any more than the rest of us. I hope the gentleman would like to straighten that out in the interest of bipartisanship and cooperation such as the gentleman from Michigan [Mr. MACHROWICZ] referred to.

Mr. DINGELL. I would be delighted to reinterpret my remarks for the benefit of my friend and colleague, the gentleman from Michigan who just spoke. I said this: I said this fanfare at a very delicate time, and the special order of the other day, might be interpreted, at least in part, as being concerned with publicity which we all agree here has not been very helpful to the cause which we seek to serve here. I think we are all agreed that this should be done quietly. I have no objection—I will state, for the benefit of the gentleman, I have no objection to the introduction of legislation on this; indeed, it is beneficial. I am sure the gentleman understands the practice of the Committee on Ways and Means as well as I do, and the gentleman understands that the chances of anyone who is not a member of the Committee on Ways and Means getting tax legislation reported out of the Committee on Ways and Means are extremely small, particularly with reference to tax legislation of this sort. And, if tax legislation of this sort does come out, it will probably come out under the name of the distinguished gentleman from Michigan, TAD MACHROWICZ, who has obtained this special order today. I would like to go a little further. I do not want to inject politics into this thing, but I would like to recall to you folks on the other side of the aisle a little bit of the history of this thing. Prior to 1941, there was a 5-percent excise on automobiles. It was doubled as a wartime measure to 10 percent. I think you can all recall how vigorously my own daddy fought this and other excise taxes during that time. I think you can recall in 1945 the Democratic Party reported out a reduction bill, and that at that time my dad fought for a reduction or elimination of these particular wartime excise taxes, one of which was this tax on automobiles. He was able to hold those to 7 percent in committee with the definite assurances that in 6 months it would be considered again by the Committee on Ways and Means and that there would be no further extension of this particular form of tax. Subsequently, that particular provision lost out in the other body and it was stricken out in conference. The end result was that the tax remained at 10 percent. The next tax legislation of this sort that

was considered by the Committee on Ways and Means was considered in 1948, in a tax bill offered by the distinguished chairman of the committee at that time, Mr. Knutson. At that time, despite the Republican campaign promises, the automotive excise taxes were held at 10 percent, and, although the Democratic administration at that time insisted on those taxes being extended for only 1 year, they were extended indefinitely. Subsequently, my dad was able to put into the tax legislation of this country a provision which stated that these taxes would be extended only on a 2-year basis. That provision is today in force. So, I just wanted to compliment my good friends and distinguished colleagues who are going to cooperate with us in true bipartisanship on the other side of the aisle, to help them to understand a little bit of the history of this thing when they next get a special order.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman may be permitted to continue for an additional 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield.

Mr. NIMTZ. I, like by colleague the gentleman from Missouri [Mr. CURTIS], am reluctant to get into this all-Michigan discussion.

Mr. MACHROWICZ. I may say that Indiana has as much interest in this as Michigan.

Mr. NIMTZ. That is right. The gentleman from Michigan [Mr. MCINTOSH] on Monday mentioned the fact that this is not just a Michigan problem but it affects Indiana as well. When you consider the parts and accessories which go into automobiles it affects many, many people in many communities. I, too, regret that the gentleman from Michigan [Mr. MCINTOSH] is not here to defend himself. It is my understanding from his office that he is in Boston with the Committee on Un-American Activities.

Mr. MACHROWICZ. Just to have the record clear, however, I think the gentleman will also agree that I did make an effort to contact him. At that time I did not know he was out of the city.

Mr. NIMTZ. That is right; the gentleman did. However, as I say, his statement in my special order of last Monday, I think was most complimentary to the gentleman from Michigan [Mr. MACHROWICZ] for his efforts and I believe if the gentleman reads Mr. MCINTOSH's statement precisely he will find that he did not state that the Democratic leadership was not in favor of this legislation; I believe he said that he regretted that a press release of the gentleman from Michigan [Mr. MACHROWICZ] said that no priority had been guaranteed for this legislation.

Mr. MACHROWICZ. I can tell the gentleman that the press release of the gentleman now speaking did not contain such a statement.

Mr. NIMTZ. Then I believe the gentleman from Michigan [Mr. MACHROWICZ] used the phrase "statement to the press." In defense of myself, as the gentleman from Missouri [Mr. CURTIS] has said, during a debate which the gentleman from Missouri [Mr. CURTIS] had with the distinguished majority leader last Thursday, this question of excise taxes was mentioned, as he said. The gentleman from Missouri [Mr. CURTIS] yielded to me and I said this:

> Mr. Speaker, a measure which I would like to call to the attention of the House is the present excise tax on automobiles and trucks. Over a year ago I introduced a measure to repeal those taxes, and other Members have done likewise. This is now a heavy burden upon industry. I have requested time for next Monday afternoon when I shall go into this excise tax and automobile and truck production and sales problem more fully.

Afterward a number of Members from this side of the aisle contacted me and asked me if they could take part in that discussion, and I told them I would be pleased to have them do so; but there was no concerted effort to notify anyone at all by letter or telephone.

Mr. MACHROWICZ. I think I made it clear in my statement that I have no criticism of the gentleman but I do believe there was no justification for the gentleman from Michigan [Mr. MCINTOSH] to infer a lack of interest on the part of the Democratic Members when they were not even notified that this subject would be taken up.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield further?

Mr. MACHROWICZ. I had hoped to be able to yield some time to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. NIMTZ. In closing, may I say that I join with my colleague, the gentleman from Michigan [Mr. MACHROWICZ], in his comments, and commend him on his leadership and work on this problem.

I have not seen his bill exactly, but I have discussed it with him and with the gentleman from Michigan [Mr. CHAMBERLAIN] and am familiar with its purpose. It looks like a very good bill, and it is my hope that the Committee on Ways and Means will give this matter prompt consideration.

I see the distinguished majority leader in the Chamber. I hope he will program such legislation quickly.

Mr. MACHROWICZ. I now yield to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. I thank the gentleman. I have requested this time so that at the close of this debate the RECORD will show that I wanted to add my commendation for the efforts of the gentleman from Michigan. Before when the gentleman so kindly yielded I refrained from taking time so that he might use as much as he needed to explain his bill. I may say that I do not think there is any friction between Members from Michigan on either side of the aisle with respect to this issue that affects the working people in every district in the State of Michigan.

I would, however, like to say that since the gentleman from Michigan [Mr. DINGELL] raised the matter in his remarks with respect to the introduction of bills, that I introduced legislation to this effect on January 16 last year, 1957. I was prompted to do so because when I campaigned for office I campaigned upon the promise that if elected I would introduce such legislation. I felt obliged to do so, having been successful in my campaign. I am glad that I did.

I would like to ask the gentleman from Michigan this one question in conclusion, he being a member of the Committee on Ways and Means, and we are so delighted to have support from any other members of that committee: Can the gentleman tell us about when this legislation may come before that committee for consideration?

Mr. MACHROWICZ. The gentleman knows that that is a matter which I cannot predict. That is a matter which is dependent upon many things. The President and the Secretary of the Treasury could do very much if they would finally make a report on the bill.

Mr. CHAMBERLAIN. I agree with the gentleman.

Mr. MACHROWICZ. When the leadership on both sides decide that the time is ripe for a tax bill, the matter of a reduction or repeal of the excise tax on automobiles will be given preference. I have the assurance of that from the chairman of the committee and from other members of the committee. When that will be, I am unable to tell the gentleman at this time.

Mr. CHAMBERLAIN. Again I commend the gentleman.

REPEAL OF MANUFACTURERS EXCISE TAXES ON REFRIGERATION EQUIPMENT AND OTHER APPLIANCES

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from Michigan [Mr. BENTLEY] is recognized for 5 minutes.

Mr. BENTLEY. Mr. Speaker, I wish to call to the attention of the House a bill which I introduced last week. This bill, H. R. 11388, will repeal the manufacturers excise taxes on refrigeration equipment, self-contained air-conditioning equipment, and electric, gas, and oil appliances.

My bill will serve two purposes. It will stimulate the economy by reducing the price of appliances and it will remove an unfair tax for which there is no longer any need. The tax on most of these appliances is 5 percent; on air-conditioning equipment it is 10 percent.

There are approximately 1,200 plants manufacturing taxable household appliances in the United States. They are primarily small firms employing less than 500 persons. These appliances are distributed by an estimated 5,000 wholesalers and 100,000 retailers.

There has been a growing unemployment problem throughout the industry for more than a year. Although no specific figures for these particular segments of the appliance industry are available,

the Bureau of Labor Statistics' report on fabricated metal products is probably representative of the appliance industry.

Production worker employment in fabricated metal products industry[1] not seasonally adjusted

[In thousands of persons]

	1953	1954	1955	1956	1957	1958
January	929	872	845	915	904	836
February	940	862	856	902	902	805
March	950	850	874	895	898	----
April	949	839	883	896	889	----
May	948	835	902	882	883	----
June	951	834	900	871	857	----
July	932	813	879	823	809	----
August	940	825	894	864	878	----
September	936	827	913	885	878	----
October	921	836	924	910	880	----
November	899	853	934	911	888	----
December	871	852	931	908	874	----
Monthly average	930	841	894	888	887	----

[1] Except ordnance, machinery, and transportation equipment.

Source: Compiled by Bureau of Labor Statistics.

The removal of this tax would stimulate business from the manufacturer to the retailer with a resulting increase in employment throughout the industry.

This tax relief would benefit small firms and individually owned businesses primarily and it is in the small business field that help is most needed at this time. Scattered throughout my own State of Michigan there are 39 concerns manufacturing taxable appliances. Their layoffs have contributed very largely to the unemployment in my State, as in other areas. The removal of this tax would certainly assist in combating our unemployment.

The injustice of this tax is emphasized by a review of its history. The excise tax on appliances was imposed during World War II to discourage production and conserve metals which were vitally needed for our war effort. This need no longer exists, but the tax does. We should, on the other hand, be doing everything possible to encourage production.

Further injustice is revealed in a comparison of the items taxed and those not taxed. Washing machines, vacuum cleaners, draperies, floor coverings, furniture, plumbing equipment, and sewing machines are not taxed. Some more essential items such as ranges, refrigerators, and water heaters are taxed. These items are essential to the preparation and storage of food. Thus this tax is, in its final result, a tax on food and good health. It bears most heavily on low-income groups because every family must have a means for refrigerating and cooking food and for heating water. The well-to-do man spends little more for these necessities than the low-income purchaser. Thus it is also a tax on those least able to pay.

This tax is discriminatory among items in the appliance field and puts the manufacturers of consumer durable goods at an even greater disadvantage in competition with most soft goods which are not taxed.

During fiscal 1957 this tax produced only $122 million of revenue. For the first half of fiscal 1958 the tax revenue from refrigerators, freezers, and air conditioners declined 17.2 percent from the preceding year and from electric, gas, and oil appliances the decline was 13.7 percent from the preceding year. I do not feel that the tax is essential for revenue purposes.

The serious decline in sales of taxable appliances during the past 14 months is indicated in the following table:

Trend of sales, taxable appliances

	Year 1957, percent of change from 1956	2 months 1958, percent of change from 1957
Dishwasher, electric	−3	−17
Dryers, clothes:		
Electric	−16	(1)
Gas		
Food waste disposers, electric	−7	−11
Freezers, electric farm and home	−5	−16
Ironers	−20	(1)
Ranges:		
Electric (including built-in models)	−14	−20
Gas (including built-in models and combinations)	−10	−13
Kerosene	−4	(1)
Refrigerators, electric household	−9	−31
Water heaters:		
Electric	−8	−13
Gas	−8	(1)

[1] Not available.

Source: Estimated by Institute of Appliance Manufacturers.

Mr. Speaker, in closing I should like to reemphasize that the appliance industry is in a grave situation because of falling sales. Removal of the excise tax on appliances would give this industry a real stimulus and enable manufacturers to step up production and call their people back to work. I believe the Congress should take this step to help alleviate unemployment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MOULDER (at the request of Mr. WALTER), on account of hearings in Boston, Mass.

To Mr. MCINTOSH (at the request of Mr. GRIFFIN), on account of official business in Boston, Mass., with the Un-American Activities Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DORN of New York, for 20 minutes, today.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. BENTLEY, for 5 minutes, today, and to revise and extend his remarks and include certain tables.

To Mr. POWELL (at the request of Mr. DINGELL), for 30 minutes, on Thursday, March 20.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MILLER of Maryland and to include extraneous matter.

Mr. ZELENKO (at the request of Mr. MCCORMACK).

Mr. SAYLOR.

Mr. JENSEN.

Mr. O'KONSKI in two instances.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. WEAVER and to include extraneous matter.

Mr. PATTERSON.

Mrs. BOLTON and to include extraneous matter.

Mr. FLOOD (at the request of Mr. DINGELL) and to include extraneous matter.

Mr. ADDONIZIO (at the request of Mr. DINGELL) and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9271. An act to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Frans Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of C-L Electric Co.; and

S. 2110. An act for the relief of Shirley Leeke Kilpatrick.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On March 18, 1958:

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 7696. An act to authorize certain persons to wear the uniform of a reserve officers' training corps;

H. R. 8250. An act to authorize the establishment of the Petrified Forest National Park in the State of Arizona, and for other purposes;

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam;

H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 439. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

On March 19, 1958:

H. R. 9271. An act to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

ADJOURNMENT

Mr. DINGELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p. m.), the House adjourned until tomorrow, Thursday, March 20, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1736. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a draft of proposed legislation entitled, "A bill to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12)"; to the Committee on Foreign Affairs.

1737. A letter from the Chairman, Securities and Exchange Commission, transmitting drafts of several bills proposing amendments to chapter X of the Bankruptcy Act; to the Committee on the Judiciary.

1738. A letter from the Comptroller General of the United States, transmitting a report on examination of the negotiation of a final price under Department of the Air Force contract AF 33(600)-8743 with McDonnell Aircraft Corp., St. Louis, Mo., pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 65); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 500. Resolution authorizing the expenses of the Select Committee on Astronautics and Space Exploration created by House Resolution 496; with amendment (Rept. No. 1523). Ordered to be printed.

Mr. POFF: Committee on the Judiciary. H. R. 7736. A bill for the relief of the State of New York; without amendment (Rept. No. 1529). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 11346. A bill to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under State agreement, for only those State and local employees who desire such coverage; without amendment (Rept. No. 1530). Referred to the Committee of the Whole House on the State of the Union.

Mr. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 1531. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BARDEN: Committee on Education and Labor. H. R. 11378. A bill to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws; without amendment (Rept. No. 1532). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Committee on House Administration. H. R. 9145. A bill to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Regents of the Smithsonian Institution to house the National Collection of Fine Arts and a National Portrait Gallery; with amendment (Rept. No. 1533). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 505. Resolution for consideration of Senate Joint Resolution 162, joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws; without amendment (Rept. No. 1534). Referred to the House Calendar.

Mr. LANE: Committee on the Judiciary. H. R. 10425. A bill to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard; without amendment (Rept. No. 1537). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONOHUE: Committee on the Judiciary. S. 1562. An act for the relief of Winifred C. Lydick; without amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1677. An act for the relief of Louis G. Whitcomb; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2132. An act for the relief of Leonard C. Fink; without amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 487. Resolution to refer to the Court of Claims the bill (H. R. 9552) for the relief of Harvey-Whipple, Inc.; without amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. House Resolution 489. Resolution providing for sending the bill H. R. 8728 and accompanying papers to the Court of Claims; without amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2076. A bill for the relief of M. E. Boales; with amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 2966. A bill for the relief of Harry F. Lindall; with amendment (Rept. No. 1518). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 6932. A bill for the relief of the estate of W. C. Yarborough; without amendment (Rept. No. 1519). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 7746. A bill for the relief of Elmer L. Conrad and others; without amendment (Rept. No. 1520). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8039. A bill for the relief of Edward L. Munroe; without amendment (Rept. No. 1521). Referred to the Committee of the Whole House.

Mr. CRAMER: Committee on the Judiciary. H. R. 8839. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Lt. Col. Edward G. Breen for disability retirement as a Reserve officer or Army of the United States officer under the provisions of the act of April 3, 1939, as amended; without amendment (Rept. No. 1522). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 9775. A bill for the relief of William J. McGarry; without amendment (Rept. No. 1524). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 9885. A bill for the relief of Frank A. Gyescek; with amendment (Rept. No. 1525). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 11203. A bill for the relief of the State House, Inc.; without amendment (Rept. No. 1526). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1313. A bill for the relief of Berta Reitberger; with amendment (Rept. No. 1527). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7917. A bill for the relief of Ernst Haeusserman; with amendment (Rept. No. 1528). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2635. A bill for the relief of William Winter and Mrs. Regina Winter; without amendment (Rept. No. 1535). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7733. A bill for the relief of Arnie M. Sanders; with amendment (Rept. No. 1536). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MACHROWICZ:

H. R. 11494. A bill to repeal the manufacturers excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers excise tax on trucks and buses to 5 percent; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 11495. A bill to authorize an increased program of research on forestry and forest products, and for other purposes; to the Committee on Agriculture.

By Mr. DELLAY:

H. R. 11496. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and un-

deremployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. DENT:

H. R. 11497. A bill to amend title II of the Social Security Act to include Pennsylvania among the States which may obtain social-security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. FORRESTER:

H. R. 11498. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence; to the Committee on the Judiciary.

By Mr. GRAY:

H. R. 11499. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 11500. A bill to authorize an increased program of research on forestry and forest products, and for other purposes; to the Committee on Agriculture.

By Mr. JACKSON:

H. R. 11501. A bill to establish a self-liquidating scholarship loan fund to enable highly qualified high-school graduates in financial need to receive a college education; to the Committee on Education and Labor.

By Mr. LONG:

H. R. 11502. A bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to permit producers of basic agricultural commodities (other than peanuts) to dispose of such commodities abroad without payment of penalties and without the loss of price support with respect to so much of their production which is marketed in the United States in compliance with applicable marketing quotas and acreage allotments; to the Committee on Agriculture.

By Mr. LOSER:

H. R. 11503. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. McCARTHY:

H. R. 11504. A bill to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components; to the Committee on Armed Services.

By Mr. McGOVERN:

H. R. 11505. A bill to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct-loan program for veterans, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 11506. A bill to provide that pensions for non-service-connected death shall be extended to the widows and children of deceased World War II and Korean veterans under the same conditions as apply to the widows and children of deceased World War I veterans; to the Committee on Veterans' Affairs.

By Mr. MACHROWICZ:

H. R. 11507. A bill to amend section 37 of the Internal Revenue Code of 1954 to equalize for all taxpayers the amount which may be taken into account in computing the retirement income credit thereunder; to the Committee on Ways and Means.

By Mr. MILLER of Nebraska:

H. R. 11508. A bill to provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol for stockpiling purposes; to the Committee on Agriculture.

By Mr. MONTOYA:

H. R. 11509. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

H. R. 11510. A bill to change the name of Navaho Dam in New Mexico to Dempsey Navaho Dam; to the Committee on Interior and Insular Affairs.

By Mr. NEAL:

H. R. 11511. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. O'HARA of Minnesota:

H. R. 11512. A bill to amend the District of Columbia Business Corporation Act; to the Committee on the District of Columbia.

By Mr. O'NEILL:

H. R. 11513. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. PRICE:

H. R. 11514. A bill to amend section 4191 of the Internal Revenue Code of 1954 to exempt from manufacturers excise tax stencil-cutting machines which cut characters of one-fourth inch or more in height; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 11515. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. TEWES:

H. R. 11516. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations; to the Committee on Government Operations.

By Mr. THOMSON of Wyoming:

H. R. 11517. A bill to amend the National Defense Amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 11518. A bill to authorize the construction of modern naval vessels; to the Committee on Armed Services.

H. R. 11519. A bill to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels; to the Committee on Armed Services.

By Mr. WHITENER:

H. R. 11520. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H. R. 11521. A bill to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. STAGGERS:

H. R. 11522. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. WALTER:

H. Res. 506. Resolution authorizing the printing of additional copies of House Report No. 1360, current session; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to exert their efforts and influence in behalf of retaining the National Guard units at full strength; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FALLON:

H. R. 11523. A bill for the relief of the Union Trust Company of Maryland; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 11524. A bill for the relief of Issa El Korashi; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 11525. A bill for the relief of Stanley Waier; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

481. Mr. BEAMER presented a resolution of Lodge No. 59, International Association of Machinists, Frankfort, Ind., in opposition to a merger by the railroads and abandonment of passenger service, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Camp Fire Girls Birthday Week

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1958

Mr. ZELENKO. Mr. Speaker, the week of March 23–30 has been designated as Camp Fire Girls Birthday Week. The Camp Fire Girls have been one of the outstanding forces in the development of the youth of our country and we all look forward to its continuous progress and growth. I am happy to note that the United States Department of Commerce has cited Camp Fire Girls for their outstanding public service to the United States Government.

The citation came after Camp Fire Girls contributed American dolls to the United States 1957 International Trade Fair program, as a forerunner of their 1957–58 meet-the-people project.

"By their participation," the citation reads, "They contributed significantly to the advancement of world understanding." Camp Fire Girls created typically American dolls which were part of the United States exhibit sponsored by the Department of Commerce at the International Trade Fair in Izmir, Turkey.

An outgrowth of the President's people-to-people program, Camp Fire Girls current meet-the-people project is designed to further world understanding and friendship. Half a million Camp Fire Girls throughout the Nation are taking pictures and preparing photographic portraits of their hometowns which will be sent overseas to acquaint youth in foreign lands with life in typical American communities.

Each Camp Fire Girls council selects one country from a list of 15 with which arrangements have been made for distribution of the photo stories. The nations chosen most frequently are Greece, Mexico, Turkey, Union of South Africa, Ghana, Egypt, and Israel. There seems to be no geographical pattern in the choice. Kansas City, Kans., selected India; Kansas City, Mo., chose Ghana. Syracuse, N. Y., voted for the Union of South Africa and Syracuse, Ind., spoke up for Lebanon. Oakland, Calif., paired with the Sudan; Atlanta, Ga., with Israel; Baton Rouge, La., with Nigeria; Portland, Oreg., with Egypt; Butte, Mont., with Mexico; and Kingsville, Tex., with Singapore.

While Camp Fire Girls are learning about their own communities through their meet-the-people project, they are also learning about the foreign country of their choice. Many groups have found people who come from the nation they have selected. Camp Fire Girls in Lawton, Okla., chose Pakistan because many Army officers from that country train at nearby Fort Still. Port Angeles, Wash., Camp Fire Girls selected Malaya because there is a family from that country living in their city.

The national youth organization serves girls 7 years old, or in the second grade, through senior high-school age, in more than 3,000 communities throughout the United States.

H. R. 376, the Onion Bill

EXTENSION OF REMARKS
OF
HON. PHIL WEAVER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. WEAVER. Mr. Speaker, a number of inquiries came to me relative to H. R. 376, which is known as the onion bill, and which passed the House this past week. I directed a letter to Mr. Rodger K. Kauffman, Administrator, Commodity Exchange Authority, to ascertain the views of the Department of Agriculture on some of the various points and questions raised. For the purposes of the record, I would like to include herewith my letter to Mr. Kauffman and his reply:

FEBRUARY 26, 1958.

Mr. RODGER R. KAUFFMAN,
Administrator, Commodity Exchange Authority, Department of Agriculture, Washington, D. C.

DEAR MR. KAUFFMAN: I have had a number of inquiries relative to H. R. 376 which is commonly known as the onion bill, and would appreciate it if I could have the views of the Department on the following questions:

1. Has Congress at any time prohibited futures trading in any agricultural commodity?

2. Would the onion farmer be better off by the passage of H. R. 376?

3. Would the consumer be better off by the passage of H. R. 376?

4. Is the onion industry better off today with the market under the jurisdiction of the CEA than before?

5. During the past year and a half, has the CEA found any evidence in the onion market that would justify a conclusion of price manipulation that would defeat the true purpose of a futures market?

6. Does the Department of Agriculture approve of the changes that the Chicago Mercantile Exchange have put into effect in the futures market in onions and has sufficient time elapsed to test the desirability of such changes?

7. Have the changes that the Chicago Mercantile Exchange put into effect in the futures market in onions tended to register more accurately the true supply and demand price?

8. From reading the hearings, I find that you testified in substance in May of 1957 before the Grant subcommittee that the Department would not object if Congress saw fit to discontinue future trading in onions. Does this mean, Mr. Kauffman, that the Department recommends the passage of this legislation?

Due to the fact that this bill will be brought on to the floor shortly for consideration, I would appreciate it if I could have your answers to the above questions forthright.

Sincerely,

PHIL WEAVER.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY EXCHANGE AUTHORITY,
Washington, D. C., February 28, 1958.

Hon. PHIL WEAVER,
House of Representatives.

DEAR CONGRESSMAN WEAVER: This refers to your letter of February 26, 1958, relative to H. R. 376. Without repeating your questions, our replies are set forth below in the same order as the questions in your letter:

1. So far as we have been able to learn, the Congress has never prohibited futures trading in any agricultural commodity.

2. A review of the advantages and disadvantages involved in the elimination of futures trading in onions leads to the conclusion that the onion farmer would not be materially affected by the passage of H. R. 376. Erratic price swings existed in cash onions long before futures trading became of importance, and the abolition of such trading could not be expected to eliminate these wide price fluctuations.

The average annual prices received by growers would continue to be principally determined by the economics of the onion industry, of which the most important elements are the size of the crop, an inelastic demand, a steady per capita consumption over the years, and the perishability and limited storability of the commodity. The fact that the futures market provides a central point at which supply and demand factors are focused facilitates competitive determination and wide dissemination of market prices. However, the extent and character of onion futures trading classified as hedging warrants the conclusion that it has not been of particular significance or benefit to the typical onion producer. And hedging operations in onion futures have not played an important part in the marketing and distribution of onions.

3. The consumer, in our opinion, would not be affected by the passage of H. R. 376.

4. Since onions came under the Commodity Exchange Act in September 1955, evidence of price manipulation has been observed during the period November 1955 to March 1956. This led to the issuance of a complaint against two individuals and a corporation, and a public hearing on the complaint has recently been completed. Limits on speculative trading and positions in onion futures have been established by the Commodity Exchange Commission after public hearings, and are now in effect. In addition, the CEA has maintained a close daily surveillance of the onion futures market, including the trading operations of large traders.

5. During the past year and a half, the CEA has found no evidence of price manipulation in the onion futures market.

6. The Department of Agriculture is without authority under the Commodity Exchange Act to approve or disapprove proposed changes in the rules of a contract market if such changes are not in conflict with the act. Although we feel that the changes in the onion futures contract have been beneficial, sufficient time has not elapsed to determine their full effect.

7. Although the changes made by the Chicago Mercantile Exchange in the onion futures contract have undoubtedly contributed to a more accurate reflection of supply and demand factors, we are convinced that the scrutiny of trading operations by the CEA, along with the suppression of price manipulation, has contributed to improvement in the price discovery process.

8. The Department's report of March 13, 1957, on H. R. 376 is set forth in the report of the House Committee on Agriculture of August 8, 1957 (H. Rept. 1036, 85th Cong., 1st sess.). In its report, the Department expressed the view that should H. R. 376 receive the approval of Congress, its enactment would not significantly affect the marketing or distribution of onions.

Sincerely yours,

RODGER R. KAUFFMAN,
Administrator.

To the Stars, Through Difficulty

EXTENSION OF REMARKS
OF
HON. RALPH W. YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Wednesday, March 19, 1958

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "To the Stars, Through Difficulty" which I delivered at the Fourth Congressional District Democratic rally at Wichita, Kans., on November 25, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TO THE STARS, THROUGH DIFFICULTY

(Address by United States Senator RALPH YARBOROUGH, Democrat, of Texas, at the Fourth Kansas Congressional District Democratic rally at Wichita, Kans., November 25, 1957)

Chairman Theis, Governor Docking, Lieutenant Governor Henkle, friends, it is a high privilege to be here in Wichita at this great rally of the resurgent Democratic Party in the political and geographic center of the United States. Kansas is at the crossroads of commerce as well as of political destiny. You here tonight are

meeting in the pioneering traditions of Kansas, and are following in the footsteps of Coronado and in the traditions of the Santa Fe and Oregon trails and the Union Pacific Railroad in showing the whole Nation the paths of unity, peace, plenty, and prosperity.

Historically, Kansas, State of freedom and progress, has been a State of freedom and progress. In 1889 the first State antitrust law in America was adopted by Kansas, and your 1913 blue-sky law for the protection of the investor has been the model to other States. For generations you have fought the battles of money and credit and monopolies. Whether you gave the Nation the homespun philosophy of a sockless Simpson or followed the banner of a brilliant Bryan, you were long in the forefront of progressive legislation.

In 96 years of statehood, seven Democratic governors have headed your Sunflower State. I have noted that the statue of your first Democratic Governor, George Washington Glick, is in Washington.

The briefest glance at history shows that the life stories of our two States have been closely entwined. Why, your city here was named after the Wichita Indians, a tribe which was run out of Kansas by the hostile Osages, and came to Texas to leave a name for one of our cities.

You sent us the Indians and we sent you Ike.

The Chisholm Trail across the prairies was beaten hard by the hooves of hundreds of herds of Texas longhorns driven from my State to market in Dodge City, Abilene, and here in Wichita, and other famed railroad terminals. The gold you paid our cattlemen for Texas cattle in the hard years after the War Between the States brought prosperity to many Texans.

Tonight I want to congratulate you Kansas Democrats on the fine work you have been doing. It is rather embarrassing to us Texas Democrats by comparison. Your State was long regarded as a great Republican Party stronghold, yet last November you elected your very capable and personable Democratic Governor, George Docking; your well-qualified lieutenant governor, Joseph W. Henkle, and your extremely capable Democratic Congressman, J. Floyd Breeding.

My State, as you know, has been always regarded as a Democratic Party stronghold, and yet we haven't been able to elect a real Democrat to the governor's office in over 10 years. Instead, we keep electing these hybrid political animals. They have the Republican elephant's trunk, and the Democratic donkey's tail. The result is a mixture of which neither party can be proud, or confident. Texas Democrats could undoubtedly learn a great deal from you Kansans on this score.

But, unfortunately, we probably won't profit a bit from your fine example. Texans are noted for refusing to go outside of Texas for advice or example whether it be about politics, tall tales, or Amarillo northers. It's like that lanky, levi-clad, tobacco-chewing cowboy who walked into the post office at Amarillo and began reading the civil service job circulars. He studied posters all the way around the room until he found one which interested him, and he read it aloud in a calculating voice:

"Man wanted for bank robbery in Kansas. $10,000."

He turned to the postmaster and remarked:

"You know, I believe I'd take that job if it was in Texas."

Now, I'll admit, that cowboy was confused. But in many ways, I figure he wasn't a bit more confused than the Republican administration. Right now, the administration reminds me of that popular song which swept the country a few years ago, called Bewitched, Bothered and Bewildered. That tune should be number one on the Republican hit parade all over the country.

To begin with, the administration has been so bewitched with balancing the budget that it let the Russians get ahead in the race for space. With all of their intimate knowledge of big business economics and philosophy, the Republicans still haven't learned that America cannot afford to put what's good for General Motors ahead of what is good for the country.

The administration was bewildered, totally bewildered, when the Russians launched their first moonette. But that launching did one thing to clear up confusion and misunderstanding in America. It soon showed us why the administration's missile program was such a closely guarded secret. They didn't want either the Russians or the American people to learn how little headway had been made.

Let us look at the administration's bewilderment as expressed in the words of Republican leaders.

President Eisenhower himself said the satellite "does not raise my apprehensions, not one iota." Fortunately, he has since learned the facts of satellite life.

Charles Wilson, the late Secretary of Defense, and I do mean late, termed sputnik "just a neat scientific trick."

Clarence B. Randall, the President's adviser on foreign economic policy, went even further. He called the Russian satellite a silly bauble and added that he was personally very gratified that our Nation was not first in getting one up.

These are singularly uninformed and unconcerned comments to have come from our national Republican leaders on this vital step into outer space. You won't hear our scientists making any such comments. In fact, some scientists have told me that the Russians' successful satellite launching was one of the greatest accomplishments of applied science in all the history of mankind. But the administration is so confused it has been spinning in a dizzy circle around Washington in a manner almost as startling as sputnik's spinning around the earth.

For example, I want to read you this message which I received today from my Washington office. It is important, inside, classified, secret, unimpeachable, and I want all of you to promise you'll never mention it after you leave this room. The report from Washington reveals:

"There is strong speculation here that the Republican Party is quietly planning to change its name to the 'Sputnik Party.' Observers point out that this change is very appropriate because it is always up in the air beyond the reach of the people; it circles the skies in a wide orbit, and says nothing but 'beep, beep.' When it does send down a message, it is understood by only a select few, such as, what's good for General Motors is good for the country. Beep, beep (end message)."

At first, the administration adopted its usual rose-colored glasses view of the sputnik. It refused to be bothered by the Soviet science gains, until recent election results were tabulated. Then the administration was really bothered. So, it decided on the usual action. The President started another series of television speeches to reassure the people, to administer another dose of television tranquilizers. But this time the people are not taking another handful of happy pills. They know this crisis calls for leadership and action—not mere assurances. We fell behind in the missile race on administration assurances.

This Nation cannot afford to be lulled into a sense of false security now. The fate of all free men hangs in the balance. For the first time, the godless hordes of communism have secured a real military advantage. Today, the country which controls the sky controls the world. Tomorrow, the country which controls outer space will be all powerful.

This is a crisis which transcends party lines. All of us must and will give every assistance to the President in reaching an emergency solution. But it is my firm conviction that in the long run it will be up to us Democrats to carry the ball to final victory. The party of the people must weld together a dynamic program to meet this problem on a long-range basis.

In these days of fumbling Republican ineffectiveness in Washington, the people have become aware that the Madison Avenue TV paint buckets weren't enough of a sound barrier to keep the sputniks out of outer space.

In this hour of peril they have turned, just as the people have turned in every hour of peril, to the Democratic Party for leadership. And to whom did they turn in this hour of peril? Why, the administration was forced to turn to a man who had proven that he would put the welfare of his country ahead of winning an election, the wisest egghead of them all, Adlai Stevenson. The reason is clear. John Foster Dulles and the Republican administration had to have a leader of Mr. Stevenson's intelligence and integrity to regain for America the full friendships and confidence of the NATO countries.

Recent election returns prove the people are once more placing their confidence in Democratic leaders in this time of stress and decision. I hardly need to recount for you the overwhelming Democratic victories of Mayor Robert Wagner in New York; Mayor David Lawrence in Pittsburgh; and Gov. Robert Meyner of New Jersey. Why, Governor Meyner whipped the whole Republican national administration singlehanded. His opponent was endorsed personally by the President, and then Vice President NIXON and three Cabinet officers went out and campaigned against Governor Meyner, but they couldn't beat him.

The recent elections followed the trend established in August when the people of Wisconsin elected the very able Senator BILL PROXMIRE. That was the election which really showed the Republicans the handwriting on the wall. When BILL PROXMIRE came to Washington, I asked him which campaigners he figured had helped him the most. Well, he thought it over carefully for a minute and said:

"The people who helped me most in Wisconsin were John Foster Dulles and Ezra Taft Benson."

Speaking of Secretary of Agriculture Benson, there is a big argument about him going on in Texas. Our farmers and ranchers haven't been able to decide whether the 7 years of drought and then 70 days of floods this spring and the early blizzards and zero weather this fall, or Benson's blundering farm program, have done the most to wreck the farm economy. Most farmers I've talked with think that Benson has been a worse handicap to the farmers than the extreme weather. They agree on one thing: Benson and the drought and floods constitute a catastrophic combination. There doesn't seem to be much we can do to remedy the weather but it would be a big help if Mr. Benson would go the way of ex-Treasury Secretary "high interest rate" Humphreys, ex-Defense Secretary "I lost the missile race" Charley Wilson, and ex-Attorney General "blundering" Brownell.

Every time I think of Benson, I am reminded of that oft-quoted remarks made by Mrs. Mary Elizabeth Lease, the fiery Populist-Democrat leader before the turn of the century. In 1892 she advised a group of Kansas farmers to:

"Raise less corn and more hell."

With Benson at the head of the Agriculture Department, Kansas has had the smallest corn acreage in many years. Therefore,

Mrs. Lease's suggestion to raise less corn is not needed, but you know the other part of her advice sounds like she knew Benson personally.

Under his bungling, farmers are paying a substantial part of the cost of the Republican administration-made inflation. Farm prices keep dropping; surpluses keep growing; and the cost of what the farmer has to buy keeps going up. A farmer today must pay nearly $1,000 more to buy a 2-ton truck than he paid for the same piece of equipment in 1952. Yet in that period, cows have gone down nearly $100 a head. The same holds true in many other equipment costs and the farm produce prices.

But returning to the recent election results—I view these victories as a clear indication that many American people are fed up with the administration's mismanagement: That is—the high-interest, tight-money policy, and uncontrolled inflation; its anti-veteran attitudes; its neglect of the postal service and the Federal civil service employees; and less groceries for the housewife's budget dollars. The faltering, foolish and futile foreign policy which has lost us friends; Benson's antifarmer farm program which has forced thousands of small farmers off their farms; and Ike's all puttnik and no sputnik, which leaves us behind at the half in the missile race.

People have found out this Republican elephant is a peculiar animal of insatiable monetary appetite, has a shockingly short memory for campaign promises, and he obviously performs best and quickest only for his bi-money trainers.

When I was a boy and used to go to the circus, I remember the elephant herd was one of the highlights of the show. You know how those great animals go on parade, each elephant using his trunk to hold onto the tail of the elephant ahead. Those elephants were pretty well trained, but I'll admit I had to go to Washington to see the ultimate—that's this Republican elephant we've got up there now. It's the only elephant I ever saw which holds its own tail with its own trunk, whirls around and around in a circle, never taking a step forward, but sometimes actually losing ground.

Where the Republicans are bewitched, bothered and bewildered, we Democrats must present calm, clear thinking, and courageous leadership.

First, we must reorganize the Government's scientific agencies. Unbelievable as it may seem, at the present time there is no central agency in the Federal Government through which technical and scientific data is evaluated, correlated and disseminated.

Second, we must appoint a missile administrator or director with authority and technical and leadership ability to quarterback our military and civilian missile development team. As things have been going, we have had some of the most powerful blockers imaginable running in all directions and knocking each other down but not working together to move the ball down the field.

Third, we must create a National Educational Fund to search out and educate the many young men and women who have special aptitudes, but no money for a college education. Our greatest waste of natural resources in America today is in not developing and utilizing the brains of the youth of America.

Fourth, we must combine our scientific knowledge and resources with those of the other NATO countries. This includes equipping the NATO countries with atomic weapons for we cannot expect our friends to face Russia's atomic armaments without having similar retaliatory power.

With these basic steps, America can move forward to decisive and responsible leadership of the Free World, at this most important juncture of history.

The Democrats across the Nation are looking to you to take a key role in America's move back to this leadership of the Free World, and you already have started living up to that expectation. You crossed an important hurdle when you elected FLOYD BREEDING to Congress. My good friend and fellow Texan, the Honorable House Speaker SAM RAYBURN recently said of Congressman BREEDING:

"I've never seen a new man to make a better impression on the legislature."

That is saying a great deal when you consider that Mr. RAYBURN has seen more than 2,000 Congressmen come to Washington.

Your next vital step is the election of more good Democrats. Send us men of the caliber that made Kansas for years the proving ground for democracy on the State level: The test tube for great progressive social experiments for the Nation. There is a need for Kansas Democrats of flaming idealism and rational liberalism to give a new vigor to the Congress.

Send us men to match your plains and mountains and your own matchless history—men like your own Senator Ross who sacrificed himself to save the Nation from disgrace; men, like him, with faith in their hearts and courage in their hands. Send us men to Washington straight from the heart of America. Then they will be the true voices of the aims and ideals and spirit of the best in America.

Today the human race has entered a new age, more momentous than that opened by Columbus' discovery of America. The oceans of the future are not on this planet; the oceans of the future are the limitless space between the planets, and between our solar system and other similar systems. Some day, not too far off, the bedtime story of Wynken, Blynken, and Nod will come true, and we will probe the Milky Way.

The sputniks are calling mankind to come above the clouds, and out into the void of space. With intellectual curiosity, each nation and each race yearns to go out first. And the spaceships will bring back stranger things than the red men and tobacco and pearls and gold that Columbus carried back to Spain from his first voyage.

The time has come for action in America, the kind of venturesomeness and vision which moved Thomas Jefferson, the founder of our party, to send Lewis and Clark to the western ocean and Zebulon Pike across Kansas to the heights of the Rockies. We of the Democratic Party must work as never before. The months and years immediately ahead will be critical, not only for America, but for the world.

Our Nation has temporarily fallen behind in the race for outer space because of an unconcerned or at least confused Republican administration. But aroused Americans of all parties are determined to recapture the lead. And, God willing, we will. The words of Franklin D. Roosevelt were never more appropriate than today.

"We have nothing to fear, but fear itself."

I have a deep and abiding faith in the intelligence, courage, and ingenuity of the American people. I am confident that we will meet this challenge of outer space, and travel celestial trails as far, and as fast as any other people. We will sail the celestial pathways, and park our spaceships on the stars.

The day is rapidly approaching when the beautiful and inspiring motto of all you Kansans:

"To the stars, through difficulty," will be a dream come true for all mankind.

Thank you all.

Teamsters' Union and Labor-Management Negotiations

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. O'KONSKI. Mr. Speaker, a few weeks ago I expressed myself on the question of labor-management stability and how essential it was to the economic well-being of our country. In the course of these remarks, I had occasion to speak about the relations between Montgomery Ward and the teamsters' union.

I should like, if I may put in the RECORD some of the things I have discovered about the battle the teamsters' union has had in its dealings with this company. It is a story of a fierce and persistent struggle, dating back to 1939 when the teamsters forced the company to sign the first contract after strikes which lasted 10 long months.

In each and every instance since that time the teamsters have won recognition only after they have forced upon the company, National Labor Relations Board conducted elections which showed that the employees wanted them to serve as collective bargaining agents. Never once has the company willingly conceded that the teamsters' union was the rightful agent until an election, conducted by the NLRB, so certified. And even today, the company will deal with the teamsters for employees only in those areas or stores where certification has been established beyond any doubt by an election. This demonstrates rather conclusively that there is no collusion between Montgomery Ward and the teamsters' union.

My study of the situation brought to light facts about the Montgomery Ward-teamster union relationship which I feel are truly reflective of the hard bargaining which is necessary to deal with this company. In the contract negotiations of 1957, a settlement was arrived at only after a strike had been authorized and financial support pledged by the international union. The negotiations extended from March until mid-July, with top officials of the Federal Mediation and Conciliation Service participating actively in the discussions after mid-May and using their vast experience and good offices to break the stalemate and avoid a disastrous strike.

It seems to me that this one case history, involving 4½ months of negotiations, bespeaks the company's attitude in unmistakable terms. It hardly gives credence to the widely circulated charge that Teamster General President James R. Hoffa can walk into the office of Montgomery Ward President John A. Barr and come out a couple of hours later with a signed contract.

My study has satisfied me that Ward officials recognized the teamsters were becoming impatient and that, since authorization had been granted by the international union for a strike, the company feared the economic consequences.

So Ward found it expedient to settle on the best possible terms. This agreement on the fundamental issues did not constitute a so-called master contract but became a pattern for the drafting and signing of individual contracts between the company's mail-order houses, warehouses, and stores and the local union having jurisdiction.

It is my understanding that Montgomery Ward and the teamsters are about to start negotiating a new agreement to replace the one in force which expires on May 31. For that reason I would like the RECORD to show what I have discovered to be the facts surrounding the relationship between the parties concerned.

Nineteen Fifty-eight Pump Priming

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. JENSEN. Mr. Speaker, in opposing House Concurrent Resolution 285 and 286, which, in effect, orders the President of the United States to spend faster and more billions than he recommends, I, of course, know that, I will be voting with a small minority of the Members of this House. Nonetheless, I can neither find it in my heart or mind to so give orders to our President, who has already asked for more appropriations than I can support for the purpose of giving our economy a shot in the arm. During the New Deal pump-priming era from 1933 to Pearl Harbor, we spent $47 billion in a vain effort to create prosperity, but as we all know over 10 million Americans were without gainful employment, after 8 years of one shot in the arm after another, just as we are here attempting to do. Then came Pearl Harbor, and soon 14 million Americans were employed—in uniform.

Now, I am quite sure the great majority of thinking Americans want no more of that kind of business.

Facts are there was much more justification for pump priming in 1933 than there is today, with the national income running on an annual basis of $430 billion, which is at least eight times greater than in 1933.

This recession would have been brought to an end just as quickly and more safely and intelligently had this Congress reduced the budget by at least $3 billion as I recommended last January which could have been done and should have been done by eliminating all unnecessary and wasteful spending of the taxpayers dollars, and then reduce taxes across the board by not less than the $3 billion so saved.

Such a program would have given confidence to the people to spend more billions for business expansion, and in purchasing manufactured commodities for themselves and their families, thus the unemployed would have soon been back on the job. But no, we are now on another spending spree full speed ahead, even to the end that this Democrat controlled Congress is today ordering our President to spend faster and more by the billions for our children and their children to pay for our stupidity.

Save Rosenbergs Drive Was Giant Red Fraud

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the fourth in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in America. This series appeared in the Philadelphia Inquirer recently, as follows:

SAVE ROSENBERGS DRIVE WAS GIANT RED FRAUD

(Fourth of eight articles)

(By Representative FRANCIS E. WALTER, chairman, House Committee on Un-American Activities)

The Rosenbergs were sentenced to death on April 5, 1951. More than 26 months were to elapse, however, before they paid the penalty in the electric chair at Sing Sing, on June 19, 1953. In the interval, having received a trial by a jury of their peers, they demanded and received the full protection of the law. Eminent attorneys carried their cases seven times to the United States court of appeals, which upheld the death sentence each time.

Another seven times their cases came before the United States Supreme Court, which refused a review. Three appeals for clemency were presented to two Presidents of the United States. These, too, were denied.

On the day before the Rosenbergs died, a German house painter named Willi Goettling was shot to death by a Russian firing squad near his home. He was accused of having taken part in the East Berlin revolt against the Kremlin and he had been arrested only 24 hours earlier.

For Willi Goettling there was no trial, no prominent legal defenders, no appeals to higher courts. And Communists around the world coldly ignored the fate of the German house painter if, indeed, they ever heard of him.

But in the 2 years preceding the deaths of the American traitors, there emerged a second Rosenberg case, a gigantic propaganda campaign designed to hide their crime behind a smokescreen and to exploit Julius and Ethel Rosenberg for the purposes of international communism.

Fraud was the hallmark of the second Rosenberg case—fraud with a sinister purpose and a spectacular profit. It sought to blacken the name of America throughout the world—with Americans paying the bill to the tune of about half a million dollars.

Millions of helpless and innocent persons have perished behind the Iron Curtain through execution, wholesale butchery, planned starvation, and the deliberate extermination of minorities. Together, they exemplify the real methods of Soviet justice—a bullet in the neck without benefit of trial. Communists and their confederates have uttered no protests.

But for the Rosenbergs—duly tried and convicted of a shameless betrayal of their country—Communists brazenly demanded "justice." For sentencing the convicted traitors to death, the United States was assailed in 50 languages from pole to pole as savage, barbaric, and inhuman.

The whole sickening campaign was, of course, never intended to benefit the spies. As individuals, the Rosenbergs were of no concern to communism. Had they lived—and perhaps talked—they might have endangered the movement. Dead, they were martyrs. A study of the activities and records of the campaign points clearly to the fact that its objectives were these:

1. To vilify the United States and to spread the lie that its Government persecutes minorities and political dissenters.
2. To raise funds for overall Communist programs of supervision and propaganda.
3. To recruit new members and sympathizers for communism.
4. To restore the badly tarnished reputation of the party.
5. To create and exploit divisive anti-Semitism.
6. To bolster the campaign to infiltrate American churches.
7. To divert attention from anti-Semitism in Russia and its satellites.
8. To discredit American courts and to cast doubt on the investigation and conviction of all Communists.

In a trial that lasted more than 3 weeks, the guilt of the Rosenbergs had been established beyond doubt. The separate threads of testimony wove themselves into a solid fabric of guilt.

Against all the facts elicited from the prosecution witnesses, the Rosenbergs presented only bare, unsupported denials. They could not refute a single point. The prosecution, ready to call more than 120 witnesses, needed to call only 22.

The Rosenbergs did not call a single witness for themselves. They testified on their own behalf. Morton Sobell did not even take the stand.

And during the entire 3 weeks, the Communist press published not a single word on the trial. Nowhere was there the slightest whisper of frameup that was to be roared so loudly in the campaign to come.

Neither was there so much as a hint of anti-Semitism, of duress, prejudice, or intimidation from counsel for the defense. Emanuel Bloch, chief of the defense, was skilled in Communist legal strategy; he had represented more than one party leader. Yet not once did he or his colleagues challenge the conduct of the trial. On the contrary, all the defense lawyers—especially Bloch—were effusive in their praise of the trial procedure.

He thanked the court, Judge Irving Kaufman, for having treated the defense with utmost courtesy. He paid tribute to the courtesies extended by the FBI and conceded that "the trial has been conducted * * * with the dignity and decorum that befits an American trial."

This is the same Bloch who, when the Rosenbergs' bodies lay in a Brooklyn funeral chapel, screamed:

"I place their murder at the door of President Eisenhower, Attorney General Brownell and J. Edgar Hoover. This is not American justice. America today is living under the heel of a military dictator garbed in civilian attire."

He said the Rosenbergs were convicted only because they were Communists. At the trial, he congratulated the court for keeping politics out of the case. He claimed the jury was packed with jurors intent on sending the defendants to the chair. At the

trial, he did not even use all his challenges to eliminate prejudiced jurors.

After the "Save the Rosenbergs" campaign began, Bloch denounced Harry Gold as a pathological liar. At the trial he didn't even bother to cross-examine Gold—his chance to expose his so-called lies.

Throughout the campaign, Communists shrieked of new evidence found in defense of the Rosenbergs, long after the so-called evidence had been considered by the courts and thrown out.

The Rosenbergs' service to the Soviet Union began with espionage and ended with their silence. They betrayed their native land and maintained their allegiance to Moscow. Beyond this, they provided a rallying point for great numbers of Americans who displayed a shocking readiness to join hands with treason.

The first hints of a Communist campaign on behalf of the spies came with the announcement that the newspaper National Guardian would expose the evidence on which the pair had been convicted. In a series of seven articles in August, 1951, William A. Reuben characterized the trial as a frameup resulting from the collusion of the FBI and a self-confessed spy and stool pigeon (Greenglass), designed to convince the public that all Communists are a danger to the Nation's existence.

As a next step, shown by the records of the Chase National Bank, the Communists set up a bank account for the National Committee to Secure Justice in the Rosenberg Case, on November 8, 1951. It was not until 2 months later, however, that the Daily Worker formally announced the creation of a committee.

The reason for the delay was obvious: Moscow first had to make sure the Rosenbergs wouldn't talk. They could not afford the risk that the imprisoned husband and wife might confess in the midst of a campaign on their behalf.

By January of 1952, the party could be sure not only that the Rosenbergs were safe but that they could be counted on for a steady flow of propaganda material from their cells. The confidence was not misplaced. Until the night of their deaths, the writings and statements of the prisoners never deviated from the party line.

After the rejection of the first Rosenberg appeal by the Circuit Court of Appeals, in February 1952, the campaign gathered momentum. This started a pattern which was to be followed without change until the execution. Each reversal in the courts brought proportionately louder screams of injustice and persecution, at mass meetings across the Nation.

The committee suffered two reverses. One lay in its effort to introduce a civil liberties note; the other in attempts to link legitimate Jewish organizations to the campaign.

On May 2, 1952, the American Civil Liberties Union through its counsel, Herbert M. Levy, issued a memorandum repudiating every one of the Communist arguments and summarily denying there was any violation of civil rights in the Rosenberg's trial and sentence.

Almost simultaneously, the National Community Relations Advisory Council, representing every major Jewish organization in the United States, denounced the Rosenberg committee for its attempt to "inject the false note of anti-Semitism into the Rosenberg case."

The next phase began late in November 1952, after the Supreme Court refused, for the first time, to review the case. At this point there began an avalanche of Rosenberg activity throughout Europe. Although there had been no Rosenberg committees in England and France for the previous 2½ years, committees suddenly sprang up in London and Paris.

Again, the reason was obvious. In a widely publicized political trial in Prague, Rudolf Slansky and 13 defendants were prosecuted by the state and on December 2, Slansky and 10 others were executed. Eleven of the 14 defendants were Jewish by birth. The trial, in which the Kremlin unmasked itself as a monstrous proponent of anti-Semitism, sent a wave of revulsion through the Free World. To divert attention from its own guilt, communism turned frenziedly to the Rosenbergs.

The charge of anti-Semitism was false on its face. Judge Kaufman was a Jew. So was the chief prosecutor, United States Attorney Irving H. Saypol, a product, like the Rosenbergs, of the East Side. So were the Government witnesses Harry Gold and David Greenglass.

As the Rosenbergs' last hours approached, Communists whipped their followers and their dupes into a last great effort. In Washington, the White House was picketed. Chanting sympathizers jammed Union Square in New York. Thousands of demonstrators groaned in London's Hyde Park, in Paris, in Rome, Genoa, and Vienna, flogging themselves into a fury of nti-Americanism.

Viewed in its entirety, the Communist Rosenberg campaign stands forth as a design of monumental cruelty and deceit. There is no way to measure the damage it inflicted upon American prestige but it was extensive and lasting.

The campaign deserves study because of the insight it offers into the operations and techniques of the Communist front. One of the greatest propaganda advantages of the Communist Party is the widespread belief that its front organizations pose less danger than the party itself.

Actually, it is through its front organizations that the party seeks to effect its subversive program. They represent a major source of financial support and of new recruits and draw in great numbers of persons who would recoil from any overt association with communism.

The Rosenberg campaign had every feature of an effective front organization: the broad base of non-Communists; the rigid, behind-the-scenes domination by Communists; the camouflage of party rule and objectives by humanitarian appeals, and willing dupes calculated to entrap the unwary into partnership with conspiracy.

The future will bring other fronts and causes promoted by the Communists for purposes similar to those of the Rosenberg campaign. Their success can be prevented only by the firm recognition of the fundamental canon of a free society: namely, that liberty cannot embrace disloyalty and still endure.

Agricultural Activities in the State of Maryland

EXTENSION OF REMARKS

OF

HON. EDWARD T. MILLER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1958

Mr. MILLER of Maryland. Mr. Speaker, the distinguished junior Senator of my State, the Honorable J. GLENN BEALL, recently released an interesting summary relating to agricultural activities in our State of Maryland. I believe the information it contains will be of interest to farmers and their friends.

Under leave heretofore granted, the statement follows:

Maryland, as we know, is not regarded as one of our country's farm States. Farm people make up only 8.6 percent of its total population, as compared with the national average of 12 percent. The average Maryland farm contains 119.9 acres, while the national average is 242.2 acres.

Yet, these quantitative figures are highly deceptive, and in terms of qualitative values Maryland farming ranks near the top.

For example, it is interesting to note that the 119-acre Maryland farm has a value in land and buildings ($20,396) roughly the same ($20,405) as that of the average American farm double its size.

Maryland's cash receipts from farming in 1956 (latest available figures) totaled $243,500,000, an increase of approximately $10 million over the previous year. The cash income per farm was $7,099.

Of course, we Marylanders understand the importance of agriculture in our overall State economy. From data provided me by our Department of Agriculture, I have undertaken to summarize this week some of the efforts our Government has made to stimulate this vital agricultural enterprise.

CONSERVATION

The Soil Conservation Service provides technical help in soil and water conservation through local organizations in all of our 23 counties, aiding 15,679 farmers operating 2,307,534 acres. These farmers have applied 225,024 acres in contour farming, 63,086 acres, pasture planting, 11,684 acres, tree planting, 140,960 acres, farm drainage, built 2,135 ponds and 129 miles of terraces.

Under the agricultural conservation program, in which the Government shares the costs of approved conservation practices, Maryland farmers in 1956 on 8,256 farms with 1,400,000 acres carried out conservation practices with ACP cost sharing.

SOIL BANK

In this program, which controls surpluses by inducing farmers to retire some of their productive acreage, Maryland farmers last year received $2,278,340 for placing 43,046 acres under acreage-reserve agreements, that is to say, for producing less than their allotments. In addition, 341 farmers put 13,259 acres under conservation reserve contracts calling for first-year practice and annual payments of $307,000.

AGRICULTURAL CREDIT

With the rising cost of modern farming, farmers need credit to help them finance the improvement of lands and the purchase of farms, equipment, and livestock. In fiscal 1957, the Government made and insured loans in Maryland totaling $1,624,000, as compared with $1,022,000 in 1956.

RURAL DEVELOPMENT

Our own Garrett County is one of the 70 selected pilot counties in 30 States where the Government is aiding local people to reach a long-term goal of balanced farm, industry, and community development. Initial development work includes the organization and operation of a cooperative fruit and vegetable market and research and planning for improved use of forest products.

SCHOOL LUNCH

This program made school lunches available to 138,830 children in 680 Maryland schools in fiscal 1957. Maryland was allotted $1,020,803 in school-lunch funds, and 1,503,502 pounds of food costing $197,855 was distributed to our schools. In the special milk program, in 912 Maryland schools, children consumed 30,200,000 half-pints of fluid milk. Federal funds expended in reimbursement totaled $1,118,000.

RESEARCH

Government market research showed Maryland tobacco farmers that their best opportunity to cut the resale margin of their tobacco is to sort and pack it more carefully. Another study showed that Maryland poultry farmers may escape damages such as they suffered from Hurricane Hazel by erecting, at a cost of 10 cents per hen, a 30-by-70-foot frame poultry house capable of resisting a 108-mile-an-hour hurricane wind.

EDUCATION

The 112 Maryland county extension agents bent their efforts toward helping farm families adjust farm and home operations to technological innovations, changing economic conditions, and improved Government aids. Extension agents in 1956 helped 22,838 Maryland farm families, 15,214 rural nonfarm families, 130,157 urban families, and 14,838 4-H Club members.

DIRECT DISTRIBUTION PROGRAM

In 1957, the Government made available 4,850,211 pounds of surplus foods, costing $1,644,622, for donation to eligible persons. Of this, 3,545,731 pounds costing $1,319,798 was used in the school-lunch programs, 1,160,962 pounds costing $285,834 in institutions, and 143,518 pounds valued at $38,990 went to needy persons.

Incidentally, Baltimore, by action of its city council in this year's budget, became eligible to receive these Federal surplus products for distribution to needy families through the city welfare department.

Of course, this purports to be a recital of only a small phase of Government farm program which seeks to improve the conditions of farmers by coordinated programs to increase efficiency, broaden internal and foreign markets, reduce the ever-plaguing farm surpluses, and promote general economic stability.

The Reciprocal Trade Agreements Act

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. PATTERSON. Mr. Speaker, for almost a quarter of a century the United States Government has been experimenting with a foreign-trade policy illegitimately conceived and a monstrosity in structure and character. The Reciprocal Trade Agreements Act is a direct violation of the Constitution because it endows the executive department with the power that section 8 specifically assigns to Congress.

The State Department would also relish our involvement in the Organization for Trade Cooperation, under which tariff-making powers would be transferred to 3 dozen representatives of foreign nations and one American sitting in conference some 3,000 miles east of Connecticut.

In the event that any of my colleagues may not immediately recognize the perils involved in the OTC, let me remind him that acceptance of United States membership in it on the part of Congress would in fact give sanction to the General Agreement on Tariffs and Trade, an office which blossomed out of the failure to link the United States with what was to have been known as the International Trade Organization. Through persistent effort, however, the State Department succeeded in entangling this country in another global agency which would in effect carry out the basic objectives of the ITO. The agency through which this relationship was established came to be known at GATT, which in the decade of its existence has never been submitted to Congress for official rejection or approval.

Mr. Speaker, we do not want the OTC, and I am quite confident this legislative body will so indicate if the foreign trade bill includes this proposal when it reaches the floor of the House. Meanwhile it is essential that we make further plans for revising the Trade Agreements Act in such a way as to provide protection for American industry and labor. I state without qualification that the present trade policy is inimical to the welfare of this Nation. The time has come to cast aside the most obviously objectionable features of the present program. I frankly am disappointed that more of the officials in our executive department are not willing to admit that the defects in the current program are too destructive of the domestic economy to warrant further experimentation.

My impression of the bill introduced by the gentleman from Georgia [Mr. DAVIS] and the gentleman from Pennsylvania [Mr. SIMPSON] is that it will tend to provide the safeguards necessary to our own industries without in any way inflicting hardship on exporters elsewhere in the world. While the American worker is our first line of concern, I nevertheless recognize that so many commitments have been made by American diplomats attending GATT and other trade conferences all over the world that a complete reversal of policy could be upsetting to production and shipping schedules of some of the signatory countries. None of us wants to enact legislation that would in any way be considered unfair to our friends elsewhere in the universe. Certainly the bill under discussion today would enable all of our allies to enter our markets with their products, yet it would provide the mechanism necessary to bring some balance into a situation that is now tilted sharply in favor of foreign nations because of their comparatively low wage scales.

Naturally I concur in the provision to return to Congress the power of reviewing Tariff Commission decisions. All of the elected representatives of the people should feel considerably more at ease after this reestablishment of constitutional intent becomes law. As for the 1-year extension, I am in hardy accord, for it is highly possible that other adjustments—perhaps of the very position which we advocate today—may be required at the end of the 12-month period.

Mr. Speaker, I am not going to impose upon the gentleman's time here today by recounting the injury that has been reflected upon the various industries in my State through the current illogical trade program. I shall recite only a few instances in which the communities of the Congressional District which I represent have been seriously harmed by the impact of too much foreign competition. You will be interested to know that in 1949 domestic jeweled watch production amounted to 2,793,000 units and domestic pin-lever watch production totaled 6,299,000 units for a total of 9,092,000 units, while imports amounted to 7,699,000 units for the same period. Now, bringing these tables up to 1956, the last year for which figures were available, you will find our domestic production total at 9,449,000 units as compared with a total of 12,459,000 imported units. These shocking data are ample evidence of why our watch industry has been forced to let off so many of its workers in the interim period.

Under the barrage of imported goods, Connecticut's payrolls for textile-mill products declined from $125 million in 1950 to $100 million in 1955. As for our nonferrous metals, the injury from imports extends from the mines of the West to the manufacturing plants in Connecticut.

In the factories of Germany and other foreign countries, workers receive only a small percentage of what is paid their counterparts in this country—but many of the foreign labor forces have steady employment while our own workers are lying idle. Unless a compensatory provision is included in the trade agreements extension, these unfair conditions will continue to prevail and Congress must accept the responsibility for them. Let us take a typical Connecticut community to localize the issue under discussion today. Torrington, with a population of approximately 28,000, is essentially an industrial city whose products include sewing machine needles, latch knitting machine needles, surgical needles, antifriction bearings, machine nuts, screws and other specialty products, bicycle parts, brass products, roller skates, fishing rods, woolen goods, foundry products, gaskets, timing devices, and fans.

Last week Mr. Harry B. Purcell, director of industrial relations, the Torrington Co., appeared before the House Ways and Means Committee. Here are two paragraphs from his testimony:

> In my own city of Torrington, Conn., we have close to 2,000 unemployed out of a total labor force of about 14,000. But here again we find that the unemployment statistics do not reveal the true picture, because approximately 4,000 factory employees, or nearly 65 percent of our industrial population, are only working from 24 to 35 hours per week. And they have been laboring under this austerity schedule for many months, and in some cases, more than a year.
>
> We know that to a great extent, this severe decline in our economic security is due both directly to the competition we are receiving from foreign manufacturers of our products, and indirectly, to the foreign competition being met by other United States manufacturers who use our products either to make, or as a component of, their goods.

Mr. Speaker, accounts of industrial stagnation and human hardship caused by excessive imports could occupy many pages in the CONGRESSIONAL RECORD. I do not wish to extend my remarks further because I am confident that the

situation is now so well understood—particularly because a great number of my colleagues are experiencing similar conditions in their own constituencies—that the Trade Agreements Act as promulgated and perpetuated by the State Department will no longer be tolerated. I feel that representatives of mining and petroleum activity as well as industry and agriculture can meet on common ground in the legislation proposed by the gentleman from Pennsylvania [Mr. SIMPSON] and the gentleman from Georgia [Mr. DAVIS]. I for one intend to give it my earnest support.

Benson and Veto Will Deepen and Prolong Recession

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. O'KONSKI. Mr. Speaker, it is difficult to imagine the real reasons behind the veto of the "hold the line" farm bill. The veto of the farm bill by the President will most certainly deepen and prolong the present recession. It is difficult to understand the veto in the face of present economic conditions.

There has been organized the most vicious group of hucksters in our Government's history to boost foreign aid by the billions and import more products by the billions. Seemingly their whole plan to lick the depression is more foreign aid and more imports—the two things which did so much to create the present depression. This group of hucksters are the chief planners in our Government of today. They mean no good for our Nation.

The President has asked for billions upon billions to build houses and other projects in our cities and slums. He has asked billions to prime the pump in our metropolitan areas. To relieve distress and suffering among the unemployed I support such programs. But he vetoes a bill that would have only cost $15 million to give dairy farmers an additional $250 million in income. The play for the city vote is monstrous. In this play the farmer has been cast into the junk heap.

This recession started with the Benson-created farm depression. As all past depressions, this one started on the farm. You can't have a 4-year farm depression without paying the penalty. So now we are going to fleece the taxpayer for another $50 billion to fight a Benson-created depression—prolonged and deepened by a Presidential veto. The $15 million asked in the vetoed bill would have saved billions in handouts to fight the depression.

It is interesting to note with all the gifts the President himself received, he still was not able to operate his own farm without more than $3,000 in benefit payments from the United States Treasury. This $3,000 benefit from the United States Treasury is more than most of my farmers make all year. They will get much less as a result of the President's veto. In the face of this his veto is difficult to justify. This vetoed bill was the only chance my farmers had of getting just a little help.

The hucksters who inspired this veto will be noted for urging billions for people all over the world, but would not spend $15 million to increase income for dairy farmers by $250 million. They will be noted for spending billions to help metropolitan areas—but not one cent for the preservation of our farm economy. Mark you well, from now on Benson, veto, depression are three different words but have the same meaning and are indivisible one from the other.

Announcement of Hearings on Unemployment Insurance

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following announcement:

HON. WILBUR D. MILLS, DEMOCRAT, OF ARKANSAS, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, ANNOUNCES HEARINGS TO BE CONDUCTED ON LEGISLATION TO PROVIDE FOR AN EMERGENCY EXTENSION OF FEDERAL UNEMPLOYMENT COMPENSATION BENEFITS

Chairman WILBUR D. MILLS, Democrat of Arkansas, Committee on Ways and Means, House of Representatives, today announced that the committee had agreed to hold hearings on Friday, March 28, Monday, March 31, and Tuesday, April 1, 1958, on the subject of an emergency extension of unemployment compensation benefits so as to continue unemployment compensation for those individuals are unemployed and who have already exhausted their benefits under the various State laws.

Chairman MILLS also stated that the subject of the hearings encompassed any recommendations or suggestions which witnesses might advance relative to the most feasible emergency measures which might be suitable for affording assistance to individuals who are unemployed and who cannot qualify for the additional unemployment compensation benefits because they have not been covered by the unemployment compensation programs of the various States. Testimony will also be received on means of financing these programs from any witnesses who may want to testify on this point.

There are presently pending before the Committee on Ways and Means two bills on the subject of emergency extension of unemployment compensation benefits—H. R. 11326, introduced by Chairman MILLS, and H. R. 11327, introduced by House Majority Leader JOHN W. MCCORMACK. It has been reported that the administration in the very near future will present a proposal on this same subject. If this is done, it will also be included in the hearings.

Chairman MILLS further stated that, due to the extremely heavy schedule of the Committee on Ways and Means, only 3 days would be available for the purpose of these hearings.

This makes it essential that witnesses with a similar interest designate a spokesman to speak for the entire group or groups so as to conserve the time of the committee and at the same time avoid repetitious testimony. Compliance with this request will enable the committee to make a more adequate time allocation available to such witnesses. In those cases where there are differences within the industry, or group, the committee will undertake to schedule spokesmen representing the different points of view. Other persons within an industry, or group, who desire to do so will be permitted to file written statements for the consideration of the committee and for inclusion in the printed record of the hearings. The amount of time allocated to witnesses will be determined by the total number scheduled to appear and the total amount of time available to the committee for these hearings. It is obvious that only a limited number of witnesses can be heard in this 3-day period. If the interested persons do not designate a spokesman for an entire group with similar interests, it will be necessary for the committee to do so.

Persons desiring to appear and testify before the committee should submit their requests to the clerk, Committee on Ways and Means, room 1102, New House Office Building, Washington 25, D. C., no later than Monday, March 24, 1958. The requests should specify whether the witness in general opposes or supports these proposals. The clerk of the committee will notify the witnesses who are scheduled to appear as soon as possible after the termination date for receipt of requests to be heard March 24.

All persons who desire to do so may submit a written statement in lieu of a personal appearance. Such statements will be considered by the committee and will also be printed in the record of the hearing. It is requested that persons who submit such statements in lieu of an appearance make the statements available not later than April 1, 1958. A minimum of three copies of such statements for inclusion in the printed record of the hearings should be submitted.

Witnesses who are scheduled to appear in person before the committee should, where possible, submit a minimum of 50 copies of their statement for the use of the committee members and staff. If a witness also desires that his statement be made available to the press and the interested public, it is suggested that at least 60 additional copies be submitted to the clerk for this purpose. The 50 copies of the written statements of those persons who are scheduled to appear and testify should be submitted to the clerk at least 24 hours in advance of their scheduled appearance. The additional copies for the press and the interested public should be submitted to the staff office, room 1102, New House Office Building, on the witness' date of appearance.

Alaska Statehood: When Will It Become a Reality?

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 19, 1958

Mr. SAYLOR. Mr. Speaker, the other day a friend of mine from Alaska asked me a very pertinent question, one which I believe we should seriously consider. His question was, "How long does it take the Congress to respond to the will of the people?"

There are not many issues which come before the Congress time and time again. There are not many issues upon which the platforms of the two major political parties of our country have been in unanimous agreement for some period of time without any action of Congress. Yet my friend's question was directed towards just such an issue.

Very few issues which so affect our country in its position of world leadership as the matter which I wish to discuss here today.

Mr. Speaker, I am concerned about the future of Alaska. The first statehood bill was introduced in this Congress by Delegate James Wickersham on March 30, 1916. Now, 42 years later there appears to be some question as to whether this body should act upon the request of that Territory for an immediate grant of statehood.

Why this is so is beyond my comprehension.

This House seriously began consideration of the question of statehood for Alaska during the 80th Congress. In every Congress, in fact in every session, since the 80th Congress, we have consumed not only our time and energy but that of countless witnesses and representatives of various Government agencies in our attempt to probe further into the basic question: Is Alaska ready for statehood?

Mr. Speaker, the hearings on the Alaska bill by the House alone since the 80th Congress now total more than 3,400 printed pages.

These hearings read like a broken record. Time and time again the opponents of the admission of Alaska, and our other great Territory, Hawaii, have repeated the same arguments which were used against California, Oregon, Nebraska, and many others of our great States. Where would we be today and what would be our position in this world of Explorers, sputniks, and intercontinental missiles if our predecessors had listened to such arguments?

The citizens of Alaska have petitioned time and time again to be admitted into our Union, and I believe that the people of these United States heartily endorse their request now.

Alaska has been under the American flag since 1867 and at the time this great Territory was acquired there was no other Territory which was not destined to receive the blessing of the then existing States to become a member of our Union. In fact, the treaty with Russia by which we acquired Alaska contains what I believe to be a pledge to the inhabitants of the Territory that they would one day become full-fledged citizens of our great Nation. Americans who live in Alaska cannot attain this status until they have the right to elect representatives to Congress who have the power to vote on the many issues which affect not only Alaska but the Nation as a whole.

Mr. Speaker, we last considered this subject on the floor of this House in May 1955 when we debated a joint Alaska-Hawaii statehood bill. That bill was recommitted to the House Committee on Interior and Insular Affairs by a vote of 218 to 170. The situation regarding Alaska is quite different today than it was in 1955 and I would like to detail for you some of the developments since that time.

In November of 1955 a Territorial Constitutional Convention was called by the Governor of Alaska. The duly elected delegates to that convention drafted one of the finest constitutions ever to be prepared. On April 24, 1956, this constitution was approved by the voters of Alaska by better than a 2 to 1 majority.

In 1955 there was some question concerning the support of the administration for the statehood bill of Alaska. I am happy to be able to point out to the Members of this House today that the Secretary of the Interior, Fred A. Seaton, has presented to Congress the recommendations of the administration which are in complete support of immediate statehood for Alaska. These recommendations were consistent with the request of President Eisenhower in his budget message of 1957 and 1958. In 1957 the budget message stated:

> I also recommend the enactment of legislation admitting Hawaii into the Union as a State and that, subject to area limitations and other safeguards for the conduct of defense activities so vitally necessary to our national security, statehood also be conferred upon Alaska.

In the 1958 budget, President Eisenhower requested Congress to complete action on appropriate legislation admitting Hawaii and Alaska into the Union as States.

As the President and responsible officials of the Eisenhower administration have said, the admission of Alaska as a State will demonstrate to the world that America practices what it preaches.

Let me get back to my original question then as posed to me by my friend from Alaska.

Just how long will it take us to deliberate this matter? How many more pages of testimony must we accumulate before we get down to serious action on this issue? How much more time of the Congress must be devoted to the consideration of purely internal Alaska legislation because we have failed to grant to this Territory the autonomy it deserves?

In a statement to our committee, the Secretary of the Interior, Fred A. Seaton, pointed out that in the last Congress no less than 50 separate bills handled by the Territory Subcommittee were enacted into law; 30 of those bills—just over half—related solely to Alaska.

Gentlemen, I believe the time has come, in fact the time is long overdue, for us to turn the affairs of Alaska over to Alaskans. The right of government by the governed is an American heritage. That right cannot be denied much longer. As the Secretary of Interior has pointed out there is ample "evidence that as America's last frontier Alaska is the land of opportunity. Her great forests, her tremendous, and as yet barely tapped, natural resources will, I believe, continue to assure her economic growth for generations to come."

The issue of statehood is not, should not, and cannot become a partisan issue. I repeat: Government by the governed is an American heritage. We cannot in good conscience continue to deny Alaskans their rightful heritage.

Mr. Speaker, I hope and earnestly pray that before this Congress adjourns we shall add another star to our great flag. And if this is accomplished, the question of my Alaskan friend will be answered.

St. Patrick

EXTENSION OF REMARKS

OF

HON. HUGH J. ADDONIZIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1958

Mr. ADDONIZIO. Mr. Speaker, on the happy occasion of St. Patrick's Day, the whole world joins in honoring the great patron saint of Ireland and his beautiful Emerald Isle. His life is an inspiration to all mankind. It is safe to say that not since the close of the apostolic age itself has any saint been more constantly and affectionately remembered. Yet very little—almost nothing, in fact, is certainly known of his personal life, let alone his personality. But "by their fruits ye shall know them." It is what St. Patrick accomplished, and what he stands for today, that has surrounded his memory with an aura which shall not fade while the breath of man remains—certainly not while it remains in Irishmen.

Born probably about the year 385, he was the son of a Christian deacon, named Calpurnius. His father is represented as a middle-class landed proprietor and a decurion, or Roman military officer of the lowest rank. The place of Patrick's birth is in dispute, but it is generally conceded to have been on the southwest coast of Britain and was probably in Glamorganshire, in present day Wales. As the son of a church officer and a Roman army officer, Patrick was almost certainly educated as a Christian and imbued with loyalty to the mighty empire whose imperial government centered at faraway Rome.

According to the familiar account, at the age of 16 the boy was captured by a band of marauding Irish and carried off into slavery to a part of Ireland sometimes identified as the present County Antrim. After 6 years of bondage he escaped to France where he spent some years of study and reflection in the monastery of Lerins. Upon leaving the monastery he seems to have returned to his boyhood home in Britain. It was possibly there that he first conceived the idea of becoming a missionary to Ireland, then completely pagan. According to his famous confession, in a dream he beheld a man named, appropriately, Victorious, who handed him a missive, entitled "The Voice of the Irish." While repeating the words, he tells us:

> I imagined that I heard in my mind the voice of those who were near the wood of

Foclut, which is near the western sea, and thus they cried: "We pray thee, holy youth, to come and walk amongst us as before."

Disregarding the pleas of his relatives, Patrick returned to France to study for the priesthood and after long years of preparation was ordained priest and was consecrated missionary bishop to Ireland by Pope Celestine I in the year 432. That same year he returned to the land of his captivity. Landing at Inverdea, at the mouth of the River Vartry, in County Wicklow, Patrick proceeded immediately to east Ulster, and there he commenced his missionary work on the southwest side of Strangford Lough in a wooden barn given to him for religious purposes by a converted chieftain.

The missionary bishop's first task was to consolidate the work of his recent predecessor, Palladius, who seems to have labored chiefly in the south and southwest, where Christianity was probably first preached in Ireland. The next thing was to gain the ear of Loigaire, the Druid High King at Tara. Although he never succeeded in converting the king, he did secure the royal protection for Christian converts and did convert the king's brother, Fedilmid, who made over to Patrick his estate at Trim, in what is now County Meath, to be used to found and support a church, and here the missionary bishop eventually built the abbey church of St. Mary. Thus it is probable that the site of the first church reared and consecrated by the saint lies somewhere in the picturesque old town on the upper waters of the Boyne.

In the years which followed, the great apostle to the Irish zealously pursued his holy mission up and down the length and breadth of the green isle. The seed he planted fell on good ground. Thousands of converts flocked, year after year, to the standard of the cross; churches rose everywhere in testimony thereof. The years of his captivity had proved a blessing in disguise, for it taught him thoroughly to understand the Irish character—no mean feat, to this day—and to speak the Gaelic tongue. It is to this period of Patrick's life that many of the legends and traditions, most of them of a miraculous nature, are attached. Whatever we may believe of the saint's driving the snakes out of Ireland—and no true Irishman, of course, doubts it—the great bishop of Armagh was a formidable foe of the forces of paganism, to which he dealt, indeed, the mortal blow.

Whatever may be doubtful about this life—

Remarks a learned writer—

there can be no doubt that he was a great organizer, and that his enthusiasm and his faith in his work inspired him to treat with kings and princes, as though they had been put there for his purposes of the spread of the Christian faith.

Before Patrick had finished his great task and laid down his burden to spend his last years in prayer and contemplation, we are told that he had founded no less than 360 churches, baptized with his own hand some 12,000 people, and ordained countless priests. At his death, so runneth the ancient chronicle, "so great was the glory that there was no night for 12 days."

Many of us are familiar with the lovely legend of the shamrock, which will forever be associated with the memory of St. Patrick. It is said that it is from this tiny green plant, with its three leaves, that Patrick was wont, in his sermons on the hillsides and in the churches he had built, to illustrate the doctrine of the Trinity. It is one of those traditions which are so entirely fitting—so eminently right—that it is far, far safer to believe than to disregard.

St. Patrick received his summons on March 17, 493, according to an ancient account. Before he closed his eyes he prayed that the light of holy religion should never cease on the hills and in the valleys of the land he had come to love. As he prayed—so runneth the old chronicle—an angel came to him and said:

Fear not; your apostolate shall never cease.

And it never has.

Education: A Shared Responsibility

EXTENSION OF REMARKS
OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1958

Mrs. BOLTON. Mr. Speaker, there are a great many problems in education which trouble all of us, and which we are making every effort to think through.

Earlier this month it was my privilege to address the regional conference of the American Association of School Administrators in San Francisco, on the subject Education: A Shared Responsibility. In the thought that my observations there will be of interest, I include the address with my remarks.

EDUCATION: A SHARED RESPONSIBILITY

(Address by Hon. FRANCES P. BOLTON before the American Association of School Administrators, San Francisco, Calif., March 11, 1958)

It is with considerable humility that I take this platform to address your distinguished group. You have among you men and women far better equipped than I to discuss education today. Yet, it may not be amiss to bring you a facet of my thinking as it has developed on this subject over the years.

Indeed, the view of the nonprofessional whose life has included the experiences of wife, mother and grandmother, of work on a school faculty, as well as many years of legislative responsibility, may have its own contribution to make at this time.

In recent months there has been mounting evidence that the American people are seriously disturbed by apparent inadequacies in our educational system. I do believe that all of us—laymen and educators alike—should be eternally grateful that national attention has finally been focused on the kind of preparation for life we are giving the youth of this great Nation of ours in this most difficult era.

Education if true to its essential reality should give a youth and a girl an understanding of himself, physically, mentally, and spiritually. It should whet his curiosity about the world he lives in and the universe of which he is a part. It should give him an understanding of the people he must live with and people across the world. It is being suggested by increasing numbers that what we have been calling education is really little more than instruction.

Which are we giving our youth?

At first blush it would appear that our much vaunted public education system is not producing the results that the country needs. Yet, when I compare what my school days gave me of general knowledge of the world with the enormous amount that the youngsters of today seem to know, I am amazed by the difference.

The one tremendous fact, however, that I learned, which seems to me to be fundamental, today's youth appear to have little knowledge and less certainty of, viz: that "the earth is the Lord's and the fullness thereof, the world and they that dwell therein." Nor does there seem to be much if any suggestion given them that life itself is the greatest privilege ever granted, that it requires disciplines of every sort to give it meaning, to give it a joy that results in accomplishment.

Our young people today with all their general knowledge of the antipodes are a very real and constant problem to those whose business it is to fit them into the work-a-day living that must be theirs. I am constantly being importuned to do something to give high-school graduates some knowledge of even simple arithmetic, of the alphabet, of spelling and reading and writing.

"Where can I place them?" said one distraught man. "They can't be file clerks as they don't know the alphabet. They can't be stenographers for they can't spell. They can't keep books or get into finance as they can neither add, subtract, nor multiply."

Not long ago a man in charge of education in one of our foreign airbases told me, "The men haven't even had simple arithmetic. How can they expect to be trusted with the complicated work of the Air Force?" Applicants for Annapolis, etc., are low in math, English, history.

These are but examples of what comes across my desk and into my office constantly. And there is a desperation in these people that gives one pause.

It will serve no useful purpose to seek a scapegoat for our educational predicament. Everything from the Soviet Union to television will be blamed, and I am sure that you receive an inordinate share of castigation. In the final analysis, however, each of us—parent, teacher, student, citizen—must accept a part of the ultimate responsibility.

HISTORICAL VIEW

Historically, our public education has been viewed as a responsibility of the several States. Article X of the Constitution declares:

"The powers not delegated to the United States by the Constitution, nor prohibited to it by the States, are reserved to the States respectively, or to the people."

There is little doubt that one of the functions the Founding Fathers had in mind was that of education, and by interpretation of the 10th amendment the character of public education as a basic function of the States has been constitutionally established.

From the earliest days of the Republic, State legislatures have assumed governmental responsibility for education. One of the first such declarations of policy is found in the Ordinance of 1787 which created the Northwest Territory. This ordinance not only guaranteed freedom of speech, thought, and religion but also excluded slavery from the Territory and committed the governments of the new States to the support of the schools.

In my own State of Ohio, the first thing the founders did after setting up the State legislature was to plan for a university. Provisions for public education have been written into the fundamental law of every State. Today, public education has come to be the primary and single largest enterprise of the States.

FINANCIAL SUPPORT

The task of providing financial support for our schools also lies with the States although to local school districts has been delegated the function of financing local school programs. More recently, the trend has been toward greater assumption of financial responsibility by the State and Federal Governments.

Statistics for the year 1955–56 indicate the following sources of support:

	Percent
Elementary and secondary:	
Local	55.9
State	39.9
Federal	4.2
Colleges and universities:	
Local	2.9
State	25.3
Federal	12.6
Other (fees, etc.)	59.2

FEDERAL GOVERNMENT PARTICIPATION

As the foregoing statistics indicate, the Federal Government makes a substantial contribution to American education, with especial emphasis in the area of higher education. This role dates from 1862 when the original land grants to the States for universities were made, supplemented by additional grants in 1887, 1890, and 1914.

A definite recognition of Federal responsibility came in 1867 when Congress established the Federal Office of Education with duties in educational research, services, and administration of grant programs. This has become the United States Office of Education, which carries on the above and additional administrative functions.

In these and a variety of other ways—ROTC, the service academies, veterans education benefits, international educational exchanges, technical assistance contracts—the Federal Government directly and indirectly participates in the educational process.

The most dramatic example of such participation, and one which is expanding daily, is that of Federal research contract and grant programs. These have greatly stimulated agricultural, scientific, and medical research in the higher educational institutions. Principally administered by the Public Health Service, the Department of Defense, the Atomic Energy Commission, and the National Science Foundation, these grants have a very real impact on our colleges and universities.

On the elementary and secondary levels there is, as yet, no Federal program of comparable magnitude, although limited assistance has been made available for school-lunch programs and schoolbuilding facilities in Federal-impacted areas. Add all these sums together and you will find that the Federal Government is in the education business to the tune of something like $1,616,654,000.

To some this means that the Federal Government might as well do more and more. To others it gives pause for the certainty that freedom is lost when Government controls education.

THE FEDERAL ROLE

With the fact before us of the amount of Federal moneys already in education with apparently no Federal controls, can we permit ourselves to increase Federal participation, certain that due protection is given against control possibilities.

You will recall President Lincoln's words:

"The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves, the Government ought not to interfere."

This sound philosophy was recently restated by President Eisenhower, when he said that educators seeking to stimulate interest in science and engineering should turn to the Government only for that which they themselves cannot accomplish at all or so well.

With this admonition ever before us it would seem safe to look favorably upon the administration's proposal of a 4-year program of scholarship assistance primarily in the sciences and mathematics to meet a part of our need.

But I would emphasize that whatever the Federal Government does in the field of education—and in most other fields as well—should be designed and intended to supplement, not to supplant the efforts of the States and the communities. Under no conditions should we permit ourselves to be stampeded into a massive program of Federal aid to education lest we find our whole principle of a Union of separate and responsible States betrayed. Oh, it might be much easier to dump our problems into Uncle Sam's lap, but it would certainly be a strange method for upstanding Americans.

We have recently heard a good deal about Russian methods of education, methods which would seem to cut time in little pieces and get unbelievable results. While we may deplore the authoritarian character of those methods, we must acknowledge their results in certain fields. In the span of 40 years since the revolution, illiteracy has been reduced from 70 percent to less than 5 percent, a phenomenal achievement. By virtue of centralized absolute control over the lives of her citizens, the Soviet Union is able to channel talents and energies into key professions and occupations, thereby advancing at a fantastic rate. Those who fail to measure up are considered of little account.

As Americans, we instinctively reject such fetters upon individual and intellectual freedom. Yet, if it continues to appear that our academic standards are dangerously inferior to the Russian method, more and more voices will be heard calling for a greater imitation.

The pattern and structure of American education, while subject to much valid criticism, today reflects years of profound thinking and planning. It has on the whole, in relation to its aims, succeeded pretty well, and is to some degree at least undeserving of the more violent reproaches leveled in its direction.

True, the system does possess glaring deficiencies, but in its goal of carrying everybody through high school and providing extensive opportunities for higher education, it has had a remarkable success. Its sternest test lies just ahead, and if it is to be successful, will require the highest possible degree of cooperation on every level.

Democratic societies by their very nature possess certain built-in disadvantages that are not common to totalitarian states. In this country those disadvantages are compounded, operating as we do through a Federal system of government. The compelling challenge to our Nation is how we, without compulsion or coercion, can retain the maximum desirable freedom of intellectual choice and still satisfy the legitimate needs of the Republic.

Public awareness and understanding of our problems will do much to bring about their solution. Your task as school administrators just as mine on Capitol Hill, is not solely to respond to community sentiment, but equally to enlighten and lead the public toward a fuller appreciation of its educational responsibilities. Once adequately comprehended, I am confident that our citizens through local and State boards of education, will not only accept added financial and other responsibilities, but will insist that it be so.

PERSONAL RESPONSIBILITY

Let me speak for a moment of what I would like to call personal responsibility, which unquestionably begins in the home and rests squarely upon parents. There is not time to go into the tragedy of our broken homes, the casual selfishness of all too many parents, the results of working parents, etc. Were there time I should want to picture also the wonderful homes one finds everywhere, where love and companionship are building strength and faith and security into the lives of thousands. Let us thank Heaven for them.

PARENT RESPONSIBILITY

There is no question of the place the parent and the home occupy in the social structure. Perhaps it is the fact that men and women have become so intent upon their own so-called happiness that they are overlooking their responsibilities as parents. Home to a child is the universe. In the early years, dad and mom represent security or insecurity. They are the pattern set up in the very beginning. All too many parents of today are poor examples of what the living of life should contain. They have missed its meaning. They have lost their way.

In the contacts I have with young people, and they are many, I find so many who are starved for love, hungry for understanding. Home is often a place of terror and insecurity. From my own experience, I am certain that a child needs to learn that freedom can be had only to the point of interference with another's freedom; that respect for the other fellow be he mother, father, brother, sister, friend, and stranger, is a basic need; that integrity, honor, and justice rest upon the acceptance of discipline because life itself is discipline and home is the first step in living. We who are or have been parents have the first responsibility and I fear we have not done too well.

TEACHER RESPONSIBILITY

Then come the school years for which the responsibility must be shared by school administrators, teachers, parents, and the students themselves.

Your task as school administrators must be a most difficult one. I am told that it is estimated that well over 80,000 teachers in our public schools have substandard or emergency credentials. But you have to use them part time or even full time because of the tragic scarcity of well-qualified teachers.

Why is there this shortage? There must be many reasons, one of which is surely the inadequacy of salaries. I confess to considerable shock when I read in the President's report that:

"The plain fact is that the college teachers of the United States (and this is equally true at the elementary and secondary levels) through their inadequate salaries, are subsidizing the education of our students, and in some cases the luxuries of their families, by an amount which is more than double the grand total of alumni gifts, corporate gifts, and endowment income of all colleges and universities combined. This is tantamount to the largest scholarship program in world history, but certainly not one calculated to advance education. Unless this condition is corrected forthwith, the quality of American higher education will decline. No student and no institution can hope to escape the consequences."

Fortunately for America there is this unbelievable number of dedicated men and women who give themselves selflessly to teaching.

But surely the rest of us must face up to the challenge of their salaries. Yet even

more than this, we must find ways to give them the recognition that is so long overdue—theirs should be an honored place in our Nation's life. It is rather embarrassing to realize that the U. S. S. R. does much more in the way of acknowledging the teacher's contribution than we.

But I should warn you of a danger into which the teaching profession is falling in an effort to bring the standard of teaching onto a higher plane. Graduate training for teachers is placing all too much emphasis on method rather than upon context. There is far too much demand for degrees than for a true knowledge of subjects taught or of the most important of all: understanding of youth. Do not, I beg you, let this continue.

MATURE TEACHER PROGRAM

As we go searching about for more qualified teachers, let us not forget that we have a large reservoir of competent, mature women, who for one reason or another have left the teaching profession. Many are reluctant to come back to the schoolroom, however much they may want to, feeling they have lost ground academically and have too much to catch up with.

Dynamic Alice Leopold, head of the Women's Bureau in Washington, is doing something constructive along this line. As Assistant to the Secretary of Labor for Women's Affairs, she has instituted a program to bring back some 10,000 such women.

You Californians have provided an excellent example of how the refresher courses should be conducted. I understand that at State college here in San Francisco there has been a very active program for preparing older women college graduates for fully certified teaching positions. It is good to know that currently there are some 130 colleges and universities offering programs of this type, and the Women's Bureau receives inquiries daily about them.

OUR RESPONSIBILITY TO YOUTH

It is my firm conviction that the school is but an extension of the home—that therefore parents and teachers need each other if the student is to receive a true education. Parent-teacher associations are expressions of the recognition of a shared responsibility by two of what I might call the component parts of the necessary cooperative action. PTA's should be bulwarks of understanding. They should be the basis upon which the child's sense of security can be built. For education is the preparation for the living of life in a space age. Discipline, respect, integrity, honor, faith in one's self, and in the Infinite are more needed today than at any time since man came to live upon the earth. Without these, today's youth will be at a tragic disadvantage when life demands their best.

Children are all any nation has with which to build a future— and they must be given the tools of courage, and vision, of determination, and faith and then they must use them.

Today's young people speak a new language to which we oldsters can well listen. It is ours to give them every possible opportunity based upon restraints and disciplines of body, mind, and soul. It is theirs to use them to build a new world.

WORLD LEADERSHIP RESPONSIBILITY

All over the Free World people are looking to America for leadership—leadership that is informed, intelligent, and inspired. Above all, a leadership based upon a deep recognition that it is spiritual leadership the world needs. While her first concern must necessarily be her 170 million citizens, she must also conscientiously assume the grave responsibilities of world leadership.

Basic to any assumption of such leadership is a fuller understanding of other peoples, their hopes, their dreams, their ambitions. At a time when our need for such understanding is greatest, it is disconcerting to learn that fewer and fewer young people are studying foreign languages, and that history instruction is often inadequate to familiarize them with past cultures and other countries to say nothing of their own.

As a young Nation, until recently insulated by two oceans and the political gulf of isolationism, our orientation has been more inward than outward. Now we are challenged to broaden our mental horizons as never before. We are challenged to make our "In God We Trust" constantly more far reaching. Words won't do it—only deeds will. We need to challenge every phase of our living and every step of our way.

Perhaps this that we call education, which I would insist is preparation for the living of life or is nothing, stands near the top of our challenges. Because you who have made it your profession are the first to want it to answer the needs of tomorrow's leaders, you are here together, questioning and discussing its possible faults and the possible improvements that can be made. I have come to you as Senator CHURCH did that you may know that both Houses of the Congress are deeply concerned even as is President Eisenhower. This Nation of ours, conceived in a dream, born of a vision, carries upon her young shoulders a truly terrible responsibility. If we are to be true to the trust the infinite plan placed upon us we must be certain that we still believe that:

"A nation is not a tangible thing, not a building of bricks and mortar that will crash to ruins at the first strong blow. But it is an echo of the past, and a whisper from the future, the whole bound together with the lives, the hopes, and the endeavors of millions of men and women."

We who believe this know that our youth is all we have with which to build a future. Are we giving them health, a wholesome pride in their bodies, a deep curiosity about themselves and their fellow men, an insatiable desire for knowledge and for understanding, a love of God and of His universe?

Yours is the task of so organizing the ever-increasing knowledge man has been given so that it may be theirs to the extent each boy and each girl—each young person—can understand and use it.

May the Infinite give you wisdom and an ever greater comprehension of His desire for mankind upon this earth as you sit here in conference and then separate to return to your several fields of usefulness, stimulated and refreshed by these days.

SENATE

THURSDAY, MARCH 20, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our Father, our spirits are restless until they find the rest of Thy presence; our hearts are empty and our lives barren until Thou dost possess our very souls. Apart from Thee, feverish days are but tangled tragedy devoid of meaning, dignity, and beauty. In Thy radiance, trivial rounds become sacraments, and common days are glorified; even bitterness, disappointment, and failure are redeemed.

This day, consecrate with Thy presence the way our feet may go, and the humblest work will shine and the rough places be made plain. Suffer not any one of us, by malice or contempt, to bruise the rightful self-respect of any comrade by our side. So help us to walk while it is yet day, following the wounded footprints of Him who, with so few hours in which to labor, was able to say of the most divine task, "It is finished." We ask it in His ever-blessed name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 19, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 9369) to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 7226. An act to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes; and

H. J. Res. 483. Joint resolution to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

HOUSE BILL REFERRED

The bill (H. R. 9369) to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940, was read twice by its title and referred to the Committee on Labor and Public Welfare.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, during which Senators may present petitions and memorials, introduce bills, and transact other routine business; and in that connection I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO EXTENSION OF UNEMPLOYMENT INSURANCE SYSTEM TO EX-SERVICEMEN

A letter from the Under Secretary of Labor, transmitting a draft proposed legislation to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes (with accompanying papers); to the Committee on Finance.

AUDIT REPORT ON UNITED STATES SECTION, INTERNATIONAL BOUNDARY AND WATER COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the United States Section, International Boundary and Water Commission, United States and Mexico, Department of State, for the fiscal years ended June 30, 1956, and 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF NEGOTIATION OF FINAL PRICE WITH MCDONNELL AIRCRAFT CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of the negotiation of a final price under Department of the Air Force contract AF 33 (600)-8743, with McDonnell Aircraft Corp., St. Louis, Mo., dated March 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ACTIVITIES OF OVERHAUL AND REPAIR DEPARTMENTS, NAVAL AIR STATIONS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of overhaul and repair departments, naval air stations, Department of the Navy, dated March 1958 (with an accompanying report); to the Committee on Government Operations.

PROPOSED AMENDMENTS TO CHAPTER X OF BANKRUPTCY ACT

A letter from the Chairman, Securities and Exchange Commission, Washington, D. C., transmitting nine drafts of proposed legislation to amend chapter X of the Bankruptcy Act (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress and the President of the United States to enact and enforce legislation to implement the decisions of the Supreme Court of the United States outlawing segregation in the public-school system

"Whereas the Supreme Court of the United States on the 17th day of May, 1954, by unanimous decision held that 'in the field of public education the doctrine of separate but equal has no place'; and

"Whereas the same Court expressed its desire that its decision should be complied with 'with all deliberate speed'; and

"Whereas the 14th amendment to the Constitution of the United States provides that no State shall deny to any person within its jurisdiction equal protection of the laws; and

"Whereas the interests of orderly Government demand that respect and compliance be given to orders issued by courts possessed of jurisdiction of persons and subject matter: Therefore be it

"Resolved that the General Court of Massachusetts respectfully urges the Congress and President of the United States to enact and enforce legislation to implement the decisions of the Supreme Court of the United States outlawing segregation in the public-school system; and be it further

"Resolved, That the Secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the presiding officer of each branch of the Congress of the United States, and to each Member thereof from this Commonwealth.

"House of representatives, adopted March 4, 1958.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence March 10, 1958.

"IRVING N. HAYDEN,
"Clerk.

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolution memorializing the Congress of the United States to establish a National Scientific Academy in Massachusetts

"Whereas His Excellency the Governor, in his annual message declared: 'Recent events in the shrinking universe in which we live have focused the attention of the American people on our educational requirements, particularly in the field of science. Massachusetts is the national center of research and advanced knowledge in the field of modern technology and nuclear physics. I have since 1949, continuously advocated the establishment of a United States Scientific Academy'; and

"Whereas the Commonwealth of Massachusetts with its advanced private universities and leading electronic and other allied industries would provide a likely and fruitful location for the teaching, study, research, development, and exchange of scientific information and knowledge: Therefore be it

"Resolved, That the General Court of Massachusetts hereby memorializes the Congress of the United States requesting that the Congress pass all necessary legislation and appropriate sufficient funds to establish a National Scientific Academy; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"House of representatives, adopted, March 4, 1958.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence, March 10, 1958.

"IRVING N. HAYDEN,
"Clerk.

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

A resolution adopted by the Nanticoke Aerie 834, Fraternal Order of Eagles, of Nanticoke, Pa., favoring the enactment of the bill (S. 3138) to prohibit the discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on Labor and Public Welfare.

Resolutions adopted at the 1958 midyear meeting of the house of delegates of the American Bar Association, Chicago, Ill., relating to administrative agency practice and procedure and the desirability of a code of agency-tribunal standard of conduct; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND):

Three concurrent resolutions of the Legislature of the State of South Carolina; to the Committee on Armed Services:

"Concurrent resolution memorializing Congress to prevent the elimination of the 51st Infantry Division of the National Guard

"Whereas information has been received that the Army plans tentatively to eliminate six National Guard divisions as part of its program to reduce guard strength; and

"Whereas one of the divisions would be the 51st Infantry Division made up for the most part of guardsmen from South Carolina; and

"Whereas it is the sense of this body that no State should be without its National Guard; and

"Whereas the National Guard is necessary and its strength vital to the future of the country; and

"Whereas the guard is composed of disciplined volunteers accustomed to a chain of command, who are well trained and are as necessary to our defense in the light of a threat of a national emergency as any manpower group and as essential as any defensive weapon: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That Congress be memorialized to prevent the elimination of the 51st Infantry Division of the National Guard; and be it further

"Resolved, That copies of this resolution be forwarded to each United States Senator from South Carolina, each Member of the House of Representatives from South Carolina, the Senate of the United States, and the House of Representatives of the United States.

"I hereby certify that the foregoing is a true and correct copy of a resolution adopted

by the South Carolina House of Representatives and concurred in by the Senate.

"INEZ WATSON,
"Clerk of the House."

"Concurrent resolutions memorializing Congress to take the necessary action to carry out its prior appropriations and cause the Bureau of the Budget of the United States to release funds appropriated for the renovation and construction of National Guard Armories

"Whereas the Congress of the United States by its official acts appropriated funds to be expended for the construction and renovation of National Guard Armories; and

"Whereas the General Assembly of the State of South Carolina, relying in good faith upon the actions of Congress in so appropriating these funds, has appropriated $200,000 by Act No. 473 of the Acts of 1957; and

"Whereas, the Bureau of the Budget of the United States of America in contravention of the will of the Congress of the United States and the General Assembly of the State of South Carolina has refused to release the funds appropriated by the Congress of the United States and has failed to provide the matching monies and funds promised to the several States by the Congress of the United States: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring): That Congress be memorialized to enact such laws or take such actions as are necessary to force the Bureau of the Budget of the United States to comply with its wishes in appropriating funds for the construction and renovation of National Guard Armories in the several States; be it further

"Resolved, That copies of this resolution be forwarded to the President of the United States, to each United States Senator from South Carolina, to each Member of the House of Representatives to Congress from South Carolina, to the Senate of the United States and to the House of Representatives of the United States.

"I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina House of Representatives and concurred in by the Senate.

"INEZ WATSON,
"Clerk of the House."

"Concurrent resolution memorializing the members of the Congressional delegation from South Carolina to exert their efforts and influence in behalf of retaining the National Guard units at full strength

"Whereas it has come to the attention of the General Assembly of South Carolina that there is a possibility of a reduction in strength in National Guard units; and

"Whereas it is the belief of the members of the General Assembly of South Carolina that these units are most valuable and necessary for defense and for the preservation of sovereign rights of the people of South Carolina: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the members of the Congressional delegation from South Carolina utilize their efforts and influence to retain the National Guard units in South Carolina at their present strength; be it further

"Resolved, That a copy of this resolution be sent to each of the Senators and Members of the House of Representatives in the Congress from South Carolina.

"I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina House of Representatives and concurred in by the Senate.

"INEZ WATSON,
"Clerk of the House."

Mr. THURMOND. Mr. President, I am happy to join my colleague in presenting these memorials from the General Assembly of South Carolina, urging that the South Carolina National Guard, including the 51st Division, be maintained at full strength, and that the Bureau of the Budget release the funds Congress has appropriated for the renovation and construction of National Guard Armories.

The National Guard is an essential and vital part of our Defense Establishment. It provides a means for maintaining a large pool of trained men, at a relatively low cost to the Government. With the tremendous expense that is involved in modern national defense, it is absolutely essential that we keep our National Guard and Reserve units at a high level of readiness.

The National Guard is a branch of our armed services that has the wholehearted and enthusiastic support of the citizenry in the towns and cities where its units are based. It makes for citizen participation in our national defense, in a direct and active way. It contributes, in no small measure, to the economic stability of the towns and cities.

The Armed Forces Reserves, of which the National Guard is an integral part, have always constituted the "minute men" on which we relied in national emergency. Too often these Reserve forces have been neglected so that in the crucial hour they were not large enough or well enough equipped to meet the demands of the time. We must not allow our Reserve forces to fall below strength again.

These resolutions express the sentiments of the overwhelming majority of the people of South Carolina, and, I feel sure, the sentiments of most of the people of the Nation. The Senate would act wisely to follow the sentiments expressed in these resolutions.

The President pro tempore laid before the Senate three concurrent resolutions of the Legislature of the State of South Carolina, identical with the foregoing, which were referred to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954 (Rept. No. 1402).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 2715. A bill to disestablish the Balls Bluff National Cemetery, Loudoun County, Virginia, and for other purposes (Rept. No. 1403); and

S. 3087. A bill to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes (Rept. No. 1404).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 2316. A bill to provide for the conveyance of certain land of the United States to the city of Salem, Oreg. (Rept. No. 1405).

By Mr. YOUNG, from the Committee on Agriculture and Forestry, with an amendment:

S. 666. A bill to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1938 (Rept. No. 1406).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORTON:

S. 3524. A bill to change the name of the Markland locks and dam to McAlpine locks and dam; to the Committee on Public Works.

(See the remarks of Mr. MORTON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 3525. A bill for the relief of Christos Psihogios; to the Committee on the Judiciary.

By Mr. HILL:

S. 3526. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction from gross income for expenses incurred by a teacher for his further education; and

S. 3527. A bill to amend the Internal Revenue Code of 1954 so as to allow an additional income exemption for an individual who is a student at an institution of higher education; to the Committee on Finance.

By Mrs. SMITH of Maine (for herself and Mr. PAYNE) (by request):

S 3528. A bill for the relief of Denes deTorok; to the Committee on the Judiciary.

By Mr. THYE:

S. 3529. A bill to direct the Secretary of the Navy to transfer certain surplus property to Lt. Jack Tuck; to the Committee on Armed Services.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. PAYNE (for himself and Mrs. SMITH of Maine):

S. 3530. A bill to amend the Fisheries Cooperative Marketing Act; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3531. A bill to authorize the interment of Sfc. Donley M. Harris in the Black Hills National Cemetery in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 3532. A bill for the relief of John J. Klein; to the Committee on the Judiciary.

By Mr. MONRONEY (for himself, Mr. SMATHERS, and Mr. PAYNE):

S. 3533. A bill to amend the definition of the term "Airport development" in the Federal Airport Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMINGTON:

S. 3534. A bill to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo.; to the Committee on Armed Services.

CHANGE OF NAME OF MARKLAND LOCKS AND DAM TO McALPINE LOCKS AND DAM

Mr. MORTON. Mr. President, I introduce for appropriate reference, a bill to change the name of the Markland locks and dam on the Ohio River to the McAlpine locks and dam. Markland locks and dam currently is under construction. It is located some 450 miles upstream from the mouth of the Ohio River and about one mile above the Indiana community of Markland,

from which it draws its present identification.

Work on the project was started in March 1956, and is scheduled for completion by June 1962. The Markland project will cost an estimated $71.3 million, and it will replace locks 35 through 39 on the Ohio River.

It is customary for the United States Corps of Engineers to designate each project with a geographical identification. Likewise, it has become customary to rechristen many of these projects to memoralize the name and accomplishments of an individual who gave of his devotion and talent to enrich the life of the community which he served.

Such a man was Mr. William H. McAlpine, whose contribution to flood control, power and navigation projects reads like a Who's Who in the history of American waterways development, particularly along the Ohio River. Mr. McAlpine was one of the foremost civil engineers in the United States Army Corps of Engineers. He has long been remembered in the Ohio Valley for his services in connection with the planning and construction of navigation dams on the Ohio River. The huge industrial growth along the "Ruhr of America" can be attributed largely to this dependable waterway, which is now carrying at moderate cost over 70 million tons of freight annually.

Mr. McAlpine was born in Lawrence, Mass., on August 22, 1874. Following graduation from the Massachusetts Institute of Technology in 1896; he worked on engineering projects from Massachusetts to California for about 6 years. In 1902, he became a junior engineer in the Corps of Engineers' Cincinnati district office to design and be in charge of construction of lock No. 10 on the Kentucky River. Four years later he was named assistant engineer, and in this capacity was in local charge of the operation and maintenance of all locks and dams on the Kentucky River. In November 1912 he became principal assistant to the district engineer in Louisville, and was appointed district engineer in June 1919, a position he held until December 1930.

During this period, he directed construction of dams 43, 44, 45, 46, 49, 50, 51, 52, and 53. This system of nine navigational locks and dams below Louisville was developed under his guidance and made the stream into a water highway which fostered the Ohio Valley's great industrial expansion. He left the Louisville district in December 1930 for a 4-year assignment that put him in charge of design and construction of upper Mississippi River locks and dams. In 1934, he came to Washington as Chief of the Engineering Division of the Office, Chief of Engineers, United States Army. He remained with the Chief Engineer's Office in various important capacities until his death on November 1, 1956. As a special assistant to the Chief of Engineers he was a member of consulting boards for a very large number of dams for flood control, hydroelectric power and navigation. He also was a member of the consulting board for the Tennessee Valley Authority and the consulting board named to consider changes in the existing Panama Canal. At his death, he was a consultant to the Chief of Engineers.

Mr. McAlpine held membership in several professional engineering societies and organizations, and in 1946 received the War Department Exceptional Civilian Service Medal in recognition of his outstanding devotion and accomplishments. His friends have long believed that his modesty has prevented full recognition of his outstanding work, and several organizations have endorsed changing the name of the Markland Dam to McAlpine Dam as a permanent tribute to his memory. Many of the Ohio River locks and dams built under Mr. McAlpine's direction are fast becoming victims of progress. The Ohio River development program proposes a series of new dams which will eliminate these old installations. I believe it most appropriate that the Markland project be renamed in his honor. It will perpetuate the region's memory of a gentleman whose contribution to its economic well-being was immense and should be remembered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3524) to change the name of the Markland locks and dam to McAlpine locks and dam, introduced by Mr. MORTON, was received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF FISHERIES COOPERATIVE MARKETING ACT

Mr. PAYNE. Mr. President, on behalf of myself and my colleague, the senior Senator from Maine [Mrs. SMITH], I introduce, for appropriate reference, a bill to amend the Fisheries Cooperative Marketing Act. I ask unanimous consent that the bill, together with a statement which I have prepared, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3530) to amend the Fisheries Cooperative Marketing Act, introduced by Mr. PAYNE (for himself and Mrs. SMITH), was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act entitled "An act authorizing associations of producers of aquatic products," approved June 25, 1934 (48 Stat. 1213; 15 U. S. C. 521–522) is amended by adding at the end thereof the following new section:

"SEC. 3. No association of persons engaged in the fishery industry as fishermen catching, collecting, or cultivating aquatic products, or as planters of aquatic products on public or private beds, and no officer, agent, employee, or member of any such association, shall be subject to the provisions of the Antitrust Acts with respect to any activity incident to the catching, collecting, cultivating, processing, or marketing of aquatic products. As used in this section, the term 'Antitrust Acts' shall have the meaning given to such term by section 4 of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes', approved September 26, 1914 (38 Stat. 719; 15 U. S. C. 44)."

The statement presented by Mr. PAYNE is as follows:

STATEMENT BY SENATOR PAYNE

This bill would amend the Fisheries Cooperative Marketing Act of 1934 to provide that neither individual fishermen nor nonprofit fishermen associations shall be subject to the antitrust laws with regard to fishing activities. The bill is intended to give American fishermen the same statutory treatment as is accorded to farmers under section 6 of the Clayton Act of 1914 which provides that "nothing * * * in the antitrust laws shall * * * forbid the existence and operation of * * * agricultural or horticultural organizations instituted for * * * mutual help, and not having capital stock or conducted for profit. * * * Nor shall such organizations or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

The Fisheries Cooperative Marketing Act of 1934 was patterned after the Capper-Volstead Act of 1922 which gave agricultural marketing cooperatives an exemption from the antitrust laws. For many years it was assumed that fishermen enjoyed the same status as farmers under the antitrust laws but it is now contended that the 1934 act, by its terms, is limited to marketing cooperatives and does not exempt individual fishermen or nonprofit fishermen's associations which fall short of being cooperatives.

The problem created by the present interpretation of the provisions of the 1934 act was brought into sharp focus last summer when the Maine Lobstermen's Association as an organization and its president as an individual were indicted by the Department of Justice for a conspiracy in restraint of trade. The case developed when an oversupply of lobsters during the summer months drove the price down to a point where the fishermen felt they could no longer operate their boats. This oversupply of lobsters was caused by early shedding and by large imports of Canadian lobsters. In an effort to improve the critical economic situation within the lobster industry the Maine lobster fishermen stopped fishing in order to reduce the supply so that the price would return to a reasonable level. This action led to a Federal grand jury investigation which in turn resulted in the indictment of the Maine Lobstermen's Association and its president for a conspiracy in restraint of trade.

This case is presently pending before the Federal district court in Portland, Maine, and the trial is scheduled to be held in May. It should be made absolutely clear that the bill which I have introduced and these remarks are in no way intended to influence or affect the pending litigation. The bill would have no retroactive effect, and the pending case would be decided strictly under the provisions of law existing at the time the controversy arose.

The Department of Justice maintains that it had no alternative but to prosecute under the existing law. The question of whether or not there actually was a conspiracy in restraint of trade will be decided by the courts in due course. It may be several years, however, before this case is finally adjudicated. Unless prompt legislative action is taken to clarify the present law, fishermen will not know for several years whether it is permissible for them to attempt to take concerted action to obtain a fair price for their catch.

While the current case is being adjudicated on its facts under existing law, it is entirely appropriate for the Congress to determine whether or not the law should be clarified insofar as it would affect lobster

catches for future years. This is entirely in keeping with the separation of powers between the judicial and legislative branches of our Government.

Unless legislative action is taken the lobster industry will be in a complete quandary in regard to permissible pricing policies; and the individual lobsterman will be at the mercy of the dealer as far as price is concerned unless he is willing to run the risk of prosecution for violation of the antitrust laws—a risk that neither the farmer nor laborer has to run in bargaining for a fair return for his produce or labor.

Actually this question as to whether or not nonprofit fishermen's associations are exempt from the provisions of the antitrust laws is not limited to the lobster industry but could involve many other segments of the fishing industry.

Enactment of this legislation will give every American fisherman the right to bargain individually or collectively for a fair price for his catch without fear of prosecution under the antitrust laws.

INCREASED ANNUITIES TO CERTAIN ANNUITANTS FROM CIVIL SERVICE RETIREMENT AND DISABILITY FUND—AMENDMENTS

Mr. CARLSON. Mr. President, yesterday the majority leader stated that it was his intention to call up by motion Calendar No. 727, which is Senate bill 72, to increase annuities payable to certain annuitants from the civil-service retirement and disability fund and for other purposes.

I advised the majority and minority leaders that after consultation with representatives of the National Association of Retired Civil Workers, I was authorized to offer amendments to the bill which will make some reductions in the original bill, but will still have their approval.

I now submit the proposed amendments for printing, and ask that they lie on the table until such time as the Senate considers S. 72.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

AMENDMENT OF FEDERAL AID HIGHWAY ACT OF 1956—ADDITIONAL COSPONSORS OF BILL

Mr. GORE. Mr. President, I ask unanimous consent that the names of Senators REVERCOMB and KUCHEL may be added as additional cosponsors of the bill (S. 3414) to amend and supplement the Federal Aid Highway Act, approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, introduced by me, on March 6, 1958.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TECHNICAL CHANGES IN FEDERAL EXCISE TAX LAWS—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Idaho [Mr. CHURCH] be added as an additional cosponsor of proposed Amendment A of February 24, 1958, to the bill (H. R. 7125), to make technical changes in the Federal excise tax laws, and for other purposes.

This proposed amendment relates to the tax on the transportation of persons and property.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. LONG:

Statement by him relative to visit to the Senate by students and chaperones of Metaire Park (La.) County Day School.

By Mr. FULBRIGHT:

Newsletter dated February 26, 1958, from Representative GEORGE MCGOVERN, of South Dakota, on the subject of education.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Joseph Stockinger, of New York, to be United States marshal, for the eastern district of New York, for the term of 4 years, vice William E. Smith, deceased.

Jack D. H. Hays, of Arizona, to be United States attorney, for the district of Arizona, for a term of 4 years.

Louis O. Aleksich, of Montana, to be United States marshal, for the district of Montana, for the term of 4 years.

Duncan Wilmer Daugherty, of West Virginia, to be United States attorney, for the southern district of West Virginia, for a term of 4 years, reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, March 27, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF JOHN F. DYER TO BE SEVENTH JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, March 27, 1958, at 10:30 a. m., in room 424 Senate Office Building, upon the nomination of John F. Dyer, of Hawaii, to be seventh judge of the first circuit, circuit courts, Territory of Hawaii, for the term of 6 years, vice Calvin C. McGregor, term expired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

FAVORABLE ASPECTS OF THE ECONOMIC SITUATION

Mr. CARLSON. Mr. President, among our people there is so much pessimism in regard to the economic picture that it might be well for us to stop and take a look at some developments that are taking place, and that should, in the near future, bring about a vigorous, dynamic upswing in our economy.

In the present business recession, we are inclined to look at the valleys; but at the foothills there are indicators which assure increased employment and greatly increased gross national production. So, Mr. President, instead of looking continuously at the gloomy side of the picture, let us look at some facts that should give encouragement to the fainthearted.

I am listing seven items that are based on the present situation, and the prospects for their growth and expansion. They were furnished to me by one of the good business analysts of our country. They are as follows:

First. Steel output: The present annual rate of steel output is about 71 million tons. At some point in 1958, steel production is likely to cross an annual rate of 115 million tons. Moreover, at some point between now and expiration of the present labor contract, the industry will find itself producing at a rate of between 115 million and 120 million tons.

Second. Defense orders: The placement of new orders has begun a rising trend. The annual rate should advance from the $12 billion level of last fall up to about $28 billion.

Third. Gross national product: In the fourth quarter of last year, the gross national product was at an annual rate of about $434 billion. By the fourth quarter of 1958, we expect at least $10 billion more than that—in other words, an upswing of $10 billion from the fourth quarter of 1957 to the fourth quarter of this year.

Fourth. Consumer expenditures: The prospect for the fourth quarter of 1958 is an increase in annual rates, as follows: For services, about $6 billion; for retail sales, about $6 billion—or a combined increase of $12 billion over the amount for the fourth quarter of 1957.

Fifth. Residential building: In the fourth quarter of this year it should be 6 percent to 8 percent higher than for the fourth quarter of 1957.

Sixth. Bank credit: For 1958, total bank credit—loans and investment—should increase by more than $5 billion.

Seventh. Science and defense: Last year, America spent about $8.5 billion for science, research, and development. That includes what the Government spent, what private industry spent, and what universities spent. Nearly one-half of the total was related to defense. In 1958, the total figure should increase by more than $1 billion. It probably will keep going up; and, in 1960, the annual amount for science, research, and development in the American economy should reach $12 billion.

In view of the above indicators, I think our people and our Nation can well look forward with great confidence to an early period of prosperity.

In its issue of March 13, the Topeka State Journal published an editorial entitled "We Ride Off in All Directions?" I commend it to the Senate, and ask unanimous consent that it be made a part of these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE RIDE OFF IN ALL DIRECTIONS?

Chaos is almost a soft word for the free-for-all competition in Washington to lavish the costliest remedies on an economy that may not really be very sick, or that might get well quicker and stay well longer under its own power.

Basing their fears on a rising unemployment in certain localities, a few voices in both parties have been calling for increased unemployment payments to the jobless.

Meanwhile some citizens wonder what the definition of joblessness is. What is unemployment?

A breadwinner who is laid off through no fault of his or her own is out of a job, to be sure. He needs the work and is unable to get a job. He is unemployed by any fair definition, of course. But is a person genuinely unemployed who was working so that the family would have extra income and a higher-than-usual standard of living—is this person really unemployed when laid off?

In other words, should the definition of unemployment be based on need to work rather than the mere desire or decision to work? And how many hundreds of thousands or millions would be shaved off the current unemployment total if the standard of need were the test? If all persons over 16 decided to work, then must the economy be expected to supply that many jobs? Would all who did not find jobs be classed as unemployed in such a case?

Then, some other Senators called for a new PWA or WPA. But is this business dip already a depression? By what fair test? The younger folks who don't remember the dirty thirties can of course be kidded into thinking so. And this is an election year when handouts are votes. Even President Eisenhower has confused us all by saying last weekend that he rejects pump-priming schemes as damaging to America but wants a spending program of genuinely needed public works. This sounds a little too much like choosing between your poison and my meat.

Now come Vice-President NIXON, Secretary of Labor Mitchell, and other estimable gentlemen proposing an income tax cut as the best way to halt the recession. Mr. NIXON went all out and said an across-the-board tax cut is the fastest, surest, and best method, leaving out only the "mostest."

Does it make sense to be cutting the income tax immediately after raising the national debt limit so that we can borrow more billions to give to our ideological in-laws abroad?

And did we hear some ruffled Jayhawker wondering why, if it is good sense for Washington to cut the income tax, the Topeka statehouse is trying to hike it?

WHERE BAD TIMES IN THE NATION HAVE HIT THE HARDEST

Mr. NEUBERGER. Mr. President, the distinguished columnist and author, Marquis Childs, published in the Washington Post and Times Herald of March 18, 1958, a most illuminating article which appeared under the heading "Where Bad Times Hit the Hardest."

My own State of Oregon is one of those listed by Mr. Childs in this unenviable category. Oregon has been crippled economically by tight money, by a slump in housing and in the lumber industry, and by the administration's policy of no new authorizations for major, multipurpose waterpower projects in the Columbia River Basin.

I think Mr. Childs' analysis offers sound and cogent reasons for enacting immediately the recent proposals put forth by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] and his cosponsors, of whom I am one, for an early extension of unemployment compensation benefits to jobless workers whose claims already have been exhausted. They face the dire specter of hunger or of public welfare—no academic choice to such people.

I ask unanimous consent that the article by Marquis Childs be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE BAD TIMES HIT THE HARDEST

(By Marquis Childs)

With 15 percent of insured workers unemployed, Montana leads the list of States in an analysis of where the recession is hitting hardest.

Five States, all of them with insured unemployment above 12 percent, are runners-up for this unenviable spot. They are Idaho, Kentucky, Michigan, Oregon, and West Virginia. In each instance they reflect either the wood industry or mining or both or, in the example of Michigan, the manufacture of automobiles.

Nine other States come just below, with more than 10 percent of insured unemployment. These States are Arkansas, Maine, Mississippi, Nevada, North Dakota, Pennsylvania, Rhode Island, Tennessee, and Washington. Another factor, in addition to mining and timber, is added in many of these States, and that is textiles. The national average is 7.9 percent.

All of the above percentages are based on Department of Labor figures on insured unemployment for the week ending February 22. The figures just available, for the week ending March 1, show some increases, and they are particularly significant, since it is in March that the administration has looked for a leveling off and perhaps even the beginning of an upturn.

Between February 22 and March 1 unemployment in Michigan went from 12.2 to 13.2, in Pennsylvania from 10.1 to 10.4, in New Jersey from 9.4 to 9.6, in West Virginia from 12.2 to 12.6. In some States the number of initial claims for unemployment insurance rose sharply while in others it dropped.

But while the recession is spotty, its effects are spread widely, both on the basis of industry and geography. And consequently the political pressures on Government to provide a remedy likewise come from areas scattered around the country.

For a year or more unemployment has been high in the timber and mining States. Senator RICHARD NEUBERGER, of Oregon, has presented statistics to show that of 105,276 persons filing claims for unemployment benefits in the first 7 months of the 1957–58 benefit year in his State, 5,318 have already drawn their full amount and this number is increasing at the rate of more than 800 a week.

The growing unemployment in textiles and mining is having a direct effect on programs the Eisenhower administration considers vital to the Nation's future. From the South, which now has up to three-fourths of all textile manufacture, comes a strong demand for protective tariffs threatening the 5-year extension of the reciprocal trade program which the President puts high on the essential list. From the mining States, a similar demand is likely to result in special exemptions for hard-hit minerals such as lead and zinc, with dire consequences for America's relations with Canada, Peru, Mexico, and other countries that sell their minerals for dollars here.

In putting together the unemployment picture across the Nation, there are several marked differences between 1958 and the mid-1930's. The most obvious difference is, of course, that in the earlier period mass unemployment above 10 million, which was 20 percent or more of the total work force, became chronic. But what is less well known is the fact that, thanks to able Federal and State unemployment analysts, more or less exact figures are known from week to week and month to month.

Out of the latest jobless total of 5 million, insured workers represent roughly 60 percent. Those without unemployment insurance make up the balance and their numbers are computed by a nationwide sampling taken by the Census Bureau. Among the latter are farm workers and those who have just come into the labor market.

But figures, whether relatively exact as today or mere guesstimates as they were 20 years ago, cannot convey what unemployment really means. They cannot convey what it means to migrant farm workers in Florida, where the freeze destroyed crops, or in the boot heel of Missouri where they wait for work with only the thinnest kind of relief to keep them going. Cold figures cannot picture the dismay in a town such as Biddeford, Maine, where the closing of a textile plant shoots unemployment up to perhaps 30 percent. Here are the harsh realities of unemployment, whether large-scale or small, visible behind the statistics.

EXPIRATION OF LEASE OF NAVY DRYDOCK YFD–69

Mr. NEUBERGER. Mr. President, a few days ago I submitted for printing in the CONGRESSIONAL RECORD letters from labor, management, and agencies of local government which are concerned over the announcement of the Bureau of Ships that the lease of the Navy drydock, designated YFD–69, between the Bureau and the port of Portland would not be renegotiated upon its expiration on December 31, 1959.

At this time, Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Gust Anderson, secretary of Central Labor Council of Portland, Oreg., and an accompanying resolution, which was adopted by the council at a recent meeting.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

CENTRAL LABOR COUNCIL
OF PORTLAND AND VICINITY,
Portland, Oreg., January 20, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: The enclosed resolution has been unanimously adopted by the Central Labor Council of Portland and Vicinity and copies ordered sent to the Oregon delegation in Congress for your favorable consideration.

Respectfully,

CENTRAL LABOR COUNCIL OF
PORTLAND AND VICINITY,
GUST ANDERSON, *Secretary.*

RESOLUTION

Whereas the livelihood of thousands of skilled industrial workers in the Portland

area and a direct payroll of more than $12 million dollars annually depends on the substantial volume of ship repair work done in Portland by individual private contractors renting dry docks which are provided and maintained by the port of Portland; and

Whereas the YFD–69, the larger of the port's two dry docks (which are the only two large floating docks on the west coast between Puget Sound and San Francisco Bay), accommodates well over half of all dry dock activity in the area, and is therefore absolutely vital to welfare and operation of the Portland area's maritime commerce; and

Whereas the YFD–69 is leased by the port from the Navy, and the Department of the Navy now refuses to negotiate a renewal or extension of the lease of this Navy dock, which expires in 2 years, and indicates that the lease of the dock will be put up for bid near the termination of the present lease; and

Whereas the continuation of this attitude and policy on the part of the Department of the Navy may result in the removal of the Navy dock from Portland, by reason of the disadvantages the port of Portland, a noncompetitive municipal corporation, would face in bidding against private contractors; and

Whereas loss of the Navy dock would have a disastrous effect upon maritime activity and employment in the Portland area, resulting in curtailment of ship repair activity and direct shipyard employment, the effects of which would spread to many other areas of Portland area economy; and

Whereas this situation is all the more serious by reason of the serious unemployment problem in Oregon at the present time, a situation which should encourage all agencies of the Federal Government to provide help and assistance to the area rather than formulate policies which would result in the opposite; and

Whereas the operation of the Navy dry dock in Portland is in the best interests of the Federal Government, by reason of the substantial and increasing revenues received, the high degree of care and maintenance of the facility in fresh water, and other strategic considerations involving the national defense; and

Whereas the port of Portland has indicated its good faith by offering to increase its rental payments to the Navy in a renegotiated lease, the effect of which would be to increase payments to the Navy by as much as $50,000 to $100,000 in the final 2 years of the current lease: Now, therefore, be it

Resolved, That the Portland Central Labor Council, AFL–CIO, urges the Department of the Navy, including the Secretary of the Navy and the Assistant Secretary of the Navy for Material, to reconsider the announced policy of putting the lease of the YFD–69 up for bid at the termination of the current lease held by the port of Portland, and in the light of information contained herein and submitted by others, negotiate with the port for a lease renewal or extension which will be in the best interests of all parties; and be it further

Resolved, That failing this, the Department of the Navy seek to minimize the damage it will do to the Portland area in the event of the dry dock's removal, by calling for bids on the lease of the YFD–69 immediately instead of near the end of the current lease, so that some time will remain to the port for alternative actions; and be it further

Resolved, That copies of this resolution be made available to the many friends of labor, including the President of the United States, the Secretary of the Navy, and the Secretary of Labor, and the full Congressional delegation of the State of Oregon.

CENTRAL LABOR COUNCIL OF PORTLAND AND VICINITY,
GUST ANDERSON, *Secretary*.

A GREAT REPUBLICAN SAYS SECRETARY BENSON IS WRONG ON FARM POLICY

Mr. PROXMIRE. Mr. President, in 12 more days the order by Secretary Benson to cut dairy price supports to barely $3 per hundred pounds—to a purchasing power 23 percent below the level that was in effect when he took office—is scheduled to take effect.

I have often repeated, on the Senate floor and elsewhere, that I think Mr. Benson's policies are unfair and unwise. I fear that I shall be compelled to say so often again.

This is not a partisan judgment. Many fine Republican friends of mine in Wisconsin—some of whom supported me, others who did not—agree completely that Mr. Benson's ideas spell sheer disaster for family farming and for small business in our rural communities.

Mr. President, yesterday I read a magazine article by a great and well-known Republican statesman which is one of the most effective and most devastating criticisms of Mr. Benson's ideas on farm policy that I have ever read. It made me very happy to read this article. It renewed my faith that the ideals and principles which won the Republican Party such loyal support from so many fine, honest, sensible people in the Midwest have not been extinguished completely within the present-day Republican ranks. I have a tremendous admiration for the principles which attracted these people to the Republican Party in the past—for their devotion to the independence and integrity of the family-operated farm, for their championship of independent, truly competitive small business, for their militant battles against the concentration of economic power. I am happy indeed to hear the voice of this great Republican friend of the farmer and the independent businessman raised again.

This man, Mr. President, is the Honorable Clifford Hope, who served for 30 years as a distinguished member of the House of Representatives from Kansas.

In a few incisive words, Mr. Hope puts his finger squarely on the flaws in Mr. Benson's arguments. His words are the voice of real wisdom and real devotion to agriculture and to farm people. I commend them to my colleagues in the Senate—particularly Senators of the Republican Party. I ask unanimous consent, Mr. President, that the article by the Honorable Clifford Hope, which appears in the February issue of the GTA Digest, published by the Farmers Union Grain Terminal Association of St. Paul, Minn., be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"LET CONGRESS ACT ON FACTS" SAYS FORMER REPRESENTATIVE CLIFFORD HOPE, OF KANSAS—HE BELIEVES FARMERS NEED LEGISLATED POWERS TO COMPETE WITH BUSINESS AND LABOR

In speaking of realistic farm planning, few men have the authority of experience that belongs to former United States Representative Clifford R. Hope, of Kansas. Now retired, he continues very active in farm affairs and has been mentioned as Secretary of Agriculture to replace Ezra Taft Benson.

In a recent series of articles published over his name in the High Plains Journal, Dodge City, Kans., Hope discusses the current farm problem. On the following pages, the GTA Digest reprints some of his particularly pertinent comments:

Agriculture is still operating in the main on a free-enterprise basis. The question is how long can such a situation continue, with business and labor going in one direction and agriculture in another.

Until quite recently it seemed to me that Secretary Benson was unaware of this paradox. At least while strongly urging that agriculture operate under a free economy, he said nothing to indicate that he realized that business and labor were doing otherwise. However, in a speech which he made at Ames, Iowa, on December 5, 1957, Mr. Benson indicated that he does recognize very clearly the disadvantages which agriculture suffers on account of the policies of big business and big labor. This is what he said, and I quote:

"Through a period of several years a considerable part of the increased profits that have gone to industry and the higher wages that have gone to labor have been siphoned from the economic bloodstream of the Nation at the expense of agriculture.

"Recently there was announced a further increase in the cost of farm machinery. Just this week the price of cement went up. This fall the cost of motor vehicles rose 3 percent. Why must the competitive strength of labor and management forces always be resolved in higher prices? Why should higher and higher costs rob farmers—take out of farmers' pockets? It doesn't have to be so.

"Tuesday's newspapers carried a demand for a moratorium on demands for wage increases during 1958 by the President of the AFL–CIO Building and Construction Trades Department.

"It makes sense.

"It is sound economic policy in this period of inflation.

"I have always believed in good wages, good farm prices, and just profits. I also believe that the three go together, but whenever any one of these components gets out of line, it adversely affects the other. There is no question that farm prices today are out of line with profits and wages.

"Let us all join in this battle against rising costs—this major robber of net farm income.

"There are many weapons with which to fight. We must maintain a reasonable monetary policy; strengthen sound farmer cooperatives and improve farming efficiency, particularly in marketing and distribution."

There you have it. These are the weapons which Mr. Benson thinks will defeat all the efforts of big business and big labor to increase prices.

If Mr. Benson would be realistic for 5 minutes, he would know that industry and labor are going to keep right on doing what they are doing now. He can wring his hands until doomsday, and they will still keep it up. Back in the 1880's and 1890's, farmers thought there was something they could do about compelling industry and labor to follow the rules of free enterprise. They sponsored antitrust legislation, programs for easy money, control of railroads and railroad rates, and similar measures, in an effort to eliminate monopolies and put business in the same competitive field as agriculture. Some of this legislation was enacted, but we all know that business, and later organized labor, found ways to bypass it and that as time has gone on, monopolistic practices have grown rather than declined.

No, farmers long ago decided that if they were going to get on an equality with business and labor, they must adopt some of the methods used by those groups; that they must seek favorable legislation; that they must to some extent use the instrumentalities of government in developing orderly marketing procedures. That has been the basis of all our farm legislation. In the main it has been an effort to secure equality for agriculture by giving it some of the economic tools possessed and used by industry and labor.

It hasn't been as successful as many would have liked. It is boxed in with many difficulties. In recent years it has been administered very largely by people who were opposed to it.

During the time that Mr. Benson has been in office, Congress at his urging has made various changes in price-support legislation. He urged flexible price supports and Congress gave them to him. That was 3 years ago. He said they would do the job of eliminating the surpluses, but the surpluses have kept growing as has agricultural production; and this year our production was the greatest in history.

Mr. Benson proposed the Soil Bank after originally opposing it; but the Soil Bank has failed to reduce production, although I for one feel that it should have further trial and more effective administration, especially the conservation reserve part of it.

It must not be forgotten that the present farm program is very largely Mr. Benson's program. He complains about controls, but up to now he has never asked Congress to remove controls except in the case of corn. In fact at one time he talked of asking for stronger controls, although he later backed away from this idea.

Recently he has indicated that in the next Congress he will ask for lower price supports and authority to increase acreage allotments. But there will still be controls.

Mr. Benson takes a peculiar position. He blames price supports for all the troubles of agriculture, and I suppose this includes the flexible price supports which he advocated; but he then goes on to point out that only 13 commodities plus dairy products and wool are supported. All the rest finds its price in the market.

He says that price supports make for inefficiency; yet agriculture today is more efficient than ever in our history. Production per man in agriculture has increased 100 percent since 1939. The Bureau of Labor Statistics says that during the same period industrial production per man has increased only 26 percent. Does Mr. Benson contend that production per man would have increased more than 100 percent without price supports?

I am not arguing for or defending present or past programs. Undoubtedly many improvements can be made. But Mr. Benson refused to consider recommendations made by his own commodity committees. He has adopted one line—that is, that he must be given power to reduce support prices to what he thinks they should be.

Mr. Benson's position is that farmers have been paying too much attention to price. The facts are just the opposite. Most of the farmers' troubles are due to the fact that he either doesn't pay enough attention to price, or is unable to do anything about his prices. The fact is that normally farmers keep right on producing, regardless of price; and experience has shown that when prices are low, farmers try to make up price by volume.

The press reports that at its recent annual meeting, the American Farm Bureau Federation adopted a resolution calling for an end to practices by big business and big labor that are termed monopolistic. That sounds good, but if those practices could not be stopped back in the eighties and nineties when farmers constituted 50 percent of the population, how can they be stopped now when farmers constitute only 12 percent of the population, and the ratio is declining further all the time?

In other words, Mr. Benson and the Farm Bureau seem to think that farmers can reverse the direction of business and labor. In my opinion, that is a wholly unrealistic view.

All of this, of course, further illustrates the seriousness and difficulty of the farmers' problem. I don't think that we can reverse the policies of industry and labor. I therefore think that the efforts of agriculture to secure equality must be along the line of using the same weapons as are being used by industry and labor to the extent that it is possible to do so.

However, I am under no illusions. It is not, and never will be, possible for farmers to put themselves fully in a position where they can exercise the same controls over production and marketing as do industry and labor. Furthermore, whatever they do along this line is going to require some use of Government, because that is the only way by which millions of farmers can act together. If it succeeds, it is going to entail more controls of their business than farmers like to accept.

Realistically, the question is not what general policy are we going to follow; rather it is that of finding the best and most effective methods to use. As I understand Mr. Benson's proposal, he does not have in mind any less control by Government over farmers' activities. What he asks for, if the public is reliably informed, is for Congress to give him the power to lower farm price supports to any level which he sees fit and that existing formulas under which price supports are determined and administered be permanently scrapped.

I do not believe that Congress will give him this power. I do not think Mr. Benson expects Congress will give him that power. He may therefore modify his legislative proposals, but he will ask further authority in the Secretary of Agriculture to deal with farm prices and crop controls.

HOW YOUTH SEES THE PROBLEMS OF EDUCATION

Mr. PROXMIRE. Mr. President, the problems we face in educating our young people for the strengthening of the Nation and the enrichment of their own lives have been given much attention on the floor of the Senate.

We have sought help everywhere. We have quoted editorial writers and professors and the programs of national organizations. But I do not remember any instance where we sought the help of the young people themselves.

Recently I received a thoughtful and challenging letter from a group of students in Plymouth High School, in my State of Wisconsin, who have organized themselves voluntarily into a seminar group. They have been discussing the problems of education. Their letter is so reasonable, and so heartening to me because of the mature and responsible attitude it represents, that I want to share it with other Members of the Senate.

Mr. President, I ask unanimous consent that the letter from the Plymouth (Wis.) High School students be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PLYMOUTH HIGH SCHOOL,
Plymouth, Wis.

The Honorable WILLIAM PROXMIRE,
The United States Senate,
Washington, D. C.

SIR: We are a group of high-school students meeting once a week of our own initiative and on our own time with an instructor to study many things that excite our curiosity, including the problems of our country in general.

We are, for the most part, pleased with the aid to education bill as proposed by the administration. We do, however, have some doubts as to its value. We are wondering where the instructors, teachers, and professors are to come from to give proper and adequate instruction to these 40,000 students. From our limited experience in the schools of this Nation, we know that we have fine teachers, mediocre teachers, and inadequate teachers. The latter type may be small in number, but a small number is too many. We are aware that most of the top young people we have been associated with in our student careers are not going into teaching because of its inadequate financial rewards. We are of the opinion the first problem of education in this country is not to get more good students, but to get more good instructors, and some way must be found to do this.

We believe that the simplest way for the Federal Government to aid in this problem would be through favorable tax exemptions for teachers.

There is no precedent that we know of for this, but the Federal Government has had a hand in education before, through the Smith-Hughes and George-Deane programs. We are not prepared, nor well informed enough to give figures, but we believe the exemptions accorded to teachers should be substantial enough to attract good people to the profession.

We are also of the opinion that this country is in great need of basic research. From a study of history, it seems that the days that have been most fruitful in this respect were (odd as it may seem) in the days of feudalism. This seems to be true because some persons of extreme wealth of the nobility would give a man an ample retainer, tell him to go to work, to paint, to write, to explore, or pursue his interest in his field. Today under our system this is not possible. How can it be made possible? We know that a certain amount of this is done by our great universities but this is not enough. How can we increase it?

We are not inclined to Government grants, for we believe that Government is already overburdened with the functions that must be carried on by the Government and perhaps not best able to supervise such a program. We have a group of people that are, at least in part, experienced in this work. We refer to our large corporations. The corporations, however, have not devoted adequate sums of money to basic research, for the simple reason that they are in business to make money and management must answer to the stockholders. We understand that corporations are able to deduct their laboratory expenses before computing their profits for tax purposes; we believe that this is right and proper, but we suggest that for basic research they be permitted to write off 1½ or twice the amount expended. This will give them an incentive and an immediate profit. The Government would not have to handle the money and dole it out subject to political pressure and we believe that this is the cheapest way to handle

the problem and our great need for basic research can be fulfilled in this manner.

Very truly yours,

Philip Krueger, Thomas Splitgerber, Dennis Schmidt, David Wacker, William Bein, Kazuhiko Maekawa, Jim Owens, Jon Gunnemann, Jack Phipps, James Roehr, Plymouth High School Seminar Group.

TRANSPORTATION PROBLEMS INVOLVING INLAND BARGE LINES AND AMERICA'S RAILROADS

Mr. NEUBERGER. Mr. President, two excellent presentations on transportation, in which I believe, have just appeared in the New York Times. One is a biographical sketch of George Chadbourne Taylor, head of the Mississippi River Barge Line Co. This article was published in the Times of March 16, 1958. Mr. Taylor emphasized that last year the members of the Inland Waterways Common Carriers Association had operating revenues which amounted to only 1 percent of the total rail gross.

I stress that fact, because I do not believe that the inland waterways are responsible for the railroads' present economic plight. I strongly favor navigation improvements on the Columbia, Mississippi, St. Lawrence, and other great rivers; and I challenge the contention that such interior waterways have crippled the railroads.

I also call attention to a vigorous New York Times editorial of March 11, 1958, entitled "Can the Railroads Wait?" The editorial urges in the following words, that steps be taken immediately to aid and bolster the railroads, which are the Nation's No. 1 haulers of freight and other commodities:

> The railroads have already been studied to death. What they chiefly need now is not more study, but helpful, broad action.

I subscribe to that statement by the New York Times. I, for one, am ready and willing to support strong and forceful steps to resuscitate the railroads of American economically—a policy which I believe would be in the national interest.

Mr. President, I ask that both these presentations from recent editions of the New York Times be printed in the body of the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 11, 1958]

CAN THE RAILROADS WAIT?

A Senate hearing in Washington about 2 months ago was told that the financial condition of the railroads was precarious, with bankruptcy around the corner. A few days later the railroads doing business in New York State carried a similar message to Albany, with an appeal for help to survive against increased costs, high taxation, duplicated governmental regulation, and subsidized competition of trucking and airlines. In both capitals the initial response was sympathetic.

But what have the Governor and legislative leaders done in this situation generally recognized to be critical? Well, some relatively minor relief seems to be on the way. But rather than tackle the whole problem with comprehensive, prompt action, they ask the public service commission to make a study of the financial status and prospects of the railroads having lines in the State. We suppose this study will take at least a year. The study of the Long Island was ordered by legislative resolution of February 12, 1957, and the report was delivered March 3, 1958.

The railroads have already been studied to death. What they chiefly need now is not more study but helpful, broad action. This requires hard decisions, some of them politically distasteful in an election year. Some localities rely far too heavily on the railroads for their tax income. They will have to find a new way to support themselves, by spreading taxation. They, and all other localities enjoying any tax revenues from railroads, will need time to make the adjustment—or State financial help to supplant rail taxes. But if we wait another year for a public service commission report, and then have to allow a grace period to the localities to compensate for rail tax loss, the immediate help the railroads need grows dim in the distance.

There are admitted difficulties. It will be little advantage to the railroads to win tax exemption or substantial tax relief in New York, then have to pass on the savings to the Federal Government in the form of enlarged tax. So Washington's help is needed too. But if New York State wants to save its passenger railroads, it must grant them what help it can at this session of the legislature and in some part anticipate the results of a new public service commission study, which will only fill in the detail of a situation known without study to be gloomy.

[From the New York Times of March 16, 1958]

PERSONALITY: A WITNESS FOR THE WATERWAYS—TAYLOR DENIES UNITED STATES FAVORITISM FOR BARGE LINES

(By Robert E. Bedingfield)

Among the transportation executives appearing at the Senate hearings into the precarious condition of the Nation's railroads, George Chadbourne Taylor can testify from a relatively secure perch.

Of $20,675,000 gross revenues of the Mississippi River Barge Line Co., which Mr. Taylor heads, operating expenses last year consumed only $16,017,000. As a result, the company had an operating profit before taxes of 22.6 percent.

Just how much this favorable ratio depends upon the Government's provision of a right-of-way to Mr. Taylor's company and industry may be discussed tomorrow when Mr. Taylor appears before the Senate investigators.

The Mississippi River Barge Line's 4,000 miles of routes wind up, down, and across the Mississippi, Ohio, Cumberland, Tennessee, Illinois, Allegheny, Monongahela, and Kanawha Rivers.

These streams were around for geological ages before the barge line was formed, but it costs the Federal Government some $37,612,000 a year to keep the Nation's inland waterways adapted to barges. In the present fiscal year it will spend $67,681,000 more on improvements.

OPPOSES RAILROAD STAND

In common with the eight other member companies of the Inland Waterways Common Carriers Association, in whose behalf he is appearing tomorrow, Mr. Taylor will strongly oppose a railroad proposal to impose direct user charges on barge-line operators to help defray maintenance and improvement of the waterways.

The contention of Mr. Taylor and his industry is that the value of waterway development to the entire country is much greater than its costs. He will argue that cheap barge transportation is only one of the benefits.

The membership of the Inland Waterways Common Carriers Association, Mr. Taylor will show, handles only 24 billion ton-miles of freight a year, and its operating revenues of $90 million are only 1 percent of rail gross.

Mr. Taylor says the railroads can hardly claim that his industry is the root of all their evils. He doubts that, if all traffic were removed from the rivers, it would move by rail.

He also opposes the rails' plea for authority to operate common-carrier barge lines and the rails' request for less rate regulation by the Interstate Commerce Commission.

His own company has been subject to ICC regulation since its founding in 1929, and the regulation was by its own choice. The entire waterways' industry wasn't put under the ICC until 11 years later. But the founders of the Mississippi River Barge Line filed with the ICC at the start because the original operation provided for joint rate and route agreements with the rails on carload traffic.

DIDN'T FIT IN SHOES

Mr. Taylor's service with his company dates back to its beginning. In an interview last week he recalled that he had spurned his father's advice by entering the transportation field.

"My father was president of the American Express Co.," he said. "He told me never to have any part of the industry."

Mr. Taylor, who was born in Chicago on December 1, 1904, did follow his father's advice when he began his business career. After being graduated from Princeton University in June 1926, he went to work as a purchasing agent in St. Louis for the Johnson, Stevens & Shinkle Shoe Co. He had landed the job through his college roommate's father, L. W. Childers.

After 3 years, Mr. Taylor said, "I knew I had made a mistake."

"I just didn't like the shoe business," he recalled. "Since my college education had been strictly academic, I decided to go to Harvard Business School." But Mr. Taylor spent only one day at Cambridge, and that was in enrolling.

"Mr. Childers heard that I had left the shoe business. I was spending a day with my mother, who lives in Pelham, and Mr. Childers called me at her home. He had just formed the Mississippi Barge Line Co. and offered me a job as chief clerk in the Cincinnati freight office."

A RUGGED BEGINNING

The new company was an ambitious venture. It started with capital of $3,500,000 and was sponsored by the now defunct Goldman Sachs Trading Corp. The collapse of the early 1930's, which destroyed the sponsoring investment trust, had its adverse effects also on the early operations of the barge line.

However, the depression also brought into being a massive public works program, including the canalizing of the inland waterways. As the barge line's routes grew, Mr. Taylor's responsibilities mounted. By the late 1930's, he had been made superintendent of terminals at St. Louis, with jurisdiction over all the company's transfer operations.

Mr. Childers remained president until 1947. A year later Mr. Taylor celebrated his 44th birthday by assuming that post. Since then, the company's gross has about tripled, and earnings after taxes have leaped from $625,000 to $2,030,000.

Mr. Taylor explained that his company abandoned its carload interchange traffic with the rails as labor costs for physically transferring the freight from barge to rail and vice versa mounted. He indicates that he is not adverse to renewing agreements with his rail competitors, so long as more equitable arrangements can be made to meet higher operating costs.

His own business embraces the hauling of widely varied freight. One segment has been hit hard by the recession—steel, steel products and scrap. About mid-December this traffic dropped.

LEVELED OFF

"It happened almost overnight," Mr. Taylor said. "The drop was about 10 to 12 percent. It still is off by about that amount, but hasn't fallen any further."

Mr. Taylor's entire career in the barge business has been in the office. He takes considerable pride in the fact that his only son is behind the wheel. He is learning to be a towboat pilot.

Mrs. Taylor is the former Frances Brightwell, whom he met in St. Louis. Both Mr. and Mrs. Taylor have little time for formal hobbies. He is chairman of the St. Louis chapter of the Red Cross; Mrs. Taylor has a full-time Red Cross job. She is chairman of the association's volunteer services for the Midwest area.

THE WILDERNESS BILL

Mr. SYMINGTON. Mr. President, one of the measures pending before the 85th Congress which has been receiving more and more support throughout the country is the wilderness bill (S. 1176), introduced by the Senator from Minnesota [Mr. HUMPHREY] and a nonpartisan group of cosponsors representing States from coast to coast.

The interest in the measure is mounting in Missouri and elsewhere. That was apparent during the recent North American Wildlife Conference held in St. Louis on March 3, 4, and 5.

The National Wildlife Federation, at its annual convention on the eve of this conference, placed the wilderness bill among its major objectives—No. 3 on its 6-point priority program.

Following these meetings, a thoughtful editorial appeared in the St. Louis Post-Dispatch on March 6, 1958, and I ask unanimous consent to have this editorial printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO PRESERVE OUR HERITAGE

When Interior Secretary Seaton was in St. Louis to address the National Wildlife Federation meeting, he spoke a good, strong word for the pending bill to create a national outdoor recreational resources review commission. We hope the Secretary's endorsement helps the measure get to the President's desk in this session. We hope he will find similar occasion to give impetus to the national wilderness preservation bill, also pending in Congress.

The latter bill is equally meritorious and even more urgent, as members of the North American Wildlife Conference, who met here this week, are well aware. While it is desirable to have an inventory of recreation areas that exist, it is still more pressing to provide a firm legal basis for leaving unspoiled the best of the federally controlled areas. The two bills are in a sense companion measures, but neither is in any way a substitute for the other.

Thoreau said more than a century ago that men need "the tonic of the wilderness." If that was true in his time it is even more applicable to our life today. Former National Parks Director Newton B. Drury put the case for both these bills when he said of our great natural beauty areas: "Surely we are not so poor that we need to destroy them or so rich that we can afford to lose them."

Mr. SYMINGTON. Mr. President, while the Congress was in recess last September, the St. Louis Post-Dispatch, in an editorial called Bills for All America, included the wilderness bill in its commendation as "in the country's best interests." I ask unanimous consent that the editorial, dated September 16, 1957, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BILLS FOR ALL AMERICA

Two bills that have gone over to the 2d session of the 85th Congress relate to the conservation of natural beauty and resources. Both deserve to be passed next year.

One is the bill to establish the present Dinosaur National Monument as a national park. The other is the bill to make certain that some areas of the public domain are left in their natural state, untouched by man and civilization. The latter is known as the wilderness bill.

Sponsorship of these measures is bipartisan, and that is as it ought to be. The Dinosaur bill is sponsored by Republican Senator ALLOTT, of Colorado, who presents a happy contrast to his predecessor, Eugene Millikin, since Senator Millikin was one of those who sought to flood the magnificent rivers and Steamboat Rock formation, on the Colorado-Utah border, with the proposed Echo Park power dam.

Thanks to conservation leaders and groups, the Echo Park dam was defeated, but it was a long hard fight, and there is no guaranty that the same interests will not bring it up again. That is, no guaranty unless it is made a national park.

The wilderness bill is sponsored by Democratic Senators HUMPHREY, of Minnesota, and NEUBERGER, of Oregon, and enjoys the backing, also, of Republican Senators SMITH of Maine, WILEY, of Wisconsin, and MUNDT, of South Dakota; and Democratic Senators DOUGLAS, of Illinois, MURRAY, of Montana, CLARK, of Pennsylvania, LAUSCHE, of Ohio, and MAGNUSON and JACKSON, of Washington. Its House sponsorship is also bipartisan: O'HARA, of Illinois, REUSS, of Wisconsin, SAYLOR, of Pennsylvania, BALDWIN and MILLER, of California, PORTER, of Oregon, and METCALF, of Montana. This bill is described in the Mirror of Public Opinion today.

As Senator HUMPHREY has explained, the wilderness bill is based on two assumptions. First, that an adequate system of wilderness areas is desirable and can be preserved without sacrificing any other program. Second, that there will not long be any such areas unless they are set aside as wilderness through specific public policy. Senator NEUBERGER is also correct in noting that wild animals, waterfowl, migratory birds, and fishes, and similar resources require outdoor fastnesses and solitudes in which to survive, solitudes that must be safeguarded by some form of legislative shield.

These bills are in the country's best interests and deserve enactment. May the Members of Congress from Missouri and Illinois join in supporting them when the time comes.

Mr. SYMINGTON. Mr. President, the editorial's reference to the Mirror of Public Opinion is to a column which appears regularly on the editorial page of the St. Louis Post-Dispatch, reproducing opinions from other sources. In this instance the reference is to an item called The Tonic of the Wilderness, which is an excerpt from an article by Edwin Way Teale in the Audubon magazine.

Introducing this excerpt the Post-Dispatch commented that—

Thoreau called it the tonic of wildness, and that is what America needs from its few remaining true wildernesses; Senator HUMPHREY and others propose legislation to preserve few remaining wildernesses (as apart from parks); major conservation step.

I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MIRROR OF PUBLIC OPINION

THE TONIC OF THE WILDERNESS

(Thoreau called it the tonic of wildness, and that is what America needs from its few remaining true wildernesses; Senator HUMPHREY and others propose legislation to preserve few remaining wildernesses (as apart from parks); major conservation step.)

(By Edwin Way Teale, in the Audubon magazine)

One early fall day, 2 miles above sea level near the Montana-Wyoming line, I stood on the lofty tundra of Beartooth Plateau.

To the north the peaks and forests of the Montana Rockies extended away as far as my vision reached. Here was wilderness unmarked by man. Here was wilderness untouched by civilization. Here was the land as Nez Perce braves had known it crossing Beartooth Pass for centuries before the first white man. In one vast panorama here was a vision of original America, of the wilderness of old—roadless, cityless, billboardless—as wild as the early pioneers saw it.

And just so future generations may also observe it. For at least part of the inspiring vista that spread before me that day is now designated as a primitive area. It is included in the wilderness preservation program of the Federal Government.

During the past few years, in gathering material for recent books, I have visited all 48 States of the Union. Wherever I went the impact of mechanized civilization was apparent. Forests had been sheared. Waterfalls had been reduced to a sad, attenuated flow. People spoke of wild places they had known since childhood, now vanished. Over and over again I heard the same refrain: "This used to be such a beautiful place."

But amid all this devastation there was something of gain. As the wilderness had receded, the appreciation of the wilderness had grown.

"We need," Henry Thoreau wrote in Walden, "the tonic of wildness—to wade sometimes in marshes where the bittern and the meadow hen lurk, to hear the booming of the snipe; to smell the whispering sedge where only some wilder and more solitary fowl builds her nest, and the mink crawls with its belly close to the ground."

And in a more recent day Aldo Leopold has set forth his belief that "the opportunity to see geese is more important than television, and the chance to see a pasque-flower is a right as inalienable as free speech." Such men have spoken for more of us than is generally recognized.

What is a wilderness?

It is, by the strict dictionary definition, an area that is uncultivated and uninhabited by man. In a larger sense it is a sanctuary for all the primal realities of nature unchanged.

But do not the national parks already provide sufficient sanctuaries for wildness?

In the back country of a number of national parks there are wonderful stretches of unspoiled wilderness. However, the fundamental purpose of a national park has not been to preserve wildness as such. It is to protect and make available to the public

some superb example of natural splendor, some area that is unique.

The significance of the wilderness area, on the other hand, lies in characteristics that it shares with all other wilderness areas; namely, natural conditions as completely untouched and unaltered as is consistent with its protection and use as wilderness.

The whole program of wilderness preservation, although never formulated as such by Congress has grown steadily in importance and popular interest. Its greatest danger at present is the fact that the status of any area can be altered merely by administrative decree. A more solid foundation in law is required if the areas that have already been set aside are to continue as land forever wild.

It is for this purpose that Senator HUMPHREY, with a group of cosponsors in the Senate, and Representative JOHN P. SAYLOR, and others, in the House, introduced into the 85th Congress a bipartisan bill to establish a National Wilderness Preservation System.

For the first time, it would give legal recognition to wilderness preservation as a national policy. It would designate specific areas to be set aside. It would outline the public policy in regard to them—such as that man himself is a member of the natural community who visits but does not remain and whose travels leave only trails.

It would set up a central advisory and information group, a repository of files for the System, known as the National Wilderness Preservation Council. In the main, the bill would preserve the status quo. No new land administration agency would be set up. Jurisdiction would continue, as in the past, in various agencies of the Government.

Known as the national wilderness preservation bill, it represents one of the most important steps forward in the history of wilderness preservation in America.

PROPOSED ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS

Mr. ROBERTSON. Mr. President, the morning papers state that President Eisenhower informed a group of governors yesterday that he would recommend to the Congress a bill authorizing the payment of 13 additional weeks of unemployment compensation benefits.

Those who have not served in the Congress for the past 17 years may be unaware of the fact that this is the fifth time a proposal of similar nature has been made to the Congress. Three of the bills were considered by the House Ways and Means Committee, of which I was then a member, and the fourth by the Senate Finance Committee, when Senator George was chairman.

Neither committee reported any bill on this subject, for the simple reason that the Congress has no constitutional right to appropriate public funds for the benefit of one individual or a relatively small group of individuals solely because he or they may be temporarily unemployed. In addition the proposals, first in 1942 as a mere grant to the States, and then in 1944 as an open and avowed effort to regulate State employment compensation laws, were such a clear invasion of States rights that they were promptly repudiated.

I recall most distinctly the impressive showing made before the Ways and Means Committee in February of 1942 by a group of seven outstanding governors headed by Governor Stassen of Minnesota, who was then chairman of the National Conference of Governors, and, therefore, speaking for the group as well as for himself, on the first bill of this character, namely, H. R. 6559.

Governor Stassen in voicing his personal opposition to the bill said that while each governor was privileged to speak for his own State, "I do appear to present the almost unanimous support of the governors of the respective States in opposition to this measure." With his testimony, Governor Stassen filed many telegrams from governors which will be found commencing on page 351 of the Ways and Means Committee hearings on H. R. 6559.

In opening his splendid statement in opposition to the bill and in behalf of the preservation of States rights, our distinguished colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], then Governor of his State, said:

> I am here as Governor of Massachusetts to oppose this bill, H. R. 6559. This past autumn, the New England Conference of Governors met and unanimously sent a telegram to the President opposing the federalization of unemployment security, and on Friday, after talking with Congressman Treadway, and learning that I might be able to come here and testify, I called up each one of our New England governors. I have conferred with several of the New England governors, including Governor Wills, of Vermont; Governor Sewall, of Maine; and Governor Blood, of New Hampshire, who is present here to testify. Governor Hurley, of Connecticut, has sent me a telegram authorizing me to state that he still opposes this bill 100 percent. He is opposed to the federalization of unemployment security, as is Governor McGrath, of Rhode Island. So I might state that the governors of the New England States are opposed to the principles of this bill, H. R. 6559.

I realize, of course, that in 1954 our United States Supreme Court said in effect that no matter what the 14th amendment to the Constitution may have meant to those who framed it and to the court that decided the school segregation case of Plessy against Ferguson, it meant something different in 1954. But, Mr. President, regardless of the views of those who may think that time alone is sufficient to change the meaning of our written Constitution, I have seen no open repudiation of the doctrine announced by the great Court headed by Chief Justice Hughes in 1936, which said:

> The general rule with regard to the respective powers of the National and the State Governments under the Constitution, is not in doubt. The States were before the Constitution; and, consequently, their legislative powers antedated the Constitution. Those who framed and those who adopted that instrument meant to carve from the general mass of legislative powers, then possessed by the States, only such portions as it was thought wise to confer upon the Federal Government; and in order that there should be no uncertainty in respect to what was taken and what was left, the national powers of legislation were not aggregated but enumerated—with the result that what was not embraced by the enumeration remained vested in the States without change or impairment.

And in the same decision, in which all efforts to undermine and construe away the plain meaning of the Constitution were deplored, the Court added this significant statement:

> Every journey to a forbidden end begins with the first step; and the danger of such a step by the Federal Government in the direction of taking over the powers of the States is that the end of the journey may find the States so despoiled of their powers, or—what may amount to the same thing—so relieved of the responsibilities which possession of the powers necessarily enjoins, as to reduce them to little more than geographical subdivisions of the national domain. It is safe to say that if, when the Constitution was under consideration, it had been thought that any such danger lurked behind its plain words, it would never have been ratified.

The point I wish to emphasize, Mr. President, is just this: If, in February 1942, practically every governor in the entire United States felt that the proposal to give additional compensation benefits to temporarily displaced workers and especially automobile workers as their plants shifted to wartime projects was an improper and undesirable invasion of States rights, in what way have the intervening 16 years changed the 10th amendment of the Constitution, which clearly says that all rights not delegated to the Federal Government are reserved to the States and the people thereof?

PURCHASE OF MILITARY TRUCKS FROM JAPAN

Mr. POTTER. Mr. President, I should like to bring to the attention of the Senate a matter which is most shocking. It has serious consequences for working men and women in my own State of Michigan and throughout the country.

Very recently I learned that the Department of Defense, in connection with the military assistance program, is purchasing military trucks manufactured in Japan. Frankly, at first, I placed little credence in the report. I could not believe that our Department of Defense would take action so adverse to our own automotive industry and to the men and women employed therein. Unfortunately, the facts are as reported. I have verified them.

The truth of the matter is that the Department of Defense has approved for procurement in Japan, in fiscal year 1958, military trucks valued at approximately $21 million. Moreover, in the fiscal year 1957 the Department initiated a comprehensive 5-year program to rebuild military vehicles and to procure new military vehicles in Japan. So apparently the $21 million we are paying the Japanese automotive industry for military trucks in the fiscal year 1958 is not the end of this tragic episode. I say tragic because that is exactly the situation for almost half a million unemployed automotive workers in my Michigan, to say nothing of the unemployed across the Nation in industries which supply the automotive companies.

I am beginning to fear that there is a great deal of truth in a comment which is making the rounds about our Government. People are saying that the Federal Government is becoming more and

more like a dinosaur. The body is growing so big, the head is growing so fast, and the tail is becoming so long, that when the dinosaur is kicked in the tail, the head does not know what is happening.

Mr. President, to my mind it is unthinkable and unconscionable that our own people should be bypassed in this fashion, particularly when we remember that their taxes are helping to pay the bill.

As a member of the Senate Appropriations Committee, I shall pursue this subject most vigorously when appropriation of funds for the military assistance program comes before our committee, to see that the best interests of our own workers are protected.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. POTTER. I yield.

Mr. ELLENDER. Who purchased the trucks to which the Senator has referred? Has the Senator any facts relating to the purchases?

Mr. POTTER. Yes; I have the information. As is frequently the case, the text is marked "Confidential" and cannot be released. But I can assure the Senator that the facts are as stated. Twenty-one million dollars is being spent to purchase trucks in Japan from Japanese truck manufacturers. The Senator realizes, of course, that after the needs of the military for such trucks are fulfilled, Japanese trucks can be brought into our market in competition with American-made trucks.

Mr. ELLENDER. The Senator knows that that condition is not peculiar to Japan. As I have pointed out many times on the floor of the Senate, funds of the taxpayers have been used in order to reestablish automobile factories in Italy and France. Today the streets of our cities are cluttered with foreign-made cars. Who is responsible for that?

Mr. POTTER. The chickens are coming home to roost.

Mr. ELLENDER. The chickens are coming home to roost. I have been preaching that doctrine for years. I hope that when the foreign aid bill comes before the Senate for consideration this year the Senator from Michigan and other Senators who have been voting for such aid will take note of the situation. For the past 4 or 5 years I have attempted to prevail upon my distinguished colleagues in the Senate to look behind the fancy, generalized words which have been used to describe our foreign-aid program. I have urged them to look further than the glowing economic terms that have been given us as justification for the spending of billions of taxpayers' dollars.

And now the truth is coming home to us. I have urged that the distinguished Members of the Senate look closely and see exactly what our dollars have been doing, rather than to be content with the platitudes mouthed by the administration. But that is in the past.

Let us now, with a recession stalking our own land, look over the foreign-aid program when it comes before this body later in the session, and examine it closely. Let us look and see to what use our dollars are being put.

In the course of my inspections of our foreign-aid operations around the world, I have found waste on a colossal scale. As I have said before, and as I would like to say at this time, I am not opposed to a reasonable and realistic foreign-aid program—but I am opposed to waste. I am also opposed to any type foreign aid which converts American dollars into a direct threat to the economic security of American industry, agriculture or labor.

In our zeal to combat the rising tide of communism, let us not forget that the greatest weapon in the Free World's arsenal against communism's attempt at world domination is not the latest offspring from the scientist's Pandora's box of atomic deadliness—it is the economic strength of the United States.

We must keep that thought in mind, as we attempt to get those who have received so much help from us in recent years to aid us in continuing the Free World's battle.

Mr. POTTER. The Senator from Louisiana has been most diligent in past years in bringing the situation to the attention of the Senate.

We are now in a period of unemployment. In Michigan alone more than 400,000 automobile workers are unemployed. To use the dollars of the American taxpayers to revitalize an industry in Japan by purchases of trucks which could just as well be made from American industry is indefensible. Eventually such trucks will enter our market in competition with American industry.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. JOHNSTON of South Carolina. I should like to say a word with regard to the manufacture of cloth. We have been having a great deal of trouble with the Japanese in that field. Our own Government would not establish any restrictions on the amount coming into the United States. The Japanese said, "We expect to send in only a small amount." The administration said, "That is fine."

We have been unable to persuade the administration to do anything to prevent the flow of Japanese cloth into our market. Japanese cloth is made with cheap labor, which is paid less than one-fourth the wages we pay in the United States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. ELLENDER. Does the Senator intend to take up the subject with the State Department and find out who is responsible for this situation?

Mr. POTTER. I do. I think the Senate Appropriations Committee should take up the subject and find out in what other areas similar situations exist, and what other industries are affected.

Mr. ELLENDER. We do not need an investigation to find that out. From personal knowledge I can point out many instances in which we are being traded out—not only in the automobile industry, but in other manufacturing industries, as well as in the production of farm commodities.

I have been preaching that doctrine on the floor of the Senate for the past 4 years. I am surprised that so few of my colleagues have taken notice of the situation up to now. It seems that lightning must strike before they see the light.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. KNOWLAND. Mr. President, has morning business been concluded

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there further morning business If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to submit a unanimous-consent agreement on behalf of myself and the minority leader and ask that it be reported. Then I shall suggest the absence of a quorum, if no other Senator desires to address the Senate.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The unanimous-consent agreement was read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSTON of South Carolina. Mr. President, I send an amendment to the desk, which I intend to call up later.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the unanimous-consent agreement, as modified, be again reported. I am asking that the time be modified, to provide for 1 hour of debate on the bill, instead of 30 minutes, to be equally divided, 30 minutes to each side. I should like to call the modified agreement to the attention of all Senators.

The PRESIDING OFFICER. The proposed unanimous-consent agreement, as modified, will be read.

The unanimous-consent agreement, as modified, was read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement submitted by the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment of the Senator from Minnesota [Mr. HUMPHREY] to strike out section 6, and proposing certain changes in the text of section 5.

Mr. AIKEN. Mr. President, I see no objection to the perfecting amendment offered by the Senator from Minnesota. It does not remove the major opposition to sections 5 and 6 of the bill. As I understand, the amendment would require the payment of the regular rates of duty on nonstrategic materials obtained under barter deals. Also, it would not require other agencies of the Government to buy nonstrategic materials from the Commodity Credit Corporation; it would leave to the Commodity Credit Corporation to hold such goods as might be obtained.

As I have said, the amendment goes only about 2 percent of the way toward meeting the major objections to sections 5 and 6. But I have no objection to any amendment which goes even that far. Therefore, I have no objection to the amendment of the Senator from Minnesota.

Mr. JOHNSON of Texas. Mr. President, as I understand, the distinguished Senator from Vermont has no objection to the amendment, so the Senate may act upon it by our yielding back the time and agreeing to the amendment. I yield back my time on the condition that the Senator from Vermont will do likewise.

Mr. AIKEN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair.) The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. AIKEN. Mr. President, as I understand, the pending question now is on the amendment which I offered for the Senator from Iowa and myself to strike out sections 5 and 6, the amendment now being modified to strike out section 5 only, as section 6 is no longer in the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. Mr. President, if it is agreeable to the Senator from Vermont, I yield to the Senator from Kentucky 5 minutes from the time on the bill.

Mr. AIKEN. That is agreeable.

Mr. MORTON. Mr. President, I feel that a certain amount of barter has its place in the Public Law 480 program. I think it is beneficial, and I favor a certain amount of it. But I think there is confusion in the minds of many persons about how the barter program works. People think of barter as a trade. They think we trade wheat for, let us say, platinum.

The way the barter program has worked has been that we sold wheat, for example, through private channels for either dollars or currencies which were convertible, for the most part, into dollars. With those funds we would go to some other country and buy raw materials, largely through private channels.

Much has been said of the May 28 press release of the Department of Agriculture, which had the effect of practically shutting off the so-called barter program. I am not too happy about certain features or paragraphs of that release. Specifically, I am not happy about item 6 in the release, which precludes the processing in this country of any material which is received in barter.

In other words, if an ore which is to come into the United States is in a raw state, in a condition of dust, so that it might blow away and is expendable, it will be processed into another state, so that it will keep indefinitely. This processing has to be done overseas, according to item 6 of the May 28 release, and I am not too happy about that. I know there are certain reasons for it, but I feel that that policy should be reviewed and changed.

There are other features in the release, which is in the nature of regulations issued by the Department of Agriculture, which I think should be liberalized so that the amount of barter could be increased from its present level, which is very low, to an amount which would be more realistic.

I have great fear that the bill before the Senate will overencourage bartering. It is true, as the bill provides, that a ceiling is established at $500 million a year, and that no floor is established. But it is clear from the report and from the debate so far that the $500 million is a figure which the proponents of the bill hope will be attained, and they strongly suggest that the Department of Agriculture barter $500 million worth of products a year.

Why are some persons so much concerned about including in the law a provision to require the exporting of $500 million of surpluses through barter? If the bartered material is, in the first instance, sold in most cases for dollars, or if not for dollars, for pretty sound currencies, why the barter provision? That is clear, and we find the explanation in the report on the bill. Those who engage in the barter get a price advantage over those who engage in selling United States agricultural surpluses for cash.

On page 4 of the report we read:

> Barter arrangements of this type contribute to increased exportation of agricultural commodities in two ways as follows: (1) the barter contractor pays the exporter a commission, or in some similar manner, the exporter is enabled to reduce the export price slightly and thereby sell the commodity.

Somehow, through the use of money, or a profit made on the incoming article in the barter transaction, but in the same manner, a price advantage is given to the exporters who use the barter method over the exporters who sell for cash. Those who used the barter method were stepping pretty high for a time in the free use of money. They took money of which they had the free use, and that was more than the profit they needed. So they cut their price to move the material.

That is fine. I favor aggressive selling. I think it is necessary to be aggressive in getting behind the moving of surpluses. But let us not do so in direct competition, and in a way that is injurious to the hard-working exporters who have been for years and are now engaged in selling American agricultural products abroad for cash.

In my own State we have an example of this. There are many exporting firms which have remained in the same families for generations. They are highly specialized firms. Their entire effort is directed toward the export of the various types of tobacco grown in Kentucky and elsewhere in the Southeast. Theirs is a highly specialized business. Those firms have been having hard times lately. It is not their fault. The fault is that the price of tobacco on the world market is high, and the volume, therefore, has dropped. But the skills, energies, and talents of the tobacco-exporting firms are being preserved, because of the specialized effort necessary to export tobacco.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. AIKEN. I yield 3 more minutes to the Senator from Kentucky.

Mr. MORTON. We cannot afford to have those people go out of business, we shall need them. They do not know a thing about importing platinum, chrome ore, tung oil, or anything else of that nature. The firms I have mentioned are not able to remain in business when the international traders in New York get the business, and it goes outside normal channels.

There is a long-range aspect of the matter which is for the benefit of the American farmer. We are confronted with an immediate problem. That problem is to dispose of surpluses.

I want to see Public Law 480 continued, and I want to see the barter provision continued. There is not enough bartering at present. But I fear that if the amount is increased to $500 million a year, we will not know how many years it will continue—we have already had pressure to provide for 2 years—and the pressure will increase to have the amount increased to $1 billion a year.

If the measure shall be enacted in its present form, I am of the opinion that those who are specialists in the exporting of agricultural products, those who know how to aggressively sell them on the world market, will be forced out of the picture entirely by international traders who are specialists, perhaps, in platinum, diamonds, star sapphires, or something else of that nature.

Certainly our tobacco exporters in Kentucky do not pretend to know anything about practice, and they should not be forced into competition with the big New York, international operators who will pick up the tobacco and, because they know how to buy industrial diamonds and how to make use of their money and how to proceed in the other ways, undersell the American exporter who confines his efforts to the specialized field in which he has always dealt.

For these reasons, Mr. President, I shall support the amendment submitted by the Senator from Vermont.

In conclusion, I wish to say that I favor passage of the bill as a whole, and I am not opposed to barter. I came to this position after listening faithfully, to the debate for 2 days.

I do not believe that the Department of Agriculture, in its argument against the bill, has made a good case. I believe we should review the regulations of May 28.

I do not wish to see this matter opened up in the way in which is might be opened up by means of this bill. Under the pressures which are to come, the total might far exceed $1 billion a year.

Mr. HUMPHREY. Mr. President, as I understand, on the pending question 15 minutes is available to each side.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). That is correct.

Mr. HUMPHREY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, I appreciate the views which have been expressed by the Senator from Kentucky.

I believe there are some points which it might be helpful to clarify.

There is no argument about the necessity to give reasonable assistance to the farmers, under the terms of the Commodity Credit Corporation Act or under the terms of Public Law 480.

The issue is over language contained in the pending bill, as contrasted to the language of Public Law 480, the existing statute.

The language of the existing statute has been interpreted by the Department of Agriculture in such a way as to limit severely the barter operations. That has been done under the doctrine of what is called the certificate of additionality. That is the source of about the only argument in this case.

However, during the debate, some points which have been raised need to be clarified, in my opinion, for the sake of the integrity of the RECORD.

Mr. President, I have met with those who handle the barter program. They testified before the Senate Committee on Agriculture and Forestry.

A large number of scare arguments have been raised during the debate. But they have no merit in fact, and they have hardly any merit in fiction.

For example, one argument which has been made has been that under the barter program the country would be flooded with materials other than strategic materials. I have been informed by responsible officials of the Government—and, by the way, that information is set forth in the Senate committee hearings—that any barter agreement is undertaken only after a procurement directive has been issued by the Government of the United States, or after a request for particular materials which are not available on the American market has been received from a Government agency.

The Department of Agriculture does not barter willy nilly, under the barter program. The Department barters on the basis of procurement directives and specific requests from another Government agency.

Furthermore, all these directives and all these procurement requests are arrived at only after all departments of the Government that are concerned have been heard from. For example, the following participate in consultations in an interdepartmental committee: Representatives of the State Department, who endeavor to determine the effect of any proposed barter on our foreign policy; representatives of the Department of Commerce, who endeavor to determine how such barter would affect our domestic industries; representatives of the Department of the Interior, who endeavor to determine what the proposed barter arrangement might do to our domestic metals or minerals; representatives of the General Services Administration, which is responsible for giving technical advice on bartering to the Department of Agriculture; and representatives of the Office of Defense Mobilization, which is responsible for the overall national policy regarding strategic and critical materials and stockpiling.

I am attempting to state what the record reveals, namely, that no barter arrangements are arrived at simply on the basis that someone wishes to engage in barter. The Department of Agriculture is not required to barter for any particular commodity. It barters only when it finds that bartering is in the public interest.

Furthermore, there have been some statements to the effect that under a barter arrangement which might be made, tung oil or wool, for example, might come into the United States and be in the possession of the Commodity Credit Corporation. Of course, such statements are based on the theory that the Secretary of Agriculture, who has the responsibility for the barter program, would exercise such poor judgment as to cause the American market to be flooded with agricultural commodities—if the limitation contained in the bill could be said to make possible a flood. Such statements are made on the supposition or presumption that the Secretary of Agriculture is incompetent or is willfully malicious.

Mr. President, I do not make such an assumption, and I do not think there is any evidence that such things have been done under the barter program.

Furthermore, under the barter program the Secretary of Agriculture barters only for commodities which are required by another Government agency, or approved for stockpile purposes by a procurement directive. For instance, he will barter for commodities which are required by the Department of State, and will do so at its request; or he will barter for commodities which are required by the Department of Defense, and will do so at its request; or he will barter for commodities which are required by the Office of Defense Mobilization, for the national stockpile or the supplemental stockpile, and will do so at its request. That is the way the program operates.

However, we find that there exists a considerable amount of misinformation regarding the economic operations of the barter program.

I have checked to ascertain who favors an expanded barter program. I find that an expanded barter program is favored by, among many others, the National Foreign Trade Council, which is composed of representatives of some of the largest companies in the United States—for instance, General Motors Corp., the Singer Co., the International Business Machines Corp., and the International Harvester Co., a number of great exporting companies and great domestic producers. At its conference of last fall, the National Foreign Trade Council went on record in support of an expanded program of barter for strategic and other materials which are in short supply in the United States—in other words, such materials of which the United States does not have a sufficient supply.

So we find that some of the greatest industries of the Nation have been calling upon the Department of Agriculture and, through it, upon the Government, to expand the barter program for strategic and other materials of which a sufficient supply does not exist in the United States. That is exactly what is covered by section 303 of the pending bill.

Mr. President, I have checked further in order to reassure both myself and my colleagues. I have checked with the Department of Agriculture and with the Department of the Interior. I find, for example, that before any metal or mineral is bartered for, the Government of the United States checks with American industry, American labor, and the American market to make sure that whatever may be bartered for will not have an injurious effect upon the American market but, instead, will have a helpful effect.

For example, let me point out that I have been assured that the ferrochrome industry, which has huge processing plants throughout the Nation, was producing at about 45 percent of capacity before the barter program went into effect approximately 2½ years ago. In other words, unemployment existed and the facilities of the industry were not being properly used. However, after the barter program went into effect, and after ferrochrome metals were made available to the processing plants, the results were 95 percent employment and 95 percent production. Today the barter program has been cut off, and today the ferrochrome industry is operating at 40 percent of capacity and unemployment again exists in that industry. The same was true as to lead, and the same was true as to zinc.

The other day I heard reference made to fluorspar. It was stated that under this program it might be possible to bring into the United States fluorspar which would have an injurious effect upon the American fluorspar industry. However, I find that the only material for which our country has bartered is what is called the acid type of fluorspar—a type which the United States does not produce, but which is needed by the United States.

So, Mr. President, I am attempting to say to my colleagues that everything that is done under the barter provision is done upon the advice of the most capable experts in the Government.

Finally, the Government of the United States reports to the Senate that on barter arrangements we have made money. We have bought materials for our stockpile, thereby being able to give stability to the American metal and mineral market. I regret our friends from Western States are not present to hear these statements. We have purchased those materials, in all instances, at competitive prices, where we have been able to get strategic materials for our Government at world market prices at a saving to the taxpayers of the United States.

This is not my word, Mr. President; it is the word of the Department of Agriculture, which is responsible for the barter program. It is the word of the Office of Defense Mobilization and of the General Services Administration. In other words, we have saved money on the barter program, in terms of cost of materials we have acquired. We have saved money on the barter program in terms of storage savings on agricultural commodities that have been sold under barter. We have improved American industry under the barter program. We have given employment under the barter program. We have been able to liquidate some of our agricultural stocks under the barter program, for good and sound reasons.

I checked out every line of the language of this amendment insofar as the words relate to both the critical stockpile and the supplemental stockpile. The language in the bill has the same effect as in the previous law, Public Law 480. What really is required, and it is the difference between what we now have before us and what the law is at present, is the emphasis which the Congress places on the Department of Agriculture to barter when it is in the public interest, to barter where we can make savings, and to barter for supplies that do not deteriorate.

It has been stated that we have too many industrial diamonds. I want to make the record clear that every machine tool industry using high-grade steels requires industrial diamonds. Mining operations require industrial diamonds. While for a period of time, we have had more industrial diamonds than the American market can absorb, industrial diamonds are absolutely necessary to an industrial society.

We produce 5 percent of our platinum needs. The Soviet Union produces 85 percent of the world's platinum. We have to scrounge around the world's market to get our share of the other 10 percent, where, if we have been able to get it, we have either been paying exorbitant prices on the world market or we have been able to barter to fill our platinum stocks.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I yield myself the remainder of the time allotted to me.

I see present the Senator from Montana [Mr. MANSFIELD]. I want him to know I have doublechecked again this morning with those responsible for the barter program, insofar as metals and minerals are concerned. The analysis of the information I have received shows that under the barter program the American minerals and metals market has been strengthened. Under the barter program all of the minerals and metals are sealed off, and it takes a joint resolution of Congress to take anything out of the supplemental stockpile. It takes an act of war to make it possible for the President to take those materials out of the strategic stockpile or is required that Congress be notified, and nothing can be done for 6 months, during which time Congress can approve or disapprove such action.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Does that apply to the supplemental stockpile as well?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. The Senator from Minnesota has stated that our supply of platinum is short; but we are not short in manganese, tungsten, lead, or zinc. What is the status with reference to those metals? Will there be any bartering as to them?

Mr. HUMPHREY. Not if we have what we need. What we do is seek the advice of the industry. We seek the advice of the industrial group, as well as the workers. We seek the advice of those who do the processing. We seek the advice of the General Services Administration and the agency having jurisdiction. Unless the acquisition of the metal is to the advantage of the national security or is to the advantage of our own industry, it is not bartered for. If it is obtained, it is locked up, and thereby bolsters our market.

Mr. MANSFIELD. Am I to understand that if the Senator's proposal is adopted, insofar as the stockpiling of lead, zinc, manganese, and tungsten are concerned there will be no additions, even in the supplemental stockpile?

Mr. HUMPHREY. There may be additions, but only if they are sealed off, only if they in no way depress the American market, and only if they have a tendency to augment or improve the American market. I get that information from the responsible officials of the Department of Agriculture who are responsible for the barter program.

Mr. MANSFIELD. The Senator has also contacted the responsible officials in the Department of the Interior, has he not?

Mr. HUMPHREY. Yes; and they have testified.

Mr. MANSFIELD. Has the Senator contacted any persons in the industry?

Mr. HUMPHREY. I have only telegrams from industry, which I read yesterday. I have not confined my time to members of the industry.

Mr. President, I wish to conclude. Yesterday I heard it said that the barter program might disrupt our foreign policy. I submit that there is no evidence to lead to that conclusion. I checked with the German desk in the State Department with the assistant in charge of German economic affairs. He denies flatly that there has been any request from the German Federal Ministry of Agriculture to the State Department, as was indicated on the floor yesterday. All incoming and outgoing communications between the State Department and the German Ministry would have to go over this State Department desk and be cleared by it. There have been no outgoing communications from the State Department to Germany on this matter, either as of yesterday or today. The State Department informs me that if any such communications have been exchanged, it has been outside the State Department.

The office of the agricultural attaché at the German Embassy in Washington, Herr Schlange-Schoeningen, informed my office this morning that there have been no inquiries initiated or communicated to or from the Embassy either to the State Department or to the Agriculture Department on this issue. Surprise was expressed that information about yesterday's grain market in Berlin was

available for use yesterday in the Senate. Actually, the Berlin grain market is a limited and special situation, anyway, and the Hamburg market is the important one in Germany. If any communications took place between the German Federal Ministry of Agriculture in Bonn and the American Government, the German Embassy here does not yet know about it, and the only remaining possibility would seem to be direct communications between the German Ministry and the United States agriculture attaché in Bonn, and through him to the Agriculture Department. Yet as far as can be determined there is no record of such communication in the files of the Foreign Agricultural Service, to which the attaché reports.

I say this because I do not want to disrupt our foreign policy. I checked the matter this morning with the State Department, the Department of Agriculture, and the German Ambassador. I can say for the RECORD there is no information of record in the files of our Government that the German market on grains has been in any way upset because of what we are contemplating.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. AIKEN. Mr. President, I yield myself such time as I may need.

I think we had better take last things first. In reference to the State Department getting any communication from Germany respecting the amendment and the possible effect on grains, I have a copy of a communication to the State Department which is listed as unclassified, and which was received by the Department on the 18th of March, reading:

> There is a rumor in the German grain trade that if German Government will certify that feed-grain imports are in addition to usual commercial imports there is a program in United States whereby feed grains can be purchased—

A note on this paper says the program referred to is the barter provision of the bill—

> whereby feed grains can be purchased, from now through September 30, 1958, at 4 to 10 percent less than normal export price. If above possible, the trade is of opinion some quantities of barley and grain sorghum could be moved under replacement procedure.
>
> Federal Ministry of Agriculture has had several calls and are asking us for confirmation of such a program and also if there is an official form upon which to certify. "In addition to usual commercial imports." What criteria used for determining "In addition to usual commercial imports"?

That is a cablegram from our Embassy in Bonn.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I do not have too much time, but I yield.

Mr. HUMPHREY. I only wish to say that the cablegram may be from our Embassy, but to whom I do not know.

Mr. AIKEN. That is correct. The cablegram came from the Embassy in Bonn.

Mr. HUMPHREY. Within an hour before I came to the Senate today—or perhaps 2 hours—at slightly after 11 o'clock, I talked with the State Department, and the State Department informed me that the German desk, over which all materials would have to move, denies flatly that there has been any request from the German Federal Ministry of Agriculture to the State Department regarding this matter.

Mr. AIKEN. I think it is very evident that the request was made of our Embassy in Bonn, rather than the German Embassy in Washington.

Mr. President, I should like to reply to one other point which has been made this morning, and that is the point with regard to lead, zinc, and strategic materials which might be bartered for under the proposed change in the law.

The lead and zinc which have been brought in up to this time have been put in either the strategic stockpile or the supplemental stockpile. Lead, zinc, and other minerals brought in if the bill shall be enacted will have to be held by the Commodity Credit Corporation itself, unless those in charge of the stockpiles will accept such minerals, which they probably would not do at the present time. Therefore, the cost and the expense would have to be borne by the Commodity Credit Corporation and be charged up to our farm programs.

Mr. President, although the perfecting amendment of the Senator from Minnesota to section 5, which has been approved this morning, improves the language somewhat, it does not remove the major objection to section 5 of the bill, which the amendment I have offered would strike out.

Section 5 of the bill would, first, direct the Secretary to barter up to $500 million worth of agricultural commodities a year even if such transactions would not conserve the assets of CCC and the Federal Government, but would dissipate them.

Second, direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash, and

Third, require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage cost and deterioration risks lower than agricultural commodities owned by the CCC even though such materials could not be used in the foreseeable future.

In other words, the Commodity Credit Corporation might trade its assets for materials, strategic and otherwise, which would be imported into this country, but unless there were a ready disposal either to the stockpile or to others the CCC might have to carry the commodities for an indefinite period of time.

I do not want it to be understood that I am opposing barter, if through barter we can do business which is absolutely in addition to the amount of business we are doing for dollars. However, section 5 of the bill is still entirely too broad. It throws the gates wide open. It would make it possible to undercut our own foreign trade and reduce prices, as I have indicated, and also to disrupt the trade of other countries.

I do not believe Germany would object to the barter provisions. I think Germany might make a dollar through them, by buying for less than the world market price. But I believe that other countries such as Canada, Australia, Argentina, and possibly France would object to this method of price cutting.

The situation got so bad last fall that the Canadian top officials requested a conference with the top officials of the United States, and as a result of the conference the two countries entered into an agreement. We signed an understanding with the Canadian officials to the effect that we would stop cutting the market out from under them, with particular reference to wheat, barley, rye, and such commodities the prices of which they felt were being undercut through barter transactions.

Mention has been made of the possibility of bartering for platinum under the proposal. Certainly we can barter for platinum under the proposal. We can barter for platinum under the law which we now have. I understand that our Government is willing to barter for platinum, but the other folks do not want to trade us platinum that way. Platinum is in such demand throughout the world that it is not necessary for them to barter with us on platinum.

I would not want to depress world market prices or even prices for our own people at home. It seems incredible that the acquisition of large amounts of materials such as we would get in return for bartering on a large scale would not depress our markets here at home.

Section 5 is opposed not only by the Department of Agriculture, but also by the Department of State and by the Department of Commerce.

The present law is adequate to permit bartering for materials which we need, but it does not require bartering for materials which we already have in adequate supply, or which we could have in adequate supply. It certainly is no encouragement to our own mineral producers in the United States when we give authority to an agency of Government to swap surplus farm commodities for surplus minerals and materials from other countries. The effect would be to take surpluses off the hands of other countries, which would encourage greater production, thereby discouraging production of certain materials in the United States.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. PASTORE. Do I correctly understand the Senator to mean that countries which have strategic materials we need would prefer to sell them to us for hard cash, but the only attraction presented is that those countries will get wheat and other agricultural commodities below the world market price, which is the only inducement to sell to us the strategic materials?

Mr. AIKEN. The effect of section 5, which I am trying to have stricken from the bill, would be to require the Department to barter for those materials whether we needed the materials or not, and stockpile them perhaps for the next 30 or 40 years. The list of materials

which will be accepted for the supplemental stockpile and the strategic stockpile has been restricted to a very few at the present time. I think originally there were 58 materials which would be accepted, but most of them have been eliminated.

Mr. PASTORE. Is the attraction essentially one to get rid of surplus agricultural commodities, or is the attraction one to bring to this country materials we need?

Mr. AIKEN. Well, if it were restricted only to materials we needed, that is covered in the present law.

Mr. PASTORE. What is the purpose?

Mr. AIKEN. The proposal would require the Department to barter for things we do not need, provided the Department could make a trade of surplus farm commodities for them.

Mr. LAUSCHE. Mr. President, will the Senator yield so that I may ask a question?

Mr. AIKEN. I yield.

Mr. LAUSCHE. The present law authorizes the Commodity Credit Corporation to barter for strategic materials, does it not?

Mr. AIKEN. The Senator is correct.

Mr. LAUSCHE. By "strategic materials" we mean those which are in scarcity in our country, de we not?

Mr. AIKEN. We mean those materials which can be accepted either in the strategic stockpile or the supplemental stockpile.

Mr. LAUSCHE. The language which the Senator from Vermont seeks to strike is language which would expand the power of the Commodity Credit Corporation and direct it not only to barter for strategic materials, but to barter for other materials which we might need.

Mr. AIKEN. It directs the Secretary to barter whether we need them or not. It directs him to barter for materials of which the United States does not produce enough for its own needs. The criterion to be used would be whether we import such materials in some quantity at the present time. Any materials which are imported at the present time—and I would include lead, zinc, pulpwood, paper, and such things as that—could be bartered for.

Mr. LAUSCHE. Am I correct in understanding that, unless the language which the Senator from Vermont seeks to strike is stricken, the Commodity Credit Corporation will be obliged to barter, not only for strategic materials, but all other materials, provided it finds barter to be practicable?

Mr. AIKEN. It will be directed to barter for such materials if those materials are not produced in sufficient quantity in the United States. There are many commodities with respect to which we would like to encourage domestic production, which materials would come in this category merely because we are not now able to meet foreign competition in cost. This proposal would reduce the possibility of reopening some of our mines or expanding some of our present mining operations.

Mr. LAUSCHE. Is it true that under the present law these objects are achievable at the discretion of the Commodity Credit Corporation, through the advice which it receives from the various departmental heads; but that under the language which the Senator from Minnesota has offered, barter would become practically mandatory?

Mr. AIKEN. The Senator from Ohio has correctly explained the situation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MANSFIELD. Following up the question raised by the distinguished Senator from Ohio, am I to understand that at the present time it is possible for the Secretary of Agriculture to barter surplus agricultural products for lead, zinc, manganese, and tungsten?

Mr. AIKEN. I do not think it would be possible unless they were needed for the supplementary or strategic stockpiles. According to my interpretation this proposal would direct the Secretary to barter whether they were needed or not. But if they could not be transferred to the stockpile, or sold to other agencies of the Government, they would have to be held by the Commodity Credit Corporation itself.

Mr. MANSFIELD. But under the proposed system it would be possible for the Secretary, in exchange for surplus agricultural products, to obtain those four minerals on a barter basis.

Mr. AIKEN. Yes.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself 2 minutes on the bill.

Mr. SYMINGTON. Mr. President, will the distinguished Senator yield?

Mr. AIKEN. I yield.

Mr. SYMINGTON. Does the Senator say that under this language the Secretary of Agriculture would be forced to sign contracts which he might think were not in the best interests of the economy of the United States? As I understand, he is directed to look at any proposed arrangement, but he is not directed to close a deal.

Mr. AIKEN. The part of the present law which requires conserving the assets of the Commodity Credit Corporation and the Government would be stricken out by section 5, and the Secretary would not be required to conserve the assets of the Commodity Credit Corporation.

Mr. SYMINGTON. Under the amendment of the distinguished Senator from Minnesota, as I understand it, and based upon the hearings on this amendment, the Secretary would be directed to look at the possibilities of barter, but he would not be directed to make any contracts to barter which he thought were wrong. He would not be forced to enter into an arrangement which would be against the best interests of the United States.

Mr. AIKEN. The Secretary would be directed to barter up to $500 million worth of agricultural commodities a year, even if such transactions would not conserve the assets of the Commodity Credit Corporation and the Federal Government, but would destroy them. The Secretary would be directed to barter, even though the so-called barter transactions would displace cash sales for dollars, and would have a tendency to drive down the prices which the Commodity Credit Corporation might receive for the remaining materials, in cash. That is the interpretation by the Department of Agriculture, and I think it is correct.

Mr. SYMINGTON. This interpretation by the Department of Agriculture does not surprise me too much, because there has never been any real effort made to enable the Department to execute practically what the Department says it would like to do, namely, find new markets. The language may be a little strong, but, based upon my business experience, in my opinion the Department's interpretation is completely wrong.

Mr. AIKEN. Barter was intended to develop markets in out-of-the-way places in the world, in addition to business which would otherwise be done. The international concerns engaged in bartering have developed business in such out-of-the-way places as London, Berlin, The Hague, Antwerp, and Paris. I presume they were very much surprised to find people living in those out-of-the-way places. [Laughter.]

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself 2 minutes more.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SYMINGTON. The platinum market is soft. We have as much platinum as we need in the stockpile, one of the chief reasons being the development of palladium, a comparable element.

It surprises me to learn that people who are not interested in moving the agricultural products of the country, however, would not rather have a bar of platinum which has no storage problem, than a good many tons of some agricultural product.

Mr. AIKEN. I think I would rather use my time to discuss the merits of the amendment, rather than the merits of the officials of the Department of Agriculture.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I asked for 3 minutes merely to set the record straight.

I have consulted with officials of the Department of Agriculture; and it is not true that this proposal is a directive which says, "You must barter, regardless of consequences."

The persons in charge of barter operations in the Department of Agriculture informed the Senate in the hearings that barter arrangements are made only after careful consultation with the Department of State, the Department of Commerce, the Department of the Interior, the General Services Administration, and the Office of Defense Mobilization.

Furthermore, barter arrangements are entered into only when there is a procurement directive, approved by an in-

teragency committee or from a department of Government which requests the Department of Agriculture to barter for a specific purpose.

Let me give an example. During the Korean war we needed wool blankets. They were in short supply in the United States. The ICA, in an emergency request, asked the Department of Agriculture to barter cotton for wool blankets. That is a specific example.

Moreover, any minerals or metals are covered by the supplemental stockpile and by the national stockpile. While the Commodity Credit Corporation, even now, has some metals in its possession, they are in process of being shifted into the stockpile when appropriations are made by the Congress for their absorption.

Those who have had any experience under this program flatly deny what has been said by those opposed to the amendment. This amendment does not demand that the Secretary of Agriculture barter willy-nilly. What it does provide is that, if it is in the national interest—and if we use the same procedures as were used before the barter program was closed, it will be in the national interest—the Secretary should barter.

The amendment merely provides that the Secretary shall take a look at the proposed barter arrangements, and determine whether the arrangement would be to the best interests of our country.

I have heard a great deal about international traders. One of the international traders which officials of the Department of Agriculture list as being a barter contractor, and one to which I point with pride, is Land O' Lakes Cooperative Creamery—a terrible octopus, an international trader.

Here is another one on the list. Marriner & Co., Inc., of Lawrence, Mass. Here is another one. The Kincaid Cotton Co., Gastonia, N. C. The International Minerals & Metal Corp., of New York. The Land O' Lakes Creameries, of Minneapolis, Minn. The Lentex Metal & Chemical Corp., of New York. H. Kempner, of Galveston, Tex. The list shows 125 companies. They are mostly large American corporations, who are in the exporting business. Every witness from this group before the committee testified in behalf of barter. Of course, barter is not the full answer, Mr. President, but it is an additional tool for expanded marketing operations.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Soon we will be asked to vote on a $4 billion foreign aid program. Some of the aid will go to foreign countries in the way of machine tools. These tools may well be used in the manufacture of automobiles, which will be made in the foreign market, and which will then compete against our own automobile production. Our automobile industry will feel that competition. I do not say that is wrong, that we should extend assistance to our friends and allies, in the expressed interest of our own security.

What is wrong, I say, inasmuch as most of these countries need food very badly, is that there seems to be a great desire on the part of this administration to establish policies which give away components of our wealth which produce further wealth; namely, dollars, machine tools, and so forth. At the same time, despite the fact we now have employment shortages, the administration apparently does not want to make any real effort to move to these countries the food that we have in such surplus, and which nearly all these countries need. Is there any logic to such a course?

Mr. HUMPHREY. No. All I can say, and I say it most respectfully, is that this is not an effort to dump, and the fact, as shown by the record, is that sometimes we will get a little better price in that way than we would in the open market.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from Minnesota.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. It takes 12 to 14 pounds of manganese to make a ton of steel. Does the Senator see any reason why, since we have these agricultural surpluses, that the Secretary of Agriculture should not be told to find out whether he can get rid of some of these surpluses, to help our own economy; by bartering, if he can do so, instead of having either hard line materials given away, or agriculture products given away?

Mr. HUMPHREY. The Senator's point is well taken. Most responsible officials that I have discussed the matter with favor the barter program. For example, it has resulted in a saving of $103 million in storage cost alone. I call that particularly to the attention of the Senate.

Mr. AIKEN. Mr. President, I yield 30 seconds to the Senator from Utah [Mr. WATKINS].

Mr. WATKINS. Mr. President, I have prepared a statement on the bill which I ask unanimous consent to have printed in the RECORD, together with several related matters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENTS ELIMINATING SECTIONS 5 AND 6 OF S. 3420, A BILL TO EXTEND AND AMEND THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The purpose of this amendment is to eliminate sections 5 and 6 of the bill before us. These sections of S. 3420, if enacted into law, would direct the Secretary of Agriculture, among other things, to barter up to $500 million worth of surplus agricultural commodities per year, for materials of which the United States supposedly does not domestically produce its consumptive needs.

A short historical review of the barter program as conducted under the Agricultural Trade Development and Assistance Act of 1954 is in order at this point. Such a review will make it plain why I oppose amendment of section 303 of that act as provided for by section 5, and why I oppose amendment of section 206 of the Agricultural Act of 1956 as provided for by section 6 of this bill as well.

Section 303 of Public Law 480 authorizes the Commodity Credit Corporation to barter surplus agricultural commodities for "strategic materials entailing less risk of loss through deterioration or substantially less storage charges," among other things, when there is opportunity to protect the funds and assets of the CCC by so doing. As the seventh annual report of the activities of the Joint Committee on Defense Production (January 16, 1958) indicates:

"To date the acquisition of strategic materials through CCC barter agreements has been limited to materials listed within the Office of Defense Mobilization procurement directives for both the strategic and supplemental stockpiles" (p. 59).

At the end of April 1957, the barter program was suspended so as to enable the Department of Agriculture to develop safeguards against the substitution of barter transactions for dollar sales without net gain in total export of agricultural surpluses. Another factor involved was the growing volume of complaints that minerals acquired as a result of the barter program were having an adverse effect upon domestic mining operations, especially lead and zinc.

Toward the end of May 1957, the barter program was resumed under revised policies which insured that a proposed barter transaction will mean a net increase in United States exports in order to insure against simply replacing dollar sales. Thus the remedial program does not provide as ready a market for foreign minerals as had been done in the past.

As we all know, the United States is dependent upon foreign sources for certain strategic materials. However, it is not dependent upon foreign sources for over one-half of all of the kinds of materials contained in the strategic and supplemental stockpiles. Not only that, but also several of the strategic materials for which surplus agricultural commodities have been bartered actually consist of minerals of of which we have an abundance right here in the United States.

For example, over one-half of the value of the 24 supplemental stockpile materials delivered from July 1, 1954, through December 31, 1957, consists of fluorspar, lead, and zinc. These are minerals, the domestic prices of which have been depressed by excessive foreign imports, over the past few years. This factor, coupled with the economic recession, has resulted in excessive and prolonged unemployment in these mining industries.

I point these facts out, Mr. President, because in my opinion amendment of section 303 of Public Law 480 could well work to the further detriment of our domestic lead and zinc mining industry, including additional minerals such as copper and coal as well, which along with lead and zinc are depressed industries at the present time.

It is understandable that the Committee on Agriculture and Forestry should try to find and develop means and methods of expanding the demand for agricultural commodities. Especially is this true in light of the news recently released by the Department of Agriculture that exports of farm commodities during the first half of the current fiscal year were down 10 percent from the dollar volume of a year earlier.

But I submit that the Congress should not in its zeal to find additional outlets for agricultural commodities take steps which will transfer that industry's problem of "diverted acres" and resulting oversupply to the domestic mining industry. This I believe could well be the case if sections 5 and 6 are not eliminated from S. 3420.

I say this because section 5 removes the necessity of a finding by the Secretary of Agriculture that by bartering surplus commodities there is an opportunity to protect the funds and assets of the Commodity Credit Corporation. It would require him, in effect, to barter up to $500 million annually of surpluses for any material—not

just strategic materials, which, in his judgment, are not produced domestically in large enough quantities to meet our requirements, whatever that term may mean. Enactment of section 6 of the bill then would permit the duty-free entry of such materials.

No criteria are contained in sections 5 and 6 which the Secretary of Agriculture could use to determine exactly what are the materials of which the United States does not domestically produce its requirements. I suppose since the bulk of United States lead and zinc consumption is coming from foreign imports, it could be said that we do not produce our own requirements. But what a farfetched position that would be to take, since our miners and mines are capable of supplying a major portion of our own lead and zinc requirements, if it were not for the fact that cheap foreign imports have been permitted to flood this country for several years now.

Yet, there would be no reason why the Secretary of Agriculture could not, if sections 5 and 6 are enacted into law, barter surpluses for lead and zinc. In fact, based upon the amount of lead and zinc in the supplemental stockpile, and the depressed world price, I suspect there might well be strong pressure generated to force him to do it. The same could be said for copper, coal, fluorspar, and other minerals as well.

As the Secretary of Agriculture put it so well in his letter of March 11, 1958, to the chairman of the Committee on Agriculture and Forestry in opposing enactment of sections 5 and 6 of this bill:

"There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefore is in order.

"This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of these materials in the foreign countries and importers of these materials into this country want a price support and surplus removal program for these materials. * * *

"There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities we stopped the program for reappraisal. The domestic lead and zinc industry felt the full impact of the price-depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials and serves as a stimulant for further expansion of such surplus production."

In this connection, Mr. President, I should like to point out that the Combined Employment and Unemployment Release, February 1958, issued on March 11, 1958, by the Departments of Commerce and Labor, indicates that between January and February 1958, the number of men on mining payrolls declined by 14,000. In February 1958, the percentage of the labor force in the mining industry who were unemployed stood at 11.5, an increase of nearly 2 percent over January 1958. In my own State of Utah, there has been a loss of 2,400 mining jobs in the last 6 months. In addition, 1,519 unemployed miners were claiming unemployment insurance during the week ended March 15, 1958. This latter figure compares with 464 during the comparable week in 1957.

I am attaching three short statements of recent date, which depict a desperate plight of the copper, coal, and lead and zinc industries to be printed at this point in my remarks.

I am not opposed to a barter program per se, but I am opposed to an "open the throttle" barter program, as the Secretary of Agriculture termed the kind of program which would be created by enactment of sections 5 and 6 of this bill. American miners and their families, as well as the mine owners of this country, should not be obligated to assume the burden of an unwise price-support program of past years, which has resulted in the production of surpluses greatly in excess of market outlets. Solving the problem of excess agricultural production belongs to agriculture; it is not the responsibility of the American mining industry, which has suffered enough injury through excessive imports permitted by our reciprocal trade agreements policy.

Before voting on this amendment, I think it desirable to enumerate the reasons why sections 5 and 6 should be eliminated from the bill. In his letter to the chairman of the Committee on Agriculture and Forestry, the Secretary of Agriculture summarized them as follows:

1. Sections 5 and 6 would direct the Secretary to barter up to $500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of the CCC and the Federal Government but would dissipate them.

2. These sections would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars, and would force a tendency to drive down the price which the CCC would receive for its remaining sales for cash.

3. They would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC, even though such materials could not be used in the foreseeable future.

4. They would increase the interest costs of CCC and the Federal Government.

5. They would provide world price support for materials without permitting domestic mining interests to benefit directly.

6. Enactment of sections 5 and 6 would not to any measurable extent establish new agricultural export outlets or increase existing ones.

For these reasons I urge the adoption of this amendment which the Senator from Vermont [Mr. AIKEN] proposed to S. 3420.

EXHIBIT 1

[From Pay Dirt, Phoenix, Ariz., of October 18, 1957]

LEAD-ZINC TARIFF PETITION IS FILED—EMERGENCY COMMITTEE SEEKS MAXIMUM PERMISSIBLE DUTY INCREASES

In its formal petition, the Emergency Lead-Zinc Committee stated in part:

"The President of the United States has recognized that a continuously productive lead and zinc mining industry is of fundamental importance to the national security, that the lead and zinc mining industry is in a distressed condition, and it is appropriate in the present circumstances to invoke the relief afforded by the escape clause.

"In May 1954, the Tariff Commission completed its prior investigation of the same subject and recommended the maximum increases permitted by existing law in the import rates on primary lead and zinc. Instead of implementing this recommendation, the President ordered a stockpiling program which has temporarily operated to remove some of the surplus production from the market. Now that the stockpiling program is tapering off, large surpluses of imported lead and zinc overhang the market and market prices have again receded to distress levels.

"Although industrial consumption of both lead and zinc in the United States has continued on a high, and rising, level, our mine production has receded considerably below wartime levels at the same time that imports have continued to increase both actually and relatively.

"In each year since the Commissioner's prior report, imports of both lead and zinc have materially exceeded our own mine production. So far in 1957, imports of lead are at an annual rate of 146 percent of our current mine production and imports of zinc are at a rate of 142 percent of current mine production in our own country.

"While the stockpiling program was in full swing, the returns to our miners were, in general, at viable, although not very profitable, levels. In recent months, prices have receded dangerously, to 14 cents per pound for lead and to 10 cents per pound for zinc. The price of lead is at the same level as existed at the time of the prior report of the Commission and the price of zinc is now lower.

"As imports have continued to flood the country, inventories have increased to burdensome levels.

"Costs of production have continued to increase. Consequently many mines, in all sections of the country, have been caught in the cost-price squeeze, and have been forced to close down, throwing thousands of miners out of work.

"There are at present at least 5,000 less miners producing lead and zinc in the United States than on January 1, 1957. For each miner thrown out of work, at least 1½ persons engaged in milling, smelting, refining, transportation, etc., are also thrown out of work so that the loss of 5,000 miners in employment means a loss of at least 12,500 employees engaged in the handling of primary lead and zinc.

"Imported lead and zinc metal are like and directly competitive with lead and zinc produced from ores mined in the United States, and imported lead and zinc ores are like and directly competitive with lead and zinc ores mined in this country. Likewise, imports of most of the lead and zinc manufactures are like and directly competitive with lead and zinc products made in the United States.

"The American miners acknowledge that the consumptive demands for lead and zinc in the United States are in excess of domestic production and that a continuation of substantial imports is necessary and desirable.

"They have no wish to penalize American consumers, to deny American industry access to adequate supplies, or to unreasonably raise prices so as to discourage consumption. The Committee will later propose a system of import quotas that will meet the above criteria and at the same time give a moderate degree of protection to our primary producers so as to restore and continue a healthy industry."

EXHIBIT 2

[From News Letter of the Mining Association of Montana, Butte, Mont., of February 1958]

PROVISIONS—COPPER BILL

PURPOSE OF THE BILL

The purpose of the bill is to amend the existing copper import tax legislation so as to enable the copper-mining industry of the United States to survive. This is attempted by changing the present peril point of 24 cents per pound to 30 cents per pound and by imposing a 4-cent-per-pound import tax which shall not be in effect when the domestic market price is 30 cents per pound or more. The bill thus seeks to achieve needed protection for the domestic copper industry and at the same time keep to a minimum any interference with foreign trade. It would leave the domestic market wholly free to all copper producers when the price is above the peril point.

BACKGROUND

The Internal Revenue Code has, since 1932, provided for an import tax on articles of imported copper—4 cents per pound on most items. That import tax, however, has been severely cut by Presidential proclamations under foreign trade agreements (GATT specifically); the 4-cent tax was cut to 2 cents in 1949, further cut to 1.8 cents in 1957, and is now scheduled to be cut to 1.7 cents on June 30, 1958. And, since 1951, by act of Congress, the tax has been suspended altogether, with the support of the domestic copper-producing industry. The suspension enactments in 1951, 1953, 1954, and 1955 each contained a proviso to the effect that the suspension would end if the domestic market of copper fell below 24 cents for a calendar month. The 1955 suspension, which is still in effect and contains such proviso, will terminate on June 30, 1958.

Since the 1955 suspension, far-reaching changes have occurred in the copper-producing industry. Substantial increases in foreign production, coupled with constantly increasing wage and other costs in the United States, have rendered precarious the position of the domestic producing industry. The domestic copper price has fallen from a high of 43 cents per pound in 1955 and 46 cents in 1956 to 27 cents per pound, and even lower for custom smelters, at present. The price in Europe has fallen even further, the London Metal Exchange price being now the equivalent of approximately 22 cents. The result has been shutdowns and important curtailments at practically all domestic copper mines, with substantial loss of employment and damage to the communities and States involved.

These changes and their consequences indicate the necessity both for a reestablishment of the import tax on copper at 4 cents per pound, and for a revision of the so-called peril point, i. e., the price below which the import tax becomes effective. This peril point should be set at a level which will encourage and maintain an active, healthy domestic copper-mining industry. Reestablishment of the import tax at 4 cents per pound will afford some real measure of protection when the price falls below that peril point.

EXHIBIT 3

UNITED MINE WORKERS OF AMERICA,
DISTRICT 22, WYOMING-UTAH,
Price, Utah, March 3, 1958.

Mr. ARTHUR V. WATKINS,
Senate Building,
Washington, D. C.

DEAR SENATOR WATKINS: This is a letter of appreciation by the undersigned in your efforts in behalf of the coal industry in the State of Utah of which I am enclosing the number of men who are at the present time unemployed in the coal industry. Also the statistical data of the number of mines some of which have been closed due to the lack of market.

I certainly feel that this is very detrimental to the economy of the State of Utah and of the Nation as a whole.

This information may be very helpful to your office in behalf of the ailing industry at the present time.

Hoping to hear from you and if any additional information is needed please feel free to contact me.

Again thanking you for your interest and efforts to protect the coal industry in the West, I am,

Sincerely yours,

HARRY MANGUS,
President.

Mines		Men layed off	Days worked per week [1]
Adams Black Diamond Coal Co.	Mine shut down.	------	--------
Alvey Coal Mine	...do.....	4	--------
American Fuel Co	----------	12	--------
Carbon Fuel Co	----------	------	1
Chappell Coal Co	Mine shut down.	9	--------
Columbia-Geneva Steel Division:			
Columbia Mine	----------	57	3
Geneva Mine	----------	------	3
Blue Flame Coal Co	Mine shut down.	2	--------
Book Cliffs Coal Co	----------	------	4
Arthur L. Petty: Browning Mine.	----------	------	2
Coop Mining Co	----------	------	4
Day Mutual Coal Co	Mine shut down.	4	--------
Helco Coal Co	...do.....	4	--------
Independent Coal & Coke Co.:			
Castle Gate Mine	----------	60	2 and 3
Clear Creek Mine	----------	86	2 and 3
Kenilworth Mine	----------	106	2 and 3
Kaiser Steel Corp.: Sunnyside Nos. 1, 2, and 3 Mines.	----------	800	--------
Knight Ideal Coal Co.:			
Knight No. 1 Mine	----------	14	3
Knight No. 2 Mine	Mine shut down.	7	--------
Koal Kreek Coal Co	----------	------	2
Larsen & Rigby	Mine shut down.	------	--------
Leamaster Coal Co	----------	------	2
Liberty Fuel Co	----------	------	2
Lion Coal Corp	----------	107	2
Premium Coal Co. (Soldier Canyon).	----------	3	3
Royal Coal Co	----------	------	2 and 3
Shakespear Bros	Mine shut down.	2	--------
Smirl Alton Coal Mine	...do.....	4	--------
Southern Utah Fuel Co	----------	------	2
Spring Canyon Coal Co	----------	------	2 and 3
Spring Creek Coal Co	----------	------	2
Frank M. Stone	Mine shut down.	------	--------
Sun Valley Coal Co	----------	------	2
Trail Mountain Coal Mine No. 1.	Mine shut down.	4	--------
Tucker Coal Co	----------	------	2
Utah Fuel Chemical Co	Mine shut down.	------	--------
United States Fuel Co	----------	187	2 and 3
Vulcan Fuel Co	Mine shut down.	2	--------
Wardle Coal Mine	...do.....	1	--------
Webster Coal Mine	...do.....	6	--------
Western Coal Mining Co	----------	------	1
Wilberg Coal Co	----------	------	2

[1] The amount of days working per week as up to Mar. 1, 1958.

Mr. AIKEN. I understand the time on the amendment has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 minute.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I should like to ask a question of the distinguished chairman of the committee, because I am sorely torn on this question. I represent a State in which we have large wheat surpluses and other agricultural surpluses, where we have mineral surpluses, and where the mining conditions are very bad. As a matter of fact, in the State of Montana, we are in a depression, so far as mining is concerned. I understand, from the explanation that has been given of the bill, that lead, zinc, tungsten, and manganese have been imported under the program, but that, on being imported, they have been placed in what is known as the standby stockpile.

As long as that was happening, the price of these products was fairly strong in this country. However, as soon as bartering in these minerals stopped, then the minerals which used to go into the stockpile came into the open market, and the price was depressed.

As the result, the lead, zinc, and tungsten mines are closed down. They are being flooded, the timbers are caving in, and the breasts are falling. Also, the result has been that a great many people have been put out of work.

What is the situation under the provisions now in the bill insofar as these metals are concerned?

Mr. ELLENDER. Mr. President, the distinguished Senator from Minnesota has stated many times that, although the Secretary of Agriculture is directed to barter, he must still consult——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 1 more minute.

It must be remembered that bartering does not affect domestic production with respect to which "the United States does not domestically produce its requirements and which entail risk of loss through deterioration or substantial storage charges."

Mr. MANSFIELD. Then, as long as a surplus lasts in any 1 of those 4 metals, there can be no barter. Is that correct?

Mr. ELLENDER. That is correct.

Mr. MANSFIELD. There cannot be any bartering?

Mr. ELLENDER. No; that is my understanding.

Mr. AIKEN. Mr. President, I yield myself 2 minutes on the bill, and I should like to have the Senator from Louisiana point out in the bill any provision which prohibits such barter. My interpretation is that that is not only permitted, but directed.

Mr. MANSFIELD. Mr. President——

Mr. AIKEN. I have asked the Senator from Louisiana to point out the part of the bill which prohibits the Secretary of Agriculture bartering for lead, zinc, or any other minerals of which we are now importing substantial quantities.

Mr. ELLENDER. Mr. President, I yield myself 1 minute. This matter has been discussed time and time again. I certainly hope the Secretary of Agriculture will use good judgment and not stockpile strategic materials that are on hand in abundance.

Mr. AIKEN. They are being imported now.

Mr. ELLENDER. That is true, but even though they are the subject of barter, they cannot be sold to the trade, unless an act of Congress to that effect

is passed. All protection necessary is given to the producers of those materials. The reason for the barter provision in the bill is that the Department of Agriculture has absolutely closed out barter.

Mr. HUMPHREY. I believe I can clarify this situation.

Mr. ELLENDER. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. First of all, all metals and minerals that are bartered have to be put in the stockpile.

Mr. AIKEN. No.

Mr. HUMPHREY. Yes. I will tell the Senator why. It is because we do not barter unless a procurement directive has been issued.

Mr. AIKEN. It can be done under the provisions of the bill.

Mr. HUMPHREY. It cannot be done. I discussed that very point with representatives of the Department of Agriculture familiar with the details of the program.

Mr. AIKEN. That is the purpose of the bill.

Mr. HUMPHREY. No; that is not the purpose of the bill. The purpose is to tell the Secretary that he should barter. He has not bartered at all. He has refused to barter, at the expense of the American taxpayers.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ELLENDER. I yield 1 more minute.

Mr. HUMPHREY. I think it is only fair that we should completely understand how the Department of Agriculture operates on barter. While the language is more of a directive to the Secretary, it also requires that he follow some procedure. He did in the past, before barter was suspended. The same people would administer this new bill. The only barter that will take place will be on a procurement directive or on a specific request from individual agencies of the Government. The procurement directive is the result of action by the interagency committee of the Department of State, the Department of Agriculture, the Department of Commerce, the General Services Administration, and the Office of Defense Mobilization.

Unless the Office of Defense Mobilization, which is responsible for the policy, and the General Services Administration, which is responsible for the inventory of the national stockpile or the supplemental stockpile, say that the barter is in the national interest, the barter will not take place.

Mr. ANDERSON. What language is this? Where is the language that protects the lead and zinc industry?

Mr. HUMPHREY. It is already in the supplemental stockpile language. It is already in the national stockpile language. It is already a matter of working regulation in the Department, which has been working with it since the 79th Congress, and, indeed, since the 1956 supplemental stockpile bill. That is not being disturbed at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield one more minute.

Mr. MANSFIELD. Mr. President, I should like to have an answer to the same question I directed to the distinguished chairman of the committee. Under the language proposed, is the idea to provide that so long as there is a surplus of lead, zinc, manganese, and tungsten, and a depressed condition in those industries, no barter arrangements will be made?

Mr. HUMPHREY. If the interagency committee, composed of the Departments of State, Interior, Agriculture, and Office of Defense Mobilization feels that no more metals are needed, none will be obtained.

Mr. MANSFIELD. But we have surpluses.

Mr. HUMPHREY. Stockpile surpluses are locked up; they are isolated from the market.

Mr. MANSFIELD. No, no; the surplus is outside the stockpiles.

Mr. HUMPHREY. I am talking about any metals brought into the country under barter, if any are brought in. They will not be put in the American market; they will be put in the stockpile. There will be no metals flooded onto the American market.

I have discussed the matter with the officials, and I assure the Senator from Montana that the same regulations which prevailed previously, concerning the consultation by experts in the GSA and the Department of the Interior, will prevail under this provision.

This provision simply says to Ezra Taft Benson, "Instead of spending $1 million a day for storage charges on wheat, and instead of permitting that wheat to deteriorate, try to make a barter deal for goods of which we are in short supply, for goods which will not deteriorate, for goods for which there will be no storage charges. If you can make such an arrangement, and if you can find an agency of the Government that says it needs the goods, or if they are needed for the defense program, then will you please go ahead and barter?" That is the intent of the provision.

Mr. MANSFIELD. That is fine; but we are not in short supply of lead, zinc, tungsten, and manganese. The chairman of the committee says they will not be bought. The Senator from Minnesota does not go quite that far, but almost that far.

Mr. HUMPHREY. I do not know whether they will be bartered; I cannot say. That is a matter to be decided by the Office of Defense Mobilization in the interest of protecting the security of the United States.

Mr. MANSFIELD. The Senator from Louisiana says that they will not be bought.

Mr. ELLENDER. Of course they will not be bartered; not under the conditions just stated.

Mr. President, I ask unanimous consent that there be a quorum call, the time for the quorum call to be charged to neither side.

Mr. JOHNSON of Texas. Are we ready to vote?

Mr. ELLENDER. Yes; all the time has been used.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a quorum call, and that as soon as a quorum has been obtained, the Senate proceed to vote on the Aiken amendment.

The PRESIDING OFFICER. Is there objection?

Mr. THYE. Mr. President, I ask unanimous consent that I may have a few minutes in which to make a statement connected with the introduction of a bill, before the quorum is called, the time for my statement to be charged to neither side. Is that agreeable?

Mr. JOHNSON of Texas. Yes.

SOUTH POLE DOG

Mr. THYE. Mr. President, we all know that laws, rules, and regulations are necessary to the orderly government and functioning of society. This is the very basis for the existence of government, for without it we would have anarchy.

Certain occasions arise, however, when the rigid enforcement of the duly adopted laws of society or government can work an unintended hardship, and in these cases we should act to remove the burden of the general rules. Such an instance has come to my attention, and I feel that it must be brought to the attention of my colleagues for corrective action.

An Associated Press article appeared in the Washington Evening Star last night stating that a lieutenant in the United States Navy who has spent the past several months at the South Pole is about to be mustered out of the Navy. While Lieutenant Tuck was based in the Antarctic, he raised and trained a sled dog which is now said to be Navy property, and must be offered for sale at a public auction next week. Lieutenant Tuck would like to retain possession of his pet, but is prevented from doing so by Navy regulations pertaining to the disposition of surplus property. Furthermore, the lieutenant is prevented by law—and that is the important factor—from submitting his own bid for purchase of the dog, because personnel of the Armed Forces may not bid on surplus defense property.

The Secretary of the Navy has informed me that no exception can be made in this case. It seems more fitting to me that this serviceman should be allowed to keep his pet than that it should be offered for sale to some dog-food manufacturer for advertising purposes. I would like to point out that this dog is the only one to have been born and raised in the Antarctic. The dog was not purchased by the Navy, and the man who raised and trained him should have the right to keep him.

Mr. President, I introduce for appropriate reference a bill which would direct the Secretary of the Navy to transfer all right, title, and interest in this dog to Lieutenant Tuck.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3529) to direct the Secretary of the Navy to transfer certain surplus property to Lt. Jack Tuck, intro-

duced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Armed Services.

Mr. THYE. Mr. President, I ask unanimous consent also that the article entitled "Navy Redtape Ties Up Husky Born at Pole," published in the Washington Evening Star of March 19, 1958, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAVY REDTAPE TIES UP HUSKY BORN AT POLE—SALE AS SURPLUS THREATENS TO SEPARATE SLED DOG FROM HIS SERVICE MASTER

The Navy is taking bids on Bravo the dog, and the bidding could be more spirited than that for a major shipbuilding contract.

Bravo is the sled dog born in the Antarctic and reputedly the only dog ever to winter at the South Pole, Lt. (j. g.) Jack Tuck, one of the 17 Navy men and civilian scientists who lived at the American South Polar base last season, wants to keep his canine friend when Lieutenant Tuck leaves the Navy to go to college.

But the way the situation shaped up today, Lieutenant Tuck and Bravo won't be mustered out together. Bravo, it seems, is Navy property and under the law can't be given away, even though the Navy has declared him to be surplus property.

Bravo and Lieutenant Tuck are now at the United States Naval Construction Battalion Center, Davisville, R. I.

Bids on the sale of Bravo and four other part-wolf huskies used in the Antarctic exploration trips will be received at Davisville next Tuesday. Among those expressing interest is at least one manufacturer of dog food.

The bidding forms place the Government cost for each of the 5 dogs at $233. All of the dogs except Bravo were purchased from Mrs. Milton Seeley of Wonalancet, N. H.

Bravo really didn't cost the Government anything; he was a by-product of canine social life in the Antarctic. Nevertheless, the specifications include him in the list of $233 dogs and that is the lowest price the Navy wants in the bids.

Bravo—silver gray, alert and bigger than his relatives—has been featured in pictorial reports of the National Geographic magazine on the Antarctic expedition.

The bid specifications of the Navy include this notation on Bravo: "Caution—this dog is highly spirited and must be handled with extreme caution." Bravo's Navy friends say this is slander.

MILK PRICES

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated March 17, 1958, which I have received from the National Independent Dairies Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL INDEPENDENT DAIRIES ASSOCIATION,
Washington, D. C., March 17, 1958.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR THYE: I first want to thank you for the courteous treatment which we received during our appearance before the subcommittee of the Senate Small Business Committee investigating the food industry on March 3. Your profound interest in the problems of the small-dairy man is deeply appreciated, and it has been a pleasure for me to inform many of your constituents of the interest which you have shown and are showing in their problems.

During my testimony you asked if we had any figures which would show that the large chains could lower their price of milk in one area and raise their price in other areas, thereby showing an overall profit.

As you know, the major dairy chain in the United States is the National Dairy Products Corp., which does business under the name Sealtest. The United States Department of Agriculture fluid milk and cream reports for the months of June, July, August, and September 1957 report that the following markets in which Sealtest central division operates plants had the following changes in prices:

Memphis, Tenn.: Increased quarts 1 cent and half-gallons 2 cents in July 1957, and another 1 cent per quart and 2 cents per half-gallon in August 1957.

St. Louis, Mo.: Increased 1 cent per quart, 2 cents per half gallon in July—another 1 cent per quart and 2 cents per half-gallon in September 1957.

Milwaukee, Wis.: Increased 1 cent per quart and 1 cent per half-gallon in August 1957.

Nashville, Tenn.: Increased 1 cent per quart and 2 cents per half-gallon in August 1957.

Louisville, Ky.: Decreased 2 cents per quart, 4 cents per half-gallon on wholesale, and 1 cent per quart, 2 cents per half-gallon home delivery, on August 19, 1957.

As you can see from these various changes in the central division prices, they are able to lower the price in any given market while more than regaining this loss by raising their price in any or all other cities they serve.

We trust that the above is the information which you were seeking.

With all good wishes, I am,

Sincerely yours,

D. C. DANIEL.

DOMESTIC OIL INDUSTRY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Texas is recognized for 2 minutes.

Mr. JOHNSON of Texas. Mr. President, I have received a letter from the President of the United States which is of deep interest to broad sections of our country.

On March 6 I wrote to the President calling attention to the very serious situation that confronts the domestic oil industry and vital parts of our economy which depend upon it. The industry is staggering under the impact of continued heavy imports of petroleum and petroleum products. In my letter, I suggested that two steps be taken.

First, a mandatory reduction by 20 percent of oil imports under the authority granted to the President by Congress under the Reciprocal Trade Agreements Act.

Second, a system under which imports could be cut back from month to month on a basis comparable to cutbacks in the domestic industry in those States where prorationing is in effect.

The President's reply stated that mandatory controls have been under "serious discussion by the Cabinet committee." The President said that this country "may be compelled to adopt some such solution, although there are some constitutional and legal questions that may prevent."

The President then went on to say:

However, I do deeply believe that universal acceptance and practice by the industry of voluntary quotas, adjusted to the present production situation with such flexibility as to meet future contingencies, would avoid many difficulties and would be the best approach to this vexing problem—for the industry itself, as well as our economy as a whole.

Plans are now being discussed looking toward making these adjustments, and making them fully effective.

Mr. President, I hope the President's prompt response to my letter indicates there will soon be favorable action on this very serious problem. The present trend cannot continue long without a vital domestic industry suffering crippling blows

I have been in continuous contact with the responsible officials who are handling the oil program. I have been urging that they take steps and take them quickly to bring some relief to the industry.

I have expressed the hope that our agencies in their purchases will recognize the difficulties of the industry.

I have been urging that steps be taken to make the quota system effective.

In Texas alone our producers have had to close down hundreds of oil rigs. The search for new petroleum reserves has slowed down drastically. Many employees of the oil industry have been laid off or are working part time.

I have conferred with leaders of management and labor in the industry. They are agreed that action must be taken quickly before the industry is swamped in a sea of imports.

The impact has been reflected in unemployment figures; a depressed economy in the communities that center around the industry; and in the deteriorating financial position of a number of our States.

The need for action—prompt and effective action—grows more urgent every day. I hope that the President's statement is an indication that such action will not be long delayed.

I ask unanimous consent that there be printed in the RECORD as part of my remarks the text of the letter I have received from President Eisenhower.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 15, 1958.

The Honorable LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR LYNDON: I have your letter of March 6th calling attention to the situation confronting the domestic petroleum industry.

That excessive imports have a serious effect on national security has been recognized. Steps were taken by me to bring these imports into line on a voluntary basis. With the exception of a few recalcitrants, the established importers who were given quotas have cooperated willingly with the voluntary program. The quotas under the voluntary program were distributed, however, when the domestic demand was considerably higher than it is today.

The invocation of mandatory controls has been under serious discussion by the Cabinet Committee. We may be compelled to adopt some such solution, although there are some

constitutional and legal questions that may prevent. However, I do deeply believe that universal acceptance and practice by the industry of voluntary quotas, adjusted to the present production situation with such flexibility as to meet future contingencies, would avoid many difficulties and would be the best approach to this vexing problem—for the industry itself, as well as our economy as a whole.

Plans are now being discussed looking toward making these adjustments, and making them fully effective.

I have asked the Secretary of Commerce to advise you on the details of the Cabinet Committee's discussions and to keep you posted on the progress being made.

With warm regard.

Sincerely,

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. JOHNSON of Texas. Mr. President, I renew my request that there be a quorum call, the time for the quorum call to be charged to neither side; and that upon the obtaining of a quorum, the Senate proceed to vote.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Mundt
Allott	Gore	Murray
Anderson	Green	Neuberger
Barrett	Hayden	O'Mahoney
Beall	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Hoblitzell	Potter
Bridges	Holland	Proxmire
Bush	Hruska	Purtell
Byrd	Humphrey	Revercomb
Capehart	Jenner	Robertson
Carlson	Johnson, Tex.	Russell
Carroll	Johnston, S. C.	Saltonstall
Case, N. J.	Kerr	Schoeppel
Case, S. Dak.	Knowland	Scott
Church	Kuchel	Smathers
Clark	Langer	Smith, Maine
Cooper	Lausche	Smith, N. J.
Cotton	Long	Sparkman
Curtis	Magnuson	Stennis
Dirksen	Malone	Symington
Douglas	Mansfield	Thurmond
Dworshak	Martin, Iowa	Thye
Eastland	Martin, Pa.	Watkins
Ellender	McClellan	Williams
Ervin	McNamara	Yarborough
Frear	Monroney	Young
Fulbright	Morton	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN], to strike out section 5, as amended by the Humphrey amendment.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Georgia [Mr. TALMADGE] would each vote "nay."

On this vote the Senator from Tennessee [Mr. KEFAUVER] has a pair with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay" and the Senator from Maryland [Mr. BUTLER] would vote "yea."

Also, on this vote the Senator from Oregon [Mr. MORSE] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay" and the Senator from Utah [Mr. BENNETT] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of a death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Oregon would vote "nay."

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Tennessee would vote "nay."

Also, on this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 44, nays 39, as follows:

YEAS—44

Aiken	Cotton	Martin, Pa.
Allott	Curtis	Morton
Anderson	Dirksen	Mundt
Barrett	Dworshak	Payne
Beall	Eastland	Potter
Bible	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Schoeppel
Capehart	Jenner	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case, N. J.	Kuchel	Thye
Case, S. Dak.	Lausche	Watkins
Church	Malone	Williams
Cooper	Martin, Iowa	

NAYS—39

Byrd	Humphrey	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Clark	Johnston, S. C.	Proxmire
Douglas	Kerr	Robertson
Ellender	Langer	Russell
Ervin	Long	Scott
Frear	Magnuson	Smathers
Fulbright	Mansfield	Sparkman
Gore	McClellan	Stennis
Green	McNamara	Symington
Hayden	Monroney	Thurmond
Hill	Murray	Yarborough
Holland	Neuberger	Young

NOT VOTING—13

Bennett	Ives	Morse
Butler	Jackson	Talmadge
Chavez	Javits	Wiley
Flanders	Kefauver	
Hennings	Kennedy	

So Mr. AIKEN's amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the vote by which the amendment was agreed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Vermont.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. CASE of South Dakota. Mr. President, I desire to call up my amendment.

Mr. MONRONEY. Mr. President, will the Senator yield so that I may call up a privileged matter?

Mr. CASE of South Dakota. I yield for that purpose.

REINVESTMENT BY AIR CARRIERS OF GAINS DERIVED FROM THE SALE OR OTHER DISPOSITION OF FLIGHT EQUIPMENT—CONFERENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 406 (b) of the Civil Aeronautics Act of 1938, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"'In determining the need of an air carrier for compensation for the transportation of mail, and such carrier's "other revenue" for the purpose of this section, the Board shall not take into account—

"'(1) gains derived from the sale or other disposition of flight equipment if (A) the carrier notifies the Board in writing that it has invested or intends to reinvest the gains (less applicable expenses and taxes) derived from such sale or other disposition in flight equipment, and (B) submits evidence in the manner prescribed by the Board that an amount equal to such gains (less applicable expenses and taxes) has been expended for purchase of flight equipment or has been deposited in a special reequipment fund, or

"'(2) losses sustained from the sale or other disposition of flight equipment.

Any amounts so deposited in a reequipment fund as above provided shall be used solely for investment in flight equipment either through payments on account of the purchase price or construction of flight equipment or in retirement of debt contracted for the purchase or construction of flight equipment, and unless so reinvested within such reasonable time as the Board may prescribe, the carrier shall not have the benefit of this paragraph. Amounts so deposited in the reequipment fund shall not be included as part of the carrier's used and useful investment for purposes of section 403 until expended as provided above: *Provided*, That the flight equipment in which said gains may be invested shall not include equipment delivered to the carrier prior to April 6, 1956.'

"SEC. 2. The amendment made by this Act to such section 406 (b) shall be effective as to all capital gains or losses realized on and after April 6, 1956, with respect to the sale or other disposition of flight equipment whether or not the Board shall have entered a final order taking account thereof in determining all other revenue of the air carrier."

And the Senate agree to the same.

MIKE MONRONEY,
G. A. SMATHERS,
ALAN BIBLE,
ANDREW F. SCHOEPPEL,
FREDERICK PAYNE,
Managers on the Part of the Senate.

OREN HARRIS,
KENNETH A. ROBERTS,
WALTER ROGERS,
SAMUEL N. FRIEDEL,
CHAS. A. WOLVERTON,
JOS. P. O'HARA,
ROBERT HALE,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MONRONEY. Mr. President, this represents a unanimous agreement of the conferees of the Senate and of the House on the capital gains waiver for feeder airlines and other airlines on subsidy. The bill is identical with the bill passed by the Senate except with a rearrangement to make more definitely certain that the Williams amendment is expressed in clear and certain terms.

There is no objection from either the minority or majority side.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

APPOINTMENT TO JOINT ECONOMIC COMMITTEE

The PRESIDING OFFICER (Mr. MORTON in the chair). The Chair has been requested to announce the appointment by the Vice President of the Senator from West Virginia [Mr. HOBLITZELL] as a member of the Joint Economic Committee, vice the Senator from Arizona [Mr. GOLDWATER], resigned.

NOTICE OF HEARING ON S. 3502, TO AMEND THE FEDERAL AIRPORT ACT IN ORDER TO EXTEND THE TIME FOR MAKING GRANTS UNDER THE PROVISIONS OF SUCH ACT, AND FOR OTHER PURPOSES—AND ADDITIONAL COSPONSOR

Mr. MONRONEY. Mr. President, I desire to announce at this time that the Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce will begin hearings April 14 on S. 3502, a bill relating to the Federal Airport Act, which will extend the present act 4 additional years. It is necessary to take such action during the present session, so that plans may be made by the local communities to vote the bonds necessary, to design their airports, and to have their programs ready after 1959.

I should like to say that the bill also carries provision for $75 million additional funds for matching local funds to speed up construction of airports, to get ready for the jet air age, and also to help relieve the unemployment which exists in so many scattered areas of the country. This will be an effective way to combat the recession.

I invite any Senators who have knowledge of witnesses who would like to be heard to notify the Committee on Interstate and Foreign Commerce, so that such witnesses may testify.

Mr. SMATHERS rose.

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Florida.

The PRESIDING OFFICER. The Chair wishes to announce that the matter under consideration is not a privileged matter. The time has been allocated under a unanimous-consent agreement.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Oklahoma may be permitted not to exceed 3 minutes, and that the time not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Florida [Mr. SMATHERS], one of the original coauthors, along with myself, of the Federal Aid to Airports Act which has so stimulated airport construction, on a 50–50 Federal-State basis.

Mr. SMATHERS. I thank the able Senator from Oklahoma.

Mr. President, I ask unanimous consent that I may join with the able Senator from Oklahoma and the distinguished Senator from Washington [Mr. MAGNUSON] in sponsorship of the new Federal Airport Act, as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. CASE of South Dakota. Mr. President, I call up my amendment identified as "3–17–58–C," and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. . (a) Notwithstanding any other provision of law, all foreign currencies received in payment for commodities sold under the authority of title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be placed in a special fund in the Treasury, which shall be designated as the Foreign Currencies Fund. Upon receipt of any such payment, the dollar equivalent thereof shall be paid by the Treasury to the Commodity Credit Corporation in reimbursement for the agricultural commodities sold under such title. Payment to the Commodity Credit Corporation under this section shall be in lieu of reimbursement by the agencies using foreign currencies as provided in section 105 of such act, and payments required by such section to be made by such agencies to the Commodity Credit Corporation shall be made instead to the Treasury.

(b) All disbursements authorized to be made of foreign currencies received for commodities sold under the provisions of such title shall hereafter be made only in such amounts as may be specified in appropriation acts.

(c) The Secretary of the Treasury shall report to the Congress not later than January 31 of each year all payments to and disbursements from the Foreign Currencies Fund in the 12 months ending December 31 prior thereto.

Mr. ELLENDER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Under the terms of the unanimous-consent agreement, the Senator from South Dakota will be allotted 15 minutes and the majority leader will be allotted 15 minutes.

How much time does the Senator from South Dakota yield?

Mr. CASE of South Dakota. Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 7 minutes.

Mr. CASE of South Dakota. Mr. President, there are two reasons why the amendment should be adopted. The first reason is that Congress should control the spending of money. Last year over a billion dollars was spent by the executive agencies in the form of foreign currencies without review of such appropriations by the Congress.

The second reason for the adoption of the amendment is that the programs for which the money is spent should bear the burden of carrying the appropriations, and the amounts should not be charged as the cost of a farm support program, which is charged to the farmers.

I have in my hand a copy of the President's report to the Congress dated February 4, 1958. On page 8 of that report the President deals with the administration of foreign currencies. Ahead of a table he states:

> The responsibility for administering the expenditure of foreign currencies is assigned by Executive Order to various agencies, as follows:

There follows on page 9 a list of the executive agencies to whom authority has been given by an Executive order to spend the vast amount of money developed by the sale of such surplus commodities.

On page 12 of the President's report to the Congress there is a list of the so-called planned uses of foreign currency under agreements signed during the 6 months from July to December 1957. They total over $205 million. At the conclusion of the President's report, there are some tables which show the planned uses of foreign currencies for the full fiscal year 1957, by countries and by objects. They total $1,046 million.

It is clear from the tables, Mr. President, that $1¼ billion is being spent in a period of 18 months by executive agencies of the Government without direct appropriation by the Congress. These amounts are the dollar equivalent values. They are spent by such agencies as the Department of Agriculture, the Office of Defense Mobilization, the ICA, the Export-Import Bank, the Department of State, the United States Information Agency—and, under one category, "any agency" may spend them. That is all done under an Executive order, without any specific review or appropriation by the Congress.

The amendment which I propose provides that foreign currencies received from the sale of agricultural commodities should, first of all, be credited to the advances which have been made by the Commodity Credit Corporation, so that the accounts, so to speak, with respect to the surplus commodities would be discharged. The farmer would no longer be charged with the moneys involved here, after the payment had been received.

The second point is that when the money had been received, and the Commodity Credit Corporation accounts had been squared up, the money would rest in a foreign currency fund within the Treasury, from which it would be disbursed in specified amounts by appropriation bills to be acted upon by the Congress.

The program of selling surplus commodities for foreign currencies is one which I have supported from the beginning. In fact, as I stated yesterday, I suggested the idea of selling surplus commodities for foreign currencies. However, the manner in which the money has been handled has been a matter of "easy come, easy go." The makings of a first-class scandal exists in this method of handling foreign currency.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. Referring to page 2 of the amendment, under subparagraph (b), there is this language:

> All disbursements authorized to be made of foreign currencies received for commodities sold under the provisions of such title shall hereafter be made only in such amounts as may be specified in appropriation acts.

Does that mean that no expenditures could be made except those which were specified in appropriation acts?

Mr. CASE of South Dakota. I think it does. The Constitution provides that no money shall be disbursed from the Treasury of the United States except in pursuance of an appropriate act of Congress.

Mr. LAUSCHE. This language, then, would cover all types of expenditures made of foreign currency?

Mr. CASE of South Dakota. It would cover all types of expenditures from the foreign currency fund established by this amendment. Of course, there are some foreign currencies which are received as counterpart funds under the foreign aid program. Personally, I think those funds should also be handled in this way, but I thought, for the purpose of establishing the pinciple, if we could do it in connection with the foreign currencies received from the sale of surplus commodities, when the Mutual Security Act is considered a similar amendment might be offered at that time to deal with those funds.

Mr. LAUSCHE. Are many of the foreign currencies which we receive under title I used by representatives of the legislative branch in their trips around the world?

Mr. CASE of South Dakota. I presume they might be. I do not know. I do understand that foreign currencies received by the United States have been used by committees and committee members in their trips abroad. I think probably most of such foreign currencies are those which were created by the so-called counterpart payments by nations receiving foreign aid. In any event, I think such funds should receive the same treatment. They should be placed in the Treasury and appropriated in particular amounts for purposes to which Congress gives specific approval.

Mr. LAUSCHE. I am in accord with the statement made by the distinguished Senator. The answer, then, would be that it might be that such currencies are used by members of the legislative branch in their trips.

Mr. CASE of South Dakota. They might or might not be such currencies. I see no reason why such currencies could not be used for committee trips. However, I did not see in any part of the President's report the report of an Executive order which assigned any of them to the legislative branch. I refer to the particular currencies which come from the sale of surplus commodities. However, it is true that foreign currencies are used. I believe that those which have been used for committees have been those derived from counterpart funds under the Mutual Security Act.

Mr. LAUSCHE. With respect to the $1 billion equivalent of foreign currency which has been used, is a part of such funds included in the investments which are being made and financed on a loan basis?

Mr. CASE of South Dakota. Some of them are financed on a loan basis. In fact, I think the largest single item is a loan to Brazil. I am not saying that that is not a good loan; but I believe that funds which the United States acquires, to the extent of more than $1 billion for the fiscal year ending June 30, 1957, should be the subject of specific authorization and appropriation.

Mr. LAUSCHE. When I interrupted, the Senator was saying something about a scandalous situation.

Mr. CASE of South Dakota. I said that there exist in the method of handling the funds the makings of a scandal. When the whole story is told as to the liberality with which these funds are disbursed, I feel that items will be disclosed of which the Congress and the country will not be proud.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

I fear that if the pending amendment is adopted, it will kill the bill. Under the bill which we are now discussing, there would be no change in the method by which these transactions have been handled in the past. That procedure is generally as follows: Agreements are made between us and purchasing countries. It is not a question of selling so many bushels of wheat for so much money. Agreements must be entered into between the United States and the purchasing countries. In such agreements, a determination is made as to how the proceeds derived from the sale of agricultural commodities involved are to be used.

The law provides several ways in which that money can be spent. These are:

First, to help develop new markets for United States agricultural commodities on a mutually beneficial basis.

If an agreement is entered into between the United States and Japan, let us say, our Government and Japan must determine how much of the sale price of the wheat will be used to help develop new markets for the United States.

Second, the moneys may be used to purchase or contract to purchase strategic and critical materials within the applicable terms of the Strategic and Critical Materials Act. That is another way in which the proceeds obtained from the sale of these surplus commodities, may be used.

Third, they may be used to procure military equipment, materials, facilities, and services for the common defense. The purposes for which the proceeds will be used must be determined while the agreement to sell the commodities is being negotiated.

Now, if we provide that the Congress must appropriate funds from the proceeds of any of these sales, another condition is imposed upon the sales agreement. Congress might, or might not, appropriate funds for the agreed purposes of the agreement. I doubt seriously if many countries would contract to purchase surplus commodities under Public Law 480 if they were compelled to subject these agreements to a further review by Congress, of course, it would naturally follow that fewer surplus commodities would be disposed.

As pointed out day before yesterday when the bill was before us, we have programed through February 1, 1958, $2,531,000,000 worth of commodities under Public Law 480. Of that huge sum, $43.2 million will be used for agricultural market development.

For the supplemental stockpile, $2 million has been programed. Common defense, $290.5 million. Purchase of goods from other countries, $42.9 million. Grants for economic aid through ICA, $61.5 million. Loans to private enterprise, which is provided for in the law, $44.7 million. Payment of United States obligations, $656.6 million. Loans to foreign governments, $1,349,000,000.

I wish to point out that many of these sales would not have been made except for the fact that in the agreements we designate the uses of the proceeds of the sales to the countries. Therefore under the amendment proposed by my good friend from South Dakota we could not enter into any of these agreements and comply with them. Not all countries would be willing to purchase the commodities unless they knew in advance where and how the funds would be used and whether they would be used in accord with the agreements and in accord with the provisions of the law to which I have just referred.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 2 more minutes.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Is the Senator saying that we could not make the sales unless the country gets the assurance in advance that the money will be given back to it, and that an agreement is made to that effect?

Mr. ELLENDER. The Senator is partly correct.

Mr. CASE of South Dakota. Is that the way it works?

Mr. ELLENDER. Generally speaking the Senator is right.

Mr. CASE of South Dakota. That is a pretty weak sale.

Mr. ELLENDER. It may be a pretty weak sale, but that is the way it has been operating; that is the way the program has been administered ever since its inception. I have frequently complained about the proportion of funds loaned back to purchasing countries for economic development, but the Department of Agriculture takes the position that very few sales will be consummated unless the present procedure is followed.

Mr. CASE of South Dakota. It is a poorly disguised giveaway.

Mr. ELLENDER. It is not very well disguised at times, but the Department of Agriculture, believe it or not, has quite a task on its hands to dispose of some of these goods, and the countries that purchase the goods want to know in advance how their currencies will be used. If the matter is tied up as the Senator from South Dakota suggests, and the proceeds of a sale are put into a Treasury common fund, as the Senator wishes to have done, and Congress is directed thereafter to appropriate the money, I am sure that that will run contrary to the agreements that will be made between the purchasers of the surplus commodities and our Government.

Now, I have said many times that the foreign aid planners should not be allowed to "double dip" so to speak; I do not think they should have carte blanche under Public Law 480 and the mutual security program too. However, we must dispose of our farm surpluses. Therefore, I have on several occasions sought to reduce the mutual security program to the extent countries allocated foreign aid have received benefits under Public Law 480. I think that approach is reasonable and proper. I do not want to do anything which will hamper the disposal of surpluses under Public Law 480. That is why I am compelled to oppose the Senator's amendment.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. CASE of South Dakota. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 7 minutes remaining.

Mr. CASE of South Dakota. I yield myself 2 minutes. No one has been a more diligent student of the programs under which we spread money around the world than has the distinguished Senator from Louisiana. I regret that he is put in the position of having to defend what is done under the law, because no Congressional review is provided or afforded as to the expenditure of the foreign currencies under the present law.

The Senator from Louisiana has contended, and I think quite properly, that we ought to very carefully study the expenditure of funds under the foreign aid program. Now he is put in the position, unfortunately—and I am sure it is not of his own choosing—of saying that we cannot sell farm commodities unless we tell the countries involved, and tell them in advance, that we will give the money back to them on their own terms. That is not the way the funds ought to be disbursed. These funds are assets of the United States. Although they are converted into foreign currencies, they are of value, and represent over $2½ billion, under the figures submitted by the Senator from Louisiana.

My amendment would not kill the program. We could provide a ceiling for all the purposes involved.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. I yield myself 1 additional minute. We could provide a ceiling for each of the categories and say to the Department of Agriculture and to the State Department, "You negotiate within these ceiling limitations, but give Congress the right to review the expenditures of these foreign currencies."

That is the intent and purpose of my amendment.

Mr. President, I ask for the yeas and nays on my amendment.

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Time will have to be yielded for the purpose of suggesting the absence of a quorum.

Mr. ELLENDER. First, Mr. President, I yield 3 minutes to the senior Senator from Indiana.

Mr. CAPEHART. Mr. President, I am sure no one wishes to quarrel with the theory being advanced by the Senator from South Dakota. Unfortunately, we must make up our minds whether we are interested in disposing of the surplus food which the Commodity Credit Corporation owns, or whether we wish to have what the Senator advocates. I say that because the countries in which we sell the surplus commodities in exchange for their currencies are not going to make a contract with us unless they know what we will do with their currencies. In fact, they could not do it even if they wanted to. Therefore, if we tie the Department's hands in disposing of the surplus foods, they will not be disposed of.

I should like to do it the way the Senator from South Dakota suggests, but it will not work that way. Therefore, I say Senators must make up their minds whether they wish to get rid of the surplus commodities or wish not to get rid of them. If we tie the hands of the Department of Agriculture's Commodity Credit Corporation in this respect, we will not get rid of them, although it sounds like a reasonable solution. However, we will not get rid of the surplus commodities in that way.

I went into this subject very carefully this morning, at a hearing of the Committee on Banking and Currency, with

a witness who had all the figures as to what has happened to the currencies under this program, and we went into the whole program. That is why I am so familiar with the operation of it. Even if a country were in favor of our designating what we would do with its currency, the country's financial situation would be such that it could not make that kind of arrangement, because it would throw that country completely out of financial balance. The countries are forced to do it in the way it has been done.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Kentucky.

Mr. MORTON. Mr. President, I do not want the impression to be left that there is not a degree of Congressional control over the local funds which are generated under the Public Law 480 program. The administration follows a pattern which Congress has written into the law. It requires that certain things be done, within administrative discretion, with these funds. Guidelines are set in the law. They were pointed out by the able chairman of the Committee on Agriculture and Forestry.

I agree thoroughly with what the Senator from South Dakota is trying to do and with what he is trying to accomplish. I agree with the Senator from Ohio that we should have some control over the counterpart funds that are generated and which are used by Congressional committees and Members of Congress.

However, Public Law 480 works in this way: Our people go to a foreign government and negotiate for an agreement which will develop something that will not only remove the surplus commodities that we have on hand, but will provide that the funds that are generated through the sale of the commodities will be used to the best interests of both countries, and will serve our national security or the best interests of future agricultural exports, or, as in the pending bill, provide educational exchange benefits, and so forth.

No negotiator can go to a country and negotiate for the sale of agricultural surpluses on the basis of this contingency: "Yes, this is the way we will do it, but I have to go back and get an appropriation bill, which will have to go through the House committee and be passed by the House of Representatives, and then go to the Senate and be referred to a Senate committee, and then go through the Senate, and then into conference; and, subject to what is developed a year hence or 2 years hence in the appropriation procedure which we have under our constitutional system, I will sell you this wheat."

If that were to happen, the weevils would get the wheat. It is impracticable to work out the program in that way. Neither do I wish the impression to be left that the local funds are given to the country which receives the merchandise.

Loans are made. But some of the currencies have great value and a great degree of convertibility. The currency can be used to build airports at our foreign bases.

So far as correcting those two impressions is concerned, I agree with the objectives of the Senator from South Dakota. I think there should be a tightening up of the Congressional review of the uses of the funds, but we cannot do it, as the Senator from Louisiana so ably pointed out, through the normal procedures which have been set up in the United States.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that there be a quorum call, the time for the quorum call to be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, may we have the yeas and nays?

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I yield myself 2 minutes. I hope all Senators will find time to read the report of the President, so as to help them to get the full import of what the President said:

> The responsibility of administering the expenditure of foreign currencies is assigned by executive order to various agencies, as follows.

Mr. President, that responsibility carries with it the spending of $2.5 billion of foreign currencies, according to the statement of the totals that have been involved and the figures presented by the chairman of the committee.

In no other field of government do we, by Executive order, turn over to executive agencies the expenditure of $2.5 billion and the additional billion or more which will be created by the proposed legislation being considered. That is one reason for adopting the amendment.

The other reason is that when these funds are placed in the Treasury in a special fund to be known as a local currencies fund, the Commodity Credit Corporation then will be paid off, so far as the farmer is concerned; and no longer will the farm program be charged with carrying on a number of loan and expenditure programs which are not really being reviewed in detail by anyone. At least, no one in Congress has been reviewing them in detail.

Those are the reasons why the amendment should be agreed to.

Mr. ELLENDER. Mr. President, as my good friend from South Dakota stated a while ago, in view of my continued opposition to foreign aid it may at first seem peculiar that I should defend a method which Congress itself has established for, in effect, extending a kind of foreign aid. I have explained my reasons for opposing the pending amendment, in this regard. I am certain that the distinguished Senator from South Dakota voted for the Surplus Disposal Act as it now is. He voted for the various provisions which make funds available for education, the common defense, for the payment of the expenses of the State Department, and to build airfields abroad.

I am quite certain that if the sales of the surpluses were not made under the conditions imposed by the act, very few sales would be made.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Was this amendment considered by the committee?

Mr. ELLENDER. It was considered some time ago, but the committee rejected it.

Mr. FULBRIGHT. The fact is that if it were adopted, it is very unlikely that any deals would be made under it.

Mr. ELLENDER. The Senator is correct.

Mr. FULBRIGHT. The only reason why there is any willingness to make agreements to pay in foreign currency is so that the countries can take possession of the proceeds, in accordance with the agreements which are made.

Mr. ELLENDER. If the funds were required to be appropriated, it is possible that many of the agreements between our country and the other countries to purchase surplus farm commodities would be upset.

Mr. FULBRIGHT. And no further agreement could be made.

Mr. ELLENDER. Exactly.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Are not the surplus commodities in the hands of the Commodity Credit Corporation assets of the United States?

Mr. ELLENDER. Yes.

Mr. HOLLAND. Is there any more reason for trying to control definitely and by specifics the expenditure of the foreign funds we get in return for them, than there would be for trying to determine in advance how many bushels of wheat or how many bushels of corn or how many bales of cotton or how many units of any other commodity should be used under this program with each of the specific nations with which we deal? Is it not just as necessary to allow discretion in this field as it was to give discretion to the Department of Agriculture to work out mutually acceptable agreements with such friendly nations, in regard to certain volumes of this huge mass of surplus agricultural commodities which are assets of the United States?

Mr. ELLENDER. The Senator from Florida is correct.

Mr. President, as I have just pointed out, and as the distinguished Senator from Arkansas [Mr. FULBRIGHT] has also pointed out, very few sales would be made if the pending amendment were enacted into law, because these countries desire to know in advance how the funds will be used after they get into our possession.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield again to me?

The PRESIDING OFFICER. The time available to the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute on the bill.

Mr. ELLENDER. Mr. President, now I yield again to the Senator from Florida.

Mr. HOLLAND. I thank the Senator from Louisiana.

Then is it not true that the Congress has done in the one case what it did in the other, namely, laid down general guidelines and then authorized the agency to proceed thereunder?

Mr. ELLENDER. That is correct.

Mr. CASE of South Dakota. Mr. President, if there would be no chance to proceed with the program unless the other countries knew in advance on what terms and conditions the money would be used, that would mean that we could proceed only with their permission.

At this time, Mr. President, I yield to the Senator from Indiana [Mr. JENNER] the remainder of the time under my control.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. JENNER. Mr. President, as has just been stated, this arrangement would not be an exchange at all. Instead, the so-called put and take would result in our doing the putting and their doing the taking.

Mr. President, I am a little wearied by all the talk about what the United States has to do for these countries. As a matter of fact, Secretary Benson, himself, has said the law should be extended for only 1 year at a time.

Certainly, American agriculture would not be helped by means of this proposal, if it were put into effect, because every time the surplus is reduced, the parity price is encouraged to rise, and in that way a new surplus is developed.

This program is really destroying the trade of the United States with the countries friendly to it.

As a matter of fact, the talk of "trade follows aid" is silly, for the truth is that foreign aid has not helped American trade anywhere on earth.

United States trade with the rest of the world at large can be divided roughly into four equal areas, in terms of the volume of trade: Canada, Latin America, Western Europe, and the rest of the world.

By this means, we would injure tremendously our friend and good neighbor, Canada. There is no question about that, because wheat is Canada's greatest export.

Do Senators realize that our trade with Canada is worth all the trade we have with 10 Latin American countries? Yet we give no aid to Canada, and we give very little aid to South America.

Similarly, our trade with Canada is worth as much as all the trade we have with 20 of the countries of Western Europe or the entire amount of trade we have with Asia.

Mr. President, legislation of this sort will destroy our natural trading area.

The PRESIDING OFFICER. All time available on the pending amendment has expired.

The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The pending question is on agreeing to the amendment which has been submitted by the Senator from South Dakota [Mr. CASE], is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. And the yeas and nays have been ordered on this question, have they not?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment which has been submitted by the Senator from South Dakota [Mr. CASE]. All time available on the amendment under the unanimous-consent agreement has expired.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from North Carolina [Mr. SCOTT] would each vote "nay".

On this vote, the Senator from Oregon is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Georgia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER] the Senator from Vermont [Mr. FLANDERS] and the Senator from New York [Mr. JAVITS] would each vote "nay."

The result was announced—yeas 25, nays 58, as follows:

YEAS—25

Barrett	Goldwater	O'Mahoney
Bible	Hoblitzell	Potter
Bridges	Jenner	Revercomb
Carlson	Knowland	Russell
Case, S. Dak.	Langer	Saltonstall
Cotton	Long	Schoeppel
Curtis	Malone	Williams
Dworshak	Martin, Pa.	
Frear	Mundt	

NAYS—58

Aiken	Green	Murray
Allott	Hayden	Neuberger
Anderson	Hickenlooper	Pastore
Beall	Hill	Payne
Bricker	Holland	Proxmire
Bush	Hruska	Purtell
Byrd	Humphrey	Robertson
Capehart	Johnson, Tex.	Smathers
Carroll	Johnston, S. C.	Smith, Maine
Case, N. J.	Kefauver	Smith, N. J.
Church	Kerr	Sparkman
Clark	Kuchel	Stennis
Cooper	Lausche	Symington
Dirksen	Magnuson	Thurmond
Douglas	Mansfield	Thye
Eastland	Martin, Iowa	Watkins
Ellender	McClellan	Yarborough
Ervin	McNamara	Young
Fulbright	Monroney	
Gore	Morton	

NOT VOTING—13

Bennett	Ives	Scott
Butler	Jackson	Talmadge
Chavez	Javits	Wiley
Flanders	Kennedy	
Hennings	Morse	

So the amendment of Mr. CASE of South Dakota was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MARTIN of Iowa. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, following line 2, it is proposed to insert a new section as follows:

SECTION 5. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs."

Mr. LANGER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Iowa is recognized. The Senator has 15 minutes. How much time does the Senator yield himself?

Mr. MARTIN of Iowa. Mr. President, I yield myself 5 minutes.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. Let there be order in the Chamber. Senators will take their seats.

The Senator from Iowa is recognized.

Mr. MARTIN of Iowa. Mr. President, the amendment I have offered has for its purpose bringing the Agricultural Act of 1956 into line with the act of 1954 on the matter of the purposes for which strategic and critical materials are acquired. I have taken the provisions out of the act of 1954 and written them into the amendment, to apply them to the act of 1956.

So far as I know, there is no objection from those to whom I have talked.

Mr. ELLENDER. Mr. President, there is no objection to the amendment. It is simply a restatement of the law as passed in 1954.

Mr. MANSFIELD. Mr. President, will the Senator from Iowa yield?

Mr. MARTIN of Iowa. I yield.

Mr. MANSFIELD. I desire to commend the Senator from Iowa, who has a great record in both the House of Representatives and the Senate as the father of the stockpile program in the postwar period.

What the amendment really seeks to do is to nail down what the distinguished chairman of the Committee on Agriculture and Forestry has already told the Senate, and that is to make certain that lead, zinc, manganese, tungsten and other metals brought into the country under this legislation will not come into competition in the open market with minerals which are in surplus at the present time. All the amendment provides is a protection for the minerals which are in surplus and the mines and mills which are located in depressed areas.

Mr. MARTIN of Iowa. The Senator is correct.

Mr. MANSFIELD. I think the Senator is doing a service for the country.

Mr. MARTIN of Iowa. The purpose of the amendment is to enable the mining and agricultural industries to go along hand in hand.

Mr. ELLENDER. Mr. President, I am ready to yield back my time.

The PRESIDING OFFICER. Does the Senator from Iowa yield back his time?

Mr. MARTIN of Iowa. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. JENNER. Mr. President, I call up my amendment 3-19-58-D to S. 3420 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. At the end of bill it is proposed to insert the following:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has indicated directly or indirectly that it will support the Soviet Union, the Communist government in China, or any other Communist government, in event of hostilities between such government and the United States."

The PRESIDING OFFICER. The Senator from Indiana is recognized for 15 minutes. How much time does the Senator yield himself?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JENNER. I yield a half minute to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I have an amendment at the desk. The chairman and the ranking minority member, as well as several other members of the committee, have agreed to the amendment. It is a clarifying amendment. I do not believe there will be any debate on it. I ask that the amendment be stated.

The PRESIDING OFFICER. Does the Senator from South Carolina ask unanimous consent that the amendment be considered prior to the amendment which is the pending question?

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the amendment I have proposed be considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. May we have a brief statement as to what the amendment clarifies?

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the amendment be stated. I think the amendment speaks for itself.

The PRESIDING OFFICER. Before asking the clerk to state the amendment, the Chair will say the time will not be charged to the time of the Senator from Indiana [Mr. JENNER].

Mr. JENNER. I thank the Chair.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, line 3, it is proposed to insert after the comma the words "and products manufactured from upland or long-staple cotton shall be made available for sale pursuant to the provision of title I of the act as long as cotton is in surplus supply."

On page 5, line 5, strike out the word "its" and insert in lieu thereof the word "their."

Mr. JOHNSTON of South Carolina. Senators will note, on page 5, line 3, where the language is proposed to be inserted, that it will do nothing but carry out the present law which is on the statute books. Public Law 480 at the present time reads as follows:

As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof class, kind, type, or other specification thereof.

What I am offering is nothing but a clarifying amendment, which permits what we are doing to be clearly seen.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Indiana [Mr. JENNER] is recognized. The Senator from Indiana has 15 minutes. How much time does the Senator yield?

Mr. JENNER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JENNER. Mr. President, I regret to have to even suggest an amendment such as this, because when I went to good legal authorities and told them what I had in mind, they said, "You do not mean to tell us, Senator JENNER, that under Public Law 480 your Government is shipping grain and fiber to Communist Poland and Yugoslavia." And I said, "Yes, they are."

In the first 7 months of the fiscal year 1958 one-third of the wheat and flour that was shipped out of this country under Public Law 480 was shipped to Poland and Yugoslavia. In the same period of time, the first 7 months of fiscal year 1958, three-fourths of the cotton shipped under this law was shipped to Poland and Yugoslavia.

We have heard a great deal of talk about recession and depression, and unemployed men. I do not believe the Senate wants to go on record today as dipping down into the pockets of the taxpayers of the country to subsidize this sale—it is called a sale, but it is a gift—to Poland and Yugoslavia, with the result that the housewife in America must pay more for food when her husband is unemployed than the Communists in Poland or Yugoslavia have to pay. I do not believe any sensible group of men would do such a thing.

Why is this amendment necessary? When I mentioned the subject to the great legal authority to whom I have referred, he said, "Have you read section 304 of the present law?" It reads as follows:

The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R., for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those, or like commodities, to unfriendly nations.

I ask Senators, as this great legal authority asked me: How in the world can our Government ship to Poland and Yugoslavia under the present law? All my amendment would do would be to try to tighten up the law, so that those in the executive department of the Government would know that the Senate means what it says and says what it means.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. BRIDGES. I compliment the distinguished Senator from Indiana. He is a patriot in every sense of the word, and he knows whereof he speaks.

For the life of me I cannot understand how anyone can interpret the language to which the Senator refers in the manner described. Of course it means what it says. The question is,

Why should we be building up Communist governments so that they can further entrench themselves in power and still further oppress the citizens of those countries? The do-gooders and the softheaded individuals in this country who are promoting that idea will some day have to answer for it, and answer sharply.

Mr. JENNER. The great international thinkers refer to me as an isolationist, as an ignoramus, as narrowminded, and so forth. I do not mind that. But here is a law which our officials will not enforce. Therefore we must tighten the language.

I have read section 304. Listen to section 107, which my amendment would amend:

SEC. 107. As used in this act, "friendly nation" means any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Is anyone so naive as to believe that the Communists do not control Poland, if not Yugoslavia?

It is a shame to talk about "friendly nations." We cannot even get a friendly word from those people. Only recently Tito criticized the Government of the United States in connection with the summit proposal, saying that Russia was exactly right, and that the United States Government was doing nothing but shilly-shallying.

What are we trying to do by such legislation as this? We are not helping the American farmer. We are not helping American industry. We are not helping the country. We are wrecking it. I want Senators to act with their eyes wide open.

Senators should know, if they do not, that one-fourth of the export trade of our country goes to one country; namely, Canada. She has only 17 million people. We do not give Canada any deals or aid such as this.

The next great bulk of our trade goes to Latin America and South America. There are only 170 million people there. How much aid and how many gifts have we given to Latin America and South America? Very little.

What we are trying to do is to destroy our natural trade outlets. How do Senators suppose our greatest customer, who takes one-fourth of our exports, is going to live if we take away from her the main crop which sustains her economy by dumping our wheat on the world market and destroying the market for Canadian wheat? Are we going to subsidize Canada after we have destroyed her markets? Are we willing to trade Canada and South America and Latin America for the countries into which we have poured billions of dollars, and the billion and a half people in the rest of the world?

We talk about trade, not aid. This is becoming an international blackmail game. It is called put and take. However, under this silly law we put and the other nations take. Then we have an agreement, as the distinguished Senator from Louisiana explained, whereby they put back their soft currencies, and we get nothing for them.

The Senator from South Dakota [Mr. CASE] offered an amendment to try to limit the program so that it could be reviewed each year. The bill would extend the law for the rest of fiscal year 1958, fiscal year 1959, and fiscal year 1960. There is no one within the sound of my voice who knows what condition this country will be in 2½ fiscal years from now. It may be that we shall have to take the debt ceiling off. Perhaps there will be wild inflation. Perhaps we shall be bankrupt.

Yet, it is said, "If we do not live up to these commitments, other countries will not like it." I do not know how crazy a group of men can become.

All my amendment does is to say to those in charge of the program, "If you are to use the taxpayers' money to destroy natural trade outlets in Canada and South America, if you propose to subsidize Poland and Yugoslavia, so that the housewife in Poland or Yugoslavia can buy food cheaper than can the American housewife, whose husband is unemployed, we propose to prevent it."

We all seem to be concerned about unemployment. I hope this amendment will tighten the law. It should not even be necessary to offer it, because section 304 of the present law should amply explain to the bureaucrats downtown what we want to do. I hope they can read this language and understand it.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. BRIDGES. In applying certain principles or standards we should bear in mind the fact that Poland has voted against United States interests in the United Nations to a greater extent than has Russia. That is a very interesting commentary on whether or not Poland is communistic. It will be very interesting to see how the Congress performs in this connection. I should like to see a record vote.

Mr. JENNER. There will be a record vote.

Mr. BRIDGES. Our action may come back and hit us in the face.

Mr. JENNER. I think our distinguished minority leader [Mr. KNOWLAND] brought out the fact that Poland increased her defense expenditures last year in direct proportion to the money she received from America.

Are we against communism, or are we not? We are willing to spend $40 billion a year, supposedly to fight communism; and yet by this very law, with the commitment in perpetuity of $3½ billion, we are aiding, abetting, and fattening communism, so that Poland and Yugoslavia can relieve the drain on their economic system in regard to food and fiber, in order that they may increase their defense expenditures. Do Senators suppose that that is for our benefit?

Mr. President, that is all I have to say. I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I cannot but express surprise at the attitude taken by some of my good friends across the aisle.

This question was discussed on many occasions in the Senate. In section 107 we defined what "friendly nation" means. It means—

Any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

I am sure that many Senators will remember that the Secretary of Agriculture proposed that we amend the law so that we could trade some of our agricultural products with countries behind the Iron Curtain. The law, as contained in section 107 of the act, so provided.

Under section 304 it is provided:

The President shall exercise the authority contained herein—

Which I have just read—

(1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials, and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

That language was placed in the act last year in order to give the President of the United States the authority and right to sell products or dispose of products to countries which could, it is believed, be broken out of the Soviet orbit. Why was it done? It was done because information came to us that such countries could be won over.

For example, I have just returned from Poland. I visited the country for over a week. I went all over the country. There is no question but that the Government of Poland is communistic. There is no doubt about it. However, I venture to say that the people there are against communism.

The second provision I have just read was adopted by the Senate and it is now the law. It gives the President the authority to determine the extent to which he can go in the sale of the commodities in the hope of winning over countries that may be now attached to Russia but which may be won over from Russia.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. Would the Senator from Louisiana interpret the amendment as meaning that if any country now within the Communist orbit should attempt to break away from a Communist group, it could never expect any help from America?

Mr. ELLENDER. That is the way I interpret it.

Mr. AIKEN. Would it not be an ironclad guaranty to Russian that we would never help any of her satellites achieve freedom?

Mr. ELLENDER. The Senator is correct. I thought the subject matter had been discussed thoroughly on the Senate floor when we adopted the proposal designed to give the President authority, through the Department of Agriculture and Department of State, to attempt, through these transactions, to wean the people of the so-called satellite countries away from the control of the Soviet

Union. The amendment we adopted is very plain. It says:

> The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R.

That is exactly what we are trying to do now. I am of the opinion that the agreement we entered into with Poland will have that effect in the long run. It is true that Poland's government is communistic. There is no doubt about it. However let us not lose sight of the fact that most of the people are overwhelmingly anti-Communist; we must remember that in Poland over 90 percent of the tillable land is still in the hands of individuals.

Mr. AIKEN. Did not the Senator notice that, according to articles in the neswpapers the other day, Poland is giving a substantial portion of state-owned land to the people?

Mr. ELLENDER. That is because we are making progress in our effort to wean Poland and other Iron Curtain countries away from Russia.

Mr. AIKEN. That is a direct result of the assistance which the United States gives Poland. Is that not correct?

Mr. ELLENDER. There is no doubt about it.

Mr. AIKEN. Can we afford to serve notice on the people of Poland that we are condemning them forever to remain under Communist domination, and that no matter how much they desire liberty, they cannot expect any help from the United States?

Mr. ELLENDER. I am very much surprised and disappointed in the lack of confidence which some of the Members of the Senate on the other side of the aisle seem to show in the leader of their own party and a State Department whose policymakers are members of the same political party as the Chief Executive.

Mr. JENNER and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield? If so, to whom does he yield?

Mr. ELLENDER. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say it is a pleasure to again be on the same side of an issue with my good friend, the Senator from Vermont. I believe he has put his finger on the question, namely, that by adopting an amendment which is interpreted as this one is, we would be serving notice, first, on the Russians, that they may do just as they want to do and that we will not interfere in the satellite nations; secondly, we would serve notice upon the people in the satellite nations who have had the courage to struggle away from some of the iron grip upon them, that they will get no help from the United States.

In the instance of Poland we should face the fact that this is a calculated risk. If my friends on the other side of the aisle want sure bets, then they are in the wrong party, first of all, and, in the second place, they are on the wrong side of the issue.

However, it seems to me that the cardinal of the Catholic Church in Poland believes that it is fit and proper that the United States make some effort to help the people of Poland throw off from their back the terrible yoke of Communist tyranny.

This involves food for hungry people. This involves food to break up collective farms. This is food to assist Poland to have at least a little living space.

Finally, I conclude by saying that I am getting a little weary, as a member of the Democratic Party, of continuously having to stand here in the Senate and take the heat for defending the administration in some of the more worthy aspects of its foreign policy. I know that the amendment can be interpreted that a vote against it is a vote for communism. Well, in that case, let me say that I am joining the side of the Pope and the cardinal of Poland. If Senators on the other side of the aisle want to stand up to the people of Poland and tell them that they will not give them assistance, let them take it up with the great spiritual leaders who have appealed for this assistance. Let them take it up with the great patriots who are appealing for this assistance. I commend the President and the Secretary of State and the Secretary of Agriculture in this instance.

Mr. BRIDGES. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BRIDGES. I have watched the distinguished Senator from Minnesota on many occasions. I have just heard him say that he is wearing himself out defending the President.

Mr. HUMPHREY. No; I did not say that.

Mr. BRIDGES. I have never in my experience of listening to the Senator on many occasions heard the Senator strain himself in defending the President or anyone associated with him. I am glad to know that he has done it this time. I merely wish to say that if it were a question of helping the people of Poland I would be glad to do so. However, I am opposed to helping the Communist Government of Poland entrench itself more and more and grind the people down.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say to my good friend from New Hampshire that when the President and his Secretary of State have advanced proposals such as that for the peaceful use of atomic energy, the mutual-security program, and some of the other foreign-aid proposals, I have supported them. I regret that the leadership of the opposition party has not in all instances been able to do so.

I regret that in this instance, when the considered judgment of the statesmen of the Free World, not merely those of America, but also of Great Britain, France, Italy, the Netherlands, and Denmark—our NATO Allies—is that the proposal relating to Poland is sound, the distinguished Senator from New Hampshire sets himself up as a specialist of one to say that we will have nothing to do with Poland.

I do not wish to make this a matter of the Senator's personal judgment against mine. I simply say that if the Senator from New Hampshire has a better way to help the people of Poland secure the food which they desperately need, I wish he would suggest it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 1 minute to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, this is a serious problem, the one brought up by this amendment. My remarks on it have nothing to do with any partisanship.

When I was on the other side of Government, there was always the problem as to whether or not to give assistance to countries which either were neutral or seemed to lean toward the Kremlin.

I was always honestly worried when such assistance was given, although almost invariably for it. Sometimes it worked out wrong. However, I feel certain that the people who are now operating the Government are honorable, and, in the last analysis, they have the responsibility for making administrative decisions.

I do not see how, if the President of the United States believes sincerely—and I am certain he would not advocate this particular assistance if he did not believe in it sincerely—that I, as a Member of the Senate, could at this time vote against his request to give the aid which he now justifies on the ground it is in the interest of the security of the United States.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 2 minutes to the Senator from New Jersey.

Mr. CASE of New Jersey. Mr. President, I rise with some diffidence, because I know that many Senators, by reason of their committee work, are far more familiar with this subject than I am.

I certainly do not want to leave the impression that there is any lack of support on this side of the aisle for the program which the President and the Secretary of Agriculture are advocating in this matter. As the Senator from Missouri has said, these are not easy matters to decide.

Mr. JENNER. The Secretary of Agriculture is not supporting the bill for more than 1 year.

Mr. CASE of New Jersey. The Secretary of Agriculture states that the administration supports this measure. I support it, as I am sure the greater majority of Senators on both sides of the aisle do.

This is not an easy question to decide. Every time we aid countries behind the Iron Curtain there is some danger that we may, in a way, be strengthening the hold of the Communists upon those countries. Still, as the Senator from Vermont has, in his very simple but eloquent way pointed out, there is also the necessity of making it possible for those countries and their people to have some hope that eventually they may be able to loosen themselves and come out from under.

I, for one, shall support the proposal to give the President of the United States a chance to use his discretion. Only he can use it, because only he knows the details and the facts in any particular situation to offer this kind of help which, in my judgment, is urgently needed.

Mr. ELLENDER. Mr. President, I have 1 minute left. I yield it to the Senator from Connecticut.

Mr. BUSH. Mr. President, it seems to me that support of the bill and opposition to the amendment are entirely in accord with the principles of the Republican platform as adopted in 1956. I say this specifically in answer to my friend from Minnesota. I believe sincerely that the self-determination of peoples is a cardinal plank in the foreign policy of the United States, and it should remain there. I take it that the administration of this act is in accordance with that policy.

I do not believe, with all respect to the patriotism and good judgment of my friend, the sponsor of the amendment, that the amendment will improve the situation one bit. I think, on the contrary, that the adoption of the amendment at this time might have a very unfortunate effect upon friends and allies in the NATO alliance, and perhaps elsewhere. For that reason, I believe the amendment should be rejected.

Mr. ELLENDER. Mr. President, I yield 1 minute to the able Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I join in what the Senator from Connecticut and other Senators have said. I think it would be a great mistake to attach an amendment of this kind to the bill. This particular policy is certainly a bipartisan, or nonpartisan, policy. The administrations of both parties have felt that measures of this kind were in the interest of the United States. That is, of course, the reason for them. They can be played with, and emotions can be aroused.

It is quite arguable, of course, that this would be a beneficial amendment. But I think, with all deference to the distinguished Senator from Indiana, that it would be very dangerous indeed to attach the amendment to the bill. I hope the Senate will reject it. I know the Senator from Indiana feels very strongly about it.

Mr. JENNER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. JENNER. I think the record should be clarified. Secretary Benson is not in favor of the bill. He wanted it limited to 1 year at a time. He so said and testified, and that is in the report. Ask him.

To correct the distinguished Senator from Connecticut [Mr. BUSH], I do not think the Republican Party ever had anything in its platform which stated that it would be willing to use the taxpayers' money to aid, abet, support, and feed Communists.

Let us not be naive about Tito. Tito has already publicly announced that in case of war he would march at the side of the Russians.

I should not like to have the Senate reject an amendment of this kind, because I doubt that most Senators have read it. I shall read it again:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has indicated directly or indirectly that it will support the Soviet Union, the Communist government of China, or any other Communist government, in event of hostilities between such government and the United States."

In my opinion that is clear; it is plain. That is what we are trying to do.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "'Trade Follows Aid' Sadly Untrue Slogan," written by Michael Padev, and published in the Indianapolis Star of March 19, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TRADE FOLLOWS AID" SADLY UNTRUE SLOGAN

(By Michael Padev)

Foreign aid supporters often argue that overseas grants by the United States Government help American trade with foreign countries. "Trade follows aid" now has become a familiar and even a popular slogan. Yet, as with so many other things concerning our foreign-aid program, this slogan is based on a myth. The truth is that foreign aid has not helped American trade anywhere on earth. United States trade with the world at large can be divided, roughly, into four equal areas in terms of volume of trade: Canada, Latin America, Western Europe, and the rest of the world. In other words 17 million Canadians buy as many United States goods as 170 million Latin Americans or 330 million western Europeans or 1,500,000,000 people in the rest of the world. The United States has given no aid to Canada whatever, comparatively little aid to Latin America but very generous aid to both Western Europe and the rest of the world. In terms of American foreign trade every Canadian (no aid) is worth 10 Latin Americans (little aid), or 20 western Europeans (very generous aid), or 100 inhabitants of the rest of the world (most generous aid). Clearly trade does not follow aid. The two things are completely unrelated to each other.

Far from helping our overseas trade United States foreign-aid spending often has damaged it. It has also considerably harmed America's economic and political interests. A good example of the latter is provided by Canada, our best and most dependable customer as well as our most important ally. The Canadian Government has protested several times to Washington against the disposal of United States wheat surpluses abroad. The Canadians are too polite to call this disposal policy by its proper name—it is foreign aid in food supplies.

BEEN VERY GENEROUS

Uncle Sam has been very generous in this sort of aid during the last few years. Enormous quantities of food supplies, largely wheat, have been sent as gifts to most Asian countries, including neutral India, as well as to most states in Europe, including Communist Yugoslavia and Poland. But Canada is one of the world's largest producers of wheat. Canada's prosperity depends on her wheat exports and her wheat exports depend on the demand for wheat in overseas markets.

If foreign nations which need wheat could get it free through the United States foreign-aid program they would obviously not think of buying it from Canada or any other wheat-exporting country. Thus American foreign aid in wheat and food supplies has inflicted severe damages to Canada's export trade and to Canada's economy.

But Canada's economy is very closely linked with United States economy. A crisis in Canada would have immediate and serious effects in the United States. Our annual exports to Canada exceed $3,500,000,000. This represents nearly one-fourth of our total exports—to the whole world. Moreover, the Canadians pay cash for what they buy in the United States, and the Canadian dollar is just as good an international currency as the American dollar. In short, our best interests are at stake in Canada's economic development. Yet, by dumping American foreign-aid food supplies abroad, United States foreign-aid planners do considerable damage to Canada's export trade.

If this foreign-aid food policy continues, our trade with Canada is bound to suffer, too. This, in its turn, will hit—and hit hard—American industry, American agriculture, and American business, all engaged now in the very profitable Canadian export trade. Indiana will suffer particularly badly, as the Midwest States are engaged in Canadian trade more than any other part in the United States or of the world. The Great Lakes area, extending over both United States and Canadian territory, is, in fact, a closely dependent economic unit. By harming United States-Canadian trade and the Canadian economy United States foreign-aid planners harm also Indiana's economy.

How crazy can people in Washington get?

Mr. JENNER. Mr. President, I remind the Senate that yesterday I called attention to the fact that in 7 months of the fiscal year 1958 our Government shipped out $160 million worth of surplus wheat and flour, and that more than a third of that went to Poland and Yugoslavia.

In the same few months, we gave away, or lent for 30 or 40 years, $45 million worth of cotton. Three-fourths of that cotton went to Poland and Yugoslavia. Now we say we want to feed hungry people. There is nothing in the amendment about the need to feed hungry people. It is planned that we will spend $40 billion this year. But when the Communist nations take the food we send them, and then, in direct proportion, increase their defense expenditures while we are bankrupting ourselves almost daily to fight communism, I think it is about time we stopped helping them, directly or indirectly.

Who is to say that the people of Communist Poland and Communist Yugoslavia are getting the benefit of the food and fiber we are shipping to them?

What do we know about it? We use the local currency paid for our products to finance the industries of the country getting our farm products, or we make grants to their schools and colleges. That is provided in the bill.

Or we work out travel arrangements for their farm leaders and labor leaders, while our own people visit the satellites, to be brainwashed by all the well-known social and intellectual lures.

Even while we in the Senate were debating more giveaways to Tito, Poland, India, and the rest, Tito was denouncing the United States in his best vituperative style. Tito said that the Kremlin's proposals about how to conduct a summit

meeting are "constructive and acceptable." He said the West was shilly-shallying.

Mr. President, do we want to feed them forever? Under this proposal we would do it for another 2½ years, to the tune of $3,500,000,000, if the Government of the United States so desired.

The correspondent for the Christian Science Monitor, which hardly is an isolationist publication, stated:

His [Tito's] position today, in fact, is at odds with the West on all its most vital positions.

Mr. President, Tito is cuddling up to Moscow on all issues of foreign policy. That has always been his position, and it will continue to be.

Tito is the foremost catspaw for the Soviet policy of always working through catspaws—doing the utmost damage to the free nations, without spilling one drop of Russian blood.

Mr. President, I wish I could agree with Tito that the Western nations are opposed to a summit conference. We know that a new summit meeting would be nothing but a trap for better Communist propaganda against the free nations. We know that the insistent demands in England, France, and the United States for a summit meeting are only Soviet propaganda, manipulated from Moscow.

Let Senators remember that the United States has already given vast amounts of money to England, France, and the other nations of Europe.

Mr. President, I do not care in the least what Tito thinks about anything. We should deal with the Soviet monkey, which uses the little nations on its borders as catspaws.

But I am concerned that responsible American citizens are so blind, so bewildered, or so venal, that they will pretend that Tito is some new kind of anti-Communist. I am shocked that they will vote to give away the hard-earned products of work on our farms and in our factories, in blind or stupid or venal attempts to win the favor of the little bandit Tito, who obeys, in every move, the orders of the top Communist gangster, Khrushchev.

The PRESIDING OFFICER. All time available on the amendment of the Senator from Indiana has expired.

The question is on agreeing to the amendment of the Senator from Indiana.

Mr. BRIDGES. Mr. President, to the amendment of the Senator from Indiana, I submit an amendment which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the Jenner amendment, it is proposed that the following be inserted:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has not assured the President directly or indirectly it will not support the Soviet Union, the Communist government of China, or any other Communist government, in event of hostilities between such government and the United States."

The PRESIDING OFFICER. Under the order, the Senator from New Hampshire is recognized for 15 minutes.

Mr. BRIDGES. Mr. President, this amendment to the amendment of the Senator from Indiana is in line with a public law passed during the 85th Congress, namely, an act entitled "To Amend Further the Mutual Security Act of 1954"; and it is based on, and is along the same line as the act by which we have given assistance to Yugoslavia. This amendment uses the same language as that used by Congress in that act, which reads in part, as follows:

In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

In other words, my amendment does exactly what the Jenner amendment does, except it approaches the matter in a more positive way.

Mr. O'MAHONEY. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield for a question.

Mr. O'MAHONEY. I should like to ask the Senator from New Hampshire a question: Is the amendment which he has suggested to the Jenner amendment taken from the Mutual Security Act of 1954?

Mr. BRIDGES. What I just read came from the act, as amended; yes.

Mr. O'MAHONEY. Then that is the amendment which I submitted at the time when that measure was under consideration by the Senate. That amendment made it necessary for the President to make a finding that the government of Yugoslavia was not part of the Communist conspiracy to take over the world and to report to that effect to Congress.

Mr. BRIDGES. Yes.

Mr. O'MAHONEY. Am I correct?

Mr. BRIDGES. That is right.

Mr. O'MAHONEY. Is it not a fact that the State Department and the Government of the United States, through the President, last year recommended the modification of that amendment, and no longer that it is as binding as it was?

Mr. BRIDGES. Oh, no; it is still the law.

Mr. O'MAHONEY. Will the Senator from New Hampshire be kind enough to call for a copy of the act as it now stands, in order to see whether I am mistaken in my assumption?

Mr. BRIDGES. I think the Senator from Wyoming is mistaken, and I shall call for a copy of the act.

In the meantime, let me say that I have said, both in this Chamber and around the country, that when Russia brutally gave Hungary her blood bath of suppression, and when tears were shed by people all over our own great Nation, as well as the rest of the world concerning the fate of Hungary and the fate of the Hungarian people, and when tears were shed by Senators about the fate of Hungary and the Hungarian people, we know what the "virtuous" Communist government of Poland did. In the United Nations, it voted against the resolution condemning Russia for its brutal enslavement of the people of Hungary in the same roughshod way the people of Poland had been made prisoner. Under those circumstances, how can we vote to continue a policy aligning the United States of America with such a country?

Let us look some more at the dismal record of the Communist-ridden governments of Poland and Yugoslavia, as well for that matter, both are on record as favoring the admission of Communist China to the United Nations and as favoring the recognition of Communist China. Yet Members of this body which voted unanimously against such recognition vote continued aid for Communist governments which did.

Time after time the policy enunciated and the action taken by Poland and Yugoslavia have been contrary to the avowed policy of the Congress of the United States and the spirit of the laws of the United States and the expressed wishes of what I believe to be a majority of the American people.

EUROPEAN NATIONS RECOGNIZED COMMUNIST CHINA AND URGED UNITED NATIONS RECOGNITION

Mr. MALONE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. MALONE. What European nation first recognized Communist China, and subsequently urged the admission of Communist China to the United Nations? Was it England?

Mr. BRIDGES. That is correct.

Mr. MALONE. Practically all of the nations of Europe have recognized Communist China and the admission of Communist China to the United Nations have they not?

Mr. BRIDGES. Perhaps not all of them, but certainly most of them have.

Mr. MALONE. Yes, of course.

Is it not a fact that throughout the Korean war, anything shipped by the United States to the European nations was soon available to Communist China and then of course to Russia?

Mr BRIDGES. I have heard that stated, but I do not know that it is a fact.

Mr. MALONE. We have investigated that matter and most of such material was available to the Communist area directly or indirectly.

Under those circumstances, if we ship—as is now intended—goods and funds, including our atomic secrets, to European countries, is it not to be presumed that those secrets will soon be in the hands of Russia and Communist China? If we have any secrets left. If we give our atomic secrets to European nations, how long does the Senator from New Hampshire believe it will be before

Russia and Communist China will have possession of those secrets?

Mr. BRIDGES. Let me say that I am quite suspicious that such would be the result.

Mr. MALONE. I believe we are fully justified in being suspicious. When Russia beat us to the punch in sending a satellite around the world, it should not have been so surprising, since Russia then had all of our information plus their own discoveries, did she not?

Mr. BRIDGES. That is correct.

Mr. President, I have always favored the principle of foreign aid, and in the past I have not hesitated to support it. But I have understood that it was mutual aid for the purpose of mutual security, and that mutual security meant helping the nations which were willing to help themselves and which were friendly with the United States and allied with us in the general objectives which we and the rest of the Free World have.

How we can reconcile that with giving help to the Communist nations, which have the avowed purpose of opposing everything the Free World believes in, I do not know.

If such assistance would help the people in the countries now subjected to Communist oppression to throw off the Communist yoke, that would be different. But such aid will simply reduce their opportunities to throw off the Communist yoke.

The aid now proposed is definitely not the type of foreign aid I have supported in the past, and it is definitely not the type of foreign aid which I intend to support in the future.

Let there be no doubt that the Communist regimes are part of the international Communist conspiracy.

This Communist government of Poland has voted in the United Nations against the admission of South Korea and against the unification of North Korea and South Korea and against the censure of Russia for the ruthless suppression of Hungary, and has urged that Communist China be allowed a seat in the United Nations.

Mr. President, the recent announcement that the United States is making available $98 million of foreign aid credits to the Communist Red regime of Polish Premier Gomulka fills me with indignation. This makes a total of $193 million extended so far in the fiscal year 1958. Not only does it arouse my indignation, but it seriously undermines the faith of the general public in our whole foreign-aid program. This is particularly so when the American taxpayers are being asked to continue to shoulder a crushing tax burden in a year of economic recession.

The record will show that I have supported foreign aid in principle, from its inception with the Marshall plan, down to and through the fiscal year 1958 budget; and I expect to continue my support in principle. That does not mean, however, that I have not, as now, questioned and opposed certain phases of it which seem to me entirely contrary to the declared policy of our foreign-aid program, and which actually seems calculated to produce results in opposition to our objectives.

The general declared policy of our foreign-aid program is to help friendly nations to help themselves. Under that policy, aid is supposed to be requested by the country desiring it, and for purposes of strengthening either its economic condition or its military posture in its effort to become a strong Free-World partner.

I am as critical of, and as much opposed to, the extension of foreign aid to the Communist regime in Poland as I am to its being extended to the Communist regime in Yugoslavia. Through the years I have—both in Appropriations Committee and here on the floor of the United States Senate—worked to cut off aid to Communist regimes. Through all those years I have never yet seen any manifest justification for spending American tax dollars in the support of an unfriendly Communist regime. I can see no more justification for supporting Gomulka's Communist Poland than there has been for supporting Tito's Communist Yugoslavia.

It seems to me utterly fallacious to maintain that there are, somehow or other, two types of communism—the bad type represented by the Soviet International Communist conspiracy, and the so-called good type of supposedly independent communism, as exemplified by Tito and Gomulka.

Mr. President, in my opinion, communism is communism, no matter where it is found. No one can persuade me that any Communist regime is not primarily linked with the parent Soviet dictators of international communism.

Tears have been shed around this country and in effect also here today that it would hurt the people of Yugoslavia and Poland if we did not continue this program. If I believed it would really help the people of Poland and Yugoslavia throw off the yoke of communism I would be for it and I would vote for it. I do not believe it would. I think it would strengthen the Communist regimes and the people will have greater difficulty than ever. I respect Senators of this body who have other views, they are entitled to them, but I do not agree with them. I think their actions will come back to haunt them even though I may hope for their sakes they will not.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield 2 minutes to the Senator from Indiana.

Mr. CAPEHART. This is not an easy matter on which to vote, because there are good points on both sides of the question. I think a year ago I would have voted for the amendment. The question before the Senate is whether we want to see some of the satellite countries break away from Russia. I was in Poland last October. I have to be factual about the matter. I suppose if I wanted to be emotional about it, I would let my emotions run away with me and support the amendment, because I am so opposed to communism, and always have been. But I must be factual, and tell Senators I was in Poland. My best judgment is that the Polish Government is pro-Communist, but the Polish people are not. I found Polish churches open, and more people going to church than ever. I learned that much of the land is in private hands. A calculated risk is involved. My judgment is that, since surplus food is involved, we would be better off if we tried to aid the Polish people, so that they might break away from Russia, if it became possible. It will not be easy.

Mr. BRIDGES. Mr. President, I yield 2 minutes to the Senator from California.

Mr. KUCHEL. Mr. President, the decision in the Senate on either the amendment offered by the Senator from Indiana or the substitute offered by the Senator from New Hampshire is going to be no test of patriotism. There is no question of the patriotism of any United States Senator. The question here is whether the Members of the Senate desire to implement—to make more clear—a policy which the Senate itself, together with the House of Representatives, adopted when Public Law 480 was approved in the 83d Congress.

This has nothing to do with the desire of the Government or the people of the United States to render assistance and to give necessary foodstuffs to any people anywhere around the globe who might be in need of additional food. That desire is expressed in the present statute and in the bill before us, and is opposed by all of us. I take it all of us understand title II of the act entitled "Famine Relief and Other Assistance," in which it is specifically provided that the President of the United States, up to the amount of $300 million, can make available American foodstuffs to people, whether they live in friendly nations or whether they live in unfriendly nations. That is not an issue here. That is not in dispute in the Senate today.

What is important is whether or not the United States Senate agrees with the policy the Congress set down in the law in 1954. It has been alluded to before. It sets forth what our policies shall be with regard to the expansion of trade with friendly nations. Then it defines who is friendly and who is not. It excludes trade with the U. S. S. R. under this law, and those countries dominated or controlled by the U. S. S. R. I approve that policy. I do not want this bill to permit activity under it with any Communist-dominated country.

I think the Senator from New Hampshire has done a service, and so has the Senator from Indiana, in giving us an opportunity, in clear-cut fashion, to lay down what the policy shall be.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BRIDGES. Mr. President, I should like to say just a word. The Senator from California has stated that the patriotism of certain Senators has been questioned. That is not true. Neither the Senator from Indiana nor the Senator from New Hampshire did that. We know every United States Senator is a patriot, and we respect all

Senators, but we do differ very fundamentally with their judgment. We think many who take the other side of the question are wrong, and that the matter will come back to haunt them. The question is in issue. Time will tell whether we are right or wrong. I am willing to coast along with the time, because I think the Senator from Indiana and the Senator from New Hampshire will be proven correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. How much time remains on the amendment?

The PRESIDING OFFICER. All time of the Senator from New Hampshire has expired. The Senator from Louisiana who controls the opposition time, has 15 minutes remaining.

Mr. O'MAHONEY. Will the Senator from Louisiana yield me 2 minutes to express some of my doubts?

Mr. ELLENDER. I yield 2 minutes to the Senator from Wyoming.

Mr. O'MAHONEY. I think a glance at the budget, which is before us, will prove to everybody concerned how vital is this issue which is raised by the bill before the Senate. The Bureau of the Budget has issued a document entitled "The Federal Budget in Brief." On the cover appear the words "From the Executive Office of the President, Bureau of the Budget, Fiscal Year 1959."

On page 14 of the document there is a diagram which shows the estimated expenditures sent to Congress by the President in January for fiscal 1959. The first item is $45,800,000,000 for major national security. Next, $7,900,000,000, for interest on the national debt. Next, $5 billion, for veterans.

If we add those three items, we have a total expenditure of $58,700,000,000 for past wars, for preparation for future wars, for the rehabilitation of veterans who have suffered in the preceding wars. Fifty-eight billion is fifty thousand million. I emphasize the word "million."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. O'MAHONEY. I ask for 2 additional minutes.

Mr. ELLENDER. I yield 2 additional minutes to the Senator from Wyoming.

Mr. O'MAHONEY. That is a total of $58,700,000,000 for purposes of war. There is left only $15,200,000,000 for all other activities of Government.

Unless we win the fight for freedom here within our own shores, it is difficult, indeed, for me to comprehend how it is possible for us to hope to buy the support of satellite nations; but because the President is submitting this project, I shall, I think, support the bill and vote against the amendment, the President should not be repudiated by the Congress where food for hungry people is involved. I want to call the attention of the Senate to the fact that the Mutual Security Act of 1956 contained the following provision:

SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

This was the amendment I offered and to which I referred a moment ago in my colloquy with the Senator from New Hampshire.

When the Mutual Security Act came before Congress in 1957 for amendment this section was changed. It was modified. It was tempered. It was ameliorated. It was made softer on Tito and his allegiance to the Communist conspiracy.

Mr. President, in the interest of time I ask unanimous consent that the 1957 modification of the amendment be printed in the RECORD in full, so that all may know what the policy of the State Department is. In spite of this, however, because I want to use our surplus food to feed hungry people I shall vote against the amendment.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 143. Assistance to Yugoslavia: In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 1 additional minute.

Mr. O'MAHONEY. It is quite clear that the administration has changed its point of view and that the Congress—particularly the Committee on Agriculture and Forestry—is now offering the bill in the hope that despite the wavering position of the State Department and the President with respect to Yugoslavia we will be able to do this for the purpose of using our surplus foods to feed the hungry people.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Louisiana has consumed 5 minutes of his time.

Mr. ELLENDER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. ELLENDER. If anything, the amendment now under consideration is worse than the amendment offered by the Senator from Indiana [Mr. JENNER]. It would provide that any nation which has not assured the President that directly or indirectly it will not support the Soviet Union or any Communist government cannot get assistance. The amendment under consideration will have the same effect as the amendment of the Senator from Indiana [Mr. JENNER], but it almost requires the establishment of an alliance by a foreign nation with the United States.

I agree with my good friend from Indiana [Mr. CAPEHART]. There is no doubt in my own mind that the Polish people are very friendly to the United States and that such assistance will go far towards making them independent of the Soviet Union. If such can be accomplished, there is every reason for the act to remain unchanged, in this respect.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield myself another minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. ELLENDER. That is exactly what the Congress had in mind when it enacted section 304, giving the President authority to assist friendly nations to free themselves from the control of the Soviet Union.

The decision is left up to the President and the Secretary of State. In the case of Poland, it was their decision that by assisting Poland they might cause that country to be weaned away from the Soviet Union. In the long run our Government will benefit from such a procedure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 5 minutes.

The Senate will be in order.

Mr. COOPER. Mr. President, I rise to oppose the amendment offered by the junior Senator from Indiana, which is proposed to be amended by the distinguished senior Senator from New Hampshire [Mr. BRIDGES].

All of us are moved by the same feeling of revulsion, against the practices of communism, which animates the two Senators who have offered these amendments. I must say, nevertheless, that I believe the amendments are not in the best interests of the United States.

All of us know that we and other democratic countries are in a struggle with Soviet Russia, and that it will go on for a long time. It might be resolved but I hope never and our country hopes never by war. We hope it may be resolved in time by just agreements but that does not seem to be possible at this time. In the long run, if a balance of power in the world can be developed, with the influence to convince Soviet Russia that they cannot successfully prosecute a war against the United States or that just settlement must be made for the peace of the world—we may resolve the impasse.

It is upon the last ground that I believe these amendments are a wrong approach to the problem. I shall give my reasons.

First, I speak of our aid to Poland and Yugoslavia. We have undoubtedly helped these peoples for humanitarian reasons. But, I believe, that politically the Department of State and the President of the United States have been willing to make loans to Poland and Yugoslavia because those countries, to some extent, have asserted some independence of Soviet Russia. We can encourage them to keep a measure of independence from Soviet Russia and to encourage, by their example, other nations to break away. Certainly, that is an important objective.

Second, I speak to the amendment of the senior Senator from New Hampshire. The senior Senator from Louisiana is exactly correct. If we adopt the amendment which has been proposed by my friend from New Hampshire, it will extend the prohibition of aid under this bill, I would guess, to 50 countries in the world—to newly independent countries in the Mid-East, in Asia, and the new countries of Africa. They are not allies of Soviet Russia, but as newly independent countries they do not want a great power to dictate their policy—what they will do in the future, and what they will do in the present cold war. Although they are independent and democratic, and do not intend to join the Soviet Union in case of war, they do not want to become involved in the cold war. If they take the position that they cannot in national honor sign the agreement which the amendment proposes, what will happen. We shall have then denied our assistance, and isolated ourselves from many countries in the Mid-East, with which we have been concerned for over a year. We shall likewise have isolated ourselves from many newly independent countries of Asia and Africa. If we pursue such a policy we shall end up being isolated from over half the peoples of the world.

I do not think that is the way, over a long period of years, to attempt to make friends throughout the world. I do not believe that is the way to alter peacefully the balance of power, which may finally convince Russia that there must be a peaceful and just solution of the world's difficulties.

For these reasons, admitting the patriotic impulses of our two friends, we are faced with a choice of methods. We know what our objectives are. We know we are engaged in a long struggle. I believe the amendments should be defeated, because they will not help us win the struggle.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 20 seconds to the Senator from Indiana.

Mr. JENNER. Mr. President, I ask to modify my amendment in accordance with the provisions of the amendment offered by the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. LAUSCHE and Mr. SALTONSTALL addressed the Chair.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Ohio.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. ELLENDER. I yield the balance of my time to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes and 40 seconds.

Mr. LAUSCHE. Mr. President, I am of the firm conviction that conflicting positions can be taken on this amendment with complete justification, regardless of the side chosen.

I have great fears about the adoption of the amendment offered by the Senator from New Hampshire. It would not only deal distinctly with Poland and Yugoslavia, but would embrace many other nations with respect to which prospects for good relations with the United States Government are favorable.

I agree with what the Senator from Kentucky [Mr. COOPER] has said, that the amendment of the Senator from New Hampshire would take in the nations of the Middle East and the Far East, and other nations that are not necessarily friendly to Russia, and for that reason I think, with due respect to the Senator from New Hampshire, that his amendment is not well taken.

With respect to the initial amendment offered by the Senator from Indiana [Mr. JENNER], it is my belief that by giving aid to the Governments of Yugoslavia and Poland, we are deceiving the people of Poland and Yugoslavia into the belief that the people of the United States are friendly to those Governments. Just as surely as the night follows the day, the people of Yugoslavia do not want Tito and his Communist government. It is equally certain that the Polish people do not want a Communist government.

My fear is, that by giving money and other aid to them, we are delaying in two ways the advent of the upheaval of the Communist regimes in Poland and Yugoslavia.

First, we are deceiving the worker in the fields of Yugoslavia into the belief that there is friendliness among the American people for the Yugoslav Government.

Second, we are relieving the Communist governments of the responsibility of providing sustenance for their citizenry, and thus increasing the ability of these governments to develop armaments of war. While I favored the original amendment offered by the Senator from Indiana, I regret that I will have to vote against its modified form resulting from the acceptance of the New Hampshire Senator's version of the course we should follow.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. JENNER], as modified.

Mr. AIKEN. Mr. President, I yield myself 1 minute on the bill.

I will not vote "no confidence" in the President in the field of foreign affairs. I will not give assurance to Russia that we will not give assistance to any of the satellite nations which seek to break away from the Communist orbit.

I will not blast the hopes of freedom which the people of Poland, or any other nation of Eastern Europe may have at this time.

I will not embarrass friendly nations with which we are at present carrying out coordinated programs; and therefore I shall vote against the pending amendment.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, we worked out this problem with respect to Yugoslavia last year after a great deal of difficulty, by leaving discretion in the President as to whether to send aid to Yugoslavia and by requiring him to give assurances to the Congress periodically.

I think the amendment of the Senator from New Hampshire is not in satisfactory language at the present time, but it does leave discretion in the President. I believe the amendment should be redrafted in the House, or in the Senate before the bill is finally passed, so as to leave discretion in the President. I am glad to leave discretion in the President, as we did last year with respect to Yugoslavia.

We must soon consider an appropriation bill for foreign aid. This entire subject will come up in connection with that appropriation; I believe we can settle it satisfactorily by letting the President decide whether foodstuffs should go to Poland, Yugoslavia, or any other nation which, in his judgment, is not committed to fight against us in case of a war.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Florida [Mr. HOLLAND] on the bill.

Mr. HOLLAND. Mr. President, I do not think sufficient emphasis has been laid on the fact that this amendment applies not solely to Poland and Yugoslavia, but particularly to all the neutral nations of the earth.

I do not think we can demand of a neutral nation which needs our help, and whose friendship we hope to win, that it should commit itself in advance before it may be dealt with under this act. If we were to do so we would not only give offense to that nation, but would, in effect, be serving notice to the world that we do not care to have any more friends and allies than we now have. I do not want to be in that position.

I have perfect confidence in the patriotism of the President of the United States and of the Secretary of the State Department. I do not believe that they will deal helter-skelter with neutral nations, but will deal with them under the provisions of the bill only when they think there is a fair and reasonable opportunity to do them lasting good, and to leave them in a more friendly attitude, and more likely to side with us in the event of real trouble. I repeat that I do not believe we are in a position in which we want to serve notice

to the world that we do not desire any more allies or friends.

Mr. AIKEN. Mr. President, I yield 2 minutes on the bill to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, obviously, a Senator may not offer an amendment in the third degree.

I always become a little disconcerted by the haste with which language is drafted on the floor of the Senate. If it were possible to offer an amendment, I would offer a substitute which would place the burden on the President, and provide that no nation shall receive aid unless the President has assured himself, with respect to such nation, that it will not directly or indirectly support the Soviet Union, and so forth.

As the amendment is drawn at the present time, other nations must directly or indirectly indicate their attitude to the President. That puts a burden on them. Under the terms of revised language, the burden would be placed upon the President to be assured on that point. No other report to the Foreign Relations Committee would be required; and no report to the Speaker would be required, as was required in connection with the provision in the Mutual Security Act dealing with Yugoslavia.

Mr. President, I ask unanimous consent to have printed in the RECORD the complete text of the amendment I would have offered in lieu of the amendment of the Senator from Indiana, had it been in order to do so; and following that, section 143 of the Mutual Security Act approved August 14, 1957.

There being no objection, the amendment and section were ordered to be printed in the RECORD, as follows:

Section 107 of Public Law 480 is hereby amended by adding the following: "on (3) any nation, unless the President has assured himself with respect to such nation, that it will not directly or indirectly support the Soviet Union, the Communist Government of China, or any other Communist government in event of hostility between such government and the United States."

SEC. 143. Assistance to Yugoslavia: In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

(c) Add a new section 144 as follows:

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. JENNER], as modified. All time on the amendment has expired.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE], are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Oregon [Mr. MORSE], would each vote "nay."

On this vote, the Senator from New Mexico [Mr. ANDERSON] has a general pair with the Senator from South Dakota [Mr. CASE].

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

The Senator from South Dakota [Mr. CASE] and the Senator from Iowa [Mr. HICKENLOOPER] are also detained on official business.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Pennsylvania [Mr. MARTIN] are absent because of illness.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Vermont would vote "nay."

On this vote the Senator from South Dakota [Mr. CASE] has a general pair with the Senator from New Mexico [Mr. ANDERSON].

The result was announced—yeas 24, nays 53, as follows:

YEAS—24

Barrett	Hruska	Payne
Beall	Jenner	Revercomb
Bricker	Knowland	Russell
Bridges	Kuchel	Saltonstall
Cotton	Langer	Schoeppel
Curtis	Malone	Smith, Maine
Dirksen	Martin, Iowa	Thurmond
Dworshak	Mundt	Williams

NAYS—53

Aiken	Gore	Neuberger
Allott	Green	O'Mahoney
Bible	Hayden	Pastore
Bush	Hill	Potter
Byrd	Hoblitzell	Proxmire
Capehart	Holland	Purtell
Carlson	Humphrey	Robertson
Carroll	Johnson, Tex.	Scott
Case, N. J.	Johnston, S. C.	Smathers
Church	Kefauver	Smith, N. J.
Clark	Kerr	Sparkman
Cooper	Lausche	Stennis
Douglas	Long	Symington
Eastland	Magnuson	Thye
Ellender	Mansfield	Watkins
Ervin	McNamara	Yarborough
Frear	Morton	Young
Fulbright	Murray	

NOT VOTING—19

Anderson	Hennings	McClellan
Bennett	Hickenlooper	Monroney
Butler	Ives	Morse
Case, S. Dak.	Jackson	Talmadge
Chavez	Javits	Wiley
Flanders	Kennedy	
Goldwater	Martin, Pa.	

So Mr. JENNER's amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES] and myself, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, lines 23 and 24, it is proposed to strike out "June 30, 1960" and insert "June 30, 1959."

On page 3, lines 1 and 2, strike out "June 30, 1960" and insert "June 30, 1959."

Mr. WILLIAMS. Mr. President, my amendment merely cuts the program back to 1 fiscal year ending June 30, 1959. The amendment is endorsed by the Department of Agriculture. When the Department asked for the extension of the program, it asked for $1½ billion for fiscal 1958. They object to the extension of the program for a 2-year period on the basis that should it be needed they would be back next year to ask for another extension. Even with the adoption of this amendment it will still have authority for $2 billion extra money. The Department and many on the committee think that the program should be reviewed by the appropriate committees of Congress and by the Department on an annual basis. To reject the amendment means that we will be giving this agency authority in the amount of $3½ billion over a 2-year period or $1½ billion more than they even ask for.

If the amendment is agreed to, there will still be an additional $500 million for fiscal 1958 and the full amount or $1½ billion requested by the Department for 1959.

With this amount of money involved, the program should have an annual review.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter which I received from the administration, in which it is strongly recommended that the program be limited to 1 year, followed by a copy of a letter from the Department under date of March 11, 1958, addressed to Senator ELLENDER, the chairman of the committee, in support of the Aiken amendment which the Senate adopted earlier.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1958.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Attached is a copy of the statement that you may use as you see fit, regarding the amendments to Public Law 480 recently adopted by the Senate Committee on Agriculture and Forestry. This material was prepared in response to your request to Clyde Wheeler.

If you need anything additional, please let us know.

Sincerely yours,

DON PAARLBERG,
Assistant Secretary.

MARCH 7, 1958.

1. Reason for request for 1-year extension instead of 2 years:

The administration construes title I of Public Law 480 as a temporary means of moving accumulated agricultural surpluses abroad in a constructive manner. Limiting the extension of this authority to 1 year permits an annual review of the program by the Congress. Such annual review is important both with respect to effective surplus disposal under special programs and maximum effect on commercial exports. There is a likelihood that an extension of more than 1 year would tend to assign some degree of permanence to the program; it would also give less impetus to consideration of alternative methods of surplus disposal which might give greater emphasis to commercial exports. Orderly programing and shipping can be achieved under annual extensions as long as authorizations are provided soon enough during the year to prevent interruptions in programing.

2. Why yearly review is recommended:

Although Public Law 480 provides important authorities concerned primarily with the disposal of agricultural surpluses, the act requires wide Government coordination. It combines many purposes which affect our domestic and foreign economic policies and involves activities of several departments and agencies. Some of the facets of Public Law 480 can be touched on briefly. The large disposals to our friends abroad contribute directly to foreign policy objectives; the large amounts of local currencies loaned back to importing countries are coordinated by the International Cooperation Administration in mutual security operations; and local currencies are used to pay United States expenses abroad and finance agricultural market development, educational exchange programs and other activities.

Because of this complex nature of Public Law 480, it appears imperative that administrative officials and the Congress make a full and complete appraisal of its operations on an annual basis.

3. Objection to new barter amendment:

The explanation of the barter amendment to S. 3039 prepared by the Senate Committee on Agriculture and Forestry makes it clear that the amendment is intended to remove any discretion that the Secretary of Agriculture now has to determine whether he should or should not barter. The explanation shows that the amendment is intended to be mandatory and makes it clear that the Secretary must barter CCC commodities if he is offered strategic or critical materials or other materials which entail less risk of loss or substantially less storage charges than the CCC commodities. In our committee session, nobody could tell us what was meant by other materials. I am afraid it means the Secretary might have to take such things as tea, spices, iron ore, or perhaps even bottle caps under the barter program. To direct the Secretary to engage in a broad program of industrial material imports which are not strategic or critical materials, the amendment would in effect say that the Congress would rather have the Secretary accept bottle caps instead of dollars for his agricultural commodities. Under the present law, the Secretary is directed to barter only when he believes that barter will protect the funds and assets of the Commodity Credit Corporation—in other words, he will barter when he cannot sell the same commodities for dollars. By removing this discretionary language from the amendment, the committee is saying that it is unimportant whether barter commodities are in addition to dollar sales or whether they replace dollar sales.

I cannot see how we can ask the Senate to enact a law which claims that barter is superior to cash sales. I do not see how we can tell the Secretary that he is not to consider the effect of proposed barters on regular cash sales. Nor can I understand why this same Senate committee in recommending extension of title I of Public Law 480, the provision that authorizes foreign-currency sales, directs the President to only make such sales when they are in addition to our usual commercial marketings and does not believe it necessary to include the same provision in their amendment of the barter program. Obviously, if it makes sense in title I, it also makes sense in the operation of the barter program.

The committee explanation of the barter provision makes much of the fact that barter permits the United States exporter to cut his sales price for the commodity and thereby gain a competitive edge. If this can be done under the barter program, why would it not make sense to do so on cash sales by the Commodity Credit Corporation.

Finally, the Department of Agriculture has never said it is against barter. It is for barter. It has only asked that care be exercised to insure that the barter of agricultural commodities be in addition to our dollar sales and not replacements. This is the reason that the barter program was changed last year. It is the reason why I believe that the proposed amendment is bad legislation.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 11, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: We have been requested by Senator HUMPHREY to give consideration to, and to report to your committee on possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to $500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes short of the virtual nullification of the proposed change which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction. We believe the best interests of the Commodity Credit Corporation, as a Government instrumentality, are synonymous with the best interests of the United States.

In our judgment the elimination of the principle of "additionality as a result of barter" cannot be justified. This amendment directs the Secretary of Agriculture to completely ignore what agricultural commodities could be moved into export channels through the normal channels of trade for purchase by our regular customers for dollars. Its effect could be to replace to the extent of up to $500 million per year of cash business by barter for materials which for the most part there would be no need in the near future. These materials would go into dead storage in the hope that at some future time we will be able to utilize them without serious effects on domestic producers of these materials.

We have diligently studied the potentials of barter as a means of expanding our agricultural exports. We believe opportunities do exist. We believe honestly and sincerely our present policies will give some measure of assurance that increased exports are being accomplished through barter. We believe that the assumption that barter offers almost unlimited opportunities for expansion of exports is false. Such an assumption is based on the fallacious premise that the have-not countries of the world with respect to food and fiber are countries that have great material resources to trade for food and fiber. This is not true. We believe, however, that substantial additional business can be achieved if export contractors are required to demonstrate additionality. If this requirement is eliminated all contractors will turn to easy barter and be content to merely replace cash sales.

There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefor is in order.

This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide-open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of those materials in the foreign countries and importers of those materials into this country want a price-support and surplus-removal program for those materials. We cannot solve the price-support and surplus-removal problems of our domestic agricultural economy by attempting to take on those same responsibilities for a much wider field of material production throughout the world.

Experience with our domestic agricultural programs has, we believe, led to one accepted axiom. Price support at profitable levels of production without effective controls on production can only lead to financial disaster. To the extent that barter provides a profitable outlet for foreign produced materials, over and above that normally existing, foreign production and resultant surpluses will be increased. Certainly this country has no and could not have any semblance of control over such production.

There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities we stopped the program for reappraisal. The domestic lead and zinc industry felt the full impact of the price depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials and serves as a stimulant for further expansion of such surplus production.

The importers of diamonds have been vigorous proponents of expanded barter. Diamond production is controlled by cartel. World prices are maintained by the quantities of diamonds released to the market by those cartels. Diamonds have been held up as the glowing example of a material entailing less risk of loss through deterioration or substantially less storage charges than surplus agricultural commodities. There are a few surplus diamonds in the hands of importers now. The Congress, by the enactment of this proposed amendment, would

direct the Secretary of Agriculture to not only provide a home for those diamonds but also to assure the diamond cartels of the world an outlet at world prices for an expansion of production up to whatever portion of the $500 million limitation they could get the Department to accept.

Statements have been made in previous testimony before your committee by proponents of barter of the competitive advantage, pricewise, enjoyed by barter commodities. This has been advanced as an argument that barter stimulates agricultural exports. Assuming that such a price advantage exists, it can only serve to drive down the world price of agricultural commodities. Agricultural commodities moving under barter would be in competition, not only with agricultural commodities from other countries, but with agricultural commodities exported from this country through normal channels of trade. This can become a vicious circle. To the extent that the domestic market price is influenced by the price at which exporters can sell in world markets a lower price will result in order to meet the competition of the same commodity originating through barter.

The Department has, with the encouragement of Congress, made great progress in making agricultural surpluses in CCC inventory available on a competitive-bid basis in order to meet world prices. The exporter who buys for dollars must and will bid lower than he ordinarily would, in order to meet whatever price advantage accrues from acquisition of those same commodities through barter.

Not only would the funds and assets of the Corporation suffer under such a progressively vicious circle but also the taxpayers who must make good the losses of the Corporation.

The Department is not opposed to barter. We believe it has a place in our multiapproach to surplus removal through expanding exports of agricultural commodities. We also believe, however, that the interests of agriculture and the United States as a whole will best be served if it is limited to those instances where administrative judgment believes it creates additional foreign purchasing power and channels that purchasing power into buying United States agricultural surpluses which would not otherwise move into export through normal channels of trade.

It is important to note that the proposed legislation will result in no saving in storage charges to the Commodity Credit Corporation. It will, in fact, result in increased costs. This comes about because we will not be gaining new agricultural export business but merely replacing dollar sales by barter sales. This means CCC inventories remain about the same on the agricultural side of the picture. We would, however, receive materials which must be stored at the cost of the taxpayers instead of dollars which at present we can use to reduce the indebtedness and interest payments of the Federal Government.

In summary it may be helpful to tabulate a few of the things the proposed amendment would and would not do. The amendment—

(1) Would direct the Secretary to barter up to $500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of CCC and the Federal Government but would dissipate them.

(2) Would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash.

(3) Would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC even though such materials could not be used in the foreseeable future.

(4) Would increase the interest costs of CCC and the Federal Government.

(5) Would provide world price support for materials without permitting domestic mining interests to benefit directly.

(6) Would require CCC officials who are not experts in this field to spend up to $500 million for foreign materials each year.

On the other hand the amendment—

(1) Would not appreciably reduce CCC inventories of agricultural commodities.

(2) Would not to any measurable extent establish new agricultural export outlets or increase existing ones.

(3) Would not reduce storage costs of CCC.

(4) Would not reduce deterioration losses of CCC.

(5) Would not be of help to farmers or to our commodity inventory problems.

The proposed amendment prohibits the exercise of administrative judgment to an unprecedented extent. In our opinion it would, in retrospect, serve as a basis to discredit the Congress that enacted it and those who attempted to administer it.

Since this proposed legislation is ready for consideration on the floor of the Senate, we have not cleared this report with the Bureau of the Budget.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BRIDGES. I support the amendment of the Senator from Delaware, which I had the privilege and honor of cosponsoring, because I think we are going wild on spending. We are in the midst of very changeable conditions in the United States. I think we should be in a position to review a great expenditure and a major policy decision such as this every year.

As the Senator from Delaware has carefully explained, the amendment will not affect the additional money needed for 1958 or for the full fiscal year 1959. It merely terminates the program at the end of fiscal 1959 to allow Congress to review an extension for the fiscal year 1960.

The amendment is sound in every respect. I do not see how any Senator can quarrel with it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MORTON. As I understand, the Senator's amendment merely cuts back the authorization 1 year.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Mr. President, I had 15 minutes.

The PRESIDING OFFICER. The Senator yielded time, and now his time has expired.

Mr. WILLIAMS. I beg pardon. I had 15 minutes on my own amendment. I did not ask that time be yielded to me.

The PRESIDING OFFICER. The Chair was misinformed. The Senator from Delaware has 13 minutes remaining.

Mr. WILLIAMS. I thank the Chair. I yield to the Senator from Kentucky.

Mr. MORTON. As I understand, the amendment of the Senator from Delaware relates to the time element, and fixes the duration of the program at 1 year, instead of 2.

Mr. WILLIAMS. That is correct.

Mr. MORTON. It does not in any way affect the authorization for the remainder of this fiscal year or for the next fiscal year.

Mr. WILLIAMS. That is correct.

Mr. MORTON. The amount remains the same; the time is cut back.

Mr. WILLIAMS. It is merely a cutback of the time. It eliminates the additional fiscal year, 1960. It does not affect the additional money provided for the remainder of this fiscal year, or the $1.5 billion for the next fiscal year, as requested by the Department. It merely eliminates the fiscal year 1960, as the Senator has said.

Mr. MORTON. I support the amendment of the Senator from Delaware. I think we must bear this in mind. In the interest of the farmers of America, we hope someday to get back to a program under which our agricultural exports will be sold for cash. If we establish 2- or 3-year programs, I admit that it may be easier to make commitments, and it may be easier, in some ways, to enlarge the program. But we shall be putting into the minds of our agricultural customers, over the years, the thought that if they sit tight on their dollars, we will come along with a Public Law 480 program for them, sooner or later.

If we do not watch out, we will never have the opportunity to regain the agricultural profits we have historically enjoyed. That is another reason for my support of the amendment.

Mr. WILLIAMS. The same argument was made by the Secretary of Agriculture. He was fearful that an extension of the program over a long period of time might actually result in fewer sales than would be possible if our friends abroad thought this was to be extended indefinitely.

In view of the fiscal situation which confronts the Government, it would be well for us to consider that, even accepting my amendment, we will still be providing $2 billion for this program. It might be well a year from now to reevaluate the financial situation of the Government and the status of the agricultural program to determine whether we can afford to or should extend it to 1960. Certainly any $2 billion expenditure should be reviewed by Congress.

I hope that the Senate will adopt the amendment.

This program has helped the American farmer, and it has a lot of support from the many farm organizations. We in Congress have a responsibility to make a careful annual review of all transactions involved to make sure that the program does not become discredited. Secretary Benson, recognizing the need for this careful supervision, has endorsed the principle of my pending amendment, which would extend the program for just 1 additional fiscal year.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

The committee was divided as to whether to provide for 1 year or 2 years.

I myself voted for 1 year. As I understand the amendment, $2 million would be provided for the rest of this fiscal year, and $1,500,000,000 for the next fiscal year.

As I pointed out on the first day of the debate, the Department of Agriculture favored an extension for only 1 year. The testimony of Mr. Paarlberg was at variance with what is contained in the letter presented to the committee by the Department of Agriculture. After considerable debate in the committee, the committee decided to provide for an extension of 2 years. That is the sum and substance of what occurred.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, before the vote, I think the Senate should know that the National Farmers Union, the American Farm Bureau Federation, and the National Grange—three great farm organizations of the United States—and the National Milk Producers Federation, and others, as well, have supported a minimum extension of 2 years. Whether that is persuasive or not, at least it should be a matter of record.

Second, I think it should be known that the arguments which are being used by the distinguished Senator from Delaware now were not the arguments he used when the law was authorized. The original authorization for Public Law 480 was for 3 years—not 1 year, not 2 years, but 3 years. It was only last year that Congress extended the law for 1 year. The year before last we extended it for 1 year. After that, we ran out of funds and had to close down the program. That disrupted the export program and the orderly marketing. That is according to the testimony of Mr. Paarlberg.

Mr. Paarlberg, the Assistant Secretary of Agriculture in charge of this program, and the economic adviser to the Secretary of Agriculture, a gentleman whose nomination was recently confirmed by the Senate, stated:

> The request for a larger authorization this year is caused by changing world conditions. The dollar position of several countries has worsened and greater demand has resulted from poor harvests overseas. Shipments under past programs, particularly wheat for India, have been accelerated. In addition, we would expect to program part of the new authorization before June 30 if the extension is granted soon enough.

At the same time the Assistant Secretary testified as to the importance of providing adequate authorization as follows:

> In the title I program, orderly programing and shipping is extremely important. These are dependent on continuous programing without time out between utilization of separate authorizations. We have run into periods when title I programing has come to a standstill; for example, the development of new agreements virtually ceased in January 1957 when our authorization was almost exhausted. The availability of funds during the following months would have avoided a backlog of program requests from interested countries. This backlog resulted in the necessity to scale down, delay, or exclude country programs, and in erratic shipment performance. Shipments were running about 800,000 tons a month last spring; these dropped off to less than 400,000 tons and are now just starting to increase again. It is possible that this same condition will exist again unless an extension is granted early in this session of Congress.

This is a program which the Department of Agriculture wants to have continued, a program which it has said it will recommend to be continued. There has been no indication of a desire to discontinue it. The Department's economist has said, in effect, "If you really want a smooth-running program, if you want to get the most out of the program, authorizations for longer periods of time are needed."

It is a maximum of $1,500,000,000 a year; that is the total amount. It seems to me that good, prudent business practice would indicate that we should have at least a 2-year authorization.

I may add that if we can have a 2-year authorization for foreign aid, we should be able to have one for this program.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time yielded to the Senator from Minnesota has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. AIKEN. Mr. President, in the committee my position on this matter was the same as that of the chairman of the Committee on Agriculture and Forestry, the distinguished senior Senator from Louisiana [Mr. ELLENDER], namely, $2 billion to take us through the rest of this year and through the fiscal year 1959.

Although the bill, as written, would not be particularly harmful, yet I believe that if we can have a review made every year of this situation—as provided for by the amendment of the Senator from Delaware—it might be a little more satisfactory.

If we are to reduce our agricultural surpluses at the rate of $1.5 billion worth a year, we want to keep rather close watch over them.

Mr. WILLIAMS. Mr. President, I hope the amendment will be agreed to.

I yield back the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on the agreeing to the amendment of the Senator from Delaware. [Putting the question.]

The "ayes" appear to have it.

Mr. HUMPHREY. Mr. President, I call for a division.

The Senate proceeded to divide.

Mr. HUMPHREY. Mr. President, on this question, I ask for the yeas and nays.

The years and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ,] the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is also detained on official business.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Pennsylvania [Mr. MARTIN] are absent because of illness.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], and the Senator from Vermont [Mr. FLANDERS] would each vote "yea."

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Aiken	Dirksen	Payne
Allott	Dworshak	Potter
Barrett	Frear	Purtell
Beall	Hoblitzell	Revercomb
Bricker	Hruska	Robertson
Bridges	Jenner	Saltonstall
Bush	Knowland	Schoeppel
Byrd	Kuchel	Smith, Maine
Capehart	Lausche	Smith, N. J.
Carlson	Malone	Thurmond
Case, N. J.	Martin, Iowa	Watkins
Cotton	Morton	Williams
Curtis	O'Mahoney	

NAYS—42

Anderson	Hayden	Monroney
Bible	Hill	Mundt
Carroll	Holland	Murray
Case, S. Dak.	Humphrey	Neuberger
Church	Johnson, Tex.	Pastore
Clark	Johnston, S. C.	Proxmire
Cooper	Kefauver	Scott
Douglas	Kerr	Smathers
Eastland	Langer	Sparkman
Ellender	Long	Stennis
Ervin	Magnuson	Symington
Fulbright	Mansfield	Thye
Gore	McClellan	Yarborough
Green	McNamara	Young

NOT VOTING—16

Bennett	Hickenlooper	Morse
Butler	Ives	Russell
Chavez	Jackson	Talmadge
Flanders	Javits	Wiley
Goldwater	Kennedy	
Hennings	Martin, Pa.	

So Mr. WILLIAMS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the yeas and nays on the passage of the bill be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated March 14, 1958, written to me by Mr. John C. Lynn, legislative director, American Farm Bureau Federation, stating the attitude of that organization on the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
March 14, 1958.

Hon. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: As you know the American Farm Bureau Federation took initiative in developing Public Law 480, the Agricultural Trade Development Act. We have always considered this act as a temporary measure designed to increase marketings of agricultural commodities abroad, to assist in reducing the surpluses in the hands of Commodity Credit Corporation and in facilitating foreign-market development.

Farm Bureau is opposed to the provisions contained in S. 3420. While we support a 2-year extension of Public Law 480, we feel that it is imperative that we emphasize the fact that this is supposed to be a temporary measure. In order to do this, we must show our intent of a gradual tapering off of the money authorized for this program. We, therefore, support a 2-year extension of this act with authorization as follows—for fiscal 1959, $1,250,000,000; for fiscal 1960, $750 million.

We submit that by increasing the authorization for title I foreign-currency sales up to over $3,500,000,000 in the next 2½ years, plus the proposed mandatory barter provision of $500 million is a step not in the best interest of the United States. It will have the effect of making Public Law 480 a permanent part of our agricultural export program and will have the effect of replacing dollar sales with sales for soft currencies. It is important that the Congress demonstrate its firm intent of tapering off sales for foreign currencies and thereby emphasize the temporary nature of this program.

We should not continue to use Public Law 480 to dump surplus agricultural commodities accumulated because of the continuation of unsound domestic price support and adjustment programs. The freezing of the present programs will insure a continued accumulation of commodities in the hands of Commodity Credit Corporation.

A program of sales for foreign currency can benefit American agriculture only a limited length of time before markets begin to be oriented to this way of doing business. Customer nations start to consider foreign currency sales as a normal part of commercial trade. We view with serious concern evidence that some countries are adjusting their dollar exchange so that very little of it is used for the purchase of American farm products. Competitor nations will not accept a permanent Public Law 480 without taking serious trade retaliatory action against United States agricultural exports.

Farm Bureau also supports a program of bartering our agricultural surpluses for essential materials. However, we feel that barter transactions must be in addition to normal dollar sales. Under the provisions of S. 3420 barter transactions would displace dollar sales to a substantial degree. The barter program should be a supplement to normal exports; it should not displace dollar purchases. A barter program as visualized in S. 3420 would cause irreparable harm to United States foreign relations and United States foreign trade. The provision in its present form will tend to nullify some of the good in title I of Public Law 480.

We know of your interest in this program and hope that you will assist us in keeping Public Law 480 on a sound basis. We urge your support in amending S. 3420 so as to reflect the above principles.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 3420), as amended, was passed, as follows:

Be it enacted, etc., That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.), is amended to read as follows:

"(b) Agreements shall not be entered into under this title during any fiscal year which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $1,500 million, plus any amount by which agreements entered into in prior fiscal years (beginning with the fiscal year ending June 30, 1958) have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years."

SEC. 2. (a) Section 104 of such act is amended by inserting before the period at the end of the first sentence of paragraph (h) thereof the following: "and for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446)."

(b) Such section is further amended by adding after paragraph (j) the following new paragraph:

"(k) For providing assistance, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

SEC. 3. Section 109 of such act is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

SEC. 4. Section 204 of such act is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

SEC. 5. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs."

SEC. 6. In carrying out the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the act in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured from upland or long-staple cotton shall be made available for sale pursuant to the provisions of title I of the act as long as cotton is in surplus supply, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the act.

INCREASED LENDING AUTHORITY OF EXPORT-IMPORT BANK

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed order, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the proposed order.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That following the reconsideration of the vote on the bill (S. 3149) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes, debate on the passage of the bill shall be limited to 10 minutes, to be equally divided and controlled by Mr. JENNER and the majority leader.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. Mr. President, we have an agreement with the Senator from Indiana that the Senate would reconsider the action it took in passing the Export-Import Bank bill the other day. He is leaving the city. I agreed with him we would limit to 10 minutes the debate on reconsideration of the vote by which the bill was passed. Although he urged that we have a yea-and-nay vote, he finally agreed that there be a division. I think if Senators will indulge me for about 10 minutes, so we can proceed to that matter, perhaps we can avoid another rollcall or two. I want to accommodate the Senator. He has waited several days so that the Senate could reconsider its action. There are other Senators who wish to leave town. The staff hopes to get away early, because the electricity has been cut off in several parts of town. If Senators will be as brief as possible, it will be appreciated in many quarters.

The PRESIDING OFFICER. The question is on agreeing to the order proposed by the Senator from Texas. Is there objection? The Chair hears none, and the order is entered.

Mr. JOHNSON of Texas. Mr. President, I ask that the action by which the Senate passed S. 3149, increasing the lending authority of the Export-Import Bank, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. JOHNSON of Texas. Is the Senator from Indiana prepared to proceed with his statement?

TWO MORE BILLION DOLLARS FOR THE EXPORT-IMPORT BANK

Mr. JENNER. Mr. President, the Senate has just passed a bill providing for the spending of billions of dollars. The other day I was profoundly shocked by the change in procedure by which an obligation of up to $2 billion was laid on the American people by a Senate vote for S. 3149, to increase, by $2 billion, the

lending authority of the Export-Import Bank.

This bill was called up March 3, without any indication on the Legislative Calendar or in the CONGRESSIONAL RECORD that we would be voting to add $2 billion to our contingent liabilities.

The request for a quorum call was perfunctorily made, and as perfunctorily withdrawn.

I think spending $2 billion of the American taxpayers' money is too important not to have some notice and not to have a quorum call in the Senate.

The entire debate on the bill in the Senate takes up only a few lines in the CONGRESSIONAL RECORD.

I do not wish to make any blanket criticisms of the Export-Import Bank. On the whole, they have tried to make productive economic loans, and to keep their operating costs within a narrow margin.

I am disturbed about two matters. Why does the bank need two billion, if their loans last year, an unusually active year, were one thousand sixty-six million? Half of this sum was an emergency loan to Britain to meet the special problems raised by the Suez crisis. In addition, the bank collects repayments of about five hundred million a year. A fund of two billion should provide lending margin enough for from 2 to 10 or more years.

I do not believe our economy is in such a shape that we ought to increase the lending authority of the Export-Import Bank without a rollcall or a discussion.

The president of the National Foreign Trade Council recommended what he carefully described as a "reasonable increase" in the lending authority of the bank, but what is the evidence that two billion is a "reasonable" increase?

The second puzzle arises out of the first. Is this surprisingly large request designed to make sure funds are available to the Export-Import Bank, because of some already-agreed-on change in lending policies of which Congress might not approve?

Is the Export-Import Bank going to go in for softer loans, as the advocates of easy money for foreign governments have so persistently demanded?

I wonder especially if the Export-Import Bank is to be synchronized with the new program for international development loans to neutral nations in the undeveloped continents?

Congress has been properly skeptical about this International Development Fund, which was so strongly denounced in the minority report of the House Committee on Foreign Affairs.

I pointed out some of its dangers in the debate on foreign aid.

Senators will remember how Congress has tried, again and again, to prevent point 4 funds from being used for machinery, services, and other costs, which should be paid for by the receiving country.

Congress was so successful in closing this leak that the executive agencies had to work out another way to get what they wanted.

They now get American funds for their local projects by a tie-in between point 4 and so-called development projects under foreign aid.

Whenever Congress saves a little money at the spigot, the bureaucrats find a way to spend many times as much at the bunghole.

So I wonder if we have here another bit of ingenuity by which ICA's International Development Fund will provide the strategy, and the Export-Import Bank is to supply working capital loans at the right times and places.

One hint in this direction is the amendment to the Agricultural Surplus Disposal Act, by which the bank is relending the counterpart funds which accrue from the sale of agricultural surpluses to foreign countries. We have just extended that authority.

We have been told by propagandists for the International Development Fund that American agricultural surpluses should be used to supply capital for the financing of development projects in Asia and Africa.

Is this how the deed is to be done, under cover of a program to help American farmers?

In the reactionary days of the 19th century, foreign investors were supposed to put up enough capital to pay for the food of their workers.

What a nice windfall it will be for the private investors in this bold new financial scheme, if the people of the United States are taxed to pay the cost of part of their expenses.

We do not have documentary proof of such a change in policy, but we know the unrelenting zeal with which the promoters of the International Development Fund pursue their aims.

We know the International Development Fund, for so-called private loans, is not, and will never be, anything but a drain on the United States Treasury.

Our tax funds are given outright to the ICA for soft loans, and never come back to the Treasury. The Senator from South Dakota [Mr. CASE] tried to correct that evil today, but was defeated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JENNER. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, if the foreign aid planners do intend to use the Export-Import Bank, and other agencies, to extend new and softer foreign loans, we know they will never give Congress the facts.

When we see a gap between the need for, perhaps, a half billion dollars, and a request for two billions, for the Export-Import Bank, at a time when the Treasury must husband every dollar, it is the duty of Senators to try to get what facts we can get from behind the curtain of official secrecy.

That is why I am so greatly disturbed by the speed with which this bill has been moving along.

Hearings lasted only one session.

The only witness was a Government official, Samuel C. Waugh, President of the Export-Import Bank, who had formerly been Economic Assistant Secretary in the State Department.

No public witnesses testified.

Public opinion was represented only by insertion of two letters.

With that, the hearings were closed.

We cannot tell from the record who decided on two billions, or why.

I do not consider that there could ever be a good reason for voting an increase of two billions in the potential liabilities resting on our people, without the use of every legislative means to inform the Senators, and to enable even one Senator to state his protest against such spending of money we do not have.

The United States Government is, at present, not able to operate with a debt ceiling of two hundred seventy-five billions.

This Congress has recently raised the ceiling to two hundred eighty billions, and administration experts talk of asking to have the ceiling removed altogether.

Meanwhile, revenues are falling below budget estimates.

We have been told that the Defense Department may need billions more for a stepped-up program to meet Soviet gains.

We have been asked to vote another three and a half billions to the Commodity Credit Corporation—which we have disposed of.

We are asking the American people to pay billions more so the executive branch can step up its missile and satellite program, and, with a straight face, asking them to pay three and a half billions more to give our farm surpluses to Poland, and other satellite states, which serve as granaries and arsenals of the Soviet war machine.

Is this the reason we had to increase the debt ceiling by five billions, or is this a new commitment?

Are we going to be told in a few months that we have to increase the debt ceiling again because Congress has voted five and a half billions of new credit to these agencies, and, of course, the executive agencies always try to do exactly what Congress wishes.

If this is a boobytrap, for committing us to a new increase in the debt ceiling, let us take time now to examine what we are doing.

The responsibility for reconciling our expenditures, our obligations and our taxing power, rests on Congress.

It is not the responsibility of the Budget Bureau, or the executive branch, or the President, or the committees of Congress.

It is the responsibility of the Congress as a whole.

Every Member, from every State, is responsible.

The legislative power is clearly vested in the Congress.

The chief legislative power, next to making war, is the power to commit the people's earnings for precisely defined purposes, and within sound political and economic limits.

I repeat—I do not believe Congress can ever be justified in voting a commitment of $2 billion, for any purpose whatever, without the fullest notice, on the calendar and in the CONGRESSIONAL RECORD,

and after a real—not a perfunctory—quorum call.

Surely we should not condone the authorizing of two billions of new liabilities on the American people, with so little participation by the Senate as a whole.

A similar situation arose in connection with the Senate's advice and consent to treaties, binding us in foreign policy.

After the spectacle of a treaty passed when only one or two Senators were present, the Senate changed its procedures to call for a yea-and-nay vote on treaties.

I believe the strain on our finances is so great today that no bill which authorizes the spending of billions, or commits the credit of the Federal Government, should pass the Senate without a record vote.

AMERICAN WORKINGMEN AND INVESTORS FINANCING THEIR OWN COMPETITION

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. JOHNSON] is recognized.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, I ask unanimous consent that I may be permitted 3 or 4 minutes to ask a few questions of the distinguished Senator from Indiana.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Nevada for 2 minutes, so that he may ask questions of the Senator from Indiana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Indiana if the Export-Import Bank is not a bank set up especially to loan money to foreign nations to build manufacturing and processing plants and to employ the cheap labor of the foreign countries, furnishing the markets of those countries and sending the sweat shop labor products into this country?

Mr. JENNER. The Senator is correct.

Mr. MALONE. There are three other organizations; the International Monetary Fund—organized by Harry Dexter White—the International Bank for Reconstruction and Development, and the International Finance Corporation—all loaning money to foreign nations and to American corporations to build plants in foreign cheap labor countries to compete in American markets under the 1934 Trade Agreement Act—the so-called Reciprocal Trade Act.

Mr. JENNER. The International Monetary Fund?

Mr. MALONE. Yes. Those other three organizations not only loan money to foreign countries, but they loan money to American corporations, so that they may go abroad to build such manufacturing and production plants and ship the materials produced by cheap labor into the United States.

Mr. JENNER. The Senator is correct.

Mr. MALONE. Using cheap labor for that purpose?

Mr. JENNER. That is correct.

Mr. MALONE. Does the distinguished Senator from Indiana believe that process is of benefit to the United States and a help in employing American workingmen now going out on the streets in droves and for the protection of Americans in shops?

Mr. JENNER. No. I think it is a detriment. I think the Senator put it very well when he said that if we keep on doing this Walter Reuther one of these days will be riding down the streets of America in a foreign-made automobile waving at the workers of America who are unemployed because of such policies.

Mr. MALONE. I said that 4 or 5 years ago, and many thought it was a joke, but they are on the street now.

Is this Mr. Waugh, the President of the Export-Import Bank, the same person who represented the United States at Geneva, where the 36 foreign nations are dividing our markets among them under the General Agreements on Tariffs and Trade—GATT—organized under the 1934 Trade Agreement Act?

Mr. JENNER. That is correct. He was with the Department of State before he went to the Export-Import Bank.

Mr. MALONE. When those countries agree to lower tariffs in their multilateral trade agreements, is not that obligation waived so long as they can show they are short of dollar balances?

Mr. JENNER. That is correct.

Mr. MALONE. As a matter of fact, then they are not bound to keep the trade agreements with us. However, we are bound and are the only free-trade nation in the world; they protect themselves—their nation from imports—through tariffs, import permits, exchange permits, and manipulation of the price of their money in terms of the dollar for trade advantage.

Mr. JENNER. I think the Senator is correct.

Mr. MALONE. The taxpayers of America——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator an additional minute.

Mr. MALONE. The taxpayers of America, the workingmen and investors of this Nation are financing their own cheap-labor competition—their very downfall; is that not correct?

Mr. JENNER. There is no question about that. Let us finish this debate some other day, if that is agreeable to the Senator.

Mr. MALONE. All right.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time, with the understanding that the Senator from Indiana will yield back the remainder of his time; and I ask for a division on the passage of the bill.

Mr. JENNER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on final passage of the bill. On this question a division has been requested.

On a division, the bill (S. 3149) was passed, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended, is amended—

(1) by striking out "$4,000,000,000." from section 6 and inserting in lieu thereof "$6,000,000,000."; and

(2) by striking out "$5,000,000,000." from section 7 and inserting in lieu thereof "$7,000,000,000."

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEATPACKING COMMERCE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 706, Senate bill 1356.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 2 (a) of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 182), is amended by striking out:

(1) paragraph (3) thereof; and

(2) paragraph (5) thereof.

(c) The title of such act (7 U. S. C. 181, et seq.) and the title of the act where it appears in the preamble of the act of August 14, 1935 (49 Stat. 648), are amended by striking out the words "livestock products, dairy products" and the words "poultry products, and eggs."

(d) Section 2 (b) of such act (42 Stat. 159; 7 U. S. C. 183) is amended by striking out the words "and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in lieu thereof the words "industry, and whereby livestock."

(e) Title II of such act (42 Stat. 160; 7 U. S. C. 191–195) is repealed.

(f) Sections 401 and 403 of such act (42 Stat. 168; 7 U. S. C. 221, 223) are amended by striking out, in each such section where-

ever they appear, the word "packer," and the words "packer or any live poultry dealer or handler."

(g) Section 502 (a) of such act (49 Stat. 648; 7 U. S. C. 218a (a)) is amended by striking out the words "packers as defined in title II of said act and railroads", and inserting in lieu thereof the words "a railroad."

(h) Section 502 (b) of such act (49 Stat. 648; 7 U. S. C 218a (b)) is amended by inserting, immediately after the words "this act", the words "or the Federal Trade Commission Act."

(i) Section 503 of such act (49 Stat. 649; 7 U. S. C. 218b) is amended by striking out the first sentence thereof.

Mr. JOHNSON of Texas. Mr. President, on behalf of the acting minority leader, the Senator from Illinois [Mr. DIRKSEN], the Senator from Wyoming [Mr. O'MAHONEY], and myself, I send to the desk a proposed unanimous-consent agreement and ask for its adoption.

The PRESIDING OFFICER. The proposed agreement will be read.

The proposed unanimous-consent agreement was read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of S. 1356 (Calendar No. 706) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, debate shall be limited as follows:

Two hours upon any substitute and 30 minutes upon any other amendment, motion or appeal, except a motion to lay on the table, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2½ hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. HOLLAND. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in recess until 11 o'clock a. m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACTION OF TEXAS RAILROAD COMMISSION IN REDUCING ALLOWABLE OIL FOR APRIL

Mr. JOHNSON of Texas. Mr. President, an item has just come in over the news ticker which darkens an already bleak picture. It reads as follows:

AUSTIN.—The Texas Railroad Commission today slashed the State's oil allowable for April 120,203 barrels daily, and set producing days on a new alltime low schedule of 8.

The total allowable was pegged at 2,444,571 barrels daily.

The Texas Railroad Commission meeting today has cut the oil allowable in April to 8 days—an alltime low schedule.

Mr. President, the Texas Railroad Commission acted as it did out of grim necessity. Under all the circumstances it had no choice.

This news further accentuates the urgency of the situation. It is to be hoped that we will soon get firm action on the important issue of imports.

WHAT BARTER VOTE MEANS

Mr. HUMPHREY. Mr. President, I want the record clear as to what the Senate has done today in voting, 44 to 39, against expanding the Department of Agriculture's barter operations.

We have given a green light to halting barter.

We have gone on record against trading surplus agricultural commodities for which we lack a cash market, and which are costly to store, for materials of which our country lacks enough, and which are less expensive to store.

The majority of the Senate has rejected an opportunity to save upwards of $100 million a year in storage costs.

The Senate rejected the experienced advice of American business firms engaged in grain exports, and has taken instead the advice of the politicians of the Department of Agriculture which, to say the least, have a sorry record of marketing operations.

The Senate has in effect said protection of foreign producers is more important than protection of our own farm producers.

The majority of those present and voting has turned down a chance to aid our farm producers and mineral producers at the same time, by restricting barter that would have automatically moved more of the mineral supply into tightly locked stockpiles and thereby bolstered prices for supplies remaining on the free market.

In view of all the confusing distortions used to bring about this result, I am not surprised by the result.

The record is quite clear as to what this action, unless it is reversed in the other House, will do to future barter operations by the Department of Agriculture.

All the legislative history and hearing testimony show the Department, under existing law, has imposed restrictions virtually halting barter operations.

The entire purport and objective of the proposed legislation was to tell the Department the Senate wanted that action reversed—that Congress wanted barter resumed.

The Senate has now said just the opposite. It has put the stamp of approval on restrictive regulations imposed by a Department official who has openly said he is against all barter. Approval of his policies can only be accepted by him as a mandate to quit using one of the effective tools Congress has created for him in the past for disposal and sale of farm surpluses.

In view of the vote, it will be significant to see in the future which Members of this body complain about the surplus they refused to help move—and which Members of this body complain about the cost of storage for farm commodities they refused to help curtail.

It is also interesting to see who is really interested in supporting private American trade and who expressed a preference for keeping marketing in the hands of the Department of Agriculture, over the objection of the private trade.

I regret that by our action we have formally sanctioned executive repudiation of legislative judgment.

That is what really happened. For several years Congress has made it clear it wanted the Department of Agriculture to engage in barter. The Department decided otherwise. When the Senate was called upon to reaffirm the intent of past legislation, it concurred in the Department's defiance of expressed legislative intent.

Where this can lead no one can tell, but we may have opened a Pandora's box we shall live to regret.

It is particularly regrettable that so much misinformation was used in bringing about this result, misinformation apparently supplied, in large part, by the Department of Agriculture.

To help keep the record straight, Mr. President, I ask unanimous consent to have printed in the RECORD two telegrams I have just received from responsible American businessmen objecting strongly to erroneous information used in the Senate debate yesterday as part of the effort to reject barter.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *March 20, 1958.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Mr. AIKEN, we note from the CONGRESSIONAL RECORD of yesterday, implied that four-tenths percent discounts were being allowed under barter to commodity buyers in Western Europe. When barter was operating freely discounts never approached four-tenths percent and averaged closer to 1 to 1¼ percent. What is occurring today is strictly academic since barter virtually does not exist, and certainly none is going to Western Europe. Furthermore, under present restrictions, barter under any discount is extremely dangerous and undesirable. Even when discounts averaged 1 to 1½ percent they were discounts allowed to commodity people such as ourselves and did not determine how we sold abroad. Sales prices to our customers abroad were determined by competition and not by discounts received. Furthermore, in many instances, CCC prices in this country were out of line with free-market prices here, in which cases discounts were necessary to bring CCC prices in line, as of course barter grain had to be purchased from CCC stocks. Barter, therefore, always tended to give a higher return to CCC for commodities and also tended to keep prices higher in this country.

JACK MCBRIDE,
Standard Milling Co.

NEW YORK, N. Y., *March 20, 1958.*

Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D. C.:

According to the CONGRESSIONAL RECORD, I understand Senator AIKEN asked you the question whether or not you would still be in favor of barter if you realized that American commodities were being sold abroad at discounts ranging from 4 to 10 percent. The normal discounts to cover the exporter accepting responsibility to export the agricultural commodities in exchange for the material that is imported is 1 to 1½ percent. Any discount below this level is on account of the restrictions that have been put on the movement of grain for export through barter transactions by the Department of Agriculture. Should the present amendment to Public Law 480 be approved by the Congress this discount would most likely be 1 percent or less and as you know the grain exporter is obligated to buy the grain from the Commodity Credit Corporation whereas many times free-market grain is offered at a cheaper price than the Commodity Credit prices. Furthermore this discount enables the American exporter to sell American grain abroad in competition with Argentina, Australia, and other competitive grain exporting countries.

CROFTON GRAIN CO.,
CHARLES B. CROFTON.

BIENNIAL CONVENTION OF NATIONAL FARMERS UNION

Mr. HUMPHREY. Mr. President, the National Farmers Union held its biennial convention in Denver, Colo., March 16–20. Among the speakers heard by the delegates and visitors from 25 States was the former President of the United States, the Honorable Harry S. Truman; the Nobel Prize winner and first secretary general of the Food and Agricultural Organization of the United Nations, Lord John Boyd Orr; and the capable and energetic Washington columnist, Doris Fleeson.

This was a great occasion, Mr. President, and I know that many of this body wish that they might have been present. One of our colleagues in particular, the distinguished junior Senator from Colorado [Mr. CARROLL], had a special right to be proud that the national convention was held on his home ground.

Our colleague sent a telegram to President James G. Patton of the National Farmers Union in connection with President Truman's appearance in Denver. I ask unanimous consent that the text of the Senator's telegram be printed at this point in my remarks, together with a message which I sent to the Farmers Union.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MARCH 18, 1958.

President JAMES G. PATTON,
National Farmers Union,
Denver, Colo.:

I am honored to be permitted to join with you and my friends of the Farmers Union in expressing on this historic occasion our heartfelt gratitude and deep sincere thanks to a great American.

Much has been written about Harry Truman the President, the man of the people.

Less has been written about Harry Truman the scholar, the student of American history and American tradition.

Yet historians will conclude that Harry Truman the President is inseparable from Harry Truman the scholar. The scholar shaped the statesman.

It was Harry Truman's profound understanding of the Constitution and Bill of Rights that inspired his stanch advocacy of freedom in all its forms.

It was his deep sensitivity to the nature of the American democracy and human dignity that stimulated his passion for equality of opportunity regardless of race, religion, color, or station in life.

The long struggle between liberty and tyranny was intimately studied and comprehended by Mr. Truman. This knowledge was the root of his determination to unite free nations against aggression.

Mr. Truman's understanding of the Constitution's general welfare provision and its application to American progress and American family life guided his hand in the proper exercise of governmental leadership in economic and social progress.

Because Harry Truman was a scholar of the past he was able to master the present and prepare for the future.

Because as a scholar he was sensitive to the American heritage, he was able to act with confidence, with boldness, with vision. And it is a tribute to his wisdom that on no major issue affecting the security or economic stability of this Nation did Harry Truman make an unwise decision.

Harry Truman's era in the Presidency has become a symbol of triumph of the American democratic way of life for now and forever.

JOHN A. CARROLL,
United States Senator.

MARCH 18, 1958.

JAMES PATTON,
President, National Farmers Union,
Denver, Colo.:

Greetings and good wishes to farmer-delegates gathered for the annual convention of the National Farmers Union. Your energetic and effective work in behalf of farm families is producing results in the Congress, as our great victory last week proves in making sure we hold the line until we can provide an improved farm program. Know you will hear an inspiring message from one of greatest friends farmers ever had in the White House, our former President Harry S. Truman. Your presentation of an award to President Truman for his distinguished service to agriculture is a deserved tribute, carrying with it the deep gratitude of thousands of farm families. They have found out once more what it is like to try and exist in the face of Republican neglect and unconcern in highest counsels of our Government. That never happened under Harry S. Truman. The only way you can keep it from happening in the future is to make sure you have friends of agriculture in the White House.

HUBERT H. HUMPHREY.

Mr. HUMPHREY. President Truman delivered an effective, hard-hitting speech on farm policy. I ask unanimous consent that the text of that address, delivered on Tuesday, March 18, be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HARRY S. TRUMAN, FORMER PRESIDENT OF THE UNITED STATES, TO THE BIENNIAL CONVENTION OF THE NATIONAL FARMERS UNION, TUESDAY, MARCH 18, 1958, SHIRLEY-SAVOY HOTEL IN DENVER, COLO.

I am going to talk to you about agriculture and politics. And if you think those two things don't go together, you're decidedly off the beam.

Informed farmers have a saying to the effect that farm prices are made in Washington. That is just as right as can be. When you have an administration in Washington against the farmer, then the farmer is going to have a very bad time. On the other hand, when you have a friendly and sympathetic administration that works for the farmer's welfare, it is possible to improve the farm situation. We proved that conclusively during the 20 years from 1933 to 1953.

The equation in this business of agriculture and politics is just as simple as it can be. There are two major political parties in this country. One of them is the Republican Party, and it is bad for the farmers. The other is the Democratic Party, and the Democratic Party is the farmer's friend and his best hope for the future.

I stood on the platform at the Democratic Convention in Philadelphia in 1948 and said that any farmer who voted Republican ought to have his head examined. That was true in 1948, and it was true again in 1952 and 1956. It is still true and will be true again in 1960.

I think the farmers have finally found this out. I think they have learned their lesson. They said, "I like Ike." They voted for Ike and got Ezra. And after 5 years of Ezra Taft Benson there are very few American farmers who have not come to their political senses. I don't feel the least bit sorry for your present predicament. You brought it on yourselves, after I'd warned you.

But you ought not to blame Secretary Benson too much. After all, he is merely carrying out the policy of Eisenhower. Both of them are merely carrying out the policy of the Republican Party—the special interest people who really pull the strings in the Republican Party. If you want to know who they are, just take a look at a few figures. Farmers' prices have been going down, and consumer prices have been going up. The spread has been getting larger and larger, and the farmers' share of the consumer dollar has been getting smaller and smaller. Now the big question is who has been getting the difference. When you find the answer to that, you will have solved the mystery. Let's look at a few figures.

In 1952, the last year of the Democratic administration, the farmer got 47 cents out of every dollar spent by the consumer for food bought in retail stores. In 1957, the farmer got only 40 cents out of every retail dollar. That's 7 cents more that the processor and middleman took out of the food dollar, and 7 cents less for the farmer.

The consumer has not benefited by this. He paid 2 percent more for food in 1957 than he did in 1952. And the farmer has lost, too, not only in relation to the middleman, but absolutely. Farm prices went down 15½ percent from 1952 to 1957.

But if you turn to the profit figures of the food processors and manufacturers, you can see, right away, who has been winning with the Republican farm program under Benson and Eisenhower. The profits after taxes of manufacturers of food products and related products rose remarkably. In 1956, their profits were 36 percent higher than they were in 1952 (taking profits as a percentage of sales), and some of the big companies were way above even this 36-percent increase. The profits of the Big Three dairy companies (Borden's, National Dairy, and Beatrice Foods) were up an average of 55 percent in 1956 over 1952. The Big Four meatpackers (Cudahy, Wilson, Armour, and Swift) were up 121 percent for the period, taking the average, with only 1 of the 4 showing a decline. The grocery chainstores were doing even better. Safeway's profits were 246 percent more in 1956 than they were in 1952. And the cereal companies, like Quaker Oats, were making tremendous gains as well, with their profits rising 50, 70, and in 1 case

even 200 percent. And all these figures are for profits after taxes.

Well, that's where the money is going, if you want to know. Lower prices for the farmer, higher prices for the consumer, a bigger share of the food dollar for the processor and the distributor—and whopping big profits for the big packers, the big dairies, and the big chainstores.

I think those figures tell the story. I think they show who pulls the strings in the Republican Party and in the Department of Agriculture. Do you think they run the Department of Agriculture for the benefit of the farmers, or for the benefit of the meatpackers and processors?

Never before can I remember when we had skyrocketing prices for the consumer and a depression at the same time. It takes an administrative genius at the top of the Government to accomplish that.

Does Ezra Taft Benson listen to the farmers, or does he listen to the United States Chamber of Commerce and the National Association of Manufacturers?

I have often said that the Republicans try to turn the clock backward. They have given us conclusive proof of that all over again in the way they have blocked a farm program for the benefit of the farmer. The Democrats had a good program. It was not perfect, and we were still trying to improve it. But it was serving the farmer well and serving the country well.

Now I want to make this point. Our program had been worked out over a period of years on the basis of hard experience. Go back a number of years with me. This, you know, is not the first Republican farm depression. We have had a number of them. We had one in the 1890's, one in the 1920's and early 1930's. The Congress passed some bills then to help the farmers, and they were vetoed by Republican Presidents. History has a way of repeating itself. I shouldn't be surprised to see another Republican President veto a farm bill this year. Ike sounds more like an old-time Republican President every day.

I saw a sign at a meeting in Minnesota not long ago that said, "I like Ike, but I wonder if he likes me." And there's that other one that they are reporting from Detroit: "I like Ike, but I'd rather have a job."

Now to get to this farm program that we worked out when we had Democratic Presidents who would cooperate with the Congress to help the farmer. We found out that by helping the farmer with the orderly production and marketing of his crops, the supply could be kept in reasonable balance with demand. We found that by supporting farm prices at reasonable levels we could help him to attain a fair share of the national income. The story is a long and complex one. The essence of it is written in what happened to farm income in the years from 1933 to 1952. In that period, the net income of the average farmer increased 10 times.

This was not a simple program—this farm program of the New Deal and the Fair Deal. It was big and complicated and had many parts. It was difficult to administer. But we found at least one man who could make it work. He is right here with us now—Charlie Brannan.

I always knew Charlie was a good Secretary of Agriculture. He was efficient and honest, and he knew his job and he did it. There was a time when some people disagreed with me in that opinion. But Ezra Taft Benson has changed all that. The worst critics Charlie Brannan ever had would be very glad to have him back now.

In 1953, the Republicans came in and started trying to tear down everything we had done. And they have very nearly succeeded. How well they have succeeded only the farmers can say. Secretary Benson started right out to lower support prices, and he has been lowering them right along. He is still at it. He lowers support prices, and farm income goes down. He lowers support prices, and farm surpluses pile up. He lowers support prices again, and consumer food prices go higher and higher. He lowers support prices again, and the processors' profits skyrocket. He lowers support prices again, and the cost to the Government goes out of sight. You can hardly believe all these things would be possible at the same time, but this man is a real magician. He's in a class by himself.

To top it all off, no matter what happens, Mr. Benson blames it all on what the Democrats did before he took office. Of course, he is wrong about this. He has been wrong all along in his and the Republican Party's farm program. The simple test is this. How did the farmers get along before Benson, and how are they getting along now under the Republicans? How did the farm program work under the Democrats, and what are the results under the Republicans? How could Benson take the program that was working well under Charlie Brannan and do to the farmers all the things he has done to them? I don't know how, but I don't believe it was an accident.

Let's take a look at some figures that show how the farm program worked before Benson, under a Democratic administration, and how it has worked under the Republicans.

Let's take net farm income first. In 1951, it was $16 billion. In 1952, it was $15 billion. In 1957, it was only a little over $12 billion, a drop in the annual return of around $4 billion, and since 1951 the cumulative loss to the farmer has amounted to almost $20 billion.

And while the farmers' net income was falling, year after year, the cost of the farm program to the taxpayer was rising, year after year. Do you remember, back in 1952, how the Republicans were saying that our farm programs cost too much? How the waste and extravagance of the Democrats had to be stopped? How the burdensome surpluses had to be eliminated? If there was one thing the Republicans promised the country in 1952 it was a cheaper farm program. But what was the result? If I didn't have the figures before me here, I would hardly believe this.

The cost of the farm program under Eisenhower and Benson has doubled, tripled, and quadrupled. Charlie Brannan ran the Department of Agriculture at an average cost of about a billion dollars a year. Today under Ezra Taft Benson, it will cost the taxpayer $5,300,000,000 a year—an increase of around $4 billion. And Government farm surplus stocks are now at a level of about $7 billion.

So here is the net result of the Eisenhower-Benson regime: Loss to the farmer, $4 billion a year; loss to the taxpayer, $4 billion a year; total loss to the Nation, $8 billion a year. Multiply that by 8 years, and you'll have a rough idea of what is meant by Republican economy.

Benson has cost us so much we ought to call him "Expensive Ezra." And he is going to cost the Republicans something more too. He is going to cost them the elections in 1958 and 1960.

But, as I have said before, it is wrong to blame this monstrosity of a program on Benson alone. This is the Republican farm program. If you could get rid of Benson, you probably wouldn't change a thing. This is a Republican program, and the program of the big business interests who control the Republican Party. It is their program, because they believe the only answer to the problems of American agriculture is to put it through the wringer—to reduce the number of farmers and then let big business dominate those who are left on the land. This is what is happening, behind the smokescreen of propaganda that emanates from Washington.

Now let me point out something else. The Republican farm program is perhaps the most conspicuous failure of this Republican administration, but it is not the only one. Our big-business government has been just as wrong in other domestic policies. Its high interest rates and tight-money policy have run our entire economy into an entirely unjustifiable recession. This Republican administration has been just as wrong in its foreign policies and defense policies. This Republican administration, through blundering, mismanagement, and refusal to face the facts, has led our country into a position of great international peril.

The great aim of this country should be peace, and to keep the country at peace, one of the requisites is that we should have strong defenses—stronger than those of our great antagonist in world affairs—Soviet Russia. If Russia attains greater military power than we have, if Russia can impose its will on ours by the threat of using superior force, our freedom will be at an end.

Most citizens, I suppose, believed that this Republican administration was taking good care of the defenses of the country. I believed that they were neglecting them, from the day in 1953, when they cut $5 billion off the planned expansion of the Air Force, but I could not get many people to share my concern. Then last fall the Russians launched an earth satellite, using rockets of tremendous power, months before we were able to place even a tiny satellite in orbit around the earth. This fact showed, more clearly than anything else, that our defense effort was not keeping first place in the world. During the period of the Eisenhower-Republican complacency we had been cutting our defenses, and the Russians had been doggedly and secretly forging ahead.

But this failure is only part of the total record of failure that this administration has written in international affairs. Our country used to be honored and respected overseas—but today our allies are slipping away from us and bitter criticism is supplanting the spirit of unity that formerly held the free nations together in the face of common danger. Our peril now is that in time of crisis, such as we had forced upon us by the enemy at Pearl Harbor and in Korea, we may fail to obtain the united support of all the free nations. If we have to go it alone against the deadly foe of freedom, the sacrifices and burdens we have undergone hitherto, during this century of strife and conflict to protect our Nation, will seem trifling and insignificant by comparison.

Weakness begets danger. A slackening of defense programs and the deterioration of our international alliances make us weaker in the eyes of the Russians. And so the threats to peace are multiplied by the negligent administration of our foreign affairs. The danger from Communist Russia is a constant peril to us, no matter what we do, but our own Government ought not to aggravate it by weakening the position of our Nation in the world. And yet this is the net result of the wrong policies which the Republican administration in Washington has pursued.

If you want to improve the welfare of the farmer; if you want to restore prosperity; if you want to strengthen our defenses; if you want to repair the injury that has been done to the international security of the country; there is one clear-cut thing you can do. You can vote for a Democratic Congress in 1958, and for a Democratic President in 1960.

THE FARM PROBLEM

Mr. HUMPHREY. Mr. President, the United Press performed a public service recently by presenting a series of three

articles to newspapers throughout the country giving the pros and cons of farm issues confronting the country.

I wish to commend this wire service for seeing that opportunity was provided for differing viewpoints to be presented, to counteract the one-sided story so often being given the public these days.

The series included an opening article by a United Press reporter, who covers the Department of Agriculture, an article which I prepared at the request of the United Press, and an article written by Secretary of Agriculture Benson.

I ask unanimous consent that the three articles in question be printed at this point in the RECORD—the opening article from the News-Gazette, of Champaign-Urbana, Ill., published March 4; my article from the St. Paul Dispatch of March 5; and Secretary Benson's article from the Boston Traveler, published the same day. All three of these newspapers published the entire series, as did hundreds of other newspapers.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Champaign-Urbana (Ill.) News-Gazette of March 4, 1958]

FARM OUTPUT UP AS INCOME DROPS; SERIES TELLS DILEMMA, PROPOSALS

(EDITOR'S NOTE.—This is the first of three dispatches on the farm problem, which affects every American who raises food or fiber, buys them, or pays taxes. Tuesday's dispatch, by the United Press reporter who covers the Agriculture Department, tells what the problem is. Subsequent dispatches, written by Secretary of Agriculture Ezra T. Benson and Senator HUBERT H. HUMPHREY, Democrat, Minnesota, will tell how the administration and its critics propose to solve the problem.)

(By Gaylord P. Godwin)

WASHINGTON.—The Government is spending about $5 billion a year to help farmers.

In spite of this massive transfusion from the Treasury, agriculture remains a chronically sick industry. The average per capita income of the 20 million Americans who live on farms is less than half that of nonfarm families.

The farm problem boils down to the fact that agriculture production continues to outrun consumption—even though the total population is rapidly increasing while the farm population steadily decreases.

The reason is simple: A technological revolution has been going on in farming. The tractor has taken the place of the mule. Many farm operations once laboriously performed by hand—like picking cotton—can now be done with fast-moving machines. Farmers have better seeds, better fertilizers, better chemicals to combat plant insects and diseases. They have greatly improved methods of raising livestock.

All this had led to a sharp increase in farm productivity.

The technological revolution has frustrated the Government's efforts to curb farm production by cutting back the number of acres under cultivation.

Where do we go from here?

The Eisenhower administration favors a more flexible system of Government price supports for basic crops—cotton, corn, wheat, rice, peanuts, tobacco, and dairy products. Farm law now requires that the Government support the prices of these crops—mainly by taking surplus supplies off the market at a level of at least 75 percent of fair price parity.

The administration has asked for authority to lower the support level of 60 percent of parity in some cases. Farmers might get less per bushel, but they could sell more bushels.

Farm-State Congressmen are pushing several alternative solutions. Some want high price supports and strict planting restrictions. Some favor a two-price plan under which commodities sold on the domestic market would pay direct subsidies to farmers to make up the difference between the market price and a fair price.

One prediction can be made about whatever new "farm program" emerges from this controversy: It will be costly to the taxpayers.

Since the end of World War II, the Government has sustained a net loss of $4,667,500,000 on farm price support operations. At present, it has an additional $7,200,362,000 tied up in surplus farm commodities which the Government has bought or is holding under loan in warehouses.

These totals do not include the $1.783 billion which has been paid to farmers during the past 3 years under the Soil Bank plan of taking land out of cultivation. Nor do they include the billions that have been spent to aid farmers in soil conservation practices, agricultural research, marketing studies, and export subsidy operations.

Who are the beneficiaries of this Government aid?

Secretary of Agriculture EZRA T. BENSON says the lion's share goes to big commercial farms, and that small "family" farms get little if any benefit from price support programs.

While some may dispute this, it is a fact that the technological revolution has brought a sharp trend toward large commercial farms, many of which specialize in a single price-supported crop.

Of the 4,738,000 farms in this country, 56 percent qualify as "small" operations—they have market sales of less than $2,500 a year. The remaining 44 percent are classed as "commercial" farms.

More than 90 percent of the farm products put on the market last year came from the commerical farms.

Some agricultural experts believe that, no matter what temporary relief the Government may provide, small farmers eventually face the choice of joining the trend toward big mechanized farms or getting off the land.

Many of them have already left the land. The farm population in 1950 was 25 million. In 1957, it was 20 million, a drop of 20 percent in 7 years. Farm workers in 1947 numbered 10,400,000. Ten years later their number was 7,600,000, a drop of 26 percent. Most of the farmers who left the land and went to town were small or part-time farmers.

This drop in farm population makes per capita farm income look good, after a fashion. The Agriculture Department recently announced that the 1957 per capita income of farmers was a record $993, up 10 percent from 1956. This was possible because of a sharp drop in farm population—leaving fewer farmers to participate in the total kitty.

Even at the record 1957 lead, however, per capita income of farmers doesn't compare well with the $2,050 per capita income of the nonfarm population.

The overall "parity ratio" which measures farmers' purchasing power in terms of prices received and prices paid is 82 percent at present. It was 107 percent in 1951.

[From the St. Paul (Minn.) Dispatch of March 6, 1958]

PROTECT FARM PRICES—HUMPHREY

(Last of three articles)

(By HUBERT H. HUMPHREY, United States Senator from Minnesota)

WASHINGTON.—Clearly our Nation needs a new and different farm policy and needs it now.

What should be its broad outlines?

First, a comprehensive farm program covering all major commodities with the recognition of the interdependence of agricultural production. It is a well established principle of agricultural economics that low feed prices produce low hog and beef prices. Furthermore, the price of perishable commodities is directly related to those known as storable, like grain.

Second, agricultural policy must be based upon these accepted and known relationships. It is imperative that the Nation have adequate food and fiber reserves—the level of these reserves must be related directly to the growth in population and the tremendous commitment of our Nation in the field of foreign policy and national security. This has not been done.

National security requires effective and constructive use of food and fiber. Our foreign economic policy must include within it long-range commitments of food and fiber supplies to our allies and the uncommitted and underdeveloped nations. Food can be force for peace and freedom. There must be additional emphasis upon conservation, both short and long term. The conservation reserve program needs to be doubled. Broad and effective conservation measures must be integrated with overall natural resource development and management programs.

A sound farm policy should be based upon a rising net income for agriculture—parity income. The Secretary of Agriculture should be authorized to utilize several means of attaining parity income and protecting decent and fair farm price levels. What is needed is flexibility of method in a farm program, plus determination on the part of the Secretary of Agriculture to utilize every legitimate means at his command to insure orderly marketing and a stable price structure.

Add to this farm credit facilities adequate for the cost of maintaining farm operation and you have the broad outline of a constructive farm policy that can work both for the benefit of the farmer and the Nation.

The Eisenhower-Benson farm policy has failed. This failure is due not only to weaknesses in the law but also faulty and ineffective administration. The efforts of Congress to strengthen the agricultural policy were overridden by a Presidential veto. The attempts of friends of agriculture to improve the administration of agricultural policy have been resisted and rebuked by the Secretary of Agriculture. The results speak for themselves.

Here is the sorry record.

Realized net income of farm operators dropped from $14,300 million in 1952 to $11,500 million in 1957. During the 5 years Secretary Benson has been in office, the accumulated loss in net farm income has been over $14 billion. The annual rate of expenditures from the Federal Treasury as shown by the budget request sent to Congress this spring totals over $5 billion as compared with slightly over $1 billion in 1952.

Benson's policies have moved farm families off the farm at a rate of 100,000 per year. There are 500,000 fewer farm families on the farms today than when he took office. The family farm income from all sources, nonfarm as well as farm, measured in 1957 dollars, has dropped by over $500 per year—from $3,000 in 1952 to $2,500 in 1957. Farm mortgage indebtedness is up approximately $4 billion. Farm surpluses are still huge. Farm prices are still low. And farm income is at recession levels.

There is the record.

The administration farm policy was outlined in a speech early in February 1953 in St. Paul. Secretary Benson asked for a reduction of price supports to a point just above undue disaster. Doing this, he said, would lead to lower consumer food prices, reduce Federal expenditures for agriculture, and ultimately improve farm income. He claimed further that it would strengthen the

family farm unit and get the Government out of agriculture.

The Secretary has at least kept his word on one of these promises—at every opportunity he has recommended lower price supports. He and the President are now asking Congress for authority to drop the price-support levels to only 60 percent of parity. Secretary Benson has insisted that reducing price supports would reduce production, despite statistical evidence to the contrary. With lowering of price supports, production has gone up. Surpluses have mounted despite tremendous disposal programs through foreign aid, relief, and overseas sales.

Yes, the administration farm program has not only failed the farmers, but it has failed the public, and socked the taxpayers.

[From the Boston (Mass.) Traveler of March 5, 1958]

BENSON WEIGHS PLANS TO SOLVE FARM PROBLEM

(By Ezra Taft Benson, Secretary of Agriculture)

WASHINGTON.—We are moving steadily toward sound solutions to the farm problem. This is evident in the gains that have been made.

Income per person on farms last year—including income from all sources—was the largest in history.

The level of living of families on farms today is higher than ever before.

Farm exports for the past 2 calendar years have been at an alltime peak.

SURPLUS AVAILABLE TO HUNGRY PEOPLE

The surplus production of American farms is being made available to hungry people at home and abroad.

The downtrend in prices which began early in 1951 has been stopped. Prices received by farmers in January were 4 percent above a year earlier and 10 percent above 2 years earlier.

The buildup of surpluses which began in fiscal year 1952 has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

We all realize, however, that despite these gains agriculture is still facing difficult problems.

Farmers are hurt by the cost-price squeeze, by smaller and smaller acreage allotments and by the uneconomic diversion of acres from some surplus crops into other crops. They are hurt by unrealistic price supports which curtail markets and open the doors to competitive products.

Families on the 54 percent of our farms with cash incomes of less than $2,500 get little benefit, if any, from the various price-support programs.

To deal with these difficulties we need to continue to push forward. We need to move along the lines of market expansion, increased freedom for farmers to make their own decisions, and realistic aid to people in underdeveloped rural areas.

AIMS PRESENTED TO CONGRESS BY IKE

These are the aims of the farm food and fiber program presented to the Congress by President Eisenhower in January.

Here is what the program will do:

It will develop bigger markets, thus putting our abundance to better use. The Agricultural Trade Development and Assistance Act has been a major factor in our widening report markets.

We have asked that it be expanded for a year with an additional appropriation of $1.5 billion.

Research on new uses of farm products and more effective marketing is vital to agricultural progress. Since 1953 appropriations for agricultural research have increased 95 percent, and we are asking for a further increase.

The program will allow farmers more freedom to use their productive resources.

We are seeking authority to increase acreage allotments that now are so small as to cripple farm efficiency. We urge a revision and wider range of price supports to expand markets.

The program will push forward the necessary long-range conservation effort. We propose to strengthen the conservation-reserve program of the Soil Bank in the interests of overall production adjustment.

The program will help provide opportunity for economic betterment in underdeveloped rural areas. We have urged that the rural-development program, now operating in about 100 counties in 30 States, be given increased emphasis.

The hope is for bigger markets, more freedom for farmers to produce, sound conservation and production adjustment, and special help to those on small low-income farms.

These are vital steps that will lead to a sound solution of the farm problem and the development of a truly prosperous, expanding and free agriculture.

NATIONAL LIBRARY WEEK

Mr. HUMPHREY. Mr. President, our country has many weeks set aside to emphasize a great variety of causes and products. I am sure that there are not enough weeks in 10 years to accommodate all of them, no matter how worthy they may be. However, Mr. President, we are now in the midst of a week that certainly deserves special consideration and attention from all of us. Last Sunday was the beginning of National Library Week. There are few causes or services of more benefit to our country or civilization. Mr. President, our libraries stand as great banks of knowledge—as custodians of the findings that man has painstakingly accumulated through the ages. Without them we would soon become blind to our past, and in so doing, place a severe limitation on our future.

Libraries are believed to be almost as old as civilization itself; and while they were little more than collections of drawings in the beginning, by the time of Assyrian and Egyptian culture the libraries included literature. To the Romans we owe a debt of gratitude for the establishment of the first public libraries and the practice of making books available to those who could not ordinarily afford to purchase the costly volumes. Today, public as well as private libraries play a role of critical importance in our society. Their function of opening vast avenues of learning is being emphasized during National Library Week, and rightly so.

Mr. President, it is my conviction that our libraries and the services they offer should be greatly expanded and extended. Never before has this country had a greater need for the wisdom for which our libraries serve as repositories. It is incumbent upon us to see that all of our people have ready access to the books that have stood the test of time as well as to those authored by our contemporaries. Far too often many of us confine our reading to what is happening today and to speculation as to what will occur tomorrow. This is not to detract from the irreplaceable value of our newspapers and magazines, but rather to emphasize the fact that we also need books if we are to keep our thinking in balance.

Mr. President, I would like to express my thanks and best wishes to the thousands of librarians in every part of this Nation. I want to make it clear that I speak of the rural and village librarian as well as the grammar school, high school, college and university, city, public, and private librarian. They are all teachers, regardless if their libraries boast 500 or 5 million volumes. They go about their assigned task in a quiet and efficient manner, and through their efforts the arts and sciences and the great works of man are unveiled to countless thousands who would otherwise be passed by. Mr. President, I heartily endorse National Library Week, and the objectives that it emphasizes.

ACCELERATION OF CONSTRUCTION OF PLANNED LOCAL PUBLIC WORKS

Mr. FULBRIGHT. Mr. President, these are momentous times, and the Senate is a very busy place. Yesterday was a particularly busy day for me and—according to newspaper accounts of domestic events—was a busy day for others as well. The President met with a conference of State governors to discuss ways and means of alleviating the distress of the current recession. The House of Representatives approved a Senate bill, an antirecession measure, to increase the construction of new homes. The Senate, among many other activities, was the site of hearings to consider my bill to accelerate the construction of local public works already planned with Federal advance planning funds.

In the midst of all these momentous events, Pogo, a comic strip o'possum created by Mr. Walt Kelly and published in the Washington Evening Star, was expressing his frustration with the attitude and pronouncements of his companion character, one Albert the Alligator.

I mention this comic strip situation because of certain events which have occurred in recent days. On Monday, March 17, I introduced a bill to aid the construction of planned local public works, and announced that hearings would be held on the bill on Wednesday, March 19. The executive branch of the Federal Government, meaning President Eisenhower's appointees, were immediately notified that the bill was introduced and that hearings had been scheduled for the 19th of March.

Yesterday, March 19, these hearings began at 2 p. m., with the administration's witness in attendance. At approximately the same moment—2 p. m.—the bluestreak edition of the Washington Daily news was on the stands with a headline reading "Ike moves to speed up jobmaking projects"—and the accompanying story relates a Presidential action to release $75 million of Congressionally authorized funds to accelerate projects identical to those contemplated by my bill, S. 3497.

One of the first statements made by the administration witness in commenting upon my bill—shortly after 2 p. m.—was that the bill was unnecessary because the President had directed him to ignore existing policy restrictions and to proceed at full steam to approve projects

already contemplated by Congressional authorization. To sum up the situation, I introduced a bill to accelerate economic recovery and the President immediately reacted by making available funds which he has had available since 1955—3 years before the current emergency became a political liability for the Eisenhower administration.

Now I will get back to Pogo, the comic-strip character. For those Members of the Senate who may not be familiar with this very literate commentary on national affairs, I will relate certain matters in the background of last night's strip and quote certain portions from it. Pogo, the opossum, very much like the Senator from Texas in recent weeks, has attempted to suggest to Albert, the alligator, that certain courses of action are necessary and desirable. Every suggestion that Pogo has made has been accepted immediately by Albert as something already conceived and desirable beyond question.

Last night's sequence contains the following exchange:

Pogo: "Doggone, Albert, I'm givin' out ideas an' you claims they's yours. Don't you think of nothin' alone ever?"

Albert: "I thinks of nothin' alone constantly, friend."

Mr. President, this exchange between Pogo and Albert seems to me to characterize perfectly the attitude of President Eisenhower toward the present recession and toward the Democratic leader of the Senate. Time and time again the President reiterates the view that there is no urgency—that things will get better in March—and at the same time he points with pride to his deep and fervent concern to combat a recession that does not really exist.

Perhaps Albert paraphrases the true situation with Ike, when Albert says that "I thinks of nothin' alone constantly." Ike has never denied, in fact he apparently takes pride, that his team does most of the thinking for his administration. I have only one request to make of Ike—the team—and the whole Eisenhower administration: Please make up your minds. If you think the current recession requires action, say so unequivocally. If you think that no action is required, say so unequivocally. If you are uncertain, say so unequivocally.

Mr. President, the confusion, indecision, and equivocation, so evident in recent actions of the executive branch, are in one sense comic—but in another sense are both tragic and dangerous. On March 8, the President wrote Senator KNOWLAND and Representative MARTIN urging higher interest rates on Rural Electrification Administration loans—this was cited as part of a program to combat the recession. Yesterday, just 11 days later, the President directed Agriculture Secretary Benson to accelerate the approval of these same loans at current interest rates—this also was cited as an antirecession measure.

The same situation exists for the college-loan program and the urban-renewal program. One day the way to proceed is to raise interest rates; 11 days later this great recommendation is abandoned. Or is it? Can the Congress or the public determine what the program is? Furthermore, the White House press release, which newspaper accounts report as loosening "the Treasury's purse strings to speed work on $2,255,000,000 worth of projects," is a gigantic fraud, and deception.

I ask unanimous consent to have printed in the RECORD at this point a copy of the President's press release of yesterday.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE.

The President today sent the following letters to Albert M. Cole, Administrator, Housing and Home Finance Agency, and Ezra T. Benson, the Secretary of Agriculture, designed to accelerate federally aided construction totaling over $2¼ billion in private, State, local, and Federal funds. The amounts under the various programs are:

Housing and Home Finance Agency

	In millions
Public facility loans	$75
College housing loans	300
Urban renewal (redevelopment and supporting facilities)	1,000
Public housing program	140

Department of Agriculture

	In millions
Rural electrification loans	$740

The details of the letters follow:

"DEAR MR. COLE: In accordance with the policy announced in my statement of March 8, 1958, of accelerating where feasible construction programs under existing appropriations and authorizations, you are directed to take the following steps with respect to programs under the jurisdiction of the Housing and Home Finance Agency:

"PUBLIC FACILITY LOAN PROGRAM

"You are instructed to take all feasible administrative steps to secure the commencement of construction of projects supported under the public facility loan program including the use of Federal financing during construction where such financing will avoid a delay in initiating the project. Preference should be given to loans for projects ready for immediate construction. In addition, you should liberalize the program by extending eligibility for loans to communities of larger population and by broadening the categories of public works eligible for loans. To assure adequate funds to finance this accelerated program, I am directing the Director of the Bureau of the Budget to release present reserved balances of the $100 million authorization for this program for use as needed for the processing of applications.

"COLLEGE HOUSING

"You should launch a vigorous program to expedite construction on some $300 million in college housing loans on which planning is complete or substantially under way, and which have not yet been placed under construction. To this end, you should undertake, in cooperation with the governing officials of applicant institutions, to assure that there is no avoidable delay in the commencement of construction on college housing program projects. In this case again, Federal advances for construction should be used to the extent necessary to accomplish this purpose.

"URBAN RENEWAL

"Public and private construction planned in connection with urban renewal projects in execution or about to be placed in execution involves investments of hundreds of millions of dollars. In many cases the land involved has been acquired, cleared, and improved, and in some has been sold or leased for redevelopment. This large volume of essential construction should be accelerated. To this end, top priority should be given in the operations of your agency to urban renewal activities:

"1. Facilitating and accelerating the undertaking of construction on urban renewal project sites where the land has already been disposed of for redevelopment in accordance with an approved urban renewal plan.

"2. Accelerating the disposition of project land which can be made available for early construction when sold.

"3. Prompt initiation of installation of public facilities and site improvements.

"In connection with the foregoing, you should where necessary authorize local communities to undertake public facilities and site improvements with their own funds for later incorporation in the financing of the project. Where local public or private construction is to be undertaken with Federal financial assistance, you should take all necessary steps to assure that such assistance is available when required and that the necessary construction is undertaken at the earliest feasible and appropriate time.

"PUBLIC HOUSING

"You should secure a review of the status of all projects under annual contributions contract on which construction has not started and, in cooperation with local officials, take all reasonable and feasible steps to see that any obstacles remaining are eliminated and that construction of such projects is promptly begun. This should result in starting construction on new projects at a substantially faster rate than was previously planned.

"Sincerely,

"DWIGHT D. EISENHOWER.

"Hon. ALBERT M. COLE,
"Administrator, Housing and Home Finance Agency, Washington, D. C."

"DEAR MR. SECRETARY: In accordance with the policy announced in my statement of March 8, 1958, of accelerating, where feasible, construction programs under existing appropriations and authorizations, you are directed to take the following steps with respect to the Rural Electrification Administration loan programs:

"1. Encourage REA borrowers to accelerate necessary construction of electrification and telephone facilities under already approved loans. I am informed that there is a total of some $740 million of balances available but not yet used under previously approved loans. Since these funds would be used for needed facilities, it may be possible for cooperatives and other borrowers to move forward the time at which orders are placed with manufacturers of materials and equipment under these programs.

"2. Encourage additional facilities loans to finance farm and rural home installations for electrical services, and the purchase of electrical appliances and other equipment. Funds are presently available under the REA program which can be used to finance such installations and purchases by consumers. Additional purchases of facilities, where needed for improved farm and family living, would be of special benefit to the economy at this time.

"Sincerely,

"DWIGHT D. EISENHOWER.

"The Honorable EZRA TAFT BENSON,
"The Secretary of Agriculture,
"Washington, D. C."

Mr. FULBRIGHT. I ask unanimous consent to have printed in the RECORD at this point the headline of the Washington Daily News of yesterday to illustrate what I mean.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

IKE MOVES TO SPEED UP JOBMAKING PROJECTS—IKE ACTS TO SPEED UP $2¼ BILLION OF PROJECTS

President Eisenhower loosened the Treasury's purse strings today in an effort to speed job-producing work on $2,255 million worth of public housing and rural electrification projects.

He directed Housing Administrator Albert M. Cole and Agriculture Secretary Ezra T. Benson to do their utmost to accelerate work on projects financed at least in part by Federal loans and grants.

The total construction he is trying to speed up includes $75 million for sewer and water projects and similar public facilities; $300 million for college housing; $1 billion for slum clearance and urban renewal; $140 million for public housing; $740 million on rural electrification.

Mr. FULBRIGHT. Mr. President, the plain truth of the matter is that the President did not activate a single dollar of new money, he did not add one dime to the funds which have been available for many months, and he actively opposed a bill which would actually do what the President claims ought to be done. It is becoming almost an impossible task to keep pace with Presidential efforts to prevent necessary Congressional action.

I urge my colleagues in the Congress, and the people in particular, to look behind these press releases, and not be lulled by this facade. I know that those of us in the Senate who are truly concerned about the current recession will continue to take necessary legislative action in spite of White House opposition and propaganda as to the effects of what they are actually doing.

AN EXAMPLE OF THE GROWTH OF AMERICA UNDER THE FREE-ENTERPRISE SYSTEM

Mr. WILLIAMS. Mr. President, in these days when we hear so much of gloom and doom, it is very encouraging to hear a businessman sound an optimistic note along with an expression of faith in the growth of America under the free-enterprise system.

Mr. W. O. Heinze, president of the International Latex Corp., with headquarters in Dover, Del., has just issued a statement calling attention to the fact that their sales this year are reaching an alltime high.

The International Latex Corp. has around 1,900 employees at the Dover, Del., plant and employs close to 6,000 throughout their organization.

A few months ago they recognized that there was talk of a declining buyers' market, and they took prompt steps to meet the situation. They launched a more aggressive advertising and sales campaign. Then supported by an enthusiastic group of employees cooperating with management in putting out a good product, the result has been that their orders have picked up tremendously. Their plants are operating at full capacity, and many of the employees are working overtime to help fill the corporation's orders.

This shows what can be done in America when an employer has the vision and courage supported by faith in his product.

This is an excellent example which should be followed by many other employers. Certainly the best way to accelerate consumer buying is for the management itself to express confidence in its own products and in the free-enterprise system under which we operate instead of waiting for Washington to solve its problems.

I commend both the management of the International Latex Corp. and their employees, and I am proud that they are a part of our State of Delaware.

I ask unanimous consent to have incorporated in the RECORD the statement issued by Mr. W. O. Heinze, president, in connection with this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. W. O. HEINZE, PRESIDENT OF THE INTERNATIONAL LATEX CORP., DOVER, DEL.

I am amazed at the amount of complaining which a lot of businessmen are doing about the current recession. The so-called recession in business is in reality a recession in initiative and enterprise—the things that make America great.

The same native characteristics of initiative and enterprise exist today—only they are not being used. At Playtex we have put these truisms into action.

First, we started by giving the American woman an extraordinary value. Next, we had the courage to back our faith with bold and aggressive merchandising. Third, we have stepped up our advertising to $15 million a year.

The results are that at Playtex there is no recession. Instead of laying off our people we are adding to our force. February was the biggest month in our history. Stores across the Nation report big increases in Playtex sales—up to 10 times the volume of earlier months.

We are not only helping ourselves but we are helping our competition and helping retailers by bringing additional traffic into their stores. Traffic which buys everything else in their store regardless of make or price.

I am convinced that confidence must start with the businessman himself. He must not wait for Washington. He must give the public better value and have the courage to back it with extra merchandising effort, and business will soon stop singing those recession blues.

STEER PRICES AT HIGHEST LEVEL SINCE 1952

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in today's Wall Street Journal entitled "Top Grade Steer Prices Hit Highest Level Since 1952 on Heavy Demand."

I am asking that the article be incorporated in the RECORD to show that the whole United States has not gone broke, as some people would like to picture it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOP GRADE STEER PRICES HIT HIGHEST LEVEL SINCE 1952 ON HEAVY DEMAND—RISE TO $39 A HUNDREDWEIGHT REFLECTS LIGHT RECEIPTS—HOGS ALSO SHOW GAIN

CHICAGO: The price of top grade slaughter steers shot up to $39 a hundred pounds here, the highest since April 1952, as broad demand and short supplies pushed most steers up 50 cents to $1.

The $39 price went for a load of 1,250-pound high prime-fed steers. This was up $1.50 from the recent high as buyers competed for the small supply of beef animals that carried a prime rating. A few other loads of prime animals went at $38.50. The record high for this type animal is $42.50 paid early in 1951.

The recent advance in cattle prices reflects the small number being shipped to market. During the first 3 days of this week, for instance, the Chicago yards received only about 35,000 cattle, or 10,000 less than a year earlier. At the 12 main markets the run the first 3 days was 32,500 under the 200,000 received in the like period last year.

HOGS KEEP PACE

The hog market just about kept pace with the market for cattle. Butcher hogs reached a $22.35 top, up 35 cents from Tuesday and the highest since last August 12. It was only $1 under the 1957 high of $23.35 set August 1.

For the second day in a row hog prices edged up 25 to 50 cents a hundred pounds. While only 60 head of No. 1 grade butcher hogs weighing 220 pounds reached the $23.35 high, the bulk of the 6,500 head received here graded No. 2 and No. 3 and brought $21.25 to $22, and even some heavyweights of up to 33 pounds didn't go any lower than $20.50.

The recent upsurge in prices hog farmers and cattle feeders and ranchers have enjoyed stems almost wholly from reduced marketings of live animals. This has meant a cut in meat production and higher prices for fresh meats at wholesale and retail.

United States meat production in the week ended last Saturday was estimated at 352 million pounds, 11 percent under a year earlier, the Agriculture Department reported. In the same week, some 320,000 head of cattle were slaughtered, 10 percent fewer than in the like week last year, while the 1,170,000 hogs butchered were 8 percent less than a year earlier. Even the sheep and lamb slaughter of 225,000 head was about 12,000 under a year earlier.

BEEF, PORK OUTPUT LOWER

Beef production during the week was 176 million pounds, compared with almost 200 million a year earlier, and the pork output of 152 million pounds fell below the 164 million produced a year ago.

The figures represent the slaughter of live animals and output of fresh meats in plants under Federal inspection. This accounts for 75 percent to 80 percent of the total kill and production in the United States.

Here's what the cutback in slaughter and higher live animal markets have done to fresh meats: Yesterday, the popular-weight 8- to 12-pound pork loins brought $48.50 to $52 a hundred pounds in the Chicago wholesale meat market. A year earlier they were priced at $39 to $42. Choice grades of carcass beef, the kind handled in most chain stores and in the 500- to 600-pound range, cost $46.50 to $49; a year earlier they were $36 to $38.50.

DISCRIMINATION IN EMPLOYMENT BECAUSE OF AGE

Mr. NEUBERGER. Mr. President, several other Senators and I are sponsoring legislation, which I have introduced, to prohibit discrimination because of age on all Government contracts and in the supplying of Government agencies.

I now learn with a great deal of satisfaction that the State legislature of the most populous State in the Union, the State of New York, has enacted the McGahan bill, which makes illegal discrimination in employment because of age.

The New York Times, in its edition of today, Thursday, March 20, has approved the McGahan bill in a very thoughtful editorial entitled "Age Bias In Employment."

I should like to read one paragraph from the editorial:

In other words, age discrimination in employment—at least up to 65—is not only unfair, but a prodigious waste of valuable human resources. And even compulsory retirement at 65 is being increasingly questioned. As a general principle, character and ability should be the sole qualification for getting, and keeping, any job.

Mr. President, I thoroughly endorse that statement of the New York Times. I hope the enactment by the New York State Legislature of that bill, which seeks to end discrimination in jobs because of age, in the most populous State of the Union, will serve as a stimulus and an impetus for Congress to take action on the bill which I have introduced, with the cosponsorship of a good many Members of the Senate, including the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], who is presently presiding over the Senate.

In conclusion, I should like to note that the organization in our country which deserves most of the credit for keeping this issue alive before the American people and before their Representatives in Congress and in State legislatures is the Fraternal Order of Eagles, which has its national headquarters in Milwaukee, the largest community in the State so ably represented by the Presiding Officer.

I ask unanimous consent that the editorial published in the New York Times be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AGE BIAS IN EMPLOYMENT

The passage by the State legislature of the McGahan bill raises a basic question of increasing urgency: Shall discrimination in employment based solely on age be prohibited by law? The McGahan measure makes this practice illegal as to those from 45 to 65—in help wanted advertising, hiring, pay, working conditions, promotion and discharge.

During the past decade or so the status of older people in American life has, of course, radically changed. This has been partly a matter of mere increased numbers—both in total and in relation to the entire population. Also, recent studies have shown that older workers are far more capable than had been commonly supposed. By and large, and within obvious limits, older workers are more productive than younger ones, are less often absent, have fewer accidents and greater skills, are likely to remain longer on the job and may not increase pension and insurance costs.

In other words, age discrimination in employment—at least up to 65—is not only unfair, but a prodigious waste of valuable human resources. And even compulsory retirement at 65 is being increasingly questioned. As a general principle, character and ability should be the sole qualifications for getting, and keeping, any job.

A great deal is already being done by Government on a purely voluntary basis to give older workers a better break—for example, the State's regional employment committees, its special consulting and placement services, partly financed by Federal grants, and Governor Harriman's efforts to get employers to sign antidiscrimination pledges. All this is to the good, but the time has now come to invoke the added authority of law, as have Massachusetts, Pennsylvania, and Rhode Island.

Any such statute, however, should operate more through example, education and persuasion than through detection, prosecution and punishment. The McGahan measure provides for this by putting administration into the hands of the State Commission Against Discrimination. The commission has already used these more enlightened methods with notable success in enforcing the existing antiracial bias law. Governor Harriman should approve the bill.

AN EXPANDED RURAL HOUSING PROGRAM

Mr. COOPER. Mr. President, the Secretary of Agriculture, Mr. Benson, announced today two important programs which will be very helpful in carrying out the President's broad program of economic recovery. Moreover, they will meet the permanent needs of our farm population and will have lasting value.

I doubt that much note will be taken of these two measures. Yet they could have great influence upon our farm economy and upon other measures taken to combat the recession.

The first program deals with the construction of farm housing, and the modernization of existing farm housing. Section 606 of the Housing Act of 1956 authorized $510 million for farm-housing loans of various types. The Secretary of Agriculture was authorized to issue notes to the Treasury to the extent of $450 million during the period beginning July 1, 1956, and ending June 30, 1961. In turn, the sums borrowed from the Treasury were to be loaned through the Farmers Home Administration to farmers for the construction and modernization of housing, at 4 percent interest and repayable up to a maximum of 33 years. Of this authorization of $450 million, $380 million is still available for farm housing.

The original regulations issued by the Department of Agriculture provided that loans under the Housing Act should be made to farmers who were engaged "in substantial agricultural production." The new regulation of the Department of Agriculture, promulgated today, would make loans available to "owners of farms capable of an annual production of $400."

This change in regulatons will immediately make eligible for loans a large number of farm owners. It will provide assistance to owners of small farms, to part-time farmers and I would think, particularly, to small farms immediately adjacent to rural communities now ineligible for housing loans either under the Farmers' Home Administration or the Federal Housing Administration.

It is my understanding that a number of these applications are on file now in local Farmers' Home Administration offices throughout the country, which could not be acted upon because of the old regulations. Now, with the new regulation, which makes eligible farmers with an annual production of $400, many of these loans can be made immediately and of course additional thousands processed.

This program should very quickly reach into every State and county in the United States. It can provide work for thousands of our labor force, stimulate the sale and production of housing materials, as well as home appliances for kitchens, baths, and generally all of the materials and appliances which go into the construction, modernization, and repair of housing. These loans can be made also for the construction, repair, or modernization of barns and other farm service buildings.

For some days now I have been talking to the officials of the Farmers' Home Administration, urging the expansion of this act. In my first conversations 2 weeks ago, I was told that the Department of Agriculture and the Farmers' Home Administration were conferring with the White House on the expansion of this farm program, I am very glad that a decision has been made to broaden the scope of the program, so as to make its advantages available immediately to thousands of owners of small farms throughout the country.

A few days ago the Senate passed a bill to authorize about $1,850 million; but today, by a change in regulation, the Department of Agriculture has made available $380 million for the construction, modernization, and repair of farm houses and farm facilities throughout the Nation.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SPARKMAN. How long have those funds been available to the Department of Agriculture?

Mr. COOPER. The funds were made available in July 1956.

Mr. SPARKMAN. Was it not 1957?

Mr. COOPER. The basic act is the Sparkman Act of 1949.

Mr. SPARKMAN. I am familiar with that.

Mr. COOPER. I know the Senator is quite familiar with it. It bears his name.

Mr. SPARKMAN. I am glad the Senator is bringing up this matter. I am delighted that the administration is moving ahead with this program, because it has been a good program. But there have been repeated recommendations by the President to do away with the program. Last year, when it was pending before the Committee on Banking and Currency, testimony was again presented in favor of its discontinuance. If the Senator from Kentucky will refer to the President's state of the Union message last year and to his budget message, he will see that the program was recommended to be discontinued.

For 3 years the administration simply refused to do anything with the program and declined to ask for any appropriations.

Last year the Senate Committee on Banking and Currency recommended to the Senate that the program be extended for 5 years. We were told by representatives from the Department of Agriculture that if the program were placed

on a 5-year basis, the Department would be able to handle it better. We made available at that time $450 million.

So I am delighted, along with the Senator from Kentucky to know that the Department of Agriculture, at long last, is admitting that there is a real program of good which can be accomplished and is making available the funds they have had.

Mr. COOPER. The Senator from Alabama knows more about this program, I should say, than any other Member of the Senate.

The basic act is the Sparkman Act of 1949. It is true that in 1956, $450 million were made available for farm housing construction, modernization and repair over a period of 5 years. The Secretary of Agriculture has borrowed, from the Treasury, I understand, about $70 million, which has been loaned. The remainder of the fund, $380 million, is now available because of today's decision.

Mr. SPARKMAN. That is correct. I commend the Senator from Kentucky for calling our attention to the program and for what he has had to say about it.

We talk about housing to replace slums. Often we forget that some of the worst slum conditions in the Nation are to be found in the rural areas on the farms. Some of the most deplorable housing conditions are to be found there.

This measure was designed originally to help provide relief to those persons. It is the only part of the housing program which applies to farm dwellings.

Mr. COOPER. As the Senator has said, housing programs are available for cities—public housing, urban renewal—for ordinary Federal housing programs, and for veterans' housing.

The provision for farm housing which the Senator from Alabama worked hard to secure, was placed in the act to help farmers who simply could not qualify for the regular housing programs.

About 2 weeks ago I inquired into the matter to find out if the Department would liberalize its regulations so that a larger amount of money could be made available to owners of small farms, many of them adjacent to communities.

The Department of Agriculture has today announced the liberalization of its regulations so as to benefit farmers who produce at least $400 of agricultural products a year. The Department will have available $380 million, which is a large sum, for farm housing and repair.

A few minutes ago the Senator from Alabama commented that these funds had not been made available in their totality to farmers. I do not know all the circumstances. I listened a few minutes ago to the speech of the junior Senator from Arkansas [Mr. FULBRIGHT], who was critical of the administration and the President, because, as he said, the administration only now is using funds which, he said, have been available. That is true. But there is a reason. I call attention to the fact that 1 year ago there was a tremendous battle in the Congress—the battle of the budget. Many people throughout the Nation urged the Congress to cut the President's budget, and there was a tremendous outcry in Congress against the President's budget.

Senators on this side of the aisle urged that the budget be cut. But the leadership in cutting the budget and cutting down the expenditures that they now urge, came from the majority side of the aisle.

The budget was cut; and with the help of the Democratic Party, the expenditures which they are now urging were not possible, because of the great fight they made a year ago to reduce expenditures.

The second announcement of the Department of Agriculture encourages farmers to build or buy needed storage facilities, such as corncribs and grain bins. The Commodity Credit Corporation is authorized to make loans for this purpose up to 80 percent of the cost of the storage facilities, at 4 percent interest repayable in 5 years. An additional value of this program is that it would make available to farmers price supports on their farm-stored grain. This would eliminate the necessity of conveying grain to commercial storage facilities. As there is at present a shortage of storage facilities, this program would also have great national value.

With $380 million available for farm housing loans and ample funds for farm-crop storage facilities, these two programs, if vigorously pushed, can be of great help in our present economic situation. And as I said at the outset of my remarks, the expansion of both programs will provide needed improvements to farms throughout the entire United States.

I congratulate the Secretary of Agriculture upon these forward steps.

I ask unanimous consent to have printed in the body of the RECORD the press release of Secretary of Agriculture Benson on this subject, dated March 20, 1958.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SECRETARY BENSON ANNOUNCES PLAN TO EXPAND FARM CONSTRUCTION LOANS

Secretary of Agriculture Ezra Taft Benson today announced expansion of loan programs for construction work on farm structures as an additional antirecession measure.

Secretary Benson directed the Farmers' Home Administration to broaden its farm housing construction loan program, and the Commodity Credit Corporation to work aggressively with farmers and others on constructing needed grain storage. He told these agencies to broaden their programs to the fullest possible extent under existing authorizations so more farm people can obtain farm construction loans.

Secretary Benson said adequate loan funds are available for the expanded loan programs and that such construction will stimulate economic activity locally as well as nationally.

"Utilization of materials and labor in farm construction work will bolster the economy across the board," he said.

"President Eisenhower," he continued, "has stressed the Government's responsibility when an economic downturn occurs to help bring about an increase in employment and business activity. Use of these credit measures will do just that."

"Construction loans will enable farmers to repair, alter, modernize or erect new buildings, needed grain-storage facilities, or service buildings like machine sheds and barns. Industry, local workers, the many construction trades, local businesses and the farmer himself will all benefit."

Kermit H. Hansen, Administrator of USDA's Farmers' Home Administration, has issued new instructions to field offices authorizing the new program.

"In addition to major construction on farms of eligible borrowers," Mr. Hansen said, "there are many other needs for farm building and farm-home modernization. They include providing water for farmstead and household use and in adding bathrooms, utility rooms, better kitchens, and many other improvements to the homes as well as to farm service buildings.

"These loans are available to farmowners either for themselves or their tenants."

Farm construction loans are made on favorable terms for periods up to 33 years at 4-percent interest. FHA serves farmers who are unable to obtain adequate credit through commercial or cooperative lenders. Loan applications are filed at the local county FHA office.

Meanwhile to help solve the tight grain storage situation which USDA officials believe will arise this year the Commodity Credit Corporation is urging farmers to build needed bins and cribs and to expand present storage facilities and replace wornout or unsatisfactory structures.

Under CCC's continuing farm storage and equipment loan program producers can borrow up to 80 percent of the cost of the new bins and cribs. The loans made at 4-percent interest can be paid off over a period of 5 years.

"This is a prime opportunity for farmers to further their interest," Secretary Benson said. "The additional needed storage space farmers can obtain with CCC help now—will pay for itself."

Mr. COOPER. I applaud also the long efforts and the interest of the Senator from Alabama [Mr. SPARKMAN] in these two fields.

UNEMPLOYMENT FIGURES

Mr. DOUGLAS. Mr. President, the administration has announced that it wants to wait until approximately the middle of April to decide whether or not it will advocate tax cuts. It bases its decision to postpone action on the ground that it does not yet know what the unemployment figures will show for March.

It is true that the complete statistics on unemployment for March 15 will not appear until approximately April 10. But it is also true that the Department of Labor publishes weekly statistics on insured unemployment in the country, covering the unemployed under Federal and State railway and veterans' unemployment laws, and that from these figures one can make a very precise estimate of what the total number of unemployed in the country will be on a given date.

It may be remembered that on the basis of these figures, I predicted, early in February, that the unemployment figure for January 15 would be shown to be 4,500,000 and that that was almost precisely the figures which appeared some days later.

It may also be remembered that some weeks ago, I predicted, on the basis of the same statistics, that the unemployment figure for February 15 would be approximately 5,200,000, and that that turned out to be precisely the case.

There was no magic in those predictions of mine, because we had discovered that the number of insured unemployed formed from month to month approximately 63 percent of the total number of unemployed. The insured unemployed do not cover a number of categories of unemployment which need to be considered and are taken into consideration by the Bureau of the Census when it makes its sample covering in the middle of the month.

For example, the figures on insured unemployed obviously do not cover those who are unemployed in uncovered occupations and uncovered plants. The smaller plants are very commonly not covered by the various State unemployment insurance laws, and certain categories of employment are omitted completely.

Second, the figures on insured unemployed do not cover those in the first week of unemployment, who later claim benefits. Generally they are not eligible for benefits until a week has passed.

Third, the statistics on insured unemployed do not cover those who have exhausted their claims for benefits, but who have not yet found employment. As a result, the statistics on insured unemployed have fallen short, by about 37 percent of the total, from covering that total, and therefore have applied to roughly 63 percent of the final, total figure.

We now have on hand the figures for the insured unemployed for February 15, February 22, and March 1; and I am now in a position to estimate what will be the total number for March 8.

Very briefly, the insured unemployment for February 15 amounted to 3,338,000; for February 22, 3,487,000—or an increase of 149,000; and for March 1, 3,503,000—or an increase of 16,000.

On the basis of State figures which I have collected, I now predict that the figure for the insured unemployed for the week of March 8 will be found to be approximately the same as the figure for the week of March 1, or within a close range of 3,500,000. That is an increase of approximately 163,000 over the figure on insured unemployed from the 15th of February.

Taking these insured unemployment figures as forming approximately 63 percent of the total number unemployed, we get the following:

For February 22, estimated total unemployed of 5,530,000.

For March 1: 5,560,000.

For March 8: 5,556,000.

With the passage of time, as the number of those who have exhausted their claims to standard benefits increases, one would expect that the ratio of the insured unemployed to the total number of unemployed would diminish, and that instead of 63 percent, perhaps the figure 62 percent would be more appropriate.

If 62 percent is taken as the base, it would give an estimated total unemployment figure of 5,645,000 for completely unemployed persons.

Mr. President, normally one would expect a decrease in unemployment between the middle of February and the middle of March, because of the seasonal pickup which generally occurs at this time. For example, in 1956 the March figure for unemployment was 80,000 less than the February figure; and in 1957, the March figure was 239,000 less than the February figure.

It was this usual, seasonal pickup in employment and corresponding decrease in unemployment that the President's advisers were apparently relying on when they got him to issue his statement that March would be the beginning of the end of unemployment.

Of course we do not yet have the figures for March 15; but 3 of the 4 weeks have passed, and the total unemployment has probably increased from 5,200,000 to somewhere between 5,400,000 and 5,650,000; or in 3 weeks the unemployment has increased from 200,000 to 450,000, instead of diminishing by the usual, seasonal figure of between 80,000 and 240,000.

A big pickup in employment and a decrease in unemployment would have to have occurred between March 8 and March 15, in order to bring down the March figure to even an equality with the February figure.

Next week, on the basis of my material on insured unemployment, I shall make an estimate of what the total unemployment will be for March 15. I can only say that on the basis of the figures to date—up to March 8—there has been an appreciable increase in unemployment, instead of the usual, seasonal decrease in unemployment.

This raises the question as to what the administration is waiting for. The weekly figures are in. We know that the economy is drifting downward. Why wait another 3 weeks to find out what should be apparent to anyone who has a pencil and can collect figures from the various State employment agencies?

It will be interesting to see what statistics the Bureau of Labor issues tomorrow on the number of insured unemployed. I estimate it will be around 3,500,000, and that, on the basis of that number of 3,500,000, the total unemployment figure for the 8th of March will be somewhere between 5.4 million and 5.65 million, and that the most probable figure will be something over 5½ million, instead of the 5,200,000 as of the 15th of February.

Mr. President, I do not get any joy out of quoting these figures. I regret as much as anyone that the economy is drifting downward. But I have always maintained that one should face facts. It so happens that the formula I have used has been proved correct in every instance this winter.

I urge, therefore, that the administration not wait any longer; that every day of delay may cause us more trouble; that the country needs action, and needs action now.

SIXTH ANNIVERSARY OF UNITED STATES ESCAPEE PROGRAM

Mr. KNOWLAND. Mr. President, I wish to bring to the attention of the Senate the fact that this Friday, March 21, will be the sixth anniversary of the United States escapee program.

The escapee program—USEP, it is called—is one of which all Americans should be informed, one of which any American can be proud.

So long as the world is divided, half free and half slave, men will be drawn to freedom, and will risk their lives to reach it. But 6 years ago those who had risked their lives to reach freedom from behind the Iron Curtain faced a desperate situation. Arriving destitute, in totally strange lands, they found local authorities unable to care for them, and it seemed that the new life they had fled to was one of misery and despair. Their disillusionment was being effectively exploited by Communist propaganda.

Then in March of 1952, President Truman announced the escapee program, the response of all the American people to this great need.

These men and women—

He said—

friends of freedom—ask only for an opportunity to play a useful role in the fight for freedom. It is the responsibility of the Free World to provide this opportunity.

In the years since, this program has, I believe, given aid, hope, and confidence to more than 315,000 escapees from communism through reception, interim care and maintenance, and resettlement assistance.

I congratulate those who are in charge of administering this most excellent and vital program. I wish them every success in their further efforts, and I know we all hope that the day may come when freedom will go increasingly to the enslaved peoples, so that men will no longer be required to risk their lives in order to flee to freedom.

I turn now to another subject.

The PRESIDING OFFICER. The Senator from California.

PROPOSED SUMMIT MEETING

Mr. KNOWLAND. Mr. President, there has been considerable discussion in recent months over the Soviet Union's proposals urging another summit meeting. The position of this Government has been in the past, and continues to be, that this country will participate in high-level meetings with the Soviet Union if there is an assurance that serious efforts will be made to reach agreement on some of the grave problems of international concern.

In Belgrade this past week Yugoslavia's Tito attacked the western countries and the United States in a public speech for attempting to sabotage the proposed summit conference. Marshal Tito also stated that he was happy with the Soviet proposals for the summit conference.

Mr. President, if there was ever any doubt in the minds of reasonable people on where the self-interest of Marshal Tito really lies, these recent pro-Soviet remarks of his should remove their misunderstanding. The Communist Government of Yugoslavia under Tito has constantly sided with the Soviet bloc in voting against the interests of a Free World on fundamental matters of principle that have arisen in the United Nations in the past several years.

This is the same Marshal Tito to whose government the citizens and taxpayers of

the United States have contributed nearly $1½ billion of assistance in our foreign-aid programs.

HOUSE AMENDMENTS TO SENATE JOINT RESOLUTION 162, FREEZING SUPPORT PRICES

Mr. GORE. Mr. President, on behalf of the distinguished majority leader, I desire to announce that if the chairman of the Committee on Agriculture and Forestry should desire to bring before the Senate for its consideration tomorrow the motion to agree to the House amendments to Senate Joint Resolution 162, it would be in order to do so tomorrow.

Mr. KNOWLAND. Mr. President, that matter has not been discussed with me. I should like to withhold consent at this time. I think we should have additional notice, because there are Senators who have not been advised that such consideration might be had.

Mr. GORE. It was not my intention to ask consent, but merely to call it to the attention of the Senate and make it a matter of record, so that Senators might be on notice that it might be in order to obtain consent of the distinguished minority leader tomorrow.

Mr. KNOWLAND. It would be my hope that the matter would not be taken up tomorrow, for reasons of which the majority leader has been advised.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1984) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. THOMAS, Mr. WHITTEN, Mr. ROONEY, Mr. TABER, Mr. H. CARL ANDERSEN, and Mr. CLEVENGER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division; and

S. 3418. An act to stimulate residential construction.

RECESS TO 11 A. M. TOMORROW

Mr. GORE. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 18 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Friday, March 21, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of March 17), 1958:

IN THE ARMY

Maj. Gen. John Honeycutt Hinrichs, O17174, Army of the United States (brigadier general, U. S. Army), for appointment as Chief of Ordnance, United States Army and as major general in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3036.

The following-named officer for appointment in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3306:

TO BE BRIGADIER GENERAL, MEDICAL CORPS

Brig. Gen. Clement Franklin St. John, O18258, Army of the United States (colonel, Medical Corps, U. S. Army).

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

TO BE MAJOR GENERAL

Brig. Gen. Charles Edward Beauchamp, O18238, Army of the United States (colonel, U. S. Army).

The officer named herein for appointment as a Reserve commissioned officer of the Army under the provisions of title 10, United States Code, section 593 (a):

TO BE MAJOR GENERAL

Brig. Gen. William Henry Abendroth, O245799, National Guard of the United States.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 20, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Zechariah 4: 6: *Not by might, nor by power, but by My spirit, saith the Lord of hosts.*

Almighty God, may we be numbered among those who daily walk in the ways of godliness and goodness, meeting our most arduous tasks with faith and fortitude.

We humbly acknowledge that so frequently we are tempted to feel that our longings and struggles for peace on earth and good will among men are futile.

Grant unto us a greater confidence in the glorious prediction that the day is coming when men shall beat their swords into plowshares and their spears into pruning hooks and all shall know Thee.

May we find our help and hope, our calmness and courage in the conquering love and spirit of the Lord of hosts.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7226. An act to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5836) entitled "An act to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. MONRONEY, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 10843) entitled "An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5822) entitled "An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment.

NO FEDERAL AID NEEDED NOW

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, the personal income of Americans during February 1958 was the highest in the history of the Nation for this month of the year. Commerce Department figures show that personal income this February was at an annual rate of $341.8 billion, compared to $338.5 billion during February of 1957, and $317.1 billion during February of 1956.

Now I want to tell a story.

A friend of mine used to tell about a hard working not too well educated fellow who, through diligence and hard work, became a considerable success in the hamburger business. As he prospered, full of confidence, he plowed his

profits back into his stand which became ever larger and more elaborate.

As news of his high quality hamburgers spread, people came from miles around to be served by an ever increasing number of attractively attired carhops.

In short, this fellow was doing remarkably well—so well, in fact, that he was soon able to send his only son to college to study economics.

Upon his return from the university, full of economic theory, the boy was amazed by the growth and expansion of his father's business. He warned the old man of the threatening portents and predicted an early recession.

Impressed by his son's newly acquired "education," the father attempted to act on his advice. He began shopping for better prices on his hamburger meat and reducing the size of the portions. He shaved the size of his buns, discharged a number of the waitresses and slashed his advertising expense, in a desperate effort to avoid the losses which might be occasioned if his son's predictions came true.

"Sure enough," he told my friend some months later, "business has surely gone to pot—off easily 50 percent already. Am I not truly fortunate that my son was smart enough to warn me about all this slack business coming up, and just in the nick of time?"

How now, do today's self-proclaimed proponents of Federal aid for the alleged recession explain this fact—that personal income of Americans during February 1958 was the highest in the history of the Nation for this month of the year. Is this now a recession? No, it is a normal readjustment. No so-called Federal help needed, thanks just the same.

SPEEDUP OF MILITARY CONSTRUCTION

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, yesterday we passed Senate Concurrent Resolution 69 with only a few dissenting votes, and during the course of the discussion the chairman of the committee, the gentleman from Georgia [Mr. VINSON], reeled off a number of States where there would be a speedup of military construction. The figure of $41 million was cited for the State of Illinois. I made a point, after returning to the office, of inquiring just where this money was to be spent in Illinois and on what projects. The Armed Services Committee referred me to the Department of Defense; the Department of Defense, in turn, referred me to the individual services.

This morning I received word from the Navy, that there would be two projects at the Great Lakes Naval Training Station in Chicago which would be affected. Hats off to the Navy for knowing what they are doing. But, then I received the Army's call, and was told that they could not come up with any figure or breakdown, for they did not know on what grounds the Defense Department had predicated their figure of $41 million. I suspect there is probably even more confusion in the Air Force, as I have not even received a call back from them after having been promised one early this morning.

Mr. Speaker, how then can we have a speedup on the military construction program when the very people who are supposed to be responsible for spurring it along do not know what the Congress is talking about when we authorize the speedup?

I am only trying to point out, that this flush of resolutions, couched in careful language, beautifully phrased and glowing with pious platitudes, are just so much "hogwash" for public consumption. What we really need is action out in the field and less hot air from Congress.

WITHHOLDING MONEYS APPROPRIATED BY CONGRESS

Mr. ZELENKO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Mr. Speaker, it has come to the attention of the Congress that in many of the Government departments, in particular the Department of Defense, that moneys appropriated for particular purposes by the Congress have not been used for the projects for which they were designated and appropriated. That such moneys in some instances have been withheld and used for other departmental purposes or permitted to lapse.

Such practice not only violates the Constitution but is contrary to the letter and spirit of the various appropriation bills. This practice has been indulged by appointees and bureaucrats in the several departments. These persons have usurped the authority of the Congress and have acted contrary to its mandate.

It is necessary for the Congress, therefore, to take action to remedy this untenable situation. I have introduced a bill to make it unlawful for any officer, agent, or employee of the United States or any department, bureau, or agency thereof to withhold or impound or otherwise prevent any moneys appropriated by the Congress.

I acknowledge also the sympathetic position on this subject heretofore taken by my distinguished colleague from the State of Louisiana, the Honorable F. EDWARD HÉBERT.

INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1959

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a privileged report on the independent offices appropriation bill for fiscal year 1959.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VURSELL. Mr. Speaker, I reserve all points of order on the bill.

DUTY ON PAINT ROLLER HANDLES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7004) to amend the Tariff Act of 1930 with respect to the dutiable status of handles, wholly or in chief value of wood, imported to be used in the manufacture of paint rollers.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 412 of section 1 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1001, par. 412), is amended by adding at the end thereof the following: "Handles, wholly or in chief value of wood, imported to be used in the manufacture of paint rollers, shall be dutiable at the rate applicable to paintbrush handles, wholly or in chief value of wood, on the date handles imported for such use are entered, or withdrawn from warehouse, for consumption."

SEC. 2. The amendment made by the first section of this act shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

With the following committee amendments:

Page 1, line 8, after "rate" insert "(however established)."

Page 2, line 3, strike out "on or."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks in explanation of the bill just passed.

The SPEAKER. Without objection, it is so ordered.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 7004 is to make handles wholly or in chief value of wood, imported to be used in the manufacture of paint rollers, dutiable at the rate, however established, applicable to paintbrush handles of wood.

This bill would establish an identical rate of duty for paintbrush handles and paint-roller handles on a permanent basis. At the present time, paintbrush handles of wood, which were specifically enumerated in paragraph 412 of the Tariff Act of 1930, are dutiable at a rate of 9 percent ad valorem. The duty originally established for such handles was 33½ percent ad valorem. Pursuant to trade agreements, the rate is now 9 percent ad valorem and on June 30, 1958, will become 8½ percent ad valorem. Paint-roller handles are presently classified for duty purposes, under the catchall provision in paragraph 412 of the Tariff Act for manufacturers wholly or in chief value of wood, and the rate of duty presently applicable is 16⅔ percent ad valorem. The original statutory rate was 33⅓ percent ad valorem. Under

this bill, wooden handles imported to be used in the manufacture of paint rollers would become dutiable at whatever rates, however established, are then or thereafter applicable to paintbrush handles of wood.

Also, under this bill, where the rate of duty on an article differs because of source, for example, products of Communist-controlled countries, as compared with products of non-Communist countries, the duty to be applied to paint-roller handles covered by the bill would be the same as the duty applied on the paintbrush handles from that source.

Your committee was unanimous in recommending enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation was introduced by my distinguished colleague from Ohio [Mr. JENKINS] and has its meritorious purpose the establishment of an identical duty rate for paint-roller handles as is applicable to paintbrush handles where both such handles are made wholly of in chief value of wood.

Paint rollers are substantially used for the identical purpose for which paintbrushes are used. This legislation would establish an identical rate of duty for paintbrush handles and paint-roller handles on a permanent basis. It is appropriate that this legislation should be favorably acted on by the Congress and it is for that reason that I have supported its passage in the House today.

Mr. REED. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. JENKINS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENKINS. Mr. Speaker, I am privileged to be the author of H. R. 7004 and I would like to take this opportunity to thank my esteemed colleagues on the Committee on Ways and Means and the distinguished membership of this House for the favorable consideration they have given to this bill. As my chairman, the gentleman from Arkansas [Mr. MILLS], and as my ranking Republican colleague on the committee, the gentleman from New York [Mr. REED], have explained, this legislation provides an identical duty rate for paint roller handles and for paint brush handles. Under existing law paint brush handles are dutiable at a rate of 9 percent ad valorem and are scheduled to become dutiable at 8½ percent ad valorem June 30, 1958. Paint roller handles are presently dutiable at 16⅔ percent ad valorem and there is no reason for this disparity.

The Committee on Ways and Means was unanimous in recommending favorable consideration of H. R. 7004 and the committee received favorable reports from the Departments of State, Treasury, and Labor.

DUTY ON PISTOLS AND REVOLVERS NOT CAPABLE OF FIRING FIXED AMMUNITION

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1126) to amend the Tariff Act of 1930 to provide that muzzle-loading pistols and revolvers shall be exempt from duty.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1723 of the Tariff Act of 1930 (providing an exemption from duty for certain muzzle-loading weapons) is amended by inserting "pistols, revolvers," after "rifles,".

SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles entered, or withdrawn from warehouse, for consumption, on and after the date of the enactment of this act.

With the following committee amendments:

Strike out all after the enacting clause and insert:

"That paragraph 1723 of the Tariff Act of 1930 (19 U. S. C., sec. 201, par. 1723) is amended to read as follows:

"'PAR. 1723. Muskets, shotguns, rifles, pistols, and revolvers, all the foregoing not designed to fire or capable of firing a fixed metallic cartridge or fixed shotgun shell, and parts of muskets, shotguns, rifles, pistols, and revolvers provided for in this paragraph.'

"SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this act."

Mr. MILLS (during the reading of the amendment). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendments and that they be printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 1126, as reported by the Committee on Ways and Means, is to amend paragraph 1723 of the Tariff Act of 1930, to add pistols and revolvers, and parts thereof and fittings therefor, to the list of articles accorded duty-free status therein, and to provide that the phrase "all the foregoing not designed to fire or capable of firing a fixed metallic cartridge or fixed shotgun shell" shall apply to all the listed articles.

As indicated in the report on the bill, paragraph 1723 of the original Tariff Act of 1930, provided for the duty-free entry of "muzzle-loading muskets, shotguns, rifles, and parts thereof." Pistols and revolvers of comparative obsolescence were not included in the list of weapons contained in paragraph 1723 which are accorded duty-free status. Although certain muzzle-loading and other pistols and revolvers are dutiable under paragraph 366 of the Tariff Act of 1930, your committee has been advised that at the present time many old and obsolete revolvers and muzzle-loading pistols may be entitled to duty-free entry under the provisions for artistic antiques in paragraph 1811 of the Tariff Act of 1930, if they were made prior to the year 1830. However, if such articles are not entitled to duty-free status under paragraph 1811 they are assessed with duty under the provisions for pistols and revolvers in paragraph 366 of the Tariff Act of 1930, as modified. Your committee has been further advised that reports have been received from importers who experienced and are experiencing difficulty in establishing the right of such articles to free entry status under paragraph 1811. H. R. 1126 is designed to eliminate this difficulty with regard to the named articles.

The Committee on Ways and Means concluded that the admission of obsolete shoulder weapons duty free, while at the same time subjecting obsolete handguns to duty, appears to be both inconsistent and illogical. All types of obsolete firearms are equally sought by gun collectors as a hobby and for their historical significance.

Departmental reports on the bill were favorable, and the committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation has as its purpose the granting of duty-free status to pistols and revolvers and parts and fittings therefor which are not designed to fire or capable of firing a cartridge or shell. The firearms covered under this legislation are of comparative obsolescence. It is my understanding that the purpose of this legislation is to facilitate the acquisition of firearms covered under the bill by gun collectors as a hobby and for their historical significance.

The Committee on Ways and Means was unanimous in reporting favorably on this legislation and we have received favorable reports from the Departments of State, Commerce, and Labor. With respect to the reports from the Department of Labor it was pointed out that this legislation would have no adverse effect on American employment.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that with respect to these bills just passed, the authors of the bills may be permitted to extend their remarks, if they desire to do so.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DUTY ON EVISCERATED PIGEONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7363) to amend the Tariff Act of 1930 to reduce the import duty on eviscerated pigeons.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 712 of section 1 of the Tariff Act of 1930, as amended (19 U. S. C. 712), is amended by inserting after "turkeys, 10 cents per pound;" the following: "pigeons, prepared by removal of the feathers, heads, and all or part of the viscera, but not cooked or divided into portions, 5 cents per pound;".

SEC. 2. The amendment made by the first section of this act shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption, on or after the date of the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That paragraph 712 of section 1 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1001, par. 712), is amended by inserting after 'all other, 10 cents per pound;' the following: 'pigeons, prepared by removal of the feathers, heads, and all or part of the viscera, with or without removal of the feet, but not cooked or divided into portions, 5 cents per pound;'.

"SEC. 2. The amendment made by the first section of this act shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 7363, which was introduced by our colleague, the gentleman from Louisiana [Mr. HÉBERT], is to amend the Tariff Act of 1930, as amended, to reduce the import duty on pigeons, prepared by removal of the feathers, heads, and all or part of the viscera, with or without removal of the feet, but not cooked or divided into portions, to 5 cents per pound. As pointed out in the committee report, at the present time, pigeons prepared in the manner described in your committee's bill are classified under the provision in paragraph 712 of the duty list of the Tariff Act of 1930, as amended, for "birds prepared or preserved in any manner and not specially provided for." This classification covers a wide variety of prepared or preserved birds, such as chickens, ducks, geese, guineas, swans, doves, pheasant, and so forth. The duty originally imposed under the Tariff Act on this statutory classification of birds was 10 cents per pound.

As a result of various trade-agreement concessions, and modifications thereof, the above-described statutory provision is subdivided into three parts: one covering chickens—prepared in the same manner as described in this bill; another covering turkeys—prepared in the same manner; and the remainder consisting of the other birds. Eviscerated chickens and turkeys are dutiable at reduced rates, pursuant to trade-agreement concessions. Your committee's bill would add a fourth subclassification covering eviscerated pigeons, at the same rate which is now applicable to eviscerated chickens.

The Committee on Ways and Means was unanimous in recommending enactment of this bill.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation, H. R. 7363, would reduce to 5 cents per pound the import duty on pigeons that are prepared for consumption by a process of evisceration. Under existing law such fowl is dutiable at 10 cents per pound. There are relatively few imports of this article so that there would be no significant revenue loss from the enactment of this legislation. The Committee on Ways and Means was unanimous in reporting favorably on H. R. 7363.

AMORPHOUS GRAPHITE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2783) to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) paragraph 213 of the Tariff Act of 1930 is amended by inserting after "Amorphous," the following: "valued at more than $50 per ton,".

(b) Title II of such act (relating to the free list) is amended by adding at the end thereof the following new paragraph:

"PAR. 1821. Amorphous graphite or amorphous plumbago, crude or refined, valued at $50 per ton or less."

SEC. 2. The amendments made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That paragraph 213 of the Tariff Act of 1930 is amended by striking out "Amorphous, 10 percent ad valorem;". Title II of the Tariff Act of 1930 (relating to the free list) is amended by adding at the end thereof the following new paragraph:

" 'PAR. 1823. Amorphous graphite or amorphous plumbago, crude or refined.'

"SEC. 2. The amendments made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 2783, as amended by your committee, is to amend the Tariff Act of 1930, as amended, to transfer amorphous graphite or plumbago, crude or refined, from paragraph 213 of the dutiable list to the free list.

Amorphous graphite or plumbago, crude or refined, and regardless of value, was made dutiable in paragraph 213 of the Tariff Act of 1930, as originally enacted, at the rate of 10 percent ad valorem. The duty was reduced to 5 percent ad valorem pursuant to a bilateral trade agreement with the United Kingdom, effective January 1, 1939, and the reduced rate was bound against increase in a bilateral trade agreement with Mexico effective January 30, 1943. The reduced rate of 5 percent ad valorem was again bound against increase in the General Agreement on Tariffs and Trade, effective January 1, 1948. These concessions extended to both the natural and artificial product, both of which are classified under paragraph 213. Effective September 10, 1955, the duty on the natural product was further reduced to 2½ percent ad valorem, pursuant to a further concession. The duty on the artificial product was not further reduced and remains 5 percent ad valorem.

Amorphous graphite is a mineral which has a wide variety of uses, and the United States has long been dependent on imports for nearly all of its requirements of natural amorphous graphite. Domestic production supplies only a negligible part of the domestic consumption of natural amorphous graphite. There is a large domestic production of the artificial amorphous graphite which has supplied nearly all of the domestic requirements. The Committee on Ways and Means was advised that the principal domestic manufacturers of the artificial material themselves consume practically their entire output at present and very little enters commercial channels in unfabricated form.

Information brought to the attention of the committee indicated that in recent years over 95 percent of the amorphous graphite imported for consumption in the United States originated in Canada, Ceylon, Mexico, and Norway. This is a strategic item stockpiled for the Air Force.

The committee received favorable reports on this legislation, in the form reported, from the interested Depart-

ments. The committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation would amend the Tariff Act of 1930 so as to transfer amorphous graphite or plumbago, crude or refined, from the dutiable list to the free list. Amorphous graphite is a mineral with a wide variety of industrial uses; for example, it is used extensively in the manufacture of carbon brushes, lubricants, and electrical motors.

The Committee on Ways and Means has been informed that the United States has for a considerable period been dependent on imports for nearly all of its requirements of natural amorphous graphite. The Committee on Ways and Means was unanimous in acting favorably on this legislation.

Mr. BENTLEY. Mr. Speaker, I would like to say a few words on behalf of my bill, H. R. 2783, which would amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite.

Amorphous graphite is a mineral which has a wide variety of uses. For example, it is used for foundry facings and in the manufacture of carbon brushes, dry-cell batteries, pencils and paints, lubricants, and brush stock for electric motors.

The United States has long been dependent on imports for nearly all its requirements of natural amorphous graphite. In recent years over 95 percent of the amorphous graphite imported for consumption in the United States originated in Canada, Ceylon, Mexico, and Norway. In fact 80 percent of the imports came from Mexico. I would like to point out that the major part of the Mexican deposits of amorphous graphite is owned and operated by United States concerns. Natural graphite is among materials listed as strategic and critical for stockpiling purposes by the Federal Government.

The Ways and Means Committee has received favorable reports on this legislation from the Departments of Commerce, State, Labor, and Defense, as well as informative reports from the Department of the Treasury and from the United States Tariff Commission. In addition the Department of Labor reported that it has no information which would lead it to anticipate an unfavorable effect on domestic employment if this legislation is enacted. I can see no sound reason to continue amorphous graphite on the duty list and urge that this legislation be enacted.

HARPSICHORDS AND CLAVICHORDS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5208) to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1541 (a) of the Tariff Act of 1930, as amended, is amended by adding at the end thereof the following new sentence: "The rate of duty in effect at any time with respect to harpsichords and clavichords shall be the same as the rate of duty then in effect (however established) with respect to pianos."

SEC. 2. The amendment made by this act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the day on which this act is enacted.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That paragraph 1541 (a) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1541 (a)), is amended by adding at the end thereof the following new sentence: 'Harpsichords and clavichords, and parts thereof, shall be dutiable at the rate (however established) applicable to pianos (or parts thereof) on the date entered, or withdrawn from warehouse, for consumption.'

"SEC. 2. The amendment made by the first section of this act shall apply to articles entered, or withdrawn from warehouse, for consumption after the day on which this act is enacted."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as indicated in the committee report, the purpose of H. R. 5208 is to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that harpsichords and clavichords and parts thereof shall be dutiable at the rate, however established, applicable to pianos or parts thereof.

This bill would establish an identical rate of duty on harpsichords and clavichords, and pianos, on a permanent basis. It would also establish an identical rate of duty on parts of harpsichords and clavichords and on parts of pianos on a permanent basis.

Pianos, harpsichords, and clavichords were all originally dutiable at the same rate of duty, 40 percent ad valorem, under the catchall provision in paragraph 1541 (a) of the Tariff Act of 1930 for "musical instruments and parts thereof, not specially provided for." As a result of concessions, pianos and parts thereof were carved out of the catchall provision and made separately dutiable at 20 percent ad valorem, effective June 6, 1951. Further trade-agreement concessions negotiated in 1956 resulted in a further reduction in the duty on pianos and parts to 17 percent ad valorem, to become effective in 3 annual stages. The second-stage rate, 18 percent ad valorem, is presently in effect, and the rate of 17 percent ad valorem will become applicable on June 30, 1958.

Harpsichords and clavichords remained dutiable at the original 40-percent rate until, in the 1956 GATT negotiations, stringed instruments and parts thereof, were also carved out of the catchall provision and made separately dutiable at 34 percent ad valorem, the reduction to become effective in 3 annual stages. The second-stage rate, 36 percent ad valorem, is presently in effect, and the rate of 34 percent ad valorem will become effective on June 30, 1958.

Thus, at the present time, pianos are dutiable at a rate of 18 percent ad valorem, while harpsichords and clavichords are presently dutiable at a rate of 36 percent ad valorem. Under your committee's bill, the rate of duty on these instruments would be the same as the rate of duty applicable to pianos, on a permanent basis.

Also, under your committee's bill, where the rate of duty on an article differs because of source, for example, products of Communist-controlled countries as compared with products of non-Communist-controlled countries, the duty to be applied to harpsichords and clavichords, and parts thereof, would be the same as the duty applied on pianos, or parts thereof, from that source.

The Committee on Ways and Means was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 5208 would provide an identical duty rate with respect to harpsichords and clavichords that is presently applicable to pianos or parts thereof. Pianos, harpsichords, and clavichords were all originally dutiable at the same rate of duty under the Tariff Act of 1930. Tariff negotiations by the executive department has resulted in the duty applicable to pianos being reduced to 17 percent ad valorem to become effective on June 30, 1958. The present duty rate is 18 percent. The duty on harpsichords and clavichords is presently 36 percent ad valorem and is scheduled to become 34 percent ad valorem effective June 30, 1958.

H. R. 5208 would provide that the rate of duty on the subject musical instruments would be the same as the rate of duty applicable to pianos on a permanent basis. The Committee on Ways and Means was unanimous in reporting favorably on this legislation.

IMPORTATION OF CERTAIN REGALIA AND GEMS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7516) to

amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) paragraph 1773 of the Tariff Act of 1930 is amended by striking out "for the use and by order of" each place it appears therein and inserting in lieu thereof "for the use of, either by order of or by presentation (without charge) to,".

(b) The amendment made by this act shall apply to articles entered, or withdrawn from warehouses, for consumption on or after April 1, 1956.

With the following committee amendments:

Page 1, line 6, after "or" strike out "by" and insert "for."

Page 1, line 10, strike out "April 1, 1956." and insert the following: "the date of the enactment of this act, and to regalia covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as indicated in the committee report, the purpose of H. R. 7516, as amended by your committee, is to amend the Tariff Act of 1930, as amended, so as to permit the importation free of duty of religious vestments and regalia for presentation without charge to a church or to certain religious, educational, or charitable organizations.

Paragraph 1773 of the Tariff Act of 1930, as amended, originally provided for the free importation of regalia and gems when such articles are imported "by order of" certain religious, philosophical, educational or literary societies, or certain colleges, academies, schools, and libraries, and not for sale. H. R. 7516 would extend the privilege of articles imported for the use of the named societies or institutions, but not for sale, whether ordered by such societies or institutions, or presented to them as gifts.

The proposed amendment of paragraph 1773 would provide the same conditions for the importation of regalia and gems for the use of the named institutions as are provided in paragraph 1774 in the case of certain church fixtures of a religious nature imported for the use of religious organizations. As originally enacted, paragraph 1774 granted the exemption therein only to articles imported for presentation as gifts to and for the use of religious organizations. However, Public Law 392, 82d Congress, amended paragraph 1774 to extend the free-entry privilege to imports of the fixtures ordered by the religious organizations themselves. The proposed amendment of paragraph 1773 deals with the converse situation, the privilege now therein provided for being limited to imports of articles ordered by the named societies or institutions.

Favorable reports were received on this bill from the Departments. The Committee on Ways and Means was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 7516 would provide for the duty free importation of religious vestments and regalia when imported for donation to a church or to certain religious, educational, or charitable organizations. The bill would provide comparable customs treatment for the importation of articles under this legislation as is provided in the Tariff Act for imports of church fixtures of a religious nature imported for the use of religious organizations.

The Committee on Ways and Means was unanimous in reporting favorably on this legislation.

ARTICLES FOR REPAIRS, ALTERATION, OR PROCESSING

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9923) to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (1) of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1308 (1)), is further amended to read as follows:

"(1) Merchandise imported to be repaired or altered or to be processed (including processes which result in articles manufactured or produced in the United States except alcohol, distilled spirits, wine, and beer (including dilutions or mixtures of any or all of them) and perfumes and other commodities containing ethyl alcohol whether or not such alcohol is denatured, and products of wheat), except that this subdivision shall not be applicable to merchandise imported to be subjected to processes which will result in articles manufactured or produced in the United States unless a complete accounting will be made to the customs service for all articles, wastes, and irrecoverable losses resulting from such processes; and all such articles and valuable wastes will be exported or destroyed under customs supervision."

SEC. 2. (a) Subparagraph (e) (3) of paragraph 1615, Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1201, par. 1615 (e) (3)), is further amended to read as follows:

"(3) Any article manufactured or produced in the United States in a customs bonded warehouse or under section 308 (1) of this act and exported under any provision of law; or".

(b) Subparagraph (g) (3) of paragraph 1615, Tariff Act of 1930, as amended (U. S. C., 1952 edition, Supp. III, sec. 1201, par. 1615 (g) (3)), is further amended by deleting the word "or" at the end of subdivision (B); by changing the period at the end of subdivision (C) to a semicolon; and adding the following:

"or

"(D) Any article manufactured or produced and exported under section 308 (1) of this act."

SEC. 3. The amendments made by this act shall be effective with respect to merchandise entered, or withdrawn from warehouse, for consumption on and after the 30th day following enactment.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That subdivision (1) of section 308 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1308 (1), is amended to read as follows:

"'(1) Merchandise imported to be repaired, altered, or processed (including processes which result in articles manufactured or produced in the United States); but merchandise may be admitted into the United States under this subdivision only on condition that—

"'(A) such merchandise will not be processed into an article manufactured or produced in the United States if such article is—

"'(i) alcohol, distilled spirits, wine, beer, or any dilution or mixture of any or all of the foregoing;

"'(ii) a perfume or other commodity containing ethyl alcohol (whether or not such alcohol is denatured); or

"'(iii) a product of wheat; and

"'(B) if any processing of such merchandise results in an article (other than an article described in clause (A) of this subdivision) manufactured or produced in the United States—

"'(i) a complete accounting will be made to the Customs Service for all articles, wastes, and irrecoverable losses resulting from such processing; and

"'(ii) all articles and valuable wastes resulting from such processing will be exported or destroyed under customs supervision within the bonded period;'

"SEC. 2. (a) Subparagraph (e) (3) of paragraph 1615 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1201, par. 1615 (e)), is amended to read as follows:

"'(3) Any article (A) manufactured or produced in the United States in a customs bonded warehouse or under section 308 (1) of this act, and (B) exported under any provision of law; or.'

"(b) Subparagraph (g) (3) of paragraph 1615 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1201, par. 1615 (g) (3)), is amended by striking out 'or' at the end of subdivision (B), by striking out the period at the end of subdivision (C) and inserting in lieu thereof '; or', and by adding at the end thereof the following new subdivision:

"'(D) after manufacture or production in the United States under section 308 (1) of this act.'

"SEC. 3. The amendments made by this act shall apply with respect to articles entered, or withdrawn from warehouse, for consump-

tion on or after the 30th day following the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as pointed out in the committee report the purpose of H. R. 9923, as amended by the Committee on Ways and Means, is to amend section 308 of the Tariff Act of 1930, as amended, so as to allow imported merchandise to be entered under a section 308 import-export bond for use in the manufacture or production of articles solely for export, upon compliance with specified conditions designed to safeguard the revenue, except that such merchandise cannot be processed into an article manufactured or produced in the United States if such article is alcohol, distilled spirits, wine, beer, or any dilution or mixture of any or all of the foregoing, a perfume or other commodity containing ethyl alcohol (whether or not such alcohol is denatured), or a product of wheat.

Section 308 (1) of the Tariff Act, presently provides that articles may be entered temporarily free of duty under bond for exportation, for repair, alteration or to be processed, but if the processing would be such as to result in articles manufactured or produced in the United States, entry under section 308 (1) bond is not allowed. For example, this bond procedure is not available to an importer who brings in a shipment of airplane parts for use in the manufacture by him in this country of an airplane which will be exported. This is because the airplane would be considered to be an article manufactured or produced in the United States. In order for the importer to do this under present law, he must file a consumption entry, pay duty on the merchandise, file an application for drawback pursuant to section 313 (a) of the Tariff Act, prepare a drawback entry to cover the exported product, and await the payment of drawback of 99 percent of duties paid on the imported merchandise used. This procedure is costly and time consuming to both the importer and the Government.

H. R. 9923 would amend the relevant provisions of the Tariff Act so as to permit operations such as the one I have described to be carried out under import-export bond, even though the article as exported would have been processed to such a degree as to be considered an "article manufactured or produced in the United States." The bill contains specified conditions designed to safeguard the revenue and the substantive purposes of the Tariff Act.

The Committee on Ways and Means was advised that adoption of the provisions contained in the bill would result in a substantial reduction of time-consuming work to the customs service and would enable any importers who manufacture by lot solely for export to avoid having their money tied up for extended periods awaiting the processing of their claims for drawback.

Favorable reports were received on this bill from the interested departments.

The committee was unanimous in urging enactment of this bill.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 9923 was introduced by our distinguished colleague from Washington [Mr. PELLY] who has worked very effectively to obtain the favorable consideration of this legislation which was unanimously reported by the Committee on Ways and Means.

The purpose of the bill is to allow imported merchandise to be entered under bond for use in the manufacture of production of articles that are to be exported. The legislation contains safeguards so as to prevent abuse of this privilege. The Department of Labor in commenting on this legislation stated that the bill would have the effect of increasing employment opportunities. Mr. Speaker, I am pleased to join in supporting this legislation.

Mr. PELLY. Mr. Speaker, H. R. 9923 which just passed the House will simplify the procedure of importing foreign parts that go into the manufacture of products in this country for export and, in lieu of depositing cash with the Department of the Treasury, the manufacturers of this country will be able to file a bond. Obviously, this is in line with the present way of doing business.

Entry of items used in repair and alteration is presently provided for; however, as an example, entry under bond is not available to an importer bringing in airplane parts for use in the manufacture of planes in this country which, in turn, will be exported. The present procedure which is costly and time consuming not only to the importer but also to the Government will be greatly improved and simplified by the passage of H. R. 9923.

The Treasury Department and the Commissioner of Customs have approved this legislation and I would like to commend the Ways and Means Committee, and its chairman, for recognizing the desirability of this measure and expeditiously implementing its passage through the House.

PRICE SUPPORT AND ACREAGE ALLOTMENT LAWS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution—House Resolution 505—providing for the consideration of Senate Joint Resolution 162, to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws. After general debate, which shall be confined to the joint resolution and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the reading of the rule, House Resolution 505 would indicate, it makes in order the consideration of the Senate joint resolution, Senate Joint Resolution 162. The rule is an open rule and provides for 2 hours of general debate on the joint resolution.

Mr. Speaker, this might well be termed stopgap legislation. In the last few days, the House of Representatives as well as the other body has passed legislation aimed at stopping the so-called recession. In other words, there has been a movement afoot on the part of the Congress to stimulate business and furnish employment in all segments of our economy. I think it is fair to say that this particular resolution would in a sense do the same thing for agriculture as has been done for these other segments of our economy in the legislation which has already been passed. May I repeat, Mr. Speaker, that this might well be termed stopgap legislation. Certainly, it is not an answer to the farm problem, but it would retain the status quo so as to prevent further declines in prices of the basic agricultural products. In other words, what this resolution would do would be to say that in this spiral of recession, you cannot jerk the floor out from under the prices which the farmers are now receiving and which are generally regarded as inadequate. I think the joint resolution which we will consider following the consideration of the rule should be adopted and I hope signed by the President. But I hope this will not be an end of farm legislation in this session of the Congress. A long-range and more adequate program must be adopted if agriculture is to share equally in our managed economy.

Tobacco is specifically excluded from provision of the resolution since supports for it have not been reduced in 1958 and because tobacco comes under a different program generally.

The Senate version differs from the House version which we will consider here today in that under the provisions of the Senate resolution the supports and

acreage allotments would be frozen until further and affirmative action were taken by the Congress. Under the House version, the application of the resolution in the case of price supports is limited to the 1958 crop or market season and the 1959 crop in case of acreage allotments since acreage allotments for 1958 have already been determined and announced.

Moreover, if the price support rates announced by the Secretary of Agriculture become effective, assuming that the volume of the various crops in 1958 is the same as 1957, it is estimated that there would be a cut in farm income of about one-half billion dollars.

Mr. Speaker, while I recognize and appreciate that there is justification for a difference of opinion on whether this is the proper procedure, I cannot do otherwise than support this transitory program pending the development of a long range and more effective program under the existing circumstances in the present day economy. I am not one of those who assumes to have the answer to the agricultural dilemma. Neither do I belong in the category of those who belabor and belittle the Secretary of Agriculture. I am perfectly willing to subscribe to him the same credit for sincerity that I would expect if I were in his position. But I cannot see how we can fail to at least attempt to give the farmer, in the present economic situation, something in the nature of the same treatment that we are rendering to labor, Federal employees, the members of the armed services and industry, generally.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, my good friend, the gentleman from Mississippi, has explained the rule. I regret that I do not agree with him in regard to the merits of this bill. I readily admit that I am no authority on agriculture, but I do know enough about the subject to realize that this is not a good bill. It should be defeated.

I come from the 16th Congressional District of Illinois. I believe there is not a more diversified agricultural district in the United States than the district I represent. It is my understanding that from 55 to 60 percent of the national farm income is derived from livestock. I would say that the ratio of 55 to 60 percent holds good in my district as well as most districts in the Midwest.

We all know that at the present time there are no Government controls on livestock. While I was home in my district last fall I met with many farm people. Without exception they told me that a fair price for cattle was from $26 to $28 a hundred. They told me, likewise, that a reasonable price for hogs was from $19 to $21 per hundredweight.

Last week the Chicago papers showed that the top price of cattle on the Chicago market was $37.50 per hundredweight. That is the highest price received by cattlemen during the past 5 years. The same paper also stated that the price of hogs on the market in Chicago was $22.50. That is the highest hog price in many months. So I say when you start talking about rigid price supports that you must take into consideration the present state of the livestock market, for income from livestock accounts for 55 to 60 percent of the national farm income. You must not do anything to jeopardize those prices.

I would say that if this bill is passed the price of livestock will be jeopardized.

The gentleman from Colorado [Mr. HILL], before the Committee on Rules yesterday stated that there is a 300-percent surplus in feed grains. If you put a rigid price on feed grains with the present surplus of 300 percent it is only logical to assume that more feed grains will be produced to be added to the already overabundance. This fed to cattle will put more cattle on the market and the final result will be a breaking of the price of livestock.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. COLMER. If I understand the gentleman correctly he takes the position that since livestock is not supported it is doing very well on the free and open market. Is that correct?

Mr. ALLEN of Illinois. That is correct.

Mr. COLMER. Is it not a fact that every time the price goes down for livestock, the livestock industry calls on the Government to come to their rescue and bail them out? Has that not been done on several occasions?

Mr. ALLEN of Illinois. I may say to the gentleman from Mississippi that has been true to a certain extent, but I do not believe to the same degree that it has with regard to cotton, peanuts, tobacco and those things.

Mr. COLMER. I point out to the gentleman that we are not asking for that kind of assistance. We are trying to prevent here a further decline in the income of the farmer while we are protecting everybody else with these bills and resolutions that we have passed in the last few days.

Mr. ALLEN of Illinois. I want to say, and I cannot emphasize this too much, Mr. Speaker, that now you have the livestock situation which brings to the farmers 55 to 60 percent of their national income and it is not under Government control. I predict now if you start holding these rigid price supports in regard to feed grains and other things, you will have the livestock market in the position where the farmers throughout the Middle West are getting a great deal of their income in the same position as other things that are now under control.

Mr. COLMER. As I stated a moment ago, I do not think this is the answer to the farm problem. On the other hand, would the gentleman go so far with his line of argument as to say that we should take the Government out of all of these various segments of our economy? It is true that we have a managed economy and if you are going to protect one segment of that economy you also have to protect the others.

Would the gentleman advocate the Government getting out of all of these?

Mr. ALLEN of Illinois. If this bill does not pass, and I hope it does not, the Government will not be out of it anyway. I have always stood for flexible price supports, not rigid price supports. And if this bill does not pass, it will not mean that the Secretary of Agriculture or the Government is going to be out of all stages of our agricultural economy.

Mr. Speaker, in conclusion I feel certain that after you have listened to the debate on this bill, you will probably agree, and will agree, that the flexible price-support program is the best for the farmer. I am convinced if you bring forth more of these rigid price supports you are going to find the livestock market in a much worse condition than it is at the present time.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from North Carolina.

Mr. COOLEY. It is true that the livestock people have not had and they do not now want any controlled program; but, as suggested by the gentleman from Mississippi [Mr. COLMER], a moment ago, in 1 year our livestock industry cost the taxpayers of America in the neighborhood of $250 million, which amount was spent through a diversion program. Congress raised no complaint about that. The gentleman from Illinois has pointed out the situation that stock is now selling at a fair price, so far as hogs and cows are concerned. While your farmers may be prosperous, there are other farmers in the Nation that may be impoverished.

Now, the gentleman mentioned strict price supports, high-level supports. Cotton was supported during the years at 90 percent of parity, and after we had a cotton program for more than 20 years the program showed a net profit of $267 million, and that profit was still on the books January 1, 1953. Since that time we have lost that profit and sustained tremendous losses. As pointed out by the gentleman from Mississippi [Mr. COLMER] it is not the purpose of this legislation to increase price-support levels. Mr. Benson last year fixed price supports on these commodities. We are only saying to him that "We accept your calculations of 1957 and we want to extend that program that you fixed through 1958 on price supports." Now, it seems to me that there should be no objection to this hold-the-line bill for agriculture. It is only stopgap legislation or hold-the-line legislation, and I hope that the gentleman will not oppose the passage of the bill, especially in view of the fact that the House committee substantially changed the bill and modified it and made it applicable to prices only for 1 year and acreage allotments for only 1 year.

Mr. ALLEN of Illinois. I will say to my good friend, the chairman of the Committee on Agriculture, that the soundness of my argument is the fact that the livestock industry, which is not under Government control, not under rigid price supports, is receiving from 55 to 60 percent of the national farm

income and probably doing better in the interest of the farmers than any other commodity. I think that is the soundness of my argument. Personally I am not going to ask for any rollcall on the rule, but I am convinced that after the membership of this House hears the debate and realizes that one segment of agriculture that is not under controls is better off than the other segments, they will not vote for this bill and put rigid price supports on and bring in more feed grains, which will break down that segment of agriculture.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I wonder if the gentleman remembers what the price of pork was in the spring of 1956, just 2 years ago.

Mr. ALLEN of Illinois. I will say to the gentleman that it was much lower than it is now.

Mr. BASS of Tennessee. Hogs were selling on the Chicago market in 1956 at $12 a hundred. At that time the Secretary of Agriculture spent $85 million in one program of buying pork and taking it off the market to increase the price. Now, pork and livestock prices run in cycles, and the very reason you have a good price on livestock this year is because it was so bad in 1956 that the people quit raising pigs and cattle. That is exactly what happened.

Mr. ALLEN of Illinois. There you are again supporting my argument. Why put controls on things and bring them down when they have done so well under conditions that prevailed before?

Mr. BASS of Tennessee. The reason prices are good now is because the Government did get into it and the Government had to support the industry, and that is the very reason it is in good shape today. They have spent as much money on individual commodities and livestock as they have on any other commodity of agriculture in the past 5 years.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Speaker, no one is more aware than I am that merely to freeze price supports on agricultural commodities is not enough to be anyway near the total solution to the farm problem. This resolution is admittedly a stopgap measure. It will provide only partial and temporary assistance to our farmers who have suffered 5 long years of economic decline. This thing called recession is nothing new to rural America. Today's national recession started on our farms when the farmer first began to lose his fair share of the national income. The farmer has had to sell the bulk of his products at depressed prices. The farmer is the only American merchant who buys everything at retail; who sells everything at wholesale; and pays the freight both ways.

If the American farmers had received a rightful share in the national income last year, they would have had $15.2 billion more income to spend. But, the way it was, they lost out on this $15.2 billion. This simply means the American farmers subsidized the processors, the middlemen, and everyone else who dealt in agricultural commodities. We hear so much about the farmers being subsidized. It is simple and plain that the farmers are the ones doing the subsidizing. The net income of farmers has dropped 24 percent from January 1953 to January 1958. In 1957 the net income was only $11.5 billion which is the lowest total since 1942.

But the profits of food and kindred products manufacturers increased 36 percent from 1952 through 1956.

Obviously, taking away parts of the time-tested agricultural programs will not bring about a healthier farm economy. We are living in a time when 90 percent of everything we use in life is sold at an administered price. Until the farmer is able to effectively organize and control his own market it is the duty of Government to lend vital assistance.

Mr. Speaker, there are those in high official positions who realize the seriousness of this situation on the farm. Mr. Max Soeth, the chairman of the Agricultural Stabilization and Conservation Committee for the State of Iowa, has announced just this week that he is resigning that position because of the Benson-Eisenhower farm policy. This takes courage on the part of Mr. Soeth, but in this time and situation, men of purpose must act with courage.

The following is a news item appearing in the March 18, 1958, edition of the Des Moines Register announcing the stand and action of Mr. Soeth:

IOWA'S ASC CHIEF QUITS; HITS BENSON

(By J. S. Russell)

Disagreement with the farm policies of Secretary of Agriculture Ezra T. Benson and the administration prompted the resignation of Max M. Soeth of Estherville as chairman of the Iowa Agricultural Stabilization and Conservation (ASC) Committee, it was learned here Monday.

Soeth's resignation is to be effective March 28 as chairman and as a member of the committee which administers the farm program in Iowa.

In a letter to Secretary Benson he cited several reasons why he could not continue to serve, and a copy of this letter was sent to President Eisenhower who has backed his Secretary of Agriculture in the face of considerable criticism.

A DISAPPOINTMENT

"Your address at the National Farm Institute in Des Moines recently was a disappointment to me," Soeth said in part in his letter to Secretary Benson.

"I cannot accept your recommendations to lower price supports, do away with acreage allotments and give the farmer more freedom.

"The farmer had that kind of freedom in 1930."

Soeth told the Secretary that some of the rulings coming out of Washington, D. C., had tended to prevent the farm programs in force from being successful. He also charged that Benson had discredited the Soil Bank program in his statements.

PRICE OF CORN

He criticized specifically the support of the price of corn raised by farmers who overplanted their acreage allotments and the fact that cross-compliance or control over diverted acres under the farm program never was exercised.

"Granting price support for noncompliance corn when allotments were in effect was unfair to farmers then participating in the allotment program," Soeth told the Secretary.

"This action was not even good politics; it only aggravated and increased the surplus problem."

ADD TO PROBLEM

He went on to explain that 33 million bushels of 1956 corn was placed under price support at the low levels, and that a similar result on 1957 corn is certain which will add materially to our surplus and storage problem.

"I deeply regret that we never had a chance to try cross-compliance * * * such a step would have gone a long way toward reduction of production," Soeth said.

"The Soil Bank has been discredited by you in your recommendations to Congress.

"However, there has been a tremendous acceptance of the program in 1958, the first year in which it really could be given a fair trial and yet you wish to do away with the acreage reserve, the only program which effectively reduces production.

RESERVE LAND

"I am convinced that far greater participation in the acreage reserve could be obtained and certainly the cost would be less than the price support and storage payments for corn produced on potential acreage reserve land."

Soeth also criticized some of the statements by Secretary Benson and said he understood that the Department is telling farmers that lowering of price supports will mean savings in their food bill.

"This prompts recollection of the statement of the late Senator Capper, of Kansas, that 55 loaves of bread and other products come from a single bushel of wheat," he said.

"In other words, the cost of a loaf of bread would change very little even if the farmers received nothing for the wheat."

The resigning Iowa ASC chairman also told the Secretary that confusion is becoming worse than ever in the Department of Agriculture.

Soeth is to be succeeded as chairman of the State agricultural soil conservation committee by Joe F. Carber of Delmar. The new committee member is to be Chester R. Schoby of Algona.

Now, as I said at the beginning of these remarks, Mr. Speaker, this price support freeze resolution is not the final and total answer. But, it will provide some greatly needed assistance this crop year. This will give the Congress the opportunity to start building a more adequate farm program. The Congress is today meeting a grave responsibility in extending this assistance to our farmers. The products of the soil are the bases of all our new wealth, and if the price on these products is exploited, the entire national economy will suffer because the foundation of our national wealth will not exist.

Look what has happened. American agriculture has been underpaid. Without this vital income our farmers could not buy tractors and machinery. Automobiles are not purchased. Furniture stays in the stores. People are laid off in the factories, and a recession is started. Mr. Speaker, today we have full-blown recession in this country. There are over 5 million unemployed. The basis of this recession was laid when our farmers failed to receive their rightful share. We must pass this resolution today to help stem the tide of this recession.

As a temporary stimulus to business we can go into debt but debt is the prespending of profits and savings, and the time will come when debt must be repaid.

Since 1951 the total public and private debt has increased over $270 billion. A sound national economy is based on earned income, not on indebtedness. We must have balanced production at fair prices, with full employment at fair and adequate wages.

As a Representative of the people of an agricultural district which is second to none, I urge the adoption of this resolution as a minimum starting point.

CALL OF THE HOUSE

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Barden	Doyle	McIntosh
Barrett	Durham	Macdonald
Bates	Fallon	Merrow
Blatnik	Forand	Mitchell
Boland	Garmatz	Moulder
Bow	Glenn	Radwan
Buckley	Gordon	Rains
Byrd	Grant	Rhodes, Ariz.
Cannon	Gray	Rivers
Celler	Gwinn	Shelley
Coudert	Hays, Ohio	Sheppard
Cunningham, Nebr.	Heselton	Sieminski
	Holifield	Thomson, Wyo.
Davis, Tenn.	Kean	Ullman
Dawson, Ill.	Kearney	Utt
Dies	Kearns	Wigglesworth
Dingell	Kee	
Dooley	Long	

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. COAD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I would not want to say that anyone is deliberately trying to cloud the issues involved in this resolution, but some of our colleagues have made some rather unusual statements and being men of considerable ability it seems they surely should know better. In the next few minutes, I want to try to set the record straight on some of the points that have been raised.

First, let us clearly understand what we have before us. It is simply a resolution by the Congress which says that the Secretary of Agriculture may not, for this 1 year only, reduce farm commodity price supports below those established for last year's crops. The same applies to acreage allotments. It is just as simple as that and you cannot make anything else out of it. The Secretary of Agriculture established last year's price levels and he also set the acreage allotments. We are not giving him a mandate to do anything other than stick to the same figures he himself established last year and and not go any lower. Under the resolution he could go up, but knowing him as we do that is hardly likely to happen.

This is not a new farm program. It does not tie the Secretary's hands in any way other than I have just described. This is no cure for agriculture's ills but it is an aspirin, so to speak, to alleviate the pain in the farm economy caused by Mr. Benson's low-price philosophies. These low-price policies of our Secretary of Agriculture are slowly but surely bleeding our farm economy white, and we seek here today to merely apply a tourniquet to slow the flow of economic blood in the agricultural areas of our Nation.

Now, let me answer some of the highly questionable charges that have been made against the resolution.

First, there is the contention that approval of this measure will raise prices for consumers. What kind of mathematics and what kind of logic is that? All we say is that the Secretary of Agriculture shall not lower price supports below those in effect last year. The commodities housewives buy today were produced last year. The only way this resolution could raise consumer prices would be for the middleman and the processors, and the big grocery chains to take a bigger bite out of consumers' pocketbooks—and if they do that it is high time the public knew just who is to blame for high retail food prices.

Nonfarm food handlers have been reporting their highest profits in history and it is inconceivable that they would seek to further increase those profits in the face of an economic recession. The truth is, Mr. Speaker, that this resolution has absolutely no influence or effect upon consumer food prices. A further fact should be noted, and that is the fact that farm prices have gone steadily down in recent years while consumer prices went steadily up. Consumer prices have not kept pace with producer prices and there is absolutely no reason for anyone to say this simple little freeze resolution would suddenly change that fact.

We should reject this argument for what it is, and it is nothing more than a desperate effort on the part of a few to cloud the issue in the name of consumers. They simply do not have any reasonable or factual arguments against the resolution so they seek by this diversion to switch a few votes.

Then, there is the argument that enactment of this resolution will cost vast and untold sums of money. Those of us who have worked with these farm programs for many years and, especially those of us who have worked with the Agriculture budgets, know that this argument is without foundation. On the contrary, Mr. Speaker, when you reduce the price-support level on commodities in CCC stocks you simply reduce the value of those commodities and the Government stands to lose more money than if we maintained the market price level. The constant pushing down of farm prices by Secretary Benson has proven costly, indeed, not only to farmers but to the Government as a result of the devaluation of the multi-billion-dollar holdings of the Commodity Credit Corporation.

Even if it did cost a few more dollars to hold up our farm economy at the 1957 level, how can any man who votes for billions of dollars in foreign-aid and public-works programs, running into more billions, vote, with conscience, against a resolution to freeze the minimum supports under our agricultural economy which is at the bottom of the ladder already. Any Member who thinks this through will reject the cost argument against the resolution.

Another argument is to the effect that there is no need for this resolution because the Committee on Agriculture is about ready to bring general farm legislation before us. Now, that one is really farfetched and we have heard it many times before. Last year, for example, the shoe was on the other foot when we had the Agriculture appropriations bill before us. You will recall that the advanced authorization for the Soil Bank was under attack and the proponents of the amendment to kill the Soil Bank argued that they merely sought a delay until the Secretary could testify before the Committee on Agriculture. They succeeded in killing the Soil Bank in the House by a very narrow margin, and I daresay many Members voted for the amendment striking out the funds on the basis of that plea for delay until the Secretary could testify. Well, he testified, and his testimony was no different from his earlier statements and did not change a thing. The Senate restored the Soil Bank and when the bill came back in conference not a voice was raised against it.

Any man or woman in this House who has been here a year or more knows that it is ridiculous in the extreme to set aside a deserving measure once it is brought before us in the hope that some other bill may someday be brought out of some committee. That is not good legislative procedure and everyone knows it. I hope you see through this flimsy argument and follow your own good judgment.

Still another argument is to the effect that hog and cattle prices are good right now and passage of this resolution will in some unexplained way tumble those prices. There is another far-fetched and baseless statement. In the first place, do not forget that the present livestock market is based on 1957 supply and market conditions and we seek by this resolution to do what? Simply to freeze minimum prices set for 1957 crops. This is a status quo proposal and will help maintain good livestock markets. There is nothing in it to do otherwise.

Failure to approve this resolution may, in the long run, be much more of a threat to the livestock market. Anyone who has ever raised hogs or fed cattle, and certainly anyone who has ever followed

the livestock market, knows that cheap feed eventually means cheap livestock. I argued this with Mr. Benson his first year in office and he disagreed with me, but I will say this for him—he has learned one thing at least and that is that cheap feed always leads to cheap livestock. Not too long ago he publicly stated that he had come around to my position on this. If there is anything certain in our agricultural economy, it is this eventual adjustment of livestock prices to feed prices. That is why I say, in the long-range best interests of livestock farmers, we must stabilize our feed grain prices or they will all be in the slump together. A vote for this resolution is as much in the interests of the livestock farmer as it is for the grain farmer, and do not let anyone tell you to the contrary.

Finally, Mr. Speaker, there are a few here who purport to speak for farmers themselves in opposition to this resolution. In answer to them, I would call attention to the source of these arguments. Note how very few Members from the real farming areas speak against this resolution. Note well that most of these opponents are from urban districts with little more than a few chicken farmers in their districts. Do you think for one moment that we from the agricultural Midwest who have devoted years of time and study to this subject would vote against the best interests of our constituents?

Just how do the people affected by this resolution feel about it? I hold in my hand a picture received in the mail this morning. Here is a great crowd of farmers, and they are voting on a resolution in support of the measure before us. If anyone doubts my word on this they can look at this picture and see every hand raised. The vote was unanimous in favor of action to prevent the Secretary moving to further depress farm prices.

This is a picture of the annual meeting of the members of the Atwater Creamery Co., at Atwater, Minn.

I also received in this morning's mail a letter dated March 18 and signed by Clarence Swenson, secretary, informing me that the directors of the Lake Park Cooperative Creamery, at Lake Park, Minn., had unanimously adopted the following resolution:

Resolved, That we inform our representatives in Congress from Minnesota and request that they favor the bill freezing all basic farm commodities at the present levels.

That, Mr. Speaker, is the will of farm people and I hope this House will be responsive to their urgent plea for appropriate action.

We are all agreed that we want to do what is reasonable and necessary to stem the tide of recession in our economy. What better place can we begin than to at least freeze the minimum support levels under our agricultural economy which is already on the lowest rung of our national economic ladder.

Halt the decline in our farm economy and you will have taken the first essential step to turn our national economy back up where we all want it to go.

I hope the resolution is approved by an overwhelming majority in the best interests of our entire Nation. I plead with our colleagues from the cities as well as the farms to take this critical first step back up.

Mr. ALLEN of Illinois. Mr Speaker, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Speaker, I rise to oppose the pending resolution.

Mr. Speaker, I wish to associate myself strongly with the views expressed by my colleagues who oppose the pending resolution.

In my view, this is the worst kind of farm legislation—harmful both to farmers and consumers. It extends to additional commodities a rigid price support program that has already failed. It will keep consumer prices arbitrarily high, with no corresponding advantage to farmers. Markets will be lost, both here and abroad. And the bill which taxpayers must pay for increasing farm surpluses will continue to grow indefinitely.

Try as I might, Mr. Speaker, I cannot appreciate the logic underlying this resolution. It will, in effect, force farmers on a wider scale than in the past, to produce commodities not for consumption but for storage. In the midst of plenty, this program is manufacturing scarcity—a scarcity of food which consumers can afford to buy. Fundamental foods like bread and butter and milk—staples which are essential in any well-balanced diet—are daily becoming too expensive for low and middle-income families to buy. And why? Not because these foods are difficult to produce or temporarily in short supply, but only because farmers find it to their dollars-and-cents advantage to sell to the Government at uneconomically high support prices.

Some of us have talked a great deal about the paradox of the present business recession, to the effect that in the midst of a declining economy and growing unemployment we are finding the consumer price index still climbing. Why is this so? To a great extent it has been brought about by rising food prices—prices which, because of high support levels, cannot adjust themselves to changing supply-demand conditions.

We are confronted with a terrible picture, Mr. Speaker, a picture of consumers with less and less money to spend and food costing more and more money to buy.

The Department of Agriculture has just announced a broadening of its program for distributing surplus food commodities to needy people. We might well ask ourselves how long it will be until substantial numbers of people will find themselves unable to purchase essential farm products and forced to get essential supplies from the Government's bursting bins of surplus foods. We may be rapidly approaching the time when Government warehouses will be the only grocery store consumers can afford to patronize.

I do not believe very many of us in this Chamber would seriously propose eliminating all agricultural controls or all forms of assistance to farmers. Our experience during the great depression confirmed the key role of the agricultural economy in the whole national economy. But I ask whether there is not some method by which Congress can relate the price of farm products to the supply of those products and the demand for them.

It seems evident to me that farmers would be the first to benefit by a system which permitted them to produce more for sale to consumers at prices which would enable consumers to buy more of their farm products.

I recognize that the problem is not so simple as I have stated it. But I do believe that that is the direction Congress ought to be taking, rather than—as the pending resolution provides—returning to an evertightening program of artificial scarcity and manipulated inflation.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MCVEY].

Mr. MCVEY. Mr. Speaker, the Congress has before it today Senate Joint Resolution 162. This resolution has for its purpose the freezing of support prices and acreage allotments indefinitely at the 1957 level. There has been serious objection raised to this legislation by heads of farm organizations themselves. For example, Mr. Otto Steffey, president of the Illinois Agricultural Association, wires me, as follows:

Urge you oppose legislation freezing price supports and acreage allotments at 1957 levels. Such freezing action would result in further buildup of surpluses in hands of CCC to depress market prices further and cannot possibly be beneficial to farmers over long run. The continuation of corn allotments, though increased and with proposed Soil Bank requirements, leaves producers of other feed grains free to endanger corn's historic position as principal and most efficient feed.

In addition, Mr. Charles B. Shuman, president of the American Farm Bureau Federation, has sent me the following telegram:

Senate Joint Resolution 162 amended, rigidly fixing price supports and acreage allotments, is against the longtime interest of farmers and should not be approved.

Other reasons given as to why this resolution should not be adopted are as follows:

First. It would further destroy markets.

Second. It would pile up additional surpluses.

Third. It would cripple standards set for determining price supports and acreage allotments.

Fourth. It would increase greatly the cost of farm programs.

Fifth. It gives little help to small farmers.

Sixth. It would establish mandatory supports on nine additional commodities.

Seventh. It ignores effect of the transition to modern parity—takes us backward.

Eighth. It would be unfair to winter-wheat growers who signed up under the 1958 acreage reserve.

Ninth. It ignores most of the sound recommendations made by the President for further legislative action designed to expand markets and to reduce Government regulations and controls over our farmers.

There will be many arguments presented for and against this legislation, and I do not desire to go into a debate on this subject. I believe, however, that there are some facts with regard to the expenditures we have made to support prices that are not entirely understood by this body. We hear it stated frequently on the floor of the House that the cost of price supports has been a very low figure. It has been mentioned that these supports have cost us an average of about $1 million per year for the last 20 years. Statements of this character are entirely fallacious. No one can even estimate what the final loss is going to be when these products are finally disposed of—if that event should ever come to pass. We have piled inventory upon inventory and billions upon billions under the assumption by many that this program has cost the Government very little. The fact that the Commodity Credit Corporation has requested total authorization of $14 billion should be ample evidence of the fact that the probable loss to be sustained reaches a very large figure.

Until recently there was not much opportunity to judge this matter, due to the fact that such large supplies were held in inventory only. In recent years, during the present administration, we have tried to dispose of some of these products in large demand, and that is why the losses have loomed large during the last 2 years. This, in itself, is conclusive evidence that when these inventries are finally disposed of the loss will reach a very high figure.

Let us turn for a moment to the Commodity Credit Corporation. This agency was originally voted, in October 1933, the sum of $3 million. Let us look at the increase in the responsibilities of this Corporation in recent years. The Banking and Currency Committee, of which I am a member, has been called upon to increase the authorization for sums to be used by this agency, as follows:

Mar. 8, 1938	$500,000,000
Mar. 4, 1939	900,000,000
Aug. 9, 1940	1,400,000,000
July 1, 1941	2,650,000,000
July 16, 1943	3,000,000,000
Apr. 12, 1945	4,750,000,000
June 28, 1950	6,750,000,000
Mar. 20, 1954	8,500,000,000
Aug. 31, 1954	10,000,000,000
Aug. 11, 1955	12,000,000,000
Apr. 23, 1956	14,000,000,000

The totals at the present time on inventory for corn, cotton, and wheat are as follows:

Corn ---------- bushels	1,099,872,029
Cotton, Upland ---------- bales	2,306,606
Wheat ---------- bushels	743,220,743

I have given enough facts in connection with this situation to indicate that the probable loss in the future when these inventories are disposed of will reach a very large figure. The storage costs of these crops reaches approximately $1 million per day.

It is quite evident that price supports in the past have not solved the farm problems. Those supports have made very deep problems for the Federal Government, and problems from which it will take years to recover. I realize that the questions involved are serious. However, it appears to be true that farm assets are at an all-time high record—$188 billion as of January 1, 1958. Owner equities rose 7 percent during 1957 to a figure of $168.4 billion. Farm ownership is also at a record high. The postwar downtrend in prices which started in 1951 has been stopped. The level of living on farms is highest in history. Many farmers have signified that they want to return to the policy of supply and demand. This situation cannot be effected overnight, but certainly the freezing of farm prices at the 1957 level is not the answer to our problems.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, the resolution before us is to make in order a Senate joint resolution, which is very broad in nature and, which, I can say without fear of contradiction, is of great concern to every Member of this House.

When the Committee on Agriculture appeared before the Rules Committee it was stated by some of the members of that committee that if no action of any kind is taken at this time, such as that contemplated in this Senate joint resolution, within 60 days there would be a new general farm bill brought out for the consideration of Congress, and the view was expressed that if this joint resolution becomes law perhaps such action will not come about at this time, but would be postponed for another year or two.

Therefore, I am expressing the hope that someone on the Committee on Agriculture may offer an amendment, which I will support, to this resolution to extend the present price-support arrangements on basic crops, and on milk and dairy products, for another 90 days, so that the Committee on Agriculture may have an opportunity to present to us a new general agricultural bill, because I think there is a general feeling that the present program as it is now constituted is not satisfactory.

I also want to say that I hope in the motion to recommit we may be able to do that which the Committee on Agriculture did not see fit to do, and that is, have a separate vote on the question of freezing price supports at the present levels, for either 90 days or for a year, on milk and other dairy products, because it seems that the one sector of agriculture, at least in my section of the country, which is hardest hit under the present situation are those farmers who are engaged in the production of milk and other dairy goods.

If such a motion to recommit is made to limit this joint resolution to the extension of price supports for dairy products, I shall support it, and if adopted, I can then support the bill. I hope that by these two amendments being presented to the House, if they are presented, the House can be given an opportunity to work its will, and to pass upon the various angles of this problem, rather than upon this broad, general bill which covers everything in the world of agriculture.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I take these 2 minutes to point out that this joint resolution coming at this time is a confession by the critics of Secretary Benson that they have no program of their own, that they simply want to continue to snipe at and try to stop any program he may have. This is a confession of bankruptcy of ideas I might state.

Actually, an analysis of this shows that this freezing that is proposed here is going to badly hurt the farmers. It is certainly going to continue to hurt the consumers. I will be very much interested as this debate proceeds to see whether there are any Democratic Members of Congress representing consuming districts who will take the floor and raise their voices against such a reactionary movement as this resolution represents, because, I suggest, if they sit silent now, we can then conclude that they have cast their lot with anti-Benson critics.

Mr. ALLEN of Illinois. Mr. Speaker, hogs and cattle are produced, I believe in practically every farming district in United States. We all know that if this proposed legislation passes, there is going to be more production of feed grains which will bring about a reduction in cattle and pork products. I predict if this legislation passes in the near future prices of cattle and hogs will go down, and I just wonder how many people here representing districts where hogs and cattle are raised want that to happen. That, I believe, is of sufficient importance in itself for me to speak a second time on the pending rule. I say, hear me well when I say that in my considered judgment, if this legislation passes, hogs and cattle prices which do not have Government controls at this time will go down in the near future.

Mr. Speaker, I reserve the balance of my time.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I support Senate Joint Resolution 162, which has as its purpose to interpose a 1-year stay on further support price or acreage allotment reductions in order to prevent any further decline in the farm economy while Congress formulates and

enacts more permanent legislation. The Committee on Agriculture has expressed the hope that new general farm legislation may be enacted at this session of Congress, but the committee report reveals that it is clear that such legislation cannot be enacted in time to prevent damaging cuts in price supports from going into effect. To fail to enact this legislation would reduce acreage allotments below present levels.

At a time when so many have turned their thoughts to solutions for the current recession, all of us should agree that further reductions in acreage allotments would adversely affect the agricultural economy and add to the present problems which result from the recession. Agriculture is the most basic segment of our economy, and previous recessions and depressions have started on the farm. The Committee on Agriculture has reminded the House that between 1920 and 1921 farm prices fell 41 percent and the national income fell 18 percent. We have been further reminded that between 1929 and 1932 farm prices fell 56 percent and the national income fell 44 percent, and that a great depression had demoralized the total economy.

In a recent speech on the floor of this House, I again repeated that we had learned through the experience of recessions and depressions that the conditions which prevail on the farm are ultimately reflected in the entire national economy. I further stated that it is the raw materials of the farms which start the wheels of industry, and the purchasing power from the farm commodity sales which so closely relate to the production levels which may be maintained in industry.

The committee report states that the committee amendment does not change the substance of the resolution but limits its application to the 1958 crop or marketing season in the case of price supports and to the 1959 crop in the case of acreage allotments. It is stated that the amendment underlines the committee's position that this resolution is not intended as permanent or affirmative legislation, but only as a measure to hold the line against further deterioration of the agricultural economy while new legislation is being formulated and enacted. This report further states that it is the hope of the committee to bring out a general farm bill which will include improved price support and production adjustment programs for the major agricultural commodities, and that commodity subcommittees are working diligently on these problems.

The Cotton Subcommittee began hearings on new cotton legislation in the early summer of 1957 and is now working on what it believes to be the final draft of legislation, and other commodity programs are receiving similar attention. The committee regards this legislation as necessary to bridge the gap until this new legislation can become law.

To permit further reductions in acreage allotments or a reduction in price supports through inaction would be unthinkable, for the farmers have been caught in a cost-price squeeze as a result of the high cost of the farm supplies they purchase as compared with the low prices they receive for farm commodities. This condition is now bringing about a noticeable sales loss in related industries and an indirect loss in sales for other businesses.

The farmer is required to operate in an economy in which he must pay higher prices because of subsidies paid to manufacturers and shippers, the increased wage and operating costs, and the higher prices which result from tariffs. The farmer has operated in a subsidized business economy, and payments to the farmer by the Government have served only to bring the farmer a part of his fair share of income.

There has been a trend for large numbers of farmers to move to towns and cities in recent years. If we fail to pass legislation under which the farmers can remain on the farm the effect will be to add to the growing unemployment problems of our industrial areas.

The committee report reveals that the total acreage allotted to cotton for 1958—17,554,528 acres—is slightly below the total acreage allotted to cotton in 1957—17,585,463 acres.

The committee report states that this resolution proposes to prevent another half billion dollar slash in farm income, which would occur in 1958 if the reduced price-support rates announced by the Secretary of Agriculture become effective. The Committee on Agriculture has pointed out the urgency of this legislation in view of the economic situation which makes it imperative that the drop in farm income be halted—not only for the benefit of hard pressed farmers but also for the welfare of the economy as a whole. The committee has also pointed out that the Nation is in a general economic recession, that business is declining and unemployment increasing, and that our agriculture has been in a decline for 5 years.

I urge the passage of Senate Joint Resolution 162, and I hope in the meantime and before this session is over we can formulate and enact a positive program, based upon a determination to find new uses for our farm products; to recover our lost foreign markets; and to encourage local areas in their efforts to achieve a properly diversified program within these areas.

Mr. COLMER. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, it seems to me on a question of this kind we have short memories. We cannot remember that when I entered Congress a few years ago we had 15 million people milling around the eastern seaboard for something to eat. We have forgotten all about wheat at 26 cents a bushel, hogs of no value, cattle at 2 cents, except in the arid West where they were 1 cent, and the buying power of the American farmer had entirely gone.

When farmers could not buy, the merchants could not sell; and when the merchants could not sell, factories closed and men went out of jobs.

I remember when this thing started in 1920, when the Federal Reserve Board put on the squeeze on a pay-up policy. We went broke in the West in 1920, but it did not reach the East until 1932. I remember what they said: "We have fed those farmers with a silver spoon long enough; if they cannot make a go of it let them get into something else."

The result was that the depression did not hit the East until 12 years later. Twelve years after 1920 you had soup lines in Boston, Philadelphia, and all over the industrial East.

I was able to convince only one man in this Congress that the plight of the farmers was the plight of the people in the East when these soup lines were formed, and he was JOHN MCCORMACK, of Massachusetts, who did not have a farm in his district. He could see what was coming.

The same thing is repeating itself now. Since 1951, the average price of farm commodities has gone down 25 percent, and everything the farmer buys has gone up 15 percent. So where do you see you are going?

I hate to see the Democratic Party the only party in this Congress that can see any protection for farmers. Very few Republicans will speak for this resolution, very few of them.

I want to tell you I am speaking for it, and the people of North Dakota will speak for it. Secretary Benson has done damage enough without having a bunch of Representatives tagging along supporting him. The longer you trail him the less votes you will get, take it from me.

He has worked on the wrong theory. He said, "Why, the price of bread is 26 or 27 cents a loaf due to the fact that we supported wheat."

Mr. Speaker, if wheat was 50 cents a bushel bread would be the same price it is today. How many raises have you had in steel, how many raises have you had in freight rates and labor costs since that formula was adopted? Can you go back now and change the freight rates? Can you go back now and change the labor rates? Do you not think that the price is pretty well fixed on wheat? And wheat has very little to do with it.

Now, Mr. Benson should have been speaking for the farmers and not trying to stir up the consumers on a thing that is not true.

Mr. COLMER. Mr. Speaker, I yield the balance of the time to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, as chairman of your Agricultural Appropriations Subcommittee, we have concluded hearings on that appropriations bill some 30 minutes ago. The last witness who appeared before us was the Secretary of Agriculture, and I regret to announce that he told us he had not changed his mind a bit. He told us that he was going to insist from now on, so long as he is in the Department, on his present course. He made that statement after I cited figures from his own Department, submitted by his own people to our committee.

That record shows that in 5 years under his administration farm income has gone down more than $2 billion a year. In that 5 years at the Secretary's request the money paid directly out of the Treasury from the taxpayers' money to the farmers, was from $213 million the first year he came in until in 1957 he was paying out of the Treasury in direct payments in an effort to make up lost income which the farmer had lost at the market place more than $1 billion. These payments are included in the poor income figures for farmers today. Mr. Speaker, in that 5 years the money that is required for a farmer to invest in order to farm has increased from $23,000 to $27,000, approximately. In that period of 5 years the number of employees in the Department of Agriculture has increased by 17,000, and in those 5 years the cost of operating the regular activities of the Department of Agriculture has increased from approximately $728 million a year in 1952 to more than $1,660,000,000 requested in the budget for the coming year.

No; that record shows that over a 5-year period farm income has gone down, payments out of the Treasury have gone up, and the consumers' prices have risen. And, the take of the group between the farmer and the consumer has greatly increased. The farmer's share of the consumer's dollar has gone down from approximately 47 percent to 40 percent, and that whole amount has been taken up by those between the farmer and the consumer, and the consumer pays more. Now listen to this. In 20 years pre-Benson the total cost of price supports and everything connected with the Department of Agriculture was only $18,146,000,000 for 20 years. In 5 years under Secretary Benson the cost was some $11,757,000,000. In other words, in 5 years under this man, with the resulting ill effects on the farmer, in 5 years he has spent approximately 60 percent of what it cost for the 20 years preceding him.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Has not this increase the gentleman is talking about occurred while the very act was in existence which this resolution would attempt to freeze into existence?

Mr. WHITTEN. No. May I say this. I do not mean to get personal, but did any of you ever read the President's veto message of the Democratic farm bill in 1956 and read it closely? It is one of the most adroitly worded messages I ever read. The first half vetoes the farm bill, because he said it fixed high level price supports, and the President was applauded in the press around the country, but the second half fixed high level price supports, and then he got a commendation for helping agriculture, and it is in the same message. May I say to you that in the period that the Secretary has reduced price supports by approximately 20 percent farm income has gone down almost in the same proportion. May I say to you that under his administration, including the period when he has had lower price supports, contrary to what you may think, the investment in Commodity Credit Corporation stocks has increased from $2.5 billion, when he went in, to $7.2 billion. May I repeat, farm increase is down and the consumers' costs are up and the costs from the Treasury have increased and the Government investment has almost tripled. No; those of you who remember the basis for the farm program will realize this, that in view of all the protections that are in existing law that automatically will run up costs, all of them will be pushed back down on the raw material producer in the absence of price supports. There are only two ways for the farmer to get a fair price at the market place. One of them is to shrink his production to the point that you have a scarcity, which will create a market but will hurt the consumer. If you did that, the farmer's units would be so low that his income would be worse than before. The other is to fix by law, loan or purchase contracts whereby the user of his product will have to pay it in order to get it. If price supports are 60 percent or 90 percent, under either the Benson theory or the present law, the Government is going to end up with a surplus in either instance. But, the record of 5 years shows that as you reduce price supports, the farm price will have to be made up by increasing the units of production, as the farmers try to make up in volume what he lost in price, and that is shown by the record of 5 years where the investment of commodities by the Commodity Credit Corporation has grown from $2.5 billion when he went in to $7.2 billion, and that happened after we have used all means of disposing of it, selling it, giving it away, destroying it, or what not.

You cannot go along with this man's record without being convinced—in fact, he is about the only man that I can think of that his own record would not convince if you had time to study it.

Now, I am putting in the RECORD, if I have permission, Mr. Speaker, pages 55, 56, 54, 71, 65, and 66 of the agriculture hearings which we just concluded, which were placed in the record by the Department of Agriculture itself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Farm income data: United States, 1939, 1946–57

Item	Unit	1939	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957 [1]
		Total farm income												
Cash receipts from farm marketings	Million dollars	7,872	24,770	29,664	30,253	27,964	28,405	32,928	32,556	31,183	29,944	29,542	30,372	30,019
Realized gross farm income [2]	do	10,556	29,324	34,022	34,586	31,582	32,105	37,060	36,732	35,126	33,717	33,212	34,369	34,434
Production expenses	do	6,162	14,324	16,831	18,643	17,909	19,248	22,258	22,476	21,246	21,527	21,631	22,299	22,892
Realized net income of farm operators [3]	do	4,394	15,000	17,191	15,943	13,673	12,857	14,802	14,256	13,880	12,190	11,581	12,070	11,532
Total net income of farm operators [4]	do	4,439	14,923	15,458	17,686	12,866	13,716	16,111	15,120	13,263	12,684	11,852	11,600	12,121
Net income to persons on farms from farming [5]	do	5,189	16,721	17,383	19,704	14,651	15,459	18,003	17,044	15,094	14,438	13,590	13,374	13,944
Income to persons on farms from all sources [6]	do	7,689	21,021	22,283	24,804	19,851	20,789	23,603	23,144	21,004	20,298	19,890	20,074	20,244
		Number of farms and income per farm												
Number of farms	Thousands	6,441	5,926	5,871	5,803	5,722	5,648	5,535	5,421	5,308	5,201	5,067	4,964	4,857
Realized net income per farm	Million dollars	682	2,531	2,928	2,747	2,389	2,276	2,674	2,630	2,615	2,344	2,277	2,432	2,374
Total net income per farm	do	697	2,518	2,633	3,049	2,249	2,428	2,911	2,789	2,499	2,439	2,330	2,337	2,496
Net productive assets per farm [7]	Dollars	6,094	12,435	14,137	15,871	17,109	16,962	20,397	23,188	22,928	22,553	23,786	25,075	27,000
		Farm population and income per person												
Farm population	Thousands	30,840	26,483	27,124	25,903	25,954	25,058	24,160	24,283	22,670	21,890	22,158	22,257	20,396
Income per person on farms:														
From agriculture	Dollars	168	631	641	761	564	617	745	702	665	660	614	601	684
From all sources	do	249	793	822	958	765	828	977	953	930	925	898	902	993

[1] Tentative estimates. Preliminary estimates will be published in early March. Revised estimates based on more complete information will be published in July.

[2] Cash receipts from farm marketings, Government payments, value of home-produced food and fuel, and rental value of farm dwellings.

[3] Realized gross income minus production expenses.

[4] This series is total gross farm income minus production expenses. Total gross farm income is realized gross farm income plus value of change in farm inventory.

[5] Total net income of farm operators, plus farm wages of farm workers living on farms.

[6] Income to persons on farm from farming plus income to persons on farms from nonfarm sources.

[7] Value of farm real estate less value of dwellings, crops held for feed, livestock, machinery, and equipment, less 60 percent of the automobile and demand deposits used for production. Farm debt has been deducted from the value of productive assets.

The farm food market basket: Retail cost, farm value, marketing margin, and farmer's share of retail cost, 1947–57

Year and month	Retail cost [1]	Farm value [2]	Farm-retail spread	Farmer's share (percent)	Year and month	Retail cost [1]	Farm value [2]	Farm-retail spread	Farmer's share (percent)
1935–39 average	(3)	(3)	(3)	40	1956—July	$1,005	$407	$598	40
1947	$911	$467	$444	51	August	988	403	585	41
1948	982	497	485	51	September	988	402	586	41
1949	928	435	493	47	October	987	398	589	40
1947–49 average	940	466	474	50	November	981	390	591	40
1950	920	432	488	47	December	979	389	590	40
1951	1,024	497	527	49	1957—January	978	389	589	40
1952	1,034	482	552	47	February	988	380	608	38
1953	1,003	445	558	44	March	981	386	595	39
1954	986	421	565	43	April	992	395	597	40
1955	969	395	574	41	May	1,000	391	609	39
1956	972	390	582	40	June	1,014	400	614	39
1957 [4]	1,007	400	607	40	July	1,029	410	619	40
1956—January	947	369	578	39	August	1,036	419	617	40
February	942	365	577	39	September	1,026	411	615	40
March	942	373	569	40	October	1,017	401	616	39
April	951	381	570	40	November	1,011	407	604	40
May	964	395	569	41	December [4]	1,012	412	600	41
June	991	405	586	41					

[1] Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical-worker family in 1952, calculated from retail prices collected by the Bureau of Labor Statistics.
[2] Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.
[3] Comparable dollar figures not available. The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913–56 are published in Farm-Retail Spreads for Food Products, U. S. Department of Agriculture Miscellaneous Publication 741, 1957.
[4] Preliminary estimates.

Selected data relating to agriculture, United States, 1939, and 1946–57

Year	Prices received by farmers	Prices paid or parity index	Parity ratio	Farm output: Total	Farm output: Livestock and products	Farm output: Crops	Food consumption per capita	Agricultural exports	Cash receipts from farm marketings [1]	Realized net income of farm operators [1 2]	Total farm debt Jan. 1	Index farm-land values per acre Mar. 1	Food market basket [3]: Farm value	Food market basket [3]: Marketing margin
	Index numbers 1910–14=100		Percent	Index numbers 1947–49=100			1947–49=100	Millions of dollars			Billion dollars	1912–14=100	Dollars	
1939	95	123	77	80	85	82	94	655	7,872	4,394	[4] 10.0	82	[5] 172	[5] 279
1946	236	208	113	98	101	98	104	3,173	24,770	15,000	8.0	141	[5] 396	[5] 562
1947	276	240	115	95	100	93	102	3,957	29,664	17,191	8.5	157	467	444
1948	287	260	110	104	97	106	99	3,472	30,253	15,943	9.3	170	497	485
1949	250	251	100	101	103	101	99	3,578	27,864	13,673	11.4	177	435	493
1950	258	256	101	100	107	97	100	2,873	28,405	12,857	12.5	174	432	488
1951	302	282	107	103	112	99	98	4,040	32,928	14,802	13.1	200	497	527
1952	288	287	100	107	112	103	100	3,431	32,556	14,256	14.6	221	482	552
1953	258	279	92	108	114	103	101	2,847	31,183	13,880	16.1	221	445	558
1954	249	281	89	108	117	101	101	3,054	29,944	12,190	17.2	216	421	565
1955	236	281	84	112	120	105	102	3,199	29,542	11,581	17.8	224	395	574
1956	235	285	82	113	122	106	103	4,167	30,372	12,070	18.9	232	390	582
1957	242	296	82	113	121	106	102	[5] 4,500	[5] 30,019	[5] 11,532	19.5	247	400	607
									Billions of dollars					
1956: 4th quarter	234	289	81					1,332	30.9	12.6		[6] 241	393	590
1957:														
1st quarter	237	294	81					1,283	30.3	11.7		[7] 247	385	597
2d quarter	243	296	82					1,129	30.0	11.4			396	607
3d quarter	247	295	84					962	29.8	11.5		[8] 253	414	616
4th quarter	241	298	81					[5] 1,126	[5] 30.0	[5] 11.5		[6] 259	[5] 407	[5] 607

[1] Quarterly data are seasonally adjusted annual rates.
[2] Note this is net income of farm operators from farming. Net income to all persons on farms, including hired farm labor, from both farm and nonfarm sources, is a different series, estimated at $7,689,000,000 for 1939 and $19,800,000,000 for 1957.
[3] The market basket includes estimated quantities of farm food products purchased per urban wage-earner and clerical-worker family in 1952. Marketing margin equals difference between the retail cost and the farm value. Data for 1939 and 1946 not strictly comparable.
[4] As of Dec. 31.
[5] Preliminary.
[6] Nov. 1.
[7] Mar. 1.
[8] July 1.
[9] December estimated.

Source: Compiled from Agricultural Marketing Service, Agricultural Research Service, and Foreign Agricultural Service data.

Hourly earnings of factory workers and urban retail food prices, United States, 1929–57

Year	Gross hourly earnings of factory workers [1]	Hourly earnings of factory workers (1947–49=100)	Retail food prices (1947–49=100)
1929	$0.566	42.6	65.6
1930	.552	41.5	62.4
1931	.515	38.8	51.4
1932	.446	33.6	42.8
1933	.442	33.3	41.6
1934	.532	40.0	46.4
1935	.550	41.4	49.7
1936	.556	41.8	50.1
1937	.624	47.0	52.1
1938	.627	47.2	48.4
1939	.633	47.6	47.1
1940	.661	49.7	47.8
1941	.729	54.9	52.2
1942	.853	64.2	61.3
1943	.961	72.3	68.3
1944	1.019	76.7	67.4
1945	1.023	77.0	68.9
1946	1.086	81.7	79.0
1947	1.237	93.1	95.9
1948	1.350	101.6	104.1
1949	1.401	105.4	100.0
1950	1.465	110.2	101.2
1951	1.50	110.6	112.6
1952	1.67	125.7	114.6
1953	1.77	133.2	112.8
1954	1.81	136.2	112.6
1955	1.88	141.5	110.9
1956	1.98	149.0	111.7
1957 [2]	2.08	156.5	115.4

[1] Gross earnings do not include an adjustment for fringe benefits for tax deductions.
[2] Preliminary.

Agricultural Marketing Service.
Compiled from reports of Bureau of Labor Statistics.

Government payments to farmers from the Treasury, 1939 and 1946–57

[In millions]

Year	Conservation program	Sugar Act	Wool program	Soil Bank program	Other	Total
1939	$526	$28	-------	-------	[1] $209	$763
1946	285	31	-------	-------	[2] 456	772
1947	277	37	-------	-------	-------	314
1948	218	39	-------	-------	-------	257
1949	155	30	-------	-------	-------	185
1950	246	37	-------	-------	-------	283
1951	246	40	-------	-------	-------	286
1952	242	33	-------	-------	-------	275
1953	181	32	-------	-------	-------	213
1954	217	40	-------	-------	-------	257
1955	188	41	-------	-------	-------	229
1956	220	37	$54	$243	-------	554
1957 [3]	228	39	49	700	-------	1,016

[1] Price Adjustment Act of 1938, $201 million; cotton price adjustment, $8 million.
[2] Production payments: Dairy, $401 million; beef, $22 million; sheep and lambs, $33 million.
[3] Preliminary.

Farm income and productive farm assets per farm, 1940 and 1946–57

Year	Number of farms	Realized gross farm income per farm	Production expenses per farm	Realized net income per farm [1]	Value of productive farm assets per farm, Jan. 1	Realized net income per farm as percent of net value of productive farm assets [2]
	Thous.					*Pct.*
1940	6,350	$1,738	$1,063	$675	$6,094	14.9
1946	5,926	4,948	2,417	2,531	12,435	22.8
1947	5,871	5,795	2,867	2,928	14,137	23.1
1948	5,803	5,960	3,213	2,747	15,871	19.3
1949	5,722	5,519	3,130	2,389	17,109	15.8
1950	5,648	5,684	3,408	2,276	16,962	15.4
1951	5,535	6,695	4,021	2,674	20,397	14.8
1952	5,421	6,776	4,146	2,630	23,188	12.8
1953	5,308	6,618	4,003	2,615	22,928	13.1
1954	5,201	6,483	4,139	2,344	22,553	12.2
1955	5,087	6,529	4,252	2,277	28,786	11.2
1956	4,964	6,924	4,492	2,432	25,075	11.4
1957 [3]	4,857	7,087	4,713	2,374	27,000	10.4

[1] Realized net income per farm represents income within year and is the net realized return to farmer's labor, management and capital combined. For an analysis of hourly returns to farm operator and family labor, after allowing for 4.75 percent return on capital investment, see following table. Estimated return per hour to all farm labor, 1940 and 1946–57.

[2] Productive farm assets less farm debt.

[3] Preliminary.

Income of farm population

[Millions of dollars]

	1952	1955	1956	1957	1957 compared to 1952
Cash receipts (gross) from marketings:					
Livestock and products	18,299	15,879	16,250	17,134	−1,165
Crops	14,257	13,663	14,122	12,885	−1,372
Total, marketings	32,556	29,542	30,372	30,019	[1] −2,537
Government payments:					
Agriculture conservation program	242	188	220	228	
Sugar Act	33	41	37	39	
Wool Act			54	49	
Soil Bank			243	700	
Total Government payments	275	229	554	1,016	+741
Noncash income:					
Home consumption	2,266	1,704	1,716	1,614	
Rental value, farm dwellings	1,635	1,737	1,727	1,775	
Total, noncash income	3,901	3,441	3,443	3,389	−512
Realized gross income from farming	36,732	33,212	34,369	34,424	−2,308
Less: Production expenses	−22,476	−21,631	−22,299	−22,892	+416
Realized net income from farming (including cash payments)	14,256	11,581	12,070	11,532	−2,724
Net change in farm inventory	+864	+271	−470	+589	−275
Total net income from farming (including estimated value unsold commodities)	15,120	11,852	11,600	12,121	[2] −2,999
Farm wages, laborers on farms	1,924	1,738	1,774	1,823	−101
Nonfarm income	6,100	6,300	6,700	6,300	+200
Total income of farm population (including off-farm employment)	23,144	19,890	20,074	20,244	[3] −2,900

[1] Minus 8 percent.

[2] Minus 2.1 percent.

[3] Minus 12.5 percent.

Estimated return per hour to all farm labor

Year	Total realized return to all farm labor and capital [1] (1)	Allowance for capital at 4¾ percent [2] (2)	Total return to labor and management [3] (3)	Total man-hours required for agricultural production [4] (4)	Realized return per hour to all farm labor and management [5] (5)
	Millions	*Millions*	*Millions*	*Million hours*	
1929	$8,982	$2,997	$5,985	23,158	$0.258
1930	6,908	2,955	3,953	22,921	.172
1931	4,775	2,603	2,172	23,427	.093
1932	3,419	2,179	1,240	22,605	.055
1933	4,209	1,819	2,390	22,554	.106
1934	5,407	1,926	3,481	20,232	.172
1935	6,261	1,991	4,270	21,052	.203
1936	6,889	2,138	4,751	20,440	.232
1937	7,080	2,203	4,877	22,097	.221
1938	6,047	2,206	3,841	20,577	.187
1939	6,247	2,140	4,107	20,680	.199
1940	6,245	2,157	4,088	20,445	.200
1941	8,553	2,241	6,312	20,054	.315
1942	11,831	2,566	9,265	20,857	.444
1943	15,386	3,013	12,373	20,693	.598
1944	15,871	3,404	12,467	20,496	.608
1945	16,604	3,724	12,880	19,127	.673
1946	19,303	4,051	15,252	18,448	.827
1947	21,849	4,559	17,290	17,622	.981
1948	20,765	5,044	15,721	17,149	.917
1949	18,175	5,299	12,876	16,604	.775
1950	17,367	5,198	12,169	15,259	.797
1951	19,713	6,053	13,660	15,632	.874
1952	19,293	6,723	12,570	15,196	.827
1953	18,675	6,542	12,133	15,007	.808
1954	16,874	6,319	10,555	14,555	.725
1955	16,249	6,507	9,742	14,505	.672
1956	16,954	6,628	10,326	14,177	.728
1957	16,489	7,014	9,475	13,743	.689

[1] Includes realized net income of farm operators, wages to hired farm labor, farm mortgage interest, rent to nonfarm landlords and short-term interest.

[2] 4¾ percent of current value of farm real estate, inventory value of crops and livestock, inventory value of motor vehicles and machinery, excluding 60 percent of the automobile, and an allowance for working capital. This rate approximates the interest rate on farm-mortgage debt in recent years.

[3] Col. (1) minus col. (2).

[4] Labor requirements in terms of the number of man-hours required for an average adult male worker to perform the various farm jobs.

[5] Col. (3) divided by col. (4).

Source: Agricultural Marketing Service, Jan. 16, 1958.

USDA appropriations

[In millions]

	Total	Average per year
1934–53, both inclusive:		
Regular activities	$15,001.5	$750.5
Capital stock, crop insurance	100.0	5.0
Capital impairment, CCC [1]	2,633.2	131.7
Special activities	411.7	20.6
Total, 20 years	18,146.4	907.3
1954–58, both inclusive:		
Regular activities	4,952.7	990.5
Capital stock, crop insurance	13.0	2.6
Capital impairment, CCC [2]	2,817.1	563.4
Special activities (including Public Law 480)	3,974.9	795.0
Total	11,757.7	2,351.5
1954 total	1,157.2	
Net 1955–58	10,600.5	
1959 budget	3,422.9	
1954–59	15,180.6	

[1] CCC investment, Jan. 1, 1953, $2.5 billion. CCC borrowing authority, Jan. 1, 1953, $6.750 billion.

[2] CCC investment, Jan. 1, 1958, $7.2 billion. CCC borrowing authority, Jan. 1, 1958, $14.5 billion.

Mr. WHITTEN. Mr. Speaker, may I point out one thing. You know, this Secretary is one of the most adroit users of figures that I ever saw. He has said that the record for the last year shows that the per capita farm income was the highest in history. That sounds mighty nice. The total income per year is only $993 per year. Do you know what that includes? It includes the $309 a year that the farmer has been making in town. His farm income, plus the $309 a year that he has been making in town total only $993. You know, when you think of it, when you realize that the farmer is making only $309 in town in a whole year, it makes you wonder if they are not paying him mighty cheap rates even in town, because that when added to farm income totals only $993.

No. Another answer that is given by our great Secretary of Agriculture is that the answer to the question is for the small farmer to get off the farm, and that will relieve your surpluses. He agreed a few moments ago that 44 percent of our farmers produce 91 percent of our commercial production, that which goes into commercial trade. Thus, if he succeeded in getting rid of the entire number of small farmers, 56 percent of the total, he would be working on only 9 percent of the production that goes into the commercial market, and if, perchance, he could rid of the 56 percent of all the farmers, they would only join the unemployment lines in your cities. Yes, it would only add to the unemployment lines in the cities. And what would be the total result in production. This small farm, added to the larger farm, which has equipment and machinery, would result in greatly increased production and not in a reduction as he would hold out to you.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. DAWSON of Utah. If 50 percent of the farmers are producing 90 percent of the production, why should we be giving all these price supports to those who produce the 90 percent? It is the little farmer who needs the help, according to the gentleman's own argument.

Mr. WHITTEN. The gentleman comes from the same State as the Secretary, and I cannot understand their reasoning. Neither apparently understands the farm program. The price-supports program is not to give anybody anything. We live in a complex society where, if

you do not give protection in law in view of other laws, the cost of all of other laws will be passed back on to the producer, which will push him right down into the situation that caused the depression in the thirties.

We have tried to tell the Secretary of Agriculture and my friends on my left, you cannot let farm income go down for 5 straight years without its being felt in your cities, and you see it there now.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Has the gentleman ever heard the Secretary say anything against high price supports on sugar or wool?

Mr. WHITTEN. No; I have not. And I have not heard any of his colleagues from his area say anything against that, either.

The SPEAKER. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, Senate Joint Resolution 162, with Mr. ENGLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time to say to the House that our Committee on Agriculture, working through subcommittees, has been constantly busy since Congress convened early in January. We have 17 subcommittees. Each of those subcommittees has been dealing with separate and distinct problems affecting the welfare of our farmers. This joint resolution is here as a hold-the-line or stopgap measure to prevent the farmer's sliding further toward bankruptcy, until our committee can bring out overall farm legislation.

I do not think it is unreasonable for us to ask this House to accept Mr. Benson's decisions of 1957. He fixed these price supports within the authority of his own discretion. If these prices were satisfactory to him in 1957, why should they not be satisfactory to him in 1958? That is exactly the question you have to decide.

I shall not trespass longer upon your patience. I shall yield time to the several chairmen of our subcommittees. We have a committee on wheat, one on livestock and feed grains, one on rice, and others on other commodities. I shall at this time yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT], who is the distinguished chairman of our subcommittee which deals with the problems of wheat farmers.

Mr. ALBERT. Mr. Chairman, Senate Joint Resolution 162 does two things: First, it freezes the support prices at the 1957 level on 1958 crops and, secondly, it provides that there shall be no reductions in acreage allotments in 1958.

So far as wheat is concerned, the second provision of this bill will have little bearing. The national wheat acreage allotment of 55 million acres is the minimum allotment under the law, and that minimum has been in effect for several years. It will be in effect next year either under present law or under this resolution. So far as price supports are concerned, this joint resolution is of tremendous importance to the wheat farmers of America. In 1957 wheat was supported at 79 percent of parity, approximately $2 per bushel across the Nation. Under the present program of the Department of Agriculture this year's wheat crop will be supported at 75 percent of parity or approximately $1.78 a bushel across the Nation.

The most recent estimate of the 1958 wheat crop is only 2 days old. It was published by the Department of Agriculture in its Crop Production Report on March 18. The estimate for this year's crop is 1,077 million bushels of wheat. On the basis of this estimate, this joint resolution will mean $227 million to the wheat farmers of America. The difference of nearly a quarter of a billion dollars is not an imaginary difference. The price of wheat over the years has lagged slightly behind the support price. There is no question, based upon the experience of many, many years, that if this bill is passed, wheat will be marketed during this marketing year at less than $1.78 a bushel.

The additional one-quarter of a billion dollars of purchasing power going to the wheat farmers of America under this bill will be of enormous benefit to our entire economy. The wheat farmers are consumers of many types of industrial and manufactured goods. Prosperity in the Wheat Belt and for that matter, throughout the Farm Belt, is reflected in the general economy of the country as has been said by many gentlemen repeatedly this morning. For several weeks now, both the Congress and the administration have been concerning themselves with the current recession. There can be no doubt but that the long years of declining farm prices have contributed materially to the current recession. There can be no question but that the ever decreasing purchasing power of the farmers of this country has manifested itself in the lengthening rolls of the unemployed. Every year since 1952, farm income has gone down while interest income and income from dividends and corporation profits have gone up and up and up. In 1956 net farm income was $11.6 billion. In the same year, Mr. Chairman, income from dividends was $11.9 billion. In 1956, for the first time in the history of this country, income from dividends exceeded net income from the farms of this country. For the first time in the history of this country, the coupon clippers made more money than the farmers. Every year from 1952 to 1956, farm income went down and income from interest and dividends went up. The present recession is farm bred and farm fed.

Every year net farm income has become less and less while consumer costs for farm products have become more and more. Studies by the Committee on Agriculture, based on figures furnished by the Department of Agriculture, show that in January 1948 the farm price of wheat reached a peak of $2.81 a bushel, and the average price of a 1 pound loaf of bread at that time was only 13.8 cents. In 1955, the farm price of wheat had dropped to $2.14 a bushel, yet the average price of a loaf of bread had increased to 17½ cents. Thus, while the price of wheat declined 24 percent, the price of bread advanced 27 percent. In 1952, wheat was supported at 90 percent of parity or $2.20 a bushel and the average price of a loaf of bread was 16 cents. In 1957, with wheat at $2 a bushel, the average price of a loaf of bread was 18.8 cents. For the wheat in an 18.8-cent loaf of bread, the farmer gets somewhere between 2½ cents and 3 cents.

Not simply in the interest of the farmers of this country, Mr. Chairman, but in the interest of the overall economy of our people, this bill like the housing bill which we passed yesterday should be passed without a dissenting vote.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. MORANO. Is it not true that this bill would freeze the price of bread to an unemployed worker in the State of Connecticut?

Mr. ALBERT. I will say to my good friend that this bill will have no more to do with the price of bread than it will with the flowers that bloom in the spring.

Mr. HILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is quite interesting to have the opportunity for the first time to be the ranking member of the Committee on Agriculture as we consider this freeze legislation. As far as I am concerned this resolution we are now considering seems very radical and, shall I say, to present an impossible proposition that the Committee on Agriculture has not considered 1 single minute. It is directly contrary to the recommendations the President made to us on January 16, 1958. The President's message recommended a wider range, and I am sure all of us, if we were to talk as we really feel, would recommend a wider range; otherwise we are going to freeze farm prices and make it impossible for the farmer to make a cent of profit. Also, it will cause unnecessary future accumulation of surpluses.

Just a word here to corn producers. There is not a single word in this resolution about the acreage of grain sorghums. The Members from Oklahoma

especially know that in that great State there has been developed a grain sorghum that will produce at least 20 to 40 percent more per acre than any type or kind of grain sorghum before planted. In other words, the progress has been tremendous, and this freeze legislation poses a problem to the corn farmers of the United States. That is why I was so anxious to see our committee put an end in time on this resolution. It came over to us open-ended; in other words, it could go on indefinitely. It would set aside provisions of law by ignoring the effect of transitional parity. No one has talked longer or louder than my friends on my right, especially the cotton people, for some type and kind of price control that would slide up and down as the market absolutely demands it shall do, if we are to continue to have a free market.

There is no other product in these United States, in my opinion, that needs more attention than cotton. It appears to me that I shall live to see the day of the destruction of the cotton industry, and I do not like it. There is not a single piece of cotton legislation on the books that Secretary Benson had to carry out or administer that has not been adopted, carried out, and developed by the people and the Congressmen who come from the land of cotton; in other words, it is their program, and in the committee we are listening to Congressmen who say they will go along with this 1-year freeze. It is much better than it was.

Mr. Chairman, during the debate in the other body on this resolution one of the Members made the following statement which I quote from page 4224 of the CONGRESSIONAL RECORD of March 13:

> Mr. HOLLAND. Mr. President, it saddens me to see the Senate, which is generally a deliberative body, approach the enactment of so revolutionary a law as is proposed by the pending joint resolution without hearings, without a record, without giving a chance to farm organizations to be heard, without giving a chance to the Department of Agriculture to be heard, without giving anyone else a chance to know what is included in the joint resolution, which was introduced only a few days ago.

Mr. Chairman, every word of that statement applies to this same resolution as we consider it today. Our committee held no hearings, heard no witnesses, and reported this resolution with little or no consideration.

WINTER WHEAT

Mr. Chairman, no matter how well-intentioned the sponsors of this legislation might be, it is, in my opinion, hasty and unwise. To freeze price supports and acreage controls at the 1957 levels at this time will create as many problems as it attempts to solve. Might I draw attention for a moment to one problem that directly affects the great Winter Wheat Belt of the Plains States? According to USDA figures, some 3,900,000 acres of winter wheat land was put into the Soil Bank for 1958. These acres were taken out of production by farmers who balanced their normal acreage against a price of $1.78 per bushel for wheat, the announced price-support level for 1958 harvest. How many of them would have done so had they known that the level would be frozen at $2 per bushel—the level this resolution would establish? By this resolution we are changing the rules near the middle of the crop year for one of our major crops, winter wheat.

PARITY

Mr. Chairman, one facet of this resolution that I would call to the attention of the House is the approach that seeks to freeze supports not at a parity level but on the basis of dollars and cents. For years support prices have been set not in terms of dollars and cents for crops, but in terms of support levels based on the percentage of parity determined in accordance with the existing law. A freeze of supports in terms of dollars and cents can, if allowed to remain in effect, completely destroy the concept of parity.

In an era of constantly changing prices of the things that determine parity, a rigid formula of dollar-and-cents support prices cannot and will not take into consideration any shift in the value a given parity level for any given crop would mean to that crop. For example, a parity level of 75 percent in 1949 for wheat would mean a smaller support price per bushel than the same parity level of 75 percent would mean in support price in 1958. Seventy-five percent of parity in 1949 would have meant a dollar-and-cents support price of $1.61 per bushel while the same 75 percent support level in 1958 results in a price of $1.78 per bushel. No one can predict what level of parity $2 per bushel wheat will reach in 1959 or any future year. This basic change in approach to the long used parity concept is being made without a minute's hearing or an hour's study by the Committee on Agriculture.

Only 19 crops, plus dairy products, are being supported—out of 250 commodities that farmers produce.

More than four-fifths—82.2 percent—of our costs for price stabilization in fiscal 1956 and 1957 were for 4 commodities. Wheat and cotton alone accounted for more than 48 percent of the total cost of our price-stabilization programs.

The fact is that since 1940 the per acre yield of corn has risen 56 percent, wheat 40 percent, cotton 67 percent. Last year's yields of all major crops averaged 27 percent above the 1947–49 level. To control crops effectively so as to maintain price at 90 percent of parity would mean setting allotments impossibly low. Congress would never vote such controls. No Secretary of Agriculture could effectively enforce them. And American farmers just would not stand for such regimentation.

Mr. Chairman, to adopt this resolution is to change the rules in the middle of the game. A game that means bread and butter, clothing and shelter, the very livelihood of millions of farmers. Yet we are asked to make that change without any study. If this Congress is to make the changes that would correct the present situation in agriculture let us make them without delay. If this resolution is adopted there could well be no sense of urgency to pass corrective legislation. I venture to predict that if this politically inspired legislation is adopted, our job to consider and pass legislation within the Committee on Agriculture will be more difficult than it now is. The progress we have been making on a general farm bill would come to a halt and surely nothing would be gained by this kind of an approach. Let us face the issue and strive with our best efforts to present to this House farm legislation based on reason, sound thinking, and that is economically correct, workable, and worth while.

Index of prices paid by farmers—Real difficulties of the farmers

[1910–14=100]

Item	Average, 1947–49	Jan. 15, 1958	Change
Motor supplies	140	172	Up 23 percent.
Motor vehicles	290	421	Up 45 percent.
Farm machinery	239	358	Up 50 percent.
Farm supplies	235	292	Up 24 percent.
Building and fencing	296	391	Up 32 percent.
Fertilizer	143	152	Up 6 percent.
Average above 6 items	221	299	Up 35 percent.
Prices paid, commodities and services, interest, taxes, and wage rates	250	301	Up 20 percent.

Average prices received by farmers for farm products—United States, Jan. 15, 1958, and average 1951 compared with income parity-equivalent prices

Commodity	Actual prices		
	Average, 1951	Jan. 15, 1958	Change
Wheat	$2.11	$1.90	Down 10 percent.
Corn	1.66	.931	Down 44 percent.
Barley	1.26	.855	Down 32 percent.
Hay, all baled	25.60	19.00	Down 26 percent.
Beans, dry edible	7.91	7.03	Down 11 percent.
All milk, wholesale	4.58	4.13	Down 10 percent.

NOTE.—Freight rates not given but increase should be kept in mind, nearly 75 percent.

Due, in large part, to the fact that the Government imposes no controls on the raising and marketing of livestock, Colorado farmers and ranchers are in an enviable position. This illustrates again that it is the so-called controlled crops which are in the greatest continuing trouble.

Ranchers and farmers in Colorado had more improvement in realized net income per farm from 1956 to 1957 than those in any other State. The increase was 52 percent. Realized net income in Colorado per farm was $1,838 in 1956 and this rose to $2,794 in 1957.

Cash receipts from sale of cattle, wheat, dry field beans, sweetpotatoes, and sugar beets were all greater in 1957 than in 1956. This was only partially canceled out by the rise in production expenses resulting chiefly from higher expenditures for livestock and hired labor.

Inventories of hay, wheat, and corn carried over on Colorado farms and ranches at the end of the year also increased substantially, bringing the total net income per farm in 1957 to $3,536—almost double the 1956 figure of $1,777.

The decline in number of farms from 1956 to 1957 was smaller percentage-

wise in Colorado than the national average.

[From Longmont (Colo.) Times-Call of March 10, 1958]

COLORADO FARMERS' NET INCOMES LEAD UNITED STATES IN PERCENT INCREASE

WASHINGTON.—Farmers' net income last year increased in 6 Rocky Mountain States and decreased in 2, according to the Agriculture Department.

The mountain area increases over 1956 were among the largest in the Nation, which as a whole suffered a drop in receipts plus an upswing in production expenses.

United States Department of Agriculture's report on the farm income situation said Colorado farmers' net incomes in 1957 soared 52 percent over those in 1956—the biggest percentage increase in the country.

Other reported increases, by percentage, were: Wyoming 24, Nevada 18, Montana 12, Utah 10, and New Mexico 2. Arizona farm income was down 4 percent, Idaho down 6 percent.

The report had these comments on the situation in Colorado: "Cash receipts from cattle, wheat, dry field beans, sweetpotatoes, and sugar beets were up. Higher expenditures for livestock and hired labor contributed to the rise in production expenses. Increases in inventories of hay, wheat, and corn were substantial, resulting in a level of total net income per farm about twice that of 1956."

The family farm has been, is now and always will be, the backbone of American agriculture—operated by the most efficient farmers in all the world.

The size of the family farm is changing, but fortunately for America, there is no weakening of its moral or economic foundations. Today, some 96 percent of our agricultural units are family farms—the same percentage as 30 years ago. And the family farm of today—like the family farm of yesterday and tomorrow—simply means a farm on which most of the labor, capital, and management are supplied by the farmer and his family.

Income per person on farms last year was highest on record—up 2 percent over 1951, the previous high year.

Farm assets are at an alltime high—$188 billion as of January 1, 1958.

Farmers have less than $11 in debts for each $100 of assets. In 1940 the ratio was $19 for each $100.

Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high. Only 1 in 3 farms has a mortgage.

The postwar downtrend in prices, which started in 1951, has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same as 30 years ago.

The level of living on farms is highest in history.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

The inventory value of livestock on farms for January 1, 1958, is $14.2 billion—higher by $3 billion than a year ago.

The spiraling inflation of the war years has been almost halted. During the period from 1939 to 1952 the index of prices paid by farmers, including interest, taxes, and wage rates, increased more than 100 percent. From January 1953, when this administration took office, to January 1958, this index rose only 6 percent.

Income from livestock—about 55 percent of all farm income—now in good economic position.

PEOPLE LEAVE THE FARM

Farm population, which totaled 32,161,000 in 1935, dropped to 25,295,000 by 1945, for a 10-year decline of nearly 7 million persons under Roosevelt. Under Truman, farm population moved up to 27,124,000 by 1947 when another sharp downward trend got underway. Approximately 4.5 million farm people left the land during the last 5 years of Truman. By early 1953, when the Eisenhower administration took office, farm population had dropped to 22,679,000.

Farm population in 1957 was 20,400,000, a decline of about 2.3 million during the first 4 years of the Eisenhower administration.

Despite the longtime trend toward fewer and larger farms, the proportion of units classed as family farms is the same as it was 30 years ago.

Mr. CUNNINGHAM of Iowa. In Iowa last year there was a tremendous amount of wet corn produced. The price depressed. My question is, What effect would this resolution have on the price of wet corn?

Mr. HILL. The gentleman knows he has no business producing wet corn, but he could not stop it either. It will have no effect on wet corn, except every farmer who wants to grow corn is "frozen" in where he was last year.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. DIXON. These farmers who signed up in the Soil Bank in good faith to cooperate with the program understood they would get only $1.78?

Mr. HILL. That is correct.

Mr. DIXON. If this bill passes, those who did not go in, who did not go along with the program, will get $2.

Mr. HILL. Of course, you are asking a difficult question there. That is wheat in the ground. I think he would be entitled to $2; he should be, anyway. According to one of the speakers awhile ago, if the Secretary could euchre him out of it, he would not give him a dime. But, I do not believe that.

Mr. DIXON. Then he would be handicapped and treated unfairly if this goes through.

Mr. HILL. Those that put their land into wheat will get their $2, but the man, the wheatgrower, who tries to cut down wheat acreage and help the wheat farmer is penalized.

Mr. DIXON. Is there any way that that unfair treatment could be corrected at this time?

Mr. HILL. That is outside of what I wish to say.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Illinois.

Mr. ARENDS. I would like to ask the gentleman's interpretation as to what the Secretary can do under the present formula, whether or not he can lower or increase price supports.

Mr. HILL. Well, he cannot under this bill, under what you are proposing today. If the President signs this bill, the price will be frozen.

Mr. ARENDS. What I want to know, under the formula of the present law, does not the Secretary have to go up or down under certain criteria?

Mr. HILL. Yes.

Mr. ARENDS. That is the law?

Mr. HILL. Yes.

Mr. ARENDS. Could I ask the chairman of the committee if that is his interpretation of it?

Mr. HILL. That is the understanding that we all have on what we term as a sliding scale for price supports.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. The purpose of this resolution is to prevent the Secretary from further lowering price supports; in other words, under this resolution he can increase price supports, but he cannot lower them below the 1957 level.

Mr. ARENDS. I understand that, but I mean prior to the enactment of this proposal today, is the Secretary required by law to lower or raise the price under a certain formula? Does he have an alternative?

Mr. COOLEY. He is never required, but he must be guided by certain requirements of the law.

Mr. ARENDS. Then you mean that he has no choice in the matter?

Mr. COOLEY. No; he does not have to lower price supports.

Mr. ARENDS. He does not have to abide by what you said was the law; he can either increase or lower?

Mr. COOLEY. He can fix the price between 75 and 90 percent of parity.

Mr. ARENDS. But he does not have to by law raise or lower supports according to a formula?

Mr. COOLEY. He is required to make certain findings, and he is very flexible in making his findings to suit himself.

Mr. HILL. Mr. Chairman, I would like to hear this discussion so that I could be informed, but I want to go ahead with my remarks.

Mr. BUDGE. Mr. Chairman, will the gentleman yield briefly?

Mr. HILL. Just briefly.

Mr. BUDGE. It so happens that in my State the two farm commodities which are yielding the greatest return to the farmer are beef cattle and potatoes, neither of which is under support. I would like to ask the gentleman whether

he feels that the passage of this resolution would tend to place the Government further in the agricultural picture or whether it would tend to remove the Government from the agricultural picture.

Mr. HILL. Well, I will be glad to answer that, and then I would like to finish my statement. However, potatoes are selling extremely high and certainly are not supported—just another indication that all supported crops are not as high as potatoes or livestock.

Here is the difficulty you get into when you freeze. I think every Member of this House is interested in this matter, and we are all striving for the same purpose. Now, every one of us knows that the farmer is in a price squeeze, and we are all willing to work out a program, but when you come up to a situation where you say you are willing to freeze a certain product, I want more farm products in the proper proportion than we have them today if you are going to freeze them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman.

Mr. COOLEY. The gentleman seems to be so opposed to freezing price supports for 1 year. But the gentleman was very much in favor of freezing wheat acreage at 55 million acres and but for the fact that acreage had been frozen, you would now have 23 million acres instead of 55 million acres.

Mr. HILL. You had the Secretary of Agriculture when I voted for that bill because before I voted for it we were increasing wheat acreage in Colorado.

Mr. COOLEY. But it is a fact that your wheat acreage is now frozen at 55 million acres and all we are trying to do for cotton is to freeze acreage at the same level it was in 1957.

Mr. HILL. You really would have it for 2 years, if you counted this year, would you not?

Mr. COOLEY. No. The acreage is all fixed for 1958. We are just trying to freeze the total acreage for 1 year, 1959; that is all. In the meantime, we will work out some program.

Mr. HILL. I think that is the best part of our whole statement, including the chairman's, that we have on our desk in the House and in our subcommittees a plan to work out our difficulties by bringing to this House an agricultural bill.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman.

Mr. BENTLEY. Mr. Chairman, I would like to ask the gentleman from Colorado how he would regard a vote either for or against Senate Joint Resolution 162—that is, which would be the furthest step in the right direction toward getting the Government completely out of agriculture?

Mr. HILL. Of course, the gentleman makes a radical statement. I would not vote to take all the controls off because the farmer is at our mercy. This Congress has passed all these, shall I say, intricate and difficult regulations and rules in cotton, tobacco, peanuts, rice, and what have you. Now, it would not be even reasonable to wipe them off at one fell swoop.

Mr. BENTLEY. Assuming the gentleman did want to sweep them off, which way would he counsel gentlemen to vote?

Mr. HILL. I would not vote to take them off, of course not.

Mr. BENTLEY. Which way would the gentleman vote, for or against the resolution?

Mr. HILL. I am against the resolution from first to last.

Mr. BENTLEY. If the gentleman wanted to take the Government completely out of the farm business, which would be the best way?

Mr. HILL. Against the resolution.

Mr. BENTLEY. Against the resolution?

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Connecticut.

Mr. MORANO. I ask the distinguished gentleman from Colorado, What is the effect of this freeze resolution on the consumer, in the consumer area?

Mr. HILL. I answered the gentleman a while ago. Whatever we do for the farmer, we will probably do nothing for the consumer.

Mr. MORANO. As I understand the gentleman's argument, this resolution does nothing for the farmer. Is that right?

Mr. HILL. I did not mean to leave that impression. I thought I told you it was going to do a lot of evil for him.

Mr. MORANO. The only conclusion is that it will do a lot of evil to the farmer and so do a lot of evil for the consumer, too?

Mr. DEROUNIAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Chairman, I am opposed to Senate Joint Resolution 162, to stay any reduction in support prices or acreage allotments.

Many of those favoring this resolution have said its passage will help the small farmer. Let us see who has been helped.

For cotton, 1954 crop, the Federal Government paid $1,292,472.25 to the Delta & Pine Land Co., of Scott, Miss. For the 1955 crop, $769,377.43 to J. G. Adams & Son, of Hughes, Ark.; $455,650.67 to Lawerence Bros., of Driver, Ark.; $395,090.11 to Tillar & Co., of Tillar, Ark.; $971,627.23 to Chandler Co., of Fort Stockton, Tex.; $667,092.95 to Lowe Bros., of Midland, Tex.; $571,928.98 to Ivey & McKinney Farms, of Pecos, Tex. For the 1956 crop an increase in this year totaling $1,446,605.67 to the Delta & Pine Land Co., of Scott, Miss.; $504,471.20 to Leo A. Fisher, of Parma, Mo.; $360,979.07 to C. & L. Ranch, of El Paso, Tex.

For rice, the 1955 crop, $830,662.80 was paid to the South Texas Rice Farms, of Rosharon, Tex. For the 1956 crop, $353,332.86 was paid to the Louisiana Rice Growers, Inc., of Crowley, La.; and $294,868.21 to George Smith and tenants, of De Witt, Ark.

And just to be sure no one is left out, one of the payees in 1957 was—of all things—the Mississippi State Penitentiary at Parchman, Miss., which received $71,000 for reserve acres of cotton.

This is just a sampling of those giant farms receiving astronomical sums from the Federal Government.

Now, when is this gravy train for the big farmer, who is so vocal in his legislative demands, going to stop?

Is it not about time the consumer was given some consideration?

I hope the resolution will be defeated and Secretary Benson's farm program, to benefit all the people of the United States, will be allowed to continue.

Mr. BASS of New Hampshire. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. BASS of New Hampshire. Mr. Chairman, I rise in opposition to Senate Joint Resolution 162, to freeze farm price supports and acreage allotments for 1 year at or above 1957 levels. I oppose this measure because it continues and broadens a program of rigid farm price supports, which, since World War II, has proven a tragic and costly failure.

By extending a policy of high price supports—and this program would place mandatory supports on nine new commodities—we are assured for at least 1 more year of a program of soaring farm production, bigger Government-owned surpluses, more costly surplus disposal programs, and pricing our farm products out of the domestic and international markets. Passing this resolution will not solve our farm problem, but only delay the day when the Congress must face facts and get the Government out of the farm business.

There are three questions we should ask ourselves about this resolution:

First, whom does it help? It doesn't help anyone. It won't help the consumer, who will pay higher costs for food.

It certainly won't help workers, who are unemployed or working reduced hours when they have to pay more to eat with their dwindling resources.

It will not help the taxpayer, who will have to carry an additional tax burden to pay the increased farm support costs this resolution will add.

It will not really help the farmer. Rigid price supports destroy farm markets, place greater governmental control over agriculture, depress prices by piling up additional staggering surpluses, and create inefficient and uneconomic farming operations. Rigid high price supports will certainly give very little help to the small farmer, because small farmers and those with low incomes produce only 10 percent of the farm products marketed.

Secondly, we should ask ourselves: Is this truly a temporary program? The supporters of this resolution tell us this measure will last but 1 year. I only remind the House the original price-support program was temporary, and, un-

fortunately, it is still with us, some 16 years later, compounding the problems of farmers and consumers at an ever greater cost. Every temporary Government program I know of always becomes permanent.

And, finally, will this legislation help combat the current recession? Any serious student of the operation of high price supports knows it would have just the reverse effect. To freeze for any period of time any segment of our economy and to destroy its flexibility to react to changing conditions, particularly in a time of recession, would be very damaging to the agricultural economy of this country. And, let us not forget the taxpayers, who in time of recession, with many on reduced incomes, will be asked to put up a greater percentage of their tax money to support farm price supports. And, let us not forget the consumer, who will be required to pay artificially higher prices for food, which these supports inevitably bring.

I urge the House to reject this resolution and the Committee on Agriculture to begin serious consideration and action on a new approach—a positive program designed to solve the farm problem. This new approach, I suggest, should have as its basis the bipartisan recommendations of the Subcommittee on Agricultural Policy to the Joint Economic Committee, published February 10, 1958.

Mr. DAWSON of Utah. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DAWSON of Utah. Mr. Chairman, for the past 12 months I have heard many Members of this House tell about how badly our farmers are doing. They have said that the farmer was worse off in 1957 than in previous years. I had hoped—in view of their concern—that they would propose a legislative solution.

What have they done instead? They have presented a bill to keep the 1957 program in effect. They tell us at every opportunity that in 1957 the farmer's lot was harder than ever. By urging us to support this legislation, they are in effect urging us to keep a program they have labeled ineffective.

What would this bill do?

Well, it will further destroy the farmers' markets. It will pile up additional surpluses which even now cost the taxpayers $1 million per day to store. It would greatly increase the cost of other farm programs, a cost already too burdensome. It gives great rewards to the prosperous farmer who needs no help and it gives only token aid to farmers who do need assistance.

Mr. Chairman, one of this bill's major defects is its unfairness. The bill if passed and signed by the President penalizes those who have done the most to cooperate with the Government in the reduction of surpluses. I refer to the winter wheat farmers who already have signed up to participate in the 1958 Soil Bank. These farmers came to that decision based upon a $1.78 per bushel announced support price payment. On this basis they decided to participate in the Soil Bank. Now supporters of this legislation are asking us to change the rules. This measure would increase the support level to $2 per bushel. But it is too late for those who entered the Soil Bank to change their minds. What could be more unfair than that?

President Eisenhower through Secretary Benson has put forward a program that will really help the farmer. This program will take him out of the Government straitjacket and expand his markets both here and abroad. It also provides special help directed to the small farmer who needs it. That is the program we should be debating today.

Instead, we are asked to continue the status quo and we are asked to do this by those who are the greatest critics of the present farm situation. Some farmers were sick during 1957. A continuation of the same program can only make them sicker.

Certainly, the farmer now will know who to blame if his economic situation does not improve. He knows that this is not Secretary Benson's program and he also knows that firing Secretary Benson does not raise the price of wheat or lower the price of tractors one iota.

This measure should be overwhelmingly defeated.

Mr HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it is with reluctance that I must oppose Senate Joint Resolution 162, for agriculture surely needs help and time is running out for the dairyman especially. Last year, we witnessed the unfortunate exhibition of the various segments of agriculture engaged in hara-kiri on the floor of this House. Members from nonfarm districts said in essence "a curse on both your houses" and joined in scuttling much needed legislation.

When we returned less than 90 days ago for the second session, there seemed to be a different spirit prevailing, a willingness to forgo recrimination and work together for the betterment of the farmer. Much progress has been made along constructive lines. There was an agreement within the committee that we would work for an omnibus bill which we would take to the floor of the House and support with unanimity.

Now, what has happened? Suddenly without any hearings and in a complete breach of faith we have this so-called quick-freeze bill before us. About the only valid argument offered for its serious consideration has been the urgency of the dairy price support deadline of April 1.

Now I am sympathetic with the plight of the dairymen but believe in this instance they are being "used". I suggested to the leadership on our committee on both sides that if they thought we could not get an omnibus bill out before the April 1 deadline, then we could give a 30 or 60 days' extension to this expiration date and by that time could reasonably expect to have the omnibus bill ready for the President's signature.

About everyone agrees that the proper consideration of and action on a long-range constructive program for agriculture is overdue. For too long, we have been cobbling along with inadequate and outmoded devices that suit not the producer or the consumer. A quick freeze gimmick such as Senate Joint Resolution 162 will not ever become a law in my judgment but it is going to further strain the tolerance of our colleagues and alienate them from fair consideration of good proposals when offered.

My policy has been and will continue to that of willingness to work on a constructive basis with all who are interested; I cannot vote my approval for a proposal which will ultimately do much more harm than good even if we were to concede that it would become a law.

In conclusion, it has also been my belief that each segment of our farm economy should have the right within reasonable bounds to determine the kind of a program it believes best suited to its own needs—for example, if the dairymen want a self-help type of program and can agree on one, I would be willing to help them get it. We of the Corn Belt are stuck with a wholly unrealistic program which we wish to repeal; we want to inaugurate a whole new approach, and if the livestock industry is to be salvaged it must be done. We have such a proposal almost ready to present but along comes this gimmick which will continue our present program and preclude enactment of the proper one. This is a gloomy day for those of us who are really devoted to the well-being of agriculture.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ABERNETHY], chairman of the Dairy Subcommittee.

Mr. ABERNETHY. Mr. Chairman and members of the Committee, since the distinguished ranking minority member of our committee, the gentleman from Colorado [Mr. HILL], made mention of the fact that this was his first appearance here in ascending to that capacity, I would like to say, Mr. Chairman, that since I became a member of the Committee on Agriculture, it has been my pleasure to serve with 3 such ranking members from the Republican side. The immediate predecessor of the gentleman from Colorado [Mr. HILL], was our late colleague, August H. Andresen. We all know he left a very fine record in the House of Representatives, particularly for his efforts in behalf of the dairy farmers. He rendered most valuable service which will long be remembered. Immediately preceding him was the lovable Cliff Hope who after a long and successful career in the Congress retired to his home in Garden City, Kans. The honor and distinction of holding this important position has now descended to our friend from Colorado.

I have said it privately and I would like to now say for the record that a finer man never served on our committee than BILL HILL. He has rendered excellent service to agriculture and to the Nation as a whole. It is a genuine pleasure to serve with a man of his

character and ability and I am confident that as the leader of the minority members of the committee he will make a great contribution to the Nation's farmers.

He has already made a great contribution in building a better spirit of cooperation in our committee. I believe the committee is going to render a real service to agriculture this year.

Now, Mr. Chairman, I would not want our colleague to think that because I am saying these nice things about the gentleman from Colorado [Mr. HILL] that I agree with his position on this bill. I do not, however, question his sincerity.

Agriculture is in a very serious condition; it is in a declining economy and has been for 6 or 7 years. It is a seriously declining economy and there just seems to be no end to it. Not only is agriculture in that condition, but the whole country now seems to be plagued with such. As a result of that situation numerous programs have been recommended to the Congress by the President and by the Democratic leaders of the Congress in order to firm up business and industry and the country in general. However, until now, not a single recommendation has been submitted from either the executive or the legislative branch of our Government to do anything to check the decline in agriculture except the bill now before us. I do not believe that the Congress is going to leave agriculture untreated and in such a perilous condition while we express alarm and consider curative measures for all other segments of the Nation's economy.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. DIXON. Does the gentleman not recall the extension of Public Law 480?

Mr. ABERNETHY. Yes, I agree with the gentleman that we have Public Law 480, but it is nothing new and was not offered as a means of checking the current loss of farm income.

Mr. DIXON. Also——

Mr. ABERNETHY. Now, I cannot yield further; I have only 5 minutes.

I agree with the gentleman that we have given Mr. Benson Public Law 480. We have also given him everything else he has sought, reluctantly in some instances and without my vote in others. But the facts are that he has over his long period of service as Secretary of Agriculture received everything he has sought to carry out the campaign promise of his party to give farmers parity at the market place. His recommendations have not fulfilled the promise. Neither has his service. Until now, it has been an utter failure. There is one thing he has not been given. It is his most recent request to permit him to drop price supports to 60 percent of parity and make him lord and master over the destinies of all farmers. I do not believe the Congress will ever yield him or any other man such broad power and authority. The most conservative of the farmer organizations and the one which has supported him the most, the American Farm Bureau, is opposed to giving him that power. He stands alone and without support on this request.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to my distinguished chairman.

Mr. COOLEY. We have not yet extended Public Law 480; it has been pending before our committee and it will be considered very shortly.

Mr. DIXON. That was proposed by the President; also our utilization research measure.

Mr. ABERNETHY. There is nothing new about either of these proposals. They are old stuff. Farmers are in an extreme emergency now and I repeat that the administration has come forward with pump-priming programs for everything except agriculture. So far as the administration is concerned the declining farm income, the agricultural depression, stands unnoticed by the leaders of this administration.

Mr. DIXON. Also——

Mr. ABERNETHY. I cannot yield further. The gentleman is a very fine Member of this House and I would not want to be rude to him, but I cannot yield further.

We do not bring this bill to you as a cure-all of agriculture's ills. But we do say that we must hold the line, maintain the status quo and not permit a further decline. That is what our bill will do. We are only asking that you take the Secretary's program, his own price support levels, his own acreage allotments as applicable to the last crops and make them applicable to the next crops for the next year only.

If this bill is not passed, what will it mean? It means that agriculture must suffer a further decline, a further bleeding of its already limp body. It does not require Mr. Benson to raise prices over last year, not a dime; but it does say to him that he must peg prices and acreages at levels at least equal to the last pegging. It does not freeze either acreages or prices. The character of flexibility is left in the law, with current supports and acreages being fixed as the floor.

By the enactment of this bill we will be saying that we are not going to permit our farmers to have to take less this year than they took last year; that is all there is to it. It is just that simple. The objective is reasonable.

My assignment in this matter as chairman of the Dairy Subcommittee was to see to it that the dairy farmer did not have to take less this year than he took last year; that is all. There were 25 or 30 bills introduced and referred to my subcommittee which would either freeze or raise dairy price supports. Many of them were introduced by Republican Members, one by the gentleman from Michigan [Mr. BENTLEY], as I recall, who indicated a moment ago that he was against the pending bill which carries out his objective. All those bills provided that the farmers should not have to take less than they took last year. I believe the gentleman's bill provided that they should receive a little more, did it not?

Mr. BENTLEY. I appeared before the committee and testified in support of the legislation but I did not personally introduce a bill.

Mr. ABERNETHY. Oh, all right. Then I stand corrected. But the gentlemen did seek time before the committee, made an appearance and testified in support of bills which would raise milk support from the current rate of $3.25 per hundred to $3.50 per hundred.

Mr. BENTLEY. I did not.

Mr. ABERNETHY. Well, the gentlemen has just said that he testified in support of the legislation so, to say the least, he favored the idea of holding the line and preventing Mr. Benson from breaking the price on April 1 under the current rate of $3.25. So, the pending bill is exactly in keeping with his position before our subcommittee and I would anticipate that he will stand pat. That is what the gentleman committed himself to before the committee. As I said, many bills were introduced to hold the line. The gentleman from Wisconsin [Mr. LAIRD] introduced one of the bills, the gentleman from Washington [Mr. WESTLAND] introduced one, the gentleman from Iowa [Mr. TALLE], the gentleman from New York [Mr. WILLIAMS], the gentleman from Missouri [Mr. BROWN], the gentleman from New York [Mr. WHARTON], the gentlewoman from New York [Mrs. ST. GEORGE], the gentleman from South Dakota [Mr. MCGOVERN], the gentleman from Kansas [Mr. REES] also introduced bills. The list is very long. I do not have them all before me.

Also the gentleman from Iowa [Mr. GROSS], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Mississippi [Mr. WINSTEAD], the gentleman from Washington [Mr. TOLLEFSON], the gentleman from Wisconsin [Mr. JOHNSON] who introduced the first bill and first conceived the idea of holding the line.

We are here now endeavoring to accommodate all of these Members. We just hope they will all pitch in, get in the fight and give us their full cooperation in fighting down the vigorous effort that will be made by the leadership on the Republican side to kill the bill. We are going to do our best to do exactly what all of the authors of the various bills want done and we will surely accomplish the desired result if all of them will help us.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. LAIRD. I have been receiving a lot of wires and correspondence from my dairy farmers in Wisconsin who seem to think we are putting the stamp of approval on $3.25 for $3.95 milk. There were quite a few complaints last year about that price.

Mr. ABERNETHY. There probably was, and Mr. Benson could have remedied that situation if he had only fixed the price at that level. I am sure the best we can do now is hold the line; and I am also sure that your farmers do not want $3.02 milk which the Secretary's order will give them if permitted to go into effect on the first of next month.

Mr. LAIRD. I can assure the gentleman they will not want that.

Mr. ABERNETHY. I know they do not and we are fighting the battle now to prevent your farmers from having to take that price. We appreciate the help which the gentleman is giving us.

I sincerely urge upon all Members of the House that they support this bill and help us put a stop to the farm price decline. Help us, if you please, to hold the line.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I rise in opposition to this resolution now pending. I voted against it in committee and I shall vote against it here in the House.

It has been a great pleasure to me to work as a member of the House Committee on Agriculture; and, while I do not represent an area which is involved in the production of the so-called basic commodities, nevertheless we folks in New England are interested in agriculture and have a great deal at stake in agriculture. I appreciate that involved in this legislation is price-support level concerning dairying. However, this is a package bill and it involves other things, including feed grains.

I am not opposed to efforts on the part of the Government to effect some price stability as far as farm commodities are concerned. I have the pleasure of serving on the Tobacco Subcommittee of the Committee on Agriculture with the gentleman from Kentucky [Mr. WATTS], who was chairman of the subcommittee. He would testify, I am sure, that he would say I have worked with him in efforts toward a sound program for tobacco producers.

I approach the problem of agricultural legislation on the philosophy of trying to get the very best program that we can for each commodity involved. Within the framework of that philosophy, I find this resolution in complete contradiction to that position and in contradiction to the position taken by practically every Member of this House who has voted on farm legislation.

Those who have supported the principle of high-level supports or 90 percent have said repeatedly that they are in favor of those levels of support only because they are also in favor of the necessary production controls in order to make the program work. A vote for this legislation today is in contradiction of that position.

Those of us who have voted for variable support levels on commodities where there are mandatory supports, have said that we want to accept the principle that price supports will be varied somewhat up and down in relation to supply and demand factors. So, a vote for this resolution today is in direct contradiction to the position that we have taken.

I suppose that there are often times in which consistency is no virtue, and certainly a vote for this resolution today is proof of that fact. A vote for it will be inconsistent to a position taken by practically every one of us on previous farm legislation.

It has been mentioned that this resolution prevents jerking the floor out from under farm commodities. It does no such thing, as I see it, because there is no provision in this resolution to change existing law. We all know that existing law provides a very fixed range in which the Secretary can apply price supports on the basics. This resolution freezes the level of price on those where the Secretary has some discretion and where there are no vehicles of acreage management. I think all of those folks who come from nonfarm areas have been sincerely interested in price support legislation which is sound for the American farmer and equally equitable for the American consumer. In my opinion, this legislation does not meet that criterion. The farmers must go to the market with the quality and quantity of farm products necessary for our desirable high standard of living. This resolution is not sound farm legislation.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to commend the gentleman for his statement. I wish to state my own opposition to this resolution.

Mr. Chairman, the lack of wisdom in the provisions of this resolution would be obvious to any but the most blind adherents of rigid price supports. The adverse effects of passing such a resolution are obvious and far-reaching. One of the most serious problems in the field of agriculture is the tremendous surplus of commodities which overhangs the market. By stimulating unneeded production these surpluses will continue to grow.

As the gentleman from Maine has just said, consistency may not always be a virtue. Nonetheless we should refuse to take any serious retrogressive step without good reason. Passage of this resolution would be such a step. In addition we would be ignoring completely the sound recommendations recently made by President Eisenhower regarding appropriate legislative action.

Too often in discussions of the farm problem, and what needs to be done, we overlook the consumer—and also the taxpayer. This resolution would affect both these groups directly and most adversely. Indeed it would hurt farmers also throughout the Nation, by delaying still longer the day when production and consumption can be brought into reasonable balance. Any resolution such as this, which harms many and which helps few if any, should be defeated.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, I rise in support of this legislation because it helps the farmers and does not—and I want to make this crystal clear—does not hurt the consumers. The Consumers Study Subcommittee, of which I have the honor of being chairman, in its report of 1957 stated that farm prices have declined 16 percent since 1952 while retail food prices have increased 1.3 percent. In other words, while farmers kept getting less and less for their product, the consumer kept paying a higher price. This is true of bread and is particularly true in the milk industry.

Let me prove this point. In 1952 milk was supported at 90 percent of parity and the average price of milk in grocery stores was 22.8 cents. In 1957, with the support reduced to 83 percent of parity, the retail price of milk had risen to 24.3 cents.

Now, who made the profits? It is obvious that the big milk companies did, and my subcommittee is making an investigation of the situation which permits farm income to go down and the consumer's price to go up, with big profits going to the big fellows.

According to our studies, the profits of the big three dairy companies, Borden's, National Dairy, and Beatrice Foods, have gone up 55 percent since 1952. The situation is best brought out by what has happened in my State of New York. Last fall I made a tour of the State and found that the farmers' plight in New York State was very serious. Everybody was complaining. The farmers were complaining that they were not getting enough, and the consumers were complaining that they were paying too much. This bill will help the farmers of New York State. It will help all of the farmers to the tune of $250 million and not hurt the consumers at all.

Now, I would like to read to you some telegrams and letters which I have received. First of all I have a telegram here from the chairman of the great Democratic Party of New York State, Mr. Michael Pendergast, who is a farmer himself from upstate New York who states that farmers in New York have expressed strong support for freezing farm price supports at 1957 levels.

I have telegrams and letters here from Republicans upstate who want this bill passed. All the milk farmers I have talked with want this bill passed.

Now speaking generally on this bill, let me point out that in 1957 farm income sunk to a new low of $641. This caused almost 2 million—1.8 million to be exact—people to leave the farms in 1 single year.

This has contributed to the unemployment situation because there are not that many city jobs to go around.

Finally, Mr. Chairman, I want to say this in all earnestness. I do not dislike Secretary Benson. As a matter of fact I like and respect him. He is a very pious and religious man, a man of convictions who would not intentionally hurt the farmer or the consumer. He could be mistaken and in this case I believe he is, but he is not the devil that some people, on both sides of the aisle, paint him to be.

We will come out of this recession and we will reduce the surpluses. Another thing our committee hopes to bring out this year is a food stamp by which we hope to distribute an additional billion dollars worth of surpluses through the States in distress areas to help the unemployment situation.

This is not a permanent measure we are adopting here but a temporary one. It will help the farmers. It will stop them from losing more money in the midst of a depression, and in the long

run it will help America and the consumers.

This recession did not just start. It started four years ago with the farmers, and it is now hitting the towns and the cities because the purchasing power of the farmers, our best consumers, has been destroyed.

Mr. Chairman, you cannot ruin one segment of our population and expect to get prosperity in the other. This is the time when we must all help each other if this country is to prosper again.

For this reason I must appeal to the city people who have always been most magnanimous, to hold the line and not worsen the condition of our farmer friends.

Mr. BASS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman.

Mr. BASS of New Hampshire. The gentleman represents a city district. Will the gentleman please tell me how this bill will help in any way the consumer and the unemployed person in his district, when he goes to buy his food?

Mr. ANFUSO. That is the most simple question I have had asked of me. I have been on this committee for the past 3 years. I studied farm legislation before that. Our committee has found that in the 10 years that farmers' income has gone down, not once did we consumers get any benefit from that.

Mr. BASS of New Hampshire. The gentleman has not answered my question.

Mr. ANFUSO. And, therefore, I do not intend to hurt the farmer in this legislation when I know positively that we consumers are not going to benefit by it. We are not going to be hurt by this temporary measure, and that is all it is, because we are going to come up with perfecting legislation within the year.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. MATTHEWS. Mr. Chairman, I want to congratulate the gentleman on the wonderful statement he is making. I should like to ask, is it not true because of Public Law 480 in which the gentleman is very much interested, literally thousands of the unemployed people can be fed?

Mr. ANFUSO. That is exactly right.

Mr. MATTHEWS. It is a wonderful program in which the gentleman is very much interested.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. It is hard to follow the gentleman's logic. I just wonder whether he or the consumers whom he represents in Congress have reason to support a resolution of this kind. I also should like to know if he is going to answer the question posed by the gentleman from New Hampshire.

Mr. ANFUSO. I do not represent any farmers. All I represent is consumers. Of course I am vitally interested in the consumer. This joint resolution will help the consumer by increasing the purchasing power of the farmer. Later on I intend to bring out legislation which will be of further benefit to the consumers.

Mr. COOLEY. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Chairman, I rise to join those who have our national economy's interest at heart, to urge immediate affirmative action on this most important stopgap legislation, Senate Joint Resolution 162.

Yesterday I received a telegram from a farmer in my district with the stark warning:

> Farm income is so low compared to costs it will be impossible for farmers to exist if price supports are dropped.

This, in few words, is the crux of our situation. We, who have foreseen the recession spreading from the root evil of the farm depression, have been voices crying in the wilderness ever since the administration's unrealistic and unsympathetic farm policies first went into action back in 1953. The situation is too dangerous to stop and take credit for simple, elementary ability to add 2 and 2 and get 4, economically speaking. The momentum of this tragic economic downrush must be slowed before it can be stopped and only measures such as Senate Joint Resolution 162 are powerful enough to accomplish this recession slowdown.

On February 22, Saturday, Washington's Birthday, I sent a letter to the President which I had received from a constituent. My correspondent had suggested that the entire community might benefit from a form of public works. He said it would provide work "for the many jobless here in our community and these poor farmers here would gladly get out and cut brush to help pay for groceries, etc. In turn it would help to get some money circulating which would help these small town businessmen. Believe me, they are just hanging on."

In a later press release, I said "The use of stopgap projects might slow down the progress of this depression and would at least give these people some earnings until permanent solutions are introduced. The administration seems to be newly aware that its tight-money, high-interest policies are feeding rather than fighting the inflationary pressures. In light of this new understanding of the economic facts of life, it is possible that the administration might also be receptive to suggestions of simple and reasonable stopgap measures to help people during the present depression which has resulted from its own policies. Who knows, the administration might even come to understand how disastrous its farm policies have been as well? Is it too much to hope that the administration could admit that these farm policies have been just as wrong-headed, now that they have found their mistaken credit policies, among others, have pushed our national economy to the brink of a major depression?"

Mr. Chairman, I have been asking myself—and all those who will listen to me—"What will be the end result of this current depression?" The reason why I have been doing this is that I have recently received information from two major executive departments. A March 11, 1958, release of the Department of Commerce brought out that, as of mid-February of this year, 5,200,000 Americans were unemployed out of a total labor force of 69,804,000. Any logical projection of these mid-February figures to mid-March would have it that more than 6 million Americans are now without jobs.

On March 14, 1958, I learned from the Department of Defense that the overall military numerical strength of this country consists of 2,614,003 men. It appears, therefore, that some 6 million unemployed and some 2,600,000 under arms—a total of more than 8,600,000 Americans who are not making direct contributions to our gross national product.

In a speech on the floor of the House on March 13, I referred to Decline and Fall of the Roman Empire, by Edward Gibbon. I did this to point up the need for bolstering the family farm as a means to prevent the downhill plunge of our economic toboggan—a toboggan which, at that time, was virtually without breaks.

At the risk of earning a reputation as a "Johnny-One-Note" Member, I again refer to Gibbon's monumental work. This time to a significant sentence in chapter V:

> It has been calculated—

Wrote the 18th century British historian—

> by the ablest politicians that no state, without being soon exhausted, can maintain above the hundredth part of its members in arms and idleness.

Some 6 percent of all Americans are unemployed. Some 2 percent plus are in the Armed Forces. This is well over the danger mark set by Gibbon.

Mr. Chairman, what more proof does the administration need that its farm policies—and much worse—the Secretary's price-support cut proposals, and the President's latest farm-policy fallacies, are disastrous, not only for our family farmers, but also for our entire national economy. Russia is breathlessly waiting for this country to go completely broke. Do we have to have 10 million people out of work? Six million people out of work means at least 18 million are in the depression all the way. The tradesmen who supply the food, clothing, and other necessities for these 18 million are in the depression all the way. The suppliers who supply the tradesmen who sell to the 18 million are in the depression all the way. Need I go on? A friend of mine is in the typewriter business which is away down the line from the farmer in the forefront of this depression. My friend tells me the typewriter business is in the depression all the way.

Mr. Chairman, what proof is the administration waiting for? How can we reach the President in the White House, except by putting before him for his signature, this Senate Joint Resolution 162? Again, I urge immediate dispatch of this legislation to the White House for signature.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I support Senate Joint Resolution 162 which has for its purpose staying any reduction in support prices or acreage allotments until Congress can have time to work its will on the price-support and acreage-allotment laws.

The House Committee on Agriculture is now considering, as I understand it, a general agricultural law, which will, I am sure, deal with the questions of price-support and acreage-allotment laws.

All that the joint resolution now before us does is to make certain that Secretary of Agriculture Benson will not further reduce support prices or acreage allotments until the Committee on Agriculture has completed its work.

The depression of the 1930's is vividly stamped upon my memory. I saw its devastating effects, Mr. Chairman, on millions of American citizens. I felt the pinch of want, and the sting of despair that accompanied it throughout our land. I do not want this generation to experience a depression.

I recollect all too well that the depression of the 1930's started on the farms of America in the 1920's. The cries of farm people for relief swept into Washington from the Midwest. They came up from the South. Their voices were not heard. We saw that farm-born depression grow into the greatest economic upheaval of this generation.

Those in this Government who attempt to explain the present farm depression say that the farmer is doing better than he has done before. Truth is that were it not for some off-farm employment, the plight of the American farmer today would be greater than at any time since the early 1930's.

Other segments of the economy have built-in aids. There are loans for businessmen; up until a short time ago, there were tax writeoffs; there is the minimum wage; there are many others. The farmer must have some protection.

The philosophy of this administration to close out the small farmer, to plow him under, if you will, is based upon a false premise. Hundreds of thousands of small farmers in America want to continue to farm. Their roots are deep in the soil. For generations their folks have farmed. I am much interested in seeing that they continue to have an opportunity to farm and to earn a reasonable living while doing so.

What happens to a small farmer when he is driven from the farm? Where is he going to get a job? The figures show that unemployment is growing altogether too fast these days. It is already reaching alarming proportions. Committees and groups are making their way to Washington to confer with Members of Congress and with officials of the Government to give their suggestions as to what we could do to stop the growth of unemployment.

With all of this as a background, surely it is fair to the great farm segment of our population that we simply stay any reduction in support prices or acreage allotments until Congress can work its will on an agriculture bill. If no bill is forthcoming, then our farmers can rest assured that in the crop year 1958 the price supports of their farm commodities will not be cut and in the year 1959 their acreage allotments will not be cut. Such action is in keeping with other efforts which the Congress is making to fight this recession.

I hope the House will by large majority approve this bill.

Mr. HILL. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Chairman, I want it made a matter of record that I am one of the members on the Committee on Agriculture who voted against the resolution. I shall vote against it this afternoon.

I represent one of the largest agricultural districts in the United States of America. I consider this resolution to be bad for the farmers, for the consumers, and for the taxpayers, for the reasons which the gentleman from Maine [Mr. MCINTYRE] so clearly stated a few moments ago.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I rise in support of the resolution to provide that acreage allotments and price supports cannot be lower than those in effect in 1957. This is a vital matter and it strikes to the very heart of the drive we are now waging to fight back economic recession. I believe that history will bear me out when I state that depressed farm conditions are the forerunner of overall depression.

Congress is eminently correct in taking the initiative in fighting for the farmer. The administration and the Secretary of Agriculture have unquestionably demonstrated their indifference to the problem. The Eisenhower-Benson policy of sliding pledges encompasses a 1952 campaign promise of sustaining the 90 percent parity price support and it includes Secretary Benson's statement before the House Committee on Agriculture that he favors a price-support plan ranging from 90 percent down to no support at all. Most recently, President Eisenhower has urged that farm price supports be reduced to 60 percent.

Furthermore, Secretary Benson and President Eisenhower blithely have refused to acknowledge that their proposed reductions in acreage allotments will further complicate the farmer's woes. For instance, the proposed cotton acreage reduction will endanger an adequate supply of high quality United States cotton for domestic use and result in further loss of our foreign markets. Expert sources estimate we will fall short by 4½ million bales of fulfilling 1958 requirements for this cotton.

It is evident that Congress must be the one to hold the line for the farmers, to help maintain and increase their purchasing power during this time of economic crisis. If this is accomplished, the result will be felt in circles concentric to the farmer. The fertilizer people, the ginners, the seed people, the steel manufacturer, the railroads, all those people who supply and service the farm will feel the effects of our efforts if we are successful in preventing the reduction of support prices for farm commodities this year or the lowering of planting allotments for any crops next year.

We have given, and correctly so, our attention to unemployment in other fields. And yet there is question whether we should step in to stem the tide of unemployment on the farm. In the Fourth Alabama Congressional District, which I am proud to serve, we lost a third of our farmers during the past quarter century. In 1930, our district had 152,157 people living on about 29,000 farms; in 1955, our farm population was 100,000 with about 18,000 farms. And what happens to the thousands of farmers leaving the land? They have—or right now, in all too many cases—they are looking for other jobs, adding to the critical employment situation.

Let us not add to the existing crisis by driving farmers from the farm by reducing their livelihood. Let us press to see that the antirecession fight is waged at the farm level.

Mr. HILL. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, this resolution, in my opinion, is not a farm bill; it is a quick maneuver. Unfortunately, many fine statesmen on both sides of the aisle are going to vote for it because they are boxed in. They have no alternative. I wish that our committee could have taken a little more time and heard the committee reports, because I believe then we would have come out with something basic.

This measure is supposed to be the easy way out. We have been taking the easy way too many times and we find that the easy way is the hard way in the long run. Long staple cotton, for example, is finding that the easy way is the hard way. The very day we voted this resolution out, we had another resolution before the committee to reduce supports on long staple cotton down to 60 percent—60 percent. They do not want their crop priced out of the market. They would far rather get out of Government control.

The committee quickly withdrew H. R. 11399 because it did not want to blow hot and cold at the same breath, to freeze price support prices in one bill (S. Res. 162) and then turn around and lower price supports on long staple cotton to 60 percent in the other.

Why do they want that? Because long staple people find they can do better by going clear down to 60 percent and being able to compete on the market and sell their cotton. That is as true as I stand here.

Why does the committee take tobacco out of this freeze? Because, like the long staple cotton people, they do not want it frozen; they want free acreage and free prices.

Those two things are all the evidence we need to show how phony this bill really is.

Yes, the idea was that the commodities that are not under the freeze order and under high support prices are those commodities that are doing fine, and the commodities that are getting the most

Federal money are in the worst trouble. What are they? Wheat and cotton; and those two account, of course, for $1,316 million of losses this last year. Those two commodities account for 48 percent of the losses of our support program, and they are in the worst trouble. Cattle receive no supports, yet they are selling at 5-year high. Hog growers receive no supports, yet prices are 20 to 22 cents. Rigid supports nearly ruined the potato industry. The industry is having one of its best years in history now that it has shaken off Government shackles.

Instead of giving $350 million to help the two-fifths of the farmers in America, the large ones who are best off, it should be given to the 50 percent who produce only 9 percent of the commodities and would be helped very little by Senate Resolution 162. This is a case where the Swiss cheese has all the ventilation but the limburger needs it. This will not help much where its advocates assume it will help most. We ought to give this $350 million to the gentleman from New York [Mr. ANFUSO], for his food stamp plan; that would really help the people who need it. It would provide the unemployed with food. They would eat up the price-depressing surpluses and save the farmers' markets. Senate Resolution 162 would ruin further these markets and put him in still worse position.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, I support Senate Resolution 162 as amended to stay any reduction in support prices or acreage allotments for a year so that Congress can make appropriate changes in the price support and acreage allotment laws.

Because of the importance of this legislation to the economy of the State of Wisconsin and to other dairy States I am anxious to make known my support. I also wish to call to the attention of my colleagues from city areas figures which indicate that administration promises of price reductions in milk if the proposed April 1 cut in dairy supports is put into effect probably will not be fulfilled for long if they take place at all.

Frankly I am not happy to be placed in the rather negative position of being against something. I would much rather be here in support of legislation which would be of positive value to farmers and other citizens. It is pretty difficult for a Representative from a farm district who has always believed in full parity for farmers, and still does, to be actively engaged in defense of a fraction of full parity. Yet it is an accurate if sad reflection on the state of affairs of the Nation's farmers today to report that fighting for 82½ percent of parity for milk with an administration that has asked for power to lower it to 60 percent of parity is the only realistic approach.

As farm prices have been progressively battered down from year to year, food chains and processors have fared better and better.

Late last year the Secretary of Agriculture announced plans to cut dairy price supports to 75 percent of parity and it has been estimated that the cut will reduce dairy farm incomes by from $200 million to $250 million. In my own State of Wisconsin the cut would take from $40 million to $48 million in income from dairy farmers. Also, it is estimated that this cut which will cost the dairy farmers $250 million might save the Commodity Credit Corporation about $15 million in money expended for purchases of dairy products. I know of no easier way to get $250 million in purchasing power than by spending this extra $15 million to raise the income of our dairy farmers.

While the Nation's dairy farmers have been engaged in a desperate struggle to hold the line against that cut, the value of shares of stock in dairy products processing firms has increased by 20.4 percent, according to the U. S. News & World Report for March 21, 1958.

Similar increases in stock value between late 1957 and mid-March 1958 were reported for other food processors and chains as follows by that magazine: Meat packing, 22.6 percent; biscuit bakers, 22.3 percent; food chains, 21.8 percent; and packaged foods, 21.7 percent.

The magazine explains this popularity of processors' stock by reporting:

> In recessions, food companies fare better than most other industries because food budgets are the last to suffer when family incomes shrink.

The Agriculture Department supports its proposed dairy slash with an appeal to the consumer intimating that lower prices will result. I believe that reduction in prices to consumers and in the total production of milk will not accrue and be maintained if the proposed cut goes into effect.

I also strongly believe that the reduction of farmer purchasing power such a cut would bring would be a further crippling blow to dairy farmers and the rural communities and urban industries which rely upon their trade.

If the Secretary of Agriculture would take a close look at the figures from his own Department he would discover that history does not bear out the supposition that reduced retail prices for fluid milk will result from a reduction in manufacturing milk and butterfat price support levels.

If he had checked, he would have found out that when he reduced the support level from 90 percent to 75 percent of parity in April 1954, the retail price in that month was 22.5 cents per quart, as compared to 23.3 cents for the March preceding and to note that this reduction was largely seasonal. By December 1954, retail prices had climbed to 23.4 cents per quart, higher than they were before the 59 cents per hundredweight reduction was made in support prices.

No changes were made in support prices until they were raised to $3.25 per hundredweight on April 1, 1956, an increase of 10 cents per hundredweight. During 1955, when price supports were unchanged, retail prices averaged 23.1 cents per quart, one-tenth cent higher than the preceding year. In 1956, retail prices averaged 24.1 cents per quart—a cent higher—or roughly 46 cents per hundredweight higher, with only a 10-cent increase per hundredweight in the support price for 9 months of the year. During 1957, retail prices averaged about 24.5 cents per quart, with no change in price supports. Thus we see that changes in price support levels for manufacturing milk are not automatically followed by like changes in the retail price of milk in the cities.

As far as the reduction in manufacturing milk and butterfat support levels announced for April 1 is concerned, I think it is quite improbable that any reduction in retail prices would result.

But I am especially disturbed that remarks the Secretary of Agriculture has been making, apparently designed to attract the support of city residents for his reduction in the dairy support price level, cannot be sustained by demonstrable facts. Such remarks, unsupported by facts, do serious harm to the dairy industry as a whole and to dairy farmers in particular.

Farmers are consumers, too, the Secretary should be told. Would that they could share in some of the attention he devotes to city residents as consumers. There is an increasing amount of mail to my office from chambers of commerce, businessmen, and bankers in rural America testifying to the fact that what hurts the farmer hurts them. Why? Because the farmer as a consumer has not been buying as much in the last few years as he did previously. There is an interdependence of the city worker and the rural American in small towns and on the farms which cannot be escaped. When one segment is weakened economically, the other will sooner or later be adversely affected.

It is interesting to note that stocks on hand are not cited by the Department of Agriculture as one of the reasons for the impending cut. This should be brought out, however, because it shows that the Department has been steadily increasing its ability to move the surplus. The fact of the matter is that the Commodity Credit Corporation owned or had under contract to purchase more dairy products on April 30, 1956, the month dairy price supports were last increased, than on November 30, 1957, the eve of Secretary of Agriculture Benson's announcement that the support price would be reduced April 1, 1958.

Commodity Credit Corporation inventories

[In pounds]

	Apr. 30, 1956 (last parity increase)	Nov. 30, 1957 (before parity cut)
Butter oil	9,431,498	
Butter	74,962,498	83,882,649
Cheese	280,556,658	246,381,307
Dried milk	178,524,160	137,164,525
Under contract to purchase:		
Butter	14,777,127	2,460,361
Cheese	13,048,303	10,683,166
Dried milk	97,673,990	66,272,141

There is not much chance that our disposition outlets for this year will be less than last year. And it is readily apparent that if unemployment continues to grow there may be further need for larger quantities to be used in relief channels in this country.

There is not the slightest doubt in my mind that the cut in supports, if carried through, will serve as a cruel stimulant to greater production instead of providing less incentive to excessive production as the Secretary declares. Scores of letters from dairy farmers and plant managers in Wisconsin and the Midwest bear me out in this statement. Farmers' overhead costs must be met. I am personally convinced that the Government may pay out as much in increased purchases as it saves in support cuts if this action is carried out. Not shown is the dreadful human cost in longer hours worked, fewer necessities purchased, and reduced land and building maintenance this cut will bring to the dairy farmer.

I support this resolution which affects commodities in addition to dairy products because I recognize the fact that the interests of other farmers are interrelated with those of the dairy farmer. Both as producers of food and fiber, and as consumers of manufactured goods, the Nation's farmers are much more important than the 12 percent of the population they are numerically. It is high time that farmers looked beyond the limits of their own commodity group to discover and attempt to understand the goals of others close to the soil.

There have been repeated attempts to divorce the dairy farmer from the across-the-board freeze resolution we are considering here today. I am more than a little puzzled by the logic involved.

I am happy to support an across-the-board freeze which includes farm commodities in addition to dairy products. Dairying has the best chance of favorable attention as part of an overall bill. The administration has already shown what it would do to a separate dairy freeze through its failure to rescind the cut ordered last December.

Mr. CHRISTOPHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, this resolution should pass the House without a dissenting vote. Those Representatitves from agricultural districts should support this resolution because its adoption will prevent Ezra T. Benson from going further with his program of destroying family-type agriculture in the United States.

Those from the urban sections should support this measure because it will help to keep the farmers who are yet on the farm from being forced off the farms and into the cities. The cities now have 5 million more workers than they have employment for and are in no condition to absorb an additional influx of farm people that will be driven to them if Benson's shortsighted farm policies are not checked.

The present recession is the direct result of lowering the buying power of the American farmer. The farmer produces more than 60 percent of all the new wealth in the United States each year, and at present is receiving only 80 percent of parity for his products.

Remember that parity means simply equality of purchasing power. Remember also that the farmer uses more steel than the automobile and truck manufacturers, more petroleum products than all the railroads, and more rubber than the Army, Navy, and Air Force. But in order to remain so good a customer of labor and industry they must have this equality of purchasing power or they will be forced to drastically curtail their purchases.

Since 1952, the farmer has been underpaid an average of $6 billion gross each year for his food and fiber, and because every dollar paid for food and fiber and other raw materials is translated into $8 of national product, it becomes evident that the national product over the 5-year period beginning in 1952 would have been $240 billion greater had the farmers received a parity price for the raw materials he produced.

The $30 billion underpayment to agriculture during the past 5 years is the direct cause of the present recession. That $30 billion can never be restored to agriculture. Neither can the $240 billion loss to the national economy be restored. The Federal Treasury over that same 5 years lost 18 percent of the $240 billion and that can never be restored either.

So it is apparent that under the Eisenhower-Benson regime for agriculture, the farmer loses, the national economy loses, the Federal Treasury leses, and the cost of living goes ever up and up.

All this resolution will do is to peg price supports and acreage allotments for 1958 where they were in 1957. The American farmer will still have to suffer another loss of $6 billion during 1958, but this resolution will prevent Benson from making that loss $1.5 billion greater.

An amendment will no doubt be offered to strike everything out of this resolution except dairy products. That amendment should be defeated. That is an old technique of dividing agriculture into opposing segments on a commodity by commodity basis.

When agriculture is prostrate, labor is unemployed, bankruptcies and business failures rise—then recessions become depressions. Let us pass this resolution today and then bend every energy to the task of raising farm prices to 100 percent of parity because only by so doing can we provide incomes and homes for our continually expanding population.

Mr. Chairman, the American farmer is being bankrupted. As a class, he is not lolling in the lap of luxury. Recently the Farmers Union conducted an extensive survey in the States of Wisconsin, Minnesota, the Dakotas, and Montana. Wisconsin is the greatest dairy State in the Union, with 180,000 farm homes, reports the Department of Agriculture. Farmers Union survey of those homes indicated, according to the February 1958 issue, that 55,800 of these homes do not have bathtubs, 55,800 do not have TV, 41,200 do not have telephones, 54,000 do not have inside toilets, 88,200 do not have furnaces, 44,200 do not have running water, and 79,200 do not have deep freezes.

What a tremendous unsatisfied demand for the products of labor and industry right there in that great dairy State. Do you gentlemen from Wisconsin believe that the way to put these conveniences in these farm homes is to further reduce the price of milk? Do you believe that the Eisenhower-Benson recommendation to lower dairy support to 75 percent and eventually on down to 60 percent will put more bathtubs, telephones, running water, and furnaces in Wisconsin homes?

In closing let me remind my friends from the big cities that lower farm prices under Eisenhower and Benson has meant higher food prices for you, and also remind you that when you cut the farmer's throat you cut your own.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I certainly am not happy at the turn of events which brings this resolution to our attention at this time.

I am one of those who sincerely feels that an omnibus bill approach is the only answer to our problem. It was my understanding, and I think there was committee agreement, that all matters relating to price supports should be considered in one omnibus bill. Hence the reporting of this resolution is rather a breach of that agreement, to say the least.

What happened in the Committee on Agriculture in reporting out the resolution is beside the point. Let me emphasize, however, that the original resolution as it came to the House committee from the Senate did not even provide for a termination date. In fact, the Senate resolution provided for a stay on any reduction in support prices or acreage allotments until Congress could make appropriate changes in the price support and acreage allotment loss. This might be for several weeks, months, years, or even forever. The Republican members of the House Committee on Agriculture insisted that a fixed termination date be incorporated in the resolution and, as a net result of our efforts, the legislation before you is now limited to 1 year as far as price supports are concerned and to 2 years as far as acreage allotments are concerned. It is the best we could do under the most adverse and trying circumstances. Perhaps we may have the credit of having won a dubious moral victory. After the original resolution passed the Senate only a few days ago, newspaper accounts quote Senator ELLENDER, chairman of the Senate Committee on Agriculture and Forestry, as saying that the resolution would likely be vetoed by the President of the United States. This clearly shows that political expediency was the main consideration in rushing the resolution through the Senate. The same applies to the situation as it presents itself in our consideration of the legislation today. No hearings were held on the resolution in the Senate. No hearings were held by the House Committee on Agriculture. The whole procedure reminds one of the early days of the New Deal when legislation was rushed through Congress without bills even being printed.

To show you how moot this question really is, please remember that even if

the resolution is vetoed and the veto sustained, we will only revert back to the present law pertaining to price supports. If the resolution fails, the Secretary can still operate under the flexible processes of the law by fixing price support from 75 to 90 percent of parity. Thus the failure of the resolution in the last analysis will take nothing away nor add anything to the authority the Secretary already has in this regard. All the resolution will do is to freeze the price supports at the 1957 level as already established and fixed by the Secretary of Agriculture under the present law. If the resolution does not become law, the Secretary can still lower or raise price supports between 75 and 90 percent of parity as heretofore. He can even raise price supports over and above the figure fixed for 1957 up to 90 percent of parity if in his discretion he decides to do so.

I assume the House will approve the resolution now before us. Thereafter, the resolution will go to conference where the House limitation amendment will very probably be accepted. After approval of the conference report in both Houses, the resolution will go to the White House and, unless I am entirely mistaken, a prompt veto will be forthcoming. In view of the fact that the Senate acted first on the resolution, the Senate will act first in overriding the veto. Judging from the record vote on the passage of the original resolution in the Senate, a veto cannot be overridden and, hence, will be sustained. I doubt very much if our Democratic friends will shed many tears if that happens.

I think that those of us from agricultural districts should stop, look, and listen. The way this legislation is being rushed through Congress may well spell the doom to general farm legislation dealing with price supports and acreage allotments of any kind at this session of the Congress. This may be the only opportunity we will have to vote on a general farm bill this year.

Regardless of the political implications involved, there is some justification for voting for the resolution. We all know that the farmer is in a tight price-cost squeeze. He has nothing to say about fixing the price of the products which he offers for sale in the market place. Still he has to pay sky-high prices for everything he has to buy. The so-called recession is affecting him just as much as the other segments of our economy.

To combat the so-called recession, we are falling all over ourselves stepping up programs involving the expenditure of large sums of money in order to put people to work. We are setting up crash programs for a new and expanded highway system, we are rushing public works programs for more hospitals, Federal buildings, flood control, and other items which are all to the good. Soon we will have legislation to increase unemployment benefits and to extend the period for unemployment benefit payments. We are stepping up programs for housing, both public and private, and are reducing interest rates for borrowers. In short, we will have increased programs and increased spending for every segment of our economy except agriculture. It looks as if the American farmer is the fellow who is going to be left holding the sack.

When all is said and done, agriculture is still the Nation's basic industry. Every segment of our economy depends upon the welfare and prosperity of the American farmer. Whenever his purchasing power declines, it has its immediate effect in every hamlet, village, town and city in America.

I deeply regret the fact that the American farmer, through the medium of the resolution now before us, is once more the victim of political maneuvering. In my judgment, the farm problem will never be solved as long as agriculture remains a political football.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, the predicament of the farmer has been amply documented here on the floor of the House many times, and I am not going to labor that point any further. But we are now being reminded that a farm depression has consequences that run far beyond the farm homes of the United States. At this moment more than 5 million Americans are unemployed. Is it not reasonable to assume that a major factor behind this unemployment is the falling purchasing power of millions of farm families? It seems to me, as the gentleman from North Dakota, my sister State, pointed out here a few minutes ago, this is a lesson that should have been learned during the 1920's. For 8 years, at least, prior to the crash in 1929 the farmers of this Nation were caught in a severe economic pinch. Many people ignored the plight of agriculture in the decade of the twenties because of the prosperity that the rest of the economy was enjoying. But the loss of purchasing power in rural America took its toll as a major contribution to the disastrous collapse of our economy in 1929.

For the last 7 years farm purchasing power has been in decline. Farmers have been forced to cancel plans for new tractors, new automobiles, new refrigerators, washing machines, building repairs, college education for their children, and other items that they would buy had their purchasing power not been destroyed by inadequate farm price protection.

It seems to me that it should not take an economist to relate this unhappy situation in agriculture to some of the unemployment problems that face us across the country.

There has been some concern expressed here today about the relationship to the consumer of this effort to maintain the farm prices at their present level; that is, the effect it will have on consumer prices in the cities. The fact remains that since 1951 we have had a drop in farm prices of approximately 19 percent based on the 1951 level, but instead of that benefiting the consumer in the form of lower prices in the grocery stores, prices have gone up on food some 3 percent since 1951.

Only a few years ago milk, for example, was selling at 19 cents a quart to city consumers when the farmer was protected at the 90 percent price level. Now we are under an 82 percent price protection for the farmer and the price of milk to the city consumer has gone up to around 24 cents a quart. One of the reasons I am afraid of any further cut in milk prices to the farmer is that I have to buy 5 quarts of milk every day to feed my family and based on past experience I am convinced that if we cut the price of milk to the farmer it would go up to the consumer again. We have seen ample evidence of that in the past. It was also suggested today that the farmers themselves would like to do away with price protection of all kinds if they were given the opportunity to increase production. Recently in the State of South Dakota, which I represent in the Congress, a poll was conducted by three of the largest newspapers in our State on that very question, and farmers were given an opportunity to state their views on this possibility of doing away with acreage controls or at least having a great reduction in those controls with lower price supports; 75 percent of them voted against that proposal. As far as the current administration proposal is concerned to establish price support in a range of 60 percent to 90 percent, the farmers of my State who responded to this poll to which I have referred rejected that proposal by a margin of 87 percent to 13 percent. So at least as far as the State of South Dakota is concerned, and I think it is a representative rural State, the farmers have made it very clear that they prefer price protection of some kind even though it means a reduction in acreage or production. I urge the adoption of this temporary hold-the-line legislation and I hope that we will then move on to a permanent, comprehensive farm program.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I want to commend the gentleman from South Dakota on the splendid statement which he has made and on the fight which he has made for the farmers of his State since coming to the House of Representatives. I think the gentleman's analysis of the conditions in his State is pretty close to being on all fours with the condition in the State of Oklahoma. Our Oklahoma farmers cannot afford any further cuts in farm prices any more than the farmers of South Dakota can. I certainly want to join the gentleman in support of this resolution.

Mr. McGOVERN. I thank the gentleman.

Mr. ANDERSON of Montana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Chairman, I commend the gentleman from South Dakota [Mr. McGOVERN] for the very thoughtful and very constructive remarks he has made. The gentleman is doing a real job of representing

the people of South Dakota and advancing, here in the Halls of Congress, programs of benefit to his constituents. I wish to associate myself with his remarks and with those of the gentleman from Oklahoma [Mr. ALBERT].

My State of Montana faces a very real disaster if the Secretary of Agriculture is permitted to cut support prices for wheat by 22 cents a bushel, as he has proposed. I introduced a bill at the start of this session that would force the Secretary to support the 1958 crop at the 1957 levels. I am happy that those provisions have been incorporated in the bill now before us and I urge my colleagues to support this legislation.

Depressions are farm led and farm fed. The depression now reaching into our towns and cities started several years ago on America's farms. Mr. Benson has played a major role in driving down farm prices, depressing the agricultural economy and feeding the first of an all-consuming general depression.

The Big Three are making no cut in automobile prices, even though the public is only willing to buy half their capacity at present prices, and even though they made the highest profits in history last year. Big steel is making no reduction in prices of steel, even though the economy is only able to take 52 percent of their capacity at present high prices; even though they, too, made record profits last year by selling less goods for more money.

This bill cannot help the farmer much but it will prevent running him through Benson's wringer again.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, this legislation is desirable. This legislation should be enacted.

Mr. Chairman, cotton has been mentioned quite a lot in this debate. So far as this freeze resolution applies on the matter of price supports on cotton is concerned the legislation says that the level of supports shall not go lower than the 1957 support price. But due to the escalator provisions of the cotton law, the price for the 1958 crop has advanced 2 cents a pound.

It will have, however, a good advantage to the cotton farmer in this respect, and that is on the matter of acreage. The acreage this joint resolution would freeze would be 17,391,000 acres. If no action is taken by the Congress that national acreage would be cut back to some 13,600,000 acres, or a reduction of better than 20 percent. So that is the only thing in this resolution that affects the cotton farmer, which he is greatly concerned about. He would not want to take the 20-percent cutback in his acreage next year, especially since he has taken a reduction of 40 percent in acreage in recent years.

The National Cotton Council came before our Subcommittee on Cotton, and before the full Committee on Agriculture, urging that something be done in 1958 about the shortage of quality cotton. An amendment was presented recently on the floor of the United States Senate to increase the cotton agreage in 1958 by 30 percent. It was shown that there was a real need for that increase because of the fact that in 1957 heavy rains came and poured down on that cotton during the growing season and harvest season and lowered the grade. It came up with spotted cotton and a low grade and quality of cotton resulted. In 1957 the growing season was shorter than usual in the mid-South area due to an early frost and a cooler spring. There was 30 days less in the growing season. In an average year about 72 percent of the crop production is quality cotton. In 1957 only about 60 percent of the total crop was high-quality cotton. So instead of producing for the market the average 72 percent, which amounted to about 9,100,000 bales of quality cotton in 1956, instead of having 9,100,000 bales there was a reduction in production last year and only 6,600,000 bales of quality cotton was made available.

Another thing, rayon and other synthetics have been encroaching on the cotton farmer's market for many, many years. In 1940, the equivalent in cotton bales of rayon and other synthetic production amounted to 6,674,000 bales. In 1949, that had risen to 8,181,000. In 1956, 17,338,000 equivalent cotton bales in various manmade fibers were sold. So the cotton farmer does face quite a tough situation. He should not be cut back in his acreage at a time when more good cotton is needed to meet the needs of the cotton trade. I hope that this resolution will be approved.

Mr. HOEVEN. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Chairman, I ask unanimous consent to extend my remarks following the remarks of the gentleman from Iowa.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. JENSEN. Mr. Chairman, I am especially glad to yield to the gentleman from South Dakota because he has been a constant fighter for the welfare of the farmer since he came to the House of Representatives.

Mr. BERRY. I thank the gentleman.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. NEAL. Mr. Chairman, when the Congress adopted flexible price supports for agricultural commodities, it was recognized as a practical means of stabilizing agriculture by reducing the temptation to overproduce. By limiting acreage plantings and reducing the support prices by easy stages, production of basics has been materially reduced, but farmers have not only increased output per acre but they have converted their spare acres to the production of competing crops which, when substituted for basic feed crops, have prevented the reduction of Government-stored basics.

Dairy farmers, although their support prices were reduced under the flexible-support principle, have concentrated on greater production in the hope of maintaining their former levels of income. In fact, any way we view our experiences during the period of mandatory supports for agricultural commodities, most of the problems remain unsolved.

While legislation has served to favor some farmers, especially the big commercial basic-crop growers, it has done little to favor the family-size farmer who is often handicapped by regulations that prevent him from utilizing his own farmland to his own advantage. The farmer who feeds livestock or poultry is at a decided disadvantage when he is compelled to pay prices for feed based upon the prevailing prices of the basic commodity from which it is processed.

In my own State, tobacco is supported at 90 percent of parity because it is a product especially adapted to supports. It can be safely stored for a normal period of time without spoilage. This program has been highly successful because of the willingness of growers to reduce acreage plantings in keeping with demands. No other price-supported commodity can qualify as does tobacco.

While dairy farmers have uniformly prospered under price supports, certain marketing regulations prescribed by the Department of Agriculture have subjected producers in certain areas to inequities. The practice of arbitrarily fixing prices for milk on an area basis affords distributors certain advantages unfair to both producers and consumers.

Existing farm legislation is far from satisfactory. Each time farm laws are revised there arises added confusion and dissatisfaction. To pass this bill with the hope of later enacting farm legislation that will solve existing problems has little or no promise. If we agree that price-support legislation has failed and adjustments are possible through continuing the flexible principles of price supports, I can see no good reason to freeze price supports at the present level.

Mr. JENSEN. Mr. Chairman, I am supporting this bill for the same reason I have always supported 90 percent of parity on basic farm products. If the farmer's dollar had been worth 100 cents in purchasing power for these past 5 years, we would not find it necessary to even think about such legislation such as this House passed yesterday which in effect ordered the President to spend money faster by the billions of dollars, because the farmer, when his dollar is worth 100 cents in purchasing power, buys over twice as much manufactured goods as the rest of us do in an average year, year in and year out. Is it any wonder we have over 5 million people unemployed today in business and factories, especially in the farm implement plants, since the farmers' dollar is only worth 82 cents in purchasing power. Anyone who is opposed to stabilizing the farm income, on the 1957 level, has given little thought to our economic problems, which stems from our low farm income. For example, total farming in Iowa has fallen 30 percent during the past 5 years. Grain prices today are about 70 percent of parity and corn is far below that on the open market. So, my friends, we had best do something to safeguard these great buyers of the manufactured products that the people in every area of

the United States manufacture. If we could put the farmers' dollar up to 100 percent of parity, we would stop this recession in its track now—and I do not like to say "I told you so." But, let me read to you a few of the remarks I made on May 12, 1954, almost 4 years ago when this House was considering a bill to change 90 percent supports to flexibles. Here is what I said in part, and I support this bill today for the same reasons:

Mr. Speaker, my reason for supporting 90 percent of parity for basic storable farm crops—corn, wheat, cotton, tobacco, peanuts and rice—are as follows:

Because our farmers are entitled to a dollar which will purchase 100 cents worth of manufactured goods produced by higher and higher labor costs.

Now listen to this:

Because the proposed flexible price support formula would within the next 3 years reduce the price of a bushel of corn, for example, at least 30 cents per bushel and all other products in proportion.

And corn has gone down more than 30 cents per bushel since the day the Congress passed the flexible parity act. I also said that the flexible parity program would reduce farm income by $4 billion—and it has exceeded that. You can talk until doomsday about this flexible support program and claim that it will cure the farm problem. What is the record? It has piled surplus on top of surplus.

Commodity Credit Corporation has piled up commodities to the end that they had $4,740,000,000 worth more in storage on January 1, 1958, than they had 5 years ago. Still you have men in high places in the Federal Government, in Congress, and over the country telling you that the flexible support program will reduce surpluses. That is pure hogwash as the record proves.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in order that I may not say something that I would regret saying I shall try to confine myself to my notes.

Mr. Chairman, the present depression, just exactly as the depression of 1929, had its roots in inadequate farm buying power. The history of the last 5 or 6 years closely parallels the history of the years preceding 1929. Then, as now, we had enjoyed a period of general prosperity, high wages, full employment, liberal profits, substantial urban construction, and an active stock market. In all of these respects the past 5 or 6 years have almost duplicated the middle and late twenties.

Nor is this the only similarity between the eras. From 1922 to 1929 farm prices worked steadily downward. The same has occurred in recent years and with the same results. Unnoticed at first, farm buying power has been so restricted that from year to year industry has been losing that extra sales volume which was needed to sustain the high level of production to which it was geared. Within 5 years farmers' net income, which certainly represents the total of farmers' wages as well as return on investment, dropped 19 percent from $14,256,000,000 in 1952 to $11,532,000,000 in 1957. This represents the smallest net income of farmers since 1942 and 35 percent of this was earned off the farm. To make matters worse, this decline has happened at a time when the general level of all prices was going up. With his income going down the farmer has had to pay more for everything he has had to buy.

Farmers have historically provided the largest single market in the United States for steel. With a fifth of our farm buying power down the drain, is it any wonder that steel mills have had to cut back their production? Farm families have in the past purchased about 10 percent of our automobile output and have accounted for about 18 percent of our clothing sales. Of course, farmers have consumed a much larger percent of implements, tractor fuels and other productive supplies. It was not until farm buying power broke down that the merry-go-round stopped in 1929. Today farm buying power is all but gone again and the little strength that is left is ebbing fast.

Undoubtedly we need programs of public works for the more than 5 million unemployed of this land. Undoubtedly these unemployed must have immediate assistance to secure the necessities of life. I am for antidepression activities but these work programs and tax-reduction programs can do nothing more than maintain a sagging economy. They do not strike at the causes of our industrial decline.

Why do we have unemployed today? We think of this unemployment problem as one for industry alone. It is true that most of these unemployed were a few months ago working in factories in our big cities, but the immediate cause of much of this unemployment—now reflected in a slowdown of sales of industrial goods—lies, first, in the lack of farm buying power, then the lack of buying power in the hands of the unemployed themselves. The thing snowballs and becomes more serious with each layoff of workers. But where did these workers come from? They are in large part the very people who have so often been characterized as the "inefficient." In truth, they were just small farmers—the kind who built this Nation. Just last week the Department of Agriculture released figures to show that within the past 10 years there has been a reduction of 30 percent in the number of farm workers in this country. Just 10 years ago last month we had 7,678,000 persons employed on our farms. In February 1958 we had 5,439,000 persons working on farms. This decline in farm employment is equal to approximately 40 percent of the total unemployment now reported in the United States.

Of course, I understand that the reported figures are for nonfarm workers, but the catch is that many of these people who have been literally driven from their farms by the harsh whip of low prices have moved to town. They have become a part of the industrial labor force and now when that labor force is cut back the statistics do not show whether or not the man now out of a job was recently driven from the farm by continued low prices for his products. But regardless of where these unemployed lived 6 or 8 years ago, the fact that farm jobs have disappeared now means that there are around 2 million more industrial workers looking for jobs than would be the case if these people were still on the farm.

Many of us have not wanted to look at the farm picture too carefully. Many of us have thought we didn't have to look at the farm picture; that we could sweep it under the rug; but beginning right now I have a feeling that many of our citizens who have nothing but time on their hands will be looking at this farm picture and will be wondering why our Government has not tried to keep as many farmers on the farm as possible. Of course, Congress has tried to do that very thing, although in this effort it has not had the entire support of everyone else, either in or out of the Government.

The fact remains that farm prices have moved steadily downward and it is clear that farm prices are not now sufficient to maintain the degree of farm buying power needed to keep our industry healthy. It is undisputed that farm prices have been so low that this year alone 2 million farm people left the farms for the cities of the United States. Many of our people are just beginning to understand that this is hurting everybody.

The bill before us today will not increase farm buying power; it will not raise farm prices; it will not increase the volume of production. It will, however, keep the farmer from slipping a little further down the ladder of despair into the mire of the bankruptcy court. It will simply hold the supports on farm commodities as high as they were in 1957. No support price is raised; no acreage allotment is increased. This bill does nothing more than say that we are going to put a scotch behind farm income or at least behind farm price supports and acreage allotments and see that they are not further decreased.

What does all this mean in the language of the industrial worker? It simply means that we are not going to cut the farmer's wages any further. It does not give the farmer any greater wage per hour and it does not give him an opportunity to get paid for any more hours of work per week. It just maintains his present unfortunate and unsatisfactory condition. Again, trying to explain this farm situation in industrial terms, we can say that cotton and wheat farmers are, through acreage controls, already reduced to a 3⅓-day workweek—at least that is all they can get paid for. Of course, they must still put in 6 or even 7 days per week, but since their acreage has been reduced by a full one-third they find their total pay reduced just as does the worker whose workweek has been reduced. Some of those who are working in American factories are now having to take comparable cuts in their hours of work, but how would that industrial worker feel if in addition to losing a day and two-thirds out of each 5-day week his hourly wage were set at 80 percent of the figure that had previously been agreed on as a fair wage? That is what has happened to those farmers.

Parity comes as near to measuring fair prices for farm products as any formula yet devised. It averaged just over 80 percent for all farm products last year. That is four-fifths of a fair price on the production of about two-thirds of the farmers' normal acres, or four-fifths of a fair wage for two-thirds of the week. Most industrial workers would strike before they would accept such an agreement. Yet, we as spokesmen for the farmers are coming today only asking that you maintain—not improve—this utterly inadequate arrangement for the farmers of America.

I personally feel that we should ask for more. I hope that before this session is over that our Committee on Agriculture gives this House an opportunity to vote for more—to vote for a real increase in farm purchasing power—but right now we are trying to keep for the farmer the thin crust of bread which he still has. If this bill should fail he will lose even that. If this bill is not passed, farmers are going to receive considerably less. If the bill is passed, all you do is to give the dairy producer 83 percent of a fair wage for the next year; you assure the cotton producer 78 percent of a fair wage; you guarantee the wheat farmer 79 percent of a fair wage; and remember that you are only going to enable most farmers to be paid at even these utterly inadequate wages for a part of the week. If this bill is not passed, next year cotton acreage will be less than half of normal—in other words, cotton farmers will have lost more than half of their workweek and will be paid at only four-fifths of a fair hourly wage for the other half. Incidentally, even now, the average labor return to the Wisconsin dairy operator is only 38 cents per hour—why should we be surprised that our economy is failing?

Now, just a word to those who are so prone to say that any maintenance of farm prices is hurtful to the consumers. This bill will prevent a drop of something like 22 cents a bushel in the price of wheat. Now before someone shouts that this is going to raise the price of bread, let us look at the record. In 1948 wheat sold as high as $3 a bushel. Bread sold at an average of 13 cents a pound across the United States. The price of wheat came down, not up, so that 10 years later wheat was selling, and is now selling, in the United States at approximately $2 per bushel—one-third less than it brought 10 years ago. Has the price on bread gone down? It has not. On the contrary, the average price of bread throughout the United States is today almost 19 cents per pound, actually 18.8 cents. In other words, bread has gone up by almost exactly the same percentage that wheat has gone down. A similar situation exists as to milk. In 1952 with milk firmly supported at 90 percent of parity the consumer paid an average of 22.8 cents per quart at the grocery store. Today with milk supported at only 83 percent of parity and scheduled to go still lower the average price to the consumer is 24.3 cents per quart.

It may be that if we can save the consumer from this proposed drop in the price of wheat and of milk that he will be spared that 20-cent loaf of bread and the 30-cent quart of milk which are fast approaching with our declining price of wheat and milk. Say if you want to that all of this is unreasonable, but it is a fact, nevertheless, and it is verified by the figures of the present Department of Agriculture and the present Bureau of Labor Statistics.

Mr. Chairman, I cannot say that this stopgap measure will restore farm buying power. It will not, but I can say with complete confidence that it will at least help a faltering economy while it needs help. It certainly does not do the job which I know needs to be done. We in the Congress have in the past tried to do a far more comprehensive job. We have passed bills to hold farm purchasing power substantially higher. I feel that had those bills been allowed to become law that our entire economic picture would have been brighter today. But our Constitution gives to another branch of Government the power to review our legislative acts.

I, of course, have no way of knowing what will happen to this bill after it leaves this House, but I have felt that with the bipartisan support which it has received thus far, that it has at least a real chance of becoming law. Certainly, no measure establishing higher supports could expect to become law at this time. I am personally for a substantially higher level of farm income, but I always felt that I would rather get part of something for my people than to present them with all of nothing. I hope a little later on we may get consideration of a more comprehensive bill, but just now to pass anything doing more than to maintain the status quo would only secure all of nothing for our farmers.

The defeat of this bill would be even worse. It would allow us to sink still further into the blackness of despair.

The passage of this bill, on the other hand, offers at least a chance for a part of something. I sincerely trust that the House will give us that chance.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. ANFUSO. Did not the last depression start in the Farm Belt?

Mr. POAGE. Certainly it did. That is what I have been saying. It started on the farm, and this one has clearly started on the farm.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield myself an additional 5 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman from Texas during the 20 years I have been a Member of Congress has, in my opinion, been always right on the agricultural question, and I want to say that also with reference to the gentleman from Iowa [Mr. JENSEN], who spoke immediately ahead of the gentleman from Texas [Mr. POAGE].

It seems peculiar to me, Mr. Chairman, that the House of Representatives at any time would follow the lead of a man such as the Secretary of Agriculture, who has not been in the agricultural picture as far as Congress is concerned for more than 5 years, when we have gentlemen like the gentleman from Texas [Mr. POAGE], and the gentleman from Iowa [Mr. JENSEN], who have proven themselves right in the last 20 years so far as agriculture is concerned.

POAGE], and the gentleman from Iowa marks of the gentleman from Minnesota who has done so much for agriculture himself.

Mr. HILL. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, the farm problem is everybody's problem. If you are a farmer, it affects your income and your freedom. If you are a consumer, the amount and price of your food will be affected. If you pay taxes—and everybody pays taxes in some form—the size of your tax bill will be affected.

Thus, at the outset the background of this legislation should be considered. The Bureau of the Census reports that there are 4.8 million farms in the United States; 2.1 million of these farms sell over $2,500 worth of farm products each year. Practically all are family farms and they get most of the Government aid, but, in the long run, they may have been hurt more than helped by the farm legislation of the past. Two million seven hundred thousand farms sell less than $2,500 worth of farm products per year. Actually, in this last group, some 900,000 merely live in the country and 600,000 farm only part time and work at other jobs in the city.

Of these two groups, the first one, or the farms with the larger incomes, raise 90 percent of all United States farm products; and the second group produces only 10 percent. This smaller group, or this large group of small producers, really receives little aid from the price-support program. In fact, it may average only approximately $100 per farm. That really is a false encouragement because all farmers need and want new income for their products and for their labor instead of Government handouts.

Undoubtedly, everybody knows why we have such a large surplus of agricultural products. On account of the requirements of World War II, Congress guaranteed farmers high price supports as a production incentive and the farmers responded with the greatest output per man in farm history. As a result, production soared and Congress continued to encourage this great production with more price supports. As production soared, the stock of Government-owned surpluses mounted until it reached a total of more than $8 billion in the Commodity Credit Corporation in 1955. The Government has been able to dispose of more than $12 billion in surplus farm products in various ways since 1953, but even so, today it still owns about $7 billion worth.

What has been the result?

First. While trying to prop up farm prices, these same laws have created

these huge surpluses that actually have depressed farm income $2 billion per year.

Second. Some $15 billion has been spent on these programs—$3.3 billion last year—and all of this is costing taxpayers $1 million per day for storage purposes only.

Third. The Government, under present laws, must spend billions of dollars to sell and give away surpluses and, as surplus goes down, price supports go up, encouraging surpluses to build up again. Thus, a vicious cycle has been imposed on the farmer and it was not done by his choosing. Without a doubt, these facts account for the hundreds of letters that come to me from farmers in the Indiana Fifth District—and these folks know that I, too, am a farmer.

Mr. Chairman, I was amazed at the action of the Senate last week as they passed Senate Joint Resolution 162, which said in effect that the price support and acreage allotment for the foreseeable future shall not be less than those prevailing in 1957. Even though the Committee on Agriculture of the House has slightly modified this proposal, in principle it is still failing to meet the needs of agriculture. I must say quite frankly that it is hard for me to understand this action in light of the background outlined and, also, of some of the facts that are available to all of those who are willing to consider them.

Department of Agriculture—Realized cost of programs primarily for stabilization of farm prices and income, fiscal years 1932–57

[The basis for the costs reflected in this table is as follows: (1) For activities financed from appropriated funds, the expenditures less receipts arising from the activities so financed; and (2) for Commodity Credit Corporation and Federal Crop Insurance Corporation corporate funds, the net gains or losses from operations and the interest cost to Treasury on Government-subscribed capital. Interest cost to Treasury on Government-subscribed capital of corporations has been computed on the basis of the average rate incurred by Treasury on the public debt in each of these years]

[In millions]

	Total	1932–36	1937	1938	1939	1940	1941	1942	1943	1944	1945
Programs primarily for stabilization of farm prices and income:											
CCC nonrecourse loans, purchase, and payment programs	$4,603.0	$8.7	$5.3	$0.4	$4.6	$7.4	$34.0	[1] $60.1	[1] $49.9	[1] $5.9	$29.4
CCC supply, commodity export, and other activities	15.4							[1] .1	2.0	[1] 12.4	5.8
CCC administrative and other general costs	991.9	10.2	3.9	2.1	[1] 3.0	8.7	2.2	[1] 9.6	12.1	10.4	26.1
National Wool Act program	63.5										
International Wheat Agreement [2 3]	899.2										
Donations of commodities to other nations [2]	384.3										
Commodities sold for foreign currencies under title I, Public Law 480 [2 4]	931.6										
Development of foreign agricultural markets under title I, Public Law 480 [4]	2.6										
Removal of surplus agricultural commodities [5]	2,154.3	32.2	35.2	35.2	211.6	143.9	226.1	196.3	112.0	63.4	24.9
Sugar Act	[1] 373.6			[1] 27.2	[1] 6.5	[1] 25.2	[1] 30.0	[1] 33.0	[1] .8	[1] 22.5	[1] 33.1
Federal crop insurance	203.7				4.4	7.7	9.8	14.8	14.6	18.1	2.9
Soil Bank, acreage reserve program	516.8										
Acreage allotment payments under the Agricultural conservation program	2,354.8		313.6	217.4	350.7	380.2	326.7	332.5	218.1	193.1	
Other, including Agricultural Adjustment Act of 1933, parity payments, and other adjustment and surplus-removal programs [7]	2,260.1	921.7	84.4	.3	27.6	223.8	195.7	202.1	203.7	156.9	[1] 6.1
Total	15,009.1	972.8	442.4	228.2	580.4	746.5	764.5	633.9	511.8	401.1	49.9

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Programs primarily for stabilization of farm prices and income:												
CCC nonrecourse loans, purchase, and payment programs	[1] $30.1	$71.9	$125.4	$254.7	$249.2	$345.6	$67.4	$61.1	$419.5	$799.1	$974.8	$1,298.5
CCC supply, commodity export, and other activities	[1] 25.9	[1] 242.7	[1] 38.4	[1] 4.7	[1] 2.7	1.6	1.3	6.4	66.0	50.1	70.0	149.1
CCC administrative and other general costs	33.2	13.9	[1] 6.5	15.9	48.1	42.0	34.6	55.3	102.7	81.9	195.5	312.9
National Wool Act program										.2	2.0	61.3
International Wheat Agreement [2 3]					75.6	180.4	171.3	130.8	59.0	99.7	92.3	90.1
Donations of commodities to other nations [2]									74.4	91.4	93.6	124.9
Commodities sold for foreign currencies under title I, Public Law 480 [2 4]										129.5	304.9	497.2
Development of foreign agricultural markets under title I, Public Law 480 [4]											.6	2.0
Removal of surplus agricultural commodities [5]	19.2	78.4	51.2	75.6	96.5	46.0	37.5	82.3	177.6	58.9	179.1	171.1
Sugar Act	[1] 5.4	[1] 7.8	[1] 13.1	23.9	[1] 14.7	[1] 14.9	[1] 21.8	[1] 20.5	[1] 11.9	[1] 13.0	[1] 22.3	26.0
Federal crop insurance	21.5	36.9	[1] 1.8	.4	9.6	4.6	8.7	6.4	9.9	11.2	11.6	13.2
Soil Bank, acreage reserve program											5.6	514.7
Acreage allotment payments under the Agricultural conservation program	22.5											
Other, including Agricultural Adjustment Act of 1933, parity payments, and other adjustment and surplus-removal programs [7]	[1] 1.5	[1] 2.2		10.8	21.9	18.8	7.1	7.6	67.1	40.9	30.4	46.0
Total	23.5	[1] 51.6	116.8	328.9	486.0	624.1	306.1	329.4	964.3	1,349.9	1,936.1	3,255.0

[1] Excess of credits—deduct.

[2] These programs are essentially international in nature, and are included in this classification with the kinds of items to which they most nearly relate.

[3] The expenditures under this program are for payment of the difference between the price specified in the International Wheat Agreement and the domestic price of wheat.

[4] Represents the next realized cost of commodities shipped to foreign countries in accordance with the provisions of the Agricultural Trade Development and Assistance Act (Public Law 480, 83d Cong., as amended). The total cost for fiscal year 1957 was $1,396,373,493, representing (1) the excess of the investment in CCC-owned commodities shipped over the export sales value, $366,222,971; (2) the cost of financing exportation, $995,750,740 (primarily cost of commodities shipped from private stocks and ocean transportation); and (3) interest of $34,399,782. The total cost is reduced by a credit of $899,161,759 for foreign currencies collected under this program in fiscal year 1957, resulting in a net realized cost of $497,211,734. The credit consists of the United States dollar proceeds ($64,786,869) from sales of foreign currencies at rates of exchange current at time of sales of such currencies, and the United States dollar equivalent of (1) foreign currencies used for the purposes authorized by sec. 104 of the act ($120,889,540), valued at loan agreement rates for loan disbursements, and for other disbursements, at the rate current when disbursed; and (2) foreign currency balances on hand at June 30, 1957 ($324,447,276), valued at the Treasury selling rate at that date, less foreign currency balances on hand at June 30, 1956 ($210,961,926), valued at the Treasury selling rate as of June 30, 1956.

[5] Represents the expenditure of foreign currencies, expressed in United States dollar equivalent at rates of exchange current at time of disbursement, for developing new foreign markets for United States agricultural commodities, as authorized in sec. 104 (a) of Public Law 480, 83d Cong., as amended.

[6] Includes the cost of commodities purchased and distributed to the school-lunch program but excludes cash payments to schools for part of their school-lunch program expenditures during fiscal years 1943 to 1949, inclusive.

[7] Includes (1) acreage allotments and marketing quotas program; (2) parity payments; (3) Agricultural Adjustment Act of 1933 and related acts; (4) Agricultural Marketing Act revolving fund, and payments to stabilization corporations for losses incurred; and (5) miscellaneous, including 6 miscellaneous programs as follows: (*a*) Distribution costs on CCC stocks and hay for emergency feed program; (*b*) net operating results of the Federal Surplus Commodities Corporation which operated from 1935 to 1942 for the purpose of purchasing, processing, storing, handling, transporting, and disposing of surplus agricultural commodities and products for relief; (*c*) retirement of cotton pool participation trust certificates; (*d*) removal of surplus cattle and dairy products; and (*e*) transfer of hay and pasture seeds to Federal land administering agencies. The amount of $921,700,000 shown for the period 1932 to 1936 represents $378,600,000 for costs of programs conducted by the Federal Farm Board in the years 1932–34, and $543,100,000 for costs of the Agricultural Adjustment Act of 1933 and related acts.

For some 25 years we have been attempting, through price support and adjustment programs, to control agricultural production—and it has been said over and over again—in order to increase the income to farmers. As a matter of fact, the price support and adjustment programs have had very little to do with the net income of farm families, since most of the prosperity in agriculture since 1940 can be directly attributed to war.

During this critical period in our budgetary and fiscal affairs we need to remind ourselves about the cost of these programs that have failed so miserably. I wish to insert into the record at this point figures released by the United States Department of Agriculture dealing with the cost of this program. This is in considerable detail, commodity by commodity and year by year, but I think it is necessary for the Members of Congress to have these facts available. In placing this information into the RECORD, it is not my intention to be critical of the operations of these programs, because I feel certain that no Secretary of Agriculture can administer the hodgepodge of laws that the Congress has been able to enact during the last 25 years.

I also would ask the Congress to consider the effects with regard to the cost of the program in the light of how we can benefit from the experiences during the last quarter of a century in helping to devise more workable programs.

The House has been asked to consider, based on the action of the House Committees on Agriculture, a proposal designed to freeze price supports and acreage allotments in their present pattern. This action would perpetuate further the cost to the Federal Treasury and, of course, to the taxpayer and the consumer, without correcting any of the economic problems of agriculture.

I submit, Mr. Chairman, that the continuation of these programs will not only fail to solve the agricultural problem but that it will be doing a great disservice to agriculture in both the present and long-range points of view.

At this point, I include Facts About Price Supports, released by the United States Department of Agriculture on December 10, 1957:

FACTS ABOUT PRICE SUPPORTS

Items from only 13 crops are in Government inventory, plus manufactured dairy products and a small amount of wool soon to be sold. Our farms and ranches produce some 250 commodities including cattle, hogs, sheep, poultry, and tremendous quantities of fluid milk.

Over 80 percent of the price supports and stabilization costs in the 1956–57 period were concentrated in 3 crops and butter and manufactured dairy products. Nearly one-half—48 percent—of the costs were incurred on two crops—wheat and cotton. Most farm products are being sold competitively—on free markets.

The major Federal costs of price supports and stabilization programs are concentrated in 8 crops and butter and manufactured dairy products (based on fiscal years 1956 and 1957).

	Percent of costs	Percent of total cash farm receipts from 1956 sales
Wheat	30.0	7.4
Cotton	18.2	5.9
Corn	13.8	5.2
Dairy products	20.2	14.7
Subtotal	82.2	33.2
All other	17.8	66.8
Total	100.0	100.0

This distribution of price support and stabilization program costs is the result of operations in conformance with law.

The net realized cost of programs primarily for the support of farm prices and income in fiscal 1956 was $1.9 billion and in 1957 was almost $3.25 billion. These heavy costs would be justified if they led to a solution of the problems. Such is not the case. Price supports at the levels specified by the old basic law continue to generate surpluses which must be disposed of at heavy loss. The stock buildup resulting from the old rigid price law contributed to a major part of this loss. The losses are shown at the time of disposal.

1957 fiscal year price support and stabilization calculated costs by size and class of forms

	Scale of farm product sales	Number of farms	Percent of farms	Percent of United States farm marketings	Calculated portion of 1957 price support and stabilization costs— Total	Amount per farm
		Thous.			*Millions*	
Large-scale farms	Sales of $5,000 or more	1,290	27	79	$2,571	$1,993
Medium-scale farms	Sales of $2,500 to $4,999	811	17	12	391	482
Small scale, part-time, and residential farms.	Farms with less than $2,500 sales.	2,681	56	9	293	109
Total		4,782	100	100	3,255	

Most price supports go to the 1.3 million large-scale farms accounting for 79 percent of the farm marketings. For this group, the calculated portion of price support and stabilization costs for fiscal year 1957 averaged about $2,000 per farm.

For the 2.7 million small-scale, part-time and residential farms, accounting for only 9 percent of farm marketings, the calculated portion of costs of governmental programs for price supports and stabilization averaged only slightly over $100 per farm. These farms received little help from the $3.3 billion of Federal costs in fiscal 1957.

The rural development program is helping primarily the low-income farm families—the ones most in need of help.

The realized net cost per farm of price support and stabilization programs for fiscal year 1957 by crops (based on most recent census data of number of farms selling the crops) has been about as follows:

	Cost per farm
Wheat	$1,166
Cotton and cottonseed	877
Corn	687
Grain sorghums	365
Rice	14,667

There are of course wide extremes between small 15-acre wheat or 5 to 10-acre cotton farms—and the large scale acreages per farm of 100 acres or more.

For example, based on 1954 census distribution of crops by size groups:

WHEAT

Six hundred and twenty-five thousand farms (62 percent) with less than 25 acres of wheat accounted for less than 14 percent of the governmental costs (fiscal 1957). This averaged about $200 per farm.

Fifty-nine thousand farms (6 percent) with 200 acres and over, accounted for 36 percent of the Government costs (fiscal 1957). This averaged almost $6,000 per farm.

COTTON

Four hundred and twenty-four thousand farms (49 percent) with less than 10 acres of cotton accounted for less than 11 percent of the governmental costs (fiscal 1957). This averaged nearly $200 per farm.

Thirty-two thousand farms (4 percent) with 100 acres or more of cotton accounted for 31 percent of the governmental costs (fiscal 1957). This averaged about $7,400 per farm.

RICE

Seven thousand, four hundred and sixty-eight farms (64 percent) of the 11,567 rice farms had 100 acres or more of rice and accounted for about 92 percent of the governmental costs (fiscal 1957). This averaged about $21,800 per farm.

The commodity figures have special meaning when it is realized there are nearly 1.9 million farms with total sales per year of $1,200 or less.

I have the privilege to represent a great farm district in Indiana where nature has endowed us with good, rich soil. All of us recognize that the farm population in America is decreasing yearly, and we also recognize further that the proposal under consideration is likely to increase the cost of food during this period when there is unemployment. Surely the Congressmen representing primary consuming districts cannot support the proposal embodied in this legislation. The hundreds of letters from farmers in my District in Indiana also ask to have fewer Government controls and less Government interference in their business. They say it is a high price to pay for a program that already has proven to be a failure.

Mr. HILL. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, history has indicated that the prosperity of the farmers is very definitely and closely linked with the prosperity of the city dweller. I personally would want the farmers to be prosperous so that the urban and city residents can be prosperous. However, I do not feel that in this bill that will be accomplished. Some of the gentlemen here have spoken about the farm drop in prices, as if it is a Republican phenomenon. The gentleman from New York [Mr. ANFUSO] stated that from 1952 to the present time farm prices have dropped 16 percent. Under

Mr. Roosevelt, from 1937 to 1939, a period of 29 months, farm prices dropped 35 percent. Under Mr. Truman, from 1948 to 1950, 24 months, farm prices dropped 22 percent. Again from 1951 to 1952 from March to December, under Mr. Truman, farm prices dropped 16 percent. They have dropped far more under Democrats than they have dropped under Republicans. It seems to me, my friends on the other side believe that the Republicans and Mr. Eisenhower can be put on the political hot spot by passing legislation. They think Mr. Eisenhower will have to veto it and they can go to the farmer and tell what great people they are and what great friends they are for the farmers. Let us look at the other side, the consumer side. What will this legislation do to the food budget of the consumer. Seven-eighths of the population of this country, roughly 150 million people are urban citizen consumers, and one-eighth are farmers. It strictly looks to me like the Democrats are trying to pass some class legislation in order to garner some votes. But, they are going to have to answer to the city consumers. They have to guarantee to the people in the city that they are not going to be pious and say, "We are for the farmers," and at the same time keep raising prices to the city people—which this bill will do by putting a floor under the prices and letting the ceiling go as high as it can. Instead of farm relief, this bill looks like it is designed to prevent any possibility of about 150 million people buying cheaper bread and butter. This is strictly an attempt, it looks like to me, to play both sides of the fence. The Democrats purport to be the friend of the so-called city people where unfortunately they have most of their power today. If they are trying to be the friend of the farmer at the same time, they are going to have to make up their mind on what side of the fence they are on. There is no question about that. Some of the gentlemen here from this side of the fence talk about profits. Let us look at the picture. We have some facts here. In 1947, according to the statistics from the Department of Agriculture, the farmers got 51.4 cents. Labor got 24.2 cents and the handlers took in profits of 5 cents out of every dollar. Then let us look at 1955. Under the Republicans, surely the farmers got less. They got 39½ cents out of each dollar, but labor who we all want to see get just treatment, went up to 31.5 cents.

And what happened to profits of the so-called big corporations and the middlemen that all the gentlemen on this side—not all of them, but most of them—are "hollering" about? Profits went down according to the United States Department of Agriculture to 2.9 cents out of every dollar.

Who is getting the money? I think the charges that you make that the prices are being bloated and the city people are taking advantage of the farmers is not true. The Democrats are trying to play both sides against the middle. It is about time the country is told that they are not going to get away with it.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman says this is a purely political bill. I want to say that although many of us are not always able to clearly see through every legislative proposal and although it is unusual to have snow in Washington as we do at this time, we do not have to have snow on the ground in order to follow the tracks of a lot of politicians.

Mr. SHEEHAN. The gentleman is correct.

Mr. HILL. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, although I represent a highly urban area, I am in complete sympathy with the problems of the American farmer. But I think it is about time, also, that the farmers and their Representatives here in the Congress, start thinking about the problems of the consumer whose grocery costs remain high while his paycheck slides or stops.

Let me point out a few facts of life about the agricultural situation at the present time. For example:

Income per person on farms last year was highest on record, up 2 percent over 1951, the previous high year.

Farm assets are an all-time high, $188 billion as of January 1, 1958.

Farmers have less than $11 in debts for each $100 of assets. In 1940, the ratio was $19 for each $100.

Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high. Only 1 in 3 farms has a mortgage.

The postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same percentage as 30 years ago.

The level of living on farms is highest in history.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

The inventory value of livestock on farms for January 1, 1958, was $14.2 billion—higher by $3 billion than a year ago.

In short, Mr. Chairman, the farmer has his problems at this time, but so does the city dweller and I would like my distinguished colleagues to keep this in mind when they vote for this legislation which is designed to assist one segment of the economy at the expense of the others.

Mr. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON of New York. Mr. Chairman, as a freshman Congressman, no issue has been of more concern to me than my decision on how I should vote on this legislation, Senate Joint Resolution 162, to provide that acreage allotments and price supports cannot be lower than those in effect in 1957.

Representing a Congressional District in which dairy farming is an extremely important segment of our local economy, I have been ever mindful of the problems which have faced the upstate New York dairy farmer for the past several months.

I have sincerely sought to understand and evaluate these problems as the dairy farmers of Broome, Tioga, Chemung, and Steuben Counties of New York have explained them to me. With my distinguished colleague, the Honorable JOSEPH CARRIGG, Representative from the 10th Congressional District of Pennsylvania, I had the privilege last Saturday, March 15, of attending, at Binghamton, N. Y., a conference of farm organizations and individual dairy farmers which we had called for the purpose of discussing these very problems.

That meeting was fruitful in that it gave Congressman CARRIGG and myself the opportunity to learn the thinking of many of our individual dairy farmers at first hand—as contrasted to the second-hand material which had been furnished to us by various dairy farming organizations and blocs. I am grateful for that opportunity, despite the fact that the meeting pointed up the very obvious differences of opinion between the some 50 farm bureau and dairy cooperative members who were kind enough to attend and take part in our discussions.

In brief, the Farm Bureau people told us they believed that while some benefits have been derived by dairymen from the present dairy-support program, it was high time that the dairy farmer recognized that no one can legislate farm income; that political attempts to solve the economic problems of the dairy farmer have failed; that the small dairy farmer who really needs help has been hurt by the price-support program, and that the Government's major role in this field should be to help farmers help themselves via stepped-up research, educational, and marketing programs.

In effect, they asked my colleague and myself to stop helping the dairy farmer, and to give the dairy farmer a chance to help himself. They said that, while Congress has been trying to help them for 25 years by propping up farm prices, we have succeeded only in creating huge surpluses that have actually depressed farm income in our Districts; that the fifteen-odd-billion tax dollars we have spent on our farm programs have shackled dairy farm progress, put a ceiling on opportunity, and served mainly to waste America's resources—including capital, labor, fertilizer, and machinery.

The Farm Bureau people told us further it is high time to get the Government out of agriculture and that even though they fully realized that any lowering of support levels would mean a temporary reduction of their net income the end results would more than justify such a hardship.

On the other hand, the cooperative members told us that while they agreed,

in principle, that the price-support program had failed, we in Congress should now act to hold the status quo until such time as some alternate program, such as one of the various so-called self-help plans, could be enacted. These people told us further that, in their opinion, lowering of dairy price supports to 75 percent of parity at the present time, as Secretary Benson has directed, could only result in the financial ruination of many of our small- and medium-sized dairy farmers, and that such a step was certainly untimely in view of the current recessionary trend in our Nation's economy.

I am sure that both Congressman CARRIGG and myself respected the sincerity and experience of these people who gave us such divergent views. That there was a divergence of opinion was even more clearly shown when, at the conclusion of our meeting, a call for a show of hands of those supporting Secretary Benson's order to reduce dairy price supports and those requesting us to vote in favor of freeze legislation resulted in practically a tie vote.

Speaking for myself alone, I must confess that it then seemed to me to be completely inconsistent for us in Congress to be considering many and varied ways to combat this present recession—such as tax reduction and a massive public-works program to prime our national economic pump—while at the same time an administrative order was about to take effect, unless we acted to stop it, which would surely result in at least a temporary reduction in dairy-farm income and might even cause some of our dairy farmers to go out of business, thereby adding to our economic woes.

Two things have happened to change my thinking. First, the Senate resolution which is now presented to us calls for a freeze of not just dairy support prices, but for a freeze at 1957 levels, for an indefinite period, if not amended, of all agricultural commodity support prices and acreage allotments, except tobacco.

This is something else again.

Instead of protecting my dairy farmers from further economic troubles until an alternative program for them had been worked out, I am faced with legislation which would institute not just a freeze of policy but a major change of policy; in fact, a basic radical change in Congressional policy with respect to the entire price support and acreage allotment program, one that would virtually cripple the use of flexible standards in determining price supports and might constitute a serious setback in our administration's farm program which would take years to overcome.

Secondly, yesterday morning I had the distinct privilege of discussing this dilemma with Secretary Benson himself. No single individual I have yet met in governmental circles has so impressed me with his sincerity and basic honesty as did this man. I think that no one, regardless of his political affiliations, could help but believe, upon meeting him, that this is a man who, in his own words, is continuing to pursue a course which he believes is best for our farmers and fair to all our people.

After careful consideration, I am now convinced that this resolution is bad legislation. It might temporarily prevent a loss of about $200 a year in gross income on the average dairy farm in my District. This is a result I would like to see achieved, Mr. Chairman, but not at the expense of the consumer and of sabotaging our entire farm program, creating additional surpluses and increasing greatly the cost to the taxpayer of supporting Government in agriculture. I recognize that I have a duty to my constituents, but I also recognize that I likewise have a duty to consider the nationwide effect of legislation such as this and that there must be times when that duty must be paramount to local interests. I believe this to be one of those times.

Mr. Chairman, in conclusion I might add that if I have the opportunity to vote on a resolution to freeze only dairy support prices for a period long enough to allow this Congress to enact one of the various so-called self-help plans which are under consideration to protect the dairy farmer during the transition period necessary to getting the Government out of dairy farming, I would be inclined to support such a resolution.

Political complexions being what they are in this election year, I may not have that opportunity, and I also very seriously doubt that we in the minority party will be given the further opportunity in this session of considering and voting upon any of the proposed self-help plans.

I will vote "nay" on Senate Joint Resolution 162 in its present form.

Mr. HILL. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I represent the diversified farming area in the heart of Illinois comprising the 18th Congressional District and rise in opposition to this resolution, for I believe it to be a step backward in solving the agricultural problem. Oh, yes, the economic climate is just right for a demagogic approach today. We have heard an abundance of it here this afternoon, and I suspect that many will be moved by political expediency to support the resolution. Frankly, I do not propose to take the easy way out, but to stand up for what I believe to be fundamentally right, regardless of the political implications.

I was hoping that during this session we would have an opportunity to consider an overall constructive farm program, but it is quite apparent from this maneuver that the majority side has no intention of tackling this problem realistically in an election year.

Those of us from the corn and soybean producing area have been concerned over the extraordinary benevolent attitude the Congress has taken with respect to such crops as cotton, tobacco, rice, and peanuts. I just cannot help but have a feeling that we are still being asked to pay reparations to the South for the Civil War. The resolution before us today gives me no cause for altering this opinion. How long, Mr. Chairman, oh, how long, are we going to drift along and evade the responsibility of facing up to this issue squarely?

Personally, I get just a little irked when Members of Congress are pictured as spineless creatures who are concerned only with their political necks. I do not appreciate being so characterized, and my record since becoming a Member of this House will disclose my holding fast to principle and conviction regardless of the political consequences.

Just last week, for example, when the omnibus public works bill was considered, I was forced to vote against my own project for the Hennepin Canal involving an expenditure of $2 million because the omnibus bill was loaded down with $432 million worth of additional unauthorized projects. That was just too much pork barrel to stomach to get my vote for the bill, even if it foreclosed my voting for my own project.

Yesterday, I was asked to take a public position in support of a local school tax referendum for school construction, and gladly did so although it probably was not the smartest thing to do politically. Today, many of us from farm districts may be on the spot politically, but I would urge my colleagues to not become panicked by this maneuver, but rather vote for what you honestly believe to be right as a matter of principle.

Mr. Chairman, I respectfully submit that a vote against the resolution today will be in the best interest of the farmer tomorrow and in the future.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, during the earlier part of the debate a question was asked as to whether Mr. Benson could lower price supports. He can and I will show you how he is doing it in the case of rice.

When the support level was fixed last fall, it was based on figures compiled within the Department of Agriculture. Among others, the figures used were expected domestic consumption and expected foreign consumption. The latter figure was based to a considerable extent on shipments abroad during the preceding year. These shipments incidentally were 24½ million hundredweight under Public Law 480.

The statisticians, to be conservative, revised this downward to 19 million which was the figure submitted.

Using this as a part of the expected shipments abroad, the surplus of rice was lowered to such a point that under the esculator clause the support price would have been in the neighborhood of 86 percent.

These figures were immediately sent back with instructions to use an estimate of foreign shipments which would bring the support price down to 75 percent. This was done and that is where the support price stands today.

At the same time, a cut in acreage is inevitable and the rice producers will take a 37 percent cut for next year.

The rice industry can't take it and there is no reason why they should in the face of a worldwide shortage of rice and a ready demand for the American surplus.

If the Commodity Credit Corporation filled the requirements as they stand today, by the first of August there would be no surplus.

All of the foregoing was developed in a hearing this morning in the rice subcommittee.

The rice industry needs the passage of this resolution desperately so that we may have an opportunity before we go broke to recommend some permanent legislation.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CANNON].

Mr. COOLEY. Mr. Chairman, I yield the balance of my time to myself.

Mr. Chairman, I want to conclude this debate by saying it is difficult for me to understand how the last two or three speakers were bold enough to suggest that there was something political about this legislation. Maybe the President will veto it but, I personally do not think so. I do not see why he should veto it.

This bill does not increase acreage, it does not increase price supports, it does not do anything that is going to be harmful to the consumer. By this law we are adopting the figures and calculations made by Mr. Benson in 1957. Certainly the farm income in 1957 was not too high, but it will go substantially lower than the 1957 level if we do not pass the pending resolution.

I do not believe there is a man over there that would urge the President to veto this joint resolution. I do not think a member of our committee would urge the President to veto it, because they know that it is fair and reasonable. What is to be gained by driving farm income down another half a billion dollars in the current year?

I feel that perhaps an effort will be made to freeze dairy price supports only. What good and logical reason could be advanced to sustain such a motion as that? If there is anything political in this bill it is the dairy section, because a vote for this bill, in fairness, I might say, will have the effect of rescinding Mr. Benson's order.

But we have been led to believe that the President even now perhaps has under consideration a modification of the order which Mr. Benson will put into effect on April 1 if no action is taken either by the White House or the Congress.

The Senate has passed a permanent bill. I understand some Members may object to it, but I do not see how anybody can take any reasonable objection to the one-year freeze in the resolution now before the House. It does not prevent the Secretary from increasing price supports if he determines that price supports should be increased, but it prevents him from lowering price supports during the current year, and it would have the effect of preventing a reduction in acreage programs on the 1959 crops.

I urge Members of the House to adopt the resolution.

The CHAIRMAN. The time of the gentleman from North Carolina has expired, all time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

Resolved, etc., That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time—

(1) the support price (in terms of dollars and cents) for any agricultural commodity, except tobacco, shall not be less than that available for such commodity during the marketing year or season which began in 1957; and

(2) the total acreage allotted for any agricultural commodity, except tobacco, shall not be less than that allotted for the 1957 crop of such commodity, and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to each crop of upland cotton and rice, respectively, to which this resolution is applicable.

This resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution. Nothing in this resolution shall be construed to repeal or modify any law enacted in the second session of the Eighty-fifth Congress or to require price support to be made available if marketing quotas have been disapproved by producers, or to noncooperators in the case of any basic agricultural commodity.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 9, after the words "This resolution shall be effective" strike out the rest of the sentence including the period on line 12 and insert: ", with respect to price supports, only for the marketing year or season which begins in 1958 and, with respect to acreage allotments, through 1959 crops."

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the purpose of the bill we are now discussing, of course, is to interpose a 1-year stay of further support prices or acreage-allotment reductions.

This purpose, briefly, is to put $500 million more in the hands of the American farmers. I am not satisfied with the program that we have for the American farmer and I know that none of you are satisfied with the program. I want at this time to pay tribute to my colleagues on both sides of the aisle for patiently striving to bring to the House before long a program that we hope will better solve the program of the American farmer. But, this, Mr. Chairman, in my opinion, is an essential stopgap measure, and I sincerely hope it is approved by an overwhelming majority.

The distinguished gentleman on the other side of the aisle a few moments ago continued to stress the fact that this is a fight between the consumers in the great American cities and the farmers in other parts of this Republic. I do not know facts that could be presented any more clearly than have been presented on this particular subject by the gentleman from Oklahoma [Mr. ALBERT], who said that in 1952 when wheat was supported at 90 percent of parity a loaf of bread cost 16 cents; whereas, in 1957, wheat was supported at 79.7 percent of parity and a loaf of bread cost 18.8 cents.

Secretary Benson himself has said there is no direct relationship between the so-called price-supported commodities and the price that the consumer has to pay in the market place.

Now, if it does not make sense, please look at the facts and you can deduce no other conclusion. Several years ago the House Committee on Agriculture presented a study wherein it was stated that a $3.95 cotton shirt represented only 30 cents to the farmer who raised the cotton; and a peanut candy bar costing 5 cents had only one-half cent's worth of peanuts in it. In other words, it would seem as though you could give some of these commodities away and it would not make any difference in the price to the consumer. And, strange as it may seem, that is entirely borne out by the facts in the case.

I have the feeling that in a few minutes, as has already been indicated, an effort is going to be made to put one group of farmers against another group of farmers. I have a suspicion that someone is going to get a little idea that somebody else is going to get more than the other fellow. I must say to my friends that whatever action is taken, all those affected in any farm commodity group should be treated alike or we will have no farm program.

Let me suggest a few of these farm programs that we have which are helpful to all segments of our farm economy: First, section 32 funds; $216 million available last year, to help farmers who did not produce the basic crops; second, marketing-quota programs; third, agricultural research, in the amount of $135 million; fourth, the great Forest Service program amounting to $123 million; fifth, marketing service programs which totaled $130 million; and, sixth, the conservation reserve program which cost $162 million. Then there is the sugar program, the wool program, and I could go on and on and end up with the great dairy program, by means of which we are feeding millions of children and needy people. We are spending millions of dollars a year on this great program for the American consumer, and I know this program is of great aid to the dairy farmer.

I want to say, Mr. Chairman, we must present a united program. I sincerely hope that our great statesmen on the left are not going to try to tear us apart and to suggest one program that will tend to make others in other parts of the farm-producing sections oppose that particular program.

I would like to take a few moments to point out that these programs help all of our people. As I pointed out a few moments ago, through Public Law 480, 3,600,000 needy families, 1,388,000 people in charitable institutions, and 13 million schoolchildren are being fed. If that is not aid to the consumer, I do not know what aid we might consider.

I think, finally, we should stress the fact that the cost of our farm programs has been greatly exaggerated. We hear that the farm program last year cost $5 billion. Over one-half billion dollars of that amount represents loans to the REA and FHA, which will be repaid by our farmers. At least $2 billion

represents other items which should not be charged to the American farmer.

Mr. LAIRD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I endorse a price-support level of at least $3.25 per hundredweight for manufacturing milk with a butterfat content of 3.95 (national average) until a permanent producer-financed and operated self-help dairy stabilization program can be effectuated. I have introduced legislation which will give farmers throughout the United States an opportunity to vote on a new self-help dairy stabilization program. The authority to conduct such a milk producers' referendum is contained in H. R. 10060 introduced by me on January 16, 1958. I am hopeful that this legislation will be reported to the Congress for action during this 2d session of the 85th Congress.

I shall vote to maintain the price support level of $3.25 which is contained in this bill we are considering this afternoon. I do this not as a permanent solution to our dairy problem but only as a stopgap action on the part of this Congress to give dairy farmers the opportunity to have a referendum on a new program.

Milk is produced in every State in the United States. It must be harvested twice a day and must go to market at least every other day. Milk producers have adopted new production procedures to reduce costs and improve quality. Milk must be produced in sufficient volume to supply adequate consumer needs. In order to do this every day of the year a ready reserve is needed.

During the past 9 years, the so-called surplus has ranged from a high of 8 percent in 1953 to less than 1 percent in 1951 of the total annual milk production. Even though the surplus has been small, it has set the floor and ceiling on our manufacturing milk prices. All surplus class I milk has been dumped into cheese, butter, and powder. This has had a tremendous impact on the Wisconsin dairy farmer in view of the fact that 84 percent of his milk has no market within the State boundaries of Wisconsin and must move out mainly in the form of manufactured dairy products.

The dairy-processing industry employs over 300,000 people. Retail sales amount to about $10 billion annually. Dairy accounts for over 20 percent of the total agricultural income of our Nation.

While support prices have been reduced since 1954 and are about to be reduced further, dairy farm costs are increasing. The increased cost of production in 1957, compared to 1947–49 averaged 14 percent. Taxes, labor, and machinery are up. Feed and livestock down. Further support reduction will aggravate this cost situation.

The reduction in supports to $3.02 will take an additional $250 million annually from producer income. These reductions can only result in drastically reduced consumption for industrial products. The proposal to authorize the Secretary to reduce support levels to 60 percent of parity could lower producers' annual income from present levels by $1 billion. It has been estimated that milk producers in the State of Wisconsin stand to lose $40 million in the reduction from $3.25 to $3.02. They would lose about $114 million in a reduction from the present level to 60 percent of parity.

In addition to favoring a support level of at least $3.25, I support proposals to adopt a base period for calculating the parity equivalent formula which reflects a free market period—namely, July 1946 through December 1948. During this period, there were no support purchase programs and no national emergencies. Although these proposals would result in a modest increase in the support level for manufacturing milk, we would only be holding our own income position in an expanding economy.

The United States Department of Agriculture has estimated that the dairy stabilization program for products acquired during fiscal 1957 carried a net cost of $228,350,000. But in that figure is a specific appropriation by Congress of $56,572,000 for the special school milk program. Another item included is that of $14,415,000 for donations to other nations on behalf of the American people to relieve famine or other emergencies. This cost should not be charged against the dairy support program. One other item includes $41,500,000 for the removal of surplus agricultural commodities. The funds for this is obligated under section 32 customs duties and should not be charged to dairy supports. Taking these items into consideration reduces the 1957 fiscal year cost to $115,738,000 as compared with the reported figure of $228,350,000.

Mr. Chairman, in this morning's mail I received the following letter which I would like to read into the RECORD at this point, from Mr. Curtis Hatch, president of the Wisconsin Farm Bureau Federation:

WISCONSIN FARM BUREAU FEDERATION,
March 18, 1958.

The Honorable MELVIN R. LAIRD,
The House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN LAIRD: Enclosed is a resolution adopted by our board of directors to clarify our position with regard to a dairy program.

Sincerely,

CURTIS HATCH,
President.

The enclosed resolution reads as follows:

RESOLUTION REGARDING A NATIONAL DAIRY PROGRAM AS ADOPTED BY THE WISCONSIN FARM BUREAU BOARD OF DIRECTORS AT MADISON, MARCH 11, 1958

Recently there have been a number of inquiries regarding the position of the Wisconsin Farm Bureau on legislation before Congress for a new dairy program.

On December 18, 1957, this organization adopted a program for the effective solution of the current dairy problem, the essential features of which were:

1. Maintenance of 1957 dairy support levels until a new program is perfected.

2. Creation of a new farm bank program to take entire farms out of production.

3. Free movement of concentrated fresh and concentrated sterile milk in trade as grocery store items.

4. Elimination of trade barriers, and

5. Expansion of foreign markets.

We give this program, with particular emphasis on point No. 2, our unqualified support, in the belief that its enactment and proper administration will (a) balance production and consumption, and thereby, (b) make other legislation unnecessary.

In view of this policy and these beliefs, we feel all efforts should be bent to bring about enactment of this program.

If such a program cannot be enacted, we believe dairy farmers should have the opportunity to determine whether, as an alternative, they wish to have a self-help program, such as is provided for in H. R. 10060.

But we (1) insist that the specific provision for a referendum with voting on an individual basis be retained as presently provided for in said H. R. 10060, and (2) emphasize that it is our absolute obligation and duty to point out the dangers as well as the merits of any legislation which may be proposed.

I appreciate the support of the Wisconsin Farm Bureau favoring a referendum on a self-help dairy stabilization program. I shall continue my efforts to see that legislation providing for such a referendum is enacted by this Congress.

For the benefit of those Members of the House who like myself came from dairy districts I know their people will want to know at what level feed grain has been frozen—soybeans, from which soybean meal comes, are frozen at a minimum of 70 percent of parity. Cottonseed and flaxseed, on which we depend for protein, are frozen at 65 percent. Barley, oats, and sorghum grain are frozen at 70 percent. Corn that is grown under allotment, is guaranteed 77 percent. But that is not where we get our corn for dairy feeds. We get it from noncompliance acreage and noncommercial areas. Corn in the noncommercial area is frozen at 70 percent of parity.

THE MILK PRODUCER NEEDS A NEW DAIRY PROGRAM

We know that milk is the basis of the most important of family foods known to man. Nutritionists agree that consumption of milk and milk products in this, the world's richest country, is not at a level which is commensurate with good health. In this 20th century we have seen advertising sales promotion of less healthful substitutes and soft drinks outdistance dairy products by as much as 2,000 percent. We all admit that milk and its products have not been satisfactorily sold to the American consumer.

FOUR MAJOR FACTS FACING DAIRY FARMER

We must face major facts as we look at the dairy industry today. The first and most basic one is that the dairy industry will be sick, regardless of the level of Government supports, just as long as the production of milk and its products outpace consumption. It is axiomatic that milk surpluses, no matter who stores them, act as a depressing influence upon the farmer's price for milk.

The major problem is bringing production and consumption into balance, and then we must go on and face other facts which are part and parcel of a sound program for the future.

Second, Government alone cannot bring permanent prosperity to the dairy industry. It can help or it can harm. The program should stress helpful rather than harmful actions by the Government. The 1949 dairy price support law under which we have operated for 8

years is not the type of Government program that helps the dairy farmer, but merely adds to his problems.

Third, the dairy problem can be met partially by increasing efficiency on many of our dairy farms which means higher volume at lower cost.

Fourth, the greatest help to the dairy farmer lies in the field of increasing per capita consumption of milk and its products. This responsibility lies principally with the dairy industry itself.

NINETEEN HUNDRED AND FORTY-NINE DAIRY SUPPORT LAW DOES NOT HELP FARMER

Let us look at the 1949 dairy support law which has been in effect for these past 8 years. This program as enacted by the Congress in 1949 was designed to protect the dairy farmers' income. The experience of these past 8 years has shown that it gives the greatest amount of protection to the dairy plant operators, assemblers and middlemen. With the Commodity Credit Corporation standing ready to buy top quality cheese, butter and powder to remove surplus milk production from the marketplace, you find that the real incentive for most processors to sell their products in the marketplace has been almost destroyed. You find the best quality manufactured dairy products being channeled into Government warehouses.

Milk is not like wheat, cotton, peanuts, corn, rice and tobacco. These so-called basic agricultural commodities can be loaned on, or purchased by the CCC in the form in which they are produced by the farmer. Milk to be purchased under a support program must be processed into a storable form. This processing is done away from the farm and for that reason the Commodity Credit Corporation, under the 1949 Agricultural Act, must support dairy products through a middleman. This 1949 purchase program has done almost as much to destroy dairy markets as the action which allowed colored substitutes to be shipped in interstate commerce.

The manufacturers of dairy products have not increased sales staffs in the proportion to the sales promotion work which has been done by other sections of industry. The plant operator is in a position where he can always sell to Uncle Sam without lifting a finger as far as sales promotion is concerned. This lack of sales promotion is the direct result of a program in which Uncle Sam stands ready to buy dairy products at a fixed price.

The 1949 dairy support law also has shown that milk production cannot be effectively controlled through the use of its variable support levels.

THREE ALTERNATIVES ARE AVAILABLE TO CONGRESS

The 1958 session of the Congress is indeed a critical session for the future of America's dairy farmer. The facts clearly show that a new dairy program is absolutely essential and vital. There are three alternatives which are open to milk producers.

First. Remove all price supports and let prices fall where they will clear the market. This would tend to squeeze out farmers with low producing cows and high costs of milk production. This course of action if taken without due notice would put the entire dairy industry in complete chaos for several years and tend to further promote restrictive local milk marketing regulations throughout the country.

Second. Adopt the subsidy payments plan through which farmers would receive direct payments from the Government. These payments would make up the difference between a low free market price and a given percentage of parity. This type of program would further discriminate against those areas of the country producing milk for manufactured dairy products. This alternative would call for the strictest type of milk production controls and would be disastrous to future dairy sales promotion efforts by establishing an unrealistic sales price for dairy products in the marketplace. This type of program would make Uncle Sam the master of every milkhouse in the United States. Dairy products are currently the best food buy in America today. Today the American consumer can buy over three times as much in dairy products for the same hour of labor as he could purchase prior to World War II. The facts are that substitute manufacturers will always be able to cut their prices. They will demand the same type of treatment from the Government in the marketplace; therefore always will be in an advantageous position to compete with dairy products if price was the only consideration. Milk producers have the best product, but the present dairy price-support program has destroyed the incentive for selling it.

Third. Milk producers throughout the United States have within their grasp the third alternative which is the most realistic in its approach and will provide the dairy farmer with the brightest future. I refer, of course, to a self-help dairy stabilization program. This self-help program is an amended version of the original dairy program recommended by the National Milk Producers Federation 2 years ago.

Through conferences which began in my Congressional office in Washington, a national dairy committee was set up under the sponsorship of the National Grange and the National Milk Producers Federation. Outstanding dairy leaders throughout the United States served on this committee. The results of their meetings over a 2-year period convinced them that the legislation which I introduced on January 16, 1958, H. R. 10060, offers the best hope to our Nation's milk producers for a bright dairy future.

In Wisconsin I have made every effort to get dairy groups together behind a single program. Only through unity on the part of farmers and farm organizations themselves can we meet with success in securing the necessary legislation for a new program. I have asked dairy farmers and farm organizations to submit to me their suggested changes in H. R. 10060 as introduced.

PRINCIPAL PROVISIONS OF THE NEW SELF-HELP DAIRY STABILIZATION PROGRAM

First. The principal provision provides for a referendum of milk producers which would be conducted by the Secretary of Agriculture on September 8, 1958, to determine whether dairy farmers favor a dairy-stabilization program operated by a Federal Dairy Stabilization Board in accordance with the provisions of the act, or continuation of the present type of price-support program operated by the Secretary. If a majority of producers voting favored the dairy-stabilization program, it would go into effect April 1, 1959.

Second. A comprehensive, national dairy policy would be established, commensurate with the importance of dairying in the national economy.

Third. As a part of the policy declaration, the criteria for price stabilization would include not only an assurance of adequate supplies of milk and dairy products for consumers, but a fair return to producers, taking into consideration investment, risk, and the labor of the producer and his family.

Fourth. The dairy stabilization program will be run by dairy farmers themselves through a Dairy Stabilization Board made up of 15 members selected by dairy farmers. At least 11 of the members must actually be engaged in the production of milk.

Fifth. The Stabilization Board would support milk and butterfat prices to producers at levels to be established and announced annually by the Board. The minimum price for milk used in manufactured dairy products would be $3.86 per hundredweight at national average butterfat content.

Sixth. The Stabilization Board would buy and sell domestically produced milk, butter, cheddar cheese, nonfat dry milk solids, and other dairy products at such prices and in such manner as would enable it to stabilize prices to producers at the established levels and avoid disruption of regular commercial marketing channels.

Seventh. The program will be financed by a single assessment of not to exceed 25 cents per hundredweight on all milk and butterfat marketed. Whenever the total cost of operating the stabilization program requires an assessment of more than 25 cents per hundredweight of milk, then an alternative method would be used employing a nominal assessment below 25 cents on all milk and butterfat marketed, plus a supplemental assessment on all surplus milk marketed by individual producers through a base-surplus or two-price program.

Eighth. For the marketing year beginning April 1, 1959, prices of milk and butterfat would be supported at 90 percent of parity, using the manufacturing milk parity equivalent formula originally used under the Agricultural Act of 1949, and the marketing assessment to producers would be 25 cents per hundredweight of milk or milk equivalent. Thereafter, decisions with respect to price support levels, the use of marketing bases, and the amount of marketing assessment or assessments would be made annually by the Board.

Ninth. All dairy marketing assessments withheld from money otherwise due milk producers would be remitted by processors or handlers to the Commissioner of Internal Revenue. Returns would be filed and remittances

made monthly in accordance with rules prescribed by the Commissioner.

Tenth. The proposal provides a strong incentive for farmers to produce for the effective domestic market at a fair price.

Eleventh. Provides a stimulant for increased dairy sales activities.

Twelfth. Rewards and places a premium on efficiency in milk production.

Thirteenth. Provides an insulation against diverted and Soil Bank acres being dumped from the basic commodities through the establishment of a base in accordance with the production records of existing milk producers.

Fourteenth. Provides no subsidy on surplus for export, thus is far less objectionable than the present price-support program or the so-called direct-payment program when viewed solely as to its effects on our foreign relations and foreign trade.

Fifteenth. This program does not condition the consumer to unrealistic low prices for dairy products which in the long run could prove disastrous.

Sixteenth. Provides the same financial advantage provided by the original self-help bill advocated by the National Milk Producers Federation, but places major cost on the producer of surplus milk rather than on the producers of all milk. The only cost assessed to all milk would be the handling and assembly cost which could be met by the small fixed stabilization fee, which under the terms of my bill could never exceed 25 cents per hundredweight on milk used in the domestic market. This year 96 percent of United States milk production was used in the domestic market.

Seventeenth. This program will save the Federal taxpayers over $300 million a year and is the first important step in getting the Federal Government out of the dairy business.

HOW DAIRY STABILIZATION PROGRAM OPERATES

If the costs of administering the dairy stabilization program are estimated to exceed the 25 cents dairy stabilization fee in the opinion of the Dairy Stabilization Board, the two-price or base surplus feature of this legislation would go into effect by order of the Board.

The Dairy Stabilization Board would, immediately prior to each marketing quarter, publish a market-surplus ratio. At the present time this ratio would be approximately 96 percent market and 4 percent surplus. In other words, there would be a domestic market for about 96 percent of the national production, if the current rate of production is continued.

Let us assume for the moment that Mr. Processor operates a plant in Wisconsin and Mr. Farmer is shipping to Mr. Processor's plant. The Dairy Stabilization Board has published the ratio for the coming quarter. At the same time the Dairy Stabilization Board announces that all it can get for its surplus milk in disposal operations—relief-foreign trade-industrial use and livestock feed—is approximately $1 per hundred. That then will be the surplus price for the coming quarter.

At the same time, the Dairy Stabilization Board announces that it will support the domestic market price of dairy products at 100 percent of parity. Let us, for example, assume that the support of manufactured dairy products at 100 percent of parity, means that you would receive in the free market in Wisconsin about $4 a hundred, for milk. Now let us go to Mr. Farmer's farm. Let us assume that for the past 3 years he has averaged to market 30,000 pounds of milk each month. Mr. Farmer's market for the month of January 1958 will be 96 percent of the 30,000 pounds, or 28,800 pounds. Only on that much milk will he be supported at 100 percent of parity level, or in Wisconsin, $4 a hundred. Any milk he produces over 28,800 pounds will be paid for at the surplus rate of $1 a hundred.

So, if Mr. Farmer produces at the same rate as he did last year, he would have 1,200 pounds for which he would receive $1 per hundred. Naturally he would probably keep that milk on the farm and feed it to his calves or cut out some of his low producing cows rather than produce at that rate of return.

Obviously if we were to stop here there would be an opportunity for Mr. Processor's dairy plant to make a substantial financial killing. No one would accept that proposal. When Mr. Farmer is paid $4 a hundred for 28,800 pounds, however, and only $1 a hundred for any surplus milk he produced, Mr. Processor would stand to gain $3 a hundred on the surplus milk. At the same time the Dairy Stabilization Board would be losing about $3 a hundred in the purchase of milk and its disposal. It would mean that Mr. Processor's dairy plant then would divide his payment on the surplus milk between the dairy farmers and the Dairy Stabilization Board. Mr. Processor's dairy would actually pay at least $4 a hundred for every drop of milk it received, but for surplus milk the dairy plant would pay $1 to the farmer and $3 to the Dairy Stabilization Board to underwrite the disposition of surplus milk. The dairy plant could do anything it wanted with this milk because actually it paid $4 a hundred for all its milk, which was the minimum market price in Wisconsin.

DAIRY STABILIZATION PROGRAM INSURES BRIGHT FUTURE

The Dairy Stabilization Board would guarantee dairy farmers a minimum price of $3.86 for all milk sold for domestic consumption. All surplus milk would be paid for at not to exceed the actual disposal price on foreign markets, in industry or in feeds, and so forth. Milk producers would be assigned a base quota arrived at on the basis of his average production during the preceding 3-year period. The national quota would be determined on the basis of milk needed for domestic consumption in any given year. If this plan would have been in effect during the current marketing year, each milk producer in the United States would have received a minimum of $3.86 for 96 percent of the milk he produced. On the amount of milk produced over and above his base or quota, the dairy farmer would receive a price determined by the Dairy Stabilization Board to be the price at which it could dispose of surplus milk production.

Two years ago the Dairy Subcommittee of the House Agriculture Committee conducted hearings in Minnesota and Wisconsin, and 22 separate proposals were made by dairy groups. The confusion which confronted the Dairy Subcommittee cannot be continued. The 1949 dairy support law under which we have operated these past 8 years is clearly not the answer.

Mr. Chairman, I repeat again, if we are to maintain the family dairy farm in the areas of our Nation which have historically produced our milk; if we are truly desirous of alleviating the cost-price squeeze in which milk producers are currently caught, this self-help dairy stabilization program must be adopted as the best insurance policy that has been offered for a bright dairy future.

Mr. Chairman, I shall vote for Senate Joint Resolution 162, because I believe, as does the Wisconsin Farm Bureau, Wisconsin Pure Milk Products Cooperative, Wisconsin Council of Agriculture, the Wisconsin Farmers Union, the Wisconsin Creamery Association, and all farm organizations in Wisconsin, that it is necessary for us to maintain the present price-support levels for another year so that we will have this year to lay the groundwork in establishing a new dairy program to benefit our Nation's milk producers. It is imperative that farmers be given an opportunity to vote on a new dairy program in this year 1958.

Mr. COOLEY. Mr. Chairman, I think it would be well for us to have a vote on the committee amendment to which I think there is no objection, and I ask for a vote on the amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HAGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN: On page 2, lines 5 through 10 after "commodity" strike out "and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to each crop of upland cotton and rice, respectively, to which this resolution is applicable." And on page 2, line 5 after "commodity" insert a period.

Mr. HAGEN. Mr. Chairman, this resolution was the subject of a somewhat amusing and not very productive discussion in our committee. There were no witnesses heard either from the Department or from these various commodity groups which are affected by this resolution. There are over 20 groups which are affected.

In preliminary background for my amendment I would just like to point out certain things. I think this Congress has to face up to the fact that we have two kinds of a farm problem in this country. According to the figures of the United States census, there are 4,800,000 farms in the United States. Of those farms which produce sales of commodities worth $2,500 or over there are

only 2,100,000, and they produce 90 percent of all the farm products produced in the United States. The remaining 2,700,000 farms, which produce products worth less than $2,500 per year in annual gross product, produce only 10 percent of the total farm product in the United States.

I think it is time that when we draft a farm program we decide whose interests we are looking after, those farmers who produce 90 percent of the food and fiber for our population or those farmers who produce only 10 percent of the food and fiber for our population. In the latter instance we certainly need some kind of a special relief program, but it should not be obtained by tinkering around with these various commodities to the disadvantage of that farm population which produces 90 percent of our product.

There has been a lot of talk about our disappearing farm population. In our recent history the only time that our farm population has increased has been during a period of depression. As the country becomes increasingly prosperous our farm population increasingly declines. There has been, I might add, a continuous decrease in our farm population since the year 1935. There is nothing at all unusual about that. The size of our farms has grown larger as the technology has improved.

With respect to this particular proposal, which deals with over 20 commodities, there was no evidence taken, as I have said, to know what the wish of the growers or producers of each of these commodities is with respect to this legislation. I know that it affects rice. It is my recollection that the desire of the California ricegrowers is to have a reasonable price support and have more acreage. This proposal raises the support level for California rice, so I would assume that this measure is objectionable to the California ricegrowers. This is an example for treating each of these commodities separately in resolutions of this kind.

To get more specifically to my amendment, I would strike out of this resolution a proviso which would extend into 1959 a special increase in the national acreage allotment of cotton of some 194,000 acres. These acres will go to this group of farmers who produce less than 10 percent of our total production. They are the least efficient farmers in the United States. They are the greatest burden on the farm population and on the Federal Government.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman has now made it perfectly clear that the purpose of his amendment is to take cotton from the little cottongrower and give it to the big cottongrower.

Mr. HAGEN. In response to the gentleman's question——

Mr. COOLEY. Is not that what the gentleman has just said?

Mr. HAGEN. I am taking it from the so-called 4-acre——

Mr. COOLEY. That is right, the little, inefficient man. The gentleman is going to bankrupt him in the interest of the big farmer.

Mr. HAGEN. May I say to the gentleman from North Carolina that that man has been bankrupt under over 30 years of farm programs. He is in the same position he has always been in. I should like to devise a program to help him. I really would, but I do not want to devise a program to help him that takes it out of the hide of the small farmer who can make an efficient living on the farm. That is exactly what we are doing by dealings of this kind.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Newark Evening News, of Newark, N. J., last Sunday described the measure now before us as "A direct attack on the pay envelopes of urban consumers."

This newspaper brands as most illogical the arguments of those who call this crop-support freeze an antirecession bill because they are in the main those most vociferous now in demanding income-tax cuts so that consumers will have more money to spend and excise-tax cuts so the prices of manufactured goods can be lowered.

How does the great American Farm Bureau stand on the issue before us? I hold in my hand a telegram sent me 2 days ago by Charles B. Shuman, president of the American Farm Bureau, reading as follows:

> Senate Joint Resolution 162, amended, rigidly fixing price supports and acreage allotments, is against the long-time interest of farmers and should not be approved.

The Passaic (N. J.) Herald News in my district, March 15, editorially describes the passage of such a bill as the one now before us as "a defeat for the American public" and holds "a veto by President Eisenhower will certainly be in our national interest."

Mr. Chairman, how can we approve this bill today when we read in the New York Herald Tribune of this very morning that Washington tomorrow morning is expected to announce that consumer prices have reached an alltime high? Yes; I represent a consumer district—one beset by unemployment currently causing real hardship, and yet the proponents of this measure are now asking me to go along with a bill which will cost an estimated $300 million a year more. Breaking this down into individual districts, they may contend that the cost per district will average only $700,000. My answer to that is—this is an increased burden that my people simply cannot meet.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I am glad to yield to my colleague from New Jersey.

Mr. THOMPSON of New Jersey. One thing about this that disturbs me very greatly, is the evidence, which I submit to my distinguished colleague, that food prices are 103 percent of what they were in 1951 and that the farmer's income is down 81 percent of what it was.

Mr. CANFIELD. I am sorry that my friend and colleague from New Jersey was not able to attend the hearings on this bill—because no hearings were held thereon.

Mr. THOMPSON of New Jersey. I thank the gentleman.

Mr. BROWN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment would be just another disaster, I fear, for the small farmers of America; and my colleague from southeast Missouri [Mr. JONES] will take good care of it in due time.

I rise to talk right now about the most disturbing thing of all in this debate this afternoon—this pitting of city districts against country districts and consumers against farmers at a time when the very survival of America requires unity.

Let us be honest—you folks who represent city people—let us face some facts. You say you are helping your people by voting against the farmers of America. Well, let me tell you how you are helping them.

Twelve to fifteen percent of American families buy a new car each year. This past fall we did a survey of a cross section of farm families in southwest Missouri. Here is what that survey showed—and mark these words well—anyone of you who has an automobile assembly plant in your district—three-tenths of 1 percent of our farm families bought a new car in 1957. You cannot buy $3,000 Chevrolets with $3 milk. You cannot be city prosperous and country broke. It never worked and it never will.

I have seen trade publications recently estimating that automobile manufacturers and dealers lost the sale of hundreds of thousands of automobiles and trucks in 1956 and 1957 in the rural areas of America. Estimates range as high as 500,000 units. Farmers either cannot afford tc buy or they are afraid to buy because their faith in the future has been badly shaken. Yet, if we do not pass this resolution and if we do not call a halt to this Benson policy, it may be still more thousands of lost sales on automobiles, steel, appliances, and other consumer goods this year.

This resolution is not in any sense a long-range answer to farm problems, and I do not think anybody pretends that it is. It is not a long-range answer any more than the emergency housing program offers permanent answers to housing problems. This resolution is an attempt to hold whatever ground there is left under American agriculture so that we will have some kind of foundation upon which to rebuild.

To those who feel they must vote against this resolution on principle let me ask: Do you think you are voting against the principle of price supports?

The Benson program is not to eliminate price supports. He likes them so well he even extends them to the noncomplying corn farmers, people who did not sign up for them in the first place.

Benson wants price supports, but he wants them on his own terms—high-minded low-priced terms. Low enough to keep the farmers sullen but not low enough to make them openly mutinous.

Your choice is between the low Benson price supports of 1957, or the new low, low Benson price supports of 1958. Which do you think is the worse antirecession medicine?

If you feel that you are voting against farm surpluses in Government warehouses by voting against this resolution, may I suggest you reconsider. The Government will acquire at least as many if not more dairy products, wheat, and everything else at the new low, low Benson price support 1958 figure than the Government acquired in 1957.

So, do not let anybody fool you into believing that you are voting against food and fiber stockpiles in Government warehouses if you vote against this resolution.

By the way, did you read the interesting stockpile figures that Missouri's STUART SYMINGTON included in the RECORD on March 14 of this year?

Stockpile data on strategic materials and machine tool inventory now in Government storage total $12.6 billion, and the Kansas City Star says:

> The real purpose of this huge expenditure now is to support prices for various industries.

Government food and fiber stockpiles stand at $5.6 billion plus loan pledges that could run $1.6 billion maximum. Yet in many quarters, it is sinful to support food and fiber prices by accumulating stockpiles.

But you are not voting for or against Government stockpiles here. Under the Benson low prices of 1957 or the Benson low, low prices of 1958, you will get Government food and fiber acquisitions.

Now, to those who feel they must vote against this resolution because they believe the phony propaganda that Ezra Benson is riding a big white charger in behalf of lower food prices for consumers, let me say this: Mr. Benson knows that lower farm prices do not bring lower food prices.

Look at the dairy industry. Between 1954 and 1957, milk-support prices went down 13.1 percent; but consumer prices went up 9.3 percent on dairy products.

No one can show that the consumer will save a fraction of a penny on a bottle of milk if you reduce dairy support prices to $3 a hundred. Sooner or later, the transporters, processors, and distributors will absorb the difference.

If Mr. Benson reduces the price of wheat 22 cents a bushel, it won't affect the price of bread three-tenths of a penny. Wheat is only a small portion of the cost of bread.

And, incidentally, if low food prices are essential to prosperity, this Nation must have been really prosperous in 1932, because food prices were never cheaper than then. If that's the kind of prosperity you want, why don't you get food prices really cheap?

How can a man vote for minimum wages for factory workers and deny them to farmers? How can a man vote for stockpiles of metals and machinery to support industry and decry stockpiles of food and fiber? How can a man plead for antirecession measures in housing, public works, and tax reductions and let Ezra Benson deepen the recession by driving farm purchasing power still lower?

Even in this era of incredible inconsistency, there must be some retribution for such blatant selfishness.

It is pathetic that the Congress must even consider a measure of this kind. All this time, all this effort, all this struggle not to improve the farm situation, not to get something new and better, but just to keep a bad situation from becoming unbearable. But, it must be done, because we have a Secretary of Agriculture who is hopelessly out of tune with the times—even out of tune with the rest of the President's Cabinet.

Almost everybody agrees now that the American economy is in some stage of ill health. And the good doctors are dragging out the antirecession remedies.

Over in the Federal Reserve, they are giving the patient lower bank-reserve requirements, lower rediscount rates, and lower margin requirements for investors.

In housing, they are giving the patient lower downpayments and longer terms. Yesterday, this House rushed through an emergency housing program totaling more than $1 billion.

The Defense Department is being urged to accelerate military construction. The Corps of Engineers is being urged to accelerate authorized public works.

Obviously, the rising unemployment figures have been the "economic sputnik" that may slowly but surely arouse official Washington to action on the recession front.

But not in the Department of Agriculture.

Over there, for some strange reason, Mr. Benson persists in leading the President 180 degrees in the opposite direction of every other department of Government. The Benson antirecession remedy is the strangest ever prescribed: Lower farm purchasing power, lower farm wages and profits. Today, we have a chance to call a halt to such folly.

Our votes today will be our individual answers to these questions: Do you want farm wages to go down from 43 cents an hour to 35 cents or 33 cents? Do you want to sell still fewer automobiles, less farm machinery, less steel, and fewer home appliances in rural areas?

If so, vote against this resolution.

But let me repeat: No economy can be really healthy on $3,000 Chevrolets and $3 milk. You can't be city-prosperous and country-broke.

Let's call a halt to this Benson madness while there is still some semblance of a foundation left on which to rebuild American agriculture. Let's pass this legislation as a stopgap and then proceed immediately with longer range, more constructive action.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the pro forma amendment and rise in opposition to the amendment.

Mr. Chairman, I shall take but a minute on this amendment offered by the gentleman from California [Mr. HAGEN]. I think you believe in fairness and equity. All we are attempting in this bill is to preserve and to see that we do not reduce the price supports on acreage allotments of 1957. If you adopt this amendment you would take out those people on the small farms who actually need the help; that is what you will do if you do not vote against the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. DIXON. Mr. Chairman, I move to strike out the last word and rise in support of the Hagen amendment.

Mr. Chairman, our colleague the gentleman from California [Mr. HAGEN] has pointed out very clearly one of the inconsistencies of this maneuver, Senate Resolution 162—I shall not call it an agriculture bill. His cotton farmers have not had even an opportunity to appear or to plead their case before the great House Committee on Agriculture. This measure has been rushed through. We do not know what we are going into if we pass this measure.

They want the price supports lowered to 60 percent so they save their growing market and sell their cotton as Secretary Benson recommends. They want more acres.

This shows up very plainly the inconsistency in this freeze order, and also why we should have given people such as those represented by the gentleman from California [Mr. HAGEN] a chance to present their case.

We have the anomaly where the commodities that have received the most help, wheat and cotton, are in the worst condition, and those that are in the best condition receiving almost no help at all. Why cause them still more grief by giving them more of the same thing that is ruining their industry?

With regard to this being more or less a measure to help the farmer, the farmers we want to help the most will receive very little help because three-fifths of all the farmers produce only 9 percent of all our commodities. Ninety-one percent of this aid will go to the big people who do not need it. That is why I say it is a case of the Swiss cheese having the ventilation but the Limburger cheese that needs it.

If we want to do something to help the small farmers we should consider further the proposition advanced by the gentleman from New York [Mr. ANFUSO], the food-stamp plan, or something similar to it. Then we will get rid of our surpluses and help the people who need help.

In that way we will eat up the surpluses and save the farmers' market and prices.

If we take a little time, we can bring out something much better than this maneuver which has been rushed to the floor for consideration. We have our committees that have been working and are doing a good job and they will report something much better than this resolution.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from California.

Mr. HAGEN. With reference to my amendment, this proposal would continue the minimum acreage allotment for cotton for the year 1959. The effect of my amendment is to strike out 194,000 acres of production which was added by these

special provisions. It would tend to refute the possibilities of piling up surpluses.

Mr. DIXON. That would ruin your market like the freeze order would ruin the market in other commodities. If we take a little more time and have confidence in our committees, we might come out with something better.

It reminds me of Mark Twain and Harrison in their "Tramp Abroad." They trained, they bought special shoes, they took special diets, and purchased special clothing for the hike. When they got up at sunrise on the day set to start they felt so fit that they were sorry that they had only one continent to cross. But as they were walking through the park they heard the continental train whistle. They ran and caught the train.

That is what we are doing in our committee. These fine subcommittees were working out something acceptable, but all of a sudden we junk what they are doing and rush into this ill-advised maneuver to put everything in a deep freeze.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. DORN of New York. Mr. Chairman, I want to endorse the sentiments as expressed by the gentleman from Utah.

Mr. Chairman, I would like to speak further from the point of view of the city dweller.

Since the enactment of the price support legislation during the New Deal days, the people of my district have literally paid out of their pockets millions of dollars to make sure the farmers of the country received high prices for their produce. The legislation under consideration today would perpetuate this assurance.

While I realize that it is not always possible to measure individual return from a Federal program, I would still like to know that my tax dollars are being spent wisely in promoting the welfare of others. In the case of the farm support program, I have no such assurance.

On the contrary, these farm programs over the years have returned nothing to the taxpayer except higher prices on the food he buys.

A wage earner making $6,000 a year, for example, shells out $11.49 every year to support the price of wheat. In return, he gets nothing except a higher price tag on the bread he buys—roughly $20 a year higher than otherwise. To support all the agricultural programs, including wheat, he pays out more than $56 a year. A person making between $8,000 and $10,000 a year pays out about $130 annually for farm support programs and gets higher prices in return.

I would be all for freezing farm price supports at the 1957 level, Mr. Speaker, if we could at the same time freeze the prices the consumer pays in the market place at the 1957 level. Otherwise, I will be forced to vote against this legislation.

LEGISLATIVE PROGRAM

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words in order to ask the majority leader what the program for the balance of this week will be and what the program for next week will be.

Mr. McCORMACK. Mr. Chairman, if this bill is disposed of today, we will go over until Monday.

The program for next week follows:

Monday is District Day, but I am informed there are no bills to be called up for consideration.

Then there will be the bill H. R. 11470, the military pay raise bill.

On Tuesday, Wednesday, Thursday, and Friday there will be considered the independent offices appropriation bill, and H. R. 8290, the Freedom Monument matter.

I understand that on Thursday the Labor and Health, Education, and Welfare appropriation bill will be brought up for consideration.

There are the usual reservations that conference reports may be brought up at any time, and any further program will be announced.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Illinois.

Mr. ARENDS. I spoke to the gentleman from Texas [Mr. KILDAY] about the military pay raise bill that will come up on Monday for general debate.

Mr. McCORMACK. Yes.

Mr. ARENDS. I got the impression from him that we would have general debate only on Monday, and if a rollcall were demanded that would go over until Tuesday.

Mr. McCORMACK. There may have been some talk that if there is a rollcall it will go over until Tuesday. I heard something about that myself, and it is perfectly agreeable to me if it is agreeable to the gentleman from Massachusetts.

We have an appropriation bill coming up on Tuesday, and I think we should go right along with the pay raise bill. Of course, if it is not finished on Monday, it will continue on Tuesday, and the appropriation bill will follow. Is it agreeable to the gentleman from Massachusetts that if there are any rollcalls on Monday they can go over until Tuesday?

Mr. MARTIN. That is all right with me, but I do not think there is any need for a rollcall if we are all in favor of it.

Mr. McCORMACK. I agree with the gentleman.

Mr. BREEDING. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it is a distinct privilege for me to be here and to join with my distinguished colleagues in support of Senate Joint Resolution 162. I am opposed to the pending amendment because I think it would defeat the purpose of Senate Joint Resolution 162.

Mr. Chairman, I favor strongly the passage of this Senate-approved resolution, Senate Joint Resolution 162, which would have the effect of holding agricultural price-support levels for 1958 at a point no lower than those in operation during 1957. The measure, in addition, would freeze acreage allotments for 1959 at 1958 levels.

I have said repeatedly, Mr. Chairman, that I, as a farm State representative, want no part of the Secretary of Agriculture sliding scale of parity, particularly when he wants to slide all the way down to 60 percent.

I find it inconceivable, Mr. Chairman, that in the face of an across-the-board economic recession, with which this country is currently plagued, Mr. Benson would want to further squeeze the income of so large a segment of our national economy. I am referring specifically to the Nation's farmer.

Only this very morning, the respected New York Herald Tribune carried a front page story which spotlighted the continuing climb in unemployment figures, and continually climbing living costs.

We must hold the line somewhere, Mr. Speaker. The marginal farmer is being forced off the farm and into the city; people engaged in the basic pursuit of farming are being driven off their farms primarily because of an economic squeeze caused by the heavy prices they are compelled to pay as compared to the light prices they receive. The farmer is buying his necessities at prices which are approximately 125 to 140 percent of parity, while Secretary Benson, and this administration, advocate dropping agricultural price supports to a low of 60 percent.

It just does not make sense, Mr. Speaker. While the Congress is being deluged with legislative proposals and programs designed to offset this present national economic slump by providing increased purchasing power for the consumer, we, from the farm areas of the country, are being forced to fight not only for increased spending power and income but to keep what we have from being taken away from us.

Permit me to say, Mr. Speaker, that I find the administration's antirecession course of action totally confusing, especially in its approach to the economic relief of our agricultural population. Indeed, there appears to be no farm-relief course of action at all.

The Congress and, I presume, the White House both are considering proposals to expand the highway construction program, to extend jobless benefit payments, to increase local and Federal public works projects, among other emergency programs. The House, only yesterday, passed with extraordinary speed, an almost $2 billion home-building measure. We are constantly pouring funds into the Defense Establishment. Yet, when it comes to the farmer, we find Mr. Benson, and this administration, standing firm in their resolve to cut the farmer's income by lowering price supports 15 percent below its present base level.

I would say, let's approve this temporary hold-the-line resolution until we can devise a better method for relieving the economic plight of the farmer.

Further I would like to say, it has been mentioned here today that this resolution, if adopted, would guarantee the wheat farmers of America $222 million more income. For the life of me I cannot see how anyone who lives in a wheat area would not support such a resolution, especially because of the fact that for 5 long years we have been going

down with the price of wheat. Certainly we cannot go any further.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman.

Mr. ANDERSON of Montana. Mr. Chairman, I want to compliment the gentleman from Kansas [Mr. BREEDING] on the fine way in which he is representing the people of his great wheat-growing district. I want to associate myself with him in his remarks in view of the fact that the gentleman from Kansas represents the only other district in the United States that can compare with my own eastern district of Montana in wheat acreage. Today and every day the gentleman from Kansas [Mr. BREEDING] is doing a great job for Kansas.

I would like to suggest to those who are saying that we should not approve this resolution because of a possible Presidential veto, that if the commentators have correctly reported certain Republican conferences then the gentlemen on the other side of the aisle themselves expect that after the people get through expressing their opinion of Benson and the Republican farm policy at the polls in 1960 they will probably have enough votes to override the President's veto.

Mr. BREEDING. Mr. Chairman, I thank the gentleman.

Mrs. PFOST. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Chairman, I have asked for this time to call to the attention of some of the Members facts which they may be overlooking in the debate on the resolution to freeze farm price supports and acreage allotments at 1957 levels.

Some Members representing urban areas seem concerned that freezing price supports might raise the price of food to the consumers. This, of course, is not the case.

The cost of food is up almost 2 percent over 1952—but farm income is down 20 percent. Any increases in the cost of food have not been going into the farmer's pockets—you may be sure of that.

The farmer's share of the food dollar has been dropping steadily. It was 47 percent in 1952, and it is down now to 39 percent. The packers, the processors, and the chain retailers get most of the rest of that dollar. Even they have ceased to try to blame the farmers for high food costs.

Some of them have been making stratospheric profits.

Borden Co., for example, reported profits, after taxes, of $17.6 million in 1952; in 1956, the company made $23.6 million. This is a $6 million increase in 4 years—in other words, an increase of 33.8 percent.

Yet in the 2 years following Secretary of Agriculture Benson's order dropping dairy price supports from 90 to 75 percent of parity—that is, between April 1, 1954, and April 1, 1956, milk producers in my State of Idaho lost $14 million. In addition, the value of dairy cows in the State declined about $18 million.

In 1956, National Dairy Products Corp. reported a profit of $41.7 million—a 50 percent increase over 1952.

In the same year, Beatrice Foods Co. reported a profit of $7.7 million—an 83 percent increase over 1952.

Meatpackers were doing as well—or better—during the same period.

The Cudahy Packing Co., as a sample, reported a $7 million loss in 1952, but a $6.1 million profit in 1956—an increase of 186 percent.

Armour & Co. made $7.1 million in 1952 and $14.6 million in 1956.

Safeway's profits rose from $7.3 million in 1952 to $25.4 million in 1956—a 246 percent increase.

Mr. Speaker, the plain fact is that the higher prices the consumers have been paying recently have no relation to what the farmer has been getting for his product. Freezing farm price supports at the 1957 levels will not cost the consumers one single extra penny.

The truth of the matter is that the man on the farm and the worker in the city are mutually dependent one upon the other for their economic well-being. The city dweller has just as great a stake in the bill before us today as the farmer has.

When farm prices drop, and the farmer's buying power is reduced, unemployment lines begin to grow in the factory cities. Farmers are a larger user of steel than the automobile industry. Dairy farmers buy more wheel machinery than any other segment of the American economy. This means that when farm buying power goes down it hits jobs in the cities producing trucks, tractors, automobiles, corrugators, rakes, binders, bailers, and so forth.

When farm income goes down too far, those unemployment lines begin to fill up with people from all types of trades and services. And soon the retail stores—and particularly the small ones—advertise bankruptcy sales, and their doors go dark.

There is no doubt but that the present recession is farm fed and farm led. One of the best ways to check the downward trend is to at least keep farm price supports at their present levels—a still better way would be to increase them.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope we can dispose of the Hagen amendment by sending it to the burial to which it is entitled. I recognize that at times it becomes the duty of any Representative to represent his own area and his own State even to a point beyond his own wishes. I regret that our colleague on the committee has felt that his obligation required him, in doing that, to do an injustice to such a large and such a helpless group of individuals.

About 2 years ago the Congress established 100,000 acres of cotton above and beyond the national allotment. It is not a part of the national allotment. It was never allotted to any State in the Union and it should not be allotted to any State in the Union. It was provided to take care of those very small farmers who have less than 4 acres of cotton allotted to them. Very few of them are in my area. Most of them lie east of the Mississippi River. Most of them are in the area where those 4 acres of cotton are the chief item of income for a whole family. This amounts to $400 or $500, maybe $600 or $700; $600 or $700 at most total cash income of that family.

We tried to say that those people who had that very small allotment should not be cut down to 3 or to 2½ acres. That is what these 100,000 acres were for. That is what the gentleman from California [Mr. HAGEN] would destroy with his amendment.

He told you so when he answered the question of the chairman of the committee. He calls them "inefficient" farmers. Doubtless they are inefficient. Who is not inefficient who is in that degree of poverty? Do you find the most efficient workmen, the most efficient artisans, doing the least desirable jobs in your great cities? Do you find the most efficient employed in the low-paid industries of your cities?

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. HAGEN. Let me give the gentleman an illustration: He admits the farmer with 5 acres of cotton is virtually in the same position as the farmer with 4 acres of cotton. By giving this 4-acre farmer a special allotment you are penalizing that man with 5 acres, because it means his right to produce is limited that many years more because you are adding to the surplus every acre you add to the national acreage allotment.

Mr. POAGE. The gentleman has misunderstood the whole purpose of the 100,000 acres. We gave the 100,000 acres over and above the national allotment for doing exactly the thing the gentleman has pointed out. Had we taken it away from these farmers of more than 5 acres he would have been correct, but we did not do that. We did not take this 100,000 acres from any State and we never gave them to any State. This 100,000 acres of cotton has been used for the last 2 years to help the people who need help the most, the least opulent farmers in the United States.

Does the gentleman want to be guilty of contributing to taking away the little bit that those poor people have? I am talking to you on my side of the aisle. I heard the laughs, I heard the sneers, I heard the handclapping on the other side of the aisle. I know how some other people have decided to vote. I hope they may change their minds. But I am talking to you who want to do justice to all groups of farmers. Take this proposition. Read it. It proposes to strike out the continuation of three provisions, the first of which gives us this 100,000 for the small farmers. The next says that no State shall be cut below 99 percent of its cotton base and below 85 percent in the case of rice. This amendment would simply take these acres from the small farmers of the

Southeast and move them to the large farmers of the Southwest.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Chairman, I rise without any bitterness of rancor of any kind. I should like to give you some facts here that I believe are correct, for your consideration. These facts were presented in a booklet by Mr. Z. H. Lawter, secretary of the Oklahoma Farmers Union. He calls them verified facts. This is what he says, among other things.

In speaking of subsidies, that the Government losses for manufacturers' subsidies from 1933 to 1955 were $40.8 billion. Government losses to shipping and airline subsidies, 1933 to 1955, were $5 billion. Government losses for the farm price-support program from 1933 to 1955 were $1.2 billion.

In addition to the above he stated "many other industries and businesses were also subsidized." He gives his source here as the CONGRESSIONAL RECORD, volume 102, part 1, page 457. Then he adds that when total subsidies to all groups are considered over the past 50 years only $5 out of each $1,000 has gone to the farmer.

I do not know that those figures are correct. You can check and see whether or not they are, but I believe they are correct, and I feel certain they are substantially correct.

I am not against these subsidies myself. I want to see all of America prosperous. I am not against any fair tariff. I am glad our manufacturers in this country have a tariff to protect them and those to whom they give employment. I want to see the great industrial East prosperous. I do truly and sincerely. I want to see all of our country prosperous. But it does seem to me, and I ask you this question in all sincerity, as I say, without any bitterness, without any rancor, without any partisanship of any kind, do you not think it is sort of lopsided that the manufacturers during the period mentioned received $40.8 billion, to support their prices, and the farmers only $1.2 billion? Do you not think that was a little bit unfair to the farmers to start with?

If this resolution is not passed, the farmer is going to take it on the chin further. Do we not all remember that when the great depression came on us in the early thirties it started on the farm? Low farm prices. All right, we are in a recession now. Let us not call it a depression. And, I certainly do not want to make it appear any worse than it is. I am not going to add to it by any intentional psychological move myself. I do not want to talk about it any more than necessary. I want us to act and help stop it. I think it is the duty of all of us to try to our very utmost to stop it. I am afraid, if we do not pass this measure, and some other measures as well, we are going to go right back into a serious depression.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. MORRIS. I yield.

Mr. COOLEY. With reference to the pending amendment, upon which we are now about to vote, the clear purpose of the amendment is to take this acreage away from the little cotton farmer and give it to the big one; is it not?

Mr. MORRIS. That is exactly the way I view it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HAGEN, of California), there were—ayes, 41; noes, 99.

So the amendment was rejected.

Mr. TEWES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. TEWES, of Wisconsin: Strike out all of the resolution beginning on line 3, page 1, and substitute therefor the following: "That in order to prevent reductions in support prices for dairy products prior to consideration by Congress of such changes in the price-support laws as may be necessary at this time—

"(1) the support price (in terms of dollars and cents) for dairy products shall not be less than that available for such commodity during the marketing year or season which began in 1957.

"The resolution shall be effective only for the marketing year which begins in 1958, or until repealed, whichever date is earlier.

"Amend the title so as to read: Joint resolution to stay temporarily any reduction in support prices for dairy products."

Mr. TEWES. Mr. Chairman, the significance of this amendment is that it strikes from the bill all commodities except dairying. I stand before you as one who believes that our present farm-support programs are not the answer to the problems of agriculture. I stand before you representing farmers from a great dairy State who, by and large, believe the same thing. We have demonstrated on many occasions our willingness to solve our own problems. We have pending before this Congress permanent legislation, self-help in nature, which would go a long way toward taking the Government out of dairying. My purpose now is to ask for a temporary extension of the present program, until we can pass such self-help measures. The dairy industry is in difficulty and presents us with sociological as well as economic problems. Let me give you one illustration. Fifty percent of the farmers nationwide produce something like 10 percent of all the food. The dairy industry has succeeded in reducing its surplus well below that of any other commodity. But we still have a 5-percent surplus. Twenty-five percent of the existing dairy farmers would probably be forced out of business at once, if we were suddenly to equate supply and demand. This would hit Wisconsin particularly hard because much of our milk is in the surplus category. Not all of this is our fault. Other States have deliberately forced us to bury our surplus by ringing their States with laws intended to protect their own farmers. It is these hardships which compel us to seek a little more time.

It has been said here that to vote against temporary extension of the dairy supports will benefit the consumer. If this measure is defeated, the price of milk will drop one-half penny a quart.

Is there any man in the House who believes that that half cent will be passed on to the consumer?

It has been intimated that this freeze is a freeze at a luxury price to the farmer. The very opposite is true. At $3.25 a hundredweight farmers are going out of business in Wisconsin. We are asking nothing, except that we be given an opportunity to meet the economic changes in an orderly fashion.

I realize that with this amendment I am intruding on one of the accepted traditions of this body. It has been said that the omnibus approach, lumping together all the commodities, is the way to succeed in the House. I do not agree although my small experience makes my statement presumptuous. I have every confidence that this House will act fairly in the case of all these commodities if they are presented one commodity at a time.

The dairy farmers are in difficulty. They have a just request. If their case is presented to the Members here I am sure they can have the relief they require.

Actually an analysis of this measure indicates quite clearly that this is really a cotton bill. Dairying is in trouble; dairying needs help on the first of April. In order to provide such help for a legitimate cause, we must accept questionable provisions for cotton, which has no urgent necessity at all.

Therein lies the difficulty of commodity approach; therein lies the patent unfairness of the omnibus approach. We find ourselves forced to accept legislation which covers many other commodities and programs which have no relationship to the urgent matters which require our attention. This is in no sense of the word an effort to pit commodity against commodity; it is an attempt to do our legislating free of extraneous pressures and in a way which my constituents expect. What are the problems of dairying? What are the problems of cotton? What are the problems of wheat? I think it is wise for the House to attack these problems singly. My amendment is such an attempt. I urge its adoption.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield to the gentleman from Iowa.

Mr. TALLE. I commend the gentleman from Wisconsin for his interest in the dairy industry.

For several years the dairy people have made a tremendous effort to solve their own problems. They have willingly taxed themselves in a self-help effort to put their industry on a sound basis. They have come a long way and, if given a little more time, I am convinced they will be able to go it alone without further Federal supports.

But we should not pull the rug out from under them at this time. I am afraid that if we lower the minimum support price for dairy products, it is

likely that the minimum will become the maximum and will force the dairy people to make additional adjustments which they should not be expected to make now. It seems to me we should keep faith with these people and give them the additional time they will need to establish firmly their self-help programs.

For that reason I am glad to support this amendment. I cannot support the bill as reported by the committee because I am convinced it goes too far and will not help farmers, but will aggravate farm problems by creating greater surpluses and further threaten the prices of farm products.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

Mr. BENTLEY. I object.

Mr. COOLEY. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair has noted the names of the Members standing and will divide the time accordingly.

The gentleman from Michigan [Mr. HOFFMAN] is recognized.

Mr. HOFFMAN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The gentleman from Michigan [Mr. BENTLEY] is recognized.

Mr. BENTLEY. Mr. Chairman, I rise in support of the amendment. At the same time I rise to ask the leadership of the committee a question.

We heard the gentleman from Texas say a short time ago that we should all represent the feelings of the people in our districts regarding this situation.

Recently I sent out a questionnaire regarding the farm situation, with the following result: Of the 19,500 questionnaires which were returned there were 3,155 from farmers; 14.7 percent voted to raise supports; 18.2 percent voted to continue flexible supports; 46.9 percent voted to drop all supports and controls.

I might add that that is only the farm vote. The total vote on that questionnaire in the matter of dropping all supports and controls was 59 percent.

Now, I ask the gentleman in all fairness if I am to represent the interests of my district how I should vote on Senate Joint Resolution 162.

Mr. BASS of Tennessee. The gentleman should vote against the amendment, according to your survey.

Mr. BENTLEY. But how should I vote on the resolution?

Mr. BASS of Tennessee. The gentleman should vote for it on final passage.

Mr. BENTLEY. I am asking about final passage.

Mr. POAGE. You vote as you please on final passage.

Mr. BENTLEY. Mr. Chairman, we have before us Senate Joint Resolution 162, a bill to stay any reduction in support prices on acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

Farm commodities grown in the Eighth District of Michigan, which I have the honor to represent in Congress, and which are under price-support programs, include corn, wheat, honey, dairy products—manufacturing milk and butterfat—wool, dry edible beans, and other nonbasic commodities. The Department of Agriculture has announced the following 1958 price-support levels for these commodities as compared with effective 1957 price-support levels:

First. Corn supported in 1957 at 77 percent of parity or $1.40 per bushel; 1958 price not announced.

Second. Wheat supported in 1957 at 79 percent of parity or $2 per bushel; 1958 supports at 75 percent of parity or $1.78 per bushel.

Third. Honey supported in 1957 at 70 percent of parity or 97 cents per pound; 1958 support level unchanged, price to be 96 cents per pound.

Fourth. Manufacturing milk supported in 1957 at 82 percent of parity or $3.25 per hundredweight; 1958 supports at 75 percent of parity or $3.03 per hundredweight.

Fifth. Butterfat supported in 1957 at 79 percent of parity or 59 cents per pound; 1958 supports at 75 percent or 56 cents per pound.

Sixth. Wool supported in 1957 at 101 percent of parity or 62 cents per pound; 1958 supports at 95 percent of parity or 62 cents per pound.

Seventh. Dry edible beans supported in 1957 at 68 percent of parity or $6.31 per hundredweight; 1958 supports at 68 percent of parity or $6.18 per hundredweight.

It can be seen, Mr. Chairman, that the Department's announced price-support reductions would have greatest effect on dairy supports and this is admitted in the committee report. Since dairying is the most important farm industry in my district and indeed in the whole State of Michigan, it is natural that I should have received the largest amount of correspondence on this subject.

At this point, Mr. Chairman, I should like to read the text of a telegram dated March 18 which I have received from Glenn Lake, president of the Michigan Milk Producers Federation, and a letter under similar date from the Michigan Dairy Farmers Federation. They read as follows:

MARCH 18, 1958.

Congressman ALVIN M. BENTLEY,
House Office Building,
Washington, D. C.:

Some time ago we either visited or wrote you on the matter of continuing dairy price supports at present levels for another year. The Senate has approved a resolution that would freeze the price levels on all agricultural commodities at the 1957 support levels. This resolution provides for the maintenance of a $3.25 milk price level for another year. While this resolution includes all other agricultural products it is apparent that this is the only vehicle by which dairy supports can be continued at present levels.

Therefore we urge your support of the bill as was passed by the Senate. It is evident that the administration and the Congress is deeply concerned about the present economic status of the entire country. We remind you that this condition to a large extent is caused by the fact that farmers' purchasing power has been forced downward. The administration and the Congress seem to be grasping frantically for means to bolster a sagging economy. We believe that Congress can make a sincere contribution toward solving this problem by stabilizing farm prices at 1957 levels for the year 1958.

In years past farmers could turn to other employment to supplement their income. Due to the present high level of unemployment this is impossible. This makes it imperative that the dairy farmers' income be maintained by last year's level. Therefore, we again strongly urge you to vote for passage of the resolution passed by the Senate.

GLENN LAKE,
President, Michigan Milk Producers Association.

MARCH 18, 1958.

Hon. ALVIN M. BENTLEY,
House of Representatives,
Washington, D. C.

DEAR MR. BENTLEY: The following resolution was approved by a tremendous majority of our federation last week. It reads as follows:

"The member cooperatives of the Michigan Dairy Farmers Federation, representing over 35,000 Michigan dairy farmers, view with disapproval the decision of Secretary of Agriculture Benson to reduce price supports to 75 percent of parity on April 1, 1958.

"This reduction will cost Michigan dairy farmers over $13 million per year in reduced prices for their milk. We maintain that such a reduction should not come about in view of the recognized low returns to dairy farmers for work and investment during the past 2 years. Especially now, the Nation needs the stabilizing effect which a prosperous dairy industry exercises throughout our economy.

"We urge that the Congress continue dairy price supports at the level of $3.25 per hundredweight for the year beginning April 1, 1958. This will give Congress and the industry time to place a program in operation which will provide adequate supports in line with dairy costs and which will result in dairy farm incomes comparable to the incomes of other groups in our economy."

Our federation, which acts as a spokesman on legislative affairs for by far the big majority of Michigan dairy farmers, wholeheartedly urges your support in maintaining present dairy price supports and a favorable vote for that bill which is now in Congress.

Very truly yours,

DWIGHT A. SNYDER,
Secretary, Michigan Dairy Farmers Federation.

It will be seen that the Michigan Milk Producers Federation supports Senate Joint Resolution 162 as the only vehicle by which dairy supports can be continued at present levels. I have already committed myself to support legislation which would accomplish this fact. The letter from the Michigan Dairy Farmers Federation does not refer to Senate Joint Resolution 162 but urges my support for a freezing of dairy support levels.

On the other hand, I have been personally contacted by the Michigan Farm Bureau and urged to vote against Senate Joint Resolution 162. I have also individual communications from farm bureau members in my district in the same sense although they do not begin to approach the number of letters from dairy farmers urging me to support a freeze on dairy support levels.

Since most of my dairy farmers, Mr. Chairman, produce for the Detroit shed

and under a Federal milk marketing order, I do not believe that the announced drop in price supports will have the serious effect upon them which they have been led to believe. Nevertheless, there is bound to be some effect upon their cash income if the supports are lowered to 75 percent of parity, effective April 1.

Over the last few years, Mr. Chairman, I have been conducting an annual poll of my constituents to determine their opinions on important issues of the day, among which the farm issue has naturally been included. The committee might be interested in the following results on this issue from my recent questionnaire whose answers have just been released:

The best way to help the farmers would be:

(a) Raise supports to 100 percent of parity with tight production controls, 6.5 percent.
(b) Continue flexible supports, 19.4 percent.
(c) Increase Soil Bank payments, 6 percent.
(d) Drop all supports and controls and return to free production in accord with supply and demand, 59 percent.
(e) Other, 3.4 percent.
(f) Don't know, 6.1 percent.

Of the 19,500 questionnaires which were returned, there were 3,155 from farmers. Let us see how they voted on this issue:

(a) Raise supports, 14.7 percent.
(b) Continue flexible supports, 18.2 percent.
(c) Increase Soil Bank payments, 13.8 percent.
(d) Drop all supports and controls, 46.9 percent.
(e) Other, 6.3 percent.

To me, Mr. Chairman, this is clear evidence that both the majority of my constituents and the largest group of my farmers do not want either a return to high price supports or a continuation of flexible supports. Rather, they want to get the Government completely out of the farm program and let the farmer alone to operate freely and without restriction as he sees fit.

That being the case, I am frankly at somewhat of a loss as to how to vote on Senate Joint Resolution 162. To complicate matters further, the chances are that this legislation will be vetoed by the President if it reaches him in this form and that, to judge from the vote when it passed the Senate last week, the veto will be upheld. That will mean that the Department's announced price support changes will remain in effect.

If there is any opportunity to vote for a motion to strike out all parts of this bill except that relating to dairy products I certainly intend to vote for it. Not only have I committed myself to such a vote but the hardships being undergone by the dairy farmers are very real and I am opposed to any bill which might lower their income at present. Further, the dairy industry, through its self-help program, is making a real attempt to get the Government out of its own program and to allow its members to solve their own problems. I feel that they should be given this opportunity.

Neither a vote for or against Senate Joint Resolution 162 would solve my problem of trying to get the Government out of farming. A 1-year freeze on supports, such as envisaged by the pending legislation, is no step toward getting the Government out of the farm program, even though the supporters of Senate Joint Resolution 162 claim that it is a temporary measure designed to prevent further deterioration of our farm economy while long-range programs can be studied.

The freezing of acreage allotments at 1957 figures is also certainly no answer to our continued problem of agricultural overproduction.

The lowering of supports under the administration's flexible program is likewise no real progress toward getting the Government out of farming. To the best of my knowledge, neither the administration or the Farm Bureau programs contemplate an eventual elimination of all price supports. There is, therefore, no reason to support a flexible program in the hope of eventually eliminating all supports thereby. Although the passage of Senate Joint Resolution 162 would keep dairy support prices at present levels, it would also keep feed-grain costs at present levels. This is another reason why the legislation does not appeal to me.

A final factor which must be remembered, however, Mr. Chairman, is that we are in the midst of serious economic problems. Many farmers who have gone to work in the cities have now been forced to leave their jobs, because of low seniority, and to return to the farms which they originally left because of low income. Further, it should be remembered that the Congress and the administration are taking action to assist other distressed parts of our economy, such as accelerated civilian and military construction programs. It hardly appears to be the time to take action which would lower farm prices even though it would in the long run strengthen prices in the market.

To sum it up, Mr. Chairman, I do not support an indiscriminate freeze of price supports and acreage allotments on all supported commodities. I regard Senate Joint Resolution 162 as nothing but a shoddy attempt to play politics at the expense of the farmer. If, after 4 years, the best that the Democrats in control of Congress can come up with is to freeze all support programs, they have certainly failed miserably to supply any answer to the farm problem. But, on the other hand, the administration's farm program of flexible supports has certainly provided no answer either. I am sure that I echo the sentiments of many of my colleagues who would like the Government entirely out of the farming picture when I say that the pending legislation does not offer us anything except a choice between two thoroughly undesirable alternatives, neither of which I believe to be in the best interests of the farmer or the American public as a whole.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I have been around here a little while, about 16 years. I have seen a few selfish things take place in the House. They do not appear often but they do happen, occasionally. Sometimes they are excusable. We can excuse a new Member, like the gentleman from Wisconsin, who probably is not as experienced as some of us, for offering this kind of an amendment. Even so, it really shocked me, it was amazing, that he would ask this House, that he would be so selfish as to ask this House to look after him and his farmers only and let the rest of American agriculture continue to feel the shock of the decline. Other farmers have homes and children too, you know. They grow wheat, corn, cotton, rye, barley, rice and so on. I just happen to feel that all farmers should have comparable treatment. Possibly after the gentleman has been around a little longer his vision will broaden and he will be able to see beyond his own little world.

I happen to serve as chairman of the Dairy subcommittee, of which the gentleman is a member. I have a little dairying in my District. As compared with the gentleman's District, I do not have too much. In any event, I have done my best to assist the gentleman and his troubled farmers. Although dairying is not as prominent in my District as in his I would never permit myself to take a stand against his dairy farmers just because dairying may not be as prominent in my District as is some other type of agriculture. I have never discriminated between farmers. I endeavor to treat them all alike. I have visited in the gentleman's great State and found his farmers to be very muchly like those in other sections of the country. They are fair minded. They don't want special treatment. The gentleman has made a most unfortunate mistake which I am sure we can all overlook and attribute to his inexperience. I am sure he would not want special treatment for his farmers and permit all others to suffer further decline in income.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Wisconsin.

Mr. TEWES. That is exactly what the gentleman is doing with this bill.

Mr. ABERNETHY. Let us see where the gentleman stood in committee. The gentleman offered this same amendment in the committee. There are 34 members of that committee, 19 Democrats and 15 Republicans. Does the gentleman wish for me to tell the House what the vote was on the identical amendment which he submitted to the full committee in executive session? Under committee rules I do not think I can reveal that without the gentleman's permission.

Mr. TEWES. Yes. State how many voted for the amendment.

Mr. ABERNETHY. The gentleman's amendment received 3 votes, 1 of which was his own, on our 34-member committee. He did not even make a good showing on his own side, the Republican side of the committee. It amazes me that after suffering such an embarrassing defeat in the committee he would offer it again.

I am sure the gentleman wishes to build good will for his dairy farmers

among all other farmers of the Nation. He has made an unfortunate mistake. But let us not hold it against him or his distressed dairy farmers. Let us just vote the amendment down, which I am confident the House will do, and get on with the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin [Mr. TEWES].

I would like an opportunity to vote for a temporary extension of 1957 dairy-price supports, but I cannot support a measure which has little chance of becoming law and continues rigid high-price supports generally. That would be a step backward in the direction of socializing agriculture which this administration is trying to get away from.

I hope the amendment offered by the gentleman from Wisconsin will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, if there is any part of the pending resolution that could possibly be considered in any respect political, it is the section with which we are now dealing. Secretary Benson will lower price supports for dairy products on April 1 if he is not prevented from doing so. This is an effort to stop Benson and force him to either rescind the order which he is about to put into effect or make it unlawful for him to do so. Of course, I realize that this, at the same time, is an effort to protect the income of dairy farmers. If you want to repudiate Mr. Benson here is your opportunity to do so. I certainly have no objection to your repudiating Benson, but I do not intend to help you repudiate Mr. Benson in this fashion. I am willing to repudiate Benson but I want to repudiate him in more than one way. I want you to know just what you are about to do. You Republicans must now make a difficult decision. You either approve what Mr. Benson proposes to do or you do not approve of his proposal. You must follow him or repudiate his leadership. Here is your chance and here the record must be written. Next fall you will try to hold Mr. Benson in one hand and the dairy farmers' vote in the other hand, and this, too, will be a very difficult task. Dairy farmers know that Mr. Benson is not their friend, nor is he the friend of any of the farmers of our country other than the producers of sugar beets and wool, the two great crops of his own area of the country. He is willing to subsidize wool producers and he is willing to provide high-support prices for sugar beets but he is apparently willing to drive the income of other producers to disastrously low levels. Many of our farmers are now on the brink of bankruptcy and hundreds of thousands of our farmers are being forced off the land. We are here trying to stop Benson in his efforts to drive little farmers into bankruptcy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. TEWES].

The question was taken; and on a division (demanded by Mr. TEWES), there were—ayes 94; noes 132.

So the amendment was rejected.

Mr. GUBSER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize that the hour is getting late. But I believe I have not imposed myself upon this House too much or taken the well on too many occasions. Certainly I have never done so unless I felt very deeply on a subject, and I certainly do feel very deeply that this resolution should be defeated.

I could speak to you as the Representative in Congress of the 15th ranking county of the United States in agricultural production. But I would rather speak to you as a farmer. And let me say, and I say it proudly, a dirt farmer, a working farmer, one who still knows how to harness up a team of horses and one who can operate and repair any piece of farm machinery in the world if you will just give me enough baling wire. I say I am a third generation working dirt farmer, and I would like to speak to you today as a Representative of a farming community.

I think the issue here today is whether or not the Secretary of Agriculture will be allowed to continue his progress toward creating a free farm economy or will his hands be tied? Will we get further away from the Democratic policy of high fixed-price supports and get closer to the Republican policy of a free farm economy?

Here is what the farmers in my District think—and I concur in that thinking. We do not feel that high fixed price supports ever created farm prosperity. We feel instead that wars did it, World War II and Korea. We do not want to be wards of the Government. We are farmers because we like to be free; we like to get out in the open, and we do not like to be confined within four walls of a room. Because we are that way by nature we like to be free from Government regulation.

We believe that good farmers can compete and thrive without Government interference. We do not believe that the Government has an obligation to keep the marginal and inefficient farmer in business. It is true that costs have gone up to the farmer while his prices have gone down. But there is one further and important point that is very often overlooked. The farmer's productive capacity, if he is a good farmer on good land has also gone up. Permit me to use a personal example.

A few years ago, when my dad farmed, 8 tons to the acre was a good crop of tomatoes. Today I am farming the very same, identical land, and the last crop I produced was 28 tons to the acre. How was it done? Because we have learned the value of deep tillage and the increased water penetration we get from it; because we developed new seeds which are early bearing and which are disease resistant. We have learned that instead of planting tomatoes 6 by 6 feet with a plant population per acre of 1,210, 4,800 will give us a better crop. We have learned better irrigation practices. We have learned to fertilize, to use insecticides, and pesticides.

Had I rejected these new methods, I could not produce 28 tons of tomatoes on the same land on which my father produced 8 tons. So the farmer's productive capacity has gone up if he is a good farmer and on good land and if he will use modern techniques.

One other thing. We believe in my District that the Democratic farm policy of high, fixed price supports has created the corporation farmer. Let me develop that thought for you. Let us take an example in a nonagricultural endeavor. Let us take an earth-moving contractor. A few years back he could use a small TD–6 tractor or a D–2 and he could economically operate. Today he has to use a D–8 or TD–24 which costs 10 times as much money but moves 20 times as much dirt.

The same is true of a farmer. With high, fixed price supports, we have guaranteed a price to the farmer and we have attracted the doctor, the lawyer, the investment banker into the farming business. They can afford to buy the TD–24's and the D–8's and the little farmer cannot.

We have forced the little farmer today to compete in a world of big business he is not capable of competing in. I say, let us send the Wall Street investment brokers back to Wall Street, let us cut out some of the high price supports of the Democratic years, and let the real farmers farm.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, in this debate it might be well to take a moment to review the miracles of production that have been accomplished by our farmers, in the immediate years within our memory. And then we may want to ask a question.

The accomplishments of our farmers are almost unbelievable. They are fabulous.

Crop production per acre in 1957 was 40 percent above the 1935–39 average.

Total man-hours of labor used for farm work declined by 34 percent in this 20-year period; yet greater and greater abundance has come from our fertile lands.

Output per man-hour of farm labor has increased by 217 percent.

The number of consumers supported by 1 farmworker has doubled, from 10 in the 1930's to more than 20 today.

Further comparing the efficiency of agriculture with 1935–39, we find:

Cotton production per acre up from 226 pounds to 390 pounds in 1957—1956 production was 409 pounds per acre.

Tobacco, up from 883 pounds to 1,496.

Corn, as an average for the Nation, up from 25 bushels per acre to 57.

Wheat, up from 13 bushels to 22.

Peanuts, up from 746 pounds to 968.

Eggs per hen, up from 128 to 198.

Milk per cow, up from 4,403 pounds to 6,162.

Few people have little, if any, concept of the production—the efficiency—revolution that has occurred on our farms in the last few years.

Listen to these facts and figures. They are from the Farm Economics Research Division of the Agricultural Research Service, Department of Agriculture. They show what has been accomplished in the feeding of animals and poultry between the period covering 1940–42 to 1953–55. This report reduces all feed units, including pasture, to a corn equivalent.

To produce 100 pounds net live weight of cattle and calves required 1,014 pounds of feed in 1940–42, but only 899 pounds in 1953–55, a reduction of 13 percent; production of 100 pounds of sheep and lambs required 1,996 pounds of feed in 1940–42, but only 1,410 in 1953–55, down 42 percent; and in this same period of time the feed required for the production of 100 eggs dropped from 63 pounds to 56, down 13 percent; production of 100 pounds of broilers, from 479 pounds to 336, down 43 percent; 100 pounds of turkeys, from 704 pounds to 549, down 28 percent; 100 pounds of hogs, from 530 pounds to 515, down 3 percent; production of 100 pounds of milk, from 110 pounds of feed to 105, down 5 percent.

Now, the one question that overshadows all other consideration is this: For providing this Nation this horn of plenty—this cornucopia—for building this base for an American standard of living that is the envy of the world, what has been the reward to the farmer and his family?

No pride may be found in the answer.

For, during the recent years of their greatest accomplishment—in the times of their great contribution to the strength of the Nation—the rewards to the farmer and his family, for their intelligence, diligence, and labor, has constantly declined.

Moreover, the farmer has been subjected to false and shameful propaganda that has carried to the public an impression that he is a ward of the Government, that he has sold his liberty for a Government check. Some of the people whose responsibility it is to fight the battles for agriculture actually have sought to set our farmers adrift in the economic stream, alone, without power to produce and price themselves into a fair relationship with the other great segments of our free enterprise society which already enjoy tariff, minimum wage, collective bargaining, and the benefits of many other laws that soften the harshest impacts of unrestrained competition.

Facts and figures

CCC PRICE SUPPORT LOSSES

As of Jan. 1, 1953	$1,064,617,225
As of Jan. 1, 1958	5,173,746,788

(NOTE.—The losses in 5 years, from January 1953 through 1957, were four times the total of losses during the previous 20-year history of CCC price-support operations.)

20-year loss (1933–52)	$1,064,617,225
Loss (1953 through 1957)	4,109,129,563

CCC OPERATIONS IN BASIC CROPS ONLY (COTTON, WHEAT, TOBACCO, CORN, RICE, AND PEANUTS)

Jan. 1, 1953 (at the end of 20 years) profit	$13,011,290
Jan. 1, 1957 (4 years later) loss	1,992,067,863

(NOTE.—A $13,011,290 profit over a 20-year period of CCC price supports on the basics turn into an $8 million loss within 4 months after Mr. Benson took office. In 5 years under Mr. Benson losses on the basics amounted to $2,005,079,153 compared to the $13 million plus profit in the previous 20 years.)

(NOTE.—The CCC support program for cotton, over 20 years, showed a profit of over $268 million. But this profit has been wiped out, by a cotton program loss of over $700 million in the last 2 years.)

Losses on dairy products

Up to Jan. 1, 1953	$121,523,383
Since Jan. 1, 1953, to Jan. 1, 1958	1,441,467,309
Dairy program total	1,562,990,692

CCC investments

Total CCC investments (inventory and loans) as of Jan. 1, 1953	$2,452,000,000
Total CCC investments (inventory and loans) as of Jan. 1, 1958	7,200,000,000
Total increase in 5 years	4,748,000,000

CCC investments in major crops

(Inventory and loans)

Crop	Amount	Value
Cotton:		
Jan. 1, 1953 bales	1,097,000	$166,779,000
Jan. 1, 1958 do	5,620,000	912,041,000
Wheat:		
Jan. 1, 1953 bushels	467,847,000	1,081,545,000
Jan. 1, 1958 do	942,134,000	2,498,237,000
Corn:		
Jan. 1, 1953 do	368,349,000	587,274,000
Jan. 1, 1958 do	1,625,502,000	2,173,884,000
Rice:		
Jan. 1, 1953 hundredweight	168,000	878,000
Jan. 1, 1958 do	15,467,000	113,749,000
Peanuts:		
Jan. 1, 1953 pounds	192,528,000	22,644,000
Jan. 1, 1958 do	213,143,000	25,322,000
Tobacco:		
Jan. 1, 1953 do	544,067,000	250,373,000
Jan. 1, 1958 do	940,742,000	589,556,000
Dairy products:		
Jan. 1, 1953		8,445,000
Jan. 1, 1958		165,835,000

Farmers (1953 and 1957)

	1952	1957
Farmers' net income (billions)	$14.3	$11.5
Farmers' share of food dollar (cents)	47	40
Prices paid by farmers, index (percent of 1910–14 average)	287	306
Prices received by farmers, index (percent of 1910–14 average)	288	242
Parity ratio	100	83
Number of farms	5,421,000	4,856,000

Per capita income (1957)

People on farms	$993
Nonfarm people	2,045

COMPARISONS

Average of farm prices in 1957 down 16 percent from 1952.

Net farm income in 1957 was 19 percent below 1952.

CONTRAST

Hourly earnings industrial workers in 1957 up 24 percent since 1952.

Corporation dividend payments in 1957 up 37 percent since 1952.

Farm prices (as percentage of parity)

	Percent
1942	105
1943	113
1944	108
1945	109
1946	113
1947	115
1948	110
1949	100
1950	101
1951	107
1952	100
1953	92
1954	89
1955	84
1956	82
1957	82

Cash receipts of farmers (not including Government payments)

1932	$4,748,000,000
1947	29,664,000,000
1948	30,253,000,000
1951	32,928,000,000
1952	32,556,000,000
1955	29,542,000,000
1956	30,372,000,000
1957	30,019,000,000

Net income of farmers (including Government payments)

1932	$1,928,000,000
1947	17,191,000,000
1948	15,943,000,000
1951	14,802,000,000
1952	14,256,000,000
1955	11,581,000,000
1956	12,070,000,000
1957	11,532,000,000

National income

1932	$43,049,000,000
1948	208,980,000,000
1951	250,779,000,000
1952	266,406,000,000
1955	296,379,000,000
1956	314,471,000,000
1957	328,676,000,000

Consumers—Quantities of foods 1 hour of factory labor will buy

	1929	1957
Bread (loaves)	6.4	11.0
Steak (pounds)	1.2	2.2
Milk (pints delivered)	7.8	16.6
Butter (pounds)	1.0	2.8
Bacon (pounds)	1.3	2.8
Eggs (dozen)	1.1	3.7
Potatoes (pounds)	17.7	36.3
Oranges (dozen)	1.3	3.6

Source: Agricultural Marketing Service.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret exceedingly that it is necessary for the Congress to be considering legislation of this nature.

Mr. Chairman, I have become convinced that the sooner the Government gets out of the farmers' barns and hair and frees American agriculture from the whims of political action, the sooner will the economic condition of agriculture be improved.

I have always recognized that one of the biggest problems facing the farmer was the extreme fluctuations in production and prices in his segment of our economy. I have thought that there was a Government responsibility to try to be helpful in leveling out these high peaks and deep valleys. I am still convinced of the desirability of Government action in this field. I have also become

convinced, however, of the impossibility of working out a practicable Government program, particularly in view of what has been happening in this field during the last 10 years.

During the last 10 years, the legislation we have considered under the title of "Farm Price Supports" has been dictated by political considerations rather than the welfare of American agriculture. As long as political considerations dominate Government action in this field, the agricultural economy, except in time of war, will always be sick and the farmer will be a political pawn rather than a self-reliant businessman.

Violent fluctuations of production and price of farm products causes serious problems for the farmer and the general economy, but these problems are much less serious than the problems caused by a Government controlled agriculture with the accompanying serfdom of our farmers.

I am hopeful that this Congress will, at an early date, set a time when the Government will get out of the field of price supports completely. Such action would be an "emancipation proclamation" for the American farmer. The farmers should be freed from Government and political control and permitted to use his own ingenuity, unrestricted by Government, to solve his own problems.

As long as we have a price support program, however, we must consider political legislation like that before us today.

This bill contains many features which I believe would be unsound, from the standpoint of agricultural policy. If this bill could be considered wholly in terms of agricultural policy, I would vigorously oppose it. The facts of the matter are, however, that this legislation must be considered in terms of the general economic conditions that we find existing in the economy as a whole.

We know that there are some serious weak spots in our industrial economy today. Members of Congress and the administration are talking in terms of affirmative action that should be taken to strengthen that part of the economy. Under these circumstances, I cannot understand the attitude of the administration in condoning action that will be bound to further depress farm income and the farmers' purchasing power. If the administration and the Congress can give consideration to the many proposals now being made to stimulate our industrial economy, then certainly the least we should do is to try to keep our agricultural income from falling further. It is foolhardy to consider Government action, the immediate result of which would be to reduce that income.

Let it be remembered that as long as we have a price-support program, the price set by the Government tends to become not just the minimum price, but it becomes the market price.

In the dairy segment of our agricultural economy, the Secretary of Agriculture in effect sets the price for manufactured products and the price of milk to the farmer. The dairy farmer and the dairy industry is already in a very depressed situation because of the interplay of various economic factors and because of Government action. In spite of this fact, and in spite of the problems in the general economy, the Secretary of Agriculture insists on a further drastic reduction in the price of milk to the farmer and thus a greater reduction in the income of the dairy farmer. This action, Mr. Chairman, can only be dictated by a stubborn disregard of economic facts.

A freezing of the support price for dairy products at the present level for 1 year may cost the Government about $15 million and that is a matter that must be recognized. On the other hand, let it be recognized that the reduction proposed by the Secretary will result in a reduction of farm income of over $250 million. Is the expenditure of $15 million to purchase dairy products worth the $250 million purchasing power that will be created. That is the question we must ask with respect to the dairy price freeze contained in this bill. To me, Mr. Chairman, the answer is a definite "Yes."

If the expenditure by the Federal Government of almost a billion dollars to supplement State unemployment insurance as is being proposed by the President is a desirable program, then certainly $15 million to create $250 million of farm purchasing power is a sound investment.

Mr. Chairman, under the present circumstances, I do not see where there is any alternative but to vote for this bill freezing supports at their present level for 1 year.

Mr. CRETELLA. Mr. Chairman, I have listened with a great deal of interest to the debate on Senate Joint Resolution 162, which is intended to stay a reduction in price supports and acreage allotments, and I am amazed at some of the statements made by the supporters of the resolution as to the reasons why it should receive favorable action.

So that there be no mistake about it, I am unalterably opposed to the resolution and will vote against it. The claim is made that this would be of benefit to the farmer and that because of declining farm prices, this legislation must be passed at a cost of hundreds of millions of dollars to the American taxpayer.

While all this cry is made for the welfare of the farmer, who is represented by strong farm bloc support, and Members of this Congress whose interest in the legislation necessarily stems out of political expediency, the plight of the consumer is lost sight of.

The mere fact that he, as a taxpayer, must help to pay for these supports seems to be lost sight of. In my opinion, the passage of this legislation would tend to pile up additional surpluses to those which we already have, and which again are costing the taxpayers millions of dollars for storage purposes only. It would certainly add greatly to the cost of the farm program which is now a series of hodgepodge legislation similar to that which was vetoed by the President in 1956.

I wonder how many consumers are mindful of the fact that under the program mandatory supports would be established for commodities which they little suspect, and which is likewise costing them hundreds of millions of dollars.

It is my opinion that the plight of the farmer is not as deplorable as represented by those who take the floor of this House in support of this legislation. True, we all need the American farmer who helps to support the economy of this country, but the consumer who does not have the lobbyist to look after his interests is the one who is called on to pay through the nose every time we add to the farm programs, and I shall vote against this resolution.

As one reads the report which accompanies the resolution, it states that it is hoped that a farm program acceptable to the vast majority can be worked out, and I see very little hope for any such eventuality to take place because, in the years that I have been in the Congress, it has been a constant cry by the farmers for more and more of the taxpayers' money, and when I make reference to farmers, I do not mean the little family farmer, but the large commercial entrepreneur engaged in agriculture to take out of it all that the traffic will bear.

Mr. BECKER. Mr. Chairman, I was considerably disturbed to hear the gentleman from New York, speaking as the chairman of a subcommittee on consumer prices, refuse to answer the rather pertinent question as to just how the proposed resolution would help consumers.

If I interpret his remarks correctly, what he was really saying was that it does not help the consumer at all, but that he does not think it will hurt him. I think he has overlooked one important fact. This proposition, if enacted into law, will cost, according to figures given on the floor here today, somewhere between $250 million and $350 million more than the program cost this year. I want to say right now that this is one part of the proposition that is going to hurt the consumers in my District. Their share of that additional cost is going to be between a half and three-quarters of a million dollars in my District alone. And with unemployment rising, this is going to hurt the consumers in my District considerably. That is one reason why I am going to oppose the proposition.

The other reason is that this is a bad bill. That is why it is being rushed through the House in this fashion. If the Members were to be given a chance to study just what the results of this action would be, it would be hard to get a handful of votes in support of the measure.

I have heard, time and again, the proponents of this proposition take the floor to tell us how the present support program has failed. It has been costly and ineffective, and Secretary Benson has been criticized for having such a program. Now we hear these same Members tell us that we must freeze this same program just as it is. We must not

let anything be changed. Now this just does not make sense.

Mr. BUDGE. Mr. Chairman, I am voting against the farm-freeze bill—Senate Joint Resolution 162—because I am convinced it is a step in the wrong direction.

In my District in Idaho, the two crops right now paying the best returns to farmers are potatoes and beef cattle—neither of which has any Government support. This, I believe, indicates the proper direction for us to go if we want to give any real help to the farmers. We must move to get less Government in farming instead of more. We must move in the direction of more freedom to meet ever-changing conditions instead of freezing supports in a pattern which has already been proven ineffective, inefficient, and woefully expensive.

I have been surprised to hear those who have been the most frequent and the loudest in their criticism of the administration's farm program, leading the fight for adoption of this measure. For months they have been telling the world how bad the program is, and now they are trying to rush through, without hearings, a bill to freeze it exactly as it is. This is a poor way, in my estimation, to help farmers. The least the critics could do would be to present something new, rather than the same old approach which has failed time and time again.

Mr. NEAL. Mr. Chairman, recalling a remark made by the gentleman from Wisconsin [Mr. TEWES] that dairymen in his District are going out of business reminds me of the fate of small dairies in my home county after the adoption of a pasteurizing ordinance. Being unable financially to meet the imposed requirements, they elected to go out of the dairy business to seek other means of support.

I am reminded that history is replete with similar instances. Due to ever-changing developments in the economic picture, small business, no longer able to adjust to changes, has no alternative but to desist from further attempts to continue an unprofitable operation.

In view of the overproduction of dairy products, I am constrained to wonder why Government should be asked to bail out those individuals who find themselves no longer able to operate with profit.

Mr. GROSS. Mr. Chairman, I am certain that nothing anyone may say at this hour this afternoon will change a single vote either for or against this legislation.

Therefore I merely want to say that I fully understand this is stopgap legislation and points up the necessity for early enactment of a sound, permanent measure that will provide economic justice for the farmers of this Nation.

To permit the Secretary of Agriculture to lower price supports on dairy and other farm commodities and thus reduce the income of farmers below the 1957 level would be unthinkable.

I support this legislation to hold the line until a better farm program can be enacted into law.

Mr. WOLVERTON. Mr. Chairman, the farm problem seems to defy satisfactory solution. Each new endeavor during recent years has brought new or additional problems beyond what it has sought to cure. All of this indicates that the problems have not been approached in a proper manner. To list the different proposals that have been suggested or enacted would exceed the time and space available to me at this time. Suffice it to say that the present proposal contained in Senate Joint Resolution 162 is even more unsatisfactory than any that has preceded it.

The joint resolution, Senate Joint Resolution 162, now before the House for its consideration seeks to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

There are many reasons that this cannot be considered either a wise or appropriate manner to solve whatever farm problems exist at this time. Without any attempt to enumerate all of the reasons that could be given, I will set forth a few of the most glaring and most objectionable features that appear to me from my consideration of the provisions contained in the resolution, namely:

First. The resolution as passed by the Senate provides that it shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution. Thus, we would have a freeze of present unsatisfactory conditions, whatever they may be, for an indefinite time.

To eliminate to some extent this objectionable feature the House Committee on Agriculture has amended the resolution so that it is contended it could only apply for 1 year. However, even with such a change there is no assurance that it would be acceptable to the Senate. And, if it should not be then we would have to adopt the Senate indefinite time limit or have no law to remedy the situation which the committee admits is necessary for a long-range solution.

Second. The House committee report admits the proposed enactment now before the Congress is not intended as permanent nor affirmative legislation but only as a stopgap measure while new program-type legislation is being formulated and enacted. And, in this connection the committee further states, "It is the hope of this committee to bring out a general farm bill which will include improved price-support and production adjustment programs for the major agricultural commodities. To this end, commodity subcommittees have been and are continuing to work with all diligence."

The report further sets forth that the Cotton Subcommittee is now working on the final draft of its legislation. The Feed Grains Subcommittee is nearing a draft of its program. The Wheat Subcommittee has started hearings on new long-range wheat legislation, and the Dairy Subcommittee has announced the start of hearings on an entirely new type of dairy support program. The other commodity programs are receiving similar attention. This activity in the preparation of new legislation removes the necessity for any such precipitous treatment of the farm program as this resolution would provide. The sensible thing is to withhold mere temporary stopgap legislation and bring to completion at the earliest possible day the new farm program.

Third. The present resolution was presented to the Senate without any hearings, notwithstanding it was known that serious objections had been raised by farm organizations, and the same is true of the House resolution. It was likewise reported to the House without any hearings being held by the committee.

It was rushed out of committee in both instances without any opportunity to ascertain whether it was good legislation or ill-advised at this time. There is no doubt that it is intended to repeal the exercise by the Secretary of Agriculture of the discretion lodged in him under the present law to fix price supports and acreage allotments for certain crops.

Fourth. The House committee report leaves no doubt that there should be a new farm program which will include improved price-support and production-adjustment programs for the major agricultural commodities. In view of this fact, how can there be justification for the present price supports and production adjustments being continued. And, in this connection it should be further borne in mind that the present program relates to only 19 commodities out of 250 farm commodities. And, likewise that it is generally recognized that the present farm program is not as helpful as it should be to the small family-sized farm or the low-income farmer.

Fifth. Furthermore, a continuation of the present farm-support program does not provide any relief to the large consuming portion of our population. The cost to consumer has been continually rising and without the producing farmer always getting the supposed benefits accruing from the high prices paid by the consumer. Somewhere in between the price received by the farmer and the price paid by the consumer there is someone or more reaping a real harvest of profit. How can this situation be remedied to the advantage of the farmer and the consumer? This is a matter that requires and should have the active and serious consideration of the Committee on Agriculture. There is a duty to the public consumer that should be considered in connection with the recognized duty of promoting the welfare of the farmer. It is a dual obligation and too serious to be passed over in the manner of the present resolution which in effect ignores it entirely.

Sixth. It is gratifying to learn that no matter how unsatisfactory the lot of some farmers may be, nevertheless the fact remains that, first, farm assets are an all-time high—$188 billion as of January 1, 1958; second, the inventory value of livestock on farms for January 1, 1958, was $14.2 billion—higher by $3 billion than a year ago; third, income per person on farms last year was highest on record—up 2 percent over 1951, the previous high year; fourth, farmers have less than $11 in debts for each $100 of assets; in 1940 the ratio was $19 for each $100; fifth, owner equities rose 7 percent during 1957 to a peak of $168.4 billion; sixth, farm ownership is also at a record

high, only 1 in 3 farms has a mortgage; seventh, the postwar downtrend in prices which started in 1951 has been stopped, prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago; eighth, the surplus production of American farms is being made available for hungry people at home and abroad.

Seventh. The existing farm legislation is not adequate for the needs of agriculture under present conditions, and, this proposed legislation would worsen rather than improve the existing unsatisfactory situation. For a long time it has been the policy to establish support and allotment levels on a year-to-year basis, using statutory standards. That certain levels of prices and acreages are in effect in 1957 does not necessarily mean that they will be right or desirable for 1958 and future years. This would be the effect if the present resolution is adopted. It is therefore wrong in principle and should not be adopted.

It has been urged that there is a necessity for this legislation as a means of protecting the dairy interests from any possible change of their status on April 1 of this year. I submit that it is not necessary to extend all the inequities of the present and existing legislation indefinitely, or, even for 1 year relating to other commodities and adding nine more to the list, if the only reason that can be legitimately advanced is to protect the dairy interests. It is my opinion that this could have been done, if necessary, by merely extending the law pertaining to dairies another month or two. It is my understanding that a motion will be made to recommit the pending resolution with instructions to the committee to report the resolution immediately, with a provision relating to the protection of the dairy industry only, and eliminating all other provisions of the pending resolution. I shall vote for such a motion if it is made. I trust that such motion shall be adopted and thereby protect the dairy industry for the short time necessary to report permanent legislation, and that the Committee on Agriculture will thus be required to act promptly in reporting to the House a new farm program that will eliminate any inequities now existing and provide a new and improved program that will more adequately solve and fit into the needs of today.

Mr. PORTER. Mr. Chairman, I shall support Senate Joint Resolution 162, but with reservations which I hope to discuss at length at a later date.

Personally, I am not convinced that price supports, as now in effect, serve the farmer. This does not mean, however, that I am willing to throw out an existing program without offering a solution. Mr. Chairman, Secretary Benson may believe he is helping the farmer stand on his own feet. I can appreciate the Secretary's sincerity but I cannot accept his program which has done little more than foreclose on the individual farmer.

The mail I have received from constituents has been 5 to 2 in favor of freezing price supports as Senate Joint Resolution 162 proposes. I have had no commentary on acreage allotments.

The members of the North Bayside Grange, No. 691, of Coos County, Oreg., took time earlier this year to prepare in detail their reasons for protesting the proposed lowering of dairy support prices.

The Grange opinion, sent to me by Secretary Bonnie Fullerton, is, in part:

> This protest should not be construed as an argument for subsidies as such. The dairyman is as willing as anyone to cease being dependent on the Government, providing that all other segments of the economy return to the same basis.

The Grange statement also says:

> The trend of the administration to eliminate the small operator could result in a monopoly condition which would be more harmful to the general public than the total of all subsidies ever paid.

Mr. Chairman, I believe that until Congress can, of necessity, do the job which the Secretary of Agriculture has not done, this proposed freeze is necessary. On this basis, I shall cast my vote for the freeze.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ENGLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, pursuant to House Resolution 505, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time and was read the third time.

Mr. HARVEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HARVEY. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. HARVEY moves that the joint resolution be recommitted and reported back forthwith with the following amendment: Strike out all of the joint resolution beginning at line 3 on page 1 and substitute therefor the following:
>
> "That in order to prevent reductions in support prices for dairy products prior to consideration by Congress of such changes in the price support laws as may be necessary at this time.
>
> "(1) the support price (in terms of dollars and cents) for dairy products shall not be less than that available for such commodity during the marketing year or season which began in 1957.
>
> "The resolution shall be effective only for the marketing year which begins in 1958, or until repealed, whichever date is earlier."

The SPEAKER. The question is on the motion to recommit.

Mr. HARVEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 211, not voting 46, as follows:

[Roll No. 27]

YEAS—173

Adair	Fenton	Miller, N. Y.
Addonizio	Fino	Minshall
Alger	Fogarty	Morano
Allen, Calif.	Ford	Mumma
Allen, Ill.	Frelinghuysen	Neal
Arends	Fulton	Nicholson
Auchincloss	Gary	Nimtz
Ayres	Gavin	Norblad
Baker	Griffin	Osmers
Baldwin	Gubser	Ostertag
Bass, N. H.	Hagen	Patterson
Bates	Hale	Pelly
Baumhart	Haley	Pillion
Beamer	Halleck	Poff
Becker	Harden	Quie
Bennett, Mich.	Harrison, Nebr.	Ray
Bentley	Harrison, Va.	Reece, Tenn.
Betts	Harvey	Reed
Boland	Haskell	Rhodes, Ariz.
Bolton	Henderson	Rhodes, Pa.
Bosch	Herlong	Riehlman
Boyle	Hess	Robison, N. Y.
Bray	Hiestand	Rodino
Broomfield	Hill	Rogers, Mass.
Brown, Ohio	Hillings	Sadlack
Brownson	Hoeven	St. George
Broyhill	Hoffman	Saylor
Budge	Holt	Schenck
Bush	Holtzman	Scherer
Byrne, Ill.	Hosmer	Schwengel
Byrnes, Wis.	Hyde	Scott, Pa.
Carrigg	Jackson	Scudder
Cederberg	James	Seely-Brown
Chamberlain	Jenkins	Siler
Chenoweth	Johansen	Smith, Calif.
Chiperfield	Kearns	Staggers
Church	Keating	Stauffer
Clark	Kelly, N. Y.	Taber
Clevenger	Kilburn	Talle
Coffin	Knox	Taylor
Collier	Lafore	Tewes
Corbett	Laird	Thomson, Wyo.
Cramer	Latham	Tollefson
Cretella	Lipscomb	Van Pelt
Cunningham, Iowa	McCulloch	Van Zandt
	McDonough	Vursell
Cunningham, Nebr.	McGregor	Wainwright
	McIntosh	Westland
Curtin	McVey	Wharton
Curtis, Mass.	Macdonald	Widnall
Curtis, Mo.	Mack, Wash.	Williams, N. Y.
Dague	Mailliard	Wilson, Calif.
Dawson, Utah	Martin	Wilson, Ind.
Delaney	Mason	Withrow
Dennison	May	Wolverton
Derounian	Meader	Yates
Devereux	Merrow	Younger
Dorn, N. Y.	Michel	
Dwyer	Miller, Md.	

NAYS—211

Abbitt	Burleson	Flynt
Abernethy	Byrne, Pa.	Forrester
Albert	Canfield	Fountain
Alexander	Cannon	Frazier
Andersen, H. Carl	Carnahan	Gathings
	Celler	George
Anderson, Mont.	Chelf	Granahan
	Christopher	Gray
Andrews	Coad	Green, Oreg.
Anfuso	Colmer	Gregory
Ashley	Cooley	Griffiths
Ashmore	Davis, Ga.	Gross
Aspinall	Dawson, Ill.	Hardy
Avery	Dent	Harris
Bailey	Denton	Hays, Ark.
Barden	Diggs	Healey
Bass, Tenn.	Dixon	Hébert
Beckworth	Dollinger	Hemphill
Belcher	Donohue	Holmes
Bennett, Fla.	Dorn, S. C.	Horan
Berry	Dowdy	Huddleston
Blitch	Durham	Hull
Boggs	Edmondson	Ikard
Boiling	Elliott	Jarman
Bonner	Engle	Jennings
Boykin	Everett	Jensen
Breeding	Evins	Johnson
Brooks, La.	Farbstein	Jonas
Brooks, Tex.	Fascell	Jones, Ala.
Brown, Ga.	Feighan	Jones, Mo.
Brown, Mo.	Fisher	Judd
Burdick	Flood	Karsten

Keogh	Multer	Scrivner
Kilday	Murray	Selden
Kilgore	Natcher	Shuford
King	Norrell	Sikes
Kitchin	O'Brien, Ill.	Simpson, Ill.
Kluczynski	O'Brien, N. Y.	Simpson, Pa.
Knutson	O'Hara, Ill.	Sisk
Krueger	O'Hara, Minn.	Smith, Kans.
Landrum	O'Konski	Smith, Miss.
Lane	O'Neill	Smith, Va.
Lankford	Passman	Spence
LeCompte	Patman	Springer
Lennon	Perkins	Steed
Lesinski	Pfost	Sullivan
Libonati	Philbin	Teague, Calif.
Loser	Pilcher	Teague, Tex.
McCarthy	Poage	Teller
McCormack	Polk	Thomas
McFall	Porter	Thompson, N. J.
McGovern	Powell	Thompson, Tex.
McIntire	Preston	Thornberry
McMillan	Price	Trimble
Machrowicz	Prouty	Tuck
Mack, Ill.	Rabaut	Udall
Madden	Rees, Kans.	Ullman
Magnuson	Reuss	Vanik
Mahon	Riley	Vinson
Marshall	Roberts	Vorys
Matthews	Robeson, Va.	Weaver
Metcalf	Robsion, Ky.	Whitener
Miller, Calif.	Rogers, Colo.	Whitten
Miller, Nebr.	Rogers, Fla.	Wier
Mills	Rogers, Tex.	Williams, Miss.
Mitchell	Rooney	Willis
Montoya	Roosevelt	Winstead
Morgan	Rutherford	Wright
Morris	Santangelo	Young
Moss	Saund	Zablocki
Moulder	Scott, N. C.	Zelenko

NOT VOTING—46

Baring	Friedel	Moore
Barrett	Garmatz	Morrison
Blatnik	Glenn	Radwan
Bow	Gordon	Rains
Buckley	Grant	Rivers
Byrd	Green, Pa.	Sheehan
Coudert	Gwinn	Shelley
Davis, Tenn.	Hays, Ohio	Sheppard
Dellay	Heselton	Sieminski
Dies	Holifield	Thompson, La.
Dingell	Holland	Utt
Dooley	Kean	Walter
Doyle	Kearney	Watts
Eberharter	Kee	Wigglesworth
Fallon	Kirwan	
Forand	Long	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Heselton for, with Mr. Byrd against.
Mr. Kean for, with Mr. Shelley against.
Mr. Coudert for, with Mr. Watts against.
Mr. Glenn for, with Mr. Morrison against.
Mr. Radwan for, with Mr. Barrett against.
Mr. Bow for, with Mr. Hays of Ohio against.
Mr. Moore for, with Mr. Doyle against.
Mr. Sheehan for, with Mr. Blatnik against.
Mr. Wigglesworth for, with Mr. Holifield against.
Mr. Gwinn for, with Mr. Davis of Tennessee against.
Mr. Dooley for, with Mr. Dies against.

Until further notice:

Mr. Holland with Mr. Kearney.

Mr. ADDONIZIO, Mr. STAGGERS, and Mr. BENNETT of Michigan changed their votes from "nay" to "yea."

The SPEAKER. The question is on passage of the bill.

Mr. POAGE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 211, nays 172, not voting 47, as follows:

[Roll No. 28]

YEAS—211

Abbitt	Andersen,	Andrews
Abernethy	H. Carl	Anfuso
Albert	Anderson,	Ashley
Alexander	Mont.	Ashmore
Aspinall	Hardy	O'Neill
Avery	Harris	Passman
Barden	Hays, Ark.	Patman
Bass, Tenn.	Healey	Perkins
Beckworth	Hébert	Pfost
Belcher	Hemphill	Philbin
Bennett, Fla.	Hoeven	Pilcher
Bennett, Mich.	Holmes	Poage
Bentley	Horan	Polk
Berry	Huddleston	Porter
Blitch	Hull	Preston
Boggs	Ikard	Price
Bolling	Jarman	Prouty
Bonner	Jennings	Quie
Boykin	Jensen	Rabaut
Breeding	Johnson	Rees, Kans.
Brooks, La.	Jonas	Reuss
Brooks, Tex.	Jones, Ala.	Riley
Brown, Ga.	Jones, Mo.	Roberts
Brown, Mo.	Karsten	Robeson, Va.
Burdick	Keogh	Rogers, Colo.
Burleson	Kilburn	Rogers, Tex.
Bush	Kilday	Rooney
Byrne, Pa.	Kilgore	Roosevelt
Byrnes, Wis.	King	Rutherford
Cannon	Kitchin	Santangelo
Carnahan	Knox	Saund
Carrigg	Knutson	Scott, N. C.
Celler	Krueger	Scrivner
Chelf	Laird	Selden
Chenoweth	Landrum	Shuford
Christopher	Lane	Sikes
Coad	Lankford	Simpson, Ill.
Coffin	LeCompte	Sisk
Colmer	Lennon	Smith, Kans.
Cooley	Lesinski	Smith, Miss.
Davis, Ga.	Loser	Smith, Va.
Dawson, Ill.	McCarthy	Spence
Dent	McCormack	Springer
Denton	McFall	Steed
Diggs	McGovern	Sullivan
Dollinger	McIntosh	Taylor
Donohue	McMillan	Teague, Tex.
Dorn, S. C.	Machrowicz	Teller
Dowdy	Mack, Ill.	Tewes
Durham	Mack, Wash.	Thompson, Tex.
Edmondson	Magnuson	Thornberry
Elliott	Mahon	Tollefson
Engle	Marshall	Trimble
Everett	Matthews	Tuck
Evins	Metcalf	Ullman
Farbstein	Miller, Calif.	Van Pelt
Fascell	Miller, Nebr.	Vinson
Fisher	Mills	Weaver
Flood	Montoya	Wharton
Flynt	Morgan	Whitener
Forrester	Morris	Whitten
Fountain	Moss	Wier
Frazier	Moulder	Williams, Miss.
Gathings	Multer	Williams, N. Y.
George	Murray	Willis
Granahan	Natcher	Winstead
Gray	Norblad	Withrow
Green, Oreg.	Norrell	Wright
Gregory	O'Brien, N. Y.	Young
Griffiths	O'Hara, Minn.	Zablocki
Gross	O'Konski	Zelenko

NAYS—172

Adair	Corbett	Harrison, Va.
Addonizio	Cramer	Harvey
Alger	Cretella	Haskell
Allen, Calif.	Cunningham,	Henderson
Allen, Ill.	Iowa	Herlong
Arends	Cunningham,	Hess
Auchincloss	Nebr.	Hiestand
Ayres	Curtin	Hill
Bailey	Curtis, Mass.	Hillings
Baker	Curtis, Mo.	Hoffman
Baldwin	Dague	Holt
Bass, N. H.	Dawson, Utah	Holtzman
Bates	Delaney	Hosmer
Baumhart	Dennison	Hyde
Beamer	Derounian	Jackson
Becker	Devereux	James
Betts	Dixon	Jenkins
Boland	Dorn, N. Y.	Johansen
Bolton	Dwyer	Judd
Bosch	Feighan	Kearns
Boyle	Fenton	Keating
Bray	Fino	Kelly, N. Y.
Broomfield	Fogarty	Kluczynski
Brown, Ohio	Ford	Lafore
Brownson	Frelinghuysen	Latham
Broyhill	Fulton	Libonati
Budge	Gary	Lipscomb
Byrne, Ill.	Gavin	McCulloch
Canfield	Griffin	McDonough
Cederberg	Gubser	McGregor
Chamberlain	Hagen	McIntire
Chiperfield	Hale	McVey
Church	Haley	Macdonald
Clark	Halleck	Madden
Clevenger	Harden	Mailliard
Collier	Harrison, Nebr.	Martin
Mason	Ray	Smith, Calif.
May	Reece, Tenn.	Staggers
Meader	Reed	Stauffer
Merrow	Rhodes, Ariz.	Taber
Michel	Rhodes, Pa.	Talle
Miller, Md.	Riehlman	Teague, Calif.
Miller, N. Y.	Robison, N. Y.	Thomas
Minshall	Robsion, Ky.	Thompson, N. J.
Morano	Rodino	Thomson, Wyo.
Mumma	Rogers, Fla.	Udall
Neal	Rogers, Mass.	Vanik
Nicholson	Sadlak	Van Zandt
Nimtz	St. George	Vorys
O'Brien, Ill.	Saylor	Vursell
O'Hara, Ill.	Schenck	Wainwright
Osmers	Scherer	Westland
Ostertag	Schwengel	Widnall
Patterson	Scott, Pa.	Wilson, Calif.
Pelly	Scudder	Wilson, Ind.
Pillion	Seely-Brown	Wolverton
Poff	Siler	Yates
Powell	Simpson, Pa.	Younger

NOT VOTING—47

Baring	Friedel	Mitchell
Barrett	Garmatz	Moore
Blatnik	Glenn	Morrison
Bow	Gordon	Radwan
Buckley	Grant	Rains
Byrd	Green, Pa.	Rivers
Coudert	Gwinn	Sheehan
Davis, Tenn.	Hays, Ohio	Shelley
Dellay	Heselton	Sheppard
Dies	Holifield	Sieminski
Dingell	Holland	Thompson, La.
Dooley	Keen	Utt
Doyle	Kearney	Walter
Eberharter	Kee	Watts
Fallon	Kirwan	Wigglesworth
Forand	Long	

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Garmatz for, with Mr. Wigglesworth against.
Mr. Fallon for, with Mr. Sheehan against.
Mr. Friedel for, with Mr. Moore against.
Mr. Rains for, with Mr. Bow against.
Mr. Grant for, with Mr. Coudert against.
Mr. Mitchell for, with Mr. Walter against.
Mr. Buckley for, with Mr. Kean against.
Mr. Watts for, with Mr. Radwan against.
Mr. Dies for, with Mr. Dooley against.
Mr. Sheppard for, with Mr. Gordon against.
Mr. Forand for, with Mr. Gwinn against.
Mr. Green of Pennsylvania for, with Mr. Heselton against.
Mr. Thompson of Louisiana for, with Mr. Glenn against.
Mr. Kirwan for, with Mr. Dellay against.

Until further notice:

Mr. Sieminski with Mr. Utt.
Mr. Long with Mr. Kearney.

Mr. VAN ZANDT changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The title of the resolution was amended to read: "Joint resolution to stay temporarily any reduction in support prices or acreage allotments."

NATIONAL LOTTERY BILL

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, while we in this Congress continue to ignore the tremendous revenue-producing features of my national lottery bill, many of our States throughout this country are taking full advantage of and capitalizing

on the natural betting urge of the American people.

Several days ago the New York State Assembly passed unanimously a bill extending the racing season for an additional 5 days. This legislative action will not only further satisfy the gambling spirit of the people of New York but, more importantly, it would enable the State to pick up more than $1 million a year in additional revenue.

Mr. Speaker, in the past year, the State racing commissions throughout this Nation have been extending their racing days. Only recently, the State of Maryland opened its 1958 season at Bowie on February 8, in the dead of winter. I am sure no one is so naive to believe that these extensions of the racing seasons are based on any desire to breed better horses. That is absolute nonsense. The purpose is obvious—it means increased revenue to the State treasuries.

Recently, the New York City Council passed a resolution calling upon the State legislature to permit a referendum on the question of legalizing off-track betting. Needless to say, this request was prompted not only because of the city's concern over its failure to control the gambling instincts of man but because New York City feels that this source of revenue should be legally tapped to help relieve the heavy pressure borne by the taxpayers.

Mr. Speaker, evidence of the known fact that the urge to gamble is deeply ingrained in humans was shown last November when the people of the State of New York voted overwhelmingly in favor of bingo. This approval not only clothes our bingo players with complete respectability and legality but will help our religious, fraternal, and charitable organizations to finance their causes and improvements with greater ease.

All of these legislative movements represent not only a complete recognition of the well known fact that the urge to gamble is as old as mankind itself but the acceptance of the principle that regulation by law will provide the State governments with additional funds which could and would help to relieve some of the unconscionable burden borne by the taxpayers.

Mr. Speaker, several weeks ago, Percival F. Brundage, our former Budget Director, in answer to a question on the televised program, Youth Wants To Know, said: "I must admit that I hate to see all the benefits of the gambling that there is going to the underworld. I would like to find some way of tapping it."

Mr. Speaker, for 6 years, I have been urging Congress to enact my national lottery bill which, in the opinion of 59 percent of the American people, is the only way to tap this source of revenue. The national lottery bill is not a gambling measure but rather a revenue-making bill which would raise $10 billion a year—voluntarily and painlessly.

Mr. Speaker, my national lottery bill deserves the deepest consideration and this Congress has no right to be careless, more particularly at this time, of possible tax and revenue advantages offered by this fiscal measure. Now is the time to wipe out hypocrisy and seriously consider the merits of this legislation.

UNEMPLOYMENT BENEFITS

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I have been seriously concerned with the problem of the unemployed who are exhausting their eligibility for State unemployment benefits. I do not feel that this Nation is confronted with a serious threat of depression. I believe that the recession in which we now find ourselves is very largely the result of a buyers' strike, plus a lack of confidence in our own national security. People are tired of constantly increasing prices. The Russian breakthrough in the field of satellites early last fall and recent Russian diplomatic progress shook American confidence in our own Government. The combination has resulted in a very cautious buying mood. It is significant that savings are increasing steadily. The Nation is not in economic danger. The percentage of unemployed is less than one-third that which we experienced at the depth of the depression in the 1930's. There are ample cushions against depression and only through sheerest folly could we talk recession into something approximating a depression.

This generally optimistic outlook, however, does not contradict the fact that those who are unemployed are having a difficult time. Ordinarily, a recession brings one compensating factor in that prices come down. In this instance they are continuing to increase. No greater service could be done to this Nation today than for management and labor jointly to find a means to bring prices down. This is the most important single step that could be taken to end recession and to stop completely any trend toward a depression which exists. But, for the moment, Congress has a responsibility and it should move quickly toward the development of a formula that would permit extensions of benefits at State levels and thereby to encourage State action to make permanent improvements in the amount and duration of these benefits.

Florida is fortunate in that the number of unemployed is among the lowest percentagewise in the Nation. In February there were 26,040 unemployed. This number is 3.3 percent of the total number of workers. A year ago there were 14,158 unemployed which was 2.17 percent of the workers. It is an interesting commentary that although the percentage in unemployed has increased, the number who holds jobs in Florida is now greater than was true a year ago. The number of persons employed in Florida is estimated at 1,602,000 at this time; whereas, it was 1,567,000 a year ago. This situation is brought about by the fact that Florida is growing rapidly and that many new people have moved into the State in the past 12 months. Offsetting this favorable picture, however, is the fact that Florida's protection for its unemployed is the shortest in the Nation. Our maximum duration of unemployment pay for a worker is only 16 weeks. I believe there are no States with shorter periods. Our average weekly unemployment pay is $23.87 per week. Although this is not the lowest, it is among the lowest averages in the Nation. One State, Pennsylvania, has a 30 weeks' maximum duration of unemployment pay. Nevada shows an average weekly unemployment pay of $38.71. For comparison purposes, the lowest average weekly unemployment pay is North Carolina with $19.70. Thus, Florida's unemployed, although low in number, will be very adversely affected unless there is an extension of the duration of unemployment compensation benefits. Florida's unemployment compensation laws, like those of most States, were enacted when prices were much lower and they do not adequately deal with today's problems.

The President has recognized that this is a problem which affects the Nation and I am pleased that his leadership has been exerted toward an extension of benefits. Since unemployment is increasing in severity, there must be immediate action on the part of the Congress. Possibly this will have to be done on a temporary basis. Certainly we cannot wait for State action to bring a long-range permanent solution, since most of the State legislatures do not meet until next year. While unemployment benefits certainly are not thought of as a measure to end a recession, it is nevertheless true that increases in unemployment benefits will help to bolster the economy. These benefits will immediately be paid out by the recipients for items essential to livelihood. The principal matter to consider, however, is the fact that from a humanitarian standpoint, we cannot ignore the plight of those who soon will have nothing to which to turn for the necessities of life.

AID OLDER CIVIL SERVICE PENSIONERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, effective October 1, 1956, Congress rewrote the Civil Service Retirement Act to provide an increase averaging 25 percent in the retirement benefits of all eligible Federal employees who were pensioned off after that date.

In doing so, the Government fulfilled part of its moral obligation toward civil-service annuitants. But what about those who retired in the years before October 1, 1956? H. R. 607, makes up for the oversight, by extending increased benefits to them.

Many of these older retirees paid in dollars that were worth 100 cents, as their contributions to the retirement fund, and are being paid back in dollars

that are only worth half as much in purchasing power. Long before social security was dreamed of, in fact as early as August 1920, they were contributing 2½ percent of their salaries, or more than workers covered by social security are contributing today.

When social security became law, Federal employees were already contributing the increased rate of 3½ percent. In view of their higher contributions, they should receive proportionately more in benefits. Yet I know of some letter carriers and postal clerks who retired before October 1, 1956, and their annuities barely enable them to scrape by.

A retirement annuity for a person who has given most of his working years to the service of the United States Government should provide a modest income that will free him from the fear of want.

In the group which this bill is designed to help, present annuities are not sufficient to give them the minimum income necessary for their basic material requirements and some peace of mind. This bill provides an increase of 10 percent, but shall not apply where annuitants earn more than $1,200 in gainful employment that includes wages, salary, or income from self-employment, in any one calendar year after their retirement from the Federal service.

The President and the Civil Service Commission suspended all age retirements scheduled for July, August, and September of 1956 so that the employees affected would receive the benefits of the new law. A section of the bill under consideration will make the 1956 amendments retroactively effective for the benefit of those employees who were separated in the months prior to the date of enactment, if they had annual leave sufficient to have carried them to July 31, 1956.

This section permits an employee, who qualifies, to choose between (a) his present old-law annuity, including any increase under the act of August 11, 1955, and under this bill; and (b) an annuity under the 1956 act without such increases.

Section 4 provides that the annuities and increases in annuities granted under the preceding sections will be paid from the civil-service retirement and disability fund through the fiscal year which ends June 30, 1960, and thereafter will be terminated for any fiscal year for which the Congress fails to make appropriation to compensate the fund for the cost of such annuities and increases in annuities. It seems to me that we should be guided by the fifth report of the Committee on Retirement Policy for Federal Personnel which states:

> The problem of adjusting the annuity benefits of retired employees and of the survivors of former employees is one which must be resolved from time to time as circumstances require, e. g., a substantial increase in the cost of living. The committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees or when liberalizing the benefit formula for future annuitants to reexamine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted.

Those who retired from Federal employment before October 1, 1956, have made a strong case for equal entitlement to the increases given to those who retired after that date. And with pay raises for Federal employees, to be enacted at this session, we can do no less for the older annuitants.

As soon as the Federal pay raise bills are passed, the bill to provide increases in certain annuities payable from the civil-service retirement and disability fund, and for other purposes, becomes mandatory. Private industry has set the precedent by maintaining annuities on a basis commensurate with current pay scales.

However, of the 246,362 annuitants on the civil-service retirement roll of June 30, 1956, 93,958, or 38 percent were receiving less than $100 per month, or fractionally under $25 per week.

The Federal Government must get up to date and increase the benefits for its former employees who retired before October 1, 1956.

SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10881), the second supplemental appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON, THOMAS, WHITTEN, ROONEY, TABER, H. CARL ANDERSEN, and CLEVENGER.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on Senate Joint Resolution 162.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TRANSFER OF THE CIVIL SERVICE COMMISSION BUILDING IN THE DISTRICT OF COLUMBIA TO THE REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9145) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Regents of the Smithsonian Institution to house the National Collection of Fine Arts and a National Portrait Gallery.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, will the gentleman from New Jersey explain this bill?

Mr. THOMPSON of New Jersey. Yes. This bill simply takes the Patent Office Building which is now used as office space by the Civil Service Commission, and following the period of use by that Commission until it moves to a building which has been authorized, and transfers it to the Smithsonian Institution or the regents thereof for use as a depository for the national collection and for other purposes.

Mr. LECOMPTE. It was voted out unanimously?

Mr. THOMPSON of New Jersey. It was; and there is no money involved in this bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is the policy of the Congress and the purpose of this act to provide for the exhibition of the National Collection of Fine Arts, and a collection of the portraits of eminent American men and women, in accordance with the best practices of the world's leading art galleries and museums.

SEC. 2. (a) The Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets and F and G Streets NW., in the District of Columbia, to the Regents of the Smithsonian Institution, without reimbursement, for use as the permanent home of the National Collection of Fine Arts and a National Portrait Gallery for the display of the portraits of eminent American men and women. Such transfer shall be made at such time as the Administrator of General Services determines that the use of the building by the Civil Service Commission for office purposes is no longer essential, but in any event within 5 years after the date of the enactment of this act.

(b) The Administrator of General Services, in consultation with the Regents of the Smithsonian Institution, is authorized to enter into such contracts and take such other action as may be necessary to furnish and equip the Civil Service Commission Building and render it suitable for use as the permanent home of the National Collection of Fine Arts and as a National Portrait Gallery.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That (a) the Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets and F and G Streets Northwest in the District of Columbia, to the Smithsonian Institution without reimbursement, for the use of certain art galleries of the Smithsonian Institution.

"(b) The transfer provided for by subsection (a) shall be made at such time as the Administrator of General Services determines that the use of the building by the Federal Government for office purposes is no longer essential.

"(c) The Administrator of General Services, in consultation with the Smithsonian Institution, is authorized to enter into such contracts and take such other action as may be necessary to make it suitable to

house certain art galleries of the Smithsonian Institution upon transfer of funds available to the Smithsonian Institution for such purposes."

Amend the title so as to read: "A bill to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1984) to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Administrator of General Services shall transfer the Civil Service Commission Building (formerly known as the Patent Office Building), and the site thereof located between Seventh and Ninth Streets and F and G Streets Northwest in the District of Columbia, to the Smithsonian Institution without reimbursement, for the use of certain art galleries of the Smithsonian Institution.

(b) The transfer provided for by subsection (a) shall be made at such time as the Administrator of General Services determines that the use of the building by the Federal Government for office purposes is no longer essential.

(c) The Administrator of General Services, in consultation with the Smithsonian Institution, is authorized to enter into such contracts and take such other action as may be necessary to make it suitable to house certain art galleries of the Smithsonian Institution upon transfer of funds available to the Smithsonian Institution for such purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 9145, was laid on the table.

THE NATIONAL COLLECTION OF FINE ARTS AND THE NATIONAL PORTRAIT GALLERY

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, Senator HUBERT H. HUMPHREY, of Minnesota, joined me in sponsoring legislation in 1956 to transfer the historic Patent Office Building in Washington to the Smithsonian Institution to establish a permanent headquarters building for the National Collection of Fine Arts and a National Portrait Gallery and the important program in contemporary art authorized by the 75th Congress in 1938 in Public Resolution 95. We were joined in this Congress by Senator CLINTON P. ANDERSON, of New Mexico, in sponsoring legislation for these and similar worthy purposes.

The National Collection of Fine Arts was established more than a century ago by the Congress and is now valued at more than $10 million. During most of this time the collection has been most inadequately housed in the Natural History Museum. At the same time, the true role of the national collection in our national life has been described by those competent to judge these matters as similar to the Tate Gallery in England, and the Luxembourg in France.

When the Mellon request was being considered by the Congress Senator La Follette strongly objected to the provision that "no works of art shall be included in the permanent collection of the National Gallery of Art unless they are of similar high standard of quality to those in the collection acquired by the donor." He contended that this provision would rule out "the development of American art which is modern in character and indigenous to the history, the background, and the traditions of the people of the United States." Senator La Follette urged that the legislation accepting the gift of Andrew W. Mellon be amended to provide encouragement and recognition to living artists. After all, as he clearly saw, a dead painter cannot paint.

When Senator La Follette's proposal failed, Public Resolution 95, 75th Congress, was enacted into law providing for a great art gallery, complementing the Mellon Gallery of Art, to house the National Collection of Fine Arts, to establish a National Portrait Gallery, and to provide for an important program of contemporary art.

The art of our country is important; make no mistake about that. Look at the beautiful book Three Hundred Years of American Painting, and the interesting book America's Arts and Skills, recently published by Time and Life magazines, if you want to obtain a quick picture of its scope. Of course, there are a thousand other books of equal merit dealing with this important aspect of our national life. After reading these works you will see how baseless are the charges of our enemies that our citizens have no concern with the great cultural heritage of the West, that we are cultural barbarians, that we are interested only in material things.

Unfortunately, there is no national museum of American arts and skills where our own people can see the exciting story of our own contributions to painting, sculpture, and architecture, where our young people can learn of our own great accomplishments, where they can obtain a truer picture of what we believe in than is presented by the comic-strip art of our newspapers and by the Elvis Presleys of television fame.

With a building of its own, I am sure that the National Collection of Fine Arts will attract gifts from many citizens throughout the country. That has been proven to be the case with the National—Mellon—Gallery of Art. I am convinced that people at present hesitate to make gifts to the National Collection of Fine Arts, not knowing where and how these gifts will be exhibited.

The National Gallery of Art is now 17 years old. It will be recalled that in 1936 Andrew W. Mellon wrote to President Franklin D. Roosevelt offering his collection, and a great building to house it, to the Nation. The National Gallery soon became a reality and it has grown from a half-empty museum to a world-renowned gallery, the exhibit rooms of which are filled with the works of the greatest artists of the world through many centuries. The National Gallery has fulfilled the hope of its founder that "it would become not a static but a living institution, growing in usefulness and importance to artists, scholars, and the general public."

Two dissimilar men, Franklin Delano Roosevelt, often described as the most intelligent President about art since Jefferson, and Andrew W. Mellon, have, through this great cultural monument, made enduring contributions to enrich the life of this Nation. In the years that have passed since its doors were opened nearly 30,000,000 visitors have entered to study and to learn what man is capable of when he has vision and talent.

So, I would hope that the National Collection of Fine Arts and the National Portrait Gallery would similarly serve the Nation in their own way. It is instructive to recall that the Committee on the Library of the 75th Congress in 1938 said in an official report on this subject that—

> Your committee are impressed by the moral obligation of the Government to make adequate provision for the preservation and exhibition of objects of art which have been accepted by its authorization.
>
> The committee are further impressed by the lack of a gallery where portraits of eminent national characters may be worthily displayed, to inspire emulation on the part of rising generations. In this the Government is behind the practice of other enlightened countries, where national portrait galleries are notable institutions.
>
> Finally, the great impetus lately given to national culture by the Government's encouragement of contemporary artists can hardly go on, greatly desirable though it is, without providing a place where the public may see and learn to appreciate the artistic work of their own people and generation.
>
> It will be recalled that the great gift of the late Andrew W. Mellon to the Nation for art carried the condition that the gallery he gave should contain nothing but masterpieces of oil painting and of sculpture. It is to be expected that art collections of great value will be offered by private citizens to the National Gallery of Art from time to time, of which certain portions will come within the conditions just named, and be admitted to the great gallery which Mr. Mellon has given. Other portions, perhaps of contemporary art, perhaps of jewelry, tapestry, or other branches of art, while not less worthy, may not be admissible. Such gifts would then find their place in the gallery which this resolution contemplates.
>
> From still another point of view, the relationship between the proposed gallery and the National Gallery is interesting. France has its Luxemburg, where works of art serve, as one might say, their apprenticeship, and

from which some of them graduate when time has tested them to the Louvre as masterpieces. Such it is expected, may be the honorable career of some of the works of art being produced contemporaneously by American artists. For a time they will be seen in the proposed gallery, and at length will go on to the National Gallery when time has proved them worthy.

SMITHSONIAN INSTITUTION TRAVELING EXHIBITION SERVICE

In the present decade the traveling exhibition service of the National Collection of Fine Arts has been serving an important role in our foreign policy. Since its inception in 1951 it has arranged 972 different showings of its 93 exhibitions in 323 private and public organizations in the United States and Canada. In addition, something like 50 exhibitions were assembled for circulation abroad under the auspices of the United States Information Agency. Art will be exhibited at the Brussels Fair and is expected to be seen by forty to fifty million people.

In many countries a place of honor is given to leaders in the arts and intellectual fields and in religious activities. The intellectual is not dismissed as an egghead. The artist is not called a longhair. The minister of religion is not considered an impractical idealist. The circulation of American art abroad is doing much to dispel the stereotypes held by other peoples about us. This is of vital importance because if we are to continue as a leader of the Free World we must by our acts show that we are a mature and stable people. Many competent observers have reported that people in other countries often think that we in America are too materialistic, have too few ideals, and consider us anti-intellectual, deficient in culture, and superficial in religion.

Dr. Henry T. Heald, president of the Ford Foundation, has warned that education and exercise of the mind are not luxuries but are, in fact, necessities. Speaking to a group of business and financial leaders in New York City's Union League Club yesterday, Dr. Heald warned that America had better stop neglecting its intellectuals and start cherishing them if we want to survive. The former chancellor of New York University declared that "the present military attitude of the great powers seems pointed away from war." "The race today," he said, "is not an arms race but race for political, economic, scientific, even cultural supremacy."

The fact that our Federal Government, from the very beginning, has been concerned with cultural values and the arts, as it has been, conflicts violently with the convenient stereotype so zealously fostered by our enemies abroad in well-directed propaganda campaigns.

It is forgotten, even by our own people, that our Founding Fathers were remarkably well-educated individuals who held that the purpose of the humanities and the fine arts was to mold capable and cultivated human beings who would be capable of conquering a wilderness and building and preserving a nation.

George Washington declared "the prosperity of our country is closely connected with our improvement in the useful arts" and "the arts and sciences essential to the prosperity of the State and to the ornament and happiness of human life have a primary claim to the encouragement of every lover of his country and mankind."

In his first annual address to the Congress on January 8, 1790, President Washington said:

> There is nothing which can better deserve our patronage than the promotion of science and literature. Whether this desirable object will be the best promoted by affording aids to seminaries of learning already established, by the institution of a national university, or by any other expedients, will be worthy of a place in the deliberations of the Legislature.

President Washington believed that an educational program which included the fine arts was essential to enable our youth to develop a true understanding of our form of government and of the true and genuine liberties of mankind. Such a balanced education, he wrote in his will providing funds for a national university, "would have the tendency to spread systematic ideas through all parts of this rising empire, thereby to do away local attachments and State prejudices, as far as the nature of things would, or indeed ought to admit from our national councils."

President Washington, and the Founding Fathers generally were thoroughly a part of the western classic tradition stemming from ancient Greece where music, art, and poetry were a part of the education of every citizen.

I include here a report relative to action by the Congress in the 1930's to provide a suitable home for the National Collection of Fine Arts as well as a National Portrait Gallery. Included also are some of the letters I have received urging that greater attention be given to our own contemporary arts and culture by the Federal Government.

THE LIBRARY OF CONGRESS,
Washington, D. C., March 19, 1958.

The Honorable FRANK THOMPSON, Jr.
House of Representatives,
Washington, D. C.

DEAR MR. THOMPSON: In response to your request we submit the following references to the legislative action relative to Public Resolution 95, 75th Congress, approved on May 17, 1938, to set apart public ground from the Smithsonian Gallery of Art, and for other purposes. Marked copies of the CONGRESSIONAL RECORD containing the debate on this matter and House Report 1900, accompanying the legislation, have been sent to your office:

"H. J. Res. 599. To set apart public ground for the Smithsonian Gallery of Art. Introduced by Mr. Keller and referred to the Committee on the Library, page 2157.

"Reported with amendments (H. Rept. 1900), page 2896.

"Debated, pages 4664, 5488.

"Amended and passed House, page 6058.

"Referred to Senate Committee on the Library, page 6105.

"Passed Senate (in lieu of S. J. Res. 262), page 6230.

"Examined and signed, pages 6424, 6427.

"Presented to the President, page 6517.

"Approved (Public Resolution No. 950), page 7124."

Sincerely yours,

ERNEST S. GRIFFITH,
Director.

WADSWORTH ATHENEUM,
Hartford, Conn.

Hon. FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D. C.

DEAR MR. THOMPSON: Thank you very much for sending me the copy of your proposed bill. In the first place I think all of us who are interested in the arts should express our appreciation to you for the persistent efforts that you have carried on in Congress in the interests of American art and art in America. It is this leadership which you have displayed which in the long run will produce an effective art program on a governmental level.

In regard to your proposed bill, I think it has considerable merit. It has been proved that art combined with natural history and science suffers as to the other 2 when they are incorporated in the 1 single museum. I think the British realized this when they made in the present century the division at the Victoria and Albert museum, placing the natural history section, the science section, and the arts section under different administrations and set up as individual institutions. It certainly seems to me that the same applies to the Smithsonian Institution. Certainly none of us deprecate the importance of science and natural history to our cultural life. The National Gallery and the Freer are already set up now as separate institutions, and it is my hope that the Smithsonian Art Gallery can achieve the same autonomy. With a building of its own I am sure that it would attract gifts from many citizens throughout our country. That has been proven so certainly in the case of the National Gallery. I think people hesitate to make gifts to the Smithsonian Institution when they consider how and where they will be shown.

Another feature of your proposed bill which appeals to me is the assembling of a collection which may be available for loan to other countries. One of the great problems which we have in organizing international exhibitions is the borrowing of significant paintings from various museums throughout the country. Naturally in order to make an overseas loan pay for itself, it has to run for at least a year, and just as naturally, many collectors, dealers as well as museums are reluctant to let their finest works of art be away from them for that period of time. A permanent collection such as you propose for the Smithsonian would serve as the nucleus for loan exhibitions which might be sent overseas and help bring American culture to various countries. I heartily applaud the work you are doing and wish you every success.

Very sincerely yours,

C. C. CUNNINGHAM,
Director.

SAN FRANCISCO MUSEUM OF ART,
San Francisco, Calif.

Mr. FRANK THOMPSON, Jr.,
Congressman, House of Representatives, Congress of the United States,
Washington, D. C.

DEAR MR. THOMPSON: Thank you for sending me a copy of your bill. Naturally I am very sympathetic with the proposal to have a proper gallery for the exhibition of contemporary art.

My own work in the arts and experience with art abroad convinces me that in our art with its great variety and creative freedom we do, indeed, have a very potent instrument for winning the support of free countries everywhere. Our art is a potent illustration of our belief in freedom and the value of the individual.

All good wishes.

Sincerely yours,

GRACE L. MCCANN MORLEY,
Director.

THE BALTIMORE MUSEUM OF ART,
Baltimore, Md.

Hon. FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. THOMPSON: I thank you for sending me a copy of a bill with which I am very much in sympathy, and I do want to let you know that our museum would be glad to display works of art owned by the Smithsonian and care for them until after the completion of a new Smithsonian Gallery of Art.

I am in complete agreement with your statement regarding the importance of getting the peoples of the world on our side through maximum use of the arts, the theater, and educational exchanges, and in making every effort to understand the culture of other peoples.

Your efforts in this direction must be deeply appreciated by all art-loving Americans and on behalf of our museum I thank you most cordially for your persistent work in our behalf.

Very sincerely,
Mrs. ADELYN D. BREESKIN,
Director.

THE AMERICAN ASSOCIATION
OF MUSEUMS,
Washington, D.C.

The Honorable FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D. C.

MY DEAR MR. THOMPSON: May I thank you for your courtesy in sending me the bill introduced in the House of Representatives and referred to the Committee on House Administration.

The American Association of Museums and the American Federation of Arts, in both of which I am active, are very interested in broadening the backing of the arts of our country. We are, therefore, very happy when we have understanding and intelligent backing and we greatly hope that some means may be found to emphasize even more the necessity of backing art of our time.

At the present moment we are having our 38th exhibition of work by Cleveland artists and craftsmen. We have sold $26,000 worth in less than a week and, as the prices are low, this represents a very large number of works. We have sold $530,000 worth of Cleveland art in the 38 years of the show which is an evidence that our city is interested in aiding the creative arts.

Any aid that comes from governmental agencies will be gratefully received.

Sincerely yours,
WILLIAM M. MILLIKEN,
President.

MASSACHUSETTS FLOOD CONTROL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, Massachusetts has made great progress on needed flood-control projects since the disastrous floods of August 1955. The Massachusetts delegation flood committee recommended eight new construction starts when the Congress met in January of 1956: Barre Falls, Buffumville, East Brimfield, Hodges Village, Worcester diversion, West Hill, Westville, and Littleville.

Of these 8 projects, 2 are nearing the completion stage, Barre Falls and Buffumville.

With the exception of topsoiling, seeding, clearing, and other minor items, scheduled this spring, the Barre Falls Dam and Reservoir on the Ware River is now complete at a total cost of about $2,030,000. This project will reduce flood stages on the Ware and Chicopee Rivers with resulting flood-prevention benefits for the communities of Barre Plains, Gilbertville, Ware, Thorndike, Three Rivers, North Wilbraham, Ludlow, Indian Orchard, Chicopee Falls and Chicopee.

Buffumville Dam and Reservoir, a $2,800,000 project on the Little River in Charlton, will be completed this spring. Operation of this dam will reduce flood damages in Webster and Dudley and downstream points of the Quinebaug in Connecticut in the Thames Basin.

Another Thames Basin project, the Hodges Village Dam and Reservoir on the French River in Oxford, will be completed with the funds requested in the 1958–59 civil works appropriation bill, now before our House Appropriations Committee. This is a $5,300,000 project, for which $2,700,000 have been budgeted to insure completion of the work by the fall of 1959 or early 1960. The construction contract for the dam was awarded on March 7 by the engineers.

When completed, Hodges Village will reduce flood damage on the French River at Webster and Dudley and downstream points along the Quinebaug in Connecticut.

As the result of the President's request of March 14 for supplemental funds for civil-works projects, work on two projects in Massachusetts will be expedited. The original budgeted request of $2,800,000 for East Brimfield has now been increased to $3,800,000, while the Worcester diversion project has been increased from $2 million to $2,534,000.

Bids were opened on March 12 for the construction contract on East Brimfield and the Engineers will make an award at an early date to insure a construction start this spring. This is a $7,300,000 project, scheduled for completion in November 1959. About $2 million will be required in next year's civil works appropriation bill to complete the work.

The East Brimfield Dam and Reservoir, located on the Quinebaug River in Fiskdale, will help reduce flood stages in many downstream communities, including the major damage centers of the 1955 floods: Southbridge, Putnam, and Norwich.

The Worcester diversion project, designed to divert flood flows from the Kettle Brook drainage area, calls for the construction of a control dam and tunnel at a cost of $6,113,000, of which the Federal share will be $5,270,000. Since this is a local protection project the Commonwealth of Massachusetts and the city of Worcester are sharing local costs. The State has furnished the Engineers with real-estate rights for the project, completed relocation of pipelines and utilities, and started construction of three highway bridges. In addition, the city of Worcester has furnished satisfactory assurances to operate and maintain the completed project.

Upon completion, the Worcester diversion project will provide flood protection for extensive industrial and residential areas located along a 5-mile stretch of the Middle and Blackstone Rivers in Worcester. About $1 million will be required in fiscal year 1959–60 to complete the project.

The remaining three projects recommended for new construction by the Massachusetts delegation flood committee are still in the planning stage, but it is pleasing to note that considerable progress is being made in their advance to the actual construction stage.

Littleville Dam and Reservoir on the Middle Branch of the Westfield River was authorized by the House just recently in the omnibus rivers and harbors authorization bill. When this bill is signed into law by the President, the Army Engineers will then have the necessary authorization to request planning funds for this needed project.

Preconstruction planning will be completed by July 1 on the West Hill project in the Blackstone Basin. Under existing procedures, the Army Engineers would have requested construction funds for West Hill in this year's civil-works appropriation bill. However, the President's budget message of January 13 has resulted in a freeze on new construction starts for all civil-works projects. While the President has requested additional funds for the civil-works program, his January 13 request that "we should not at this time start any new projects in 1959" still maintains the budgetary ban on such worthwhile and urgently needed flood prevention works as West Hill.

This budgetary freeze on new construction is hampering the efforts of our Massachusetts delegation to insure construction money for West Hill this year. Until the President removes this restriction, we will continue to encounter difficulty. I have urged the President to lift this freeze.

I have already been assured of the sympathetic consideration of the Appropriations Committee on West Hill and hope the ban on new construction will be relaxed at an early date so as to permit the start of construction of this vital project.

There is no question about the desirability of West Hill to help solve the flood problems in the Blackstone Basin. The Army Engineers are convinced that it is necessary to reduce flood flows of the Blackstone at Uxbridge and the downstream points of Millville, Blackstone, Woonsocket and Pawtucket.

West Hill is a $3,560,000 project on the West River about 3 miles north of Uxbridge. Present plans call for a rolled earth-fill dam 2,400 feet long with a maximum height of 48 feet.

The remaining construction start of the eight recommended by the Massachusetts delegation flood committee is the Westville project on the Quinebaug River in Sturbridge. With the companion East Brimfield project, Westville is designed to reduce flood flows through Southbridge and downstream points of the Quinebaug in Massachusetts and Connecticut.

Planning and design of Westville is now under way with the $100,000 made available by Congress last year. A total of $141,000 is requested in this year's civil-works appropriation bill to complete the preconstruction planning.

Actual construction of Westville has been in a deferred status at the request of the Army Engineers until such time as East Brimfield is substantially completed.

Final planning of the $6,550,000 Westville project will now be made possible through the $141,000 appropriation request, thus insuring that this project will be ready to go forward as new construction in next year's civil-works program.

Mr. Speaker, Massachusetts is well on the road toward obtaining some protection from the disastrous floods of past years. By 1960 those Massachusetts areas hit by the 1955 floods should be afforded a high degree of protection against future floods if present completion schedules of these projects are carried out as authorized. We are eternally grateful to all those in the Congress and the Government who made the early realization of this great flood-control program possible.

FEDERAL BUREAU OF INVESTIGATION

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, several months ago a citizen of my district, who had a 9-year-old daughter in Budapest, Hungary, called at my office concerning his efforts over the past 5 years to bring the girl to America. There was no barrier to the child's admission to the United States, since she was the child of American citizens with no physical impairment or legal impediment other than the inhumanity of the Hungarian Government in not granting an exit visa to this child to permit her to join her parents in this country.

At the suggestion of representatives of the State Department, a member of my staff advised this man to visit the Hungarian Embassy and make a personal appeal for the release of his child by the Hungarian Government. Upon this advice, my constituent called at the Hungarian Embassy and presented his plea for the release of his daughter by Hungarian authorities for the purpose of being reunited with her parents in America.

After the man returned to his Cleveland home a day or so later, he was awakened in the early morning hours by two automobiles screeching to a stop in front of his home. The young man from the first car approached his front door while the man from the other ran to his rear door, both seeking admittance to his home at the same time. My constituent was confounded and astonished with the nature of this great commotion. When he went to his back door, the young man at the door flashed his identification as a member of the FBI and demanded to know of my constituent what his business was the day before at the Hungarian Embassy.

When he told the young men of the FBI the nature of his business, they left his premises. Many people who have come to America from Communist oppression would have responded differently. They might have endangered themselves to escape a wrongful apprehension without realizing that no violation of the law was committed.

While I commend the security forces of our Nation for being alert and vigilant, I cannot be proud of the very costly and crude method that was employed in the subject case to determine the nature of an American citizen's business with the Hungarian Embassy. A telephone call or a letter would have elicited a frank and truthful reply. The method of scrutiny undertaken indicates that the man was observed at the Embassy, followed to his hotel, followed from Washington to Cleveland, and then made the subject of a special day's inquiry by two agents.

In the newspapers a few days ago, I read of a large delegation of Ohio Republican women who apparently had a very delightful day at the Russian Embassy. I wonder if their trip to the Russian Embassy was as carefully scrutinized, investigated, and documented upon the files of our security organizations as was the visit of a citizen who was making a prayerful plea for the release of his 9-year-old daughter.

SECRET DATA RELATING TO MUTUAL SECURITY PROGRAM

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, again this year the Committee on Foreign Affairs and the Congress are confronted with the fact that much of the material which has been submitted in support of the mutual security program has been classified by the Departments of Defense and of State as secret. A detailed and comprehensive explanation of the program has been made available to the committee in six volumes, which are so classified.

This classification is made by the Executive, and the Foreign Affairs Committee has nothing to do with it. The committee desires that as many Members of the House as possible familiarize themselves with the details of the mutual security program. The Defense and State Departments have agreed that the committee make available these volumes to any Member of the House desiring to examine them, with the understanding that the security classification will be observed. Members of the House are invited to come to the committee room, G-3, on the gallery floor of the Capitol to examine the six volumes, and the books will also be available at the committee table on the floor of the House during consideration of the mutual security bill.

I want to emphasize that most of this information is not classified. Each volume, however, contains material which, in the judgment of the Executive, would either give an advantage to our enemies or endanger our relations with friendly nations. All classified material is clearly designated. I hope Members of the House will take advantage of this opportunity to give to this very important program the careful examination which it deserves.

A CURE FOR CHRONIC UNEMPLOYMENT AREAS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a number of the 149 major labor-market areas of the United States have had 6 percent or more of their workers unemployed ever since 1952.

Others have been in this category—and out—and back again.

Recession? These communities have had a steady diet of it, even during the years when the Nation as a whole was booming with prosperity.

Those of us who dared to face up to this disturbing fact, and to insist on a positive program to correct it, have been advised: "Hush, hush. The situation will right itself if we just leave it alone."

This do-nothing policy on the part of the Federal Government has not solved the problem.

Too large a percentage of the displaced workers, particularly those in the upper-age brackets, are still unemployed in these labor-surplus areas. They are too young to retire, and too old to be employed, at least in the pension and insurance-conscious view of some industries.

The effort to escape responsibility for this problem by hiding it in the closet has failed.

The rise in unemployment, extending to regions and industries that have enjoyed uninterrupted prosperity until now, has focused attention on the problem of chronically distressed areas.

As the AFL–CIO Economic and Legislative Conference that met in Washington on March 11, 12, and 13, reported:

> Whatever the specific cause of chronic local area distress may be, the problem cannot be solved by a local effort alone; nor can hundreds of thousands of people simply be told to pack up and move on. The entire Nation has a stake in helping these fellow citizens restore their depressed communities to a state of health once again. We just cannot afford to let the cancerous growth of local blight fester and spread.

Some of these labor-market areas have had 6 percent or more of their workers unemployed ever since 1952.

In April 1953 I introduced an industrial redevelopment bill to assist these areas. Other Representatives and Senators introduced similar bills.

Two years ago, the Douglas-Spence Area Redevelopment Act was passed by the Senate; it was then favorably reported by the Committee on Banking and Currency of the House; but fell victim to the astringent economy wave that depressed business at home, and weakened, at least temporarily, our international prestige and leadership.

Those mistakes can be overcome, if we take positive action now.

Longstanding economic problems cannot be brushed aside.

The basic weaknesses of labor-surplus areas can and must be corrected by Federal help and cooperation:

By pushing through in this session—and as soon as possible—legislation to provide low interest Federal loans to aid the construction of modern plants in chronically distressed areas, that will modernize and diversify their economies.

To provide Federal grants and loans for the construction of essential public facilities that are needed to attract and hold industry, like improved water supply and sewerage systems.

We would be happy if the President would speak out in support of this legislation, and, coincident with it, call for an acceleration in the urban redevelopment programs for such areas.

Because industrial and commercial redevelopment must work hand in hand with urban redevelopment for the integrated rejuvenation of these areas that, for various reasons beyond their control, have been unable to make the substantial economic transition required of them.

With 6 percent or more of their workers unemployed ever since 1952 the warning becomes clear.

Only the help provided through area redevelopment legislation will succeed in curing their chronic unemployment.

IF THE TRANSPORTATION SYSTEM OF THE NATION IS TO SURVIVE FEDERAL EXCISE TAXES ON THE TRANSPORTATION OF PERSONS AND PROPERTY MUST BE REPEALED

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, since January 3, 1957, I have had a bill, H. R. 976, pending before the House Committee on Ways and Means which would amend the Internal Revenue Code of 1954, by repealing the taxes imposed on the transportation of persons and property.

At no time in the history of our country has the transportation industry faced the difficulties it does today and this especially applies to the Nation's railroads.

For better than a year the report of the President's Committee on Transport Policy and Organization has been pending before committees of this Congress. Hearings have been and are being held and meanwhile all forms of transportation are operating under severe handicaps because of the need of a new and realistic transportation policy.

Who will deny that the railroads and other forms of transportation are on the verge of bankruptcy, and while the situation is daily becoming more acute nothing has been done by this Congress. In other words, while we fiddle around the transportation industry is in the throes of despair.

Mr. Speaker, I should like to call attention to the following factual information on excise taxes on the transportation of persons and property and how long they have been in effect:

When did these taxes originate?

1932, crude oil and products pipelines: 4 percent.

1940, crude oil and products pipelines: Added one-half percent.

1941, passengers (for-hire): 5 percent.

1942, passengers (for-hire): Raised to 10 percent.

1944, passengers (for-hire): Raised to 15 percent.

1954, passengers (for-hire): Lowered to 10 percent.

1942, freight: 3 percent except coal (see below).

What was their purpose? Emergency and defense revenue; and in the case of passenger tax, to discourage civilian travel when public transportation was overburdened with movements of people and supplies for war.

What is the present tax rate? Three percent on freight moved by for-hire carriers by air, rail, motor vehicle, water, and freight forwarder, except for coal, which is at the rate of 4 cents per short ton; 4½ percent on movements by pipeline; 10 percent on passengers carried by for-hire transportation agencies: air, rail, highway, and water.

Who pays the tax? The users in the case of the 3 percent and 10 percent taxes; the carriers in the case of the 4½ percent pipeline tax.

Who collects the tax? Pipelines pay taxes direct to the Government. The other carriers collect the taxes from the users and then turn them over to the Government.

What happened to the transportation tax in World War I? Emergency transportation tax of persons and property was first imposed in 1917 as a war emergency; repealed, effective January 1, 1922.

Has Canada a transportation tax? Canada repealed its 15 percent passenger transportation tax in March 1949.

How much has been collected from these taxes?

Transportation excise taxes

[In thousands of dollars]

Fiscal year ending June	Crude oil and products pipelines	Passenger	Property	Total
1933–41	95,827			95,827
1942	13,475	21,379		34,854
1943	13,672	87,132	82,556	183,360
1944	15,851	153,683	215,488	385,022
1945	16,286	234,182	221,088	471,556
1946	14,824	226,750	220,121	461,695
1947	16,988	244,003	275,701	536,692
1948	18,773	246,323	317,203	582,299
1949	19,325	251,389	337,030	607,744
1950	18,919	228,738	321,193	568,850
1951	24,946	237,617	381,342	643,905
1952	26,881	275,174	388,589	690,644
1953	28,378	287,408	419,604	735,390
1954	30,106	246,180	396,519	672,805
To 1956	423,000	3,155,000	4,420,000	8,003,000
Total since World War II (approximate)	208,000	2,618,900	3,905,000	6,833,000

Source: Treasury Department.

WHAT ARE THE EFFECTS OF THESE TAXES ON PASSENGERS AND PROPERTY?

They add to the cost of living.

1. In the transition of raw material to a finished product, it has been estimated that in the case of certain essential commodities transportation is used 11 times. A 3 percent tax thus can pyramid into tax upon tax and these amounts will usually be included in the retail prices which the consumer must pay.

2. Since more than one-third of passenger transportation, very conservatively estimated, is for necessary business travel, the taxes on this transportation will obviously be included in the operating expenses of the companies incurring them and passed on, at least partially, in the pricing of products.

3. The task of collecting the passenger and freight transportation taxes is borne by the carriers. Whatever the amount (and it is at least several millions of dollars each year), it must be included in operating expenses of the carriers and thus affects the level of rates and fares. In the case of pipelines, the entire amount of the tax must be borne as an operating expense.

4. In the case of rail passenger transportation, inadequate passenger revenues, caused in part by the discouraging effects of the tax on travel, must be recovered from freight transportation, by increases in rates. In connection with Ex Parte 175 the ICC has stated: "The drain which the passenger-train service makes on freight revenues was an important factor in our decision to permit increases in Ex Parte 175."

The taxes result in discrimination.

1. They increase the charge to the user for services by for-hire carrier; hence they discriminate in favor of private transportation (such as by private automobile, private truck, and barge) on which there is no comparable tax.

Thus, those who are dependent upon for-hire transportation suffer from the tax as they do not have the alternative of private transportation which their competitors may enjoy. Too, travelers and shippers who pay the tax are apt to be small businesses and families in the lower income groups. Four out of 10 families in the United States do not own an automobile—2 out of 3 families earning less than $3,000 do not own an automobile.

The operators of for-hire transportation are also discriminated against because they lose business to nontaxed competition in a highly competitive field.

Adequate for-hire and private transportation are both obviously necessary to our marketing and distribution systems.

2. The tax applies percentagewise to the fare or rate, hence a long haul, either of freight or passenger, pays a heavier tax than a short haul.

As a result, the competitive disadvantages of places that are at a distance from their markets are increased. This increase in the spread either places an additional burden of expense on the long-haul shipper—or he may decide he can no longer compete in the original market, in which case he may even have to close or relocate his business.

Mr. Speaker, my bill, H. R. 976, is only one of several similar measures pending before the House Committee on Ways and Means. It is imperative that we get action on this legislation because the economic strength of the Nation is affected and our national defense in jeopardy while unemployment, with its related miseries, is stalking the land.

If the 85th Congress continues to ignore and neglect the plight of the Nation's transportation industry, we will stand convicted before the American people as unworthy of the trust reposed in us as guardians of this Nation.

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the special order that the gentleman from Pennsylvania [Mr. FLOOD] has for today be vacated and that he may have permission to address the House for 60 minutes on Wednesday next, March 26.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE HON. SAMUEL B. HILL

Mr. McCORMACK. Mr. Speaker, with the permission of the gentleman from Texas, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I rise to pay tribute to Judge Samuel B. Hill who passed away on Sunday, March 16, 1958. As senior Members of this great body will recall, Samuel B. Hill served with distinction in this House from 1923 until he retired from the Congress in June of 1936. At his retirement he was the ranking member of the Committee on Ways and Means.

Sam Hill was born in Arkansas in 1875. He moved to the State of Washington where he practiced law and served as judge of the superior court before coming to Washington to serve the Fifth District of Washington.

The services performed by him as a member of the Committee on Ways and Means and as the chairman of the Hill Subcommittee on Internal Revenue Taxation is of lasting benefit to the citizens of this country. The Hill subcommittee, as it came to be known, was established pursuant to House Resolution 16, adopted on June 9, 1933, for the purpose of investigating methods of preventing the evasion and avoidance of the tax laws of the United States and to consider means of improving and simplifying such laws. The accomplishments of the subcommittee under Sam B. Hill's leadership provided us with some of the soundest principles on which our present Federal tax structure is based.

I had the honor to serve with Sam Hill as a member of the Committee on Ways and Means. His great experience, knowledge, and understanding was of benefit to us all. His informed opinion and highly developed technical skill in tax matters helped to guide us in formulating legislation of the early 1930's.

In addition to his great skill as a lawyer, jurist, and tax expert, we knew him for a man of great and splendid character, a man who embodied in his every act those principles of Christianity which we all need to guide and direct our acts. He was unselfish, devoted, and a splendid representative of the people of the State of Washington and of the United States as a whole.

He resigned from the Congress, as I have said, in 1936. He left us to serve as a judge in what is now the United States Tax Court. In that capacity he leavened the proceedings of that body for 17 years with his great knowledge of taxation before retiring in 1953.

The death of Sam Hill leaves a void. Men of his strength and great character are not easily replaced. It pleases me to know that he leaves a monument that will endure for all times in his great work. It was he who was primarily responsible for the construction of the Grand Coulee Dam. It stands today and will always stand as a monument to his foresight and to his service to the American people.

To his loved ones I extend my deep sympathy in their bereavement.

STOP THE FLOW OF ARMS TO BATISTA

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, the United States is a partner with the dictator of Cuba, Fulgencio Batista, in the killing of close to 4,000 Cubans so far, and it is time that we should get out and get out at once. We not only have been and are supplying arms to Batista, but we have a military mission established in Cuba actively assisting the Cuban Army. There should be immediate stoppage of the flow of arms and ammunition from this country and there should be an immediate withdrawal of the mission.

The following is a list of the arms that have been sent to Cuba with the contract number during the past 2 years:

Contract da Cuba 551: Tools for the repair of Browning machineguns. Regular shipments being made.

Contract da Cuba 553: 3,000 M-1 caliber 30 rifles and spare parts; 1,500 75-millimeter grenades; 1,000 3.5 millimeter rockets; 1,000 60-millimeter mortar grenades; 5,000 81-millimeter mortar grenades; 1 complete battery of light mountain howitzer artillery, shipment completed except for some accessories and spare parts.

Contract da Cuba 554: 1 fire direction set (artillery set No. 5).

Contract da Cuba 555: Tools for the repair and maintenance of caliber .30 rifle M1903A3. Partial shipments being made.

Contract da Cuba 559: 7 M4A3 tanks equipped with 76-millimeter gun. Shipment completed.

Contract da Cuba 560: 6 AN-PRC-10 radio sets; 1 SB-18/GT emergency switchboard; 2 SB/22/PT switchboard; 3 WD-1/TT wire; 10 EE-8 telephone; shipment completed.

Contract da Cuba 561: 38 AN/VRC-10, delivered; 138 installations units for above, delivered; 1 AN/URM-48 signal generator, delivered; 38 TS-LCC handset, in process; 1 ID-292/PRC-6 alinement indicator, in process; batteries, wire and crystals for above, partial shipments made.

Contract da Cuba 571: 20 .50-caliber Browning machineguns; 20 .30-caliber Browning machineguns; 100,000 cartridge, armor piercing, for .50-caliber machineguns. Spare parts for above. Shipment completed except for spare parts, in which partial shipment is being made.

Contract da Cuba 565: 4 Brush B-168038. Delivery scheduled for April 1958.

Contract da Cuba 569: 1,500 M-1 carbines; 150 spare parts; 7,500 hand grenades MK-2. Delivery completed except for spare parts, on which first partial shipment was made on October 18.

Contract da Cuba 570: 16 B M70D telescopes. Shipment scheduled for April 1958.

Contract da Cuba 571: 20 .50-caliber linking and delinking machines.

Contract da Cuba 572: Tools for the repair of M4A3 tanks. Shipments in process.

Contract da Cuba 578: Periscopes for M4A3 and M3A1 tanks. Shipment scheduled for April 1958.

Contract da Cuba 579: 20 M20 armored cars. Being rebuilt to be delivered.

Contract da Cuba 580: Communication equipmen valued at $89,998.66. Delivery scheduled for August 1958.

Contract da Cuba 587: 1950 Garand rifles caliber .30. Delivered in March 1958.

Contract da Cuba 591: Spare parts for 75 mm. battery. In process.

Contract da Cuba 592: Tools for the maintenance of M4A3 tanks. In process.

Contract opc 64 (USAF): Bombs for the Cuban Air Forces, valued at $328,931.48. Shipped in October 1957.

Contract da Cuba 64 (USN): 300 5-inch rockets; already delivered.

Contract da Cuba 66 (USN): 25,000 20-mm. caps. Shipment in process.

Contract da Cuba 6400 (USN): 50 magazines for 20-mm. guns. Shipment in process.

Besides these are the following requests on which no contract number had been assigned, as of the date of information received: Fifty Browing automatic rifles M-1918A2; 3,000 75-millimeter grenades; 24 60-millimeter mortars; 20 .50-caliber machine guns; 1,000 60-millimeter grenades; 10,000 hand grenades; 10 radio transmitter-receivers AN/G-R9 for jeep installation; 10 3.5-inch rocket launchers, M20B1; 1,000,000 .30-caliber caps for above; 6,000 United States caliber .30 M-1 rifles; 2,000 United States caliber .30 M-1 carbines.

MEMORANDUM TO CONGRESSMAN ADAM C. POWELL, JR., FROM DR. MARIO LLERENA, CHAIRMAN, CONCERNING THE CUBAN CRISIS AND UNITED STATES HELP TO DICTATOR BATISTA

Fulgencio Batista first came to power in 1933 during the revolution that overthrew dictator Machado. He was a sergeant in the army and as such he staged his first military coup d'etat (September 4, 1933).

After 4 months of civilian provisional government, he overthrew President Grau San Martin and became Cuba strong man. In this he was openly encouraged by American Ambassador Jefferson Caffery.

For 11 years Batista ruled the country uncontested. He stepped out of power in 1944 after a constitutional election, and became a political exile immediately afterward.

In 1952 Batista went back to Cuba and presented himself again as candidate for President. The election was to be held on June 1, 1952.

When it was all too obvious that he didn't have the slightest chance, he talked his old military pals into staging another coup d'etat, his second. That was March 10, 1952, just 80 days before the scheduled election.

Since that date Batista rules Cuba as probably the most corrupt and bloodiest tyrant in all Latin American history.

It is convenient to have in mind that in 1954 Batista had himself elected in a phony election in which he was only candidate. It was a matter of having some democratic front mainly for the purpose of impressing American public opinion. It was a ridiculous farce, all prefabricated in Batista's military quarters. The people, of course, did not participate.

Since Batista took power in 1952 all civil liberties and individual rights perished in Cuba.

The number of people assassinated by Batista's armed forces and secret police run well above 4,000.

All the Cuban people are against Batista—civic leaders, professionals, cultural and religious institutions, etc.

The United States Government has been favorable to Batista all along. Former Ambassador Arthur Gardner acted short of being Batista's best publicity agent.

But it is selling arms to Batista as well as providing him with tanks, planes, and other military equipment under the pretext of the Rio Treaty (for hemispheric defense) which has contributed most to keep him in power against the will of the Cuban people.

Last September 1957, during an uprising that took place in the navy garrison, the civilian population of Cienfuegos (50,000) were bombed and machinegunned with American jet planes flown by airmen trained by American instructors.

Small villages of the Oriente province have suffered that same treatment in reprisal for helping Castro's revolutionary army with food and information. Hundreds of innocent men, women, and children have been killed that way.

On top of all this, an American military mission is kept in Cuba, also under the clauses of some "mutual defense treaty." Such a mission is supposed to be there in order to "instruct" Cuban armed forces for the event of some continental aggression. But as everybody in Cuba says, if they (Batista's armed forces) haven't been able to wipe out Castro's guerrillas in Oriente, what could they do in the presence of some mighty invader?

The American military mission in Cuba, however, serves one purpose: give moral support to Batista and his gang and identify itself with the dictator.

DR. MARIO LLERENA,
Registered Agent for Dr. Fidel Castro and the 26th July Movement.

NEW YORK, N. Y., *March 18, 1958.*

No one in Cuba today supports Batista. On March 17 in Habana, Cuba, a manifesto was given to President Batista from the representatives of 42 religious, fraternal, professional, civic, and cultural organizations. It said: "The bitter passions inundating the country will plunge it into anarchy unless Batista steps down."

Finally, I would like to conclude with this letter which has just been smuggled out of Cuba through the underground to my friend, the Provisional President of the Fidel Castro movement, who is now in voluntary exile in New York:

"In April 1957 I resigned my commission in the Cuban Navy as 'a one-man protest' against the wholesale murders committed by fellow officers of the navy (namely, Lt. Laurent, Lt. Olayon, and Ensign Perez Mejides) on the farming communities of the Sierra Maestra. This is no hearsay or exaggeration. I am an eyewitness to several of them, as during the months of January, February, and March of 1957, my ship, the frigate *Jose Marti F–301*, was conducting a patrol from Santiago de Cuba to Cabo Cruz, we used to go into Pilon Harbor (headquarters of the navy infantry contingent that was operating against Fidel Castro) and where the above-mentioned officers conducted their unspeakable crimes against defenseless cane-cutters and small merchants. These two cases will give you an idea of the situation that is still going on in an even greater scale in Oriente Province and in Habana.

On the morning of February 2, 1957 while in Pilon, I went ashore to relax a little along the outskirts of the village, and I found a half burnt bohio and the inside was plainly visible. There were four bodies inside, three adults (two females and a male) mutilated beyond recognition and in a crude crib a child about 3 or 4 years old with a bayonet pinning it down through the stomach. These murders had been performed the night before by Lt. Laurent upon learning that the guajiro had expressed himself in favor of Castro in one of the local bars. Later that day Laurent was aboard the ship and confessed in order to impress all of us that he had personally ordered and participated in the murders. About two weeks later—February 16, 1957—we were again in Pilot. That night a group of officers from the ship (I was in the group) went ashore for a walk. Nearing the cane fields we saw a fire a short distance away. We ran towards the fire to try to help. What we saw still makes me sick literally. Tied to three palm trees, were six individuals, two men and four women, all naked, their bodies soaked in gasoline and a fire built at their feet. Twenty armed sailors with Lt. Olayon were conducting the affair. The first thing they did was to point their guns at us (we were unarmed) and ordered us not to interfere and to go back to the ship. When we reached the pier, it was heavily patrolled by Laurent's men who had orders to shoot anyone coming ashore, we were permitted to go aboard, but that was all. Next morning we saw the burnt bodies still tied with wires to the palm trees. Later we learned that the men were small merchants in town, his nephew, his wife, and three daughters, accused of having sold food to Castro (more than 100 miles away). The women had been brutally violated before. Upon arrival in Habana, I presented my resignation, stating plainly my motives, and in a personal interview with the Chief of the Navy (Admiral Rodriguez Calderon) I restated that I was unwilling to continue to wear the same uniform as murderers like Olayon, Laurent, etc. Needless to say, my resignation was accepted immediately. Since then things have gone from bad to worse. All political suspect, whether innocent or not, are tortured beyond imagination, some killed afterward, and most kept in this so-called preventive prison against all law and order. Our lives are constantly in danger, but don't worry, we will manage somehow."

Maybe the New York Times will be interested in all this.

I will write you soon.

Your loving brother.

The writer, a former American citizen, is today a prisoner in Cuba. His name Antonio Santacruz.

References as to the authenticity of the letter can be obtained from Enrique Santacruz, 310 East 74th Street, New York, N. Y., telephone RH–4–3137.

WE MUST DECLARE WAR ON CYSTIC FIBROSIS

The SPEAKER. Under previous order of the House, the gentlewoman from Minnesota [Mrs. KNUTSON] is recognized for 10 minutes.

Mrs. KNUTSON. Mr. Speaker, there is a killer afoot which seldom gets its name in the paper, but which kills just as efficiently and viciously as its better known competitors. As David Selman has put it, there is a social order in disease which sets apart its celebrities, like polio and cancer, from its mediocrities.

The unknown killer's name is cystic fibrosis, or CF, known also as mucoviscidosis and the disease of the salty tears—because of the high salt content of tears and perspiration in the victims. It is the sadistic attacker of children—of thousands of children. It is a ruthless public enemy.

Writing in Parade magazine not too long ago in an article entitled "Unmasked: A Worse Killer of Children Than Polio—CF," Robert P. Goldman and Sid Ross said:

> But even today most doctors fail to recognize it, partly because CF masks itself as bronchitis, pneumonia, asthma, even stomach trouble. As a result, thousands of cases are undiagnosed, many others are diagnosed incorrectly. * * *
>
> Typically, CF strikes the child via his pancreas. Thick mucus prevents the necessary chemicals from reaching the digestive tract. Then the CF child eats voraciously, but cannot digest his food properly. He fails to gain weight, has frequent and abnormal bowel movements. But CF does not stop there. Other mucus clogs the lungs and breathing passages. This in turn leads to permanent damage of the lung—and death.
>
> Exactly why this happens doctors do not know. * * * But once it strikes most CF children present a pathetic picture of agony, hacking and wheezing until they lapse into coma.

ONE OUT OF SIX HUNDRED CHILDREN

A famous doctor once wrote that when the rarest disease strikes home to your family or mine, it might as well be as common as the everyday cold. But even though cystic fibrosis has received little publicity and even though there is no known cure for it today, cystic fibrosis is not at all rare.

CF is a disease that strikes children more frequently than nephrosis or leukemia. And the child mortality rate among its victims is much higher than for polio, which, before the Salk vaccine, averaged an annual death toll of, roughly, 1,000 to 3,500.

One out of six hundred children in the United States are born with CF—about 7,000 new cases each year. Probably, because of poor diagnosis, the incidence of CF victims is even higher than that. And because CF is a hereditary, congenital disease, as the years go on, each year more and more children and a higher percentage of children will be born without a chance—born to die just as they are learning what life is all about. As CF-gene carriers multiply, in a geometric progression, the rate of CF victims may very well increase to 1 out of 250 children in just a few years.

Right now, about half of the 7,000 boys and girls born each year with CF

will die before they are 5 years old. The rest, for the most part, will die before they are through their teens. Only a handful of cystic fibrotics have been known to live past age of 20.

In an article in this week's Parade magazine, it is reported that the average American, at age 20, can expect to live to age 73. But at age 20, the cystic fibrotic girl or boy has a life expectancy of zero. By the time the CF child is age 10, it has already entered old age.

In some families CF has taken as many as 4 out of 5 children. The CF children who have lived past the age of five have made it for a few more years only with the help of expensive medication and 24-hour-day attention.

A MATTER OF BOYS AND GIRLS, NOT STATISTICS

I have given you some of the more striking statistics. But CF is not a matter of statistics. It is a matter involving little boys and girls—human beings.

I have a constituent in my District, a little boy, only 5 years old, a victim of CF.

In behalf of him and all other CF victims throughout the 48 States, I am addressing you today.

Mr. Speaker, when I heard about this cystic fibrosis victim, I immediately called the Legislative Reference Service of the Library of Congress to get some facts and figures. I called the National Institute of Health and the Washington chapter of the National Cystic Fibrosis Research Foundation. I talked not to lobbyists but to parents whose whole lives had been altered by the grisly, child-withering specter, cystic fibrosis. Because I know that probably few Members of Congress have ever heard of this disease, and because I am quite concerned about the serious financial difficulty the disease imposes on parents, I feel that I should share what I learned about cystic fibrosis with you.

One constituent wrote me:

Our school band director has an only child who is a victim. His drugs amount to $100 a month. Can you imagine that, from a teacher's salary? * * *

[The little boy] is 5 years old. The Mayo Clinic has recently given the [parents] hopes that he might live to be 15. They have lost two other babies since [their little boy's] birth, victims of cystic fibrosis, too.

[He] sleeps in a kind of oxygen tent at night and 4 times a day he is put under the tent for relief and rest for 20-minute periods.

The parents never leave [their boy] unless one relieves the other. [The father] plays in little dance band whenever he can to supplement his income. And, he still has to attend summer school sessions for his further education so that he might get into top-paying jobs.

The story told by this letter is multiplied all over the Nation. Bills for drugs alone may run from $70 to $100 a month; special diet and other treatment may actually double the cost.

Something is being done on various fronts to find the causes and cure of cystic fibrosis. Hardworking teams of researchers—headed by Dr. Schwachman, Cooke, Anderson, Denton, Hsia, Patterson, di Sant' Agnese, Dische, May, Gibbs, and others—are doing important research at hospital laboratories throughout the country. I have already mentioned the National Cystic Fibrosis Research Foundation and the National Institute of Health at Bethesda. Then, too, outstanding medical research is being undertaken at Zurich, London, and Melbourne.

IT HAPPENED TO DEE DEE

A Maryland couple, Jim and Dottie Weber, recently lost their little 9 year old daughter, Dee Dee, to cystic fibrosis. Mr. Weber, angry with the grief of his loss, got busy in the Cystic Fibrosis Foundation chapter in the Greater Washington, D. C., area and single-handedly secured the establishment of the first endowed clinic for cystic fibrosis children in the United States, the William Green Memorial Clinic at Children's Hospital.

Mr. Weber told me last week:

No one can know whose children or grandchildren may be born under the death sentence of cystic fibrosis. You always think it will happen to other people. You never think it will happen to you. But it happened to us. It happened to Dee Dee.

I was deeply moved. I know that no one can fully feel the pain of having lost a child to cystic fibrosis unless he himself has been through it, but I share with the Webers the deep regret that medical discoveries yet to be made could not have been made a few years sooner so that their little Dee Dee might have lived.

Since 1946 the average age of death, with diagnosis and treatment, has been raised from 2 years to 5 years. Our present generation of research doctors are making medical history—witness the new vaccines, the antibiotics, the organ transplants.

WHERE THERE IS HELP, THERE'S HOPE

As Time magazine said last August:

Unrecognized as a separate disease until 1938, it is now being identified more and more often. * * * Now for the first time, doctors are helping cystic fibrosis victims to survive into their teens. As the years pass, they hope to see them reach adulthood not much more severely handicapped than the insulin-taking diabetic. Meantime, research goes on to find first causes and, eventually, a cure.

And as one doctor said in an article in the Ladies Home Journal:

Children who were among the first ever to be diagnosed are alive and well today because of new drugs and treatment. Who can say with certainty that they cannot be kept that way—or that a cure for cystic fibrosis cannot be found?

The slogan of the Cystic Fibrosis Foundation is "Where there is help, there is hope." It is no idle dream of mine that, given the proper amount of time, money, energy, and prayers, medical science will lick this vicious public enemy.

Last week, when I delivered on the floor of the House of Representatives an hour-long speech on the educational state of the Union, calling for a $100 billion Federal-aid-to-education program. I was asked by a colleague of mine from the other side of the aisle why I only presented the unfavorable side of the American educational picture.

I was reminded of what Carl Rowan of Minnesota recently said in connection with a series of articles he had written on the state of agriculture. Said Rowan:

The truth hurts [but] it would be a silly doctor who spent two hours telling the patient how pretty his teeth are, how strongly his heart beats, how good his reflexes are, only to add a postscript as the patient walks out of the door: "By the way, you may have cancer."

It would be absurd for a Member of Congress to tell the American people—who are still altogether much too complacent—"By the way, our educational system may have cancer" or "By the way, we are not spending enough for research to conquer such diseases as cystic fibrosis."

A poet once wrote:

These boys and girls,
Helpless because they are children,
Trust us with loud eyes,
Believe that we are doing best
By them, have no hope because
They do not think they need hope,
Because they know that we are busy
Saving them, guiding them, feeding them.
And yet we secretly wish these children
No better luck in life than we
Enjoyed. This is the tragedy, this is the rub.
There are better things to declare war against than people.

Where there is help, there is hope. Let us provide that help. We must declare war—on cystic fibrosis.

A POLL ON NATIONAL ISSUES IN THE 15TH CONGRESSIONAL DISTRICT OF OHIO

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. HENDERSON] is recognized for 10 minutes.

Mr. HENDERSON. Mr. Speaker, again this year it is my pleasure to advise the Congress of the results of the recent public opinion poll which I have conducted in the seven counties of southeastern Ohio, which I have the honor to represent here. This is the third annual survey of opinion on national issues, which I have taken in the 15th Congressional District of Ohio, and it has been gratifying to me that the tabulation of the polls in the past have resulted in expressions of considerable interest from my colleagues on this floor and from all parts of the Nation through correspondence.

The poll's tabulated results, I believe, are a valuable gage of the popular feeling which prevails in this part of Ohio. In the sense that the 15th District of Ohio is composed of diverse urban and rural interests, I believe, also, that this poll represents expressions common to many similar regions of the Middle West as well as of other areas of the United States. Since the tabulation reflects the opinions of almost 7,000 persons who participated in the poll, it reflects an excellent, and I think representative, sample of the broad thinking on these issues in the district.

Unfortunately, it is not possible to present in an orderly statistical manner the thousands of comments through which residents of the seven counties amplified their answers and explained why they feel as they do. These responses

are of very real interest and assistance to any public official, particularly since they have come from many hundreds of individuals who have never expressed themselves to us before in correspondence or personal conversations. I do not mean that a poll of this kind binds a Member of Congress to vote in any given way on a particular issue. He still must exercise his independent judgment and stand responsible for that judgment to the people he represents here.

I am very pleased to have received so many thoughtful and analytical comments indicating the earnest attitude with which the poll has been greeted by the people of the 15th Congressional District.

This year, the questionnaire tested 14 issues covering a broad range of subjects. In my original plan, a number of other questions were to have been included. However, the number was reduced to obtain reasonable brevity which still allowed inclusion of subjects which are likely to be paramount issues before the Congress this year, or which are related to decisions which Congress may be called upon to make.

It has also been my purpose to avoid phrasing the questions in such a manner as to influence the answers. In attempting to make the poll as objective as possible, I have made every effort to keep my own opinions from being interjected and, thus, coloring the wording of the question.

A number of persons have explained that "yes" and "no" answers are most difficult in questionnaires of this type. I am in full agreement and I realize that many of the comments were stimulated so that there could be no misinterpretation of the reasons for individual answers.

To review the results of the poll briefly, the most unanimous response came to the question asking if any Federal policy which would reduce benefits for disabled veterans was favored. A total of 87.02 percent opposed any such legislation or executive action.

The issue of the admission of Communist China to the United Nations again, this year, drew an overwhelming response. A total of 84.69 percent of those responding opposed such admission. Even among those who favored admission, the comments in many instances indicated a belief that Red China's behavior in the community of nations was not condoned, but that such recognition might tend to make this Nation more sensitive to world opinion opposing any future acts of aggression which the Communist regime might contemplate.

Feeling favoring the enactment of legislation to provide legal safeguards for the handling of the welfare funds of labor unions was notable with 84.11 percent in support of such laws. Further reductions in tariff protection for domestic industries were also opposed by 74.39 percent of those participating in the poll. Answers to this question, in turn, were often related in many comments to the matter of continuing foreign aid at a level of $4 billion for the next fiscal year. The vast majority of the 64.03 percent of those who opposed the program included comments indicating unequivocal opposition to the entire program although a number of persons stated their support for curtailed spending, and criticized the waste which they believe has characterized the program in the past.

In response to the question, "Do you favor ending agricultural controls and the accompanying termination of price supports," a total of 65.16 percent voted "Yes." In many of the accompanying comments, much disillusionment was expressed with the present and past systems of price supports and there was apparent a general desire for release from present farm controls.

The last item in which feeling was preponderant on one side of the issue involved a Federal program for the training of additional scientists and engineers. This was supported by 64.68 percent of those responding. However, it is significant that a very considerable number of persons qualified their answers by explaining their opposition to Federal aid for education below the college level and indicating their opinion that the Federal Government should leave financing of primary and high-school education to State and local control, as well as the sources of tax revenue which now support our schools.

A complete review of the results of the questionnaire is as follows:

	Percent yes	Percent no	Percent undecided
1. Do you favor a freer exchange of atomic secrets between this country and our NATO allies?	38.98	55.02	6.00
2. Do you favor increasing the pay of military personnel?	46.27	46.16	7.57
3. Do you believe Congress should act to authorize permanent residence for 30,000 Hungarian refugees temporarily admitted to the United States last year?	36.94	57.63	5.43
4. Would you support a constitutional amendment giving the President's Cabinet or some other group of officials authority to determine when a President is suffering sufficient physical disability to prevent him from carrying out the duties of his office?	58.62	37.36	4.12
5. Do you believe Communist China should be admitted to the United Nations?	10.73	84.69	4.58
6. Would you support increasing postal rates for 1st-, 2d- and 3d-class mail to reduce the present postal deficit?	59.22	33.44	7.34
7. Do you favor a program of Federal scholarships for the training of additional scientists and engineers?	64.68	30.69	4.63
8. Do you believe that a new law is needed to safeguard the handling of labor union welfare funds?	84.11	12.00	3.89
9. Do you favor ending agricultural controls and the accompanying termination of price supports?	65.16	27.24	7.60
10. Would you favor an all-out Federal program leading to the exploration of outer space?	39.32	52.68	8.00
11. Do you favor any Federal policy which would reduce pensions for disabled veterans?	8.22	87.02	4.76
12. Do you favor action by Congress which would reduce tariffs on products imported into the United States?	18.82	74.39	6.79
13. Do you favor the expenditure for foreign aid of $4 billion in military and economic assistance and an increased program of loans to friendly foreign countries?	27.65	64.03	8.32
14. In the social-security program, do you favor:			
(a) Reducing the minimum age limit for benefits with a corresponding increase in individual and employer contributions?	49.10	36.67	14.23
(b) Increasing the amount of benefits with a corresponding increase in individual and employer contributions?	51.52	29.15	19.33
(c) Eliminating the restriction on outside income for persons receiving benefits with a corresponding increase in individual and employer contributions?	39.47	37.64	22.89
(d) Leaving the program in its present form?	31.41	34.48	34.11

THE PROPOSALS FOR A SMALL-BUSINESS CAPITAL BANK SYSTEM

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, in the collective consideration and the expenditure of tremendous effort of those who are seeking ways and means of halting the recession and reversing the economic trends, the plans for establishing facilities to provide small business with a ready access to capital needed in the modernization and expansion of business are receiving considerable attention.

It is appropriate for those concerned with measures to halt the recession and reverse the economic trend in the country to give careful and prompt consideration to proposals, which would assist small-business concerns in their efforts to secure needed capital for investment in business, modernization, and expansion.

The Wall Street Journal of yesterday, March 19, 1958, devoted considerable space to a discussion of consideration currently devoted to plans for establishing a small-business capital bank system. In the Journal's article there is a discussion of plans under consideration for securing prompt action in the Congress on H. R. 10345, which I introduced on January 29, 1958—see the RECORD, page 1292—and S. 3191, which was introduced by the majority leader of the Senate, the distinguished senior Senator from Texas [Mr. JOHNSON] on January 30, 1958—see the RECORD, pages 1348 to 1349.

It should be recalled that the bills referred to would establish a system of regional capital banks and local small-business investment associations, which would bring to small-business firms a source of the capital that is needed by small business. The system would make available sources of equity capital; that is, capital for the purchase of stock of small firms having attractive stocks to offer. It would also make available

sources of long-term debt capital such as the commercial banks the SBA is not able to supply.

Furthermore, in creating such a system the bill meets all of the hard conditions which the many thoughtful and devoted free-enterprisers have said must be met by any such system that Congress might help to create. One of those standards and conditions is that the system would be owned by those who take part in it—not by the Government. In that respect it would have the aspects of the land-bank system and the home-loan bank system, both of which are now fully owned by the private interests they serve.

Important in the establishment of the system would be the avoidance of appropriating money from the Treasury of the United States. The proposals for the establishment of a small-business capital bank system would involve: First, no appropriations from the Treasury of the United States; second, no increase in taxes; third, no borrowing of funds by or upon the credit of the United States Government; fourth, no increase in the debt limit of the United States Government.

The article of the Wall Street Journal to which I have made reference recognizes these attractive features of the proposals for the establishment of a small-business capital bank system. It points out that these attractive features plus the need for something to be done regarding the recession provides the spur and prodding needed for the passage of this proposed legislation. Therefore, it concludes that the chances for the enactment of these proposals are the brightest they have ever been.

Mr. Speaker, under the permission granted I ask that there be included as a part of my remarks the article which appeared in the Wall Street Journal and to which I have made reference. It is as follows:

UNCLE AS A PARTNER—RECESSION SPURS PLAN FOR NEW AGENCIES TO BUY SMALL FIRMS' STOCK—SENATOR JOHNSON GETS BEHIND SCHEME, WHICH ALSO CALLS FOR LONG-TERM LOANS—FUNDS FROM FEDERAL RESERVE

(By Allan L. Otten)

WASHINGTON.—The recession is putting steam behind a plan that calls for the Federal Reserve System to become part owner of many private firms.

The Government long has been engaged in lending money to small business. The scheme that's now being pushed, however, would provide much longer term loans and also actual ownership capital—through purchases of stock—for small businesses.

The plan, called the capital bank proposal, has an attractive sugar coating. Its mission would be accomplished indirectly—through a chain of regional banks supposedly run by private bankers and businessmen. The scheme's backers envision an eventual shift of the setup from Government to private ownership.

TWO HUNDRED AND FIFTY MILLION DOLLARS TO START

But the initial capital, perhaps $250 million or more, would come through the Federal Reserve banks. There are some who argue that this wouldn't even involve Government participation initially since the Federal Reserve banks' stock is owned by member commercial banks.

But in many other respects the Reserve banks bear a closer resemblance to governmental bodies than to private ones. Their general policies are laid down by the Federal Reserve Board, appointed by the President and headquartered in Washington; they can't take major steps without the Board's approval; Congress can change their by-laws, and they perform many key governmental functions. Besides holding member commercial bank reserves and Federal funds on deposit, the Federal Reserve banks hold money of their own earned in their operations.

Under at least one version of the plan to set up regional capital banks using Federal Reserve funds, the new banks would be supervised from Washington by a new independent Federal agency. Loans might run as long as 40 years; the level of interest rates is still being debated.

BEYOND THE RFC

In its stock ownership feature, the capital bank proposal pioneers even beyond the old depression-born Reconstruction Finance Corporation. The RFC did buy some railroad preferred stock, but more as a bail-out measure than as a real investment.

The capital bank idea, which has kicked around Capitol Hill for a decade without getting anywhere, has long had the backing of Democratic Senator O'MAHONEY of Wyoming and SPARKMAN of Alabama, among others. Now Senate Majority Leader JOHNSON of Texas has put the bill on his list of "must" antirecession measures. He calls it "an intelligent and logical step toward making available to small business the lifeblood it needs in today's competitive world—and it will make that setup within a framework of private enterprise." Prospects for passage are rising accordingly.

"The Senate will definitely pass a capital bank bill of some sort, and the chances are better than 50–50 for House action," says one Senate Democratic leader. Of course, he adds, "we wouldn't be any further this year than before if it weren't for the recession."

MIGHT MAKE IT

Says a key House Democrat: "With the help of the recession, we might just make it this year."

The improved prospects of the new lending-investing program is still another indication of how completely sentiment has changed in Washington during the past year. Last spring, everyone was hailing the final dissolution of the RFC. Just as last year's demands for economy have been replaced by new demands for spending, so have last year's cheers for the demise of RFC been replaced by demands for more lending.

In fact, one Republican who's ordinarily a stanch economy advocate, New Hampshire's Senator BRIDGES, now is proposing a standby revival of the RFC.

Whether or not the RFC revival makes its way through Congress—and the chances seem doubtful—the lawmakers will push a number of other measures designed to inject increased doses of credit into the national economy. Congress certainly will pass a bill extending the life and expanding the activities of the Small Business Administration, whose aid to little enterprise consists largely of lending. And key Democrats in both Houses are pushing various bills for big public-works loans to local government.

HEARINGS START NEXT MONTH

Congressional consideration of the capital bank proposal will get under way late next month when a Senate banking subcommittee headed by Pennsylvania's Democratic Senator CLARK starts hearings on the subject. Both Senator CLARK and Chairman FULBRIGHT (Democrat, of Arkansas) of the full Banking Committee have been prodded several times by Senator JOHNSON.

But the banking subcommittee has had reason to wait. The Federal Reserve Board, at Congress' request, has for the past year been making a major study of the financing facilities now available to small business and the needs of small business. A huge chunk of this report will be sent to Capitol Hill in the next couple of weeks. Federal Reserve officials say it will contain no recommendations, but merely will state the facts found and "let the chips fall where they may."

Senator FULBRIGHT and Senator CLARK want to have this study under their belts before starting hearings. In the first place, they hope the report, however objective, will tend to show a need for capital bank legislation. More importantly, Administration and Federal Reserve officials have refused to take any detailed stand on capital-bank legislation pending the results of the Board's study. So far the Administration appears basically opposed to the idea, but Federal Reserve Board Chairman Martin seems willing to give some form of capital bank a guarded blessing.

Why embark on a new venture to aid little enterprise when the Small Business Administration already is deep in a lending operation? Backers of the capital bank scheme have several answers. For one thing, they note, the SBA is barred by law from making business loans for more than 10 years, and can't buy stock at all in small firms.

Why not give the SBA broader powers? Backers of the capital bank claim the whole purpose of their plan is to keep direct Government activity in the ownership capital field to a minimum, even though it eventually would involve "Uncle Sam" to a large extent.

One supporter of the bill adds that he doesn't believe the SBA or any other regular Government agency should make the investment decisions that the regional banks would make. Says he: "I don't think the Government should be able to say John Jones should or should not be in the aluminum business. This plan gets the Government out of that activity as quickly as possible."

Some backers of the capital-bank scheme privately admit another reason for reluctance to give the SBA more power: A widespread Congressional distrust of the agency, based on a belief that it is dominated by the Treasury Department, and takes too strict a look at small firms seeking help.

"Giving new lending power to the SBA wouldn't help small business too much," a Senate Democrat asserts.

The capital-bank idea goes back to the early post-World War II period. The scheme was discussed then in published studies and Congressional hearings. At that time, one business group, the Committee for Economic Development, proposed such a plan, though its present position is not fully clear. The idea was first introduced in specific legislation by Senator O'MAHONEY in 1950. When he was temporarily retired from the Senate in an election reversal, Senator SPARKMAN took over sponsorship.

Today's version of the Sparkman-O'Mahoney bill would work like this:

The 12 regional Federal Reserve banks would be authorized to form special national investment companies—up to one company for each State, Territory, or possession, or a total of 50-odd. The Federal Reserve banks would invest up to $5 million or an amount equivalent to 4 percent of the combined capital and surplus of their member banks—whichever is greater—in each company. The investment companies would be formed by the Reserve banks themselves or by groups of five or more private persons or institutions—banks, corporations, partnerships, or individuals—with the Federal Reserve holding the investment companies' stock at least initially. The States' industrial development

corporations could be converted to national investment companies.

The investment companies could then use their capital to make loans or buy stock in eligible enterprises as defined by the Federal Reserve Board. The bill does not provide for automatic retirement of the Government's investment in these companies, but sponsors say they envisage that as the companies become profitable, private capital would take over their stock and retire the Government's interest.

A new version now is being pushed by House Small Business Committee Chairman PATMAN of Texas and has been introduced in the Senate by Majority Leader JOHNSON. Mr. PATMAN and Senator JOHNSON say the bill has been drafted to meet objections to the Sparkman-O'Mahoney bill, but some lawmakers believe it really is the result of Mr. PATMAN'S well-known distrust of the Federal Reserve Board, for the board's role in the project under his plan would be limited to providing the initial money.

Under the Patman-Johnson bill, a special Small Business Capital Bank Board would be set up as an independent Government agency. It would get $147.5 million from the Federal Reserve System and would have power to borrow up to $1.2 billion more in the private market. This Board would set up 12 regional capital banks, giving $10 million to each at first and lending additional sums as it borrows from the public.

The district banks could make 40-year loans to small businesses and to State and local industrial development corporations. The banks also would provide money to start special small-business investment associations. These would be organized by groups of 25 or more local private investors, who would put up $250,000 altogether and have this matched by the district small business capital bank, with the district banks initially holding a proportionate share of the investment association's stock. The investment associations would borrow additional sums from the capital banks and would provide ownership capital for small-business concerns.

Investment associations borrowing from district banks would have to buy capital in the district banks equivalent to 5 percent of their borrowings. Similarly, small firms borrowing from the banks or getting ownership capital from the investment associations would have to buy capital stock in the lending or investing outfit to the tune of 5 percent. Thus the Government's participation gradually would be reduced, it is reasoned.

Backers of the capital bank idea contend it will attract private capital partly because it works essentially on the risk-spreading pattern of an investment trust: While a loan or investment for just one small business firm may not only be expensive to service but also basically risky, providing capital for many firms serves to diversify the risk, with a few big payoffs offsetting several losses.

With Majority Leader JOHNSON pushing hard, and Senate skids seemed greased for fast action, but the question is whether the House will move equally fast. The House Banking Committee, which must act on the measure, seems bogged down right now in lengthy voting over a comprehensive revision of the banking laws. Right after the Easter recess early next month, it will start lengthy hearings on aid to distressed areas.

Some Senators are talking about a device to insure House consideration. The Senate Banking Committee has before it a bill the House passed last year to make the SBA permanent and broaden its lending powers. They are thinking of tacking the capital bank bill on to the SBA measure, thus forcing the House to consider the subject in the final House-Senate conference.

"We'd be reluctant to do it that way," says one Democratic Senator, "but we might be forced to it if it looks as though we're not going to get House action otherwise. We'll never have as good a chance to pass this bill again, and we're going to try and make sure it doesn't get lost this time."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HESELTON (at the request of Mr. MARTIN), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. KNUTSON, for 10 minutes, today, and to revise and extend her remarks.

Mr. HENDERSON, for 10 minutes, today.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. FLOOD, for 1 hour, today.

Mr. VAN ZANDT, for 30 minutes, on Tuesday, March 25, 1958.

Mr. FLOOD, for 60 minutes, on Wednesday, March 26, vacating his special order for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCGREGOR and to include results of a poll.

Mr. MORANO and to include testimony before the Subcommittee on Appropriations on Labor and Health, Education, and Welfare.

Mr. LAIRD to include in his remarks made in Committee of the Whole today on the agricultural bill some editorials and letters.

Mr. REED and to include extraneous matter.

Mr. ENGLE and to include extraneous matter.

Mr. CRAMER.

Mr. FULTON.

Mr. SMITH of California (at the request of Mr. MARTIN).

Mr. COOLEY, the remarks he made in Committee of the Whole today and to include certain charts.

Mr. RADWAN (at the request of Mr. PILLION).

Mr. SCHWENGEL and to include extraneous matter.

Mr. LONG (at the request of Mr. MCCORMACK) and to include a minority report.

(At the request of Mr. MCCORMACK, and to include extraneous matter in each case:)

Mr. WILLIS.

Mr. FLOOD.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7226. An act to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes; and

H. J. Res. 483. Joint resolution to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division; and

S. 3418. An act to stimulate residential construction.

ADJOURNMENT

Mr. METCALF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, March 24, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1739. Under clause 2 of rule XXIV, a letter from the Comptroller General of the United States, transmitting a report on examination of time and materials subcontracting by Chrysler Corp., Detroit, Mich., under Department of the Army contracts, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), the Accounting and Auditing Act of 1950 (31 U. S. C. 65), and the authority of the Comptroller General to examine contractors' records, as set forth in title 10, United States Code, section 2313 (b), was taken from the Speaker's table and referred to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H. R. 11470. A bill to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes; without amendment (Rept. No. 1538). Referred to the Committee of the Whole House on the State of the Union.

Mr. PORTER: Committee on Post Office and Civil Service. H. R. 7710. A bill to provide for the lump-sum payment of all accumulated and current accrued annual leave of deceased employees; with amendment (Rept. No. 1539). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 507. Resolution for consideration of H. R. 11470, a bill to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes; without amendment (Rept. No. 1541). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 8524. A bill to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians; without amendment (Rept. No. 1542). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 577. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 1540). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COAD:

H. R. 11526. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for the taxpayer if he or his spouse is permanently and totally disabled; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 11527. A bill to amend the Interstate Commerce Act by adding thereto a new part V, to provide for a temporary program of assistance to enable common carriers subject to such act to finance improvements and developments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H. R. 11528. A bill to provide benefits to certain veterans of World War I who were in the active service on November 11, 1918, and their dependents; to the Committee on Veterans' Affairs.

H. R. 11529. A bill to amend the District of Columbia Alcoholic Beverage Control Act to provide that class C and D licensees shall not be prohibited from serving alcoholic beverages to individuals in their establishments because such individuals are standing; to the Committee on the District of Columbia.

By Mr. FRELINGHUYSEN:

H. R. 11530. A bill to authorize a 3-year program of Federal assistance to States and communities to enable them to increase public elementary and secondary school construction; to the Committee on Education and Labor.

By Mr. KILBURN:

H. R. 11531. A bill to provide that municipalities shall be notified in writing of any proposed disposal of surplus real property of the United States located within such municipalities; to the Committee on Government Operations.

By Mr. MOSS:

H. R. 11532. A bill to amend the Internal Revenue Code of 1954 and the Internal Revenue Code of 1939 to provide that no documentary stamp tax shall be imposed with respect to conveyances to which a State or political subdivision is a party; to the Committee on Ways and Means.

By Mr. PILLION:

H. R. 11533. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. PRICE:

H. R. 11534. A bill to provide for the distribution of surplus food commodities by use of a food stamp plan; to the Committee on Agriculture.

H. R. 11535. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. RILEY:

H. R. 11536. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. SILER:

H. R. 11537. A bill to amend Veterans' Regulation No. 10 to provide that the term "child" shall include a child of a veteran who is a member of the veteran's household and who becomes permanently incapable of self-support; to the Committee on Veterans' Affairs.

By Mr. TELLER:

H. R. 11538. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. THOMPSON of Louisiana:

H. R. 11539. A bill to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIS:

H. R. 11540. A bill to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Merchant Marine and Fisheries.

By Mr. ZELENKO:

H. R. 11541. A bill to prohibit the withholding or impoundment of appropriations; to the Committee on Government Operations.

By Mr. BARING:

H. R. 11542. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mrs. DWYER:

H. R. 11543. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLE:

H. R. 11544. A bill to provide for Federal assistance in the development of irrigation in connection with non-Federal municipal and industrial water projects, and for other purposes; to the Committee on Public Works.

By Mr. GRAY:

H. R. 11545. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. GUBSER:

H. R. 11546. A bill to amend the Dependents' Medical Care Act to provide that members of the Armed Forces retired under chapter 67 of title 10, United States Code, after having served on active duty in World War I and World War II shall have the same privileges with respect to medical care as members so retired after having served on active duty for 8 years or more; to the Committee on Armed Services.

H. R. 11547. A bill to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZELENKO:

H. R. 11548. A bill to make it a crime to maintain in an unsafe condition any premises in or upon which any business in interstate commerce is being conducted; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 11549. A bill to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 11550. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

By Mr. BECKER:

H. R. 11551. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. BOSCH:

H. R. 11552. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. DORN of New York:

H. R. 11553. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. KEATING:

H. R. 11554. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. MILLER of New York:

H. R. 11555. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. OSTERTAG:

H. R. 11556. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. RAY:

H. R. 11557. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. RIEHLMAN:

H. R. 11558. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the

Interstate System; to the Committee on Public Works.

By Mr. ROBISON of New York:

H. R. 11559. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mrs. ST. GEORGE:

H. R. 11560. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. SAYLOR:

H. R. 11561. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. TABER:

H. R. 11562. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. TAYLOR:

H. R. 11563. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. WHARTON:

H. R. 11564. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. REES of Kansas:

H. R. 11565. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. TOLLEFSON:

H. R. 11566. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHRISTOPHER:

H. J. Res. 581. Joint resolution to authorize an appropriation for the pay of guerrilla and parolee personnel of the armed forces of the former Commonwealth of the Philippines for service in World War II; to the Committee on Foreign Affairs.

By Mr. HYDE:

H. J. Res. 582. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association meeting of A. A. O. N. M. S. in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Inc., on the occasions of such meeting, and for other purposes; to the Committee on the District of Columbia.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States, to establish a National Scientific Academy in Massachusetts; to the Committee on Education and Labor.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States, to enact and enforce legislation to implement the decisions of the Supreme Court of the United States outlawing segregation in the public school system; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States, to take the necessary action to carry out its prior appropriations and cause the Bureau of the Budget of the United States to release funds appropriated for the renovation and construction of National Guard armories; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States, to prevent the elimination of the 51st Infantry Division of the National Guard; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H. R. 11567. A bill for the relief of Rosaria Furio; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 11568. A bill for the relief of Dr. ILuminada C. Hernades; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 11569. A bill for the relief of Edward Minsky; to the Committee on the Judiciary.

By Mr. FORD:

H. R. 11570. A bill for the relief of Mah Ney Fong; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 11571. A bill for the relief of Hlias Anthony Lousedes; to the Committee on the Judiciary.

By Mr. SCOTT of Pennsylvania:

H. R. 11572. A bill for the relief of Burns Lafferty; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 11573. A bill for the relief of Albert and Marie Stummer; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

482. By Mrs. ST. GEORGE: Resolution of the Board of Supervisors of the County of Orange, N. Y., and the Town of Highlands, N. Y., relative to the water supply of Fort Montgomery, N. Y.; to the Committee on Armed Services.

483. By Mr. WESTLAND: Petition of Mrs. Rudolph Flotre and 65 other residents of the State of Washington urging the Congress to pass legislation prohibiting alcoholic beverages advertising on television and radio broadcasts; to the Committee on Interstate and Foreign Commerce.

484. By the SPEAKER: Petition of Kauai Retail Board of Trade, county of Kauai, T. H., relative to enactment of legislation for the introduction of bauxite mining in the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

The Influence of the American Educational System

EXTENSION OF REMARKS
OF
HON. J. W. FULBRIGHT
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES

Thursday, March 20, 1958

Mr. FULBRIGHT. Mr. President, there has come to my attention a very interesting newsletter by Congressman GEORGE MCGOVERN, of South Dakota, on the subject of education. I believe Congressman MCGOVERN has summed up some of the pertinent facts about our educational system and its influence upon our country in an interesting and effective manner. As a former teacher at Dakota Wesleyan, Congressman MCGOVERN is well qualified to comment upon these matters, and I recommend his statement to the attention of my colleagues in the Senate.

I ask unanimous consent that the newsletter be printed in the RECORD.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

THE GEORGE MCGOVERN NEWSLETTER

Dear friends, since the earliest days on the American frontier, education has been dear to the hearts of the American people. Within 6 years of the landing of the Puritans at Massachusetts Bay, Harvard University opened its doors. As the line of settlement moved westward, the settlers were quick to establish schools and colleges. Believing that religion and education were the twin foundations of good government, they were willing to make whatever sacrifice was necessary to build good schools and churches.

EDUCATION AND THE AMERICAN TRADITION

As early as 1785, the American Government provided for the ceding of the 16th section of every township in the public domain for educational purposes. Two years later, the Northwest Ordinance of 1787 stated: "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

The Founding Fathers agreed on the need for national support of the schools. In his first message to Congress, Washington said: "There is nothing more deserving your patronage than the promotion of science and literature." Alexander Hamilton, the brilliant first Secretary of the Treasury, declared that "Whatever concerns the general interests of learning * * * are within the sphere of the national councils, as far as regards an application of money." Said Thomas Jefferson: "I think by far the most important bill in our whole code is that for the diffusion of knowledge among the people."

UNITED STATES SCHOOLS ON TRIAL TODAY

Jefferson and his colleagues knew that democracy could not succeed unless the people were educated. Today, the complex demands of our fast-shrinking globe have placed vast new responsibilities on the teachers, students, and classrooms of America. Russian missile developments have led many people to believe that United States schools must point their efforts to science and mathematics. My own view is that we do need better science education, but we also need to strengthen our entire academic program across the board. We need to learn our history lessons better, improve our use of languages and our understanding of human relations. It is fine to talk about accelerating science, but if we are to live with these awesome creations of science, we must accelerate our understanding of those social, political, and moral forces that will determine whether science is a blessing or the means to our destruction.

FEDERAL ASSISTANCE TO EDUCATION

With our school population expanding at an unbelievable rate at the same time that the cost of operation is mounting steadily, school districts in all parts of the Nation are discovering that the traditional property tax base is simply not adequate to cover the cost of education.

In South Dakota, many school districts have reached the maximum mill levy allowed by law and are still incapable of supporting adequate teacher salaries and necessary school equipment and facilities. As the owner of a modest house in my home town, I can verify from personal experience the heavy property-tax load which my fellow South Dakotans are already carrying. I do not see how we can support needed school expansion purely by further increases in the local tax loads.

It is the income tax that reflects the increased national income of the American people, but this source of revenue has been largely taken by the Federal Government. That is why many people have come to feel that the Federal Government should return a portion of the income-tax collections to the States for educational purposes.

SCHOOL-AID BILL

I am joining my colleagues on the House Education and Labor Committee in support of a Federal assistance program for education. Such a program has been urged by President Eisenhower, Vice President Nixon, and former President Truman. Program supporters are determined, however, that it must carry careful safeguards to prevent the Federal Government from interfering with local school direction.

I am ready to introduce legislation specifically drafted to provide modest Federal educational grants to the States with no strings attached. The money would be apportioned to State education departments on a population basis, then disbursed to local school districts for use under local school board direction. My bill also calls for college scholarships and loans to worthy students.

I welcome your suggestions and questions on this vital subject of education.

GEORGE MCGOVERN.

Alcoholic Beverage Advertising

EXTENSION OF REMARKS

OF

HON. H. ALLEN SMITH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1958

Mr. SMITH of California. Mr. Speaker; under date of March 12, 1958, I received a letter from Rev. John M. Newby, pastor of the Rees Memorial Pilgrim Church in Pasadena, Calif., submitting the signatures of 183 persons who reside in or are adjacent to my Congressional District, urging support to remove the advertising of alcoholic beverages from our homes. Pursuant to the request of Pastor Newby, notation to this effect is being made in the CONGRESSIONAL RECORD.

At the same time, I received a letter from Logan G. and Hallie N. Nicholson, of Pasadena, Calif., which included petitions to the same effect signed by 1,424 persons. Pursuant to their request, this is being made a matter of Congressional record.

Playing Politics Will Not Cure the Recession

EXTENSION OF REMARKS

OF

HON. EDMUND P. RADWAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1958

Mr. RADWAN. Mr. Speaker, anyone who loves this Nation of ours would do anything in his power to reverse the present economic downturn. When as much as a single citizen who wants employment is unemployed, it is and should be a source of worry and shame to all of us. We should not be satisfied in a Nation as blessed as ours, as long as any unnecessary economic hardship exists anywhere within its borders.

The thing that I regret most is when as serious a problem as this becomes purely a political plaything, and when statements and charges are made and solutions are recklessly tossed about not for their actual value, but just for their political effect. Those guilty of playing politics with the hardships being suffered by a very large proportion of our population, are not limited to any one political party. I want to assure you of one thing. My sole interest is in determining every possible step which is likely to stop, and to reverse, this economic downtrend, and to fight for such steps all the way. Meanwhile every effort should be made to alleviate the hardship of those immediately hit by unemployment.

In his recent message to Congress, the President made certain concrete suggestions. Every one of these, if followed through promptly, should be helpful. The Federal Reserve authorities have taken steps to ease credit. Various measures have been taken to stimulate home building. Federal aid highway expenditures have been increased $600 million as have been urban renewal programs. There will be a $5 billion increase in defense construction and purchasing during the first 6 months of this year, over the preceding 6 months. Nor are these examples of throwing Federal money down a rathole. Every one of these expenditures is designed to improve our country, and its ability to defend itself.

In addition, Congress has been asked to increase FHA insurance authority by $3 billion a year, to render special assistance to areas of high and persistent unemployment, to provide tax relief for small business, and to enact a $2 billion program to modernize post-office buildings and equipment.

The President has asked all departments to greatly accelerate their construction projects. This includes river and harbor projects of the Army Engineers which have been and which can now once again be so beneficial to our important port, and the business it generates. Urban renewal acceleration will likewise aid us in Buffalo where important slum-clearing projects are planned. Congress has been asked to speed up the huge Federal highway program, and the Veterans' Administration has been directed to make private funds more readily available to vets seeking home ownership.

In his message, the President also states:

> I deeply believe that we must move promptly to meet the needs of those wage earners who have exhausted their unemployment compensation under State laws and have not yet found employment.

The Secretary of Labor has been asked to develop a plan for extending the period of unemployment benefits, and thus enable the unemployed "to continue to seek jobs with a greater measure of security."

In my opinion even the above measures are not the limit of action we should take to meet the problems which confront us. This is no time for complacency. Every dime we spend on the defense program produces the double benefit of increasing our strength against Communist aggression, and providing a shot in the arm for our domestic economy. Another possibility is tax relief by raising the personal exemption from the present unrealistic $600 which is something I have strongly urged for many years. This is also a good time to remove the World War II excise taxes on automobiles, appliances, and certain other goods.

No action designed to restore the stability of the American economy should be overlooked. Not only our freedom, but that of the whole Free World, depends on our ability to achieve stability—and promptly.

Metairie Park, La., Country Day School

EXTENSION OF REMARKS

OF

HON. RUSSELL B. LONG

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, March 20, 1958

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the names of the 26 students and 2 chaperones from the Metairie Park Country Day School of Metairie, La., which is adjacent to the city of New Orleans, who are visiting the Capitol today.

It is interesting to note that the entire graduating class of this school is with us today. The school is unique in that every student who attends it intends to go to college.

At this particular time, we are vitally interested in our scientific educational programs. I was happy to learn that more than 50 percent of this graduating class will pursue one of the sciences. I was also interested to learn that next year a complete revision of this school's mathematical curriculum will be undertaken and that new concepts now being recommended by our outstanding educators will be incorporated. This type of adjustment of our teaching methods to changing conditions is most commendable.

The Metairie Park Country Day School is now 29 years old and is doing outstanding work in preparing our young men and women for college.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Chaperones: Mrs. Martha W. Wilson, Mr. Roland H. Nelson.

Students: Gayle Wolf, Ann Miller, Boo Massengill, Sunny Higgins, Mary Lou Cloudman, Susie Hobson, Betsy Longo, Cinda Richardson, Evelyn Fortiades, Judy French, Judy Wachenheim, Cleo Pelleteri, Sharon Collard, Betty Fredrichs, Ann Sawyer, Marilyn Gordon, Buddie Fredrichs, Mims Gage, Billy Cohen, Billy Wohl, Sam Romano, Paul Hogan, Bob Ruddick, Carlie Kahn, Henry Strieffer, John Fox.

Give the Farmers Freedom

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. McGREGOR. Mr. Speaker, my farmers are of the definite opinion that they want a minimum of Federal controls and are looking forward to the time they can live as free citizens without Government interference.

I am sure the people recognize that the New Dealers and Democrats have a majority vote in the Agriculture Committee of the Congress, as well as the Congress itself. The administration is in the minority so, therefore, this administration cannot be blamed for not having passed farm legislation which will really give relief to our farmers. I certainly hope the majority of the Agriculture Committee will recognize that a program is needed which will ultimately allow us to get rid of controls so the farmers of today will be able to make an honest living and not be dictated to by some bureaucrats who, in many instances, know nothing about farm products.

Some weeks ago, Mr. Speaker, I sent a questionnaire to the people of my District which was publicized in every newspaper of that District, so that I might know how my people feel relative to the farm problem. A portion of that questionnaire is as follows:

	Percent	
	Yes	No
Do you believe that the Soil Bank program should be continued?	27	73
Do you believe that all Federal controls on farm products should be removed?	64	36

These questions were answered by various individuals and classified groups as follows:

	Percent	
	Yes	No
Do you believe that the Soil Bank program should be continued?		
Total results, all occupations	27	73
Labor	18	82
Ministers	17	83
Newspaper and radio	38	62
Public officeholders and Federal employees	17	83
Professional men—Doctors, dentists, engineers	19	81
Teachers	29	71
Attorneys	14	86
Businessmen—Industry and salesmen	16	84
Farmers	21	79
Housewives	35	65
Students	59	41
Retired	11	89
Occupation not given	14	86
Do you believe that all Federal controls on farm products should be removed?		
Total results, all occupations	64	36
Labor	73	27
Ministers	83	17
Newspaper and radio	57	43
Public officeholders and Federal employees	78	22
Professional men—Doctors, dentists, engineers	74	26
Teachers	41	59
Attorneys	74	26
Businessmen—Industry and salesmen	84	16
Farmers	74	26
Housewives	66	34
Students	21	79
Retired	86	14
Occupation not given	72	28

Mr. Speaker, I hope the majority will quit playing politics with the farm program so that adequate and proper recognition can be given to the rural people who represent such an important part of our economy.

A Bill To Provide Facilities for an Immigration and Naturalization Service Training School

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. CRAMER. Mr. Speaker, I have today introduced a bill that would authorize adequate and badly needed training quarters and facilities for the Immigration and Naturalization Service. It is my hope that by enactment of this bill the Service will be better prepared to train and educate the men who guard the borders of our country.

I believe there is no doubt in the minds of any of the Members that this is a vital service to the United States. We have, however, been delinquent in providing the Immigration and Naturalization Service with the tools to do a good job. Each year approximately 400 officers are trained in the Border Patrol School after selection from the ranks of the border patrol. Each year those who are qualified for advanced training are offered additional courses and some 200 men are trained annually. Periodic refresher courses are needed for these officers. Physical facilities for this important training are wholly inadequate.

The Border Patrol Training School has been housed in hastily constructed, temporary type, one-story frame buildings located at Fort Bliss, Tex., built some 15 years ago and abandoned by the Army as no longer economically feasible before they were turned over to the Service. The Advanced Officers' School is housed in the Old Post Office Building here in Washington and accommodations are far from satisfactory and practically nonserviceable.

My bill would authorize the General Services Administrator to provide the proper type of buildings needed for effective training of these men. He does not have that authority today. The Attorney General would be authorized to request appropriations for such construction subject to the approval of Congress. In this vital instance of an important service being without the means with which to do the job we expect of our border guards I think it incumbent upon us to act with dispatch.

Oil Imports Hurt Domestic Industries—Testimony by Gov. Price Daniel, of Texas

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. REED. Mr. Speaker, today during the hearings by the Committee on Ways and Means on trade-agreement legislation the committee membership was honored by the presence before it as a witness the esteemed Governor of Texas, the Honorable Price Daniel. Governor Daniel will be remembered favorably by us all for the distinction with which he served as a member of the United States Senate. From Governor Daniel's effective and knowledgeable testimony before our committee it is evident that he is bringing to his duties as Governor the same measures of dedication to duty and ability that characterized his service in the Senate.

Governor Daniel, in his statement before the committee, demonstrated in a convincing manner the failure of so-called voluntary agreements to effectively curb imports. The resort to voluntary control of imports by the Executive has only resulted in the further impairment of our domestic industries as a consequence of continued high levels of such

imports. While Governor Daniel's excellent statement was principally directed toward the problem of oil, including the impact of such imports on stripper-well production, the substance of his remarks is applicable to other great industries in our Nation such as the textile industry and the stainless steel flatwear industry.

Mr. Speaker, I regard Governor Daniel's statement to be of such importance that I will insert it in the RECORD as a part of my remarks so it may be available to my colleagues in the House of Representatives. There was attached to Governor Daniel's statement a graphic illustration demonstrating the effect of petroleum imports which cannot be included in the RECORD, but even without this chart, Governor Daniel's statement deserves the attention of us all:

STATEMENT OF GOV. PRICE DANIEL, OF TEXAS, BEFORE THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES

Mr. Chairman and members of the committee, I appear before you today in support of pending amendments which would impose mandatory limitations on imports of foreign crude oil and products, so that they shall not exceed the ratio which existed between petroleum imports and domestic oil production in 1954. As you know, this was the ratio which the President's Cabinet Committee on Energy Supplies and Resources Policy found to be the maximum above which the Nation's security would be endangered.

As Governor of Texas, I appear, of course, in behalf of my State, but firmly believe that what I advocate is in the best interests of the Nation. Having served in the Congress as a Member of the Senate, I realize that your primary concern is the effect of this legislation on the welfare and security of all of the people of the United States, and it is with this in mind that I present these remarks.

After careful study of petroleum imports in 1955, the Cabinet Committee reported as follows:

"The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic-fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and discovery of new sources of supply.

"In view of the foregoing, the Committee concludes that in the interest of national defense imports should be kept in the balance recommended above. * * *

"The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken."

Soon after the time this report was published, foreign oil imports were substantially exceeding the 1954 ratio. This, in spite of repeated requests from the administration that importing companies practice industrial statesmanship and voluntarily reduce their imports in the interest of the national welfare. For more than a year, I had been one of those who hoped that oil imports would be reduced by the importers themselves, all of whom are American concerns, without the necessity of governmental intervention. Some of the companies made efforts in this direction, but the majority did not. Many of us who had patiently waited in vain for industrial statesmanship to solve this problem faced the fact that it could not or would not be done.

As a Member of the Senate, I joined Senator Matthew Neely and 14 other Senators in a proposed mandatory restriction as an amendment to the Reciprocal Trade Agreements Act. This was in the first session of the 84th Congress. Our amendment would have limited foreign oil imports to 10 percent of the total domestic demand. A substitute for the Neely amendment, applicable to all products essential to the national security, was agreed upon and adopted in the Senate and approved by the House. This was only after administration leaders gave assurances that this amendment could and would be used to limit oil imports to the 1954 ratio as recommended by the Cabinet Committee. The amendment, known as the national defense amendment and now a part of the Reciprocal Trade Agreements Act, provided: "* * * whenever the Director of the Office of Defense Mobilization has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security, he shall so advise the President, and if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made to determine the facts. If, on the basis of such investigation, and the report to him of the findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall take such action as he deems necessary to adjust the imports of such article to a level that will not threaten to impair the national security."

With a finding already made that petroleum imports above the 1954 ratio would impair the national security, we had every reason to believe that they would be limited under this authority. The debates in the Senate and the subsequent action of the House clearly show that this was the intention of the Congress. On the Senate floor this intention was expressed by members of the Finance Committee without dissent. Senator CARLSON said:

"The Senate Finance Committee, in approving H. R. 1, specifically recognized the problem and inserted in its report a portion of the report of the President's Advisory Committee on Energy Supplies and Resources which had been submitted by the White House. * * *

"I supported the proposal adopted by the committee because I was assured by those in the administration responsible for the administration of the trade-agreements program that if such amendment were adopted by the committee and by Congress, action would immediately follow, and that imports of petroleum and its products would be definitely restricted.

"I was further assured that such restriction would be based upon the study previously made, to which reference was made by the committee; that the basis of the limitation would be in accordance with the recommendation of that study. This study indicated the necessity of limiting imports of petroleum and its products to an amount and in the relative position of the imports of petroleum in 1954 as related to domestic production of crude oil in 1954. * * *

"Since the report of the Finance Committee, I have further explored this situation with administrative agencies charged with the responsibility for the application of this program, and I can say to the Senate that again I have complete assurance of compliance of these agencies with the direction set forth in that amendment. * * *

"There can be no doubt in my mind as to the intent of the committee, nor, do I believe, as to the intent of the Senate in regard to limiting the oil imports to the average daily imports of the year 1954, based on the report of the President's Commission on Energy Supplies and Resources Policy.

"I can assure the Senate that I would not have agreed to the amendment in H. R. 1, dealing with imports of commodities which are of national defense interest, had I not been assured that it would be the policy of those who administer the act to follow the intent of those who participated in preparing the report of the Advisory Committee." (CONGRESSIONAL RECORD, vol. 101, pt. 4, p. 5389.)

The following colloquy occurred between Senator CARLSON and the junior Senator from Texas, who now appears before you as Governor of Texas:

"Mr. DANIEL. In addition to what the President's Advisory Committee on Energy Supplies and Resources Policy reported, I ask the Senator if there was other evidence before the committee which indicated the injury that would be suffered by our Nation and its national defense and security if oil imports exceeded the 1954 ratio between imports and market demand?

"Mr. CARLSON. Yes. There was much testimony both from witnesses who favored importation of oil—importation in large quantities—and from those who were opposed to all imports of oil. There is no question that excess importation will affect not only our national defense, but our economy, and it is important that we have an economy that is thriving and growing.

"Mr. DANIEL. Based on that evidence, is it the Senator's understanding that if oil imports should exceed the 1954 ratio, there would be injury to our national security?

"Mr. CARLSON. There can be no question about that.

"Mr. DANIEL. Was there any reason why the committee included the amendment at all, if the committee did not feel that the national security would suffer if oil imports were in excess of the 1954 ratio?

"Mr. CARLSON. As I said earlier in my remarks, the Finance Committee spent much time on this amendment and on other amendments dealing with quota imports and their effect on the national defense. We were seriously concerned about the matter. For that reason, we have assurances that those administering the act will act in accordance with the proposals submitted by the President's Advisory Committee on Energy Supplies and Resources Policy and the evidence submitted to our committee. I have no doubt of it.

"Mr. DANIEL. As a member of the committee, is it the opinion of the Senator from Kansas that a majority of the committee, which supported the amendment, intended that the necessary action be taken to keep imports from exceeding the 1954 ratio, which has been interpreted by the President's Advisory Committee as the ratio beyond which injury would be done to the national security?

"Mr. CARLSON. One reason why I say that is very definitely the opinion of the committee, or at least the intent of the committee, is the fact that the chairman of the Finance Committee included in the report of the committee a part of the Advisory Committee's report, which, after all, in my opinion, gives the intent of the Finance Committee." (CONGRESSIONAL RECORD, vol. 101, pt. 4, p. 5390.)

Senator Millikin expressed similar views in the following colloquy:

"Mr. DANIEL. Mr. President, on Monday of this week, the distinguished senior Senator from Colorado, Mr. Millikin, was kind enough to answer several questions put to him by me. I appreciate his courtesy. However, I noticed that the RECORD, as printed, shows an answer to my last question which I did not understand to have been given, and which I do not believe the senior Senator from Colorado intended.

"I should like to repeat the question, noting that the Senator from Colorado is on the floor.

"The question is set forth on page 5299 of the CONGRESSIONAL RECORD, vol. 101, pt. 4; and I ask the Senator from Colorado to comment on it, after I repeat it. The question is this—and I now address it again to the senior Senator from Colorado:

" 'At least it is the intention of the Committee on Finance that this amendment'—we were talking about section 7 (b)—'shall be used to protect us in the matter of oil imports and the importation of other commodities which are necessary to our national defense.'

"Mr. MILLIKIN. Mr. President, I am very sorry if my answer was not as clear and specific as it should have been, when we had our exchange the other day.

"I wish to say that was the intention of the Senate Finance Committee. That was the purpose of writing the amendment and of adopting it in the committee.

"Mr. DANIEL. I thank the Senator from Colorado.

"Did the committee hear evidence to the effect that an increase of oil imports above the 1954 ratio between imports and domestic production would endanger the national security?

"Mr. MILLIKIN. The committee heard such evidence.

"Mr. DANIEL. Does the Senator from Colorado remember any evidence to the contrary?

"Mr. MILLIKIN. I do not." (CONGRESSIONAL RECORD, vol. 101, pt. 4, p. 5565.)

In spite of the many assurances given, the administration took no official action under section 7 (b) of the law until July 29, 1957. In the meantime, petroleum imports were increasing from 1,052,000 barrels daily in 1954 to 1,248,800 in 1955, to 1,436,000 barrels daily in 1956, to 1,526,000 barrels daily in 1957. This year, oil imports are averaging 447,000 barrels daily in excess of the 1954 ratio.

In 1955, imports were 43,149,000 barrels in excess of the 1954 ratio; in 1956, they were 87,570,000 barrels in excess; and in 1957, they were 122,491,000 barrels in excess.

At a price of $3 per barrel, the United States economy lost $129,447,000 in oil sales in 1955; $262,710,000 in 1956; and $367,473,000 in 1957. The total loss in sales in the period was about $759,630,000.

Percentagewise, under the 1954 ratio recommended by the Cabinet Committee, petroleum imports reached a volume equivalent to 16.6 percent of domestic oil production. Imports rose to 19.6 percent of domestic production in 1955, 21.1 percent in 1956, and 21.4 percent in 1957.

In spite of this terrific economic hardship in all the oil producing States and the continued threat to our national security, nothing had been done except issue more appeals for industrial statesmanship during the 2 years which elapsed between adoption of the 1955 national defense amendment and the annual governor's conference in June of 1957. At this conference on June 24, 32 governors joined in the following telegram to President Eisenhower, urging immediate action. This telegram stated:

"Because foreign oil imports are far in excess of the 1954 ratio above which your Cabinet Committee on Fuels Policy found that the security of the Nation would be endangered and because these excessive imports are seriously damaging the conservation and taxation programs of many of our States and causing curtailment in exploration and development of new domestic reserves essential to the economy and security of the Nation, we the undersigned Governors urge your prompt action under the Reciprocal Trade Act to limit oil imports to the 1954 ratio."

It was signed by: Raymond Gary, Oklahoma; Price Daniel, Texas; George Docking, Kansas; Charles H. Russell, Nevada; Ernest W. McFarland, Arizona; Mike Stepovich, Alaska; John E. Davis, North Dakota; Orval E. Faubus, Arkansas; James E. Folsom, Alabama; J. P. Coleman, Mississippi; Milward L. Simpson, Wyoming; Albert D. Rossellini, Washington; Steve McNichols, Colorado; George D. Clyde, Utah; Robert D. Holmes, Oregon; George Bell Timmerman, Jr., South Carolina; Marvin Griffin, Georgia; Joe Foss, South Dakota; Albert B. Chandler, Kentucky; J. Hugo Aronson, Montana; Earl Long, Louisiana; William G. Stratton, Illinois; Herschel C. Loveless, Iowa; Robert Smylie, Idaho; Frank Clement, Tennessee; Victor Anderson, Nebraska; Luther Hodges, North Carolina; J. T. Blair, Missouri; Joseph Johnson, Vermont; G. Mennen Williams, Michigan; C. H. Underwood, West Virginia; W. H. Handley, Indiana.

On June 26, the President established a special committee to investigate and it found that the national security was being threatened and recommended a voluntary program of restriction. It went into effect on July 29, 1957. It has been the charge of a very able and capable administrator, Capt. Matthew V. Carson, Jr., who has done the best that anyone could do with an unenforceable voluntary program. In spite of his efforts, the program has failed to carry out the mandate of the Congress. It has failed to limit petroleum imports to the 1954 ratio. There are several reasons for this failure:

1. The program has been applied only to imports of crude oil and does not include crude products, as recommended by the Cabinet Committee. This permits evasion of the quotas by processing the crude in foreign lands before importation, thus further damaging the economy and adding to unemployment in this country.

2. The 1954 ratio has never been strictly followed in assigning total import quotas.

3. The west coast originally was exempt from the program. It was included only in January of this year.

4. Several importers have neglected or refused to comply with the program and apparently they cannot be forced to do so unless the entire program becomes mandatory and enforceable. At least, they are not being required to comply.

The result is that total imports have increased well in excess of the national security ratio since the voluntary program went into effect.

Instead of decreasing, imports have increased during the first 6½ months of the voluntary quota program about 9 percent over the corresponding period of the preceding year, while domestic production was forced to be cut an average of 367,000 barrels a day. Instead of the 1954 ratio of 16.6 percent of domestic production, we now have an import ratio of approximately 24 percent.

We now know that a voluntary program simply will not work. Although the President has the authority under the national defense amendment to invoke mandatory restrictions, and has been urgently requested to do so, the President thus far has failed to do so. That is why we must ask Congress to act in order to carry out its mandate of 1955 and thereby save this domestic industry from destruction and protect the security of the Nation.

This matter is just that urgent and important. Nothing has contributed more to the present recession in the oil-producing States than excessive oil imports. Each time I refer in these remarks to oil imports, I mean and include crude oil and crude products, because they must be dealt with together in any successful restriction of imports.

A high official said last week that he was sure the general business recession had contributed to the reduced manufacture and sales of crude products in the United States. This is like the old question of which comes first, the hen, or the egg. I am certain that continually increasing foreign oil imports throughout the last five years have contributed toward unemployment, decreased buying power, loss of tax resources and general decline of business more than any other factor in the oil producing States.

Under normal conditions, over 132,000 people are directly employed in the production of oil in this country and many thousands more are employed in related businesses. Domestic oil refineries, which normally employ more than 132,700, are now cutting back their output and laying off thousands of their employees.

We have been forced to cut oil production in Texas to 9 days per month while foreign oil continues to take our markets. The producers of no commodity can live long on 9 days per month. A million and a half dollars is being lost to the Texas economy every day due to production cutbacks forced by foreign oil imports.

This matter has become so serious that I appointed a commission to conduct hearings on the effect of excessive oil imports on the economy of Texas, and I have here its preliminary report from which I shall read and I ask that the entire report be included in your record at the conclusion of my remarks.

The economy of the oil producing States is a vital part of the economy of the Nation, and I think it is high time that our country think as much about its own domestic economy as it does about the economy of the Mideastern countries which are flooding us with oil produced with cheap labor and without restrictions geared to market demands.

Either the wages and living standards of our own people will be lowered to that of foreign lands or we must give adequate protection to the production of our own commodities. The economic strength of our Nation is just as important as our military strength. Both are endangered by excessive oil imports.

The security of this country requires a healthy oil industry with adequate reserves to defend itself without depending on foreign oil. The Suez conflict demonstrated how quickly we can be cut off from foreign oil in time of war. One of the worst fates that could befall the United States defensively would be to become dependent on foreign oil for future emergencies. Yet that is what is sure to happen if the incentive to find new reserves in this country is destroyed by lack of markets in time of peace.

The present situation discourages exploration for new reserves. Who wants to take the risk to find a well which can be produced only 9 days per month? No one can afford to risk a million dollars wildcatting for new oil fields if he cannot expect to produce at a rate necessary to return the cost of his investment. Most wildcatters actually operate on borrowed capital, and they cannot get loans on today's markets.

The amount of petroleum reserves in the United States has increased through the years as a result of wildcatting accomplished mostly by the independent oilmen. In 1957, wildcat drilling was 9.8 percent below that which took place in 1956. It was reported recently in the Wall Street Journal that drilling is lower today than at any time during the last 8 years. Last week it was reported by the American Petroleum Institute that the domestic oil reserves decreased 349 million barrels in 1957. With decreased incentives, newly discovered reserves were 349 million barrels less than the domestic production in 1957. Thus the Nation had to dip into its backlog of proved reserves for the first time since the abnormal war year of 1943.

Some have argued that we should use the foreign oil now and save our own for the future. That might work if we knew where

all the oil in this country is located and if our domestic industry and its thousands of employees could go without their livelihood for several years on end. Neither of these conditions is possible. All of the oil in this country has not been discovered. The search for new reserves must continue, and it can and will continue only if there is a healthy and profitable industry.

Excessive imports are having their most disastrous effect on small independents whose production has reached the stripper stage. Here the application of secondary recovery methods is the only way in which production can be maintained, and then only at great cost. Three-fourths of the Nation's producing oil wells, over 358,000, are in this category. Each produces five or less barrels per day, but in the aggregate they account for one-fourth of the Nation's total production and about one-fourth of the known reserves in this country. These wells and these reserves had just as well be marked off as total losses if they have to compete without protection from excessive foreign imports.

In the recovery of primary reserves prior to the recent discoveries which give hope of recovering most of the oil in place, it was not uncommon to produce only 20 percent of the oil in the ground. Secondary recovery practices presently in use can bring to the surface approximately 80 percent of the remaining oil, none of which could be recovered under the methods used when these fields were first discovered. The tremendous cost of this secondary recovery of oil, which would otherwise never be brought to the surface, makes it especially vulnerable to low-cost foreign-import production. The incentives which must be available for the continuation of these secondary recovery practices are lost when that oil is placed in competition with uncontrolled foreign importation.

In addition, many of the methods used to carry on secondary recovery operations are of such a nature that they must be continued to maintain engineering practices necessary to bring the oil to the surface. Engineers have pointed out that if this oil cannot be sold and if the operation must be discontinued, it will be impossible ever to produce this oil, or the cost to begin again the secondary recovery operation will be prohibitive.

In Texas, our conservation statutes require a restriction of domestic production in line with market demand to prevent waste from excessive above-ground storage. It was in carrying out the provisions of our statutes that the Texas Railroad Commission found it necessary to reduce our production to 9 days per month.

This is a very peculiar situation. Texas and the other oil-producing States, in order to prevent the waste of one of this Nation's greatest natural resources, are continually cutting back production in order to reduce excessive above-ground stocks. At the same time, the importers of foreign oil are continually increasing their importations and thereby increasing the stocks which we are trying to reduce.

In the past 5 years, oil production in the United States has increased only 5.6 percent. Production in Texas has actually decreased by 2.5 percent—further evidence that our State is bearing the brunt of the domestic production cutbacks.

Compared with our Nation's increase of 5.6 percent, production in Canada has increased 92.8 percent, production in Venezuela has increased 46.8 percent, and production in the Middle East has increased 52.4 percent.

This conservation program must be continued if our domestic production is to be strong enough to meet the demands of national defense as it did in two world wars. Today its effectiveness is being destroyed by excessive imports. It is not fair to expect States to bear the load of cutting production without placing a similar burden upon the importers of foreign oil. If this is not done in the same mandatory and enforceable way that the States restrict domestic production, the entire oil conservation program of this country will be destroyed.

There is no legal restriction on most of the foreign oil production and none whatever on foreign oil imports. Wells in the Middle East run as high as 6,000 barrels of oil daily, while the average well production in Texas is only 19 barrels. Foreign wells owned mostly by a few major American companies, produce oil every day, while in Texas, the largest producing State in our own country, production is shut down to 9 days per month.

Is it fair to the conservation program of the States to have it dominated and ruined by foreign imports? Shouldn't there be some legal means of keeping imports in balance with domestic production and domestic market demand? When domestic producers are restricted as to the amount of oil they can place on the American market and are convicted of State and Federal offenses for exceeding that limit, should there not be some type of restriction of foreign importers, or should they be allowed to flood the market and cause even further restriction of domestic producers?

Today, foreign imports are determining the amount of production to be permitted from domestic wells, and five large American-owned companies and one foreign firm control over 90 percent of the oil imported into this country. They and their desire for big profits should not be permitted to destroy the conservation, economy and security of our Nation.

In 1955, the Congress expressed its intention that the President should use the national defense amendment to limit petroleum imports to the 1954 ratio as recommended by his own Cabinet Committee. This mandate has not been carried out. According to the findings of his own Cabinet Committee and his special committee to investigate oil imports, the national security is being threatened. Therefore, I strongly urge that this committee approve any one of the pending amendments imposing mandatory limitations on petroleum imports in accordance with the 1954 ratio between petroleum imports and domestic oil production.

Carter Versus LeCompte

EXTENSION OF REMARKS

OF

HON. GEORGE S. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1958

Mr. LONG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following minority report:

CARTER VERSUS LECOMPTE

Mr. LONG, from the Committee on House Administration, submitted the following minority report (to accompany contested-election case of Steven V. Carter versus KARL M. LECOMPTE):

We, as members of the Committee on House Administration, dissent from the findings made in the majority report of the said committee in the contested-election case of Carter versus LeCompte and do not concur in the conclusion reached by the majority of said committee as submitted in said report, and respectfully submit the following report:

The clearest feature of this contest case is that the 450 pages of testimony contain sworn evidence taken before an officer of this House showing conspiracy, fraud, violations of the mandatory provisions of election laws, gross irregularities, and mistakes. These actions are repugnant to the Constitution and to this House of Representatives. As the sole judge of the elections, returns, and qualifications of its own Members it will not yield to a result obtained by such methods. The Constitution has put that matter exclusively in its own hands. The decision of the House must be clear, for it runs to the very organization of the House of Representatives itself.

The question therefore not only is who occupies the seat from the Fourth Congressional District of Iowa but whether the acts complained of, and so vividly set forth in the testimony, briefs, and oral argument before the committee, did not bring about a contrary result of this election. That is to say, had not gross violations of mandatory and other laws, fraud, and conspiracy taken place, would not the contestant, Mr. Carter, now be a Member of this House of Representatives?

A sincere application of the laws governing contested election cases and the relative precedents of the House of Representatives to the record in this case show, without doubt, that the contestant was duly elected and should now be a Member. This case has developed exactly in the manner and within the time provided by the House and has proceeded as rapidly as the process prescribed by the House would permit.

The contestant has carried the burden fully and has presented to this House a complete case, in the manner required by laws, rules, and precedents. The committee finds that he has presented sufficient evidence upon which to make a determination in his favor. It is impossible to fully estimate the total damage to the contestant, caused by the unlawful acts of election officials and others, due to the obstructionist tactics engaged in during the time the contestant was allowed to take testimony and the failure of the contestee to take testimony in his own behalf during 39 of the 40 days allotted to him for this purpose. No one will deny that the contestee is also expected to supply this House with evidence as to his right to the seat. The 420 pages of sworn testimony taken by the contestant support his brief and argument and the 30 pages of interrogatories obtained on the only one and last day of the 40 day period during which the contestee was required to take testimony to prove or disprove the facts alleged or denied in his answer to the notice of contest, fail to disprove the contestant's case. He did not use 39 of the 40 days allotted him to dispute the facts developed by the contestant during the contestant's fully used 40 days. The contestee's attorneys, however, engaged in redundant, verbose, and lengthy objections, repeated time after time. He used the contestant's time by story telling and unrelated comments having no bearing on this case. All this was done for the very obvious purpose of obstructing the development of testimony for use of this committee and the House of Representatives while this case was being developed before the commissioner, who is an officer of this House. The contestee's attorney repeatedly hampered, led and even answered for witnesses, and challenged the right of the House to provide this method of determining a contest case. It would appear from the contestee's failure to take testimony, save on 1 day only, and then by interrogatory confined to a limited number of questions, that he had information which convinced him that the recount was both fair and honest and that his recounting of the ballots would only confirm this fact. Therefore he did not conduct a recount during the period of time in which he had to take evidence, nor name an officer of his own to preside jointly with the officer

already named to take testimony during the contestant's period. The contestant has, notwithstanding, brought to the House sufficient competent, undisputed evidence to prove his right to the seat.

In the general election held November 6, 1956, Steven V. Carter was the candidate on the Democratic ticket and KARL M. LECOMPTE on the Republican ticket for election as Representative in Congress from the Fourth Congressional District of Iowa, composing the 14 counties of Union, Ringgold, Clarke, Decatur, Wayne, Lucas, Monroe, Appanoose, Jasper, Keokuk, Mahaska, Poweshiek, Wapello, and Davis Counties. The election officials certified in the regular manner that in said election Steven V. Carter received a total of 56,409 votes and KARL M. LECOMPTE a total of 58,031 votes. A certificate of election was accordingly issued to the contestee. Notice of contest was subsequently served by contestant and filed with the Clerk of the House of Representatives. The contestee admits that there were irregularities and even violations of the election law but claims that they were of a directory nature. The contestee, however, admits that an error of 100 votes was discovered in the totals in Mahaska County and that the 100 votes should have been added to Carter's total in that county.

The county auditor of Mahaska County testified that he kept the applications for absent voter's ballots with the exception of Prairie Township in his office and did not send them with the ballots to the counting judges (R. 34). The county auditor of Mahaska County admitted to a long list of violations of the election laws, including the breaking of the seals and voting two absentee ballots in one of the precincts of the town of Oskaloosa (R. 36), failing to leave a blank between the Republican and Democratic ticket and failing to lock the row of levers on said blank space as required by the election laws of the State of Iowa (R. 49, 50), and many other violations in connection with the absent voter's law. That such violations were serious cannot be denied because a witness kept his attorney, the county attorney of Mahaska County, Iowa, at his elbow, and his attorney frequently made answers for him (R. 36) and the Code of Iowa, section 53.6, prescribes as follows:

"Offenses by officers: If any county auditor, city or town clerk, or any election officers shall refuse or neglect to perform any of the duties prescribed by this chapter, or shall violate any of the provisions thereof, he shall be fined not less than $100 nor more than $1,000, or imprisoned in the county jail not to exceed 90 days."

Clearly the failure on the part of the county auditor of Mahaska County to send the applications for absent voter's ballots with the ballots to the counting judges in each precinct was a violation of a mandatory regulation. The contestee admits in his written brief, page 11, in the third paragraph, that actual fraud or violation of a statute which is mandatory is the first element which must be proven before an entire precinct can be rejected. Code section 5323 of the Code of Iowa under which this election was held provides as follows:

"Casting ballots: At any time between the opening and closing of the polls on such election day the judges of election of said precinct shall open the outer or carrier envelope only, announce the absent or disabled voter's name, and compare the signature upon the application with the signature upon the affidavit on the ballot envelope. In case the judges find the affidavit executed, that the signatures correspond, the applicant a duly qualified elector of the precinct, and that the applicant has not voted in person at said election, they shall open the envelope containing the voter's ballot in such a manner as not to deface or destroy the affidavit thereon, and take out the ballot or ballots therein contained without unfolding or permitting the same to be unfolded or examined, and, having endorsed the ballot in like manner as other ballots are required to be endorsed, deposit the same in the proper ballot box and enter the voter's name in the poll book, the same as if he had been present and voted in person."

And code section 53.25 provides as follows:

"Rejecting ballot: In case such affidavit is found to be insufficient, or that the signatures do not correspond, or that the applicant is not a duly qualified elector in such precinct, or if the ballot envelope is opened, or has been opened and resealed, or that the ballot envelope contains more than one ballot of any kind, or that said voter has voted in person, such vote shall not be accepted or counted."

Clearly, the absentee ballots cast in every precinct but Prairie Township must be held to have been counted in violation of a mandatory regulation. The activity of the county auditor, Republican candidates, and Republican party workers in carrying both blank applications and blank ballots in their arms and securing absentee votes from voters who had made no request or at most had made a telephone request for said absentee ballots and applications, all in violation of the absent voter's law of the State of Iowa, clearly indicate a conspiracy on the part of these workers and the auditor to defraud the innocent electors, and the activity on the part of the voters themselves in participating in the fraud clearly invalidates any of the ballots so secured.

The absentee ballots were counted in Mahaska County and the report of the commissioner as set out in the record at pages 141 and 142 are as follows:

Precinct	LECOMPTE	Carter
Adams	7	3
Black Oak	0	2
Cedar	28	6
East Des Moines	2	4
West Des Moines	0	0
Garfield	13	7
East Harrison	0	1
West Harrison	5	1
Jefferson	5	1
Lincoln	5	2
Madison	2	1
Monroe	2	4
Pleasant Grove	8	8
Prairie	0	0
Richland	1	2
Scott	6	2
Spring Creek	9	1
Union	6	1
University Park	30	6
White Oak	4	4
1st ward, Oskaloosa	16	8
1st of 2d	25	7
2d of 2d	17	10
1st of 3d	79	15
4th ward	108	23
2d of 3d	65	20
5th ward	58	12
Total	507	151

Because of the great percentage of fraudulent and illegally cast and counted votes in five of the precincts in Mahaska County, it isn't possible to estimate the total damage to Carter caused by the activity of the county auditor and the Republican county candidates and the Republican Party organization. The rule is well established and has consistently been followed by the House of Representatives that where the votes in the precinct are so tainted with fraud and irregularity that a true count of the votes honestly cast is impossible, then the precinct or district must be rejected and the parties to the contest may prove aliunde and receive the benefit of the votes honestly cast for them. Inasmuch as voting machines were used in Mahaska County, it is possible to separate the absentee ballots from the balance of the vote.

In the five precincts in which the percentage of the vote exceeded 10 percent and in which the fraudulent activity on the part of the party workers and the Republican candidates and election officials and the county auditor were the greatest, the fraudulent vote cannot now be separated from the good vote and therefore these five precincts must be rejected in conformity to the rule set out above. In the balance of the precincts, except Prairie Township, the absentee vote must be rejected.

In addition, the county auditor, having admitted that he failed to prepare the ballot properly and failed to leave a space between the Republican ticket and the Democratic ticket, and failed to lock the levers in said space and it appearing in the record without dispute that the votes cast for a blank under Carter's name were clearly intended to be cast for Carter because the machines as set up by the county auditor did not provide for a voter voting a straight ticket, the votes so cast in the precincts not rejected must therefore be added to Carter's total.

The five precincts rejected are as follows:

Precinct	LECOMPTE	Carter
Oskaloosa:		
1st precinct of 3d ward	466	203
2d precinct of 3d ward	475	365
4th precinct of 4th ward	824	394
5th ward	186	41
University Park	515	325
Total	2,466	1,328

There is, therefore, deducted from LECOMPTE's total 2,466 votes and from Carter's total, 1,328 votes.

In the balance of the precincts of Mahaska County a total of 167 votes are deducted from LECOMPTE's total and 75 votes from Carter's total, this being the illegally cast and counted absentee ballots in those precincts.

In the balance of the precincts not rejected the votes cast on the blank space under Carter's name which should be added to his total are as follows, to wit:

Precinct:	
Adams	3
Black Oak	2
Cedar	6
East Des Moines	2
West Des Moines	0
Garfield	7
Harrison, East	4
Harrison, West	1
Jefferson	7
Lincoln	6
Madison	3
Monroe	4
Pleasant Grove	9
Prairie	21
Richland	2
Scott	5
Spring Creek	3
Union	5
White Oak	11
Oskaloosa:	
1st ward	19
1st of 2d ward	10
2d of 2d ward	26
Total	156

In Keokuk County, the county auditor admitted that he didn't know whether or not he sent the applications with the absentee ballots. However, a careful review of the election materials subpenaed by the commissioner, by witnesses who were under oath and exceptionally well qualified to do so, discloses that there were no applications sent to the precincts with the ballots by the county auditor, except the applications that were with the absentee votes cast by voters in the military service (R. 308).

In complying with the rule set out in *Tague* v. *Fitzgerald* and which has been followed by the House of Representatives continuously since that case, since it is now

impossible in Keokuk County to separate these votes that were illegally cast and counted in violation of the mandatory regulations (Iowa Code, section 53.23 and 53.25) due to the fact that Keokuk County voted by ballot and not by machine and the absentee ballots were mixed in the same ballot box with the other ballots and it is now impossible for anyone to separate the good from the bad, therefore the total ballot case in Keokuk County must be rejected. This would result in a deduction from LECOMPTE's total of 4,212 votes and Carter's total by 3,701 votes.

In Poweshiek County machines were used and the same practices on the part of the county auditor and the other Republican Party organization people were testified to and not controverted in any way by the contestee. There is deducted from LECOMPTE's total 365 votes and from Carter's total 162 votes because of the illegally counted absentee ballots (R. 211, 212, and 213).

In Monroe County, where the overseer of the poor was very active in the town of Albia, and by her own admission violated all of the rules for obtaining absentee ballots of the State of Iowa as set out above and by her own admission obtained at least 75 absentee votes and since by her own admission she was a Republican Party worker and held her job only under the Republican administration of the county, those 75 absentee ballots are deducted from LECOMPTE's total.

In the two counties in which no evidence was taken the contestee's brief states as follows, on page 3 in the fourth paragraph: "The committee can take judicial notice of the fact that the result of the election in Wapello County was: Carter, 11,546 votes; LECOMPTE, 9,216 votes; and in Davis County, Carter, 2,659 votes; and LECOMPTE, 2,296 votes."

There is no dispute in the record on this matter and there is no evidence to discredit the official poll in those 2 counties and therefore, as suggested by the contestee's brief, this committee takes judicial notice of the total votes cast in those 2 counties, and accepts the official returns on those 2 counties.

In Jasper County, Appanoose, Clarke, Decatur, Lucas, Wayne, Union, and Ringgold Counties, the irregularities alleged by the contestant, shown in the record, and admitted by the contestee (contestee's brief, p. 5, par. 2) were of the same nature as the irregularities considered in the case of *Steel* v. *Scott* (65th Cong., 2d sess., Cannon's Precedents, vol. 6, p. 270). In that case at page 270 the report reads as follows:

"No question was raised by either contestant or contestee as to the correctness of returns from 8 of the 13 counties composing the district. In the remaining five counties both had caused a recount to be made, arriving at slightly different results.

"The committee, therefore, accepted the official returns from the 8 counties and proceeded to take the recount of the ballots in the 5 counties in the district, with the following result: Scott 26,033 votes, Steel 26,029 votes, making a plurality for Scott of 4 votes."

In that case the House of Representatives recognized the procedure used by the contestant in the case at hand.

The committee, in discussing the irregularities set out in the *Steel* v. *Scott* case, made the following statement, to wit:

"The second question raised by the contestant involved the observance by judges and clerks of election of section 1138 of the Iowa Code. The section provides:

"When the poll is closed the judges shall forthwith and without adjournment canvass the vote and ascertain the result of it, comparing the poll lists and correcting errors therein. Each clerk shall keep a tally list of the count. The canvass shall be public and each candidate shall receive credit for the number of votes counted for him." (This is the same requirement as set up in the present Code of Iowa, sections 50.1 and 50.2.)

"The testimony disclosed that after the polls were closed the judges, in order to expedite the count, separated the ballots into piles which were counted simultaneously, each judge counting separately. At the close of this count the results were compiled and certified by all as the official return."

Clearly the evidence in the case now before the House discloses that in almost every precinct this same practice was followed and the same irregularities occurred and the same violations were made by the counting officials.

On the propriety of this procedure the committee then ruled:

"It is evident that all the judges did not see any one ballot, and that no one judge saw all the ballots and that no one clerk recorded or tallied them all. At the close of the count, the results were combined. This method is not only irregular, but contrary to law.

"Although no fraud may be intended by thus disregarding the provisions of the statute, yet in the judgment of your committee proof showing that the law has been so entirely disregarded and in effect violated in the manner of counting and calling ballots, just as effectually opens the door to a recount as though deliberate fraud had been actually proven."

Clearly the contestant was entitled to a recount in all of the counties just named.

The case of *Kunz* v. *Granatta* in the 72d Congress (Cannon's Precedents, vol. 6, p. 359), is authority for the position that the recount made by the contestant under the direction of the commissioners appointed in accordance with the statute and the report made to this committee by the commissioners in accordance with the statute is valid and the ballots as subpensed by the commissioners in each county were papers pertaining to an election within the meaning of Revised Statutes, section 123, as set out at the bottom of page 6 in the Laws and Committee Rules Governing Contested Election Cases in the House of Representatives as adopted by this committee. In the *Granatta* v. *Kunz* case a contest having been filed, the notary public was appointed commissioner to take evidence for the contestant, pursuant to the provisions of the Federal statute. In response to a subpena duces tecum issued by the commissioner, the board of election commissioners produced the ballots and after the recount submitted through the commissioner a return.

In that case the House of Representatives held:

"The action of the commissioner in ordering a recount of the ballots and the revised returns reported are justified and approved by the majority in the following language: 'We call the attention of the House to sections 10 and 11 of the City Election Act, a portion of the general election law of Illinois, under which law this election was held, in order that it may understand the method pursued in the counting and preservation of ballots case for contestant and contestee. The contestant was entitled to every straight ticket unless his name was thereon unmolested along with the Democratic candidate's. The fact that the contestant did not receive the straight ticket vote in many of the precincts is conclusive evidence of fraud or gross irregularity and mistakes, this could only be corrected by resort to the ballot box and the recount of the vote; when this was done and the straight ticket vote was given contestant which he received, he overcame the apparent majority of 1,171 voted and defeated the contestee by a majority of 1,288 votes'."

The majority in support of their position that the notary public designated as commissioner to take testimony in the case and under whose direction the recount was made, was an officer and a representative of the Congress for that purpose, cited the following decision (134 U. S. 372):

"Any one of the officers designated by the Congress to take the depositions of such witnesses (whether he is appointed by the United States, such as a Federal judge of the Federal court, or a register in bankruptcy, or by the State, such as a judge of one of its courts of record, a mayor or recorder of a city, or a notary public) performs this function not under any authority derived from the State, but solely under the authority conferred upon him by Congress and any matter concerning the Government of this United States.

"We the undersigned members of the committee, are of the opinion that ballots are papers pertaining to an election; in the instant case the election was held under the Australian ballot law of the State of Illinois."

In all of the cases cited the House of Representatives made no requirement that the ballots themselves be marked as exhibits and made a part of the record; however, the contestant in the case at hand submitted the ballots by an extension of the record after the commissioners subpenaed the ballots in each county by subpena duces tecum and after they were counted by witnesses who were under oath at the time of the counting and at the time of submitting the report to the commissioner, the ballots were all retained in the custody of the county official, the county auditor, who was charged by law with their preservation. The county auditor in each case testified that he had preserved the ballots and that they had not been tampered with and at the close of the count continued to keep them in his custody. This committee, through its chairman, charged each county auditor by letter to retain the ballots inviolate and there is no dispute between the parties but what this has been done.

Since the recount was justified and the manner and procedure of the contestant is in accordance with the law and the previous precedent of the House of Representatives the result of the recount are accepted by this committee, as follows, to wit:

LECOMPTE

County:	
Appanoose: Deducted	142
Clarke: Added	18
Decatur: Added	1
Lucas: Deducted	9
Wayne: Deducted	14
Ringgold: Deducted	25
Union: Deducted	59
Jasper: Deducted	111

CARTER

County:	
Appanoose: Deducted	7
Clarke: Added	239
Decatur: Added	40
Lucas: Added	4
Wayne: Deducted	11
Ringgold: Deducted	12
Union: Deducted	4
Jasper: Deducted	16

The total corrected vote is 51,667 for Carter and 50,407 for LECOMPTE, a majority of 1,260 votes for Carter.

We therefore recommend to the House the adoption of the following resolution:

Resolved, That KARL M. LECOMPTE was not elected a Representative to the 85th Congress from the Fourth Congressional District of the State of Iowa, and is not entitled to a seat therein.

Resolved, That Steven V. Carter was duly elected Representative to the 85th Congress from the Fourth Congressional District of the State of Iowa, and is entitled to a seat therein.

The Judith Coplon Case

EXTENSION OF REMARKS
OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the fifth in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in America. These articles recently appeared in the Philadelphia Inquirer.

JUDITH AND THE RUSSIAN

(Fifth of eight articles)

(By Representative FRANCIS E. WALTER, chairman, House Committee on Un-American Activities)

Less than a year ago, in April 1957, reporters brought good news to a home in a quiet, middle-class section of Brooklyn: The Attorney General of the United States had announced that Mrs. Albert H. Socolov would not be called to trial again as a spy for Russia.

Mrs. Socolov's only reaction, expressed through her husband, was a laconic: "No comment."

Brooklyn neighbors, who knew the retiring little brunette of 35 only as a housewife and mother, were shocked to hear her name associated with espionage. But the Attorney General's announcement came as a frustrating anticlimax to thousands who remembered her as the central figure in one of the most sensational Communist spy cases of the postwar era: Judith Coplon.

She was the girl in the notorious affair of "The Girl and the Russian," whose shocking story was spread on the records of numerous Federal courts. She was the babyface whose name had been linked with that of Benedict Arnold by one judge who sentenced her to prison.

In another Federal court, a second judge set her penalty at 15 years' imprisonment and told the 28-year-old woman:

"You have brought dishonor upon the name you bear and you have brought disgrace to your family. You have been disloyal to the country which nourished you and placed you high in trust and confidence."

Why does this woman, convicted of stealing Government secrets and conspiracy to commit espionage, remain at liberty in Brooklyn? Lawyers and judges have answered with complex, legalistic arguments, but the reason boils down to this:

Judy Coplon is a free woman because the Government she was accused of betraying to a brutal dictatorship values the rights of its citizens above its own safety. The United States clothed her in the armor of constitutional safeguards and admittedly stripped its own law enforcement agencies of some of their most powerful weapons. Even the judges who reversed one of her convictions conceded: "Her guilt is plain."

In the 9 years since Judith Coplon was first arrested, Americans have learned that candid appearance, pleasant personality and excellent reputation are no proof of loyalty. In March 1949 they were more naive.

The daughter of plain, hardworking parents, Miss Coplon had won honors for her personal and academic achievements at Brooklyn's James Madison High School and at Barnard College. She was graduated cum laude in 1943, the yearbook noting her "astute, analytical mind, her inimitable brand of sophistication," the ease with which she was moved to "deep pathos or wild merriment" and her "great gift of righteous indignation." The college bureau that sought jobs for graduates listed her in the top category for ability, application, integrity, public spirit, and good breeding.

She was, therefore, highly qualified for her first job, as "economic journalist" in the economic warfare section of the Justice Department's New York office. In 1945, as the Second World War drew to a close, she transferred to Washington as a political analyst in a section dealing with the registration of foreign agents in the United States.

As such, she had access to classified reports of the FBI and other secret documents. A superior wrote that she "shows herself capable, industrious and intelligent. * * * Her language skills are more than adequate in French and good in German and Russian."

When she first came under suspicion has never been revealed. It was learned that highly confidential FBI investigations concerning Soviet and satellite diplomats were finding their way back to these individuals. The leak did not come from the FBI itself but apparently from the section in which Miss Coplon was employed. The FBI's only official explanation is that a routine loyalty check led to Miss Coplon.

For whatever reason, she came under investigation. Trailing her on frequent visits to New York, agents soon discovered the second party in the case of the girl and the Russian.

He was Valentin A. Gubitchev, a stolid, 33-year-old engineer who had come to the United States in 1946 with the Soviet delegation to the United Nations. Later he was hired by the U. N. Secretariat as an engineer in connection with the erection of the U. N. headquarters building. He claimed diplomatic status.

Meanwhile, Miss Coplon's superiors stamped innocuous documents "Secret" and planted them where she could get at them. On Friday, March 5, 1949, the FBI was alerted: She planned to visit New York that evening. A few hours before she left, her section chief, William E. Foley, handed her a decoy document, commenting that it was confidential, "hot" and "very interesting."

Agents trailed her from the Pennsylvania station in New York to 193d Street and Broadway, where they saw her all but brush against Gubitchev without a sign of recognition; suspecting surveillance, they acted cautiously.

One darted into the subway; the other boarded a bus for Times Square. A few minutes later, both appeared at Broadway and 42d Street within a few feet of each other, again with no greeting. As strangers they boarded a bus, alighting at 14th Street. As they walked toward 15th Street along Third Avenue, FBI men seized them.

Acting without a warrant, the agents unwittingly gave the woman one of the legal toeholds by which she scrambled to freedom, but an FBI spokesman later explained the reason for the unceremonious arrest.

"It was my opinion," he declared in court, "that the safety of the United States was involved and their arrest was justified."

The arrest had climaxed a dramatic manhunt in which more than 20 agents, in 7 automobiles, never lost sight of the pair despite all their furtive and devious maneuvers to avoid detection. Its justification lay in Miss Coplon's purse, which contained the documentary evidence that furnished the basis of the Government's case. The prosecution said it was typewritten summaries of vital documents taken from Justice Department files and charged that Miss Coplon was about to turn it over to the Russians. She had other explanations.

A Federal grand jury indicted the pair on March 10, charging the woman with furnishing secret information to the Russian and the man with espionage. She was released in $10,000 bail. Gubitchev, whose claim of diplomatic immunity was rejected by Secretary of State Dean Acheson, remained in the Federal House of Detention for more than a week before the Russian Embassy furnished bail, $100,000.

Miss Coplon was tried twice—once in Washington, where she was charged with stealing secret Government documents, and later in New York with codefendant Gubitchev for conspiring to commit espionage. Both trials ended in convictions—but neither stuck.

Her defense was a blanket denial. She insisted she was not a Communist and never had been, that she never betrayed secrets to a foreign agent, that her only interest in Gubitchev was a romantic one. She loved him deeply, she declared, and was shocked to learn he was a married man with two children. The meeting that ended in her arrest, she said, was to have been a final farewell.

But there were the incriminating contents of her purse. Extracted from some 40 secret reports, they included references to Russian attempts to obtain equipment used in atomic energy developments from the United States without export licenses, comments on various acquaintances and other notations which, the Government claimed, had been digested from FBI papers. Her explanations were ingenious if not persuasive.

One slip, for example, noted: "I have been unable to (and don't think I will) get the top secret FBI report which I described to Michael on Soviet and Communist intelligence activities in the United States."

Contemptuously denying the note had any espionage significance, Miss Coplon said it was a memo for a book she intended writing. As planned, it would include a chapter on the spy hysteria that was sweeping Washington, a subject she hoped to treat in a seriocomic vein.

Who was Michael?

A character in her book.

Did she have a manuscript to prove she was writing a book?

She had started one but burned it before her trial.

A second scrap in the purse referred to a Government colleague in these terms: "I would characterize X as pro-Communist, albeit a bit wishy-washy idealist and politically naive."

The Government called it proof she was helping the Communists to enlist Government employees for subversive activities. She said it was a brief character sketch for her novel.

Although she protested her deep love for Gubitchev, the Government was able to cite romantic interludes with other men during the same period. Her retort was a screaming accusation that her prosecutors were trying to portray her as a harlot.

More serious was the court's attitude toward the documentary evidence. Leaning over backward to protect the defendants, one judge ordered the Government to make available to the defense the full text of certain FBI files. It did so, causing serious damage to FBI counterespionage sources and embarrassing innocent persons named in unevaluated reports.

In other cases, rather than throw open its files, the FBI was forced to abandon the use of damaging evidence against the accused. At times, it seemed as though the Government was on trial, rather than Coplon-Gubitchev. On the one hand, it was condemned for bringing the pair into court at the risk of endangering the secrecy of FBI files. On the other, it was denounced when the files disclosed information on apparently innocent persons—even though the FBI itself had made no charges against those persons.

Helplessly, the Government officials pointed out that in making investigations it

sometimes received information that proved unreliable—and which was not used. They also protested that to publish full reports would jeopardize the usefulness or even the safety of many anonymous informants, who comprised one of the greatest defenses against communism.

FBI agents also were rebuked for tapping telephone conversations even though the information thus obtained was not used at the trials.

Convicted at her separate trial in Washington of stealing Government secrets with intent to injure the United States, Miss Coplon was sentenced to 40 months to 10 years in prison. Tried together in New York—the former lovers barely acknowledged each other's presence in the courtroom—both were sentenced to 15 years' imprisonment.

Gubitchev's sentence was suspended and he was immediately deported to Russia. His return to the Soviet Union, as a bumbler who got caught, may have been worse punishment than imprisonment in America.

Judith Coplon's case developed into a legal nightmare. In the District of Columbia, a Federal court of appeals ruled that her arrest, even without a warrant, was legal but that she was entitled to a new trial because the FBI had intercepted her telephone conversations.

In New York the appeals court—the one that found her guilt is plain—decided that her arrest was illegal because FBI agents had no warrant when they seized her with the incriminating papers in her purse.

And so, in the long run, Miss Coplon went free, married an attorney and is rearing her family in Brooklyn. But her case was not without value. It helped arouse the American people to the danger of Communist conspirators and now, looking back on such cases as those of Alger Hiss, Harry Gold, David Greenglass, and the Rosenbergs, they've awakened to the hideous truth that some Americans will betray their country.

When the FBI was under fire in the Coplon case, Director J. Edgar Hoover disdained to answer criticism, contenting himself with a prediction that came true sooner than he might have expected:

"Time conspires to reveal the truth and the motives of those who, in the final analysis actually are alining themselves with the criminal forces, eventually will be disclosed."

Clarification of Figures on Hungarian Refugee Program

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. ENGLE. Mr. Speaker, on March 17, 1958, there appeared in the CONGRESSIONAL RECORD a statement by me in regard to the Zellerbach Commission's recommendations on our emergency refugee programs. In that statement I indicated that the "United States ranks 13th among the nations affording asylum" to Hungarian refugees. This statement requires some clarification. According to figures prepared by the Intergovernmental Committee for European Migration at Geneva, the United States in terms of absolute numbers ranks first on the list of countries that have given asylum to Hungarian refugees. However, in terms of relating these figures to the relative populations of the various countries involved, the United States would, of course, not rank as high. The figures prepared by the Intergovernmental Committee are as follows:

Intergovernmental Committee for European Migration, Hungarian Refugee Situation, Austria, Dec. 31, 1957

1. Breakdown of departures by country of destination:	
(a) Overseas:	
Argentina	906
Australia	9,423
Brazil	977
Canada	24,525
Chile	258
Colombia	215
Costa Rica	15
Cuba	5
Dominican Republic	581
Ecuador	1
Rhodesia	40
Israel	1,898
New Zealand	960
Nicaragua	4
Paraguay	7
Turkey	505
Union of South Africa	1,309
Uruguay	35
Venezuela	549
United States of America	35,026
(b) Within Europe:	
Belgium	3,416
Cyprus	2
Denmark	1,173
France	10,232
Germany	14,270
Iceland	52
Ireland	541
Italy	3,849
Luxembourg	227
Netherlands	3,556
Norway	1,159
Portugal	4
Spain	19
Sweden	5,453
Switzerland	11,962
United Kingdom	20,590
2. Residing in Austria	18,993
Total	172,732

Cordial Invitation to the National Gallery of Art, Constitution Avenue and Sixth Street, Washington, D. C.

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. FULTON. Mr. Speaker, on Monday, March 17, the National Gallery of Art celebrated its 17th birthday. Seventeen years ago, in 1941, the splendid building donated by Andrew W. Mellon, of Pittsburgh, was first opened.

Since that day the gallery's growth has been a real prodigy, for it has become one of the half dozen most important art museums in the world. The generosity of donors, including the original gift of Andrew Mellon's own incomparable collection, has created a group of works of art and original old masters that you must see, to learn what you are missing.

We are all aware that Washington, as Capital of the United States, is now the major center of visitors and guests from the entire world. We should also be aware that with our United States political eminence has come increasing cultural importance. The center of this aspect of Washington is the National Gallery of Art.

The successful Director, John Walker, the trustees, and the museum staff give every effort to make the gallery pleasant and convenient to the visitor. Admission is free to everybody. The gallery is open daily, except on Christmas Day and New Year's. The hours are 10 to 5 on weekdays, and 2 to 10 on Sundays. There is a cafeteria in the building which, like the exhibition galleries, is air conditioned.

On Sunday evening at 8 there are free concerts ranging from orchestras to singing, to harpsichords, to instrument and choral groups. Interesting lectures on the history of art and cultural subjects, as well as conducted free tours of the collections, are given daily by the educational staff.

A surprising new electronic development has just taken place in the gallery. For a quarter rental, when you visit the gallery, you are given your own pocket radio receiver where you get a personal broadcast talk on each of the works of art you are seeing in various rooms as you walk around.

The National Gallery of Art is national in a very real sense. It is the intention of the founder, the current donors, and Congress that the best works of art should be available to the American people for their enjoyment and their education. Millions of Americans and people from abroad have visited the gallery and profited from the pleasant experience. Millions more will and should do so.

To the citizens of the United States, as well as to visitors to our friendly shores from abroad, the National Gallery of Art issues a cordial invitation. The gallery staff and Congress want you to surprise yourself on your visit for the first time and to return again to see magnificent old friends and our excellent recent additions, if you have been through the gallery before.

It is with real pride that we Americans recognize the National Gallery as one of the top centers of cultural interest in the whole world. The National Gallery has been such a worthwhile experience to those of us who visit it regularly that I heartily recommend you to visit the gallery soon.

PLAN FOR YOUR VISIT

To help you plan your visit, here are some facts you will want to know which I have obtained from my friend, John Walker, the Gallery Director.

THE GALLERY IS CENTRALLY LOCATED

The National Gallery of Art is situated on the Mall along Constitution Avenue, between Fourth and Seventh Streets, within minutes of the Capitol, the Washington Monument, the White House, and most downtown hotels.

The gallery is free. There is no admission charge for entrance to any part of the gallery.

It is open daily. The gallery is open to the public every day of the year ex-

cept Christmas Day and New Year's Day. Hours are from 10 a. m. to 5 p. m. on weekdays and from 2 p. m. to 10 p. m. on Sundays.

There are free tours. An introductory tour of the gallery starts at 11 a. m. and 3 p. m., Tuesday through Saturday; at 3 p. m. on Monday; and at 5 p. m. on Sunday. The tour lasts about 45 minutes. In addition, there is the tour of the week, which concentrates on a type or school of painting and starts at 1 p. m. Tuesday through Saturday, and at 3 p. m. on Sunday. There is also a visit to the Painting of the Week at noon and at 2 p. m. Tuesday through Saturday, and at 2: 30 and 6: 30 on Sunday.

There is a cafeteria, open from 11 a. m. to 4 p. m. Monday through Saturday and from 4 to 7 p. m. on Sundays. The cafeteria serves an average of about 1,000 visitors daily. Prices are moderate.

The gallery is air-conditioned. Both to preserve the paintings and to make your visit comfortable, the temperature, and humidity of the gallery are carefully controlled throughout the year.

There are other facilities. The gallery is designed and administered to offer every possible facility for the comfort and enjoyment of its visitors. You will find:

A free checking room for hats, coats, parcels, umbrellas, and so forth.

A public lounge off the rotunda furnished with writing desks and reading tables, chairs, sofas. You may smoke here and also in a smoking room on the ground floor.

An emergency room under the supervision of a registered nurse in the event of sudden illness.

Easels are provided without charge for artists who wish to copy paintings in the gallery's collection.

Wheel chairs and baby strollers are available at no charge to those who wish to use them.

Public telephones are installed in two locations.

Elevators operate between the two floors of the gallery.

Sofas are placed in most of the exhibition galleries on the main floor.

Other services available to the visitors include:

Free concerts by the National Gallery Symphony Orchestra, by chamber music groups and other artists are performed—except during summer months—each Sunday evening at 8 o'clock in the East Garden Court.

A weekly lecture on some aspect of art is given—except during the summer months—every Sunday in the lecture hall at 4 p. m. There is no charge.

Group tours and lectures can be arranged, free of charge, for groups of 15 or more by applying 1 week in advance to the education office.

Inexpensive reproductions of many of the gallery's famous paintings, sculptures, and drawings may be purchased, framed or unframed, at prices ranging from 25 cents to $50; color slides are 35 cents each; postcard reproductions in color are 5 cents, and in black and white are 3 for 5 cents. You may take your own snapshots, with or without flashbulb, and permission can be arranged, except on Sundays and holidays, for the use of a tripod.

Two information offices are located in the gallery to answer questions and offer guidance to visitors.

A booklet with a floor plan and a guide to the galleries is available without charge at the door.

A FEW TIPS FROM THE CHIEF CURATOR ON SEEING WHAT YOU WANT TO SEE

There are many tastes in art, as there should be. Perhaps you already know just what you want most to see. But if you are not sure, one way to begin is to take the introductory tour which has been planned to give visitors the highlights of the gallery's masterpieces.

Another way is to select a school and a period of art—say American or 15th century Italian—and confine your visit to that. Perhaps the tour of the week will be devoted to an aspect or period of art that particularly interests you.

Or, another way is to select an artist or a few artists and stick with them: Donatello, Filippo Lippi, Botticelli, Raphael; Titian, Tintoretto, El Greco; Van Eyck, Memling, Dürer, Halbein, Bosch, Bruegel, Rubens; Vermeer, Hals, Rembrandt; Velázquez, Watteau, Goya; Reynolds, Gainsborough, Stuart, Savage, Whistler, Sargent, Ryder; Modigliani, Degas, Renoir, Manet, Gauguin, Cézanne; all these and other famous names in the history of art are well represented in the National Gallery.

A FEW TIPS FROM THE ADMINISTRATOR ON VISITING AN ART GALLERY

When you come to the National Gallery of Art, please do not try to see everything in one visit.

It is a natural thing to try to do, especially if you are in Washington for only a short time, but the invariable result is what we call gallery fatigue.

Gallery fatigue means more than tired feet. It means visual and mental fatigue, too. If you try to see too much at one time, the eye simply cannot take it all in; and the result is a confused blur of hazy images instead of the clear memory of a relatively few objects. Careful studies have shown that the average viewer reaches a stage of gallery fatigue in about an hour.

So the best plan is to go straight to those things that you especially want to see, spend a bit more rather than a bit less time with them, stop before your eye and mind get crammed, and then come back for another visit as soon as possible.

Dislocation in Oil Industry

EXTENSION OF REMARKS
OF
HON. EDWIN E. WILLIS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 20, 1958

Mr. WILLIS. Mr. Speaker, I have been very much concerned about the present dislocation—temporary, I hope—in the oil and gas industry generally and in Louisiana and my Congressional District in particular. In a speech I made before the American Petroleum Institute in Morgan City, La., recently I pointed out that the three problems responsible for this situation are: First, the tidelands controversy; second, the effect of foreign crude-oil imports; and, third, the delay in the passage of the bill popularly referred to as the Oren-Harris natural-gas bill; and I explained at some length the solutions I have been advocating.

In connection with foreign crude-oil imports Senators ELLENDER and LONG and I have been in correspondence with responsible Government heads since the beginning of this year trying to find out about the specific policy and effectiveness of the President's voluntary import-control plan. I stated in Morgan City and now repeat that so far as I am personally convinced if it be shown that the President's plan is not working, then I would advocate instituting a mandatory program compelling the reduction of foreign crude-oil imports below the so-called voluntary plan, if necessary, and as authorized by law.

Since that time Senators ELLENDER and LONG and I received a joint letter from Mr. Sinclair Weeks, Secretary of Commerce, from which I quote as follows:

It is hoped that at a meeting of the Cabinet Committee on Crude Oil Imports in the immediate future, we will be able to take action and suggest further modifications and procedures which will secure compliance and recognize lowered demand at the present time.

The matter is having our earnest attention on a continuing basis.

This news is very encouraging as far as it goes and I hope that the Government will now follow through with action.

Since I have been receiving considerable mail indicating the vital interest and concern of responsible people in my District on this subject, I insert with these brief remarks a copy of my address before the American Petroleum Institute in Morgan City outlining the basic problems and suggested solutions:

There are three problems which, in my opinion, are responsible for the present dislocation (temporary, I hope) in the oil and gas industry generally and in Louisiana and our area in particular. They are, first, the tidelands controversy, second, the effect of foreign crude oil imports, and third, the delay in the passage of the bill popularly referred to as the Oren Harris natural-gas bill. Two of these problems are the direct result of Supreme Court decisions and one is the result of the hesitancy of the President thus far to exercise the full authority granted to him by a provision of the Reciprocal Trade Agreements Act. I want to discuss these three problems with you this evening and then I want to point out the solutions which I have been advocating.

THE TIDELANDS CONTROVERSY

After a long legislative battle we succeeded in passing the Tidelands Act, which overruled the famous or infamous Supreme Court decision and restored the title of Louisiana to the tidelands up to the limit of our historic boundary in the Gulf. The signature of the President to the act was hardly dry before the Justice Department filed another suit against the State of Louisiana, the purpose of which is to restrict our historic boundary, as defined in the Tidelands Act.

Since one of my Congressional committees has jurisdiction over this entire subject matter, I have followed both the tidelands legislation and the current litigation over it for a very long time. The single issue before the Supreme Court in the current lawsuit is whether the historic boundary of Louisiana extends out 3 miles or 10½ miles from our coastline. We contend that according to all our historical documents, including the provision of the act of Congress admitting Louisiana as a State into the Union in 1812, and pursuant to our undisturbed dominion and possession, our boundary stretches out into the gulf a distance of 10½ miles from our coastline; while the Federal Government has a mulish determination to restrict our boundary to 3 miles. But there is another equally as if not more important phase of the general problem which is not involved in the current litigation, and that is from what point the 3 miles or the 10½ miles, as the case may be, should be measured off. The Federal Government is at least tentatively taking the position that the coastline should follow the contour of the Chapman Line, so-called because it was drawn during the administration of Oscar Chapman, former Secretary of the Interior. I have consistently taken the position that the Chapman Line does violence both to history and the intent of Congress as expressed in the Tidelands Act. Thus the Chapman Line follows closely to the shore contour of our State while the act of Congress states that the historic boundary, whether 3 or 10½ miles, should start with and be measured from our coastline and then goes on to say that this coastline should be the point where the inland waters come in contact with the open sea. And this difference in concept involves in many if not most cases more areas than the difference between 3 and 10½ miles.

THE CRUDE OIL IMPORTS

It is easy to understand why the domestic oil industry and especially the very numerous independent operators in Louisiana are at a competitive disadvantage. In the first place, the wage scale in the United States is generally higher than in foreign countries. Drilling must now be carried on to such unusual depths in our area that another factor of increased cost is added. The allowable production per well is much greater abroad than domestically, and in many cases foreign producers do not have to pay income taxes on foreign production. It is no wonder then that foreign crude oil imports jumped from about 600,000 barrels in 1954 to 1,700,000 barrels per day in the summer of last year. Since our national consumption of crude oil is about 8 million barrels per day, this means that over one-fifth of our consumption has been coming from abroad.

In order to meet a situation of this kind, section 7 of the Trade Agreements Act of 1955 authorizes the President to limit imports on any commodity, including oil, when the volume is such as to threaten to impair the national security. Pursuant to the authority of this act of Congress, on April 23, 1957, Mr. Gordon Gray, the Director of the Office of Defense Mobilization, sent a memorandum to the President in which he stated: "I have reason to believe that crude oil is being imported into the United States in such quantities as to threaten to impair the national security." Later on the President's Special Committee to Investigate Crude Oil Imports made a similar finding. In fact, the Cabinet Committee said that unless oil imports were curbed the Nation would find itself far behind an adequate level of production in the event of an emergency. Finally, on July 29, 1957, the President requested all importing companies to cut back on their crude oil imports, but on a voluntary basis.

THE NATURAL GAS ACT

The third serious problem confronting the industry today was created by another strange decision of the Supreme Court in the Phillips Petroleum Co. case in 1954.

The Natural Gas Act was passed by Congress almost 20 years ago. In writing the law, Congress said that the act would apply to the transportation and to the sale in interstate commerce of natural gas for resale and for ultimate public consumption. And it also said that the act "shall not apply to the production or gathering of natural gas." There is nothing in the history of the legislation which even indicated it was intended that the producers of natural gas were "natural gas companies." On the contrary, the Federal Power Commission consistently held that the Congress did not intend to subject the producers of natural gas to regulation. But, despite provisions of the act and its application and administration for almost 20 years, the Supreme Court held in the Phillips case that the price of gas must be regulated at the wellhead.

We did succeed in passing corrective legislation last year, but for reasons which I personally thought were completely unwarranted and certainly not germane to the issue, the President saw fit to veto the bill. In my opinion, there is no more reason to regulate the price of gas at wellhead than there is to regulate the price of coal or other minerals at the source of production.

SOLUTIONS

As chairman of a special subcommittee which was created last year to study far-reaching questions raised by recent Supreme Court decisions and as chairman of a special tidelands subcommittee, also created last year, I have been devoting a great deal of time and effort to these problems. I have been advocating the following solutions:

I

I await with interest the day when the Supreme Court will hand down its decision in the tidelands case. I have no idea what the decision will be but if it does violence to the Tidelands Act which we passed in 1953, then it might well be appropriate for Congressional action both on the question of the extent of our historic boundary and the establishment of our coastline from which that boundary must be measured. One possible course would be to establish a commission, composed of experts, let us say an engineer, a geologist, and a geographer, to establish our coastline, from and beyond which our historic boundary would be measured. It would be premature at this time, however, to try to spell out in detail what if any additional legislation might be necessary, and we must bide our time until the Supreme Court acts, which should be before midsummer.

II

Senators ELLENDER and LONG and I have been in correspondence with Mr. M. V. Carson, Jr., the administrator of the voluntary oil import program, instituted by the President on July 29, 1957, and with Mr. Fred A. Seaton, Secretary of the Department of the Interior, for the past 2 months trying to find out about the specific policy and effectiveness of the President's announced program. So far as I am personally concerned, if it be shown that the program is not working, then I would advocate making the program mandatory and reducing the imports below the so-called voluntary program, if necessary.

III

The Supreme Court decision in the Phillips Petroleum case must be corrected. This can be accomplished by an amendment to the Natural Gas Act reaffirming in unmistakable language the intent of Congress in the first place not to regulate the price of gas at the wellhead or as it comes out of the ground. The bill of Congressman OREN HARRIS, of Arkansas, chairman of the House Committee on Interstate and Foreign Commerce, proceeds along this general line, and I am supporting it without hesitation.

Unfortunately, the two Supreme Court decisions I have discussed are not isolated instances of judicial encroachment on and usurpation of powers properly belonging to the States. On the contrary, as chairman of the special subcommittee created to study those decisions, I must say to you that the two I have mentioned merely illustrate the trend of recent pronouncements of the highest court of our land concentrating more and more power in the Federal Government at the expense of the States and the people.

There is a great deal of confusion in our country at this time. We are bordering on hysteria because of the repercussions of the launching of the earth satellites, both the Russians and our own. The flight of these satellites is carrying the American mind into fields of fancy and fantasy. The mind of the American people is geared to all sorts of scientific crash programs, intercontinental ballistic missiles, and other space gadgets. We read about figures running into the billions of dollars to finance these new programs. Arguments are advanced to change our entire educational system, with all the emphasis on scientific research. In the midst of all of this furor, I cannot help but feel that the minds of our people are being weaned away from the pressing problem of the constant erosion of our individual liberties and the reduction of the doctrine of States rights into mere shambles. Some people talk with more reverence about the United Nations Charter, the NATO agreement, and the Baghdad Pact than they do about our own Constitution.

These people forget that our very Constitution itself faced rejection if the Bill of Rights had not been incorporated into it. They forget that under the Bill of Rights, which some of us still respect, the Federal Government is one of delegated powers and that all the rights and powers not specifically given to our Federal Government are reserved to the States and the people. As a consequence, we are drifting farther and farther away from the moorings of our Constitution and a strange doctrine of Federal supremacy, which is the exact reverse of the intent of our Constitution, has been built up. Our American economy and our social life are being subjected to daily regulation from Washington. The rights of the States and the people are being constantly diminished. Yes; our once vaunted Constitution of rights has been replaced by a Constitution of powers.

This doctrine of Federal supremacy was sponsored and nurtured by ambitious men and bureaucrats in the past, but more recently the program has been advanced by judicial decrees. Some of these decisions are striking close to home in every section of the country, as witness the two I have referred to which affect your industry so vitally.

You can see, then, that the combined suggested solutions I have advocated would not be easy to accomplish at any time and some people are now trying to make the task even more difficult. I think this is most unfortunate because the development of this natural resource is and can be so vital to our national defense, which we are spending close to $40 billion per year to protect. And in our own area unless we come to grips with the tidelands controversy, the crude oil imports, and the Natural Gas Act amendments, it will mean more and more idle drilling rigs, more idle boats and barges, dredges, and other equipment and more idle oil well and offshore workers and other breadwinners. But, above all else, I advocate the measures which I have described because I know they are right and no amount of loose talk and demagogy about oil being involved will deter me.

Schizophrenia Research a National Necessity

EXTENSION OF REMARKS
OF

HON. ALBERT P. MORANO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1958

Mr. MORANO. Mr. Speaker, in the past few decades the world has been amazed and heartened by the advancements made by medical science in the techniques and formulas for curing, arresting, and preventing many terrible diseases hitherto believed incurable.

We have seen great progress made in the treatment and the prevention of tuberculosis. The death rate from this disease has declined steadily throughout the years due to extensive research. Many other diseases, including polio, have been conquered to a great extent. Great strides have been made by researchers and scientists in their valiant battle against cancer.

It is proper now that we turn our attention to another disease—one of the world's most prevalent—and one which has received little attention.

Schizophrenia is the disease, a mental affliction which is one of the costliest, one of the most widespread, yet one of the most neglected diseases of all presently known to man.

Mr. Speaker, a move has risen now to control and conquer this terrible mental disease. I am proud that the proponents of this movement are residents of my District.

Recently, Dr. Stanley Dean, noted psychiatrist, of Stamford, Conn., and Mrs. Helen G. Rockefeller, of Greenwich, Conn., appeared before the Subcommittee on Health, Education, and Welfare of the House Appropriations Committee.

Their eloquent pleas were sympathetically received by the distinguished committee which was impressed with their thorough knowledge of the subject.

During this hearing I expressed the hope that the committee would see fit to earmark funds for schizophrenia research.

I was deeply gratified this week to hear that the committee fulfilled this hope. I quote from the committee report:

The committee will expect that approximately $1,300,000 of the increase provided will be spent in increasing research on schizophrenia above the level contemplated in the budget. The committee lends full support to all approaches to this problem that are sanctioned by competent scientific advice, for this disease is one of the most terrible afflictions of man and one of the most costly to society.

Statements before the subcommittee are as follows:

RESEARCH ON SCHIZOPHRENIA

(Witnesses: Hon. ALBERT P. MORANO, a Representative in Congress from the State of Connecticut; Mrs. Helen Gratz Rockefeller; Stanley R. Dean, M. D.)

Mr. FOGARTY. Mr. MORANO, we are glad to have you with us. You may proceed in any way you wish.

STATEMENT OF CONGRESSMAN MORANO

Mr. MORANO. I am very grateful to you and the members of the Subcommittee on Appropriations for Health, Education, and Welfare in granting me this opportunity to present an issue to you which I think is of overwhelming importance to the people of this country.

The issue involves mental health. Specifically it involves schizophrenia. It was shocking to me to learn at a meeting I attended recently in New York, which was called by Mrs. Rockefeller, that schizophrenia is one of the most prevalent of all the major diseases of the United States and of the world. It was shocking for me also to learn that schizophrenia is one of the costliest of all major diseases. It came as a terrible shock to me, also, to learn that schizophrenia is the most neglected of all the major diseases.

I know this committee, and rightly so, has done all it possibly can to aid in problems of mental health, but because I believe that schizophrenia has been neglected and not much specific attention has been given to this problem, I have requested of the committee, and you have very graciously granted me, the opportunity to present to you two people:

First, we have Mrs. Helen Rockefeller, who also is vitally interested in this problem and at the present time is engaged in trying to establish a foundation in this country to attack this problem.

I am going to present Mrs. Rockefeller to the committee and she in turn will present Dr. Dean, who has made a very, very diligent, vigorous, and concentrated study of this problem.

STATEMENT OF MRS. HELEN GRATZ ROCKEFELLER

Mrs. ROCKEFELLER. Thank you very much, Mr. MORANO. It is a great honor for me to be able to come down here because being closely associated with any Government agency is something very new to me. I feel that the public is very aware of the great interest you are taking in the problem of mental health and it is inspiring to live in a country where private citizens can come and discuss subjects of this kind with public agencies, and I certainly feel we will all profit by it.

To put it very briefly, I, my husband and several others, are engaged now in trying to start a national foundation for research in schizophrenia. We have made a good beginning, but we have a long way to go.

The real leader of this in spirit, information, and knowledge is Dr. Stanley Dean, of Stamford, Conn., and I will present him to the committee. He will tell you more about our hopes.

STATEMENT OF DR. STANLEY R. DEAN

Dr. DEAN. Mr. Chairman and members of the committee, I would like, also, to express my appreciation for the privilege of appearing here today, and I wish to thank you for the tremendous impetus that you have imparted to psychiatry by your enlightened attitude and appropriations, especially to the National Institute for Mental Health.

The people throughout the country, too, I think are becoming more and more interested in this problem.

In our group of public-spirited citizens, as Mrs. Rockefeller has indicated, we have banded together to create a public fund for specific research in schizophrenia as distinguished from mental health as a whole.

With your permission I would like now to read excerpts from a prepared statement entitled "Schizophrenia: Mental Crippler of Youth." [Reading:]

The term "mental illness" is a relatively disarming label which conceals some of the most vicious wreckers of human life. As was the case with physical illness before the turn of the century, these great scourges are seldom designated by name outside of scientific circles, because they are too harsh for the ear and too embarrassing for the mind. Names like cancer, tuberculosis, venereal disease were not mentioned in polite society; instead, those afflicted were said to be suffering from lingering illness, wasting sickness, or social disease.

This conspiracy of silence has been lifted within our own lifetime by the creation of the great research funds—cancer, heart, tuberculosis, polio—that dared to name the culprits and to arouse public awareness and support in the effort to stamp them out.

It was inevitable that the curtain be raised upon mental illness as well, and, on December 12, 1957, a meeting was held in New York City to launch a specific fund for research in schizophrenia, one of the most important types of mental illness, a crouching giant that has until now been all but hidden from public view. Sponsored by Mr. and Mrs. Godfrey S. Rockefeller and a small group of dedicated psychiatrists, and attended by prominent leaders of society, finance, and the clergy, the groundwork was laid for the creation of a foundation to be known as Research in Schizophrenia Endowment (RISE) whose purpose will be to expose schizophrenia as one of the major health menaces of our time, and to obtain and distribute funds for intensive research into its causes and cure. Thus it is hoped that the farsightedness of Chairman FOGARTY's committee on a Federal level will be matched by public participation as well, the chief difference being that we are emphasizing schizophrenia in particular rather than mental illness as a whole.

Schizophrenia (pronounced skits-o-free-nee-a) is a sinister, formidable name for an even more sinister and formidable disease. Its Greek prefix, meaning "split" or "broken," is a remote ancestor to our word, "scissors," and the suffix, meaning "mind," may be recognized in the word "frenzy." So schizophrenia literally means a "split mind," not in the sense of split personality or dual personality, as some think, but rather in the sense of a split-up mind, a shattered and disintegrated personality.

Schizophrenia, its name and meaning, should be familiar to everyone, for, in addition to being the No. 1 health menace of our time, it corresponds, more than any other mental illness, to the popular concept of insanity. Queer postures, bizarre actions, weird thoughts, hallucinations, delusions, senseless screams and laughter—schizophrenia exhibits all these and more.

Until recently a more widely used synonym, though by no means easier to pronounce or remember, was dementia praecox. Derived from the same root as the word "precocious," it means "early (or youthful) insanity," and is, in a sense, a more descriptive term, for it is basically a psychosis of youth. In fact, that is one of its most tragic characteristics, for, unlike other major health hazards, such as cancer or heart disease, which attack their victims after the prime of life and often result in merciful death, schizophrenia seeks its prey among young men and women on the threshold of maturity, and may condemn them, like criminals, to lifelong incarceration behind the locked doors and barred windows of a mental institution. Yet these prisoners are guilty of no crime but our ignorance.

Polio, too, strikes early, but in crippling the body, it, at least, spares the mind. Schizophrenia, ironically, is a disease of the able bodied, yet its devastation is even more complete, for in crippling the mind it renders the body helpless as well.

The condition begins, as a rule, between the ages of 18 and 35, though it may attack at almost any age. Sometimes the onset is so insidious that the individual may be able to conceal his distorted thoughts for a long time. Thus, the mad bomber who recently terrorized New York City went quietly about

his work of destruction for years without arousing suspicion of the homicidal vengefulness fermenting in his mind. And two of our Presidents, Garfield and McKinley, were assassinated by schizophrenics.

The average case is, however, fairly characteristic. A teen-ager, often bright and a model child, undergoes a personality change, becoming gradually more and more listless, eccentric, and seclusive. He appears slightly unkempt, preoccupied, and suspicious, stays more and more in his room, avoids friends, regards himself as unpopular and disliked. Sometimes he imagines he smells funny or looks peculiar. He may complain that things seem unreal, that people look at him in a sneering way, and are out to get him.

From time to time he complains of peculiar physical symptoms; his bowels are turning inside out, his semen is backing up into his blood, one side of his body feels different than the other, he is turning into a woman, his body is charged with electricity from the bedsprings—the list could be extended indefinitely.

Most ominous of all, delusions and hallucinations assail his mind—incontrovertible, unyielding to logic or proof, usually persecutory, grandiose, or mystically religious in nature. He believes he is a reincarnation of Napoleon; God has selected him to be the second Messiah; newspapers, radio, and television contain secret references to him; the chirping of birds, knots on packages, arrangement of the stars—all convey surreptitious messages. He becomes convinced that he is being followed, spied upon, plotted against; automobiles encircle his house and shine their headlights into his windows; his mind is controlled by radar or supersonic waves; his food is poisoned; someone is squirting ether into his room through the radiator valves. Insistent voices are heard, sometimes soft and insinuating like the voice of an angel, sometimes insulting and clanging—like blows on an anvil.

The beleaguered mind of the patient may react to such turmoil in a variety of ways; with furtive smiles and glances; with secret words and gestures; with terrified screams or defiant laughter; with homicidal rage or cunning; with mute trancelike withdrawal; or with shuffling, zombielike automation. In its worst stages, all contact with the world seems to have been abandoned. Hunched up like a fetus, oblivious to external stimuli, soiling and wetting, letting saliva drool out of his mouth, the patient appears to have reverted to the remote, monastic isolation of the womb.

But, appalling as the symptoms may be, they tell only a fraction of the story. What about schizophrenia in terms of prevalence, duration, effect upon our economy? Here the facts are so shocking as to challenge the imagination.

Schizophrenia is one of the most prevalent of all major diseases. More than half the total number of hospital beds in this country are occupied by the 750,000 patients in our mental hospitals—a number greater than that for polio, cancer, heart disease, tuberculosis, and all other diseases combined. Of the 250,000 new mental cases each year, 24 percent or 60,000 are schizophrenics. But because of their relative youth and because of the chronicity of the disorder coupled with a relatively low death rate, these patients tend to accumulate from year to year, eventually making up the bulk (about 60 percent) of the patient population. As a result, about 400,000 schizophrenics are to be found in our mental hospitals at any one time. This means that 1 out of every 4 hospital beds in this country is occupied by a schizophrenic—a frightful record that no other sickness can match. But that isn't all. There are untold numbers of borderline cases living out their lives in a twilight zone, not quite sick enough to be in an asylum, not quite well enough to live in society, a poignant heartache to their families because they seem within reach, but cannot be reached.

Schizophrenia is one of the costliest of all major diseases. The 400,000 hospitalized patients, about half of whom are wage earners, represent a loss of $1 billion a year in potential earning power; a loss of $200 million a year in Federal taxes; a loss of $350 million a year to our taxpayers for custodial care and treatment, together with another $1,500,000 yearly for building and maintenance. If we include our nonhospitalized cases, the total loss to our national economy is, therefore, about $2 billion yearly. Think of the enormous dividends that a small fraction of that amount invested in research would eventually yield.

Schizophrenia is the most neglected of all major diseases. In March 1954, a Congressional committee, headed by Representative CHARLES A. WOLVERTON, of New Jersey, declared, "There is probably no more serious problem in the health field today than that of mental illness."

If that is true of mental illness at large, it must, by extension, be even more true of schizophrenia, the most important mental illness of all. In effect it implies that schizophrenia is the No. 1 health problem of our time.

In 1955 a Joint Commission on Mental Illness and Health was established under Congressional mandate. In 1956 and 1957 several million dollars had been allotted by Congress for research in mental health, a tremendous incentive to research and to psychiatry in general, but as yet no specific funds have been earmarked for schizophrenia, greatest trouble spot of all. Here is a vast frontier of society and medicine that has scarcely been explored. Less money has been spent on research in schizophrenia than on any other major disease of our time. Until recently less than $100,000 a year was available for research purposes, and most of that was donated by the Masonic Scottish Rite, a stalwart pioneer in that field. At present, with the added help of the National Institute of Mental Health through the United States Public Health Service, about $1 million a year is being spent on schizophrenia. Contrast that relatively minuscule sum with the whopping $30 million fund for heart disease, $45 million for cancer, $50 million for polio. (To say nothing of the $300 million a year that the American public spends for chewing gum or the $9 million for dog and pet medicine.)

Undoubtedly schizophrenia is one of the most tragic diseases of mankind, not only in cost and human misery, but also in our relative ignorance of its cause or cure. In an article on schizophrenia by R. M. Yoder in the Saturday Evening Post, October 22, 1955, Dr. George E. Stevenson, medical director of the National Association for Mental Health, is quoted as saying:

"No mountain towers over other mountains as schizophrenia towers over the better-known ailments * * *. Its peculiar ability is to wreck the lives of the ablebodied * * * It likes its victims young, and often robs them of 20 or 30 years which would have been their most productive. More than one-third of the schizophrenics in State hospitals have been there 15 years or longer. Many spend their whole adult lives there."

Why, then, has so little been done about schizophrenia, and why is it so unknown to the average person that not 1 in 50 would even recognize the name? The explanation is not hard to find. The archaic stigma, born of ignorance and fear, that has always been attached to insanity, still overshadows our thinking, still makes schizophrenia taboo and off limits to society at large. The locked doors that have shut our schizophrenics within hospital walls have, it seems, succeeded in shutting them out of our minds as well. As a result a blind spot has developed in our national vision unparalleled in the history of modern medicine. Even gathering statistics for this report was a baffling experience. It was almost impossible to obtain accurate information anywhere regarding expenditures for research in schizophrenia, for the simple reason that until now no one apparently has bothered to tabulate such information. Thus, a letter from the National Institutes of Health of the United States Public Health Service, stated, in part, "I wish we could answer the question you raise in your letter about expenditures of money for research in schizophrenia alone. I know, however, of no source which could provide anything like an accurate answer."

But it has always been characteristic of the American people to combine forces in an all-out attack when squarely confronted by a common disaster. It is that spirit which already has helped bring so many diseases to bay, and which will result in eventual triumph over all of mankind's major ills, even such one-time "unmentionables" as venereal disease, tuberculosis, cancer, and now schizophrenia.

First, however, schizophrenia must be recognized as a separate entity. Previously, public support has been directed toward the all-inclusive field of mental health. But psychiatry has long outgrown such swaddling clothes, and the euphonious label, "mental health," now seems too diffuse, too ambiguous, too inadequate to cover its constituent parts. That is especially true of one of its largest segments, schizophrenia, which many authorities believe may provide the key to all mental disease. It is, therefore, deserving of much closer public and even professional scrutiny than it has ever before received.

An analogy to illustrate that point may be found in the field of public health. It would be unrealistic today to expect the public to give blanket support to the huge program encompassed within the entire purview of public health. That is why separate foundations and funds have been established for some of its paramount hazards, such as heart disease, cancer, polio, and so forth. Only by such specific appeals to public conscience and public security can maximum interest and support be aroused.

The basic psychological reason is obvious. It is easier for an individual to identify himself with a particular disease—such as heart disease, cancer, schizophrenia—that has been publicly emphasized, that he has observed in others, and fears in himself, than to identify with such generalizations as public health or mental health.

Hence, the urgent need for the creation of a separate foundation for research in schizophrenia, sponsored by a parent organization and open to public participation in much the same way as the cancer fund, heart fund, etc.

To achieve that goal, schizophrenia must first be extricated from the relative anonymity of mental illness, and given autonomous status and emphasis in the public mind. Information can then be more widely disseminated, public support more directly solicited, and research facilities expanded.

A first step has already been taken in that direction with the formation of research in schizophrenia endowment that has been endorsed by leaders in all fields and that will soon be open to public participation. RISE is in no way intended to supplant existing facilities, but merely to broaden the scope of national and worldwide interest and support.

What results can be expected? There is every reason to believe that successful prevention and treatment will eventually be discovered for the great wrecker, schizophrenia. Already, within our lifetime, this once near-hopeless disease has yielded ground before the onslaught of shock treatment and the tranquilizing drugs. Before World War I less than 20 percent of all schizophrenics

who were admitted to mental hospitals could be expected to come out alive. Today, despite the meager facilities available, 60 percent will return from the living dead. New hope and inspiration pervade the psychiatric atmosphere. There is a feeling everywhere that the time is ripe for the knockout punch. With the creation of a national foundation such as RISE to augment our research program, there is every reason to believe that schizophrenia, the No. 1 health menace of our time, may one day be brought under control.

Mr. FOGARTY. Doctor, I think this is a splendid attempt on your part to do something for these people. I think you should be congratulated on making this move because in my experience during the 12 years I have been on this particular committee, I know it is only because of men and women like you who have taken the bull by the horns, if that is a good expression, that anything has really gotten started in this field.

I remember when the American Cancer Society was reorganized. They reorganized the American Cancer Society in 1946 and it was then that Congress started to increase these appropriations for research in cancer. That is the reason we are spending more Federal funds in research in cancer today than any other disease. I am for it. I think we ought to be spending more than we are spending. I think there is an area we can expand too. It was not until the American Cancer Society was reorganized and really started working, that we were able to get the interest of people. They in turn contacted Members of Congress and that is the reason these appropriations have kept going up.

Then followed the National Heart Institute and the enactment into law of the National Mental Health Act. Then in 1948 we began appropriating funds. It was not until 1948 in mental health that we appropriated 10 cents of Federal funds to NIH for research in mental health and in 1948 the first appropriation was $4,250,000 and now it is up to $39 million. They are asking a little less this year, which I think is a mistake.

I remember when the first request was made for Federal funds for research into mental illness, that over half the people who were sick with mental illness were people with schizophrenia or dementia praecox. Is that the same thing?

Dr. DEAN. The same thing.

Mr. FOGARTY. The committee was impressed at that time. I am surprised to find out as you say in your statement that with the Federal funds and with the National Association for Mental Health there is only about $1 million being spent on research in schizophrenia. That seems like a low figure to me. I understood that the Institute of Mental Health was allocating much more funds than that in research in schizophrenia. I thought Dr. Felix said this year we were spending seven or eight or nine million dollars in this area of schizophrenia. I am not sure about that.

I am surprised we are not spending more money in this area because of the prevalence of schizophrenia as a real problem in mental health.

I think you should be congratulated and Mrs. Rockefeller and Congressman MORANO for forming this organization. Knowing you were coming here, I did ask some questions about you and I understand you have been a very successful man in medicine over the years and you have a real sincere interest in this particular field. All I heard was good from doctors I talked to and asked about you.

The clerk just brought to my attention the transcript of Dr. Felix' testimony:

"Mr. DENTON. How much is being spent on schizophrenia?

"Dr. FELIX. The National Institute of Mental Health this year is spending a total of $8.6 million on schizophrenia, in the field of research alone. I do not have a breakout as to how much of our consultation to States, et cetera, goes into this area, but I would think, considering what we do in that field, that we could certainly add another $100,000 to this."

Dr. DEAN. I have been in very close and continuous contact with the National Institute for Mental Health and National Association for Mental Health and various other mental health agencies and I have a letter from Mr. Halper of the United States Public Health Service saying that no figures—this was as of about 2 months ago—no figures were available for the amount of research specifically allotted for schizophrenia and it was impossible to give me a breakdown at that time. I will be happy to submit a copy of that.

Mr. FOGARTY. When you contact somebody like that in the Public Health Service maybe he should know but unless he is directly connected with the institute with the responsibility for allocating these funds he probably would not be in close contact with how much was being expended. That is beside the point anyway as far as getting something accomplished in this area is concerned.

Dr. DEAN. The $8 million, sir, we have over $30 million heart fund, $50 million polio fund, about $45 million cancer fund. Schizophrenia certainly ranks up with them.

Mr. FOGARTY. I agree it does rank up there. But for some reason or other the National Association of Mental Health has never been very successful in raising funds privately.

Dr. DEAN. Outside of the Scottish Rite.

Mr. FOGARTY. Compared to heart and cancer and even muscular dystrophy and cerebral palsy, the mental health group seems to have a more difficult time. We are having a drive now, they are having a hard time getting people to contribute to this. I know they have on a nationwide basis. The experience of this committee has been over the years since we started increasing appropriations for cancer research the private contributions to the American cancer drive every year have gone up, too. Heart is the same.

Dr. DEAN. A person can identify himself with heart or cancer or polio because it means something. Mental health is a generalized, ambiguous term.

Mr. FOGARTY. That may be the answer to this thing. We raised the question 2 or 3 years ago about this problem of mental retardation in children. I did not know much about this problem until I was asked to address a group of parents of mentally retarded children in my State. We began to ask questions about what the Federal Government is doing in the field of mental retardation. We found we were doing nothing.

As a result of the parents of those children organizing into a group, a national association, where we were not spending anything in this field 3 years ago we are going to spend four or five million dollars this year just in research. But it was not until the parents of these children got together and expressed an interest and that was relayed to Congress that we were able to get Congress interested specifically in that field of research in mental retardation.

Dr. DEAN. You are probably familiar with this book. The Facts on Major Crippling Diseases in the United States. It is a fat book; there are various parts. There is a section on mental illness. I marked in red all the space devoted to schizophrenia.

Mr. FOGARTY. It has been because of the lack of interest of the general public in this particular area. This is the first time to my knowledge that anyone has appeared before us to talk to just the specific problem of schizophrenia. We talk in terms of mental health and everyone in Congress agrees we should do something in the field of mental health. But as you say it is pretty ambiguous wording and is a pretty generalized term. Congress has responded rather well as far as mental health is concerned, but not specifically in this area. Do I make myself plain? What I am trying to say is I think you are spearheading a real good movement and I think it is necessary and I think it might be the answer to getting more interest in this field as far as the public is concerned. It is the way of pinpointing the tremendous problem that exists in this particular area.

Mr. MORANO. Mr. Chairman, I am sure we do not wish to detain you unduly.

Mr. FOGARTY. You stay as long as you like. Mr. DENTON has an interest in this also. I am sure he has some questions to ask.

Mr. MORANO. I want to compliment Mr. DENTON for his alertness in raising the specific question of schizophrenia. I would like to make some suggestions as a Member of Congress.

It is my hope that perhaps the committee can earmark some money for schizophrenia out of this mental health appropriation, No. 1, No. 2, it is my hope that your report will contain some of these facts that are presented here after you have established that they are sound facts in your report, to point up specifically the urgent need for more attention to schizophrenia as a major mental health problem.

Mr. FOGARTY. The report will contain something about this problem. I think I can say that as long as I have the responsibility for the report. I think this committee would like to raise the administration's figures on mental health as a whole and I do not know if we could earmark it or not. This is only one area. We have other areas we would also like to raise. But we need help when we get on the floor of Congress because we still have many Members of Congress who do not believe in spending funds for research.

Mr. MORANO. I do not believe you can include me in those Members. I am a Member of Congress who has tried assiduously and vigorously to support this.

Mr. FOGARTY. You know the fights we have had on the floor in trying to get these appropriations.

Mr. MORANO. I realize the problems you have and I can say to the chairman and the other members of the committee that I for one will continue my support of this committee's program.

Mr. FOGARTY. We need it and a lot more. You are talking to a very sympathetic committee as far as spending Federal funds for medical research is concerned.

Mr. MORANO. I hope you can earmark funds for research in schizophrenia.

Mr. FOGARTY. Did you understand my position, Doctor?

Dr. DEAN. We believe schizophrenia holds the key to all mental disease.

Mr. DENTON. As Chairman FOGARTY said, I am interested in this question. I am very glad you made this presentation because I am very much interested in the same thing.

Let me ask you this. How much do you think we ought to increase the appropriation for schizophrenia?

Dr. DEAN. I can only quote comparative figures. There are as many schizophrenics in hospitals today as heart cases, almost as many.

Mr. DENTON. We have had difficulty to get doctors in this particular field. We set up a program to train more psychiatrists. The Mental Health Society was in here yesterday talking about trying to train psychiatrists from the medical profession and have them go into that field. The Veterans' Administration has had quite a campaign in this way to get doctors. They put some figures in the record on how much the Government would

save in care in Government hospitals and on a number of other matters the Government has. If there was a cure for this it would be astounding how much the Government would save.

TREATMENT

About treating schizophrenia now, what do you think is the approved practice? Is it psychotherapy, is it shock, or drugs?

Dr. DEAN. A combination of each. I could not as a busy, active, private physician—I am only a country doctor and a private physician—I could not practice without shock treatment. I could not practice without the tranquilizing drugs nor without psychotherapy. So presently we are using all three of them in treating schizophrenia. We feel that our treatment is still inadequate. We do not know the cause. We do not know what we are treating. We are working in the dark.

Mr. DENTON. We had the mental health group here yesterday. They felt that they had made great progress with tranquilizing drugs.

Dr. DEAN. There has been great progress.

Mr. DENTON. But there is a need for more psychiatrists.

Dr. Overholser has charge of this Scottish Rite fund. He appeared before the committee in another connection and testified to that. We are building a facility at St. Elizabeths Hospital where the Mental Health Institute and St. Elizabeths Hospital work together on this subject with drugs. There are facilities out there for it now where they are working on it at the present time. They said they did not have the subjects classified at the present time. Some drugs helped some and some another. I am one member of this committee who is very sympathetic with what you are presenting and I am delighted you have set up this organization. I think it is a very worthy cause.

TERMINOLOGY

Dr. DEAN. Schizophrenia is a stepchild of psychiatry. Let us call it by its name.

Mr. DENTON. What do you mean by that?

Dr. DEAN. We do not know very much about it, not 1 in 50 people would recognize the name if they heard it. It is pretty much of a mystery. I think we ought to call schizophrenia schizophrenia and not mental illness.

Mr. DENTON. They all know dementia praecox.

Dr. DEAN. Not many. We all do here. This is an enlightened group. The public at large is pretty vague about dementia praecox or schizophrenia simply because their attention has been focused on mental illness. We should call this by name, establish foundations in its name and we can accomplish more than by keeping it hidden behind the skirts of mental illness.

Mr. MARSHALL. I would like to commend Mr. MORANO for bringing Mrs. Rockefeller and Dr. Dean before us this morning to talk about this important subject. The committee has spent considerable time going over the justifications and I am sure the testimony you have given will be given great weight before this committee.

Mr. MORANO. Thank you very much, Mr. MARSHALL. I want to say that we are grateful to you, Congressman MARSHALL, Congressman DENTON, and Congressman FOGARTY, for the sympathetic way you have received us here this morning and we apologize for imposing unduly on your limited time. You have been very kind and have given us a lot of time. We need say no more. Thank you very much.

SENATE

FRIDAY, MARCH 21, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, center of every sphere, yet for us not just out on the vast rim of far spaces, but nearer to us than breathing—a present help, waiting to live in us; our daily sustenance, the fountain of a courage that will not fail, and of a power that can use our frail weakness as its healing and illuminating channel:

In this confused day, with its noisy voices and contending claims, grant unto these, Thy servants, that they may be faithful to every trust committed by the people to their hands, giving utterance only to their highest, noblest thoughts. Upon their shoulders may there rest unsullied the white mantle of the Nation's honor. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 20, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2783. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos;

H. R. 7004. An act to amend the Tariff Act of 1930 with respect to the dutiable status of handles, wholly or in chief value of wood, imported to be used in the manufacture of paint rollers;

H. R. 7363. An act to amend the Tariff Act of 1930 to reduce the import duty on eviscerated pigeons;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations; and

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Finance:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;

H. R. 2783. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos;

H. R. 7004. An act to amend the Tariff Act of 1930 with respect to the dutiable status of handles, wholly or in chief value of wood, imported to be used in the manufacture of paint rollers;

H. R. 7363. An act to amend the Tariff Act of 1930 to reduce the import duty on eviscerated pigeons;

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations; and

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore announced that on today, March 21, 1958, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division; and

S. 3418. An act to stimulate residential construction.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, and that in connection therewith statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees or subcommittees were authorized to meet today during the session of the Senate:

The Committee on Finance;

The Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs; and

The Committee on Agriculture and Forestry.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that it is our intention to attempt to give priority to the Treasury-Post Office appropriation bill. I am informed that its consideration will take only a very short time, and that no controversy is involved.

As soon as the morning hour has been concluded, we expect to have the Senate proceed to the consideration of a motion to have the Senate concur in the amendments of the House of Representatives to the farm bill, Senate Joint Resolution 162. I hope there will not be extended debate in that connection.

We hope to have the Senate thereafter take up the Treasury-Post Office appropriation bill.

Following disposition of that appropriation bill, we plan to have the Senate resume the consideration of the unfinished business, Senate bill 1356, to prevent monopolistic acts by persons engaged in commerce in meat and meat products.

Mr. O'MAHONEY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. O'MAHONEY. What is the status of the packers and stockyards bill which has been on the calendar since the last session?

Mr. JOHNSON of Texas. Its consideration will be resumed today. If we are able to obtain a unanimous-consent agreement in connection with the bill, we shall try to have the Senate vote on it today.

Priority will be given to the privileged matters—the motion to have the Senate concur in the amendments of the House of Representatives to the farm bill.

Priority will also be given, as always is done, to the appropriation bill.

Then priority will be given to the Senator's bill, as already has been done.

Mr. O'MAHONEY. What is the judgment of the Senator from Texas as to when the other matters will be disposed of?

Mr. JOHNSON of Texas. Immediately following the morning hour, I hope it will be possible for the Senate to take them up and to conclude its action on them by 12 o'clock. That is why I requested that the Senate convene today at 11 o'clock.

Mr. O'MAHONEY. The Senator from Texas will recall that when we discussed the matter yesterday I recommended that at 12 o'clock the consideration of the packers bill be resumed.

I am ready to proceed with a proposed unanimous-consent limitation, so as to aid the distinguished majority leader in disposing of the other matters.

Mr. JOHNSON of Texas. I will take that up again, today, with the Senator from Florida, who on yesterday exercised his right to object, and I shall appeal to him to enter into such an agreement.

If we are unable to obtain such an agreement, we shall have the session today continue until late in the evening, in order to attempt to dispose of that measure without holding a Saturday session.

Mr. O'MAHONEY. Is it the judgment of the Senator from Texas that the various other matters will be disposed of very quickly, probably within the hour?

Mr. JOHNSON of Texas. I hesitate to judge how long any Senator will speak. But I have been informed by the minority leader and by the chairman of the subcommittee on the Treasury-Post Office appropriation bill that its consideration will take a very short time. The chairman told me he thought it could be explained in 20 minutes, and that there would not be any controversy about it. So I am relying on that statement.

However, some Senator might make a speech which would take 2 hours; and I would not know about his intention to do it.

Mr. O'MAHONEY. I am glad the Senator from Texas has made that statement, because it prompts me to propound a unanimous-consent request.

Mr. President, I ask unanimous consent that, when the Senate resumes the consideration of Senate bill 1356, to prevent monopolistic acts in commerce in meat and meat products, following its action on the privileged matters to which reference has been made, I be recognized to open the debate, since I reported the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, certainly I have no objection. I would think that would be the normal course, without unanimous consent.

Mr. O'MAHONEY. The Senator from Texas stated that some Senator might rise and make a 2-hour speech.

Mr. JOHNSON of Texas. I was referring to the Treasury-Post Office appropriation bill, and to the motion to concur in the amendments of the House of Representatives to the farm bill.

Mr. O'MAHONEY. I understand that. However, I thought it well to make the request.

Mr. JOHNSON of Texas. Certainly the Senator from Wyoming will have an opportunity to make the opening statement on his measure.

CANAVERAL CALLED A STUDY IN SPACE-TRAVEL "STONE AGE"

Mr. JOHNSON of Texas. Mr. President, I should like to call to the attention of the Senate a very excellent article written by the distinguished commentator for the New York Herald Tribune, Mr. Roscoe Drummond.

Mr. Drummond has been at Cape Canaveral, the testing range for America's missiles. It seems to me that he has captured in a few words the spirit of the fantastic age which we are entering.

With his usual keen perception, Mr. Drummond has highlighted the rapid progress being made and the potentialities of that progress. He has deftly brought to the forefront the physical facts which put into stark perspective the implications of scientific advance.

As he has pointed out, science is outrunning diplomacy.

I ask unanimous consent that this very fine article be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 21, 1958]

CANAVERAL CALLED A STUDY IN SPACE-TRAVEL "STONE AGE"

(By Roscoe Drummond)

CAPE CANAVERAL, FLA.—After a firsthand look at this fabulous testing center for Army, Navy, and Air Force rockets, missiles and satellites, there is only one safe guide for the layman: Believe anything; if it isn't here already, it's just around the corner.

Your first impression of this $400 million "shooting gallery," which stretches from Patrick Air Force Base, the launching site for missiles, across a series of 12 major tracking stations 5,000 miles from the mainland of Florida to Ascension Island in the South Atlantic—is one of precise, minute and massive complexity.

It is so vastly complex, so breathlessly flicking in its mechanical computations and electronic decisions that you can hardly grasp, at first, what Maj. Gen. Donald N. Yates, commander of the Air Force test center, is talking about when he says that in missiles we are only in the advanced Stone Age.

But when you see what lies behind what is happening here at Cape Canaveral and what is going to be happening, you know that General Yates is warning you not to turn your head because tomorrow will be here before you can close your eyes.

Here are some of the reasons:

The rocket capacity is at hand now to put up a 1-ton satellite.

The facilities and components are available today at Cape Canaveral to put a satellite in orbit around the moon 239,000 miles away. And it is harder to put a satellite in orbit around the moon than to strike the moon with an object.

It is now entirely practicable for this center alone to test as many as 900 missiles during the next 12 months. General Yates reports that three missiles have been test-launched in a single day here and that this could go on indefinitely.

What you begin to realize is that outer space is coming at us at a terrific speed or vice versa—and that the sputniks, Explorer, and Vanguard are just the horseless carriages of man's travel away from the earth.

Not that there will be no more failures in the testing of missiles and satellites. It wouldn't be surprising to see a dozen United

States objects orbiting in outer space in the next year—and some will fall short.

When you view the testing process on the spot you wonder that there haven't been more failures. You realize that the experts are not alibiing when they say that some of the failures, so called, have been planned—there will be another one soon—in order to determine how much and what kind of punishment a missile can take. The rule here is that any test is a substantial success if the information desired from the test is substantially obtained.

Did I say that the missiles and the testing processes were a little complex? General Yates describes one aspect of it this way: "The electronics system of a guided missile contains at least 12,000 electronic components. It is estimated that a missile has 36,000 to 37,000 items which must function properly if its flight is to be successful. In order to insure satisfactory operations of three out of four missiles the failure of any single electronic item must be limited to once in about 100,000 items. To make matters more difficult, missiles operate through a range of speeds, acceleration, vibrations, altitudes, and temperatures never before experienced by our engineers."

Telemetering is also quite a feat. This is the principal source of information on what is happening inside missiles. The Cape Canaveral specialists receive a telemetry data on as many as 175 separate functions on each flight, which will yield as many as 250,000 individual readings obtained through telemetry antenna. Such antenna, placed aboard ships at sea especially for the purpose, cover the 5,000-mile trajectory of a ballistic missile.

Cameras photograph twice every second a missile traveling at a speed which would take it from New York to Boston in 45 seconds. All this and related data keep the missiles tracked continuously in flight with no more margin for error than 1 missile length.

Here at Cape Canaveral both weapons and instruments of scientific investigation are going into outer space. According to the letters now going back and forth between Mr. Eisenhower and Mr. Bulganin, both are to be discussed at a summit conference.

The real question is whether man can win control of outer space without losing control of his own destiny.

So far, science is outrunning diplomacy.

UNEMPLOYMENT AND THE INCREASE IN THE COST OF LIVING

Mr. JOHNSON of Texas. Mr. President, today we are informed by the news ticker that within a matter of minutes, official Government statistics will reveal a new record high in the cost of living.

To disinterested observers of the scene, this is an oddity. To academic economists, it is a paradox which they find difficult to explain, even by taxing all the skills of their art.

But to the unemployed and those who are working only part time, it is stark tragedy.

This is one of the few occasions in history—possibly the only occasion—in which prices have risen in the midst of a recession. Under any circumstances, unemployment is cruel. But under these circumstances, it is cruelly compounded.

The situation accentuates the urgency for rapid action to put the unemployed back to work. The Senate has responded to this situation quickly, and I know that it will continue to act in the same spirit of deep realization that something must be done.

Mr. President, I am not among those who believe that we shall make business conditions worse by conceding that at present they are not as good as they have been.

I am not among those who believe we shall bring on a depression by taking steps to avoid a recession.

I am not among those who believe that we can create jobs by pretending we do not have people out of work.

I think it is important that we try to look at the present situation from the viewpoint of the man who has lost his job and has not yet been able to find another.

Mr. President, I have just received a letter from a friend of mine in west Texas, who lists the unemployment figures for a half a dozen cities and towns in that general area.

He reports that in Amarillo, a city of 110,000 population, 4,575 men and women are without jobs.

In Pampa, with a population estimated at 20,000, there are 1,050 unemployed.

In Plainview, whose population is 18,750, my friend reports 800 jobless men and women.

In the city of Lubbock, which has a population of around 110,000, the jobless total is 2,600.

In Dumas, population 10,000, there are 400 people out of work.

In Borger, a city of 22,500 people, 1,450 men and women are jobless. Forty-one families have left town to hunt work elsewhere. Forty more people will be laid off this week.

Mr. President, I do not say these figures on unemployment in six communities in west Texas and the Panhandle are alarming.

I do say that to the individuals concerned—the jobless workers and their families—the situation is most serious.

These are the people I am thinking about as we press forward in Congress with action designed to provide needed jobs at constructive work.

I know these people. They are hard-working, self-respecting men and women who ask only a chance to stand on their own feet and work for their living.

Mr. President, it shows no lack of faith in the future of our country for Congress to take action to give them that chance. I am happy that we are taking such action. I earnestly hope that we shall continue to press forward in a spirit of determination and confidence.

Mr. President, I ask unanimous consent that a portion of the United Press ticker of this morning be printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Living costs rose to a new record last month despite the business slump and widespread unemployment, Government economists reported today.

The Bureau of Labor Statistics will officially announce the new high when it releases its February cost of living index at 11 a. m.

The economists said the Bureau would report one bit of compensating good news—that last month's increase in living costs was smaller than the 6 percent rise recorded in January when the index jumped to the then record 122.3.

President Eisenhower called his Cabinet into session this morning to discuss the Nation's odd economic condition.

The oddity is that prices of food and consumer goods and services—the three elements that make up the cost of living index—rose last month in the midst of a recession. Three went up at the same time that retail sales, income, industrial production and employment were declining.

Government economists had an explanation. They made three points: That most of the February increase in living costs resulted from higher food prices brought on by short supplies of livestock sent to market and by new winter freezes that damaged crops severely. They pointed out that food costs bear little relation to what has been mainly a manufacturing recession.

That the cost of living index almost always lags behind other indicators of economic conditions and can be expected to start declining in the months ahead.

That despite the recession widespread buyer resistance apparently has not yet developed.

AFL–CIO economists add to this a charge that big corporations are "rigging" their prices to suit themselves and not letting supply and demand work to bring them down.

THE HIGHWAY BILL

Mr. JOHNSON of Texas. Mr. President, I announce that we hope we may be able to have the highway bill reported from the Public Works Committee and available to the Senate either Monday or Tuesday. I shall make a later announcement about that, because I think it is one of our most important bills, and it has been agreed upon unanimously by the committee, both Democrats and Republicans, except for a section which has very few new job potentials involved. We hope we may be able to pass it in the Senate early next week.

The PRESIDENT pro tempore. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the number of officers on duty with the Department of the Army and the Army General Staff, as of December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

REPORT ON REVIEW OF HOUSING AUTHORITY OF BALTIMORE CITY, MD.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the Housing Authority of Baltimore City, Baltimore, Md., Public Housing Administration, Housing and Home Finance Agency, 1956 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF TIME AND MATERIALS SUBCONTRACTING BY CHRYSLER CORP., DETROIT, MICH.

A letter from the Comptroller General of the United States, transmitting, pursuant to

law, a report on examination of time and materials subcontracting by Chrysler Corp., Detroit, Mich., under Department of the Army contracts, dated March 1958 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the Commonwealth of Kentucky; to the Committee on Armed Services:

"A resolution memorializing Congress to maintain the manpower level of the National Guard at a minimum of 400,000

"Whereas the global political situation is such that our Nation may be forced at any moment to defend herself against attack; and

"Whereas if not territorially attacked we may be required to contain aggression elsewhere in the Free World; and

"Whereas in event such action is demanded an alert, well-trained, well-equipped, and spiritual National Guard may well be a deciding factor; and

"Whereas such a force serves as a constant reminder to our citizenry that the Nation has a strong reliable force ready not only to go to the defense of our own Nation or a friendly power but also ready and able to cope with any internal disorder or disaster which may occur; and

"Whereas the maintenance of a numerically as well as militarily strong guard is of inestimable economic benefit especially in the present period of mass unemployment and apparent recession: Now, therefore, be it

"Resolved by the Senate of the General Assembly of the Commonwealth of Kentucky,

"SECTION 1. That the Congress of the United States be and is hereby petitioned to act in the exercise of its broad legislative powers to maintain the manpower level of the National Guard at not less than 400,000 officers and men.

"SEC. 2. That the clerk of the senate cause copies of this resolution to be sent to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Secretary of Defense, and to each Senator and Representative now representing the Commonwealth of Kentucky in the Congress of the United States."

A concurrent resolution of the Legislature of the Commonwealth of Kentucky; to the Committee on Banking and Currency:

"A concurrent resolution memorializing Congress to implement the Federal Flood Insurance Act of 1956

"Whereas the many flood disasters in the history of the Commonwealth have proven that relief measures on the local level can never be entirely effective; and

"Whereas the Federal Flood Insurance Act of 1956 offers promising possibilities for the development of a satisfactory national program of flood relief; and

"Whereas it appears that with further study and education the problems in the administration of the act could be resolved; and

"Whereas it is declared to be the public policy of the Commonwealth to participate to all possible extent in a national flood-insurance program; and

"Whereas the Commonwealth stands willing and able to participate in such a program, and to contribute to a fund to subsidize flood insurance premiums, if such a course is finally determined to be desirable: Now, therefore, be it

"Resolved by the Senate of the Commonwealth of Kentucky (the House of Representatives concurring therein)—

"SECTION 1. That Congress provide funds to reactivate the Federal Flood Insurance Administration, and orient its activities in accord with the principles developed by that agency during its years of active operation from 1956 to 1957, and provide funds for the payment of such subsidies by the Federal Government as may be necessary to the operation of the flood-insurange program;

"SEC. 2. That copies of this resolution be sent by the clerk of the senate to the President and Chief Clerk of the Senate of the United States, the United States Senators from Kentucky, the Speaker and Chief Clerk of the House of Representatives of the United States, and the United States Representatives from Kentucky."

A resolution of the Senate of the Commonwealth of Kentucky; to the Committee on Interstate and Foreign Commerce:

"A resolution memorializing Congress to establish three time zones within the continental limits of the United States

"Whereas great confusion has resulted in many areas of the United States where the existing time zones are designated and great inconvenience has been experienced by the citizens of the Commonwealth of Kentucky because the eastern and central time zones meet within the Kentucky boundaries; and

"Whereas the establishment of an eastern time zone extending from the Atlantic Ocean to the Mississippi River, a central time zone from the Mississippi to the Rocky Mountains, and a western time zone from the Rockies to the Pacific Ocean would simplify our present intricate system of time zones; and

"Whereas this system would be more reasonable in light of our present modes of travel and would simplify the calculation of time differential throughout the Nation and facilitate the schedules of commercial traffic; and

"Whereas the creation of this system would eliminate many of the problems now existing in the fringe areas of the several States where time zones are now located and lead to less confusion in these areas: Now, therefore, be it

"Resolved by the Senate of the General Assembly of the Commonwealth of Kentucky—

"SECTION 1. That the Congress of the United States by the exercise of its legislative powers bring about more specific area standardization of time throughout the Nation.

"SEC. 2. That such standardization be based upon three time zones, the eastern from the Atlantic Ocean to the Mississippi River, the central from the Mississippi River to the Rocky Mountains, the western from the Rockies to the Pacific Ocean.

"SEC. 3. That the clerk of the Senate cause copies of this resolution to be sent to the President of the United States Senate, the Speaker of the House of Representatives and to each of the Senators and Representatives of the Commonwealth of Kentucky now serving in the Congress."

A resolution of the Senate of the Commonwealth of Kentucky; to the Committee on Labor and Public Welfare:

"A resolution memorializing the Congress of the United States to extend Public Law No. 550, 82d Congress, relating to education and training benefits, to service men and women as long as the draft continues

"Whereas the Congress of the United States, expressing the will of the citizenry by the enactment of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.) and the Veterans' Readjustment Act of 1952 (Public Law 550, 82d Cong.), recognized the justice, equity, and general value of a sound education and training program for the veterans of our country; and

"Whereas the legislation enacted to provide such education and training benefits was for the purpose of restoring lost educational opportunities to those men and women who served in the Armed Forces of our country and has accomplished this purpose and has been an immeasurable factor in contributing to the economic security of our veterans and their families as well as to the security of the Nation as a result of the increase in our general educational level and in the professional and technical skills of the veterans; and

"Whereas the increased earning power of the veterans directly attributable to the program is resulting in payment of increased income taxes which will more than repay the total cost of the program; and

"Whereas notwithstanding the continuing involuntary military service program, Public Law 7, 84th Congress, denies entitlement to education and training benefits to all veterans who first entered service after January 31, 1955, which is grossly inequitable: Now, therefore, be it

"Resolved by the Senate of the General Assembly of the Commonwealth of Kentucky—

"SECTION 1. That the Congress of the United States extend education and training benefits similar to the benefits provided by Public Law 550, 82d Congress, as amended, to all veterans of our country who served during any period in which involuntary military service is authorized, and urges the Congress of the United States to enact legislation to accomplish this objective.

"SEC. 2. That the clerk of the senate send attested copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, the chairman of the Education Committee of each House, and to each member of the Kentucky delegation in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"Assembly Joint Resolution 3, relative to Federal aid to schools

"Whereas the enormous increase in school attendance that has resulted in certain areas of the country in recent years from the establishment and operation of Federal facilities has greatly overburdened public school systems in those areas; and

"Whereas the Congress of the United States, by Public Law 815 enacted September 23, 1950, and Public Law 874 enacted September 30, 1950, authorized a program to provide financial assistance in the construction of school facilities in such areas, and to reimburse partially school districts for the expense of educating pupils who live on, or whose parents work on, Federal property; and

"Whereas these laws are evidence of the acceptance by the Federal Government of its responsibilities to local school districts where a Federal impact exists; and

"Whereas the situation continues to be of grave concern in many areas throughout the United States and can be expected to become even more acute in localities where Federal activities are scheduled to be accelerated: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is respectfully memorialized to continue undiminished its program of financial assistance to school districts experiencing excessive growth due to Federal activities as provided in Public Law 815 and Public Law 874 of the 81st Congress; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of

the House of Representatives, to the chairmen of the appropriation Congressional committees, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Board of Commissioners of the City of Covington, Ky., protesting against the enactment of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act, approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

A letter from the clerk of the Senate of the Commonwealth of Virginia, transmitting a copy of the inaugural address of the Governor of Virginia (with an accompanying paper); ordered to lie on the table.

AUTHORITY OF REA ADMINISTRATOR—RESOLUTION

Mr. HUMPHREY. Mr. President, I recently received a resolution from the Land O' Lakes Creameries annual meeting concerning the authority of the REA Administrator.

As the sponsor of Senate bill 2990, which would readjust the authority of the Administrator along the lines suggested in this resolution, I am particularly grateful for this endorsement.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION

1. Whereas there are bills before the Congress to raise interest rates on loans to rural electrification cooperatives; and

2. Whereas the authority of the REA Administrator has been limited in approving loans within the Department of Agriculture; and

3. Whereas many dairymen, members of Land O'Lakes, are served by REA-financed cooperatives: It is therefore

Resolved, That Land O'Lakes Creameries, Inc., at its annual meeting on March 14, 1958, requests that (a) the interest rates not be raised; (b) the REA Administrator be given full authority to approve loans, which authority was granted to him in the original REA Act of 1936: It is therefore

Resolved, That a copy of this resolution be sent to Senators and Representatives of the States in which Land O'Lakes has members, and that a copy be sent to the REA Administrator, Mr. Hamil.

(This resolution was approved at the Land O'Lakes Creameries annual meeting, March 14, 1958.)

SUPPORT FOR DAIRY PRODUCTS—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a copy of a resolution adopted by the Menahga, Minn., Civic and Commerce Association urging corrective legislation to maintain the 82-percent support for dairy products.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

CIVIC AND COMMERCE ASSOCIATION,
Menahga, Minn., March 14, 1958.

The following resolution was passed by the Civic and Commerce Association of Menahga, Minn., at their regular monthly meeting on March 10, 1958:

"Whereas the dairy industry is one of the major industries in the Menahga area and in the State of Minnesota;

"Whereas the Secretary of Agriculture advocates the lowering of the price support on dairy products from 82 to 75 percent;

"Whereas the family farmer needs the financial aid given him on the dairy products he produces: Be it

"Resolved by the Menahga Civic and Commerce Association, That corrective legislation be enacted to at least maintain the 82-percent support for dairy products."

Very truly yours,

R. H. QUALEY,
Secretary.

DIRECT LOANS FOR VETERANS—PENSION FOR CERTAIN WIDOWS—LETTER

Mr. HUMPHREY. Mr. President, I have recently received a letter from W. R. Sandberg, adjutant of the American Legion Russell Johnson Post, No. 72, Appleton, Minn., endorsing both Senate bill 2995 and House bill 9711.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

RUSSELL JOHNSON POST, NO. 72,
THE AMERICAN LEGION,
Appleton, Minn., March 17, 1958.

Hon. HUBERT HUMPHREY,
Senator, State of Minnesota,
United States Senate Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: As adjutant of the Russell Johnson American Legion Post, No. 72, of Appleton, Minn., I have been instructed by the membership to write to you regarding the bill before the Senate, S. 2995, which deals with extending the limit of direct loans for housing to GI's from $10,000 to $13,500. The post, and myself personally, feel that any effort you put forward toward the passage of the bill would be appreciated. The fast rising cost of housing has almost precluded the purchase of any decent house for the lower figure. A higher figure would mean that many veterans would again be able to purchase a decent home for their families.

We are also vitally interested in the bill which has been introduced into the House, namely H. R. 9711, dealing with pensions to widows of non-service-connected deaths of servicemen. It is our opinion that the time spent in the service of our country kept many of these men from being able to adequately provide for their families in case of emergencies. The few who would qualify under this bill would increase the costs but little, but the easement of human suffering would be great.

Sincerely,

W. R. SANDBERG,
Adjutant.

My personal regards and many thanks for the work you have done for the schools and the farmer.

INTEREST RATE ON GI HOME LOANS—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Seventh District Veterans of Foreign Wars in Minneapolis, Minn., concerning the recent vote in the Senate on GI home loans.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas the Senate voted recently to increase GI home loans; and

Whereas by a tie vote broken by the vote of Vice President NIXON to raise the interest rate from 4½ to 4¾ percent; and

Whereas this increase will cost the prospective GI millions in additional interest rate; and

Whereas the lending institutions by their tight money, high interest rate are a factor in causing our present slump in construction; and

Whereas this raising the interest rate on one item is like pushing a snowball downhill as the net result will be a corresponding increase in cost of all forms of borrowing, and it makes the lending business the most profitable in the country; and

Whereas when the Eisenhower administration in 1953 raised interest rates from 4 to 4½ on GI home loans; and

Whereas this raise of one-half percent cost the home-buying veteran about $650 more for every $10,000 borrowed over a 20-year period; and

Whereas the veteran that borrows $10,000 for home loans pays back the $10,000 plus $5,866 in interest rates; and

Whereas the raising of interest rate of one-fourth percent on the same $10,000 loan will cost an additional $325 more; and

Whereas the veteran will now pay back the $10,000 plus some $6,191 in interest over 20 years: Now, therefore, be it

Resolved, That the Seventh District Veterans of Foreign Wars go on record in declaring that Vice President NIXON did a disservice to the home-buying veteran by casting his vote in favor of higher interest rates; and be it further

Resolved, That the Seventh District Veterans of Foreign Wars commend Senator HUBERT H. HUMPHREY for opposing the higher interest rate.

PENSIONS FOR CERTAIN WIDOWS AND CHILDREN—LETTER

Mr. HUMPHREY. Mr. President, I have recently received a letter from Frank J. Manning, adjutant of the American Legion, Lorentz Post, No. 11, Mankato, Minn., endorsing Senate bill 2966, pertaining to pensions for widows and children of veterans of World War II and the Korean conflict.

I ask unanimous consent that the letter be printed in the RECORD and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
LORENTZ POST, NO. 11, INC.,
Mankato, Minn., March 14, 1958.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Lorentz Post, No. 11, of Mankato, has endorsed S. 2966, pertaining to pension for widows and children of veterans of World War II and the Korean conflict, and urge your favorable consideration.

Yours truly,

FRANK J. MANNING,
Adjutant.

COMPENSATION AND CLASSIFICATION OF CERTAIN FEDERAL EMPLOYEES—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a letter and resolution from the northwestern section of the American Society of Civil Engineers concerning compensation and classifications of professional and scientific employees of the Federal Government.

I ask unanimous consent that the letter and resolution be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

NORTHWESTERN SECTION,
AMERICAN SOCIETY OF CIVIL ENGINEERS,
St. Paul, Minn., March 17, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: I am taking the liberty of directing your attention to the enclosed resolution by the American Society of Civil Engineers regarding salaries and classifications of professional and scientific employees of the Federal Government.

On behalf of the northwestern section, which comprises about 650 members, I would especially emphasize the necessity of the establishment of a joint committee as recommended in the Cordiner report of May 1957. We are convinced that some means of reclassification should be worked out so as to retain the present high standards in the engineering and scientific departments of the Government, and place these departments more on a competitive basis with respect to private industry when attempting to recruit new personnel.

To emphasize the solidarity of opinion of the local section, we have asked that others communicate to you expressions of their opinions.

Sincerely yours,

C. H. PRIOR,
President.

NORTHWESTERN SECTION,
AMERICAN SOCIETY OF CIVIL ENGINEERS,
St. Paul, Minn.

RESOLUTION, COMPENSATION OF CIVILIAN PROFESSIONAL ENGINEERS AND SCIENTISTS IN FEDERAL CIVIL SERVICE

Whereas the American Society of Civil Engineers has been cognizant during recent years of inequities in the present Federal Classification Act, particularly as related to the grades and salary schedules of the professional and scientific employees of the Nation, and has made remedial recommendations to the appropriate Congressional committees; and

Whereas the Nation is now aware of such inequities and of the necessity for the Federal Government to secure and to retain the services of competent professional and scientific employees; and

Whereas the present session of Congress must pass necessary legislation in this respect if irreparable damage to the Federal services is to be avoided; and

Whereas the Federal Government has had made comprehensive studies of the grades and salary schedules of its professional and scientific employees, namely, the Cordiner report of May 1957, and the Young report of April 1957; and

Whereas, based on such comprehensive reports, the administration has recommended to the Congress legislation with reference to the pay of employees coming under the Classification Act; and

Whereas the recommended pay schedule is reasonable as an interim schedule, pending further study, and is dictated by the requirements of supply and demand; and

Whereas the Cordiner Committee, as a result of its study of the problem, has recommended the establishment of a joint commission to undertake a thorough revision of the present Classification Act compensation system, with such joint commission to be composed of Congressional executive, and public members: Therefore be it

Resolved, That the American Society of Civil Engineers particularly endorses the pay schedule as recommended by the administration and strongly recommends the passage of legislation by the current session of Congress embodying substantially the recommendations of the administration and the Cordiner report; and be it further

Resolved, That the American Society of Civil Engineers strongly endorses the establishment of the joint commission recommended by the Cordiner Committee; and be it further

Resolved, That copies of this resolution be sent to the Executive Office of the President, to the chairmen of the Post Office and Civil Service Committees of the Senate and of the House of Representatives, and to the Chairman of the United States Civil Service Commission.

WILLIAM H. WISELY,
Executive Secretary.

JANUARY 30, 1958.

ACCELERATION OF FEDERAL-AID ROAD PROGRAMS—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have just received two resolutions from the Mississippi Valley conference of State highway departments held in Chicago, March 6 to 8, 1958. The resolutions concern the Federal Interstate System and Federal aid for State, county, and local road systems.

I ask unanimous consent that the resolutions be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

RESOLUTION 1—MISSISSIPPI VALLEY CONFERENCE OF STATE HIGHWAY DEPARTMENTS

Whereas the passage of the Federal-Aid Highway Act of 1956 heralded a new era in highway construction and the highway departments in recognition of their obligation did speedily move toward accomplishing the purpose of the act; and

Whereas as progress has been made in location, design, acquisition of rights-of-way, and construction of the Interstate System as set up in the 1956 Federal Aid Act, it has become increasingly evident that the intent of title I of the act cannot be realized without additional funds being provided, as evidenced by the new cost estimates as well as the reduced apportionments which have been reduced due to the controls contained in title II of the act; and

Whereas the highway departments and the highway industry have geared themselves sufficiently to build the system on schedule: Now, therefore, be it

Resolved, That the Mississippi Valley conference of State highway departments, which conference is made up of the highway departments of the States of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin, in annual conference assembled at Chicago, Ill., this 8th day of March 1958, that the Congress of the United States is urged to provide sufficient funds so that this interstate-highway program can be placed again on its original schedule and that said funds be sufficient to not only maintain that schedule as provided in the 1956 act but to better it; and be it further

Resolved, That to accomplish this objective, it is desirable to have these additional funds effective for fiscal year 1959 so that the construction season of calendar year 1958 may be fully utilized; and be it further

Resolved, That 1960 and subsequent apportionments should be made as near to the midcalendar year of 1958 as possible; and be it further

Resolved, That copies of this resolution be telegraphed to the chairmen of the Senate and House of Representatives Subcommittees on Roads of the Public Works Committees and that all other members of these committees, the Federal Highway Administrator and the executive secretary of the American Association of State Highway Officials be provided copies by airmail; and be it further

Resolved, That delegates to this convention be instructed to provide copies of this resolution for all of their respective Congressional delegates.

RESOLUTION 2—MISSISSIPPI VALLEY CONFERENCE OF STATE HIGHWAY DEPARTMENTS

Whereas the provision of a balanced network of highways adequate to serve all classes of traffic in all areas of the Nation is the object and purpose of all highway effort; and

Whereas the needs of the State, county and local roads systems must be met: Now, therefore, be it

Resolved, That the Mississippi Valley conference of State highway departments, which conference is made up of the highway departments of the States of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin, in annual conference assembled at Chicago, Ill., this 8th day of March 1958, does hereby urge and request that additional funds be made available for the early and accelerated improvement of the primary, secondary, and urban Federal-aid systems also known as the ABC systems; and be it further

Resolved, That apportionment of funds scheduled for the improvement of these ABC systems be made at approximately midcalendar year; and be it further

Resolved, That copies of this resolution be submitted by telegraph to the chairmen of the Senate and the House of Representatives Subcommittees on Roads of the respective Public Works Committees and that all members of the Public Works Committees of the United States Congress, the Federal Highway Administrator, the executive secretary of the American Association of State Highway Officials receive copies by airmail; and be it further

Resolved, That delegates from each State to this conference be instructed to provide copies of this resolution to their entire Congressional delegation.

DEAD-ENDING OF HIGHWAY NO. 16, MINNESOTA—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the Marshall, Minn., Township Board protesting the dead-ending of Highway No. 16 in Mower County under the new Federal Highway Act.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

MARCH 11, 1958.

The Honorable HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: We, the Marshall Township Board, submit the following resolution protesting the dead-ending of Highway No. 16 in Mower County:

"Whereas the newly proposed Federal highway through Mower County would cross and thereby dead end Highway No. 16 at a point approximately 9½ miles east of Austin and whereas: It is of deep concern to Marshall Township and the residents of southeastern Mower County using the present Highway No. 16 that it be kept open for these reasons:

"1. All township roads have been improved and used leading into a through highway east to west.

"2. School bus routes, mail routes, milk routes, and produce routes are laid out now that a dead end of Highway No. 16 would greatly disrupt their services.

"3. A large number of farm tractors and implements are drawn over this highway whereby they would not be allowed on the new freeway.

"4. Slow moving vehicles and farm trailers would be a less hazard on Highway No. 16 than on a freeway.

"5. If Highway No. 16 were dead-ended at this point it would mean additional expense of service drives parallel to the freeway.

"6. When a good serviceable highway such as Highway No. 16 is available to serve the residents of this area, every effort should be made to leave it open."

This resolution was adopted at the annual meeting of Marshall Township.

MARSHALL TOWNSHIP BOARD.
LAWRENCE E. JOHNSON,
IRVING ANDERSEN,
RAY SCOTT,
Supervisors.
ANTON WELLIK,
Clerk.

ELKTON, MINN.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself and Mr. NEUBERGER):

S. 3535. A bill to amend the Internal Revenue Code of 1954 so as to prohibit the deduction of certain expenses incurred in the conduct of an illegal gambling enterprise; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. DWORSHAK:

S. 3536. A bill to impose quotas on the importation of lead and zinc, and for other purposes; to the Committee on Finance.

By Mr. MARTIN of Iowa:

S. 3537. A bill to encourage the discovery, development, and production of manganese-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MUNDT (for himself, Mr. MARTIN of Iowa, Mr. MANSFIELD, Mr. EASTLAND, Mr. CAPEHART, and Mr. SCOTT):

S. 3538. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181) relating to practices in the marketing of livestock; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT:

S. 3539. A bill to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 3540. A bill to provide for the transportation of mail by common carriers; and

S. 3541. A bill to amend section 5 of the Railway Mail Pay Act of 1916; to the Committee on Post Office and Civil Service.

By Mr. BUTLER (for himself and Mr. BEALL):

S. 3542. A bill for the relief of the Union Trust Company of Maryland; to the Committee on Finance.

By Mr. CARROLL:

S. 3543. A bill for the relief of Bertha Nicholson; to the Committee on the Judiciary.

TAX ON ILLEGAL GAMBLING ENTERPRISES

Mr. PROXMIRE. Mr. President, on behalf of myself, and the Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 so as to prohibit the deduction of certain expenses incurred in the conduct of an illegal gambling enterprise.

This bill is offered in response to an open invitation made by the Supreme Court of the United States to the Congress to remedy a defect in our present income-tax law.

The case was brought by three Chicago bookmakers who claimed they should be allowed to deduct salaries paid their employees and rent paid for the premises where their gambling operations were carried on. They made this claim, Mr. President, in the teeth of the fact that gambling and working for gamblers are both against the law in Illinois.

The tax court held against the gamblers but the Supreme Court did not. Mr. Justice Douglas, writing for a unanimous Court, pointed out that the Federal Government recognizes gambling as a business to the extent of requiring gamblers to pay an annual license tax of $50 and permitting that $50 to be claimed as a deductible business expense. That being true, the Court reasoned that the Government should permit the normal deductions of rent and wages necessary to operate the business. To disallow these deductions, said Mr. Justice Douglas, would be to tax gambling on the basis of gross receipts while all other businesses would be taxed on net income.

If that choice is to be made—

He said—

Congress should do it.

Now, Mr. President, let us see how this has come about. The Congress placed an annual $50 license fee on gamblers, not in order to recognize them as legitimate businessmen, but to label them and tag them so that everybody would know them for what they are. The law was intended to help the States. Then the Internal Revenue Bureau permitted that $50 to be deducted as a business expense. Now the Court relies on the law and the regulation to make regular businessmen of gamblers. So the law that was intended to help the States enforce their laws against gambling has come full circle, making it easy and profitable for gamblers to carry on in defiance of State law.

Mr. President, I see no excuse whatever for allowing tax deductions intended to be used for legitimate business to be used to help people break the law. Should Murder, Inc., be allowed deductions for pistols and assassins' fees? Should dope runners be permitted deductions for high octane gasoline? The principle is the same. I am aware that forcing gamblers to pay taxes on their gross receipts puts them at a disadvantage. I know that the law I propose would be discriminatory. It would discriminate against people who make a living breaking the law. That is what I want to do.

Mr. President, David Lawrence hits the issue squarely in his syndicated column appearing today under the title "Gamblers and Tax Deductions." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 21, 1958]

GAMBLERS AND TAX DEDUCTIONS—PARADOX OF MORALITY AND LAW SEEN IN COURT'S O. K. ON BUSINESS EXPENSES

Most people probably will be shocked to learn that the Supreme Court of the United States has just ruled that it's all right for the Federal Internal Revenue Service to grant an income-tax deduction on expenses incurred by persons who are engaged in operating businesses that violate State laws.

Thus, the State of Illinois has a law forbidding the operation of gambling enterprises, but the Supreme Court of the United States says the persons engaged in it had a right to deduct rent and the wages of their employees before paying Federal taxes on profits.

The United States Tax Court had found that these enterprises were illegal under Illinois law, that the acts performed by the employees constituted violations of that law, that the payment of rent for the use of the premises also was illegal under that law, and that hence the amounts paid for wages and rents should not be allowed as a deduction for Federal income-tax purposes.

The Supreme Court, however, reversing this view, said the expenses were ordinary and necessary and hence deductible. The Court pointed to a regulation of the United States Internal Revenue Code which permits the deduction of Federal excise taxes levied on persons engaged in the business of accepting wagers or conducting wagering pools or lotteries.

How the Supreme Court could tolerate such a regulation, which makes it more profitable for persons violating State laws to conduct their businesses, is a mystery that is not explained by a reading of the text of the latest decision. In fact, on Monday of this week the Supreme Court handed down two other decisions that refused to allow deductions for income-tax purposes on the thousands of dollars paid by trucking companies in State fines incurred in violation of State laws. These laws penalize truck-

drivers for excess weights of loads in their trucks.

The Court said in its opinion that, even if the truckdrivers and their companies "acted with all due care and without willful intent, it is clear that allowance of the deduction sought by the petitioner would severely and directly frustrate State policy."

Yet, in the third decision, involving deductions of expenses by gambling establishments, the Supreme Court closed its eyes to the possible frustration of State policy by making it easier for the gambling enterprises to make money. For, certainly, if their expenses were not held deductible, the added burden would operate as a penalty against their continuance of enterprises outlawed by the Legislature of the State of Illinois.

The Supreme Court took refuge in the fact that the United States internal revenue regulations permit the taking of such deductions. But this does not explain why the Court, which can at any moment invalidate a Federal statute, could not declare invalid the regulation of a governmental bureau insofar as it operates to frustrate those policies and criminal statutes of a sovereign State designed to maintain law and order.

It now would appear that, if the Bureau of Internal Revenue chooses to allow the owner of a disorderly house to take deductions for wages paid the inmates and for rent and other items of expense, the Supreme Court, to be consistent, would have to rule that these deductions from income taxes are just as permissible as deductions for the expenses of a gambling enterprise.

Where does morality begin and end in the laying down of the supreme law of the land? Most citizens have been told by defenders of the Supreme Court in recent months that, even though the Court decision on desegregation, for example, was not exactly in accord with legal precedent, it would have been a violation of the moral law to have ruled otherwise.

As a result of the latest decision in the gambling case, the citizen who obeys moral law and the laws of his State is placed under a handicap. He has to pay more Federal income taxes than otherwise would be the case because other citizens are allowed deductions for immoral and illegal activities. Nothing evidently can be done except by Congress to protect the States against Federal action, which increases the profits obtained by owners of certain illicit enterprises. For the present paradox is sanctioned by the Supreme Court of the United States, and now becomes the law of the land.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3535) to amend the Internal Revenue Code of 1954 so as to prohibit the deduction of certain expenses incurred in the conduct of an illegal gambling enterprise, introduced by Mr. PROXMIRE (for himself and Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF PACKERS AND STOCKYARDS ACT, RELATING TO PRACTICES IN MARKETING OF LIVESTOCK

Mr. MUNDT. Mr. President, on behalf of myself, the Senator from Iowa [Mr. MARTIN], the Senator from Montana [Mr. MANSFIELD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. CAPEHART], and the Senator from North Carolina [Mr. SCOTT], I introduce, for appropriate reference, a bill to amend the provisions of the Packers and Stockyards Act, relating to practices in the marketing of livestock.

The bill is a revised version of the so-called self-help bill which I introduced approximately 1 year ago.

The bill provides for the livestock producers of the country voluntarily to make contributions to a self-help program to induce increased consumption of red meat in the country.

As presently modified, the bill is on an entirely voluntary basis. It is in complete keeping with the general concept that farmers should be encouraged to help themselves in the areas where they can do so. The bill deals with products which, in the main, are not covered by any kind of Government program, with the exception of the National Wool Act, from the standpoint of sheep.

I have not made any effort to solicit cosponsors from among my colleagues, Mr. President; but I ask unanimous consent that the bill lie on the table for the remainder of today, in the event that other Senators may care to join us in sponsoring it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from South Dakota.

The bill (S. 3538) to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181) relating to practices in the marketing of livestock, introduced by Mr. MUNDT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AUTHORIZATION FOR SECRETARY OF THE NAVY TO TAKE POSSESSION OF NAVAL OIL SHALE RESERVES

Mr. ALLOTT. Mr. President, I introduce, for appropriate reference, a bill to transfer to the Department of the Navy the responsibility for the oil shale reserves belonging to the United States, and the responsibility for going ahead with the research and experimentation work heretofore in the province of the Department of the Interior.

I ask unanimous consent that at this point in the RECORD there be printed an opinion of the Attorney General dated March 13, 1958, which explains in some detail the legislative history of these oil shale reserves and the research and demonstration facilities located on Naval Oil Shale Reserves Nos. 1 and 3, near Rifle, Colo.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 13, 1958.*

The honorable the SECRETARY OF THE NAVY.

DEAR MR. SECRETARY: In his letter of October 24, as amplified in that of November 27, 1957, the Under Secretary of the Navy states that it has been decided to resume experimental work in the extraction of synthetic liquid fuels from oil shale, but, for budgetary reasons, to do so by leasing to private industry the oil shale demonstration facilities and related improvements located on Naval Oil Shale Reserves Nos. 1 and 3, near Rifle, Colo. With reference to this decision he requests my opinion on the following questions:

1. Is the Secretary of the Navy authorized to make such a lease?

2. Does the Secretary of the Navy have primary responsibility under law for the custody, maintenance, and administration of the facilities and improvements?

3. Does the jurisdiction which may be vested in the Secretary of the Navy with respect to the facilities and improvements impose on him the duty of taking the necessary action to effectuate the decision to lease them and the shale deposits for the purpose of conducting an experimental program in the extraction of synthetic liquid fuels from oil shale?

Under the Synthetic Liquid Fuels Act of April 4, 1944, as amended, the Secretary of the Interior is authorized to construct and operate for 11 years demonstration facilities to ascertain investment and operating costs and to obtain engineering and technological data for the production of synthetic liquid fuels inter alia from oil shale.[1] With the written consent of the Acting Secretary of the Navy on August 12, 1944, a shale rock mine was opened in the shale deposits, and the demonstration plant was constructed and operated by the Secretary of the Interior, on Naval Oil Shale Reserves Nos. 1 and 3.[2] Certain related roads and service lines for the facilities have been installed on rights-of-way which the United States acquired over privately owned lands with funds from appropriations for the Bureau of Mines of the Department of the Interior.[3]

This plant is not, however, the first to have been constructed and operated there. In the mid-1920's Congress appropriated funds for the Bureau of Mines with which it constructed and operated a plant on Naval Oil Shale Reserves Nos. 1 and 3 for investigations and experimental work on oil shale. That earlier plant was later dismantled and removed (S. Doc. 187, 78th Cong., 2d sess., 20–21 (1944)).

As far as is here material, the Bureau's duties are defined in the act of February 25, 1913, as follows:

"It shall be the duty of the Bureau of Mines, subject to the approval of the Secretary of the Interior, * * * on behalf of the Government, to investigate the mineral fuels and unfinished products belonging to, or for the use of, the United States, with a view to their most efficient mining, preparation, treatment, and use" (37 stat. 681, 30 U. S. C., sec. 3).

Shortly before the expiration of the authority of the Secretary of the Interior under the Synthetic Liquid Fuels Act, supra, to operate demonstration facilities, it was decided in that Department to close the plant.[4] It was shut down and activity was confined to mining investigations in fiscal year 1956.[5] Since the plant was closed there has been uncertainty as to whether the Government should halt or continue its work in the extraction of synthetic liquid fuels from oil shale; and, if continued, whether it should be conducted under the direction of the Secretary of the Navy, that of the Secretary of the Interior, or otherwise.

---

[1] 58 stat. 190, as amended, 30 U. S. C., sec. 321.

[2] See, for example, Interior Section Annual Report 85–86 (1945) and 178 (1948).

[3] See, for example, *United States* v. *33.83 acres of land*, et al., civil No. 11743, District Court of the United States for the District of Colorado.

[4] Hearings on Interior Department and related appropriations for 1956 before a subcommittee of the House Appropriations Committee, 84th Cong., 1st sess., pp. 207–208 (1955).

[5] Interior Secretary's Annual Report, p. 160 (1956).

The House of Representatives has generally supported an ending of the Government work and a disposal of the oil shale demonstration facilities.[6] The Senate has generally opposed any such disposal, and has insisted that appropriations be made for the maintenance of the facilities in standby condition pending decision as to the future of the research work.[7] Congress appropriated funds for the Department of the Interior for such maintenance for fiscal year 1956.[8]

When the Department of the Interior failed to receive any funds for the maintenance of the facilities for fiscal year 1957,[9] the Secretary of the Interior asked the Secretary of the Navy whether the latter could assume custody of the plant and the related improvements. After the Department of the Navy consulted with the Congressional Committees on Armed Services,[10] it assumed custody as of July 1, 1956. Under an administrative agreement between the two Departments the Department of the Navy reprogramed the funds in its appropriation for the naval petroleum reserves for fiscal year 1957, and reimbursed the Bureau of Mines for the latter's costs for providing protective and custodial services for the facilities.[11]

The budget estimates for fiscal year 1958 included an item for the maintenance of the facilities in standby condition by the Bureau of Mines of the Department of the Interior.[12] Upon that basis the Acting Secretary of the Interior requested the Secretary of the Navy to approve the rescinding of the agreement as of July 1, 1957. Thereupon the Under Secretary of the Navy consulted the chairman of the House Committee on Armed Services, stating that the Secretary of the Navy, as trustee for Congress of oil shale and petroleum reserves, makes a practice of consulting the Committees on Armed Services on important matters respecting these reserves, and that he is required to come into agreement with the committees with respect to certain real-estate transactions, including transfers to other agencies.[13]

The chairman of the House Committee on Armed Services advised the Secretary of the Navy that he could see no valid purpose to be served through the relinquishment of the facilities to the Department of the Interior. On June 27, 1957, the Under Secretary of the Navy notified the Secretary of the Interior that the Navy could not relinquish them as requested. Nevertheless, Congress appropriated funds for custodial-type maintenance of the facilities during the current fiscal year by the Bureau of Mines of the Department of the Interior.[14]

In the statement on the part of the House managers in the accompanying conference report it is directed that the facilities be disposed of during fiscal year 1958 under the established procedures of the Federal Property and Administrative Services Act of 1949, as amended,[15] by further utilization within the Government after removal from the site, or by sale or lease as surplus property on or off the site.[16] During the Senate debate on this report, the chairman of the Senate Appropriations Committee stated that there is pending proposed legislation dealing with the future use of the facilities, which are matters for the appropriate legislative committees and Congress,[17] that the Senate conferees did not agree to the disposal of the plant, and that "the recommendation made does not carry the force of law or the force of a united conference report." [18]

Essentially the first question on which the Under Secretary of the Navy requests my opinion is whether either the Secretary of the Navy or the Secretary of the Interior is authorized to lease the shale deposits, the plant, and the related roads and service lines to private industry. It relates specifically to the authority of a Government officer to enter into a commitment involving the disposition of property belonging to the United States. It must be viewed, therefore, in the light of the following statutory restrictions on its disposal:

"No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law, or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, Navy, and Air Force, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year." [19]

It is not claimed that either the Secretary of the Navy or the Secretary of the Interior may lease this public property under any appropriation, much less one adequate to its fulfillment. So the only inquiry is whether a contract of lease is authorized by law, within the meaning of this statute. The authority contemplated by it must be one which expressly or by necessary implication authorizes the transaction in question. See *Chase* v. *United States* (155 U. S. 489, 502 (1894)), holding that statutory authority to establish post offices does not give sanction to a contract for the lease of a building to be used as a post office. (See also 15 Op. Atty. Gen. 236, 240 (1877).)

To render an opinion on the question as to whether either the Secretary of the Navy or the Secretary of the Interior is authorized by law to dispose of the shale deposits, the plant, and the related improvements, it is necessary to consider the extent of the authority of each with respect to the naval petroleum and the naval oil shale reserves.

By an Executive order dated December 6, 1916, the President ordered that 44,560 acres of public lands in the State of Colorado shall constitute Naval Oil Shale Reserve No. 1, Colorado No. 1, and "be held for the exclusive use or benefit of the United States Navy until this order is revoked by the President or Congress." By an Executive order dated September 27, 1924, the President ordered that about 22,600 additional acres of public lands lying within a strip 2 miles wide adjoining the eastern, southern, and western boundaries of the first reserve shall be similarly held as Naval Oil Shale Reserve No. 3, Colorado No. 2, for the development of the first reserve. The second reserve was created primarily for the purpose of providing space in which operations might be carried on for the processing of shale rock from the first reserve.[20]

With reference to the authority of the Secretary of the Navy over the naval reserves the Department of the Navy has said:

"The Executive orders creating the naval reserves said no more than that the public lands embraced therein should be held for the exclusive use and benefit of the United States Navy. The Navy itself was not vested by the orders with any specific jurisdiction over the reserves nor authorized to perform any acts with respect thereto. Neither was there any legislation clothing the Navy with any powers in this regard." [21]

The initial legislation doing so is found in the following proviso in an appropriation item in the act of June 4, 1920, making appropriations for the naval service for fiscal year 1921:

"*Provided*, That the Secretary of the Navy is directed to take possession of all properties within the naval petroleum reserves as are or may become subject to the control and use by the United States for naval purposes * * *; to conserve, develop, use, and operate the same in his discretion, directly or by contract, lease, or otherwise, and to use, store, exchange, or sell the oil and gas products thereof, and those from all royalty oil from lands in the naval reserves, for the benefit of the United States * * *." [22]

For many years this proviso was a charter of the authority of the Secretary of the Navy over the various naval reserves.

As far as is here material, the Mineral Lands Leasing Act of February 25, 1920, as amended by the act of March 4, 1931, authorizes the Secretary of the Interior to enter into certain agreements with respect to oil and gas operations on the public lands.[23] It was further amended in various respects by the act of August 21, 1935. Among the amendments is one providing that nothing in that amendatory act shall be construed as affecting lands within the borders of the naval petroleum reserves and naval oil shale reserves or agreements concerning operations thereunder or in relation to the same; but that the Secretary of the Navy, with the consent of the President, is authorized to enter into agreements, such as those which the Secretary of the Interior is authorized to make respecting oil and gas operations on public lands which have not been withdrawn or reserved.[24]

By this amendment the Secretary of the Interior is denied authority to make agreements concerning operations on or in relation to lands within the borders of the naval

---

[6] H. Rept. No. 1116, 84th Cong., 1st sess., pp. 44–45 (1955); H. Rept. No. 1772, 84th Cong., 2d sess., p. 5 (1956); H. Rept. No. 653, 85th Cong., 1st sess., p. 4 (1957).

[7] S. Rept. 1094, 84th Cong., 1st sess., p. 28 (1955); S. Repts. Nos. 1761 and 2260, 84th Cong., 2d sess., pp. 8 and 5, respectively (1956); S. Rept. No. 476, 85th Cong., 1st sess., p. 11 (1957).

[8] Supplemental Appropriation Act, 1956, 69 Stat. 460.

[9] H. Rept. No. 2250, 84th Cong., 2d sess., p. 4 (1956).

[10] See, for example, hearings (No. 98) before the House Committee on Armed Services, 84th Cong., 2d sess., pp. 7992–7994 (1956).

[11] Department of Defense Appropriation Act, 1957 (70 Stat. 463). See also H. Rept. No. 2529, 84th Cong., 2d sess., p. 4 (1956).

[12] H. Doc. No. 16, 85th Cong., 1st sess., p. 536 (1957).

[13] 65 Stat. 366, 10 U. S. C., sec. 2662. A letter of November 9, 1956, from the Under Secretary of the Navy to the chairman of the House Committee on Armed Services states that the estimated value of the oil shale facilities approximates $4,500,000. But see 41 Op. Atty. Gen. No. 32 (1955).

[14] Interior Department and Related Agencies Appropriation Act, 1958, 71 Stat. 262.

[15] 63 Stat. 378, as amended, 40 U. S. C., sec. 471 et seq.

[16] H. Rept. No. 653, 85th Cong., 1st sess., p. 4 (1957).

[17] As far as is here relevant, S. 2070, 85th Cong., on the one hand, would authorize the Bureau of Mines to operate the facilities; and H. R. 6373, 85th Cong., on the other hand, would authorize the Secretary of the Navy to do so.

[18] 103 CONGRESSIONAL RECORD 9596–9597 (daily ed. July 1, 1957).

[19] Rev. Stat. sec. 3732, as amended, 41 U. S. C., sec. 11. As the proposed lease would provide for a resumption of the experimental work in the extraction of synthetic liquid fuels, and would not provide a part of the fuel necessary for the Navy during the current year, the exception respecting a contract for fuel would not authorize the Secretary of the Navy to lease the plant and improvements.

[20] S. Doc. No. 187, supra, note 2, at 3–4. That document also summarizes the other Executive orders creating the several naval petroleum reserves.

[21] Id.

[22] 41 Stat. 13. Problems arising from underground drainage from the naval petroleum reserves led to the inclusion of the proviso. S. Doc. No. 187, supra, note 2, at 9.

[23] 41 Stat. 437, 46 id. 1523, as amended, 30 U. S. C., sec. 226.

[24] 49 Stat. 679, 30 U. S. C., sec. 236a.

petroleum reserves and naval oil shale reserves. Accordingly, I am of the opinion that he is not authorized by law to make an agreement, leasing the shale deposits on Naval Oil Shale Reserves Nos. 1 and 3 to private industry. In view of this conclusion as to those deposits, it would seem to be unnecessary to consider any question as to his authority to dispose by lease of the plant, or of the related improvements on the reserves and on the rights-of-way across privately owned lands, which were constructed and acquired under his direction under the Synthetic Liquid Fuels Act, supra.[25]

In 1937 and 1938, Congress was considering amendatory legislation to the 1920 naval petroleum reserve legislation. The legislative reports on the amendatory legislation pointed out that under existing law the Secretary of the Navy had already been vested with certain statutory authority over the naval petroleum reserves. They also stated:

"Over the naval oil-shale reserves, the Secretary of the Navy has only jurisdiction under the Executive orders setting them aside." [26]

When that amendatory legislation was initially reported to each House, it would have authorized the Secretary of the Navy inter alia to take possession also of the Government lands in the naval oil shale reserves, or of those in the other naval fuel reserves.[27] In the form, however, in which that amendatory legislation was approved as the act of June 30, 1938, there was no such provision. Moreover, the jurisdiction of the Secretary of the Navy over the naval oil shale reserves is restricted by the inclusion therein of the following proviso:

"*Provided*, That nothing herein contained shall be construed to permit the development or operation of the naval oil-shale reserves." [28]

In 1944, while there were pending before Congress additional amendments to the 1920 naval petroleum reserve legislation, as amended, supra, the Synthetic Liquid Fuels Act, supra, became law.[29] Shortly after that act was approved, the House Committee on Naval Affairs made its report on the 1944 bill containing those additional amendments. The report states that:

"The bill as originally drafted by the Navy Department placed the oil-shale reserves on a par with the petroleum reserves so far as the provisions of the act were concerned. The committee has, however, preferred to continue the specific ban in the present act on any development and operation, other than for experimental or research purposes, of the oil-shale reserves, mainly for the reason that it is the intention of the committee to deal with the shale reserves by separate legislation within the near future." [30]

These amendments were approved as the act of June 17, 1944.[31]

Thereafter the Secretary of the Interior and the Acting Secretary of the Navy in an exchange of letters agreed that this statement justified a conclusion that the 1938 statutory ban on the development and operation of the naval oil-shale reserves did not forbid their use for the erection and operation of demonstration facilities of the type contemplated by the Synthetic Liquid Fuels Act, supra. In accordance with that agreement, in his letter of August 12, 1944, the Acting Secretary of the Navy gave written consent to the Secretary of the Interior for the use of Naval Oil Shale Reserves Nos. 1 and 3 by the Bureau of Mines for this purpose, specifying that its plans should be subject to approval by the Department of the Navy.

In 1938 Congress was of the view that the Secretary of the Navy then had only such authority with respect to the naval oil shale reserves as may be conferred upon him by the Executive orders reserving or withdrawing certain public lands for that purpose. At that time it laid aside the request of the Secretary of the Navy that there be conferred upon him the same statutory authority with respect to the naval oil shale reserves that he then had with respect to the naval petroleum reserves. There was not only laid aside his request, but simultaneously there was imposed a specific statutory ban on the development or operation of the naval oil shale reserves.[32]

In 1944 the Secretary of the Navy renewed his request for statutory authority with respect to the Government lands in the naval oil shale reserves. The above-quoted statement from a 1944 legislative report discloses that Congress deliberately laid aside that renewed request, and that it plainly intended to continue in effect the 1938 statutory ban on the development or operation of the naval oil shale reserves.[33]

That statement contains a phrase which is indicative at most of an absence of objection to the use of the naval oil shale reserves "for experimental or research purposes." When that phrase appeared in that report, the Synthetic Liquid Fuels Act, supra, had just become law. Indeed, as set forth earlier, it was already known to Congress that under the authority thereby conferred upon him, the Secretary of the Interior was negotiating with the Secretary of the Navy for the use of Naval Oil Shale Reserves Nos. 1 and 3 for such purposes by a unit of the Department of the Interior.

In any event the use of these reserves by the Government for experimental or research purposes did not present a question as to the statutory restrictions on the disposal of public property, which limit its disposal to such as may be authorized by law. The proposal to lease the plant and improvements to a nongovernmental entity does, however, raise that question. In the light of those restrictions, a phrase "for experimental or research purposes" in a 1944 legislative report, indicating that the specific statutory ban on the development or operation of the naval oil shale reserves did not debar their use by the Government for such purposes, cannot confer any authority of law upon the Secretary of the Navy to dispose of public property on the naval oil shale reserves, even for the purpose of conducting an experimental program in the extraction of synthetic liquid fuels from oil shale.

It may be suggested that the Secretary of the Navy has authority of law to dispose of the public property on the naval oil shale reserves from such a provision of the 1938 amendments to the naval petroleum reserve legislation, supra, as that which provides that citizens of another country, which does not extend a reciprocal privilege to American citizens to lease its public lands, shall not acquire or own any interest in or right to any benefit from any lease of land "in the naval petroleum or naval fuel reserves" at any time made under the provisions of the Mineral Lands Leasing Act of February 25, 1920, supra, or of the 1938 act.[34] Likewise it may be suggested that the Secretary of the Navy has authority of law to dispose of the public property on the naval oil shale reserves from such a provision of the 1938 amendments to the naval petroleum reserve legislation, supra, as that which provides that all moneys which may accrue under the 1938 act or the Mineral Lands Leasing Act of February 25, 1920, from lands "within the naval petroleum reserves or other naval fuel reserves," on account of the petroleum products extracted therefrom shall be deposited in the Treasury of the United States as miscellaneous receipts; and that royalty products from leases of lands "within the naval petroleum reserves or other naval fuel reserves" under the authority of the 1938 amendments shall be paid in money or in kind as the Secretary of the Navy may elect.[35]

The references to the "naval fuel reserves" and to "other naval fuel reserves" in the 1938 amendments to the naval petroleum reserve legislation, supra, may possibly be attributable to the fact that, at an early stage in its legislative consideration, the bill in which such references were incorporated would also have amended that legislation to authorize and direct the Secretary of the Navy to take possession of the Government

---

[25] See sec. 4 (2) of the act of October 31, 1951, 65 Stat. 709; S. Rept. No. 797, 82d Cong., 1st sess., p. 37 (1951).

[26] S. Rept. No. 317, 75th Cong., 1st sess., p. 3 (1937); H. Rept. No. 2672, 75th Cong., 3d sess., p. 3 (1938). This statement indicates that in 1937 and 1938 Congress did not regard the statutory authority conferred upon the Secretary of the Navy under the act of August 21, 1935, supra, note 24, to make certain agreements concerning oil and gas operations as applicable to such operations on or in relation to lands within the borders of the naval oil shale reserves.

[27] 81 CONGRESSIONAL RECORD, p. 3515 (1937); 83 id. 9627 (1938). In support of such an amendment it was suggested that it would be desirable that "the Navy Department's jurisdiction and administrative authority over all lands reserved for the same purposes may be covered by the same laws," and it was said that it would "enable the Navy Department to make definite plans for the best use of its oil-shale lands when, eventually, they must be used for the purpose for which they were set aside." S. Rept. No. 317, supra, note 26, at p. 5.

[28] 52 Stat. 1234. This proviso is now codified with 10 U. S. C. 7438.

[29] With reference to the Synthetic Liquid Fuels Act the Department of the Navy made the following statement:

"Promptly after the enactment of the new statute the Interior Department informed the Navy that the Bureau of Mines was planning to study the mining of shale rock and the extraction and refining of shale oil. The inquiry was made as to whether or not the Navy would permit the use of the shale reserves for the construction and operation of experimental plants for this purpose, subject to Navy's approval. The Navy Department replied on April 27, 1944, that it welcomed this proposal and would be glad to cooperate in the manner requested provided that its authority to permit such use of the shale reserves was made clear, either by the pending amendments to the 1938 act or by a ruling by the Attorney General under the existing law." S. Doc. No. 187, supra, note 2, at pp. 34–35.

[30] H. Rept. No. 1529, 78th Cong., 2d sess., p. 9 (1944).

[31] 58 Stat. 280. The other provisions of the 1920 naval petroleum reserve legislation, as so amended, are now codified in 10 U. S. C., secs. 7421–7437.

[32] This statement is reflected in the short title of the 1938 act, supra, which is entitled "An act to amend the part of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approved June 4, 1920 (41 Stat. 813), relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves."

[33] The short title of the 1944 act is the same as that of the 1938 act, supra, note 32. Hence the short title of the 1944 act is also consistent with a legislative intent to continue in effect the 1938 statutory ban on the development and operation of the naval oil shale reserves.

[34] 52 Stat. 1254, 10 U. S. C., sec. 7435.

[35] 52 Stat. 1254, 10 U. S. C., sec. 7433.

lands, not only in the naval petroleum reserves, but also in the naval oil shale reserves or in the naval fuel reserves. When that bill was ultimately approved as the 1938 act, supra, however, it did not grant him any such comparable authority over the Government lands in the latter classes of reserves. Nor can it be forgotten that in 1944 Congress again declined to grant him any statutory authority over the naval oil shale reserves or the naval fuel reserves comparable to that he has over the naval petroleum reserves.

To treat such references to "naval fuel reserves" or to "other naval fuel reserves" as authorizing the Secretary of the Navy to dispose by lease of the plant and related improvements on Naval Oil Shale Reserve Nos. 1 and 3, it would be necessary to disregard the reiterated refusal of Congress to grant him any affirmative statutory authority over the naval oil shale reserves. Whenever it may do so, the provisions in which these references occur may become applicable to leases of Government lands in these reserves. In the absence of affirmative statutory authority in the Secretary of the Navy with respect to the naval oil shale reserves, these references to "naval fuel reserves" or to "other naval fuel reserves" cannot be deemed to constitute authority of law for him to dispose of the plant and related improvements on Naval Oil Shale Reserve Nos. 1 and 3 by lease to private industry.

It will also be recalled that the Government has acquired rights-of-way across privately owned lands on which certain roads and service lines have been constructed in connection with the operation of the plant and related improvements on the reserved public lands in Naval Oil Shale Reserve Nos. 1 and 3. Such acquired interests in lands must be distinguished from public domain lands.

The words "public lands" are used to describe such as are subject to sale or other disposal under general laws, and to which the rights of others have not attached, *Newhall* v. *Sanger* (92 U. S. 761, 763 (1875)); *Bardon* v. *Northern Pacific Railroad Co.* (145 U. S. 535, 538 (1891)). The United States acquires lands to which the rights of others have previously attached in varied ways, such as by purchase, condemnation, or otherwise. Acquired lands are not part of the public domain, *Rawson* v. *United States* (225 F. 2d 855, 857 (9th Cir. 1955); 40 Op. Atty. Gen. 9 (1941)), and they are not, therefore, subject to disposal under the public land laws.

For that reason the references to "naval fuel reserves" and to "other naval fuel reserves" in the 1938 amendments to the naval petroleum reserve legislation, supra, would not, in any event, be applicable to the rights-of-way across privately owned lands which the Government acquired in connection with the operation of the oil shale demonstration facilities. Hence those references would not authorize the Secretary of the Navy to lease those rights-of-way which the Government has acquired and the improvements which it has made thereon in connection with the operation of those facilities.

Accordingly, I am of the opinion that under the naval petroleum reserve legislation, supra, the statutory authority of the Secretary of the Navy to lease Government lands in the naval reserves is now limited to those in the naval petroleum reserves; and that under that legislation he is not authorized to lease to a nongovernmental entity either the reserved or withdrawn public lands and the improvements thereon in Naval Oil Share Reserve Nos. 1 and 3 or the related rights-of-way across privately owned lands and the improvements thereon.

The Under Secretary also requests my opinion on a second question as to whether the Secretary of the Navy has primary responsibility under law for the custody, maintenance, and administration of the facilities. As already set forth, under the Interior Department and related agencies appropriation act, 1958, supra, that Department is authorized to effect custodial-type maintenance of the facilities during fiscal year 1958.

The Attorney General is authorized to render an opinion to the head of the Department of the Navy on certain questions of law arising in the administration of his Department. (See Rev. Stat., sec. 357; 5 U. S. C., sec. 307.) It has been the practice of the Attorney General to refrain from giving an opinion on a question which has not actually arisen in the administration of an executive department, or even those which it is suggested may arise in the future. (See, for example, 33 Op. Attorney General 90 (1922); 29 id. 99 (1911); 20 id. 440 (1892).) As there does not appear to be any case pending before you on which your decision is required in the administration of Department of the Navy, I do not consider that I should express any views on any other matters respecting the custody and administration of the facilities and improvements.

Finally, the Under Secretary also requests my opinion as to whether the jurisdiction over the plant facilities which may be vested in the Secretary of the Navy imposes on the latter the duty of taking the necessary action to effectuate the decision to lease them and the shale deposits for the purpose of conducting an experimental program in the extraction of synthetic liquid fuels from oil shale. I am of the opinion that at this juncture the third question does not present a question of law, but one of executive policy for resolution elsewhere within the executive branch.

Since the questions which have been presented include at least one which is currently a matter of concern to the Secretary of the Interior under existing law, I am enclosing him a copy of these views.

Sincerely yours,

WILLIAM P. ROGERS,
Attorney General.

Mr. ALLOTT. Mr. President, there is a great deal of unnecessary controversy and confusion on this matter and this bill will go a long way toward clearing it up and making it possible to move ahead with the oil shale program that is of unquestionable and critical importance to the defense of this country. I earnestly hope that the Committee on Armed Services will consider the bill promptly and thoroughly.

Mr. President, I ask unanimous consent that the bill lie on the table until the close of business on Monday, March 24, so that any other Senators who so desire may add their names as cosponsors.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 3539) to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Armed Services.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO TRADING IN ONION FUTURES—AMENDMENT

Mr. BARRETT (for himself and Mr. O'MAHONEY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 778) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, which was referred to the Committee on Agriculture and Forestry, and ordered to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—AMENDMENTS

Mr. BUSH. Mr. President, I submit amendments, intended to be proposed by me to the bill S. 3414, the highway bill, which is scheduled for consideration by the Senate next week.

I ask unanimous consent that the amendments may be printed and lie on the table.

The proposed amendments are modifications of the bill (S. 3429) to authorize reimbursement to the States for certain free or toll roads on the Interstate System, and for other purposes, which I introduced on March 10, 1958, and of which my distinguished colleague, the junior Senator from Connecticut [Mr. PURTELL], and the distinguished senior Senator from New York [Mr. IVES] are cosponsors.

Mr. President, I ask unanimous consent that the text of the amendments, and a State-by-State table showing the amounts of reimbursement it would provide be printed following these remarks.

The PRESIDENT pro tempore. The amendments will be received and printed, and will be referred to the Committee on Public Works; and, without objection, the amendment and table will be printed in the RECORD.

The amendments referred to are as follows:

On page 24, between lines 10 and 11, insert the following new section:

"SEC. 13. Reimbursement to States for free or toll roads on Interstate System.

"(a) It shall be the policy of the Federal Government to equitably reimburse a State for free or toll highways on the Interstate System within its boundaries, the construction of which has been completed or partially completed subsequent to August 2, 1947, or which was either in actual construction, or under construction by contract, for completion, awarded not later than June 30, 1958, if such highway or partially completed section thereof meets the standards required for the Interstate System.

"(b) If an existing free or toll highway or partially completed section of highway which is located upon the Interstate System and included in the report submitted to Congress under section 114 of the Federal-Aid Highway Act of 1956 (70 Stat. 374) (H. Doc. No. 301, 85th Cong.), is believed to measure up to the standards of construction adopted under section 108 (i) of the Federal-Aid Highway Act of 1956, a State may request of the Secretary of Commerce that it receive reimbursement for such highway, and the State shall be entitled to receive such reimbursement subject to the conditions of this section. The Secretary of Commerce shall first determine whether or not the highway, or partially completed section of highway, meets such standards. If he approves the same, the Secretary of Commerce shall determine, in accordance with the rules and regulations issued pursuant to subsection (d) of this section, the amount of reimbursement to which the State is entitled based on the cost of such highway, less depreciation and the total amount of any Fed-

eral funds used in the construction of such highway. In each such determination for a toll highway, the Secretary shall also exclude from the cost of the highway the cost of financing thereof and the cost of any toll plazas, toll collection facilities, and any other facilities not included within the definition of the term "highway" under Federal-aid highway legislation.

"(c) Any State entitled to reimbursement under this section, whether for a toll or free highway or a partially completed section of highway, shall use the funds so reimbursed, first, for construction of projects on highways which connect with the Interstate System and enhance the utility of such System; and then, if there be any funds remaining after completion of such projects, on any Federal-aid system, subject to the condition that all Federal-aid highway funds apportioned to a State under Federal-aid highway legislation for the current fiscal year have been expended within the meaning of said legislation. Whenever a State constructs such projects with funds received as a result of a reimbursement under this section, all procedures and steps shall be taken in the same manner as though such funds had been apportioned under Federal-aid highway legislation: *Provided*, That State matching funds shall not be required: *And provided further*, That the funds received as a result of a reimbursement under this section shall constitute the total Federal share of any project upon which such funds are expended. The State shall obligate the amount to which it is entitled to be reimbursed under this section prior to July 1, 1972, and any portion of such amount not so obligated shall lapse. No State shall be permitted to obligate in any one fiscal year more than 10 percent of the amount to which it is entitled to be reimbursed under this section.

"(d) The Secretary of Commerce shall establish such rules and regulations as may be necessary to carry out the purposes of this section."

On page 24, line 11, strike out "13" and insert in lieu thereof "14."

On page 24, line 20, strike out "14" and insert in lieu thereof "15."

The table presented by Mr. BUSH is as follows:

Net reimbursement amounts based on 90 percent of depreciated original cost less Federal aid already paid toll and free roads

[In millions]

State	Total cost less depreciation, table ASC	Federal-aid matching ratio	Total reimbursable amount based on 90–10	Less Federal-aid payments already made, table AZ	Net reimbursable amount	State	Total cost less depreciation, table ASC	Federal-aid matching ratio	Total reimbursable amount based on 90–10	Less Federal-aid payments already made, table AZ	Net reimbursable amount
Alabama	$18.2	0.9000	$16.4	$9.7	$6.7	New Jersey	$356.4	0.9000	$320.7	$22.0	$298.7
Arizona	41.9	.9439	39.5	25.0	14.5	New Mexico	20.0	.9258	18.5	13.7	4.8
Arkansas	14.0	.9000	12.6	8.9	3.7	New York	1,036.2	.9000	932.6	133.5	799.1
California	379.9	.9162	348.1	87.5	260.6	North Carolina	58.5	.9000	52.7	24.2	28.5
Colorado	45.8	.9131	41.8	24.8	17.0	North Dakota	6.9	.9000	6.2	4.5	1.7
Connecticut	326.6	.9000	294.0	15.5	278.5	Ohio	300.1	.9000	270.1	50.7	219.4
Delaware	34.9	.9000	31.4		31.4	Oklahoma	101.8	.9000	91.6	13.7	77.9
Florida	35.5	.9000	32.0	5.4	26.6	Oregon	106.0	.9238	97.9	31.9	66.0
Georgia	68.7	.9000	61.8	24.2	37.6	Pennsylvania	432.6	.9000	389.4	102.4	287.0
Idaho	11.8	.9239	10.9	7.5	3.4	Rhode Island	19.2	.9000	17.3	6.9	10.4
Illinois	550.1	.9000	495.1	84.4	410.7	South Carolina	9.5	.9000	8.6	5.4	3.2
Indiana	180.6	.9000	162.5	16.2	146.3	South Dakota	9.8	.9117	8.9	5.2	3.7
Iowa	12.1	.9000	10.9	7.0	3.9	Tennessee	14.8	.9000	13.3	9.2	4.1
Kansas	109.3	.9000	98.3	10.3	88.0	Texas	285.1	.9000	256.6	97.2	159.4
Kentucky	37.6	.9000	33.8	6.5	27.3	Utah	18.3	.9488	17.4	13.5	3.9
Louisiana	33.3	.9000	30.0	12.6	17.4	Vermont	3.2	.9000	2.9	1.9	1.0
Maine	38.7	.9000	34.8	3.7	31.1	Virginia	123.0	.9000	110.7	14.5	96.2
Maryland	165.3	.9000	148.7	13.4	135.3	Washington	90.3	.9071	81.9	20.8	61.1
Massachusetts	292.0	.9000	262.5	13.2	249.6	West Virginia	9.3	.9000	8.6	4.5	4.1
Michigan	283.1	.9000	254.8	59.8	195.0	Wisconsin	12.7	.9000	11.4	5.5	5.9
Minnesota	25.9	.9000	23.3	10.8	12.5	Wyoming	23.1	.9287	21.5	15.6	5.9
Mississippi	12.5	.9000	11.3	6.6	4.7	District of Columbia	16.2	.9000	14.6	9.2	5.4
Missouri	113.8	.9000	102.4	46.1	56.3	Alaska					
Montana	15.0	.9131	13.7	11.1	2.6	Hawaii					
Nebraska	1.4	.9000	1.2	.5	.7	Puerto Rico					
Nevada	10.9	.9500	10.4	9.7	.7						
New Hampshire	10.1	.9000	9.1	2.3	6.8	Total	5,922.2		53,450	1,128.7	4,216.3

Mr. COTTON submitted amendments, intended to be proposed by him, to Senate bill 3414, supra, which were ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. FLANDERS submitted amendments intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954, to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—ADDITIONAL COSPONSOR OF BILL

Mr. GORE. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Wyoming [Mr. BARRETT] may be added as an additional cosponsor of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, introduced by me (on behalf of myself and other Senators), on March 6, 1958.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXPANSION OF PUBLIC FACILITY PROGRAM—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that my name may be added as an additional cosponsor of the bill (S. 3497) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes, introduced by the Senator from Arkansas [Mr. FULBRIGHT] (for himself and other Senators), on March 17, 1958.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Address by Hon. JOHN SHERMAN COOPER, of Kentucky, at 16th annual meeting, National Rural Electric Cooperative Association, Dallas, Tex., February 5, 1958.

By Mr. HUMPHREY:

Excerpts from address entitled "A Changing Role for a Changing Agriculture," delivered by him before eighth annual margarine all-industry conference, Boca Raton, Fla., March 17, 1958.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Eugene Levi Kemper, of Kansas, to be United States marshal, for the district of Kansas, for a term of 4 years—reappointment.

B. Ray Cohoon, of North Carolina, to be United States marshal, for the eastern district of North Carolina, for a term of 4 years—reappointment.

James E. Holshouser, of North Carolina, to be United States attorney, for the middle district of North Carolina, for a term of 4 years, vice Edwin M. Stanley, resigned.

William Raab, of Nebraska, to be United States marshal, for the district of Nebraska, for a term of 4 years—reappointment.

Dewey Howard Perry, of Vermont, to be United States marshal, for the district of Vermont, for a term of 4 years—reappointment.

Maurice Paul Bois, of New Hampshire, to be United States attorney, for the district of New Hampshire, for a term of 4 years—reappointment.

Fred Elledge, Jr., of Tennessee, to be United States attorney, for the middle district of Tennessee, for a term of 4 years—reappointment.

Clarence Edwin Luckey, of Oregon, to be United States attorney, for the district of Oregon, for a term of 4 years—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, March 28, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

UNEMPLOYMENT COMPENSATION

Mr. PROXMIRE. Mr. President, an editorial in this morning's Washington Post calls for prompt action to extend unemployment compensation. This editorial points out that:

> Quite apart from other measures on which caution is warranted, this aspect of the recession is truly an emergency requiring emergency action to alleviate individual hardship and to help sustain buying power.

Congress has a clear duty to act, and to act at once, to provide benefits for the hundreds of thousands of workers in every State of the Union who are about to exhaust their eligibility. As a cosponsor of the bill introduced by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], which would extend and improve unemployment compensation, I earnestly hope that action on this measure can be taken very promptly. I also enthusiastically support the measure introduced by the junior Senator from New Jersey [Mr. CASE], which would at once expand unemployment compensation payments. The Senator from New Jersey and the Senator from Massachusetts deserve great credit for vigorously pressing for this urgently needed legislation.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GET ON WITH IT

It is almost inconceivable that the administration would have proposed a program for extension of State unemployment benefits financed merely by Federal loans to the States. Such a plan would require costly and time-consuming special sessions of many State legislatures. If it is true that the Governors who met here with the President to discuss the plan have convinced Mr. Eisenhower of the near worthlessness of such a scheme, the conference was eminently worth while.

Why has it taken the White House so long to formulate its specific proposal for this much-needed relief? All that should be required, basically, is Congressional authority to make grants to the States enabling them to extend the benefits—although any feature that would encourage permanent improvements in the program by the States would be welcome. The legislation could be drafted in a day. Equally difficult to understand is why Congress has not itself moved forward more quickly on such legislation. Hearings sometime after Easter are talked of, when the need is for an extension of benefit payments this week—certainly no later than the end of the month.

Hundreds of thousands of workers are about to exhaust their eligibility; many already have. Unemployment, unhappily, seems to be still growing, although official figures for early March still are lacking. Quite apart from other measures on which caution is warranted, this aspect of the recession is truly an emergency requiring emergency action to alleviate individual hardship and to help sustain buying power.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

STAY OF REDUCTION IN SUPPORT PRICES OR ACREAGE ALLOTMENTS

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana, the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] has a motion he would like to make. Afterward, I should like to make an announcement.

Mr. ELLENDER. Mr. President, I ask that the message from the House of Representatives as to Senate Joint Resolution 162 be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, which were, on page 2, line 9, strike out all after "be" down through "tion." in line 12, and insert "effective, with respect to price supports, only for the marketing year or season which begins in 1958 and, with respect to acreage allotments, through 1959 crops.", and to amend the title so as to read: "Joint resolution to stay temporarily any reduction in support prices or acreage allotments."

Mr. ELLENDER. Mr. President, I move that the Senate concur in the House amendments.

The only thing the House has done is to strike from the joint resolution passed by the Senate the provision that would make price supports and acreage allotments apply for an indefinite period; that is, until the law was repealed or new legislation passed.

The effect of the House amendment is merely to extend the 1957 price support levels as a minimum for 1 year—1958—and 1957 acreage allotments, as a floor for 1 year—1959. That is the only change.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. That is my understanding of the matter; that the joint resolution, as amended, is identical with the joint resolution as it passed the Senate except that the freeze in dollars and cents values shall be for only 1 year.

Mr. ELLENDER. The Senator is correct.

Mr. DIRKSEN. Mr. President, without taking any time to debate the matter, I wish to reaffirm my opposition to the freeze as a matter of policy. If opportunity is given to me to vote, obviously I shall vote against concurrence in the House amendments.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. Some of our friends want the yeas and nays on this matter. I know there are some Senators absent and I had hoped it would not be necessary to have a yea and nay vote, but I am informed by some of my friends on the minority side that they insist on the yeas and nays. I think Senators ought to be placed on notice that we will have a record vote, and therefore I now ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second?

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, will the distinguished Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. I shall vote today for the resolution to freeze agriculture support prices and to prevent them from being lowered.

It is my hope that a better, more workable farm program, acceptable to the farmers, can be eventually enacted. The farmers are not receiving their just share of the national income.

Time does not permit a discussion of all of the points which ought to be considered in a long-range program which will in a sound manner increase the farmer's income.

I desire to express my position in favor of preventing a lowering of support prices.

When the joint resolution was before the Senate some days ago, it not only froze support prices, which was all right, but it froze acreage allotments, and made the freeze indefinite. The time limit in the resolution now before the Senate lessens the weight of the objections, and I shall vote to concur in the House amendments.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HRUSKA. I should like to associate myself with the remarks of the junior Senator from Nebraska.

I should like to make an inquiry of the chairman of the Committee on Agriculture and Forestry.

In the form in which the joint resolution was originally submitted to the Senate, without any limitation as to

time, except for affirmative action taken by the Congress, it would have meant, would it not, a transfer from the national farm policy of flexible price supports to a rigid price-support program?

Mr. ELLENDER. No; that would not have been the case.

There would be nothing rigid about the stopgap price-support bill we adopted. As a matter of fact, I have seen that threadbare old argument dragged out and flogged so frequently by the Secretary of Agriculture and the White House that it is beginning to become somewhat ludicrous. It seems that anything Congress does that Mr. Benson does not like he labels "rigid."

Let me state to the Senator that the bill we passed earlier this week would have merely fixed last year's support price and last year's acreage as a minimum below which future support prices and future acreages could not fall until Congress had been given an opportunity to act. Let me take just one good example—cotton. I think that this one example will prove, and the Senator will agree, that to label this bill "rigid" is purely poppycock.

Last year, cotton was supported at 78 percent of parity. Our measure provided that for 1958 and future years, until Congress provided otherwise, the price of cotton could not be supported at a price less than that in effect last year. Thus, the support price of cotton can still flex, provided it flexes upward from last year's level. Now, Mr. Benson has said this is terrible, but, as a practical matter, he has already set the price support for cotton in 1958 at 81 percent of parity, or 3 points higher than it was last year—3 points higher than the minimum floor called for in the Senate bill. The only thing rigid about the stopgap bill we have approved is Mr. Benson's unyielding attitude toward it, or any other measure which would give some relief to our farmers. The flexibility of the support price will remain the same, from whatever level prices were last year up to 90 percent.

Mr. HRUSKA. Is that true of any other commodity?

Mr. ELLENDER. That is true of any other commodity. In other words, the flexibility will be from last year's prices up to 90 percent.

Mr. HRUSKA. Is the chairman saying, then, that this is a freeze resolution, but it is not a freeze resolution?

Mr. ELLENDER. The freeze is at not less than 1957 prices; and, since the price in dollars and cents will be under 90 percent, the range of flexibility will be from last year's price up to 90 percent. I cited cotton as a specific example. The support for cotton was 78 percent of parity for 1957. Therefore, there is flexibility from 78 to 90 percent. That is demonstrated by the fact that the Secretary of Agriculture increased the price support for this year over the price of 1957.

Mr. HRUSKA. But the amendment now proposed will necessitate the review of the entire policy by the Congress in the next 12 months, will it not?

Mr. ELLENDER. Oh, yes. The price support is effective only for a year. The Committee on Agriculture and Forestry is now in the process of studying every proposal which has been submitted to it, and I hope before the session ends we shall have before the Senate for consideration an omnibus bill.

Mr. HRUSKA. Which will embrace all the factors we have been discussing in the course of the debate on the joint resolution?

Mr. ELLENDER. Yes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. The amendments to the joint resolution which were made in the House make it a better measure. I hope the Senate will approve the amendments.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. When this question first arose I contended that the joint resolution represented a reversal of policy, and that it was in contravention of the recommendations made by the President in his state of the Union message, as well as his agricultural recommendations. I stated that in my judgement, right or wrong, the result would be to pile up surpluses. It will cause no end of trouble for us, so I wish to reassert my opposition to this proposal.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I wish to reaffirm my support of the joint resolution. The form in which the House passed it is acceptable.

The joint resolution will freeze the price supports at no less than last year's level. It seems to me that this is not asking too much. This is the price level which the President himself established as a compromise price support level 2 years ago when he vetoed the farm bill. That was at a time when farm operating costs were considerably less than they are today. If that was a fair price 2 years ago, it is certainly low enough now.

This is stopgap legislation, which will help farm prices, and add nothing to the cost of food.

Mr. ELLENDER. The Senator is correct.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Louisiana [Mr. ELLENDER] to concur in the House amendments to Senate Joint Resolution 162.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Louisiana [Mr. ELLENDER] to concur in the House amendments to Senate Joint Resolution 162. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. Mr. President, on this vote I have agreed to give my friend, the senior Senator from California [Mr. KNOWLAND], a pair. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." In view of my agreement with the Senator from California, I withold my vote.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

On this vote, the Senator from Washington [Mr. JACKSON] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Washington would vote "yea" and the Senator from Rhode Island would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Kentucky [Mr. COOPER] and the Senator from Iowa [Mr. HICKENLOOPER] are necessarily absent.

The Senator from California [Mr. KNOWLAND] is necessarily absent and his pair with the Senator from Texas [Mr. JOHNSON] has been previously announced.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

On this vote the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting the Senator from Kentucky would vote "yea" and the Senator from Utah would vote "nay."

On this vote the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting the Senator from Wisconsin would vote "yea" and the Senator from Iowa would vote "nay."

The result was announced—yeas 48, nays 32, as follows:

YEAS—48

Aiken	Fulbright	Murray
Allott	Gore	Neuberger
Anderson	Green	O'Mahoney
Bible	Hayden	Potter
Carlson	Hill	Proxmire
Carroll	Hruska	Russell
Case, S. Dak.	Humphrey	Schoeppel
Church	Johnston, S. C.	Smathers
Clark	Kefauver	Sparkman
Curtis	Kerr	Stennis
Douglas	Langer	Symington
Dworshak	Long	Talmadge
Eastland	Mansfield	Thurmond
Ellender	McClellan	Thye
Ervin	Monroney	Yarborough
Frear	Mundt	Young

NAYS—32

Barrett	Goldwater	Morton
Beall	Hoblitzell	Payne
Bricker	Holland	Purtell
Bridges	Ives	Revercomb
Bush	Javits	Robertson
Butler	Jenner	Saltonstall
Byrd	Kuchel	Smith, Maine
Capehart	Lausche	Smith, N. J.
Case, N. J.	Malone	Watkins
Cotton	Martin, Iowa	Williams
Dirksen	Martin, Pa.	

NOT VOTING—16

Bennett	Jackson	Morse
Chavez	Johnson, Tex.	Pastore
Cooper	Kennedy	Scott
Flanders	Knowland	Wiley
Hennings	Magnuson	
Hickenlooper	McNamara	

So the motion was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Louisiana to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Morning business is in order.

SEVENTIETH CONVENTION OF SOUTH CAROLINA EDUCATION ASSOCIATION

Mr. JOHNSTON of South Carolina. Mr. President, as education is a basic weapon in the unceasing effort to maintain a free world, I note with pleasure that the 70th convention of the 108-year-old South Carolina Education Association is under way today at Columbia. Upward of 5,000 teachers and administrators will be in attendance.

A convention of educators is a matter of prime importance today, for education is a democratic arsenal that bulwarks our national freedoms.

This convention of South Carolina educators and administrators is timely, and its deliberations represent a national service. After all, the hard core of national security lies in the way our people feel about their country, its institutions, its moral values. Educators are in the front line of the never-ending battle to preserve American liberties. The classroom is truly the seeding place for future patriots.

Mr. President, we have made and are making progress all along the line in the matter of physical weapons for our protection, but arms by themselves are not sufficient for national security. Of major importance are the people themselves: their devotion to democratic ideals and institutions; the measure of their willingness to undergo sacrifice for the well-being of the Nation; their alertness to the problems and threats of the day; their understanding of the forces which menace the peace. The stake the individual has in democracy and his complete awareness of it is the vital question. Education thus becomes a prime weapon for freedom.

Broadly considered, the world today is divided into two rival educational camps: one recognizes man as a creation of God, endowed with individual rights, at liberty to pursue his own destiny, and to develop his talents in freedom. The other regards man as a thing, soulless, to be used, exploited, and degraded by an all-powerful state which denies him his dignity, robs him of his self-respect, presses him into the slave-labor camp. Thus is the essential difference between democracy and communism.

America's tradition of free education is one of our Nation's richest inheritances. We of South Carolina have an especial interest in expanding educational opportunities and improving the quality of education. According to the findings of the research division of the National Education Association, 29 percent of South Carolina's population falls into the age bracket of from 5 to 17 years. Thus, South Carolina leads all the States in the important school-age population.

The investment America makes in education will be repaid manifold. An enlightened citizenry is the Nation's best safeguard. It is sound policy to provide physical school facilities for our expanding population; to upgrade teachers' salaries to the point where candidates for this vital profession will be encouraged to enter the teaching field; and to establish incentives for an ever-growing student body, insuring unto ourselves the quality of leadership needed in the vitally challenging decades ahead.

The people of South Carolina in recent years have made tremendous sacrifices in order to build one of the finest public-school systems in the Nation. They have levied special taxes to support public-school construction programs, and today South Carolina is equipped with a physical public-school system second to none. South Carolina is fortunate to have such excellent, patriotic, and devoted educational leaders.

I think the respect the people of South Carolina have for the value of education is reflected in their willingness to support this program of school construction.

The parents and students of South Carolina are fortunate in having a dedicated and able teaching corps. The teachers and educational administrators of South Carolina are cultural, moral, and intellectual leaders whose guidance, counsel, and devotion represent the highest concepts of American leadership.

Working together—student, teacher, parent, and government—with God's blessing, we shall develop a generation of Americans whose patriotism, courage, judgment, resourcefulness, and capacity for leadership will provide bright hope for the future. In this spirit, I salute the officers and membership of the South Carolina Education Association, in convention assembled.

The PRESIDING OFFICER. Under the 3-minute limitation, the time available to the Senator from South Carolina in the morning hour has expired.

PAKISTAN INDEPENDENCE DAY

Mr. THYE. Mr. President, Sunday will mark another day of importance in a tiny country half a world away. On March 23 the little Republic of Pakistan will celebrate the second anniversary of the date when it officially became a Republic.

I believe it is fundamental that, whenever possible, we officially note an anniversary of independence. The world will know that we mark freedom and liberty wherever these things have importance and meaning.

On March 23, 18 years ago, the famous Pakistan resolution was forwarded to the all-India Muslim League, at Lahore. This resolution for the first time put on the record a demand for a separate independent Muslim state in the Indian subcontinent.

We in the United States have a real friend in the Republic of Pakistan. Together, we have spelled out our common purpose in fighting the menace of communism, by our mutual participation in the Seato Pact.

It has been mentioned that it goes without saying that America holds a continuing and vital interest in Pakistan and her democratic development. Perhaps this is so. But I claim it should go with saying that we will continue to encourage the growth of countries which are pressured on all sides by communism. We should say it again and again. And we should say—today—that our best wishes go to Pakistan on her second birthday of liberty.

THE ARKANSAS BASIN PROJECT

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent article, entitled "The Arkansas Basin Project," written by my colleague, the senior Senator from Oklahoma, published in the Work Boat, 1957 annual review number.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ARKANSAS BASIN PROJECT

(By the Honorable ROBERT S. KERR, United States Senator from Oklahoma)

Some 30 miles north of Tulsa is the town of Oologah, Okla. A short distance from its principal streets, Cooweescoowe Avenue and Cowtrail Boulevard, runs the Verdigris River.

Will Rogers was born here on the banks of the Verdigris when it was a proud, active waterway. He loved this river almost as much as another great humorist, Mark Twain, cherished the Mississippi, and he often mentioned it in his writing.

At the time of Rogers' death in Alaska, the Verdigris in many areas had become a neglected, heavily vegetated ditch.

Downstream, midway between Tulsa and Oologah is the city of Catoosa. It appears to be an ordinary prairie town; but if plans now authorized by the Congress find fruition, Catoosa will serve as a bustling river port for the nearby metropolis of Tulsa, and will become the terminal of more than 500 miles of lush industrial development along the Arkansas Basin.

Steamboats once paddled from the Mississippi up the Arkansas River all the way to Wichita, Kans., where the "Arkansaw" suddenly and mysteriously became the "Arkansas."

Earlier, these historic rivers channeled explorers into Oklahoma and adjacent States. Spanish explorers in the 16th century first pierced this western wilderness in hollowed-out log boats and buffalo hide canoes.

Later, shallow keelboats and sternwheeled steamboats made scheduled runs from New Orleans to Fort Gibson, Okla. It was the keelboat that brought the soldiers who built Fort Smith, Ark., in 1817, and Fort Gibson and Fort Towson in 1824, together with the equipment and supplies essential to their work.

By the turn of the century, however, water transportation in this area had given way to other modes of travel. Today the river in its natural condition is completely unsuited for continuous navigation, because of its extremely low flow during dry periods, and as the result of a heavy sediment load which it deposits in the form of obstructive bars.

With an eye to fantastic advantages in freight rates enjoyed in the great river valleys and along the gulf coast, the Congress in 1946, as a part of the River and Harbor Act, authorized a project for the improvement of the Arkansas River for navigation and related multiple-purpose development.

The primary purpose of this legislation was to provide a 9-foot channel up the Arkansas River from its confluence with the Mississippi River to the mouth of the Verdigris River in Oklahoma. Fifty-two miles of the Verdigris—up to the town of Catoosa—were included in the project, which will cover 512 miles of vital waterway.

The authorized program for the Arkansas Basin calls for the construction of 30 flood-control or multiple-purpose reservoirs, including two non-Federal reservoirs, Pensacola and Markham Ferry, in Oklahoma.

Of these, 14 already are finished. Five more are under construction. A total of $11,900,000 was appropriated for work on these five reservoirs during the fiscal year 1957, plus $3 million more for bank stabilization work.

This program is a long-range, multiple purpose, comprehensive project that, depending upon appropriations, could be completed by 1973. The reservoir program in the Arkansas Valley is well along, but the Arkansas River navigation project is just starting.

Since the navigation development must be built essentially as a unit under a well-planned and continuing construction schedule, little evidence can yet be found along the riverbed and channels of any forward steps toward actual barge traffic.

This lack of evidence each dry summer creates in many minds an understandable doubt as to the eventual success of the navigational phase of the project. Sweltering farmers, noting their empty rain barrels and the powdered creek beds, express concern that is faithfully reflected in many newspaper cartoons.

Editorial pages frequently appear with huge oceangoing vessels plying their way through Oklahoma's "desert," always, incidentally, with some identifying tag to associate me with this incredible shipping development.

It is, truly, a gargantuan engineering undertaking. The project as authorized will represent an expenditure of $1¼ billion. It will take at least 15 years to complete it, and it will cost an average, in peak years, more than $100 million.

In recognition of the peculiar characteristics of the waterways, the project was designed with three large reservoirs: Oologah, Keystone, and Eufaula, all in Oklahoma.

The first, Oologah, is on the Verdigris River a short distance above the planned head of navigation. It will store water for augmenting the flow of the Verdigris and Arkansas Rivers during dry periods. It also will provide substantial flood-control and water-supply benefits. Tulsa already has agreed to pay for a large amount of the available water-supply storage.

Keystone Dam, on the Arkansas below Tulsa, and Eufaula Dam, on the Canadian River near its mouth in the Arkansas River, serve to store water for release during low-flow periods, and to trap the large amount of sediment carried by both rivers. They also provide significant flood-control storage.

Above Pine Bluff, Ark., the river would be improved by four large locks and dams in the upper portion of the Arkansas. These are Dardanelle and Ozark locks and dams in Arkansas, and Short Mountain and Webber Falls locks and dams in Oklahoma.

The remainder of the Arkansas above Pine Bluff would have 10 smaller locks and dams, and the Verdigris would have 3.

Between Pine Bluff and the Mississippi the authorized plan provides for 3 smaller locks and dams and a dam on the Arkansas, a canal with a lock to cut across country to the White River, and 2 locks and dams and a dam on the White River.

A lateral canal on the north bank of the Arkansas from Pine Bluff to the Mississippi would be an optional, and perhaps preferable, solution, requiring a dam just downstream from Pine Bluff on the Arkansas, and 1 on the White River, with perhaps 5 locks. Bank protection of the Arkansas would be included in the project from the Mississippi to Short Mountain Dam.

So, it is apparent the authorized project is an extensive development, but one which has been justified again and again after thorough study by Army Engineers. And here is why:

Experts have determined that the navigation benefits derived from this completed project will include the movement of 13 million tons of freight annually, on the average.

The nature of this traffic on the Arkansas, it was estimated, would include, in millions of tons per year: Petroleum products, 3.8; iron and steel products, 3.7; and coal, 1.3.

This same group of experts has assumed that the average savings in transport costs per ton of cargo will be $3.06. This figure, they point out, was arrived at from extensive data on rail rates and experienced costs of operating barge lines. It compares favorably with figures garnered from years of operations on other waterways.

Comparisons with other waterways indicate that the Missouri River more nearly resembles the Arkansas than any of the others, although there are major differences in the types of cargoes anticipated.

The Missouri River Basin project is still under construction and reliable depths below Kansas City have been only 6.5 feet, as compared to a project depth of 9 feet on the Arkansas. Despite this handicap, commercial traffic increased 40 percent in 1955 and even greater traffic is anticipated.

The amazing growth of the Ohio Valley, with the completion of the navigation project, has added impetus to the Arkansas project.

The Ohio River project was begun about half a century ago. The flood control reservoir system, which is still only 40 percent complete, started about 20 years ago. The industrial development of the Ohio River Basin has flourished with the aid of those programs.

Some $10 billion worth of new plants have been erected in that region within the past 10 years alone. And this development has been based primarily upon three factors: Coal, cheap water transportation, and abundant water supply.

It should be pointed out here that eastern Oklahoma and western Arkansas contain one of the largest known reserves of coal. But presently the mines in these areas are closed because the coal is landlocked and not competitive with less desirable coal from other areas having the benefit of water transportation.

Commercial fertilizers, particularly phosphates, are used only to a limited extent in the areas tributary to the Arkansas River, primarily due to excessive freight rates. The need for these fertilizers is abundant in this entire area.

With the development of common carrier barges—modern diesel towboats equipped with radar, radiophone, and having a towing capacity of nearly 30,000 tons—the materials most needed in the Arkansas basin would be especially adaptable for transport by this method.

Once waterway transportation is available for the hauling of bauxite and pig metal and fuels; once hydropower is available near at hand to backstop the low-cost power advantages inherent in the coal resources and the easily available natural gas; once water-supply possibilities are developed to the fullest possible extent; the Arkansas Basin will possess the physical attributes needed for truly great expansion.

STEPS TO END THE RECESSION

Mr. JAVITS. Mr. President, today we are faced with another example of what Gilbert and Sullivan called an amazing paradox. At 11 o'clock this morning we were advised that the Consumer Price Index for February is 122.5, which is an increase—although slight—from January, when it was 122.3.

Mr. President, in a recession the classic pattern is that prices drop, not rise, in order to attract more consumption.

I believe that the real question facing the American people is whether American business in all its branches, including labor, is really responsive to the present situation.

Mr. President, I repeat that this is an amazing paradox.

It seems to me that there are two things which can be done; one can be done by the President, and the other can be done by the Congress.

I believe it is high time for the Congress to take up where the Temporary National Economic Committee left off—the famous TNEC, which looked into these very questions about two decades ago. I have submitted a resolution urging that the Committee on Interstate and Foreign Commerce or a select committee undertake an inquiry into how the consumer is faring in today's economy, with special reference to the recession.

In addition, I have urged that the President of the United States hold a White House conference of management, labor, and consumers, in order to determine just what each can do in the way of holding the line on prices, holding the line on wages, and taking other steps in the economy to deal with this recession.

I emphasize that the Government spends only 20 percent of the aggregate amount spent in the American economic system, whereas the private economy is responsible for 80 percent. Yet, somehow or other, no one has been calling upon the private economy to do its part. I believe the President is in a unique position to play that role. If we are to eventuate as we should—namely, the great, powerful leader of the world—I believe we should develop a stable economy available to all.

Mr. President, the hallmark of our economy will have to be a consumers' economy, whereas the hallmark of the Soviet economy is that of a state economy. This is an excellent time to make progress along that line, and I strongly urge it.

TREASURY AND POST OFFICE APPROPRIATIONS, 1959

Mr. JAVITS. Mr. President, on another subject——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me so I may make a motion, with the understanding that he not lose the floor?

Mr. JAVITS. Certainly.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H. R. 11085.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11085) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations without amendment.

Mr. JOHNSON of Texas. I thank the Senator from New York.

POSITION OF SENATOR JAVITS ON S. 3420, TO EXTEND AND AMEND THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JAVITS. Mr. President, the RECORD will show that I was not present yesterday for the yea and nay votes on the bill relating to Public Law 480. I wish the RECORD also to show that I spent the day in the beautiful State of Delaware, on a snowbound train, from 9 o'clock in the morning until 9 o'clock at night. Had I been here I would have voted "nay" on the amendments and "yea" on the bill.

I turn to another subject.

The PRESIDING OFFICER. The Senator from New York.

AID FOR COLLEGES

Mr. JAVITS. Mr. President, we are reminded today, by an editorial in the New York Times, that the private colleges of the country need help, and the main help they can get is from contributions. While we talk about education, we have an opportunity to do something about it.

The editorial points out that the starting salary for faculty members in the private colleges and universities averages $4,000. The average top salary for full professors is between $8,000 and $9,000 a year. So long as that continues to be our standard of value for learning, it is no wonder we cannot make major progress in education. I have supported and worked for measures to right this balance, but the people themselves can do a great deal by their own contributions.

I ask unanimous consent to have the editorial printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR COLLEGES

Presidents of the 23 member colleges of the Empire State Foundation of Independent Liberal Arts Colleges, Inc., 11 West 42d Street, New York, are engaged in a spring campaign to raise funds for the foundation. Teams of the college presidents are calling upon business executives in New York City, in Westchester, on Long Island, and in other parts of the State.

As officials of the foundation contend, financial support from business and industry is necessary if the independent colleges are to meet the pressing problems besetting them. The need for educated men and women, trained in our colleges of liberal arts and sciences, is more important than ever before. To maintain and improve the quality of these institutions is a formidable task, especially with financial problems mounting steadily.

The goal for this year's foundation campaign is $500,000. As against this objective, $362,000 was raised last year and $298,000 the year before. The most urgent need of the foundation colleges is to improve faculty salaries. The present starting salary for faculty members averages $4,000 a year and the average top salary for full professors is between $8,000 and $9,000. The foundation's drive represents a splendid opportunity to give the cause of higher education tangible and valuable assistance.

PURCHASE OF MILITARY TRUCKS FROM JAPAN

Mr. SALTONSTALL. Mr. President, yesterday the Senator from Michigan [Mr. POTTER] discussed the purchase of military trucks from Japan. His brief statement appears on page 4846 of the CONGRESSIONAL RECORD for yesterday.

I wish to obtain from the Department of Defense an explanation, and I made inquiry. I have received an answer from Mansfield D. Sprague, Assistant Secretary of Defense for International Security Affairs. In his letter he points out that it is our purpose to have our allies and our friends in mutual security build up their own defense establishments wherever they can, out of their own funds. The purchase of trucks is an effort in that direction in the case of Japan. He also points out that additional requirements for purchase of new vehicles within the program will be subject to periodic justification.

Mr. President, I ask unanimous consent to have the full letter of Mr. Sprague printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, at follows:

ASSISTANT SECRETARY OF DEFENSE,
INTERNATIONAL SECURITY AFFAIRS,
Washington, D. C., March 21, 1958.

Hon. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: During the past few years, the Department of Defense has conducted studies on the condition of vehicles in the military fleets of the Far East military assistance program recipients, and has determined that a majority of these vehicles will be lost through attrition by the end of fiscal year 1961. These vehicles were originally procured during World War II and most have seen service in two wars.

As a result of these studies, a comprehensive 5-year program was initiated in fiscal year 1957 to rebuild vehicles and to procure new vehicles in Japan at a minimum cost.

Generally, the factors which influenced the decision to effect procurement in Japan were as follows:

(a) The World War II type vehicles are not in production in the United States and almost complete retooling would be required to provide a similar vehicle. It is believed that the quantities involved would preclude such expense. The Japanese are currently producing simple, modified World War II type vehicles which meet the criteria for cost and maintenance capability. These vehicles are being obtained at lower prices than would a more modern version of a United States military vehicle and from a source relatively close to the users, which reduces transportation costs.

(b) The M series vehicle now being used by the United States forces would present a complicated and expensive maintenance problem for Far East countries. At the same time, a continuing financial and logistical burden would be placed on the military assistance program, if these modern vehicles were to be provided and maintained with spare parts, along with the rebuild and spare parts support for the remaining World War II vehicles.

(c) In order to reduce maintenance costs and permit Asian nations to support their vehicle fleets through trading arrangements with Japan for spare parts and other support, these fleets should be of Japanese make with 100 percent of parts support available in Japan.

(d) United States owned yen is being used, as available, in current contracts. To the extent possible, the Department of Defense envisions a further proposal for the procurement of these vehicles in Japan with yen obtained from the Japanese Government in payment for United States produced military equipment. The United States would be indicating to the Japanese that, insofar as the Japanese would be willing to use their own currency to pay for American military materiel, in lieu of grant aid, the United States would purchase certain military products in Japan, with the yen thus engendered, for the use of other Asian nations. This should result in the achievement of economies for the United States, at the same time that mutual security objectives are met, and should be of benefits to both American and Japanese industry.

(e) The concept of helping nations to build up their armed forces and, then, having these nations support these forces, is not possible of accomplishment unless those nations having an internal financial capability can obtain their needed supplies within their natural market area, without complete dependence on dollar producing sources. Development of trading arrangements by the Japanese and other Asian nations is considered to be an effective method by which continued United States maintenance support in the Far East can be minimized.

In the first year of the 5-year rebuild and replacement program (fiscal year 1957), contracts were placed for 9,165 Japanese-produced vehicles. These vehicles are being provided to the Japanese armed forces in exchange for 13,896 United States World War II type vehicles. These World War II type vehicles are being rehabilitated and redistributed to other MAP recipients in the Far East.

The Department of Defense has approved for procurement in Japan in fiscal year 1958 only 4,400 vehicles (¼-, ¾-, and 2½-ton) of the 10,000 annual requirement for Far East countries envisioned in the overall program. On the basis of past contracts, it is estimated the cost of this procurement will not exceed $21 million. Additional requirements for procurement of new vehicles

within the program will be subject to periodic justification.

Sincerely yours,

MANSFIELD D. SPRAGUE,
Assistant Secretary of Defense (ISA).

UNITED WE STAND—DIVIDED WE FALL

Mr. HUMPHREY. Mr. President, we have just passed a measure that is very important for American agriculture, the joint resolution that places a floor under prices and freezes both acreage allotments and prices at 1957 dollar and acreage levels. I am very much pleased that Congress has seen fit to do that.

Mr. President, success and failures of farm-vote attempts in both sides of the Congress should by now provide convincing evidence of the necessity for our farm groups to work together, rather than trying to go it alone, one commodity at a time.

That was the premise upon which many of us worked as presenting the best hope of success for our farm people. The results have proven we were right. The Senate has rejected individual commodity bills, but has approved a joint effort to protect all farm groups. Now the same thing has happened in the House.

I hope people who have tried to divide farm groups and create disunity have learned a lesson and will hereafter join with those of us willing to help all farm people as long as the same spirit of reciprocal support is shown by various commodity groups.

Mr. President, a timely discussion of this point was carried on a network of Midwest radio stations last Monday, sponsored by the Farmers' Union Grain Terminal Association. I ask unanimous consent that the text of this broadcast, quoting from one of the most capable farm writers of the Washington press corps, Charles Bailey, be printed at this point in the RECORD.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

An old truism of farm politics—that you stick together, or get stuck separately—was proved again in the United States Senate last week. So explains Washington reporter Charles Bailey in the Minneapolis Tribune. He tells what happened this way, and we quote from his story: "One farm bill was passed by the Senate. It applied across the board to all farm products—freezing price supports and acreage allotments at levels no lower than those set in 1957. Three farm proposals failed," Bailey says. "Two dealt with dairy products only, one with cotton alone. Thus the old farm bloc—split in 1956 and 1957 by the siren songs of single-commodity appeals and partisan politics—managed to pull itself together well enough to slap the administration with the all-commodity price-acreage freeze."

This suggests to Bailey that the immediate outlook for the newly generated farm bloc is good. The House farm committee has the all-crop measure now, and it seems almost certain that it will pass there. But Bailey says that the three attempts to put through one-product bills shows that this reunited bloc is far from firm and that the partisan divisions so obvious in the past 2 years are still alive. Bailey and other Washington observers report that the President will veto the all-crop freeze. Secretary of Agriculture Benson, of course, strongly advises him to do so.

But another Washington reporter—Wayne Darrow, editor of the Washington Farmletter—predicts that a veto won't end the effort to get good farm legislation this year. He says that the point has been reached on farm affairs beyond which Eisenhower and Benson can't push Congress without having a first-class fight on their hands. "Instead of ending efforts to raise price supports," Darrow states, "a veto will bring redoubled efforts in Congress to pass a longer range omnibus farm bill—even though it, too, would be vetoed. That's the mood now."

Well, this is the time of decision in Washington, and the prices you farmers will get this year for your grain and your milk are being decided, and that means that prices on most all your other crops are affected, too. It's the old price relationship among commodities—that you farmers understand so well, from many years of experience. Both the Washington reporters we've just quoted point up the fact that Congress is worried. There is a growing feeling that something must be done for farmers and done now. So a veto of the all-crop price-support freeze, acknowledged to be only a stopgap measure, would trigger Congressional action for an omnibus farm bill, wrapping up farm legislation into one bundle.

Could it succeed? It could if the Senators and Representatives from all the farm areas in the United States stuck together with the overall welfare of agriculture in mind. It's a case of sticking together, or getting stuck separately. And how well farmers know that story. Sticking together and working together is the story of GTA. Organized economic action, benefiting farmers to the tune of many millions of dollars, with fine, modern marketing services and strong representation in Washington. Farmers built that, farmers own it, farmers use it—GTA, the co-op way.

MEADE ALCORN STATEMENT ON DEMOCRATIC SPENDING

Mr. HUMPHREY. Mr. President, I noted in today's Washington Star a news story, which I hold in my hand, entitled, "Alcorn Raps Rival's Plans," an Associated Press dispatch with the dateline Delaware, Ohio, March 21. It reads in part as follows:

Meade Alcorn, chairman of the Republican National Committee, said today Democrats would spend Federal funds at random to halt the business downturn.

Republicans, he added, are not willing to hand our grandchildren a billion-dollar bill for 1958 leaf raking.

The article states further:

The Democrats see in this a negative, hard-times issue on which their various splinter groups can unite. Their answer is twofold: (1) Mount a massive publicity barrage of professional pessimism to shake confidence in the future; and (2) wheel out their traditional and only economic weapon, the Federal Treasury, and fire it off pretty much at random in all directions.

Mr. President, I ask unanimous consent that the dispatch may be printed in its entirety at the conclusion of my brief remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, let me make a quick comment in this morning hour. First, the Democratic leadership in both the Senate and the other House has not fired at random. The Democratic leadership has attempted to lay before the Congress a sensible, constructive, and timely program. It is nothing short of shocking that the White House and executive branch have to be coaxed into action. This administration is still addicted to the old, wartime, pathetic slogan of "too little and too late."

I think we owe a debt of gratitude to the chairmen of committees in the Senate, to the majority leader, LYNDON JOHNSON, and, yes, to some of our Republican colleagues. I have noticed the fine statements of the minority leader in his effort to arouse Congress and the executive branch into action. Mr. Alcorn can talk all he wishes about the pessimism of the Democrats, but I wish his heart would have a little room in it for the tragedy of unemployment, for the loss of income of our farmers. I wish he would speak a little more affirmatively about what they intend to do in his party about the rate of bankruptcy of small business. I wonder what Mr. Alcorn's response is to 5½ million unemployed. I wonder what Mr. Alcorn's response is, at a time when the Nation is in recession, to the fact that we witness the highest cost of living in the Republic's history. Mr. Alcorn made the wrong speech, at the wrong time, on the wrong subject, by the wrong man.

I say, Mr. President, before any more Republican leaders start talking, in a sort of spirit of levity, about the tragedy of unemployment, recession, bankruptcy, or business failure, they had better examine their consciences and the miserable, deplorable record of their administration. Part of the tragedy today is due to the tight money, high interest rates, hard money, tight credit policies of this administration.

Meade Alcorn can make political speeches about the pessimism of Democrats. I suggest that he make a speech about the faltering leadership of his own administration and the laying down of a program of action rather than one of reaction.

EXHIBIT 1

ALCORN RAPS RIVAL'S PLANS

DELAWARE, OHIO, March 21.—Meade Alcorn, chairman of the Republican National Committee, said today Democrats would spend Federal funds at random to halt the business downturn.

Republicans, he added, are not willing to "hand our grandchildren a billion-dollar bill for 1958 leaf raking."

The GOP chairman, in an address prepared for Ohio Wesleyan University's student assembly, said the difference between the two parties on the current recession is this:

"The Democrats see in this a negative, hard-times issue on which their various splinter groups can unite. Their answer is twofold: (1) Mount a massive publicity barrage of professional pessimism to shake confidence in the future; and (2) wheel out their traditional and only economic weapon, the Federal Treasury, and fire it off pretty much at random in all directions.

"We Republicans see in the downturn a temporary challenge to the working partnership of Government and private initiative. We refuse to spread fear and panic among our people.

"We refuse to believe that the bright future of America has suddenly dimmed. We quietly loosen credit, encourage enterprise,

and carry out a solid economic program to stimulate and accelerate spending only for things the country needs."

AGRICULTURAL POLICIES DEPOPULATE FARMS

Mr. HUMPHREY. Mr. President, another press dispatch this morning from the Washington Star is entitled "Agriculture Plows Under Report Hinting Policies Depopulate Farms."

We see again a lead story in one of the newspapers in Washington, which has consistently supported the administration, to the effect that the Department of Agriculture, Mr. Benson himself, has done away with—literally burned—the copies of a report which revealed that the agricultural policies of this administration have brought ruin, trouble, and at times open distress to thousands and thousands of people.

Mr. President, I ask unanimous consent that the article from the Washington Star may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGRICULTURE PLOWS UNDER REPORT HINTING POLICIES DEPOPULATE FARMS

(By Mary McGrory)

Agriculture Secretary Benson just won't tell Congress why his Department recently plowed under 2,500 copies of a farm census report.

The original edition of Farm Population Estimates for 1957 has become a collector's item. It may even be extinct. No one knows except the people in the Department who prepared it, and they are not allowed to discuss it.

Cries of book burning have been heard on Capitol Hill. A department spokesman would only say, "I don't think the particular manner of disposition is important in the case."

Mr. Benson's assistant, Don Paarlberg, says the 2,500 destroyed copies constituted a working paper, which contained material not statistically representative. He has steadfastly refused to make the controversial contents public because, he says "the nature of the material that was deleted was based on a subsample we did not think adequate."

SUGGEST INFERENCE

But Representative FOUNTAIN, Democrat, of North Carolina, chairman of a Government Operations subcommittee, who was refused a copy of the suppressed edition, told the Department in a letter:

"When documents are withheld and officials are forbidden to talk, an inference is inevitably created that the Department has something to hide."

And a recent edition of the Farmers' Union newsletter came out with its own version of what was being hidden.

"As part of a report showing how farm population had declined in 1957 by more than 8 percent," said the March 7 newsletter, "there also was included some comment from the people out in the country who had helped furnish estimate material. Some of these comments reportedly implied that the drop was regrettable and partly due to administration farm policies."

FIGURES CALLED IDENTICAL

Representative FOUNTAIN wrote requesting the original edition of the pamphlet on February 27 and an explanation of its suppression. Mr. Paarlberg replied that the figures in both versions were identical, but that for the first time technicians responsible for the estimates interviewed certain farmers.

"The technicians stated in the draft that this material was illustrative of the range of the factors affecting farm population movement and did not necessarily give a representative statistical sample," he wrote. It was originally published, he said, because of an incorrect impression on the part of the Agricultural Marketing Service section of the Department.

Mr. Paarlberg pointed out that the additional cost of printing the revised edition was only $50.78.

He still won't say if any originals survive.

PROXMIRE SEES DISTORTION

Word of the uncirculated edition got around on Capitol Hill. Senator PROXMIRE, Democrat of Wisconsin, an old Benson foe, citing the Secretary's boast that per capita farm income had risen to a record high, suggested a possible distortion of farm statistics, and charged book burning.

And on the House side, Representative REUSS, Democrat of Wisconsin, also accused the Secretary of book burning and said, "Of course, Benson could not release a document which would show that farmers were being driven off the farms by his policy."

Representative FOUNTAIN has referred the whole matter to Representative Moss, Democrat of California, chairman of the Government Publications Subcommittee, a group dedicated to finding out from executive departments why they do this sort of thing.

ECONOMIC SIGNPOSTS

Mr. HUMPHREY. Mr. President, Republican pep talks and chins-up pronouncements to the contrary, the cold statistics reveal that the recession is growing worse with each passing week.

The latest New York Herald Tribune business index shows a further drop in the first week of March of 1.2 points, from 163.4 to 162.2. This compares with a figure of 192.9 for a year ago—which indicates a drop in general business of 16 percent.

I ask unanimous consent, Mr. President, that the Herald Tribune report on business activity dated March 13 be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE BUSINESS TREND—HERALD TRIBUNE INDEX DOWN 1.2 POINTS

General business seeped still lower in the first week of March, according to latest data. An encouraging sign was further improvement in construction activities. Also, in the financial area of the economy there was no sign of letup in the demand for capital funds, indicating that industrials have confidence in the future.

Based on information nearest March 8, the New York Herald Tribune's index of general business dropped to 162.2 percent of estimated normal from 163.4 a week earlier. For the 1957 week the reading was 192.9.

A decline in the indicator for the production division of the general index, to 193.4 from 194.6, followed an irregular pattern. In addition to construction, there was some improvement in commodity carloading volume and coal production and steel melt held at the same level as during the last week of February. However, electric-power output was off quite sharply, a reflection of reduced industrial activity. Crude-oil output was down sizably. With the moderation of weather, the need for heating oils is progressively diminishing. This factor, with very large storage stocks of gasoline, reduce requirements of refiners for processing stocks. Volume in crude at this time makes a poor comparison with first-quarter activities in 1957 when production was opened up to meet an emergency in Europe caused by interruption of Middle East supplies.

The situation in steel showed little change during the week. Orders have improved from small customers but the big buyers continue on the sidelines, according to Iron Age.

Without significant help from automotive, railroad, and appliance industries, steel industry operations are unlikely to show much change until midyear, some authorities suggest. Ingot production, under 55 percent of capacity, is not expected to strengthen this month.

The total of 5,788,000 tons was 4,199,206 less than for the 1957 month and a low, except for strike periods, for any month since July 1948.

The index for distribution fell in the March 8 week to 118.3 from 119.3, compared with 145.7 a year ago. Both components—bank clearings for the outside centers, and miscellaneous and less-than-carload-lots carloadings—posted declines.

The financial state of affairs last week was logged at 144.5, off 1.4 points from the preceding week. New financing showed a big gain at 846, up from 813 and comparing with 679 a year ago. Bank clearings for the metropolitan New York area also were higher. Offsetting these were dips in money rates, volume of stock and bond transactions, and in-stock price fluctuations.

Index of general business

	For weeks ended—		
	Mar. 8	Mar. 1	Mar. 9, 1957
FINANCIAL			
Stock sales	118.0	124.0	114.0
Bond sales	42.0	45.0	36.0
Stock price changes	153.0	158.0	170.0
Money rates	211.0	218.0	291.0
New financing	846.0	813.0	679.0
Bank clearings New York City	100.0	98.0	97.0
Index of financial activity	144.5	145.9	139.5
DISTRIBUTION			
Bank clearings outside New York City	92.0	93.0	103.0
Carloadings, miscellaneous and less-than-carload lots	132.0	133.0	168.0
Index of distribution	118.3	119.3	145.7
PRODUCTION			
Construction	146.0	140.0	175.0
Coal production	103.0	103.0	128.0
Crude oil	230.0	237.0	264.0
Commodity carloadings	162.0	161.0	194.0
Electric power production	318.0	322.0	327.0
Steel activity	108.0	108.0	185.0
Index of production	193.4	194.6	232.6
Index of general business	162.2	163.4	192.9

All the above figures are the latest available as of the dates specified. Data on carloadings and coal production, for instance, do not necessarily cover these particular weeks.

Mr. HUMPHREY. Mr. President, I also invite attention to a résumé of economic indicators in the Herald Tribune of Monday, March 17. Even the administration's gifted public relation experts will have trouble convincing the American people that these figures show we are on the way to recovery. Construction awards are off almost 25 percent from a year ago. Freight car loadings are off 19 percent. Steel production down from 94 to 52.8 percent of capacity since last year. Manufacturers' sales off more than 10 percent. Manufacturers' inventories up by $400 million. Business failures up 10 percent. Prices still ris-

ing. Unemployment at the highest level since 1941—a full 2 million more than a year ago.

I ask unanimous consent, Mr. President, that the tabulation, entitled "Economic Signposts," be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Economic signposts

	Date reported	Latest figures	Previous figures	Year ago
Bank clearings (26 cities)	Mar. 14	$22,266,514	$23,587,406	$21,581,228
Business failures	Mar. 11	358	331	327
Commercial and industrial loans	Mar. 13	$29,796,000,000	$30,006,000,000	$30,187,000,000
Construction awards	Mar. 14	$313,098,000,000	$365,141,000,000	$412,284,000,000
Crude oil production (barrels)	Mar. 13	6,327,735	6,841,285	7,812,965
Electric power production (kilowatt-hours)	do	11,793,000,000	11,803,000,000	11,867,000,000
Freight carloadings	Mar. 14	544,173	553,645	672,386
Herald Tribune business index	Mar. 13	162.2	163.4	192.9
Steel operations (percent)	Mar. 11	82.8	84.6	94.0
Wholesale commodity price index	Mar. 15	119.6	119.4	116.9
Wholesale food price index	Mar. 13	$6.68	$6.68	$6.12
Building permits (217 cities)	Feb. 24	$438,331,568	$391,981,064	$417,388,126
Consumer Price Index	Feb. 26	122.3	121.6	118.2
Cotton consumption (bales)	Mar. 5	799,800	571,287	842,452
Employment	Mar. 12	61,988,000	62,238,000	63,190,000
Unemployment	do	5,173,000	4,494,000	3,121,000
FRB industrial production index	Feb. 15	153	136	146
Manufacturers' sales	Mar. 13	$25,700,000,000	$26,354,000,000	$28,900,000,000
Manufacturers' inventories	do	$53,300,000,000	$53,730,000,000	$52,900,000,000
New York Stock Exchange:				
Brokers' loans	Mar. 6	$2,056,718,000	$1,936,412,000	$2,233,315,000
Short interest	Feb. 26	3,921,200	2,832,740	2,815,519
Personal income	Mar. 15	$341,800,000,000	$343,600,000,000	$336,600,000,000
Pig iron production (tons)	Feb. 20	4,854,444	5,279,380	7,282,373
Steel ingot production (tons)	Mar. 12	5,788,000	6,753,902	9,987,206
Rail net operating income	Mar. 8	$31,828,152	$58,977,906	$58,564,460

Mr. HUMPHREY. Mr. President, the most recent reports show freight carloadings for the week ending March 15 dropped off 5,116 cars from the week before, and 150,169 cars fewer than the corresponding week of last year.

This is a decline in carloadings of more than 21 percent from the same period of last year. It also amounts to only 79 percent of average loadings for the corresponding weeks of the previous 10-year period.

An analysis of freight carloadings for the last 3 months, and their percentage of the 1948 to 1957 average, shows that the situation is becoming more acute. In this past 3 months period there have been 7 weeks in which freight carloadings fell below 80 percent of the 10-year average. And the last 5 weeks reported all were in this category of less than 80 percent.

This is to me, Mr. President, only another of many indications as to the seriousness of the recession and the need for prompt and coordinated action to bring it to a halt. The concern over the recession shown in the prompt actions of the Congress I am sorry to say has not been matched to date by the administration, which still clings to its wait-and-see attitude.

I ask unanimous consent, Mr. President, that the report on carloadings from the March 21 New York Herald Tribune be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CARLOADINGS DROP 5,116

WASHINGTON, March 20.—Loading of revenue freight for the week ended March 15 totaled 539,057 cars, according to reports filed by the railroads with the Association of American Railroads and made public today. This was a decrease of 5,116 cars from the preceding week this year, 150,169 cars fewer than the corresponding week in 1957 and 146,926 cars below the period 2 years ago.

This total was 78.99 percent of average loadings for the corresponding week of the 10 preceding years. The following table shows loadings by weeks for the last 3 months and their percentage of the 1948–57 average:

	Loadings	Average percent
Week ended—		
Dec. 14	603,036	83.96
Dec. 21	590,343	89.43
Dec. 28	410,022	70.12
Jan. 4	471,749	73.56
Jan. 11	569,444	80.71
Jan. 18	572,353	82.60
Jan. 25	550,667	80.11
Feb. 1	550,426	82.11
Feb. 8	532,289	80.61
Feb. 15	533,237	77.58
Feb. 22	492,389	74.01
Mar. 1	553,645	79.57
Mar. 8	544,173	77.53
Mar. 15	539,057	78.99

Carloadings by groups follow:

	Week ended Mar. 15	Change from previous week	Change same week in 1957
Miscellaneous freight	279,953	−454	−76,222
Miscellaneous less-than-carload lots	48,592	+876	−9,128
Coal	103,883	−7,043	−36,484
Grain and grain products	48,138	+3,186	−4,439
Livestock	4,657	+210	−1,119
Forest products	33,304	−1,523	−6,568
Ore	14,485	−318	−8,575
Coke	6,045	−50	−7,270

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. BUTLER. Mr. President, yesterday I missed all the votes in connection with the extension of Public Law 480. As is my custom, after the adjournment on Wednesday evening I returned to my home in nearby Maryland. By Thursday morning we were so snowed in it was utterly impossible for me to attend the session of the Senate yesterday.

The votes as I would have cast them are properly recorded in the CONGRESSIONAL RECORD. I regret that I was unable to be present.

UNITED STATES HEROES OF THE AIR

Mr. JOHNSTON of South Carolina. Mr. President, I invite the attention of Senators to an article by Ansel E. Talbert, military and aviation editor of the New York Herald Tribune, which appeared in the Herald Tribune, March 16, under the heading "United States Heroes of the Air War."

This is a review of the recently published book, "American Aces: in Great Fighter Battles of World War II," written by Edward H. Sims, Washington correspondent for several daily newspapers and radio and television stations in South Carolina. The book has recently been on the Herald Tribune's nonfiction best-seller list.

I bring this to the attention of the Senate for the reason that the heroes of which Mr. Sims writes were recently our guests in the Capitol and it may please others, as it has me, to learn that they are at last, as Mr. Talbert writes in the Herald Tribune, "Getting their long-delayed—and well-deserved—due."

The author, Mr. Sims, is a native of South Carolina and is one of the outstanding writers of my State. He is a veteran of World War II, having served as a fighter pilot himself.

I ask unanimous consent that the review by Mr. Talbert be printed in the body of the RECORD as part of my remarks.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

World War II has been described as an air war decided by superior air power. It certainly was to a much greater degree than any other in history. And fighter pilots and fighter planes together unquestionably comprised the decisive element which insured the success of the Allied bomber offensive on Germany and Japan by making possible continual daylight bomber attacks—without prohibitive bomber losses—that pulverized the Axis war economy. Air Marshal Hermann Wilhelm Goering of Germany, who ought to have known, personally attested this in an interview with his captors at the war's close, when he replied to a question as to exactly when he knew the game was up for Hitler's Third Reich by saying: "The day I first looked up and saw American P–51 Mustang fighter planes over Berlin."

Yet paradoxically the names of America's—as well as Britain's and Germany's and Japan's—World War II fighter aces and their personal exploits are far less familiar even today than those of the "knights of the sky" of World War I. How many Americans know that America's greatest living World War II ace-of-aces in enemy planes destroyed both in the air and on the ground (37½) is cigar-chomping Col. John C. Meyer, of Forest Hills, Long Island, who commanded a jet fighter group in Korea and has remained in uniform?

Or that the top two in air combats alone who survive are Col. Francis S. Gabreski, also of later Korean war fame and now an air base commander in South Carolina, and Lt. Col. Robert S. Johnson, today an aircraft manufacturing industry executive with Republic Aviation, who are credited respectively with 31 and 28? Maj. Richard L. Bong and

Capt. Thomas G. McGuire, who topped all Americans with 40 and 38 victories, respectively, both died in line of duty—the former testing a new fighter and the latter in action over the Philippines.

Many reasons have been advanced to explain this, but probably the most important is that throughout World War II, on the allied side at least, it generally was official policy to stress fighter teamwork and play down announcements of individual actions. As the author of this excellent book, Edward H. Sims—a United States Army Air Forces World War II fighter pilot with 33 combat missions over Germany—points out himself, teamwork was the key to victory so far as the United States was concerned, plus generally superior conventional fighter planes until Germany's jet-propelled Messerschmitt ME-262 made its appearance too late to turn the tide. But teamwork never did remove the thrill or the heroism or the danger from fighter action—nor did it kill individual courage or outstanding ability. No less than 11 of America's top 23 fighter aces of the war in all theaters were killed in action or in crashes in line of duty.

The goal of American Aces is to give the World War II fighter pilot his long-delayed and well-deserved due and the author has succeeded admirably. Since it was Mr. Sims' aim to recreate the drama of top war missions so accurately and minutely that the reader would share the pilot's tension, the personal cooperation of each ace with the author was vital—and therefore the choice of pilots to be included literally was made by fate. A better and more descriptive title might have been: The Twelve Who Survive.

The book is an exciting narrative for readers of all ages with maps and photographs of planes and pilots. This correspondent found it absorbing reading and the best book on fighter combat since Group Captain J. E. (Johnny) Johnson's Wing Leader. It is a highly informative and accurate historical document for the coming space age in which science and technology will not entirely submerge personal courage and initiative.

SURPLUS FOOD TO FEED OUR NEEDY

Mr. PROXMIRE. Mr. President, only 10 days now remain before the cut in dairy farmers' returns ordered by Secretary Benson is scheduled to take full force and effect. But today this body went a long way toward stopping that order, by concurring in the House amendment to the joint resolution. This is a great day for Wisconsin farmers.

The cruel blow, about to be dealt, to our dairy farmers—which would result in an accumulated slash in the purchasing power of milk amounting to 23 percent during the past 5 years—has been justified on the grounds that there is a surplus of food.

I have a report here today, Mr. President, which shows the types of foods that have been distributed to various kinds of outlets by the Department of Agriculture within the past year. There is a substantial list of commodities which can be made available. Yet, only five commodities were being made available to needy families—despite the worsening unemployment situation in many cities—until butter was added this week. Now six commodities are involved.

There have been many appeals from my State and from elsewhere for the Department of Agriculture to provide some of our surplus poultry to balance the meager list of commodities which have been furnished—cornmeal, wheat flour, dried milk, cheese, and rice. These needy families need high-protein food to balance the commodities that have been offered up to now. The Department has refused.

The report on Government dispositions reveals one particularly interesting fact: In 1957, the Department of Agriculture, which today refuses to distribute surplus poultry to the families of unemployed American workers, subsidized the shipment of 3,646,203 pounds of poultry to Germany.

Surely, if we can afford to ship surplus chickens to Germany, we should afford to provide our own needy with poultry products to help hard-hit local communities to cope with their unemployment emergencies.

Poultry prices are severely depressed. Chickens are only 69 percent of parity; turkeys are only 67 percent of parity.

I have introduced a bill with the junior Senator from Pennsylvania which would clearly establish the Secretary's authority to use the $514 million that Congress has appropriated for the purchase of surplus foods, to buy commodities that are in abundant supply for the purpose of balancing the foods that are being offered for distribution to needy families. Mr. Benson is not willing to acknowledge that the surplus situation is sufficiently severe although prices are down to 69 and 67 percent of parity—and very recently have been much worse. But he can hardly deny that the supply must be abundant when prices are driven this low.

Mr. President, I ask unanimous consent to have a table prepared by the Department of Agriculture, which shows the commodities which have been purchased for distribution to various outlets and the quantities and value, printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

Removal of surplus agricultural commodities, obligations by commodities, fiscal year 1957

Program and commodity	Average price Feb. 15 as percent of parity price	Unit	Quantity	Value
Direct distribution:				
Beans, dry	84	Pound	24,923,270	$2,058,707
Cabbage		do	9,697,300	267,876
Cornmeal (corn)	55	do	8,830,300	378,360
Butter (butterfat)	79	do	38,834,128	24,603,571
Cheese (manufactured milk)	81	do	45,162,526	18,772,141
Milk (all milk)	84	do	61,668,505	12,057,859
Beef (beef cattle)	90	do	71,862,980	25,739,222
Lard		do	21,560,316	4,019,324
Pork (hogs)	90	do	6,457,293	3,611,770
Plums		do	2,228,200	258,420
Eggs, shell	84	do	37,213,823	10,650,674
Eggs, dried		do	4,747,500	5,311,906
Turkeys	67	do	25,409,200	10,131,059
Rice	87	do	32,074,859	4,080,164
Wheat flour (wheat)	80	do	15,265,650	856,327
Total				122,797,380
Exportation:				
Fruits:				
Citrus juice, blend, sugar sweetened		Case	2,301	704
Citrus juice, blend, concentrate		Gallon	226	52
Citrus salad		Case	1,189	684
Grapefruit, fresh (grapefruit)	69	Box	40,949	20,942
Grapefruit juice, concentrate		Gallon	20,425	6,668
Grapefruit, canned		Case	6,337	3,712
Grapefruit juice, sugar sweetened		do	14,339	7,584
Oranges, fresh (oranges)	95	Box	911,550	454,885
Orange juice, concentrate		Gallon	93,332	33,056
Orange juice, dehydrated		None	None	None
Orange juice, sugar sweetened		Case	36,734	11,395
Raisins, dried		None	None	None
Tangerine juice, concentrate		Gallon	5,596	2,039
Poultry (mostly Germany) (all chickens)	69	Pound	3,646,203	200,648
Wheat		Hundredweight	6,927,860	7,828,371
Total				8,570,290
Diversion:				
Dates		Pound	11,366,460	454,658
Figs		Ton	5,191	370,000
Potatoes	88	Hundredweight	12,456,104	5,371,751
Total				6,196,409
Total, all programs				137,564,079

Mr. PROXMIRE. Mr. President, I emphasize again that only the five commodities—cornmeal, wheat flour, cheese, dried milk, and rice—were being made available up to this week for needy families, until butter was made available.

ADDRESS OF VICE PRESIDENT AT ALL-CONGRESS DINNER OF THE 1958 NATIONAL NUCLEAR ENERGY CONGRESS

Mr. PAYNE. Mr. President, I ask unanimous consent that an excellent ad-

dress delivered by the Vice President of the United States at the All-Congress Dinner of the 1958 National Nuclear Energy Congress, held in Chicago, Ill., on March 19, 1958, be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Maine?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES AT THE ALL-CONGRESS DINNER OF THE 1958 NATIONAL NUCLEAR ENERGY CONGRESS, CHICAGO, ILL., MARCH 19, 1958

Six months ago, on October 4, 1957, the Soviet Union launched its first satellite. This week the United States launched its Vanguard. With the race to outer space temporarily tied, numerically at least, at two each, this would seem to be an appropriate time to put the dramatic events of the past 6 months in perspective.

What are the lessons of the sputnik era for the American people?

First we must acknowledge that some of the initial extreme reactions were not supported by the facts. These conclusions, which some jumped to because of the shock of finding the United States behind in a major new area of progress, will not stand examination:

That the United States is now weaker than the Soviet Union.

That our scientists are inferior.

That our education system is a failure.

Let us recognize at the outset these facts:

The United States with its Free World allies is militarily stronger than any potential aggressor in the world.

United States scientists are the equal in quality of those of any other nation.

Our educational system has its weaknesses, but overall it provides probably a better education for more people than is available in any nation in the world today.

Let us turn now to some of our national reactions which were justified and healthy, in view of the challenge which was presented to us.

We have accelerated our ballistic-missiles program. We are developing plans to reorganize the Department of Defense so that it can better deal with the problems inherent in the new dimensions of modern warfare. We have stepped up our program for the exploration of outer space. We have recognized the need for training more scientists and for improving our educational system generally.

These reactions were understandable and constructive. They do not need extended discussion before this audience. I suggest that we direct our attention, on the other hand, to some less apparent, but in the long run possibly even more important, lessons we should learn from the dramatic events of the last 6 months.

In increasing, as we should, our emphasis on training more scientists, we must not overlook the importance of making sure that our engineering education and practices keep pace with the increasing opportunities and complexity of modern scientific technology.

We must also recognize that we not only need science education for scientists, we need it for the general public as well. If our national scientific activity is to be maintained at an adequate level, the American people will have to have deeper motivations than a desire for foreseeable practical benefits, however important these may be. The new age requires the achievement on the part of the public generally of a high degree of scientific literacy and the blending of science into our culture and way of life.

Increasingly major national decisions involve scientific and technological decisions. Obtaining adequate support for projects that have apparent military value is relatively easy. But we need a high level of public understanding to develop sound national policies with respect to space science and exploration.

We also need such understanding to provide continued support for the instruments, institutions, and attitudes which will insure sound scientific progress. It is not that we want to make all of our citizens into scientists. What we must try to do is to provide for the nonscientists the insight and understanding with respect to science which we have historically sought to give to all of our citizens in the field of humanities.

One of our major needs is to develop a wider appreciation of the importance of the long-range benefits of basic research. The bad habit of coming forth with huge sums and crash programs only when outside events generate a sense of urgency is dangerously irresponsible. Basic research cannot be carried out on a crash basis.

We must not permit a few successes to soothe our injured pride and lull us again into complacency and a false sense of security.

For the past several months we have seen our scientists wined, dined, and publicized. But the heroes of today are too often forgotten tomorrow.

We Americans are a volatile people when it comes to issues which attract national interest. Seven months ago our primary concern was with inflation. From that issue we soared into outer space, parachuted into recession, and we now seem to be making our way to the summit.

The interest in outer space, as well as in the broader implications of scientific progress, is already beginning to wane. It is the responsibility of every knowledgeable citizen to keep this interest alive so that we can maintain the national effort upon which our security and continued progress depend.

Let us turn for a moment to our educational system generally. In recognizing its faults, let us not overlook its admirable features. Let us never forget that we have something better to offer than the Communist system of education with its overemphasis on scientific materialism to the exclusion of the humanities.

This is not the time to discuss in detail the needs of American education.

We need more classrooms.

We must improve the salaries, prestige and support of our teachers.

But, most important of all, we need to improve the quality as well as the quantity of education.

It is obvious in many schools that we need to put more fiber into our curriculums.

Soft subjects nurture flabby brains.

Students must be challenged to develop the intellectual disciplines that increase their value to the Nation.

We must challenge them with failure as well as success. Whatever the reason for automatic promotion, and there are several given depending on the area problem, this failure to challenge should be eliminated. These are times when the American people must have the stamina and determination to overcome failure and achieve success in the manner that those assigned to the Vanguard project finally worked through to victory.

May I turn now to a very practical question: What type of Government agency should have the primary responsibility in the development of our outer space program?

There can be only one answer. We must not be limited by military needs or military thinking in exploring outer space, just as we are not so limited in developing nuclear energy.

Science is one of the great new frontiers of our time, and as such it provides our people with the opportunities and adventures which come with working at the frontier.

The adventurer along this new frontier is the basic research scientist who reaches into the unknown for the sake of knowledge. He seeks out the universe in which we live, as the adventurer of yesterday sought out new lands. Like the frontiersman of yesterday he explores the unknown for the sake of adventure as much or more than for the sake of gain.

The participants in our space program must be free to scout and explore, not mustered solely to man the frontier forts.

We must be motivated in developing our space program not by fear, but by the positive desire to explore one of the most challenging frontiers science and mankind have ever faced. The best way to insure that the scientist in this field makes the greatest contribution to the national welfare, including our missile program, is to keep him free from the requirements of immediate military necessity.

Let us examine now some of the broader implications of man's breakthrough into outer space.

Who will win the military ballistic-missiles race? The answer, of course, to this question is that in this race there can ultimately be no winners, only losers. Because it has become so obvious as to be almost trite to observe that ballistic missiles combined with nuclear warheads spell destruction of civilization as we know it.

The greatest lesson of the sputnik era, therefore, is in effect a solemn warning—find the road to peace or be destroyed.

The unqualified dedication of the Government and people of the United States to the cause of peace cannot seriously be questioned by anyone who knows our record in international affairs. But some of our friends, as well as our opponents, have questioned whether our policies are designed to further that objective. Let us examine some of the criticisms that have been made.

Why do we not accept the Soviet proposal for stopping atomic tests?

We can have honest disagreement over such issues as the extent of the danger from nuclear fallout if tests are not controlled, the possibility that secret tests may be able to evade an inspection system, whether testing is necessary for full development of the peaceful uses of atomic energy.

But let us have no illusions on the major issue.

Stopping tests is not in itself going to reduce the danger of war. The types of weapons already in production are adequate to carry out their mission of massive destruction. That is why control of production as well as tests of nuclear weapons, as the United States has proposed, is the only formula which goes to the heart of the problem.

The same considerations are involved in the United States position on disarmament.

There is no question as to our desire to enter into a disarmament agreement. The problem is securing an agreement that is enforceable. Because an agreement without adequate inspection provisions, which one party might honor and the other might not, would seriously and perhaps fatally increase rather than reduce the risk of war.

The American position on the summit conference fits into the same pattern.

I was asked just recently by a British correspondent, "Why is the United States dragging its feet on the path to the summit?"

Let us see exactly where the responsibility for delay belongs.

The United States, as President Eisenhower so eloquently said in his state of the Union message, is always willing to go an extra mile in attempting to reach agreements which will reduce the risk of war.

A summit conference which failed would increase rather than reduce international

tensions. A conference which is not preceded by adequate preparatory discussions is doomed to fail.

The Soviet leaders are blocking the road to the summit by insisting on conditions for a conference which they know and we know will assure its failure. They can prove their dedication to peace by agreeing that preparatory meetings should discuss the substance as well as the form of proposed agenda items.

Only in this way can the summit leaders be assured that they will be spending their time at such a conference in discussing subjects in which an area of agreement is possible, rather than participating in a propaganda exercise which would inevitably increase international tensions.

Let us examine the American record in international affairs as it bears on the sincerity of our devotion to the cause of peace.

Three hundred seventy-eight thousand five hundred Americans died in World War I, World War II, and Korea. Since World War II we have given $64 billion in military and economic assistance to our allies and to our former enemies. In that same period we have spent $382.2 billion for national defense.

Why this huge expenditure of money and manpower?

Not because of our desire to gain domination over any other peoples or over a square inch of territory belonging to another nation.

It is the Soviet Union, not the United States, that has the blood of Hungary on its hands. Our sole aim in war and peace has been, and is, to assure the right of all nations to be free from armed aggression and foreign domination.

We recognize that the freedom and independence of others is the best guaranty of the freedom and independence of the United States. We are wholeheartedly supporting every international organization devoted to the cause of peace. Our defense forces are designed for and will be used only to stop aggression, not to launch it.

Our record in the field of atomic power is one of the really exciting chapters in the history of man's quest for world order based on international cooperation and understanding. When we had a monopoly on the atom, every nation on earth knew that we would never use our awesome and unquestioned military superiority for aggression or for international blackmail. We offered to share peaceful benefits of this new source of energy with all other nations. As a result we have agreements with 40 nations for peaceful development of the atom.

Why then is there any question about the devotion of the American people and Government to the cause of peace?

It is a happy but sloppy cliché that our record speaks for itself. Because our record does not speak for itself.

It is cunningly twisted by devious masters in the art of propaganda.

It is warped and distorted to their purposes.

The less sophisticated peoples of the world are not told that we wage peace.

What they are told only is:

That we build thermo-nuclear bombs.

That our planes endanger lives by carrying deterrent weapons, even though that is all that confines Soviet aggression.

That our weapons tests threaten world contamination even though our tests are now primarily designed to remove the dangers of contamination.

Unfortunately, this is what much of the world believes. Even in the advanced countries that comprise Western civilization this propaganda terror is having its effect.

What can we do about it?

We cannot use the Communist technique of the measured lie. The problem is to sharpen the truth into a weapon as effective and devastating as the Soviet lie.

Our Government information program must be adequately financed and staffed. But this task cannot be done entirely by Government, even though we were to enlarge our information agencies to match those of the Soviet Union.

One of the most effective ways is through expanding person-to-person contact and people-to-people understanding. I speak not only of those exchanges that are arranged and financed by Government. Even more effective are the activities abroad of some of the people in this audience—technicians, engineers, scientists, representatives of private industry, and foundations.

As a Government and as a people we must wage peace not only in what we do but in what we say—the exploration of outer space for peaceful rather than military purposes, the development of nuclear power for peace rather than war, airpower for peace, science for peace.

All of these concepts must be reiterated again and again if we are to present to the world a true picture of American objectives in international affairs.

Our military power must be maintained at an adequate level to deter aggression. But here the fact of our power will speak for itself. Let us keep our powder dry, but the less we talk about it, the better.

In that connection, I might parenthetically suggest that, despite our understandable elation over the successful Vanguard launching, we might well practice more restraint in boasting about what our next exploit will be and when we will do it. A big achievement speaks for itself. It does not need a big buildup.

As those attending this conference are acutely aware, man's discovery of nuclear power can prove to be the greatest force for peace in world history.

There is the negative force created by the awful power of nuclear weapons which makes war less attractive to a potential aggressor as an instrument of policy. But more important in the long run are the positive forces which have been and will be unleashed by the development of nuclear power for peaceful purposes.

We have already harnessed the energies released by the splitting of the atom. Even now there are areas of the world where nuclear powerplants may be the most economical source of power. In a decade or two we hope that literally unlimited power sources will be at our disposal.

Obviously, if we contain, as seems possible, the even greater power of the fusion reaction, the limits of our achievement are beyond calculation. From the physical standpoint, at least, man will be the undisputed master of his universe. We can for the first time in world history wage a winning war on poverty and destitution, on hunger and disease.

In such an age the economic reasons for war will be removed, because there will be energy enough to produce for the needs of all.

I do not suggest that the nuclear age can or will solve all the problems of mankind. World peace and even industrial peace depend on many factors.

Want and hunger are not the only causes of discord among men. But they rank high among the conditions that cause dissension and war.

If we can bring prosperity to the world, the chances for world peace would be immeasurably enhanced.

On December 2, 1942, from the city of Chicago, Dr. Arthur Compton sent to Dr. Conant the dramatic message that was to signal a new era for man in war and peace—"The Italian navigator has reached the New World."

What kind of a world Enrico Fermi had reached is in our hands to decide.

No group in the world can affect more the outcome of this decision than those gathered in this room tonight, because as you develop unlimited power for peace you provide for mankind the means with which he can finally eliminate the cause of war.

SPIKING SOME FALLACIES ABOUT MINING

Mr. MURRAY. Mr. President, the increasing unemployment in our mining areas rapidly is extending to the so-called service industries. In many towns the businesses which sell clothing, food, gasoline, and similar items to the miners and their families are in imminent danger of bankruptcy. When the payrolls in mining communities fail to ring up in the cash registers of the merchants, further distress and unemployment results. The adverse attitude taken toward the mining industry by at least one official of the United States Department of Commerce is mentioned in an editorial entitled "Spiking Some Fallacies About Mining," originating in the Salt Lake Tribune, and reprinted in the Western Mining and Industrial News for February 1958.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPIKING SOME FALLACIES ABOUT MINING

Lack of understanding of the problems which beset the western mining industry is a basic cause of the sorry plight in which that industry finds itself. But it comes as a great shock when the district manager for the United States Department of Commerce in Salt Lake City displays the same lack of understanding.

We congratulate Miles P. Romney, manager of the Utah Mining Association and chairman of the chamber of commerce mining committee, for setting the record straight.

Joseph Jerry Jeremy, the Commerce Department official, recently told a University of Utah class that Utah's lead-zinc mining industry ought to be abandoned if it is not subsidized through stockpiling or if it cannot compete with imported metals.

A major part of the industry has already shut down, stockpiling not withstanding. Indeed, as Mr. Romney pointed out, stockpiling is "as dead as a dodo bird so far as a continuing relief measure is concerned." The depressed state of the lead-zinc industry is due to excessive imports of these metals from countries with wage scales far below those in the United States.

The industry needs protection, not subsidies, for subsidies will not check the flow of lead and zinc from abroad.

Last year both Congress and President Eisenhower urged hearings before the Tariff Commission on escape clause relief for the domestic lead-zinc industry as provided in the Trade Agreements Act. The hearings were held but as yet no recommendations have been made. However, even the most favorable recommendations probably will not be enough, particularly in light of the views expressed by Mr. Jeremy.

Mr. Jeremy may have been speaking for himself alone, though we hardly think so. For what he said fits so well into the prevailing philosophy of at least a part of the Eisenhower administration and Congress. To quote Mr. Romney: "Many members of our foreign relations departments * * * are being increasingly criticized for representing foreign areas to our country, rather

than representing us [the United States] to foreign areas."

This is the philosophy of raising the standard of living in other countries—a laudable purpose, but not when it means causing serious economic dislocations at home.

We also commend Mr. Romney for striking at the fallacious idea that failure to compete with foreign lead and zinc should mean abandoning of the domestic industry. If that policy were to be followed generally, not just in lead-zinc mining, then a great deal of abandoning would be necessary.

We don't believe that the United States would ever adopt such a general policy, but neither do we think that it should be suggested for a specific industry; namely, lead-zinc production.

Mr. Romney also made the excellent point that lead-zinc mining is not unique in its plight. As he remarked, oil and uranium are under the same gun and copper mining is in a desperate price-cost battle.

It is easy to say that readjustments should be made or that new industries should be emphasized.

But the hard fact is that existing industries, now being forced to curtail drastically, represent a tremendous investment of financial, technological, and human resources.

If this Nation is to progress as it has in the past, it must preserve what it has already established.

That does not mean economic isolationism. It does mean that domestic producers should be protected against ruinous competition from countries with low costs resulting from low standards of living. Some persons in the administration and some Members of Congress need to revise their thinking.

UNSCRUPULOUS TACTICS USED AGAINST BILLS DEALING WITH KLAMATH INDIAN RESERVATION

Mr. NEUBERGER. Mr. President, I know from personal conversations that many Members of the Senate have been inundated by a cascade of telegrams opposing S. 3051, the bill which seeks to forestall economic calamity in southeastern Oregon by setting up orderly procedures for saving the great Klamath Indian marsh and forest.

S. 3051 represents a bipartisan effort to prevent a ruinous termination from taking effect, which could result in dumping some 4 billion board-feet of pine lumber on an already depressed market, as well as leading to the clear-cutting of a vast forest which should be saved in perpetuity.

S. 3051 was drafted by Secretary of the Interior Seaton and Under Secretary Chilson, in collaboration with officials of the Agriculture Department. I introduced it by request on January 16, 1958. In order that bipartisan cooperation might be achieved, I put aside my own measure for outright Federal purchase of the reservation—S. 2047—so that I could work with the distinguished senior Senator from Utah [Mr. WATKINS] in reporting S. 3051. Accordingly, S. 3051 was adopted unanimously in our Senate Indian Affairs Subcommittee, of which I am the chairman.

But, on the eve of consideration of S. 3051 by the full Senate Interior Committee, a blizzard of telegrams protesting the bill hit committee members. These telegrams were inspired by two organizations—the National Association of Lumber Manufacturers and the Western Pine Association.

As chairman of the subcommittee, I wish to emphasize that both these organizations were invited to testify during extended subcommittee hearings both in Oregon and in Washington, D. C. Neither one of them did so. They refused to submit their views for questioning and analysis by subcommittee members and staff. Then, with the hearings closed and with the bill about to be voted upon by the Committee on Interior and Insular Affairs in executive session, these two groups launched a blitzkrieg of telegrams against S. 3051.

I told the press that such behavior by the National Lumber Manufacturers Association and the Western Pine Association was "cowardly," and I stand by that description.

So that Members of the Senate may know that these groups do not speak for public opinion in Oregon, the principal lumber-producing State, I ask unanimous consent to have printed in the RECORD a vigorous and forceful editorial appearing this morning, March 21, 1958, in the Oregonian of Portland, which is the daily newspaper of largest circulation in our entire State. This editorial, entitled "Low Blow at the Bell," stresses the unsportsmanlike and unfair tactics of the Western Pine Association and National Association of Lumber Manufacturers.

I endorse without reservation the editorial's thesis. The editorial was telegraphed to me this morning by Herbert Lundy, editor of the editorial page of the Oregonian, in Portland.

I also am proud to include in the RECORD a resolution adopted by the bipartisan Oregon Legislative Interim Committee on Indian Affairs, which met in Portland on March 13. This committee unanimously approved S. 3051 and endorsed my nonpartisan efforts to try to bring about a satisfactory and enduring solution to the thorny Klamath Indian Reservation question.

I feel certain that Senators, puzzled by the horde of messages unleashed by two lumber organizations, will find many questions answered both by the Oregonian's editorial and the resolution of the Oregon Legislative Interim Committee—a committee headed by a Republican State senator, Leander Quiring of Hermiston, and which includes in its membership David C. Epps of Sweet Home, the Oregon State Democratic Party chairman.

There being no objection, the telegram and resolution were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 20, 1958.*

Senator RICHARD NEUBERGER,
The Senate, Washington, D. C.:

Editorial appearing in the Oregonian of March 21, 1958: "Low Blow at the Bell."

The blitzkrieg assault on the Senate Interior Committee with telegrams inspired by the Western Pine Association and National Lumber Manufacturers Association attacking the Seaton bill for disposal of the Klamath Indian Reservation deserves the harsh words Senator RICHARD L. NEUBERGER said about it. These organizations declined to testify at committee hearings at Klamath Falls and Washington, D. C. They took no part in efforts to draft legislation to prevent the termination of the Klamath Reservation from wrecking the lumber market, injuring Oregon's economy and destroying a marshland wildlife reserve.

They did not testify or protest the NEUBERGER bill calling for outright Federal purchase and resale of the Big Pine forest on a sustained yield cutting basis.

They did not until the committee was ready to vote express any opinion on the bill approved by the Secretaries of Interior and Agriculture, which Senator NEUBERGER accepted as a substitute. This bill would provide 1 year in which private buyers could bid, before Government purchase. But all sales would require sustained yield cutting.

Western Pines' explanation that it was waiting for details of the Seaton bill is no justification. These details have been public property for months. The pine lumbermen should have been active in consultations which led to drafting of the legislation.

If Congress does not adopt legislation for orderly sale and marketing of the Klamath pine forest this session, the whole forest will be dumped on a depressed market, without any requirement for perpetual harvesting. This may be what the pine lumbermen want. But it is not what the people of Oregon want. And it would not protect the financial and social interests of the Indians.

Senator NEUBERGER will be correct if he tells his colleagues that the Western Pine Association and the National Lumber Manufacturers Association do not speak for Oregon in this instance.

HERBERT LUNDY, *The Oregonian.*

Whereas the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs, United States Senate, has unanimously approved S. 3051 and recommends its passage by the full committee;

Whereas S. 3051 is regarded as having a better chance of enactment than S. 2047, which was backed by this committee, and is deemed by competent authorities to constitute an effective solution to the timber-marshland phases of the Klamath Indian termination problem;

Whereas United States Senator RICHARD NEUBERGER of Oregon, who has been a champion in Congress of a just and meaningful settlement of the Klamath Indian termination problem, has selflessly abandoned his Federal acquisition bill (S. 2047) and thrown his support behind S. 3051 in the interests of avoiding partisan strife which might well have prevented any useful amendment of Public Law 587 by this session of Congress: Now, therefore, be it

"Resolved, That the Oregon Legislative Interim Committee on Indian Problems hereby declare its support of S. 3051 and its dedication to the proposition that it will work for enactment of S. 3051 as a last hope of averting economic chaos in Oregon's Klamath Basin and terrible injustice to the Klamath Indians; and be it further

"Resolved, That the Oregon Legislative Interim Committee on Indian Problems hereby heartily commend Senator NEUBERGER for his unremitting and always-understanding leadership in the quest for the right settlement to the Klamath Indian termination problem."

LEANDER QUIRING,
Chairman.
TOM LAWSON MCCALL,
Executive Secretary.

ADDRESSES BY THE LATE SENATOR MATTHEW M. NEELY, OF WEST VIRGINIA

Mr. HENNINGS. Mr. President, when our old and good friend Matthew Neely passed on recently, the Senate lost one of its ablest legislators. In addition to being a great Senator, he was a great speaker. I have assembled some of his

more memorable and significant addresses, and I ask unanimous consent to have them printed in the body of the RECORD.

While some of these addresses were delivered 20 years ago, it is interesting to note that we are still struggling today with many of the problems he discussed. I feel that Senators will be interested in reading and rereading these addresses.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

JACKSON DAY SPEECH OF SENATOR M. M. NEELY DELIVERED AT FAIRMONT, W. VA., JANUARY 9, 1936

As long as the rights, the aspirations, and the hopes of the common people live, love for Old Hickory Jackson; admiration for his brilliant achievements, and the millennium of his glory will never die. All the voluminous history of mankind written in martyrs' blood or sacrificial tears will be searched in vain for a more faithful, heroic, picturesque public servant than Andrew Jackson, the child of poverty, the master of adversity, the gallant soldier, the preeminent American patriot whose statesmanlike accomplishments in behalf of humanity will forever shine with the splendor of the bright and morning star.

For spiritual encouragement the heathen turns to his idol, the Mussulman to Mohammed, the Christian to the Sublime Man of Galilee, to whom untold millions have poured forth the wild, seraphic yearnings of their hearts in the famous lines:

"Jesus, lover of my soul,
Let me to Thy bosom fly."

In time of social upheaval, economic stress, or political strain, the masses of the American people in general, and in particular the members of the great party that revere, preach, and practice the political philosophy of Thomas Jefferson, turn their faces to the Hermitage and seek counsel, guidance, and inspiration from General Jackson, whose glowing achievements in time of peace were equaled only by his supreme courage and success in time of war.

It is unnecessary to remind this audience that the present is a time of unusual political turmoil and danger. Bloody war is raging in Africa and black clouds of military conflict hang low over the greatest nations of the Eastern Hemisphere. In many countries the plow and the pruning hook rust while the sword and spear are glorified more and more with every passing day.

The unparalleled panic, from which the party of Jackson is delivering the American people, cursed our country from 1929 to 1933 and tried men's souls as they had never been tried before. And now when the invading armies of unemployment, financial ruin, want, and woe have all been triumphantly repelled, when returned and still returning prosperity is blessing millions of homes, and confidence in the Government of the United States has been completely restored, the selfish privilege hunters and greedy, frenzied financiers, who were so largely responsible for the disasters which recently overwhelmed the Nation, are mobilizing throughout the country to wage a war of extermination against Franklin Roosevelt, the greatest living champion of the rights of men, just as similar interests mobilized for the destruction of Andrew Jackson 104 years ago.

In the circumstances, let us seek inspiration, strength, and courage at the Jacksonian fountain, which, like Tennyson's brook, flows on and on forever.

Nicholas Biddle, his banking fraternity and their plutocratic friends, despised Jackson because he would not permit them to utilize the Government for the promotion of their selfish interests at the expense of all the rest of the people.

Today the Liberty League, the United States Chamber of Commerce and various other worshipers of the golden calf hate Franklin D. Roosevelt because he refuses to be a subservient priest in the tabernacle of the idol before which they bow their knees and upon whose altar they offer their sacrifice. The Liberty League believes in the rule of gold. The President believes in the Golden Rule. Therefore the league desires to substitute Hooverism for the President's philosophy. Judas Iscariot is remembered because he betrayed the sinless Savior.

One hundred years hence the spokesmen for the Liberty League will be remembered, if at all, because they basely betrayed Franklin D. Roosevelt and maliciously obstructed his efforts to rescue the American people from dire distress.

In the vicious war against General Jackson, whom we honor tonight, the pioneers in the wilderness, the toilers in the factories and the fields, the average women and men of every section of the United States with wild enthusiasm, rallied around the standard of Old Hickory and, under his leadership, they won for themselves and their posterity a victory of such grandeur and glory that some future Creasy should supplement with this epochal event the original 15 decisive battles of the world.

On Jefferson's birthday, 1830, the nullificationists gave a great banquet in the city of Washington for the purpose of speeding their cause. President Jackson attended as the guest of honor. After a number of speeches had been made in favor of nullification, the toastmaster called on our hero to express his sentiments. He arose, and incensed by the challenge to national sovereignty, to which he had just listened, he solemnly and forcefully said: "Our Federal Union; it must be preserved."

A little later a Member of the Congress from South Carolina called on him and asked him if he had any commands for his friends. The President replied, "Yes, I have. Please give my compliments to my friends in your State and say to them that if a single drop of blood shall be shed there in opposition to the laws of the United States, I will hang the first man I can lay my hands on engaged in such treasonable conduct upon the first tree I can reach."

Thus are indicated the political philosophy of "Old Hickory" Jackson and the vigor of the resolution with which he maintained it.

If our patron saint should miraculously come from the great beyond and sit at this banquet table tonight, and should again be asked to express his sentiments who, in the light of our recent history, can doubt that his answer would, in effect, be: "The people of the United States; when all other agencies fail them, the Federal Government must rescue them from the dangers of bankruptcy and unemployment and the misery of destitution and starvation."

By logical deduction, such have been the sentiments of Franklin D. Roosevelt ever since he became our President on March 4, 1933. And "Old Hickory" has never had a more worthy successor in the White House than Mr. Roosevelt has, to the entire satisfaction of a majority of the American people, conclusively proved himself to be. He has fully perceived that—

"Not gold, but only men can make
A people great and strong—
Men who, for truth and honor's sake,
Stand fast and suffer long.

"Brave men who work while others sleep,
Who fight while others fly—
They plant a nation's pillars deep;
And raise its banner to the sky."

Andrew Jackson knew, and fortunately Franklin Roosevelt knows, that the Constitution of the United States was like the Sabbath—made for man and not man for the Sabbath. Franklin Roosevelt knows, as Woodrow Wilson knew, that the Constitution was intended to be a vehicle of life, and not an instrument of death.

Let us hope that others may eventually profit by the manifest wisdom of these great men. Common sense says that a constitution that permits a government to send millions to death in battle does not prevent the government from saving millions from starvation.

MEMORIAL ADDRESS FOR SENATOR JOSEPH TAYLOR ROBINSON, JULY 14, 1937

Mr. NEELY. Mr. President—

"Whether at Naishapur or Babylon,
Whether the cup with sweet or bitter run,
The wine of life keeps oozing drop by drop,
The leaves of life keep falling one by one."

And oh, how swiftly the wine of life oozes; how rapidly the leaves of life fall within the little circle that surrounds the membership of the United States Senate.

The grim, insatiate reaper, with marble heart that feels no pity; with icy hand that knows no mercy; with sickle keen that never turns its edge, has, without an instant's warning, removed Joseph T. Robinson, one of the most illustrious of Senators, from the tumultuous land of the living to the silent land of the dead.

For much more than a quarter of a century he was one of the most celebrated men of the Nation. He was successively a member of the general assembly of his State, a Member of the House of Representatives of the United States, Governor of Arkansas, and a Member of this body continuously from 1913 until last night, when his eyes closed in that peaceful sleep "from which none ever wake to weep."

Less than 20 hours ago he appeared to be in perfect health, in the very flower of mature manhood, and but a short step from the summit of human achievement. Only yesterday he was magnificently leading one side of the greatest parliamentary battle that has been waged in the Senate since the days of Webster and Calhoun and Clay.

A more capable, conscientious, or courageous forensic chieftain never entered the lists. He illuminated every question he discussed, graced every cause he espoused, dignified every task he touched, and ennobled every duty he performed.

But now we call his name in vain. From his pallid lips an answer nevermore will come. In the hush that pervades this sanctuary which he so long and so brilliantly adorned we realize that this faithful friend has sailed that surging, sad, and solemn sea which separates the narrow shores of time from the boundless kingdom of eternity. He has passed the limits of earthly vision.

His living form cannot be seen through the telescopes of science or the tears of grief. But in this hour of overwhelming anguish we look beyond the cloud of gloom that hangs above us like a pall and there, through faith, we see the star of hope still shining on. In the lustrous light of that constant star we read the assuring promise of the Saviour of the world:

"I am the resurrection and the life: he that believeth in Me, though he were dead, yet shall he live. And whosoever liveth and believeth in Me shall never die."

Fellow Senators, in this promise let us put our trust. While dogmas perish and creeds crumble, while agnosticism decays and atheism dies, let us continue to lean upon the everlasting arm, believing that the twilight here is but the dawn of a grander day upon some other shore; believing that the

feeble flame that flickers here for a little while will at last leap into a bright and shining light when the spirit of man has winged its flight back to Him that gave it birth.

God grant that Joe Robinson is now walking the streets of paradise that are paved with stars.

Illustrious patriot and leader, loved and loving husband, cherished, faithful friend, a long farewell.

"All our hearts are buried with you,
All our thoughts go onward with you.
Come not back again to labor,
Come not back again to suffer,
Where the famine and the fever
Wear the heart and waste the body.
Soon our task will be completed,
Soon your footsteps we shall follow
To the islands of the blessed,
To the land of the hereafter."

Farewell, great heart, till we meet you in the purple dawn of an endless day in that imperishable realm where the rainbow never fades, where no one ever grows old, where friends never part, and loved ones never, never die.

ADDRESS BY SENATOR M. M. NEELY TO WEST VIRGINIA STATE EDUCATION ASSOCIATION, HUNTINGTON, NOVEMBER 8, 1940

Mr. President and ladies and gentlemen of the West Virginia State Education Association, let me thank you sincerely for that enthusiastic applause. But your speaker is not vain enough to consider it personal to him. In his opinion, it simply means that the schoolteachers present are, subject to a slight modification, confidently accepting as gospel the admonition of Mrs. Casey Jones contained in the famous doggerel: "Go to bed, children, and hush your crying, for you've got another papa on the Salt Lake Line."

In any event, you may be certain that the next chief executive of the State utterly rejects every word, syllable, letter, and implication of that part of the report made by Gov. William Berkeley, of Virginia, to the Commissioner of Colonies, in which he said:

"I thank God there are no free schools, no printing, and I hope we shall not have them these hundred years: for learning has brought disobedience and heresy and sects into the world, and printing has divulged them and libels against the Government."

My appraisal of the free or common school system of this Nation and State is accurately indicated by the inscription beneath the bust of the immortal Horace Mann, which occupies a conspicuous place in the Hall of Fame. This is its unconditional, stirring assertion: "The common school is the greatest discovery ever made by man."

This preeminent instructor and author in his third famous lecture on education says:

"In our country and in our times no man is worthy the honored name of statesman who does not include the highest practicable education of the people in all his plans of administration."

Let me assure you that this wise declaration is unconditionally accepted by him who has been elected to serve as the next Governor of West Virginia. Upon this basis, the schoolteachers of West Virginia and the next chief executive of the State should be able to cooperate in the highest degree in providing the schoolchildren of West Virginia better educational opportunities than they have ever enjoyed and their instructors in the free schools more equitable compensation, greater protection against the blight of political coercion and greater security against the curse of poverty in their declining years than the teachers of the State have ever known.

(The rest of this address was extemporaneous.)

MEMORIAL ADDRESS FOR SENATOR KEY PITTMAN, NOVEMBER 12, 1940

Mr. President—

"We know when moons shall wane,
When summer birds from far shall cross the sea,
When autumn's hues shall tinge the golden grain—
But death, oh, who shall teach us when to look for thee?

"Is it when spring's first gale
Comes forth to whisper where the violets lie?
Is it when roses in our paths grow pale?
They have one season—all are ours to die."

When the great, loving heart of Senator Key Pittman throbbed for the last time the United States Senate sacrificed a faithful, loved and loving friend. He was brilliant in intellect, great in sympathy and grand in soul. He was a patriot who loved principle more than party, a statesman who worshiped at the shrine of truth, a humanitarian who burned incense on the altar of universal good.

As a public official he knew no dictator but his conscience, no guide but his judgment, no purpose but to serve his country and promote the welfare of its people. Where duty led he followed, regardless of consequences, heedless of results, and thoughtless of rewards.

For his lofty patriotism we admired him, for his surpassing statesmanship we honored him, for his faithful service to humanity we loved him. As we admired, honored, and loved him in life, so we revere him in death, mourn his loss and cherish his memory as a priceless possession. We wrap the spotless record of his outstanding achievements in the silver foil of affection, entwine them with the golden threads of gratitude and store them in the vaults of our hearts to be treasured there until we, too, return to dust.

Without a fear, a murmur, or a moan, Senator Pittman

"Sustained and soothed
By an unfaltering trust, approached his grave
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams."

Dream on, beloved and sainted dead, through seedtime and harvest, through sunshine and shadow, through winter's storm and summer's calm, until the Harbinger of the Resurrection shall arouse thee from thy slumber and usher thee through the gates of glory

"Into the city of temples and turrets of gold
That gleam by a sapphire sea,
Like jewels more splendid than earth may behold
Or are dreamed of by you and by me."

ADDRESS AT TESTIMONIAL DINNER FOR SENATOR GEORGE W. NORRIS, WASHINGTON, D. C., DECEMBER 10, 1942

Governor NEELY. Mr. Toastmaster, gracious host, illustrious honor guest, and distinguished friends of the peerless legislative champion of righteousness in governmental affairs, a fatalistic philosopher once said that on election day the American people have the right to do anything they d—— please. [Laughter.] Recent returns from the political front preclude the possibility of refuting this assertion. But please do not think it an unpardonable asperity for me to observe that in Nebraska, Pennsylvania, and West Virginia the people greatly abused their privilege of punishing themselves and defeating their faithful servants on the 3d day of November. [Laughter.] Kindly mark the prediction. Before the expiration of the next 6 years the voters of Nebraska will, in sackcloth and ashes, repent of the flagrant sin they committed against themselves and their posterity by failing to return to the United States Senate the most useful lawmaker in the whole wide world tonight.

Eternity, that mysterious entity, without birth or death; space, that prodigious playground of the planets, without beginning or end; some astounding achievements and a few extraordinary men like George Washington and George Norris defy adequate portrayal by any language known to the human race.

In such cases, ordinary description but tends to decrease grandeur and diminish glory. Only the Master has manifested recognition of this truth. For example, the story of the creation of the whole vast universe, including everything from the tiniest speck on earth to the most stupendous star in heaven, is told in the first chapter of Holy Writ in the sublimely brief and simple words:

"In the beginning God created the heaven and the earth."

Let me, in speaking of the honor guest, strive for a semblance of the brevity of this divine, felicitous language, because much speaking in an attempt to reveal the greatness of George Norris, describe his goodness, or extol the value of his public service, would become as sounding brass or tinkling cymbals.

Thomas Jefferson, Abraham Lincoln, William J. Bryan, "Battling Bob" La Follette, Woodrow Wilson, Franklin D. Roosevelt, and George Norris constitute the most brilliant stars in the brightest constellation of humanitarian statesmen who have ever illumined the pages of American history.

For a longer time than the average person can remember there has not been a single important uprising for governmental reformation in which George Norris has not been in the forefront of the conflict on the side of the right. In every battle for progress, his leadership has been more conspicuous and 10 times more inspiring than the famous white plume of Henry of Navarre.

Ever since his maturity, George Norris has unselfishly and heroically fought for the common people every day and all day long. If he had been just a little nearer divine, he would not have been defeated on the 3d of November; he would have been conducted to a new Calvary and crucified upon a new cross.

When Pilate, on a dark and melancholy day, inquired of his subjects whether he should release the sinless Saviour or Barabbas, the robber, the frenzied mob cried out against the Master: "Away with this man, let Him be crucified, and release unto us Barabbas."

"Until the sun grows cold,
And the leaves of the Judgment Book unfold."

No one will ever know how narrowly Senator Norris has escaped a crown of thorns, a spear in the side, and the agency of a martyr's death.

A few days after the election, a metropolitan newspaper carried a front-page picture of this gallant lawgiver gazing at the dome of the Capitol. Beneath this was a brief article entitled "The End of the Trail." It stated, among other things, that this eminent statesman had seen more than fourscore years. No one in this audience will doubt that millions are hoping that the great Norris will not believe that he is near "the end of the trail," or think that it is too late for him to render more service to his country in the days to come than the average statesman of half his age will ever be able to perform.

"Nothing is too late
Till the tired heart shall cease to palpitate.
Cato learned Greek at 80; Sophocles
Wrote his grand Oedipus, and Simonides
Bore off the prize of verse from his compeers,
When each had numbered more than four-score years,
Chaucer, at Woodstock with the nightingales,
At 60 wrote the Canterbury Tales;
Goethe, at Weimar, toiling to the last,
Completed Faust when 80 years were past.
And Theophrastus, at fourscore and ten,
Had but begun his 'Characters of Men'."

The next decade will probably be the most fruitful and pleasant 10-year period in the remarkable life of this renowned man.

"For age is opportunity no less
Than youth itself, though in another dress,
And as the evening twilight fades away
The sky is filled with stars, invisible by day."

As Senator Norris continues his crusade for better things for all the people; as he continues to march triumphantly westward in the golden glow of the setting sun, he can confidently say:

"I live for those who love me,
Whose hearts are kind and true,
For the heaven that smiles above me,
And waits my spirit too;
For the cause that lacks assistance,
For the wrong that needs resistance,
For the future in the distance,
And the good that I can do."

Senator Norris, there are no words in my vocabulary sufficiently vigorous to express my love for you, my gratitude to you, or the depth of my appreciation of the inspiration which you supplied me throughout my 16 years of happy association with you in the Senate. My firm belief in the superiority of your statesmanship, the loftiness of your motives, and the purity of your purposes is feebly indicated by the fact that a hundred times, when compelled to be absent from Senate rollcalls, my request to Majority Secretary Leslie Biffle was: "In matters of party policy, pair me as voting with my beloved leader, Senator Alben Barkley; but on all other questions, pair me as voting with Senator George Norris."

An eloquent author must have unconsciously had him in mind when he said of another, he is—

"A spring of ice-cold water to the parched and burning lips of thirst;
A palm that lifts its coronet of leaves above the desert sand;
An isle of green in some far sea;
The purple light of dawn above the eastern hills;
A cloud of gold beneath the setting sun;
A fragrance wafted from an unseen shore,
A silvery strain of music heard within some palace wrought of dreams."

In the thought and slightly modified words of the versatile Eugene Field:

"Bless you, Senator Norris! may you live a thousan' years,
To sort o' keep things lively in this vale of human tears;
An' may I live a thousan', too—no, a thousan' less a day,
For I shouldn't like to be on earth to hear you'd passed away."

[Applause.]

ADDRESS DELIVERED BEFORE THE NATIONAL CONVENTION OF THE FEDERATION OF McGUFFEY SOCIETIES BY MATTHEW M. NEELY OF WEST VIRGINIA AT OXFORD, OHIO, JUNE 26, 1953

The custom of commemorating the memory of the illustrious dead is older than civilization. It began in the twilight of antiquity. It will continue until the Angel of the Apocalypse, with one foot on land and one on sea, proclaims that time shall be no more.

According to the veracious Greeks, in the olden, golden days of myth, Artemis accidentally slew her lover, Orion. When she found it impossible to restore him to life, she miraculously transformed him into a constellation which she set in the boundless blue above to shine among the heavenly bodies in order to keep a cherished memory green until the end of time.

For untold ages the Chinaman has worshiped the shades of his departed. For myriad years he has bowed before the ashes of kith and kin and kept bright the sacred fire upon his ancestral altar.

The ancient Egyptians, not satisfied with the performance of ordinary ceremonies in veneration of their dead, devised means of embalming the body so perfectly that it could be kept on exhibition for centuries and handed down as a priceless legacy from ancestor to offspring.

Moses, dead in Horeb's lonely mountain, and supernaturally buried by angels' hands, was honored for 30 days and nights with feasts and fasts by all the Israelitish host, and a thousand tributes of respect were paid the memory of that illustrious leader so great and good in life, so exalted and so grand in death.

This custom of commemoration, which rests upon precedents of such high antiquity, we lovingly perpetuate in undying honor of William Holmes McGuffey, one of the greatest moralists since Moses, one of the greatest teachers since the crucifixion.

In a log house near Washington, Pa., on September 23, 1800, William Holmes McGuffey first opened his eyes upon a world in which man's inhumanity to man makes countless thousands mourn—a universal affliction, to the alleviation of which, as we now know, the newcomer was destined to devote all but the early morning time of his life.

It is not recorded that his birth was signalized by the appearance of any new star, comet or meteor, or that the heavens, in any other manner, blazed forth the glad tidings that an unusual babe had been born. So far as known, no generous leprechaun ever told young McGuffey where to find a gold mine. No amiable fairy ever waved a magic wand over his cradle. No learned Chiron, such as taught Achilles, ever helped him to acquire worldly wisdom.

In brief, his birth and youth were similar to those of the average member of that innumerable throng which inspired the expression, "the short and simple annals of the poor."

In his parents' home on the outskirts of the vast western wilderness, the Holy Bible and the Christian religion were familiar themes. He was reared under the influence of the righteous austerity of the Presbyterian faith. With unusual devotion to duty, he walked the rugged road of right and never wandered from the way to drink the bacchanalian draft, or loiter in alluring shade or pick the fragrant flowers that fringe the banks wherein temptation's wooing tide forever ebbs and flows.

Heedless of the manifold hardships and regardless of the manifold perils of pioneer life on our western frontier 150 years ago, the idealistic young McGuffey, with tireless energy and never-failing determination, acquired a thorough, liberal education.

At the age of 25 he was employed as a professor at Miami University, where he soon rose to the heights where outstanding ability and service are rewarded with fortune which neither moth nor rust can corrupt and with fame which thieves cannot break through and steal.

In behalf of economy of time, we refrain from discussing the various additional diversified, important educational offices he held or the valuable pulpit service rendered, and invite attention to the fact that during the 11 years after he became a professor in your local university he produced the first four of the series of invaluable readers which, in their entirety, constitute the most illuminating, practical, and valuable legacy any human being has ever bequeathed to a great people.

During the last 6 decades of the 19th century, the McGuffey Readers created in millions of American boys and girls their first desire for improvement and learning. And these millions were started on their memorable, joyous journeys from the lowlands of indifference, illiteracy, and ignorance to the lofty heights of education, knowledge, and glorious achievement by the philosophy most interestingly, convincingly, and unforgettably expounded in the McGuffey Readers.

Who that is familiar with these memorable books can ever forget or fail to heed the admonitions of the masterpieces that are contained in these volumes? For example, such as: Mary's Lamb—in behalf of humane treatment of animals; The Lark and the Farmer—a lesson in self-reliance; A Place for Everything—emphasizing the value of economy of time and an orderly and efficient life; The Wolf—a fable, the moral of which is, the truth itself is not believed from one who often has deceived; A Moment Too Late—the importance of being on time; Beware of the First Drink—which is self-explanatory; The Seven Sticks—a lesson in brotherly love and cooperation; Don't Kill the Birds; The Pert Chicken—in which the important lines are:

"To be very wise, and show it,
Is a pleasant thing, no doubt;
But, when young folks talk to old folks,
They should know what they're about."

Waste Not, Want Not; and oh how many have found never-ending inspiration in the lines. Try, Try Again and Lazy Ned who

"Would never take the pains
To seek the prize that labor gains,
Until the time had passed;
For, all his life, he dreaded still
The silly bugbear of up hill,
And died a dunce at last."

the consequence of idleness, the reward of industry; Casabianca; Hugh Idle and Mr. Toil; A Mother's Gift—The Bible; The Spider and the Fly; Respect for the Sabbath Rewarded, epitomized in the verse we learned while kneeling by mother's side,

"A Sabbath well spent
Brings a week of content,
And joys on the coming tomorrow;
But a Sabbath profaned
Whatsoever be gained,
Is a sure forerunner of sorrow."

"I Pity Them"—distinguishing between theoretical and practicable charity; What I Live For; The Righteous Never Forsaken; The Blue and the Gray; the Supposed Speech of John Adams, "sink or swim, live or die, survive or perish"; Rock Me to Sleep; Maud Muller; Speech of Paul on Mars Hill; Bill and Joe; Thanatopsis, with its trumpet call

"So live, that when the summons comes to join
The innumerable caravan, which moves
To that mysterious realm, where each shall take
His chamber in the silent halls of death,
Thou go not like the quarry-slave at night,
Scourged to his dungeon, but, sustained and soothed
By an unfaltering thrust, approach thy grave,
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams."

and lines To a Water-Fowl, which include

"He, who, from zone to zone,
Guides through the boundless sky thy certain flight,
In the long way that I must tread alone,
Will lead my steps aright."

But we must end this

"Fragrant retrospection who the vanished thoughts that start into being
Are like perfume from the blossoms of the heart and to dream the old dreams over,
'Tis a luxury divine when my truant fancy wanders to those old McGuffey Readers of mine."

Today let us in imagination strew the grave of our illustrious, beloved Professor McGuffey with the freshest, the fairest and the most fragrant flowers. Let us lay upon the heaving turf above his head the imperishable amaranth, the fadeless emblem of immortality. Let us wreathe about his final resting place the ivy, the evergreen token of brotherly love, and through this symbolic service, as best we can, discharge our duty to our great benefactor, teacher and friend to whom we owe a debt of gratitude so great that it can never be paid.

ADDRESS OF SENATOR M. M. NEELY TO THE ST. ANDREWS SOCIETY OF WASHINGTON, JANUARY 26, 1953, MAYFLOWER HOTEL—ROBERT BURNS EULOGY

Mr. Toastmaster, fellow Scots, Presbyterians, and worthy ladies and gentlemen of the St. Andrew's Society of the Capital of the Nation:

For your generosity in permitting me to share the memorable pleasure of this, so far, delightful banquet and for the notable honor you have conferred upon me by inviting me to speak to you briefly of the matchless and inimitable Robert Burns, who will live in the throbbing heart of humanity forever, I thank you again and again. My grateful recollection of your gracious hospitality on this occasion will be treasured to the end of my days and the abiding memory of your kindness will be

"A rainbow to my storms of life,
The evening beam that smiles the clouds away,
And tints tomorrow with prophetic ray."

The custom of commemorating the memory of illustrious men who have passed into the silent land is as old as the human race. It was born of love, christened by gratitude and cradled by devotion. It began in the twilight of human existence. It will live until the end of time.

We learn from Grecian myth that after Artemus had accidentally slain her lover, Orion, and found it impossible to restore him to life, she miraculously transformed him into a starry constellation which she fixed in the firmament to shine among the heavenly bodies in order to keep a cherished memory green forever.

For untold ages the Chinaman has worshiped the shades of his departed loved ones and for myriad years he has kept bright the sacred fire upon his ancestral altar.

The ancient Egyptians, not satisfied with the performance of conventional ceremonies in honor of their loved ones who had passed away, devised such a perfect system of embalming the human body that it could be kept on exhibition for centuries and handed down as a priceless legacy from ancestor to offspring.

Moses, dead in Horeb's lonely mountain and supernaturally buried by angels' hands, was honored for 30 days and nights with feasts and fasts by all the Israelitish host, and a thousand tributes of respect were paid the memory of that preeminent leader, so great and good in life, so exalted and so grand in death.

This custom of commemoration, which rests upon precedents of such high antiquity, we lovingly and tenderly perpetuate tonight in undying honor of the unforgettable Scottish

"Peasant prince,
The loving cotter king,
Compared with whom the greatest lord
Is but a titled thing."

At this moment, as never before, we fervently wish for the Shakespearean power of successfully invoking

"A muse of fire, that would ascend
The brightest heaven of invention,
A kingdom for a stage, princes to act
And monarchs to behold the swelling scene"

to the end that our present duty might be so nobly performed that we all might go forth from this banquet hall "with our strength renewed; to mount up with wings as eagles; to run, and not be weary; to walk, and not faint."

Adequate commemoration of Robert Burns is a task as impossible of performance as was that of the vestal virgin who, in order to prove her innocence, was required to carry water in a sieve from the banks of the Tiber to the top of the Capitoline Hill. The difficulties of narrating in detail the bringing of the universe into existence were such that the inspired author of the first book of the Bible reduced the portrayal of that astounding achievement to the sublimation of brevity—"In the beginning God created the heaven and the earth."

To the best of our ability, we shall, as a matter of necessity, emulate this shining example of condensation of expression for the reason that Burns' imagination was so soaring, his talents so diversified, his vision so penetrating, his thinking so profound, his power of expression so unlimited, and his service to humanity so great that detailed discussion of this marvelous man's bequests to posterity is impossible. In the circumstances, we can do little more than feebly indicate some reasons why we owe Robert Burns infinitely more than we can ever pay for his service and inspiration to mankind.

In the recent memorial edition of the Anthology of the World's Best Poems selected by Edwin Markham, a brief biographical sketch of Burns contains the remarkable statement:

"Magna Carta, the Declaration of Independence and the French Rights of Man are not weightier documents in the history of freedom than are the songs of Robert Burns."

We supplement this lofty, sweeping generalization with the specific reminder that Burns was a faithful and valuable friend to the American Colonists in their darkest hour of need. When called upon to participate in drinking a toast to William Pitt, the courageous Burns said: "I give you a better toast—George Washington!" At a later meeting when he was called upon to drink to the toast: "Success to British arms in America," Burns said: "No; I will drink to the toast—May their success equal the justice of their cause." No imperiled patriot ever made a bolder or better response.

It is much more than an interesting coincidence that while Burns was freely lending the aid of his persuasive tongue and facile pen to the cause of the American Colonists the famous Scot, John Witherspoon, in New Jersey, and the Scotch Presbyterians in North Carolina, who provided the inspiration for the Mecklenburg resolution—the progenitor of the Constitution of the United States—were fighting the battle for American freedom as heroically as Bruce and his immortals fought and gloriously won the bloody battle of Bannockburn on the 24th of June in the year of our Lord 1314.

Burns is the most famous of all the poetic champions of the common people, the underprivileged masses, and the oppressed. He knew, as few have known, that—

"Not gold but only men can make a people great and strong,
Men who for truth and honor's sake stand fast and suffer long;
Brave men who work while others sleep, who fight while others fly,
They plant a nation's pillars deep and raise its banners to the sky."

He demonstrated his superior understanding of values when he declared, "An honest man's the noblest work of God." Burns well knew and by noble deeds animated the truths which Markham generations later proclaimed in the impressive lines:

"We are blind until we see that in the universal plan,
Nothing is worth the making if it does not make the man.
Why build we cities glorious if man unbuilded goes?
In vain we build the world unless the builder also grows."

Robert Burns was the greatest of all great authors of the lyrics of love. Not only in "Farewell to Nancy," "Highland Mary," "A Red, Red Rose," and "To Mary in Heaven" but in longer poems in which love is only incidental to a more general theme are impassioned utterances such as this:

"Sage experience bids me this declare—
'If Heaven a draught of heavenly pleasure spare—
One cordial in this melancholy vale,
'Tis when a youthful, loving, modest pair
In other's arms, breathe out the tender tale,
Beneath the milk-white thorn that scents the evening gale.' "

To all the lads and lassies everywhere who are either enjoying or suffering the pangs of requited or unrequited love, Burns' love lyrics are unconditionally recommended as the only balm of Gilead in the universe sufficiently potent to produce whatever result the lover's heart may desire.

Burns is the peerless eulogist of the Christian home. The Cotter's Saturday Night is the world's most perfect portrayal of a happy family scene. The following excerpt is offered as justification for that assertion:

"The cheerfu' supper done, wi' serious face,
They, round the ingle, form a circle wide;
The sire turns o'er, with patriarchial grace,
The big ha'-bible, ance his father's pride:
* * * * *
He wales a portion with judicious care;
And 'Let us worship God!' he says with solemn air.

"They chant their artless notes in simple guise,
They tune their hearts, by far the noblest aim;
Perhaps 'Dundee's' wild-warbling measures rise;
Or plaintive 'Martyrs,' worthy of the name;
Or noble 'Elgin' beets the heaven-ward flame;
The sweetest far of Scotia's holy lays:
Compar'd with these, Italian trills are tame;
The tickl'd ears no heart-felt raptures raise;
Nae unison hae they with our Creator's praise.

"The priest-like father reads the sacred page,
How Abram was the friend of God on high;
Or Moses bade eternal warfare wage
With Amalek's ungracious progeny;
Or how the royal bard did groaning lie
Beneath the stroke of Heaven's avenging ire;
Or Job's pathetic plaint, and wailing cry;
Or rapt Isaiah's wild, seraphic fire;
Or other holy seers that tune the sacred lyre.

"Then kneeling down to Heaven's Eternal King,
The saint, the father, and the husband prays:
Hope 'springs exulting on triumphant wing,'
That thus they all shall meet in future days,
There, ever bask in uncreated rays,
No more to sigh, or shed the bitter tear,
Together hymning, their Creator's praise,
In such society, yet still more dear;
While circling Time moves around in an eternal sphere."

The concluding verse of this rare and radiant poem attests not only Burns' ardent patriotism but his deathless love for his native land. If you desire to increase your ambition, strengthen your determination, and fire your enthusiasm so as to make yourselves more valuable assets of your country during these most perilous of all perilous days in the history of the human race, look for your inspiration not in the thrilling history of the conquests of Alexander the Great, who laid waste the world with fire and sword. Look for that inspiration not in the seductive pages of the Gallic War, in which are recounted the brilliant achievements of Caesar's imperial legions as they bore the language, the customs and the laws of the holy city on the points of their spears to Gaul and Britain and to those who dwelt beyond the Rhine. Look for your inspiration, not in the stirring biography of the great Napoleon, whose grand army and old guard spread the cold gray spell of militarism's frightful desolation from the fruitful fields of sunny Italy to the sterile shores of the frozen ocean. No, inspiration such as this that will spur you to sublime achievements in peace as well as war; help you to solve the perplexing problems that confront the Nation and the world; teach you to serve your country; live for it; courageously fight for it and, if need be, gloriously die for it, and at the same time enroll your names in the guilded book of immortality—inspiration such as this you will find in the last verse of "The Cotter's Saturday Night," which is as follows:

"O Thou who poured the patriotic tide,
That streamed through Wallace's undaunted heart;
Who dared to nobly stem tyrannic pride,
Or nobly die, the second glorious part,
(The patriot's God peculiarly thou art,
His friend, inspirer, guardian, and reward.)
O, never, never Scotia's realm desert;
But still the patriot, and the patriot bard,
In bright succession raise, her ornament and guard."

Ladies and gentlemen, please join me in a toast to the most famous and beloved of all the countless immortals dear old Scotia has ever given to the world. To him who long has been and will forever be

"A spring of ice-cold water to the parched and burning lips of thirst;
A palm that lifts its coronet of leaves above the desert sand:
An isle of green in some far sea;
The purple light of dawn above the eastern hills;
A cloud of gold beneath the setting sun;
A fragrance wafted from an unseen shore;
A silvery strain of music heard within some palace wrought of dreams."

Robert Burns—now and forever.

ADDRESS DELIVERED BY M. M. NEELY IN THE JEWISH SYNAGOGUE IN WHEELING, JANUARY 24, 1954, IN CELEBRATION OF THE 3000TH ANNIVERSARY OF THE ESTABLISHMENT OF JERUSALEM AS THE CAPITAL OF THE HEBREW KINGDOM

Distinguished rabbi and his honor, the mayor, ladies and gentlemen,

"Oh for a muse of fire, that would ascend
The brightest heaven of invention,
A kingdom for a stage, princes to act
And monarchs to behold the swelling scene."

Then indeed would the 3000th anniversary of the making of Jerusalem the capital of the Hebrew kingdom be appropriately observed, and we should go forth from this holy temple with our strength renewed; to mount up with wings as eagles; to run, and not be weary; to walk, and not faint.

The custom of commemorating illustrious personages, beneficient achievements and notable events had its beginning in the morning twilight of civilization. It will continue till the Angel of the Apocalypse, with one foot on land and one on sea, proclaims that time shall be no more. This antique custom we devoutly perpetuate tonight in undying honor of the world's most remarkable capital and its most unforgettable city and affectionately remember the matchless man who endowed it with immortality and made it the model of fleeting municipal government on earth and the symbol of our eternal home in that heavenly—

"City that lies in the Kingdom of Clouds,
In the glorious country on high,
Which an azure and silvery curtain enshrouds,
To screen it from mortal eye;

"A city of temples and turrets of gold,
That gleam by a sapphire sea,
Like jewels more splendid than earth may behold,
Or are dreamed by you and by me."

And what are the unusual attributes of Jerusalem? To describe them or even enumerate them in their entirety would be to abuse your patience beyond the limit of toleration. Therefore, we shall mention but a few of the city's most salient features.

The location of Jerusalem is as rare as a day in June. It is as fascinating as the spellbinding fiction of the Arabian Nights. It is in Palestine, or the Holy Land, which completely embraces the Republic of Israel. Mandeville, in his book of travels, says: "That this land is the heart and middle of the world." According to the prophet Ezekiel and the revised version of the Old Testament, "Palestine is the navel of the earth." The Almighty, speaking of it under another name, said to Ezekiel, "It is the glory of all lands." The Lord further said: "This is Jerusalem; I have set it in the midst of the nations." Thus it appears that this extraordinary city is not only at the center of Palestine but also at the center of the world.

Palestine, with Jerusalem at its center, has from time immemorial been the most strategic of all earthly lands. It is the geographical connection between Asia and Africa. By reason of its long Mediterranean shoreline and its excellent commodious seaport of Haifa, it is the gateway to Europe and the Western World for the important commerce that originates in northeastern Africa and southwestern Asia.

As a consequence of this strategic importance, Jerusalem has been the world's most beleaguered metropolis. Ever since the days of Joshua great military powers such as Assyria, Babylonia, Persia, Egypt, Greece and Rome have again and again attacked and besieged it.

The heroism, sacrifice and suffering of the Hebrews in defending Jerusalem defy all the descriptive powers of tongue and pen. Happily, as the result of the assistance of an all-wise, all-merciful, and all-powerful providence, these Jewish sacrifices and sufferings have not been in vain. For example, divine solicitude and assistance for the Holy City were memorably demonstrated 710 years before Christ when Sennacherib, with his Assyrian hordes, attempted to conquer Jerusalem. In response to the prayer of King Hezekiah, the angel of the Lord "went out" and in a single night smote 185,000 of the Assyrian invaders, and thus saved the city from destruction. Byron commemorated this remarkable event with the well-known lines:

"The Assyrian came down like the wolf on the fold,
And his cohorts were gleaming in purple and gold;
And the sheen of their spears was like stars on the sea,
When the blue wave rolls nightly on deep Galilee.

"Like the leaves of the forest when summer is green,
That host with their banners at sunset were seen;
Like the leaves of the forest when autumn hath blown,
That host on the morrow lay withered and strown.

"For the Angel of Death spread his wings on the blast,
And breathed in the face of the foe as he passed;
And the eyes of the sleepers waxed deadly and chill,
And their hearts but once heaved, and forever grew still.

"And the widows of Ashur are loud in their wail,
And the idols are broke in the temple of Baal;
And the might of the Gentile, unsmote by the sword,
Hath melted like snow in the glance of the Lord."

But unfortunately 124 years later the Babylonians, under Nebuchadnezzar, overran Jerusalem and carried away thousands of its heroic defenders as prisoners of war. Time marches on. And after 70 years of captivity King Cyrus of Persia, the conqueror of Babylon, grants the Jews permission to return to their homeland and rebuild their temple. In the next century the warlike Greeks gained complete control of both Jerusalem and Palestine and abrogated the autonomy which the Jews had enjoyed under Persian rule. In 165 B. C. the Jews, under Maccabean leadership, recovered control of Jerusalem, and resumed their religious services in the temple.

Through all the subsequent years of cruel persecution, fiery trial and heartbreaking tribulation the Jewish people yearned, prayed, worked and struggled for the privilege of living in the land of their fathers and for the reestablishment of their national government in the little country which had been given to them by Almighty God. Happily for the Jews and the world, the Jewish state was in 1948 once more established. Its name is the Republic of Israel. God grant that it may flourish like the palm tree, grow like a cedar in Lebanon, and bestow the blessings of wisdom, righteousness and service upon the children of men to the last syllable of recorded time.

Since the issuance in 1917 of the Balfour Declaration, which marked the beginning of the final successful struggle for the reestablishment of this new government, the Arabs have resisted the assertions of Jewish rights not only to Jerusalem but generally to the Promised Land. Unfortunately a disturbing controversy between the Jews and the Arabs concerning the utilization of the water of the River Jordan is today before the United Nations for adjustment. It is my hope that this important matter will be promptly, peacefully and righteously adjudicated.

In order to forestall misunderstanding or misrepresentation of what I am about to say regarding the Palestinian controversy which, for generations, has alternately raged and smouldered between the Arabs and the Jews,

let me make it crystal clear that, in my opinion, the Arabs are a great, historic people. All should be sincerely grateful to them for their age-old rich contributions to science, literature, art and civilization. Our system of notation and the name of the algebraic branch of mathematics and many important words such as alcohol, alkali, assassin, azure, chemistry, cipher, coffee, fakir, giraffe, magazine, mattress, nadir, nabob, tariff, zenith, and zero are Arabic gifts to the world. The foundation of modern chemistry was laid by the alchemists of Arabia. One of the most thrilling chapters of European history of the Middle Ages is that concerning the Arabic or Saracenic foundation of universities, observatories, libraries and museums. The Arabs rescued from annihilation the remains of Greek and Alexandrian learning and originated a noble order of architecture of which the famous Alhambra at Granada and the stately Mosque at Cordova are the best known examples.

According to a renowned historian, the Arabs merit eternal gratitude for having been the preserver of the learning of the Greeks and Hindus when Europe was too ignorant to take charge of the precious deposit. I concur in this commendation of the Arabs and all other similar ones that celebrated chroniclers have ever uttered. It is my hope that the foregoing will absolve me of either accusation or suspicion of being unfriendly to the Arabs, notwithstanding my inescapable belief that their prodigious contributions to the enlightenment of mankind and the welfare of the world do not, in any manner, justify their claim to any part of the Holy Land.

If my countrymen or the political party with which I am affiliated or the church of which I am a member held a general warranty deed from the Arabs or any other people except the Hebrews for all or any part of Palestine, my judgment and my conscience would still impel me to adhere to my conclusion that the Jews are exclusively entitled to every inch of the ancient land of Canaan, which embraces more than the Jewish Republic and the entirety of the city of Jerusalem.

Let me briefly indicate a few of my reasons for believing that the Jews' title to Jerusalem and the Holy Land is the most extraordinary, and indefensible the world has ever known.

According to the 17th chapter of Genesis, 1897 years before Christ, the Lord personally appeared before Abraham, when he was 99 years old, and granted unto him and his seed after him all the land of Canaan for an everlasting possession. Canaan, at that time, included much more than the entire boundary of the present Jewish Republic.

The seed of Abraham includes every Jew that breathes the breath of life. Consequently every Jew has title to an undivided interest in Jerusalem, the Jewish State and the greater area of what was once the land of Canaan. This title from the Infinite is as superior to any of which finite man is the author as the omnipotence of God is superior to the impotence of His earthly children.

As eternity exceeds time so the longevity of this remarkable grant exceeds that of any other to be found upon the historic scroll of twice 3,000 years. It was not for a decade, not for a century, not for a millenium, but for an everlasting possession.

According to a renowned poet, "A thousand years scarce serve to form a state." But in half a century less than this suppositious period the Jews, fortified with their divine title, aided by providence and led by the Lord's annointed, made Palestine one of the world's most famous countries, its kingdom one of the world's greatest governments, and Jerusalem—its capital—the world's most coveted city.

Under David and Solomon, the Hebrew kingdom attained the zenith of its magnificence and power. Recognition of its splendor, like the sight of the tree in Nebuchadnezzar's dream, "reached to the end of all the earth."

Subsequent to Solomon's death the entire Jewish realm was divided into the kingdom of Israel and the kingdom of Judah. The first comprised 10 tribes; the second only 2—those of Judah and Benjamin. The kingdom of Israel, after many centuries of turmoil, was overwhelmed by the Assyrians in the eighth century before Christ. Thereafter those who had composed this kingdom passed from history as an organized people and became known as the lost tribes of Israel.

The kingdom of Judah demonstrated miraculous powers of survival by withstanding ways, invasions, sieges, and battles without number until the year 70 of the Christian era, when the Romans overran Palestine, utterly destroyed Jerusalem, sowed its soil with salt, dispersed the Jews and made them heartbroken wanderers on the face of the earth. From then until the creation of the Republic of Israel in 1948 Jewish people were without a national home.

During the intervening centuries man, with his shameful inhumanity to man, murdered millions of the Jews and made countless other millions of them mourn and weep, as Rachel wept for her children in Rama in the long ago, and would not be comforted, because they were not.

Returning to the Arabs—they are still in possession of much of the land of Canaan. They have long contended that since they are also descendants of Abraham their rights to Palestine are equal or superior to those of the Jews. In my opinion, this contention is without factual, legal or logical support. The Arabs, who have a valid title to more than a million square miles of Asiatic territory, have never had any title whatsoever to any part of the Holy Land. And since the day that the Almighty gave to Abraham and his progeny the land of Canaan, the occupancy of this country by any people other than the Jews has simply been that of squatters on the land to which the Jews have held title from on high for almost 4,000 years.

Ishmael is the connecting link in the relationship between Abraham and the Arabs. Isaac is the connecting link in the relationship between Abraham and the Jews. Ishmael was the illegitimate son of Hagar, the Egyptian concubine. Isaac was the legitimate son of Abraham and his wife Sarah. Under the law, an illegitimate child cannot inherit from a putative father. Therefore, the Arabs have inherited from Abraham no title to any part of Palestine.

As recorded in Holy Writ, just before Abraham died he "gave all that he had unto Isaac. But unto the sons of the concubines, which Abraham had"—and these sons included Ishmael—"Abraham gave gifts, and sent them away from Isaac his son unto the east country." Thus it appears that, according to Abraham's last will, only Isaac and his posterity—the Jews—should ever possess the promised land of Canaan.

It is Jerusalem's rare distinction to be the birthplace of Solomon, the wisest man who ever lived, who gave the world three thousand proverbs, and whose songs were a thousand and five. And it is Jerusalem's still greater distinction to be mentioned more frequently than any other city in that treasured volume of sacred history, spiritual comfort and heavenly hope—the Holy Bible. What a deathless honor to be thus commemorated in the greatest story ever told—in the book that is daily read around the world; the only book in which—

"A glory gulids each sacred page,
Majestic like the sun,
It gives a light to ev'ry age;
It gives, but borrows none."

After King David transferred the Ark of the Covenant to Jerusalem and after his son, King Solomon, adorned the city with a magnificent temple of worship, Jerusalem became and ever since has been considered the supreme earthly spiritual center for the Jewish people throughout the world.

For wealth of sacred shrines and alluring places of historic interest, Jerusalem, like the name of Abou ben Adhem, leads all the rest. For example, in view from almost any housetop in Jerusalem are famous Mount Zion, Mount Olivet, the Garden of Gethsemane and Calvary, the hill known as the place of a skull. Near the base of this hill is Jeremiah's Grotto, in which the famous old prophet wrote the biblical Book of Lamentations. To this hill generations of prophets directed the attention of mankind. Historians will forever point to this same hill as the scene of the most widely publicized and most shocking tragedy which humanity has mourned for 1900 years, and will continue to mourn forever in every enlightened land on earth.

Jerusalem and its environs have been the scenes of the most momentous events in the entire history of the human race—events which have incited the genius that has produced the most exquisite pictures ever painted, the most inspiring poems ever written, the most thrilling oratorios ever composed, the most comforting hymns ever chanted, the most melodious songs ever sung. These have given us sunshine for our shadows, joy for our sorrows, smiles for our tears, and intimated to us the endless bliss of immortality in that realm where the rainbow never fades, where no one ever grows old, where friends never part and where loved ones never, never die. We know why the psalmist exclaimed, "If I forget Jerusalem, let my right hand forget cunning. Let my tongue cleave to the roof of my mouth."

The seductive temptation to continue this endless story must be and now will be effectually resisted. Let me extend you my unfeigned and heartfelt congratulations upon being a part of the innumerable throng of God's favored people. All the other races and tribes of men owe you and your illustrious ancestors a debt of gratitude that can never be fully repaid.

Among countless contributions to the general welfare for which we are indebted to you are the sublime Psalms of David, the "wild seraphic fire of Isaiah," and the matchless epistles of the Apostle Paul. These, by promoting righteousness, providing hope for the hopeless and supplying comfort for the disconsolate have been worth more to humanity than all the ransoms ever paid for captive kings.

It was Moses—a Jew—through whom God gave us the Ten Commandments. It was a Jew who preached the Sermon on the Mount—the sublimest discourse on human conduct that ever emanated from the lips of man. It was a Jew who gave us the cherished assurance:

"I am the resurrection and the life; he that believeth in me, though he were dead, yet shall he live; and whosoever liveth and believeth in me shall never die."

Long, long life, unlimited prosperity, happiness, righteousness and everlasting peace to Jerusalem, the Republic of Israel and every Jewish man, woman and child beneath the stars.

For the unsurpassable patience and courtesy with which you have honored me, with all my heart I thank you again and again, and the memory of this happy meeting with you will be to me

"The rainbow to my storms of life,
The evening beam that smiles the cloud away,
And tints tomorrow with prophetic ray."

PUBLIC OPINION AND THE QUESTION OF PAY TELEVISION

Mr. NEUBERGER. Mr. President, because in recent weeks I have received a great number of communications from my State on the subject of so-called pay TV, I should like to make some brief comments explaining my present attitude toward this question.

The communications to which I have referred have overwhelmingly consisted of postal cards containing only a very terse objection to the idea of having to pay to watch TV. They have come largely in response to a column written by the Oregonian's very able radio and TV commentator, Francis S. Murphy, under the title of "Behind the Mike," which on March 3 was devoted to stating the case against pay television. I ask unanimous consent, Mr. President, that this column by B. Mike, in the Oregonian of March 3, 1958, be printed in the RECORD at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

BEHIND THE MIKE

(By B. Mike)

If you are against pay television (and readers of the Oregonian proved they were by odds of 100 to 1 in a straw ballot a couple of years ago) now is the time to write your Senators. FCC had authorized a test which was contemplated after March 1. Both House and Senate committees in the present session have warned FCC to await specific authorization by law before starting the tests. Once the system is established, it will be hard to throw out. Current issue of Broadcasting and Telecasting says in an editorial: "It is now up to Congress to enunciate national policy on pay TV in the TV spectrum. Congress, in enacting the Communications Act of 1934, did not contemplate pay broadcast service. Congress provided for free broadcasting available to all who had the necessary receiving equipment. Pay TV (or radio) is narrowcasting which would limit service to those willing to pay the fee and install the needed equipment, with service blacked out to all others.

"Although the Senate committee has spoken, opponents of pay TV, including hundreds of thousands of people who have petitioned their Congressional delegations, should not be lulled into the belief that the battle is won. The Senate must act on the Thurmond resolution. And Chairman MAGNUSON, Democrat, Washington, who favors pay TV tests, insists there will be hearings before the resolution goes to the floor. Zenith, Skiatron, and other pay TV zealots have not given up the fight. They probably will redouble their massive lobbying on their scheme that has nothing to commend it except the money it will make for its entrepreneurs."

So if you don't want to be paying $40 to $50 a month (which most proponents admit it will cost you) to see programs you are now watching free, drop a card or letter to Senator RICHARD NEUBERGER or Senator WAYNE MORSE, Senate Office Building, Washington, D. C. Most of those favoring pay TV admit they will continue commercials to "help" pay the cost. And free TV and fee TV cannot exist side by side. If you can force people to pay 50 cents to watch Gunsmoke every Saturday night, why give it away free? Public service programs would disappear from our television screens, because our present commercial TV pays for them. Donald H. McGannon, president of Westinghouse Broadcasting Co., pointed this out last week in a speech in San Francisco. The informational services of radio and television, made possible directly or indirectly by advertising revenues, "would suffer radically or be nonexistent in the cash-and-carry atmosphere of pay television," he warned.

By reducing the potential audience, it would weaken the effectiveness of commercial television, one of our most dynamic sales mediums, and thus have a negative effect on the Nation's economy, he continued. Dr. Frank Stanton, president of the Columbia Broadcasting Co., recently made this statement before a Congressional committee: "The consequences of pay television will be a real misfortune for the American people. Viewers will have to pay for what they now receive free. And for the first time, television, now a democratic unifying force, will be divisive.

"Where now the best in television is available to all Americans, pay television will fence off the best for the carriage trade. One prosperous viewer can pay—and deprive a dozen of his neighbors of the programs they are now enjoying free. The costs to the American people will be enormous. Each family would have to buy or rent a decoder costing between $40 and $85. On top of that will be the charges for programs. To watch pay TV for two-thirds the number of hours that it now actually watches free television, the average family would have to pay $473 a year. This is 7 times what the average family spends on shoes annually; 3 times what it spends on heating and lighting a home; and more than it spends on medical and dental bills, plus all drugs and medicines, plus all cosmetics and shaving supplies, plus all dentifrices."

Mr. LONG. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LONG. Let me say to the Senator that I have had some experience with this pressure campaign. One television station in Louisiana presented six programs telling only one side of the issue. There was no presentation of the argument for pay-TV. There was such an extreme presentation of that side of the issue that if there had been a debate on the subject, the station would not have gone to such extremes.

This resulted in the generation of more than 10,000 post cards in opposition to pay-TV. However, never once was the other side of the argument presented.

My impression is that that is contrary to law. On a controversial issue one has no right to present his side of the argument on the radio or television without allowing the public to hear the other side. Yet that is the manner in which the question has been presented in some parts of the country.

Mr. NEUBERGER. I thank the Senator from Louisiana. My impression has been that only rarely is the side in behalf of pay television ever made available to the public.

It may be that pay television is unsound. I confess that I do not know enough about both sides of the issue to make up my mind. However, it seems to me that the public and the Congress ought to reach a determination after hearing both sides of the question, rather than hearing only the case against pay television.

Mr. LONG. If pay television is as bad as the Columbia Broadcasting System and the National Broadcasting Co. say it is, why are they afraid to let the public look at it?

Mr. NEUBERGER. I could not agree more fully with the Senator from Louisiana. If pay television is so evil, obviously it will be a failure. Then those sponsoring it and investing in it will lose their money, and pay television will have to be abandoned.

Mr. LONG. My impression is that all the Federal Communications Commission proposed was that, in certain areas where there are at least four television stations, an opportunity should be offered for persons to experiment with pay television over one of the stations, leaving available, at the same time the pay television program is shown, at least three free programs.

I could not think of a more adverse situation in which those interested in promoting pay television could present their program. The public would have the choice of several other programs, all of which would be free.

The networks are opposed to even this limited trial for pay-TV. They have so little confidence in what they are presenting that they are afraid to let the public have an opportunity to see a pay television program.

Mr. NEUBERGER. I thank the Senator from Louisiana for making these very helpful comments.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Tennessee.

Mr. GORE. I do not wish to become involved in the argument over toll television versus free television.

I rise to express concern, as the father of a 10-year-old son, over the large numbers of network television programs available for this child to see, which are either crime programs or "shoot-'em-up" westerns.

I wonder if the Senator from Oregon does not think there is something the Congress could do to bring about better television programs.

Mr. NEUBERGER. I thank my colleague for a very helpful observation.

It seems to me that the networks and the broadcasting chains certainly have a great deal of unmitigated gall to resent even a trial, under the adverse conditions described by the Senator from Louisiana, of the innovation known as pay television.

I was shocked a few weeks ago—and I brought the subject to the attention of the Senate—when the President of the United States delivered a major address in defense of his foreign policy before leaders from the 48 States, and not one of the networks carried the program. Yet the same networks are inundated every night with a flood of gory, bloodthirsty crime melodramas beamed largely at children, as the Senator from Tennessee has commented. Such programs are evidently so profitable, from the standpoint of sponsorship, that no network can afford to turn them off for half an hour so that the public may hear the Chief Executive of the greatest free nation on the earth deliver an address dealing with foreign policy which may mean life or death for all of us.

I very much appreciate the observations by the Senator from Louisiana and the Senator from Tennessee. As they

have said, and as I have said, I do not believe any one of the three of us has made up his mind as to whether pay television is good or bad. The significant point is that the networks have been relentless in preventing whatever case there may be, in behalf of pay television, from reaching the American public. They seem almost frantic about it.

I am reminded of certain speeches which were made by the manufacturers of buggywhips when Henry Ford put his original flivver on the street. They were so anxious to prevent its coming into general use that they wanted legislation to outlaw the first internal-combustion vehicle.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LONG. I come from a cotton-producing State. At one time there was a discriminatory tax on oleomargarine. We had a difficult time getting the product before the public so that the public could judge for itself whether or not it liked it.

Mr. NEUBERGER. I think that is a very good example. I dislike having oleomargarine mentioned while the distinguished Senator from the leading butter-producing State [Mr. PROXMIRE] occupies the chair. However, it is appropriate for me to mention it. I come from a dairy-producing State. Mrs. Neuberger's family operates a dairy farm. Yet she got through the Oregon State Legislature the first bill in the Northwest legalizing colored oleomargarine.

It seems to me that if America's free-enterprise system stands for anything, it stands for free competition in the open market. If oleomargarine is no good; if the first Ford automobile was no good; and if pay television is no good, they should all be tested in the market place and fail because of lack of merit, and not because of a premature propaganda campaign which seeks the enactment of laws to prevent them from having a trial.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. NEUBERGER. I am happy to yield.

Mr. LONG. The thought occurs to me that a great many articles have been produced which the public would not buy because better products were obtainable. A great many more brands of automobiles have been produced than are being manufactured at the present time. The country as a whole, it seems to me, is better off because the people were permitted to try the other products. I cannot for the world understand how television will ever reach the tremendous entertainment and educational potential of that medium if we outlaw the right of people to try something new, to experiment with new ideas, simply because we are afraid that they might work.

Mr. NEUBERGER. Certainly if that sort of practice had prevailed in earlier times, I presume that the people who had a monopoly on fires for sending smoke signals would have been opposed to John Gutenberg's first printing press.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. THURMOND. I am not in accord with the views that have been expressed here. I am opposed to pay television using the airways and charging the people. I do not oppose anyone running a toll line into anyone's home. If a company wishes to run a toll line into my home, I may pay them so much a month if I want to see their program. The telephone company runs a line into my home and I pay them so much a month. If anyone else wants to do that, I will probably be willing to pay them $8 or $10 a month by putting the money in a box, which that company can come and open and take the money. However, I do not want to see the free airways taken from the people. I want those airways kept for the benefit of all the people, and not used by those who desire to become millionaires or multimillionaires out of television.

Mr. NEUBERGER. I should like to remind the distinguished Senator from South Carolina, who has made some very pertinent observations, that there are companies in the country which have made millions and perhaps billions of dollars by exploiting the free channels they have received in television and radio.

These companies have made a bonanza out of the channels which they have acquired free by obtaining licenses from the Federal Communications Commission. We have witnessed in recent weeks the shocking spectacle in the House of Representatives hearings of how these licenses can be obtained, where men will frankly try to bribe officials of regulatory agencies in order somehow to persuade those officials to grant them those licenses.

Under our present system of so-called free television, the broadcasting companies and other outlets are making millions of dollars. How are they doing it? They are doing it, in many instances, by showing programs which cater to the lowest and worst in taste and to the worst emotions in all of us, and they are doing it by selling those programs to the biggest corporations in the country for the highest kind of advertising rates.

To say that pay television is going to make some millionaires may be true and it may not be true. The fact is, however, that under the existing so-called free television system, there are any number of people being made millionaires.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. NEUBERGER. I am happy to yield.

Mr. LONG. The Senator knows the kind of dust and gunsmoke and other cowboy-type movies that are shown on television. In many places, a person has no choice in the matter; he can either see Dracula or Frankenstein, and scare his children half to death, or he can put them to bed, and see a 10-year-old movie at midnight. No television program has yet been produced that costs as much as $2 million. A very good moving picture has been produced which has cost more than $10 million. It is the Ten Commandments. I should like to see it. People say it takes 3½ hours to see the whole picture. Perhaps in some parts of our country a person might prefer to sit at home with his family and see it in his own home, on a colored television set, instead of going out to a movie house or to one of those drive-in places and see it there.

Mr. NEUBERGER. And he would be more than willing to pay to have the Ten Commandments shown in his own home on television.

Mr. LONG. He could save money in that way. What is proposed is that in areas where there are three television channels, the fourth channel should have the right to present such programs, instead of the dust and gunsmoke and horror type of program that is available on television at the present time.

Mr. NEUBERGER. The viewer would have his own choice.

Mr. LONG. If he did not want to see the picture, he would not have to pay for it. In Monroe, La., one of my good friends, for whom I have the warmest personal feelings, is reported to have told the people that if pay television came into being the people would have to pay for the dust and gunsmoke type of television programs and that they would probably have to pay about $700 for that kind of programs, which they now can see free. The people were told to write to Senator LONG in opposition to pay television. As a result, I received more than 10,000 letters and postcards in opposition to pay television.

So far as I am concerned, I do not know whether I will like pay television. At the present time I do not even have a television set in my apartment. At the same time, if someone wishes to experiment with a new idea, I am willing to let him do it, and to discover whether the public is willing to pay for it. I have always thought that that was the American way of doing things.

Mr. NEUBERGER. I am under the impression that that is the American way of doing it; I agree with the Senator from Louisiana. I like to read. I glory in the fact that this country has produced people like Nathaniel Hawthorne, Mark Twain, James Fenimore Cooper, and Margaret Mitchell, who wrote Gone With the Wind. However, when I look at the things that are shown on television, I wonder where the country is that produced such great authors, because the so-called television programs are so lacking in merit and in anything significant.

Mr. GORE. Mr. President, again I say I am not desirous of becoming involved in this controversy over pay television and free television. I wish again to express my concern over the kinds of programs which the boys and girls of America are viewing. I would not say that there is any connection between the crime waves and youth gangs in this country and the crime programs the young people view on television. I do not know. However, I frankly wonder if there is.

I am not concerned, either, as to the companies that make a profit out of television programs. I am concerned with the quality of the programs. I should like to see the channels and wavelengths, which belong to all the people, utilized to uplift the people. I should like to see

them utilized to give to my boys and to give to other people's boys and girls an opportunity to see something other than crime programs and westerns.

Mr. NEUBERGER. I could not agree more with the Senator. I live in the West, and I know a little bit about the West. If what those programs portray shows what the West is like, then every book that I ever read in high school or college is utterly wrong. I am chairman of the Subcommittee on Indian Affairs, and I myself have written about the American Indian. I have in mind a particular television program, and I imagine it is the type of program to which the Senator from Tennessee refers, and probably has seen, or perhaps his son sees it twice and probably 3 days a week, and perhaps 5 days a week. These programs portray the American Indian as a hideous, barbaric savage, who would lie in wait to torture the kindly, innocent white people who came across the country, and who had only benevolent thoughts for the poor Indian. The cavalry arrives at the last moment, to save the people who are being tortured by the terrible Indians.

All anyone has to do is to read the history of the West as written by the great historians who wrote about the West, writers like Francis Parkman, and, in contemporary days, Bernard DeVoto and Stewart Holbrook. He will learn that much of what he sees on TV is not the true story. He will learn that it was the Indians themselves who were exploited; that they were driven off their lands; that they had their own country taken away from them.

The television programs which purport to tell the truth to the youth who are growing up in America completely distort the history of the American West. One would think that the West was settled by a few people who had .45's strapped to their belts, rather than by families who went West with their plows and who built colonies and established a civilization.

Without taking a stand on the issue of pay TV as against free TV—although one pays for his "free" TV when he buys breakfast food and tooth paste—I should like to have both sides of the question made available to the American people.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. GORE. Speaking of making both sides available, I am amused that the so-called rating agencies, which undertake to advise advertisers about the number of people who view certain types of programs, seem never to give the other side, namely, the numbers of people who, out of disgust, turn off their TV and do not look at it at all.

Mr. NEUBERGER. I imagine that is not the type of information which advertisers would relish.

Again I thank the Senator from Tennessee and the Senator from Louisiana for their helpful observations. I still have about a page and a half to read from my manuscript. I shall read it to indicate how much my views are in consonance with those of my two colleagues. It is material which I wrote in the office before coming to the floor, so I could not have premeditated upon the helpful comments of the Senator from Louisiana and the Senator from Tennessee. But what I have written is very much in line with their thinking. I believe it will indicate, at least, that if great minds do not think alike, their limited mentalities may be in the same channels, if not the same television channels.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LONG. Sometimes when I receive pressure mail, such as 10,000 post cards and letters on a single issue, it makes me think that the reason why people write so many letters to their Senators and Representatives, explaining the issue, is that the Senators and Representatives understand it too well already.

Mr. NEUBERGER. I hope in this case that that may be true of us.

Mr. President, as I have said, the column to which I have referred summarizes the case against pay TV—largely by extended quotes from broadcasting and telecasting magazines and spokesmen for TV networks. Standing by themselves the arguments of opponents of pay TV give rise to reasonable apprehension for the future fate of free TV programs as the public knows them today. My mail shows that many people believe that pay TV, requiring a fee from the viewer for tuning to its programs, is contemplated as a substitute for our present system, replacing the programs now paid for by advertisers who interrupt these programs with their own commercials. Understandably, many people have written to object violently against the prospect of being deprived of free TV, and of having to pay heavy charges to use the TV sets which they have bought to see the present programs without further cost.

In part, this is an obvious misunderstanding, although possibly not a wholly unintended one on the part of the opponents of pay TV. As a Senator who does not have the privilege of serving on the Committee on Interstate and Foreign Commerce, which supervises the regulation of the broadcast industry, I have so far not had the benefit of any direct information at all about the proposed trial of nonadvertising, fee-type broadcasting; but it is my understanding that it is proposed to be entirely supplementary to the existing system. The existing free TV would continue for everyone, and pay TV would simply be offered to those who, as a matter of their own choice, might wish to see its programs.

Mr. President, I have no idea whether such a scheme would work or not. I am not familiar with the economics of the broadcast industry. It might be a colossal failure. The people who would like to give it a try have applied to the Federal Communications Commission, the supposedly expert body created for that purpose by the Congress. For some time, the controversy has raged before the FCC over whether even a trial should be permitted. Much evidence has been amassed on both sides, which few of us in Congress have ever seen. I have not heard the arguments in favor of a trial of pay TV as a supplement to our present system, and as a Senator I like to know both sides of an important public issue, if I am asked to judge it.

Not content with awaiting the decision of the FCC, opponents have turned to Congress for a direct prohibition. I understand that the Senate Committee on Interstate and Foreign Commerce has divided on the question, with its able chairman, the Senator from Washington [Mr. MAGNUSON], in favor of leaving the matter to the FCC in the first instance. That would be my inclination, rather than to take the decision away from that specialized agency. They, not we, have seen the whole record on the question and are qualified to decide it.

I understand also that the FCC has decided to postpone action until 30 days after the end of the present session of Congress. I ask unanimous consent, Mr. President, that this announcement by the FCC may be printed at this point in my remarks, for the information of interested people in Oregon.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

IN THE MATTER OF AMENDMENT OF PART 3 OF THE COMMISSION'S RULES AND REGULATIONS (RADIO BROADCAST SERVICES) TO PROVIDE FOR SUBSCRIPTION TELEVISION SERVICE—BEFORE THE FEDERAL COMMUNICATIONS COMMISSION, WASHINGTON, D. C.—DOCKET NO. 11279—SECOND REPORT

By the Commission: Commissioners Mack and Ford not participating.

1. Since the adoption of our first report in this proceeding on October 17, 1957, subscription television has been the subject of active interest in Congress. In January of this year the Interstate and Foreign Commerce Committee of the House of Representatives conducted 6 days of hearings on the subject. On February 6, 1958, that committee adopted a resolution expressing the sense of the committee in the following terms:

"*Resolved*, That it is the sense of this committee that the public interest would not be served by the granting of authorizations for subscription television operations as contemplated by the Federal Communications Commission in its First Report, adopted October 17, 1957, in Docket No. 11279, because—

"(1) it has not been established to the complete satisfaction of this committee that authority to license such operations comes within the power of the Commission under the provisions of the Communications Act of 1934; and

"(2) such operations might lead at least to a partial blacking out of the present system of television operations, with possible injury to such present system in particular communities, if not throughout the United States.

"SEC. 2. For the reasons stated above, it is the sense of this committee that the Federal Communications Commission should not grant authorizations for subscription television operations as contemplated in such First Report unless and until the Communications Act of 1934 is amended so as to specifically empower the Commission to grant such authorizations."

2. Public announcement has been made of an action on February 19, 1958, by the Interstate and Foreign Commerce Committee of the Senate concerning subscription television. On that date the committee voted to recommend the adoption by the Senate of the following resolution:

"*Resolved*, That it is the sense of the Senate that the Federal Communications Commission should not, without specific authorization by law, authorize or permit any tele-

vision licensee or agent thereof to impose a toll, fee, subscription, or other charge on the general public or any portion thereof, for the privilege of viewing television programs received over television receivers located in the home, with the exception of both community antenna systems and those programs transmitted by cable or wire or both."

3. Recently numerous bills have been introduced in both Houses which, if enacted into law, would either prohibit the authorization by the Commission of the broadcast of programs for which a direct charge is imposed on the viewers, or would place certain restrictions on such authorizations by the Commission. The Commission has been informed by the Chairman of the House Interstate and Foreign Commerce Committee that that committee intends to hold hearings on the bills now pending on the subject of subscription television. It has been announced that the Senate Interstate and Foreign Commerce Committee similarly intends to hold hearings on the bills introduced in the Senate on this subject. In these circumstances, until Congress acts on the pending bills or it becomes reasonably evident that no action may be expected on them, we consider it appropriate to maintain the status quo.

4. Prohibitory legislation would, of course, moot this entire proceeding. If Congress should decide to give express authorization to the Commission to authorize subscription television operations on a trial or any other basis it may be necessary to modify the conditions set out in the First Report, depending on the requirements laid down in any legislation on this subject.

5. Accordingly, no applications for authorizations to conduct trial subscription television operations will be processed until 30 days following the sine die adjourment of the 85th Congress.

FEDERAL COMMUNICATIONS COMMISSION,
MARY JANE MORRIS, *Secretary*.

Adopted February 26, 1958.
Released February 27, 1958.

Mr. NEUBERGER. Mr. President, I point out that many people think the public itself can make a choice with respect to pay TV, and that it is unreasonable and inconsistent with normal American principles to preclude that choice in advance by a legal prohibition. What pay TV advocates ask is an opportunity to persuade the FCC that they should be permitted to offer their programs to the public.

In other words, what I have read in manuscript form is precisely the point made on the floor earlier by the Senator from Louisiana [Mr. LONG]. If the public is as opposed to pay TV as those who write me say, if they refuse to pay to see whatever programs these people intend to offer, then pay TV will lose out in competition. It seems to me that if this happens, it is the advocates of pay TV, not the viewers, who stand to lose their investment.

This is the point made by editorials opposing Congressional action to forestall an FCC decision on the record made before that expert body. I have already included in the RECORD a column from the Oregonian stating the case against pay TV; I now ask unanimous consent to have printed, on the other side of the argument, editorials from the Christian Century of March 12, 1958; the Medford (Oreg.) Mail-Tribune of March 10, 1958, written by Mr. Robert W. Ruhl, winner of a Pulitzer prize; the Washington Evening Star of March 3, 1958; and the Northern Virginia Sun, of Arlington, Va., of March 6, 1958.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Century of March 12, 1958]

WHY NOT TRY IT?

So help us, we can't understand why pay television shouldn't at least have a chance. For 7 years now certain television manufacturers have been trying to get permission from the Federal Communications Commission to try out an optional television service: Set owners who chose the option could, for small charge, select new, quality, unsponsored (and hence uncommercialed) programs beamed by the special stations which would live on the fees. Seventy-three volumes of argument have been heard in Washington, and for a while last fall it seemed that permission to try would be forthcoming. But NBC and CBS, rating-jealous and sponsor-zealous, have been dying a thousand deaths daily at the idea that viewers should have opportunity not only to switch sponsored programs but to drop in a dime and so avoid all sponsors. Our heaven is their hell. And so far, they are prevailing. The FCC has just decided to suspend all plans for pay-as-you-see television until Congress has a chance to act on the question. This Congress has until mid-August to vote on the several bills before it prohibiting subscription television. Not till September, then, will the FCC again even consider permitting pay TV trials. Strange situation, isn't it, when RCA as parent company of NBC is indignantly fighting the Federal Government's antitrust suit against it as an invasion of private enterprise, and at the same time is appealing frantically to the agencies of the Federal Government to restrain other businessmen in their private endeavor. Strange situation, isn't it, when giant corporations join in restraint of business imagination and initiative, and we little people find ourselves pleading for freer enterprise. Not so strange, though, in those long, shot-up hours when we know we have nothing to lose but a lot of whiskery westerns.

[From the Medford (Oreg.) Mail Tribune of March 10, 1958]

WHY CAN'T PUBLIC RULE ON PAY TV?

Hey, look who's fighting competition, heretofore touted as the life of trade in our free-enterprise system. The national television networks are fighting it, that's who.

NBC, CBS, and ABC want no competition from pay TV, not even during a 3-year test or experimental period recently authorized by the Federal Communications Commission. They are fighting such a program tooth, nail, and networks.

But I am stubborn enough to believe that John Q. Public has an unalienable right to see and judge pay TV on its own merits. I believe it is unconscionable of the networks to conduct a hysterical high-pressure campaign in and out of Congress to prevent even a test of pay TV.

Recourse to the big-lie technique is inexcusable, as in the implied threat that pay television will end, once and for all, free TV.

Pay TV probably will be just an adjunct of free TV, and it cannot even hope to be that if the networks succeed in strangling it before it has even had a trial.

Is it possible that the United States, always violently opposed to cartels, is seeing the rise of an American TV cartel, capable of bamboozling Congress and the people and of killing off even the threat of mild competition?

I want to give the devil his due. When free network shows in the United States of America are good, they are apt to be very, very good. But when they are bad, which is too large a part of the time, they are horrible.

When, at intervals, Peter Pan or Omnibus or Cinderella come along, they are like manna in the desert and I am grateful.

But when I am constantly fed tripe such as My Little Margie, Love of My Life, Roy Rogers, Queen for a Day, extroverts taking their marriage vows in front of the camera and 20- and 30-year-old movies, I am clearly entitled to the privilege of paying for better fare.

There will always be an audience for Roy Rogers and Queen for a Day. The networks need not worry about that.

But I am being denied my constitutional rights if the networks prove powerful enough to gang up on me and prevent me from paying to see a new movie, a fine Broadway play, or hear a great symphony orchestra, or a new opera, such as Vanessa, if pay TV is able to offer them.

The only effect pay TV can possibly have on the nonpay audience is to improve its lot. Pay TV could never run free TV out of the air, but it could darn well force free TV to raise its sights and standards.

It might even force the networks to exercise some kind of censorship over tasteless and vulgar, not to mention interminable, commercials.—Inez Robb, in Chicago Daily News (to which the Mail Tribune adds three rousing cheers and a tiger).

[From The Washington Evening Star of March 3, 1958]

LET THE PUBLIC DECIDE

The question of free TV versus fee TV is one for the televiewing public to decide. The Federal Communications Commission, was justified, therefore, in planning a 3-year test of television-for-pay. But a request by the House Interstate Commerce Committee for a delay until Congress specifically approves such an experiment has resulted in postponement of the test at least until after Congress adjourns. Actually, the FCC has plenty of authority now to sponsor the test. The Congressional request for delay, therefore, was out of order. The FCC's decision to comply with the request is understandable, however, in the light of current investigations of the agency's operations.

The House group acted after spokesmen for the free-TV industry strongly opposed the proposed experiment. In fact, several of them asked for an outright ban on pay TV, largely on the ground that the fee system would encroach on the right of the public to free television programs. But the FCC has made it plain that it is not weighing one system against the other with a view to substituting one for the other. Its attitude is the sensible one that if the public demonstrates in the test that it wants the opportunity to choose, on a particular day, between competing programs offered by fee and free TV, it should have that opportunity. And the fact that there would be competition for the public's favor in the programing of entertainment, public events, and other attractions should tend to assure the TV fans of higher quality programs than have been offered at times in the past.

[From the Northern Virginia Sun, Arlington, Va., of March 6, 1958]

WE WANT TO SEE PAY TV

One of the most intense pressure campaigns that Washington has witnessed is being conducted against pay TV by the national television networks and their local affiliates.

The local stations throughout the Nation have used spot announcements and on-the-air editorials in an attempt to convince us that pay TV will destroy free coaxial entertainment. They have also bought ads in

newspapers, and have used their regular program ads to augment their campaign.

Many newspapers who own television stations have joined the campaign, aiming broadsides at pay TV through editorials, columns, and house ads. Not to be outdone the national networks have held protest meetings throughout the Nation in an attempt to convince Congress that there is tremendous grassroots opposition against pay TV.

A great deal of the above activity, plus a considerable amount of buttonholing, took place during late January and early February, when the House Committee on Interstate and Foreign Commerce was considering the Federal Communication Commission's first report authorizing a limited pay TV test.

This is one of the few times in history that an industry has attempted to legislate a competitor out of business—even before the competitor has begun this business.

Apparently, the television industry is afraid to give the people the power to make their own decision on this matter. The lobbyist activity has not only been against the legalization of pay TV, but also against the FCC's decision to allow the new entertainment to be shown on a test basis in certain communities so that the people can make their own decisions.

The only way that the television industry's charges can be validated is to give pay TV a fair test—to see just exactly what its effect is on other forms of entertainment and how responsive the customer is to it.

Let's stop badgering Congress and John Q. Public about the horrors of pay TV until both have had a chance to see and evaluate it.

SENATOR LANGER—FRIEND OF THE PEOPLE

Mr. KEFAUVER. Mr. President, I know that all Senators are delighted that our colleague, the distinguished senior Senator from North Dakota [Mr. LANGER], has made such a good recovery from his recent illness and is now able, again, to take an active part in the debates of the Senate and in committee considerations.

I read in the Fargo (N. Dak.) Forum a letter along this line, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Fargo (N. Dak.) Forum of Sunday, March 16, 1958]

I am no writer, but would like to come to the defense of Senator LANGER who will be an everlasting credit to the State of North Dakota, both as governor and as Senator in Washington, for all the help he has given our people, especially the people in the western part of our State who have been hard hit by crop failures so many times.

Senator LANGER is not impressed by the big man with a pocket full of money. He is a real friend to the poor man, the small farmer and the man that is in trouble. Who is more deserving of a friend than the man who cannot help himself?

I am proud that I have had the privilege to vote for Senator LANGER all these years.

God bless him and keep him with us long.

Mrs. ARTHUR DAHLSTORM.

HILLSBORO, N. DAK.

MISLEADING ADVERTISING BY RAILROADS

Mr. LONG. Mr. President, it has come to my attention that the railroads are engaging in a propaganda campaign that is designed to mislead the people of America into believing that the trucklines and waterway operators are responsible for higher freight rates.

The Illinois Central Railroad carried an advertisement in the Baton Rouge (La.) State Times on March 11, 1958. This advertisement argued that the railroad freight car saved money for the family budget and that it could save even more if the Federal transport laws did not prevent the railroads from lowering their rates. It continued this argument by saying that the laws would not permit rate reduction because this would make it possible for the railroads to take business away from their highway and waterway competitors. It concluded that, as a result of this, the railroads must charge the public higher rates.

There are two misleading statements in this line of argumentation:

First, the waterways can and do haul freight much cheaper than the railroads.

Secondly, the trucklines in some cases haul freight cheaper than the railroads.

In years gone by, the railroads would hold freight rates, at a price far below the average cost, wherever their lines paralleled a waterway. They would then proceed to recoup the revenue thus lost by an exorbitant rate far above the average cost into the areas where no water competition existed.

During the last two decades, the railroads have been unable to crush the waterways by discriminatory pricing and charge the public all that the traffic would bear, because the competition of trucking concerns has meant that trucking competition began at the point where waterway competition ended.

Personally, I regard it as extremely inappropriate that the railroads should seek to solve their own problem by injuring forms of legitimate competition, yet that is what they are doing. They are seeking a program to impose tolls on the waterways, which have always been free, to everyone who cares to use them and they are seeking additional taxation on the trucking concerns.

In view of these reasons, I was very much interested to see that the Louisiana Motor Transport Association, Inc., of Baton Rouge, undertook to respond to one of the misleading advertisements of this type currently being published by the railroads.

I ask unanimous consent to have printed in the RECORD the advertisement of the Illinois Central Railroad, together with the response of the Louisiana Motor Transport Association, Inc., which appeared in the Baton Rouge Morning Advocate on March 16, 1958.

There being no objection, the advertisements were ordered to be printed in the RECORD, as follows:

[From the Baton Rouge, (La.) State Times, of March 11, 1958]

YOU CAN SAVE MONEY IN BOX CAR FIGURES

Meet your family budget's best friend—the freight car. When it comes to pinching pennies, the freight car has no equal. It truly saves money in box-car figures by holding down the cost of transportation that's part of the price of everything you buy.

Freight cars could save you even more. Many times our costs might let us lower rates, which would save you money and bring us more business. But Federal transport laws often stop us from lowering rates. Why? Because this would take business away from our highway and waterway competitors. So we must charge and you must pay higher rates.

This situation hurts us and hurts you. So for your benefit and ours certain transport laws need changing. Your representatives in Congress should know how important these changes are. We have told them. Why don't you?

ILLINOIS CENTRAL RAILROAD,
WAYNE A. JOHNSTON,
President.

[From the Baton Rouge (La.) Morning Advocate of March 16, 1958]

THE TRUCKS ARE SAVING YOU MONEY—KEEP IT THAT WAY

The truck owners in Louisiana have always saved their users money by offering a more comprehensive, economical, dependable and faster service than any other form of land transportation.

Mr. Wayne A. Johnston, president, Illinois Central Railroad, in his advertisement appearing in the March 11 Baton Rouge State Times, had this to say: "Many times our costs might let us lower rates, which would save you money and bring us more business. But Federal transport laws often stop us from lowering rates. Why? Because this would take business away from our highway and waterway competitors. So we must charge, and you must pay higher rates."

We have never known of any Federal or State agency that denied a rate reduction unless it was so low that it would destroy the economic transportation system of our Nation.

Interstate Commerce Commissioner Anthony F. Arpaia has publicly stated in a talk to a railroad audience that railroads file an average of 3,000 rate changes every working day. In 1956, out of about a million such rate changes, the ICC, after protest by other transporters, adjudged as unlawful only 12 such changes. These involved eleven one-thousandths of 1 percent of the total railroad revenues for that year.

Mr. Johnston also recommends that you wire your representative in Congress regarding certain changes in transport laws. Your Louisiana Members of Congress are well aware of what the railroads have in mind, and you can be sure that they are not going to let the railroads destroy the economic welfare of our great Nation.

Mr. Johnston should read the February publication of Fortune magazine. Mr. Perry Shoemaker, president of the Lackawanna Railroad, is quoted as saying "All the railroads have done for 25 years is bellyache." His statement would be hard to dispute. So there is nothing surprising in hearing railroad executives complain about being in trouble.

If they had just stopped with getting rid of their "bellyache," to use Mr. Shoemaker's apt description, there wouldn't be too much to worry about. However, instead of tending to their own knitting, they expend their energies and resources in propaganda campaigns against all other forms of transportation.

LOUISIANA MOTOR TRANSPORT ASSOCIATION, INC.,
JIMMIE BABINGTON,
Executive Director.

POLITICAL ACTION — CHALLENGE AND OPPORTUNITY FOR ASSOCIATION EXECUTIVES

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of a

speech entitled "Political Action—Challenge and Opportunity for Association Executives," delivered by the president of the American Retail Federation, Mr. Rowland Jones.

We in South Dakota are proud to recognize Rowland Jones as a native son of our State. He has been in Washington a long time. He is one of the most able and competent trade association executives I have ever been privileged to meet, and he is recognized nationally as an authority in this field.

I do not recall ever having read a speech from a trade association executive which so clearly diagnoses some of the problems confronting those who believe in private enterprise in this country and those supporting our great private-ownership system and the rewards of the merit system. It is for that reason I ask that the speech be printed in the body of the RECORD, and call it to the attention of Members of Congress and of the people of the country who are concerned about protecting a way of life and an economic system which, in a very short period of time, has made this Nation of ours the greatest and the strongest country in the world, providing more benefits to more people in more abundance than has ever happened in the world before.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

POLITICAL ACTION—CHALLENGE AND OPPORTUNITY FOR ASSOCIATION EXECUTIVES

(Address by Rowland Jones)

It is a privilege and a pleasure as a member of ASAE to take part in your program today. I accepted the invitation of your program committee because I harbor great anxiety as to the future of our free enterprise economy and the future of trade and professional organizations.

The past 25 years have brought wide and fundamental changes in the functions and operations of government at all levels. Without question, the greatest of these has been in the direction, philosophy, concept and policies of the Federal Government. No part of the Nation has felt the impact of the change more than the business and professional community. Either through the interstate commerce clause, or the authority to tax, the Federal Government has had steady growth in jurisdiction and power toward limits yet unforeseen. Much of this extension has been through legislation passed by the Congress, but the Federal regulatory agencies, the executive department, and the White House itself, through decisions, interpretations, orders, and policies, have speeded the process. And, with few exceptions, the Federal courts at all levels, to the amazement of many most learned in the law, have dutifully—if not courageously—placed the stamp of approval on these measures.

What is the basic force that has brought these changes? The answer is clear. It is the accelerating growth of the organized political power of labor organizations and their natural allies, coupled with vast power to regiment and activate the rank and file of their members on a compulsory basis. Thus we now witness the forging of a collective instrument which demands and receives the unquestioned allegiance of a growing group of elective representatives in our legislative halls. Let me emphasize this one point: "Compulsion is the key to collectivism."

Benjamin Franklin remarked after the constitutional convention that he would like to be preserved in a cask of wine for 100 years and then be reanimated so he could see how his dear country had fared. Surely, if he were to come back today, he would find the sight of the Federal Government more intoxicating than the cask of wine, but not nearly so exhilarating. But many others are intoxicated—and frightened too. For the parade of events is continuing.

This session of the Congress is demonstrating renewed activity to further extend Federal power, to regulate business—under the guise of the sputnik emergency, and now the current recession. Those who support this trend have lost none of their zeal and energy. They are not bashful about entering the political arena to achieve their goals. The political clouds now gathering portend a hurricane of activity to further decimate the conservative and middle-of-the-road elements now in the Congress next November, and in 1960. This will open wider the road to additional controls over the business and professional communities and enhance the power of unions and other groups in every phase of the economy.

Admittedly, this is a gloomy picture for our members, but we must face up to the realities of the hour. We now witness a well manned, well financed, and concerted drive to extend Federal supremacy over business and the professions by radical moves in the areas of minimum wage, unemployment and workmen's compensation, social security, Taft-Hartley, and taxation as a backdrop of the 1960 election.

There are many threats and problems in the current picture, and I would like to mention a few.

FAIR LABOR STANDARDS ACT

The union-inspired bills to extend the Federal wage-hour law to the retail and service industries incorporate through constitutional necessity the most daring definition of interstate commerce ever proposed as a foundation for unlimited extension of Federal power.

It defines activities affecting commerce to include any activity in commerce necessary to commerce or competing with any activity in commerce. Hence, no longer will the test be whether an activity is interstate commerce but will extend Federal control to any activity competing with interstate commerce. The very words used indicate the intent to extend Federal controls to activities which are not now recognized as being interstate commerce.

If this law goes on the statute books and is upheld by the courts, the road is wide open to abolish all State lines and every remaining vestige of constitutional definition and limitation of Federal power.

UNEMPLOYMENT COMPENSATION

Another threat is the union-Kennedy bill, S. 3244, for Federal dictation of unemployment compensation now controlled and administered by the States, with Federal standards down to the last detail. The power of the States would be an empty shell in yet another area. Significantly, Mr. KENNEDY provides vast increases in cost without providing needed revenue—knowing the tax bill will follow with the entire cost on the backs of the employers.

If this move is successful, the next immediate item on the list will be the development of Federal standards for workmen's compensation.

If these measures are enacted, who can predict what the tax burden will be? It is so fantastic that those who propose these outrageous measures dare not bring it to the eyes of the Nation before the legislation is enacted. It is the highest example of public irresponsibility. Should they be allowed to get away with it?

SOCIAL SECURITY

The Forand bill, H. R. 9467, provides for substantial increases in retirement benefits, adds free hospitalization for 60 days each year including free surgery and 120 days each year for nursing-home care. The bill provides for one-half-percent increase in the taxes immediately and rising to 4¾ percent by 1975. Another innovation involves an increase in the taxable base from the present $4,200 to $6,000. (There is also a pending proposal to increase the base to $10,000. In this latter provision it now becomes clear that the test of income will increasingly saddle a disproportionate tax depending upon the level of income.)

There is another gremlin in the social-security system. I have predicted that, given a climate of extreme difficulty in forcing new loads on wages and hours of work, the unions will mount a concerted drive to shift the entire burden of social-security taxes to the employer. The precedent exists in unemployment compensation.

These measures, the Kennedy bill and the Forand bill, produced by the Federal bureaucracy in cooperation with the unions have one important characteristic. In the Forand bill they would liberalize the benefit payments and expand their scope. A cursory glance is sufficient to see that the increase in the tax for social security is glaringly insufficient. The authors would leave to future Congresses the problem of increasing the tax to preserve the fiscal integrity of the system. In other words, expand the benefits and the payments now and postpone the bad news as to the costs. As for unemployment compensation in the Kennedy bill, I have already pointed out that the evaluation of the costs and the increase in tax to fund them is left for another day of reckoning.

The machinery of these bills and their provisions and the Federal obligations created for the future automatically raise the specter of ultimate repudiation. There is a limit to the resources of employers and job creators. If the Congress proceeds on the basis of these bills, they may well be writing checks on the financial balances of our economy that cannot be cashed in the future. I suggest that forced repudiation of the promises involved would shake our Government to its foundations.

ASSAULTS ON FREE ENTERPRISE

What can trade and the professional organizations representing the business and professional communities on Main Street, U. S. A., do about these and other threats to the future? Patrick Henry asked his comrades in the Virginia House of Burgesses, "Are we disposed to be among those who having eyes see not, and having ears hear not, the things which so nearly concern their temporal salvation?" The great patriot was referring to the increased taxes and controls of commercial activity in the colonies emanating from the British Crown. The parallel to today is striking.

The many organizations serving the members of business and the professions are performing an excellent job for the people they represent. Their vitality and steady growth are witness to this fact. However, too often neglected is the basic thesis that it is necessary to operate in the political arena to preserve our free enterprise system. After all, the climate in which our members operate is vital. This neglect of the political front permitted the continuous extension of Federal power over the economy and the erosion of the basic political tenet that we have in America—a Federal Government of limited powers. Our Founding Fathers believed that the best government was the least government. Further, they believed that State and local governments

were far better suited to legislate in many areas than the Federal establishment.

Yet, many elements in America whose economic concepts could not stand the competition in the market of free enterprise have been able to use the Federal Government to gain their ends. They use every emergency to stifle private enterprise and increase the powers of the centralized Federal bureaucracy and their own organizations. In such an atmosphere, we are rapidly losing our liberties.

We who believe that America derives its economic strength from the free enterprise system must be constantly vigilant against assaults. We must be vocal before every legislature—State and national. We must alert and arouse our citizens to the danger of each extension of Federal power, precedents being what they are. Particularly, we must get across to the American people that government dictation of production, distribution and other segments of our economy threatens them as consumers, as producers, and as citizens.

It is my conviction that all groups which believe in the private enterprise system must increase the level and intensity of their political activity and soon. The retail industry must plead guilty of failures in this respect, for retail distribution with its 1,700,000 units has not yet done all that it might have done.

MATCHING POLITICAL FORCES

There is a need to match forces with those who have plans for us—plans we will not like. Their aggregate of power is greater than has ever existed before and is still growing. Neither money nor manpower is a problem for these people who swarm the legislative halls in every State and in our National Capital. As practical men, we know the wheel that does the squeaking is the wheel that gets the grease. The members of the business and professional community must shed their aversion to participation in political affairs, for the onward march of opposing interests can never be stopped by standing on the sidelines, and this goes for their organizations. They must not hesitate to repel each political assault against private enterprise. The strength and power of Main Street, U. S. A., must be fully mobilized so that the voice of individual initiative will be clearly and forcefully heard in the State and National Legislatures. It must serve as a tangible constructive force—a force felt, recognized, and respected—in the forum of public affairs. The problem lies, it seems to me, in the continuing difficulty which arises from the fact that too many individuals and organizations to which they belong are still loath to turn to active and open participation in the political arena—national, State, and local.

But we have some outstanding examples of what associations can do in this area. The great medical profession by Herculean political efforts a few years ago, saved us all from the catastrophe of Federal socialized medicine. Every citizen in America has benefited from that endeavor. As a member of the American Bar Association I have noted increased activity by that group which now goes far outside the peculiar and professional problems of the legal profession.

In 1949, for the first time the American Retail Federation, on behalf of its national and State association members, registered under the Lobbying Act and proclaimed frankly to the Government, to business, and to the public that it was an active participant in political affairs. From that day onward, ARF has grown vastly in membership and prestige.

The business and professional groups can no longer afford the cost of failure to strengthen and perfect the machinery, manpower, and zeal required to mobilize the great power and influence that resides on Main Street, U. S. A. In my opinion, business and professional organizations at all levels and in every field of endeavor are facing a crucial test. They must recognize that accomplishments in the manufacturing, marketing, and professional areas can be canceled out by adverse actions in the political forums.

No one knows better than I that national, State, and local associations cannot exist on participation in political activity. As one who has had experience in all three levels of organization, I recognize the importance of the internal and specialized activities of trade associations. They are indeed the bread and butter of organization survival. But it is foolhardy not to recognize that the political and legislative climate in which all of our members must operate transcends in long-term importance the basic internal service of the organizations represented in ASAE.

Yet, many have deemphasized this area of activity. Many associations, fearful of offending others, have a policy of "no policy" in matters of legislation, and never seek to mobilize their members to protect their own interests.

But look at the other camp—that vast organization which is playing politics up to the hilt and which has an articulate organization in every State, Congressional District, and right down to the precinct.

OPPOSITION IS ORGANIZED

Recent official estimates indicate that there are over 1,800 national business associations and almost 1,000 national professional associations in the United States. In addition, there are 16,000 local business associations, 17,000 civic service groups, and 100,000 women's organizations, which total 133,000 local groups. Their political potential is tremendous. It needs only to be activated.

In contrast to these groups, which support our competitive enterprise system, are the 200 national organizations and 70,000 locals which work intensively on all fronts to advance their political programs, which go far beyond the mundane function of bettering the wages and working conditions of their members. Their primary objective now is complete and unchallenged political domination at all levels.

I have long believed that we who compose the body of organizations in ASAE have been outgunned, outmanned, and outfinanced by these other organized groups in presenting their ideological programs—programs which, as I have said, involve plans for all of us and our members—plans we will not like. In the present climate and the political situation as it has developed to this date, isn't it time for all organizations to broaden the scope of their activities to include political action?

The extent to which the opposing organizations combine to support a grand assault on one particular segment of the business community is well illustrated by the present attempt to extend the Federal wage-hour law to the retail and service industries. The forces mobilized are not limited to the locals operating in these industries—no indeed—for they include groups from manufacturing, mining, and the transportation industries as well.

Their basic strategy, as usual, is divide and conquer. They are hopeful that other industries will not participate in resisting this union-inspired extension of Federal power to these local enterprises. By limiting the first extension to the larger employers in these industries, they are hopeful of splitting the large from the small—with every intention of having full and complete coverage of the smallest business in the smallest hamlet at a not-too-distant future. With a political action committee in every State and county right down to the precinct level, they are mounting terrific pressure on every Member of the Congress.

NEED TO ACCEPT THE CHALLENGE

Fortunately, the trade associations representing these industries have taken up the challenge. We have joined forces to mobilize the thinking men and women of these industries to be articulate in their demand that this Federal invasion be resisted. The instruments for such action have been the trade associations for these industries. Through an informal group of Washington representatives, 26 national organizations in the retail and service trades have joined hands to organize and coordinate their activities and programs. We have conveyed to the rank and file that a threat to one is a threat to all. We have established wage-hour committees in every State which work closely with responsible businessmen in thousands of Main Streets. The Congress has received in forceful terms the attitude of these people regarding further dictation from Washington.

This is not the first time we have fought this issue. A major attempt was successfully resisted in 1949. We expect to win again—if—if we continue the closely coordinated effort, and a united front. Our greatest danger is from ourselves—if we go it alone, if we weary of the struggle, if we decide the fight is lost before the last round. The Members of the Congress whose political philosophy opposes Federal power grabs have been immeasurably strengthened by support from the folks back home. Indeed, such support is absolutely necessary if they are to stand firm—and stay in Congress. Businessmen are realizing more and more that visits to Congressmen, and letters expressing their views, are welcomed.

But suppose these organizations representing the business community had determined not to enter the political field? Suppose the Congress had heard only one side of the issue—only the side advocating further Federal controls on business? We all know the answer to that. We would have been burdened with Federal dictation right down to the smallest business. It would have happened if we had been asleep—or reticent to enter the political forum. But it was our battle—the trade associations were the natural channels for business to communicate to the Congress. It was through them that Congress heard the other side.

THE NEED FOR CHECKS AND BALANCES

The art of government in a free nation is preserved and advanced best under a system of checks and balances. The business community is part of that system, and I submit, the organizations representing business and the professions are also part of the system. I would not be surprised to see unions make trade associations a major target. The reason is simple—they do not want checks and balances—or any impediments to their political goals. And I might point out, we are not invulnerable. A scratch of the legislative pen can destroy the tax immunity of our organizations and the deductibility of dues as a legitimate business expense.

Yes; even we, as associations, are potential victims of the monopolistic power of unions and their busy allies—using the Federal taxing authority to destroy us. For the unions have but one fear—that their opposition will unite. And business and professional men without the articulate and organized voices of their associations would be helpless against further socialization of our private enterprise system.

Our Founding Fathers did an outstanding job in setting up a government which is

unique because of its built-in system of checks and balances. We, as individual citizens and as members of organized groups, are an integral working part of that system, but our lack of active participation in politics and government has seriously upset the balance. Is it not time to even the scales?

Here in our Nation's Capital, we see represented a wide cross section of Americans from business and the professions, represented by members of ASAE. The counterpart, your members, exists in thousands of communities across the Nation. All have a stake in the preservation of a free government in which a system of checks and balances is essential to survival of freedom. Apathy, coupled with the widespread idea that politics is a dirty business or that active participation in politics is not good from the standpoint of the conduct of business and professional vocations and organizations, has dominated our thinking too long. It is my fear that, through aloofness or apathy, we have left the field of battle for liberty.

The organizations which seek to dominate our times by pressure group action in elections and in the legislative process are gradually changing the face of liberty in America. If their long-term objectives are won, it will be because other organized groups have failed to accept the challenge and make the sacrifices necessary for the preservation of freedom which has been lost in many areas of the world—too often due to apathy and reluctance to bear the full responsibility of enlightened citizenship.

What price associations created by segments of a free people when the planned plastic surgery on the face of a once free nation has been accomplished?

What price the splendid internal activities designed to improve the chances for success of the people who pay our salaries when they are relegated to the control of regimented dictates from Washington?

LEADERSHIP IN THE PUBLIC FORUM

I am bold to suggest that we who hold ourselves out as the effective and productive leaders and executives of trade and professional organizations should and must concern ourselves with the threats already in being, and to come, contained in the programs, stated and unstated, now being vigorously promoted on a nationwide basis. Effective political action must not remain the monopoly of a minority of citizens of our country.

There is one basic political axiom that every business and professional man should learn and always remember—it is much easier and more productive to confer with a governor, senator, or congressman whom you have helped to elect and who sympathizes with your economic concepts than it is to try to win an argument or influence the decisions of an official who has been elected by those holding opposite economic concepts from those which you embrace. Once biased political officials have been elected—it is frequently too late to present your viewpoints effectively.

Here today is the golden opportunity for organization executives to increase their value, their prestige and their importance. All members of ASAE are continually seeking ways and means to this end. Thus far, with some exceptions, associations have been content to stay out of the arena in which the future of all of our members collectively is being decided with each passing day. The organized minority will always win over the unorganized majority.

Freedom will never be won by default. Now is the time—this is the place—we are the people who must make a decision to act. What are you going to do to help?

There's plenty of room on the bandwagon of freedom. Let's do the job that cries to be done.

EXTENSION OF TRADE AGREEMENTS ACT—DUTIES ON OIL, LEAD, AND ZINC

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made this morning before the House Committee on Ways and Means, which is considering reciprocal trade duties. The statement related to the importations of oil, lead, and zinc. I hope to have the report of my remarks available early next week.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MAINTENANCE OF PRESENT RATE OF DAIRY SUPPORTS—RESOLUTION

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution received from the Bertha Commercial Club, of Bertha, Minn.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

BERTHA COMMERCIAL CLUB,
Bertha, Minn.

"Whereas the dairy industry is one of the major industries in the Minnesota and the Bertha area; and

"Whereas the price supports on dairy products is scheduled to drop on April 1 to 75 percent, the basic minimum; and

"Whereas the economic effect would be a considerable loss to our dairy farmers and to our entire area: Be it

"Resolved, That the Bertha Commercial Club urges your continued effort, as a temporary measure, to maintain the present rate of dairy support; be it further

"Resolved, That copies of this resolution be sent to United States Senators EDWARD J. THYE and HUBERT H. HUMPHREY and to Congressman FRED MARSHALL."

The above resolution was presented at the Bertha Commercial Club meeting on March 17, 1958, and was unanimously approved.

S. O. STOCK,
Secretary.
MORRIS F. BAILEY,
President.

CONTINUATION OF APPROPRIATIONS FOR COMMUNITY PLANNING ASSISTANCE—RESOLUTION

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Twin Cities Metropolitan Planning Commission, of St. Paul, Minn.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION URGING CONGRESS TO CONTINUE APPROPRIATIONS FOR COMMUNITY PLANNING ASSISTANCE UNDER SECTION 701, TITLE VII OF THE NATIONAL HOUSING ACT

TWIN CITIES METROPOLITAN PLANNING COMMISSION,
St. Paul, Minn., March 5, 1958.

Whereas many smaller communities in Minnesota and the Twin Cities metropolitan areas in particular, are faced with mounting problems due to rapid urbanization; and

Whereas most of these small communities are lacking in funds to prepare urgently needed plans to meet these problems; and

Whereas the establishment of effective planning and governmental action at the local level is considered a prerequisite to the successful discharge of the Twin Cities Metropolitan Planning Commission's responsibilities to the area; and

Whereas, in order to carry out its program responsibilities, the commission also has need to supplement its local tax revenues with a grant of funds under section 701 of the National Housing Act; and

Whereas previous Congresses have authorized an appropriation of up to $10 million for the 701 program; and

Whereas the commission has been advised that the funds which have been appropriated pursuant to the authorization have been either disbursed or largely encumbered: Now, therefore, be it

Resolved—

1. That the Congress act to appropriate additional funds either from the balance of the existing $10 million authorization to finance the so-called 701 program or from new authorizations as may be required on the basis of present national needs;

2. That copies of this resolution be sent to the following: (a) President Eisenhower; (b) all Members of Congress from the State of Minnesota; (c) proper officials in the HHFA.

Adopted March 5, 1958.

Mrs. A. V. MAKI,
Acting Chairman.
C. D. LOEKS,
Director.

EXTENSION OF THE UNEMPLOYMENT - COMPENSATION - INSURANCE BENEFITS—RESOLUTION

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the St. Louis County Legislative Research Committee.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution of St. Louis County Legislative Research Committee

"Whereas the unemployment-compensation-insurance benefits received by many of the unemployed during the present recession are about to expire; and

"Whereas the prospects for increased employment in the next few months are not bright; and

"Whereas as these benefits expire the responsibility will be transferred to local communities for welfare benefits and public assistance for the unemployed, causing a great load to be placed upon the taxpayers of each local community: Now, therefore, be it

"Resolved, That this committee call upon the Congress of the United States to take action to extend unemployment-compensation-insurance benefits for an additional period of at least 16 weeks, and that the cost of this program be borne by the Federal Government."

Motion by Representative Willard Munger, seconded by Representative Paul Widstrand.

Senator ELMER PETERSON,
Chairman.

The above resolution was unanimously adopted at a meeting of the St. Louis County Legislative Research Committee, held on March 14, 1958, at the courthouse, Duluth, Minn.

RALPH J. OLSON,
Consultant to the Committee.

DISMISSAL OF FEDERAL WORKERS IN RHODE ISLAND

Mr. JOHNSTON of South Carolina. Mr. President, in my capacity as chairman of the Committee on Post Office and

Civil Service, I received, on this past Thursday, March 13, a pressing request from our distinguished colleague, the Senator from Rhode Island [Mr. GREEN], with which I was most happy to comply. The request of the senior Senator from Rhode Island was that a committee staff member be sent to Cranston, R. I., to investigate the causes which had provoked the calling of a protest meeting by the Federal Employees Veteran Association scheduled to be held on the following day, March 14, in Cranston. The source of the protest, I was given to understand, was new reduction-in-force orders issued by the Department of the Navy—and scheduled to be put into effect by March 31—at the Quonset Point Naval Air Station and the construction battalion center, Davisville, R. I.

I have here today some of the preliminary findings of the staff investigator who was assigned to this investigation in compliance with my colleague's request. It is, I feel, of the utmost importance that these findings, even though they are still only preliminary, be brought immediately to the attention of the Senate. However, before presenting them, Mr. President, I should like to pose this question:

Mr. President, what—in the name of all the sorry lessons of the past—is going on in the executive branch of our Government?

I expect no answer to this question.

In the first place, I am convinced that we in Congress have been, and are being, thwarted in our every attempt to find out what the administration is doing. And in the second place, on the basis of the facts which I am about to disclose, I am forced to the unhappy conclusion that the administration itself is not certain about this either.

It is scarcely necessary to point out that, at this moment, we in the Senate are gravely concerned over the latest official reports on the nationwide unemployment figures. As of the week ending March 8, the national average stood at 7.9 percent of the total civilian labor force covered by unemployment insurance.

We are similarly concerned over the extent of our national security and the status of the national defense. The administration, likewise, has shown its concern in these vital matters, as evidenced by the President's orders of March 19, issued to the Housing Administrator and the Secretary of Agriculture, to speed up the spending of some $2.225 billion in already appropriated funds for various civilian construction projects.

Yet in the face of this mutual concern and the action being taken to relieve the hardships of the unemployed, and to remove the causes of unemployment, here are some of the facts already uncovered by the preliminary investigation of the Post Office and Civil Service Committee's staff member who went to Rhode Island last week:

Both Quonset Naval Air Station and Davisville Naval Construction Battalion Center are essential cogs in the national defense. There are no other defense installations on the east coast presently able to take over their functions. Both are equipped with the most modern automotive construction and service repair shops on the east coast. Each is charged, respectively, with responsibility to perform major repairs and overhauls on all equipment assigned to the Command, United States Atlantic Fleet; to supply the fleet; to command the antisubmarine patrol; and to repair and overhaul aircraft.

Davisville Construction Battalion Center, as we are all of course aware, was established at the outbreak of World War II as a training and assembly center for our world-renowned "Can Do" Seabees. The center now procures stores and maintains for ready use the supplies and construction equipment with which the Seabees will build and maintain overseas bases in the event of a national emergency.

Quonset Point Naval Air Station has one of only two pairs of test cells which have a 30,000-pound thrust capacity. This test cell is essential in the testing and overhauling of aircraft, and for this reason it is important to note that the Air Force itself has no such overhaul facilities in the northeast section of the country.

Nevertheless, I shall present some of the facts claimed by the Federal Employees Veteran Association, which have been established through the Senate Post Office and Civil Service Committee staff investigator's still incomplete survey of this situation. And I say "incomplete," because it is my intention to have a thorough investigation made of the entire mess.

First. At the present time, Quonset Point has a backlog of 300 jet engines for military aircraft, which is causing important defense planes to be grounded due to the fact that Quonset lacks the manpower and funds to overhaul the engines.

Second. This backlog, Mr. President, it is estimated, is currently costing the American taxpayers at the rate of $1,000 per day for every plane grounded.

Third. Reliable sources of information within the Department of the Navy report that the estimates for the next several months indicate the station's workload will be materially increased.

Fourth. It is estimated by the station official planning estimates division at Quonset that by placing 100 more skilled workers on the Quonset payroll an increase from 1½ to 3 completed engines a day could be achieved by the overhaul and repair department. My investigator's preliminary survey would indicate that the estimate is accurate.

Fifth. In addition, the Pratt & Whitney new J–75 jet engine is about ready to go into production. No activity has been designated to overhaul this engine. Quonset Point Naval Air Station could go into such overhaul production without—and I underscore this point, Mr. President—without the expenditure of additional funds for new machinery or buildings.

Sixth. Nevertheless, and despite the weight of these impressive facts, on March 31, 125 skilled and trained Federal employees are due to lose their jobs—although the only reason put forth by the Navy so far for the dismissals is economy.

Mr. President, I have seen otherwise sound business operations go bankrupt on exactly such shortsighted economy planning.

As I pointed out on the floor of the Senate several days ago, Mr. President, nearly 47,000 Federal workers were drawing unemployment compensation at the end of February. How many more were actually jobless we do not know, because Federal employees who have been recently separated from their jobs may not file claims for unemployment compensation until they have exhausted every penny of their accumulated annual leave.

This would seem comparable to requiring factory workers to use up their entire life-savings before they become eligible for jobless benefits—but apparently it is unavoidable. Federal employees are technically considered to be on a payroll so long as they have any payments of annual leave coming to them.

Mr. President, the fine State of Rhode Island is presently burdened with an alarming 10.9 percent of unemployment among those in its total civilian labor force who work in the so-called covered jobs.

I am reliably informed that such action is being taken not on the basis of economy, but because of pressures on the Department of the Navy to turn over to private industry the work now being done efficiently and economically at Quonset Point Naval Air Station and Davisville Construction Battalion Center, R. I.

Should this happen, I think I can safely predict the outcome. The skilled workers dismissed from the Federal service at Quonset and Davisville will not find new employment with private industry. Instead, private industry will continue to operate with its own presently-depleted work force on a delayed work schedule of repairs and maintenance of essential defense aircraft. The cost of this delay will go up to well over the present figure of $1,000 a day, for which the American taxpayer will once again pay through the nose.

And after Quonset and Davisville, Mr. President, I ask our colleagues: Whose State is next in line for these so-called economy moves? I am aware that similar cutbacks are already scheduled for other defense installations throughout the country—in distressed areas where, right now, long lines of jobless workers are queueing-up before the new claims desks in local unemployment compensation offices.

I am deeply concerned, as I know we all are, about the hardship and deprivation these American breadwinners and their families must undergo before our combined efforts can restore their paychecks, if we cannot pay back what they will have lost during the protracted periods in which they will be off the payrolls.

But I am equally concerned—if not even more so—for our Federal employees, and I am determined that they shall not become the forgotten people in this crisis. It is my determination

to pursue the entire matter of the administration's present and proposed plans to lay off additional thousands of such employees in the immediate future. I intend to find out just why—with all of the billions the Congress has appropriated for defense and for the normal operation of other departments of the Government—such layoffs are necessary, when more than 5 million, and probably closer to 6 million, workers throughout the Nation are now unemployed.

Mr. GREEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. JOHNSTON of South Carolina. I am happy to yield to the Senator from Rhode Island.

Mr. GREEN. I am very grateful for this opportunity to say a few words about what my distinguished colleague from South Carolina has presented concerning my State. The Senator's presentation carries far more weight than would result if I alone gave the public the facts which the Senator from South Carolina has made public on the floor of the Senate today.

When the facts came to my attention, I was deeply shocked at the exhibition of hypocrisy on the part of the administration, which was lamenting the fact of unemployment and seeking all sorts of ways in which it could be reduced, and at the same time adding to unemployment, not at the sacrifice of the administration, but at the sacrifice of the welfare of the Government itself. Work which needs to be done in our national defense operations is abandoned for the purpose of reducing the amount of employment. The situation seems almost too bad for belief. Therefore I am very glad that my colleague, rather than I, stated the situation on the floor of the Senate. I am glad that he intends to follow up this subject, not for his own purposes, but as furnishing an example of the hypocrisy of the administration in the whole field of unemployment.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 11085) making appropriations for the Treasury and Post Office Departments and Tax Court of the United States for the fiscal year ending June 30, 1959.

Mr. ROBERTSON. Mr. President, considering that marked differences of opinion are bound to arise before we complete Congressional action on appropriation bills which may total $75 billion or more, it should be a source of satisfaction to the Members of the Senate that the supply bill for the Treasury and Post Office Departments, second in size only to the defense bill, is perhaps the least controversial. That is true for two reasons: First, both the Treasury Department and the Post Office Department discharge essential functions of Government, and hence must be adequately financed; second, over a period of years we have learned with a remarkable degree of accuracy just what is required to finance each Department; and, therefore, it is seldom that either the House or the Senate attempts to make any major change in the estimates of essential financing which are presented to the Congress by the Budget Bureau.

The bill we are considering carries a total of $23,600,000,000. But that includes a number of permanent appropriations which each year we merely authorize, without enumerating. The largest, of course, of the permanent appropriations is for the interest on the public debt, estimated for the next fiscal year to amount to $7,800,000,000, or nearly twice the total expenditures of the Government when I was elected to the House in 1932.

As will be noted from the committee report, which Senators will find on their desks, the Senate Appropriations Committee has reported without change the bill as it came to us from the House. That was also the report of the subcommittee which I had the honor to head.

In connection with the hearings and the action of the subcommittee, I want to express my sincere thanks for the valuable contribution of the chairman of the full committee, the senior Senator from Arizona [Mr. HAYDEN]; to the chairman of the Senate Post Office and Civil Service Committee, the Senator from South Carolina [Mr. JOHNSTON]; to the ranking Republican member of the Appropriations Committee, the Senator from New Hampshire [Mr. BRIDGES]; and to the very able Senator from Illinois [Mr. DIRKSEN]. It is only fair to state that Senator DIRKSEN felt that at least a part of the cuts in the budget estimates for the Post Office Department should be restored, but in that position he was not supported by either the subcommittee or the full committee.

Exclusive of large items that might be called fixed items over which we have no control, the items in the pending bill over which we do have control amount to $4,108,108,000, which is $82,081,000 more than was appropriated for the current fiscal year, but is $13,861,000 less than was requested in the President's budget. I shall not discuss the Treasury appropriation because Senators will note from the hearings that I received from the distinguished Secretary of the Treasury a letter stating that the cuts in his appropriation could be absorbed and that the Treasury Department was not requesting any restoration. I wish to take this opportunity to commend the efficiency of the Treasury Department in asking for $200,000 less than was authorized for the current year. However, the House committee thought that the appropriation estimates could properly be reduced by $2,240,000. But floor amendments added $2 million to the bill as reported to the House for the Coast Guard Reserve training program, making a total of $15 million for this item, in which so many Members expressed an interest.

An additional amount of $2 million for a badly needed dormitory at the Coast Guard Academy was also included in the item, "Acquisition, construction, and improvement."

In connection with an extended previous debate, this year, on a postal-rate bill, we have learned how the volume of mail handled by the Post Office Department has been so greatly expanded in the past quarter of a century, during which the building of new post offices has been at a practical standstill, and the modernization of equipment has been far below demonstrated needs. In support of a 5-cent letter rate, it was brought out that from 1900 to 1941, the yearly postal deficit has averaged about $33 million; but in the current fiscal year it will approximate $700 million. So Senators will find included in the pending bill an item that will be used for the purchase of new equipment, part of which will be for new post offices that will be built by General Services Administration under a leasing program.

Our subcommittee took testimony on how many new post office buildings could be built by providing an additional $50 million for equipment and by providing an additional $100 million for equipment; but we finally decided to leave the program of new post offices to other legislation, although the committee is definitely of the opinion that new post offices are needed, that plans already are available for prompt starts on at least 1,200 new offices, and that there is at the moment no better or sounder plan to relieve unemployment than to build new post offices where such facilities are so urgently needed.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Virginia yield to the Senator from New York?

Mr. ROBERTSON. I yield.

Mr. JAVITS. In connection with the Senator's reference to new post offices and new equipment, I wish to call attention to the plan for a $100 million development for the New York City post office, the largest in the country. It employs 35,000 people, and it carries 11 percent of the national mail and 6 percent of the world volume of mail. It is literally the jugular vein of the entire post office system.

We look forward with the greatest interest, and with the greatest desire to cooperate, to the great modernization effort. We shall give to it everything we have locally. We are very much pleased that the Postmaster General has signalized the importance of the New York City post office to the entire postal system, by making it, as it were, the anchor or the keystone of his modernization program.

I thought a reference to that situation might fit in with what the distinguished Senator from Virginia has said.

Mr. ROBERTSON. Yes; it fits in splendidly. We believe that the New York City post office handles more mail than does any other post office in the world. There may be 1 or 2 cities in the world with greater population, but they do not transact the volume of business that is transacted in the Greater New York area, the mail of which is cleared through that new post office.

We hope to see that post office equipped with new tools and new devices, as a visual demonstration of how much efficiency can be added to the operations of the Post Office Department if such devices and tools are put into effect in many of the metropolitan areas, and even in some of the smaller ones.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield further to me?

Mr. ROBERTSON. I yield.

Mr. JAVITS. I agree with what the Senator from Virginia has said about the new tools. We are now faced with the question of the selection of a postmaster for that particular post office. I have deeply in mind the need for the most modern kind of approach by the leadership in the management of the post office, in order to lead it in the direction the Senator from Virginia has outlined.

I should like to express to the Senator from Virginia the appreciation I have, and which I know I bespeak for my colleague [Mr. IVES] and for all the rest of the people of New York. We are deeply appreciative that the Senator from Virginia has so clearly in mind this problem and the means of dealing with it.

Mr. ROBERTSON. I thank the Senator from New York very much.

Mr. President, in the pending bill we have provided for the Post Office Department the sum of $3,402,000,000, which is an increase of $77 million over 1958 appropriations, but is a cut of $19,121,000 in the budget estimate. The unavoidable increase in this appropriation is due largely to the estimated increase in the volume of mail and to an increase in railroad rates for transporting the mail. We, of course, have not provided in this bill for any pay increase for postal employees, since the bill on that subject, recently passed by the Senate, still is in conference. Of course, when a pay-raise bill becomes a law, as we anticipate within the near future, a supplemental bill will be required, in order to give to the Post Office Department an amount sufficient to pay the increased salaries.

The bill carries a total of $2,690,000,000, a decrease of $13,468,000 from the budget estimate for operations, which means, of course, compensation of personnel. That is an increase of $71,056,000 over the current year comparative appropriation, but, as indicated, is slightly below the budget, because there is every reason to believe that in the present process of reorganization in the Department there undoubtedly will be some reduction in personnel. In any event, should it be definitely ascertained that the amount carried in the bill for operations is insufficient, it can easily be taken care of in the next supplemental.

For transportation, the Department asked for $476,200,000; but the bill carries $475 million, an increase of $5,019,000 over the comparative appropriation for the fiscal year 1958, but a decrease of $1,200,000 in the request for 1959. In connection with this decrease, it was pointed out in the hearings that the current volume of mail is below the previous estimate, that the current recession will have some effect on the volume of mail and that increased postage may also have some effect. Therefore, our committee did not see fit to restore the cut; it agreed with the position of the House that the volume of mail will, in all probability, be less than that estimated. Of course, if the railroads in pending cases should succeed in getting a major increase in the rates they charge for transporting the mails the Congress will be forced to give the Department an additional appropriation because the Department has no option as to what it will pay the railroads. That is determined in part by the volume and in part by the rate fixed by the ICC.

In conclusion, Mr. President, I wish to say that the members of our subcommittee were definitely impressed by the earnest desire of the Postmaster General and his very able Deputy Postmaster General to improve our postal service. Both witnesses frankly admitted that there was some cause for complaint but they pointed to the increased volume of mail being handled, and stressed, of course, the urgent necessity, not only for more and better working space, but for more modern tools. The committee desires to commend the Post Office Department on efforts being made in behalf of better mail service.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a brief summary of the figures contained in H. R. 11085.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUMMARY OF H. R. 11085: TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATIONS BILL, FISCAL YEAR 1959

Titles I, II, and III of H. R. 11085, the Treasury and Post Office Departments and the Tax Court of the United States appropriation bill for the fiscal year ending June 30, 1959, contain a total of $4,108,108,000 for regular annual appropriation items. This is the same amount recommended by the House, an increase of $82,081,000 over the 1958 appropriations and $13,861,000 under the budget estimates for 1959.

For the Treasury Department the bill contains an appropriation of $704,627,000, an increase of $5,260,000 over the 1959 estimates, and an increase of $5,060,000 over the 1958 appropriation.

For the Post Office Department, the bill contains an appropriation of $3,402,000,000, which is the same amount recommended by the House and a decrease of $19,121,000 under the budget estimates for 1959 of $3,421,121,000 and $77,000,000 over the 1958 appropriation of $3,325,000,000.

For the Tax Court of the United States, the bill contains an appropriation of $1,481,000, the budget estimate for 1959, and the amount recommended by the House. This amount is $21,000 over the appropriation for 1958.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CARLSON. Mr. President, I did not want to let this opportunity pass without paying tribute to the distinguished Senator from Virginia [Mr. ROBERTSON], the distinguished Senator from Illinois [Mr. DIRKSEN], and other members of the Subcommittee on the Treasury and Post Office Departments of the Committee on Appropriations. Those gentlemen and the committee staff have done an outstanding job in going through the various requirements of the Departments. I am convinced they have brought out a bill that will not only carry out the operations of the Post Office Department as our citizens want them to be carried out, but I think they have assured the people that if additional appropriations are needed, the proper requests will be made. I am confident the Senate will grant such appropriations.

I was interested in the statement made about the modernization of the Post Office Department. Two or three weeks ago the Senate passed a bill which, if we can secure approval of it in a conference between the House and Senate, should give this Nation an opportunity to modernize the Post Office Department in a way that will not only result in the construction of new buildings, but will improve working conditions in the buildings that now exist. Such a program will result in a valuable asset. In fact, it is a needed improvement in the postal service, which handles 66 billion pieces of mail, and which will soon be handling 75 billion pieces of mail.

Before the Senate voted on the bill, I wanted to commend the Senator from Virginia and the Senator from Illinois, as well as other Senators, for bringing to the Senate an excellent bill and report.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia wishes to acknowledge with genuine thanks the kind words of his colleague, and to say to him that we on the Appropriations Committee appreciate the fine work which the Senator from Kansas does in the Committee on Post Office and Civil Service. We have to work together. His committee handles most of the postal rates and pay questions. Of course, their work affects the budget which our committee of necessity must handle later.

Mr. DIRKSEN. Mr. President, I am deeply grateful to the chairman of the subcommittee, the Senator from Virginia [Mr. ROBERTSON], for the gracious compliments he has directed toward me. I am grateful to the Senator from Kansas [Mr. CARLSON] for his encouraging and kind remarks.

It has been a pleasure to work with the distinguished Senator from Virginia. He is at once amiable, tolerant, and understanding, and so it is a delight to cooperate with him, as chairman of the subcommittee, in fashioning bills such as the one now before the Senate. That has been my pleasure over a number of years. I might say that rather congenial experience goes back to the days when I landed in the House of Representatives, in 1933. The Senator from Virginia was already there. So I received a part of my indoctrination from him. I pay high tribute to his public services.

When the Postmaster General came before the committee I think he stated the function of the Post Office Department in a single sentence. He said:

As far as the American taxpayers are concerned, the Post Office Department has only one reason for existing, and that is to provide a good postal service at a fair price.

I can think of nothing to add to that statement, because it is very fundamentally and essentially a service institu-

tion; but over the years it has developed problems.

The first problem, of course, is the increase in the volume of mail. Even since 1954 the mail volume has increased from approximately fifty-one thousand million pieces to sixty-three and one-half thousand million pieces. That is another way of saying 63½ billion pieces of mail.

I do not know how much 63½ billion pieces of mail is. It is one of those figures that simply staggers all finite apprehension. In any event, that mail must find its way to the post office. It must be transported, one way or another, and gotten to its ultimate destination, because that is the service for which the Post Office Department has been developed.

As I say, it is a tremendous increase, and it will increase even more as our population grows. The postal problems will be with us continually. There is nothing static about the postal service. It is bound to be dynamic. Otherwise it would fail in its essential function.

Nobody can travel over the country and see satellite cities developing on the fringes of our large cities without in a little while seeing little clusters of mailboxes. Before long the people living in those communities want branch post offices or post offices. So, as our population grows, and as families grow, and as householders grow in number, there will be a constant addition, and there must be a constant addition, to the facilities of this Federal agency.

The $3.4 billion appropriated in the bill before the Senate is broken down among administration, operations, transportation, and facilities. If anyone wants to get an idea of how difficulties arise in the course of time, he needs only look at the transformation in our transportation facilities, all of which develop no end of difficulties for the postal service.

As the Postmaster General pointed out, in 1938, only 20 years ago, there were 10,000 trains carrying mail. In 1957, a year ago, there were only 2,500 trains, a diminution of 7,500 in a period of 20 years. However, in the year between 1957 and 1958, 697 additional trains have been dropped.

That difficulty must be compensated for either with trucks, star routes, or some other way of getting mail from a community to a point where it can be picked up and properly put in the stream of commerce. This is only a sample of the problem which confronts the Post Office Department in the whole transformation of the American economy.

When we consider all such difficulties, plus the mail volume, I think the Post Office Department, under Postmaster General Summerfield, has indeed done an outstanding service.

In the 5-year period from 1953 through 1957, there has been an increase of 16 percent in the volume of mail handled, with less than a 4-percent increase in manpower. That is indeed a testimony to the productivity not only of those who manage the postal service, but of all those who carry the pouches out in the field and carry the mail directly to the door of the recipient. The Post Office Department has experienced a 16-percent increase in mail volume in 5 years, with an increase of only 4 percent in manpower.

That fact points up the difficulties which will confront the Post Office Department year after year. The crying need is for facilities and for their modernization—for renovation of the facilities we have today, to make them modern so that with the same amount of manpower a much larger volume of mail can be handled. In private industry that would be the first thing to be done.

How does one improve? Through mechanization. Through automation. Through processes developed in order to render better service to the American people with the plant that one has, and with the same manpower.

I say again, Mr. President, I think the postal service has done a magnificent job in that field, and deserves the encomiums of the Congress for such performance.

I had intended to offer some amendments. As a matter of fact, I did offer some amendments in the committee to restore some of the money deleted by the House. I have not pressed the point beyond the committee level, and I shall not do so today. I shall offer no amendments on the floor.

I apprehend that as we go along there will perhaps be, around the corner in the months ahead a request for a deficiency or a supplemental appropriation. I simply want to fortify my own position by saying, when that time comes, that in proportion as the Post Office Department justifies its requests for supplemental appropriations I shall certainly stand up and energetically support the request. I shall do so, first, because I believe they have performed fine service; second, because I think they have been frugal in their management; and third, because they have very honorably and very candidly stated their case on every occasion before the Committee on Appropriations, and have not come in to ask for excessive amounts so that they might indulge in extravagance, which is simply not the disposition of the men who operate the Post Office Department and work with Postmaster General Summerfield.

I want the RECORD to show at this point that as the supplemental request comes along, I shall simply point to the fact that I sought in my rather humble way to secure a restoration of certain funds. The RECORD will note that I failed to do so, but at least I tried to be as agreeable and amiable in the matter as I could.

Once more I salute my distinguished chairman, as we send the bill on its way.

Mr. ROBERTSON. Mr. President, the Senator from Virginia appreciates those kind sentiments. The Senator from Illinois has been very amiable.

As the Senator from Virginia indicated, there will undoubtedly be a supplemental request, since we have pending a bill to raise the pay of the post office employees some $300 million or $400 million. We do not know the exact figure yet. At the time the pay bill is taken up we can take another look at the matter. If the volume of mail then is above what we think it will be, we can take whatever action is necessary.

I think passage of the bill now under consideration will be a nice reciprocating gesture, because only this week the House passed without any amendment, without any debate, a housing bill which the Senate had sent over. The Senator from Virginia had a little part in that matter, cutting down about a billion dollars from FNMA and upping the GI interest rates. We finally brought out of committee a bill that split the Senate 47 to 47, but the House decided it was a good bill, and sent it to the White House without a change. We could say, "Brothers across the Capitol, we reciprocate. We will send your bill down now without an amendment."

Mr. DIRKSEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11085) was ordered to a third reading, was read the third time, and passed.

Mr. THYE subsequently said: Mr. President, earlier this afternoon the Senate passed the Treasury-Post Office appropriation bill. The Senator in charge of the bill, and the chairman of the subcommittee, was the junior Senator from Virginia [Mr. ROBERTSON]. I wish to commend him for the very able chairmanship job he has done.

Of course, Mr. President, I am particularly interested in the portions of that appropriation bill which deal with appropriations for the Post Office Department.

Mr. President, during my first years of service in the Congress, I was privileged to serve on the Committee on Post Office and Civil Service. As a result, I became somewhat acquainted with many of the administrative problems of the Post Office Department.

I have observed the reorganization of the postal service and the Post Office Department. I have been impressed with the new administrative functions within the postal service, not only in the case of motor vehicles, but also in the case of other mechanical means used there.

It is one of the largest businesses within the United States; and therefore, Mr. President, a very determined study, from an engineering standpoint, must be made to bring the business up to date and to adopt a modern means of operation, in the sense that business itself, as we know, has reorganized and become more modern in its bookkeeping and administration functions, and in the manner of acquiring or letting of contracts in certain of its functions.

As the railroads fade from the transportation scene, more automobile and truck transportation will have to be used to transport mail. Contracts will have to be let by the Post Office Department for the transportation of the mails. In recent years that is a new phase of the operation which has come into being.

The reason for my making the statement is that administrative problems

have arisen as reorganization has taken place, both so far as the Department is concerned and also as relates to trucking and handling of the mails, which resulted in concern on the part of a patron or person who found his mail delayed. However, in major part, modernization is taking place, and there is a more businesslike administrative function within the Post Office Department.

I wish to commend the Postmaster General for having had the courage and the determination to bring about modernization of operations in the Department. It would have been easier, of course, for him to have said, "Well, it will be all right for me to remain in office and be popular." Oftentimes the Postmaster General had to make himself almost unpopular with certain segments of personnel involved in reorganization activities which were taking place. I have had the experience of various employees of the Department coming to me and saying, "Because of the reorganization and consolidation, I am compelled to be transferred from this town to another city. I am compelled to suffer a demotion." Such situations have been most difficult, not only for those of us who represent a district or a State in Congress, but certainly for the Postmaster General. I wish to commend Postmaster General Summerfield for having endeavored to bring about modern administrative operations in the Post Office Department and to eliminate some of the antiquated methods of rendering service.

I know that when I first became a member of the committee we were told it cost as much as $10 to requisition a 10-cent screen door spring. Such a situation was ridiculous. Because of the existence of such inefficient methods, the Postmaster General endeavored to adopt modern business practices in the Post Office Department. He is to be commended for it. It has not been an easy undertaking.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL EMPLOYEE ANNUITY INCREASE ACT OF 1957

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 727, Senate bill 72.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

WORK OF SELECT COMMITTEE ON SMALL BUSINESS

Mr. SPARKMAN. Mr. President, it has been over 6 weeks since I introduced S. 3194, the small-business tax-adjustment bill of 1958, for myself and 16 other Senators. Nineteen more Senators have joined as cosponsors since that time. I am hopeful that still other Members will join with us to assure the passage of S. 3194. For that reason I intend to discuss this measure so that the purpose of its sponsors may be perfectly clear.

The list of Senators who have joined in sponsoring this bill, arranged alphabetically, is as follows:

Mr. ALLOTT, Mr. BARRETT, Mr. BIBLE, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HILL, Mr. HOBLITZELL, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. KUCHEL, Mr. MANSFIELD, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PAYNE, Mr. PROXMIRE, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. THURMOND, Mr. THYE, Mr. WATKINS, Mr. WILEY, and Mr. YARBOROUGH.

In the summer of 1951, the Small Business Committee established a Subcommittee on Taxation to study the effect of Federal taxation on small business and to make recommendations warranted by its findings. This was a first step in response to an increasing realization that the Federal tax structure worked hardship on the small-business community.

During the spring of 1952, the Subcommittee on Taxation began its very thorough examination of small-business tax problems. Hearings were held in seven cities in different parts of the country. Testimony of 121 witnesses filled 548 pages of the published transcript of the hearings. On June 18, 1953, the full Committee on Small Business submitted a report of its findings and recommendations based on the subcommittee investigation—Senate Report No. 442, Tax Problems of Small Business, 83d Congress, 1st session. Three major recommendations of that report; namely, first, repeal of the excess-profits tax; second, provision for more reasonable depreciation allowances; and, third, clarification of burden of proof under section 102 of the 1939 code dealing with the unreasonable accumulation of surplus, were enacted into law to the benefit of the whole economy, but particularly small business.

Mr. JAVITS. Mr. President, is this a convenient time for the Senator to yield?

Mr. SPARKMAN. I am very glad to yield to the Senator from New York.

Mr. JAVITS. The Senator from Alabama is chairman of the Select Committee on Small Business, on which I have the honor to serve. It is very rare that we have an opportunity to pay such well-deserved tribute as that which we owe to our colleague, who administers the committee with great skill, and with less evidence of partisanship then I have seen for many years in the Congress.

This committee, for a committee without legislative jurisdiction, has a greater impact and real effect upon the progress of legislation than any other committee I know of, which indicates the degree of cooperation which animates its membership.

I had the honor to preside at one of the tax hearings, by designation of the chairman. Under the normal practice, the chairman would have designated one of the majority party. His action in that connection was illustrative of the nature of his work.

I point out that in all the discussion on tax reduction, we are hearing altogether too little about tax reduction for small business, which needs it very urgently. Tax reduction for a small business could do an enormous amount of good, both in and out of recession, no matter what the predictions may be for the future.

I, for one, wish to express my gratification that the principal proposer of this measure, and chairman of our committee, takes the time of the Senate, upon an occasion when we are thinking about tax reduction in terms of an antirecession measure, to urge that small business be given full consideration and participation in any tax reduction we may make. In my judgment, a tax reduction for small business is indispensable. I hope the eloquent voice of our chairman and the support of the other members of the committee may have the desired effect in connection with whatever tax reduction measure may ultimately be written.

Mr. SPARKMAN. I appreciate the remarks of the Senator from New York. He is an able member of our committee. He is the newest member of the committee.

Inasmuch as he has brought up the question of the bipartisan or nonpartisan nature of the committee, let me say that it has been a matter of considerable pride, both to me as the chairman during the time the Democrats have controlled Congress, and to my good friend, the Senator from Minnesota [Mr. THYE], who was chairman during the time the Republicans were in control, that we have operated on a nonpartisan basis, and have operated with a considerable degree of unanimity. There have been eight annual reports, each unanimous. I believe the reports have been quite objective, and I think they have accomplished great good for the small-business community throughout the country.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. JAVITS. I join my colleague, who is the present chairman of the committee, in congratulating our previous chairman. I had occasion to attend a great Lincoln Day dinner in the largest city of the State of the Senator from Minnesota, and to pay my personal tribute to him at that time, which I now repeat.

Mr. THYE. I thank the Senator.

Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I am very glad to yield.

Mr. THYE. I join with the Senator from New York [Mr. JAVITS] in paying tribute to the distinguished chairman of our committee. I shall seek the floor when the chairman shall have completed his statement, and will state at greater length my commendations for the able job the chairman is doing.

At this point—and this is the reason why I seek recognition at this time—I should like to say that one of the principal reasons for the effectiveness of this committee in dealing with small business problems is the unity which the committee has shown at all times. We have not been partisan. We have endeavored to serve; and while we do not have legislative status as a committee, the effectiveness of our impact on the various other committees which have any responsibilities to small business has been most striking. Both the chairman and I, acting jointly, have testified in connection with tax matters relating to small business in this session of Congress.

I thank the Senator from Alabama for yielding.

Mr. SPARKMAN. I thank the Senator from Minnesota. The subject I am discussing, tax relief for small business, as I pointed out, is nothing new. The Senator has been a member of the committee during the entire time that I have been a member of it, and he knows that this subject has been of continuing interest to our committee. We have worked steadily for getting tax relief for small business.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KEFAUVER. I wish to commend the Senator from Alabama and the other members of the Select Committee on Small Business for the diligent effort they have made to get some equalization of taxation so far as small business is concerned. This is a step which was approved by both political parties at their last conventions. The Senator and his committee are performing a great service in putting forth this proposal.

I also wish to say that the work of the Small Business Committee is appreciated by all chairmen of committees and subcommittees. As chairman of the Subcommittee on Antitrust and Monopoly Legislation I know that the Select Committee on Small Business held hearings on many of the subjects that come before the Committee on the Judiciary. The matters are always very thoroughly considered, and we pay a great deal of heed to the recommendations and suggestions of the Senator from Alabama [Mr. SPARKMAN] and his Small Business Committee.

Mr. SPARKMAN. I certainly appreciate the comments of the distinguished Senator from Tennessee.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am very happy to yield to the Senator from Kansas.

Mr. CARLSON. I do not like to let this opportunity pass without commending the distinguished chairman of the committee, the Senator from Alabama [Mr. SPARKMAN], with whom I have had the privilege of serving both in the Senate and in the House of Representatives. I well know the interest he has taken and the interest that has been taken by the other members of the committee, including the ranking minority member, the Senator from Minnesota [Mr. THYE].

The Senator from Alabama and other members of his committee have appeared before the Committee on Finance, of which I am a member, urging consideration of a change in the tax laws with respect to small business. I certainly hope we can work something out. It is important to our Nation that we must have small business if we are to continue as a strong Republic. I wish to commend the Senator again for the statement he is making and for the fine work he has done in the past.

Mr. SPARKMAN. I thank the Senator. I have appeared before the Committee on Finance, and the Senator from Minnesota [Mr. THYE] and other members of the committee have also appeared before that committee from time to time. I wish to say we will continue to appear before the committee until we get relief. I feel confident we will get it. I feel that the committee wants to help.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. PAYNE. I wish to add my voice to that of my other colleagues in their commendation of the efforts of the distinguished Senator from Alabama in connection with small business matters. Relief is very much needed for the small business community all over the country. That kind of relief is contained in the bill the Senator is now discussing.

I hope the bill will be given thorough and complete and early consideration by the Committee on Finance and that action will be taken by the Senate, because it is something that should be attended to as soon as possible. I again wish to commend the Senator for the outstanding work he is doing in this field and in many other fields for the benefit of small business all over the country.

Mr. SPARKMAN. I am delighted that the Senator from Maine is a cosponsor of the measure.

To Members of Congress and other persons interested in the welfare of small and independent business it is obvious that small business is still hurting from an unfair burden of Federal taxation. I believe this was, and still is, the case for several reasons. First, many of the important recommendations of the 1953 Small Business Tax Report were not adopted. Second, the era of tight money applied financial pressure particularly to smaller concerns. Third, the benefits of the 1954 tax reduction did not extend to small operators. And, fourth, changing economic and social conditions made independent operation of small units increasingly more difficult. For these reasons your Small Business Committee decided last year to make another thorough investigation of small-business tax problems. The new study was thought to be the best method to marshal the facts for presentation of the small-business tax story to Congress.

The Small Business Committee handled this study as a full committee project. All members were invited to participate, and 12 of the 13 members were able to take an active part in the hearings.

Hearings were conducted in 14 cities in all parts of the country last fall between the sessions of this 85th Congress. The record of the hearings, over 1,500 pages, has testimony from some 456 witnesses, including representatives of all forms of business and professional activity. On January 30 of this year, I presented the committee's report to the Senate. At that same time, I introduced S. 3194 which was the omnibus measure developed by the committee from the study. This legislation was based on the most thorough study of small-business tax problems ever conducted.

The unfair burden of Federal taxes on small business was conclusively established during our investigation. Taxes exacted by the United States and the system whereby they are collected have the same ill effect on concerns in all parts of the country. Although the effect is uniform, there is a difference in degree of impact depending on local economic conditions. In areas like Portland, Oreg., where business conditions were poor even last fall, tax inequities were relatively more burdensome. This is an important factor which should be considered in connection with some points I will discuss in a few moments.

The witnesses who testified were very unselfish in their approach and generous with their counsel. It was never stated or claimed that discriminatory provisions or practices within the tax structure were designed to hurt small business. It was shown that in most cases they developed because of the lack of representation of small-business interests before tax-writing committees. Individual businessmen ordinarily cannot afford to appear in Washington, and in the past there has been no group which has seemed to represent any general small-business thought on tax matters. Thus, too often tax legislation which was and is harmful to smaller concerns was passed into law and became operative before its harmful effects became apparent.

There were many examples of unfair discrimination detailed for the committee. I shall outline several of these briefly. In the first instance, financing small business has always been difficult. Historically small concerns have financed themselves primarily from retention of earnings. There never has been a ready alternative source of equity funds. As tax rates have been increased it has resulted in less profit available for growth and expansion. Unlike larger concerns which have access to the Nation's capital markets, small business has been greatly retarded by the loss of these funds necessary for tax payments.

Because by far the larger number of small businesses operate as proprietorships or partnerships, the provisions of the tax laws concerning qualified pension, profit-sharing, and stock-bonus plans are

very unfair. Unlike their incorporated larger competitors, owner-operators of the unincorporated may not be included in a pension or other plan set up for the benefit of their employees. In many cases this works to the disadvantage of the employees also because it may result—and often does—in the failure of the employer to provide such a plan. If a plan is not set up, the smaller concern finds itself at a disadvantage in competition for personnel.

The estate tax as it presently exists falls more harshly on the small-business estate. The small-business man typically has substantially all of his wealth tied up in his business. This investment is normally not liquid nor in a form which may be turned into cash quickly without a sacrifice. Yet the Federal estate tax requires payment—except in hardship cases—by the estate 15 months after the death of the operator. Thus the business not only loses its driving force, with the owner-operator's death, but also the loss of its life's blood—the cash which must be raised to pay the Federal death duty. The real impact of this tax does not fall on the estate of the dead man, but rather on his business which affects not only the dead man's family who may wish to continue operation of a family business, but also on that business' employees and trade suppliers and customers. This is a factor which has had a substantial influence on the increasing rates of mergers and consolidations.

In 1954, Congress permitted purchasers of new property to use alternative methods for computing their allowance for depreciation. For various reasons this privilege was denied to the users of secondhand property. It hardly need be pointed out that most used property of all kinds is purchased by smaller businesses and many of these concerns purchase nothing but secondhand machinery and equipment. The practical result of this restriction is to deny small businesses the advantage which may accrue through the use of the alternative methods of depreciation.

Not only is small business dogged by legislative discrimination, but also there are examples of administrative action or inaction antagonistic to its best interests. I ask unanimous consent to have printed in the RECORD a letter and a statement which I received recently concerning the failure of the Treasury to implement section 1361 of the Internal Revenue Code of 1954. This section was enacted by Congress to permit certain proprietorships and partnerships to elect to be taxed as corporations. It is a section which Congress intended as a benefit to small business. The letter to which I have referred is from Mr. E. S. Christoffersen, a poultry dealer in Turlock, Calif. Mr. Christoffersen's letter points out how the inaction of the Treasury has rendered the Congressional action ineffective.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

CHRISTOFFERSEN POULTRY, EGG, AND FEED MARKET,
Turlock, Calif., March 12, 1958.

The Honorable JOHN SPARKMAN,
Chairman, Select Committee on Small Business, United States Senate, Washington, D. C.

DEAR SENATOR SPARKMAN: Enclosed is a copy of our opinions and recommendations regarding section 1361 on income tax.

We ask that you kindly read this carefully and with all sincere efforts do everything you can to help us in these problems and interest at large.

Your consideration in this matter will be greatly appreciated, and we commend you for your outstanding work on this Select Committee on Small Business.

Very truly yours,

E. S. CHRISTOFFERSEN.

SELECT COMMITTEE ON SMALL BUSINESS

We know you have worked very hard on the Small Business Committee and are sincere with the deepest interest, for which I sincerely want to express my appreciation and thanks. The points that I recommended in my speech at the small-business hearing in San Francisco, I find you have made many good recommendations to help small business.

We must have immediate clarification on section 1361 which has never been given our regulations, and we took our option of electing to file income tax on this section 1361. We have now 3 years behind us, and are facing the fourth year with undetermined regulations. This is certainly putting us into a terrible jeopardy and it's unfair and unjust to the citizens of America.

We not only need this clarified immediately, but must be done so in a fair and equitable manner.

We do not object in having our business incorporated, but we do not want to have to incorporate the real-estate property, whether used by the business or not. If a bill is approved as recommended in your report No. 1237, which provides that we may keep our real estate and buildings out of the corporation (as we understand it), is that true? This would enable us to get out of this horrible dilemma we are now confronted with; we would certainly appreciate it.

But on the other hand, we deserve to be treated fairly, as if they had given the regulations as they were supposed to the first year we would not have been involved these other years and we could have gone back to our old basis of income tax, if that proved best.

Two points that I am very concerned about is that the internal-revenue regulations are made simple enough so that we can all understand them and that all the internal-revenue men have the same interpretation. The other point I wish to stress, is that when there are any amendments to the revenue laws, that they be drawn up immediately, with no fooling around as in this case which has been over 4 years. To me that is kind of lousy of the revenue department.

Respectfully submitted.

E. S. CHRISTOFFERSEN.

Mr. SPARKMAN. Mr. President, to add insult to injury, it now comes to my attention that certain persons in the Treasury Department have been advocating the repeal of section 1361 on the ground that it has been proved ineffective. Section 52 of H. R. 8381, the Unintended Benefits Act of 1958, which passed the House and is presently being considered by the Finance Committee, would accomplish this objective. I ask unanimous consent to have printed at this point in the RECORD the statement I made before the Finance Committee on February 27, 1958, in opposition to the repeal of section 1361.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator JOHN SPARKMAN, Democrat, of Alabama, today vigorously opposed a move to repeal section 1361 of the Internal Revenue Code of 1954, which provided an opportunity for small businesses organized as proprietorships or partnerships to be taxed as corporations.

Appearing before the Senate Finance Committee, which is holding hearings on H. R. 8381, the technical amendment bill of 1958 passed by the House on January 28, Senator SPARKMAN stated: "Section 52 of H. R. 8381 would repeal section 1361 of the Internal Revenue Code of 1954, which provided an election for certain proprietorships and partnerships to be taxed as corporations. The purpose of this section was to grant certain unincorporated businesses the same advantages under the tax laws that were available to corporations. It was intended to benefit smaller concerns which could not afford the luxury of the corporate form of organization."

Senator SPARKMAN pointed out that a provision of S. 3194, the Small Business Tax Adjustment Act of 1958, which he recently introduced with 35 Senators as cosponsors, would permit certain corporations to be taxed as partnerships as an intended complement to section 1361 of the Internal Revenue Code. This provision, Senator SPARKMAN said, "would make little sense without the existence of the election provided by section 1361" of the code.

In asking the Finance Committee to delete section 52 from H. R. 8381, Senator SPARKMAN noted that small businesses have not been able to take advantage of the election contained in the Internal Revenue Code of 1954 because the Treasury Department has failed to provide implementing regulations.

STATEMENT OF SENATOR JOHN SPARKMAN BEFORE SENATE FINANCE COMMITTEE, FEBRUARY 27, 1958

I would like to speak very briefly against section 52 of H. R. 8381. This section would repeal section 1361 of the Internal Revenue Code of 1954, which provided an election for certain proprietorships and partnerships to be taxed as corporations. The purpose of this section was to grant certain unincorporated businesses the same advantages under the tax laws that were available to corporations. It was intended to benefit smaller concerns which could not afford the luxury of the corporate form of organization.

It should be pointed out that section 1361 was added to the Internal Revenue Code of 1954 by this committee as explained in Senate Report No. 1622 of the 83d Congress, 2d session. Because it was a new section, the Treasury was given specific authority to issue regulations "on the method of taxing a partnership or proprietorship as a corporation" in subsection (c). The complexity of the provision required regulations for an intelligent administration of section 1361.

It has been my understanding that the main reason for section 52 is that section 1361 has been ineffective due to administrative problems. Few concerns have chosen to make this election. However, the reason for the failure of section 1361 was described by many witnesses who appeared before the Senate Small Business Committee during its hearings on the tax problems of small business. Most of these witnesses believed that this election would have been of great value

if it had been implemented by regulations. Many professional tax advisers stated that they dared not advise any of their clients to use this section until final regulations had been issued by the Treasury Department. I am sorry to report that now, 3½ years after section 1361 was enacted into law, final regulations still have not been issued by the Treasury on this section. It is perfectly clear that the ineffectiveness of this section is wholly due to the neglect of the Treasury in failing to comply with the stated purpose of Congress.

As I mentioned, it has been argued that this election must be repealed because of the administrative problems it presented. Upon inquiry, Under Secretary of the Treasury Fred C. Scribner stated that section 52 of H. R. 8381 "was not recommended by the Treasury and does not have its endorsement." I can hardly see that administrative problems should be a basis for repeal when the Treasury does not endorse such action. Even if it did endorse repeal, for the reasons stated above, I would question the sincerity of such an endorsement.

As you know, there is pending before your committee a bill which I introduced for myself and 35 other Members of the Senate, the proposed Small Business Tax Adjustment Act of 1958, S. 3194. Similar legislation is pending before the House Ways and Means Committee. I know that this committee is greatly interested in the tax problems of small business and I hope that it will be able to schedule hearings on legislation such as I have introduced. S. 3194 is the product of a 1-year study by the Small Business Committee on the tax problems of small business. I bring this bill up at this time because I wish to point out that section 1361 of the present code is an integral part of the structure on which the proposed legislation is based. A provision in that bill, which would permit certain corporations to be taxed as partnerships, is intended to complement section 1361. This additional election has long been advocated by persons interested in the welfare of small business. The administration is on record supporting this provision as early as August 7, 1956, in the progress report of the Cabinet Committee on Small Business and recently in testimony of Secretary of the Treasury Robert B. Anderson before the Ways and Means Committee of the House. The President called for action on this specific proposal in his economic report to the Congress this year. I only wish to make it clear that such a proposal would make little sense without the existence of the election provided by section 1361.

I ask that you remove section 52 from H. R. 8381. It presents a question which should only be considered in connection with other matters which you will be studying in the near future. Certainly this provision should not be repealed before it has been operative, and especially when it is clear that its operation will be of great importance to a large segment of our economy.

Mr. SPARKMAN. Mr. President, many concerns which are denied the corporate form of organization because of social, economic, or professional practice have been obliged to pay higher taxes than businesses which are operating as corporations. The reverse is also true where the corporate form may offer certain legal advantages but would result in higher income taxes for the business. There seems little reason why the Federal tax system should favor one form of legal organization. As much as possible, the amount of Federal income tax liability should be removed from the determination of the form of business organization.

Only small corporations are troubled by the penalty tax on the unreasonable accumulation of surplus. This is a particularly trying provision for businesses which are attempting to grow. Like other small businesses, small corporations must grow out of their own profits. But a small corporation must be prepared to and often must justify every dollar of retained earnings over $60,000 as necessary for the operation of the business. Its larger competitors, as a practical matter of fact, are not faced with this necessity. Diversity of stock ownership is often considered conclusive on reasonable accumulation of surplus.

Inconsistency of interpretation and application of the tax law is troublesome for all taxpayers. However, the amounts involved in any dispute are often determinative of the extent to which a taxpayer will fight an administrative decision when he believes it is incorrect. It is small taxpayers who more often will be involved with small amounts which are not worth disputing. For this reason it is more important relatively to the small taxpayer to have the statutes applied consistently regardless of the amount involved.

These are just some of the examples of the discriminatory impact of the Federal tax system which were detailed and documented before your Small Business Committee last fall. These are areas in which legislation can remove or alleviate the discrimination. This discrimination—in addition to being inequitable for individual taxpayers—has been a disrupting influence on the whole economy. I ask unanimous consent to have printed in the RECORD an article written by Sylvia Porter and published in the Washington Evening Star of Tuesday, March 11, 1958. This article shows that the situation is serious enough to warrant the attention of persons interested in the general welfare of the country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 11, 1958]

TRIUMPH OF GIANTISM

(By Sylvia Porter)

"Within 18 years, all manufacturing business and most of the distribution and service business of the Nation will be controlled by corporations having more than $100 million of assets."

So predicted the House Small Business Committee in January 1957. It qualified its forecast with only one "if"—"if small-business failures and big-business expansions continue at the rate of the past 5 years."

Today I can report that the committee's timing for the triumph of industrial giantism is beginning to appear conservative.

The rate of small-business failures is intensifying by the week. So far in 1958, businesses are failing at the pace of 306 a week, close to 16,000 a year.

At the same time, the business birth rate is slowing down. In January new business incorporations were 2.3 percent below the number of new formations in January a year ago. In 1957 business births were below both 1956 and 1955.

Meanwhile, the merger trend is as strong as ever.

Voluntarily or involuntarily, dozens of medium-big firms merge and consolidate every day. In addition, the number of companies which do not fail but which disappear nevertheless through merger with stronger firms or through just simple dissolution runs from 350,000 to 400,000 a year now, authoritative sources estimate.

There's no missing the trend or the reasons behind it.

The squeeze of rising costs of materials and manpower is a major force. While this cost squeeze may pinch a big corporation, it often strangles a smaller one.

The difficulty of getting loans and capital is an immense factor. While stiff credit requirements may annoy a large corporation, they frequently destroy a smaller one which can't get the cash it must have in time and at a price it can afford to pay.

Taxes are a brutal killer. In prosperous periods the tax burden doesn't permit a smaller firm to accumulate a nest egg to carry it through rougher times. Again, while the tax load may slash a big company's net profits, it often wipes out a smaller one.

And this era of fierce competition is proving the final blow to painful numbers of little businesses. The price wars which have followed the abandoning of fair trade on small appliances may be building plenty of business for the big stores, and they're certainly giving consumers a chance to grab some bargains, but the wars also are dooming small appliance retailers the Nation over.

There's nothing new about the plight of small business. The only news is that the plight is getting steadily worse.

What, then, did the first session of the 85th Congress, and what did the administration do about it last year?

Nothing.

Oh, there was plenty of talk. There were lots of proposals, promises, speeches, pledges, hearings, tidbits of assistance. But when you ask what important and practical moves were made, the answers must be, nothing significant was done.

What, then, is the outlook for 1958?

Because of the business recession, because this is an election year, because some leaders in Congress really seem to care about preserving our system of free, competitive enterprise, there may be some tax-relief measures, a few other moves.

But there still is no convincing evidence of a major effort to solve the problems of financing and taxation of small business. And until this effort is made, the industrial giants will dominate the economy more and more. And our economic system will continue to die—fast.

Mr. SPARKMAN. Mr. President, during the course of this study an economic recession was developing. In the brief 6 weeks since the Small Business Committee tax report, Senate Report No. 1237, and S. 3194 were presented to the Senate, the pall of economic inactivity has become obvious across the country. It is perhaps needless to point out that new and small businesses are the first and hardest hit in periods of economic downturn. When, in addition, it is true that many smaller concerns were hard pressed even before the sheen of prosperity was cracked, their normal vulnerability is only increased. That is the situation which faces the small-business community today.

We find then that the reasons existing last year which triggered our investigation into the tax problems of small business have been added to—or, more accurately, multiplied—by economic conditions now extant. There is now even more reason for Congress to act, and act quickly. It is fortunate that we have

a completed study on which to base the action that is so urgently needed. A complete program of tax adjustment for the benefit of small business—and the whole economy—is prepared, ready to be put in operation. It is a program which has been carefully developed to favor none and give simple equity to all.

The small business tax adjustment bill has been presented to the House Ways and Means Committee. On behalf of the Small Business Committee, the senior Senator from Minnesota [Mr. THYE] and I appeared before the Ways and Means Committee on February 4 of this year to give that committee the bill and Senate Report No. 1237, Tax Problems of Small Business, and our views and opinions concerning that legislation and report. It is my hope and belief that legislation will be forthcoming from the House very shortly. I want to urge that all Senators support the legislation which develops.

The heart of the small business tax adjustment bill is section 2, a provision for a reinvestment allowance. This allowance would be available for all business regardless of its form of organization or size. It would apply to the manufacturer, retailer, wholesaler, farmer, and professional man alike. It is designed to provide some needed growth capital for concerns which must finance expansion and development from earnings.

The allowance for reinvestment permits a deduction for increased investment in inventory or depreciable assets out of income. Allowance would be granted on a graduated scale which would require the taxpayer to assume full responsibility for a portion of the investment. The deduction would be computed in the following manner: 50 percent of the first $10,000 of eligible investment; 30 percent of the second $10,000 of eligible investment; and 20 percent of the third $10,000 of eligible investment. Thus a business could gain a maximum deduction of $10,000 by investing at least $30,000 in the prescribed manner.

A new election to take or not to take any allowance may be made each year. The allowance is provided at the election of the taxpayer so that only those businesses that will gain advantage need keep the extra records which will be required. All taxpayers with common control will be considered one for the purpose of this provision. There are other safeguards to protect against abuse of the provision.

Most of the investment fostered and provided for by this section would be channeled into depreciable assets. Since no depreciation, for tax purposes, is permitted to the extent that this allowance is taken the result of this provision to the Government is revenue deferral rather than revenue loss. In addition, the taxpayer, even in the first instance, must spend $100 to get $50 allowance, and the whole of the expenditure will be income in the hands of the recipients. There is an automatic expansion of the tax base to a much greater extent than the deduction permitted. This is a provision which would foster business spending—a real weak spot in our present economic situation—which in turn provides jobs, markets, and renewed faith. Protection against irresponsible spending is afforded by the graduated formula requiring joint expenditure of taxed profit. It should be pointed out that by means of this provision, equity funds will be provided to concerns that today do not have access to such financing and at little cost to the Government.

Section 3 of S. 3194 would extend similar treatment to all taxpayers that is presently reserved for a select few. This section would permit taxpayers a deduction for the lesser of $1,000 or 10 percent of net income for sums invested in a retirement pension plan. All benefits would be taxed when received by the taxpayer after retirement. This provision would thereby result largely in a deferral of income.

The retirement program could be individual or group so long as it met the requirements set up to remove the deposits from the control of the taxpayer. The deposits may be made with an insurance company or a banking institution in the manner prescribed. A 5-year carryover period is provided by the bill during which deposits may be made. Further, as a matter of equity, at the time this program is begun older persons will be granted an increased maximum deduction of 10 percent for each year over 50 years of age.

This provision will cover all persons who are not participating members in a qualified pension, profit-sharing, or stock bonus plan under section 401 of the Internal Revenue Code of 1954. It is intended to supplement social-security payments and foster self-provision for retirement. All taxpayers will get similar treatment in providing for their declining years which in itself is a worthwhile social purpose. In addition, it will remove from the tax system discrimination in favor of a relatively small group of taxpayers in the most equitable manner—by extending a similar privilege to all taxpayers.

The fourth section of the bill is one about which there should be little controversy. Everyone has come out for an extension of the time for payment of estate taxes where the estate is in a nonliquid form. The Small Business Committee has unanimously favored such a provision since 1953. The administration has been on record in favor of this proposal since the interim report of the Cabinet Committee on Small Business, in August of 1956. It will accomplish a real service for the economy, and will cost little, if any, revenues to the coffers of the Treasury.

Section 4 would permit the estate tax for "small business estates" to be paid in two to ten annual installments, at the election of the executor. Eleven to twenty years may be permitted by the Treasury, when hardship is shown. An estate would qualify as a "small business estate" if at the decedent's death more than 50 percent of his assets were tied up in a closely held business, whether a proprietorship, partnership, or 10 percent or more of stock in a corporation. If the installment election is made, interest at the rate of 6 percent per annum will be charged on the unpaid balance of the tax. The interest will be charged both to have the estate, rather than the Government, pay for this privilege, and also to protect against the unnecessary use of this election.

This provision would end the sacrifice sales of businesses just for the purpose of obtaining funds with which to meet the Federal estate tax bill. An estate should not be forced to part with a family enterprise—be it a shop, a farm, or a manufacturing plant—merely because the whole of the past provider's wealth was invested in one business. This provision would also eliminate one factor involved in the problem of increasing mergers and consolidations. No longer should the Federal estate tax remain a prod in the direction of the elimination of independent business.

Many of us have long advocated fair treatment for the users of secondhand equipment. These are mostly small businesses which cannot afford to purchase new property. Under the 1954 Internal Revenue Code, section 167, alternative methods of depreciation were permitted for purchasers of new property.

It was only a short time before it was obvious that section 167 worked a hardship, not only on the users of secondhand equipment, but also on the dealers who handled such goods—most of whom are also small-business men.

Mr. BARRETT. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Alabama yield to the Senator from Wyoming?

Mr. SPARKMAN. I am glad to yield to the Senator from Wyoming.

Mr. BARRETT. At the outset I wish to congratulate the distinguished Senator from Alabama for the statement he is making on this sound and progressive piece of legislation. The junior Senator from Alabama has an outstanding record extending over a long period of years as an ardent fighter for equitable tax treatment for our small-business men. He has rendered great service as chairman of the select committee by conducting hearings on the problems of the small-business man throughout the country. I am entirely in accord with your splendid statement and I wish to associate myself with your remarks.

The particular subject on which the distinguished Senator has just been speaking is one of the utmost importance to the small-business man. As the Senator from Alabama has so ably pointed out, small business is greatly concerned with used equipment of one type or another and certainly the rule as to depreciation should be extended so a small operator buying used equipment can get the benefit of depreciation in the same manner that a larger operator can for new equipment under the 1954 act.

Small business truly represents the heart of American enterprise, and the Senator is to be commended for bringing this legislation to the attention of the Congress and the country this afternoon. Certainly something should be done, and must be done, to assist small

business in these particularly difficult times.

Mr. SPARKMAN. Mr. President, I appreciate the remarks of the distinguished Senator from Wyoming, and I am delighted that he is one of the sponsors of this omnibus bill.

I am particularly pleased that he has seen fit to comment on the particular section of the bill which relates to rapid depreciation or alternative depreciation in the case of the purchase of used equipment.

He will recall that in the 1954 act we extended that privilege to the purchase of new equipment. I am not critical of that; it was done for a particular reason: At that time we were working for plant expansion and for the purchase of new equipment and for speeding up the construction of factories which would make new equipment. So that provision served a good purpose.

However, as I have just pointed out, it was only a short time before it became obvious that section 167 worked a hardship, both on the users of secondhand equipment and on the dealers who handled such goods.

Therefore, I believe it is only fair and equitable that we remove this discrimination from the law.

Mr. BARRETT. I certainly agree wholeheartedly with the Senator from Alabama in that approach to the matter.

I wish to say that there are many other provisions in the bill which are just as important as the one which has just been mentioned. I have in mind that provision which permits the small-business man to provide for his own retirement. Another important provision is the one which permits small corporations to be taxed as partnerships.

In addition, Mr. President, may I say to the Senator from Alabama that of major importance to small business in this country is the provision of the bill which would allow as a deduction a graduated percentage of earnings which are currently used for expansion purposes. I am in complete agreement with the Senator from Alabama and his reference a moment ago to the fact that as tax rates have increased, profits available for growth and expansion have been declining. Also I like the provision in the bill that compels the Treasury to acquiesce in decisions of the tax court unless it should choose to appeal.

Small business requires working capital now more than ever. It is becoming increasingly difficult to obtain such capital. That is why I am so anxious that consideration shall be given to the Senator's bill. It is the small-business people of the country that can reverse the present trend of unemployment and certainly they should be given sufficient encouragement to expand their plants and to provide additional employment for the people presently out of work.

Certainly the enactment of this bill will help not only the small-business men of this country but the young people as well by preserving and fostering the opportunity to strike out on his own and develop a new enterprise or to help build up an established business. I am sure that there was no intention to discriminate against small business under our tax laws but the end result has been to discourage the development of such enterprises.

Mr. SPARKMAN. I thank the Senator from Wyoming. Certainly he is correct.

Mr. President, now that the Senator from Wyoming has pointed out the effect of small businesses on the country, I wish to say that I do not believe there ever was introduced a bill which more nearly represented the consensus of opinion of small-business people throughout the country than this one does. In other words, the provisions which we propose here came to us from the small-business people of the country.

Mr. BARRETT. And they represent the consensus of opinion of thousands of small-business people throughout the country.

Mr. SPARKMAN. Yes. As a matter of fact, as I said a few moments ago, there actually were 456 witnesses, from all parts of the country, before the committee. The unanimity of their opinion with reference to the recommendations they made was most interesting.

Mr. BARRETT. I thank the Senator from Alabama.

Mr. SPARKMAN. Mr. President, section 5 of S. 3194 would eliminate this discrimination by extending the section 167 alternative methods of depreciation to used property and equipment. This is a provision which has met with no opposition before, during, or since the Small Business Committee tax hearings of last fall. This amendment should be adopted as a matter of good business practice as well as simple equity. If fast tax writeoff is good for one, it is good for all.

Section 6 of the bill would permit a corporation to elect, upon unanimous agreement of its stockholders, to be taxed as a partnership. The election would be binding not only on the corporation, but any corporate successor for a period of 4 years for income earned during that time. Retained earnings of the corporation accumulated from earnings before the election period would not be affected and any distribution therefrom would be a taxable dividend.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. SPARKMAN. Yes, I am delighted to yield to the distinguished Senator from Wisconsin, who also is a member of the committee.

Mr. PROXMIRE. I thank the Senator from Alabama.

I wish to say that, as the newest member of the committee, I am very proud and happy to be a cosponsor of the bill. I believe it is an excellent bill, and I believe the Senator from Alabama is doing an outstanding job in explaining it clearly and concisely.

I believe that a number of the provisions of the bill are extremely important. However, I think there is a possibility of abuse unless an amendment is adopted. I say that because I notice on page 12 of the text the Senator from Alabama is using a reference to the fact that, among other provisions of the bill, there is one for reinvestment allowance, in connection with which there is a limit of $30,000. On page 14 of his text I also notice a reference to the provision for retirement allowance, in connection with which the limit is $1,000.

In the provision, on page 20, for unreasonable accumulation of surplus, the bill would increase the amount from $60,000 to $100,000.

But in the case of the partnership alternative there is no dollar limit whatsoever.

I can envision, in that situation, a wide-open loophole for very wealthy persons. For example, four extremely wealthy persons, each with an income of, let us say $250,000 a year, could form a corporation. They could elect to have it taxed as a partnership. Each of them would invest $250,000 a year above and beyond the revenues received by the company in order to build up the corporation. The money could be spent for advertising purposes, public relations, and so forth. In that way, there would be established a corporation which would be of great value after 4 years' time. At the end of that time, the partnership could revert to full corporation status; and then the four persons could sell the corporation and could make a capital gain for which they would be taxed at 25 percent.

But I point out that, in doing so, they would be exempt from taxation during all four of those years, and each would receive a real income of $250,000. But it would be nontaxable. They would invest in the corporation under the circumstances provided for in the bill. This way they would pay no taxes for 4 full years. After the 4 years, they would sell the corporation. If we assume the $4 million in aggregate invested over revenue was the increased value of the corporation, the aggregate tax would be only $1 million, instead of the $2,400,000 to $3 million which these four persons would have to pay if this provision did not become law. In that way, they would enjoy a tremendous tax benefit.

Has that point occurred to the Senator from Alabama?

Mr. SPARKMAN. Yes. The Senator from Wisconsin will recall that some time ago he mentioned that possibility as being the basis of one of the doubts he had regarding the bill as a whole.

I have given considerable thought to it. I certainly would not subscribe to affording a loophole that would make possible such a situation as the Senator has described. I certainly feel that can be guarded against. As a matter of fact, I am of the opinion it is pretty well safeguarded against already, but I surely would recommend to the Finance Committee, in setting up such a provision, that it use the expert advice available to the committee for the purpose of making certain that there was no loophole in the legislation.

Mr. PROXMIRE. I very much appreciate that assurance, because I feel this is an extremely well drafted bill. I think it is well that the Senator has

written into his bill limitations to prevent that kind of abuse in other sections of the bill. I only ask a safeguard in this section.

In conclusion, I wish to say I feel very strongly, coming from a State in which we have nothing but small businesses, and in which State a hearing was held in Milwaukee, Wis., that this bill is urgently needed. At the hearing in Milwaukee, I should like to point out, the referee in bankruptcy said the southern half of the eastern district of Wisconsin had the largest number of bankruptcies in the history of the State.

The consensus expressed by Wisconsin small-business men all over the State was overwhelmingly in favor of the kind of measures which have been written into the bill. Just lately I have received a number of letters about the bill, supporting it. I find virtually no opposition to it.

Mr. SPARKMAN. I thank the Senator for his remarks. I remember the holding of the hearing in Milwaukee to which the Senator has made reference. I was interested in his comments regarding the point he has made. I am sure he has reviewed the hearings held in other cities. I am sure he has found, as I stated a few minutes ago, there is a heavy, if that is the proper adjective, unanimity of findings and recommendations of advice and suggestions on the part of small-business people all over the United States.

Mr. PROXMIRE. Let me emphasize that the number one need of small business today is investment capital, long-term capital. Small-business people cannot get it in any substantial way except from the reinvestment of earnings. The present tax laws limit such reinvestment very, very severely.

Mr. SPARKMAN. And make it almost impossible.

Mr. PROXMIRE. And make it almost impossible. I think the provision which allows small business to reinvest a much more substantial portion of their earnings, 20 percent to 50 percent, tax free is a tremendous contribution to small business, and is a fine thing for the country.

Mr. NEUBERGER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Oregon.

Mr. NEUBERGER. The small-business men of the United States have no greater friend than the junior Senator from Alabama [Mr. SPARKMAN], and it was a privilege to join him as a cosponsor of S. 3194, the small business tax adjustment bill of 1958. The Senator's discussion of the measure today has shown the penetration, sympathy, and understanding of the problems of the American small-business man which characterizes the operation of the Senate Select Committee on Small Business, of which he is the distinguished chairman.

Mr. President, the new era, presently identified with competitive satellites rocketing through outer space, may be recording the sad demise of two great institutions: the family farm and the small-business firm. Those who have the courage to face the harsh realities of our time recognize that Congress alone has the power to tackle and solve these particular problems confronting us inescapably. S. 3194 is a timely and fortuitous step toward the solution of one of these problems—that of the very existence of small business.

The series of hearings conducted this past fall, by the Small Business Committee, included a day in my home city of Portland, Oreg. The printed record of that day's hearing reveals many of the worries plaguing the businessmen of my State. Service station operators, small lumbermen, an excutive secretary of a retail grocers' association, a boiler manufacturer, a manufacturer of a potato digger, a hotel proprietor, and the operator of an agricultural chemical company, were among those who described the nature of today's business pitfalls. Although I was unable to attend the hearing, the manager of my Portland office, Miss Elizabeth C. Ducey, presented my statement. Since this statement, in great part, was addressed to the urgent need for tax reform for small business, I ask unanimous consent, Mr. President, to have it included at this point in today's RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows;

SMALL-BUSINESS PROBLEMS—STATEMENT OF HON. RICHARD L. NEUBERGER, UNITED STATES SENATOR FROM OREGON, PORTLAND, OREG., AS READ BY MISS ELIZABETH DUCEY, OFFICE MANAGER

Mr. Chairman, I want to thank the members of the committee for coming to the city of Portland to conduct this hearing on the tax and other economic problems of small business. The timing is especially fortuitous because of the adverse conditions which grip prosperity of the State of Oregon. Members of the committee will, I am sure, learn much about what happens under a hardmoney regime when the business cycle enters a declining period. The present Oregon business situation might well be described as the prototype of problems which arise when the bloom goes off the boom and the relentless pressure of tight money, high interest, and restrictive tax policies continue to be felt by small-business concerns.

I have been deeply concerned about the problems of small-business concerns. Small business in Oregon has had the highest business failures this year on the Pacific coast. During the first 6 months of this year, the rate of failures increased 100 percent over the like period in 1956. The details of specific problems which have brought about this alarming condition wil be pinpointed by the representatives of business who appear before you during the next 2 days. Because I do not wish to take time from those who have firsthand knowledge of these problems, I will make my remarks as brief as possible.

Approximately 95 percent of American business firms employ less than 20 persons. Thus, it is apparent that the bulwark of our business life is carried on by concerns in the small business category. Yet, only a small segment of governmental aid and assistance and Federal tax policy is designed to meet the problems they encounter. Many steps could be taken by Government to help materially to alleviate the conditions confronting this important portion of our economy, such as a greater allocation of Government purchases to small business, a stepped-up share of defense contracts which now go largely to big industry, increased availability of both long-term and short-term credit at reasonable rates of interest, some form of tax relief and elimination of inequities in freight-rate charges.

I particularly favor tax revisions to permit small, closely held corporations to elect to be taxed as partnerships instead of as corporations for purposes of the Federal income tax. It is fair and reasonable to make a distinction between large corporations whose capital stock is widely held by the public, and smaller enterprises which are owned by a single family or by a few business associates who themselves own and manage the enterprise.

I believe that it will be of real value to many small businesses to be able to choose for themselves the advantages of the corporate form of business organization, while being free to file partnership income-tax returns providing they meet certain conditions of size and ownership. Such a Federal tax policy would reflect realistically the fact that there is much more similarity between many small partnerships and small closely held or family-owned corporations than there is between such corporations and the great publicly held corporate giants.

Present tax policy coupled with spiraling costs have made it increasingly difficult for small corporations to accumulate surpluses needed for expansion. Small-business men have been confronted with the problem of replacement costs in a rising market. In my opinion, exemption from income taxes of a portion of profits deserves positive action so as to help ameliorate a situation which has placed a ceiling on small-business growth.

I hope the committee will give thorough consideration to the expansion of credit pipelines to small business. The present high-interest, tight-money policies have placed an especially heavy burden on small enterprises. I do not think small concerns should continue to bear the brunt of policies which seek to control price inflation through the avenue of credit manipulation. Yet, this is the case under present circumstances. Tight money is rapidly undermining the position of small business. Its effect on the volume of capital available to big corporations has not dampened the expansion of big corporations.

Tight money is designed to limit the credit flow from commercial banks. This means the squeeze is put on the only source of capital available to small firms. Small business generally is unable to borrow from insurance companies or investment bankers, or to gain new capital by issuance of stocks and bonds. Moreover, the high-interest policy causes big corporations to rely more heavily on commercial bank loans, where they enjoy a preferred credit status.

The present policy has had little effect on the volume of credit to big corporations, but reduction of credit to small business has weakened its expansion. Thus, the ability of small business to compete on an even basis is sharply contained, and the monopoly position of big corporations is enhanced. The net effect has been to make big business bigger, while the climate for small business becomes less and less favorable.

If the business health of our form of capitalism is to be maintained, steps must be taken to assure that the number of units in the market place continue to grow, and that their ability to compete effectively is not impaired.

I have mentioned only a few of the conditions affecting small business which require corrective attention by Congress. Others will be developed in the course of your hearings and, no doubt, will be expanded upon in later sessions when Congress convenes. Although I am not a member of this committee, I wish to assure its members of my willing cooperation in assisting the achievement of its objective—a more healthy climate for small business.

I thank the committee for giving the people of the State of Oregon an opportunity to make their views known on the pressing and difficult problems of small-business enterprises.

Mr. NEUBERGER. Mr. President, I should like to make this comment to the Senator from Alabama, if I may. I concur fully in the observations which have just been made on the Senate floor by our friend, the Senator from Wisconsin, about the fact that small businesses desperately need capital which they can invest. I doubt if any segment of our economy has been so adversely hit by the greatly accelerated increase in the cost of borrowing money, which steadily occurred during the first 4½ years of this administration, as have small-business men.

My own family are small-business people in the city of Portland, Oreg. I would say at least half of my intimate personal friends of long standing are small-business people in the State of Oregon. Our State has had the highest unemployment rate in the Nation for the last 4 years. The mortality of small business has been high.

The Senator from Alabama, in addition to being a foremost champion of small business, has been urging, and has been a most articulate spokesman for, an adequate long-range housing program.

He knows what has been the effect of high interest rates and the discouragement of FHA loans by the administration. Therefore, we have been given a double blow to the solar plexis of the economy in our State. Not only have small businesses been failing, but the lumber industry, which is the major source of our payrolls, has been dropping. Approximately 75 percent of Oregon's lumber production goes into housing, and the Senator from Alabama realizes that housing has been hard hit adversely.

The thing that has impressed me about the sad situation of small business is that all of us grieve for the unemployed. We know what a dreadful and grim thing it is when a man loses his job. Thousands of people in the lumber industry, in the sawmills and logging camps, have lost their jobs. But those people, at least for a period of 26 weeks, have had some unemployment compensation. In addition to that, there are proposals before Congress, championed in particular by the able junior Senator from Massachusetts [Mr. KENNEDY], to bring about a prolongation of unemployment compensation; and I am strongly in favor of that. But the small-business man does not even have the unemployment compensation which is available to the unemployed workingman. When he reaches the point that his very limited reserves are used up, he walks away from his store, or mercantile establishment, or warehouse, or little shop where all his life's savings may be invested, where all of his family inheritance may have been, and that is all. He has nothing to tide him over.

That is the reason I am so pleased to have the privilege of cosponsoring this measure of tax relief for small business which the Senator is sponsoring. I feel he is representing what essentially is our American way of life. I doubt if any phrase is more abused than the expression "American way of life." Yet, if America means anything, it means this is a country in which a person with limited means, who does not have great inherited wealth, can acquire a farm or business, can succeed in it, and leave it to his own children. Yet in our State, farming, for example, has become so precarious that it is said, as a somewhat ironic gesture, that the only way one can acquire a farm is either by inheriting or marrying it. It is practically impossible for a person with limited means to obtain a farm, get a mortgage on it, and pay off that mortgage. The same thing applies to small business. If the Senator is successful, he will help restore the American way of life by making it possible for average people to build up businesses of their own, and leave them as legacies to their own children. I commend the Senator for his efforts.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Oregon. I am glad he is a cosponsor of the bill, as is the Senator from Wisconsin, who spoke a few moments ago. I have often said I thought the very essence of American free enterprise was that the opportunity should always be available for every American to start a business or an undertaking of his own, and look forward, with a reasonable hope, to prospering and growing into a large business, if he wanted that. It seems to me that is the kind of system we ought to protect.

Mr. NEUBERGER. That is the story that is most frequently held up as the most typical American story.

I should like to ask the Senator if it is not ironic, in a way, that some of the people in politics who are most hostile to organized labor are also leading the opposition to some of the measures for help to small business, such as the Senator from Alabama is championing. Yet, unless such measures become law, there will be no choice except to add workmen to the rolls of large companies, which themselves are staffed by members of organized labor, because otherwise all business will be in the hands of entrenched monopoly. A man will have no choice except to work for wages; he will be unable to succeed in his own business establishment.

Mr. SPARKMAN. I believe the Senator is correct.

Mr. NEUBERGER. I thank the Senator.

Mr. HOBLITZELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am happy to yield to the distinguished Senator from West Virginia, who I am glad to say is one of the sponsors of this measure.

Mr. HOBLITZELL. First I should like to inform the distinguished Senator from Oregon that we have a project of 690 homes in West Virginia, all of which are going to be of frame construction. That is in a Republican community, and we have faith in the future.

Mr. NEUBERGER. I should like to say to the Senator from West Virginia that we in the State of Oregon are happy to ship our lumber to Republican communities, to Democratic communities, and to nonpartisan communities.

Mr. HOBLITZELL. I thank the Senator very much.

Mr. President, I should like to associate myself with the distinguished Senator from Alabama, in presenting the bill, and I wish to commend him for outstanding leadership in the hearings and in bringing the matter before the Senate.

I also wish to commend the distinguished Senator from Minnesota [Mr. THYE], his minority associate on the bill.

As a small-town banker, I know the problems of small business. The provisions of the bill will be most helpful, and will give an incentive to small-business men to go to work again.

Mr. SPARKMAN. I thank the Senator from West Virginia.

Mr. SMITH of New Jersey and Mr. BIBLE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield, and, if so, to whom?

Mr. SPARKMAN. I am glad to yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I rise to express my appreciation to the distinguished Senator from Alabama for his very able address on the subject under consideration, and to express appreciation to his colleague on the Republican side, the Senator from Minnesota [Mr. THYE] for his work on the measure. I commend both Senators for the work which they have done.

I was happy to join as cosponsor of S. 3194. I hope it will receive speedy consideration by the Committee on Finance.

The difficulties of small business are compounded by the existing Federal tax structure which continues to inflict inequities and discriminatory treatment on this segment of our economy. Noncorporate owners are denied privileges granted to corporations, and small corporations are troubled by provisions not faced by their larger brethren.

Having been here for some years, I realize the great amount of time that has been spent on this subject. I can say to the Senator that many of us who have not been on the Senator's committee have been deeply troubled by the problems of small business.

I have many intimate friends who are engaged in small business. They have asked me frequently, "Why can something not be done to relieve the problems of small business?" My answer always has been that the matter is in the hands of distinguished members of the Select Committee on Small Business, and I have frequently mentioned the names of the Senators from Alabama [Mr. SPARKMAN], and from Minnesota [Mr. THYE], and others. I have stated that I felt we would consider legislation which would be meaningful to small business if the law were passed.

I simply desire to mention that. Although I have not been able to work with the committee, since I have been engaged on other things, I am deeply interested in the subject. The way the committee has tackled the problem and is

trying to solve it is most commendable. I sincerely hope we shall have a law passed to really accomplish something in this field.

I thank the Senator.

Mr. SPARKMAN. I am grateful to the distinguished Senator, my good friend from the State of New Jersey, for his remarks. I will say to the Senator that a little earlier in my discussion I read a list of 36 Senators who joined in sponsoring the measure, including the name of the distinguished senior Senator from New Jersey.

Mr. SMITH of New Jersey. I thank the Senator. I am sorry I was not present in the Chamber at the time.

Mr. SPARKMAN. Mr. President, I now yield to the Senator from Nevada, who is a member of the Select Committee on Small Business, and likewise a sponsor of the bill.

Mr. BIBLE. Mr. President, I wish to thank the Senator from Alabama for yielding to me, and to commend him for the splendid statement he has presented.

I should like to associate myself with the remarks of the Senator from Alabama. I believe the legislation to which he addresses himself is timely.

I emphasize the plea the Senator makes for urgency, wherein he requests that something be done and done quickly. I am wondering if the Senator can indicate the exact posture of the legislature and the comparable legislation on the House side of the Capitol, to inform the Senate as to what the possibilities are for having some legislation enacted into law at this session of Congress.

Mr. SPARKMAN. I will say to the Senator from Nevada first something of which we are all aware; that is, any legislation dealing with the raising of revenues must originate in the House. We fully respect that constitutional requirement.

About a month ago the distinguished Senator from Minnesota [Mr. THYE] and I went over to the House side of the Capitol, where we appeared before the House Committee on Ways and Means and presented our report on small business, as to the impact of taxes, and the bill which we have suggested. We asked the committee for favorable consideration. Of course, no one knows what the committee will do, but I will say that I believe so strongly in the rightness and soundness of the proposals we have advanced that I sincerely believe the committee will write a good portion, if not all of them, into the bill which will be sent over to the Senate.

In any event, when the bill comes to the Senate I certainly hope the Senator from Minnesota, as the ranking minority member of the committee, will join with me in going before the Committee on Finance and urging the same full consideration by the Senate committee.

Mr. BIBLE. I appreciate the Senator's expression of optimism and hope. I certainly share his feeling.

Mr. SPARKMAN. I said that I believed in the soundness and rightness of the proposal.

Let me make another observation. I know the Senator from Nevada could bear testimony to the fact that the proposal represents, we might say, the universal thinking of small-business men throughout the country. The reason I say the Senator from Nevada can bear testimony to that fact is that the Senator was one of the most active members of our committee in holding the hearings in different parts of the country. Without having asked the Senator previously, I am sure he will testify to the fact that the proposed legislation does represent the thinking of such small-business people. It really represents their recommendations.

Mr. BIBLE. I certainly concur in that statement. I believe that the legislative proposal which is before the Senate, and the comparable measure before the House of Representatives, does represent the thinking of the general small-business man throughout the country.

Mr. SPARKMAN. That is correct.

Mr. BIBLE. I was impressed, in the hearings I attended in San Francisco, and those over which I presided in Denver, Colo., and Wichita, Kans., with the absolute fairness of the small-business man. He was asking nothing unreasonable. He simply wanted to be treated in a nondiscriminatory fashion.

I wish to again commend the Senator from Alabama, and direct his attention to two things which have constantly been brought to my attention. These items were brought to my attention during the hearings, as well as by many small-business men in the State of Nevada who have conveyed their sentiments to me.

There seems to be a very widespread and, I think, justifiable complaint directed toward the Treasury Department, and to the Internal Revenue Bureau specifically, as to the fact that from the time one files his tax return, the Government has a period of 3 years within which to make a final assessment, in the absence of fraud.

During such 3-year period, as I understand the law—and I think I understand it correctly—the assessment, if one is made, carries interest at 6 percent.

A suggestion has been made to me that it would be helpful and would be of great assistance to the small-business man if the period were shortened from 3 years to 2 years, so that the small-business man will not be kept waiting forever not knowing what the final assessment will be, and not knowing whether the interest at 6 percent will run for the additional period of time. The small-business man is kept worrying because of Government delay in making the final assessment.

I recognize that a staff of Government experts in the Treasury Department and in the Internal Revenue Bureau must examine all of the returns, but I think that is a field to which a great deal of attention could well be given by the Select Committee on Small Business.

The other point which has been made constantly throughout the various hearings I attended was that some effort should be directed toward simplifying the small-business man's tax return. We heard from businessman after businessman—men with 5, 6, 8, 10, 15, or 20 employees—that they spend more money, in hiring tax accountants and tax experts and people to help them go through the myriad of tax laws, codes, regulations, and forms, in order to comply with the tax law, than they spend for other matters on a percentage basis. I think that is another field in which the Small Business Committee might be able to perform a real service.

Mr. SPARKMAN. I think there is a great deal of merit in both suggestions of the Senator from Nevada.

Mr. BIBLE. I appreciate the courtesy of the Senator in yielding to me.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield to my friend from California, a member of the committee and a sponsor of the bill, and one who took an active part in the hearings.

Mr. KUCHEL. I have been very proud to be a member of the Senate Select Committee on Small Business, under the chairmanship of a great American on the other side of the aisle, JOHN SPARKMAN, and, prior to that, under another great American on this side of the aisle, ED THYE.

The problems with which small business has been continually confronted in modern America are problems which are neither political nor partisan in character. It has been with a great deal of enthusiasm that I have watched and participated in the work of the Senate Select Committee on Small Business, under the chairmanship of those distinguished Members of the Senate. I have seen, time and time again, how our committee has come to the assistance of small businesses, individually and as members of groups with similar interests.

Last fall I sat as a member of the committee during the time it held hearings in my own State of California, both in Los Angeles and San Francisco; also during the time it took testimony in the neighboring State of Arizona. As a result of the excellent evidence which was elicited in those hearings, and in other hearings across the country, the chairman of the committee, along with the rest of us, has fashioned a piece of legislation which, in my judgment, deserves the unanimous support of Members of Congress and the administration.

The Senator from Alabama, in his effective presentation of the proposed small-business tax legislation, alluded once or twice to testimony which came from citizens in my State. The problems which small business faces in California are not at all dissimilar to those which small business encounters in every other part of the Nation.

There is no need for me to take the time of the Senate to reiterate the excellent points which the chairman has made with respect to the subjects covered by the proposed legislation. However, I wish to make one particular comment.

Before I came to the Senate, I had the honor to participate in the government of my State in a constitutional office, namely, that of State Controller. Among the responsibilities incident to that office in my State is the administration of a number of tax laws. The

State Controller is ex officio a member of the Franchise Tax Board, which sits in judgment, by way of administration, in connection with the California Personal Income Tax Act, the bank and corporation franchise tax laws, and some other parts of State revenue statutes. We had the same problem which is presented today in a portion of the bill which we are jointly sponsoring.

Suppose a California taxpayer were to take a deduction for business expense in filing his State of California income tax return. The Franchise Tax Board would determine whether in its opinion the deduction would be allowable. If it determined that it was not allowable, the taxpayer, if he felt aggrieved, could, of course, litigate the question in a court of competent jurisdiction in my State. If he won his lawsuit, of course, he would be able to claim the deduction he had taken. The Franchise Tax Board, if it disagreed with the ruling of the trial court, could appeal it to final decision, but if it did not appeal it, the trial court ruling would then become final and binding. And yet, if thereafter any other taxpayer had precisely the same problem and claimed precisely the same type of business deduction, it was within the purview of the Franchise Tax Board to say, "No; we are not going to apply the final and binding trial court decision in the former case. We will make you litigate the question. Otherwise, we disallow it."

It seemed to me, when I became chairman of our tax board, that that situation was unfair. It seemed to me that once the law was established by a final binding decision, it ought to be equally applied, in all like instances, to all taxpayers in all like circumstances. That would be applying the American maxim "Equal Treatment Under Law."

I am glad to say that our State Franchise Tax Board changed its regulations and determined that once such a decision was rendered and became final it would apply to those who came afterward. Thus, the California taxpayer could rely on the tax decisions of our courts, in wrestling with his own tax problems.

A part of the legislation which my able friend from Alabama, the chairman of the committee, has sponsored, and which members of the committee from both sides of the aisle have cosponsored, provides for similar treatment to the taxpayers of America with respect to Federal judicial decisions which become final and binding, and which, in the case of the Federal tax court, are not appealed. I sincerely believe that that represents a most constructive basis on which Congress may legislate.

Along with the other points of equitable tax relief which are enumerated in the bill, I think we have here an opportunity to render assistance to the independent entrepreneur in America, whether he be a sole trader, whether he is in a partnership, or whether he operates as a small corporation. Such action by the Congress would indicate once again that the Congress does have concern for the small-business man. He continues to be an indispensable ingredient to the American system of free competitive enterprise. He needs our assistance now.

Mr. SPARKMAN. Mr. President, I thank the Senator from California for those remarks. He has been a very fine member of the committee, and was most helpful in connection with the hearings and all the transactions of the committee. I am delighted that he is one of the sponsors of the bill.

Section 6 also makes a correlative change in section 1361 of the 1954 Internal Revenue Code, the provision permitting a proprietorship or partnership to be taxed as a corporation, by providing a 4-year election period. The present law makes the election permanent. A further amendment to section 1361 would be made extending the benefit of the election to many more worthy enterprises by eliminating the requirement that the proprietorship or partnership be one "in which capital is a material income-producing factor, or 50 percent or more of the gross income of such enterprise consists of gains, profits or income derived from trading as a principal or from buying and selling real property, stock securities, or commodities for the account of others."

This provision would further the Small Business Committee's purpose to grant similar tax treatment to business regardless of its legal form of operation. There are many reasons for a businessman to choose to operate in one legal form or another. Federal tax liability ought not to be a factor in such a determination. Only small, closely-held concerns will gain any advantage from either of these elections. These are the businesses which ought to be taxed in the manner most beneficial to them—which in the long run is most beneficial to all—without forcing the uneconomic use of business form which is necessary today.

In order that small business may be relieved somewhat from the onerous restrictions imposed by the unreasonable accumulation of surplus tax, the seventh section of the tax adjustment bill would amend section 535 (c) (2) and (3) of the Internal Revenue Code of 1954 to increase the minimum accumulated earnings credit from $60,000 to $100,000. This would take some pressure from the smallest corporations which are most restricted by the penalty tax provision. It is a simple change which will cause little or no loss in revenue.

This accumulated earnings penalty tax has had as much or more psychological impact on business and businessmen as financial effect. This is one of those provisions involving judgment which the Internal Revenue Service holds in reserve for bargaining with taxpayers. Any time a corporation accumulates more than $60,000 in surplus under the present law its officers know that the Treasury may claim unreasonable accumulation and put the company to its proof. Like useable life of assets for depreciation rate purposes, this is often used as a whip to get a taxpayer to agree to settlement of a matter not so indefinite.

In this day of growth and inflation, it is unrealistic to apply the same measure against reasonable accumulation which was set up in the past under different circumstances. At least to a certain extent the proposed increase of the minimum credit would recognize present needs.

The last provision of the bill, which is the one to which the Senator from California has referred, treats an area which is fundamental to our whole tax structure. It would bind the Treasury Department to accept judicial construction of the Internal Revenue Code by the tax court and United States Court of Appeals. No longer could the Treasury fight a point, lose on a question of interpretation or construction, nonacquiesce, and fight the identical legal point in another case in another jurisdiction. No taxpayer should be obliged to carry a case to court against the Government where the same issue has been decided by a proper tribunal adverse to the position maintained by the Treasury. This presents more problems for smaller taxpayers who can least afford such a fight.

This section would only force acquiescence by the Treasury where it does not choose to appeal a decision. This will permit taxpayers to know what and when the law is the law without putting an unreasonable burden on the Treasury.

There has been much talk of tax cuts as a weapon against the present recession. I wish to point out that this Nation's over 4 million small businesses still employ the majority of its workers. Cumulatively they are a great market. Because of their great numbers and geographic dispersal the economic well-being of this segment has a tremendous effect on the whole country. How better can the economy be revitalized than by reinvigorating the most basic element. S. 3194 will accomplish much of the purpose of those who speak in general terms of tax cuts, and will in the process set right many inequities within the present system.

The small-business tax adjustment bill of 1958, S. 3194, is a modest measure designed to do a big job. Its supporters see it as an attempt to keep the American economy strong by reinvigorating the heart of that economy—small business. It offers no special privilege or discriminatory benefit, but only equal opportunity. It must be enacted without further delay.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CARROLL. I understood the Senator to say, during the course of his speech, that the voluntary retirement plan section of this bill applies to manufacturers, retailers, wholesalers, farmers, and professional men.

Mr. SPARKMAN. That is correct. Did the Senator include farmers?

Mr. CARROLL. Yes; farmers also.

Mr. SPARKMAN. I emphasize that because the question has been raised at various times with respect to farmers.

Mr. CARROLL. This thought occurs to me, and I am not quite clear about it. As I understand the Senator's statement, the bill would permit a small-business

man to take a deduction for sums invested in a retirement or pension plan. Is that correct? If so, does that mean that a professional man would be included in the category of a small-business man?

Mr. SPARKMAN. Yes; he would be. For this purpose a professional man is treated as a small-business man.

Mr. CARROLL. He would come under the bill?

Mr. SPARKMAN. That is correct.

Mr. CARROLL. The reason I ask the question is that today I had a very distinguished visitor from Colorado. He is a certified public accountant. He told me he was interested in the Jenkins-Keogh bill, which is a retirement plan bill. I wonder whether such a professional man would be included in the provisions of the Senator's bill.

Let us assume that an accountant had a number of employees. If he had employees, would they be permitted to come under the provisions of the bill?

Mr. SPARKMAN. His employees would also be eligible for the benefits of this provision. They could set up such a plan individually or as a group so long as they complied with the technical requirements.

Mr. CARROLL. What about benefit to himself; to his personal benefit?

Mr. SPARKMAN. Yes; it would be. The individual employer—whether proprietor or stockholder—could gain the favorable treatment this section offers.

Mr. CARROLL. That was the purpose of my question.

Mr. SPARKMAN. That is correct.

Mr. CARROLL. I should like to say to the distinguished Senator from Alabama that as I look back on the years of work the very able Senator from Alabama has given to the solution of this important problem. I am thankful for his devoted and dedicated service in trying to save and to preserve small business. I believe we have come forward with a reasonable program which has a very good chance of being approved.

Whenever I think in terms of a tax bill which will benefit small business, I always think in terms of JOHN SPARKMAN, the distinguished Senator from Alabama.

I highly commend him for his work in behalf of the small-business people of America, and I commend him particularly in behalf of the small-business people of Colorado who have requested me to support this kind of program. I am happy to be associated with the excellent efforts of the Senator from Alabama.

Mr. SPARKMAN. I am grateful to the Senator from Colorado. I might say that he is one of the sponsors of the measure. During the early part of my remarks, I read a list of sponsors. There are 36 Senators who are sponsoring the measure, and among them is the distinguished Senator from Colorado [Mr. CARROLL].

Mr. CARROLL. I wish the able Senator from Alabama to know that I am happy to be associated with his bill. Now there is no reason, in this critical period, with the problems that confront the small-business men of the Nation, why this progressive type of legislation should not begin to move through the Senate.

Mr. SPARKMAN. I feel quite hopeful. It is so sound and so right that I feel quite confident that we are going to get relief during this session of Congress.

Mr. CARROLL. I thank the Senator.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from South Carolina, who likewise is a sponsor of the measure.

Mr. THURMOND. Mr. President, I wish to congratulate the distinguished Senator from Alabama on the fine statement he has made today. It reflects his intimate knowledge of the problems of the small-business man. It demonstrates clearly that the Select Committee on Small Business has performed a noteworthy service to the country in its study of the problems and in the preparation of the legislation to provide remedies for the problems.

Any study of the economic history of this country is sure to have running through it the thread of something that has been called the American dream. It is the belief, bred in our bones, that any individual can go into business for himself, and that, with the application of perseverance, perspiration, and skill, that individual will have a reasonable chance of making a success of his business.

We believe, in America, that it is not necessary to start out with an inherited fortune to be financially successful. We believe in opportunity for all. This Nation was founded in that belief.

In recent years, as our society has become more complex, it has been more difficult for a businessman to start from scratch. Most enterprises nowadays require substantial working capital. Certain natural advantages accrue to the owner of a large business. There is the advantage of being able to engage in diversified fields and the advantage of being able to buy and sell in large quantities. The large business can obtain the services of the best managerial talent, including specialists in production, marketing, and the law.

Even so, there is still ample room for the small-business man. He may become a specialist himself, and operate in a narrow field where he may become a more proficient expert than any of his larger competitors. He may sell in a local market, where the advantage of proximity will outweigh the advantages held by the larger, but more distant, competitor. He may, very simply, be willing to work harder, to put more into his business and thereby get more out of it. There is room for the small-business man; I am not willing to preach his funeral sermon. I have confidence in small business. I believe it will continue to compete with large business.

But let us not tie the hands of small business by inequitable tax legislation. Whoever begins a small business enterprise must expect that his larger competitor will have some advantages. However, it is surely not consistent with the American dream that the small-business man should bear tax shackles that are not also borne by his competitors. It is not consistent with the American philosophy that the small man should be denied the right to be in business.

As the Senator from Alabama has so ably pointed out, there was never any intent, on the part of Congress, to write tax laws that would be unfair to the small-business man. The inequities have not been created deliberately. They have resulted accidentally, in the process of writing and amending some extremely complicated tax legislation.

It is typical of small business that financial reserves are small. Whenever there is a decline in business activity, the small-business man is the first to be pushed into a tight place. For this reason, he especially needs relief at this time.

This is not an emergency relief bill. That point should be made absolutely clear. It is a bill to put the small-business man on an equal footing with large business, in his relations with his Government. It is desirable legislation, good times or bad times.

I am glad to be a cosponsor of the pending bill. The enactment of the measure will be a boost, not only for the small-business men now in business, but also for the many young people of our Nation who are ambitious to go into business for themselves.

Again I congratulate the distinguished and able Senator from Alabama for sponsoring the bill.

Mr. SPARKMAN. I thank the distinguished Senator from South Carolina. I think he has made a very fine statement in behalf of small business.

I yield the floor.

Mr. THYE. Mr. President——

The PRESIDING OFFICER (Mr. SCOTT in the chair). The Chair recognizes the senior Senator from Minnesota. The Senator from Minnesota has been here almost since sunrise, hoping to be recognized.

Mr. THYE. Mr. President, if we know nothing else when we come to the Senate, we soon learn to be patient.

First, I wish to commend the distinguished Senator from Alabama [Mr. SPARKMAN]. He has served as chairman of the Select Committee on Small Business ever since its present status was acquired in 1950, with the exception of the 2 years when I had the honor to direct its activities as chairman.

The Senator from Alabama has done outstanding work with this committee and has demonstrated through the years his dedication to the strengthening of the small business firm in our economy. I commend him, particularly, for the way he has directed and handled the nationwide tax hearings, the drafting of the report on the impact of Federal taxation upon small business, and for his efforts in behalf of S. 3194, of which I am a cosponsor.

I recall the tax hearings held by the Small Business Committee in 1952. At that time, Congress accepted and enacted all but one of the recommendations the committee made at that time. I am hopeful that Congress will think equally as well of the recommendations contained in S. 3194.

I believe that the provisions of this bill are fair and just. I believe that they represent a solid step forward in stimulating growth and expansion for small business firms throughout the Nation. Some of the provisions have been introduced before in other bills introduced by myself, the Senator from Alabama, and other Members of the Senate.

A year ago we held strong hopes that some of the tax recommendations which are contained in S. 3194 would be enacted. President Eisenhower, in his message to Congress in the early part of the 1st session of the 85th Congress, recommended such tax measures and tax relief for small-business firms and corporations and small-business men. I had held the strong belief throughout the spring that Congress would enact such tax relief for small-business men and small-business firms on a basis equal to that enjoyed by the larger corporate structures of the land.

The only tax matter to come up last year was one which affected only a relatively small number of small-business firms. However, S. 3194 will reach most small firms. Therefore, this tax measure should be considered by both the House Committee on Ways and Means and the Senate Committee on Finance. Early action should be taken by those committees so as to enable both bodies to have before them a tax-relief measure which can be properly debated and, I hope, enacted.

I must say that I am somewhat disturbed concerning what appears to me to be the rather light treatment given to these measures by the committees of the House and the Senate. They are not measures which will take away a great amount of revenue from the Treasury. Still, they are measures which small business needs today—not next year or the year after next.

I cannot understand why the committees of the last two sessions of Congress have not been able to recommend to the floor such tax adjustments as:

First. Allowance for extended time to pay Federal estate taxes;

Second. Permitting accelerated depreciation allowance for used equipment and machinery—this was extended to new equipment and machinery by the 1954 code;

Third. Allowing corporations with 10 stockholders or less to be taxed as partnerships; and

Fourth. Establishment of a retirement, profit-sharing plan for sole owners and partners of small-business firms.

Mr. President, all these provisions have been before the Committee on Finance for at least 2 years. The administration has endorsed them, and we heard favorable testimony for the passage of such legislation from small-business men who came before our committee last fall.

S. 3194 incorporates those provisions as a part of a bill which seeks to adjust and relieve the tax burden on small firms. The bill also seeks to eliminate discrimination against the small firm which has found its way into laws and administrative rulings and directives.

The time has come for Congress to cast off the lethargy and disinterest it has shown for the small-business men of the Nation. We hear a great deal of talk and have seen proposals to combat recession. It is amazing how quickly the Congress has responded to the recession problem. I think that is right, and that it must be done. But I also believe the same type of interest should be shown in the problems and the difficulties facing small business. These problems and difficulties existed long before the current recession began. Some of us have been doggedly pointing it up and sponsoring legislation to correct the situation for years.

Mr. President, the small-business men of the Nation want action. They need action now—not next year or the year after that. Small firms have to expand through the use of retained earnings if they are to stay in business. Today the impact of Federal taxes plus other factors makes this almost impossible to the extent that an optimistic view can be taken of the future growth and expansion of small business. Yet, each of us knows that small business forms the backbone of our free-enterprise system.

Small business in the United States is Main Street, U. S. A. It is there that merchant and farmer, and merchant and banker, and merchant and consumer get together to carry on the free enterprise system. Take that system away, and we will have lost what has made our Nation great; and we will head down the long road to economic chaos and ruin and possibly socialistic trends, which we do not want in the United States.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CLARK. I regret that I was unable to be on the floor during the major part of the time when the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Minnesota were delivering their most apt, important, and pertinent talks on the subject of small business.

It is my great pleasure to be a cosponsor of the bill. I commend my two senior colleagues for the untiring work they have done in this regard and for the splendid measure which has been forthcoming. I hope that action in the other body will come promptly on this tax measure, and that the Senate Committee on Finance will look with favor upon the bill which so many Senators have cosponsored.

It has been my great good fortune to be chairman of the Subcommittee on Small Business, of the Senate Committee on Banking and Currency. Last year we took extensive testimony on the problems of small business, the desirability of expanding the Small Business Administration, the need for tax relief, and the need for some type of organization which would make long-term credit available to small businesses on the same basis on which long-term credit is available in the private markets to large corporations.

Mr. President, by means of the splendid bill which was introduced by the Senator from Alabama [Mr. SPARKMAN], with the cosponsorship of the Senator from Minnesota and myself, and perhaps with some means of making it permanent, and perhaps with some means of making long-term credit available to small business, the 2d session of the 85th Congress will have written a record of assistance to that segment of our economy which is so desperately in need of help, and which is really the backbone of the American economic system. After doing that, this summer all of us can return home with some pride of accomplishment.

Mr. THYE. Mr. President, the distinguished Senator from Pennsylvania has spoken in commendation of the chairman of the committee, the distinguished Senator from Alabama [Mr. SPARKMAN]. I regret that the Senator from Pennsylvania did not hear all of the remarks made today by the Senator from Alabama. They were most pertinent.

The Senator from Alabama and I have appeared before the House Ways and Means Committee, and there we have urged that it give consideration to this tax measure. As the distinguished Senator from Pennsylvania has stated, I hope the proposed legislation will be passed by the House of Representatives, so that thereafter the Senate will be able to consider the bill.

There is need for tax relief for small business firms. I am firm in my conviction that the strength of the Nation originates in the various communities. The fruits of our productive earth are brought there; and the businessmen of the main streets of the small communities are the very foundation of the Nation's economic structure. The industrial plants which serve all of us so ably are to a great extent supported by the small-business men. The retailers and the other outlets for the industrial establishments provide for the needs of the consumers of the Nation—the professinal men, the businessmen, the laboring men, and the farmers.

I have long held the view that the small-business men find it impossible to obtain adequate representation before the committees of Congress. After all, the small-business men of the Nation do not have sufficient means to employ persons to represent them before the Congressional committees in the way that the large corporations are able to be represented—sometimes jointly. Therefore, the Small Business Committee of the Senate is to many persons more important than any other legislative committee, because the Members of the Senate who serve on the committee try to represent the small-business men of the Nation.

Of course, the small-business men are represented by means of their national associations; and they have some excellent ones. They do a good job in bringing before us matters pertaining to small business.

However, here on the floor of the Senate, the Senator from Pennsylvania and I and the other members of the Small Business Committee are the voices of the small-business men across the land. That is why I have so strongly advocated the continuation of the committee, and that is why I have tried so hard to obtain for it the authority it has, and

that is why I have held so firmly to the view that the Small Business Administration must have permanent status. That is true because, as the Senator from Pennsylvania and I know, there comes a time when the small-business man requires some assistance creditwise, in view of the fact that both the State and the Federal banks operate under restrictions which often make it impossible for them to make the loans a small-business man sometimes must have if he is not to be forced into foreclosure procedings. In many cases such loans would not be made to small businesses if it were not for the Small Business Administration and its ability to make loans of that sort.

Mr. CLARK. Mr. President, I thank the Senator from Minnesota for his courtesy in yielding to me. I desire to associate myself with his most recent remarks.

Mr. THYE. I thank the Senator from Pennsylvania.

Mr. President, today the small-business man does not seek special favors. But he does want an atmosphere and a climate within which he can grow and prosper. I believe that it is imperative that we do all we can to create such a climate. S. 3194 is an effective means of establishing it. The reinvestment provision, the retirement provision, the estate-tax-payment provision, the depreciation provision, the provision allowing small corporations to elect to be taxed as partnerships, the provision to ease the restriction of unreasonable accumulation of earnings, and the provisions dealing with administration of the tax laws—all of these constitute S. 3194.

I am happy to join in support of the bill. It is imperative that action be taken on it before Congress adjourns. There is not time for continued lethargy or lost motion on these constructive efforts to assist small business.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the remarks I made on February 4, 1958, when I appeared before the Ways and Means Committee of the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THYE BEFORE THE HOUSE WAYS AND MEANS COMMITTEE ON FEBRUARY 4, 1958

I wish to join with my colleague in offering a few remarks concerning the proposals developed by the Senate Small Business Committee in its recent study of the impact of Federal taxation on small business. As ranking minority member of that committee and its former chairman, I took an active part in that study. I know firsthand the mass of information which was gathered during the hearings. The findings and recommendations of the report were made only after careful consideration of all testimony offered by representatives of all forms of business and professional activity.

The bipartisan nature of the study is exemplified by the fact that each of the minority members of the committee participated in the hearings. The proposed legislation was offered by Members from both sides of the aisle. Three of the bill's sections have been recommended by the administration. Partisan politics has had no part in the development of the proposals brought before you in this bill.

The small business tax adjustment bill of 1958 is an omnibus measure which is designed to relieve the most pressing tax problem facing independent business. Each of the sections treats individual sore spots, but only wholesale treatment as prescribed will permit general recovery of the patient.

Section 4, permitting installment payment of estate taxes; Section 5 (this applying to all businessmen as well as farmers), extending section 167 alternative methods of depreciation to the purchasers of used property, and section 6, providing an election for corporations to be taxed as partnerships, all have been supported in concept by the administration. As late as January 16 of this year, Secretary of the Treasury Anderson favored provisions like these in his testimony before this committee in this series of hearings.

The provision to increase the minimum accumulated earnings credit, section 7, would be of great practical value without losing revenue for the Treasury. The last section of the bill which sets up a simple formula to settle tax interpretation questions will save both the taxpayers and the Government from the expense of resolving questions which should be settled.

The first two provisions of the bill I believe to be especially important. The second section of the bill dealing with a reinvestment allowance is greatly needed to permit smaller concerns to grow and develop to meet their expanding markets. I was greatly impressed by the numerous witnesses who testified to the great importance of this kind of provision.

Section 3 of the bill would remove the worst kind of discrimination from the present Internal Revenue Code. Under this section, all taxpayers would be given the same opportunity to provide for their retirement. Under the present law, only a limited group gets special tax treatment for retirement programs. Thrift and individual provision for retirement are worthy of Government support, but certainly such favors should be extended to all taxpayers.

I want to stress the urgent need for this legislation. Our recent hearings impressed all the members with the immediacy of the situation. The pleas for relief from the unfair tax burden on smaller concerns long went unheard. Amendments to the Revenue Code to make needed adjustments have gone unsupported. It is now a time for action if we are to keep small business on the main street of America.

Mr. THYE. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter I have received from Mr. Guy T. Ludi, the publisher of the Wahoo Newspaper, of Wahoo, Nebr., and also an editorial which was published in that newspaper.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

WAHOO, NEBR., *March 19, 1958.*

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I have just finished reading your remarks in a reprint of the CONGRESSIONAL RECORD pertaining to legislation in support of small business.

Federal taxation of small businesses being close to my heart, I am taking the liberty of enclosing my editorial which appeared in April of last year and since reprinted in over 1,200 other newspapers. I feel it expresses the deep cut our Government is taking annually in taxes, without the quotation of a lot of figures, which figures are not generally read and even less understood when read.

I hope you can spare the time, in your busy life, to read the editorial in its entirety, feeling it self-explanatory.

I sincerely feel that Federal taxation of small business is even more serious than most of our Washington friends realize. To sit here day after day and watch the struggle of my business friends for existence is certainly more than disheartening.

Failing grain prices, to which Secretary Benson and too many Senators (my own included) have turned a deaf ear, and the Government tax bite as usual, has brought troubled times not only to the farmer and small-business man but whole, small communities as well.

A spending spree for public works may be a stimulus for combating the recession but not 1 cent of this money will reach my county.

Support of farm prices and lower taxation for small-business men will do more in our community to whip a serious situation than all the legislation the 85th Congress can pass.

Please allow me to extend my personal thanks to you and others who have and are devoting considerable time in behalf of small business.

Sincerely yours,

GUY T. LUDI,
Publisher, Wahoo Newspaper.

THREE INVISIBLE MEN

As a businessman, would you pay the salaries of three men for an entire year that never show up for work? Of course not. But, that is exactly what Ludi Printing Co., publishers of this newspaper, did last year.

Your next question naturally would be, "Are you crazy?"

We don't think so. In fact, it was the only thing we could do because Uncle Sam said we had to, and when he speaks you had better listen.

You may think that this is a sneaky approach to the subject of Federal taxes, but actually, that is what it amounts to. We are speaking now about income taxes, withholding taxes, and social-security taxes that were taken out of our printing plant here last year by the Federal Government.

How many of you businessmen in Wahoo take time out from your work to compute these taxes over a year's time? We did, and here is what we came up with:

We paid to the Federal Government an average of $6.53 per hour for every hour our plant was in operation last year. This figure is equal to the salaries of 3 skilled workmen for an entire year—3 skilled workmen that never showed up for work.

The Federal taxes we paid could be compared to another unusual equal. It cost Ludi Printing Co. $52 every workday morning to unlock the front door. But, if this sounds ridiculous to you, just follow along on these further comparisons:

The amount of Federal Government taxes taken out of this plant last year was equal to 2¼ full-page ads each week or 9 cents out of every dollar taken in (whether or not a profit was made), or over $260 in cash every week.

These taxes took enough money out of our plant to pay for any one of the following:

Heat for 22 years.
Postage for 9 years.
Electric lights for 32 years.
Water for 103 years.
Electric power for 9 years.
Electric heat for typesetting machines for 22 years.
Telephone for 21 years.
Freight costs for 12 years.
Insurance for 15 years.

In fact, the Government's take last year was so great that it would have paid all of the following expense items for this plant for 1 year with over $1,000 to spare.

Postage, electric light, electric heat, power, gas and oil heat, telephone, freight and express, repairs for printing equipment, repairs of newspaper printing equipment, engravings, insurance, and all mileage could have been paid for for an entire year with the money the Federal Government took in the form of taxes.

And remember that this tax figure does not include our State, county, city, or school taxes, just the Federal Government. We might add that in computing this we did not take into consideration the keeping of records and the amount of time so spent.

Many of you have requested that we publish an editorial on taxes, and while we haven't gone too deeply into the subject, we hope that it will serve to show what a businessman—a laboring man—in fact, everyone who pays taxes, is up against because of the tremendous amount of spending being done in Washington.

We hope you will also consider that Ludi Printing Co. is but 1 of some 150 business and professional houses in Wahoo, and just peanuts in the overall tax picture. Your individual firm's taxes may be more or less than ours, but the tax is still being taken up by the Government on the same basis.

You may ask, "Well, what are we going to do about it?"

The answer is: We don't know. We know that spending by the Government is too high, that taxes are too high and going higher. We'll do our share of the squawking, but one voice is hardly an uproar. Actually, we would propose that tax-conscious people everywhere seriously consider the problem before the next primary election in 1958. At that time something can be done if everyone will crack down on the spenders in Washington. If someone has a better solution, we'd be happy to hear it.

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield briefly to me?

Mr. THYE. I am delighted to yield.

Mr. SPARKMAN. First, I wish to commend the able and distinguished Senator from Minnesota for the remarks he has made.

At this time I wish to ask a question. A few minutes ago the Senator from Minnesota heard me say, here on the floor of the Senate, that the bill we have been discussing really represents what has been recommended to us from those at the grassroots. Is that not true?

Mr. THYE. Most certainly it is true, Mr. President. The distinguished chairman of the committee, the Senator from Alabama [Mr. SPARKMAN], and I have attended the hearings held in previous years, as well as this year. All the materials obtained at the hearings held last fall have been digested, analyzed, and embodied in this bill.

Mr. SPARKMAN. Mr. President, the distinguished Senator from Minnesota was chairman of the committee when the report on the 1952 study was made.

Mr. THYE. Yes.

Mr. SPARKMAN. And at that time the Senator from Minnesota attended many of the hearings. He was also one of the most active members of the committee in connection with the hearings which were held last fall.

I am glad to have him confirm the statement I made; namely, that the bill represents, perhaps to a greater extent than any other bill I have ever known, the thinking and the recommendations of the small-business people of America, themselves.

Mr. THYE. That is correct.

Mr. ALLOTT. Mr. President I compliment the distinguished junior Senator from Alabama [Mr. SPARKMAN] on his extraordinarily perceptive and illuminating remarks. I wish to add a few comments of my own.

My stand on the problem of small business has long been known. Let me state again, however, that I feel that the small-business man in our country is not getting a fair shake under our present Federal tax system.

One of the great paradoxes of our Federal tax system, the so-called progressive system, is that instead of making it harder for big business to become bigger, it actually seems to help big business, as against small-business men. Even when some new relief is passed through our Congress, the small-business proprieter fails to receive his share of the benefits.

Citing a particular example, we all know that, in most cases, small-business men use secondhand machinery. In 1954, Congress permitted purchasers of new property to use alternative methods for computing their allowance for depreciation. But the small-business man, whose economy often permits him the use of only secondhand equipment, was left completely out in the cold. There was no implementation under the 1954 provision which could be used by the small-business owner.

The proposal included in S. 3194 to extend tax payments for retirement programs for all taxpayers seems to me long overdue. There is no reason why the self-employed citizens of this country should be discriminated against in providing for their old age. We have all been aware of the fact that the Federal income tax does not have the same impact on all groups, and I fear we are in danger of being inured to that fact. As a simple matter of what is right we must eliminate some of the inequities; and I know of no better place to start than in the area of retirement. All of the professional and small-business organizations which have contacted me have strongly endorsed this principle and I say that their cause is a reasonable one.

Another serious problem facing small business today is the need for more adequate financing so that our competitive economy can be strengthened. The reinvestment allowance section of S. 3194 is of crucial importance.

Over the course of the past several years a lack of financial resources has proved detrimental to small-business growth—in some cases to a point beyond recovery. I speak specifically of the situation in which a small firm finds itself with too little money left after taxes to permit necessary investment in new equipment and in the plant itself, or for increased working capital to support the development of new products.

I must repeat that while our tax system is supposedly designed specifically to help this condition, it seems to make it worse rather than to improve it.

The owner of a small drugstore, for example, must first pay his help, his operating expenses, his taxes and depreciation before computing the net gain. Then and from this net income must he decide whether he can afford to reinvest his money in his own business. Too often, of late, this has proved to be impossible.

As we all know, small business has little or no access to the organized securities markets. In fact, it is so little that we can almost truthfully say that it has no access to the ordinary security markets, so additional equity capital must be obtained through local issues or through friends and relatives.

It is imperative that small business be given relief from its tax burden to permit more adequate and proper financing. I am certain that added exemption on reinvested capital would represent a giant step toward accomplishing at least a part of the desired solution.

Furthermore, in the light of the particular circumstances in which we find ourselves today, it would cause millions of dollars to be invested and reinvested in new capital goods.

Other proposals have been submitted to the Conugress, such as an increase in the corporate surtax exemption, lower normal corporate tax rates and exemptions for goodwill in determining estate tax.

In this respect I must add that I feel, as does the President, that so long as our Federal budget remains so large, we are forced to look at tax changes which can be brought about with only a minimum loss in revenue.

Recent international developments, while not lessening the pressure on our expanding budget, have made even more important the necessity for a better break for the small-business man, for he is the essential basis of the sound progressive economy of this country.

We must also bear in mind that the increased cost of materials and components, higher wages and higher marketing costs have struck hard at the small-business operator. The decision which we must make is how, with a minimum loss in revenue, small business can be afforded vitally needed tax relief and more equitable tax treatment under the law.

By stressing the importance of certain provisions, I must make it clear that the other section of S. 3194 are also extremely desirable. The Small-Business Committee has rendered valuable service to us all by developing also the sound proposals for installment payment of estate taxes, and alternative methods of taxing corporations contained in this legislation.

In closing, Mr. President, I want to state that the 85th Congress will add greatly to its historic position if it is the Congress that enacts S. 3194 in the interest of a free and dynamic economy, giving the small-business man an opportunity to reclaim his historic position in the United States.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. COTTON. Let me say to the able Senator from Colorado that I have listened to his remarks with keen interest, and with complete sympathy and agreement. I think he is to be highly commended for his position.

The Senator from Colorado may be interested to know that during the past 3 years I conducted a survey to obtain the views and suggestions of hundreds of small-business leaders in my own State with respect to their individual problems.

After analyzing the replies, I found that with almost complete unanimity the cry was that the one paramount and essential step we should take to bolster small business—and that means to bolster employment up and down the main street of almost every town and city in the land—is to consider tax legislation so that small-business men may have an opportunity to plow back some of their money for the purpose of expanding and maintaining their own businesses.

The Senator from Colorado has hit the nail exactly on the head. I do not say this in disparagement of the able and faithful work of the Small Business Administration. However, I believe that far more important than loans and far more important than advice is tax relief which is so vital at this time. It has been said, with a good deal of truth, that the country at the present time is in the grip of big business, big labor, and big government, and that small business and the small-business men are being ground between the millstones of our present economy. I join wholeheartedly with the Senator and commend him for his very able speech on the subject.

Mr. ALLOTT. Mr. President, I thank the able Senator from New Hampshire, whose interest in this field has been constant and continuing, not only through his service in the Senate, but also as a Member of the House of Representatives. It is a cheering spectacle indeed to be supported, not in a personal way, but upon the principle that there is something basically wrong with our tax structure which tends to make little business smaller and big business larger.

As the Senator has so ably pointed out, the small-business man can effect his expansion only out of his net income after he has paid all of his overhead, including his interest charges, whereas the big-business man can go out in the open market and finance his business continually.

A moment ago I saw on the floor of the Senate the distinguished senior Senator from Minnesota [Mr. THYE]. I should like to close my remarks with a tribute to him, because I believe his work in the field of small business legislation and his contributions to the Select Committee on Small Business have helped immeasurably to focus the minds of Members of Congress and of the American people upon the plight of the small-business man.

When we talk about business we are all too prone to think in terms of the vast economic empires which produce the great quantity of goods which this country consumes, and we are also prone to forget the man who does business down on the corner, who is the backbone of our economic life.

I yield the floor.

Mr. CARLSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. O'MAHONEY. Mr. President, before the consent is granted, and I shall not object, I wish to clear the parliamentary situation. At the beginning of the session this morning, the Senate bill 1356——

The PRESIDING OFFICER. The request of the Senator from Kansas is not debatable.

Mr. O'MAHONEY. I am asking a parliamentary question.

The PRESIDING OFFICER. That is not in order during the quorum call.

Mr. O'MAHONEY. The Senator from Kansas asked unanimous consent that the order for the quorum call be rescinded. I objected, pending an answer to my parliamentary question. I think the Chair will be advised that I am in order.

The PRESIDING OFFICER. The Senator from Wyoming is not in order.

Mr. O'MAHONEY. Then the call of the roll will be completed.

Mr. CARLSON. Mr. President, is there objection to rescinding the order for the quorum call at the present time?

Mr. O'MAHONEY. I object. I reserved the right to object——

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

Mr. O'MAHONEY. Mr. President, I ask that I may submit a parliamentary question.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. O'MAHONEY. Mr. President, under the circumstances, I will withdraw my objection.

Mr. CARLSON. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. CARLSON. I now yield to the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, is it not a fact that at the beginning of the session today the majority leader announced that the pending business, which was then S. 1356, Calendar No. 706, would be temporarily laid aside for the purpose of considering certain other measures, among which were a privileged conference report, the Treasury-Post Office appropriation bill, and the measure to which the Senator from Kansas is now about to address himself, and that it was then agreed that S. 1356 would become the pending business again?

The PRESIDING OFFICER. That was a simple statement from the floor; it was not an order of the Senate.

Mr. O'MAHONEY. It was my understanding that the majority leader had asked unanimous consent to that effect, and that it was agreed to, because he said—and the RECORD will show that he said—that he believed that S. 1356 would come before the Senate for consideration at 12 o'clock. That, if course, was impossible because of the consideration which was given to the other three measures.

What I am trying to determine is whether, upon the disposition of the bill to which the Senator from Kansas is about to address himself, the unfinished business of the Senate will become Calendar No. 706, S. 1356, or will it be necessary to move for the consideration of that bill?

The PRESIDING OFFICER. It will be necessary to take up the bill by motion. In that case, the Senator from Wyoming can ask for recognition.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Will the Senate automatically return to the consideration of S. 1356, or how will it become the order of business?

Mr. CARLSON. Mr. President, I have the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. DIRKSEN. May I inquire what the Senator from Wyoming has in mind concerning the packers and stockyards bill, S. 1356? It is my understanding that the Senate will resume the consideration of that bill after the disposition of the annuity bill.

Mr. O'MAHONEY. That is correct.

Mr. DIRKSEN. Is it the expectation of the majority leadership to have any yea-and-nay votes this afternoon?

Mr. O'MAHONEY. There will be no yea-and-nay votes this afternoon. The packers and stockyards bill will go over until Monday. On Monday, so far as I am concerned, I shall be very happy to enter into a unanimous-consent agreement with the Senator from Illinois to limit debate as I indicated I was willing to do yesterday, so that the Senate might dispose of the bill on Monday next, if it is possible to reach such an agreement.

Mr. DIRKSEN. Yes. I had no objection; I freely entered into that arrangement yesterday, until objection was registered last night.

Mr. President, will the Senator from Kansas yield for 1 more minute?

Mr. CARLSON. I yield.

Mr. DIRKSEN. I wish to reassure Senators, on this side of the aisle, at least, who may want to catch late afternoon planes to go home over the weekend, that definitely there will be no yea-and-nay votes for the rest of the day after the Senate has finished with the annuity bill.

Mr. O'MAHONEY. I shall not ask for a yea-and-nay vote upon any part of S. 1356 this afternoon.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LAUSCHE. Does the statement of the Senator from Illinois imply that there will not be a request for a yea-and-nay vote on the annuity bill?

Mr. DIRKSEN. Oh, no; I said after the disposition of the annuity bill. I am merely inquiring about the intentions of the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Do we understand each other clearly?

Mr. DIRKSEN. Yes. After the disposition of the annuity bill, the Senator from Wyoming will request no yea-and-nay votes for the rest of the day.

Mr. O'MAHONEY. That is correct.

Mr. CARLSON. Mr. President, in order that there may be no misunderstanding between the distinguished Senator from Wyoming and me, I assure him that I was not trying to displace his bill, because I am following the orders of the majority leader, who moved that S. 72 become the unfinished business.

Mr. O'MAHONEY. There is no complaint on that score at all.

Mr. CARLSON. I wanted to be certain there was not, because I am trying to be a good soldier today.

Mr. O'MAHONEY. I want the Senator from Kansas to know that I am interested in his bill, and that I want him to be successful.

FEDERAL EMPLOYEE ANNUITY INCREASE ACT OF 1957

The Senate resumed the consideration of the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

Mr. CARLSON. Mr. President, the bill before the Senate is S. 72, introduced by me on January 7, 1957. The bill was referred to the Committee on Post Office and Civil Service, of which the distinguished Senator from South Carolina [Mr. JOHNSTON] is the chairman, and to the Subcommittee on Annuities. The distinguished Senator from North Carolina [Mr. SCOTT], who is at present the Presiding Officer, was the chairman of that subcommittee. The Senator from Oregon [Mr. NEUBERGER] and the Senator from Iowa [Mr. MARTIN] also were members of the subcommittee.

The subcommittee held hearings and reported the bill to the full Committee on Post Office and Civil Service with the recommendation that it be approved. The bill was reported to the Senate on July 25, 1957. That was when Congress was approaching the end of the session; therefore, no opportunity was afforded for the consideration of the bill.

The chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON of South Carolina] and other Senators had introduced bills which were similar to S. 72. But after the hearings were held, the subcommittee and the full committee were kind enough to report my bill.

The bill was reported because of the need for an increase in annuities of the retired civil-service workers of the Nation. I think it should be kept in mind that one-third of the retired employees of the Federal Government receive less than $50 a month.

I know there will be some discussion today about the cost of the proposed legislation. I realize the problem. I have discussed the bill with Senators on both sides of the aisle. Several of them have told me that it would cost more than Congress should approve at present because of the needs of the Nation for defense and other items.

Following that suggestion, I had conferences with the representatives of the National Association of Retired Civil Employees and we reached an agreement. In order that there be no question about it, I shall offer an amendment which will provide for reduced costs in the bill.

I shall read a letter which was sent to me by the counsel for the National Association of Retired Civil Employees:

LAW OFFICES OF JAMES M. BARNES,
Washington, D. C., March 12, 1958.

Memorandum to Senator FRANK CARLSON.
(Attention Mr. Frank Paschal.)

From: James M. Barnes and Thurman Hill, counsel for National Association of Retired Civil Employees.

Re amendments to S. 72.

The officials of NARCE and its membership are deeply appreciative of the efforts of the Honorable Senator FRANK CARLSON, of Kansas, for introducing Senate bill 72 entitled "To increase annuities payable to certain annuitants." The provisions of the bill are fair and equitable, and it was the hope of NARCE that S. 72, as it is, be enacted into law. However, your office has called our attention to certain objections to the bill, particularly the schedule of the proposed increases which is set forth on line 2, page 2, of your bill. Apparently the proposal to increase annuities not in excess of $1,500 which commenced on or after October 1, 1955, and prior to October 1, 1956, by 25 percent and thereafter at 1 percent increase in yearly classifications until the percentage reached 30 percent for those whose annuity commenced on or after August 20, 1920, and prior to August 1, 1951, is not satisfactory to a number of the legislators. The objection, as we understand, is that the percentage is somewhat too high although the benefits in dollars for these older retired employees is not large.

NARCE realizes that due to the economic condition of the country that it may be necessary for its membership to make a sacrifice by acquiescing in a reduced percentage. Therefore, while we hope your bill may be passed with this schedule intact, we will, if necessary to secure the passage of the bill, acquiesce in a lower percentage schedule.

Therefore, if it must be that the percentage be reduced, NARCE suggests that the graduated percentages set forth in the first column as recited aforesaid be stricken out and that there be substituted therefor the following: "If annuity commenced on or after August 20, 1920, and prior to October 1, 1956, then annuities not in excess of $1,500 shall be increased by 20 percent." It is suggested that no change be made in the 10 percent increase in annuities in excess of $1,500.

As a further amendment, NARCE will acquiesce in the reduction of the figure $750 set forth in paragraph 2 of the bill to $600.

It is also suggested that section III of the bill be amended so that the word "ten" in line 12 be changed to "five." In other words, this will provide that a widow who has been legally married to the employee or retiree for a period of 5 years prior to his death shall be entitled to receive an annuity.

It is our desire to cooperate in every way so that this much needed legislation passes in session, and we will be happy to assist you in bringing about final passage of the bill.

JAMES M. BARNES,
THURMAN HILL,
Counsel for NARCE.

Mr. President, I have just read the entire letter I have received from the officials who represent this association. On that basis, I wish to submit three amendments for the consideration of the Senate. I offer the first amendment, send it to the desk, and ask that it be stated.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 1, after the word "later" and the comma, it is proposed to strike out—

If annuity commenced on or after—	Annuity not in excess of $1,500 shall be increased by—	Annuity in excess of $1,500 shall be increased by—
	Percent	*Percent*
Oct. 1, 1955, and prior to Oct. 1, 1956	25	10
Oct. 1, 1954, and prior to Oct. 1, 1955	26	10
Oct. 1, 1953, and prior to Oct. 1, 1954	27	10
Oct. 1, 1952, and prior to Oct. 1, 1953	28	10
Oct. 1, 1951, and prior to Oct. 1, 1952	29	10
Aug. 20, 1920, and prior to Oct. 1, 1951	30	10

And in lieu thereof to insert the following:

By an amount equal to 20 percent of the portion thereof which does not exceed $1,500 and 10 percent of the portion thereof which exceeds $1,500.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 4, it is proposed to strike out "$750" and to insert in lieu thereof "$600".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. [Putting the question.]

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer additional amendments which I send to the desk.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 4, in line 6, it is proposed to strike out "twenty" and to insert in lieu thereof "ten".

On page 4, in line 12, it is proposed to strike out "ten", and to insert in lieu thereof "five".

On page 4, in line 18, it is proposed to strike out "$750" and to insert in lieu thereof "$600".

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Kansas.

Mr. THYE. Mr. President, will the Senator from Kansas explain what these amendments will do?

Mr. CARLSON. Mr. President, the pending amendments pertain to the maximum amount to be received by the

survivor of an annuitant. I have already offered two amendments and they have been agreed to.

The pending amendments provide that there be a maximum of $600 in the case of an annuity received by an annuitant under the conditions set forth. The amendments also provide that the employee shall have completed 10 years of Federal service, rather than 20 years, as provided by the bill as it now stands, before the widow can qualify to receive the annuity benefits. This amendment is more clearly in line with the requirements under the Classified Act, which now applies to these employees.

Another of these amendments requires that the widow must have been married to the employee or retiree 5 years prior to his death. That amendment will change the present provision of the civil-service law regarding retirement.

Mr. THYE. That amendment has been offered to the bill, has it not?

Mr. CARLSON. Yes. I assure the Senator from Minnesota that the purpose of these amendments is to improve the bill.

Mr. THYE. However, I note that one of the amendments calls for a reduction in the payment to be made.

Mr. CARLSON. Yes, based on the number of years.

Mr. THYE. In other words, after the bill is amended in that way, it will not be as beneficial to such recipients as it would have been before being so amended.

Mr. CARLSON. The amendments I have previously submitted reduced the amounts. This amendment merely relates to eligibility to receive the payments.

Mr. THYE. That is correct.

Mr. President, I have just returned to the floor, and therefore I was not informed regarding the provisions of the other amendments submitted by the Senator from Kansas. That is why I have asked these questions.

In reality, the pending amendment would impose restrictions upon such retirement, and would be less favorable to such persons than the existing act, would they not?

Mr. CARLSON. I would not say that. The third amendment I have submitted to the bill—and, by the way, I am the one who introduced the bill—will reduce to 5 years the previous requirement for 10 years of married status.

Mr. THYE. So the amendment would result in a benefit to such persons, would it not?

Mr. CARLSON. Yes.

Mr. THYE. In other words, except for the amendment, such a widow would not be able to qualify under the act unless she had been married to the employee or retiree for a period of 10 years prior to his death, whereas the amendment would reduce that requirement to 5 years? Is that correct?

Mr. CARLSON. Yes. In other words, by means of the amendment we shall make the bill comparable to the present retirement laws under the civil service.

Mr. THYE. Yes.

However, one of the amendments will reduce the amount to be received under the bill; the amount which would have been received under the original language of the bill will, by means of the amendment, be reduced to a smaller amount, will it not?

Mr. CARLSON. That is correct. Formerly, the provision was for a maximum of $750. By means of the amendment, the maximum will be reduced to $600.

Mr. THYE. I should like to make a further inquiry, because I believe no objection has been made to the amendments.

Mr. CARLSON. I read into the RECORD——

Mr. THYE. But at that time I was not on the floor.

Mr. CARLSON. A few minutes ago I read into the RECORD a letter received from the counsel of the National Association of Retired Civil Employees. In the letter the counsel stated that the amendments are not only acceptable to them, but were written by them.

Mr. THYE. That letter was sent by the Retired Civil Employees National Association, was it?

Mr. CARLSON. That is correct.

Mr. THYE. If the amendment results in a reduction of the amount such person would receive, why would they favor it?

Mr. CARLSON. In their letter, they state that they sincerely hoped the bill as reported to the Senate would be passed, but that in view of the present economic situation and the need for expenditures for the national defense, they realize that they should be willing to acquiesce in these amendments, which they believe are justified.

Mr. THYE. In other words, their concern is that, without the amendments, the bill might not be passed at all, in which case these persons would not even receive the benefits provided by the bill as thus amended; is that correct?

Mr. CARLSON. Yes.

Mr. THYE. Will the Senator state what benefits will, under the bill as now amended, or as now proposed to be amended, be provided to such persons, as contrasted to the benefits which they otherwise would receive under the bill?

Mr. CARLSON. The first amendment, which already has been approved by the Senate, changes the schedule on page 2 of the bill, and provides for a straight 20 percent in the case of annuities not exceeding $1,500, and provides for a 10 percent increase in the case of annuities exceeding $1,500 in amount. In other words, such person would thus receive an increase to the extent of 20 percent in the case of annuities under $1,500, and an increase of 10 percent in the case of annuities in excess of $1,500.

Let me also point out that one-third of the civil service employees who are retired are presently receiving less than $50 a month.

Mr. THYE. Mr. President, I am sorry that I was called off the floor when the quorum call was in progress. That is why I was not in the Chamber when the Senator from Kansas commenced his remarks.

I now have before me a copy of the report on the bill. From it, I note that the present limitation is 10 years. I understand that the Senator's amendments would modify or change the bill, so as to make more certain that it will be enacted into law. Is that the position of the Senator from Kansas?

Mr. CARLSON. It is my sincere hope that, as thus amended, the bill will be enacted into law. I think these persons are entitled to consideration by the Congress. I assure the Senator from Minnesota that I shall do everything within my power to secure the approval of the bill, if it is passed by both Houses of Congress.

Mr. THYE. I concur in the statement the Senator from Kansas has made. There is need for such a bill, in view of the increase in the cost of living. We know very well that these retired persons cannot meet their obligations with the present allowance. Therefore, I have been a strong supporter of the bill.

Thus it is that I was somewhat alarmed when I heard of these amendments, and when they were agreed to, because at that time I did not know all the facts in connection with the bill, in view of the fact that I had not had an opportunity to study the report.

Mr. CARLSON. Mr. President, some years ago the Senator from Minnesota was a member of the Committee on Post Office and Civil Service. So he knows these problems, and he knows the needs of these people. He has always been a champion of their cause.

I hope he will help us get the bill passed by the Senate, inasmuch as the bill provides for a substantial increase in the allowances to be received by these persons. I know that such an increase is thoroughly justified.

Mr. THYE. I thank the Senator for giving an explanation of the amendments.

Mr. LAUSCHE. Mr. President, so that the RECORD will contain a full statement of the benefits received, may I direct the attention of the Senator from Kansas to page 7 of the report, and ask whether it is not a fact that Federal employees who served 40 years and over, now numbering about 19,063, as annuitants, are receiving an average of $246 a month?

Mr. CARLSON. I do not know.

Mr. LAUSCHE. That information is contained in the report.

Mr. CARLSON. I know, but the average for all civil service retired employees in the Nation is $133.

Mr. LAUSCHE. That is correct.

Mr. CARLSON. As I just stated, one-third receive less than $50 a month.

Mr. LAUSCHE. The report shows that employees who worked from 5 to 9 years, numbering about 14 percent of the total, are receiving $35 a month; employees who worked for 10 to 14 years, representing 13 percent of the total, are receiving $64 a month. Those are the ones that constitute what the Senator from Kansas has described as the one-third in number.

Mr. CARLSON. That is correct.

Mr. LAUSCHE. In the report there is a statement by the Civil Service Commission——

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator will allow me, I think I should call his attention, in view of the questions he is raising,

to the fact that the report, when it was written, was for the period up to June 30, 1956. All the figures have been greatly increased since the new retirement law went into effect. A great many employees were encouraged to retire because of the new law. For instance, on page 7 of the report the total number of workers given is 246,362. I believe at the present time the number would be pretty close to 285,000 or 290,000. The other figures should also be increased in proportion.

Mr. LAUSCHE. Has there been a hearing on the bill?

Mr. CARLSON. The Senator from North Carolina [Mr. SCOTT] who is the Presiding Officer at the present time, was chairman of a subcommittee, of which the Senator from Oregon and the Senator from Iowa were members, which held hearings and made a study of the evidence taken in the hearings, reported to the full committee, recommending that the bill be approved, and the full committee unanimously approved the bill.

Mr. LAUSCHE. I have asked for the hearings, and there has been delivered to me a transcript of the evidence taken on June 20 and 21, 1956. The information has been supplied that that transcript comprised the hearings. Is there no other testimony available on the bill pending before the Senate?

Mr. CARLSON. I do not know, but I do know the subcommittee held hearings with regard to increasing retirement compensation.

Mr. LAUSCHE. If hearings were held, where is the transcript of the testimony?

Mr. CARLSON. I shall have to check into that question.

Mr. LAUSCHE. The hearings are not available.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator yield, and if so, to whom?

Mr. CARLSON. I should like to reply to the Senator from Ohio. I am advised by the staff that hearings were held, not on this particular bill, but on a program for increased benefits to retired Federal workers. The subcommittee held hearings. The bill was referred to that subcommittee. The subcommittee recommended the bill, as did the full committee, I assume based on the hearings held the year before.

Mr. LAUSCHE. The only reason why I am asking the question is that the report states there is an $18 billion deficiency in the fund. If there be such a deficiency in the fund, I would begin to ask myself how we could justifiably increase the payments sought to be made. The report shows the fund is $18 billion in deficiency.

Mr. CARLSON. I understood the distinguished Senator from Ohio or another Senator would raise that question, and it is one that should be answered. The fund is lacking $18 billion of being actuarily sound, just as the social-security fund is about $90 billion actuarily unsound. Let us consider the figures relating to the fund. In 1950, employees paid into the fund $355,849,805.37. The Government paid out to those retired employees $266,499,636.17.

The same thing happened in other years. In 1951, employees paid in $374,872,990.23. The Government paid out $268,853,707.12.

Every year employees have paid into the fund amounts substantially more than what they took out.

In 1957, employees paid into the fund $640,522,470.98. The Government paid out $588,188,694.97.

On June 30 of last year the fund had reached the level of $7 billion. On June 30 this year it will be $8,800 million. The fund is not going to go backward. It is building up rapidly.

I ask unanimous consent to have printed at this point in the RECORD, a list showing the amounts for the years 1950 through 1957.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

These figures were obtained this morning from Warren Irons of the Civil Service Commission. He states that Congress appropriated funds for the civil service retirement fund for the fiscal years and in the amounts listed below:

	Paid out by Civil Service Commission	Appropriated by Congress	Employees' contribution
1950	$266,499,636.17	$304,508,880.64	$355,849,805.37
1951	268,853,707.12	307,117,455.27	374,872,990.23
1952	298,884,727.30	312,770,021.36	414,788,450.77
1953	361,207,314.00	325,304,154.19	420,034,454.57
1954	409,124,673.81	35,303,239.17	425,000,030.73
1955	427,795,126.63	33,678,729.94	440,284,578.45
1956	504,437,066.00	237,252,793.82	570,816,475.90
1957	588,188,694.97	525,000,000.00	640,522,470.98

Mr. JOHNSTON of South Carolina. It should be stated that the actuary takes into consideration the benefits which all employees would be entitled to under the law. It will be found that many employees pay into the fund for 5, 6, or 7 years, and then draw out their payments, with interest. That is all they get out of the fund. The Government matches 50–50 the amounts paid into the fund. The Government saves money when employees draw out what they have paid into the fund.

Another point that should be made is that in 1954, 1955, 1956, and 1957 no matching money was paid into the fund by the Government, and that money should have been provided. So the figures do not truly reflect what the situation is.

That is the reason why the provision was put in the Retirement Act that each department shall from its appropriation pay its share into the retirement fund, so that the fund will not be later endangered. As the Senator from Kansas will vouch, the fund cannot be considered strictly from the standpoint of business or from the standpoint of the actuary. That cannot be done in this particular instance. If that were done, the funds would never be used, because a great number of employees pay into the fund for 4, 5, 6, or 10 years, and then draw their money out.

Mr. LAUSCHE. Another problem should be weighed by Senators. On page 9 of the report appears the statement that—

Present annuitants who retired prior to October 1, 1956, contributed about $0.5 billion out of total employee contributions of $6.1 billions.

Present annuitants have already received nearly $2 billion in annuity payments, which means we have paid to them $2 billion, and they have paid in only half a billion dollars. Now it is proposed that we increase the sum.

My query is: What is going to happen with respect to all the other Federal employees who will retire in the future? How are we going to guarantee payments to them? Where will those funds come from?

Mr. CARLSON. I am glad the Senator brought up that point. Whenever we start a retirement fund, that problem arises. When we started social security, we had to take in people who paid only a very small amount, though everyone knew they were going to draw substantial amounts of money—even billions of dollars.

The same has happened with regard to the retirement fund. We cannot start the payments by asking people to pay in an amount sufficient to cover the payments. I am sure no one realizes that better than the Senator from Ohio.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. NEUBERGER. I should like to say one thing further for the record in defense of the able Senator from Kansas. I know of no one who is more scrupulous about fulfilling the procedural obligations placed upon us all than the Senator from Kansas.

A point was made by the able Senator from Ohio [Mr. LAUSCHE] concerning hearings. Hearings were held by the subcommittee under the chairmanship of the distinguished Senator from North Carolina, the present occupant of the chair [Mr. SCOTT]. It is true the hearings were not directly on a bill with the same number, S. 72, the bill which bears the name of the Senator from Kansas. Hearings were held on the program of the organization known as NARCE—the National Association of Retired Civil Employees.

That was the substantive issue being heard by the subcommittee. I am a member of the subcommittee. I backed the NARCE program. The bill introduced by the Senator from Kansas, S. 72, embodies the program which was originally recommended by the organization I have mentioned. Upon that program hearings were held.

The Senator from Kansas, by his own volition but with the concurrence and recommendation of the committee and officials of the NARCE organization, has modified his bill greatly, insofar as the demands it might place upon the fund are concerned.

I want to emphasize to the Senator from Ohio that hearings were held. Hearings were held on almost exactly the same issue as is embodied in the bill presented by the Senator from Kansas. Whether the bill had exactly the same number does not in any way diminish the

fact that we did hear the merits of the issue.

Mr. LAUSCHE. When were the hearings held?

Mr. NEUBERGER. Hearings were held in 1956.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. LAUSCHE. The hearings were held in 1956.

Mr. CARLSON. The bill was introduced January 3, 1957. The two items were under consideration practically at the same time.

Mr. DIRKSEN, Mr. WILLIAMS, and Mr. JAVITS addressed the Chair.

Mr. CARLSON. I yield first to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I want to address myself particularly to the distinguished Senator from Ohio [Mr. LAUSCHE].

Actually, the fund is composed of three items. First are the contributions of the employees. Second are the matching contributions of the Federal Government. Third is the interest on the money, when the Government takes the money out of the fund and invests it in Federal obligations.

In the years gone by, what has happened is that the employees have made their contributions, but in the years when the budget was a little on the lean side, for example, we owed the fund perhaps $600 million, but we might appropriate in such a year only $125 million, actually appropriating nothing by way of the Government's interest obligation. Therefore, year after year the Federal Government continued to owe the fund. It was only 2 years ago that the distinguished Senator from South Carolina [Mr. JOHNSTON] was successful in having that procedure revised. Now, in every appropriation bill there is placed an item for each agency which states that the Government owes so much to the retirement fund.

In the years when we failed to appropriate the amount which the Federal Government owed to the fund we fell further and further behind. That is why there is a deficiency today. If we look at the fund from the long-range actuarial standpoint, it really is set up as a commercial insurance company would contrive it, and we will find it will match up, provided the Federal Government will pay its obligations in the form of the matching funds plus the interest on the money taken out and invested in Federal obligations.

Mr. LAUSCHE. May I present for the RECORD information shown by the report. On page 9 of the report on the bill, it is stated that the employee contributions have been $6.1 billion; the Government appropriations have been $4.2 billion; the interest in investments has been $2.1 billion; and the benefit payments thus far have been $5.2 billion. That leaves a balance in the fund as of April 30, 1957, of $7.2 billion.

My query to the Senator from Illinois is this: If the fund is so weak, because of the failure of the Congress in the past to contribute sufficient sums, how can we justify weakening the fund still more by following such a procedure?

Mr. DIRKSEN. The answer is very simple. The good faith and credit of the United States Government is behind this fund. Sooner or later we must repair the deficiency in the fund. Since there are only X number of people each year who retire, and XY number who have retired, we discover, of course, that there is ample money in the fund.

At some future time—and that means year after year—we must contribute more money to the fund for the purposes of paying interest, and also for the matching obligations, if we expect to carry out our responsibility. That we have not done. We must do it. We can do it without jeopardizing the fund.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to explain one fact while we are in this discussion.

If the Senator will investigate the matter further, he will discover the fund we had available in 1957 is less than the fund available at present. The fund is increasing every month. The amount in the fund is going up and up. I venture to say that we have almost a half-billion dollars more now than is shown in the report to which the Senator is referring.

Mr. LAUSCHE. Where are the funds now, may I ask?

Mr. CARLSON. I will advise the Senator from Ohio that the fund is now invested in Government bonds, on which we have set the rate of interest. Every dollar that accumulates in the fund goes into United States Government bonds at an interest rate set by the Government itself.

Mr. JAVITS. Mr. President, will the Senator yield briefly?

Mr. CARLSON. I had previously promised to yield to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. As I understand the bill, as now amended, by the Senator from Kansas, it will provide for a 20-percent increase for all annuities from $1,500 or less, and 10-percent increase for that portion of the annuity which is in excess of $1,500.

Mr. CARLSON. The Senator is correct. The bill I introduced provided a 30-percent increase on the amounts $1,500 and under, which has now been reduced to 20 percent.

Mr. WILLIAMS. If the Senator will yield further, do I correctly understand that the increase in annuity is applicable to any annuitant who retired prior to October 1, 1956?

Mr. CARLSON. That is correct.

Mr. WILLIAMS. Therefore, a Government employee who retired on September 30, 1956, who was eligible for retirement benefits of $1,500, would, upon the enactment of the bill under consideration, receive a $300 increase, for a total of $1,800? Is my understanding correct?

Mr. CARLSON. That is correct.

Mr. WILLIAMS. What happens with regard to the annuitant who retired 24 hours later, who had the same amount of service with the United States Government, who paid the same amount to the fund, who worked in the same agency and sat across the same desk, who simply retired 1 day later?

Mr. CARLSON. I have an amendment which will correct the 1 day the Senator mentions, so that if the person retired October 1 he would be taken care of.

Mr. WILLIAMS. Then I renew my question, and I ask the question with regard to October 2, related to the same situation?

Mr. CARLSON. Then, of course, there would be a differential.

Assuming that these folks retired back in the 1920's, 1930's, and 1940's, and are getting retirement benefits not based on Public Law 354, which was passed in 1956, but that their retirement benefits go back to Public Law 369, I trust the retirement benefits will be more substantial. There will be an increase for those people.

Mr. WILLIAMS. I come back to my original question. Let us assume that a man retired on October 1 is eligible for $1,500. If the bill is passed, his annuity will be increased to $1,800. However, the man who worked in the same office, for the same agency, for the same number of years, who retired 24 hours later, although he had made the same contribution into the fund, would get $300 less. Is my understanding correct?

Mr. NEUBERGER. Mr. President, will the Senator yield to me, so that I may answer the question?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. NEUBERGER. I wish to invite one matter to the attention of the Senator from Delaware. In virtually every law there has to be stated some line of demarcation with respect to benefits. For example, the GI bill of rights provided very substantial educational benefits to men who served in the armed services, but had a termination date. A man who went in before the termination date qualified for the benefits provided under the GI bill of rights, but the man who went in the day after, who perhaps performed the same military service on the same post, or perhaps even at greater hazards, did not qualify.

If we are to have no termination date, or no line of demarcation in legislation, thousands of statutes will have to be revised.

Mr. WILLIAMS. I am not debating the merits or demerits of the termination date. I am asking a simple question, and I should like to have it answered in simple language.

Coming back to my question, suppose a man has worked in a Government agency, and retires on October 1, 1956. He is eligible for a $1,500 retirement. If the bill is enacted as it is proposed to be amended, he would be given an increase of $300, or a total of $1,800, while his associate, who worked in the same agency for the same number of years and made the same contribution to the retirement fund, but who retired 24 hours later, would receive $1,500. Is that correct?

Mr. CARLSON. That is correct; and no one knows it better than does the Senator from Delaware, who is a member of the Committee on Finance, and who knows that a person with an income of $3,000 is in a different tax bracket from the individual who has an income of $3,001.

Mr. WILLIAMS. Only to the extent of $1 is he in a higher bracket.

I do not question the point that there must be a termination date. I recognize that it can be changed from October 1 to October 2, or that the legislation can be made effective upon enactment. The point I make is, this piecemeal legislation, correcting one inequity but creating another. This type of piecemeal legislation always creates inequities.

That is the objection I made in talking with the Senator from Kansas and the Senator from South Carolina. I think we should deal with the retirement problem as a whole, and recognize that when we enact piecemeal legislation while we may accord benefits to one group, we create inequities in another field. I think the whole retirement situation should be reevaluated, not only with respect to those who have already retired, but with respect to those who are to be retired in the future. Then if we wish to grant increases, let us put a price tag on them, and either make an appropriation or an assessment upon those in the service, so as to keep the fund solvent. If the price is too high then meet the problem now.

Mr. NEUBERGER. We cannot increase the contribution rates in the case of those who have already retired.

Mr. WILLIAMS. Eventually we must either make appropriations into the fund, or assess the cost against those still on the payroll. This piecemeal type of legislation will only create further inequities. I think we shall have a job explaining to the Government employee who has retired since October 1, 1956, why he is not eligible for the same consideration. If we intend to make increases in the benefits, I think we must reevaluate the cost. Are we willing to face the cost of this bill which has been estimated as being over one and a quarter billion dollars?

Mr. NEUBERGER. The program which the Senator from Delaware proposes would be even more expensive than that which he is inferentially criticizing.

Mr. WILLIAMS. No. I say that those who favor enactment of legislation to give something to a particular group should put a price tag on it, and, whatever the cost, either appropriate the money to the fund, or make an assessment on the employees still in the service, in the form of an increased contribution. If we hesitate to accept or endorse the cost then we should vote against the bill. As the Senator from Ohio has pointed out this fund has now been committed to obligations totaling $18 billion more than its assets. This bill would increase those obligations another billion and a quarter. The bill makes no provision for the payment of the cost.

Such bills as this are always popular. Everyone is for them, but no one has the guts to include a price tag on them. That is the point. We are giving something away today; but a year or two later someone will have to come forward with a proposal to make an appropriation to keep the fund solvent, or raise the contribution by those who are still in the service. Many of those who are advocating the pending proposal will be here then pitying the poor taxpayer.

Mr. CARLSON. The Senator from Delaware has called attention to the date of October 1, 1956, stating that there will be some inequities. I admit that there will be some inequities. But we must bear in mind that the reason for this cutoff is that after October 1, 1956, retirees' annuities will be figured under the new Retirement Act of October 1, 1956, known as Public Law 854, which gives retirees a much more generous retirement privilege than they previously enjoyed. So this proposal is not quite as bad as it has been represented. However, there will be some difference.

Mr. WILLIAMS. It may not be the full $300; but the situation is substantially as I have stated it.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. JAVITS. Addressing myself to the views of the Senator from Delaware, which I deeply appreciate, I believe that the factor which we must understand is the morale factor with respect to the Government employee.

I will vote for an appropriation if we must vote one, because I think it is indispensable to pass the bill, in the interest of the present employees, who will see whether or not the Congress intends to honor what the Senator from Illinois has called the good-faith change in the retirement system, or whether we are to be constantly watching the actuarial result, regardless of what it means to the morale of the employees.

As one Senator who supports this measure, let me say that at any time the Senator from Kansas or the Senator from South Carolina afford the leadership, I shall be glad to vote the necessary appropriation to implement what we are doing today.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. WILLIAMS. I think the Senator from New York has made a statement which should be in the minds of all of us. Certainly if we are to pass the bill, we should be willing to take the responsibility of seeing that the fund is kept solvent by putting a price tag on the cost and being willing to vote either for an appropriation or for an increase in the contribution from those still on the payroll. Someone must pay for this extra allowance. Who?

The Civil Service Commission says that the enactment of the bill as reported by the committee would necessitate additional appropriations of $1,240,000,000.

Mr. NEUBERGER. That amount has been substantially reduced by the amendments offered by the Senator from Kansas.

Mr. WILLIAMS. The amendments offered by the Senator from Kansas would bring about a reduction of about 25 percent and thereby reduce the cost to about $800 million. Still there is no provision to raise this money. This is a trust fund we are dealing with. Its solvency must be maintained. We in Congress are the trustees of these trust funds.

Mr. CARLSON. The bill as reported from the committee would have involved taking $119 million for the 3-year period out of the civil-service retirement fund. The bill as proposed to be amended would involve an amount of approximately $85 million.

Mr. WILLIAMS. There would be a reduction of about 25 percent in the benefits proposed in the bill as originally reported.

Mr. CARLSON. Yes.

Mr. WILLIAMS. So about $800 million will be required to be appropriated. That is the point I was making before. If we do not intend to place the burden of the $800 million cost on the present employees to pay for possible benefits, why do we not face the issue and bring forward a bill providing for an appropriation of $800 million into the fund, so that there will at least be a commitment that the money will be appropriated as it is needed?

Otherwise we are giving a false promise. I think the Congress will live up to its obligation. There is a moral obligation on the part of the United States Government, and it should be recognized as such. But I do not think we should pass a bill containing $800 million worth of benefits for a certain group of Federal employees and not make any provision for putting up the money to pay for them. This bill does not provide the money to pay for the increased benefits.

Mr. CARLSON. The Senator has called attention to one of the problems confronting us when we vote for legislation providing increased pay or increased annuities for retirees. This is a Senate bill. It must go to the House of Representatives, and I assume it will receive every consideration there. Probably it will go to conference. The Senator has made a record which calls attention to something which should receive consideration. I am just as much concerned over it as is the Senator from Delaware. This is one of the fiscal problems, not only with respect to this fund, but with respect to other funds of the Government.

Mr. WILLIAMS. I have talked with the Senator from Kansas. We in Congress not only have a moral obligation to recognize the needs of these people today, but we have an even greater moral obligation to maintain the solvency of the fund for the employees who are paying in their contributions. This is a trust fund. We have no moral right to dip into it to the tune of $800 million and give it to some particular group, regardless of the merits of the claim, without providing some means to maintain the solvency of the fund.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. PURTELL. I commend the distinguished Senator from Kansas for presenting this piece of legislation.

I am happy to hear the Senator from Delaware say that we have a moral obligation to meet this need.

I invite attention to the fact that the annuitants covered by the pending legislation were retired on the basis of a pension of 1½ percent per year for each year of service. Those retired after

October 1, 1956, are retired on the basis of a pension of 2 percent per each year of service.

I invite the attention of the Senator from Delaware to the fact—and I am sure he understands it—that the salaries of those retired prior to October 1, 1956, were substantially lower than those retired subsequently. The salaries paid at present are substantially higher. So 2 percent on present salaries is substantially higher in dollars than pensions of even 2 percent on the salaries paid those covered by this bill. I am in favor of the bill. I believe it is a necessary bill. I am glad that the Senator from Delaware feels that there is a moral obligation to be discharged. I say let us discharge it. Let us pass the bill.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I should like to make one comment on what the Senator from Delaware has said. I recognize that he feels a great responsibility for the fiscal solvency of the Government. I hope he recognizes the fact, also, that he is not alone in that feeling. I was one of the Senators on the other side of the aisle from him who voted the other night against all the tax-revision and reduction proposals which came before us.

In addition to that, Mr. President, I did my best to lead the fight to increase the postage rates to a realistic figure. One of the reasons I did it was that my service with the Senator from Kansas, who has been championing retired and other Federal workers, has helped convince me of the obligations we have both toward increasing the fund and eliminating injustices and inequities. Therefore I would have the Senator from Delaware know that there are other Senators who are also willing to be fiscally responsible in this matter.

Mr. WILLIAMS. Mr. President, I do not question that statement at all. I know that the Senator will agree, however, that the greatest satisfaction that a retired employee can derive from his pension is the knowledge that the pension fund will pay him his benefits over a period of years regardless of how long he lives. It is his confidence in the solvency of the Government and the fund that is most important. That is why I say we must do everything we can not to disrupt that confidence or break it down.

Certainly the amount is important, also, but the confidence that it will be paid is even more important.

Mr. NEUBERGER. If the employee's pension remains as small and inadequate as some of them have been in the past, his chief worry will not be with the continuation of his pension but with the expansion of it.

When the Senator from Delaware thinks about the recitation which the Senator from Kansas made of what the sad level has been of some of the payments to annuitants, he must recognize in his heart that they must be enlarged for those people.

Mr. WILLIAMS. I am not questioning that point at all. I say that we must also be realistic that the averages computed on the pensions are broken down to a large extent by a substantial number of Government employees who have perhaps 5 or less than 10 years of employment when they retire. It is based upon a year's payment. With all due respect to the Senator from Oregon, we must admit that we do maintain a rather liberal retirement system. I believe we should maintain such a system.

I was a member of the committee in 1948 when we wrote the retirement act in that year. I thought we did have then, and I still think we have now, a good, sound retirement system. I want to keep it sound. If Congress is going to make these increases, I say let us also be willing at the same time to say how we are going to pay for them. In reading the report of the committee, it is obviously the intention of the committee that the extra cost to the fund will be paid for by future appropriations made by Congress. Is that correct?

Mr. CARLSON. After 3 years.

Mr. WILLIAMS. In the meantime, how will the increase be paid?

Mr. CARLSON. It will come out of the fund.

Mr. WILLIAMS. In other words, from the present employees. Is that correct?

Mr. CARLSON. Out of the fund.

Mr. WILLIAMS. That means present employees. I believe that we should attach a price tag to this bill. Then if we had before us an appropriation for $1,240,000,000 along with the bill, I believe we would look at the whole subject a little differently.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LANGER. I should like to say to my good friend from Delaware that I have never been on a committee which worked harder on this very intricate matter of compensating retirees than has this committee. The Senator from Oregon [Mr. NEUBERGER] did an outstanding job as chairman of his subcommittee. The Senator from Kansas [Mr. CARLSON] was very much interested in the solvency of the fund. The distinguished Senator from Delaware mentioned 1948. I remember that there were 5,000 widows—and the Senator from Delaware was on the committee at the time—who wanted to be included. Our committee reported a bill which included the 5,000 widows among the retirees. They were getting the great sum of $50 a month, which is a starvation amount. On the floor, the late Senator Taft led the fight against the 5,000 widows. He made the same argument that the Senator from Delaware is making today, with respect to the solvency of the fund. The result was that the widows were left out of the bill. Some of the most pitiful letters that I have ever received in my life came from those widows, as the Senator from Kansas knows. The Senator from Kansas has stated that there may be some inequities. Of course that is true, but by and large, and considering all the time we spent on the bill, I believe it is a good bill. We did a pretty good job in solving the problem and taking care of the situation.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. WILLIAMS. The record should be kept straight, Mr. President, and I am sure that the Senator from North Dakota wishes to keep it straight. He said that one of the major objections to the bill was raised by the late Senator Taft. The major objection before the Senate was not on the question of bringing in the 5,000 widows. The major objection to the bill, and one which was eliminated on the Senate floor, was a provision in the bill which would have made it mandatory for the United States Government to refund to any employee who lost his job by virtue of separation all the contributions that he had made into the fund, while at the same time receiving all the retirement benefits that any of the other employees would have. We were successful in taking that provision out of the bill. After that action was taken on the floor of the Senate, all the employee organizations in the country agreed that it saved their retirement system. Had that provision of the bill as reported by the committee in 1948 not been eliminated it could have wrecked the system. That one section would have cost $2 billion, had it not been taken out.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. DIRKSEN. The distinguished Senator from Delaware used a very expressive word when he said we ought to have the "guts" to make sure that the fund is solvent.

I served on the Independent Offices Subcommittee in the House for several years, and I serve on that subcommittee in the Senate. It has jurisdiction over the Civil Service Commission. The Civil Service Commission has jurisdiction over the retirement fund.

I recall that in the years when we should have appropriated $750 million or more, the Budget recommendation was, perhaps, $125 million. The result was that we were six hundred million or seven hundred million dollars short in discharging the responsibility of the Government to the fund. We inquired of the people who have administered the fund year after year, and they would say, "Let us not insist on putting this money in the appropriation bill, because if we do that it is going to reduce the surplus, or it might jeopardize the solvency of the budget in the sense that we might get to a deficiency stage."

We have toyed with the idea for a long time. When it comes to using some guts, I believe it is the responsibility of Congress to do it.

There is another story that has to be told on this matter. I have no recollection that at any time anyone offered an amendment on the floor of the Senate to include the requisite fund over and above the recommendation of the subcommittee. If we put in $125 million, when we owed $750 million, I do not remember that any Senator said, "I offer an amendment to increase the contribution to the Civil Service Retirement Fund for the next fiscal year by $600 million, to bring Uncle Sam into line on his matching responsibility." Any Senator could have done that.

So far as solvency is concerned, referring now to the Federal Government,

what is proposed does not jeopardize the solvency of the Government. I do not expect the Government to capitulate tonight. I do not expect it to be liquidated 100 years from now. I do not expect that to happen so long as the Government has the taxing power. So long as we have the power to tax, we can tax, even to the point of destroying, if we have to, to make sure that those who are entitled to retirement will receive their just compensation.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. SMATHERS. I am grateful to the Senator for yielding to me. I wish to congratulate the Senator from Kansas [Mr. CARLSON] for sponsoring the pending bill.

While I, like many others, would like to have a greater increase go to our retired civil service workers, nevertheless I believe the Senator from Kansas has taken a very realistic and sane viewpoint, and I am delighted to be able to say that I shall support him.

I recall, many years ago, when I was privileged to serve on the House committee with the able Senator from Kansas, that the same question of actuarial soundness came up. In efforts to resolve the problem, the committee obtained the services of Mr. Kaplan, an expert in the actuarial aspects of retirement programs. Mr. Kaplan had the assistance of two or three other experts in this field to serve with him. They considered the problem which the Senator from Ohio has raised, as to whether the fund was actuarily sound. After studying the problem for about 10 months, they reported to us that actuarily sound means that if everyone on the civil service rolls were to retire at the same time, there should be enough money in the fund to meet its obligations. Obviously no such rigid test as that should be applied because it neglects to consider the practical application of the program.

Actually, as the program works, as a few people retire, a greater number of new employees paying premiums are coming in at the other end. It is a continuing operation with the period of payment of annuities varying, depending on the life span of the individual. I feel the program is actuarially sound now and will grow stronger financially with the passing of years.

The Senator from Kansas has demonstrated by his figures that more money is coming into the fund now, although the Federal Government is not meeting its commitment. Nevertheless, the payments into the fund are running far ahead of the payments out of the fund. There is no doubt in my mind that the particular increase about which the Senator from Kansas has spoken will not jeopardize the long-range soundness of the fund.

I hope that this particular amendment will be adopted. There is no great danger so long as we recognize that the Government eventually will have to meet its obligation. I for one shall be prepared at any time to vote for additional sums to enable the Government to carry out its responsibility to this class of deserving senior citizens.

I congratulate the Senator from Kansas for his efforts in behalf of the civil-service retirees. There is none more deserving.

I am very familiar with and have long been acutely conscious of the plight of these senior citizens who have devoted the best days of their lives in rendering faithful service to the Federal Government. Today many of them are finding it difficult to exist because of the continuous rise in living costs. Now in their advanced years many of them are sick and disabled and look to the Government which they served so well to render justice in the twilight years of their lives. We in the Congress have a moral responsibility to them when it is realized that when they purchased their annuities it was done with 100-cent dollars and are now being paid back with dollars which have decreased by more than 50 percent in purchasing power.

I am happy the bill has been called up for consideration. This action is long overdue. The legislation may not be perfect but I believe it is the most sensible and logical solution of the problem with which we are faced. I had hoped it would be possible to provide a greater increase for these senior citizens but under the present circumstances feel that the best possible legislation is before us now. I am delighted to be able to support it and feel confident it will be overwhelmingly adopted by the Congress.

Mr. NEUBERGER. Mr. President, the enactment of S. 72, as amended by the able Senator from Kansas, will bring a measure of long overdue financial assistance to our retired Federal employees who are dependent on their annuity payments. As a member of the Committee on Post Office and Civil Service, I consider it a privilege to have shared in the effort which has brought this bill to the floor.

Not only will the measure help the thousands of retired Government employees, it will enable thousands of others nearing retirement age to feel more secure when the day comes that they, too, are annuitants. The measure is another step in making continued Federal service attractive to loyal Government employees. No Federal employee could look forward to retirement, knowing that his income would be grossly inadequate if he expects to maintain a decent standard of living.

For those retired employees who know the pitiful struggle of stretching their few dollars over the ever-mounting costs of food, doctors, hospital, home payments, and clothing, S. 72 provides only elemental justice.

Mr. President, I spent the past fall in my home State of Oregon. As I went from town to town, I talked to scores of Federal retirees. Many told me the stark facts of how sacrifice, privation, and need had become the daily attendants of people living on a Federal annuity. It could hardly be otherwise.

Of the 250,000 former Federal employees on the retirement rolls, some 50,000 are today receiving approximately $50 a month. Another 50,000 receive between $50 and $100 a month. Another 50,000 receive between $100 and $150 a month. Three-fourths of the retired Federal employees today receive less than $150 a month. The average for all is $133 a month. The plight of their survivors is even worse. Some 65,000, out of the total of 75,000 survivors, receive less than $100 a month. And, bordering on the disgraceful, survivor benefits to children average a little over $20 a month.

This is the sad story of the retired employees who worked for the greatest government in the world. That is why, by passing S. 72, we must assure these former employees that they are not a forgotten group.

Federal personnel deserve a modern and adequate retirement program which should not only equal the programs of private industries, but, in fact, should serve as a model. In recent years the reverse has been true. Retired Federal workers and their survivors have been placed at a great disadvantage because the money they paid into the retirement system was in the form of dollars which, judged by the present high cost of living, have greatly decreased in value.

It is difficult to imagine any real opposition to the measure to increase annuities. Surely we would not demand such heavy sacrifice in this budget-conscious world from those least able to make further sacrifices.

A few days ago the Senate passed a postal pay bill and a classified pay bill. We have a genuine moral obligation to pass the bill introduced by the Senator from Kansas [Mr. CARLSON], S. 72. Those who have faithfully served must not be forgotten in their hour of need.

Mr. President, I have received scores of letters from retired Government employees urging support of the bill and describing their acute need. I ask unanimous consent that several representative and effective letters I have received be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ASHLAND, OREG., *January 24, 1958.*

Hon. Senator NEUBERGER,
Washington, D. C.

DEAR SENATOR: As you are a member of the Post Office and Civil Service Committee may I ask a favor of you? I am a member of NARCE, Chapter 134, Medford, Oreg. I spent 31 years as a postal clerk. On the present annuity we can hardly meet our bills on the rapid increase of the cost of living. Will you do what you can to help pass S. 72? I wish to thank you at this time for your work in the past in our behalf.

Now may God bless you in your work.

Sincerely,

JOHN L. HUGHES.

PORTLAND, OREG., *January 20, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am a retired Government employee trying to live on a fixed income—my annuity, which has been drastically reduced by inflation.

I am asking you to do your very best by a stiff fight to get early action on S. 72, which contains an increase in our annuities the way we asked for it. Our bill will not require an appropriation and it will not increase the national budget. It is now over

a year since 150 similar bills were introduced in the House and in the Senate so as to give us the relief we deserve and we have been patiently waiting for action in the House and in the Senate. Public Law 854 of the 84th Congress assures the perpetual integrity and solvency of our retirement fund which is steadily increasing each month and it is now over $7,700 million, and because of this we do not ask for charity from the taxpayers. We retirees bought our annuity with good sound 100-cent dollars which we were required to contribute to the fund every payday, by deduction, and now the fund is paying our annuities in depreciated 49-cent dollars.

Again asking you to do your very best to get early action on S. 72, I remain, with kindest regards,

Yours very truly,

MARIE P. DALKE.

PORTLAND, OREG.,
January 21, 1958.

Senator NEUBERGER: Am writing to ask you to do your best to work for retirement bill, S. 72, which contains an increase in annuities for us retired folks.

Inflation getting more terrific right along. A friend told me recently that haircuts in Los Angeles, Calif., now are $2. The way they charge for steaks nowadays it's not for retired folks that's for sure. Unemployment also going up.

Sure hope retirement bill passes this time. Also would be glad to see regular postal employees get well-deserved raise, and I know you also do.

Respectfully,

C. E. EKVALL.

P. S.: Am a retired railway postal clerk. Over 40 years on road from Portland to Seattle. Retired on account of coronary thrombosis. Enjoy helping out at Air Force Filter Center in Masonic Temple.

MCMINNVILLE, OREG., *January 8, 1958.*
Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: As president of Yamhill County Chapter No. 563, NARCE, I again want to thank you for your cooperation during the last session, in our behalf for increased annuity and I trust that we may again receive that same cooperation in this new session.

We are hopeful that we may be successful in securing the much-needed increase.

Yours,

ROY J. SHIRES.

PORTLAND, OREG., *January 21, 1958.*
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: I am a former postal employee. I was appointed substitute railway postal clerk on January 11, 1904. I was actively interested in the Retirement Act of August 20, 1920. I felt a great sense of relief (inasmuch as I could not save much out of my salary) that my wife and I would still have an income to provide for our living expenses after retirement.

Now on account of this terrible inflation I find we cannot afford even some of the necessities, what with the high costs of doctors and hospitals.

I want to thank you, Senator NEUBERGER, for your wonderful help last year to get S. 72 reported out of committee, and that I am mindful of your fine efforts in this worthy cause.

I hope we can get an early vote on S. 72 so we will not be caught again in that last-day rush. S. 72 is more acceptable than H. R. 607 (House bill).

Thanking you again for your past kind consideration.

Respectfully yours,

W. G. BECK.

PORTLAND, OREG., *January 23, 1958.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Now that the Congress is again in session I wish to again have your support on legislation to increase the annuities of retired Federal civil service employees to restore the purchasing power of the dollar put into their retirement fund, which has now been lost through inflation.

Some of us are feeling the inflation pinch quite badly and our living standards have been lowered to the extent that we have been reduced to bare necessities. My medical and hospital expenses, alone, are averaging around $30 per month. House repairs and general upkeep are perforce being neglected.

We therefore request that you use your substantial influence with your committee to bring about immediate hearings and early floor action on bill S. 72 or an equally good bill.

Mrs. Rache joins me in wishing you and Mrs. Neuberger a happy and prosperous 1958. We fully appreciate the work both of you have done in our behalf.

Sincerely yours,

A. S. RACHE.

PORTLAND, OREG., *January 21, 1958.*
Hon. R. L. NEUBERGER,
Washington, D. C.

DEAR SIR: As a retired rural carrier, I am asking your support for S. 72, to increase our annuities.

As you well know, the dollars we have put in are not the dollars we have to spend for living in these days of high-cost living.

Any support you can give this bill will be appreciated very much.

I also am in favor of the bill to increase Federal employees' salaries.

Knowing the work you have done in the past in regard to these matters, I am sure you will help.

Yours truly,

FRANK J. WALWORTH.

PORTLAND, OREG., *January 4, 1958.*
Senator RICHARD L. NEUBERGER,
Washington, D. C.

DEAR SIR: We members of NARCE in Oregon are counting on you. My case is as follows: I'm a 73-year-old woman, the survivor of a post office clerk whose years of service extended from 1906 to 1939. Since his death on January 4, 1957, I have received an annuity of $52 a month. A year of managing on such an income has proven that I am certainly going behind. For me the early passage of S. 72 and early amending of H. R. 607, so that it will be a just bill, is vitally important.

We appreciate your efforts in our behalf, and the encouragement you gave us while here this year.

Sincerely yours,

EDITH A. EVANS.

MEDFORD, OREG., *February 21, 1958.*
Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR MR. NEUBERGER: Thank you for your letter of July 25, 1957, relative to benefits in annuities for retired civil employees, and also your letter of September 23 last, explaining that the efforts of you Democrats both in the Senate and the House were blocked. I sincerely appreciate your efforts in our behalf and your courtesy in the later letter and should have written you my thanks long ago. However, at that time my husband was in a very critical condition from a heart attack suffered June 26 and I could think of nothing else but his care. Now we are very happy to report that he is recovering satisfactory and we are able to resume a normal life.

Again, I wish to request your further effort to put bill S. 72 through successfully as our need still exists for the cost of living is far above our annuity and we hope that this bill will succeed. It is a wonderful bill and would certainly make living easier for us.

You are doing a very fine job in the Senate and we are very proud of all our Democrats both in the Senate and in the House. Your newsletters from you and Mrs. Neuberger are enlightening and we are so glad to receive them regularly. Thank you again for your continued effort in the behalf of the retired civil employees' annuities.

With kindest personal regards to you and Mrs. Neuberger, I am,

Sincerely yours,

LULA G. WATSON.
Mrs. Lula G. Watson.

Mr. NEUBERGER. Mr. President, I join with the other Senators who have commended the Senator from Kansas for bringing forth the bill.

The U. S. News & World Report for August 3, 1956, published a very effective table in support of the type of bill which the Senator from Kansas has brought before the Senate today. The report shows that, of all groups in the entire economy, those whose purchasing power has been most adversely affected since 1939 are the retired Federal Government workers. I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SALARIES OF FEDERAL EMPLOYEES

People who really have prospered in 17 boom years

THESE GROUPS ARE GETTING BIGGER "REAL" INCOMES

	Change from 1939 (percent)
Coal miners (bituminous)	up 107
Farm laborers	up 89
Cigarette-factory workers	up 84
Lumber workers	up 73
Paper-mill workers	up 65
Textile workers	up 64
Investors in stock [1]	up 63
Furniture makers	up 59
Metal miners	up 59
Chemical workers	up 58
Steel, copper, aluminum workers	up 56
Metal-product workers	up 56
Cannery workers, others in food processing	up 51
Machinery makers (nonelectrical)	up 43
Shoe-factory workers	up 46
Meatpacking workers	up 47
Farmers	up 46
Petroleum-refinery workers	up 43
Machinery makers (electrical)	up 41
Tire-factory workers	up 40
Aircraft-factory workers	up 39
Oil- and gas-field workers	up 36
Schoolteachers	up 36
Printing, publishing employees	up 32
Garment workers	up 31
Cleaning, dyeing workers	up 28
Retail clerks	up 24
Electric-, gas-company employees	up 24
Railroad workers	up 24
Laundry workers	up 23
Coal miners (anthracite)	up 22
Auto workers	up 20
Telephone employees	up 16
Federal Government workers	up 14
Veterans on compensation [2]	up 4

[1] Average return on securities bought in 1939 and held to date.
[2] Married veteran with no dependents.

THESE GROUPS ARE GETTING SMALLER "REAL" INCOMES

Bondholders[1]	down 49
Retired Federal Government workers	down 13

[1] Average return on securities bought in 1939 and held to date.

NOTE.—After allowing for taxes and for changes in the value of the dollar.

Mr. JOHNSTON of South Carolina. Mr. President, it distresses me to see amendments offered designed to reduce proposed increases in the benefits of former employees now on the retirement rolls. These senior citizens of ours devoted their working lives to the Federal service, and they looked forward to an income, during their years of retirement, adequate to take care of the necessities of life.

Unfortunately, because of inflation, that has not been the case. The benefits of these employees are based on preinflationary salaries, and thus they receive comparatively small amounts per month. Yet, they are required to pay for food, clothing, and to provide the other necessities of life at existing inflationary prices. Hence, they are faced with a situation over which they have no control. Their problems can be solved only by Congress. The solution lies in giving them an increase that is justified and necessary.

Mr. President, I think the increases provided in S. 72 are modest at best. To reduce them at this time will still leave many of our retired people in straitened circumstances. Personally, I do not subscribe to the policy of reduction merely because of administrative threats. I believe in doing what is right and what is just, without regard to what the administration says it will accept.

I firmly believe the increases provided by S. 72 should be approved. If it then develops that they are found to be unacceptable to the President, I would suggest that, as a matter of fairness, we should have an opportunity to override a veto, if it should come. If that effort should fail, we could then consider, promptly, a new bill, and we could keep that procedure up until our efforts meet with success.

In recent years, we have gained more and more experience in matters of this kind. It is becoming customary, under this administration, to pass several bills before our action is made to stick. Look at the pay bills that have been vetoed. Look at other equitable bills that have been disapproved. While the record of this administration is discouraging, it does not stop me from supporting legislation that I think is justified. In this instance, I am satisfied that S. 72 in its original form is completely justified.

However, since the junior Senator from Kansas [Mr. CARLSON], is seeking to modify his own bill, and I am informed this is the only way in which we can obtain immediate action on this long overdue measure, I will interpose no objection to the amendments.

Mr. MALONE rose.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. MALONE. Mr. President, I shall defer my remarks until Senators who wish to speak on this subject have finished.

The PRESIDING OFFICER. Under the agreement reached, the Senator from Wyoming [Mr. O'MAHONEY] will be recognized after the vote has been taken on Senate bill 72.

Mr. LAUSCHE. Mr. President, the Civil Service Commission, in a letter dated June 26, 1957, addressed to Hon. OLIN D. JOHNSTON, and comprising practically 5 or 6 pages of the report, recommended vigorously against the passage of the bill. The Commission pointed out, as appears on page 8:

> Employee deductions, and agency contributions alone will not prevent further growth of the deficiency. Unless direct appropriations are also made (and no appropriation is included in the budget for fiscal year 1958), the deficiency will continue to grow at a rate of more than one-half billion dollars a year. Any increase in annuities, unless financed by appropriations, will add materially to the present deficiency of about $18 billion.

That is the language of a letter contained in the report of the committee, the report recommending the passage of the bill.

I yield to no one in the Senate in compassion for my fellow men. I want to help the widows of retired public employees, but I want to do it under a program that is economically sound. This bill covers about 250,000 retired Federal employees.

As lightly as it is sought to be done, one cannot refute the statement in the letter contained in the report that there is a $18 billion deficiency in the fund.

It is said that a bill will be passed which will take care of the deficiency. I respectfully and humbly ask Senators to meditate on that proposition. How will it be done? Where will the funds come from eventually? There is a debt of $275 billion. We contemplate reducing taxes and increasing spending. Where will we finally land?

When one reads the report, except for the recommendation of the committee, he finds that it contains practically no word supporting the proposal in the bill about to be passed.

I shall read a bit further from the letter of the Civil Service Commission, on page 3 of the report:

> As the central personnel agency for the Federal Government and as administrator of the civil-service retirement system, this Commission recognizes its responsibility for (1) timely and realistic appraisal of benefits of retired Federal employees and their survivors and (2) recommendation for adjustment when warranted.
>
> Realism is the keynote of our policy in this regard. We cannot endorse further upward adjustment of existing annuities unless the additional cost to the taxpayers of our Nation is clearly justified.

The Civil Service Commission said that the taxpayer's burden in meeting this obligation is not justified. Yet the greatest deliberative body in the world will say, "Yes, it is; we will make the increased award. There is an $18 billion deficiency each year, and the deficiency will grow at the rate of $500 million annually. But that does not concern us. We assert the problem is simple. We will meet it easily."

Mr. President, talk to the taxpayer and ask him if it is as simple as we pretend it to be.

I wish to subscribe to what the Senator from Delaware has said. Day by day we are voting new expenditures. We find solace in the fact that we delay their payment by 3 years or 5 years. But the day of reckoning will come, Mr. President; and then all the things about which we speak so highly may come to an end.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The question is on agreeing to the amendments submitted by the Senator from Kansas [Mr. CARLSON], which, without objection, will be considered en bloc.

The amendments were agreed to en bloc.

Mr. CARLSON. Mr. President, I offer the amendment which I now send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, in line 3, after the comma, it is proposed to insert the words "on or."

Mr. CARLSON. Mr. President, the reason for the amendment is that an employee who might have retired on September 30, 1956, and whose annuity might have begun, therefore, on October 1, 1956, would not be included, unless the word "on" is added.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. WILLIAMS. Mr. President, I shall not object; but I should like to ask a question: If we advance the date by 1 day, then a man who retired on October 2 would be left out, would he not?

Mr. CARLSON. A man who retired after October 2 would receive his pension or annuity based on Public Law 854.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 72) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 72

An act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes

Be it enacted etc., That (a) (1) the annuity of each individual who, on or prior to October 1, 1956, was receiving or entitled to receive an annuity from the civil service retirement and disability fund shall, in addition to any increase in such annuity heretofore provided by law, be further increased, effective on the effective date of this act or on the commencing date of the annuity, whichever is later, by an amount equal to 20 percent of the portion thereof which does not exceed $1,500 and 10 percent of the portion thereof which exceeds $1,500.

(2) No increase provided by paragraph (1) of this subsection shall exceed $600 per annum for any individual or be computed on

any part of the annuity purchased by voluntary contributions. The monthly installment of each annuity so increased shall be fixed at the nearest dollar.

(3) The increase in annuity provided by paragraph (1) of this subsection, when added to the annuity to which such individual is otherwise entitled under the civil-service retirement laws, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled under such laws as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing $1,200 by a number equal to the number of children then currently receiving annuities.

SEC. 2. (a) The limitation contained in the next to the last sentence of section 8 (d) (1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955 (69 Stat. 692; Public Law 369, 84th Cong.), shall not be effective on and after the effective date of this act.

(b) On and after the effective date of this act—

(1) each increase in annuity provided by subsection (d) (1) of section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, when added, prior to the application of the increase provided by the first section of this act, to the annuity to which a retired employee is otherwise entitled, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing $1,200 by a number equal to the number of children then currently receiving annuities; and

(2) section 8 (d) (2) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, shall not be effective except that the foregoing provision of this subparagraph (2) shall not deprive any survivor who becomes entitled to annuity of any increase for which such survivor is eligible in accordance with such section 8 (d) (2) as enacted by the act of August 11, 1955.

SEC. 3. The widow of an employee where such employee had completed 10 or more years of Federal service and was subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, at the time of his death, on or before April 1, 1948, while in the service of the United States or retired from such service, on or before such date, if such widow had been legally married to such employee or retiree for a period of at least 5 years prior to his death and was not entitled to any annuity based upon the service of such employee or retiree under any other provisions of such act and has not remarried, shall be entitled to receive an annuity equal to one-half of the annuity to which such employee or retiree would have been entitled to receive or received, but not to exceed $600 per annum. Any annuity granted to a survivor under this section shall commence on the first day and month following the month application therefor has been duly filed with the Civil Service Commission, and shall cease upon the death, or remarriage, of the annuitant.

SEC. 4. The annuities and increases in annuities provided by this act shall be paid from the civil service retirement and disability fund; but such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the United States Civil Service Commission, of such annuities and increases in annuities for such fiscal year. For any fiscal year for which such appropriation shall not have been made, the preceding sections of this act shall not be in effect and annuities and increases in annuities within the purview of this act shall be determined and paid in the same manner as immediately prior to the effective date of this act and as though this act had not been enacted.

SEC. 5. This act shall take effect on the first day of the second calendar month following the date of enactment of this act.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCTS COMMERCE

Mr. O'MAHONEY. Mr. President, I move that the Senate resume the consideration of the unfinished business, which is Calendar No. 706, Senate bill 1356.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment.

Mr. O'MAHONEY. Mr. President, the bill was placed on the calendar of the United States Senate on July 18, 1957.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. MALONE. Mr. President, I shall wait until the Senator from Wyoming concludes.

Mr. O'MAHONEY. Mr. President, if the Senator from Nevada will be kind enough to indulge me long enough to permit me to make a statement explanatory of the bill, then I shall yield.

Mr. MALONE. I shall be happy to do so.

Mr. O'MAHONEY. Mr. President, I was about to say that the Senate Committee on the Judiciary reported the bill, with a favorable report, and also with some minority views, on July 18, 1957.

The bill is intended to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

There has been deep-seated and widespread misunderstanding of the purposes and the effect of this measure. I know, of my own knowledge, that representatives of the American Meat Institute and representatives of the big meatpackers have traveled the entire countryside, have attended conventions of stock growers in various States, and have been trying to persuade the livestock growers of the Nation that the meatpackers are their best friends. How absurd and how silly that argument is, was clearly demonstrated on the television last Sunday night, during the famous Meet the Press program, when the Defense Minister of Western Germany, Mr. Strauss, as I recall, appeared before the interrogators of the press. One of the interrogators, the amiable and very able May Craig, who has a nationwide reputation, asked Mr. Strauss, "Why is it that you Western Germans have not told the Soviet Government what you will accept for a settlement?"

His answer was, "I never knew a farmer who had a cow to sell who would tell the buyer the minimum price that he, the farmer, was willing to take, nor did I ever know the purchaser of a cow to tell the seller the maximum price he was willing to give."

But, Mr. President, strange though it may seem, the big packers have traveled up and down the land in an attempt to persuade the livestock growers—those who raise cattle and sheep—that they can safely rest their fate, their commercial success or failure, in the hands of the big packers. Mr. President, the record before us is a demonstration that that is a mistaken conclusion.

But there is another factor in this situation, Mr. President. I have before me statements which demonstrate conclusively not only that there is a misunderstanding, but also why there is a misunderstanding, of the meaning of the bill.

This evening I shall make only a few brief remarks. I shall do so without suggesting the absence of a quorum and having a quorum call, because I know that the Members of this body read the CONGRESSIONAL RECORD.

I wish to have the RECORD show that the purpose of the bill is—not to take any jurisdiction from the Department of Agriculture, but to restore to the Federal Trade Commission the power it originally had to enforce the Federal Trade Commission Act and the Clayton Act against packers, as well as against all other dealers in commodities which come within the jurisdiction of that body.

Nothing in this bill was devised with the intention of taking away from the Department of Agriculture any of its functions. In order to make that point clear, the cosponsor of the bill, the Senator from Utah [Mr. WATKINS] and I—the two of us have sponsored the bill—have agreed to accept an amendment which has been offered by the Senator from North Dakota [Mr. YOUNG], the Senator from Colorado [Mr. CARROLL], and ourselves. That amendment will make it absolutely clear that the jurisdiction of the Department of Agriculture over the sale of livestock in the stockyards throughout the country—both the large and the small stockyards—will not be disturbed and will not be taken away.

As a matter of fact, existing law provides a minimum size for stockyards over which the Department of Agriculture may exercise jurisdiction. By means of this amendment that limitation will be removed and thus the jurisdiction of the Department of Agriculture will be broadened. These two statements can be made without fear of successful contradiction.

The misrepresentations have clouded the minds of many small packers and have clouded the minds of some Members of this body. However, I desire to point out that the telegrams which

have been coming in this week might have been sent before our hearings were closed. The bill was reported on July 18, 1957. There was plenty of time to appeal to Members of the Senate about any errors that were in the bill, but no appeals were made.

Even telegrams that are coming in now from farm organizations are based upon misunderstanding, as is demonstrated, for example, by these two paragraphs which I read from the bulletin of the National Independent Meat Packers Association of February 11, 1958. The heading of this statement is "Jurisdictional Controversy Still Remains Clouded":

As all NIMPA members know, your general counsel and your executive secretary have been working laboriously ever since the January 9 board meeting in Cincinnati to effect some sort of compromise which would satisfy the needs of the entire industry with regard to the controversy now raging over whether the jurisdiction over the meatpacking industry should remain in the Department of Agriculture or should be transferred to the Federal Trade Commission.

That is not the issue at all, Mr. President. The issue is whether the jurisdiction over the Federal Trade Commission Act and the Clayton Act—the antitrust features of the law passed in 1914—shall be restored to the Federal Trade Commission or left with the Department of Agriculture, with which it was placed by the lobbyists of the big meatpackers in 1921, when they sought to find an umbrella to protect them from prosecution for the monopolistic practices in which they were then engaged.

The bulletin goes on:

We regret to report that at this juncture, it would appear that the Department of Agriculture apparently is indifferent to the viewpoint expressed and proposed by NIMPA, because on Wednesday of last week Secretary Benson publicly announced an action which in no way satisfies the demands of many meatpackers that the mechanism for proper enforcement of unfair trade practice violations be strengthened.

Here is a clear declaration by the National Independent Meat Packers' counsel that the action of the Department of Agriculture is not satisfactory to this gentleman. He knows that the Department of Agriculture in the past has failed to enforce the Federal Trade Commission Act and the Clayton Act against the packers. All that we in the majority on the Judiciary Committee want is to provide that the Federal Trade Commission shall have jurisdiction over the Federal Trade Commission Act, and that it shall not continue to be diverted into the hands of the Department of Agriculture, which has not been trained to do the work, which does not have an appropriation to do the work, which does not have the staffs to do the work, and which, if it were staffed, if it were given the appropriation, would be only an overlapping agency attempting to do what an existing agency already was able to do.

PACKERS AND STOCKYARDS AMENDMENT IS FIGHT FOR ECONOMIC FREEDOM

We fight for economic freedom. We appropriate billions of dollars for expenditure at home and abroad with the sole idea that if we do not do so we shall lose both political and economic freedom here at home, as well as abroad.

We struggle against subversion by totalitarian government. We live under a Constitution by which the people of this Nation, 170 years ago, declared that the people of this country were the source of all authority, political, and economic, that could be exercised over them. Our Constitution was drafted by men who proudly believed that people could govern themselves and support themselves and preserve undiminished the right to life, liberty, and the pursuit of happiness by which their Declaration of Independence had declared they had been endowed by their Creator.

OUR ECONOMIC FREEDOM IS THREATENED

We live in an era in which these rights stand in grave danger from authoritarian power, both political and economic. We have seen areas of the Old World fall under the control of authoritarian dictators. Two great global wars we have fought to prevent authoritarian dictatorship from taking over. Now we are engaged in a cold war, more properly called an economic war, by which our ability to be the leaders of the Free World can easily be lost if we do not positively decide, through legislative enactment, that we shall not lose economic freedom here at home. We believe that this Government was established to promote the freedom and the welfare of the human beings who constitute our citizenship. We believe that they are born free, and are determined to keep them free. We cannot, therefore, dare in this hour to temporize with monopolistic economic power, because monopolistic economic power has such an intimidating effect that men who believe in freedom themselves frequently surrender their rights when they are confronted with it.

There came to the staff and members of the committee many representatives of small packers, for example, who said that they believed the jurisdiction to enforce the Federal Trade Commission Act should be restored to the Federal Trade Commission and should be taken away from the Department of Agriculture. But they confessed that they were fearful to act. They were fearful to speak. They asked not to be called as witnesses. They gave us the facts. They showed us how, for example, in some instances they were subjected to tie-in sales.

I have in mind one meatpacker, in a very prominent State of this Union, who was furnishing meat for a large grocery chain, but he was losing that business to a big packer, and the big packer had an agent in its employ on the staff of the grocery chain. He was employed nominally as an adviser, but his advice was given to the extent of persuading the business chain to patronize, not the small packer which had been doing the business satisfactorily, but one of the big packers. I have the name before me. I can confidentially show it to anyone who inquires about it, and give the name of the town in which he operated, but I do not dare to allow the identity of that individual to be learned by any of the meatpackers who have been parading around the country like—well, let me not make an allusion—parading around the country in sheep's clothing, to prey upon the small meatpackers and the individual producers.

Mr. CARROLL. Mr. President, will the Senator yield, or does the Senator desire to complete his speech first?

Mr. O'MAHONEY. I am happy to yield to the Senator from Colorado.

Mr. MALONE. Mr. President, I should like to say that I have deferred to two speakers, and I wish to be recognized. If anyone is going to yield to anyone, I should like to be permitted approximately 5 minutes.

Mr. O'MAHONEY. I understood the question of the Senator from Colorado was relevant to the discussion.

Mr. MALONE. My presentation will be relevant, also.

Mr. O'MAHONEY. I shall be through in only a few minutes.

Mr. MALONE. I hope so.

Mr. CARROLL. May I say to the distinguished Senator from Wyoming a report which came to me in 1956 in Colorado, from Colorado cattlemen, bears out in every detail the facts presented by the distinguished Senator from Wyoming this afternoon.

As a matter of fact, in 1956, as I moved through the stock-raising area of Colorado, cattle prices were declining, while at the same time retail prices for beef were on the increase. I asked the cattlemen what they wanted me to do, and they asked me to support the antimonopoly investigations conducted by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

I now ask the Senator from Wyoming, What is the primary purpose of the legislation now before this body?

Mr. O'MAHONEY. The primary purpose of the legislation is to allow the Federal Trade Commission to administer all the Federal Trade Commission Act and the Clayton Act, which affect the business of packing of meat, leaving with the Department of Agriculture all the functions it now performs with respect to the supervision of stockyards, except that we propose to expand the jurisdiction to some degree by taking away the minimum.

Mr. CARROLL. Would not the Senator say that one of the purposes of the hearings at the outset was to investigate the price spread existing at that time between the producer's price and the retail price?

Mr. O'MAHONEY. Of course that was one of the incidentals. Our investigations have clearly demonstrated there are various violations of the antitrust laws, which we have found to exist.

Let me state some of them for the information of the Senator:

Discriminatory pricing, by which the big packer will give one price to one company, and a different price to another. That charge can be proved.

False and misleading advertising. That charge can be proved.

Tie-in sales have been charged, such as, for example, "If you get this you must buy this also."

All of those are a violation of the laws of free competition.

Mr. CARROLL. Could not the Federal Trade Commission have moved in for an investigation?

Mr. O'MAHONEY. No; because the amendment which the lobbyists for the packers wrote into the bill in 1921 exempts the packers from the Federal Trade Commission jurisdiction. In words and phrases, unfair practices are prohibited in the Packers and Stockyards Act. On July 1, 1927, Secretary W. C. Jardine issued an order to the effect that—and I shall put it in the RECORD in due course—the Packers and Stockyards Administration was abolished in the Department of Agriculture. Instead of having an enforcement agency, we have an agency which has been most sympathetic toward the designs and objectives of the big packers.

Mr. CARROLL. May I ask the Senator from Wyoming: How long has the Department of Agriculture had jurisdiction to conduct such investigations?

Mr. O'MAHONEY.: The Department of Agriculture has had the jurisdiction, but not in 19 years has there been a case.

Mr. CARROLL. Not in 19 years?

Mr. O'MAHONEY. Not in 19 years. I previously pointed out that the economic power of a great company is such that men whose whole life savings are invested in a small meatpacking institute sometimes fear to speak their minds, to give their testimony, or to express opposition. It is clear from what I have read of the statement of NIMPA—the National Independent Meat Packers Association—that they are not satisfied with what the Department of Agriculture has done to this date. I am not satisfied. The Committee on the Judiciary is not satisfied.

Mr. CARROLL. The distinguished Senator from Wyoming made some comment about the Young-Carroll amendment, which I understand will be acceptable. The amendment in no way will interfere with the responsibility of the Secretary of Agriculture, will it?

Mr. O'MAHONEY. Not at all. It will broaden the jurisdiction.

Mr. CARROLL. It will broaden the jurisdiction?

Mr. O'MAHONEY. The Senator is correct.

Mr. CARROLL. I thank the Senator.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD the amendment to Senate bill 1356, proposed by the Senator from North Dakota [Mr. YOUNG], for himself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Utah [Mr. WATKINS], and the Senator from Colorado [Mr. CARROLL].

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 4, after line 24, add the following sections:

(j) The caption to title III, appearing immediately before section 301 of such act (42 Stat. 163; 7 U. S. C. 201) is amended by adding, immediately following the word "Stockyards", the words "and Livestock Transactions."

(k) Section 301 (c), section 301 (d) and section 312 (a) of title III of such act (42 Stat. 163 and 167; 7 U. S. C. 201 and 213) are amended by striking out in each such section, wherever they appear, the words "at a stockyard."

(l) Section 302 (a) of title III of such act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof.

(m) Section 303 of title III of such act (42 Stat. 163; 7 U. S. C. 203) is amended by inserting after the first sentence thereof the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe."

(n) Section 311 of title III of such act (42 Stat 167; 7 U. S. C. 212) is amended by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer", and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers."

Mr. ALLOTT. Mr. President will the Senator yield, since he has been interrupted, for one question?

Mr. O'MAHONEY. I am happy to yield to the Senator from Colorado.

Mr. ALLOTT. Is the Senator able to state at this point in his argument how many actual cases have been proceeded on by the Department of Agriculture since the amendment to the act was passed, or will the Senator give that information later on?

Mr. O'MAHONEY. I shall read to the Senator the statement made by the Under Secretary of Agriculture in May 1957. This is a statement by Under Secretary Earl Butz in response to a question asked by my colleague, the Senator from Utah [Mr. WATKINS].

Mr. ALLOTT. I know the statement was made by him. I do not have the hearing record before me. I believe that is a very pertinent part of this discussion.

Mr. O'MAHONEY. It is a completely pertinent part of the discussion, and I shall be happy to read it.

The statement of Under Secretary Butz, in reply to the Senator from Utah [Mr. WATKINS] was:

It is quite true that for 26 years it (meaning the Packers and Stockyards Act) has not been adequately enforced.

That was the confession, to use the words of Under Secretary Butz himself, made by the representative of the Department of Agriculture who appeared before our committee.

Under Secretary Butz then said: "But don't you think when the sinner confesses and resolves to do better he should be given a chance?"

Nobody is more ready than I to forgive the sinner and give him a new chance, but the Department of Agriculture has given no evidence as yet of any desire to do better.

We have a confession, but the resolution has not developed. The President in January submitted the budget for the Department of Agriculture for the ensuing fiscal year. This document asks for an additional appropriation of $225,000 for the enforcement of the Packers and Stockyards Act for the specific purpose of posting the stockyards over which it will still have jurisdiction under this bill. There is, however, in the budget a revealing though unconscious confession that the Department of Agriculture even now is not certain as to the number of eligible stockyards in the country. The table presented in the budget shows there were estimated to be 855 such yards in fiscal year 1957, which ended, of course, on June 30 last, after our hearings had been held. The same estimate is made for 1958 and the same for 1959. In other words, it is clear from the record that the Department has not been sufficiently interested to count the stockyards it is going to post with the $225,000 it requests Congress to appropriate.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ALLOTT. I appreciate the fact that the Senator has referred to the remarks of the Secretary, because in my opinion history is a very good basis on which to legislate.

It appears rather clearly that in the 37 years this subject has been under the jurisdiction of the Department of Agriculture, it has not acted in a way which would protect the public and the people of the United States in this field.

Mr. O'MAHONEY. Not only is that true, but by reason of this amendment, which was written into the original act by the lobbyists, they have created the escape route by which the giant chainstores are escaping from the Federal Trade Commission Act itself.

Mr. ALLOTT. I suppose the Senator, later in his argument—not today in this preliminary statement—will explain the situation more fully. I understand how the situation has come about, but I think everyone will be interested in the explanation. I suppose when the argument is resumed next week the Senator will explain how the situation arose.

Mr. O'MAHONEY. I shall be happy to do so.

CONCENTRATION OF ECONOMIC POWER THROTTLES BUSINESS

For years the concentration of power in the economic field has been undermining the ability of independent free enterprise to survive. We have turned the Treasury of the United States into a banking institution to support both big and little businesses. We had an RFC after the depression of 1929 struck the country. It was designed to place the credit of the Federal Government behind the banks, the insurance companies, the railroads, and other great industrial and commercial institutions which had suffered during the depression. Then we established the Small Business Administration and now President Eisenhower, in his economic message to the Congress, has asked us to amend that law so that SBA may have a permanent existence. From every quarter of the country comes the clamor of those who want to hammer on the doors of the United States Treasury to obtain funds which they cannot get from private sources, and though we talk of peace and prosperity we have neither because we have permitted the concentration of economic power to limit the operation of small and local business.

I shall not here review the facts to prove this statement, but they are available. I desire now to point out only that as long as we are willing to permit huge organizations to merge with one another

and to gather more and more control of the commercial and industrial life of the Nation, the more difficult will it be for us to avoid the totalitarian disaster which has overwhelmed so much of the population of the world.

THE PACKERS REMOVED THE SENTRY FROM THE MARKET PLACE

The packers and stockyards amendment of which I speak today (S. 1356) tells a dramatic story of the successful effort of the meatpacking industry to escape regulation in the public interest.

In support of the bill recommended for enactment by the Committee on the Judiciary, I shall show:

That, after the Senate Committee on Agriculture and Forestry reported a bill placing the meatpackers under the jurisdiction of the Federal Trade Commission, the provision was stricken from the bill and the Department of Agriculture was given the jurisdiction over the packers.

That this feat was accomplished by a master triumph of the art of the lobbyist by which the packers were able to persuade the Congress to believe that though they were the purchasers of the products of the farm and the ranch they could be trusted to be the guardians of the economic interest of the producers.

That their only accomplishment was to remove the sentry from the market place.

That the Under Secretary of Agriculture admitted before our committee that enforcement of the law had been inadequate for 26 years.

That again, now that it is proposed to reestablish the Federal Trade Commission as a public sentry to protect the public interest, the packers and the chainstores are once more seeking to convince the Congress that they should be made the sentries.

I shall relate the amazing manner in which the packers and the chainstores in the name of free enterprise have used and are continuing to use every effort to prevent the Congress from exercising its constitutional duties to shield the public interest from monopolistic and unfair trade practices.

I ask you to support this bill because it offers the only method by which Congress may protect the producers on the one hand, the consumers on the other, and effectively close the door of monopoly. It will not make the packers and the chainstores the victims of persecution. It will only notify them that there is a public sentry on guard and that they cannot safely resort to the practices they have performed in the past. This is a bill to protect free enterprise against economic totalitarianism. This is the principle to show the people of the free nations that it is possible for a free people to manage monopoly without dictatorship.

SPECIAL LEGISLATION FOR THE PACKERS

More than 36 years ago Congress passed the Packers and Stockyards Act "to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes." The purpose of this law, as it was introduced, was to vest in the Federal Trade Commission the power to prevent the adoption of unfair and monopolistic trade practices. The Federal Trade Commission, under order of the President, had made an investigation and discovered that five big packers were in a position through ownership of the stockyards and through ownership of interstate distributing facilities to tell the producers of livestock on the farm and the ranch the prices they must be willing to take for their product and to tell the housewife and all other consumers the prices they must be willing to pay for the meat products they desired to purchase. This is a simple and truthful statement of the concentration of economic power that had been made effective from end to end of the meat industry by the managers of great packinghouses. An antitrust suit which resulted in a consent decree and the Packers and Stockyards Act, signed by President Warren G. Harding, partially broke up this control. But neither the decree nor the act was as effective as designed by its authors because—and this I assert on the testimony of Senator Robert La Follette and others—there were written into the House bill in the writing of the lobbyist for the meatpackers certain amendments which removed the jurisdiction over unfair trade practices and monopolistic activities from the Federal Trade Commission and placed that jurisdiction in the Department of Agriculture.

The amendments, by defining the activities of a packer, removed that single industry dealing in the processing and marketing of livestock and meat products from the jurisdiction of the Federal Trade Commission and placed it in the hands of the Department of Agriculture. By any rules of construction it was special legislation which destroyed the power of the Federal Trade Commission to protect the public interest in the meat processing field. The Trade Commission investigation had proven the monopolistic methods which had been used to dominate the stockyards and control the distribution of meat products. But the lobbyists for the packers launched the campaign with soft words and persuasive phrases to argue that the giant corporations which had won control of the industry were the best friends the farmers could hope to have. So there was written into this law the specific provision that "on and after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall no power or jurisdiction so far as relating to any matter which by this act is made subject to the jurisdiction of the Secretary." Thus by special legislation one industry chosen from all the industries in the land was taken out of the hands of the Federal Trade Commission and placed in the hands of the Department of Agriculture.

"A MOST EXTRAORDINARY RECORD," SAYS LA FOLLETTE

"It is a most extraordinary record," said Senator La Follette on the floor of the Senate, June 17, 1921—page 2707 of the CONGRESSIONAL RECORD. "I think the revelations made by the packers, through the Senator from Utah, are a valuable contribution to the legislative methods that are employed by big interests in securing what they want. They usually know what they want, and this is the system by which they secure it."

Summarizing the story of the progress of the bill in the House, Senator La Follette, the senior La Follette, told of the selection of a special subcommittee of three, carefully selected because of their views, which took the bill originally prepared by Representative Haugen, Republican of Iowa, and went to work to amend it. "This committee," he said, "takes the Haugen bill and writes into it seven important suggestions made by the attorney for the packers—radical suggestions, suggestions that completely changed the character of the bill as it was first introduced—and I hold in my hands here now the Haugen bill with interlineations in the handwriting of that attorney in the bill, which he turned over to Mr. Atkeson, with the changes that the packers desired to have made in the bill. Then the subcommittee was appointed. They adopted these suggestions. The measure was passed on to the full committee and, without a single change, reported by the committee to the House and passed by the House just as reported. Is not that rather remarkable?

The ways seem to be specially greased for swift action. Without a change, this bill goes from a subcommittee of three through the entire committee of the House, and then it goes through the House of Representatives without any further change whatever.

THE EFFECT OF THE CHANGE

These changes have had a threefold effect.

First, the experienced, the knowledgeable, the effective Federal Trade Commission, fully acquainted with the maneuvers of the monopolists, was removed from jurisdiction over a very vital section of the meat industry which literally affects every family in the land.

Second, that jurisdiction was turned over to the Department of Agriculture, which is not a law-enforcement agency, the members of which never were nor have been to date trained and educated in the enforcement of the antitrust laws. Thus a duplicating and overlapping agency in the field of antitrust policy was established, violating every principle of economy and general, rather than special, legislation.

Third, with the great, modern expansion of interstate and international chainstores, it has afforded them a safe escape route from prosecution by the Federal Trade Commission for any violation of the antitrust laws with respect to any type of food for all they need to do now is to acquire some real or simulated activity that a smart lawyer may argue to be within the definition of a packer.

CHAINSTORES MANAGE TO AVOID REGULATION, TOO

The 7 largest chainstores in America, from Food Fair, operating in 7 States, through 238 different outlets, selling in 1956 $475 million worth of goods, to the Atlantic & Pacific Tea Co., operating in 40 States, the District of Columbia, and 2 Provinces of Canada, through 4,650

outlets, with sales of $4,304,990,000 in 1956, have now voluntarily registered within the Department of Agriculture as packers. In the case of Food Fair, when it was charged with violation of the Federal Trade Commission Act with respect to its handling of certain food products, it successfully denied the jurisdiction of the Federal Trade Commission by proving that it had purchased a packing plant costing about $4 million, a sum less than 1 one-hundredth of its total sales in 1956.

These giant food chains—A. & P., Safeway, Kroger, American, National Tea, First National, Food Fair—now, by reason of the magnitude of their business throughout the country, stand in the position of being able to put the squeeze on the big packers. The latter, in turn, are now back in court again trying to secure a modification of the consent decree of 1920 by which they were barred from the ownership and control of distributing facilities.

AGRICULTURE DEPARTMENT HAS FAILED TO ENFORCE LAW

For 30 years the Department of Agriculture has acknowledged no interest in the enforcement of the antitrust features of this law. Secretary W. C. Jardine, on July 1, 1927, issued an order abolishing the Packers and Stockyards Administration and transferring its functions to the Bureau of Animal Industry, which was then regarded and has since continued to be a morgue for the body of the law of the Packers and Stockyards Act.

Not only is that true, but in a formal response to a letter which I addressed to the Secretary on January 7, 1957, Assistant Secretary Don Paarlberg told me that the Livestock Division had "made a preliminary request for the Packers and Stockyards Branch of an increase in appropriation of $396,000 for the fiscal year 1959, about one-half of which was intended for strengthening of title II enforcement. * * * The 1959 budget estimate of the Department provides an increase of $225,000." In other words, upon the testimony of the Department itself, though the Livestock Division had requested $396,000 additional, the Department of Agriculture itself cut the appropriation back by $171,000 to $225,000.

I have no hesitation in saying that the Department of Agriculture is not equipped to enforce this act, has no desire to enforce this act, and has proven by its own budget that it does not know the size of the job it is allowed to undertake and has cut back the amount of the appropriation the Livestock Division requested for that title of the Packers and Stockyards Act which transfers the monopolistic jurisdiction from the Federal Trade Commission to the Department.

By its own action the Department of Agriculture has demonstrated that enforcement of the Federal Trade Commission Act by that agency is a duplication of effort. It violates every principle of economy.

PACKERS ARE NOT GUARDIANS OF PRODUCERS' INTERESTS

We profess to believe that we have confidence in free enterprise, but we find the central organization representing the packers, namely, the American Meat Institute, traveling from State to State around the country trying to convince farmers and ranchers that the packers are the friends and the defenders of the producers of livestock and the consumers of meat products.

Once again the propaganda effort of 1921 is in full swing. "We are the friends of the livestock man," proudly proclaim the processors of cattle, sheep, and hogs. "We know what your interest is. We will safeguard it. Big Government will ruin you with its antitrust laws. Let the Department of Agriculture take over the task."

He would be a naive producer who would believe that anybody in an organization of the meatpackers was concerned about making certain that he received the proper market price for any cow he ever sold for slaughter, or any sheep, or any hog, and it would be a naive housekeeper who would believe that the meatpackers and the gigantic chainstores distributing meat and food products to the country were not more concerned in making a pretty profit for themselves than in saving the housekeeper's $5 bill.

The Packers and Stockyards Act was passed in 1921 because corrective action was needed. The packers, lobbying for themselves, traveling the country in sheep's clothing, posing as the sentries of the livestock producers, cut the throat of the Federal Trade Commission. The record of 30 years shows that corrective action was not taken. Now that other giant interstate and international food chains are entering the picture seeking to avoid the supervision of the people's sentry, the drama condemned by La Follette and Norris and Kenyon and Schall 30 years ago is being repeated and for only one purpose, namely, that the big packers and the big chains shall be given a new opportunity to fasten monopolistic control over a most vital industry. Because an antitrust agency in the Department of Agriculture is a duplication it would require larger appropriations than either the Bureau of the Budget or the Department of Agriculture has recommended. The Federal Trade Commission needs no additional appropriations because it has the necessary staff and it ought to have the power. The only beneficiaries of the defeat of this bill would be the giant packers and the giant food chains.

Let not the little packer who has been persuaded to join the American Meat Institute believe that he is the pet lamb of the big packers and the chains. The Department of Agriculture Marketing Services told us that in April 1957. Swift, Armour, and Wilson, namely, the 3 big packers instead of 5 as was the case 30 years ago, accounted for 64.7 percent of all the sheep slaughtered in America, 56.4 percent of calves slaughtered, 38.5 percent of cattle slaughtered, and 48.9 percent of hogs slaughtered. The interest of the little packers is identical with the interest of the individual producer and of the consumer—identical, I say, because I still adhere to the basic principle of our Government, that industry in America should be free. It should not be controlled by Government; neither should it be controlled by any private group. Competition and free enterprise are the ideals about which we talk on July 4, but they are not the ideals of those who desire to hinder, delay, and destroy the power of Government to enforce the antitrust laws of Congress.

The enactment of this bill, by the mere fact of restoring the power to the Federal Trade Commission where it belongs, will serve notice upon both packers and chainstores that Congress means that the antitrust laws should be enforced. That will have the immediate effect of inducing both packers and food chains so to operate as to avoid the likelihood of any prosecution.

ORDER FOR RECESS TO NOON ON MONDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR PUBLIC WORKS COMMITTEE TO FILE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works be permitted to file a report on the road bill during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING OF MINORITY VIEWS IN CONNECTION WITH ROAD BILL REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the minority views in connection with the road bill report be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEHOOD FOR ALASKA AND HAWAII—UNEMPLOYMENT—DEPRESSION—CBS PROGRAM, MARCH 2, 1958

Mr. MALONE. Mr. President, on Sunday, March 2, a canned program was broadcast over the Columbia Broadcasting Network on the Murrow hour.

My part of that program was kinescoped in Washington on Thursday, February 20, 10 days prior to the broadcast.

About one-half of my part of the original recording was edited out, with my consent, since I have always trusted editors and radio and television people. However, I learned about New York television editing from Mr. Murrow. The next time it will be a live program, or no editing by the sponsor.

Since a point has been made of my statements—edited by Mr. Murrow—I think the public should at least have the context of the edited broadcast. I have been unable so far to get the complete unedited kinescope.

I ask unanimous consent to have printed in the RECORD at this point, the context of the edited broadcast.

There being no objection, the text of the edited broadcast was ordered to be printed in the RECORD, as follows:

Mr. MURROW. Mike Stepovich, like his Democratic opponents within the Territory, is willing to let Alaska's case be judged by the arguments of those who oppose statehood. One of these is United States Senator GEORGE W. MALONE, Republican of Nevada, who wrote the minority report. You are against statehood for Alaska. Why?

Senator MALONE. For 180 years, Ed, everybody's been opposed to statehood for any noncontiguous area. That is, the majority. We've never taken one. This is not the first application. Once you take a noncontiguous area as a State, then there's nothing to prevent 8 or 10 noncontiguous areas including island areas.

Mr. MURROW. You mean like——

Senator MALONE. And then the whole complexion of the United States Senate is changed. Once you take a noncontiguous area, they break this ice. So you get two Senators from Alaska. Then you get two from Hawaii. Then Puerto Rico comes in—no excuse then. Six. You take Formosa. Why not? There's more Chinese—as many Chinese in Hawaii as there is in Formosa. Take the Philippines. First thing you know 10 or 15—16 offshore Senators on that Senate floor. It's the balance of power—you just go off the deep end—one-worlders, and one world free immigration, free trade—that's the ultimate objective, Ed. You ought to think this thing through. What are you going to do with Canada in between? I think in the long run it may be a good many years, but some time you may take all of the Western Hemisphere in one contiguous group. Mexico's a contiguous nation. Canada's a contiguous nation. That's about the size of it.

If we took Canada we can take Alaska. Let me tell you something about America. You'd think the way everybody talks we're a peaceful nation. We are not a peaceful nation. We took every scrap of land in this United States. We said we paid for it. We didn't pay very much, and if they hadn't sold it, we'd have taken it.

If we had the population of Europe—they have twice the population of the United States and half the area—if we were in that position we'd take Mexico in the morning—before breakfast. We've always done it. You think this is the last. There are many people who want us to take these European nations as states, and the proposal was made right through the State Department the last time they were over there, that when the—this group of United European nations get ready then join the United States on an equal basis, and I'm not for that.

Mr. MURROW. And you don't see any advantage that would accrue to us from Alaskan statehood?

Senator MALONE. Could not possibly be any advantage.

Mr. MURROW. Not militarily—not economically?

Senator MALONE. No. Could it be an economic advantage when they can ship their stuff here. There is—no tariff—just like between our States. They have all the advantages—if they want to elect their Governor; if they want to appoint their supreme court judges and they want other economic advantages which Puerto Rico has, I have a bill in the Senate for that and for Hawaii—and you'll find if you read that bill it makes considerable sense.

Mr. MURROW. Well, Senator, in 1860, when Nevada became a State, I believe there were only about 9,000 people living there then. Is that right?

Senator MALONE. We produced about a billion dollars of gold and silver that Mr. Lincoln needed pretty bad and they took it in as a State, but you know you could get out and in from Nevada. You crossed Nevada to go some place. It was an inside State—a contiguous area. So was all the rest of these States. Arizona didn't come in until much later. But they're contiguous areas. So you know what you're doing with them, and you see them every day. Your information is wrong on a lot of things, Ed. You know, I've told you that.

Mr. MURROW. All right. Go ahead.

Senator MALONE. But I was happy to get your call from New York, because I felt sorry for Ed Murrow at times because he's housed in New York.

He prepares his programs in New York, and if there's any city in the United States more dangerous to the United States of America than Washington, D. C., it's New York.

Mr. MURROW. Why?

Senator MALONE. Because they're all internationalists. They build those buildings so high there, you know, that they can see the nations of Europe and Asia easier than they can those little States west of the Hudson River, and then you have a clique there that take it off the top—10-percent override no matter which way it goes through the port. So you have your nice clubs and you have you international bankers—you have everything and you just think you're doing well, but you're riding for a fall, and while they're making those windows in those buildings harder to climb out of, you'll get out all right when this hits you.

Mr. MURROW. When what hits us?

Senator MALONE. The greatest depression in history—it's started now.

Mr. MURROW. Well, speaking of New York and what you had to say about New Yorkers, would you advocate throwing New York out of the Union?

Senator MALONE. It's been proposed but I don't propose it. I just say don't let 'em run the United States. I think you've got to elect a President without New York, because now they think they have to have New York to get the nomination to be elected. I don't think they do next time—so they won't have to go for everything that comes out of New York, and that'll be good for New York, because this thing—the house can fall on them so quick just like it did in 1929, and it's going to, Ed, unless we can stop it at the grassroots.

Mr. MURROW. Thank you very much, Senator MALONE. These have been some of the reasons for and against statehood for Alaska. Next, we turn to Hawaii. This is a joint session of the Senate and House of Representatives of the Territory of Hawaii, 42 men and 3 women representing the almost half million citizens of the Hawaiian Islands. Speaking of Hawaiian statehood, one ranking United States Senator said this: "The rising tide of Asiatic communism will have a direct route to the floor of the Senate of the United States with two votes. It is the direct route to the committee room on foreign relations of the Senate."

SLANTED REPORTS—A NEW YORK HABIT

Mr. MALONE. In the New York Journal-American of Wednesday, March 19, 1958, Jack O'Brian, that newspaper's famous radio-TV columnist, says:

NBC TV's Huntley-Brinkley "news" is less hard news than one long glob of opinion. Last night it was David Brinkley's turn to tilt the news in favor of Walter Reuther, and almost any evening the administration can be certain of a heavy spattering of irony, sarcasm, or ridicule.

The Murrow CBS program of March 2 was "slanted" in favor of statehood for Alaska.

Mr. President, when the current recession or depression was mentioned, I also explained that we had brought it on ourselves through free imports of the Asiatic and European cheap labor goods—and that the chief factor in this depression had so far not been mentioned by the Congress or the White House.

That part of the broadcast was edited out. The Congress and the administration have suggested many minor moves to combat the depression, but they have not mentioned the chief factor contributing to it.

The 1934 Trade Agreements Act—the so-called Reciprocal Trade Act—opened American markets to foreign sweatshop labor competition for the first time since the Declaration of Independence in 1776.

We went off the gold standard in 1933 and priced ourselves out of the foreign markets through inflation.

THE NATIONAL ECONOMY AND FOREIGN POLICY

The Constitution carefully separated the regulation of the national economy from the fixing of foreign policy—placing the first in the legislative branch and the second in the executive branch.

The 1934 Trade Agreements Act tied the two together, by the simple expedient of transferring the regulation of foreign trade and the national economy to the executive branch through the adjustment of the duties or tariffs.

The Senator from Nevada told Mr. Murrow that all the Members of Congress had to do was to sit still and allow the 1934 Trade Agreements Act expire on June 30, 1958, and the American workingmen and investors would be back in business.

That the depression or recession whatever it might be called would almost immediately be eased.

The regulation of foreign trade through the adjustment of the duties or tariffs—in accordance with article I, section 8 of the Constitution—automatically would revert to the Tariff Commission, an agent of Congress, to be adjusted on the basis of fair and reasonable competition—giving American workingmen and investors equal access to American markets.

Mr. President, I also ask unanimous consent to include in the RECORD at this point the minority report on statehood for Hawaii and Alaska. It will clarify the edited version of the broadcast.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS TO ACCOMPANY S. 49

The Committee on Interior and Insular Affairs has reported S. 50 favorably to the Senate, and is expected to report S. 49 the same. I voted in committee against these bills to provide statehood for Hawaii and Alaska, and submit herewith for consideration by the Senate the reasons for my opposition.

Since first elected to the United States Senate, I have consistently voted against Hawaiian and Alaskan statehood mainly because this Nation has never granted statehood to any noncontiguous territory; and it is not conceivable to me that at this time we could ever have a homogeneous people through the acceptance of offshore areas widely separated from the mainland, where perhaps not over 1 percent of the inhabitants would ever visit the mainland. In these

noncontiguous areas, a great bulk of the people have no direct knowledge of life and conditions in the United States, and because of this their ways of life are different from ours. Consequently, they are much more vulnerable to infiltration by the exponents of ideologies and theories which are contrary and dangerous to the American philosophy of life and government.

In Hawaii, the Communist-infiltrated International Longshoremen's and Warehousemen's Union is all-powerful. The political life of the islands is controlled and dominated by this union and through Hawaiian statehood, Moscow, in effect, could achieve representation in the United States Senate.

The acceptance of a noncontiguous territory like Hawaii or Alaska—and they would all be clamoring for admission if we granted the privilege to one—would result in a disruption of the balance of power in our legislative form of government. It is entirely within the realm of possibility that a group of Senators, representing a way of life not in accord with ours, could easily control a balance of power in the United States Senate. Hawaii has one three-thousandths of the population of the United States, and if admitted to the Union would be given one forty-ninth of the total vote and power in the Senate. If Alaskan statehood which is also before the Senate is approved, both the Territories would be given one twenty-fifth of the total vote and power in the Senate.

In denying statehood to these noncontiguous Territories, I do not propose that we keep them as subject colonies. In 1953, I introduced a self-government bill for Hawaii and a similar bill for Alaska was introduced by the late Senator Hugh Butler of Nebraska. I have introduced in this Congress S. 35 and S. 36 to provide for the election of a governor and for the adoption of a constitution, approved by the Congress of the United States and by the people of the Territory involved, for both Hawaii and Alaska. The bills also provide for the appointment of the justices of the supreme court of the Territories by the governor and with the consent and advice of the senate of the Territories in each case.

Senate bill 36 provides that the people of the Territory of Hawaii may organize a government pursuant to a constitution of their own adoption and specifically states that such a constitution shall provide a republican representative form of government and shall include a bill of rights subject to the approval of the Congress of the United States.

I believe that is the proper step in government for all Territories of the United States which are of sufficient size and importance to merit such self-government.

The commonwealth status that my bill provides does not impose second-class citizenship upon the residents of Hawaii. Quite the contrary; they would be almost completely independent. They would govern themselves and they would have from $135 million to $140 million a year that now goes into Federal taxes, to improve an economic system which has been operating in the red for some time. As a self-governing state freely associated with the United States, using the same postal system and with the courts of law associated with our Federal courts, as our State courts are at the present, Hawaii could develop to the full extent of its capabilities through the foundation of new industries to utilize its reservoir of skilled labor and the same situation may be made applicable to Alaska.

I was 1 of 5 Senators who visited Puerto Rico in 1947. The question of statehood for that area was just as hot then as the Hawaiian and Alaskan question is now. At that time we recommended against statehood and suggested complete autonomy, subject, of course, to the provisions of the United States Constitution. This was done and in 1952 Congress approved the Puerto Rican constitution.

Today, after 7 years of self-government, Puerto Rico has raised itself from a situation once described by our committee as unsolvable because it was ridden with disease, slums, and poverty, to a standard of living reported to be the highest in the Caribbean. Puerto Rico has not forgotten statehood by any means, though its government is working very well and the people are not complaining.

If we admit Hawaii and Alaska to the Union, we will be establishing a precedent that will be used by other noncontiguous and island areas as support for their statehood arguments. I should like to emphasize strongly that our own independence of thought and action is involved. Our own independence to determine the course which the United States wishes to pursue in national and international policy is indelibly linked to what we do with the Hawaiian and Alaska statehood bills.

It has been argued that the way to stop wars is for the United States to take in many outside areas, foreign nations or states, and that by taking them into a "United States of the World" and giving them representation on the Senate floor we would stop the incentive for wars. Many international organizations, believing as they do that the sovereignty of this Nation should be sacrificed to a world organization, are sincere in their advocacy of even European nations being admitted as states.

Once we had relinquished the rule that we shall not take into the Union any territories outside the North American Continent, what reason could we give, once a precedent was established in Hawaii and Alaska for not granting similar statehood to the Philippines, Okinawa, Samoa, Guam, and many others? The French people started the practice of admitting their colonial areas' representatives to their assembly many years ago. The resulting instability of that body should make other countries wary of the practice.

We are dealing with a much wider question with broader implications than those who support these bills would have the Senate believe. I am firmly convinced that once we break the precedent on noncontiguous areas, there is no stopping place. We must remember that granting statehood to Hawaii is an irrevocable act and once it is done it cannot be undone.

Congress must proceed with the utmost caution and with the fullest deliberation of these issues which affect such a radical change in the structure of our Government and our external relations.

GEORGE W. MALONE.

Mr. MALONE. Mr. President, in line with the recession or depression and its causes, I ask unanimous consent to include in the RECORD at this point an editorial by one of the outstanding editors of the Nation.

The New York Journal-American is a part of a national chain of newspapers, and this editorial proves that all New Yorkers are not in favor of dividing the wealth of this Nation with 2½ billion people, and for world government, with the United States having one vote under the United Nations.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of January 20, 1958]

AN INDUSTRY IN DISTRESS

(By E. F. Tompkins)

Congressional action on the Trade Agreements Extension Act, which directly affects our payrolls, may be determined by the plight of textiles under the State Department's free-trade policy.

Textiles comprise one of our greatest industries. Directly and indirectly, the industry normally employs 15 million persons, nearly a fourth of our entire labor force. The welfare of communities depends on the textile industry. And history proves that a textile industry is essential to national security.

For 10 years, the industry has suffered from low-wage foreign competition. The damage is increasing, and so is the peril of incurable damage. On February 28, Prof. Seymour E. Harris, Harvard economist, testified before the House Ways and Means Committee on behalf of the New England Governors' Conference. He said:

"Of course, textiles continue to lose ground. New England has lost more than one-half of her jobs since the war. In woolens and worsteds the losses have been even larger."

The woes of woolen and worsted mills began in 1948, when the State Department—under the Reciprocal Trade Agreements Act—reduced the tariff on competitive woolen and worsted imports from 45 to 25 percent. This was done by protocol at a secret Geneva session of GATT, an international organization which the State Department had joined without Congressional assent.

"This reduction," Professor Harris testified, "was followed by a decline of output of more than 50 percent. * * * It took almost 8 years before the error was rectified to some extent."

Rectification was attempted under the Geneva protocol.

The protocol provided, by reservation, that the 45-percent tariff, fixed by Congress in 1930 and abandoned by the State Department in 1948, should be reinstated if woolen and worsted imports here exceeded 5 percent of domestic production.

In July 1952 the National Association of Woolen Manufacturers applied for relief in the face of rising imports.

Nothing happened.

In April 1956 the Textile Workers' Union of America also applied for relief in the face of rising unemployment—and in July 1956 a hearing was held.

The evidence of injury from foreign competition was overwhelming. So the statutory tariff of 45 percent was reapplied by the President. But the industry has not recovered.

British interests, including the British Government's Board of Trade, are propagandizing in this country in the hope of restoring the State Department's low tariff and capturing the bulk of the American market in woolen and worsted goods.

The danger is that the British effort will succeed—if Congress passes the trade-agreements extension bill.

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD at this point a resolution adopted by the Nevada Legislature under date of December 15, 1956, asking that the 1934 Trade Agreement Act be not renewed.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 14

Joint resolution memorializing the Congress of the United States to resume its responsibility of regulating foreign commerce, and to allow the 1934 Trade Agreements Act to expire in June 1958

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not

be admitted to the country on terms which endanger the American workingmen's jobs or American investments; and

Whereas article I, section 6, of the Constitution of the United States, provides that the Congress shall have the power to lay and collect taxes, duties, imposts, and excises, and shall regulate foreign commerce; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act, as extended to June 1958, with authority to transfer such responsibility to Geneva under the General Agreement on Tariffs and Trade: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada (jointly), That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act, which transferred such responsibility to the President, to expire in June 1958; and be it further

Resolved, That the secretary of state of the State of Nevada shall transmit copies of this resolution to each Member of the Nevada Congressional delegation.

Adopted by the senate, March 11, 1957.

REX BELL,
President of the Senate.
H. E. ROWNTREE,
Secretary of the Senate.

Adopted by the assembly March 15, 1957.

WM. D. SWACKHAMER,
Speaker of the Assembly.
C. O. BASTIAN,
Chief Clerk of the Assembly.
CHARLES H. RUSSELL,
Governor of the State of Nevada.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a resolution adopted by the Republican State Central Committee of Nevada, on December 15, 1956, asking for sound money, a tariff to protect American workers and investors, and States' rights.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.

We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.

We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imports, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.

We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a resolution adopted by 10 Western States urging protection for American jobs and investments and that the 1934 Trade Agreements Act be permitted to expire in June 1958. The meeting was held in Salt Lake City on May 4, 1957, at the call of the president.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FOREIGN TRADE AND THE NATIONAL ECONOMY

Whereas 34 foreign, competitive nations are sitting in Geneva, Switzerland, regulating our foreign trade through multilateral trade agreements under the auspices of the General Agreement on Tariffs and Trade; and

Whereas this distribution of our foreign trade between such foreign competitive nations is being carried on under the 1934 Trade Agreements Act, as extended (so-called reciprocal trade); and

Whereas under this act more than $30 billion of American capital has been invested in such foreign low-wage standard of living nations to compete in American markets with American labor and investors in the textile, livestock, mining, crockery, glass, precision instrument machine tool, chemical and electrochemical, and several hundred other fields: Therefore be it

Resolved, That the 10-State Republican regional conference, including the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming urge the Congress to resume its constitutional responsibility of regulating foreign trade and the national economy through the adjustment of the duties, imposts and excises (art. I, sec. 8) through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act to expire in June 1958.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "When Goods From Abroad Hurt Business at Home," published in U. S. News & World Report of March 7, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN GOODS FROM ABROAD HURT BUSINESS AT HOME—CASE HISTORIES OF WHAT'S HAPPENING TO MANY UNITED STATES FIRMS

A special kind of trouble—low-wage competition from abroad—is hurting business in community after community across the country.

The rising flow of manufactured goods from Japan, West Germany, Italy, Britain, and other countries to the United States is pictured as having killed some businesses, crippled others, and forced many thousands of American workers out of jobs.

This situation comes to light at a time when the White House is urging Congress to extend the Reciprocal Trade Agreements Act for 5 more years and to give the President new power to cut tariffs when he sees fit.

Many businessmen are telling Congress, however, that the result will be increased imports of the products of cheap labor abroad. They predict more business failures, increased unemployment in this country. There is a growing appeal from many industries for a system of quotas that would limit imports.

A bitter struggle is shaping up over this issue. The winner, as of now, is in doubt. But there is no doubt about the note of anxiety in the appeals reaching Congress from communities back home.

TWO-SIDED STORY

Government officials and some top business leaders have argued that what helps business in friendly countries helps the United States.

What emerges now, however, is the other side of the story, as told to Members of Congress by those affected most. It is a story of foreign-made watches, cameras, sewing machines, cutlery, plywood, pottery, binoculars, sporting goods, and scores of other products that now are flooding the American market.

Often, the story is of United States industries with their backs to the wall after long years of success. American aid, American know-how, American machines—coupled with low-cost foreign labor—are pictured as enabling competitors from abroad to market products at prices which cannot be matched by American companies paying union scales for labor.

Some businesses are going under. In Los Angeles, Edward J. Fischer, president of Vernon Kilns, is winding up 30 years with his 41-year-old company by closing it down. He says this:

"The Japanese are absorbing the United States dinnerware market. My company is going completely out of business because of unfair, low-wage imports from Japan. In California, we are the fifth dinnerware producer in several years to shut down. Over the United States a number of large producers have closed.

"Our Government has sponsored reduced tariffs. This has allowed an influx of low-wage imports from Japan. Wage rates in our business run about $1.97 an hour average, plus 25 cents in fringe benefits. In Japan, wage rates are about 20 cents an hour. Japanese concerns, furthermore, pay nothing like the kind of taxes that an American manufacturer pays—high income and property taxes.

"What this means to our working force is this:

"In 1956, we employed 420 people. In 1957, the number dropped to less than half that. Now about 100 workers are winding up their affairs with the company. By the middle of March we will be out of business completely.

"Many of our employees have been working with our company 10 to 25 years. Some of them are up in years. It will be difficult for them to find work."

HARD ON SMALL BUSINESS

Time and again, the story heard by Congressmen is this:

"The products that this country sells abroad are mainly the products of larger industries. The products this country buys from abroad are the products of small business in other countries that compete with small business in this country. It is the small business in this country that bears the brunt of imports from countries with labor costs only a fraction of those here."

A wide range of industry is affected. This is how the problem looks to P. T. Champlin, of the Cattaraugus Cutlery Co., Little Valley, N. Y.:

"After the war, this country did much to provide Japan with the know-how and machinery for manufacturing industry. With what result?

"Our company, paying wages several times as high as the Japanese wages, makes household cutlery. We have a table knife that retails at $1. You can get the same, identical pattern at from 40 to 60 cents at Macy's in New York—Japanese made. The Japanese are not bashful about copying our designs."

EMPLOYMENT DOWN

"We also get much competition from the British. For instance, small stores in New York are selling a set of 6 British-made steak knives for $1.80. Our retail price is $3.50. The effect is this: We ordinarily employ 100 to 120 people. Now we employ 32. The recession, coupled with foreign competition, is having its effect. One cutlery company in our town, in business 34 years, quit last November. It is difficult for the workers to find new jobs.

"Actually, we are not afraid of foreign competition. But when it comes to taking

the bread off your own table it gets to be a different story. It is important to help people, but it is also important not to put our own people out of jobs."

WATCHES AND MISSILES

Then there is the story of watches. Arthur B. Sinkler, president of the Hamilton Watch Co., offered these observations:

"We can buy skilled labor in Switzerland for about 75 cents an hour. In Lancaster, Pa., it amounts to $2.25 or more an hour.

"Watch manufacturers have asked the Government: 'Do you want us here, and, if so, what are you going to do about it?'

"Five years ago we made all our watch movements in Lancaster. Now, over one-third of our movements are imported. During that period our employment has been cut about in half.

"Wage rates in Japan are 25 cents an hour for excellent skilled labor. At present we have three Japanese engineers in our factories, training. We are shipping United States made tools and technical information to Japan for use by Japanese workmen on Swiss-made machines. We are through fighting for aid from the United States Government. We've had it.

"Of the 23 or 24 missiles now being tested, 19 have safety and arming devices made by Elgin, Bulova, and Hamilton, with each supplying approximately one-third. But we at Hamilton cannot keep a research laboratory going for just that kind of work now. If we are forced to go abroad for all of our watch movements, there will be a problem. The Government knows that the watch industry is essential to the United States in time of emergency. It can take steps to save that industry if it wants."

"LEAKY" BINOCULARS

Another story of an industry in trouble comes from Carl S. Hallauer, president of the Bausch & Lomb Optical Co., Rochester, N. Y.:

"We are the only binocular manufacturer in the United States. The Japanese have copied our binoculars. They are advertised as 'Bausch & Lomb type' binoculars. The genuine product sells for $140 to $220, retail. The Japanese copy sells for from $29.75 to $49.75. They leak air and moisture and give trouble in a short time, but this competition makes it very difficult.

"It takes time to train people to make binoculars. At present our production is very low due to imports. In event of war, we would have difficulty stepping up production. We could turn out just a fraction of what we turned out dring World War II.

"We make scientific instruments—1,900 types in all—for wide use in industry and medical research. Competition from Germany and Italy, where skilled labor is much cheaper, is beginning to creep up.

"What should be done about the situation? We have got to protect a certain type of skilled labor, trained to turn out instruments. Of course, American instruments are widely used today by companies making missiles and rockets. It will be difficult to get a duty high enough to offset the low labor costs abroad. The best form of protection would be an import quota."

JOINING THE OPPOSITION

Sometimes a company makes a crucial decision, described this way by one executive: "We couldn't beat the foreign competition, so we joined it."

What happened is related by top officials of the White Sewing Machine Corp., a firm that no longer makes sewing machines:

"Our company faced stiff and increasing foreign competition for 6 or 7 years. By 1957 the potential market in the United States was 1.5 million machines, but by that time Japan alone was sending in about 1 million. Italy, Germany, and Switzerland contribute about 150,000 machines to the total United States market.

"We could never match labor rates over there. A Japanese company, for instance, of 1,500 employees will have 700 regular employees and about 800 temporary employees. The regulars will get 30 cents an hour and, at the end of a quarter, a 100 to 200 percent bonus—if business is good. The temporary employees are paid by the day. It's a pretty nice setup for a manufacturer.

"White was thus faced with the decision of spending large amounts to tool up to meet this challenge. But it takes a long time to pay off the tools. And you don't want to spend all that money just when the trend of business is running so strongly against you and in favor of your competitor. So, last year we decided to step out of manufacturing.

"The straw that broke the camel's back was this: Forty to 50 percent of our output was to a large retail outfit. This big outlet decided to buy Japanese machines. It wasn't their fault—they had to meet competition, too, in the low-priced retail field.

"Now we are buying machines in Japan and Germany. We install the motors, inspect them and distribute them. At this time there is only one domestic manufacturer of sewing machines left. Ten years ago there were five."

Camera problems. The sewing-machine business isn't the only American industry that is moving out of this country to cheaper sources of labor abroad. Joseph H. Detweiler, general manager of the Argus Cameras Division of Sylvania Electric Products, Inc., at Ann Arbor, Mich., says:

"The problem of foreign competition is very difficult and getting more so all the time. We can live with the German competition. It's serious, but nothing like the competition with the Japanese.

"Costs are so low in Japan, which is not true to the same degree in Germany. Japanese wages run 25 to 30 cents an hour, while in our business in this country the average is $2.50 an hour plus 50 cents in fringe benefits. In Germany, wages run about 60 to 70 cents an hour.

"There is no doubt about it. The camera industry is moving abroad. At one time it seemed to be moving to Germany, but now the direction has changed toward Japan. One big camera company has a subsidiary in Germany making its high-priced camera. Labor is cheap there.

"We at Argus are now buying parts and accessories from Germany. We are going to buy more from the Japanese. That's inevitable.

"But if the camera business moves abroad, the Nation's defense potential will certainly decrease. Look, for instance, at the training of skilled workers. It takes a couple of years to train a good lens grinder and polisher. You just don't find those workers. You train them. And you are bound to lose a large part of the nucleus of your trained force if you have to disperse your industry to other countries."

NO DUTY ON TYPEWRITERS

Many executives in the camera industry consider that the duty on imports is hardly protective. But there is a duty. However, there are no duties on imports of typewriters. One top official of the Underwood Corp. tells what this means:

"The competition from abroad is terrific in typewriters. Our problem, and that of other typewriter manufacturers, is so acute that our plants are operating under capacity. Underwood was forced to lay off some 3,000 people for 60 days, mainly because of the import situation.

"West Germany, also England, Italy, and Canada are sending in standard models. Switzerland, the Low Countries, and Italy send in portables. It is a very serious situation."

PLYWOOD INDUSTRY HURT

Most of the hardwood plywood used in the United States now comes from Japan. As a result, a plywood manufacturer in Elizabeth City, N. C., observes:

"A lot of United States mills are going to close. They have no choice. As it is now, we have in our mill 250 people working in the plywood division. This level of employment has remained steady, but the men are working shorter hours."

Francis N. Isaacson, an executive of the Jamestown Veneer & Plywood Corp., Jamestown, N. Y., adds:

"In 1951 almost all of the plywood used in the United States was produced in the United States. Now less than half of United States consumption is produced here. We have five plants scattered over the country and our employment is down. In 7 years our working force has been cut 55 percent.

"Labor rates for the Japanese are around 11 cents an hour. We pay a base rate of $1.59 an hour, plus bonus, time and a half for overtime and fringe benefits. But we are just small guys, acting independently. Because of our size, we are going to lose out. That's happening to other small businesses, and what is happening to them will affect the whole country."

TEXTILES: A SIMILAR STORY

Many business leaders in the textile industry also feel hard pressed. The president of a men's hosiery mill in Connecticut says English competition has kept some of his machinery idle for years. But most industry spokesmen point to the Japanese as the source of their problems. Irving Blumenfeld, head of a Yonkers, N. Y., firm that makes cotton and wool gloves, says:

"Japanese imports account for 65 percent of the entire United States consumption of gloves. The effect on our industry is very serious. No new mills in our line have opened in 5 years. About 10 companies have liquidated completely. That leaves eight operating. All these companies are small, trying to make a go of it. It's a matter of who can hold out.

"In the last 2 or 3 weeks I laid off 45 workers. Sometimes I get an Army contract and that keeps me a little alive. But now we have no Army contracts.

"Because of Japanese competition, there is not enough civilian demand to go around. It's an impossible situation. For instance, my price to a wholesaler for 1 dozen wool gloves is $8 to $8.50. The Japanese price is $5.

"Besides, our new designs are flown to Japan and come back copied in weeks."

NO HELP FROM GOVERNMENT

The quality of Japanese goods is improving under American supervision, Mr. Blumenfeld reports. American importers have Americans sitting in with the Japanese to see that they improve the quality of Japanese goods.

"Some of the people in the glove industry tried to do something about this but we got no help from the Government whatsoever. We met with representatives of the Commerce Department and the White House. The White House man outlined policy. It was to help the Japanese. This man said that if the Japanese can't sell in the United States they can't get dollars.

"It looks like we are the victims of this policy. It's not right that one industry should suffer so that other industries can survive. I should have a chance to survive. We have asked for a quota, but we are much too small an industry to fight. Nobody wants to listen to us. We are being driven to the wall."

NO WELCOME FOR JAPANESE

One businessman who fought back in an effort to protect his business is Norris Phillips, vice president of the Olean Tile Co., of Olean, N. Y. Government officials recently asked Mr. Phillips if they could show a group of Japanese, including a representative of Japan's ceramics industry, through his plant. Mr. Phillips called the request "colossal nerve," said, "Absolutely not." His reasons:

"We feel very strongly that to permit this group of Japanese to visit our plant would be utterly unfair to our people, who have been working short hours, due, to a great extent, to the fact that Japanese tile has been making such inroads into our domestic market.

"The Japanese feature large-volume bread-and-butter items that enable them to take a substantial part of the market that ordinarily is the source of most profit to the domestic manufacturer because of volume, and leave the domestic manufacturer with the higher-cost specialty items on which profits are narrow because of low volume.

"Evidence of injury is unmistakable, and we hope we do not have to wait for relief until our industry is practically ruined. It is altogether unfair for our Government to expect us to cooperate with foreign manufacturers who are threatening to ruin our business."

IN KITCHENS: ITALIAN POTS

A company that manufactures kitchen utensils in the Midwest is able to keep its head above water but it, too, reports to Washington that it is feeling the price squeeze. An executive says:

"Our company makes aluminum pots and pans. We are up against this: Italy sends in percolators, canisters, saucepans and teakettles—all items we make. They are good items, too—look good and wear well, have eye appeal.

"For example, we put out an aluminum canister set for coffee, tea, flour, and sugar. The Italians are sending in a similar set, selling for the same price. But it is copper coated. Ours is not. It's the copper color that sells the set.

"In some chainstores, very good looking Japanese percolators are going for 79 cents. This compares with our price of $1.49. It's simply ridiculous.

"We realize there is another side to this problem. It is important to help keep the Japanese and Italians going. In our business, we have managed to keep operating. We have dies and equipment to get into something else if we are seriously challenged in one line of merchandise."

TRYING TO HANG ON

The list of businesses hurt by foreign imports is long. Most form only a tiny part of the United States economy but, collectively, many thousands of workers are affected.

N. D. Penley, executive of a clothespin firm at West Paris, Maine, says:

"Our company has manufactured clothespins for the last 30 years. We cannot convert our machinery to make other items. We would have to buy whole new machinery to make something else. We are worried about the situation—competition from Denmark, Sweden, Italy, Holland and Belgium. A number of companies in this country recently have gone out of business. Just how long we can hang on is a question."

Walter B. Gerould, president of Spalding (A. G.) & Bros., Inc., reports:

"There is a small but growing amount of competition from Japan in baseballs. The Japanese also have been exporting to the United States baseball gloves, mainly of good quality. They buy the hides in this country, manufacture the gloves in Japan where labor is cheap, and ship the gloves back to the United States.

"One thing that disturbs us is the improper branding of Japanese goods. Under United States law, the name of the country of origin should be stamped clearly and indelibly. But, often, the word 'Japan' is stamped on the inside of the wrist strap of baseball gloves."

BATTLE OVER BRISTLES

Lawrence Ascher runs a shaving-brush company in New York. He reports:

"Germany supplies a big part of the shaving brushes used in this country today. Even after paying the duty, Germany is able to undersell us. Our company now employs less than 25 people. A few years ago it had up to 100 on the payroll. Some of those have gone on relief or into other industries.

"Some shaving brushes are made of bristles coming from Poland and Germany. The better bristles come from Red China. But we are prevented by law from buying bristles from Red China. We would rather get the Red China bristles. But we must buy much more expensive bristles from United States stockpiles.

"Here's the point: There are brushes that come into this country from England that are made of bristles and badger hair that do come from Red China. I wrote to complain to the Treasury Department last July. It is the Treasury Department that prohibits us from getting the Red Chinese bristles. The Department wrote back that it didn't see fit to change things."

A LOSING STRUGGLE

A maker of umbrella frames in an eastern city has seen Japanese imports of this product multiply 10 times in 2 years. He says:

"It's very difficult to tell what will happen in the next year or two, but we can't manufacture goods permanently against Japanese competition. Japanese wages are about one-tenth of ours.

"Frames which we sell for $4.25 a dozen are imported at about $3.65. The volume of our business has not decreased seriously. The reason is that two companies have gone out of business in the last 4 years and another is now being reorganized. We have sustained losses, however. We are very discouraged. We feel that we have been forgotten by Washington.

"I had two sons in World War II and one son in Korea. Two of them fought the Japanese. They are now in our business, discouraged. We feel we are again being attacked, Pearl-Harbor fashion. If our own Nation doesn't help us, who is going to help us?"

UP TO CONGRESS

So the story goes—in every part of the country. It is being poured out to Congressmen by businessmen, union leaders, and unemployed workers who have lost their jobs to low-wage, foreign competition.

A large number of small businesses believe they are not getting a full hearing in the top circles of the Government when they ask relief in the tariff field. Some concerns are barely able to keep their heads above water. Some have succumbed. The present recession adds to their difficulties.

For these reasons, the battle that is shaping up in Congress over trade agreements is expected to be one of the loudest and most bitter in years.

PRODUCTION TEAMS FROM ABROAD: AID TO COMPETITORS OF UNITED STATES?

About 8,000 specialists, members of foreign production teams, have toured United States since 1948, with most expenses paid by the International Cooperation Administration, a Federal agency. The aim: to help foreign industries and build good will for United States.

Japan, for example, has sent 60 production teams and plans to send 39 more. Britain has sent 66 teams, Germany about 100, France more than 300, Spain about 50, Italy about 50. Nearly 7,000 United States firms and schools have agreed to show the visitors through their plants; about 280 businesses have refused to allow these inspection tours.

At this time, visiting teams include: A shoe-production team from Guatemala; a foundry and machine-shop team from the Philippines; three Spanish teams studying textiles, men's clothing and safety standards; four Japanese teams, studying quality control, small business, newspaper production, electric-power management.

On Japanese teams are representatives of Japan's ceramics, chemical, cutlery, electrical, metallurgical, paper, railroad, steel, telephone, and machine-tool industries. Their tours will cross the country, include visits to an electronics plant and a university in California; an electric-rail-equipment plant, a powerplant, an electrical laboratory and an adding-machine company in Michigan, a pottery firm in Illinois, a cash-register firm, an auto plant, a bronze and aluminum company, a honing-machine factory and a tool and die plant in Ohio, a glass smelter, a photographic-equipment plant, a telephone laboratory, a foundry and a laundry-machine company in New York, a cast-iron-pipe plant in Massachusetts; an electrical-machinery plant and an auto-parts factory in Pennsylvania.

Result: As ICA officials see it—increased trade and closer business ties between United States and its friends abroad. As some United States businessmen see it—increased competition for United States workers and industry from foreign goods produced at low wages.

A NEW DECLARATION OF INDEPENDENCE

Mr. MALONE. Mr. President, what we need in this country is a new declaration of independence—economic independence of the capitals of Europe.

Our economic structure may well be in more danger today from the capitals of Europe than our security is from Russia.

We have again become an economic colonial nation of the capitals of Europe.

We have been subject to a series of drift fences, made up of a pincers movement to destroy our economic structure—and we are nearer the "round" corral than is generally realized.

The "round" corral is the complete division of our wealth and resources with the nations of Europe and Asia, with world government at the end of the rainbow, and with one vote out of the total number of members of the United Nations.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 21, 1958, he presented to the President of the United States the following enrolled bills:

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 2120. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division; and

S. 3418. An act to stimulate residential construction.

RECESS UNTIL MONDAY

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Under the order previously entered, the Senate will stand in recess until 12 o'clock noon on Monday next.

Thereupon (at 5 o'clock and 51 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, March 24, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21 (legislative day of March 17), 1958.

UNITED NATIONS

Henry J. Heinz II, of Pennsylvania, to be the representative of the United States of America to the 13th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

COMPTROLLER OF THE CURRENCY

Ray M. Gidney, of Ohio, to be Comptroller of the Currency. (Reappointment.)

EXTENSIONS OF REMARKS

REA: A Valuable Agency for the Farmers

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Friday, March 21, 1958

Mr. KEFAUVER. Mr. President, our distinguished colleague, Senator JOHN SHERMAN COOPER, made an excellent address on the programs and the future of the REA and the TVA at the 16th annual meeting of the National Rural Electric Cooperative Association held in Dallas, Tex. I know that all Members of Congress will be interested in the thoughtful observations of Senator COOPER. I ask unanimous consent that these remarks be printed in the CONGRESSIONAL RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF JOHN SHERMAN COOPER BEFORE THE ANNUAL MEETING OF THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, DALLAS, TEX., FEBRUARY 5, 1958

I appreciate very much the honor you have paid me by asking me to speak at the 16th annual meeting of the National Rural Electric Cooperative Association. I am glad to be in the great State of Texas, the home of my colleagues and two fine Americans, Senator LYNDON JOHNSON and Senator RALPH YARBOROUGH. And, of course, I am glad to be in Dallas and the Congressional District represented in the House of Representatives so well by BRUCE ALGER.

In 1947, when I came to the Senate for the first time, I came to know Clyde Ellis, in a fight we joined in for TVA, and we have been friends since that time.

I am particularly glad to see here representatives of our Kentucky rural electric cooperatives, whose service has been a great contribution to my State and its people. And, I am conscious of the fact that I speak to men and women from every section of the United States, representing a cross section of its population, and their welfare and hopes.

Too frequently—because of the controversies which have raged about the Tennessee Valley Authority—those who have not seen or studied TVA think of it only as a power-producing agency. TVA's achievements in power production and distribution are certainly impressive. Its capacity is approximately 9,600,000 kilowatts. Fifty-six percent of the power goes to Federal Defense installations, notably those of the Atomic Energy Commission. The remainder passes over 11,000 miles of transmission lines to serve rural electric cooperatives, municipalities, and industry in a 60,000-square-mile area touching seven States.

But these achievements in power are only a part of the story of TVA. The raging floods which once wrought tragic destruction have been brought under control. Through 1957 the cumulative savings from direct flood damages were $132 million, over 70 percent of the $184 million total investment in flood-control facilities.

Prior to 1933, navigation on the Tennessee was negligible. TVA has completed 650 miles of inland waterways. Freight traffic has increased nearly eightfold with savings to shippers in 1957 equal to $16 million, over and above the cost of operation and maintenance. This is a return on navigation investment of more than 11 percent.

TVA's land use and reforestation programs have saved countless thousands of tons of precious topsoil from being washed away; have furnished more than 90 percent of the 328 million tree seedlings planted since 1934; have led to greatly improved land use; and increased production and income. This achievement is particularly appealing to all who seek a steadily increasing standard of living for farm families, and who want to protect the Nation's natural resources for the people of today, and future generations.

These are only the highlights of the great benefits which have flowed from the comprehensive development of the Tennessee River Basin. I am sure you would appreciate my reminding you that TVA pioneered the first rural electric cooperatives, and they have spread throughout the Nation. But, above all, TVA has raised the standards of living of millions of farm and urban families.

In like manner, although the story is familiar to you, it is good to recall to others the contribution of the Rural Electrification Administration, and the Rural Electric Cooperatives, to the strength of the Nation and the welfare of its people.

REA was established in 1935 by Executive order of President Roosevelt. The act of 1936 constituted the REA as a lending agent to finance electric systems and telephone service in rural areas. It came into being because private utilities would not extend their service to the farm homes of rural areas. At that time, only 10.9 percent of all farms in the United States enjoyed electric service. In my State, Kentucky, only 3 percent of our farmers, 8,000 in number, received electric service.

Since 1936, the REA has loaned over $3 billion, chiefly to rural electric cooperatives, and public bodies, for electric-distribution systems, including transmission and generation facilities. Today 4,500,000 consumers in 46 States and in the Territories enjoy light, heat, power for farm use, and for small industry.

We can never forget that light and power, which in some cases would never have been known, and in most would have been delayed, now lighten farm burdens and increase the richness and opportunities of life for farm people.

I could talk longer of the history and accomplishments of REA and TVA, and they deserve it, but you have asked me to speak specifically of their relationship, and, to my mind, that means their common interest in problems, as they look to the future.

THE IMMEDIATE AND URGENT PROBLEM OF TVA AND REA IS ASSURANCE OF FINANCES

I believe the immediate and urgent problem of TVA and REA is that of securing funds and authority to supply the increasing needs of the people and the areas they serve, and are committed to serve.

What is done now about funds and authority will determine their future.

Let me say at the outset of my discussion that I have supported, and I will support, TVA and REA need for adequate authority and financing, but I do not necessarily agree with all your views on this subject. I want to express both my support and my differences as a friend.

THE TVA FINANCING PROBLEM

The growth in sales of power in the TVA area has been tremendous in the last 10 years, rising from 12 billion kilowatt-hours in 1948 to 57 billion kilowatt-hours in 1957.

As I have said, the existing generating plant of the TVA has a capacity of approximately 9,600,000 kilowatts, and 6 million by steam plants. When present construction is completed, capacity will total approximately 11 million kilowatts.

There is general agreement that additional power demands will accrue at a rate of approximately 750,000 kilowatts per year during a 5-year period ending in 1962, and the cost of constructing facilities to supply this amount of power will be $750 million.

Whatever may be their differences in other matters, the TVA, Bureau of the Budget and the Treasury agree that unless new generating facilities are ready in the winter of 1960-61, a power deficiency will develop in the TVA system.

Generating facilities must be commenced during this calendar year and go forward steadily if the deficiency is to be avoided, and the need met. It is imperative that Congress authorize, in this session, the Tennessee Valley Authority to finance its needed expansion.

Until this administration, the primary source of TVA funds for expanding generation and transmission facilities had been appropriations by the Congress. This was true when TVA's source of power was hydro station, and continued to be true after the first steam plant was authorized by the Congress in 1949. Today, nearly two-thirds of TVA power, and almost all of its future power will come from steam plants.

I know that many say, and believe, that administration policy alone has denied appropriations to TVA for the construction of power facilities. It is true that this is administration policy; but I must say that, as early as 1951, there was evident in the Congress, an increasing and decisive opposition, from both sides of the House, against supplying the large sums needed for TVA expansion. It was for that reason that, in 1954, I made a speech on the Senate floor, advocating that the Congress authorize the TVA to obtain its capital investment by the issuance of

bonds. I do not see any other way, and I believe it is the consensus of many friends of TVA in the Congress, for the TVA, in the face of stringent budget demands, and the vast cost of equipment and facilities, to secure the constant supply of funds that it will need; and I may say that it is my view, at least, that if proper authority can be secured from the Congress, it will be good for the people of the Tennessee Valley area to lift the problem of finances, and in effect their future, away from the conflicting interests and yearly decisions of the Congress.

In 1955, as you well remember, the separate views of the TVA and the Budget Bureau were presented to the Congress for the enactment of a self-financing plan. Sharp differences developed which virtually made it impossible for the Committee on Public Works to report a bill.

In 1957, Senator KERR again introduced the TVA bill. The same differences on viewpoint were again manifested.

It was apparent to the Senators from the TVA area that unless some accommodation could be secured between these conflicting views, the impasse would continue, and TVA would be so delayed in securing the funds it needed, that its existence would be jeopardized. For that reason, I introduced a bill, which I believed would preserve the integrity of TVA and yet make reasonable accommodations. I believe I can fairly say that the bill which was finally reported by the Committee on Public Works, and passed by the Senate, contained most of the changes that I had proposed.

The debate centered around several provisions, which I will discuss briefly, because they will undoubtedly be argued again this year. For the House has not yet acted, and when it does, the bill will return to the Senate if it is changed in the House. They were:

THE CEILING ON SALE OF SECURITIES

Supporters of the self-financing bill prepared by TVA were opposed to any ceiling on the amount of funds which the agency could raise by the sale of securities. The Bureau of the Budget bill insisted that the Congress should not give an open end authorization to any agency. The committee fixed a $750 million ceiling on the issuance of securities, an amount sufficient to meet TVA's needs for power facilities for about 5 years, with the understanding that at the end of that period—or earlier if necessary—the Congress would consider further authorization.

CONSULTATION WITH THE TREASURY

Another source of controversy was the insistence of the Bureau of the Budget that TVA sales of securities should be subject to approval by the Treasury. As passed, TVA must consult with the Treasury, but the Treasury, on the other hand, cannot delay the sale of securities for more than 90 days. I believe that the larger interests of financing the Nation come first and with any amount of good faith such consultation would be beneficial to both the Treasury and TVA, and will not hinder TVA.

FIXING THE SERVICE AREA

The most difficult obstacle to agreement was that of TVA's service area. The TVA has not expanded its service area for many years, although there has been no legal prohibition against its expansion. Yet, the proponents of restriction feared that once TVA had relatively unlimited authority to borrow funds, it would launch an expansionist drive. On the other side, some TVA officials believed that restriction would fence TVA in, leaving the private power companies free to invade.

It was a difficult matter to settle, for it is doubtful that power needs can be fixed by geographical lines. But in the end, TVA supporters in the Senate agreed and voted for a limitation of area, which will still enable TVA to serve adjacent cooperatives, as well as new defense facilities. This provision may not be the best possible and could be clarified in the House.

FREEDOM TO PLAN AND OPERATE

A fourth, and in my opinion probably the most vital area of disagreement, was whether TVA should be subject to the supervision of the Bureau of the Budget and the Congress in carrying out many normal functions of management, such as passing on the location of generating facilities. This limitation would have, in my opinion, destroyed the ability of the Board of Directors of TVA to manage an efficient power system. But when an effort was made to amend the bill to give such control, the amendment was defeated.

And now I conclude this part of my statement, by saying that I believe the Senate passed, on the whole, a fair and workable bill. It would provide for TVA's present and indispensable power needs. It will give the TVA Board the opportunity to manage its affairs. It will provide for annual review by the executives and the Congress, and I do not believe that TVA objects to such review, for no department or agency of the Government is exempt from the scrutiny of the Congress. Frankly, I do not believe a bill, lacking substantially the provisions of the Senate bill, would pass the Congress.

If the Congress passes the bill, and I believe it will, it will mark a new approval of the TVA, as a federally financed public power agency. I have voted, and will continue to vote for the preservation and integrity of the TVA.

REA'S FINANCING PROBLEM

The REA, like TVA, is confronted with the necessity of securing adequate credit—and it has an additional problem—that of the cost of credit—that is, the rate of interest on REA loans.

I do not need to tell you that your rural electric cooperatives must meet new demands—and demands that do not encroach upon or limit the operations of private utilities.

You must heavy-up existing facilities to provide and carry the power which modern rural life demands today. For use of electricity from REA financed lines has increased from a monthly average of 134 kilowatt-hours, a census year, to 270 kilowatt-hours in 1956.

In my home in Somerset, Ky., wired years ago, the wires are too small, in fact, dangerous unless brought up to date. No one imagined a few years ago that power demands in small towns would remotely approach what it is today. The modern appliances and uses of electricity were not dreamed of. This is the problem of private utilities in the towns and cities they serve.

The problem of the rural electric cooperative, and of the farm people they serve is no different. In fact, it may be more acute, for many farms today are almost like small industries, in their need for power of all kinds. If rural life is to keep pace, and if REA is to meet its obligations, it must not be throttled by the imposition of new barriers at the very time when technological progress promises to bring rural living new advantages.

And we must never forget the original purpose of the act—to reach the people who do not have power and light. It is a great record that 95 percent of the Nation's farms are electrified. But the obligation still remains—to reach the people living on 250,000 farms, using schools, churches, and rural business—all without electricity.

These are reasons which justify the necessary authorization of funds by the Congress, until the program is completed.

The budget message, and bills which have been introduced, ask that interest rates on REA loans be brought into line with those of Federal securities of comparable maturity. If this should be done, it would of course increase rates. For example, the long term bond yield now approximates 3.6 percent. This proposal seems justified and logical to many people. And, when REA's original objectives have been met, such a proposal will be reasonable.

But, I want to make it clear right now, that I do not believe the Congress should, or the Congress will, vote to raise the interest rate on loans made by the Administrator of REA—to rural electric cooperatives and other agencies—above the rate of 2 percent per annum now fixed by section 4 of the REA Act.

Many cooperatives have extended their services to areas, at high cost, upon the basis of the 2 percent rate, to fulfill the purposes of the act. Others must extend their service to remote farms and areas, at high cost, if the purposes of the act are to be fulfilled. Cooperatives are now engaged in the construction of generating and transmission facilities, authorized by the act. In my State, the East Kentucky Rural Electric Cooperative Corp. is constructing and must complete generating and transmission facilities, if local cooperatives and thousands of farm families are to receive needed electrical energy. If interest rates were raised it would limit and in some cases undoubtedly prevent these advances which are being made by local cooperatives.

The original and continuing purpose of the REA, expressed again and again in the act, is to furnish "electric energy to persons in rural areas who are not receiving central station service." It is a human purpose—to equalize opportunity among all our people—rural as well as urban. The 2-percent rate helps assure this great purpose. But the job is not yet done, and the rate must be continued until it is done. For myself, I can only say that I am unalterably opposed to increasing the interest rate of REA loans, beyond the present rate of 2 percent.

It is also proposed that REA go into the open market to secure loan funds.

There is a clear distinction between TVA and REA in this respect. TVA has an established service area; the largest integrated wholesale-power system in the Nation; it possesses great advantages in its hydro facilities and its giant steam plants, among the most efficient in the world; and it has great diversity in its customers, like those of any private power company.

But most REA systems do not have protected service areas; and are not integrated; you are dependent upon outsiders for your wholesale power; you operate in marginal areas, where income is frequently low and consumers widely separated; and there is little diversity in use.

No group of people in the world have a better record of integrity than the grassroot managers of rural electric cooperatives. But, the factors which make self-financing appropriate for TVA do not apply to REA.

Some strong cooperatives might be able to obtain private financing. Many, as my friend, Senator AIKEN, of Vermont, has said, would suffer and fail for lack of credit.

The Congress should not enact self-financing legislation for REA. I do not believe it will.

I have spent a great deal of time, speaking of the immediate problems of financing and credit, which confront rural electric cooperatives and TVA.

I wish that I could speak of many points of relationship which appeal to all of us.

Both serve as yardsticks in the service and cost of power; both have enormously increased the defense capabilities, and thus the security of our country.

Both have stirred the imagination and hopes of the governments and peoples of other countries, who seek industrialization

and a better standard of living. I shall never forget visiting the Damodar Valley in India while I was serving as Ambassador to that country. There I visited seven dams with power installations in various stages of construction, and the people proudly told me that Damodar Valley was modeled after TVA.

Now I have given you the facts as I see them—regarding the relationships between TVA and REA, and the problems they face in the future. And I have given you my own views and position about these facts.

It is inevitable that politics shall enter all public questions and I do not think that is always a bad thing, because it produces a debate upon which public opinion may be formed.

But just opinion and judgment must be based on fact.

While many of you may disagree with the administration's viewpoint in some of the matters I have discussed—and on some of which I have stated that I disagree—yet solid accomplishments for conservation and power reserve development speak for themselves. And I think you will agree with me that David A. Hamil, the present administrator, as was Ancher Nelsen, is animated with the same sincere interest in REA, and fairness, that characterized their predecessors.

The record shows that regular and reserve authorizations for 1954 totaled $180 million. For 1955, they were $170 million; for 1956, $260 million; for 1957, $414 million; and for the current fiscal year, $179 million. That is a total for the last 5 years of $1.2 billion. (I believe it exceeds any comparable period in REA history.)

While money must be made available to REA by appropriations, it is certainly important that it be loaned to the rural electric cooperatives. Actual electrification loans to cooperatives in recent years exceeded $167 million in fiscal year 1954; $164 million in 1955; $192 million in 1956; and $300 million in 1957—the second heaviest lending year in REA history; and during the last 5 years, about $350 million in loans for generation and transmission have been made, nearly 40 percent of the total of all loans for generation and transmission installations made during the entire life of REA. While I have not discussed the telephone program, telephone authorizations in the last 5 years totaled $377 million, and loans have increased until they exceeded $80 million for each of the last 2 years. This record of accomplishment cannot be ignored.

Between 1953 and 1956, 38½ million kilowatts of new generating capacity was installed in this country. And between 1953 and 1957, the Federal Government invested $4.4 billion in dams, reservoirs, irrigation canals, watershed structures and other civil works, and in conjunction with Canada, the St. Lawrence Seaway has been started. A small watersheds program, a small reclamation projects program, and a rural development program have been started. This is not a full list, but it is an impressive record of conservation and resource development.

I believe that men should fight hard for the things in which they believe. And that all of us should fight hard for TVA and REA. But I believe that in the long run it will be the accomplishments of each of these great agencies, and of the individual rural electric cooperatives, that will hold legislative and public support, as they have in the past.

I will continue to support TVA and REA because of what they have done in the past, and can do in the future. And because they are two unique and effective instruments for strengthening our country, and enriching the life of our farm people.

I congratulate you on your fight for these objectives, and I thank you again for your courtesy in asking me to be your guest.

A Changing Role for a Changing Agriculture

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Friday, March 21, 1958

Mr. HUMPHREY. Mr. President, last Monday it was my privilege and pleasure to meet with a group of American food manufacturers, and discuss their stake and the public's stake in fair returns to America's farmers.

It was a challenging experience for me, as a devoted friend of the dairy industry, for this group was the eighth annual margarine all-industry conference, sponsored by the National Association of Margarine Manufacturers. It was a friendly and receptive audience—and a thinking audience. I am convinced these American businessmen are looking upon America's farm problems in a new light as the aftermath of this conference, after having an opportunity to hear a side of the farm story not always reaching the business community.

Mr. President, I ask unanimous consent that excerpts from my address, entitled "A Changing Role for a Changing Agriculture," be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

A CHANGING ROLE FOR A CHANGING AGRICULTURE

(Excerpts from an address by Senator HUBERT H. HUMPHREY, Democrat, Minnesota, before the eighth annual margarine all-industry conference at Boca Raton, Fla., on Monday, March 17, 1958)

It is good to be here among the customers of the products of our Minnesota farms and processing plants.

All of you, I am sure, are interested in all phases of the fats and oils industry, whether it be producing the raw material, processing it through various stages, or marketing its finished products.

I certainly share your interest, for Minnesota has emerged as one of the premier food fats producing States.

Available figures for all commodities lag a bit, but in 1956, for example, Minnesota produced 573 million pounds of soybean oil in the form of harvested beans, 333 million pounds of butterfat in the form of milk, 209 million pounds of linseed oil in the form of harvested flaxseed, and 200 million pounds of lard in the form of hogs sent to market. It produced an unknown, but probably very substantial, total of fat in the form of feed steers, vealers, and other cattle sent to slaughter, as well as poultry, lambs, and sheep. All in all we in Minnesota are quite interested in the welfare of markets for fats and oils of all descriptions, and especially in the important food fats markets.

Minnesota is a great dairying State, and proud of it. But anyone familiar with our State's agricultural economy is deeply aware of the growing importance of soybeans, too. Minnesota is now batting third in the national lineup of soybean-producing States. Soybean production in Minnesota has progressed rapidly from a value of less than $100,000 in 1940 into the hundred million dollar class in 1956, as a source of cash income for our farmers. It is now the second most important cash crop in Minnesota.

And when this relatively new basic raw material has been able to enter the competitive battle and become the dominant oil ingredient of margarine by a wide margin, you can understand our interest in you as the customers of our producers. Out of the 1,184,000,000 pounds of fats and oils used in the manufacture of margarine, 884 million pounds, or 75 percent, were soybean oil. Soybean producers and processors are grateful for this outlet.

Perhaps not as well known among our farmers, however, is that you are also utilizing substantial quantities of dairy products in margarine manufacture. I understand that skim milk is used in production of all margarine, and nonfat dry milk is a big dairy product in Minnesota.

Quite frankly—and it should be no secret by now—I am a stanch supporter of the dairy industry as a vital segment of our economy. You are both here to stay, and must learn to live together. All the dairy industry asks is fair play from their competitors, and I know you want the same. Competition is healthy, as long as it is fair. False and misleading advertisements and questionable techniques in promotional activities should be abandoned, and each product merchandised on its own merits. It is encouraging to note that most segments of the margarine industry have recognized the soundness of this approach, and most dairy industry leaders have come around to the point where they agree constructive selling efforts of their own are preferable to seeking restrictive legislation against their competitors.

Willingness to compete on a fair and honorable basis must be the constructive approach of both—with both working toward developing greater total markets.

Instead of scrapping over who gets the biggest piece of pie, it would be good to have more attention devoted to baking a bigger pie so all can have a bigger piece. That has always been part of my basic philosophy, and one of the reasons why I am so concerned about improving living standards and raising purchasing power at home and abroad, in our own country and in the vast underdeveloped areas of the world offering huge potential markets of the future.

Perhaps these introductory remarks have set the stage for the main message I want to leave with you today. While it is a message about agriculture, it is a message about our country, too. It is a message about our country's increasing responsibilities in the struggle for survival of freedom and the role, I am convinced, agriculture occupies in that struggle.

America's agriculture fulfills an increasingly vital role in the public's interest which requires public concern over maintaining continued adequate economic opportunity for farm producers.

In addition to assuring America's consumers a continued abundance of food at reasonable prices, our ability to produce in abundance is becoming recognized as an increasingly essential asset in the Free World's struggle against Communist imperialism.

Our much berated abundance, far from being a liability, is a tremendous asset in the world's struggle for peace and freedom—an asset still waiting to be fully utilized with greater boldness and compassion.

Food is the common denominator of international life. Man must eat to survive. Armies are helpless without food.

A breakthrough in the world's conquest of hunger could be more significant in the cold war than the conquest of outer space. In areas of Africa and Asia, as well as in many other parts of the world, food means far more to vast millions of people today than any space satellite in the sky.

Food, not guns, may well decide mankind's future destiny.

Thanks to our farm people, the United States is in a far better position than Russia to lead the world toward the conquest of hunger and want. At a time when we are trying to catch up with the Soviet Union in other areas of competition, agriculture is one segment of our economy already geared to meet any emergency challenge, already offering us fully productive resources to meet any Soviet threat of economic warfare throughout the world.

No crash program is needed in food and fiber production. The United States, as yet, is preeminent in this field.

But this does not mean we can afford the luxury of smugness and self-satisfaction. Our reserves of food and fiber, and our ability to produce such commodities in abundance, are resources to be prized; to be used boldly and imaginatively, and not to be dribbled away.

Regrettably, however, the American people have been led to think our abundance and ability to produce in abundance is some shameful millstone around our necks—instead of perhaps one of the greatest advantages we hold on the world scene.

The Soviet Union seems to understand the vital role food and fiber can occupy in the struggle for the mind of man—and has embarked upon the task of trying to outproduce us. Khrushchev has served notice, publicly, that he intends to make Russia the world's leading supplier of food.

We need to reappraise our own food resources, not in the light of our immediate domestic needs, but in light of world needs.

Food production in the world is barely keeping pace with the growth in population. Hunger is still the daily companion to millions of people. Where there are hunger areas, there are tension areas—and where there are tension areas, there is danger of sparks igniting into war.

World population is growing at the fastest rate in history. One estimate puts world population at approximately 6 billion persons by the end of this century—double the population now.

Our policy must look ahead at least as far as the lifetimes of today's children. As a Nation we cannot do less than plan for survival. We must strive for nothing less than world peace. In either case, our food resources are essential.

* * * * *

It is in light of greater responsibilities of Free World leadership, and the vital role our farm production can serve in fulfilling that leadership, that much of the public must reappraise its attitude toward agriculture and toward farm policy.

National security requires effective use of food and fiber.

Our foreign economic policy must include within it long range commitments of food and fiber supplies to our allies and the uncommitted and underdeveloped nations.

In a world where millions lack enough to eat, we should be humbly thankful that we are blessed with abundance—and we should be wise enough to use that abundance for the sake of humanity, instead of complaining about it.

We in this country do not know what it means to have to choose between a necessary rate of investment, and enough to eat; we must do what we can to help ease that choice for others.

I am proud to have had a continuing part in the formulation of the programs under Public Law 480 by which we can not only use our abundant stock of food and fiber to relieve acute emergency shortages elsewhere in the world, but also to help economic development programs where they are urgently needed. I hope you are familiar with the Agricultural Trade Development and Assistance Act, otherwise known as Public Law 480. It is far more than just a farm program; it is one of the most effective tools of international economic policy we have created. It is the alchemy by which food and fiber from United States farms becomes purchasing power for countries sorely in need of economic development. It is a passport for the entry of United States trade and techniques into world markets. It is serving on the frontier of the Free World's defense by converting food from our farms into such things as military housing and defense material.

It is done this way: United States food surpluses are supplied to friendly nations. They sell the food to their own people. The proceeds in local currencies are deposited to the United States account.

Some of the currencies are used by agencies of our Government to pay obligations incurred abroad, or to expand certain programs beyond amounts current appropriations permit.

The largest share of currencies is to be loaned back to the countries which bought the food, for purposes of economic development. Many of these countries are hard pressed for food and fiber. They are trying to raise living standards. They are expanding industrially. Many are sharing with us the burden of additional military costs for the common defense.

Both food and capital goods are needed, often at the same time. In many instances, both cannot be supplied without assistance—from the Free World, or from the Communist world.

Economic progress cannot be achieved without capital goods. Without additional food, the demands created by even small increases in standard of living cannot be satisfied. Inflation is an ever-present threat.

Our surpluses can be used to help bridge the food gap, and to keep inflation within bounds. Relending the currencies received from the sale of surplus food generates new buying power which can be used for other purposes.

Thus, the abundance from American farms is helping to create new purchasing power to promote economic progress and to raise the levels of living in all parts of the world.

Such efforts serve the Nation's foreign-policy interests, not just the American farmer's interest. Everybody has a stake in freedom, and the Free World's survival.

Yes, it is imperative that the Nation have adequate food and fiber reserves. The level of such reserves must take into account not only the growth of our own population, but the tremendous commitment of our Nation in the field of foreign policy and national security.

For my part, regardless of international tensions, I have always felt it was a wise public investment to have adequate food reserves to safeguard against any threat of scarcity from crop failures or other natural hazards of farming. Adequate reserves are really a great consumer safeguard. Yet I doubt if many consumers appreciate that fact—they've had it dinned into their ears too long that they are saddled with the bill of storing up a huge farm surplus for the sake of the farmer. It's to the consumers' best interests to have adequate reserves at all times. They'd awaken to that fact quickly enough if we were suddenly confronted with a year of scarcity that sent prices soaring.

Unfortunately, we neglect to differentiate between levels of adequate reserves needed to protect our consumers, and protect our national security, and the much-abused so-called surplus. We have come to regard all farm commodities for which there isn't an immediate cash market as surplus. Anything the Government acquires to stockpile in reserves as consumer protection, or acquires in other ways to use in the national interest, at home or abroad, is regarded as surplus disposal carried on solely for the benefit of farmers.

We don't apply that same criteria to industry. If we did, all of its vast production for Government stockpiles and military equipment reserves would be called surplus. Actually, we have many, many more billions tied up in stockpiles of minerals and inventories of military material than we have in agricultural commodities. We may never use it—but we feel it is in the national interest to have it available. We pay our taxes to acquire such stockpiles and maintain them—without complaining that we are subsidizing industry's surplus production.

It's time we regarded our abundant food and fiber resources in the same light. The truth is that we are far more likely to need and use our excess food abundance in winning the cold war than we are to use much of our military inventory in a hot war—and use of the food may make less likely the need to use weapons.

From all these factors I have discussed, it should be obvious that there's a public-interest stake in continued farm abundance.

Neither the American consumer, the American businessman, nor the Free World itself would be best served if American agriculture is compelled to revert to deliberate scarcity to achieve equitable prices and income.

Quite frankly, the Nation's interest often requires production beyond levels for which farmers can obtain satisfactory prices in the market place.

Farmers have every right to feel that they should not be penalized for serving and fulfilling the needs and requirements of national security, nor bear the costs upon their own shoulders alone in terms of depressed prices and income.

When the Nation's interest requires industry to expand its production, no one assumes that industry should do so at its own expense. Industry expects, and gets, Government contracts protecting its earnings and assuring a fair profit on its investment.

Should farmers, lacking such protection, go on producing in abundance which protects the Nation's interests yet depresses their own income—or should they start looking for ways to curb their output to the level that assures them more equitable returns, regardless of the public cost in higher prices to consumers and risk of national scarcity?

That's the choice American agriculture faces.

That's why Government policy becomes involved. It isn't just for the farmer; it's to protect the public interest. People who clamor against Government intervention in any form in agricultural policies seem to forget that there is a tremendous national interest involved in our food supply that cannot be left just to chance and happenstance. It isn't the Government intervention that is wrong, it is how the Government intervenes, and for what purpose. As long as the public interest comes first, there is always room for the Government to keep an eye on any industry, any business, any commodity. What is wrong is when Government tries to dominate and forgets the real purpose it is intended to serve. It's role should be as the public interest policemen, seeking to keep a fair balance in our economy.

* * * * *

Unfortunately the farmers' rewards are lagging far behind the rest of our economy in relation to investment in capital, labor, and know-how. There may be room for different points of view as to what should be done about our agricultural problem, but there can be little difference of opinion over the fact that our agricultural economy is out of balance with the rest of our economy.

Farm income has been steadily declining, during a period of rising production costs. In 1957, the average income of farm people, from nonfarm as well as farm sources, was

little more than two-fifths as much as the average income of the nonfarm population.

The risk to invested capital in farming is greater, not less, than the economywide average. Modern family farming requires able and efficient management. It necessitates attention to detail and a broad knowledge of business practices.

Unfortunately, the farmer pays a higher interest rate on borrowed capital and earns a lower return on the funds he invests in his own business than any other businessman in the economy. Farm income is too low today, and it isn't only the farmers who should be concerned about it. Inadequate farm income has not only retarded the economic and social development of rural areas; it has acted to prevent the Nation as a whole from the maximum attainment of its economic goals.

We cannot expect to go on having farm income decline a billion dollars a year—and farm indebtedness go up by about the same amount—without serious consequences for the entire economy.

What are we going to do about it? Well, let me assure you of one thing: Any honest man knows there is no quick quack cure. None of us has all the answers. I certainly do not—and I have tried to find at least better answers than we now have.

Yet some facts are clear, for anyone willing to take an objective look. And, quite frankly, we need more people today willing to take an objective look, unblinded by old prejudices. Fighting old battles or shouting old slogans will not do the farmer much good; what he wants and needs is a better income.

Regardless of who might have been right or wrong in the past, the disparity between farm income and nonfarm income is becoming greater each year—despite our declared goals of public policy toward bringing them closer together. Current trends and current farm policies are not moving in the direction of closing the gap.

Although farm income is currently too low, farm gross income would be at least a third less, and farm net income would be more than a third lower, if it were not for the existing Federal program. And, farm income could be considerably higher, under existing farm legislation, if there was a will and a determination to use these laws enthusiastically and persistently and wisely.

While we need to revise and improve our price-support program, modernize and expand our farm-credit facilities, expand our research both for production efficiency and new uses for farm products—much more for the benefit of farmers could and should be done with the laws we already have.

Instead, most of the Federal programs have been whittled down in effectiveness by administrative decisions over the past 4 years, such as some of the market dumping of corn at a time Government policy is supposed to be aimed at firming up prices.

* * * * *

Too many myths are still being perpetrated on the public. Lowering of farm price supports has not curtailed production, and certainly has not improved farm income by gaining better prices in the free market. The individual farmer has been forced to increase his production to attempt to keep his income from dropping further as a result of falling prices. CCC inventories today are nearly five times as high as they were at the end of 1952, and far higher than when the so-called flexible program went into full effect in 1955—despite many new tools provided for surplus removal. The realized loss on price-support operations has been more than twice as much in the last 4 years as in the preceding 20. The simple truth is that the flexible theory of regulating output through lowered prices has been a complete failure—resulting in nothing but further depletion of farm income. As a result, it is irresponsible to ask Congress for just more of the same—more flexibility, still lower prices.

All of us like to think of the ideal of free markets, but the truth is that we do not have completely free markets in our economy. The prices of things farmers buy, both production and family living items, are based on the wholesale prices behind them—which are in part administered prices; prices set by manufacturers, money-market bankers, railroad companies, and many others, on the basis of their Government-sanctioned ability to withhold supply to maintain set price.

The farmer not only buys his needs in an administered-price market, dominated by sellers but also farmers sell their products into markets where buyers have the upper hand. I have often wondered whether some of the loudest advocates of free markets for agriculture would be quite so vocal if it was a farmers seller's market, instead of a buyers market—if the farm producer had the upper hand in bargaining power. I am afraid if such were the case these same people would be appealing for Government intervention and regulation, instead of insisting upon free markets.

* * * * *

Perhaps that is why, lately, you have heard more discussion among farm groups about strengthening bargaining power. Perhaps one of these days we will have an opportunity to find out, whether we want to or not. You have all probably followed recent indications that there is more and more of a trend in farm organizations to seek ways for farmers themselves to strengthen their own bargaining power.

Farmers are at a bargaining disadvantage in the marketplace today, as they have always been. They realize they need stronger bargaining power. And if they don't find it one way, they will seek other ways.

It is really nothing new. They have sought to strengthen their bargaining power in many ways in the past. They have done it through banding together in cooperatives. They have done it through working out programs of price maintenance and control of market supply through their Government just as other segments of our economy have sought to protect their position through Government action.

Here is the message I want to leave with you today; unless existing legislation can be made more effective, either through administrative policy or legal changes where necessary, farmers are bound to seek other ways to strengthen their bargaining power.

If I were a businessman dealing with agriculture, I would think very seriously about whether I preferred dealing with farmers through some type of Government program, or with farmers directly just as you now deal with organized labor.

Any of you who have followed what is going on among the various farm organizations, know that there is more and more talk about farmers turning to united action on their own, both toward controlling production to meet demand and toward some form of collective bargaining through producers' co-ops to establish prices and income nearer to equality with other segments of our society.

My purpose today is not to say this is right or wrong, but to suggest if the balance of bargaining power were to shift from buyer to seller of farm products, many now talking about free markets might be the first to prefer a new look at direct payment methods or alternatives of achieving more equality of farm income, that would still assure abundance rather than scarcity.

* * * * *

Consumers should be alert to where their own best interest really rests.

It is easy to talk about free markets and letting supply and demand determine prices when you are a buyer and know there is an oversupply that will force prices down.

But consumers should look at the other side of the coin and see what the supposed purpose of the so-called free-market approach to farm policy really is. The purpose, its spokesmen say, is to discourage enough producers and enough production to bring supply in line with cash demand and achieve 100 percent of parity in the marketplace. Now, I wonder if consumers realize what such a scarcity philosophy could and would do to prices, particularly with the natural hazards hanging over agriculture that can so quickly turn balanced supply into serious scarcity. I wonder if you as businessmen really want supply trimmed exactly to demand, with no cushion to protect you from shortage.

If agricultural supply and demand were in balance in this country today—the objective everybody seems to profess—we would be faced with demands for price controls to keep food prices from soaring.

The truth is that the cushion of excess production beyond immediate effective demand is the public-interest stake in farm policy—a stake for which, in all fairness, some public price must be paid to keep it from penalizing the farmer.

* * * * *

Clearly, our Nation needs a new and different farm policy, and it needs it now. It must be based upon recognition of the need for a rising net income for agriculture, not alone for the sake of farmers but for the sake of our entire economy. It must be based upon recognition of the public-interest stake in abundance rather than scarcity, both for the sake of our own consumers and for the sake of our international commitments. It must be based upon recognizing that American agriculture has assumed a changing role, and having to be concerned with world needs rather than just our own domestic needs. It must also be based upon recognizing that changes are under way within agriculture itself, changes which could further serve or seriously harm the public's interest, depending upon how they are directed as a matter of public policy.

Encouraging abundant production as a matter of public policy need not mean blindly perpetuating overproduction of commodities for which no real foreseeable need exists. Rather, it means encouraging shifts in production toward commodities better serving our long-range needs.

The basic question is whether desirable shifts, in the public's interest, should be encouraged by incentive—or forced by economic hardship which really would just shift an economic and social problem from rural America to the relief rolls in our cities. Quite frankly, I can see little wisdom in policies designed to speed the movement of people off farms into our cities looking for alternative opportunities for making a livelihood at the very time unemployment is becoming a serious national problem.

* * * * *

Whatever means are accepted as Government policy for encouraging shifts in production patterns, the important thing is to make sure such shifts go in a desirable direction—and stimulate desirable trends already under way rather than trying to buck the tide.

Let me explain briefly what I mean.

Fats or oils and proteins are basic nutritional needs in the world. While American diets are rich in both, the world supply is still a tremendous deficit from a nutritional standpoint. Even among low income groups in our own country there are serious dietary deficits in both.

If we are raising our sights in agriculture to consider our role throughout the world instead of merely providing sufficient supplies for our own growing population, we are going to face needs for more, not less, of both fats and oils and protein. Fortunately, they are so interrelated that expansion of one means expansion of the other. By nature, and in the history of food, fat, and protein

are produced hand-in-hand. Protein occurs as a side product and even a main product of the fat production cycle. Protein is a sister to fat—soybean meal, and soybean oil; milk, and butterfat; pork, and lard. * * *

It is imperative that this relationship be recognized in guiding agricultural policy, because whatever seriously affects one affects the other.

From my observations I have come to some conclusions I wish to share with you. You may not agree, and if so I would welcome your views, for I am always searching for guidance on basic trends upon which policy decisions should be based. I certainly do not claim to be an expert, but evidence seems to support these conclusions:

1. This country is going to produce more, not less, fats and oils, both vegetable and animal. The soybean crop, in particular, is going to grow far beyond its present size—despite its already dramatic growth.

2. We are going to produce more protein, and feed it to livestock and poultry.

3. We can probably consume the added protein domestically in the form of meat, milk, and eggs, if we maintain an expanding economy and a rising standard of living for our own people.

4. But we are going to have to look to the rest of the world for additional outlets for fats and oils we produce beyond our own immediate needs.

All four points appear desirable, and worth encouraging as a matter of public policy.

Expansion of soybean production, for example, would mean diversion from corn and other feed grains now in surplus and result in shrinking the total feed supply from the same number of acres.

Dwindling of a feed grain surplus would result in our animal agriculture consuming more protein feed concentrate. It is probably true that today most farmers are not feeding enough protein to get the best results.

Almost all of our nutritional guidance points to encouraging more protein consumption in the human diet, and consumer preference for that protein is in the animal form of meat, milk, and eggs. Only the great civilizations have been able to maintain a relatively high level of animal protein consumption, and there is still ample opportunity for expanding our own.

But there are other areas of the world yet unable to achieve our level of animal protein consumption, areas that must exist on more basic forms of food energy. For many of these, more fats and oils are imperative to survival. As a result we not only have a potential outlet for our growing production—it is actually needed.

* * * * *

Many countries in the world today are definitely fat deficient, and many countries contain population groups who are fat deficient. History shows that a people deficient in calories—and that in practice means calories in the concentrated form called fat—either become too weak to carry on a strong nation, or, and this is very frequent in the history of our times, are easily provoked to aggression and internal disturbances.

This brings us right back to my earlier emphasis on the role our agriculture occupies in the world today.

I am not saying that the lack of fat or even of good nutrition is the mother of all wars—but I think it can be shown to be the cause of serious national problems.

What would happen if all margarine or butter disappeared in the United States? Something like that has happened to many people in other countries—and I have had high officials of foreign governments tell me personally that if it took their last dollar of foreign exchange, they had to get edible oils for their people to preserve political stability.

In many instances, the health and strength of these countries are vital to our own interests. Such countries include, for example, our NATO partners of Turkey and Italy, the Baghdad bloc, Spain, Japan, Vietnam, Formosa, Burma, India, Tunisia, and Morocco.

That is why I have encouraged expanded exports of fats and oils into these areas under Public Law 480. It has effectively served our own international policy's best interests and has strengthened the forces of freedom in the world. Yet if my conclusions about agricultural trends in this country are correct, it has also served the best interest of American agriculture, and it will be necessary to continue and expand such exports to maintain desirable shifts in our national food production.

* * * * *

I am aware that the margarine industry is interested almost wholly in the domestic market, but you have a stake in every trend that affects the fats and oil picture. The fact that we have enough to export—and have become the world's largest exporter of fats and oils while still providing adequate supplies for our own expanding population—assures you of a reliable supply of raw materials at reasonable price levels. Yet without the expanded export outlets for oils, price-depressing surpluses might result in reversing the entire trend of the present desirable shift into soybean production. Any short-range price benefit you might expect could well be offset by even higher costs resulting from shortages of the future if soybean production did not offer economic opportunities for farmers.

In my opinion, the time will come when you will be thinking more about the potential of markets abroad, as economic development results in higher living standards and greater purchasing power in many areas of the world. Eating habits are being formed and changed as these underdeveloped areas progress. In view of the pressing need for fats and oils in any form in many of these areas, might it not be sound to call upon you for a finished product as one means of putting soybean or cottonseed oils into this phase of the foreign field, as a part of our national foreign-aid policy? I do not suggest this as a benefit to the margarine industry, but as a useful form of foreign aid. It will not cure any problems you may have, but it may be a serviceable expression of our national interest in helping free countries fight off communism. Two of your principal ingredients—soybean oil and skim milk—are being handled as surpluses under the agricultural-assistance laws. There seems ample precedent for sending finished food fat goods overseas for welfare or foreign aid, in a form that might later pay dividends in market development through creating new eating habits.

* * * * *

Perhaps I have endeavored to cover too much ground in one talk today, in trying to look at food's role in the world along with domestic agricultural policy. Yet I feel they are closely interlocked.

It has been good to be with you. We still face many challenging problems regarding food and agriculture. Some of them are before us in Congress.

Of one thing you can be certain: Food is so essential to national life that I am sure Congress will always require safeguards in the public's interest in any farm policy. And, quite frankly, in my opinion the best safeguard the public can have of continued abundance is more willingness to see that the farmer gets a fair reward for his production.

I believe in abundance, not scarcity. I am convinced that farm people prefer to produce rather than to be forced to curtail production in order to achieve decent prices.

The challenge to our society is to find constructive and beneficial ways and means of using our abundance. We need to look upon our abundance as a national asset, not as an economic liability. You as food manufacturers have a real interest in abundant production. It would be against your own interest to force farmers to turn to artificial scarcity as a means of protecting their income.

For that reason, I suggest you soberly consider the alternative of current farm policy debates—and realize we all have a stake in strengthening our farm economy.

SENATE

MONDAY, MARCH 24, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Most Reverend Archbishop Vasili, of the Byelorussian Autocephalic Orthodox Church, New York, N. Y., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Almighty God, this prayer we make to Thee on this anniversary of the declaration of independence of Byelorussia, whose freedom was mercilessly suppressed with brute, godless force, whose millions of martyrs before Thy throne cry to Thee: Exercise Thy justice, O Lord; restore freedom to the enslaved peoples of the world.

In this solemn moment we beg Thee, our God and Father, be gracious unto us. Thy mercy, Lord, is in the heavens and Thy truth reacheth unto the clouds, for Thou art great and doest wondrous things.

Merciful Father, Thou hast blessed the people of this country and helped them to establish a government of the people, by the people, and for the people. Eternal God, bless the leaders of this country with Thy grace. Help them as they strive for Thy truth and as they strive for world liberty, so that all men, Thy children, may glorify Thee in their free countries.

We humbly implore Thee, our God and Redeemer, accept this our prayer: Bless the United States of America and Byelorussia.

May Thy glorious name, our God and Father, reign and shine in our hearts and be blessed now and forever. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 21, 1958, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of March 21, 1958,

Mr. CHAVEZ, from the Committee on Public Works, on March 22, 1958, reported favorably, with an amendment, the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, and submitted a report (No. 1407) thereon, which was printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, and that statements made in connection therewith shall be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. KNOWLAND. Mr. President, on behalf of the senior Senator from Massachusetts [Mr. SALTONSTALL] and the senior Senator from Connecticut [Mr. BUSH], I ask unanimous consent that they may be granted leave of the Senate to be absent today. Both Senators are members of the Board of Visitors of the Naval Academy, and are attending a meeting there today.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may be absent from the Senate on official business from now until Wednesday morning.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Louisiana [Mr. LONG] may speak at this time for not to exceed 10 minutes, in connection with the announcement of the death of a Member of the other body.

The VICE PRESIDENT. Without objection, it is so ordered.

DEATH OF REPRESENTATIVE GEORGE SHANNON LONG

Mr. LONG. Mr. President, since the beginning of this session of the 85th Congress, six Members have died. The flags above this building are again at half mast.

This time it is to honor the memory of one of my dearest relatives, the late GEORGE SHANNON LONG, Representative from the Eighth Congressional District of Louisiana.

On last Thursday, March 20, he and his wife were leaving their home for the office. It was necessary to shovel away some snow which was blocking the garage doors. While they were doing this, he suffered a heart attack, and was immediately taken to the Bethesda Naval Hospital. He seemed to be recovering; but, as so often seems to occur, 2 days later, on Saturday, March 22, he suffered a further coronary thrombosis, which proved fatal within a matter of minutes.

Representative LONG was born on September 11, 1883, in the farming community of Tunica, a few miles from Winnfield, La. He was the son of a small farmer, Huey Pierce Long, Sr. He was the second son in a family of nine.

He received his education in the public schools of Winn Parish and Mount Lebanon College. He qualified himself as a dentist in 1904. He moved to Tulsa, Okla., where he practiced his profession.

Like his brothers, he was always attracted to, and took an active part in, public affairs. While in Oklahoma, he served as a member of the Oklahoma State Legislature, and found time to qualify himself as a member of the Oklahoma bar in 1923. In 1935 he returned to Louisiana, to reestablish himself as a dentist. He settled at Pineville, La., where he also acquired a small farm.

His desire to serve in public capacity was again demonstrated. He twice ran unsuccessfully for a seat in the Congress, against a well-established Member of the House. His persistence was rewarded, however, when, in 1952, he was elected. He was reelected in 1954 by an overwhelming majority, and again in 1956.

He endeared himself to all those who knew him here in the Nation's Capital. I believe he was the most beloved member of the Louisiana Congressional delegation. Although he was a vigorous and forceful fighter in all the causes in which he believed, and gave no quarter to his opposition when the battle was on, he was characterized by friendliness, warmth, and Christian tolerance in his relationships with those around him.

Representative GEORGE LONG was one of the most faithful Members in his attendance at the sessions of the House of Representatives. For a time he never missed so much as a single quorum call. Nevertheless, he recognized that the crucial issue is, not how long a Member serves or how regularly he attends his committee meetings or the debates on the floor of the House, but whether he is working in the right direction.

During the debate over the pay raise for the Members of Congress, he made it clear that the public is perhaps incapable of completely rewarding its best public servants, and that any salary is too much to pay to one who is unworthy of service here. The following statement, which he made during the debate on the bill to increase the pay of Members of Congress, is in a large respect typical of his views of the requirements of public service:

My opinion is that a lot of the Members who have spoken here today feel that they are not entitled to a salary raise. My advice to these Members would be, "Go back home and help elect to Congress a better man, to take your place; one who will be worth the money."

His service in the House of Representatives was in the best tradition of what most of us mean by the term Democrat. He was a constant, consistent, and unfailing battler for the poor, the distressed, and the unfortunate.

He served on the Veterans' Committee and he was always an advocate of a more adequate program to provide for the unfortunate veterans and for the widows of veterans. Members of the Congress will recall many battles he waged to prevent exploitation of the veterans' programs by unworthy persons, or other abuses resulting from unthinking bureaucratic procedures.

As a man born on the farm, and who lived near the farm all his life, and a small farmer himself, he was unfailing in his efforts to preserve in our American economy a worthy place for the small family farm.

His position on tax policies and on social security and housing legislation, demonstrated him to be the constant champion of the little man and the underdog.

GEORGE LONG was one of the most regular attenders at the quiet and unpublicized devotional breakfast which is held weekly in the restaurant of the House of Representatives. This little-known and inspired group came to know and love him, as they assembled to place themselves under God's guidance and to share their individual religious teachings and experiences.

Representative LONG was a member of the Baptist Church. He was a 32d degree Mason, a Shriner, and a Kiwanian.

He died at the age of 75, having led a rich, varied, and full life. He had the great satisfaction of having his life's work culminate in the opportunity for public service which he had sought so consistently throughout his life. This gave him the unusual opportunity of finding in his closing years his best and most active period of service.

He is survived by the one he cherished most while on this earth—his faithful and devoted wife, Jewell Tyson Long. He was married to her late in life. The marriage was an extremely happy one. His wife not only provided him with companionship and a wonderful home, but also continued to be his principal aid in his office and in other official capacities.

A brief memorial service will be held here in Washington today, at 4 p. m. The body will then be taken to Pineville, La., for the funeral services and interment on Thursday, March 27.

I should like to express my heartfelt appreciation to my colleagues from the Louisiana Congressional delegation, as well as to GEORGE'S many friends, who have come forward so promptly to give their sympathy and their assistance to the widow and to me, in this moment of sorrow.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. JOHNSON of Texas. I wish to associate myself with the very able Senator from Louisiana in the eloquent tribute he has paid to the late Representative GEORGE SHANNON LONG.

I did not know Representative LONG well, although I knew of his service, particularly of the very fine work he had performed in the field of veterans' affairs, in the field of aid to small farmers, and in connection with many other efforts on behalf of the American people.

Mr. President, the Long family has contributed many able and forceful leaders to our public life. They have worked for the benefit of their people in the light of their own convictions as to what would bring those benefits. And one of the outstanding members of the family is my good friend who represents Louisiana in this body.

When I heard of Representative LONG's unfortunate illness, I dictated to my secretary a note to go to him at the hospital. I will never forget the notes I received from my colleagues, when I went through a trying period with a similar ailment. But late Saturday afternoon my secretary brought the letter back to my desk, and said that Dr. LONG had died.

I join all the other Members of this body in expressing to Representative LONG's family our deep sympathy at his passing.

Mr. LONG. Mr. President, I am very grateful to the majority leader.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. KNOWLAND. On behalf of the Members of the Senate on this side of the aisle, I wish to join the distinguished majority leader in expressing both to the members of Representative LONG's family and to the State of Louisiana our regrets at his passing.

Mr. LONG. Mr. President, I thank the Senator from California.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. MANSFIELD. I should like to join my colleagues in expressing our deep sympathy on the passing of our colleague in the House, Representative GEORGE S. LONG, of Louisiana. As the Senator pointed out, he was the champion of the little man. His services will speak for themselves. To the junior Senator from Louisiana, and to the rest of Mr. LONG's family, we extend our deepest condolences and sympathy.

Mr. LONG. I am grateful to the Senator from Montana.

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there were no significant developments relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease, during the month of December, 1957; to the Committee on Agriculture and Forestry.

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Defense, transmitting, pursuant to law, reports on overobligations of appropriations in that Department (with accompanying reports); to the Committee on Appropriations.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the president, Export-Import Bank of Washington, Washington, D. C., transmitting, pursuant to law, a report of that bank, covering the period July–December 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF STATE

A letter from the Secretary of State, transmitting, pursuant to law, a report prior to restoration of balances, International Boundary and Water Commission, Department of State, dated June 21, 1957 (with accompanying papers); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Deposit Insurance Corporation, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON DISPOSALS OF FOREIGN EXCESS PROPERTY, INTERNATIONAL COOPERATION ADMINISTRATION

A letter from the Director, International Cooperation Administration, Washington, D. C., transmitting, pursuant to law, a report on disposals of foreign excess property by that Administration, covering the period January 1, 1957, through December 31, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of January 31, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution 8

"Resolution relative to harbors of refuge for small craft

"Whereas there is an urgent demand for harbors of refuge for fishing boats and other small craft along the Pacific coast; and

"Whereas the improvement and development of such harbors of refuge will be useful in augmenting the Nation's food supply by facilitating the further exploration of the food resources of the ocean by small craft, as well as providing harbor facilities and safe havens of refuge from storms for fishing fleets and other small craft; and

"Whereas such harbors of refuge will fill an urgent need of the United States Coast Guard in air and sea rescue endeavors, as well as providing harbor facilities for use of the Armed Forces in the event of hostilities; and

"Whereas in 1945 and 1946 the Congress of the United States authorized preliminary examinations and surveys with the view to the establishment of such harbors, which surveys were recommended by the United States Army Corps of Engineers; and

"Whereas there are great stretches of the California coast which are at present devoid of harbors of refuge but along which coast are situated places adapted by nature to ready development at cost-to-benefit ratios amply justifying Congressional authorization and appropriation; and

"Whereas pursuant to the report of the Chief of Engineers, United States Army, dated at Washington, D. C., March 22, 1948 (embodied in House of Representatives, 80th Cong., 2d sess., Doc. No. 644), the project known as Pillar Point breakwater on Half Moon Bay, San Mateo County, Calif., by action of the 80th Congress became, and ever since has been, an authorized project; and

"Whereas the San Francisco district engineer, having been furnished funds therefor, completed further studies and engineering data on said breakwater project, made his recommendation to the South Pacific division engineer of the United States Army Corps of Engineers for the general design memorandum about the month of January 1957, and which general design memorandum was thereafter approved by the Chief of Engineers in Washington in July 1957; and

"Whereas the Small Craft Harbors Commission, in the Department of Natural Resources of the State of California, at its meeting held in Redwood City, San Mateo County, Calif., on the 29th day of October 1957, after careful examination and study of the various reports and engineering data pertaining to the project, and after viewing the site, became convinced, and by resolution unanimously adopted, that the Pillar Point breakwater was of such authorized status and importance that it be given first priority—a classification for construction and completion as the first harbor of refuge south of San Francisco Bay, and thereby and therein urged the active support of Vice President Nixon, United States Senators KNOWLAND and KUCHEL and each California Representative in Congress to have included by the Bureau of the Budget an item of appropriation sufficient in amount to permit bids and letting of contracts for the construction of said project; and

"Whereas the members of the California Legislature have been informed that the Bureau of the Budget failed to include an item of appropriation for construction of the Pillar Point breakwater: Now, therefore, be it

"*Resolved by the Senate and the Assembly of the State of California (jointly)*, That the Legislature of California respectfully memorializes the Congress of the United States to take appropriate action to augment or supplement the budget for the ensuing fiscal year by adding thereto an item of appropriation for construction of said Pillar Point breakwater; and be it further

"*Resolved*, That the Legislature of California respectfully memorializes the Congress of the United States to authorize the United States Army Corps of Engineers to proceed forthwith and complete the preliminary examinations and surveys of other sites for harbors of refuge along the California coast, at intervals deemed adequate for the safety and protection of fishing fleets and other small craft; and be it further

"*Resolved*, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, the Secretary of Defense, and to each Senator and Representative from California in the Congress of the United States."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the Congress of the United States to enact legislation protecting textile, fishing, and other historic industries

"Whereas His Excellency the Governor, in his annual message declared: 'Our textile and fishing industries have suffered greatly because of national and international policies which the national administration believes essential to the security of the Nation. I believe that it is unfair that these industries and their employees should be left to bear the adverse effects of national and international policies that have been adopted for the benefit of all citizens'; and

"Whereas other historic industries, deeply rooted in our economy and our traditions such as the shoe industry, have similarly suffered from the effect of national and international policies; and

"Whereas the Congress has recently and is now considering measures to alleviate the unfair losses imposed particularly upon the middle-aged and older workers of the Commonwealth of Massachusetts; and

"Whereas Federal tax policies encourage speculators in industrial property to close up going plants rather than renovate and rebuild them, and thus constitute an additional barrier to the restoration of prosperity to our depressed industries: Therefore be it

"*Resolved*, That the General Court of Massachusetts hereby memorializes the Congress of the United States requesting that the Congress give early favorable consideration to legislation to alleviate the burdens on the textile, fishing, and other historic industries, and that the Congress modify Federal tax statutes in such a manner as to discourage owners from closing up economically valuable plants and factories; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth.

"House of representatives, adopted March 4, 1958.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence March 10, 1958.

"IRVING N. HAYDEN,
"Clerk.

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

A resolution adopted by the Long Beach (Calif.) Chamber of Commerce, favoring the repeal of the excise tax on transportation of property and passengers; to the Committee on Finance.

A resolution adopted by the Board of Supervisors, Los Angeles County, Calif., favoring the repeal of the telephone excise tax; to the Committee on Finance.

A resolution adopted by the Commission of the City of Troy, Mich., favoring the repeal of the excise tax on automobiles; to the Committee on Finance.

A resolution adopted by the Board of Commissioners, of Kauai County, T. H., favoring the establishment of a mining industry on the Island of Kauai; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Board of Supervisors, Hawaii County, T. H., relating to fast water transportation services between the Hawaiian Islands; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Young Republicans of Essex County, N. J., relating to presidential succession; to the Committee on the Judiciary.

CONCURRENT RESOLUTION OF GENERAL ASSEMBLY OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, on behalf of myself and my colleague, the senior Senator from South Carolina [Mr. JOHNSTON], I present, for appropriate reference, a concurrent resolution of the General Assembly of South Carolina, memorializing the Congress of the United States to provide the means and the Department of Agriculture to inaugurate a program to encourage and aid landowners to reseed and grow hardwoods on lands not adapted to pine trees.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing the Congress of the United States to provide the means and the Department of Agriculture to inaugurate a program to encourage and aid landowners to reseed and grow hardwoods on lands not adapted to pine trees

Be it resolved by the senate (the house of representatives concurring), That the attention of the Congress of the United States is called to a practice which now obtains in this State, and presumably in other States whose lands are adapted to the growth of hardwoods, that the conservation reserve program does not foster the planting and growing of hardwood trees, as is done in the case of pine trees. It is well known that the Department of Agriculture is placing great emphasis on the practice of planting and growing of pine trees, a most commendable practice. But there are vast areas in this State in which the water table is too high to grow pine trees. These areas, however, are well adapted to the growth of poplar, gum, maple, and other trees which flourish in soils too wet to grow pine trees.

We take it that it is not necessary to invite the attention of the Congress to the fact that the hardwoods are very essential to many useful industries. They are used in making plywood, in the manufacture of automobiles, buildings, airplanes, and many other uses too numerous to mention. And so we memorialize the Congress of the United States to provide the means and the Department of Agriculture to inaugurate a program that will encourage and aid landowners in reseeding and planting hardwood trees in certain areas. During the recession, a program of this type would provide profitable employment to thousands of people now out of work, and at the same time, would, in the years to come, provide a source of national wealth that would make a very definite contribution to the economy of our Nation; be it further

Resolved, That a copy of this resolution be sent to the Secretary of Agriculture, to the Senators from this State, and the Members of the House of Representatives in Congress.

CONCURRENT RESOLUTION OF MISSISSIPPI LEGISLATURE

Mr. STENNIS. Mr. President, one of the main reasons why our country has been successful in defeating all those who have attacked us has been the effective work of the citizen-soldier, who follows a gainful business or profession in peacetime, and yet is available for immediate mobilization during time of war or other real emergency.

An outstanding example of this citizen-soldier is Maj. Gen. Alexander G. Paxton, of Greenville, Miss., and the Mississippi National Guard, who will retire on July 1, this year, after many years of faithful and outstanding service to his State and the Nation. Let those who need assurance of the necessity of maintaining a strong National Guard follow his record of service through World War I, World War II, and the Korean war. He has served with great personal sacrifice and outstanding ability during these periods of national peril, and I pay tribute to him as an outstanding Mississippian and a great American. His record of achievement has been the record of battle-success of the famed 31st "Dixie" Division, which has served with distinction all over the world, for it is General Paxton who has led this historic division.

Mr. President, Maj. Gen. Alexander Paxton deserves the appreciation of a grateful country for his ability, leadership and patriotism. His outstanding record is proof indeed of the necessity for the continuation of the work of the citizen-soldier and a strong National Guard.

The Mississippi Legislature has adopted a resolution in recognition of his outstanding service, and I ask unanimous consent that this resolution be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 133

Concurrent resolution of the Legislature of the State of Mississippi expressing the appreciation of the State of Mississippi to Maj. Gen. Alexander G. Paxton, commanding general of the 31st Infantry Division, on the eve of his retirement from the Mississippi National Guard

Whereas for many years the State of Mississippi and the Nation have benefited by Maj. Gen. Alexander G. Paxton's great ability and outstanding talent, and the contribution he has made in helping maintain this State and Nation strong and free from oppression; and

Whereas General Paxton during the periods of conflict of World War I, World War II, and the Korean war has with great personal sacrifice laid aside the duties and cares of his civilian vocation and willingly heeded the call of his State and Nation to serve in their defense with great honor and distinction; and

Whereas General Paxton through his exemplary leadership has led the famed 31st Dixie Division with the efficiency and devotion to duty required to maintain that organization as one of this Nation's finest, and in keeping with that division's historic heritage; and

Whereas in peace and war the achievements of General Paxton as a member of the Mississippi National Guard have been a source of strength and aid to the National Guard and of immeasurable value to the people of this State: Now, therefore, be it

Resolved by the Senate of the State of Mississippi (the House of Representatives concurring therein), That by the adoption of this resolution we express the appreciation of the State of Mississippi to Maj. Gen. Alexander G. Paxton for his devoted service to this State and to its people; be it further

Resolved, That there be presented in suitable official form an enrolled copy of this resolution to Maj. Gen. Alexander G. Paxton, and further that copies be sent to the representatives of the press.

PRICE SUPPORTS—RESOLUTIONS OF MINNESOTA ORGANIZATIONS

Mr. THYE. Mr. President, I present a series of resolutions adopted by the local Farmers' Union of Floodwood, Minn., the Atwater Creamery Co., of Atwater, Minn., the Floodwood Cooperative Creamery Association, of Floodwood, Minn., and the Redwing, Minn., local of the Farmers' Union, relating to price supports for dairy products. I ask unanimous consent that the resolutions may be printed in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

FLOODWOOD, MINN., *March 20, 1958.*

Hon. EDWARD J. THYE,
Senator from Minnesota,
Washington, D. C.

DEAR SENATOR THYE: Resolution passed in our local Farmers Union meeting held in co-op clubrooms at Floodwood, Minn., March 18, 1958, 8 p. m.

Whereas the dairy industry is one of the major industries in the whole Arrowhead area of Minnesota, also Floodwood, Minn.

If the support prices are lowered to 75 percent of parity that means over $900,000 loss in income for Arrowhead area farmers. That means so much and more loss in business, also on urban territory.

Whereas even present support prices in parity for dairy products are already too low to make prosperity for dairy farmer. So we are strongly opposed or against the lowering support prices for dairy products down to 75 percent of parity.

Sincerely yours,

FRANK O. LUOMA,
Secretary.

ATWATER CREAMERY CO.,
Atwater, Minn., March 17, 1958.

Senator EDWARD J. THYE,
Washington, D. C.

DEAR SENATOR THYE: Enclosed is a photograph of the members of the Atwater Creamery Co., of Atwater, Minn., at the 67th annual meeting of the cooperative held the 15th day of February 1958. The members are shown voting in favor of the following resolution:

"1. That the farmers of the country have been more and more exposed to the harsh and pitiless program of elements that have tried and are trying to drive prices of agricultural products to the ground.

"2. That the newest drive against the farmer is the order of Secretary of Agriculture Ezra Taft Benson cutting dairy price supports.

"3. That a strong, stable agriculture is necessary for a healthy economy and that a healthy agricultural economy requires the protection of price through firm price supports.

"4. That Secretary Benson's order shoves a knife in the back of the farmer farming the individualized, family-sized farm which is the backbone of agriculture and the Nation's economy: Therefore, we assembled in our annual meeting, resolve as follows:

"1. That we urge all farm State legislators to support the bills introduced by Senators HUBERT H. HUMPHREY and EDWARD J. THYE providing for dairy price supports at 75 to 90 percent of parity using a parity equivalent based on the 30-month period July 1946, to December 1948, and for a support price of not less than $3.50 per hundredweight for the marketing year beginning April 1.

"2. That the campaign of Secretary Benson against dairy price supports and against the farmers of the Nation be deplored."

Sincerely,

FRITZ KRAGENBRING,
Chairman, Atwater Creamery Co.

FLOODWOOD COOPERATIVE CREAMERY ASSOCIATION,
Floodwood, Minn., March 21, 1958.

Hon. EDWARD THYE,
United States Senate,
Washington, D. C.

DEAR SIR: The following resolution was unanimously passed at a district meeting of the Arrowhead Cooperative Creamery Association held at the Floodwood Community Hall on March 20, 1958:

"Whereas the dairy industry is the only industry in this area of any consequence and a drop in support price to 75 percent of parity would mean a loss of annual income in this area of over $1 million to farmers and business places; and

"Whereas even the present dairy support price of 82 percent of parity is too low to enable the dairy farmer of this area to prosper: Be it

"*Resolved,* That the 300 members present at this meeting were strongly opposed to the lowering of dairy price supports to 75 percent of parity as proposed by the Secretary of Agriculture."

FRANK A. GUOMA,
Secretary.

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs, and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That we, the Red Wing local of the Farmers Union, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price-support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Red Wing, Minn., March 18, 1958.

GEORGE ARNDT,
Vice President.

Mrs. ANGELINE GERMANN,
Secretary-Treasurer.

RESOLUTION OF VILLAGE COUNCIL OF BUHL, MINN.

Mr. THYE. Mr. President, I present a resolution adopted by the village council of the village of Buhl, Minn., favoring the enactment of legislation to provide funds for a public-works program in the vicinity of Buhl. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

"Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabi Iron Range, wtih hundreds of iron ore miners unemployed and many more to be laid off as time goes on; and

"Whereas this serious situation has created undue hardship and suffering upon these unemployed and their families: Now, therefore, be it

"*Resolved,* That the village council of the village of Buhl, Minn., request the Congress of the United States of America to appropriate Federal funds and aid for a public-works program in this area affected by this serious unemployment situation and thus help relieve the undue hardship of these unemployed and their families, and to effectuate the securing of the same."

Copies of this resolution to be sent to Hon. JOHN A. BLATNIK, Congressman from our district, Hon. HUBERT HUMPHREY and Hon. EDWARD THYE, United States Senators from Minnesota.

Moved by Clerk Turnquist, seconded by Trustee Simonson that the foregoing resolution be adopted as read.

It was declared adopted by the following vote: Ayes—Trustees Simonson, Roberts; Clerk Turnquist, Mayor Anderson; nays—none.

Dated at Buhl, Minn., this 17th day of March 1958.

JOHN L. ANDERSON,
Mayor.

Attest:

JOHN D. TURNQUIST,
Clerk.

RESOLUTION OF BOARD OF DIRECTORS OF WILD RICE ELECTRIC COOPERATIVE, INC., MINNESOTA

Mr. HUMPHREY. Mr. President, the board of directors of Wild Rice Electric Cooperative, Inc., has recently adopted a resolution opposing increased rates for REA.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

A motion was made by G. E. Gunnarson to adopt the following resolution:

"Whereas it has been brought to the attention of the directors of Wild Rice Electric Cooperative, Inc., that a proposed increase in the interest rates charged is proposed; and

"Whereas many co-ops could not survive any rate increase: Now, therefore, be it

"*Resolved,* That the directors of Wild Rice Electric Cooperative, Inc., wholeheartedly oppose any such increase; and be it further

"*Resolved,* That a copy of this resolution be forwarded to the Senators and Representatives of the State of Minnesota."

Mr. R. P. Schnell seconded said motion and the same being put to a vote the resolution was unanimously adopted. Motion carried.

RESOLUTION OF BERTHA (MINN.) COMMERCIAL CLUB

Mr. HUMPHREY. Mr. President, on March 17, 1958, the Bertha Commercial Club unanimously adopted a resolution urging that the Congress maintain the present rate of dairy support.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

BERTHA COMMERCIAL CLUB,
Bertha, Minn.

"Whereas the dairy industry is one of the major industries in Minnesota and the Bertha area; and

"Whereas the price supports on dairy products is scheduled to drop on April 1 to 75 percent, the basic minimum; and

"Whereas the economic effect would be a considerable loss to our dairy farmers and to our entire area: be it

"*Resolved*, That the Bertha Commercial Club urges your continued effort, as a temporary measure, to maintain the present rate of dairy support; be it further

"*Resolved*, That copies of this resolution be sent to United States Senators EDWARD J. THYE and HUBERT H. HUMPHREY and to Congressman FRED MARSHALL."

The above resolution was presented at the Bertha Commercial Club meeting on March 17, 1958, and was approved unanimously.

S. O. STOCK,
Secretary.
MORRIS F. BAILEY,
President.

RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, ST. LOUIS COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I have just received a copy of the resolution adopted by the Board of County Commissioners of St. Louis County, Minn., urging the Federal Government to speed up public works projects to help counteract the economic recession.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Resolution 190

Whereas the United States of America is now in the midst of an economic recession to the extent that the Congress of the United States has become greatly concerned; and

Whereas curtailment of steel and wood products manufacture has affected northeastern Minnesota, especially St. Louis, Lake, and Cook Counties to the extent that a large number of residents are no longer eligible for unemployment compensation: Now, therefore, be it

Resolved, That the United States Forest Service, through the Department of Interior, is hereby requested to extend the Ely-Buyck Road to at least as far as Big Lake in St. Louis County;

Resolved further, That the Congress of the United States is hereby requested to allocate additional funds to the United States Forest Service for projects in their recreational and forestry management program;

Resolver further, That the United States Forest Service is hereby requested to commence at once, wherever practical, any projects which they have under consideration for the year 1958.

Commissioner Ahola moved the adoption of the resolution and it was declared adopted upon the following vote: Yeas, Commissioners McKeever, Solem, Theobald, Ahola, Ostdahl, and Chairman Hultstrand, 6; nays, none.

J. L. PERRY,
Clerk of County Board.

RESOLUTION OF PUBLIC UTILITIES COMMISSION OF BUHL, MINN.

Mr. HUMPHREY. Mr. President, the Public Utilities Commission of Buhl, Minn., has recently adopted a resolution urging Congress to appropriate Federal funds and aid for public-works programs in the area around the Mesabi Iron Range where there is a serious unemployment problem.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

"Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabi Iron Range, with hundreds of iron ore miners unemployed and many more to be laid off as time goes on; and

"Whereas this serious situation has created undo hardship and suffering upon these unemployed and their families: Now, therefore, be and it hereby is

"*Resolved*, That the Public Utilities Commission of the Village of Buhl, Minn., request the Congress of the United States of America to appropriate Federal funds and aid for a public-works program in this area affected by this serious unemployment situation and thus help relieve the undo hardship of these unemployed and their families; and to effectuate the securing of the same, copies of this resolution will be sent to the Honorable Congressman JOHN BLATNIK, the Honorable Senator HUBERT HUMPHREY, and the Honorable Senator EDWARD THYE."

Secretary N. J. Mollaro moved the adoption of the foregoing resolution and upon support thereof by Commissioner M. J. Klarich, the same was adopted and so declared at a duly called meeting held March 18, 1958, by the following vote: Ayes, 3; nays, 0.

PETER STONEBRUCH,
Chairman.

Attest:

N. J. MOLLARO,
Secretary.

RESOLUTION OF CITY COUNCIL, HASTINGS, MINN.

Mr. HUMPHREY. Mr. President, the City Council of the City of Hastings, Minn., has recently adopted a resolution urging that the National Guard continue to be maintained at the highest possible strength and state of readiness.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

HASTINGS, MINN., *March 19, 1958.*

Be it resolved by the City Council of the City of Hastings, Minn., That the Congressmen and Representatives of Minnesota be urged to oppose legislation of which committee hearings are now being conducted by the House Armed Services Committee.

It is the belief of this body that the National Guard should be maintained at the highest possible strength and state of readiness so that mobilization delays will be reduced to a minimum.

We further believe that a strong, well-trained and well-equipped active service, backed by a strong National Guard, is essential to our national security and that it would be dangerous economy to carry out the present forced reductions in strength of the National Guard.

Adopted by the city council this 17th day of March 1958.

WALLACE H. ERICKSON,
Mayor.

Attest:

ADOLPH J. GERGEN,
City Clerk.

LETTER FROM INTERNATIONAL HOD CARRIERS AND CONSTRUCTION LABORERS LOCAL 1097, VIRGINIA, MINN.

Mr. HUMPHREY. Mr. President, the International Hod Carriers and Construction Laborers Local, No. 1097, Virginia, Minn., has just sent me a letter informing me of the resolution adopted by the local urging an additional 16 weeks of unemployment compensation benefits out of Federal funds.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

INTERNATIONAL HOD CARRIERS AND CONSTRUCTION LABORERS LOCAL, No. 1097,
Virginia, Minn., March 21, 1958.

Hon. HUBERT HUMPHREY,
Senate Building,
Washington, D. C.

DEAR SIR: This organization, local 1097, construction and common laborer union, of Virginia, Minn., covering three counties in northern Minnesota, at its regular meeting of March 13, 1958, voted to go on record as to asking your wholehearted support in any bill which would add an additional 16 weeks of unemployment compensation benefits out of Federal funds.

In this local we have over 500 members out of work, many since early fall, and are at or coming to the end of their regular unemployment compensation benefits.

Yours truly,

A. W. PRYOR,
Business Representative.

RESOLUTION OF CITY COUNCIL, VIRGINIA, MINN.

Mr. HUMPHREY. Mr. President, the City Council of the City of Virginia, Minn., adopted a resolution at its meeting on March 18, 1958, calling upon Congress to increase public works and other benefits to provide economic assistance in their immediate area to combat the serious unemployment situation.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on

Public Works, and ordered to be printed in the RECORD, as follows:

Resolution 6611

Resolved by the City Council of the City of Virginia, That—

Whereas the unemployment situation throughout the country has become increasingly critical and many varied plans have been discussed in Congress to alleviate this situation; and

Whereas the adverse effects of the Nation's economy have been immediately felt in this area as steel production has decreased: Be it hereby

Resolved, That the city of Virginia and its surrounding area urgently request immediate action be taken to provide a system of public works or other benefits to provide economic assistance to this area, whether a part of a national program for the entire country or some form of action giving special assistance to promote the mining of local Minnesota iron ores.

Moved by Alderman Virshek, supported by Alderman Thomas, that the above resolution be adopted.

Ayes: Aldermen Thomas, Virshek, Luodo, Vukelich, Glatz, McKenzie, Maki, President Stock—8; nays, none.

Adopted March 18, 1958.

ARTHUR J. STOCK,
President of the City Council.
JOHN VUKELICH,
Mayor.

Attest:

J. G. MILROY, Jr.,
City Clerk.

RESOLUTION OF CURRIE, MINN., BOOSTERS FARMERS UNION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the Currie Boosters Farmers Union Local urging Congress to take immediate steps to restore farm prices to a full parity level.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs, and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That we, the Currie Boosters Farmers Union, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Currie Booster Local, Minnesota, March 19, 1958.

HERMAN ZENS,
Chairman.
AGNES MICKELSON,
Secretary.

RESOLUTIONS OF ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by organizations in the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the United States Air Force has stated that its No. 1 problem is retention of skilled personnel and this same problem exists in the other services; and

Whereas a committee headed by Mr. Ralph J. Cordiner, president of General Electric, has proposed a modernized military pay system based upon accepted methods of American industry and designed to aid the military services to reward and retain skilled individuals in critical jobs; and

Whereas it has been estimated that if adopted the Cordiner Committee's recommendations would eventually save $5 billion annually in training costs and at the same time substantially increase the striking power of our military forces: Therefore be it

Resolved, That the Greene County Board of Supervisors does unanimously urge the Congress of the United States to adopt legislation containing the recommendations of the Cordiner Committee; and be it further

Resolved, That a certified copy of this resolution be sent to the Honorable IRVING S. IVES, United States Senator; to the Honorable JACOB JAVITS, United States Senator; and to the Honorable J. ERNEST WHARTON, Member of the House of Representatives.

Whereas it is our belief that immediate measures be taken to assist in combating any depression or recession; and

Whereas it is our belief that the most rapid and beneficial measures can and should be taken at the local community level, with the assistance of the State and Federal Governments; and

Whereas it is our belief that if all local communities institute a program of public works, with the assistance of the State and Federal Governments, a depression can be averted and a recession halted; and

Whereas we have endeavored to evolve a plan for such assistance, which plan is incorporated in this resolution; and

Whereas it is our desire to place this plan before the appropriate governmental authorities: Now, therefore, be it

Resolved, That this council petition the State and Federal Governments for assistance in public works undertakings for this community and for all other communities similarly situated, which public works are to be undertaken as soon as practicable and as soon as permissible under present existing law.

That this community undertake a program of constructing the following: A sewage disposal plant, an incinerator, construct storm sewer drainage wherever needed, repave necessary streets throughout the city, construct a municipal office building, construct a municipal recreation building.

That this community pay one-third of the cost thereof, the State government pay one-third the cost thereof, the Federal Government pay one-third the cost thereof.

That since it will be necessary to issue bonds for the payment of these public works, that this community pay one-third of the interest charges on such bond issue, that the State government pay one-third of such interest cost on such bond issue and that the Federal Government pay one-third of such interest cost, such payments to be made annually.

That since it is our belief that many local communities hesitate to enter into a program of public works because of the necessary and continued interest charges on bond issues for the payment of such public works, we suggest, as above, that the interest charges be divided equally between the local community, State government and Federal Government.

It it our belief that if this method of financing public works be adopted for usage throughout the country, then immediate assistance can be rendered to the national economy and the burden of paying for such program can be equitably assessed throughout the Nation; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the Governor of the State of New York and our Representatives in Congress for appropriate legislation and action.

Whereas the current recession has had a severe effect on the economy of Westchester County; and

Whereas jobless-insurance claims for January and February 1958 are 40 percent over the same period in 1957 and registered unemployment is presently over 15,000, the highest since 1940; and

Whereas unemployment in New York State continues to climb and industrial production continues to fall; and

Whereas the rate of personal and corporate taxation is at the highest point in history: Now, therefore, be it

Resolved, That we request that Congress take prompt and forceful action to curtail the growing speed and gravity of the current decline and to further adopt measures which will insure relative stability of our economy; and be it further

Resolved, That every consideration should be given to effecting an immediate and substantial personal and corporate tax cut. Such a tax cut on personal income at this time would create billions in increased purchasing power which would stimulate sales and production and, consequently, revive our faltering economy. A reduction of taxes on corporate income will tend to reduce the profit squeeze and therefore enable business to invest additional moneys in capital expenditures—plant expansion, new machinery, and so forth which will also tend to revitalize our economy.

It is our firm belief that our present economic condition is due in a large part to the excessively high corporation and personal income taxes.

In addition to the compelling social reasons for a healthy economy, it is our strong belief that a vital, healthy national economy is our greatest weapon of defense.

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. JAVITS. Mr. President, I present a petition signed by sundry citizens of the State of New York, favoring the

enactment of the bill (S. 582) to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages. I ask unanimous consent that the petition may be printed in the RECORD.

There being no objection, the petition, without the signatures attached, was ordered to be printed in the RECORD, as follows:

We urge you to use your power to get through the Senate bill S. 582—LANGER, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages. Thanks.

(Signed by Mrs. Melvin Donner, and 32 other citizens of the State of New York.)

PROHIBITION OF SERVING ALCOHOLIC BEVERAGES ON COMMERCIAL AND MILITARY PLANES—PETITION

Mr. JAVITS. Mr. President, I present a petition signed by sundry citizens of the State of New York, favoring the enactment of the bills (S. 4) and (S. 593) to prohibit serving of alcoholic beverages on commercial and military planes. I ask unanimous consent that the petition may be printed in the RECORD.

There being no objection, the petition, without the signatures attached, was ordered to be printed in the RECORD, as follows:

We urge you to use your powers to get through the Senate one of the bills, S. 4 and S. 593, to prohibit serving of alcoholic beverages on commercial and military planes. Thanking you, we are

(Signed by Mrs. Melvin Donner and 34 other citizens of the State of New York.)

RESOLUTIONS OF FARMERS UNION JOBBING ASSOCIATION, OF KANSAS CITY, MO.

Mr. CARLSON. Mr. President, the Farmers Union Jobbing Association, of Kansas City, Mo., at its annual meeting on March 2, 1958, adopted several resolutions, including one which stresses the importance of research projects carried on by various institutions in the interest of agriculture.

These research projects further include projects not only dealing with the improvement of farm crops, but also studying the benefits of marketing in our domestic and export markets.

I want to call these resolutions to the attention of the Senate and ask that they be referred to the Committee on Agriculture and Forestry, and printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

The Farmers Union Jobbing Association, a regional cooperative association, owned by 240 local cooperatives, representing 75,000 farmer members, meeting at its 44th annual meeting this 12th day of March 1958, hereby recommends the adoption of the following resolutions:

RESOLUTION NO. 1

We commend the board of directors, management and employees for their effort in completing a very successful business year and the very forward reaching expansion program now being carried out.

RESOLUTION NO. 2

We commend the association for their cooperation and support of the Kansas Cooperative Council, the Kansas Farmers Union and the Committee of Kansas Farm Organizations. We urge this support and cooperation be continued.

RESOLUTION NO. 3

We endorse and support the establishment and continuance of the Midwest Cooperative Conference, a voluntary association of regional cooperatives to express the attitudes of farmer cooperatives on farm problems and the inauguration of self-help programs through cooperatives to assist farmers to obtain a more equitable share of the national income. We are especially proud of the part our general manager took in the establishment of this conference as we feel it brought the voice and strength of cooperatives to the forefront in dealing with farmers' problems.

RESOLUTION NO. 4

We endorse the research projects being conducted in cooperation with various land-grant colleges, for the purpose of gathering statistical information as an approach to a voluntary self-help program through cooperation, for agricultural price supports and production controls.

We also endorse the research and investigation carried on by the National Federation of Grain Cooperatives on an export program. We urge our association to give financial and moral support to these projects.

RESOLUTION NO. 5

We believe the National Federation of Grain Cooperatives, composed of all the regional marketing cooperatives, of which our association is a member, is doing an excellent job of uniting all regional cooperatives into a common front in Washington. We urge our association to continue its membership and support of the federation.

RESOLUTION NO. 6

The National Federation of Grain Cooperatives holds a spring conference each year in Washington. We commend the board of directors and management for their effort in getting managers of local and regional cooperatives to attend this conference. We urge this practice be continued.

RESOLUTION NO. 7

We believe that the Congress should make a public declaration of national policy to encourage, promote, and finance farmer cooperatives.

RESOLUTION NO. 8

We believe that the objective of agricultural parity is sound and fair; therefore, we support the action of Congressional leaders in their attempt to freeze the price supports at the 1957 levels.

RESOLUTION NO. 9

These resolutions shall become a part of the minutes of this annual meeting and we direct that copies thereof shall be sent to the Secretary of Agriculture and the Congressional delegations of Kansas and Missouri.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 1697. A bill to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes (Rept. No. 1409); and

S. 1748. A bill to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests (Rept. No. 1408).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1507. A bill for the relief of Aly Wassil (Rept. No. 1410);

S. 2564. A bill for the relief of Sabina Skalar (Rept. No. 1411);

S. 2638. A bill for the relief of Nicholas Christos Soulis (Rept. No. 1412);

S. 2794. A bill for the relief of Letteria Morganti (Rept. No. 1413); and

S. 2841. A bill for the relief of Karl Weinheimer (Rept. No. 1414).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 2665. A bill for the relief of Jean Kouyoumdjian (Rept. No. 1415).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with an amendment:

S. 3050. A bill to increase the equipment maintenance allowance for rural carriers, and for other purposes (Rept. No. 1416).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Oliver D. Hamlin, Jr., of California, to be United States circuit judge, ninth circuit, vice William Denman, retired;

Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado;

Pervie Lee Dodd, of Alabama, to be United States marshal for the northern district of Alabama;

Tom Kimball, of Colorado, to be United States marshal for the district of Colorado; and

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire.

By Mr. DIRKSEN, from the Committee on the Judiciary:

Vernon Woods, of Illinois, to be United States marshal for the eastern district of Illinois.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD (for himself and Mr. BRIDGES):

S. 3544. A bill to amend the National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 3545. A bill for the relief of John F. Sheehan; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 3546. A bill for the relief of Donald Herbert French; to the Committee on the Judiciary.

By Mr. HRUSKA:

S. 3547. A bill for the relief of Andrejs Pablo Mierkalns; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. AIKEN, Mr. CASE of New Jersey, Mr. IVES, Mr. POTTER, Mr. PAYNE, and Mr. PURTELL):

S. 3548. A bill to authorize additional funds for urban renewal projects under title I of the Housing Act of 1949, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3549. A bill to amend part III of title III of the Communications Act of 1934 in order to exempt from the provisions of such part certain vessels navigating on Chesapeake Bay or the Potomac River; to the Committee on Interstate and Foreign Commerce.

By Mr. SMATHERS (by request):

S. 3550. A bill to amend the Interstate Commerce Act by adding thereto a new part V, to provide for a temporary program of assistance to enable common carriers subject to such act to finance improvements and developments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

RESOLUTIONS

PRINTING OF ADDITIONAL COPIES OF INTERIM REPORT OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN. Mr. President, at this time I submit a resolution for appropriate reference.

The resolution, Mr. President, would authorize the printing of an additional 2,500 copies of the select committee's report. I believe we received 1,500 copies without any resolution for additional. If the resolution is approved, that will allow us 4,000 copies of the report.

Mr. President, this is a comparatively large report, as can be appreciated, but I might say that requests are already coming in for copies of the report. In my judgment, 4,000 copies of the report will not begin to accommodate the requests that we shall receive.

I hope the Committee on Rules and Administration will promptly act on the resolution and report it favorably, so that the requested additional copies of the report may be printed.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am very glad to yield to the Senator from Louisiana.

Mr. LONG. I can assure the distinguished Senator from Arkansas that 4,000 copies will not begin to meet the demands for the report. I would urge that he ask for more than the number he is now requesting.

Mr. McCLELLAN. I have made this request because I understand that additional copies can be obtained by future requests, if authorized by the Senate. I do think serious consideration should be given, and I shall confer with my colleagues on the committee tomorrow, to obtaining additional copies. I think the demand will be tremendous. The report will be something worth reading, something in which the people of this country are interested. There will be a demand for the report, and the information contained in the report ought to be disseminated to all American citizens. There is something vital that is involved, something that is of concern to all in this country, and something that we need to be informed about.

I believe the report will stimulate an interest that will result in support of the Congress. I am talking about grassroots sentiment that will support the Congress in rising to the responsibility that is incumbent upon it to approve legislation in the areas where it is needed to protect the working people of this country, to protect labor, to protect management, and to protect the interest and welfare of the general public.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am very happy to yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. I wish to identify myself with the remarks made by the distinguished minority leader in complimenting the chairman of the committee for the wonderful work being done, and, as the minority leader said, work I hope will continue to be done. As the ranking minority member of the Committee on Labor and Public Welfare, am I correct in my assumption that the legislation the Senator expects to propose will be referred to our committee for hearings?

Mr. McCLELLAN. The Senator is eminently correct. The select committee can only recommend; it has no legislative function. Any bills proposed by the select committee, and the one I shall introduce, of course, will be referred to the Senator's committee, where further testimony on it may be heard, and the measure evaluated on its merits. The Committee on Labor and Public Welfare is a legislative committee; the select committee is an investigating committee.

Mr. SMITH of New Jersey. That is what I had understood. I thank the Senator for that information. I again congratulate him for the splendid job he and the committee have done.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 279), submitted by Mr. McCLELLAN, was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field 2,500 additional copies of the committee's interim report to the Senate pursuant to Senate Resolutions 74 and 221, 85th Congress.

Mr. ELLENDER submitted a resolution (S. Res. 280) relative to the death of Hon. GEORGE S. LONG, late a Representative from the State of Louisiana, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. ELLENDER, which appears under a separate heading.)

AMENDMENT OF NATIONAL SECURITY ACT OF 1947

Mr. MANSFIELD. Mr. President, I introduce, for appropriate reference a bill to amend the National Security Act of 1947 and for other purposes. I ask unanimous consent that I may speak on the bill in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, the dean of the Republican Senators, the distinguished senior Senator from New Hampshire [Mr. BRIDGES] and I are today introducing a bill identical to H. R. 11001, recently introduced in the other body by the Honorable CARL VINSON, chairman of the House Committee on Armed Services, the Honorable LESLIE C. ARENDS, and the Honorable PAUL J. KILDAY.

This bill would effect a long overdue improvement in our defense organization. Essentially, this would be achieved under the bill's provisions by correcting the weak portions of our defense organization and strengthening that which has proved successful.

Passage of this bill will provide efficiency, reality, economy, and common sense in the organization and functioning of the Department of Defense.

I have come to the conclusion that Congressional admonitions and legislative restraints will not stop the growth of the bureaucracy that has grown so rapidly since the Office of the Secretary of Defense was established in the National Security Act of 1947.

At that time it was envisioned that the Secretary of Defense would exercise broad coordination over the military departments.

The following will indicate how far defense organization has strayed from what was intended by Congress when it passed the National Security Act of 1947. One of the authors of that proposal, the late Adm. Forrest Sherman, testified:

> The Secretary of National Defense should have a small executive office for directing and controlling the Defense Establishment.
>
> In addition to the 4 assistants provided by section 104 I believe he could accomplish his mission with about 100 people, including stenographic personnel and file clerks.

I should like to point out that that small executive office of about 100 people has become an administrative jungle of what is conservatively estimated to be about 2,400 civilian employees, plus the assigned military officers and enlisted personnel. This bureaucratic hierarchy includes assistant secretaries, deputies to assistant secretaries, and assistants to assistant secretaries.

The late James Forrestal testified that it was his expectation that if the Office of Secretary of Defense were established it would "exercise overall direction but not go down into the departments themselves and deal with their functions, daily operations and administration."

What is going on today, and what is impeding and impairing our national security, is that the direct reverse of Mr. Forrestal's expectations has taken place. Today the vast array of functionaries, upon whom finally rests the power so necessarily delegated by the Secretary of Defense, interferes directly with the activities and affairs of the military departments.

The bill will place a limit of 600 civilian employees in the Office of the Secretary of Defense. It will eliminate 14 of the present Under Secretaries and Assistant Secretaries in the Department of Defense, bringing it to a reasonable total of 15 Secretaries and Assistant Secretaries.

The dangers to national security resulting from the overconcentration of power and functions at the top level of the Pentagon is not limited to the civilian bureaucracy.

One of the most alarming developments since World War II has been the gradual but continuing movement toward a single chief of staff and a supreme general staff after the German pattern.

Our Joint Chiefs of Staff system is the strongest insurance against the militarily and politically dangerous supreme staff concept. The bill improves and strengthens our war-proven Joint Chiefs of Staff system. It does this in two respects: First, by giving the JCS, as a corporate body, authority not only to establish unified commands, but also authority over assignment and withdrawal of forces in the unified commands, designation of boundaries between them and coordination between these unified commands; second, by providing legal encouragement and authority for the members of the JCS, who are also the uniformed chiefs of their respective services, to delegate, subject to the approval of their Department Secretaries, administrative details concerning their services.

This in no way—legal or de facto—separates the JCS members from their position as uniformed chiefs of their services. There must be no infringement of the unity of JCS membership and service command which provides reality in the military planning and avoids ivory tower theorizing.

Also, I should like to invite attention to that portion of the bill which restricts, in peacetime, tours of duty in the Joint Staff to a maximum of 3 years. The Joint Staff, by the very nature of its position in the Department, and its relationship with the Chairman of the Joint Chiefs of Staff, could well develop into a supreme high command. Such a development would be the natural result of giving the Joint Staff operational function and authority. Significantly, the bill does not authorize any such dangerous increase in the authority or functions of the Joint Staff.

I believe that a real increase in efficiency in strategic planning will result from that provision of the bill which makes the Secretaries of the military departments regular members of the National Security Council. One of the most unfortunate trends in defense organization in recent years has been the constant erosion in the status and role of the Secretaries of the military departments. In the final analysis, it is the military departments with their uniformed services which are the agencies for finally getting things done. The Secretaries of the military departments have responsibilities of such vast scope and strategic importance and they possess such knowledge of military realities that they can, I believe, contribute greatly to the formulation of policy by the National Security Council. Their membership in the National Security Council will be at least one step in the long overdue process of restoring the much justified prestige and status that must be accorded their position.

This bill will do much to preserve the ability of the Congress and the public to have access to accurate information on military affairs. We can be sure that when the Pentagon reorganization proposals are forwarded to the Congress the Pentagon's censorship and public information machine will accompany them with a barrage of publicity designed to make a quick sale of the proposition.

This bill provides that the Congress shall continue to exercise its constitutional function of prescribing the basic roles and missions of the armed services. Those who have claimed that modern technology has made the present roles and missions competitive, would cure the alleged defect by handing the constitutional function of the Congress to an appointed official in the Pentagon. The alleged defect, of course, is nonsense. There is no competition, for instance, between the role of the Army to provide forces for combat incident to operations on land, and that of the Navy to provide forces for combat incident to operations at sea. Any proposal to cure this nonexisting defect, by removing the existing restraints on Pentagon tampering with the roles and missions prescribed by the Congress, will bring on a constitutional crisis.

There are ample indications that the Pentagon's fiscal officials have been able to exercise a degree of control of military operations and functions, supervening their fiscal judgment over those responsible and accountable for such matters. This practice has grown to the extent that the Pentagon's arbitrary management of the funds appropriated by the Congress in some cases amounts to a direct challenge to the constitutional function of the Congress to determine what is to be accomplished by the use of public moneys. It has come to the point that the adding machine in the Pentagon has become more lethal than the sword and more powerful than the Constitution and the Congress. As an illustration, the Senate will recall that, under a previous Democratic administration, the Congress voted funds for a 70-group Air Force, but the executive branch impounded all funds except those needed to maintain a 48-group Air Force; under this administration, $40 million above the budget request was allowed by the Congress to keep the Marine Corps at its statutory strength, but this money was impounded as well and the will of the Congress was flouted; and most recently $32 million was allowed by the Congress for the building of National Guard installations in the various States, and of that amount $22 million has been frozen by the Bureau of the Budget. This bill clarifies the functions and powers of the Comptroller of the Department of Defense.

The proponents of radical reorganizations of the Defense Department have been acting on the premise that our organization for exercising military leadership in the strategic planning of NATO, of SEATO, in fact of the whole Free World has been a failure—incapable of dealing with our own internal military affairs, and hence not to be trusted in the larger considerations of worldwide military strategy. They would have us believe that our military posture is that of a defeated nation whose armed forces have been defeated and destroyed. Acting on that premise, they would have us discard what has been in fact a remarkably capable and successful defense structure—one that has been more than adequate to every emergency.

I believe that it is a serious mistake to give to the world this untrue picture of the United States military organization. Only fundamental defects could justify radical changes in our organization. There is no reasonable basis for believing that the organization which has been uniformly successful has suddenly become fatally defective.

In summary, the bill will result in a restoration of sound administrative procedures, and will effect a reduction in the bureaucratic overhead that today only serves to impair strategic planning and to hinder the accomplishments of the military services.

It is my firm conviction that the bill is constructive without being disruptive. It will result in greater efficiency, economy, and most importantly, in a greater security for our Nation.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement outlining the principal features of the bill, and also a series of three speeches I made earlier this year on the Pentagon and the Defense Establishment.

There being no objection, the statement and speeches were ordered to be printed in the RECORD, as follows:

The principal features of this bill are as follows:

1. Eliminate 14 of the present 25 Deputy or Assistant Secretaries now in the Department of Defense. This will clear out the great mass of persons of high station in the Pentagon hierarchy who have no positive authority—they produce only negative authority—the ability to say "no"—thus they can only serve to impede, hinder, and delay. This change will assure faster, better decisions, a documented necessity today. The heavy burden borne by the Secretary of Defense will be lightened through the elimination of many direct subordinates who engage in make-work and force minuscule decisions to reach him, assisting the Secretary of Defense in his difficult job. Reducing the over 2,400 employees in the Department of Defense to a maximum of 600 will be of equally great importance in reducing the burden of minutiae presently carried by the Secretary of Defense.

The crushing burden this reduction in Pentagon hierarchy will lift from the military departments cannot be measured except that it is certainly of great magnitude. That the military services will be able to give greater attention to the job of improving our national security is certain.

2. Include the Secretaries of the Army, Navy, and Air Force in the National Security Council, bringing them into the planning of our national strategy. Presently the military department Secretaries sit only occasionally with the National Security Council. Making certain that the National Security Council decisions will be made only after consideration of positive information on our

military and naval strength will materially improve our national strategic planning.

3. Restrict the activities of the Comptroller of the Department of Defense to that properly within his authority. The changes proposed would require the Comptroller to limit his activities to fiscal policy and procedures and deny him authority to control strategic decisions and operational activity of our military forces.

4. Recognizes the requirement that the Secretary of Defense must have personal assistants to aid him in matters of his office pertaining to public affairs, legislation and legal (General Counsel). These personal assistants are not intended to interfere with or duplicate the duties performed, and necessarily so, by the military departments in these areas.

5. Strengthen the Joint Chiefs of Staff by providing them authority over our worldwide deployed forces—unified commands, the geographical regions of responsibility, and the all-important coordination of and between such commands.

6. Specifically authorize the members of the Joint Chiefs of Staff to delegate many details of the direction of the respective services to their principal assistants without reducing their responsibility as the uniformed heads of their services. Thus preserving the proven essential of any successful system of military direction—unity of planning with responsibility for execution of such plans.

7. Limit assignment to the Joint Staff to 3-year increments, materially strengthening our military services as well as increasing the efficiency of the Joint Staff. Valuable experience will be spread throughout our military and naval forces, while at the same time the Joint Staff will be supplied with officers who have intimate practical knowledge and experience of these forces. The creation of a self-perpetuating, select group of planners, isolated in the Pentagon and insulated from the facts of military reality, is prevented.

Executive Determination and Roles and Missions

There is an alarming indication that increasing attention in the Pentagon is being directed toward removing basic roles and missions of the armed services from existing statute and making them subject only to executive determination.

Such a move is being advocated under the guise of strengthening the Secretary of Defense and streamlining the Defense Department. This may strengthen the executive agency. But it will weaken legislative authority and status in an area in which Congress has wisely and resolutely insisted on the exercise of its prerogative and responsibility since the founding of our country.

What are these roles and missions? Briefly, these constitute the specific provisions of the National Security Act of 1947, amended, which set forth the fundamental and basic roles and missions of each of the armed services. In a sense these provisions of law constitute a charter for each armed service, a kind of directive from Congress stating the purpose for which Congress, in accordance with its constitutional responsibility, creates, provides for, and maintains each of the armed services.

It must be clearly understood that the statutory prescription of roles and missions is not a detailed statement of the specific day-to-day jobs, weapons, techniques, research projects, and routine activities. Rather, roles and missions in law are stated in broad, flexible, and elastic terms which do not make this statutory assignment of roles and missions a straitjacket, a restriction, or an impediment to scientific and technological progress.

I doubt if anyone today could prescribe in more fundamental and more flexible terms the roles and missions of the armed services as they were written into the National Security Act of 1947 with its subsequent amendment.

It must be clearly understood that the roles and missions of the National Security Act are separate and distinct from the detailed assignment of functions of the armed services. The functions of the armed services are the details of the jobs and duties of the armed services, stated in more specific terms than exist in law. Essentially, the functions, which are prescribed by the executive authority of the President or the Secretary of Defense, are adjustable from time to time to new techniques, new weapons, new scientific discoveries. Such functions are amplifications of the basic roles and missions prescribed by law.

So, in the combination of the wording of the roles and missions in the National Security Act as written by Congress and the detailed, adjustable assignment of specific functions by the executive, there is a completely proper, workable, and successful device by which the legislative and the executive can exercise appropriate authority with respect to what the armed services are to do.

This matter of statutory prescriptions of roles and missions is no new issue. In fact, it was probably the fundamental issue connected with the National Security Act of 1947. It certainly received more attention from Congress in its consideration of that bill than any other feature of that law.

I would like to briefly review some of the pertinent facts in connection with the inclusion of roles and missions in the National Security Act of 1947, as amended.

As originally proposed, the National Security Act of 1947 did not include the statutory outline of roles and missions. Rather, it was proposed that an executive order on roles and missions would be issued upon passage of the security act. However, Congress, in its wisdom, decided that it was not only the right of Congress to prescribe basic roles and missions for the armed services but it was an inescapable responsibility of Congress to so do. Such an attitude on the part of Congress was not readily accepted by the executive sponsors of the proposed national security act. Congress was resolute in its position and set forth in properly worded provisions the fundamental roles and missions of each of the armed services.

I would like to point out that Congress, alert to the practical realities of defense matters, recognized that two elements of the armed services were in jeopardy. Because they considered those elements to be necessary to the attainment of a properly balanced defense organization and because such jeopardy should not be permitted to continue, Congress was more precise in the prescription of roles and missions for naval aviation and the Marine Corps.

Congress reaffirmed in even more emphatic terms, through Public Law 416, 82d Congress, 2d session, its insistence upon a continued maintenance of a combat ready Marine Corps as a national force in readiness. Congress underlined its attitude and determination in this respect by stating that the Commandant of the Marine Corps should have coequal status with other members of the Joint Chiefs of Staff in consideration of all matters pertaining to the Marine Corps and that, among other provisions, the Marine Corps should be maintained at a strength of 3 combat divisions and 3 air wings.

It was perfectly obvious at that time that powerful factions within the armed services bitterly opposed this Congressional decision.

There is not the slightest doubt in my mind but what the Marine Corps will be destroyed as a combat force in readiness if present efforts to remove roles and missions from the law are successful. There is no place for the Marine Corps as it has developed, as Congress wants it, and as the country needs it, in the master plan of those who wish to centralize all military authority under somebody in the Pentagon.

It is just as certain that our balanced naval power, with its unsurpassed naval aviation, as well as its Marine landing forces, will be destroyed if the roles and missions are removed from statute. We will find the United States, which is in fact an island Nation dependent upon maritime power for economic and military survival, possessing a navy which no longer will contain the unique American attribute of sea power—the balanced fleet.

This effort—and it is a persistent one—to remove roles and missions from law is not only a matter of military importance. It is of basic constitutional importance which is impossible to overemphasize in matters of legislative-executive relationship. In a practical sense the statutory prescription of roles and missions is one of the few meaningful instruments by which Congress can discharge its proper responsibility with respect to defense policy. If roles and missions for the armed services, as now prescribed by law, are removed from existing statute and made subject to executive whim, little will remain for Congress to do except appropriate moneys for the Pentagon.

This effort, which is gaining momentum within the Pentagon today, is one of the most fundamental issues of our times. Congress could not, and I predict will not, look lightly or casually upon attempts to divest Congress of its authority and its responsibility to prescribe these basic roles and missions. Those persons who have, since 1947, refused to accept the decision of Congress to include roles and missions in the National Security Act must not be permitted to succeed with their efforts to undo this Congressional decision.

There has not, in recent years, been a more clearcut manifestation of a Congressional mandate in defense policies than the Congressional determination to prescribe roles and missions rather than leave it to the executive.

I don't believe that Congress will permit this Pentagon power play to succeed. I do not believe that Congress and the American people will ever permit the Pentagon to erase the statutory safeguards that assure a continued existence of the Marines as an ever-ready combat force.

The Armed Services and Parkinson's Law—II

There has been much talk about the debilitating effects of inter-service rivalries. I would point out that while service rivalries have caused friction and waste, that rivalry in this sense should not be confused with service competition. Service competition has done much to uphold the morale of the services, and it has undoubtedly saved the country lives and dollars. There is a need for continued healthy service competition, but the lines should be drawn sharply so that honest, worthwhile endeavors to excel will not be compounded by efforts to eradicate and to place one service paramount to the others.

I think there is much to be said in behalf of the continuation of the Joint Chiefs of Staff because, as a result of this, we have the best judgment of the combined thinking of the best men in all the services. If the Joint Chiefs of Staff concept was to be done away with, it would mean that the alternative would be the creation of a single chief of staff or principal military adviser to the President who would, on the basis of his single judgment as against the collective judgment of the Joint Chiefs of Staff at the present time, be empowered to make decisions in behalf of the security of this country. This kind of substitution—this one-man judgment—should be avoided as much

as possible. I think that, far better than breaking up the present system we have at this time, it would be in the interests of the Nation and our security to bring about a reorganization within the Pentagon itself.

Parkinson's Law—the multiple additions to a civilian bureaucracy—is a classic illustration of what is happening in the Pentagon. It is my understanding that there are in excess of 30 assistant secretaries or their equivalent in the Department of Defense, the Department of the Army, the Department of the Navy and the Department of the Air Force. These assistant secretaries have their assistants, and in addition to these there are numerous commissions and committees. Many of these civilians in the Pentagon can and do give directives to the military personnel stationed there, and they do so while the responsibility rests not with them but with the officers to whom they issue orders. The question of the coupling of authority with responsibility in the Pentagon is one which the Armed Services Committees of the Congress ought to investigate and make recommendations to correct. There are too many political appointees in the Pentagon who know too little about matters military. There are too many of these appointees who stay for too short a while, learn too little, and who accomplish little except to add to the disorder already prevalent throughout that building. Too many of these temporary civilian administrators try to formulate policy in all fields of defense and very likely too many of them, all too often, interfere when they should be minding their own business.

In my opinion, it would be a good thing if the Armed Services Committees would look into the question of the chain of command and find out, for example, just how many steps there are between the individual joint chiefs of staff and the President of the United States or, for that matter, the Secretary of Defense. We find, for example, that in the New York Times of February 6, 1958, an article by Hanson W. Baldwin states that General Maxwell D. Taylor, Army Chief of Staff last September, said, "There are 19 civilian officials between the Army Chief of Staff and the Commander-in-Chief who either command, control or influence his [the Chief of Staff's] conduct of the business of the Army."

The civilian bureaucracy which has grown up in the Department of Defense should be overhauled. It is not a small policy-forming group superimposed on the separate services as was originally contemplated. It now numbers thousands of employees who do not confine themselves to policy, but who duplicate and confuse the work done by the individual services and who delve deeply into administration, operations and even command. It is time to streamline the Defense Department. It is time to take a look-see at this swollen civilian bureaucracy, and it is time to reduce the number of assistant secretaries and assistants to the assistant secretaries. It is time to find out what the numerous commissions and committees have been doing, and if they have been doing nothing, it is time to abolish them. It is time for a housecleaning not to the end that the Pentagon must be made an example of, but to the end that greater efficiency, better organization and greater stability in the Department of Defense can be established. It is time to do away with the political appointee and to put in his place the dedicated public servant. It is time to recognize that the Defense Establishment in its proper sphere can and does make a contribution to our democracy. It is time to restore greater respect among and between the services, and it is time to give to our military leaders, under sound civilian administration, the functions which are supposedly theirs under the laws of the land.

The Armed Services and Their Needs—III

Mr. President, President Eisenhower has sent to Congress a record-breaking peacetime budget. The largest portion of the administration's program for fiscal year 1959 is for an expanded and accelerated defense effort. World events have spurred the United States on to new achievements in weapons, missiles, and rocket technology; a prerequisite to the maintenance of our position as a world power.

Vast sums of money have been spent and much more will be expended in years to come for an ever-improving arsenal of weapons and equipment for the Armed Forces. As the tools of modern defense become more intricate and complex the need for more highly skilled technicians and operators becomes more important. Contrary to some beliefs, the human element in defense is now in a position of great importance than at any other time in our past history.

The emphasis has now shifted from a preoccupation with numbers of men to that of the quality of our men in uniform.

Greater numbers of men will not meet the challenege. Only marked increases in the level of competence and experience of the men in the Armed Forces can provide for the effective, economical operation required by the changing times and national needs.

Although numerical strength objectives are being met, the Armed Forces are not able at the present time and under the present circumstances, to attract and retain the kinds of people needed for the period of time necessary for them to make an effective contribution to the operation of the force. The problem in the simplest terms is, How do we stop the rapid turnover of military personnel?

Recommendations were submitted last year to the Secretary of Defense by Ralph J. Cordiner, chairman of the Defense Advisory Committee on Professional and Technical Compensation which would, if put into effect, acquire and retain the competent personnel required by our defense activities. The recommendations of this committee, more frequently called the Cordiner Report, have been put into legislative form in a bill introduced in the Senate by the distinguished junior Senator from Missouri [Mr. Symington] and the distinguished junior Senator from Arizona [Mr. Goldwater].

In presenting their recommendations, the committee expressed its belief based on exhaustive studies that "through modern management of the manpower in the armed services, we can simultaneously reduce the cost and increase the effectiveness of the national defense. The committee feels that through the adoption of their program in its entirety it will be possible to attract, retain, and motivate the scientific, professional, technical, combat leadership and management skills required by the Department of Defense today and in the future. It is believed the improvements will be far reaching and long lasting, and will bring in greater savings and gains with each passing year as the new systems are instituted. Such benefits cannot be achieved by half measures which adopt the terminology but kill the substance of the recommendations."

I am in accord with these recommendations and, in my opinion, we will be derelict in our responsibilities if positive action is not taken during this session of Congress.

In approaching this problem of military personnel we should consider two things: What is the situation today and what can be done about it?

At the present time there are approximately 2.5 million men in the Army, Navy, Marine Corps, and the Air Force.

Since 1939 the annual costs of the Armed Forces have increased approximately 3,500 percent.

According to information I have received from the three services during fiscal year 1956 there was a turnover of 1,472,512 military personnel. These figures are based upon gross gains, including reenlistments, and losses. During this same year the estimated additional cost of the turnover of personnel in the Army alone was $1,104,000,000 and it is estimated that it will cost nearly as much in the current fiscal year.

The cost of our defense apparatus is of such magnitude today that it is unfortunate that billions must be lost each year to the turnover of personnel because of resignations, retirements, the reduced rate of reenlistments, and then the induction and training of new officers and enlisted men. Not only is this a needless expense, it is lowering the proficiency and capabilities of our military people when the contrary is so vital in this age of advanced technology.

One of the most disturbing things about this rapid turnover is that first term reenlistment rates are highest among personnel for whom the training investment is lowest; conversely, reenlistment rates are lowest where the training investment is highest. This is one of the major findings of the Cordiner report.

Every time the Air Force loses a B–52 aircraft commander the Federal Government loses $809,360 in prerequisite training and flying costs and this same amount must be invested in a new B–52 commander.

In 1950 the training of a multiengine airplane pilot was approximately $34,470. With the more advanced equipment, the training of a B–52 aircraft commander costs $401,950. This represents the upgrade training only. And, additionally, prerequisite flying costs for each of these officers is in the area of $407,410, a total of $809,360. Similarly, I am informed that in 1950 the training of a single-engine jet pilot cost $38,000. In 1957 the training of an F–102 pilot has climbed to $233,930.

In 1950 the training of a communications officer cost the Air Force approximately $8,600, while in 1956, to train an officer to be a qualified communications-electronics staff officer, the cost has been established as $27,470. In 1957, the Air Force lost 15,400 officers. This represents a loss to the United States of billions of dollars.

The major contributing factors causing this increase are the vastly increased complexity of the equipment used and the advances in technology. This training and equipment is so expensive we cannot afford to waste it.

In the Army the training of a pilot in 1950 cost $7,000 and today it costs $24,000 to train a fixed wing airplane pilot. In 1950 it cost $3,716 to train a microwave radio repairman; today this same training costs $5,076.

While it is easy enough to retain the less skilled in whom the taxpayers have invested little training money, the electronics maintenance men and operators, the radarmen and the missilemen, the aircraft mechanics, the pilots and navigators—these men with the key skills of modern defense are leaving the Armed Forces as fast as they can.

When they go, they not only take with them thousands of dollars worth of training acquired at the taxpayer's expense, but they leave the Armed Forces with the frustrating task of starting all over again with raw recruits.

Some turnover is inevitable and desirable. But the turnover rates that exist in the critical skills and among the young officers is dangerously and destructively high.

During his testimony before the Senate Armed Services Committee, Mr. Cordiner stated that during the course of his committee's study, they found out that 73 percent of the junior officers completing obligatory tours of duty during fiscal year 1955 promptly returned to civilian life. In fiscal 1955, 4,000 pilots left the Armed Forces. This represented a minimum training loss alone of $480 million and a severe loss to the country's capacity to respond immediately and powerfully to an enemy attack.

An important consideration in this high turnover is that it takes 500,000 trainees just to maintain an effective combat force and support service of 2.3 million. The more of those 2.3 million trained people we can induce to reenlist and develop toward even higher skills and responsibilities, the fewer trainees we will need to maintain an effective force.

The challenge before us is to build up the reenlistment rates of the men who have the skills that are most needed, or who have the aptitude to develop such skills. These people cannot be retained without offering genuine incentives.

How can we best meet the challenge? I am firmly convinced that this can be done by adopting the recommendations of the Cordiner report.

The Cordiner report proposes a modernized compensation plan. Skills, performance and incentive would be a major consideration in adjusting the military pay scale rather than length of service alone.

The Department of Defense would be given greater flexibility and control over the distribution of skills and experience in the services and the emphasis would be placed on quality rather than quantity.

The adoption of the committee's recommendations would mean a 15 percent improvement in the combat capabilities of the Armed Forces, without a significant change in the budget. After 1962 there would be savings in defense costs of over $5 billion. Training accidents would be sharply reduced. It would allow a reduction in the number of military personnel for national defense. And above all, the adoption of these recommendations would improve the attraction, retention, and motivation of the officers and airmen in the armed services.

In addition I feel that there is a great need for additional fringe benefits such as low-cost insurance, dental care for dependents, commissary and PX privileges and other inducements which are an attractive consideration to our military personnel, particularly family men.

When we talk about increased pay, increased benefits we automatically think about increased costs. In the area of defense one might feel that the costs would be staggering but, as a matter of fact, the implementation of the Cordiner report would mean savings after the first couple of years.

The astounding thing about the proposals recommended in the Cordiner report is that it would require only about $600 million a year in increased payroll costs even when the armed services have a top strength of 2.8 million.

The savings from increased retention would very quickly offset these added payroll costs, and the second full year of operation would result in net savings that would increase year after year. Statistics presented to the Armed Services Committee indicate that gains would overtake the costs in fiscal 1960 and that by 1962 the gains would rise to $367 million.

If the entire program is put into effective operation, the Department of Defense has estimated that $5 billion savings can be achieved by fiscal 1962.

Since the beginning of World War II we have depended upon the draft as a permanent source of men for the armed services. Much of the military manpower is either drafted or influenced by the draft. I cannot help but feel that the the selective service program is not an entirely satisfactory means of maintaining an adequate force under present conditions. Conscription should be used only when other means and inducements are not meeting the quotas.

A man who is inducted into the service by the draft is there, usually, for only as long as he has to be and does not reenlist. And I don't know that we can blame these draftees because no one is as efficient and aggressive doing something they do not like. Many talents are wasted under the present system. What we want and need are career military personnel. The draft will never satisfy this need.

We want to make a career in the Army, Navy, Marine Corps, and Air Force so attractive that most of its members will be there because they want to be. I am convinced that a military career can be made that attractive. The recommendations of the Cordiner report recognizes the need and presents a reasonable solution. I firmly believe that the implementation of new incentives and an adjusted compensation schedule will make the abolition of the draft desirable.

I believe also that now is the time to raise the I. Q.'s of the enlistees and inductees in the armed services. At the present time the Army requires a score of 40 for all enlistees and a score of only 10 for inductees on the Armed Forces Qualification Test. The minimum score of 10 is based upon Congressional action. All branches of the armed services base their intelligence ratings on the Armed Forces Qualification Test. Each service is required to take 12 percent of their enlistees from those people who score in category IV; that is, those who have a test score of less than 30. I understand that a category IV test score is equivalent to a score of approximately 70 on an I. Q. test. The average I. Q. for the entire Nation is 85 to 114.

According to information I have received from the Office of Education the following table illustrates how the population of the United States stands on an intelligent quotient basis:

I. Q. of 150 or above, near genius: 0.1 percent of the population is found in this category.

I. Q. of 130–149, very superior: 3 percent of population in this category.

I. Q. of 115–129, superior: 14 percent in this category.

I. Q. of 85–114, normal, 66 percent in this category.

I. Q. of 70–84, dull, 14 percent in this category.

I. Q. of 60–69, borderline: 2 percent in this category.

I. Q. of 59 and below, moron, imbecile, idiot: 1 percent in this category.

This last category can be broken down still further as follows: 40–59, moron; 20–39, imbecile; 0–19, idiot.

These criteria are adapted from the Stanford-Binet tests. Although the I. Q. average or median for the entire population varies somewhat, it is approximately 100.

The complexities of our modern weapons and instruments require a much higher quality of personnel than ever before. The simple fact of the matter is that the Army, under existing physical and mental standards, has been required to take too many men with low mentalities to perform the highly complex and extremely important assignments that have been imposed on the Army. The other services are not forced to take in inductees so they have been able to establish somewhat higher standards. I think it is time that the intelligence requirements for the Armed Forces be raised to a more realistic standard.

In fiscal year 1957 of 179,000 individuals inducted, approximately 63,300 were mental group IV—the lowest I. Q. group. Twenty-six thousand seven hundred of these failed to meet current minimum aptitude requirements for training. Nonproductive expenditures occasioned by their discharge will exceed $69 million. These cost figures do not include intolerable waste in training time and material.

Mr. President, the House passed in the last session legislation, H. R. 8850, which is now pending before the Senate Armed Services Committee giving the President somewhat broader authority, except in time of war or national emergency declared by the Congress, to defer from training and service in the Armed Forces persons whose induction would tend to produce an excess of persons with similar qualifications in certain categories. The President would have the power to modify these standards.

This legislation would improve the present situation, and I hope that the Senate Committee on Armed Services will consider this legislation at an early date. When we are attempting to improve the caliber of our Armed Forces, we should give them an opportunity to select men on somewhat higher standards than those that now prevail.

Mr. President, national survival is the most vital issue confronting us in the nuclear age. We, therefore, must have a highly skilled and efficient Armed Force. This is vital to the interests of the taxpayers and the entire Nation.

Mr. MANSFIELD. Mr. President, there were a number of recommendations made in those speeches which I think are significant in an understanding of the difficulties which confront us in the study of the Defense Department and our security. They are:

First. The power of Congress to prescribe roles and missions for the Armed Forces must remain with the Congress, and not be transferred to the Executive.

Second. The collective judgment of the Joint Chiefs of Staff is a superior mechanism than would be the creation of a single chief of staff or principal military adviser to the President.

Third. The number of assistant secretaries, their assistants, commissions, and committees in the Pentagon should be reduced drastically and the civilian bureaucracy in the Department of Defense should be overhauled.

Fourth. The Cordiner report, or something approximating it, should be adopted.

Fifth. The minimum I. Q.'s of all enlistees and inductees should be raised to a more realistic standard.

Sixth. If the Cordiner report, or something similar to it, is adopted, the draft should be abolished.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BRIDGES. Mr. President, I am very glad to join with the majority whip, the able and distinguished junior Senator from Montana, in introducing legislation designed to effect a much needed reorganization of the Department of Defense.

As previously pointed out, this bill is identical to H. R. 11001, known as the Vinson-Arends-Kilday bill.

My decision to join in introducing this bill was prompted by my observations and study of defense organization in the course of my service as a member of the Senate Armed Services and Appropriations Committees, and as a Commissioner of the Hoover Commission.

It is evident to me that the mushrooming bureaucracy at the top levels of the Pentagon has gone far beyond that which was contemplated when the Department of Defense was created. This stifling bureaucracy, combined with persistent efforts in some quarters to undermine our Joint Chiefs of Staff, poses potentially grave dangers to the security of our Nation and the continuation of our form of Government.

I completely concur with the distinguished majority whip that Congress

must act to restore efficiency, commonsense, and economy to our defense organization.

The proposed legislation will accomplish such a necessary objective. It does this, in part, by drastic, but imperative, reductions in the number of under secretaries and assistant secretaries. The elimination of about half of the Pentagon's secretarial hierarchy will have a healthful effect.

Actually, it is not difficult to identify the reason for the development of this huge administrative complex which we find in the Pentagon. Each additional grant of power to the Office of the Secretary of Defense has been accompanied by bureaucratic growth. Contrary to proven business practice which accommodates to growth by decentralization, the Pentagon has erroneously sought efficiency through constantly increasing centralization and an increase of personnel. This fixation on centralization of power and functions has become an administrative quicksand.

The real examples of wasteful duplication can be found in the manner in which the bureaucracy in the Office of the Secretary of Defense duplicates the work of the military departments. The bill will begin to remedy this situation by eliminating 1,800 of the 2,400 civilian functionaries in the Office of the Secretary of Defense. The remaining 600 may well prove to be an excessive total. If so, it can be further reduced by subsequent legislation. Proportionate cuts can be made in assigned military personnel.

I wish to emphasize that the proposed legislation will not in any way impair the authority of the Secretary of Defense. He now has direction, authority, and control over the Department of Defense. That is all the power he could possibly use. Any further grant of power would be giving power for the sake of power—a disastrous policy for a government such as ours.

Of course, the key to efficient administration of our vast Defense Establishment is the provision, very deliberately written into the law by Congress, that the military departments "shall be separately administered by their respective Secretaries under the direction, authority, and control of the Secretary of Defense."

This provision of law has been largely circumvented. Thus, in the interests of national security, financial economy, and orderly administrative processes it must be rigidly observed and obeyed in the future. It is the principal safeguard against unrestrained bureaucracy and administrative collapse in the Pentagon.

The proposed legislation would also strengthen the already successful Joint Chiefs of Staff system. Under its provisions the Joint Chiefs of Staff will be given greater statutory authority and responsibility over the unified commands. Also, it grants authority for the chiefs of services to delegate routine administrative matters to their principal assistants, thus providing the service chiefs, if they feel they need it, more time for strategic planning. This, very significantly, is a permissive, not a mandatory, provision. It in no way effects a legal or physical impairment of the unity of service command and Joint Chiefs of Staff membership. This unity is the indispensable feature of the Joint Chiefs of Staff. It combines authority and responsibility. It provides realism. It prevents the fatal isolation of the ivory tower.

I would like to emphasize that the bill does not increase the authority or status of the Chairman of the Joint Chiefs of Staff. Any further enhancement of that office will bring his position dangerously close to that of at least a de facto single chief of staff. Such a development might well lead to military disaster, if reliance is placed on the military judgment of one individual and that judgment proves erroneous.

Mr. President, this continual drive for concentration of power in the Pentagon is not only militarily dangerous, but it is creating one of the great constitutional issues of our times. Further centralization of power in one man will inevitably challenge the constitutional authority and responsibility of Congress with respect to the appropriation of funds for specific military purposes and the Congressional determination of basic roles and missions of the armed services. No direct challenge or indirect usurpation of the Congressional prerogatives in these vital matters can be tolerated.

In summary, the proposed legislation will return organizational sanity to the Pentagon. It will result in savings in manpower and money.

It will strengthen the Joint Chiefs of Staff and simplify and improve the formulation of military policy. It will retain the kind of healthy competition between the armed services such as put Explorer and Vanguard in orbit, but provide the means for preventing wasteful duplication.

It does not endanger our national survial by increasing the powers of the Joint Chiefs of Staff Chairman or the functions of the Joint Staff, which would set the stage for a fullfledged Prussian-type supreme high command.

The bill is responsive to our military requirements and it will go far toward preserving proper legislative-executive relationships in defense matters. It will help to make our Nation militarily strong without making it militaristic.

I am very happy to join with the distinguished majority whip in the introduction of the bill. I hope it will be the focal point—the center—of future reorganizations of the Department.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3544) to amend the National Security Act of 1947 and for other purposes, introduced by Mr. MANSFIELD (for himself and Mr. BRIDGES), was received, read twice by its title, and referred to the Committee on Armed Services.

ADDITIONAL FUNDS FOR URBAN RENEWAL ADMINISTRATION

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Vermont [Mr. AIKEN], the Senator from New Jersey [Mr. CASE], my senior colleague [Mr. IVES], the Senator from Michigan [Mr. POTTER], the Senator from Maine [Mr. PAYNE], and the Senator from Connecticut [Mr. PURTELL], I introduce for appropriate reference a bill to authorize an additional $500 million for urban renewal projects under title I of the Housing Act of 1949.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3548) to authorize additional funds for urban renewal projects under title I of the Housing Act of 1949, and for other purposes, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. JAVITS. I believe that there should be immediate action to authorize at least $500 million in new funds for the Urban Renewal Administration, approximately doubling the size and scope of the program previously proposed to the Congress for the next fiscal year and there should also be provision for any additional staff needed to speed up construction on projects already in progress and in processing new applications for the 35 States and 4 Territories participating in the program.

This proposal should stimulate and accelerate construction in key city areas throughout the United States during this period of economic downturn. It should also have a very real impact on bolstering our urban communities, confidence in the Federal Government's firm intent not only to continue but to substantially expand its economic participation in useful works now open to it like the urban renewal program. These projects are not make-work projects, they come within the definition of the President's recommendation.

To date more than $1,145,600,000 out of the total fund authorization of the Urban Renewal Administration of $1,250,000,000 has been reserved for approved projects.

Applications are currently coming in at the rate of $50 million a month and the Urban Renewal Administration estimates that by the end of this fiscal year some 3 months away, it will have nearly $300 million worth of applications on hand above and beyond the limits of its existing lending authority. Therefore, I believe the proposed legislation deserves the same prompt consideration Congress already has accorded another key antirecession measure, the bill to stimulate home building so speedily passed last week.

This urban renewal proposal being introduced today is a vital legislative supplement, we believe, to the directive President Eisenhower sent the Housing and Home Finance Administrator, Albert Cole, on March 19 instructing him to assign top priority to accelerating the start of construction on urban-renewal sites already cleared and to speed the disposal of project land ready for construction almost immediately following sale. Our bill also provides for staff expansion which should virtually eliminate the regrettable time lag in processing urban renewal applications which in some cases has discouraged community par-

ticipation completely or led to the cancellation of projects stalled by delay in the planning stages.

The proposed legislation specifically provides that under title I of the Housing Act of 1949, the limitation on the Urban Renewal Administration's lending authority now standing at $1,250,000,000 shall be increased by $500 million effective on the date the bill is signed into law. It authorizes the agency to "make such action as may be necessary to expedite the processing of applications of local public agencies for assistance—and for that purpose such additional personnel may be employed, in accordance with the civil-service laws and Classification Act of 1949, as may be required to carry out the accelerated program contemplated by this act."

Measures already introduced on urban renewal for fiscal year 1959 would authorize $250 million in additional lending authority for the administration so that the actual construction work can begin on some 120 projects in fiscal 1959, compared to 56 in 1957. Even that figure falls short of meeting the already existing and long-range urban renewal needs, particularly in the area of residential construction for middle-income families.

The inadequate scope of our present program was dramatized just recently when the American Municipal Association reported the results of its urban renewal survey among more than 140 communities which already have or want such projects. These localities estimated that under the present formula where project financing is assisted by Federal grants approximating two-thirds of net project costs, they would require $513 million in grant reservations for the calendar year 1958. For the entire period from 1958 through 1967, they could undertake urban-renewal construction calling for more than $3 billion in Federal assistance. And it must be noted that this figure still does not reflect the full amount that could be expended since 10 major cities of over 100,000 population already active in urban renewal did not return estimates.

An analysis made by the Urban Renewal Administration shows that as of February 1958, there were 46 survey and planning applications pending from cities totaling $188 million. Fourteen of these projects, involving a total request of $58 million are located in cities where the recession has taken hold and they have been declared areas of "substantial labor surplus". Even with the additional $50 million which will become available on April 1, the Urban Renewal Administration under present circumstances will not be able to even process some of these documented applications from labor surplus areas until the beginning of the next fiscal year in July.

The urban renewal program now so widely accepted serves a double-barreled purpose: by providing a sum large enough to prompt communities to initiate new projects and to push forward those already in progress, we will supply a vitally needed impetus to construction in certain economically distressed areas, while simultaneously encouraging communities to draw up and expand a long-range program of urban development which will ultimately improve living conditions for millions of Americans.

This type of public project is not a "make work" project. On the contrary, such projects come directly within the definition of the President's recommendation that the projects adopted should be projects already in process, for which the planning has been done, for which there is orderly administration, and which can go at once when we "fire the gun." That is the reason for our support of this legislation.

My colleagues, who are joining me in the introduction of the bill and I believe, that it is one of the most effective and constructive antirecession moves which could be made. It fits in with the job we are doing. It is favored in all parts of the country. Its practicality assures it success. I urge that this proposal be given high priority attention.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Connecticut.

Mr. PURTELL. I commend the Senator from New York for the proposal which he has presented. I should like to ask a question.

Is it not true that many of the municipalities which might otherwise have applied have not done so because they felt that the funds available have been exhausted, or would have been exhausted shortly?

Mr. JAVITS. Exactly so. In the city of New York there are a great number of projects ready to go, which are not going because the money is not available. Our purpose is to make the money available, so that the button can be pressed on those projects.

Mr. PURTELL. Would not the proposed legislation spread the amount of money available, so that it could be used in many other communities which at present are unable to avail themselves of the benefits of the program?

Mr. JAVITS. The Senator is exactly correct.

Mr. PURTELL. Also, the bill would stimulate employment.

Mr. JAVITS. It would stimulate employment, especially in the building construction industry and the durable goods industries, which need stimulation so badly.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—AMENDMENTS

Mr. KERR (for himself, Mr. MARTIN of Pennsylvania, and Mr. HRUSKA) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, which was ordered to lie on the table, and to be printed.

Mr. KERR (for himself and Mr. HRUSKA) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3414, supra, which was ordered to lie on the table, and to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him to Senate bill 3414, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. HAYDEN submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

AUTHORIZATION FOR SECRETARY OF THE NAVY TO TAKE POSSESSION OF NAVAL OIL SHALE RESERVES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 21, 1958,

The names of Senators BENNETT and BARRETT were added as additional cosponsors of the bill (S. 3539) to amend part IV of subtitle C of title 10, United States Code to authorize the Secretary of the Navy to take possession of the naval oil shale reserves and for other purposes, introduced by Mr. ALLOTT, on March 21, 1958.

REFERENCE OF JOINT RESOLUTION TO COMMITTEE ON THE JUDICIARY

Mr. O'MAHONEY. Mr. President, I call attention to the fact that there is lying on the table Senate Joint Resolution 159, introduced by the Senator from Texas [Mr. JOHNSON], on behalf of the Senator from South Dakota [Mr. MUNDT] and myself, on March 4, to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship. It has been lying on the table since that day.

I ask unanimous consent that the joint resolution be referred to the Committee on the Judiciary, which has jurisdiction over measures of this kind.

The VICE PRESIDENT. Without objection, is is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Address delivered by him at Oakland, Calif., on March 21, 1958.

Statement by him issued at Sacramento, Calif., March 21, 1958.

By Mr. MARTIN of Pennsylvania:

Excerpts from remarks by him upon accepting the DAR award of merit, at the annual luncheon of the Philadelphia chapter, Daughters of the American Revolution, in Philadelphia, Pa., on February 5, 1958.

NOTICE OF CONSIDERATION OF NOMINATIONS, PROMOTIONS, AND DESIGNATIONS IN THE FOREIGN SERVICE

Mr. GREEN. As chairman of the Committee on Foreign Relations, I wish to announce that the Senate has today received a list of 127 sundry nominations for appointment to and promotion or designation in the Foreign Service.

Notice is hereby given that the list will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

LAW DAY, U. S. A.

Mr. ERVIN. Mr. President, the America we know and love will endure only so long as she remembers the everlasting truth embodied in William Pitt's pithy phrase "Where law ends, tyranny begins." For this reason, the American Bar Association renders America a service of profound significance when it calls the attention of the public to President Eisenhower's proclamation setting apart May 1, 1958, as Law Day, U. S. A., and urges the bench, the bar, and the people of America to pause on that day and appraise at its real value our most precious heritage—the law—which may be fittingly described in John Galsworthy's words as "a majestic edifice, sheltering all of us."

At the recent southern regional meeting of the American Bar Association in Atlanta, Charles S. Rhyne, the president of that fine organization, and one of our greatest contemporary legal statesmen, delivered an eloquent and penetrating address in which he emphasized the importance of Law Day, U. S. A., as a time to "rededicate ourselves to our most solemn responsibility, the responsibility of preserving and passing on to the generations which will follow us as citizens of the United States of America the heritage of individual human freedom and equal justice under law which has been ours, and which rightfully must be theirs." Mr. President, this eloquent and penetrating address merits the consideration of all Congressmen. Consequently, I ask unanimous consent that it be printed at this point in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LAW DAY, U. S. A.

"The law: It has honored us; may we honor it."

It seems most appropriate that we who began the bar association year in London come here to Atlanta to observe the halfway mark in this year of great effort and great dramatic events for the organized bar. London and Atlanta: history fairly drips from the atmosphere of each. In each an era is "gone with the wind." In each the glorious past was and is but a prelude to an even greater future. Each today is certainly bursting with its participation in the events of the New World which dramatic intellectual and technological accomplishments have created.

Today, amidst such historical surroundings, I wish in effect to launch an effort of the organized bar which I sincerely believe will be the greatest event of all time in the history of the law. With our minds so much attuned to the historical background of law since our London meeting, it seems fitting that this great day for the law—of which I am now to speak—receive its first impetus here in Atlanta, a city famous the world over for its historical contribution to the development of law and for its great lawyers of the past and of the present.

The great event I refer to is Law Day, U. S. A., which President Eisenhower has proclaimed as May 1, 1958. This official proclamation is a call for action in recognition of the law and what it has meant to our country, and imposes a duty and responsibility upon lawyers to apprise the people of America of the great privilege it is to live under the rule of law. We must do our part on Law Day, U. S. A., to bring home to our people the tremendously important role of the law in our daily lives as well as the increasingly important role that law must play in relations between nations.

Because of our daily contacts with our Nation's legal structure and our ceaseless battle to insure equal justice to all of its inhabitants, we lawyers are perhaps a little more appreciative of our life under the rule of law than the average man. But lawyers and laymen alike should pause and recognize the tremendous contribution which law has made to our way of life, both as a promoter of our progress and as an insurer of the rights which made that progress possible.

The selection of May 1 as Law Day, U. S. A., has great significance. May 1 is also the day on which international communism celebrates its past victories and looks forward to its future conquests. There could be no better date for us to recall the basic moral and philosophical principles upon which our society is based, and to contrast them with the cynical, immoral, and atheistic philosophy which underlies the international Communist conspiracy.

In the context of current history we are going through an inventorying process as we gird ourselves to fight the Communist menace, which operates by economic, psychological, and subversive means as well as by threat of armed force. It seems well that we tie to our strengths and shore up our weaknesses. In any such inventory one must concede that the idea of individual freedom under law is the great ideal we offer to the world. Respect for and adherence to law is ingrained in all Americans. So it has been since the birth of our Nation. While the average individual is not learned in the law, there is an intense sense of justice which burns within him. There is an almost instantaneous adverse reaction to any unlawful or illegal action. We believe in, and we live under, the law. We are a "lawful" people.

It seems well, therefore, that we pause to pay tribute to the law and what it has meant to us. The space age has brought a need for new concepts, as new frontiers and new horizons have been opened to the human race. But there is also a need to reaffirm old traditional concepts whose validity and fundamental importance cannot be shaken by any scientific or technological achievement. The rule of law is such an unshakable concept.

Among all the contending ideas which have fought for the minds of men since the dawn of history, the concept of individual human freedom has been outstanding. On this concept, which embodies the natural law, which was the heart and core of Magna Carta, which is the spirit and guiding light of our Bill of Rights, we can build with every confidence that it is a foundation not of sand but of everlasting rock.

Individual freedom and justice, under law, is the great principle that distinguishes our form of government and our way of life from the Communist system. It is the keystone of our moral leadership in the world. This unique national observance of Law Day, U. S. A., affords a dramatic opportunity for the American people to reaffirm their dedication to the rule of law and to demonstrate to the world that their faith in it is unshakable.

As our Declaration of Independence affirms, the true purpose of government is the protection of the fundamental rights of man. Any denial of this purpose necessarily results in absolutism. Dean Roscoe Pound has said that the strongest bulwark of any nation against absolutism is the law. But, as totalitarianism has illustrated, this bulwark is real only when the concept of the law includes also the concept of natural rights. It is by the denial of this basic principle that totalitarianism is able within the framework of so-called law to subvert the primary purpose of the law. Basically, the true advantage of the rule of law in a democracy is the affirmation of the dignity and individuality of the human being. It is the affirmation of the purpose of the state to protect and safeguard this dignity. It is the recognition that the state exists for man, and not man for the state. Only within such a philosophy can a government of law and not of men be assured. Without such a philosophy, government by rule of law becomes impossible, and arbitrary rule must necessarily be substituted for it.

From its inception to the present zenith of its power, ours has been a "government of law rather than of men." Colonial and frontier courts applied as law that innate wisdom of the centuries which had come down to them through the crystallized public opinion of what is fair as recorded by Aristotle and Montesquieu and Coke. And while our whole system of law was bottomed firmly upon the great principles and precedents of the English common law, we also created law of our own fitted to the needs of the New World. A good example of this is the famous jury charge of Judge Andrew Jackson, who presided over thousands of trials in the frontier country of western North Carolina and the new State of Tennessee. He instructed juries to "Do what is right between these parties. That is what the law always means."

Law is the intangible force that makes freedom and progress possible. It is law that brings order into the affairs of man—that enables them to lift their sights above mere survival, to accumulate possessions, to develop the arts, to pursue knowledge, and to enjoy life among their fellows. Law gives the individual security that he could obtain in no other way; it protects the family and other groups organized for the advancement of common interests; it permits the growth of great cities and the development of vast enterprises. In other words, it is the cement that holds our free society together.

And what is law?

Definitions by great men down through history have been many:

Samuel Johnson called the law "the last result of human wisdom acting upon human experience for the benefit of the public."

Cicero said: "Law is the highest reason, implanted in nature, which prescribes those things which ought to be done and forbids the contrary."

Grotius said: "Law is a rule of moral action obliging to do that which is right."

Blackstone's definition of law is probably the one most quoted in law schools. He said: "Law is a rule of civil conduct prescribed by the supreme power in a state, commanding what is right and prohibiting what is wrong."

Charles Evans Hughes said:

"The fundamental conception which we especially cherish as our heritage is the right to law itself, not as the edict of arbitrary power but as the law of a free people springing from custom, responsive to their sense of justice, modified and enlarged by their full will to meet conscious needs and re-

strained by authority which is itself subject to law—the law of the land."

We tend to regard too narrowly, and too shallowly, the law and its functions and purposes. When we regard the law as a servant of our free-enterprise system, we see the truth, but only part of the truth. When we see the law as the great resolver of differences, when we see the law as the one viable substitute for brute force in human society, when we see the law as the guardian of our rights and the protector of our freedoms, we see clearly, but always in part only. The law is all these things, and more.

Law is in a sense codified history; but not merely this. It is also medicine, accounting, engineering, and science—for all professions in the ultimate depend upon law as the basic foundation for their existence and operation and service. They are licensed and governed by law.

Law is made up of the accumulated wisdom of the people, plus the power to pass decisive judgment in accordance with that wisdom, plus the various procedures, formulas and facilities involved in legal process. But the power to pass decisive judgment is not law in and of itself, any more than legal forms and formulas and all the panoply of process, taken alone, are law. Nor is the accumulated wisdom of the people law without the power to pass decisive judgment and all the machinery necessary for handling particular cases. But when these three—wisdom, power, and machinery—are combined, when the power of government is used to apply the accumulated wisdom of the people to individual cases through a system of legal machinery which is available to every individual, then we have a true rule of law.

One of our most priceless blessings as citizens of the United States of America is our rich heritage of ordered freedom under law.

Our Nation was created and nourished on due process of law. The liberties found in our Bill of Rights are the essence of America.

Law reigns supreme in our Nation at the municipal level, the State level, and the national level, and is the one common thread which runs through the wide variety of mechanisms used by local, State, and Federal governments to achieve governmental objectives. From the adoption of the Constitution down to the present day, law has been the cement which has held together our complicated local, State and Federal governmental structure. Supremacy of the law is the concept which has controlled at all levels of government. In every instance the aim is to put law above the whims of man. We as a people believe in and have lived by William Pitt's famous saying, "Where law ends, tyranny begins."

Civil law aims at orderly and peaceful adjustment of all reasonable claims. Criminal law aims at protection of the public, punishment of the offender, and deterrence of commission or repetition of the offense.

Law is concomitant with good government.

We need to make the distinction between a government under law and a government under laws. This is important. You cannot have a government without laws, for even the spoken whim of an absolute monarch is a law for his subjects. Government under law means much more than just having laws. Government under law connotes stability, permanence, almost timelessness. Government under law connotes rightness, righteousness—in the sense of conformity with the natural law—and justice. Law connotes order and certainty.

In a government under law, it is recognized that basic individual rights are only formulated by laws, but do not depend for their existence upon such laws. In a government under law, there is no arbitrary power to punish any man except for a distinct breach of the law established in an ordinary legal manner before the courts. And in a government under law, every man is equal before the bar of justice, without any distinction based on class, whether of race, or creed, or wealth, or color, or any other.

Equal protection of the law is a cornerstone of our governmental system: equal justice under law to the poor and to rich, to the weak and powerful alike.

Law is rooted in justice. Justice is both its foundation and its objective.

We speak of our ideal as a government of law and not of men; but we cannot have a system of functioning law without men. It takes men—wise men, and trained men—to preserve the accumulated wisdom of the people, to understand it, and to apply it to particular cases. It takes men—dedicated men, selfless men—to exercise properly the power of decisive judgment. It takes men—skilled men, diligent men—to operate smoothly the machinery which we call legal process. All these are among the functions of lawyers. Here is the justification for the legal profession. The greatness of our Nation is due to the liberty under law that exists here—a liberty which lawyers have created and fought to maintain all through our history. We lawyers can be proud that our profession has lived up to its duties and responsibilities.

Government under law is impossible without lawyers. Every new invention or scientific discovery, every new business practice, every new activity in which the Government itself engages, poses new problems which lawyers must solve. In both form and content, almost all the institutions of government are the work of lawyers. But lawyers are seldom fully appreciated, and the extent of our national need for lawyers is neither felt nor recognized except in times of great stress or emergency, when the services of lawyers become priceless and indispensable.

Time was when development of the law by a slow evolutionary process was sufficient to keep it abreast of normal political, scientific, and industrial transformation. But today, if the evolution of the law is too slow to keep pace with racing scientific and military technology of our space age, we shall almost surely face disaster. The hope of civilization is establishment of the rule of law on an international basis to govern relations between nations, not only on the planet earth but in outer space as well, before some unwise application of force sends the four horsemen of war, pestilence, famine, and death on what may be their last ride across the face of the earth. The struggle for a world ruled by law must go on with increased intensity. We must prove that the genius of man in the field of science and technology has not so far outstripped his inventiveness in the sphere of human relations as to make catastrophe inevitable. If man can conquer space he can also solve the need for legal machinery to insure universal use of space for peaceful purposes only. With the Kremlin now only 30 minutes via missile from Washington, the absolute necessity of such machinery requires no further emphasis.

Self-government by law is an inherent right of free people.

The Pilgrims who came to Plymouth Rock and our first permanent settlers at Jamestown sought escape from the arbitrary power of an English king who ruled without the law's restraining influence. These ancestors of modern-day Americans carried in their minds a dream of reestablishing the individual liberty under law which King John had promised more than 300 years previous when he affixed his seal to Magna Carta at Runnymede.

Today, after 350 years, the greatest strength of America lies in this concept of individual liberty under law. Other systems of government have produced great scientists, great musicians, and other outstanding achievements. But no system has produced the individual freedom which exists in America. And the reason for this achievement is that our system is founded upon and governed by the rule of law.

The more one reads and studies history the more he becomes impressed with the amazing wisdom of the draftsmen of our Constitution. One explanation for their wisdom may be that they were more experienced than we in the abuses of governmental power. They lived in times of monarchy, feudalism, military dictatorship, colonialism, revolution, and, yes, even anarchy. They were able to create our Constitution which provides all the powers necessary to govern and yet leaves the basic reservoir of power in the hands of the governed. Our Government is one of checks and balances. The three branches of Government, and the checks which each of these branches has on the others, constitute our best insurance that the absolute power necessary to form a tyranny will never vest in any one branch.

Our Constitution—the greatest statement of the basic wisdom of the centuries ever put together for the government of man—was not created out of thin air. Its draftsmen drew upon the great lawgivers of all centuries. They used those principles which the test of experience had proven. That is why it has endured and met the new and novel needs of each new generation.

Supremacy of the law, which transferred sovereignty from ruler to the ruled, has guaranteed our individual freedom. Law Day, U. S. A., must underscore and emphasize in the mind of every American this concept of legal supremacy—not the supremacy of law over ruler, alone, but the supremacy of law over force in a world which through space conquest has become too dangerous to live in without law replacing weapons as the ultimate decision mechanism to resolve disputes between nations.

There are only two alternatives to law, and they are: On the one hand, terror—on the other, chaos. In a society without rules there would be no freedoms, no property rights, no protection for the weak, no basis for commerce or business or industry. Under a tyranny which knew as rules only the current whims of the tyrant, black terror would stalk and lurk, thrive and grow. The only possible counter to force would be force, and freedom and justice would have no place. The foundation and matrix of our free society, the protection of our individual security, the basis for our accumulation of personal possessions, our development of our talents, our pursuit of knowledge, and our right to enjoy life, are the law.

We tend to take too much for granted the great principles which underlie our system of government. We have a legal system which, in spite of the size of our country and the necessary complexities of its organization, assures for the average citizen more vigorous protection for life and person, more widespread justice, more equality under law, more effective protection for individual rights, more evenly distributed economic opportunity, more security in person and property, and greater personal freedom, than any other system yet developed in all the history of mankind. What more meaningful proof is there that life under the rule of law assures the best existence yet devised by man?

In this era when dictators have supplanted law with force in captive nation after captive nation, preservation of the ideals of individual human rights and equal justice under law will require much of us who now enjoy it. We shall have to love liberty as passionately, cling to our ideas as stubbornly, respect law as deeply, and place our faith in divine guidance just as firmly as did our

inspired pioneer forefathers who founded a nation in freedom.

It is upon leadership that our future depends. And leadership of the mind is all important in this area of dramatic change and progress. Leadership in instilling in our own people such an appreciation of what life under the rule of law means that they will help us lawyers in selling the rule of law to the peoples of the whole world as mankind's best hope for survival in the space age. Our offer of leadership to the world must be more than bigger and better weapons or missiles—we must tell the people of the whole world that we who glorify the rule of law at home will step out on the path of progress and lead toward a lawful and peaceful existence for the world community, and for the unknown and unexplored frontiers of space as well.

Let us pledge each other, here and now, to rededicate ourselves to our most solemn responsibility, the responsibility of preserving and passing on to the generations which will follow us as citizens of the United States of America the heritage of individual human freedom and equal justice under law which has been ours, and which rightfully must be theirs. And let us pledge ourselves to meet the challenge to the rule of law which our shrunken world and the space age encompass. Such a rededication and such a pledge must be the meaning to the legal profession of Law Day, United States of America.

Let us be ever aware that the seat of the law is a throne of purest justice and her crowning glory is a wreath of truth. In the words of Daniel Webster: "The law: It has honored us, may we honor it."

TRIBUTE TO WORKMEN OF ELECTRIC POWER COMPANIES

Mrs. SMITH of Maine. Mr. President, during the recent snowstorm I was one of those without electricity for more than a day. This is not the first time I have had this experience. The last time I had it was in Maine, in the 1954 hurricane.

It should make us stop and think about the many things in life that we take for granted and of which we seem to be lacking in appreciation. It is the old story of not appreciating something until one does not have it.

With these thoughts in mind, I commend the Washington Post for one of its editorials appearing in today's issue. The editorial appropriately pays tribute to the personnel of the electric power companies who worked around the clock to repair the damage and restore the service.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELL DONE

Congratulations are in order for the linemen and crews of the Potomac Electric Power Co., the Virginia Electric & Power Co., and the Chesapeake & Potomac Telephone Co., who worked around the clock to repair the extensive damage from last week's storm. All three companies recognized the storm as a major emergency. With many thousands of lines down and hundreds of thousands of homes without light, heat and, in many instances, water, the pressure for quick repairs was great, and the companies responded accordingly. Some linemen worked for 24 hours or longer without stopping. Additional crews were brought in from as far away as North Carolina.

Throughout the emergency the inconveniences and hardships were eased by the knowledge that workmen were exerting extraordinary efforts to restore service at the earliest possible moment. When the power came on again, public appreciation was expressed in some instances by what amounted almost to neighborhood celebrations of the event. We surmise that everyone who melted snow for water, dug wood from under the snow for heat, resorted to candles for light, and subsided in frustration when the telephone went dead will echo a vote of thanks to the indefatigable workmen who shortened the ordeal.

EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. HAYDEN. Mr. President, I am sure all of us recognize that the Washington Star is one of the most outstanding and responsible newspapers in the entire country.

In yesterday's Star there appeared an excellent editorial entitled "Humbug and the Capitol," and a news story on the Capitol extension as approved by the Congress and the special Commission, entitled "East Front Architects Blast Foes as Unethical."

A second news story appears in today's Star entitled "Architects Differ Widely on East Front Extension."

I trust that every Member of this body will read the editorial and the news items. Senators will find the intelligent and straightforward approach of the Star quite in contrast with treatment of this subject from time to time by some newspapers and magazines.

Mr. President, there are always two sides to a question. Not long ago I asked the Senate not to be hasty in condemning the Vice President, the Speaker, and the minority leaders in each branch of the Congress for giving their approval to a plan to duplicate exactly the east front of the central section of the Capitol in enduring marble.

Mr. President, the editorial and the articles which have appeared in the Washington Star of yesterday and today fortify my belief that as Senators become aware of the actual facts, they will be convinced that the approved plans should be carried into effect.

Mr. President, I ask unanimous consent that the editorial entitled "Humbug and the Capitol," and the news article entitled "East Front Architects Blast Foes as Unethical," published in the Washington Star of yesterday, and the article entitled "Architects Differ Widely on East Front Extension" published in the Washington Star of today, be printed in the RECORD as a part of my remarks.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of March 23, 1958]

HUMBUG AND THE CAPITOL

The popular campaign against carrying out the 94-year-old proposal to extend the east front of the Capitol reflects a noble sentiment.

That sentiment is directed against "vandalism," "barbarous mutilation," "destruction of our heritage," "elimination of the Capitol plaza," "messing up the Nation's superb and unique Capitol," "vandalism and extravagance" and intent to "hack up and deface the historic United States Capitol."

Nobody wants to see such things done. Yet that is the prospect, if the stories Americans are reading in many of their newspapers are true. But are they true?

We think they are untrue. We think they present an extravagant and irresponsible distortion of the facts. The record should be set straight. We plan to set it straight in a series of articles beginning on the first page of today's Star. For the public hysteria whipped up by an organized campaign—notable for its grotesque misrepresentations—is far more dangerous to intelligent preservation of the United States Capitol than anything attributed to the proponents of the east front extension.

Thomas U. Walter, who designed the Capitol dome and the Senate and House wings, was the first Architect of the Capitol to propose an east front extension, in 1864. Every succeeding Architect of the Capitol has favored it. Were they vandals? The National Commission of Fine Arts has favored it in principle twice—under leadership of such champions for the preservation of things worth while as Gilmore D. Clarke and Charles Moore. The roster of other extension proponents includes the designers of the National Gallery of Art, the Lincoln Memorial, the Folger Library and most of Washington's other buildings of classical beauty. These men, as well as present consultants, are among distinguished architects who have favored extension of the east front. Are they guilty of favoring mutilation of the Capitol?

Is Speaker of the House RAYBURN moved, as has been charged, by a whimsical desire to exploit his influence and deface his Capitol? Are those who sit with him on the Commission for the Extension of the Capitol in favor of hacking it up?

In the series of articles beginning today we propose to examine some of these and other vicious suggestions used to color criticism of the extension. We also believe it is important to consider the alternatives to extension of the east front—just as they have been considered at such length over the years by those best qualified to judge the feasibility of what might be done, in circumstances requiring that something must be done.

We have no quarrel with those who disagree with "scheme B." Tastes, architecturally and otherwise, of course differ. Somebody has to decide, and a decision was made. But it is unfortunate that a realistic problem, demanding intelligent solution, has been so widely misrepresented by so many people who know nothing about it, and that those who do know something about it have been subjected to such ignorant abuse.

[From the Washington Star of March 23, 1958]

EAST FRONT ARCHITECTS BLAST FOES AS UNETHICAL—CONSULTANTS SEE MISREPRESENTATION DRIVE TO BLOCK CAPITOL EXTENSION

(By George Beveridge)

Architect consultants working on the east front extension of the Capitol accused the American Institute of Architects last week of unethical conduct and misrepresentation in its campaign of opposition to the Capitol project.

The accusations, it was learned, were made in two angrily worded telegrams to AIA President Leon Chatelain, Jr., and AIA Executive Director Edmund R. Purves, both of Washington.

One of the wires said the AIA has conducted a rabble-rousing campaign to appeal to the emotions of 11,000 (AIA) members of whom many have not seen the Capitol, and of whom few know any of the facts surrounding it.

It urged that the AIA stop immediately the use of AIA publications to call upon the membership to exhort the Congress against the extension until members have more facts on which to base a decision.

The signers of the telegrams—all AIA members—have been working for 2 years as advisers on the extension project and related Capitol improvements. Specifically, their wires protested that the AIA has—

1. Lent its weight to repeating "false and unsubstantiated statements * * * made by people who are not familiar with the problems in regard to the alterations to the Capitol * * *."

2. Failed to recognize the studies which have been made in "a highly professional and dedicated manner by competent architects and engineers, the majority of whom are either fellows, honorary members, or members in good standing of the AIA."

3. Failed in its service to members by not presenting "any fact concerning the physical condition of the building and the nature of the dome overhead, so that the membership would have been in position to pass intelligent judgment."

4. Followed a highly unethical course by failing to properly represent all members of our profession rather than to take sides on a project about which it has heard only the statements, many of them untrue, circulated by the opponents. * * *

Architectural advisers signing the wire to Mr. Chatelain were John Harbeson, of Philadelphia, Gilmore D. Clarke, of New York, Roscoe DeWitt, of Dallas, Alfred Easton Poor, of New York, Jesse M. Shelton, of Atlanta, Fred L. Hardison, of Dallas, and Albert Homer Swanke, of New York.

The second wire, sent to Mr. Purves, was signed by Mr. DeWitt alone.

Mr. Harbeson, whose Washington works include design of the Folger Shakespeare Library, the Federal Reserve Board Building on Constitution Avenue and the Pan American Union Administration Building, was 1 of 3 prominent architects named 2 years ago to a top-level consulting panel on the extension. The other two members were Henry R. Shepley, of Boston, and Arthur Brown, Jr., of San Francisco. Mr. Brown died last year. Since that time, Mr. Clarke, a landscape architect and honorary member of the AIA who for many years was Chairman of the Federal Fine Arts Commission here, has been added to the panel.

ADVISERS' RESENTMENT MOUNTS

Mr. Shepley, a noted Boston architect associated with projects throughout the world, did not sign the telegrams. He is, however, still a member of the extension advisory panel.

Other architects who signed the telegram are members of a second panel of associate architects working on details of the controversial east-front extension. All the architectural firms of these men either are currently involved in other Capitol Hill expansion projects, or have been at some time in the past.

The telegrams brought into the open a steadily growing resentment by the architectural advisers against what they consider an improper representation of the architectural profession's position on the Capitol extension.

The charge of rabble rousing in Mr. DeWitt's telegram referred to the AIA's recent distribution of Memo, a regular newsletter of the organization. The March 10 issue, sent to all AIA members, was devoted mainly to sharply worded newspaper accounts of opposition to the extension, and included this paragraph:

"Despite success to date, a long, hard battle lies ahead to persuade the Congress to rescind previous actions and appropriations. Those desiring to prevent the east front extension should telegraph or write their Senators and Congressmen immediately."

CHATELAIN DEFENDS STAND

In a reply wire to the consultants, Mr. Chatelain defended AIA actions as carrying out the "convention mandate" voiced in resolutions of opposition to the east front extension during the last few years. He added:

"This involves, as we see it, keeping the membership informed as to the status of legislation relating to the east front, the Congressional committee involved, the individuals to whom they should express their views and general public reaction to the proposals. We have taken the necessary steps in the current controversy as we have on other instances on which the institute has an expressed policy.

"In quoting editorial comments of many leading newspapers, we were informing the membership about what apparently is the prevailing public opinion on the matter." Mr. Chatelain also said he had difficulties finding the alleged "inaccuracies" and said he would welcome specific examples.

WOULD REPRODUCE FACADE

In a response to Mr. Chatelain's wire, Mr. Horbeson has written a letter to the AIA Journal entitled "The Institute Is Unfair to Architects." It contends that the AIA has violated its own written code of ethics by failing to adequately inform itself on the Capitol controversy, and by "demeaning" the professional reputations of the consulting architects.

The east-front controversy involves a move to build an addition which would project the old central portion of the Capitol's east front, between the House and Senate wings, 32½ feet eastward. The present sandstone facade of the existing front would be reproduced precisely, in marble, including the columned portico and the walls, with all their historic ornamentation.

Briefly, this is the project status: Three years ago, Congress set up a five-man House-Senate commission and, in a legislative appropriation act authorized it to spend such money as needed to carry out the extension. The legislative language said the extension should be in substantial accord with scheme B of an east front extension study which was made in 1904. Scheme B called for a 32½-foot extension. During the last 3 years, plans have been completed for the extension, at an estimated cost of $10.1 million, and $17 million actually has been appropriated for this and related purposes. The commission is now ready to let contracts for construction. Pending in the Senate, however, is a bill—supported by a large number of Senators—which would hold up the project until further studies are made.

PLAN CALLED VANDALISM

Supporters of the Senate bill, including spokesmen for the AIA, contend there are no reasons valid enough to justify the extension. They call it vandalism, the needless destruction of perhaps the Nation's most beloved structure. This contention has roused expressions of opposition throughout the Nation, from architects, historic and preservation societies, newspaper editorials, and individuals.

It is against the form and substance of this that the consulting architects at work on the extension project last week directed their protests to the AIA.

In a series of articles, of which this is the first, the Star will examine the various issues of the controversy, the charges of opponents and the arguments which the extension proponents say have been distorted, misrepresented, and bypassed. Subsequent articles will deal with the nature of the architects' opposition, the present condition of the east front, what might be done if the east front is not extended, the architectural defect of the east front, and the controversy over Capitol space.

[From the Washington Star of March 24, 1958]

ARCHITECTS DIFFER WIDELY ON EAST FRONT EXTENSION—VIEWS RANGE FROM VANDALISM OF SHRINE TO IMPROVEMENT OF HISTORIC VALUES

(By George Beveridge)

Setting the record straight on how architects feel about extending the east front of the Capitol is like piecing together a jigsaw puzzle.

To many architects, the proposal authorized by Congress to extend the east front 32½ feet forward between the House and Senate wings is senseless destruction, a vandalism of the Nation's most historic shrine. To others, it is an improvement which is essential to preserve, not destroy, the east front's historic values. This conflict has existed—among architects—since the extension was first proposed nearly a century ago.

It exists today.

PLANNERS VOICE PROTEST

It caused a group of prominent architects who are planning the extension to voice a bitter protest last week against their professional organization, the American Institute of Architects, which is leading an intensive, well-organized campaign of opposition.

The protesting architects contend the AIA is pursuing a pattern of organization opposition without adequate knowledge of the facts involved. This, they say, is misleading AIA members and the public.

They contend that charges of vandalism and desecration against the Capitol, endorsed by the AIA, are a personal affront to their professional integrity as architects.

And they condemn the implication that most knowledgeable architects—present and past—oppose the extension.

ARCHITECTS SUPPORTING PLAN

What architects have supported it? Here are a few who have spoken out over the years, and some of their work:

John Russell Pope, architect of the National Gallery of Art, the Jefferson Memorial, the Archives Building and Constitution Hall; Egerton Swartwout, the Missouri State Capitol; Henry Bacon, the Lincoln Memorial; Clarence Zantzinger, Department of Justice Building; Robert Mills, the Washington Monument; Charles A. Platt, the Freer Art Gallery; John F. Harbeson, the Folger Shakespeare Library and the Federal Reserve Board Building; Francis P. Sullivan, who remodeled the Capitol's House and Senate Chambers.

Advocates of the east front extension site these proponents because they represent unmatched knowledge in classical architecture—of which the Capitol is a prime example—and because their work developed some of the great buildings of the Nation.

PART ENDORSEMENT CITED

Roscoe DeWitt, of Dallas, one of the consulting architects now at work on the extension, notes that these architects favored the century-old extension proposal in order to improve the Capitol's architecture, not detract from it. He adds:

"Can any architect who has opposed the extension show greater work than these magnificent monuments of architecture? Would it not be wise for the layman to accept the counsel of the great, rather than that of those who have yet to prove their greatness?"

The record shows that the Fine Arts Commission—the traditional watchdog of Washington's architecture—twice has endorsed the extension, in 1919 and in 1935.

FIRST PROPOSAL IN 1864

Mr. Swartwout, a former Vice Chairman of the Commission, testified in the Senate in 1937 that he had always been much interested in this extension, and "I talked about it

a great deal with the members of the Fine Arts Commission." He added:

"I know pretty well how they feel, the architects in general that have had experience with this work. I think I have never found any of them who did not think this was a good thing, and I think it is myself absolutely necessary to the completion of the Capitol."

The east front extension first was proposed by Architect of the Capitol Thomas U. Walter in 1864, to complete the effect intended when, under Mr. Walter's direction, the House and Senate wings were built and the present dome was built. Since then, the extension has been urged by every architect of the Capitol and every consulting architect who studied and reported on it to Congress.

During the last 3 years, resolutions opposing the extension have been passed at AIA conventions.

SENTIMENT NOT UNANIMOUS

But even at the top level of the organization, the sentiment has not been unanimous, and on some occasions a different viewpoint has not been allowed to be expressed to convention delegates.

On June 12, 1956, for example, Edmund R. Purves, AIA executive director, appeared before a Senate appropriations subcommittee on behalf of the AIA to oppose an appropriation for the extension, which Congress subsequently granted.

Under questioning, however, Mr. Purves admitted that a report of a special AIA Committee on the National Capitol—favoring the extension—was disapproved by the AIA board of directors at the 1955 convention in Minneapolis and never reached the convention floor for a vote.

And in the same questioning 2 years ago, Mr. Purves—who just last week issued a bitter blast against the extension project—admitted that he personally favored the extension.

NINETEEN HUNDRED AND FIFTY-SIX TESTIMONY QUOTED

Following is a part of the 1956 Senate testimony:

Senator HAYDEN, Democrat, of Arizona: "Why was the (special committee) report ignored?"

Mr. Purves: "The report was not ignored. It was considered at considerable length. But the members of our board of directors, after listening to the report of the committee and other members who appeared before them at that time, and after a discussion of the question, arrived at the conclusion that the board opposed the extension. It was rather obvious, I think, Mr. Chairman, that there was disagreement."

Senator HAYDEN: "The committee appointed by the National Association of Architects, known as the National Capitol Committee, made a recommendation approving the action that was proposed to be taken here. The national organization, I assume, that is not as familiar with the facts as the local committee that was here to look into it, or that was delegated especially to do that, decided not to follow their judgment. That is all there is to it."

Mr. Purves: "That is it."

FAVORED ORIGINAL PROPOSAL

Senator Clements, Democrat, of Kentucky, then pressed Mr. Purves for his personal sentiments, and asked whether he favored the AIA committee report. The exchange went this way:

Mr. Purves: "In answer to your question, if I must answer it, Senator, I must say 'Yes.'"

Senator Clements: "You were in sympathy with the original recommendation to extend it?"

Mr. Purves: "Yes, sir; I can say that."

Senator SALTONSTALL, Republican of Massachusetts: "Then, as to these national fellows from all over the country who don't know Washington particularly, you just don't agree with them?"

Mr. Purves: "Well——"

Senator SALTONSTALL: "I never knew architects to agree on anything, so it is perfectly all right to talk."

Mr. Purves: "I wish this were off the record."

Mr. DeWitt, in a statement he has drawn up to explain the position of the architect-consultants on the east front extension, says the opposition has been expressed solely on sentimental grounds and pressed within the AIA over the years by a small, dedicated group.

Among its leaders are Lorimer Rich, of New York, whose work includes the Tomb of the Unknown Soldier, and who helped kill the east front extension move during Congressional hearings in the thirties. Others include Ralph Walker, of New York, who recently was awarded an architect of the century medal by the AIA, and Julian Berla, of Washington, who heads a newly formed Committee to Preserve the Nation's Capitol.

WINS WIDE SUPPORT

During the last few months, Mr. Berla's committee has generated nationwide support from individuals and historic, preservation, and patriotic societies.

The opponents contend they have had no real opportunity to see the extension plans while they were being drawn, and that Congress authorized the extension in 1955 with virtually no public hearings. There is truth to both charges.

J. George Stewart, Architect of the Capitol, says only the special House-Senate commission directing the extension has had the power to release plans, and commission activities have been tightly controlled by its chairman, House Speaker RAYBURN.

The suspicion is that Mr. RAYBURN realized a full-scale set of public hearings probably would ensnarl the extension proposal in deadlocked controversy, as has happened for 50 years. The fact, however, is that Congress freely approved the extension legislation 3 years ago, and has voted appropriations for it on 2 occasions since.

AIA OPINION QUESTIONED

If hearings have been scarce during this round of Congressional activity, however, advocates of the extension say there likewise has been scanty discussion at AIA conventions.

Mr. DeWitt's statement, for example, says that "a mere handful of members was present and but a very few of that handful voted" when the extension issue was raised at a recent national convention he attended.

"To represent that action as truly representative of the feeling of American architects is to misrepresent the facts," he said. "The true fact is that the average thoughtful, competent architect, knowing none of the factors which are involved, would refuse to express himself. Certainly well over 10,000 of them did not vote and did not write letters to their Congressmen or Senators to stay the move."

LEGISLATIVE MANDATE CITED

"Those who did vote and those who did write letters were concerned wholly with the matter of sentiment. Had these same men known the true nature of this defect in (the east front's) design, could they have been apprised of the condition of the building, could they have known that its days are numbered unless remedial steps are taken, few of them would have raised their voices or taken their pens in hand."

AIA officials have and other opponents in no instance directly attacked the professional ability of any of the private architects who have been retained by a Congressional commission to plan and supervise the extension.

The opponents, however, have contended that the consultants' hands have been tied by the language of the extension act passed by Congress. And this is one basis on which they have asked Congress to hold up the project.

The language they refer to says that the east front extension should be in substantial accord with "Scheme B" of a study made in 1904, which proposed an extension of 32½ feet. No matter how opposed the consultants might be to this provision, the opponents say, they have no choice but to try to work with this mandate.

CONSULTANTS' REPORT RECALLED

Charging that the consultants are opposed to this plan, the opponents cite a report issued last year by the three top-level consultants—Mr. Harbeson, Henry Shepley of Boston, and Gilmore D. Clarke, landscape architect and former Fine Arts Commission Chairman. The report urged in strong terms that eventually the House and Senate wings—as well as the central portion of the east front—be moved forward 32½ feet, and said the consultants felt that only in this way could the "present beauty of the Capitol be kept."

The fact, however, is that the only project now authorized is to extend the central portion of the front, between the wings. And that has not tempered the support of the consultants.

Mr. Harbeson, in a letter to the AIA last week, has protested that the AIA has told its members that the architect-consultants' "opinions should not be trusted" by suggesting that "no architect of note or responsibility has approved the extension of the east front."

MEMBERS SEEN DEMEANED

"It has thus demeaned its own members working on this project at the present time, who have recommended the work," Mr. Harbeson wrote.

In hearings last month before the Senate Public Works Committee, Mr. Harbeson urged the east-front extension and said specifically that "We have not been hampered by the wording of the act." In the same hearing Alfred Easton Poor, of New York, coordinator of the group of architect and engineer consultants working on the project, said:

"It is our considered opinion that we have not at all been handicapped by the wording of the act. * * * Had we felt that we were so hampered we would have reported the fact to Mr. Stewart (Architect of the Capitol J. George Stewart, who hired them)."

PLANS NOW COMPLETE

Plans for the east-front extension are complete and, unless Congress acts otherwise within the next few weeks, contracts which already have been prepared are expected to be signed to start the new construction.

In back of all the pro-and-con furor over the project are three specific controversies. The controversies, which also are the reasons the extension is being pressed, are: (1) The present deteriorated condition of the Capitol, (2) a complex series of architectural fights over how the Capitol should look, and (3) a need for more Capitol space.

Subsequent articles of this series will attempt to clear up some of the confusion that has been generated about each of them.

EMERGENCY FUNDS FOR VETERANS' HOSPITALS

Mr. NEUBERGER. Mr. President, a tragic and emergency situation has developed at the Portland Veterans' Administration hospital and other veterans' hospitals across our country.

The Veterans' Administration requested $6 million in the way of additional funds for inpatient care for the fiscal year 1958, and these funds were approved in the second supplemental appropria-

tion which is now in conference, after being passed by both the House and Senate. There was no disagreement as to funds for inpatient care for the Veterans' Administration. Congress has, indeed, taken prompt action when the facts were brought to its attention, and I know that no Member of Congress would favor the closing of hospital wards and the laying off of trained professional and nonprofessional medical personnel.

Notwithstanding the second supplemental appropriation which will be approved shortly by the Congress, the Veterans' Administration will find itself short several million dollars for fiscal year 1958 for inpatient care. I have been advised that the Veterans' Administration has initiated a request for this money, which is now being considered by the Bureau of the Budget.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a letter dated March 18, 1958, from Dr. William S. Middleton, Chief Medical Director of the Veterans' Administration. Dr. Middleton's letter explains the 2-percent reduction that will take place at the Portland and other Veterans' Administration hospitals for the fourth quarter, fiscal 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION,
March 18, 1958.

The Honorable RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: The pending action concerning the Portland, Oreg., Veterans' Administration Hospital, about which you inquired today, involved all Veterans' Administration hospitals. The reduction for the Portland hospital will be $20,096.

On March 6, 1958, stations were alerted that their 4th quarter fund allotments were to be reduced by 2 percent from the amount initially set up when the fiscal year began. On March 14, 1958, confirmation of the reduction was made. This was considered necessary because we will be unable to realize the financial resources contemplated by the fiscal year 1958 Appropriations Act.

The Appropriation Act, Public Law 85-69 of June 29, 1957, provided $708,656,000 for inpatient care, of which $6,656,000 was to be realized from reimbursable services. For such services there has been a substantial decrease in collections so far this year due to a United States district court decision limiting the Government's ability to collect on insurance policies assigned to the Veterans' Administration by some of its patients. It is now estimated that, at the most, $3,500,000 will be collected before the close of the fiscal year. Under the circumstances the described reduction in 4th quarter fund allotments is required to avoid deficiency operations.

I hope ways can be found to minimize the impact of this reduction before the close of the fiscal year.

Very truly yours,
WILLIAM S. MIDDLETON, M. D.,
Chief Medical Director.

Mr. NEUBERGER. Mr. President, unless the Bureau of the Budget and the Congress take prompt action, skilled medical and other personnel will be laid off at VA hospitals, and hospital wards will be closed. This urgent situation was brought to my attention by Mr. Charles H. Huggins, Department of Oregon commander, the American Legion, and Dr. Penn C. Crum, chairman of the department rehabilitation commission. I ask unanimous consent that their telegram be printed at this point in my remarks in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 17, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senator, Oregon,
Senate Office Building,
Washington, D. C.:

Dr. Spendlove, manager, veterans' hospital, Portland, received a TWX from Chief Medical Director's office that there would be a withdrawal of 2 percent of his funds for inpatient care April 1. This would possibly close one ward, lay off personnel, and increase waiting list. Any delay in this cut in funds that you can effect will be greatly appreciated.

CHARLES H. HUGGINS,
Commander, the American Legion.
PENN C. CRUM,
Chairman, Rehabilitation Commission, the American Legion.

Mr. NEUBERGER. Mr. President, the Portland Veterans' Hospital, along with other VA hospitals, has a long waiting list, and it would be tragic if hospital wards are forced to be closed. Equally tragic is the fact that loyal professional personnel will be laid off. The able manager of the Portland Veterans' Hospital, Dr. J. Gordon Spendlove, has no alternative with the reduction of his funds for the operation of the hospital. Reduction-in-force notices already have been given to quite a few Portland Veterans' Administration employees, and both professional and nonprofessional personnel are affected.

It is my hope that the Bureau of the Budget will take prompt action so that the request by the Veterans' Administration for an additional several million for inpatient care can be promptly submitted to Congress. I know that Congress will vote the needed funds, and the burden now rests with the Bureau of the Budget, an agency in the Executive Office of the President.

Mr. President, I ask unanimous consent to have printed at this point in my remarks two letters I have just received from residents of Portland telling of the situation at the Portland Veterans' Administration Hospital, together with an item entitled "More VA Bed Losses?" from the March 19 issue of the National Legislative Bulletin of the American Legion.

There being no objection, the letters and item were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 18, 1958.*

The Honorable RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: Yesterday, reduction-in-force notices were given to quite a few Portland Veterans' Administration hospital employees. Both professional and nonprofessional personnel were affected.

We were told that this was necessary because of the withdrawing of funds from the station in connection with budget problems within the Veterans' Administration. We were also informed that if the emergency appropriation measure now before Congress is passed that the RIF notices will be canceled.

I urge you to do everything within your power to get speedy and fair action on the VA appropriation measure; however, I hope that you will go further and inquire as to why funds for the medical care of hospitalized veterans is continuously being threatened.

This area is already faced with a critical unemployment problem and the VA hospital cannot maintain adequate care for the hospitalized veterans if their budget is reduced.

Respectfully yours,
WILBUR M. WATTERS.

PORTLAND, OREG., *March 18, 1958.*

MY DEAR SENATOR NEUBERGER: I am greatly interested in the bill supporting the VA deficiency funds for impatient care. I favor it for several reasons, in which I believe you at least partially concur. There is already considerable unemployment all over the country, and Oregon has already been hard hit all winter, so that more unemployment by Uncle Sam himself seems hard to understand. Secondly, the VA has already had several cutbacks in recent years, and with rising costs everywhere there is an automatic cutback in services to veterans without cutting present operating expenses. Civil service at present pays less than other similar jobs outside, so with lower pay plus less security plus lower morale how can you get and keep good employees? The other point is that a hospital for veterans is not being operated and maintained for budget purposes, which is cold, calculating and impersonal, but to give hospitalized veterans the best care, with reasonable expense. Are veterans to be turned down when really sick because the budget won't allow it?

I hope you will urge it being brought out of committee and voted upon as soon as possible.

Sincerely yours,
Mrs. LOUISE H. WELDLICH.

[From the National Legislative Bulletin of March 19, 1958]

MORE VA BED LOSSES?

At this time the 1959 budget for the VA is in the House Appropriations Subcommittee for Independent Offices. It went there with a Bureau of the Budget recommendation for a cut of 1,000 VA hospital beds. Supplemental funds for the remainder of this year are also necessary and if a Senate-House conference fails to come up with additional funds it will mean closing down 310 beds during the next 3 months. For in-patient care there would be a shortage of $3¼ million and, according to United Press reporting, VA Administrator Whittier told the House Appropriations Subcommittee that such shortage would mean closing five VA hospitals. VA is reported to be planning reductions in hospitals, in wards, and in beds in a total of at least 10 VA hospitals beginning April 1.

As hospital doors are closed and beds shut down, where do the sick and broke veterans go? Unless they are to be ignored entirely, the responsibility will fall to the communities and the States. Do the latter have the facilities to take care of the additional needs? The answer is "No."

SHORTCOMINGS OF CIVILIAN DEFENSE PROGRAM

Mr. JOHNSTON of South Carolina. Mr. President, the latest storm has many lessons for us if we choose to learn from the damage it has caused and the emergencies it has created.

Communities and whole areas have been deprived of heat, light, cooking, and refrigeration facilities owing to power failures. Great hardship and some deaths have resulted from the storm's

damage. Secondary roads have been blocked and some people left in cold, darkness, and want. Towns have been isolated, and telephone wires are knocked out; hospitals and homes for the aged and indigent were without heat and light for hour after hour, making proper medical care an impossibility. Many private homes were similarly affected, including homes with sick children. The whole situation added up to a major civilian emergency, and the most severely hit areas were those bordering on the Nation's Capital.

The harsh fact, Mr. President, is that we are horribly unprepared to cope with anything like a real emergency on the civilian front. If a spring snowstorm can wreak such havoc, Senators can imagine the devastation of an enemy missile attack.

Obviously if we had a plan, a system, and an operation worthy of the name of civilian defense, the organization would be able to move in quickly in situations such as the recent storms. Instead, 10 inches of snow leaves our communities prostrate.

It seems to me, Mr. President, it is an offense against the public welfare for hospitals and homes for the aged and indigent to be without standby power facilities. Certainly if war should come to our shores, we could count on powerplants being prime targets. In such a contingency, whole communities and regional areas would be left crippled and helpless without emergency power units. Another vital need is for police organizations to have standby power to keep their field units operative.

In 1954 we saw the crisis which was created by Hurricane Hazel. That heavy blow from nature on the rampage revealed the glaring weaknesses in our homefront situation. Of course, there were many examples of individual heroism, and people everywhere responded magnificently to the hurricane's challenge. The fact remains, however, that Hurricane Hazel showed that we had not developed an overall efficient plan to cope with such emergencies, and we have not profited from that costly lesson of 4 years ago.

One of the most glaring deficiencies of the Eisenhower administration is the way it has made civilian defense an abused stepchild of the Federal family. It would be hard to find anywhere a group of people with poorer morale than the employees of the Civilian Defense Administration, through no fault of their own.

In a big emergency, are we to evacuate the civilian centers or take to the shelters? Where are the shelters, and when will we have them if that is the present thinking? Is there a shelter plan; what is the starting date of construction; what is the target date for completion; and, how does it all mesh with our military defense plans?

Earlier this year I called for a dispersal of the United States Government agencies away from Washington. At that time I called for moving the Capitol to some less vulnerable place than Washington. True, it might not be necessary to move the Congress itself until such time as enemy attack or invasion might absolutely require that Congress, and even the President, vacate Washington.

But we cannot wait until the enemy actually attacks to disperse our Government agencies. We can get out from under a snowstorm, a hurricane, and other natural disasters which exist for only a brief period. But I shudder to think of what would happen to civilian and military operations if the enemy were to strike the existing concentration of Government facilities now crowded into the metropolitan Washington area. It is time for serious thought to be given to dispersing the Government to the more remote and widespread areas of the Nation.

I am wondering, Mr. President, if the reason we do not have a well rounded, intelligent, realistic civilian-defense program is that there has been a studied effort to sugarcoat the real dangers inherent in the present world situation.

It makes no sense to be spending $40 billion a year on armament on the one hand and, on the other, failing to produce an adequate, workable, ready-to-go civilian-defense plan. If one is justified—and there is no denying it—the other is needed today. It was needed yesterday.

In the next war—and heaven forbid that it should come—Main Street will be the frontline. Are we to assume that those charged with our national defense regard our civilian population as expendable?

Our unpreparedness to cope with a homefront emergency cries for corrective action. Such action cannot come a day too soon.

FORTHCOMING 80TH BIRTHDAY CELEBRATION OF FORMER SENATOR HERBERT H. LEHMAN, OF NEW YORK

Mr. NEUBERGER. Mr. President, one of the greatest of Senators in our era will celebrate his 80th birthday on March 28, 1958, an occasion when many of his friends expect to be with him in New York for that event.

I refer to Herbert H. Lehman, illustrious statesman in our Nation and in the world, who retired voluntarily in January of 1957, after an outstanding career in his own State, in world affairs, and in the United States Senate.

I know of no person of today who so aptly fits the description which his friend, President Franklin Delano Roosevelt, once applied to Senator George W. Norris, of Nebraska—"old in years but young in heart." This applies to Herbert Lehman, too. He may be approaching the beginning of his ninth decade, but he sees the world's problems with vision, enlightenment, and bold spirit. I well remember the day in January of 1955, when he prophetically warned us younger liberals in the Senate that we could not postpone the active consideration of civil-rights legislation in the name of party harmony. Herbert Lehman was alone that day, but he was right and all the rest of us were wrong.

Despite his proximity to 80, Herbert Lehman was never more active or prominent. He has just settled successfully a strike of garment workers in his native community of New York. He is still crusading for legislation in the realm of human rights and civil liberties. He is honorary chairman of the committee heralding the 10th anniversary of a cause close to his heart and emotions—the establishment of that outpost of democracy and culture in the Middle East, the Republic of Israel.

Mr. President, I believe the finest tribute to this genuine statesman, and to his gracious wife, Edith, is to ask unanimous consent to print in the body of the RECORD a splendid article entitled "Lehman at 80: Young Elder Statesman," which was written by the distinguished writer, Miss Barbara Ward, and appeared in the New York Times Sunday magazine for March 23, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEHMAN AT 80: YOUNG ELDER STATESMAN

(By Barbara Ward)

These are times that are in urgent need of wisdom. Revolutionary upheaval abroad, political uncertainty and economic stagnation at home, and everywhere a sense of pressure and personal foreboding make us anxious, as we have rarely been before, to be given some clues through the labyrinth, to see some possibility of effective thought and action in our troubled age.

For this reason there are signs of a new respect for the voice of experience. People are more ready to admit that there may be something to learn from history. Biographies of the best political leaders become best sellers. And men who have left the arena of public affairs are more likely to be consulted and respected as elder statesmen than left to political oblivion.

Certainly in the case of Herbert Lehman, who celebrates his 80th birthday this Friday, the decision to retire from public affairs—which he took in 1956—has not been followed by much lessening in public influence. He is active in the highest councils of the Democratic Party; he works on such influential private bodies as the Fund for the Republic; he is involved in myriad activities for the Jewish community. His successful mediation in the recent garment workers' strike is only one of a multitude of public responsibilities which come to him, largely unsought, in his role as one of the most eminent of America's retired leaders. He may have withdrawn from public affairs, but they show little sign of withdrawing from him.

One reason for this is, of course, that few careers could have prepared a man more fittingly for the part of elder statesman. He alone in the last 100 years has occupied all the highest elective posts in New York State, the most populous and powerful State in the Union. Twice elected lieutenant governor, four times governor, and twice chosen for the Senate, he has a record that in itself would stamp him as a uniquely successful public servant. Yet before he ever entered politics—which he did in support of Al Smith's campaign in 1928—he had already made a career for himself in private banking which would have satisfied the ambitions of most of his contemporaries. And for good measure, during his 3 years as Director General of the United Nations Relief and Rehabilitation Administration (UNRRA), he brought into being and directed the largest working international program the world has ever known.

Here, then, is a career that has had the widest possible scope. Private business, State and Federal politics, the new field of

international administration—there is virtually no area of public or private affairs of which Herbert Lehman has not had some direct experience. In fact, if one had decided to invent a life most likely to lead to the achievement of elder statesmanship, it would have been difficult to devise anything more suitable or complete.

Yet "the Governor," as he is still affectionately known to millions of New Yorkers, does not conform too well to the idea most of us hold of an elder statesman—one whom we tend to see sitting calmly in some well-upholstered library, or on a park bench, watching the world go by, recalling benevolently the events of earlier years and letting fall the analogies and comparisons which mature experience draws from them. If this is the arche-type of an elder statesman, then the Governor is something else again.

Few people of his years look back less. Few minds seem so eager to attack the problems of today and to look to the possible lines of policy for tomorrow. If past events are recalled, it is simply to illustrate some contemporary comment. Nor is that comment likely to be remarkable chiefly for its detachment and perspective. Herbert Lehman is not detached when it comes to the struggles of our day; he is still in there fighting. It is not so much age and maturity that strike you; it is a mind and a vigor that refuse to grow old.

If you talk to him these days, his first concern is our current crisis—the crisis of economic stagnation in America, the leaderless drifting of the free nations abroad. He attacks strongly the choice he believes the administration is trying to make between guns and butter, between security and welfare.

"Why can't we realize," he says, "that the answer to both problems lies in our ability to grow? Here we are in a recession. I don't think it will be on the scale of 1929. On the other hand, I do not think the President was right in suggesting an upturn this spring. But why, why do we permit a falling off in production at all? We need a great reservoir of strength with which to counter the Russians, and certainly we are not going to build one by allowing production to decline.

"The only sane way to look at our economy is on the basis of need. We need defense—but we need education, housing, and health expenditures fully as much. Yet the administration seems not to realize that it is precisely by budgeting for our basic needs that the Government can play its part in stimulating our economy to steady expansion. To talk of what we can afford makes no sense at all since by deciding not to afford, say, schools or houses, we help to perpetuate the recession and so deprive ourselves of the resources with which to build those schools and houses.

"What we need today is a great surge of growth linked to basic need. What the administration offers is a further cutting down on genuine social necessities, and hence a continuing recession. It comes down to this: If our economy grows at a steady pace, the yearly expansion in our productive resources will take care of both guns and butter. But cutting back induces recession, recession is used as an argument for further cutting back and before we know where we are, the Russians will be out ahead. This is budgetary nonsense."

The Governor would like to see the same dynamic concept of linking growth to genuine need introduced into the Free World's international relations. His experience in UNRRA taught him what it means to give people the basic hope of livelihood. UNRRA was not simply an exercise in relief; it was a vast adventure in recovery and reconstruction. It rebuilt roads, restocked railways, repaired harbors, brought in the machinery and set people to work once more. Wherever it operated, on either side of what was then by no means so iron a curtain, it brought hope, made friends for America, and underlined the solidarity of the human family. As one old peasant woman told Herbert Lehman: "For us, UNRRA is a holy word."

Since that effort of recovery proved possible then, and since its principles were vindicated all over again in the Marshall plan, why cannot the Free World adopt the program of joint action for international growth as a lasting principle of its diplomacy?

"We laid the foundations of the future," says Governor Lehman. "We gave back hope. Today, foreign aid on a lasting basis and aimed at basic growth could do the same. I have again and again urged such a policy to bring a measure of stability to the Middle East. A regional development scheme for the whole area might make a new approach possible to the problem of achieving a peaceful settlement. At least, it is hard to see any line of advance without one.

"And in general, we cannot hope to meet the Russians' new entry into the field of foreign aid unless we have sustained, thought-through and generally accepted policies of our own. Above all, we must find some bedrock for our efforts in the genuine needs of the peoples in less developed areas. If we aim at them, we can do what UNRRA did—we can re-create hope."

You do not need to talk long with Herbert Lehman to discover how central to all his thinking is this sense of people and their needs. The core of his faith in the Democratic Party is his belief that it has defended and will defend the interests of ordinary men and women who have neither the wealth nor the influence nor the confidence fully to defend themselves. It explains the contemporary emphasis in his thinking, for whatever else may change, the needs, troubles and disabilities of ordinary men and women have a habit of remaining constant.

This is the spur that keeps the Governor from relaxing among his years and honors. This is, in a sense, his whole philosophy of government, the central theme of his political activity, the settled conviction of his mature experience. He would probably not claim a very elaborate or a highly intellectualized approach to public affairs; for him the issue is much more direct. He sees politics as the field of activity where some men struggle to benefit themselves and their own interests, and where other men must, if there is to be any public good, work for those who cannot help themselves. The conviction that he himself must belong to the second group goes back to the earliest and deepest experiences of his life.

His parents came to America to escape the restrictions placed on the liberal Jewish community of Germany. In spite of the wealth and success that later crowned this migration, his family did not forget the precariousness of their freedom. The children were raised to treasure the rights of ordinary citizens and to react sharply against the threat of abridgements to any group. "We were rebels by necessity," the Governor recalls.

Even so, the security of material wealth might have lulled this sensitiveness had not Herbert Lehman's father and one of his early teachers, Frank Irwin, taken him, as a growing boy, to confront the reality of misery and poverty and dirt in New York's slums and tenements. The image of hopeless need was fixed in his adolescent imagination. Maturity only confirmed his commitment to alleviating, by all action within his power—private, philanthropic, public, political—the miseries and burdens laid on shoulders too weak to raise the load themselves.

In 1928, the sense of how much could be accomplished by direct political action led him to give up a highly successful banking career at the top of the boom when the possibilities of piling fortune upon fortune appeared endless. Today, 30 years later—30 years of unremitting work for the social needs of ordinary men and women—the Governor's heavy mail testifies to people's belief that time has not abated his concern.

Herbert Lehman is thus a profoundly popular political figure—popular in the sense of finding his deepest political satisfaction in work for the mass of the people. Yet there are many shades of meaning to the word "popular" which do not suit the Governor in the least degree. "Popular" has been used to describe the demagog, who carves his own way to office.

This is not Herbert Lehman's type of popularity. His speeches are simple, almost austere. They aim very little at emotion. They use logic. They are loaded with facts. Rational conviction, not emotional sway, is what they seek. People are often at a loss, after listening to a steady, almost pedestrian address, to account for the Governor's profound impact. The reason is that it is an impact of quiet conviction, never a swamping of judgment in swelling periods that raise the roof and extinguish the mind.

Nor has the Governor been popular in the sense of allowing the popular mood of the moment to guide his own decisions. In a decisive test during the McCarthy hysteria—a test held on the eve of a crucial senatorial contest—Herbert Lehman voted against a crude piece of anti-Communist legislation. "I will not betray the people of my State," he said, "in order to cater to the mistaken impression some of them hold. * * * My conscience will be easier, though I realize my political prospects may be more difficult. I shall cast my vote for the liberties of our people."

In short, the Governor's concern for the people's needs is not a politician's maneuver to secure power. It is not a pandering to the popular mood of the moment. It springs from profound convictions about the nature and dignity of man which were as evident when his career began as they are today. The Governor had no need to discover principles after having first made a political name for himself. The principles came first and guided all the rest.

In a recent speech the Governor said: "I believe that what is mainly lacking from the spirit of these times * * * is a true sense of purpose and direction. We do not really know where we are going or why. The protection of the status quo has become a major public force and motive. * * * Theoretically the public favors some changes at home and abroad, but is generally unwilling to exert real effort, make any real sacrifice, or take any real risks to bring such changes about."

Those who have had in any measure the joy of knowing him, as the years have unfolded his profoundly rich and rewarding career, will be tempted on his 80th birthday to take up the Book of Wisdom and read there once again the description of the just man: "He shall show forth the discipline he hath learnt and shall glory in the law of the covenant of the Lord. Many shall praise his wisdom and it shall not be forgotten. And the memory of him shall not depart from the earth."

Mr. PROXMIRE. Mr. President, I join my colleague from Oregon in his tribute to former Senator Lehman. The article he has asked to have printed in the RECORD carries words of wisdom for our people and our Government, in our current economic crises. Herbert Lehman's answer is to reject the choice that the administration seems to be placing between butter and guns or security and welfare. The great question confronting this Congress, according to former

Senator Lehman, is "Why do we permit a falling-off in production at all?" In the words of Herbert Lehman:

> We need a great reservoir of strength with which to counter the Russians, and certainly we are not going to build one by allowing production to decline. The only sure way * * *. What we need today is a great surge of growth linked to basic need. What the administration offers is a further cutting down on genuine social necessities, and hence a continuing recession * * * cutting back induces recession, recession is used as an argument for further cutting back and before we know where we are, the Russians will be out ahead. This is budgetary nonsense.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCTS COMMERCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to refer, at the beginning of the Senate session tomorrow, Senate bill 1356, Calendar No. 706, the meatpackers bill, to the Committee on Agriculture and Forestry and the Committee on the Judiciary, with instructions that Senate bill 1356 be reported to the Senate not later than Monday, April 21, 1958.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Is there objection to the request of the Senator from Texas?

Mr. DIRKSEN. Mr. President, reserving the right to object, I rise only to ask for clarification. As I understand, the request implies, of course, that modifications may be made in the bill before it is reported.

Mr. O'MAHONEY. Mr. President, it is my understanding that the Committee on Agriculture and Forestry would be perfectly within its rights in making any suggestions it desired to make. Even if it were to adopt the amendment of the Senator from Illinois, I would not object, because I am confident we could defeat it on the floor.

Mr. WATKINS. Mr. President, reserving the right to object—and probably I shall not object—I want it understood that, in connection with the request, there is no waiver whatsoever of jurisdiction on the part of the Committee on the Judiciary.

Mr. JOHNSON of Texas. I shall give the Senator publicly the assurance which I gave him in private.

Mr. WATKINS. While the Committee on Agriculture and Forestry may wish to make suggestions, the bill which the Committee on the Judiciary reported will also still be before the Senate.

Mr. DIRKSEN. A new bill may be reported.

Mr. WATKINS. But the other bill will still be before the Senate.

Mr. DIRKSEN. It will not be on the calendar if it is referred. It will have to be reported from either the Committee on the Judiciary or the Committee on Agriculture and Forestry.

Mr. JOHNSON of Texas. The purpose of referring the bill to the two committees is to permit them to study it and see if they have any amendments or suggestions to offer, in the hope that the two committees may get together.

Mr. O'MAHONEY. Mr. President, I cannot hear what is being said.

Mr. WATKINS. Mr. President, I suggest that the majority leader repeat what he just said.

Mr. O'MAHONEY. Mr. President, I reserve the right to object until I have heard what is going on. This is a private conversation.

Mr. JOHNSON of Texas. I assume that the purpose of referring the bill to the Committee on Agriculture and Forestry is to permit the Committee on Agriculture and Forestry to sit down with the Committee on the Judiciary and attempt to find an area of agreement.

I thought I had cleared the proposed agreement with the Senator from Illinois, the Senator from Utah, and the Senator from Wyoming. What will occur when the two committees get together, I am unable to predict. I assume that if they could get together and amend the bill, it would be reported to the Senate and placed upon the calendar, and the Senate would give it prompt consideration. If the committees did not amend the bill, I assume that the Committee on the Judiciary could report the bill to the Senate, and that it could be taken up again on motion.

Mr. O'MAHONEY. Mr. President, I suggest that the agreement be altered by inserting at the proper place, where the proposed agreement now calls for a report by the Committee on Agriculture and Forestry by the 21st of April, language requiring a report by the Committee on Agriculture and Forestry with its recommendation.

Mr. JOHNSON of Texas. I am glad to accept that modification, if it is satisfactory to the Senator from Utah and the Senator from Illinois.

Mr. WATKINS. Mr. President, I heard the statement of the majority leader that the purpose was to allow the two committees to meet jointly and consider the bill. With that understanding, and in the light of the statement just made, I have no objection.

Mr. O'MAHONEY. Mr. President, before an agreement is entered into——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I wish to make a further suggestion, namely, that the unanimous-consent agreement be effective at the end of the morning hour, because I wish tomorrow's morning hour to be free to any Member of the Senate who may wish to make some comment on the measure before it goes to the Committee on Agriculture and Forestry. The Senator from Illinois nods in the affirmative. Is that agreeable?

Mr. DIRKSEN. Yes.

Mr. O'MAHONEY. If that is agreeable to the majority leader, we have an agreement.

Mr. JOHNSON of Texas. How does the Senator from Wyoming desire to again modify the request?

Mr. O'MAHONEY. I have the agreement in my hand, and I shall indicate the modification.

Mr. ELLENDER. Mr. President, as I understand the unanimous consent agreement, the bill was to be reported after tomorrow's morning hour.

Mr. O'MAHONEY. Yes. Let me read the proposed unanimous consent agreement:

> I ask unanimous consent to refer, at the beginning of the Senate session tomorrow—

I would like to change that to read—

> effective at the end of the morning hour tomorrow—

I continue to read the agreement:

> S. 1356, Calendar No. 706, the meatpackers bill, to the Committee on Agriculture and Forestry and the Committee on the Judiciary, with instructions that Senate bill 1356 be reported back to the Senate Calendar—

I would insert here:

> With the recommendations of the Committee on Agriculture and Forestry—

I continue to read:

> not later than Monday, April 21, 1958.

Mr. JOHNSON of Texas. I will accept that modification, although it is not necessary to have it incorporated. Any Senator has the privilege to talk on any subject during the morning hour. However, if it pleases any Senator to have that modification added, I accept it. I hope the Chair will put the question.

Mr. O'MAHONEY. I wish to make it clear that I am not making this request out of idle motives nor out of any fear that the Senate is not ready to pass, but out of a spirit of fairness. There are Members of the Senate who are not present who have indicated to me that they desire to make some comments on the floor in support of the bill, but I am willing to have the participation of the members of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement as modified?

The Chair hears none, and it is so ordered.

Mr. NEUBERGER. Inasmuch as S. 1356 is the pending business of the Senate, Mr. President, I should like to ask unanimous consent to have included, at the conclusion of my brief remarks, a letter received from Mr. G. F. Chambers, president of Cascade Meats, Inc., Salem, Oreg., and a wire from Mr. H. Leland Jacobsmuhlen of the Arrow Meat Co., Forest Grove, Oreg. Mr. Chambers and Mr. Jacobsmuhlen represent independent meatpacking firms with well-established businesses, serving the retailers of their respective local areas. As small-business people, they see in S. 1356 a measure that will restore to the Federal Trade Commission the authority to prevent unfair competition in the merchandising of all products sold by meatpackers.

The desire to block what is called unfair competition has brought into the ranks of this bill's supporters such organizations as the National Candy Wholesalers Association and the National Retail Dry Goods Association. This was emphasized to me when the National Candy Wholesalers Association held its meeting a few days ago in Washington. One of its officers, Ralph Jones, of La Grande, Oreg., a constituent of mine

who operates a wholesale business serving retailers in the Blue Mountain area, came to my office to stress that, among bills of great concern to the small-business men comprising this association, there was strong support for the O'Mahoney-Watkins bill. These candy wholesalers are small-business men who deal with other small-business men. In common with the independent packing firms, they believe that all firms serving the food industry should be under the same laws and the same enforcement. That enforcement, they believe, logically belongs under the Federal Trade Commission, in view of the Commission's experience in dealing with unfair practices and the body of court decisions supporting their opinions.

They are especially concerned that there are those outside the meatpacking industry, who, by the device of acquiring a minor interest in a meatpacking plant, may escape regulation by the FTC.

The opinion of my constituents is entirely understandable, when one looks at the record of enforcement under the Packers and Stockyards Act. As brought out in the hearings last summer, the division supposed to enforce the law consists of only three people; two agricultural marketing specialists and one stenographer. For the past 19 years, the report on the bill brings out, not a single cease-and-desist order dealing with monopolistic practices by packers has been issued. Furthermore, it is revealed, that the Department of Agriculture has not sought appropriations for this purpose.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

CASCADE MEATS, INC.,
Salem, Oreg., February 12, 1958.

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: It is our understanding that within the next few weeks, Senate bill S. 1356 by Senators O'MAHONEY and WATKINS, will be brought to the floor of the Senate. We wish to reiterate our interest in the passage of this bill—as amended by Senator YOUNG—and urge your support.

This bill will retain in the Department of Agriculture exclusive jurisdiction over livestock transactions in interstate commerce, but will restore to the Federal Trade Commission jurisdiction to prevent unfair competition in the merchandising of all products sold by meatpackers.

Recently the Department of Agriculture has made some gestures indicating their willingness to attempt more rigid enforcement under title II of the Packers and Stockyards Act, but past performances—no cease-and-desist orders since 1938—would show that vigorous enforcement would be much more likely under a proven enforcement agency such as the Federal Trade Commission. The latter agency has a trained staff and would actively investigate any complaints filed.

May we count on your support?

Yours very truly,

G. F. CHAMBERS,
President.

FOREST GROVE, OREG.,
February 19, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

For the welfare and growth of a strong independent meatpacking industry on the Pacific coast, I strongly urge you to support O'Mahoney-Watkins bill, S. 1356.

ARROW MEAT CO.
H. LELAND JACOBSMUHLEN.

ECONOMIC CONDITIONS

Mr. O'MAHONEY. Mr. President, I desire to call the attention of the Senate to the Economic Indicators for March 1958, which became available this morning.

The document, which is published monthly by the Government Printing Office, now has a circulation of 6,500 copies every month. Public Law 120, 81st Congress, 1st session, authorized the publication of this document. That was 10 years ago. I am told that approximately $60,000 has been collected by the Superintendent of Documents from the sale of the publication. This year approximately $13,000 were received.

MATERIAL COMES FROM PRESIDENT'S ADVISERS

We must bear in mind that all of this material comes from the Council of Economic Advisers, the personnel of which is chosen by the President and confirmed by the Senate.

The statistics are gathered by expert members of the staffs of all of the departments which deal in economic statistics. The Department of Commerce, the Department of Labor, the Department of Agriculture, the Federal Trade Commission, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Department of the Treasury, the Department of Defense, the Bureau of the Budget, and the staff of the General Economic Committee, all have a hand in writing and editing this document.

INDICATOR HAS EARNED $60,000 FOR GOVERNMENT

Inasmuch as I was the sponsor of Public Law 120 of the 81st Congress, 1st session, 10 years ago, which was approved by the President on June 23, 1949, I take some satisfaction in the fact that by the introduction of the bill I have brought about an income of $60,000 in the last 10 years to the Superintendent of Documents.

The reason why I call the attention of the Senate to this matter now is that I believe every Member of the Senate should read the document. It is available without charge, of course, to Members of Congress.

NATIONAL PRODUCT IS DROPPING

On page 2 there is a table containing figures showing the gross national product or expenditure. The gross national product represents the total national output of goods and services, at current market prices. It measures this output in terms of the expenditures by which these goods are acquired for final use in legal markets.

The gross national product is declining and has been steadily declining from about shortly after the first of July 1957. Personal consumption expenditures are declining. Government purchases of goods and services are rising. Gross private domestic investment is declining. This is a fact which every Member of Congress ought to know.

PERSONAL INCOME IS DECLINING

On page 3 are the figures and tables showing the national income. I should like to read one sentence from the top of this page:

Compensation of employees was $1.7 billion (seasonally adjusted annual rate) lower in the fourth quarter than in the third quarter of 1957.

On page 4 are shown sources of personal income. This table shows that the total personal income is declining, and that labor income is declining.

The sentence which introduces this material on page 4 reads:

Personal income in February was at seasonably adjusted annual rate of $342 billion, about $2 billion lower than in January. Wages and salaries dropped more than $2 billion; other types of income changed little.

INDIVIDUAL INCOME TAXES WILL DROP

In this connection I say that in the President's budget, on page 884, the President, through his experts in the Bureau of the Budget, estimated that individual income taxes would be increased by $1,300,000,000 in the next year. Instead of an increase of $1,300,000,000, the drop, as is attested to by the Council of Economic Advisers, is a drop of $2 billion.

CORPORATE PROFITS ARE DOWN

There are several other items in the document to which attention should be drawn. I wish to read the following sentence from the top of page 8:

Corporate profits in the third quarter of 1957 were slightly lower than profits in the second quarter. Profits before taxes were $1 billion (seasonally adjusted annual rate) higher and profits after taxes $0.5 billion higher than in the third quarter of 1956.

It will be observed that these figures are a comparison of the third quarter of 1957 with the second quarter. While this document was in preparation, the First National-City Bank of New York made its own report, in its economic letter for March, that some 610 corporations had reported a net income 16 percent lower in the fourth quarter of 1957 than in the third quarter.

Using this report as an indicator, and referring to the advices I have received from the staff of the Joint Economic Committee, I can say without hesitation that the trend of corporate profits is down.

PRIVATE INVESTMENT HAS FALLEN

On page 9, the chart and the figures show the gross private domestic investment trend is downward. The introductory sentences read as follows:

Gross private domestic investment fell $5.2 billion (seasonally adjusted annual rate) in the fourth quarter of 1957. The reduction in inventories accounted for most of the decline.

PLANT EXPENDITURES ARE DOWN

On page 10, a decline is shown in expenditures for new plant and equipment. Total expenditures for 1957 were running at a total of $36.9 billion. For the 2 months of January and February 1957, they had fallen to an estimated level of $32.07 billion. That is a decline of over

$4 billion. To reverse this trend, we cannot depend upon any recovery in March or April or May.

UNEMPLOYMENT IS INCREASING

Those who are interested in employment should turn to page 11. The status of the labor force is described in the following words:

Unemployment increased to 5.2 million in February, as employment declined further and as women and young persons entered the labor market.

State programs for the insurance of unemployed persons constituted only 2.9 percent, in 1952, of those covered by employment insurance and collecting the same, whereas the estimate for February 1958, is 7.6 percent. More than that, in 1952, 1,064,000 persons were covered by all unemployment insurance programs. The number estimated for February 1957 is 3,375,000.

PRICES RISE THOUGH ECONOMIC TREND IS DOWNWARD

Nonagricultural employment is down. The average weekly hours of labor is down. The average weekly earnings are down. Industrial production has dropped approximately 16 points on the 1947–49 index. New construction is down. Sales and inventories in manufacturing and trade also show the customary downward trend, as do both exports and imports of merchandise.

On the other hand—and this is worthy of noting—prices are up. The graphs and tables on consumer prices are to be found on page 23. Using prices for 1947 through 1949 as an index of 100, prices have been rising month by month through 1957, closing in November and December at 121.6. The only month from 1958 reported in this document is January, and that shows another increase, to 122.3. I am advised by the staff that the index for February is also up.

Food and rent are conspicuous items in the increase, and this is also the case with respect to transportation and medical care.

CALLS FOR REVISION OF FIGURES ON ECONOMY

In conclusion, let me say that in my opinion the Bureau of the Budget faces the unavoidable duty to revise the figures which were submitted to us in January. Increased expenditures for mutual security now being asked by the President above the levels of the January budget make it essential that the Congress be given the plain facts about the economy. Reduction of taxes is not a cure of the economic disease from which we suffer. It is only a plaster, except in certain areas, as, for example, excise taxes on automobiles and other commodities which are not now selling.

INCREASED PRODUCTION BEGETS HIGHER BUDGET RECEIPTS

What the country needs most of all is a program to increase budget receipts by increasing production. Congress and the Executive must find the ways and means by which to stimulate the development of natural resources which will produce more products and, inevitably, higher budget receipts for the Government.

The Committee on Interior and Insular Affairs is now holding a series of hearings on the development of domestic mineral resources. It should be remembered by the makers of the budget and by the whole executive branch of the Government, including the White House, that mineral lands are subject to leasing under a royalty system which increases the income of the Government of the United States. Here is an opportunity where we can produce some of the revenue which the Government needs.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. SYMINGTON. Mr. President, in a totalitarian state, the coin of the realm is the order of the dictator.

In our democracy, however, defense strength can only come from economic strength.

More than 84 cents of every tax dollar now levied against the American citizen by the Congress goes to pay for past or possible future wars.

Over 60 cents of that tax dollar is for current national defense.

Bending under those taxes, our people nevertheless are willing to pay them. They believe their country can spend as much to defend its freedoms as any other country can spend to destroy those freedoms.

They see no logic being the richest in the graveyard.

They want strength—spiritual, economic, and physical strength.

Above all, they desire to maintain their liberty, and are willing and anxious to make any necessary sacrifice to that end.

In turn, the citizen has the right to demand of his Government maximum defense at minimum cost.

It is now generally recognized that the structure of the Defense Department of the United States, based on the way it is set up under the National Security Act of 1947, as amended, is one of the most inefficient organizations ever created.

During the almost eleven years the present National Security Act has been in operation, the American people have paid out nearly three hundred and fifty billion dollars for defense support; the American Military Establishment suffered its greatest defeat to an outside power at the Chosen Reservoir; and, whereas 10 years ago the military strength of this country was supreme everywhere, on the sea, under the sea, on the ground, and in the air, as of today we have certainly lost our lead to the Communists in 2 of those categories—and, unless our policies are sharply revised, will lose it shortly in a third.

President Eisenhower, talking in the field in which he had had most of his experience, said in his annual address to the Congress last January 9:

Recently I have had under special study the never-ending problem of efficient organization, complicated as it is by new weapons. Soon my own conclusions will be finalized. I shall promptly take such executive action as is necessary and, in a separate message, I shall present appropriate recommendations to the Congress.

* * * A major purpose of military organization is to achieve real unity in the Defense Establishment in all the principal features of military activity. Of all these one of the most important to our Nation's security is strategic planning and control. This work must be done under unified direction.

That statement was very gratifying. As Assistant Secretary of War, under the instructions of President Truman and Secretary of War Patterson, and with the advice of the then Chief of Staff of the Army, General Eisenhower, I tried to monitor through Congress the unification bill which was wanted by all at that time; and therefore know as well as most the degree of the failure in what finally became law.

Also, I know what the results of this failure have meant to the security and prosperity of the United States.

Many able and dedicated persons believed at that time that it was best the proposed new head of the proposed new Defense Department should have but feeble control over the administrative reins, bound in by detailed legislative restriction.

So despite our now having spent these hundreds of billions of dollars, so much has been and is being wasted that the Nation now realizes it has become alarmingly weak vis-a-vis the great and growing military strength of the Communist conspiracy.

I still have confidence in Secretary McElroy. I am glad he is coming to Congress soon with a reorganization proposal for the Department of Defense, in an effort to operate efficiently the current administrative maze which is the Pentagon.

Scores of prominent private citizens have been working on this matter over these "10 years of waste"—those on the Hoover Commission of 1949, on the Rockefeller Commission incident to Reorganization Plan 6 of 1953, and on the current studies now being conducted by the advisory group which was asked to assist by Secretary McElroy and the President. These people know well that communism can ultimately destroy us economically as well as militarily.

Mr. President, unless this time the structure of the Defense Department is reorganized to represent progress instead of continuing to represent tradition, our position will become very serious indeed.

The strength of this country is the only strength left in the Free World which can challenge the aggression of communism. If we go down, the world will belong to the Communists.

Therefore, we must get strong and stay strong. At the same time, we cannot afford to continue to waste wholesale the taxpayers' money.

We can, and must, take whatever steps necessary to preserve our freedom and prosperity by establishing plans for maximum defense at minimum cost.

Mr. President, in this connection I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Shaking Up the Pentagon," published in the St. Louis Post-Dispatch of January 31, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHAKING UP THE PENTAGON

One of the most urgent issues before the administration, the Congress, and the Pentagon is the reorganization of the Nation's defense machinery. The need for it has been overwhelmingly attested; but there is strong opposition in the services and in Congress.

It is encouraging to learn that the administration's preliminary reorganization planning includes greatly increased power for the Secretary of Defense. As President Eisenhower has firmly committed himself to seeing through the reorganization, it can be assumed that he himself is pushing this point. He is also the general who told the West Point cadets in June 1945, that "all forces must work as a unit" and that "if I had my way they would all be in the same uniform."

But just what does greatly increased power for the Secretary mean? The Joint Chiefs of Staff as a system have long been under fire and radical changes therein have been suggested by the Rockefeller report and by reliable witnesses before Congress. On the other hand, Secretary of Defense Neil McElroy, in testimony released this week, stressed the good job he said the Joint Chiefs of Staff were doing in military planning for short- and long-range emergencies. That is only a small part of their work. But this report has led to the expectation in Washington that there will be no recommendation for a single unified command. Why should there not be?

The present system of assigning roles and missions to the Army, Navy, and Air Force might well be supplanted with a unified command system executing a definite plan of military strategy in which the test of a service role would be only the nature of the task. That would give some badly needed centralization.

Capable and dedicated men that the Joint Chiefs are, they have strong loyalties to their own services. It goes against human nature to expect them to serve both as operating heads of their services, and strategic planners for their country, as well as to give unprejudiced opinions on military matters before the Nation.

As matters now stand the Secretary of Defense frequently turns to outside consultants or to advisory committees on major questions. That is one reason why the Department of Defense, which once had only 9 Assistant Secretaries, now has nearly 50. Is it any wonder that there is confusion and rivalry when information has to filter through such a bureaucracy? Does not such a system almost insure that the top civilian echelon many times finds itself dangerously removed from top operating military men?

It is conceivable that the reorganization might well approach something like the plan advanced by Gen. Carl Spaatz, a former Air Force Chief now retired, who recently proposed:

"The three services should be placed under the control of a single Secretary of Defense served by a limited number of Assistant Secretaries. The civilian departments of Army, Navy, and Air Force should be abolished. A military Chief of Staff with a small staff of senior career officers completely detached from the three services and a few scientists and technologists should advise the Secretary of Defense in matters of military policy. The services should be commanded by officers not members of the staff but answerable to the Secretary."

The only major problem in giving the Secretary of Defense a single Chief of Staff would be the old fear of the "man on horseback." That has happened in some countries but is it likely to happen in the United States where the Chief of Staff would be appointed by the President, approved by the Senate, and bossed by a civilian in the Office of the Secretary of Defense? If our democracy ever got to the point where it could be taken over by a Chief of Staff, the chances are it would be pretty far gone, anyway.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that an editorial entitled "No Futile Compromise, Mr. McElroy," published in the St. Louis Globe-Democrat of March 11, 1958, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO FUTILE COMPROMISE, MR. MCELROY

Reports seeping out of Washington indicate Secretary of Defense McElroy and his advisory panel will recommend a wide but not drastic reorganization of the Pentagon. Apparently the Secretary will not suggest a single Chief of Staff, not change the present Chiefs of Staff setup.

If this proves true, it will be immensely disappointing to the country. It will ignore counsel of some of our most hardheaded military experts.

Much worse, it will leave the Defense Establishment in a frustrating, sluggish maze.

The result to competent United States defense planning and operation would be hobbling and erosive. The present system has resulted in such intense service rivalries as to produce a public scandal.

The redtape and indecisiveness, resulting from lack of firm direction, has hampered most effective planning. It has either caused, or been unable to prevent, duplicating service programs, all vying for control of missile development and space rocketry.

The consequence—Russian triumph in space-missile fields.

The proposals of the Secretary and his study panel will be given to the President. Mr. Eisenhower has shown a desire to put things right in the Pentagon.

The Nation wants military leadership to bring about a reorganization of the Defense Department. Never has a time for major surgery been more favorable.

If the McElroy program does not strike at the core of the problem and radically revise the Chiefs of Staff system, President Eisenhower ought to demand such a change.

Probably Mr. Eisenhower is the only man in the Nation who can achieve an urgently needed reform of America's military setup. He has strong views about the danger and lashups resulting from interservice feuds. He certainly recalls his own frustrations as Army Chief of Staff.

It should be elemental in the military that final decision be made, after consultation among staff chiefs, by one top commander. That is true in all echelons—except among the Chiefs of Staff.

These decisions, on policy, defense strategy, in all areas, would be subject to approval or disapproval by a civilian Defense Secretary, ultimately by the President. There is no hazard under such arrangement of a Prussian-like general staff, or the "man on horseback."

Manifestly, reduction of the top-heavy Secretary staff and the mushroomed civilian force in Mr. McElroy's office should be made. Other revisions in functioning could ease the choked channels. But the Pentagon mess demands radical change to abandon the Chiefs of Staff system—slothful, sometimes obstructionist. This is not time for piddling compromise or frail palliatives.

Mr. SYMINGTON. Mr. President, I ask unanimous consent also that an editorial entitled "Elihu Root's Example," published in the St. Louis Post-Dispatch of March 20, 1958, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ELIHU ROOT'S EXAMPLE

It is disappointing to hear that Secretary of Defense Neil McElroy has been overtaken by what seems to be a spirit of lassitude and resignation carrying with it strong indications that there will be no basic reorganization of the Pentagon. When he took office last October high hopes were held that he would master the Pentagon bureaucracy. Now disturbing reports come from Washington that the bureaucracy seems to be mastering him.

It is Secretary McElroy's job to give this Nation the best defense possible. It is not his job to defend the national budget, the administration, the Republican National Committee, or the vested interests of the armed services. Several times he has said that he was going to straighten out the Pentagon; and several times President Eisenhower has said that he was behind him in his efforts.

What has to be done has been apparent for many months. The Joint Chiefs of Staff system obviously is not working. Harmful service rivalries are rife. Millions of dollars are being wasted. The missiles mess still exists and is even one of the prime causes for the controversy over Army, Navy, and Air Force service roles and missions. Although the space age is on the threshold, there is no assurance that even the concepts of strategy for today are clearly defined.

The whole story in a nutshell is told by what is said to be happening with Secretary McElroy's decision to increase the military budget by $1.5 billion next year. After deciding that spending ought to go up by that amount, the Secretary is reported to have asked the Joint Chiefs of Staff to develop a program for the use of the money. They replied that as a body they lacked the technical resources to chart a detailed program.

Mr. McElroy therefore had to turn to the three services individually, each of which does command technical planning resources. What he got from them, however, was not a single program for spending 1.5 billions in the way best addressed to overall national security, but 3 separate programs, each drafted from a special-interest point of view. As could have been predicted, the Air Force program gave the lion's share of the funds to the Air Force, the Army's program gave it to the Army, and the Navy's to the Navy. This leaves the Secretary just where he was before.

True enough, the labor of straightening out the Pentagon is somewhat like that which confronted Hercules when he undertook to clean out the Augean stables. But the task is far from impossible. Elihu Root, like Mr. McElroy, knew nothing about military affairs when he was talked into becoming Secretary of War from 1899 to 1904. Yet, Root put his mind to the task and, backed by Presidents McKinley and Roosevelt, brought the military managerial revolution to this country.

He broke the power of the squabbling Army bureau chiefs, established a General Staff, instituted officer schools, and reorganized the Army thoroughly. As Newton Baker, who became Secretary of War under President Wilson, remarked: "Without that contribution from him, the participation of the United States in the World War would necessarily have been a confused, ineffective, and discreditable episode."

There is no reason why Secretary McElroy could not go ahead just as Elihu Root did. The entire Defense Department needs the same kind of housecleaning that Elihu Root gave the War Department at the turn of the century.

MUTUAL SECURITY PROGRAM—STATEMENT BY SECRETARY OF STATE JOHN FOSTER DULLES

Mr. SMITH of New Jersey. Mr. President, Hon. John Foster Dulles, Secretary of State, appeared before the Committee on Foreign Relations this morning to present the mutual security program as recommended by the President for the fiscal year 1959. Mr. Dulles made an outstanding statement to the committee.

Because the mutual security program will shortly come before the Senate for consideration, and even though the statement by Mr. Dulles will appear in the report of the committee, it seemed to me to be well worth while to have his statement printed in the RECORD, so that every Member of the Senate may know the administration's position concerning this very important proposed legislation.

I ask unanimous consent, therefore, that the statement made by Secretary of State Dulles before the Committee on Foreign Relations this morning in support of the mutual security program be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE IN SUPPORT OF THE MUTUAL SECURITY PROGRAM, MARCH 24, 1958

Mr. Chairman, I appear on behalf of the mutual-security program as recommended by the President for the fiscal year 1959.

I. GENERAL CONSIDERATIONS

This program is a continuation of tested security measures that have had their birth and growth during the postwar years. It has provided peace, and the opportunity which flows from a world environment of healthy societies of free men. Without this program our peace would be gravely endangered, and opportunity would disappear as hostile communism more and more closely encircled us until we became a beleaguered garrison state.

The basic concept of our mutual-security program is the concept of interdependence. The free nations, assaulted by Communist imperialism, must help each other if they are not to succumb, one by one.

We automatically accept that concept of interdependence in the case of open war. During the First World War there were 27 allied and associated powers. We helped each other, militarily and economically, to win victory.

During the Second World War 47 nations united their full resources, military and economic, in the cause of victory.

Now we are engaged in a cold war. We shall not emerge victorious unless, in this type of war also, we apply the concept of interdependence.

The soundness of mutual security is no longer a theory. It is a proven fact. Until its principles began to be applied, international communism took over nation after nation. Since the postwar collective-defense system began to be forged, international communism has neither taken over, nor subjected to armed attack, any nation which participated in that system. All members have contributed to security, and all have received security.

II. THE SOVIET ECONOMIC-POLITICAL OFFENSIVE

Until a few years ago Communist imperialism relied primarily on a policy of threats, bluster, or armed action. Now the Communist leaders follow a new technique. Where they formerly treated all free nations as enemies, they now profess the greatest friendship toward them—particularly toward those which seek economic development.

In pursuing this course—backed with capital and skilled manpower—they have made offers of economic help to nations in all parts of the globe. They and other bloc nations have already entered into agreements with 16 nonbloc nations for lines of credit or grants totaling nearly $1,600,000,000 in economic assistance and an additional $400 billion for military assistance. They are also engaged in vigorous efforts to increase their trade with nations in all parts of the Free World.

Mr. Khrushchev has recently said:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States of America is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

That is a warning to be heeded. It means that while we must, of course, deter war—whether general nuclear war or limited war—we must also prevent Communist absorption or envelopment of free nations by the more subtle means of economic penetration and political subversion.

III. DETERRING WAR

First let us consider the problem of deterring war. We have treaties with over 40 nations which pledge aid to be given and received if armed attack occurs. These promises are important. But there is need also of military strength-in-being. Our program of mutual security has that as one of its principal purposes.

By this program our allies have vastly increased the effectiveness and numbers of their forces. We have contributed primarily weapons and material up to about $20 billion, while nations associated with us in the collective defense effort have made defense expenditures totaling $122 billion.

We have gained great reinforcement of the most powerful deterrent to aggression, that is our strategic air force and our naval might. This great power is heavily dependent on dispersed bases around the world. These are supplied by many of our allies and friends as part of their contribution to our mutual security effort.

Great as this mobile strategic power is, we cannot be sure that it alone will deter all aggression. The Free World must also have local forces to resist local aggression and give mobile power the opportunity for deployment.

Our associates in mutual security are willing to provide the great bulk of the needed conventional forces if we will provide some of the necessary arms and, in certain countries, some of the economic strength needed to support their military establishments.

The peace of our country and the peace of every free nation in the world today rests in the most literal sense on the combining of the forces of the United States with the forces of the rest of the Free World. Together they create an arch on which rests the safety of our homes and loved ones. The military assistance and defense support aspects of the mutual security program are the keystones in which security arch.

IV. THE DEVELOPMENT NEED

It is not sufficient, as I indicated earlier, for us to rely solely on miltary defensive power. To achieve peace and security we must also counter the Communist efforts to manipulate for their own ends the intense economic aspirations of peoples in newly independent and less developed nations.

I have heard it said that we must not enter into a competition with the Soviet bloc in this field. My reply is that we are not entering into a competition with them. They are entering into competition with us. They are attempting to take over and pervert for their own uses the normal processes whereby, historically, nations that are not yet developed borrow abroad to get their own capital development under way. For example, in our own country's early history we borrowed great sums from foreign private investors with which we started our own transportation and industrial development.

We favor today the greatest possible participation by private capital in the development of the less developed areas of the world. However, the political risks in many of these countries are greater than private persons will assume. Unless there is to be a lapse in what have been the normal and historic means of developing less developed countries, our governmental funds must play a part. Failure to provide these funds would place great victories within the Communist grasp.

V. THE MUTUAL SECURITY PROGRAM IN FISCAL YEAR 1959

If these are the challenges which confront us, what then must we do to surmount them and go forward?

An essential part of the answer is in the President's proposals now before you.

First, to maintain the peace, we must maintain the military strength of the Free World as a deterrent to Communist armed aggression.

The President has asked $1.8 billion for military assistance. Of this amount the great bulk will go to our NATO allies, essentially for modernization and missiles, and to Asian countries, such as Korea, Pakistan, Taiwan, and Iran which are separated from the full power of the Soviet bloc only by a border gate or a narrow strait.

The details of this military assistance program, and its essential role in support of our own defense effort, were presented to this committee last week by representatives of the Department of Defense and the Joint Chiefs of Staff.

Closely related to our military assistance is our defense support program, for which the President has requested $635 million.

Defense support is proposed for 12 nations. Seventy percent intended for four countries: Korea, Taiwan, Vietnam, and Turkey.

These 12 nations are collectively providing 3 million armed men in ground, air, and naval units located at strategic points around the perimeter of the Communist bloc. None of the 12 has the economic strength to support forces of the size we believe important to our common defense without the proposed economic assistance from us.

The second great purpose of our military security program is to deal realistically with the need of the peoples of the newly developing nations to make economic progress. We have the instruments for this in our well-established technical cooperation program and our newly created development loan fund.

This year we propose a moderate expansion in our technical cooperation, primarily to increase activity in a few countries where we now have programs and to undertake new programs in nations which have recently gained independence. The total requested for this program for 1959 is $142 million.

In addition we are requesting an increased authorization for the United Nations technical assistance program, to include participation in the important new special projects fund approved by the last General Assembly, and a continuation of our

regular program through the Organization of American States.

Our other vital instrument for promoting economic development is the development loan fund. It was recommended to the Congress last year, upon the basis of numerous public and private studies—particularly the excellent study and report by the Senate Special Committee on Foreign Aid—that a loan agency be established which would make it possible for the United States to help friendly nations develop their economies on a basis of self-help and mutual cooperation.

The Congress appropriated $300 million for the fund last year and authorized the appropriation of $625 million for the coming fiscal year. Since the appropriation of the funds for fiscal year 1959 is already authorized, your committee will not be called upon to act on the authorization. Nevertheless, I would like to take advantage of this occasion to make clear my belief that it is immensely important that the full amount of these funds be made available as part of the capital of the development loan fund. They are as important for the future safety of our country as any dollars appropriated for weapons.

The committee of conference on the authorizing bill last year recommended that the fund should in the future be established as a corporation. This is in accord with the views of the executive branch and we recommend to the Congress that this be done, in a form that will assure that lending by the fund will be fully coordinated with the foreign-policy interests of the Department of State, the mutual-security activities of the ICA, and the lending of the Export-Import Bank and the International Bank.

For the special assistance program we are requesting $212 million. This aid is designed to meet certain important needs which cannot be met out of the other categories of aid. These needs include help to maintain political and economic stability in certain nations where we do not support substantial military forces and which are not therefore eligible for assistance under defense support. Special assistance is also designed to support such activities as assistance to West Berlin, to continue the worldwide malaria eradication program, and for other important uses.

Perhaps one of our most important needs is the ability to respond to new situations and new requirements which may arise in the course of the coming fiscal year. The President has asked a $200 million contingency fund for needs of this nature.

It would be reckless, in the light of conditions existing in the world today and the virtual certainty of Communist cold-war initiatives that we cannot now foresee, to leave the President without an emergency fund of at least this size.

Other programs, for which the President requests in the aggregate $106.6 million, will be dealt with in detail by subsequent witnesses.

VI. THE UNITED STATES ECONOMIC RECESSION

I know that many people—members of this Congress and their constituents—are concerned about the cost of our mutual-security program and about what is often referred to as a "foreign giveaway." This is even more true when there is an employment and business recession here in the United States and when there is much that needs to be done here at home.

I think we might all bear in mind three things:

First, this is no giveaway program but an absolutely essential part of our great national effort to maintain peace and opportunity for our country. Not to have this program would be a giveaway. We would then indeed give away to communism the control of a dozen or so nations with their hundreds of millions of people. We would indeed give away bases essential to our national peace and security. We would indeed give away the access which we and other nations have to essential resources and to trade upon which our own well-being depends.

Second, unquestionably we all wish for additional roads, schools, reclamation projects and other facilities here at home. But we will gain little and lose much if in our drive for them we recklessly tear down the very structure of the Free World which makes it possible for us to enjoy in peace and freedom the material blessings we now have.

Third, although the fundamental purpose of this program is to provide for the security of our Nation, our families and ourselves, it has added value of special significance now: Its effect is to counter economic recession. The greatest bulk of our mutual security funds—over three-fourths—are spent in the United States in the first instance. As one of the studies made for you last year showed, in 1955 some 600,000 jobs were provided by the program for American farmers and workers. The remainder, after aiding the economy of one of our allies, returns sooner or later, and mostly sooner, to be spent in the United States for the product of United States industries and agriculture. To cut these funds would be to cut employment here at home—as well as to endanger our security.

VI. DURATION OF PROGRAM

In conclusion let us consider a question often asked: "Will this program have to go on forever?" The answer, I suggest, is this:

I hope and believe that the concept of collective security is here to stay. Every civilized community applies that concept domestically. No longer does each family stand as the sole protector of their own home. There is a common contribution to a collective police force, fire department, sanitary department and the like. Only the society of nations has been so backward and primitive as to go on practicing the obsolete security conception of each nation standing alone. And the result has been a harvest of recurring wars.

We had hoped that the United Nations would provide the needed collective security on a universal basis. In time it may do so. But the Soviets with their veto power now block that. And Chairman Bulganin recently told President Eisenhower that the Soviet Union would not yield an inch on the matter of veto power.

But the practice of collective security must and will go on. Otherwise wars are inevitable and freedom is in constant jeopardy.

But even though the concept of collective security is permanent, that does not mean that the sums spent on security, be it national or collective, have to be permanently at the present level.

We are striving to achieve a limitation of armaments and to find solutions for the basic political problems that give rise to tensions. If the Communists will negotiate in good faith toward these ends, we believe that progress can be made which will make it safe to spend far less on armaments than is now the case.

As far as economic cooperation is concerned, we can expect that, as political stability increases, private capital will play a steadily increasing role. Private capital from the more industrialized countries has in the past flowed in substantial quantities to the less developed areas and can be expected to do so again.

VII. CONCLUSION

We are living today in an historic era of great change.

1. There is the march toward independence of colonial peoples. Since World War II, 20 nations with a population of about 750 million people have achieved their independence. These people, as well as the people of other less-developed nations, are determined that they must and will have economic progress.

2. There has been the revolutionary, and reactionary, threat of international communism. It has within little more than a generation subjected all or major parts of 17 nations and nearly one billion people to a new type of dictatorship, the dictatorship of a harsh materialistic creed. The outward thrust of that movement has been somewhat stayed. But the Communist dictators, exploiting the vast human and material resources they control, still seek to extend their conquests around the globe.

3. Within the Sino-Soviet world there are growing, and in the long run irresistible, demands which are incompatible with the creed and practice of orthodox communism. The subject nations increasingly demand more national independence; and a steadily increasing number of individuals seek greater personal security, increased freedom of choice, and more independence of thought. This mounting tide has already altered somewhat the complexion of Communist rule in Soviet Russia, and it has openly challenged that rule in such captive countries as Hungary, Poland, and East Germany.

4. To these three forces must be added a fourth—the force of the enlightened conduct and example of the United States.

We must cooperate with the healthy evolution toward independence of colonial peoples and assist in the achievement of economic progress and of freedom that will be sustained;

We must continue to hold in check the still aggressive and predatory ambitions of international communism; and

We must encourage by peaceful means the adaptation of Sino-Soviet government to the aspirations of the people. The rate of such adaptation will largely depend on whether the present type of rule gains, or is denied, enhanced prestige through external conquests.

Without the policies represented by the mutual security program and without adequate funds to carry out these policies, we cannot do these things. World trends hostile or unfavorable to us would gain the supremacy. There could be a new and prolonged "dark age."

This mutual security program is our response to a challenge which threatens our survival as a nation and the survival in the world of the ideals for which our Nation was founded. It is, therefore, a program which cannot be allowed to fail.

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN. Mr. President, by direction of the Select Committee To Investigate Improper Activities in the Labor or Management Field, I submit an interim report (S. Rept. No. 1417).

The section I shall submit today contains the following parts: Foreword; Introduction; Findings, Nathan W. Shefferman and Labor Relations Associates of Chicago, Ill.; Findings, United Textile Workers of America; Findings, Bakers and Confectionery Workers International Union of America; Findings, International Union of Operating Engineers; and Legislative Recommendations.

Mr. President, the report, including this section, has been approved by the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. KENNEDY], the Senator from North Carolina [Mr. ERVIN], the Senator from South Dakota [Mr. MUNDT], the Senator from

Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. CURTIS], and the chairman.

Dissenting views on this section will be filed today by the Senator from Michigan [Mr. MCNAMARA].

The remaining portions of the report, including the factual sections on Nathan W. Shefferman, the bakers union, and the textile workers and operating engineers, will be released tomorrow. This second section will also include the factual parts on the hearings and the findings on the Tennessee area; Scranton, Pa.; Portland, Oreg.; New York; Frank Brewster; Dave Beck; James R. Hoffa; and a general finding on the teamsters union.

Mr. President, the first section of the report, which I am submitting today, contains approximately 12,000 words; the second section, which I shall submit tomorrow, contains over 180,000 words.

The Senate Select Committee on Improper Activities in the Labor or Management Field thus presents its report on its first year's work and findings.

The committee was established under Senate Resolution 74 of the 1st session of the 85th Congress, by which the committee was authorized and directed "to conduct an investigation and study of the extent to which criminal and other improper practices or activities are or have been engaged in in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of the interests of the public, employers, or employees, and to determine whether any changes are required in the laws in order to protect such interests against the occurrence of such practices or activities."

Testimony heard by the committee directly involved five unions: the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America; the Bakery and Confectionery Workers International Union of America; the United Textile Workers of America; the International Union of Operating Engineers; and the Allied Industrial Workers of America—formerly the United Automobile Workers, AFL. A number of other unions, including the building-trades unions and the barbers unions, were also touched on.

Testimony heard by the committee also concerned Management Consultants Nathan W. Shefferman, Vincent J. Squillante, and Marshall Miller; Anheuser-Busch, Inc.; Sears, Roebuck & Co.; the Whirlpool Corp.; the Continental Baking Co.; the Fruehauf Trailer Co.; the Mennen Co.; Associated Transport, Inc.; Montgomery Ward & Co.; the S. A. Healy Construction Co.; and a number of other employers, including several in New York who sought and obtained "sweetheart" contracts, so that they could keep depressed the wages and working conditions of thousands of Negro and Puerto Rican workers.

As an overall finding from the testimony produced at our hearings, the committee has uncovered the shocking fact that union funds in excess of $10 million were either stolen, embezzled, or misused by union officials over a period of 15 years, for their own financial gain or for the gain of their friends and associates.

As a background to the committee's work, the following statistics and information are of interest: During the 12 months of the committee's work it has held 104 days of public hearings and has heard the testimony of 486 witnesses. The record of these hearings is spread across 17,485 pages of original transcript. A total of some 16,000 persons were interviewed—a ratio of some 35 interviews for every witness who physically appeared before the committee. In addition, each witness who took the stand had been interviewed for an average of 5 hours for every hour of testimony.

A total of 2,740 subpenas were issued by the committee for individuals, bank records, union records, and other information for the hearings.

The committee wishes to express its gratitude to the General Services Administration and to the United States General Accounting Office for their cooperation during the past year. Comptroller General Joseph Campbell has been particularly helpful to the committee in assigning the staff members necessary for the conduct of its investigations.

During the year, the committee staff traveled some 650,000 miles and conducted interviews in 44 of the 48 States. Offices were opened and maintained by the committee during the year in New York, Chicago, Cleveland, Indianapolis, Miami, Seattle, Philadelphia, Nashville, Portland, Detroit, and St. Louis.

Some 100,000 letters have been received and analyzed in Washington. Seventy-five percent of them came from labor-union members, and a great many of them have been extremely helpful to the work of the committee.

In addition, much useful help came to the committee from newspapermen and their newspapers in various parts of the country.

Mr. President, at this time I shall not go further into detail, but I desire to call attention to the legislative recommendations the committee makes. They are usually in general terms, but they cover broadly the areas in which the committee has labored during the past year. They constitute the recommendations of the committee—namely, to have the Congress proceed immediately with legislation in the following fields:

First. Legislation to regulate and control pension, health, and welfare funds.

Second. Legislation to regulate and control union funds.

Third. Legislation to insure union democracy.

Fourth. Legislation to curb activities of middlemen in labor-management disputes.

Fifth. Legislation to clarify the no-man's land in labor-management relations.

Mr. President, I believe the report we are submitting fully substantiates the statement I now make; namely, that the testimony, facts, and other information now available to the Senate, under sworn testimony, as reflected by the report, are sufficient to justify and, in fact, to demand, in effect, that this Congress act with respect to legislation in these fields.

Mr. President, in the course of my brief remarks on the report, I have not pinpointed the various findings the committee has made. But the findings cover broader areas than those covered by the legislative recommendations of the committee. That arises from the fact that our legislative recommendations do not cover all of our findings, because we shall make further investigations in a number of these areas.

Mr. President, I sincerely believe that if the committee can continue to function this year as effectively as it did last year, and if it is as successful in compiling a record in connection with its investigations this year, as it was as a result of its first year of operations, the committee will have done an outstanding job and will have presented to the Congress of the United States enough facts and information to enable it to legislate in practically every field of labor-management relations with respect to which legislation may be needed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MCCLELLAN. I am glad to yield to the distinguished Senator from California.

Mr. KNOWLAND. I just wish to say to the distinguished Senator from Arkansas, who is chairman of the select committee, that I think all Members of the Senate owe him and his committee and staff a debt of gratitude for the very fine work the committee has carried on to date. I hope it will pursue its work, not only in this session of Congress, but in future sessions. I am glad the committee has made at least some tentative recommendations at this time in regard to legislation.

Based on the record made by the committee to date, I think the American public expects the Congress of the United States to enact legislation in this session of Congress; and then, based on further hearings, it may be necessary to augment that legislation at future sessions. But, certainly along the lines of the general recommendations which the chairman of the select committee has referred to today, it seems to me there is a high degree of priority which the Congress of the United States should give to that proposed legislation for the protection of the rank and file of the union members of this country against some of the actions which some of their officials have pursued, and which have been amply demonstrated in the hearings before the Senator's committee.

Mr. MCCLELLAN. I thank the distinguished minority leader. I am hopeful, and I believe the committee is hopeful, the Congress will give some priority to these recommendations and undertake to enact legislation at this session.

Mr. President, I may say there is in the course of being drafted, and I expect to have it ready this week, and I expect later this week to introduce, a bill covering at least four of the general recommendations the committee has made. The bill will be somewhat comprehensive. The only legislative recommendation I have not undertaken to cover in the bill is somewhat technical, and I think it will

require some further evidence before the Committee on Labor and Public Welfare before the recommended provision of the law can possibly be written. However, the proposed legislation I expect to introduce this week will cover at least four of the areas.

I ask unanimous consent that the report, together with the individual views of the Senator from Michigan [Mr. McNAMARA], and an illustration, be printed.

The PRESIDING OFFICER. Without objection, the report will be received and printed, as requested by the Senator from Arkansas.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I announce that at the conclusion of action on H. R. 11086, which I am informed will take only a few minutes, we expect to have a quorum call and notify all Senators that the Senate will proceed to the consideration of the road bill reported from the Committee on Public Works. We hope to have the Senate convene early and stay late during the week until that bill shall be disposed of.

WHEAT ACREAGE HISTORY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1416, H. R. 11086.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 11086) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, the bill would, first, prevent any farm from losing acreage history by reason of overplanting its allotment in 1958.

I wish to say, Mr. President, that the bill was considered by the Committee on Agriculture and Forestry and reported unanimously.

Second, passage of the bill would prevent any State, county, or farm from losing acreage history by reason of the overplanting of any farm allotment in 1959 or any subsequent year if the farm marketing excess is delivered to the Secretary or stored to avoid penalty.

Last year, in Public Law 203, 85th Congress, approved August 28, 1957, Congress provided that acreage planted in excess of acreage allotments would not count as history toward future allotments. By the time this information was conveyed to farmers many had already planted their wheat crops. By, in effect, changing the rules without adequate notice to these farmers, the law would either impose an excessive penalty upon them or compel them to plow up acreage already planted with resultant loss to them.

Furthermore, the law now permits farmers to plant in excess of their allotments and store the marketing excess without being subject to any marketing penalty. Many farmers do this in order to insure against future crop failures. In the event of such crop failures they would be able to market a certain amount of wheat stored from previous crops without penalty. Under the bill farmers could continue to follow this practice in 1959 and subsequent years without being subject to any acreage credit penalty. Any depletion of the wheat stored to avoid penalty which would result in the imposition of a marketing penalty would, however, also result in imposition of the acreage credit penalty.

Mr. President, I understand that the distinguished Senator from Kansas [Mr. SCHOEPPEL], who was the author of the original Senate bill, has a few remarks to make.

Mr. SCHOEPPEL. Mr. President, the distinguished chairman of the Committee on Agriculture and Forestry has pointed out the salient facts with regard to the bill. As the Senator indicated, when we passed Public Law 203 of the 85th Congress, by reason of the fact that the legislation was late in passage the Department did not get rules and regulations out in time for the farmers in many areas to know exactly what the compliance rules and regulations were. Hence, during that lag of time, in many States—and this was especially true in my State of Kansas—about one-half or two-thirds or three-fourths of the wheat in certain sections of the States was planted.

The legislation has been agreed upon by the Department, and by the Wheat Growers Association. The Senate bill is a companion bill to the one offered by Representative ALBERT, of Oklahoma, in the House of Representatives.

I think passage of the bill is important because of the seeding time and because of the harvesting time, which will come in soon in the Southern States and will move north. Unless the bill shall be passed, there will be a hardship worked on many farmers, because they will have to destroy some acreage they planted, not knowing what the full rules and regulations were.

I am heartily in favor of the measure. As stated by the chairman of the committee, the bill received the unanimous approval of the Senate Committee on Agriculture and Forestry.

Mr. CASE of South Dakota. Mr. President, the bill certainly should be passed. The bill represents simple justice, because the wheat farmers—particularly the winter wheatgrowers—planted their acreage last year, before the bill to freeze the wheat-acreage allotments was passed. It is important to have those allotments frozen, Mr. President, because the operations of the allotment program are resulting in the transferring from the natural wheat-growing States to other States of acres which should be devoted to wheat.

In my own State of South Dakota since 1955 we have suffered a gradual reduction in allotments from 2,822,000 acres to a prospective 2,718,000 acres for 1959, which is a loss of over 100,000 acres, under the national allotment of 55 million acres. The total national allotment has not been changed, but the operations of the present program are such that the wheat base is being transferred from the normal wheat-growing States to States which are not normally wheat-growing States.

I illustrate that point by referring to the fact that between 1958 and 1959 the State of Kansas, for example, will lose 55,000 acres; the State of Montana will lose 25,000 acres; the State of North Dakota will lose 50,000 acres; the State of South Dakota will lose 18,000 acres; and the State of Texas will lose 65,000 acres. These reductions will result under the operation of the law. The law which was passed last year will freeze those allotments, so that the transfer will not occur in succeeding years.

We need to make the law effective. We can make it effective fairly only by passing the bill which is now pending, H. R. 11086, or the companion measure, S. 3406.

Mr. President, I ask unanimous consent to have printed in the RECORD a table, which gives the history of the national base, the national allotment, the South Dakota base and the South Dakota allotment, from the year 1947 to the present.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table showing wheat history of United States and of South Dakota

Crop year	United States total base (acres planted)	National allotment	South Dakota planted acres	South Dakota allotment
1959	----------	55,000,000	----------	2,718,000
1958	----------	55,000,000	----------	2,736,000
1957	84,800,000	55,000,000	4,133,000	2,747,000
1956	84,404,000	55,000,000	4,159,000	2,749,000
1955	82,620,000	55,000,000	3,951,000	2,822,000
1954	81,766,000	62,000,000	3,941,000	3,188,000
1953	78,144,000	(1)	3,868,000	(2)
1952	77,794,000	(1)	4,040,000	(2)
1951	78,239,000	72,785,000	4,018,000	3,709,000
1950	86,053,000	72,776,000	4,424,000	3,763,000
1949	82,596,000	(1)	4,284,000	(2)
1948	77,888,000	(1)	3,978,000	(2)
1947	78,344,000	(1)	3,899,000	(2)

[1] None required.
[2] None made.

To understand the table, bear in mind:

1. Allotments, nationally, must be made by the Secretary of Agriculture when the carryover or national supply exceeds by more than 50 percent the normal requirements and normal carryover for feed, seed, etc.

2. Keep in mind 1953 and 1952 as Korean war years when allotments were not mandatory.

3. The Marshall plan accounted for heavy exports in 1947, 1948, and 1949 and thereby reduced the carryover and thus eliminated the mandatory referral of allotments by the Secretary of Agriculture for those years.

NOTE.—The steady decline in acres allotted to South Dakota as other States established a history of acres planted (principally under

the 15-acre exemption) and thereby crept into the allotments made which meant that natural wheat States like South Dakota have been gradually losing allotment acres when the national allotment was forced to the 55 million national minimum by oversupply.

(This table compiled by United States Senator FRANCIS CASE of South Dakota from USDA figures.)

Mr. CASE of South Dakota. Mr. President, I also ask unanimous consent to have printed in the RECORD a statement issued by the United States Department of Agriculture, dated March 21, 1958, which is a statement of the Department relative to the marketing quotas, proclaimed for the 1959 wheat crop, to which there is appended a list of the State acreage allotments by States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Marketing quotas proclaimed for 1959 wheat crop; referendum June 20:

Secretary of Agriculture Ezra Taft Benson today took the following actions on 1959-crop wheat:

1. Proclaimed marketing quotas on the 1959 crop of wheat. This sixth successive proclamation of wheat marketing quotas is required by a wheat supply that is 57 percent above the marketing quota level.

2. Proclaimed a national wheat acreage allotment of 55 million acres, the minimum permitted by law.

3. Announced State shares of the national allotment (see table).

4. Set June 20, 1958, as the date for a referendum to determine producer approval or disapproval of quotas.

5. Announced a 38-State commercial and a 10-State noncommercial wheat producing area for 1959.

6. Announced that the minimum national average support price for 1959 production will be determined before the wheat referendum on the basis of the latest available supply information.

If marketing quotas are approved by growers, the national average support price available to eligible producers in the commercial area will be not less than the minimum support to be announced later. Individual farm marketing quotas will be the normal production or the actual production, whichever is larger, from the farm acreage allotment.

Growers in the commercial area who stay within their allotments will be eligible for price support on their entire production. Growers who exceed their farm acreage allotments will be subject to marketing quota penalties if (1) they have more than 15 acres of wheat for harvest or (2) they have not signed applications for exemption under the feed wheat provision permitting 30 acres or less to be used exclusively for feed on the farm. There are no limitations on the amount of wheat which may be grown for use on the farm for food, feed, or seed by State, religious, or charitable institutions.

Marketing quota penalties will be at 45 percent of the parity rate per bushel (parity as of May 1, 1959) on "excess" wheat production.

If marketing quotas are disapproved, there will be no restrictions on wheat marketings. Acreage allotments will remain in effect as a condition of eligibility for price support at the 50 percent of parity (as of July 1, 1959) rate required by law when quotas are disapproved.

NINETEEN HUNDRED AND FIFTY-NINE ACREAGE ALLOTMENTS

The 1959 national wheat acreage allotment of 55 million acres is the minimum fixed by law and is the same as for the 1958 crop. Legislation provides for establishing a national wheat acreage allotment each year except in the event of a national emergency. If the allotment had been determined on the basis of the law's supply formula, the 1959 allotment would have been 21,375,000 acres.

Nineteen hundred and fifty-nine will be the sixth successive year that wheat acreage allotments have been in effect, and the fifth successive year that the 55-million-acre minimum allotment has been applicable.

MARKETING QUOTAS

The Secretary of Agriculture is directed by legislation to proclaim marketing quotas for the next wheat crop when the available supply is more than 20 percent above the normal supply. The estimated supply for the 1958–59 marketing year is actually 57.1 percent above the normal supply. This requires a marketing quota proclamation for the 1959–60 marketing year.

For marketing quota determination, the total supply is estimated at 2,017,000,000 bushels, consisting of a 1958 crop now estimated at 1,140,000,000 bushels, a carryover on July 1, 1958, estimated at 870 million bushels, and imports of 7 million bushels. The normal supply is 1,284,000,000 bushels, based on a normal domestic consumption of 620 million bushels during the 1957–58 marketing year and exports of 450 million bushels during the 1958–59 marketing year, with a 20-percent carryover allowance of 214 million bushels. The marketing quota level (120 percent of the normal supply) is 1,541,000,000 bushels. The estimated total supply of 2,017,000,000 bushels is 157.1 percent of the normal supply and requires a marketing quota proclamation for the 1959–60 wheat marketing year, the sixth successive year for which wheat marketing quotas have been proclaimed.

MARKETING QUOTA REFERENDUM

At least two-thirds of the producers voting in the referendum on June 20 must approve quotas for the 1959 crop if quotas are to remain in effect.

Growers who will have more than 15 acres of wheat for harvest as grain in 1959 in any one of the 38 commercial wheat States come under the regulation of quotas and will be eligible to vote in the referendum. Any producers who signed applications under the feed wheat provisions permitting them to grow wheat for use as feed on the farm for 1958 will not be eligible to vote in the referendum on quotas for the 1959 crop.

Referendum ballots may be cast at local polling places in the commercial wheat area. Location of polling places will be announced in the 38-State commercial area by county Agricultural Stabilization and Conservation (ASC) offices which will have charge of the referendum locally.

Marketing quotas have been approved by farmers for the last five wheat crops. In last year's referendum on quotas for the 1958 wheat crop, 86.2 percent of the farmers voting favored quotas (202,668 yes and 32,371 no). In the previous vote on 1957 quotas, the vote was 87.4 percent favorable (245,081 yes and 35,385 no). For 1956 quotas, the vote was 77.5 percent favorable (268,217 yes and 78,835 no).

STATE ACREAGE ALLOTMENTS

The national wheat acreage allotment, 55 million acres (less 55,000 acres held as a national reserve), has been apportioned among all the States on the basis of acreage seeded for the production of wheat during the 10 years 1948–57, with adjustments for abnormal weather and for trends in planting. County allotments will be determined on essentially the same basis as the State allotments. The county allotments will be apportioned among individual farms according to past acreage of wheat, tillable acres, crop rotation practices, type of soil, and topography.

Wheat producers will be informed of the acreage allotments for their farms in advance of the June 20 wheat quota referendum.

Wheat acreage allotments for the 38 States in the 1959 commercial wheat area with 1958 comparisons follow in this release.

COMMERCIAL AND NONCOMMERCIAL WHEAT AREAS

As authorized by legislation, 10 States having wheat allotments of 25,000 acres or less have been designated as noncommercial wheat States. Farm wheat allotments and marketing quotas do not apply in these States. The noncommercial area of 10 States for 1959 is 2 States smaller than in 1956, 1957, and 1958. Alabama and Mississippi have been added to the commercial producing area to make a 38-State total for 1959.

The 10 noncommercial wheat States and the allotments that—except for the 25,000-acre provision—would have been the basis for 1959 county and farm allotments in each State follow: Arizona, 23,708 acres; Connecticut, 567 acres; Florida, 3,961 acres; Louisiana, 14,367 acres; Maine, 1,458 acres; Massachusetts, 709 acres; Nevada, 12,378 acres; New Hampshire, 67 acres; Rhode Island, 503 acres; and Vermont, 527 acres.

The 38 States in the commercial area are listed in the table showing acreage allotments for each.

In the noncommercial States, price support will be at 75 percent of what the rate would be if the State were in the commercial area.

STATE ACREAGE ALLOTMENTS

The following table shows by States the 1959 acreage allotments with 1958 comparisons:

[In acres]

State	1958 allotment	1959 allotment
Alabama	[1] 23,240	30,138
Arkansas	49,334	53,232
California	445,004	434,441
Colorado	2,704,917	2,695,718
Delaware	35,439	35,814
Georgia	107,591	110,513
Idaho	1,152,744	1,161,686
Illinois	1,386,663	1,422,658
Indiana	1,137,045	1,156,565
Iowa	138,175	153,900
Kansas	10,638,208	10,573,510
Kentucky	208,652	216,924
Maryland	185,390	185,359
Michigan	965,008	981,724
Minnesota	729,866	718,733
Mississippi	[1] 16,256	29,440
Missouri	1,273,623	1,330,083
Montana	4,058,327	4,033,335
Nebraska	3,228,377	3,204,664
New Jersey	53,345	53,534
New Mexico	474,243	476,822
New York	315,570	322,145
North Carolina	282,796	296,356
North Dakota	7,309,992	7,259,722
Ohio	1,553,180	1,559,395
Oklahoma	4,859,635	4,874,313
Oregon	816,443	821,771
Pennsylvania	587,517	582,204
South Carolina	132,719	139,266
South Dakota	2,736,196	2,718,228
Tennessee	195,644	198,181
Texas	4,164,302	4,099,094
Utah	316,068	313,544
Virginia	259,436	259,999
Washington	2,014,392	2,002,740
West Virginia	40,303	39,874
Wisconsin	48,875	51,603
Wyoming	291,578	289,527
Total, commercial area	54,896,687	54,886,755
Total, noncommercial area	86,813	58,245
National reserve	16,500	55,000
Total	55,000,000	55,000,000

[1] Not in commercial area in 1958.

Mr. YOUNG. Mr. President, I approve of the pending legislation. It does not affect North Dakota directly, since North Dakota is one of the few States

which has not increased the wheat acreage in the past several years. This has been done in many other States and within the law. The law was changed last year to make it more difficult to overseed or to increase the wheat acreage, but that law did not pass Congress until the latter part of August, or until most of the winter wheat had been seeded.

The purpose of the pending legislation is to postpone the penalty provisions, since the law was passed after farmers had completed most of their seeding. As I stated, the legislation does not directly affect my State, but I believe it is necessary legislation.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11086) was ordered to a third reading, was read the third time, and passed.

The PRESIDING OFFICER. Without objection, S. 3406 is indefinitely postponed.

FEDERAL-AID HIGHWAY ACT OF 1958

Mr. JAVITS obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1432, S. 3414, a bill to amend and supplement the Federal-Aid Highway Act.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. MANSFIELD. Mr. President, in line with the agreement made by the leadership, I wonder if the distinguished Senator from New York will yield so that I may suggest the absence of a quorum, with the understanding that the Senator from New York will not lose his right to the floor.

Mr. JAVITS. Mr. President, I yield for that purpose.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the request of the Senator from Montana [Mr. MANSFIELD]?

There being no objection, the Senate proceeded to consider the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, which had been reported from the Committee on Public Works with an amendment, to strike out all after the enacting clause and insert:

SEC. 1. Federal-aid highways.

(a) (1) Authorization of appropriations: For the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated the sum of $900 million for the fiscal year ending June 30, 1960; and the sum of $900 million for the fiscal year ending June 30, 1961. The sums herein authorized for each fiscal year shall be available for expenditure as follows:

(A) Forty-five percent for projects on the Federal-aid primary highway system.

(B) Thirty percent for projects on the Federal-aid secondary highway system.

(C) Twenty-five percent for projects on extensions of these systems within urban areas.

(2) Apportionments: The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838).

(b) Availability for expenditure: Any sums apportioned to any State under this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for construction, reconstruction, or improvements of specific projects as provided in this act and prior acts: *Provided further*, That in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon the request of any State, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him: *Provided further*, That such approval shall not be given unless such standards and procedures are in accordance with the objectives set forth in section 1 (b) of the Federal-Aid Highway Act of 1950: *And provided further*, That nothing contained in the foregoing provisos shall be construed to relieve any State of its obligation now provided by law relative to maintenance, nor to relieve the Secretary of Commerce of his obligation with respect to the selection of the secondary system or the location of projects thereon, to make a final inspection after construction of each project, and to require an adequate showing of the estimated and actual cost of construction of each project. Any Federal-aid primary, secondary, or urban funds released by the payment of the final voucher or by modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, or urban, previously apportioned to the State and be immediately available for expenditure.

SEC. 2. (a) Additional authorization of appropriation of Federal-aid primary, secondary, and urban funds: For the purpose of carrying out the provisions of the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1959, $400 million in addition to any sums heretofore authorized for such fiscal year. The sum herein authorized shall be apportioned: (A) 45 percent for projects on Federal-aid primary highway system, (B) 30 percent for projects on the Federal-aid secondary highway system, (C) 25 percent for projects on extensions of these systems within urban areas among the several States immediately upon enactment of this act in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838).

(b) The amounts authorized to be appropriated in section 2 (a) herein shall be available for expenditure pursuant to contracts awarded by the State highway departments prior to December 1, 1958, which shall provide for completion of construction prior to December 1, 1959. Any amounts apportioned to a State under provisions of this section remaining unexpended as above provided on December 1, 1958, shall lapse.

(c) The sums apportioned under this section shall be available for expenditure for projects on the primary or secondary Federal-aid systems, including extensions of these systems within urban areas, without limitation as to the percentage to be utilized on any system.

(d) The Federal share payable on account of any project provided for by funds made available under the provisions of this section shall be increased to 70 percent of the total cost thereof plus, in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, a percentage of the remaining 30 percent of such cost equal to the percentage that the area of such lands in such State is of its total area: *Provided*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

(e) Authorization of appropriation for increasing Federal share: For the purpose of assisting any State in meeting the requirements for State funds to match any sums apportioned to such State under the provisions of this section, there is hereby authorized to be appropriated the sum of $115 million, which sum may be used by the Secretary of Commerce upon request of any State to increase the Federal share payable on account of any project provided for by funds made available under the provisions of this section: *Provided*, That the amount of such increase of the Federal share shall not exceed two-thirds of the State's share of the cost of such project.

(f) Reimbursement: The total amount of such increases in the Federal share as are made pursuant to subsection (e) above, shall be reimbursed to the Federal Government by making deductions of sums equal to the amounts expended for projects on the Federal-aid primary highway system, the Federal-aid secondary highway system and extensions of such systems in urban areas in two equal amounts from the amounts available to such State for expenditure on such highways under any apportionment of funds authorized to be appropriated therefor for the fiscal years ending June 30, 1961 and June 30, 1962.

(g) Contract authority: Approval by the Secretary of Commerce of any project on account of which the Federal share is increased under the provisions of this section shall be deemed a contractual obligation of the Federal Government for the payment of such increase in the Federal share, and such

funds shall be deemed to have been expended when so obligated.

(h) It is hereby declared to be the intent of the Congress that the sum authorized under this section shall be supplementary to, and not in lieu of, any other sum heretofore or herein authorized for expenditure on the Federal-aid primary or secondary systems, including extensions of these systems within urban areas, and is made available for the purpose of immediate acceleration of the rate of highway construction on these systems beyond that being accomplished with funds otherwise authorized.

SEC. 3. Forest highways and forest development roads and trails.

(a) Authorization of appropriations: For the purpose of carrying out the provisions of section 23 of the Federal Highway Act of 1921 (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $36 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961; and (2) for forest development roads and trails the sum of $34 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961: *Provided*, That with respect to any proposed construction or reconstruction of a timber access road, advisory public hearings may be held at a place convenient or adjacent to the area of construction or reconstruction with notice and reasonable opportunity for interested persons to present their views as to the practicability and feasibility of such construction or reconstruction: *Provided further*, That hereafter funds available for forest highways and forest development roads and trails shall also be available for adjacent vehicular parking areas and for sanitary, water, and fire control facilities: *Provided further*, That the same percentage of the amounts authorized under this subsection for forest highways for each of the fiscal years ending June 30, 1960, and June 30, 1961, shall be apportioned for expenditure in each State, Alaska, or Puerto Rico as was apportioned for expenditure in each State, Alaska, or Puerto Rico from funds authorized under this subsection for forest highways for the fiscal year ending June 30, 1958: *Provided further*, That the apportionment heretofore made by the Secretary of Commerce for the fiscal year ending June 30, 1959, is hereby approved: *And provided further*, That any State may transfer not to exceed the lesser of $500,000 or 5 percent of the amounts apportioned to such State under section 1 hereof to augment any apportionment made to such State for the construction, reconstruction, or improvement of forest highways pursuant to this section; and when so transferred such sums may be expended in the same manner as funds authorized by this section for such purposes.

(b) The Secretary of Commerce, in cooperation with the appropriate officers of each State containing a national forest, the Commonwealth of Puerto Rico, and the Territory of Alaska, shall make a study to determine—

(1) The forest roads of primary importance to a State, county, or community which are within, adjoining, or adjacent to a national forest and have not been designated as forest highways;

(2) The amount necessary to complete construction of all forest highways;

(3) The amounts necessary for the fiscal year ending June 30, 1962, and for each of the 9 succeeding fiscal years to survey, construct, reconstruct, and maintain (A) forest highways, and (B) roads described in paragraph (1) of this subsection if such roads were forest highways; and

(4) The method by which the amounts determined pursuant to paragraph (3) of this subsection should be apportioned for expenditure in the several States, Alaska, and Puerto Rico.

The Secretary of Commerce shall report the results of such study to the President and the Congress on or before January 1, 1960.

SEC. 4. Roads and trails in national parks, etc.

(a) National parks, etc: For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $20 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

(b) Parkways: For the construction, reconstruction, and improvement of parkways, authorized by acts of Congress, on lands to which title is vested in the United States, there is hereby authorized to be appropriated the sum of $16 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

(c) Indian reservations and lands: For the construction, reconstruction, and improvement of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $12 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Secretary of Commerce before any expenditures are made thereon, and all such construction shall be under the general supervision of the Secretary of Commerce.

SEC. 5. Public lands highways.

For the purpose of carrying out the provisions of section 10 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the sum of $4 million for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961.

SEC. 6. Special provisions for Federal domain roads, etc.

Any funds authorized herein for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be available for contract upon apportionment, or a date not earlier than 1 year preceding the beginning of the fiscal year for which authorized if no apportionment is required: *Provided*, That any amount remaining unexpended 2 years after the close of the fiscal year for which authorized shall lapse. The Secretary of the department charged with the administration of such funds is hereby granted authority to incur obligations, approve projects, and enter into contracts under such authorizations, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and such funds shall be deemed to have been expended when so obligated. Any funds heretofore, herein, or hereafter authorized for any fiscal year for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be deemed to have been expended if a sum equal to the total of the sums authorized for such fiscal year and previous fiscal years since and including the fiscal year ending June 30, 1955, shall have been obligated. Any of such funds released by payment of final voucher or modification of project authorization shall be credited to the balance of unobligated authorizations and be immediately available for expenditure.

SEC. 7. (a) Authorization of appropriations for interstate system: Section 108 (b) of the Federal-Aid Highway Act of 1956 (70 Stat. 374) is hereby amended to read as follows:

"(b) Authorization of appropriations: For the purpose of expediting the construction, reconstruction, or improvement, inclusive of necessary bridges and tunnels, of the Interstate System, including extensions thereof through urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $1 billion for the fiscal year ending June 30, 1957, which sum shall be in addition to the authorization heretofore made for that year, the additional sum of $1,700,000,000 for the fiscal year ending June 30, 1958, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1959, the additional sum of $2,500,000,000 for the fiscal year ending June 30, 1960, the additional sum of $2,500,000,000 for the fiscal year ending June 30, 1961, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1964, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1965, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1967, the additional sum of $1,500,000,000 for the fiscal year ending June 30, 1968, and the additional sum of $1,025,000,000 for the fiscal year ending June 30, 1969."

(b) Apportionments: Any portion of this additional sum herein authorized for the fiscal year ending June 30, 1959, that has not been apportioned heretofore shall be apportioned immediately upon enactment of this act.

SEC. 8. Approval of estimate of cost of completing the Interstate System.

The estimate of cost of completing the Interstate System in each State, transmitted to the Congress on January 7, 1958, by the Secretary of Commerce pursuant to the provisions of section 108 (d) of the act approved June 29, 1956 (70 Stat. 374), and published as House Document No. 300, 85th Congress, second session, is hereby approved as the basis for making the apportionment of the funds authorized for the Interstate System for the fiscal year ending June 30, 1960.

SEC. 9. Appointment of Federal-aid highway funds for fiscal years 1959 and 1960: Notwithstanding the provisions of section 209 (g) of the act approved June 29, 1956 (70 Stat. 374), the Secretary of Commerce is authorized and directed to apportion among the several States in the manner provided by law, all of the funds authorized for the fiscal years 1959 and 1960, for the Interstate System and the Federal-aid primary and secondary highway systems, including extensions thereof within urban areas.

SEC. 10. The first sentence of the second paragraph of section 13 of the Federal Highway Act, approved November 9, 1921 (42 Stat. 212), is amended by inserting before the period at the end thereof the following: "plus the United States pro rata part of the value of the materials which have been stockpiled in the vicinity of such construction or reconstruction in conformity to said plans and specifications."

SEC. 11. (a) Subsection (a) of section 111 of the Federal-Aid Highway Act of 1956 is amended to read as follows:

"(a) Availability of Federal funds for reimbursement to States: Whenever a State under State law is required to pay for all or

any part of the cost of relocation of utility facilities necessitated by the construction of a project on any of the Federal-Aid Highway Systems, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project not to exceed 70 percent of such cost which the State is obligated to pay: *Provided*, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds."

(b) This section shall apply only with respect to Federal-aid highway projects covered by formal project agreements executed by the Secretary subsequent to the date of enactment of this act.

SEC. 12. The Federal-Aid Highway Act of 1956 (70 Stat. 374) is amended by renumbering section 122 as section 123 and inserting a new section 122, as follows:

"SEC. 122. Areas adjacent to the Interstate System.

"(a) National policy: To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways it is hereby declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system. It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for:

"(1) Directional or other official signs or notices that are required or authorized by law.

"(2) Signs advertising the sale or lease of the property upon which they are located.

"(3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

"(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

"(b) Agreements: The Secretary of Commerce is authorized to enter into agreements with State highway departments (including such supplementary agreements as may be necessary) to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State. Any such agreement shall include provisions for regulation and control of the erection and maintenance of advertising signs, displays, and other advertising devices in conformity with the standards established in accordance with subsection (a) and may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation, development of viewpoints for scenic attractions that are accessible to the public without charge, and the erection of markers, signs, or plaques, and development of areas in appreciation of sites of historical significance. Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, or which are built on rights-of-way wholly acquired before July 1, 1956.

"(c) Federal share: Notwithstanding the provisions of section 2 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), if an agreement pursuant to this section has been entered into with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof, not including any additional cost that may be incurred in the carrying out of the agreement: *Provided*, That the increase in the Federal share which is payable hereunder shall be paid only from appropriations from moneys in the Treasury not otherwise appropriated, which such appropriations are hereby authorized.

"(d) Whenever any portion of the Interstate System is located upon or adjacent to any public lands or reservations of the United States, the Secretary of Commerce may make such arrangements and enter into such agreements with the agency having jurisdiction over such lands or reservations as may be necessary to carry out the national policy set forth in subsection (a) of this section, and any such agency is hereby authorized and directed to cooperate fully with the Secretary of Commerce in this connection.

"(e) Whenever a State shall acquire by purchase or condemnation the right to advertise or regulate advertising in an area adjacent to the right-of-way of a project on the Interstate System for the purpose of implementing this section, the cost of such acquisition shall be considered as a part of the cost of construction of such project and Federal funds may be used to pay the Federal pro rata share of such cost: *Provided*, That reimbursement to the State shall be made only with respect to that portion of such cost which does not exceed 5 percent of the cost of the right-of-way for such project."

SEC. 13. Relationship of this act to other acts: effective date.

All provisions of the Federal-Aid Road Act approved July 11, 1916, together with all acts amendatory thereof or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of the act are hereby repealed. This act shall take effect on the date of enactment.

SEC. 14. Short title.

This act may be cited as the "Federal-Aid Highway Act of 1958."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. GEORGE S. LONG, late a Representative from the State of Louisiana, and transmitted the resolutions of the House thereon.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1984. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution;

S. J. Res. 162. Joint resolution to stay temporarily any reduction in support prices or acreage allotments; and

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes.

DEATH OF REPRESENTATIVE GEORGE S. LONG, OF LOUISIANA

Mr. ELLENDER. Mr. President, I ask the Chair to lay before the Senate resolutions coming over from the House of Representatives.

The PRESIDING OFFICER laid before the Senate the resolutions of the House of Representatives, which were read, as follows:

House Resolution 508

IN THE HOUSE OF REPRESENTATIVES, U. S.,
March 24, 1958.

Resolved, That the House has heard with profound sorrow of the death of the Honorable GEORGE S. LONG, a Representative from the State of Louisiana.

Resolved, That a committee of eight Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. ELLENDER. Mr. President, over the weekend the final chapter in an inspiring story of triumph over adversity was written in Washington when death claimed the Honorable GEORGE SHANNON LONG, Representative from the Eighth Congressional District of Louisiana.

As he lived, GEORGE LONG died—serving the people of his State.

For all of his 74 years, GEORGE LONG waged a bitter battle with adversity—yet, this very battle made him a greater man—a man who knew the hard side of life, a man who knew the better side, and a man who could thus appreciate the problems of people.

He was born in a log cabin in Tunica, La., September 11, 1883. From this humble beginning, GEORGE LONG and his brothers and sisters reached a position as one of the best known and influential families in Louisiana.

Of the four Long brothers, all rose to prominence. The eldest was Julius Long, now a retired businessman in Shreveport, La. The youngest was Earl K. Long, today the Governor of Louisiana. Perhaps best known of all his brothers was Huey P. Long, late a United States Senator, and the father of my distinguished colleague, the junior Senator from Louisiana.

GEORGE LONG was born at a time when a man made himself what he wanted to be. He and all his brothers decided that they wanted to improve themselves. And they did. It was the age-old story

of Americana—the poor country boy seeking his way in life and finding it.

Yet, as GEORGE LONG inched himself forward, he did so with a humility and genuine concern for all his fellow men that earned him friends, not only in his home State, but in other sections of the United States as well.

For example, during a rather lengthy stay in Oklahoma, in 1920, he was elected to the Oklahoma State Legislature, and served through 1922.

GEORGE LONG was a man of many talents. After attending the public schools in Winn Parish, La., he attended Mount LeBanon College, and later taught school in Winn Parish.

GEORGE LONG's next interest was dentistry, and he received a doctor of dental surgery degree in 1904. He was admitted to the bar in Oklahoma in 1923.

GEORGE LONG returned to Louisiana in 1936, after the death of his brother Huey Long, and made his home in Pineville, where he entered business.

He was elected to the Congress in 1952, and was serving his third term at the time of his death. He is survived by his wife, the former Jewell Tyson, of Pineville.

He was a lifelong member of the Baptist Church, and was a past president of the Pineville Chamber of Commerce. In addition, he was a 32d degree Mason, a Shriner, and a member of the Kiwanis Club of Pineville.

The life of GEORGE LONG—educator, dentist, lawyer, and legislator—is an inspiring reminder that poverty need not close the door to achievement—that hard work and an abiding desire to overcome adversity can bring a rich and rewarding life.

Those of us who knew GEORGE LONG and now miss him will remember him primarily as a man and as a friend, one who could and did pull himself up from his humble origin to a position whereby he could serve his friends and neighbors—a man who gave to the people of his State unstintingly in time and effort—a man who lived and proved the old axiom that God helps those who help themselves.

Louisiana will miss GEORGE LONG, Mr. President—and so will our country.

Mr. President, I send a resolution to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE S. LONG, late a Representative from the State of Louisiana.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate, at the conclusion of its business today, take a recess until 11 o'clock a. m. tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the resolution (S. Res. 280) was considered by unanimous consent, and unanimously agreed to.

The PRESIDING OFFICER. Pursuant to the second resolving clause, the Chair appoints, as the committee to attend the funeral of the late Representative, the senior Senator from Louisiana [Mr. ELLENDER] and the junior Senator from Louisiana [Mr. LONG].

GOP HIGH INTEREST RATES FOR THE REA

Mr. YARBOROUGH. Mr. President, last Tuesday, March 18, 1958, for the second time in 30 days, the Federal Reserve Board reduced the required reserves of its member banks, thereby releasing a potential $3 billion of new funds for lending.

A Board spokesman called this action an effort to create credit conditions still more favorable to recovery. In short, this was a move to end the administration's hard money, high interest rate policy, which is largely responsible for the serious unemployment and business recession gripping our Nation today. Surely, all of us can now see the folly and error of this high interest rate policy, which has resulted in more than five million men and women without work and the highest cost of living in our history.

But, despite the critical evidence of how the high interest policy has hurt our economy, this administration seems intent on raising interest rates on REA loans. It is clear that higher REA interest rates could only mean higher rates for electric and telephone service to the farmers and rural communities.

Mr. President, in view of this recession—in view of the fact that REA co-op loans have made money for the taxpayers, not lost it—I now strongly urge that President Eisenhower withdraw his announced proposals to raise REA interest rates. Determination of this administration to raise REA interest rates is like a stubborn motorist who takes the wrong turn and finds himself going in the wrong direction on a one-way street, yet he is too bullheaded to admit he is driving in the wrong direction. There are plenty of places where there is room for, and need for some strong determination in this administration, but this mania to raise REA interest rates is not one of those places. The so-called revolving fund plan is a plan to render the REA into the hands of the private moneylenders. It is an effort to Bensonize the Rural Electric Cooperatives and leave them captives chained to a financial plan that would spell their doom. The present REA financing plan has worked and should be retained unchanged.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Texas has the floor.

TAX CUT NEEDED TO CURE RECESSION

Mr. YARBOROUGH. Mr. President, 10 days ago my amendment to give a tax cut to all Americans was temporarily lost. I said then, and I still say, that a Federal income-tax reduction in the form of raising income-tax exemption from $600 to $800, would boost business to the extent of $3 billion within a few months.

I would like to respectfully remind Members on both sides of the aisle that had we voted through the tax reduction to all Americans, it could have become effective on April 1, and we would have been that big step nearer toward cutting unemployment and ending recession. But it was the position of the administration that this is not the time for a tax cut; that we should wait and see.

With more than 5 million men and women out of work and the number still climbing, I should like to know what we are waiting for? With small-business bankruptcies at an alltime high, I ask again, what are we waiting for? I submit that we have waited long enough, or too long. To sustain my point, let me refer you, Mr. President, to a front-page story in today's Washington Post and Times Herald, headed "Government Economists Now See No Upturn Before Late in Year." The lead of this excellent story, by Joseph R. Slevin, reads as follows:

> Government economists are coming to the conclusion that business activity will begin to turn up slowly in the fourth quarter and not before. Some of the gloomier seers think the rise may not begin until the first quarter of next year. And all of the forecasters qualify their predictions by saying that all bets are off if there is no tax cut.

Mr. President, the Senate will have the opportunity again soon to pass the tax reduction for all Americans that I am urging. I urge that when this matter comes up again, that we have immediate favorable action toward ending this recession. I ask unanimous consent that the Washington Post story I referred to earlier be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT ECONOMISTS NOW SEE NO UPTURN BEFORE LATE IN YEAR

(By Joseph R. Slevin)

Government economists are coming to the conclusion that business activity will begin to turn up slowly in the fourth quarter and not before. Some of the gloomier seers think the rise may not begin until the first quarter of next year. And all the forecasters qualify their predictions by saying that all bets are off if there is no tax cut.

The recession now has gone further and is expected to last longer than any of the top economists anticipated just a few months ago.

The big, unforeseen trouble has been a sharp drop in automobile sales. Government economists expected the automobile manufacturers to have a good year and they are having a dismal one.

The forecasts of a fourth quarter rise turn partly upon expectations of an improvement in automobile activity when the 1959 models appear in dealer showrooms. If consumers cold-shoulder Detroit for the rest of this year, the economists says prospects of an upturn are very dim indeed.

The trouble that the experts have when they look for a turning point is that no one seems to be able to find a set of buying demands that will be strong enough to kick off a vigorous upsurge. That's why they

all look for a slow rise when the advance begins.

State and local government spending for schools, hospitals, roads, and other facilities is expected to continue to climb slowly. So is Federal spending. And so, with any luck, is home building. Consumer spending, which has been tapering off, will pick up moderately if the 1959 models are attractive. But the downturn in business purchases of new plant and equipment that caused the slump is expected to continue—or, at best, to flatten out.

There's no spark in sight—no homebuilding boom as in 1954, no automobile buying jag as in 1955, no capital goods spending spree as in 1956 and 1957.

Guesses as to how long it will take to lift economic activity back to where it was at the end of 1957 range up to a year from the time the upturn begins. That could mean late 1959 or early 1960.

The most disheartening feature of the current situation has been the absence of substantial price cuts. Price reductions customarily are a key part of a recession adjustment and the economists figure that there's nothing that would whet business and consumer appetites more than a round of price slashes.

But prices have been holding firm. There's now a worrisome suspicion among the experts that this will be remembered as the recession that was ended by Government tax cuts and other moves—as the recession that was marked by about as many price maladjustments at the end as there had been at the beginning.

If the forebodings of the experts prove correct, it's a safe bet that the fourth postwar recession will follow closely on the heels of the current dip.

FOREIGN OIL IMPORTS

Mr. YARBOROUGH. Mr. President, I have prepared a statement on the detrimental effect on all our economy of the unlimited flood of foreign oil which is pouring into the country.

In the interest of time, I ask unanimous consent to have my statement and the following newspaper articles and other material printed in the RECORD:

A foreign crude oil import resolution introduced by Jimmy Givens, Galveston County, Democratic Chairman, and passed by the Galveston County Democratic Executive Committee.

The story from the March 21, 1958, Dallas Morning News headed "Oil Producing Days Cut to Record Eight."

The story from the Abilene Reporter News of March 19, 1958, headed "Witnesses Cite Damaging Effects of High Imports."

A statement from John R. Stockton, director of the Bureau of Business Research of the University of Texas.

Dr. Stockton is one of the outstanding economists in the Nation and his statement is entitled to the careful consideration of every American.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YARBOROUGH

I respectfully inquire if there is any Member of this Senate, or this administration, or the President himself, who has the slightest idea whether or when corrective action will be taken to stop the flood of foreign oil? I, for one, call for an end to these terrapin tactics. And, 200,000 Texans without jobs, and hundreds of businessmen near bankruptcy in the Southwest have had more than enough of this administration's refusal to curb the oil cartel.

I will admit that several times lately, after reading all these glowing news reports that the President was about to move, I thought we were ready to tee off on this problem. But it's always been a false alarm. Somebody keeps shouting "fore," but no one drives the ball down the green. This oil imports problem is complex but I believe the unemployed of the oil-producing States of the Nation have concluded it's time to quit puttering around.

As a direct result of administration refusal to act to curb this flood of cheap foreign oil, production in my State has been cut to an alltime low allowable of 8 days in April. This means another reduction of $4 million daily income—a cutback that will injure thousands of workers and property owners.

I again urge the administration to exercise its authority and cut down the excessive importation of cheap foreign oil.

FOREIGN CRUDE OIL IMPORT RESOLUTION

Resolution introduced by Chairman J. D. Givens and passed by unanimous vote in regular meeting of the Galveston County Democratic Executive Committee on February 25, 1958:

"Whereas the import of foreign oil into the United States has seriously affected the Texas independent oil producers and manufacturers; and

"Whereas these imports have affected the employment of workers in the oil and allied industries; and in turn will seriously affect the economy of our local communities; and

"Whereas these imports have caused a cutback in the oil production in the State of Texas which brings about a loss of revenue to the State of countless thousands of dollars; and

"Whereas the proposal by President Eisenhower for voluntary curbs on imports is impractical and ineffective and has not produced any desired results: Therefore be it

"*Resolved*, That the Galveston County Democratic Executive Committee urge the United States Senators and all the United States Congressmen from Texas to take immediate steps to curb the imports of foreign oils or to impose an import tax so that the Texas crude producers can fairly and justly compete with the foreign imports."

[From the Dallas Morning News of March 21, 1958]

OIL PRODUCING DAYS CUT TO RECORD EIGHT

(By Richard M. Morehead, Austin Bureau of the News)

AUSTIN, TEX.—The railroad commission Thursday cut Texas' oil wells to a record low 8-day producing schedule for April—but there were predictions of better times ahead.

"It looks like the worst part of the business recession is over," President W. K. Whiteford of Gulf Oil Corp., testified.

The commission's monthly proration hearing in the Stephen F. Austin Hotel drew the largest crowd—about 400—in many years.

It marked the interest of producers and purchasers alike in seeking to solve the problem of oversupply. Some predicted that the worst will be over in April, and that Texas production can be increased.

A surprise witness, President R. R. Dawson of the Humble Refinery Workers' Union at Baytown, urged the commission to increase production now—to meet the competition from foreign crude on a price basis.

"We must tighten our belts and fight for our industry in Texas," said Dawson. "If the prices were to fall slightly so that we could compete with foreign crude, and our production increase sharply as our oil found more buyers in the market place, would this be a castastrophe?"

Nobody answered Dawson directly, but Dallas independent producer Jake L. Hamon had testified that failure to reduce the nation's excessive petroleum stocks would be "tragic."

"We ought to meet this problem head on," said Hamon, who recommended an 8-day schedule on behalf of more than 100 Dallas oilmen.

M. G. Hansbro, a Houston independent, had a more drastic suggestion.

"Shut all Texas fields down until the surplus is consumed," he recommended.

Permissible production in April will be 2,444,571 barrels daily, 120,203 barrels below last week's average. It will drop the State's quota 1,400,000 barrels below the March 1957 level.

This means a reduction of more than $4 million daily income for Texas oil producers and royalty owners. Tax revenues to the State alone will be nearly $200,000 daily below the year-ago rate.

The slowdown in tax income will add to the legislature's woes next year. Comptroller R. S. Calvert already had estimated at least $120 million must be raised to maintain present State services in the face of shrinking oil output.

While Gulf's President Whiteford expressed optimism that the worst of the business recession is over, nobody forecast much immediate benefit to the domestic oil producer.

M. E. Speaght, executive vice president of Shell Oil Co., estimated United States consumption this year will be 3.6 percent ahead of last year's disappointing performance.

Another two dozen big-company spokesmen estimated smaller gains—or none at all.

Morgan J. Davis, president of Humble Oil & Refining Co., Texas' biggest producer and purchasing company, said domestic producers must reduce unit costs on oil to compete with the foreign product.

Davis recommended drilling fewer nonexploratory wells and curbing other capital expenditures. The Humble spokesman said the Nation could reduce its annual drilling program to 40,000 or 50,000 wells without harm—instead of the 59,000 drilled last year.

The Nation's developed oil-producing capacity of nearly 10 million barrels daily provides a large margin of safety for emergency, Davis added. Present production is below 6,500,000 barrels.

But Davis said the most pressing need now is for immediate and effective action to reduce imports of crude oil substantially and to control imports of products.

Dallas producer Hamon viewed as a hopeful sign President Eisenhower's indication to United States Senator LYNDON B. JOHNSON that there will be definite action toward the import problem.

Commissioner Ernest O. Thompson drew from Gulf's President Whiteford a statement that further reduction in imports "would be helpful" but he declined to go along with the Texas suggested 20-percent mandatory cut. Gulf is a major importer.

George W. Goad, representing Tidewater Oil Co., was quizzed by Thompson concerning its failure to observe the voluntary import quota assigned by Federal administrators. Thompson cited this as evidence that voluntary action will not work.

Three other Dallas producers spoke for the 3-day schedule. They were M. G. Langhorn, representing Hunt Oil Co.; Frank Pitts, Starr Oil Co., and Frank Douglas, the G. H. Vaughn interests.

J. L. Latimer, of Dallas, president of Magnolia Petroleum Co., predicted oil consumption this year will be 1.5 to 2 percent greater than last year. His company recommended a 9-day producing schedule for April, but said 8 days would be satisfactory.

[From the Abilene Reporter-News of March 19, 1958]

WRECKING TAX STRUCTURE—WITNESSES CITE DAMAGING EFFECTS OF HIGH IMPORTS

Witnesses from Abilene and other sections of Texas Tuesday told the Governors Imports

Study Commission that excessive imports were shutting down the petroleum industry, wrecking the State's tax structure, and endangering the oil conservation program.

Olin Culberson, chairman of the Railroad Commission of Texas, declared that imports now have "first call on the domestic market."

"States find themselves increasingly in the role of filling oil requirements on a supplemental basis," Culberson said.

He hinted that the Railroad Commission may take steps to cut down on purchaser proration if it continues.

Referring to "discriminatory practices" of some purchasing companies, he said he believes the commission soon may test what he termed "additional powers given it to set forth stringent requirements for the purchasing and transporting of oil."

"Nothing we can do in Texas, however, will bring a balance if imports continue at the present level," Culberson said. He added that there is a danger of "further conquest of State powers by Federal authorities" if mandatory controls are ordered.

"But imports must be restrained if we are to have a healthy oil industry in our State," he declared.

ABILENE AREA HARD HIT

James S. Lauderdale, president of the West Central Texas Oil and Gas Association, said the Abilene area is harder hit than any other section of the Nation so far as purchaser proration is concerned.

"We lead the Nation in unconnected wells, trucked oil, o'l without a market, and purchaser proration," he said.

Drilling activity in west-central Texas has been reduced by nearly 40 percent as compared to a year ago, Lauderdale said.

"One service company that services 55 percent of the drilling rigs in the area has suffered a 60 percent dollar volume decrease from 1955."

Cheap foreign oil "is about to eliminate many of us who for years have been proud to say, 'I am an oilman,'" Lauderdale concluded

C. T. McLaughlin, of Snyder, president of the Sharon Ridge Producers & Royalty Owners Association, said the field his group is interested in was hit earlier and harder than most.

That area of north Mitchell and south Scurry Counties has about 1,636 wells, with independent producers operating 95 percent of them.

McLaughlin said only about one-half of the State allowable is being taken from the field, and drilling rigs digging development wells have dwindled from 20 in normal times to only one this week.

Dr. Frank B. Conselman, widely known consulting geologist with headquarters in Abilene, refuted the idea that the United States is running out of oil.

NO EXPLORATION

"We are fully aware that we must keep on drilling if we are to maintain our reserves," Conselman said. "But unfortunately no exploration drilling program can be maintained in west Texas, or anywhere else in the State, in the face of the adverse conditions that now exist, due primarily to imports."

He said the decline comes at a time when progress was being made in looking for more difficult oil prospects, namely stratigraphic traps.

"Here in west central Texas, patterns are beginning to emerge, and trends are starting to take shape," he said. "Our finding average should pick up, if we can get a chance to prove it."

James H. Daniel, chairman of the Abilene Chamber of Commerce Oil and Gas Committee, was accompanied by three men representing grassroots phases of the petroleum industry. They were Grady Roberts, partner in Triangle Supply Co.; Melvin Dixon, owner of Dixon Drilling Co.; and Paul Graham, operator of a trucking firm.

All three, in answer to questions, said their businesses are dwindling, and that they could not continue to operate if the current 9-day allowable remains in effect indefinitely.

Berry Brown, Wichita Falls tax consultant, told the commission that imports, price cuts, and pipeline proration will have an adverse effect on ad valorem taxes in 1958.

"Oil in the ground now is worth from 20 to 30 percent less," Brown said.

OIL VALUE DROPS

It will be necessary for schools, counties, and the State to revise all assessment percentages if current rate of spending continues.

"I think oil has lost value it's not going to get back," Brown declared. "We'd better pack our wagons for a long haul."

Senator David Ratliff, of Stamford, said the State must start economizing or levy new taxes.

"The costs of running the State are on the increase, and we will have a deficit even at the current rate of spending," Ratliff said.

Representative Truet Latimer, of Abilene, said he didn't believe the recession in west central Texas is part of the general recession sweeping across the United States, "but is due to excessive oil imports."

He pointed out that the current estimate of anticipated income for the State was based on a 15-day production pattern, and nothing could be done until the next session of the legislature.

"It is my personal opinion that if the Texas Legislature met each year, your State government would not be in its present embarrassing position of issuing hot checks."

Representative J. Gordon Bristow, of Big Spring, gave extemporaneous testimony that was short and to the point.

Commenting on imports, he said: "Gentlemen, we're foundered. We don't need any more of that stuff."

R. W. (Stormy) Thompson, of Big Spring, vice president of Cosden Petroleum Corp., said he favored a tariff system of imports control rather than a quota system.

"Refineries would lose their enthusiasm for foreign crude if the duty were raised so as to equalized prices," Thompson said.

Thompson said Cosden was forced to shut down its Hawley refinery mainly because of a cut in purchasing of aviation gasoline by the Air Force.

PIPELINE PRORATION

"For 2 or 3 years we have had to apply pipeline proration in the areas we buy crude because we don't need all the wells can produce," Thompson said. "We always have given new wells a share of our market, however."

Thompson said crude prices are now determined by the east coast refineries where cheap foreign oil is available.

Fred Husbands, executive vice president of the West Texas Chamber of Commerce, said that a recent survey by his organization showed employment down 17 percent in 19 oil-producing counties.

"In two of the most active and largest areas within our region, we find that the reduction in number of active drilling rigs is 34 percent," Husbands said.

John Culwell, superintendent of public schools in Big Spring, said imports are causing a decrease in revenue for every school in the State.

"Directly and indirectly oil affects every schools' financial standing," he said.

R. L. Barry, with the Handley Co. in Dallas, appeared at his own request to urge that a higher tariff on imports be sought rather than mandatory controls. He said he did not want to see the oil business regulated as is the farm business, so that "we'd have to get permission from Washington to drill on the north 40."

J. Harold Dunn, president of Shamrock Oil & Gas Corp., in Amarillo, also appeared as an impromptu witness.

He said his company was forced to institute pipeline proration at times during the last 2 years because of inability to sell its surplus crude.

STATEMENT OF DR. JOHN R. STOCKTON

(Statement by John R. Stockton, director of the bureau of business research of the University of Texas and a member of the governor's oil import study commission. This statement draws some tentative conclusions from the testimony before the governor's oil import study commission at its hearing in Austin on February 25 and 26, 1958.)

The testimony before the governor's oil import study commission in Austin on February 25 and 26 established the salient facts about the oil import situation and its effect on Texas and delineated rather clearly the alternative courses that are open to the United States. It will be the role of future hearings to fill in factual data on specific aspects of the larger problem, but the main issues were drawn in an unmistakenly clear manner.

The effects of the reduction in the Texas allowable are readily available for everyone to see. The reduction in the production of crude oil has slowed down exploration with a resulting decrease in income to everyone working in this industry or selling materials and services to it. The employment statistics for the crude production industry have not yet registered the effect of the reduced production, partly because there is a lag in reducing the labor force and partly because it is not feasible to cut the number of employees proportionately to the reduction in production. Reduced income to royalty owners and reduced taxes to the State treasury will, on the other hand, be felt immediately upon the cut in production. Extensive testimony was introduced to establish the importance of the taxpayments of the oil-producing industry to the income of the State government and the dependence of the various programs on this income.

The present situation, which was almost unanimously considered a crisis, has become particularly acute because the increase in crude oil imports has come at a time when the domestic economy was in a period of rather distinct recession, although this decline is considered to be a minor one that will probably reverse its direction within the next year.

With the reopening of the Suez Canal the world capacity to supply petroleum to the major consuming areas became much greater than demand at the present time. The United States demonstrated that it could not only supply all of its own needs but could make a substantial amount of oil available to European markets. To the extent that the market in the United States is supplied by foreign crude, the production in this country must be cut.

It was clearly demonstrated by the evidence submitted to the commission that this present situation is not one that will correct itself in time. Approximately two-thirds of the reserves of the Free World are in the Middle East. These reserves are nearly five times the reserves of the United States. In addition production costs are lower than in this country.

If the forces of economic law are allowed to divide the market for petroleum, foreign production would inevitably capture a major portion of the United States market. It was clear from the evidence submitted that this is a long-range problem and a policy must be established by the United States without delay. Under present costs, most of the oil produced in the United States cannot compete in price with the oil from the Middle East. If this oil is permitted to compete

freely in the United States market, it will mean the abandonment of our secondary reserves. This premise was established in the testimony of Dr. Paul D. Torrey, petroleum engineer and geologist. This testimony was in many ways the most dramatic of the facts presented in the 2-day hearing and left little doubt that the choice being faced by the people of the United States is between shifting to a reliance on foreign sources of oil or curtailing imports of oil and continuing to depend to a major degree on the secondary reserves of this country. The older wells in the secondary reserves cannot compete on a cost basis with the oil from such areas as the Middle East, but in the aggregate they represent a very large amount of oil. Dr. Torrey stated that they are precious resources and should under no circumstances be permitted to be lost.

The testimony emphasized that it is not valid to argue that we should use foreign oil now and save the secondary reserves for later use, since it is virtually impossible to retain the secondary reserves without continuing production from them. The choice apparently is clearly one of maintaining the oil industry by restricting imports or shifting to a substantial reliance on these foreign sources.

Classical free-trade theory maintains that a country should produce the goods in which it has the greatest relative advantage and should trade with other areas for those goods in which it has a lesser relative advantage. This theory has, in general, worked well only where the area covered was under the control of one government. The domestic market in the United States is an outstanding example of a situation where a region tends to acquire industries in which it has a relative advantage.

But what happens when this reasoning is applied to a world situation? It seems unthinkable that in the present state of international relations the United States would voluntarily permit a vital resource, such as petroleum, to be virtually destroyed and reliance be placed on imported oil. Probably no one in this country would advocate such a policy, but permitting excessive imports of oil is essentially the same thing. Even if the use of foreign oil resulted in lower prices to the consumer—and there is no evidence that this has been the case—there is no assurance that these lower prices would continue after the domestic industry had been closed down.

It is assumed that nuclear or solar energy will supply a growing proportion of the increased needs for energy and that eventually the United States will need to import oil to supplement energy from domestic sources. All of the testimony received by the commission, however, indicates that the importation of foreign oil at the present time is damaging the economy of the oil-producing States and is in no way helping the economy of other parts of the country.

THE RECESSION

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very excellent article written by Mr. George Shea, of the Wall Street Journal, with respect to the existing recession.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of March 24, 1958]

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

(By George Shea)

Reliance on the power of the Federal Government to reverse the recession seems to be so strong in the minds of at least some portions of the general public that the topic is worth dealing with again. Basically, furthermore, the belief in the Government's magic seems to center around its ability to spend more than it takes in—whether through public works, tax cuts, or other red-ink devices—and this fact gives us a relatively simple approach to the topic.

The ability to spend more than one's income has never been regarded as a skill difficult to learn. Nor has it, through most of history, possessed much respectability. Politicians, of course, thousands of years ago discovered its virtues for staying in office, as witness the Roman Emperors with their circuses. But the 20th century, with its special reverence for science, was the first to develop the pseudoscientific theory that governmental red ink means good business.

Even at that, popular as such a notion was bound to be among many people, it somehow gained little credence until the recent boom, which saw inflation and good business accompany each other. Now, as a result in part of that experience, the theory has acquired increased numbers of adherents. Yet a look at a few facts will quickly show how poorly based it is.

One of the best arguments against the theory is that it just didn't work at all in the 1930's, either under Hoover or Roosevelt. The Federal deficits in those years were very large by the standards of those days and big even by today's lights. Yet unemployment persisted at high levels throughout the period, with unemployment totals higher than now, although the labor force was smaller by 20 million persons, being around 50 million against 70 million today. Here are the figures, starting with 1932:

[In millions]

	Fiscal year Federal deficits	Calendar year average unemployment
1932	$2,735	12.1
1933	2,602	12.8
1934	3,630	11.3
1935	2,791	10.6
1936	4,425	9.0
1937	2,777	7.7
1938	1,177	10.4
1939	3,862	9.5
1940	3,918	8.1

Another fact that tends to put the burden of proof on those who want to believe the theory is that the continued price inflation of the last 2 years has not prevented the Nation from slipping into recession. Of course, the causes of the latest general price rise are mixed, but it suffices here to mention that they couldn't have been financed without money, so it doesn't seem to be lack of money that has caused the recession.

That matter of money lies at the heart of this problem. The theory that Federal red ink makes good business is based on the idea that such red ink spreads money around, and that this money will be used right away to buy goods or services, thus ending the recession. It is true that Federal red ink is basically nothing but a special way of printing additional currency, and that in the long run floods of paper money will cheapen its value and raise prices expressed in paper units.

The problem is that, in any well established economic system, passing out the money to the people who will immediately spend it is very difficult. A good example of the difficulty is that a tax cut won't help the unemployed, though they are the very people whose income is in need of bolstering. There are no special funnels which will put red ink in just the right places. The system just isn't organized that way. It's organized to pay for value received in terms of goods or services which are wanted and purchased, and a Government deficit can't quickly change in any radical way a distribution of incomes which is organized in that fashion.

Much the same sort of problem arises in any Federal effort to fight recession. The housing bill just passed by Congress isn't given by builders much chance to stimulate construction appreciably, as a story in this paper a couple of days ago made clear. A few potential buyers who have been teetering on the edge might be induced to act when the easier terms are available, but mostly those who will take advantage of the new terms are people who were planning to buy anyhow.

Public works cannot be counted on always to add to the total amount of work done in the Nation. For instance, to what extent will a new Federal highway bypass permit a town to cut down its own road work?

Shifting the burden of taxes is another course frequently advocated as a stimulant. According to this theory, the well-to-do must be made to pay more taxes and the poor less. Perhaps by this method a few buyers might be added for shirts or even toasters, but likewise some investors in houses or in productive equipment might be subtracted. In addition, here the same problem arises as with a general tax cut, that of helping those with no jobs. It is far easier to slash substantial incomes by taxation than to use it to improve small incomes.

Finally, there is the idea of raising wages by passing new minimum wage laws or using the power of Government to help enforce higher wage demands. Yet rising wages have been of no help lately. Hourly rates have been going up steadily for years, and kept on rising last year. If that didn't prevent the recession from getting under way, what makes anyone think it would reverse the downtrend?

Government actions and policies, including the so-called built-in stabilizers, such as jobless pay, can soften the blow of a business downturn, but probably it still has to run its course. Such measures resemble the action of various drugs in fighting an illness. Their proper use keeps the patient from getting as sick as he otherwise might. But he still has to stay in bed and convalesce, as was the case in the days before antibiotics and new theories about Government deficits.

HALL OF FAME FOR AGRICULTURE

Mr. CARLSON. Mr. President, some time ago I submitted Senate Concurrent Resolution 70, which, if approved by the Congress, would endorse the establishment of a Hall of Fame for Agriculture.

Since the submission of the resolution, I have received much mail and many editorials commenting on it.

I am calling to the attention of the Senate an editorial written by Mr. A. Q. Miller, of the Belleville Telescope, Belleville, Kans., urging that special consideration be given to the name of a former Member of this body, the late Arthur Capper.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAPPER HALL OF FAME

Congressman FRANK CARLSON introduced a resolution in the Senate last week calling for the establishment of a Hall of Fame to Agriculture because of the important role it has played in the development of our Nation. What is more, CARLSON proposed it be named after the late Senator Arthur Capper

because of his devotion to agriculture during his three decades in public life. Every loyal Kansan and millions of readers of Capper publications throughout the Nation will say "amen" to the suggestion. One of my finest memories is my nearly 60 years of friendship with Arthur Capper—from the time he was a printer on the Garnett Review and J. K. Hudson's old Topeka Capital, to his purchase of the North Topeka Mail and Breeze, retaining Tom McNeal as editor—and then the money he borrowed from the Mulvane bank to make a downpayment on the Topeka Capital. In all his public career he took the position that he was the servant and not the master of his constituents.

A GOVERNMENT LAWYER LOOKS AT LITTLE ROCK

Mr. KUCHEL. Mr. President, Warren Olney III is a distinguished California lawyer who served with marked distinction as Assistant Attorney General of the United States for several years in the immediate past.

In Monterey, Calif., on Thursday, October 3 last, he spoke to a Conference of Barristers of the State Bar of California on the subject, "A Government Lawyer Looks at Little Rock." His presentation of the series of events surrounding the unhappy situation in Little Rock, Ark., is excellent and clear.

I ask unanimous consent that the text of Mr. Olney's address be incorporated in the body of the RECORD for easy availability to the Members of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A GOVERNMENT LAWYER LOOKS AT LITTLE ROCK

(Address by Warren Olney III, Assistant Attorney General of the United States, delivered before the Conference of Barristers of the State Bar of California, Monterey, Calif., October 3, 1957)

I am grateful for the invitation to address the Conference of Barristers of the State Bar of California today. It is a privilege for any lawyer to meet with and speak to the younger members of our profession who are interested in trial work.

In June when I received your invitation I was delighted to accept, partly because I naturally welcome a good excuse for returning home to California for a visit and partly because of an even more understandable desire to renew my ties with old friends and associates and with the State Bar of California in view of the plan which I have had for a long time to leave Washington and return this fall to California permanently.

When I accepted your invitation—only last June—I was rather hard put to think of the subject that I should talk to you about. Now I have no choice. So quickly has the crisis in our Government arisen in Little Rock.

Torrents of vitriolic oratory have already begun to flow on this subject and will, I have no doubt, continue to spew forth for a long time. I do not seek to swell this cresting flood.

What I shall try to do this morning is to tell you as dispassionately as I can how the legal developments in this matter looked at the time to the Government lawyers most concerned.

The fateful developments of September 1957 were preceded by litigation in which the Government took no part but which nonetheless is an essential part of the story.

After "a great civil war, testing whether this Nation or any nation * * * conceived in liberty and dedicated to the proposition that all men are created equal * * * can long endure," the Constitution of the United States was amended to provide that "No State shall * * * deny to any person within its jurisdiction the equal protection of the laws."

On May 17, 1954, the Supreme Court of the United States by unanimous decision held that "separate educational facilities [on a racial basis] are essentially unequal" and that those against whom such restrictions are enforced are thereby deprived "of the equal protection of the laws guaranteed by the 14th amendment" (*Brown* v. *Board of Education* (347 U. S. 483)).

At this point I want to inject parenthetically some observations on the positions of the Government lawyer—all Government lawyers. Other persons can and have questioned the wisdom, reasoning, and even the validity of this decision of the Supreme Court in the school segregation cases. Some persons, even Members of the Senate of the United States, have urged massive resistance to putting the principle of this decision into practice. The Government lawyer cannot indulge in any such questioning. Whatever his personal views, or his likes and dislikes, it is unthinkable that in his official actions he would fail to accept as controlling a unanimous decision of the Supreme Court as to the scope and meaning of the Constitution of the United States. Every Government lawyer has taken an oath "to support the Constitution of the United States" and to him that means the Constitution as interpreted and declared by the Supreme Court of the United States. The Government lawyer is as much bound by his oath to support the Constitution as is the President himself.

Only 3 days after the decision of the Supreme Court of the school segregation cases in May of 1954, the board of education of the city of Little Rock publicly announced that it intended to comply with the constitutional requirements and that it would proceed to develop a plan for eliminating the racial restrictions upon attendance in the Little Rock schools. In May of the following year the Little Rock School Board approved and published its plan for the gradual elimination of racial segregation from the schools. The action taken by the school board up to this point was voluntary and local. The Federal Government played no part in its adoption.

Subsequent to the adoption of the plan, the superintendent of schools not only made it public but read and explained it to approximately 200 local groups and organizations in an effort to obtain public acceptance of its provisions. The school board which had approved the plan was reelected with the plan's adoption as an issue. At this point the most serious opposition to the plan came from those who regarded its program of integration as too slow.

The plan proposed was indeed deliberate. It was to be accomplished over a period of not less than 8 years from its announcement. It was to begin in September of 1957 with the admission into the Little Rock Central High School, having a student body of approximately 2,000 students, of only 10 Negro students. The plan was promptly challenged in the courts as being too gradual. A suit was filed in the United States district court by a group of Negro students seeking admission to the school, challenging the school board's program on the ground that it was so gradual that it did not comply with the requirement that racial segregation be eliminated from the schools with all deliberate speed. This challenge failed in the district court, which held that the school board's plan was consistent with the law and should be approved.

In view of the repeated references of Gov. Orval Faubus to "imported" Federal judges, it is worth noting that this first decision made on August 28, 1956, approving the school board's plan was rendered by Judge John E. Miller, regularly assigned to the western district of Arkansas, and a resident of Arkansas and former Congressman and Senator for that State.

An appeal was taken from the decision of the district court, but the judgment was affirmed, the Court of Appeals for the Eighth Circuit also holding that the school board's plan was in conformity with the law. *Aaron* v. *Cooper* (243 Fed. (2d) 361 (1957)). The Federal Government had no occasion to take any part in the litigation I have just described.

The very first action taken by the Department of Justice with respect to the situation in Little Rock was taken on request from Gov. Orval Faubus himself. At his personal request, Mr. A. B. Caldwell, my assistant for civil rights in the Criminal Division and himself a native and former resident of Arkansas, was sent to Little Rock on August 28, 1957, to confer privately with the Governor. At the time this request for a conference seemed curious to us. The Governor's subsequent action has given it a significance which was not appreciated by us at the time. The Governor informed Mr. Caldwell that he had reason to apprehend there might be some disturbance at the Central High School when school opened on September 3 if the Negro children who were eligible for admission under the school board's plan should present themselves. No statement was ever made by him as to the basis for these apprehensions. The conferences consisted in largest part of questions addressed to Mr. Caldwell as to what action would or could be taken by the Department of Justice in the event that disturbances over the school board's plan did develop.

In response, and of necessity, the Governor was informed that the development of a disturbance at the school would not of itself provide any basis for action by Federal authorities. It was pointed out that the United States had had nothing to do with the school board's plan and was not a party to the litigation in which the plan had been approved. The Governor inquired about the action taken by the Department last year in connection with the disturbances that arose over the schools at Clinton, Tenn. It was pointed out to him that in that instance the Federal district court had issued an injunction at the request of the school board against certain named persons from interfering with the efforts of the school board to put its plan into effect and that when this order was violated, and the obstruction continued, that the court had requested the assistance of the United States Attorney and of the Department of Justice in making its order and process effectual.

At this conference Governor Faubus informed Mr. Caldwell that at the suggestion of the Governor himself a suit had been filed in the Arkansas Chancery Court by a group of mothers having children in the Central High School seeking an injunction to restrain the school board from admitting the Negro children in accordance with its plan. The Governor stated he hoped this suit would be successful as the granting of such an injunction would continue the school on a segregated status and thus prevent trouble from arising. The very next day the suit in the Arkansas Chancery Court which the Governor had mentioned came on for a hearing and the Governor himself appeared as a witness in support of the prayer for an injunction. Here again the Governor failed to give any specific information as to the basis for his apprehensions of trouble if the Negro students were admitted to school.

Notwithstanding the inadequate nature of this showing, the injunction was granted

by the chancery court. This was followed immediately by application being made by the school board to the Federal district court for an order prohibiting the State court from interfering with the efforts of the school board to carry its plan for the admission of the Negro students into effect.

It was at this point that United States District Judge Ronald N. Davies of North Dakota, who has been referred to by Governor Faubus as an imported judge, as though he were a foreigner, first entered these proceedings. The reason for his participation is entirely normal and is as follows: Judge Trimble, of Little Rock, retired from the bench in January 1957, leaving no Federal judge permanently assigned to sit in Little Rock. For this reason the case involving the school board's plan had been assigned to Judge John E. Miller, who had issued the order of August 28, 1956, approving the board's plan, and who is regularly assigned to sit at Fort Smith, Ark., 160 miles away from Little Rock. Quite aside from this litigation and because of the accumulating cases on the court's calendar in Little Rock, Chief Judge Archibald K. Gardner of the eighth circuit assigned Judge Davies of North Dakota, whose calendar was light, to sit in Little Rock for the purpose of clearing the calendar there. Judge Davies was actually sitting in Little Rock hearing cases when the Arkansas Chancery Court issued its injunction to restrain the school board.

With the prospect of suddenly expanding litigation in Little Rock, the attorneys for the school board complained to Judge Miller in Fort Smith about the time, distance, and expense involved in his trying to continue to handle the case from a distance of 160 miles. As a result Judge Miller requested Chief Judge Gardner of the eighth circuit to transfer the school board litigation to Judge Davies who was then holding court on the scene in Little Rock, and this request was granted. This is the reason and the manner in which Judge Davies was assigned to the case. This is the assignment Governor Faubus represents as sinister.

As a result of these proceedings Judge Davies, on August 30, acting on petition of the school board, enjoined plaintiffs in the Arkansas Chancery Court and all other persons from interfering with the effort of the school board from carrying into effect its plan to admit the Negro students to Central High School.

With this order in effect, and without any effort having been made to appeal, review, or supersede it, and having full knowledge of its terms, Governor Faubus called to active duty certain units of the Arkansas National Guard which he directed to surround Central High School. He stated he took this action to prevent any disturbance of the public peace and good order, although here again he failed to particularize as to his reasons for believing that the peace might be disturbed.

At this time the Governor informed the press that he had not ordered the Guard to exclude the Negro children but had left it to the discretion of the Guard as to how they should undertake to preserve the peace. But he did state that it was his belief that peace and good order could not be maintained if the Negro children were admitted.

In view of this, the school board addressed a public request to the Negro children not to attempt to enter the school until the dilemma was resolved.

School opened September 3 with Governor Faubus' Guardsmen at their stations, prepared to bar entry to all Negro students although none attempted to enter on that day.

With these developments the school board on September 3 petitioned the Federal court for instructions as to whether the board should recall its request to Negro students not to appear. In response the court directed the board to withdraw the request and to proceed with the acceptance of the Negro students forthwith. The court stated that he would accept at face value the Governor's statement that he had no purpose excepting to preserve order. The next day nine Negro students appeared at the high school and tried to enter, but the Guardsmen stood shoulder to shoulder and they were repulsed. The effort was not immediately renewed.

The school board now applied to the Federal court for a temporary suspension of its plan because of the effect of the presence of the Guardsmen on the schoolchildren. Judge Davies held that this was not legal justification for the abandonment of the plan and of the board's attempt to comply with the Constitution and the law. Up to this point the Department of Justice had taken no part in these proceedings for the very good reason that there is no provision of law under which the Attorney General could have taken action.

Judge Davies now appealed to the United States attorney and the Attorney General to assist the court in determining why and by whom the order of the court was being obstructed and the plans of the school board thwarted. This inquiry was undertaken by the Federal Bureau of Investigation and a report on the subject was submitted to the court on September 9. The most significant development in this investigation was the development of documentary proof that in his original instructions to the National Guard Governor Faubus had failed to order the Guard to protect the Negro students who were applying for admission to the school, but on the contrary, had ordered the Guard expressly to exclude them all from the school premises. This was a deliberate nullification of the Constitution and laws of the United States perpetrated by Governor Faubus with the force of his troops. It was at the same time a frustration of the orders of the district court.

After learning of the order given to his Guardsmen by Governor Faubus, the court entered a formal order reciting that in the opinion of the court, "the public interest in the administration of justice should be represented in these proceedings." He requested the Attorney General and the United States attorney to enter the case and assist as amicus curiae. Judge Davies specifically empowered the Government to submit pleadings, evidence, arguments and briefs in the litigation, as well as to initiate such further proceedings as might be appropriate. In addition, the court directed the Government to serve on the Governor and the commanders of the National Guard detachment an order to show cause why an injunction should not be granted against their further interference with and obstruction of the previous order of the court that the school board's plan of integration should be carried into immediate effect.

The appropriate pleadings were filed and on September 10 Governor Faubus emerged from his self-imposed siege in his mansion at Little Rock and accepted service without difficulty. The hearing on petition for an injunction was set down for September 20.

As lawyers you will readily perceive that these proceedings are unusual. They are, however, not without precedent.

It would be strange, indeed, if the judiciary lacked the power to appeal to the executive branch of the Government for assistance where the orders and processes of the court are being deliberately and forcibly thwarted and obstructed.

In the case of *Universal Oil Company* v. *Root Refining Company* (328 U. S. 575, 581 (1946)) the Supreme Court held that for the purpose of vindicating its honor and making its process effective as a means of administering justice, a Federal court can always call on the law officers of the United States to serve as amici.

The power of a Federal court to review the action of a governor of a State in using military force to achieve ends which are unconstitutional has also been settled by precedent. I shall not attempt to give you a brief of the law or even to mention the holdings on the varied aspects of this question. As illustrative, however, I call the attention of those of you who are interested, to the cases of *Sterling* v. *Constantin* (287 U. S. 378 (1932)), *United States* v. *Phillips* (33 Fed. Supp. 261 (D. C. Okla., N. D., 1949)), with further proceedings in 312 U. S. 246 (1941) and *Strutwear Knitting Co.* v. *Olson* (13 Fed. Supp. 384 (D. C. Minn. 1936)).

In the last named case the National Guard was used by a governor to close a factory to prevent probable loss of life and property from the acts of a mob objecting to its operation. The court held that this was not a permissible use of force saying:

"It is certain that while the State government is functioning, it cannot suppress disorders the object of which is to deprive citizens of their lawful rights by using its forces to assist in carrying out the unlawful purposes of those who create the disorders, or by suppressing rights which it is the duty of the State to defend. The use of troops or police for such purposes would breed violence. It would constitute an assurance to those who resort to violence to attain their ends that, if they gathered in sufficient numbers to constitute a menace to life, the forces of law would not only not oppose them, but would actually assist them in accomplishing their objective. There could be but one final result, namely, a complete breakdown of government and a resort to force both by the law-abiding and the lawless."

It will undoubtedly occur to some of you that if the law is this clear, the matter might have been brought to a head more quickly by the Government seeking an immediate temporary restraining order instead of petitioning for a preliminary injunction with a 10-day delay prior to hearing. This course and the date of the hearing were set by Judge Davies. Perhaps he wanted to give the Governor an opportunity to conform to the requirements of the Federal Constitution and law as he had promised to do when he met with President Eisenhower in Newport. Possibly Judge Davies was reluctant to believe that a governor of a State would deliberately and intentionally use his troops to obstruct the orders of a Federal court and attempt to nullify the Constitution and laws of the United States. In any event the court was definitely of the view that the Governor should be served with notice and afforded an opportunity to be heard before any injunction issued against him or his officers.

You will readily recall the next developments. Governor Faubus made his dramatic flight to Rhode Island to confer with President Eisenhower about the situation. While the official statements that followed this meeting were noncommittal about details, Governor Faubus did state publicly that he recognized integration as the "law of the land." It seemed possible that the meeting might have achieved its purpose of solving the impasse without force or ultimatum. It even seemed possible that the Governor might either withdraw the Guardsmen from the high school or revise his order so as to admit Negro students under the protection of the Guard, taking such action without the necessity of a hearing and order from the United States court. But Governor Faubus did not follow any such course.

On September 20 he entered an appearance in the district court by counsel, though not in person. After a series of dilatory motions and challenges to the jurisdiction of the court had been denied, the Governor's counsel walked out of court without waiting for the taking of any testimony, refusing in the

name of the Governor to recognize the court's authority or jurisdiction.

Judge Davies then proceeded without further delay to take testimony and enter appropriate findings of fact and conclusions of law. The principal finding was that since September 2, and up to the time of the hearing on September 20, the units of the Arkansas National Guard had remained at Central High School and had continued to prevent eligible Negro students from attending the school, pursuant to the order issued to the Guard by the Governor of Arkansas. The court found that these acts directly obstructed and interfered with the carrying out and effectuation of the court's orders of August 28, 1956, and September 3, 1957, contrary to the due and proper administration of justice. On this basis the court then issued the appropriate injunction.

It is important to note that the court did not order the Governor to remove the National Guard from the high school or its vicinity. The court continued to leave it within the discretion of the Governor to determine whether the presence of the Guardsmen at the school was needed in order to preserve the public peace and order. All that the court required was that the Governor and the Guardsmen desist from preventing the eligible Negro students from attending school and from preventing the school board from putting into execution its plan of integration as approved by the court.

That evening Governor Faubus told a radio-television audience he would "exhaust every legal remedy to appeal this order. However * * * I will comply." The troops were withdrawn, but to date no steps have been taken to appeal.

The events that followed the opening of school the next Monday are not likely to be forgotten by any of us. You will recall that an unruly mob quickly began to gather. You have seen for yourselves the pictures of white men, their faces flushed with hate, striking and kicking the colored news photographers who happened to be present, and chasing other Negroes who ventured into the vicinity. You will recall that the Negro students were received into the school, but that the uproar caused by the mob outside was so great that the school authorities, the mayor, and the city police requested the Negro children to retire from the school until better protection could be provided.

The requests of the school and city authorities for assistance against this violence went unheeded by Governor Faubus. It became all too plain that the public agencies of the city of Little Rock and the State of Arkansas either could not or would not provide the Negro students with the equal protection of the laws guaranteed to them by the Constitution of the United States. The mob, having been inflamed against the Negroes, was on the verge of breaking into extremes of violence because of the lack of any real effort by State authorities to curb it.

Consequently, before the day was over President Eisenhower issued his proclamation calling on the mob to cease and desist from its obstruction at the school and to disperse forthwith. The President was acting under authority of chapter 15 of title 10 of the United States Code which I shall discuss in a moment.

On the following morning the mob again gathered in front of the Central High School, notwithstanding the President's proclamation, obviously bent on again preventing the court's order relating to the admission of Negro children to the school from being carried out. Thereupon the President issued an Executive order "Providing Assistance for the Removal of the Obstruction of Justice Within the State of Arkansas." This order authorized and directed the Secretary of Defense to order into the active military service of the United States as he may deem appropriate any or all units of the National Guard to serve for an indefinite period and until relieved by appropriate orders, to utilize the Armed Forces of the United States and to take all appropriate steps to enforce any orders for the removal of obstruction of justice in the State of Arkansas with respect to enrollment and attendance in the Little Rock School District.

The Secretary acted without delay. A unit of the Armed Forces was sent to Little Rock at once, while the Arkansas National Guard was federalized at the same time. The mob was dispersed efficiently and with a minimum of incident. The Negro students returned to school under protection of the soldiers.

Now we are confronted with the extraordinary spectacle of a public school operating with soldiers present to afford physical protection for some of its students from an incipient mob and from the violence of outsiders.

It is too bad that the Federal Government had to intervene, but no other course was possible. When the Governor of Arkansas determined to use the National Guard for the unlawful purpose of preventing integration in Little Rock, as planned by its school board and ordered by the Federal court, Federal intervention became inevitable. The necessity arose from this open defiance of the law and of the courts. While the normal agencies for law enforcement were adequate to keep the peace, they had been ordered to nullify the law.

Now it is being claimed that the course followed by the President was illegal.

The President in his inaugural oath swears and affirms that he will to the best of his ability "protect and preserve the Constitution of the United States." So long as the Constitution stands; so long as the Supreme Court's interpretation stands; so long as the President maintains his oath, the Federal Government must step in if State and local authorities deny to citizens the equal protection of the laws guaranteed by the 14th amendment.

The President's duty rests in the Constitution, but the manner of carrying it out has been spelled out in detail by the Congress. Section 332 of title 10 of the United States Code provides that "Whenever the President considers that unlawful obstructions, combinations, or assemblages * * * against the authority of the United States, make it impracticable to enforce the laws of the United States in any State or Territory by the ordinary course of judicial proceedings, he may call into Federal service such of the militia of any State, and use such of the Armed Forces, as he considers necessary to enforce those laws." And the next section provides additional authority. Section 334 authorizes the proclamation to the mob to disperse as a preliminary step to calling upon military authority. In this instance the President issued his proclamation on September 23.

There is nothing old about this statute and nothing new about its principle. The statutes to which I have just referred were revised and reenacted as recently as 1956. It is not without interest to note that the subcommittee of the Senate that approved his language was headed by Senator JOHN L. MCCLELLAN, of Arkansas, while the chairman of the full committee which unanimously approved its passage was presided over by Senator JAMES O. EASTLAND, of Mississippi. It passed both Houses without objection.

The principle of this law long antedates the Civil War. It was originally enacted in 1792. It was utilized 2 years later by President George Washington in suppressing the Whiskey Rebellion and has been utilized by later Presidents on at least 13 occasions. The legality of the action taken by the President will never be successfully challenged.

This is as far as it seems proper for me to go in my recital of events. Obviously there are matters of interest pending and under investigation at the present time, but it is not in order for me to discuss them.

By way of conclusion, however, I can state that no one should have been in any doubt in the past and none can be in any doubt in the future as to the course that the President—any President—must follow when the troops of a State are used to nullify the Constitution and laws of the United States, as interpreted by the Supreme Court, and to defy the orders of the courts of the United States. No President can abandon the positions taken and sustained by Abraham Lincoln through 4 years of bitter Civil War. A wider understanding and acceptance of this fact in the South would be in the interest of national peace and tranquility.

BUILT-IN RECESSION STABILIZERS

Mr. PROXMIRE. Mr. President, the Sunday New York Times carries another excellent economic analysis by Mr. Edwin L. Dale, Jr. Mr. Dale points out how enormously important the so-called built-in stabilizers have been in this recession, and the recessions of 1948, 1949 and 1953 and 1954, in preventing the terrible devastation of a full-fledged depression. Mr. Dale's article suggests that the income cushions of social security, unemployment compensation, and farm-price supports are the three principal safeguards of our economy.

Mr. President, if we are to stop this economic slump, we should act as quickly as possible to provide urgently needed substance and strength for these cushions. Unemployment compensation has been eroded by inflation and by competition between the States to keep this compensation at a low competitive level. Social security has become pitifully inadequate because of the rise in the cost of living. Literally millions of social-security pensioners are little better off with their social-security checks than they would be in relying on relief. Mr. President, this Congress should act as expeditiously as possible to substantially improve and increase both these programs. It can do so without taking a cent from general revenues, without unbalancing the budget by a penny. Both these programs are self-financing. An extremely modest adjustment in the taxes relating to these programs can provide revenues that will be enormously beneficial in our economy. Whether or not farm-price supports continue to provide a cushion for our economy is now in the lap of the President of the United States. Congress can act, however, to provide for a far better long-range farm program in the course of this session.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS RECESSION AND PAST UNITED STATES EXPERIENCE—BUILT-IN STABILIZERS VARY PATTERN FROM THAT OF GREAT DEPRESSION

(By Edwin L. Dale, Jr.)

WASHINGTON, March 22.—Private, capitalist economies have business slumps. There have been about 24 in the last 100 years in the United States. The business cycle ap-

pears to be a fact of life that probably cannot be escaped.

In comparing the 1957–58 slump with its predecessors—chiefly the great crash that began in 1929–30 and the two previous postwar slumps of 1948–49 and 1953–54—three questions are in order:

Has the pace of decline to date been materially different?

Was the condition of the economy before the slump materially different?

What has the Government done about the slumps in the past and how well did it work?

The pace of decline depends in part on the beginning date selected and the measurements used. But, assuming the current recession began last July, it can be said in general that the pace of the 1957–58 slump has been a little steeper for its first 7 months than the other two postwar recessions, certainly stiffer than 1953–54, but that all three have been less steep than in 1929–30.

KEY INDEX

For example, the key index of overall industrial production fell 8 to 9 percent in the first two postwar slumps and 9.7 percent this time during the first 7 months, but it fell 13.1 percent in 1929–30. Nonfarm employment was off 2.3 percent in 1953–54, 3.3 percent in 1948–49, 3.1 percent this time and 5.4 percent in the same period of the great crash.

There is one other significant difference, related not only to the pace of the decline, but to major changes in the economy since the great depression. This is the movement in personal incomes.

In 1929–30, personal income fell off about 8 percent in the first 7 months of the slump. This meant a sharp and severe drop in purchasing power.

Since that time there have been added unemployment compensation, other social security payments affecting mainly the aged, and farm price supports. These income cushions, otherwise known as built-in stabilizers, have worked beautifully in the postwar slumps.

Compared with the 8 percent decline in personal income in 1929–30, the decline in 1948–49's first 7 months was 3.1 percent, while in 1953–54 it was 1.9 percent and 1.3 percent in 1957–58. This means that purchasing power in each postwar slump has fallen far less than production and considerably less than employment.

If the differences in the pace of decline between prewar and postwar are notable, the differences in the condition of the economy before the slumps are even more important.

BASIC CONDITION

One basic condition applied to all four: There was an inflation of one kind or another preceding the slump. In 1929, it was not primarily a consumer price inflation but a specialized inflation in stocks, real estate and some commodities. It was still an inflation, however, according to most modern analysis.

But it is the differences that count. All three postwar slumps began with these differences from 1929:

1. There was no preceding runaway stock market boom. New legislation made some of the worst features of the 1920 boom impossible. The amount of stock market credit was regulated and totaled only one-fifth or less of the amount in 1929.

2. The banks had Federal deposit insurance. This virtually barred runs on banks and the kind of financial collapse that characterized the great depression.

3. Housing credit was much sounder. The concept of the amortized mortgage loan, insured by the Government in many cases, had replaced the old short-term loan payable in full on maturity.

4. Federal spending made up a far larger part of the total economy. In 1929 the Federal budget came to only about 3 percent of the gross national product, but today it is about 18 percent. This is spending that, if anything, automatically increases in slumps and certainly does not dry up.

5. Incomes were more evenly distributed.

All of these changes are, of course, in addition to the aforementioned built-in-stabilizers.

How about differences and similarities at the outset of each of the three postwar slumps?

They all had been preceded by inflation. They all had been preceded by what was probably excessive buildup in inventories. But otherwise there were differences.

The precondition for the 1948–49 slump was essentially the huge surge of consumer buying after World War II, accompanied by rapid consumer price inflation. The 1953–54 slump was preceded by the Korean war and a big surge of Government spending—spending that began falling in late 1953 and helped trigger the slump.

Before the present slump, the key features of the economy were probably the huge bulge in business investment in plant and equipment, and an only slightly smaller bulge in consumer installment credit.

In effect, excesses seem to breed slumps. One of the main reasons for extra concern about the present slump is that the main excess was in plant and equipment spending. The fear is that this major item in overall demand will be sliding downward all through 1958 and well into 1959, on the ground that industrial capacity has fully caught up with consumer and other demands.

INADVERTENT MEASURES

That leads to Government remedies, and the thinking behind them. Surprisingly, it turns out that the major Government measures in each of the postwar slumps before this one, aside from the aforementioned remedies already built into the system, were taken almost inadvertently. In 1929, of course, economic thought was much different from today's, and the Government did not feel called on to act early in the game.

President Herbert Hoover seems, in the light of history, to have vacillated between a belief that things would soon improve and a belief that something should be done. But there is little doubt that his underlying belief was that radical Government measures—necessarily involving a deficit in the budget—wou'd be unsound and would do more harm than good.

However, ironically, he did cut taxes in November 1929. The trouble was that taxes were already so low that the saving for a man earning, say, $5,000 a year was less than $10 a year. The President also proposed to Congress and got some increase in Government public-works programs.

In the 1948–49 slump the built-in stabilizers performed admirably. Outside of that, the Government took the familiar measures of easing credit and trying to spur housing by increasing Government purchases of mortgages. But the big help seems to have come from two actions unrelated to the slump.

One was a tax cut enacted by the Republican Congress over President Harry S. Truman's veto in 1948, well before the slump began. The other was the beginning of the Marshall plan, in which 1949 was the first big-spending year. This created a big demand for American goods to be shipped to Europe.

EASING OF CREDIT

In 1953–54, there was also a major easing of credit and the array of housing measures. This time the credit easing probably made some difference, because it followed a period of rather tight money, unlike 1948–49. Other comparatively minor measures were taken, including an effort—not altogether successful—to speed up Government spending on some programs.

But the big item in that slump was a $7,500 million tax cut—$5 billion of which had been already written into law 2 years before. All the administration had to do was let this big tax cut go into effect. It did so, despite the fiscal orthodoxy of the then Secretary of the Treasury, George M. Humphrey, because Government spending was heading downward at the time following the Korean war, and the tax cut did not increase the deficit much.

This postwar experience is an illustration of why the present situation is such a difficult one. True, the gods have once again provided a lucky break—the postsputnik increase in defense spending.

But there is a real doubt that this will be enough. Hence the widespread belief that this recession is providing much the most severe test of whether modern American governments can and will take the right actions to cure successfully a serious slump.

TAX CUTS

Mr. PROXMIRE. Mr. President, two interesting articles were published in this morning's newspapers. One in the cautious, careful, conservative New York Times, is entitled "Tax Cuts as a Tonic." I agree with the statement in the New York Times. Statements by Dr. Arthur F. Burns, former Chairman of the Council of Economic Advisers, and the distinguished Committee for Economic Development, which includes some of the Nation's outstanding businessmen, that if energetic antirecession action will be needed shortly, a major tax reduction promises to be the most effective most quickly.

This morning the Washington Post and Times Herald published an article entitled "Eventually, Why Not Now?" written by Joseph and Stewart Alsop, which urges that Congress reduce taxes. The article states, in part:

A tax cut will have all the more force because any stimulant always is more effective if it is applied early, whether to an ailing economy or an ailing body.

Mr. President, I ask unanimous consent that the two articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 24, 1958]

TAX CUTS AS A TONIC

Two additional and influential voices have been raised in favor of Government tax reduction as the primary weapon for reversing the current recession. The Committee for Economic Development has urged a general 20 percent cut in personal income taxes for the next year if the decline in the economy persists through April. Dr. Arthur F. Burns, former Chairman of the Council of Economic Advisers, goes one step farther. He advocates an immediate and permanent $5 billion cut in taxes, and expresses fear that if this step is not taken in the next few weeks we may have to resort later to drastic medicine.

Until last Saturday the impression was general that the administration had made up its mind that if massive intervention to reverse the recession were required it would resort to a large tax cut. Two weeks ago, for example, the President's letter to Republican leaders in Congress denounced proposals for huge Federal public works programs as efforts to resuscitate the WPA and other pump-priming schemes of the 1930's. Now, however, confusion has been created by

Vice President NIXON's indication that the administration has not yet made a choice between tax relief and major public-works programs.

In this situation it seems wise to point out the great advantage tax cuts have over public works in the situation which may be confronting us. A tax cut would immediately increase the spendable income of income recipients all over the country, thus stimulating demand. If the tax relief included reduction in excise taxes, for example, on automobiles, it would permit lower prices, also tending to stimulate sales. Public works, on the other hand, are necessarily slow to get under way and could not stimulate demand as rapidly as tax cuts.

We are not, of course, required to place exclusive reliance upon either antirecession weapon. The Government's public-works program is being stepped up moderately now. Moreover, there is available a type of public works—school construction—whose sharp increase would serve a major social purpose as well as help combat the recession. But as we have indicated before, we believe—as do Dr. Burns and the CED—that if energetic antirecession action is needed shortly it is a major tax reduction which promises to be most effective most quickly.

[From the Washington Post of March 24, 1958]

EVENTUALLY, WHY NOT NOW?

(By Joseph and Stewart Alsop)

When the uneucouraging preliminary figures for March employment and business activity were laid before the Cabinet last week, the response was gloomily impassive. This raises the puzzling question: "Eventually, why not now?"

Eventually, if the final returns of March are bad, the administration is heavily committed to a bold, business-stimulating tax cut. The President himself promised the country a March upturn only a few weeks ago.

Other leading figures of the Eisenhower team repeatedly have explained that we must wait and see the March outcome, and they have indicated that action to cut taxes would follow if the March outcome proved disappointing.

Virtually all the indexes now suggest that the March outcome will be decidedly disappointing. New applications for unemployment relief have dropped fractionally. The month may well show a modest increase of persons having jobs—which the White House staff immediately will claim as justification of the President's incautious forecast.

But although the total of employed may rise, the figures already available almost surely mean that the crucial unemployment total will either hold about even or quite possibly rise, too. As family incomes are lowered by cuts in work hours, more and more housewives and young people are looking for jobs to keep pork chops on the family table.

Overall, the American economy looks like doing no better in March than in February, and there are some who say the curve is still downward in a month of normal seasonal pickup.

Unanimity among economists is never to be looked for. But there are not many Government economists who have not already delivered an unfavorable verdict on the month of March, except for men directly attached to the President's staff, like Gabriel Hauge.

The White House experts and some in the Treasury continue to argue that the economy's March performance can be judged only when all the statistics are finally available in mid-April.

Maybe Hauge is right. Certainly, it is now the White House intention to stick to the wait-and-see line, at least until mid-April. Even Vice President NIXON, who was all for an immediate tax cut only 2 weeks ago, has swung round to the case for wait-and-see. But the odds are clearly about 3 to 1 that, when mid-April rolls around, the final returns on March will give the administration no choice but to take the promised action to cut taxes or openly to declare that tax cutting is not such a good remedy after all.

Therefore the question: "Eventually, why not now?" It has all the more force because any stimulant always is more effective if it is applied early, whether to an ailing economy or an ailing body. It is a really puzzling question, but it has an answer that comes in three parts.

In the first place, a big tax cut is a very big step, especially in view of the worsening foreign and defense situations, which may make heavy future demands on the economy. For that reason, if for no other, the keyman on the President's advisory team, Treasury Secretary Robert Anderson, takes Hauge's line, not hostile to a tax cut if needed, but wanting all the evidence before the decision.

In the second place, there is an identifiable school of thought in the administration, probably stronger in the Federal Reserve Board than elsewhere, unkindly described as the "further through the wringer" school, in which inflation has been the great fear, all through the Eisenhower years.

The "further through the wringer" school holds that the current depression has simply got to be reflected in serious price cuts before it will be safe to take stimulating action with a naturally inflationary tendency, like a tax reduction. Otherwise, this school says, a stimulated upturn now will lead surely to a grave inflationary situation 2 years from now.

The third part of the answer is clearly the President himself. In the President's attitude, there are more than hints of the strong influence of his businessmen friends, many of whom have views about Government interference in the economy that do not differ greatly from former President Hoover's.

Then, too, as his reaction to the sputnik also showed, Dwight Eisenhower nowadays greatly prefers immobility to motion. The President is, therefore, the strongest defender of doing nothing now to lower taxes, even though it appears almost certain the tax-cut stimulant will have to be applied later.

SCHOOL CONSTRUCTION

Mr. PROXMIRE. Mr. President, on March 21, 1958, the New York Times published a powerfully persuasive editorial urging that the Congress give its immediate attention to a program for school construction. This editorial asks this crucial question:

If we are going to embark on a national policy of accelerating highways, housing, and the like, what excuse is there for not also including schools in such a program?

Mr. President, I ask unanimous consent that this editorial be included in the RECORD at this point following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

WHY NOT SCHOOLS?

In an amazingly short space of time, reminiscent of the early days of the New Deal, both Houses of Congress have now passed their first important measure to combat the recession. This is a housing-finance bill, designed to stimulate construction of 200,000 new units and thereby furnish employment to some 500,000 persons this year. A total of $1,850 million is provided, mostly for purchase of Government-insured mortgages.

Meanwhile the Senate has already started hearings on a bill to set up a $2 billion Federal loan fund to States and localities for public works construction, thereby multiplying the present authorization for this purpose by 20 times. And the President has asked for a speedup in over $2 billion of already authorized local projects financially aided by the Federal Government, including slum clearance, public housing, college housing, small-town sewer and waterworks and rural electrification. Defense Department contracts for military vehicles—$100 million worth—are also being accelerated.

Inasmuch as unemployment—which seems to be increasing—is concentrated primarily in the manufacturing, construction, and transportation industries, these various moves will undoubtedly have some beneficial effect on the economy. Whether they will be sufficient, and whether they can get under way quickly enough, are debatable questions. But in all the administration proposals for public works, whether of large scale or small scale, of short duration or long duration, we notice that one major area is consistently overlooked.

That is a program for school construction. If we are going to embark on a national policy of accelerating highways, housing, and the like, what excuse is there for not also including schools in such a program? The tremendous, pressing need for additional schools is by this time beyond question. The administration itself has until this year advocated a school-construction program. Now that we are in a recession, when everybody is talking—and in some cases much too glibly—about public works as an antirecession device, why are schools suddenly forgotten?

We do not pretend that a school-construction program could be undertaken overnight, nor that if it were adopted it would necessarily have an immediate effect on unemployment. Neither would many other public works programs that are being talked about. But if this Nation is going to start plunging in on public works in a big way, what public work is more desperately needed than schools?

DAIRY COMMODITIES PRICE SLASH

Mr. PROXMIRE. Mr. President, on Friday afternoon the Secretary of Agriculture announced the prices at which dairy commodities will be supported this year in accordance with his recent announcement of a reduction to 75 percent of the new, lower parity equivalent which he has put into effect.

These prices spell a future of despair and injustice to the dairy producers of this Nation. Mr. Benson's order will cut dairy farmers' incomes in my State alone by at least $40 million. It will snatch this $40 million out of the cash registers of Wisconsin businessmen who trade with the farmers.

Worst of all, Mr. President, Mr. Benson's order will give a powerful, dangerous downward shove to the economy of the whole Nation—at the very time we may be faltering on the brink of the unthinkable disaster of a major depression.

I want to present the specific details of what Mr. Benson's order does to the prices farmers will receive for their milk and dairy products:

When Mr. Benson took office in January 1953, the support price for manufacturing milk was $3.85 per hundred pounds. He has reduced it for the next year to only $3.03. This is a cut of 82 cents per hundred pounds.

But this is only part of the story. Farmers' costs last month had risen to the highest point in all history. Consequently, today's dollar buys far less than it did in 1953.

The thing that is important to the farmer, Mr. President, is how much his milk will buy. The combination of sharply reduced price for milk and the sharply increased cost of farm operations means that 100 pounds of milk at Mr. Benson's reduced prices will buy only 77 percent as much as it would when he took office.

This is a shocking cut in the farmer's purchasing power—a slash of 23 percent in his buying power in 5 years' time.

I have a table showing the extent of the various price changes for dairy products that have been made since 1952 by Secretary Benson. I ask unanimous consent that this table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Changes in support level and purchase prices for dairy commodities, 1952–58

[All figures are supplied by U. S. Department of Agriculture]

Commodity	Marketing year		
	1952	1957	1958
Cheese (pound)	$0.38¼	$0.35	$0.32½
Dried milk (pound):			
Spray	.17	.16	.14
Roller	.15	.14	.12
Butter (pound)	.67¼	.59½	.57½
Support objective, manufacturing milk (hundredweight)	3.85	3.25	3.03

PRESIDENT EISENHOWER'S PROMISES TO FARMERS

Mr. PROXMIRE. Mr. President, only 8 days remain before the threatened cut in price supports for dairy commodities is scheduled to take effect.

Congress has acted to avert this calamity to our farmers and to our national economy. The decision now rests with the President of the United States.

I wish to compliment the able majority leader for his remarks to the press over the weekend on this important question. In my opinion, he touched on the most vital aspect of this matter when he emphasized that the further reductions in farm prices which Secretary Benson has ordered will cause additional unemployment.

Mr. President, if the President vetoes the resolution adopted by Congress to suspend further cuts in farm prices, he will, in effect, slam the factory gates against more workers in American industry, and turn additional breadwinners into the streets to join the ranks of the unemployed.

I hope the President will consider these consequences of his action as he weighs his decision on this resolution.

I hope he will consider also the promises he has made to the farmers of this country—promises which, unhappily, he has never kept. After 5 years of steadily declining farm prices—a decline of farm prices which has been encouraged and speeded by reductions in the level of price supports—it would be well for the President to give belated attention to his own pledge to the farmers to help them to achieve higher prices and higher incomes.

I call the attention of my colleagues to what Mr. Eisenhower promised the farmers 5 years ago. I ask unanimous consent to have printed at this point in the RECORD the promises made by General Eisenhower to the farmers.

There being no objection, the quotations from General Eisenhower's 1952 campaign speeches were ordered to be printed in the RECORD, as follows:

EISENHOWER'S PROMISES TO THE FARMERS

Following are the major specific promises to farmers made by President Eisenhower in his 1952 election campaign; quoted directly from the official text of his speech at the national plowing contest, Kasson, Minn., September 6, 1952:

"And here and now, without any 'ifs' or 'buts,' I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment to the basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on basic commodities at 90 percent of parity. These price supports are only fair to the farmer to underwrite the exceptional risk he is now taking. * * *

"I firmly believe that agriculture is entitled to a fair, full share of the national income and it must be a policy of Government to help agriculture achieve this goal. * * * And a fair share is not merely 90 percent of parity—but full parity.

"We must find sound methods of obtaining greater protection for our diversified farms. * * * They yield the rich variety of meat, milk, eggs, fruits, and vegetables that support our nutritious national diet. As provided in the Republican platform, the nonperishable crops so important to the diversified farmer—crops such as oats, barley, rye, and soybeans—should be given the same protection as available to the major cash crops.

"The Democrats * * * keep saying, 'There is no way of protecting perishables except through the Brannan plan.' But we can and will find a sound way to do the job without indulging in the moral bankruptcy of the Brannan plan.

"I give you this positive assurance: The Republican Party will use all the power it legitimately can use to see that American farmers obtain their full share of the income produced by a stable, prosperous country."

Mr. PROXMIRE. Mr. President, these were the solemn promises to American farmers made by the Republican candidate in 1952. As he debates with his conscience as to whether to sign or veto the resolution which will merely prevent Secretary Benson from making the farmers' situation even worse in 1958—after 5 years of steady worsening since the 1952 campaign—I earnestly hope that Mr. Eisenhower will recall these pledges, and that he will sincerely ask himself whether he should not, at this hour of desperate emergency for our farm families, honor the spirit at least of these promises by signing the resolution which would prevent further losses in price and income to farm people.

NATIONAL SYSTEM OF HIGHWAYS—AMENDMENT

Mr. CASE of South Dakota. Mr. President, I offer for printing as an amendment to the pending highway bill the text of a bill I have previously introduced, entitled "To enable persons in rural areas adversely affected by the proposed location of a highway on the National System of Interstate and Defense Highways to register their protests over the proposed location."

The amendment is offered in response to suggestions made to me by the National Stockgrowers Association. That association advised me that the present law seemingly excludes them, since it refers only to towns and villages which will be bypassed by the Interstate Highway System or will be bisected by it.

The amendment, which is very simple, merely seeks to afford the people who live in the country the same opportunities to testify that are afforded those who live in towns, to be heard on the locations of sections of the Interstate Highway System. It will enable large stockgrowers or farmers to have ample opportunity to testify relative to roads which are planned to go by or through their property.

I believe there will be little, if any, additional cost entailed for holding the hearings, inasmuch as persons living in rural areas can be invited to appear before meetings held in adjacent villages or towns, and there to present the matters which concern them.

CONTROL OF BILLBOARDS ON THE INTERSTATE HIGHWAY SYSTEM

Mr. NEUBERGER. Mr. President, on Saturday the distinguished chairman of the Committee on Public Works, the senior Senator from New Mexico [Mr. CHAVEZ], reported to the Senate the new Federal highway bill, S. 3414.

I wish to address myself in particular to the portion of the bill which pertains to the regulation of signboards along the Interstate Highway System.

Mr. President, if I am not mistaken, this will be the first time in the history of the United States that the United States Senate will have debated the entire issue of whether the Federal Government has an equity in protecting roadside scenery and grandeur along highways which qualify for very great Federal benefactions in the form of financial support.

For the information of Senators who may soon have to vote on this question, I should like to detail 10 brief, but important, reasons why the billboard-control incentive provisions proposed by the able junior Senator from California [Mr. KUCHEL] and me, and adopted by the Committee on Public Works, should remain in the excellent, new Federal-aid highway bill which the committee has ordered reported to the Senate:

First. The new National System of Interstate Highways belongs to the public and the motorists who travel on it, and whose taxes pay for it, and not to any outdoor advertising companies.

Second. In our daily lives, there is all too little contact with America's natural setting and scenic grandeur; and when people do get out of the cities, the countryside should be visible to them, uninterrupted by blatant sales appeals.

Third. This bill does not propose any direct Federal action, but leaves the

choice of action entirely to the individual State governments, and offers assistance to those which wish to act.

Fourth. The interstate highways are 90 percent Federally financed. Is it unreasonable to protect this vast public investment by a slight, additional offer of financial assistance to States which elect, under their own State laws, to safeguard roadside scenery along these new highways?

Fifth. The limited-access nature of these new, transcontinental routes has been accepted by Congress without controversy, although this has denied direct highway frontage to roadside businesses such as motels and restaurants. Should a special exception exist, to permit only one roadside business—the billboard business—to have the privilege of direct access to travelers on the interstate highways?

Sixth. Signboard and other roadside controls can be obtained easily and inexpensively now, as new rights-of-way are being acquired for the interstate highways. If we fail to safeguard the public interest now, we shall leave an impossible burden to those who would wish to do later what we left undone, after a billboard forest has sprung up along the new highway network.

Seventh. Experience with billboard-free routes and areas does not indicate any adverse effect on local establishments which cater to the traveling public or the tourist trade. This bill makes reasonable provisions with respect to informational signs to advise travelers of such facilities located off the highways.

Eighth. Roadside protection has enthusiastic support from millions of persons in all walks of life, with the exception only of those who have a direct financial stake in the potential signboards along the new highways. The billboard industry itself, which deliberately misrepresents this measure in the name of States' rights, consistently fights against regulatory measures at the State level. Mr. President, I repeat that the present bill would assist only States which wish to act.

Ninth. Outdoor signs are effectively regulated in such realms of outstanding scenic grandeur and attraction to tourists as Hawaii, Alaska, and Switzerland.

Tenth. The proposal in the present highway bill is wholly nonpartisan; it was drafted and urged in the committee by 1 Republican Senator and 1 Democratic Senator; at least 8 other Members of Congress of both parties have introduced similar proposed legislation; and such action has been urged by President Dwight D. Eisenhower, Adlai Stevenson, several governors, and men and women of both parties in all 48 States.

ANALYSIS OF SECTION 12

Mr. President, in these 10 brief paragraphs I have summarized the main reasons why the roadside-control section should remain in the highway bill. At this time I should like to explain in somewhat more detail what this proposal is and how it would meet some of the questions which have been raised about it.

The proposal of the junior Senator from California [Mr. KUCHEL] and myself, as further amended in the Committee on Public Works, is contained in section 12 of Senate bill 3414, the overall highway bill reported by the committee. So that Senators may have before them the text of the proposed legislation in question, I ask unanimous consent that section 12 be printed in the RECORD at this point in my remarks.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 12. The Federal-Aid Highway Act of 1956 (70 Stat. 374) is amended by renumbering section 122 as section 123 and inserting a new section 122, as follows:

"SEC. 122. Areas adjacent to the Interstate System.

"(a) National policy: To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investments in the National System of Interstate and Defense Highways, it is hereby declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system. It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for:

"(1) Directional or other official signs or notices that are required or authorized by law.

"(2) Signs advertising the sale or lease of the property upon which they are located.

"(3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

"(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

"(b) Agreements: The Secretary of Commerce is authorized to enter into agreements with State highway departments (including such supplementary agreements as may be necessary) to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State. Any such agreement shall include provisions for regulation and control of the erection and maintenance of advertising signs, displays, and other advertising devices in conformity with the standards established in accordance with subsection (a) and may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation, development of viewpoints for scenic attractions that are accessible to the public without charge, and the erection of markers, signs, or plaques, and development of areas in appreciation of site of historical significance. Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, or which are built on rights-of-way wholly acquired before July 1, 1956.

"(c) Federal share: Notwithstanding the provisions of section 2 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), if an agreement pursuant to this section has been entered into with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof, not including any additional cost that may be incurred in the carrying out of the agreement: *Provided*, That the increase in the Federal share which is payable hereunder shall be paid only from appropriations from moneys in the Treasury not otherwise appropriated, which such appropriations are hereby authorized.

"(d) Whenever any portion of the Interstate System is located upon or adjacent to any public lands or reservations of the United States, the Secretary of Commerce may make such arrangements and enter into such agreements with the agency having jurisdiction over such lands or reservations as may be necessary to carry out the national policy set forth in subsection (a) of this section, and any such agency is hereby authorized and directed to cooperate fully with the Secretary of Commerce in this connection.

"(e) Whenever a State shall acquire by purchase or condemnation the right to advertise or regulate advertising in an area adjacent to the right-of-way of a project on the Interstate System for the purpose of implementing this section, the cost of such acquisition shall be considered as a part of the cost of construction of such project and Federal funds may be used to pay the Federal pro rata share of such cost: *Provided*, That reimbursement to the State shall be made only with respect to that portion of such cost which does not exceed 5 percent of the cost of the right-of-way for such project."

Mr. NEUBERGER. Mr. President, section 12 of the bill adds a new section 122 to the Federal-Aid Highway Act of 1956, the act under which the new National System of Interstate Highways is to be built.

The section begins by declaring that it is in the public interest to encourage and assist the States to control and improve the areas adjacent to the Interstate System, particularly with respect to control of signboards. It states that outdoor advertising signs within 660 feet of the edge of the Interstate System rights-of-way "should be regulated," consistent with certain standards which I shall discuss in a moment.

Note, Mr. President, that there is here no suggestion of any direct Federal prohibition, control, or regulation of billboards or any other roadside structures; there is only a declaration that, in the public interest, there should be regulation and that therefore it would be in the public interest to assist States which wish to provide such regulation. The choice in the matter is left wholly to the States. I wish to emphasize that point very strongly.

The standards to be prepared and promulgated by the Secretary of Commerce—whose Department includes the Bureau of Public Roads, which administers the Federal-Aid Highway Acts—will expressly recognize that, within this

process of regulation under this act, provisions shall be made for certain classes of signs. Besides, first, the obvious and essential official signs to direct highway traffic, these include three other classes of signs which the committee thought should be provided for in fairness to landowners, and also to off-highway businesses catering specifically to travelers in the particular locality or area where such signs are erected. These are, second, signs advertising the sale or lease of the property on which they are located; third, signs, not larger than 500 square inches, advertising activities being conducted at a location within 12 miles of the point at which such signs are located; and, fourth, signs erected or maintained pursuant to authorization in State law, and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Actually, Mr. President, I wish to say at this point that I think that as a result of a committee amendment which was adopted in the Senate Committee on Public Works, there is some unnecessary overlap between the third and fourth classes of permitted signs. In our separate views in the committee report, the junior Senator from California [Mr. KUCHEL] and I have pointed out that this particular amendment "will confront the States and the Secretary of Commerce with a difficult challenge of administration. We regret that this change will add to the burden of drafting regulations and standards to cover an additional class of signs which should otherwise have been provided for within the fourth class."

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Oregon yield to the Senator from California?

Mr. NEUBERGER. I am very happy to yield to the cosponsor of the amendment, the distinguished junior Senator from California.

Mr. KUCHEL. First, Mr. President, I wish to say that I have been perfectly delighted to work on a nonpartisan basis with the able junior Senator from Oregon in fashioning what I feel sure is a perfectly reasonable, logical amendment to deal with the subject of giving to the States of the American Union an incentive to control outdoor advertising along the Interstate Highway System.

I regret that the text of our amendment was altered in one or two respects in the committee.

I wish to ask the able Senator from Oregon a question. When we drafted our amendment, we provided in the fourth exception as follows:

> Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Is it not true that by means of that language, the Senator from Oregon and I, endeavored to indicate a Congressional intent that the States have the right, under their own constitutions and their own State laws, to lay down with respect to those signs such regulations as the States themselves might find necessary in the public interest—that is to say, in the interest of the traveling public? Second, is it not true that was our specific intention in drafting subparagraph (4) of our supplemental views, which have been printed in connection with the committee's report on this bill?

Mr. NEUBERGER. First, Mr. President, I should like to reciprocate the very kind comments of the Senator from California regarding our working together in drafting this amendment. It is always a pleasure to work with the Senator from California, and it is a particularly gratifying pleasure when we are cooperating in a cause which both of us regard as so merited and worthy as this one.

If I am not mistaken, the Senator from California was formerly an official of his State, as I was formerly an official of my State.

Mr. KUCHEL. That is correct.

Mr. NEUBERGER. I understand that he was a member of the California Legislature during the time when I was a member of the Oregon State Legislature. So it is interesting to know that both of us have served sister States on the Pacific coast, in official capacities.

In our discussions of highway bill amendments which we drafted jointly, I recall very distinctly that we felt great latitude and flexibility should be allowed to the States.

We were aware that regulation of signboards had come under attack as an alleged invasion of States' rights; and I use the word "alleged" advisedly. Again I am going to ask the Senator to check me on this, but it was intended that point 4 in particular would lead legislatures and governors and highway commissions of every State to devise regulations which would provide great flexibility and great latitude, so that signs which would assist the traveling public could be specified in all those States.

Mr. KUCHEL. I agree with the Senator completely. Is it not true that by the use of the language which we incorporated in point 4 we intended to make available to each State which entered into such an agreement latitude for each State to determine whether it, the State government itself, would erect signs found to be necessary in the interest of the traveling public, or whether it would authorize private individuals to do that type of labor, under guidelines which the State government would lay down?

Mr. NEUBERGER. In reply to the Senator from California, I wish to reiterate what I said just a few moments before he and I began our discussion. I said, "The choice in the matter is left wholly to the States." It seems to me important that he and I emphasize this point very strongly. Without being provincial, I dare say the Senator from California and I have the privilege of helping represent in the Senate two of the most beautiful and scenic States in the Union.

Mr. KUCHEL. Indeed, we do.

Mr. NEUBERGER. We would not want the Federal Government to intrude upon the rights and prerogatives of the officials of the States of California and Oregon to decide just how the scenic grandeur of those two great Pacific seaboard States should be protected. What the Senator from California and I have done is submit to the committee, and now to the Senate, the modus operandi whereby each State government can cooperate with the Department of Commerce, through the Bureau of Public Roads, in regulating signboards along the highway system in a manner specified by the State, and provided only that each State government desires to do so. I do not think we can stress that matter frequently enough. No State has to engage in this billboard regulation whatsoever, if its governor or State legislature is unwilling to do so.

Mr. KUCHEL. The Senator is completely correct.

Mr. NEUBERGER. It could not be more of a voluntary arrangement. I dare say, without having knowledge of all of our Federal statutes, which knowledge I certainly lack, that this arrangement is more voluntary, in its purely cooperative arrangement between the States and the Federal Government, than 9 out of 10 arrangements whereby the Federal Government and the States work together in various programs which the Federal Government finances in whole or in part. Would not the Senator from California say that is a reasonably accurate statement?

Mr. KUCHEL. I do, and I think every intention in which we indulged was to give the States maximum latitude in applying a national policy, which, as the Senator has suggested, has been endorsed by outstanding citizens from every State of the Union, and certainly from both political parties.

Mr. NEUBERGER. I am glad the Senator from California brought out that particular point. I do not think there is any issue that has come before this session of Congress which is more strictly and wholly nonpartisan.

Mr. KUCHEL. I agree with the Senator.

Mr. NEUBERGER. Those who testified in behalf of the general policy which the Senator from California and I are supporting came from every avenue of life, from every possible stratum of society, and I think from every geographical region of our Nation. As I pointed out earlier, the idea of billboard regulation has been supported by President Eisenhower, and only 2 days ago I received a letter from the leader of the political party of which I am a member, the illustrious former Governor of Illinois, Adlai E. Stevenson, in which he took generally the same position. I think this in particular represents an effort of average people all over the United States. They may not be as vocal as what is known euphemistically as the billboard lobby, but I daresay 9 out of 10 of the American people who drive on the highways, and whose taxes pay for the highways, want to be able to look at the American countryside, whether it be in California, Oregon, or New Hampshire, without encountering a picket of signboards along the highways which they have financed and paid for.

Mr. KUCHEL. I heartily agree with what the Senator has said. I thank him for developing the intention of those who drafted the amendment which we gladly offered in committee.

Mr. NEUBERGER. I thank the Senator. I believe I can safely say that if the Senator from California and I had not been able to get together successfully and harmoniously, on a nonpartisan basis, the provision before the Senate today would not have been adopted by the Senate Public Works Committee. I think the Senator from California deserves great credit for modifying, or perhaps altering to some degree, the position he took last year. I think it is always the highest caliber of statesmanship when a person is willing to take a fresh look at a question and modify his view. I hope it is, because I changed my views with respect to postal rates, after taking a fresh look and sitting in the postal rate subcommittee. So I salute him for the openmindedness with which the Senator from California encountered this whole problem, and for the leadership he has demonstrated.

Mr. KUCHEL. I thank the Senator from Oregon very much. I look forward to vigorously pressing the amendment which the committee adopted, as we enter the debate in the Senate.

Mr. NEUBERGER. It will be a great source of strength to have the Senator from California at my side, because he has technical knowledge in this respect, from a legal standpoint, which I lack. I want to say to him that as we get into the issue I shall look to him not only for assistance, but for leadership and guidance.

Mr. KUCHEL. I thank the Senator very much.

Mr. NEUBERGER. I thank the Senator from California.

In any case, the point is that the standards of regulation to be promulgated by the Secretary of Commerce under this bill must provide for certain types of signs, consistent with those standards, which are of real informative value to the highway traveler specifically in the general area where he is traveling. What the States may do further to restrict signs under their own laws, beyond this bill, is of course wholly their own affair. As I shall continue to point out, this bill does not limit State freedom of action. But if State law authorizes the kinds of signs mentioned in the third and fourth classes of subsection (a), the standards promulgated by the Secretary may only contain reasonable regulation of them, not total prohibition.

I might say at this point, Mr. President, that I have no idea what standards the Secretary may promulgate as to the nature and shape of these permissible signs, their frequency, their location, their appearance in the setting in which they are to be placed, and so forth. I know that the professional personnel of various State highway departments have had much experience along these lines which no doubt will enter into the preparation of these standards. After all, the whole program is entirely dependent upon its acceptability for State action by a meaningful number of States. I only wish to emphasize, both to the proponents of effective controls and to those who are sincerely concerned about a possibly unjust impact of this bill, that we must proceed on the assumption that those charged with the administration of this program will act in a spirit of wanting it make it work. That is an essential assumption for any program, not only this program, and it is an absolute sine qua non for one like this that depends on the free and voluntary action of independent States.

AGREEMENTS WITH SEPARATE STATES

Subsection (b) of section 12 authorizes the agreements between the Secretary of Commerce and the highway departments of those States wishing to enter into such agreements, which will spell out the provisions for applying the policy standards of subsection (a) to the interstate highways within each particular State.

Let me stress that, beyond having to meet the standards of billboard regulation, these agreements may also include provisions for affirmative action to improve the appearance of the roadsides. This may include planting of trees and shrubs, general landscaping, the construction of viewpoints where motorists may leave the main highway surface to enjoy the scenery, roadside rest and picnic areas, historical markers, and so forth. I believe it was Gov. Averell Harriman, of New York, who recently pointed out that in building these new limited-access interstate roads, largely on new rights-of-way, the Nation has a unique opportunity to develop many thousands of miles of parkways across our country—an opportunity, Mr. President, which will not be available to the American people again in this century. In my view, this goal of making the best possible use of that unique opportunity can, and should be, one of the most worthwhile aspects of the agreements contemplated under this section.

Mr. President, not all of the 41,000 miles of the Interstate System will cross open country or attractive populated areas. Much of it will be through areas which are already wholly industrial or commercial in character. Many miles will traverse incorporated cities with home rule and their own zoning codes and land-use regulations. Some of it will be on existing rights-of-way, incorporating stretches of highway which already approximated the construction standards for the Interstate System when the Federal-Aid Highway Act of 1956 was enacted. To show the fallacy of those who believe that we are adopting an unreasonable, unrealistic, purist approach to this question of roadside control, let me point out that section 12 (b) expressly recognizes that the agreements with the States may, within the discretion of the Secretary of Commerce, and consistent with the public policy of this bill, exclude any such segments of the Interstate System within a State.

Again, flexibility for reasonable administration has been the keynote of drafting this provision, to which the junior Senator from California in particular has devoted much time and thought.

Mr. President, at this point I again want to emphasize the great contribution which the junior Senator from California has made to the drafting of an amendment which leaves extreme latitude to the States. The Senator emphasized to me the desirability of permitting zones of commercial and industrial areas contiguous to any municipality or incorporated town. After we discussed the matter thoroughly with our respective staffs, we included the provision in the amendment which is before the Senate. I stress that, because I wish to show that both the Senator from California [Mr. KUCHEL] and I have had in mind over and over again not only the authority and prerogatives of the States, but the authority and prerogatives of municipalities within those States, where industrial and commercial zones are located which might parallel the new interstate highways.

The powers of local government differ from State to State. Within any given State, some municipalities may wish to use their powers to join in bringing their segments of the interstate highways within the agreements, others may not. The discretion of the Secretary is surely adequate to prevent abuse of the possible exclusions. As I stated earlier, since the agreements are wholly voluntary, the whole proposal is drafted on the assumption that reasonable men are going to use their best efforts and judgment to make it work. On this assumption, I am completely confident that the plan of this bill can and will work easily and well, taking full account of local situations peculiar to each separate State.

INCREASED FEDERAL SHARE FOR INTERSTATE HIGHWAYS IN PARTICIPATING STATES

Mr. President, subsection (c) of section 12 provides that with respect to the projects on the Interstate Highway System to which the policy standards of this bill are made applicable by a State, under the kind of agreement I have just described, that State will be entitled to an extra one-half percent Federal share of the project cost, beyond the 90 percent now paid from Federal funds. Surely that is a modest enough incentive to offer to any State which, on its own initiative, acts to make and preserve its parts of the National System of Interstate Highways attractive for the travelers of the whole Nation. My original bill, S. 963, provided a bonus of three-fourths percent; that of the junior Senator from California [Mr. KUCHEL], 1 percent. The Committee on Public Works reduced this to one-half percent, partly because of the additional provisions of subsection (e). I regretted that this one-half percent incentive payment to States has been made payable from funds appropriated for the purpose, not from the special highway trust fund, because I thought it a legitimate and reasonable element of the total national investment in the Interstate System.

I wish to state here, since the junior Senator from California is present in the Chamber, that both he and I felt the incentive payments should come from the trust fund rather than from separately appropriated funds, as a majority of the Committee on Public

Works of the Senate finally voted before the bill was reported to the Senate.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield.

Mr. KUCHEL. I certainly share the feelings of the Senator from Oregon on that point. Mr. President, we are embarked upon a multi-billion-dollar, 41,000-mile highway program. The Federal Government has set down the standards under which the high-speed limited-access freeway across the Nation will be built. Certainly as a part of the construction, since we are paying from the Federal Treasury 90 percent of the cost, the Senator from Oregon is completely correct in believing that this modest amount of money to be paid to the States as an incentive ought to come from the trust fund. I regret that that part of our amendment was changed.

Mr. NEUBERGER. I am glad the Senator from California and I are in agreement on this particular fact. I think he also would concur in the statement that this was one of the concessions which he and I were reluctant to accept, but which we finally went along with in order to get the basic principle and policy before the United States Senate for action on the floor.

Mr. KUCHEL. The Senator is correct. I joined with my colleague from Oregon, Mr. President, in accepting that by way of a concession, because in the last analysis when the Senate votes it will be on the basic question, Does the Senate of the United States believe that the American people should take an interest in protecting the scenery through which the 41,000-mile system is to be constructed?

Mr. NEUBERGER. Once the basic policy is written into Federal law, later Congresses can perfect and improve the law, as has been done with almost every act adopted since this country was founded.

Mr. KUCHEL. The Senator is correct.

Mr. NEUBERGER. However, Mr. President, the change which was made by the committee should at least silence those critics of the bill who would claim that this modest one-half of 1 percent increase in the Federal contribution to project costs in participating States would slow down construction of the National System of Interstate Highways. As the bill now stands, the availability of trust fund money for road construction would not be in any way affected by the one-half of 1 percent incentive provision. That one-half of 1 percent is authorized to be appropriated by the Congress and of course, I have no doubt whatever that it will be appropriated as States become entitled to it by their participation under this act.

I shall only mention, at this point, subsection (d) of section 12, which provides for application of the national policy to lands adjacent to the Interstate System which are public lands or reservations of the United States itself.

Finally, subsection (e) offers the States an important tool to aid them to carry out the provisions of this act, if they should desire to do so. Very simply, this subsection permits the inclusion in a State's right-of-way acquisition costs—for which the State receives 90 percent Federal reimbursement—of up to 5 percent additional costs incurred in acquiring control over advertising rights along the segments of the new Interstate Highways within its borders that are to be covered in that State's agreement.

This provision, I submit, should silence those critics of this bill who have claimed that Congress will, in effect, force States to deprive landowners along the new highways of a valuable right and give nothing in return. Personally, Mr. President, I have always thought this to be an extremely specious argument. There are no valuable billboard rights, as such, in any land, apart from the highway that may cross it. The highway itself creates the opportunity and the value. The highway delivers to the land the captive audience of motorists which are the billboards' only targets. If there is no highway, the alleged valuable advertising rights will be about as valuable as a billboard on the moon—on the side that faces permanently away from the earth.

Rather than speak of a deprivation of valuable rights, Mr. President, let us frankly face the fact that the new Interstate Highway System would offer the outdoor advertising industry an immense bonanza, an absolutely unparalleled, historic gift at the cost of the Federal taxpayers that would overshadow Federal benefits to any industry since the land grants to the railroads. And I might add that the billboards do not exactly earn this benefaction by opening up our continent to travelers and tonnage, as the railroads did.

REIMBURSEMENT OF LANDOWNERS PERMITTED

Nevertheless, it is argued in opposition to this bill that an outright regulation of roadside signboards by the States, under their so-called police power, will deprive farmers and other landowners of a valuable assets—earned or not—which would otherwise result from the construction of the highway, and that Congress should not stimulate such action by any State. Let us be clear then that under this bill, under subsection (e) of section 12, Congress will not do so.

As in other respects, this bill leaves the individual States the utmost freedom of choice in this regard. A State or its subdivisions may use police powers to protect all or part of its interstate highways and qualify for the one-half percent additional Federal share of project costs under this bill. A State may equally qualify without using police power, by acquiring the right to control roadside signs and reimbursing the landowner. If it chooses the latter course, the costs will be recognized as a legitimate cost for 90 percent Federal reimbursement, up to a limit of 5 percent of the total cost of right-of-way acquisition for the project in question. This bill expresses no preference in the manner. It holds neither a carrot nor a stick over the head of any State in making this particular choice of means. If ever there were a program that was tailored to letting States choose whether and how to carry out a public policy in their own way, and to assist them to do it, this is it, Mr. President.

NO SUBSTANTIAL COSTS INVOLVED

I might add just a comment about the possible cost involved in the acquisition of billboard control by the States under subsection (e), which I have just explained. A word of caution is in order, before various wild, hypothetical estimates are thrown into the debate by opponents of this bill concerning alleged diversion of highway construction funds into roadside protection measures by the States.

There are far too many unpredictable factors involved to permit any kind of an estimate except to indicate a ceiling beyond which costs would not go. Let me list a few. We cannot know which States will choose to act at all. We cannot know which of those that do act will use police powers, and which will wholly or in part pay to acquire the right to control roadside billboards. We cannot know the right-of-way acquisition costs for the highway segments to come under State roadside regulation, and to which the 5 percent permissible extra cost would apply.

Does subsection (e) therefore make an unlimited "grab bag" of the highway trust funds from which States might enrich landowners along the interstate highway rights-of-way? Certainly and definitely not.

The heavy right-of-way acquisition costs are in cities and other heavily populated, commercial, or industrial areas. These, as I have said, may be eliminated from the agreements with the States. Obviously, for example, it would not make sense for a State to purchase billboard-control rights out to 660 feet from both edges of a highway right-of-way that passes between the high, narrow walls of warehouses, or factories of an urban industrial area.

Out in the open country, on the other hand, let us assume that right-of-way acquisition constitutes, in a typical instance, 10 or 15 percent of the total project construction cost. I believe that in the testimony before our committee Mr. Bertram Tallamy, the Federal Highway Administrator, estimated something like 13 percent.

I have already explained that the additional cost of also acquiring signboard control rights on adjoining land should be very low, because these have actually no value until the highways are there to deliver the motorists, so to speak, into the arms of the billboard advertiser. A fair price would be determined under State law, not this act. But in any case, the bill places a limit of 5 percent on additional costs for which Federal reimbursement may be claimed. A 5-percent maximum on even 20 percent right-of-way acquisition costs means a maximum 1-percent increase in project costs that might be added to reimbursable costs. Even if acquisition costs were to run as high as 40 percent in isolated instances, project costs could not grow more than 2 percent by use of subsection (e). Mr. President, these project costs fluctuate far more from month to month,

with changes in the price levels of materials and so forth, than this tiny fraction which represents the maximum cost increase that might be involved under this bill.

CONSERVATION PRINCIPLES VERSUS BILLBOARD PROFITS

Mr. President, this completes my description of section 12 and how it proposes to aid States to control and protect the roadsides along the National System of Interstate Highways in the interest of and for the enjoyment of the travelers on these new highways. I would like now to address myself briefly to the overall policy question for which section 12 was drafted, and which the Congress must now decide.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield.

Mr. COOPER. I would like to ask the Senator if any evidence was brought out at the hearing which would indicate that the inducements provided in the bill would be attractive to the States, and would encourage the States to carry out the national policy regarding roadside signs and billboards which the Senator has described.

Mr. NEUBERGER. To begin with, I wish to emphasize that there appeared before our committee, either in person or by resolution or in writing, literally thousands of citizens. Those people spoke for themselves, or they represented great organizations in every State, including the State of the Senator from Kentucky and my own State.

They represented the American Automobile Association, many conservation groups, the General Federation of Women's Clubs, and an almost unlimited number of conservation and outdoor organizations, such as the Audubon Society, the National Wildlife Federation, and so forth.

It seemed to me, sitting at the committee table and listening to those people, that if this amendment were adopted, those interested in scenic and roadside protection in every State could then go to the governors and legislatures in the various States—as is their right—and say, "The Federal Government has provided reasonable machinery. It has provided a framework for you to help in protecting the countryside and the scenery along the Interstate Highway System in our State. We urge you to take this incentive offered by the Federal Government and to cooperate with the Bureau of Public Roads in protecting our highways from the blight of signboards."

To my knowledge, no governor except Averell Harriman came before our committee and testified particularly in favor of the proposed legislation now before us; but all the people who came from the great groups said, "Give us this legislation, so that we can ask our States to cooperate with the Federal Government to take this incentive, use this machinery, and to protect our roadsides."

Mr. COOPER. Then is it the Senator's idea that if the bill is passed—and I hope it will be passed with the amendment which the Senator from Oregon and the Senator from California are sponsoring—it should provide a helpful way for public opinion to be expressed, and to be recognized by the legislatures and authorities of the States, in carrying out the national policy enunciated in the proposed amendment?

Mr. NEUBERGER. If I am not mistaken—and the Senator from Kentucky is far more experienced in legislative matters than I am—practically all cooperative programs between the Federal Government and the States work in that way. The Federal Government provides matching funds to assist in programs for aid to dependent children, for aid to the blind, for aid in cleaning up rivers, sewage control systems, and so forth. The Federal Government does not say to any State, "You must take this money to assist your blind people," or "you must take this money to end pollution in your rivers." The Federal Government says, "These funds will be available if you cooperate in a certain way."

Actually, under the bill proposed by the Senator from California and myself, there probably would be less compulsion than there is under other programs, because action is left entirely up to the States. The point I wish to emphasize is this: It was apparent, after prolonged hearings which were held under the able chairmanship and leadership of the junior Senator from Tennessee [Mr. GORE], that there are in every State of the Union thousands of men and women who do not want billboards cluttering the interstate highways. They had gone to their State legislatures. In most of the State legislatures they had encountered the billboard lobby, which had seen to it that the mildest kind of State regulation usually was defeated. Then they came to the Federal Government and encountered the cry of "States rights" from the same people who had previously opposed State regulation of billboards.

I can speak from a background of some experience in this field. My wife and I, as members of the Oregon State Legislature, tried to bring about the enactment of billboard regulation laws in the State of Oregon, which the billboard lobby helped to defeat. We know that there are those who want to be able to say, "Uncle Sam, the United States Government, has provided an incentive. Please use it and keep our highway scenery protected."

Mr. COOPER. I believe that the junior Senator from Oregon and the junior Senator from California have made a valuable contribution to the national welfare in leading the fight for more than a year, to preserve the beauty of our highways.

When the bill is passed, as it undoubtedly will be, setting forth, a national policy with respect to the beauty of the countryside along our roads, it would indeed be a shame if the States did not cooperate to carry out the national policy. I believe the States will cooperate, and will welcome the opportunity to make the new highways more attractive to visitors.

I think the States will appreciate the value of preserving, both for travelers and people close to home, a true and natural picture of the local countryside and of the areas these roads will serve. For one of the glories of this country is the varied scene brought to view in driving along our national highways, which can always be attractive and instructive, and which ought to be protected. The Senator from Oregon and the Senator from California have performed a great service by their leadership in this field.

Mr. NEUBERGER. The Senator from Kentucky is one of the most thoughtful and influential Members of the Senate. I know that I speak also for the Senator from California when I say how much we value and appreciate his support.

I wish to concur especially in one point the Senator has made, namely, that it would be a genuine shame if this were not done. We are almost at the 11th hour when this can be done. As we stand herein the Senate today, engineers with transits and plumblines are out across the face of this great land of ours, laying out rights-of-way for the Interstate Highway System. It will be the greatest highway network ever to be constructed in any nation on the earth. It will be worthy of the engineering genius and the constructive capacity of America.

Unless we provide machinery and methods very soon for the States to protect the scenery along the highways, there will spring up a billboard jungle which will acquire what is known as grandfather rights. Then it may be too late.

Therefore I very much value the counsel of the Senator from Kentucky in the points that he made. It would truly be a disaster if we did not allow the motorists, who are going to pay for these highways, to see the American countryside, rather than a picketfence of signboards.

Mr. COOPER. I might say that the only letters I received from my State opposing the provisions to protect scenic beauty along the roads, which the Senator from Oregon and the Senator from California have written into this bill, have come from those who are commercially interested in billboards.

Mr. NEUBERGER. I could not agree more with what the Senator has said. The billboard lobby wants to use our highways, paid for by the American public, as a conduit or funnel along which they can plaster their signboards. The people who will pay to make the signboards of value are the people who pay the fuel taxes and the automobile excise taxes, which go into the roadway trust fund. Without the highways, none of the billboards would be worth a continental dollar.

On earlier occasions in my efforts toward billboard control during three sessions of Congress, I have spelled out at greater length the true conservation aspects which are inhehent in our giving a means of protection for the roadsides of the Nation's new cross-country travel arteries. I cannot believe it is necessary to say more than a very few words about this today. I cannot believe that there can be any real question as to how the travelers themselves would prefer to see their highways—with unlimited billboards, or with effective billboard regulation, limited to the kinds of controlled signs of specific interest to travelers that

under this bill may be permitted under conditions and in locations specified by the agreements between the States and the Secretary of Commerce. To anyone who has traveled both kinds of roads—for example, from Washington, D. C., to Baltimore by the old U. S. 1 and by the new Washington-Baltimore Parkway—there can be no question as to what the great traveling public would prefer. The question is only whether we, in the Congress, are going to help them to obtain what they would prefer, or whether instead we are going to help the billboard industry to obtain what they want out of the estimated $40 billion public investment in the 41,000 miles of the new Interstate System.

For let there be no mistake about the fact that, uncontrolled, the roadsides along these magnificent new highways will be the greatest bananza the billboard industry has ever enjoyed at the cost of the American motorist and taxpayer. It is worthwhile to pause, to recall that the rise of signboard advertising in the open country has been inevitably and closely linked with the growth of our country's highway network itself. Both are, of course, the result of the development of our present automotive culture which mushroomed soon after the First World War. It was not long thereafter, also, that the States began to use gasoline taxes as the most important single source of the funds with which to build the tremendous web of paved roads which the millions of mass-produced new cars required. I believe my own State of Oregon was the first State to initiate the gas tax. Thus for decades the motorist has in large measure paid for America's roads. In a very direct way, they are his roads.

Certainly they do not belong to the billboard industry. But that industry has sprung up and mushroomed to its present giant size in step with the growth of automobile travel, taking advantage of the roads built for the motorist with his taxes to force its sales messages to his attention from the adjoining landscape.

I think the claims of outdoor advertising companies, that proponents of section 12 are threatening them with utter destruction and ruin, should be put in proper perspective. For example, Changing Times, the W. M. Kiplinger magazine of May 1957, reported "If you think you see more billboards than ever on the highways, you are right. Never have there been so many of the huge ad displays built and planned. Advertisers will spend over $200 million on them this year—compared with a mere $44,700,000 back in 1940." Keep in mind that this growth in billboard construction, from 1940 up to and including 1957, has occurred before any of the new interstate highways have been built. The 41,000 miles of these highways—and of course not all of them would even be controlled under this bill—constitute less than 3 percent of the approximately 1,500,000 miles of surfaced public roads and highways in our country. Today these other highways are also being built, extended, and improved at a tremendous rate, and have offered an opportunity for growth to the billboard industry, at public expense, that many other industries and businesses in our country might well envy. It is absurd to suggest that the public now owes to the outdoor advertising industry the additional opportunity of making billboard alleys of the new limited-access superhighways, for the sake of saving the industry from collapse.

Mr. President, no doubt Members of the Senate have in the past few days, since section 12 was accepted by the Committee on Public Works, received many messages of protest from persons who have a direct stake in the outdoor advertising industry in their own States. This is the question and suggestion to which the able Senator from Kentucky [Mr. COOPER] referred a few minutes ago. People in this business certainly have a constitutional right to "petition for the redress of grievances" as have any other citizens. But keep in mind that, as organized business groups which may be directly and financially affected by legislation, the outdoor advertisers themselves are in a far better position to bring their desires to our attention rapidly than is the great mass of the public, which has no such financial interest.

However, through such nonprofit, voluntary associations as exist, for example, in the conservation field, many people have made their wishes in this matter known to us. Let me list some of the organizations that are known to me to have endorsed billboard regulation and other measures of improvement for the new highways. Most directly interested, of course, have been two national organizations specifically concerned with roads and roadsides—the American Automobile Association, representing America's motorists organized in the separate State motor clubs, and the National Roadside Committee, representing leaders of the roadside councils and other interests organized at both the national and State levels. Other national organizations supporting Congressional action for roadside control include the General Federation of Women's Clubs, the Garden Club of America, and also the National Council of State Garden Clubs, the National Park Association, the National Audubon Society, the Wilderness Society, the American Nature Association, the American Association of Nurserymen, and the American Planning and Civic Association.

From my own State of Oregon I have received endorsements for this proposal from organizations which may be representative of similar groups that may exist in other States—for example, the Oregon State Motor Association; the Oregon Roadside Council; the Oregon Federation of Garden Clubs; the Federation of Western Outdoor Clubs whose headquarters are in Eugene; the Oregon Federation of Women's Clubs; the Oregon Society of Landscape Architects; the Mazamas and the Obsidians, both of them outdoor clubs; the Oregon Association of Nurserymen; and others. I might mention at this point that I have also received numerous messages from similar organizations in many other States, which I shall not list here, as I trust they have also communicated directly with their own Senators.

As another indication of the nationwide public interest in Congressional action on the billboard control measure which now appears as section 12 of the highway bill, let me read a list of only a portion of the newspapers in this country which have editorially endorsed such a measure. These include such nationally known newspapers as the New York Times; the St. Louis Post-Dispatch; the Milwaukee Journal; Baltimore Sun; all three of Washington's newspapers—the Star, Post and Times Herald, and the Daily News; Christian Science Monitor; the Denver Post; and the Oregonian.

The list includes from the Eastern States, New York World Telegram; Worcester, Mass., Telegram; Courier-Post, Camden, N. J.; the Evening News, Harrisburg, Pa.; Pittsburgh Post-Gazette; the Philadelphia Inquirer; the Patriot, Harrisburg, Pa.; Watertown, N. Y., Daily News; Daily News, Greensboro, N. C.; New York Post.

It includes from the Midwest and West, the St. Louis Globe; Capital Times, Madison, Wis.; Toledo Blade; St. Paul Press; Capital Times, Rockford, Ill.; Texarkana Gazette; Detroit News; Sheboygan, Wis., Press; Colorado Springs Free Press; and the Daily Star, Tucson, Ariz.

In Oregon billboard control has been editorially endorsed by the Portland Oregonian, Oregon Journal, Pendleton East-Oregonian, Astorian Daily Budget, Medford Mail Tribune, Eugene Register Guard, the Oregon Statesman, Salem, and many others.

Mr. President, let me read from the American Issue, the national monthly publication of the National Temperance League for November 1957, commenting on the excellent editorials of the Washington Post and Times Herald supporting a billboard control measure.

> Those who can join in with the Washington Post campaign to end the billboard disgrace should also remember that the biggest user of highway billboards is the liquor traffic. The beer, wine, and whisky people will not surrender gracefully to losing their roadside advertising space, especially when four out of every 10 billboards are theirs. The campaign to end the billboard disgrace is commendable. Let us hope that Congress will take some positive action to end it in the coming session.

I might point out that of the top 24 national users of outdoor advertising, each of which spent $1 million a year or more on billboards in 1956, nine were either distilleries or breweries.

Finally, Mr. President, I point out that this is a wholly nonpartisan issue, one which has the support of leaders of both parties. Bills similar to section 12 were introduced by 10 members of both Houses of Congress, representing both parties. President Dwight D. Eisenhower, I understand, favors Congressional action, and Secretary of Commerce Sinclair Weeks spoke for the administration in favor of such action before our committee.

I am particularly proud, personally, of a message from Gov. Adlai E. Stevenson, President Eisenhower's Democratic opponent in his two campaigns for the

Presidency. Adlai Stevenson has just written me:

CHICAGO, *March 19, 1958.*

DEAR DICK: Lest there be any misunderstanding as to my position, I want to make it emphatically clear that I support wholeheartedly your billboard control amendment to the highway bill.

My reason for supporting this amendment is that I consider it to be not only in the public interest, but absolutely essential to preserving for American motorists their vast investment in the new Federal Interstate Highway System.

With best wishes, I am,

Sincerely yours,

ADLAI.

I digress to call attention to the significance of the fact that the two preeminent leaders in American public life both favor signboard regulation as proposed in the amendment sponsored by the junior Senator from California and myself. Although we are not committing them to crossing every "i" and dotting every "t," as we are committed, nevertheless the general policy of billboard regulation is supported by Dwight D. Eisenhower, President of the United States, and by former Gov. Adlai E. Stevenson, who was Mr. Eisenhower's Democratic opponent in the two most recent national elections. I believe this circumstance should be of significance and interest to all Senators.

I might add, Mr. President, that Governor Stevenson's position is of a piece with his whole consistent record in favor of sound policies of conservation, of preserving natural values as an essential element of the humane life in the whirlpools of urban and industrial commercialization in which our daily lives are increasingly caught up.

Mr. President, I conclude my speech on that point. Industry opponents of the signboard control measures I have sponsored repeatedly counter with the claim that industry has a policy of not interfering with particularly beautiful views or spectacular scenery. They speak of the ordinary range lands, prairies, forests, and farmlands through which much of the cross-country highway system will pass as if, because they lack the distinction of special grandeur or unusualness, such roadside areas might as well be covered up by the well-built, neatly lettered, brightly colored billboard structures of which the industry boasts.

That misses the point. Not all of America is uniformly beautiful and spectacular and blessed with scenic grandeur of mountains and forests and waterfalls.

Not all of America, for example, has the extraordinary scenery which can be viewed along the California and Oregon seacoast, where United States Highway 101 clings like a lariat, but all of America has exceptional qualities of different distinctions—distinctions which, in my opinion, should not be, willy-nilly, plastered with signboards, particularly along roads for which the motorists themselves have paid, and which they have a right to enjoy free of the billboard blight. There are wheatfields and handsome farms, and there are also poor, ramshackle farms and tenant shacks and even junk yards along the roads. But this is all our country, and when we see the roadsides, we may see our country as it exists. The point is that none of these roadside views is there specifically to force itself on our attention. None of it is there specifically to try to sell us anything. Day in and day out, every American is assailed by advertising, whether it be the hard sell or the soft sell. Would it be such a sacrifice to let him escape, even briefly, when he takes to the open road to travel across his country—the country which, fields and streams and mountains and farms and shacks and all, we have learned to describe as "America the Beautiful"?

I think the sellers of the Nation's goods can afford Americans this brief respite from salesmanship, without danger that the American economy will forever collapse. In this balancing of, on the one hand, the values of economic self-interest and, on the other, a noneconomic interest in values not measureable in money, let us for once vote to preserve the latter.

That is why I urge that section 12, sponsored jointly by the junior Senator from California [Mr. KUCHEL] and myself, be retained in the highway bill now before the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my remarks, a number of telegrams and letters which I have received from representative citizens in my own State of Oregon, urging Congressional action to provide cooperative agreements with the States to control and regulate the signboards along the Interstate Highway System.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *March 21, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Please correct my telegram to read support billboard amendment.

BARBARA ELLIOTT DAVIES.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Strongly support your billboard amendment.

McCALL OIL CO.

DALLAS, TEX., *March 22, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Keep billboard amendment and oppose efforts to weaken it. The people are incensed over such use of our new highway system. Let's keep America beautiful now and forever. We do not want billboards.

Mrs. DEWITT RAY.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Congratulations on your conservation work. Keep your billboard amendment in highway bill.

Mrs. HAROLD B. GILL.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Congratulations, your effort billboard amendment.

EDITH IRELAND.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Appreciate your keeping billboard amendment A in highway bill.

Mrs. HERBERT A. TEMPLETON.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Best of luck for your amendment to highway billboard bill. Important to keep highway free of all billboards. We feel very strongly on this issue and sincerely hope you will bend every effort.

MARION G. ANDERSON.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Heartily support your stand on billboard amendment.

Mrs. THEODORE A. ADAMS.

OSWEGO, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Congratulations on your efforts to keep billboard amendment in highway bill.

ANN and LAWRENCE SHAW.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Congratulating your fine effort on billboard amendment.

NORMA S. KUHN.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Oregon people want billboard legislation. Will welcome passage amendment. Congratulations.

Mrs. W. H. CROWELL.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Hoping your efforts concerning billboard amendment are successful.

Mrs. A. E. BERTHA McINTOSH.

PORTLAND, OREG., *March 22, 1958.*

Hon. RICHARD NEUBERGER,
Washington, D. C.:

Everyone supports your efforts to keep billboard amendment in highway bill.

Mrs. JOYLE DAHL.

PORTLAND, OREG., *March 21, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Strongly urge continue support keeping billboard amendment highway bill.

Mrs. DAN MARLARKEY, Jr.

PORTLAND, OREG., *March 22, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Strongly urge your continued support keeping billboard amendment in highway bill.

Mrs. HENRY F. CABELL.

THE FIRST NATIONAL BANK OF PORTLAND,
Portland, Oreg., March 18, 1958.

The Honorable RICHARD L. NEUBERGER,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have read with much interest the amendment proposed by Senator KUCHEL and you to section 122 of the Federal-Aid Highway Act of 1956. I think you have done a good job in putting together the content of this amendment, and I hope you and your associate will succeed in having it grafted onto the main highway act.

Kind regards.

Yours truly,

E. B. MacNAUGHTON.

OREGON ROADSIDE COUNCIL,
Portland, Oreg., March 20, 1958.
EDITOR, BETTER ROADS,
Chicago, Ill.

DEAR SIR: In your issue of October 1957, there is a letter signed by Frank Blake which carries misstatements which I think should be corrected. Mr. Blake is director of public relations of the Outdoor Advertising Association of America. He states, "We have not the slightest desire or intention of exploiting the open country, nor the scenic areas alongside the new Interstate Highway System, and we operate under a strict code of practices that would prevent such action on our part." What are the facts? Billboards put up by members of his association blight the open country and scenic areas alongside the new interstate system in many, many places over the country.

As an example of the error in the claim of the outdoor advertisers and their disregard of the wishes of the majority of people, I enclose a photograph of a section of the New Portland (Oreg.)-Salem Freeway, a part of the interstate system, new U. S. No. 5, with four billboards in sight. This highway traverses the open country of the lovely Willamette Valley with views of the snowcapped Cascade Range—Mt. Hood, Mt. Jefferson, etc. Yet the billboards shown in the picture were recently erected by members of the Outdoor Advertising Association of America.

I hope you can use this photo and, perhaps, this letter (in part) in your columns.

Very truly yours,

THORNTON T. MUNGER,
Vice President.

Mr. KUCHEL. Mr. President, before the Senator yields the floor, will he yield for a brief comment?

Mr. NEUBERGER. I am happy to yield.

Mr. KUCHEL. I congratulate the able Senator from Oregon on a very clear expression of the intention for which the billboard amendment was drafted, and a very clear demonstration of what he believes—a belief in which I am pleased to share completely—can be accomplished if the amendment remains in the Senate bill and continues to be a part of the vehicle to which it is now attached, the Highway Act of 1958.

Mr. NEUBERGER. I particularly appreciate the generous comments of the Senator from California, because without his cooperation it is my feeling that we would not have this proposal in the Senate today. I thank him from the bottom of my heart.

Mr. President, I thank my colleagues for their indulgence, and I yield the floor.

AMENDMENT OF SOIL BANK ACT, RELATING TO COMPLIANCE WITH CORN ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 114 of the Soil Bank Act is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this section—(1) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for 1958 by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if the county in which such farm is located is included in the commercial corn-producing area for the first time in 1958; (2) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for any year subsequent to 1958 or a conservation reserve contract by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if such contract was entered into prior to January 1 of the first year for which the county is included in the commercial corn-producing area: *Provided*, That the foregoing provision of this sentence shall apply only to a farm for which an 'old farm' corn allotment is established for such first year. For purposes of this provision, a contract which has been terminated by the producer under the program regulations by reason of the fact that the county in which the farm is located was included in the commercial corn-producing area for the first time in 1958, and which is reinstated, shall be deemed to have been entered into as of the original date of execution of such contract."

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
WILLIAM S. HILL,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I want it distinctly understood that the Senate amendment does not prevail in its entirety, but that the two things which the Senate set out to do are accomplished under the conference substitute.

The first was to make certain that the persons in the 38 counties of the Nation which have become this year commercial corn counties for the first time, and who had last year or the year before signed conservation reserve agreements, were not penalized because their counties had come into the classification of commercial corn counties, and thereby forced to accept corn allotments or forgo their Soil Bank payments which neither they nor the Government had in mind at the time the conservation reserve agreements were entered into. The programs to that effect were completely approved by the Department of Agriculture.

The second thing which was sought to be accomplished was to give similar protection to those who had signed acreage reserve agreements under the Soil Bank prior to January 1, 1958, which affected their winter-wheat plantings last fall. They were entitled equally to the protection which I have just stated. Those two objectives are carried out by the substitute.

The third objective which is added in the substitute is one with which the Senate conferees were not in full accord, but which, apparently, had to be granted in order to get a bill. That was the inclusion of an arrangement making the same provision apply to acreage reserve contracts for this year—1958—alone, whether they were signed since the beginning of the year or not.

I ask unanimous consent to have printed at this point in the RECORD a short statement I have prepared on the subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOLLAND—DIFFERENCES BETWEEN THE SENATE AMENDMENT TO H. R. 10843 AND THE CONFERENCE SUBSTITUTE THEREFOR

The conference substitute differs from the Senate amendment to H. R. 10843 in that it extends its provisions to all 1958 acreage reserve contracts in the 38 counties first included in 1958 in the commercial corn-producing area. As related to acreage reserve contracts the Senate amendment covered only those 1958 contracts executed prior to January 1, 1958, which would have meant that only winter wheat acreage reserve contracts entered into last fall would have been covered.

The House bill differed from the Senate amendment in two respects in the case of acreage reserve contracts. The House bill covered all 1958 acreage reserve contracts in the 38 new counties, but did not apply to acreage reserve contracts for any subsequent year. The Senate amendment applied only to acreage reserve contracts executed prior to January 1, and would be applicable to 1959 acreage reserve contracts if there should be an acreage reserve program for 1959.

The conference substitute adopts the House provision with respect to covering all 1958 acreage reserve contracts and the Senate provision with respect to covering 1959 acreage reserve contracts.

Both the House bill and the Senate amendment provided exemption from the requirement of cross-compliance with corn acreage allotments for all conservation reserve contracts entered into prior to January 1 of the first year in which the county was included in the commercial corn area. This exemption is a permanent one and is retained in the conference substitute.

Mr. HOLLAND. Mr. President, the conference report was unanimously approved and signed by the Senate conferees, and was approved and signed by four of the five House conferees.

I move that the conference report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FEDERAL-AID HIGHWAY ACT OF 1958

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. HOBLITZELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, across the several States of the Nation there are hundreds of thousands of miles, perhaps literally millions of miles, of city streets, county roads, State highways, and other thoroughfares of various types, built by all levels of government, from the smallest type of local, public agency to the Government of the United States.

For many years it has been the policy of the Federal Government to provide to the several States an incentive to construct certain types of thoroughfares within the jurisdiction of each State. The participation by the Federal Government has been financial, although in addition the Congress has laid down for the Federal Bureau of Public Roads certain standards and guidelines by which the Bureau should determine the availability of Federal moneys to any participating State.

Two years ago the Congress of the United States debated the question of whether the Federal Government should participate—and, if so, to what extent—in the construction of a great Interstate Highway System, not only important to the needs of the civilian economy of the country, but also important to the defense of the American people. In the debate in the Senate and in the debate in the House of Representatives, the tragic toll of dead and maimed, each year, as a result of highway accidents was iterated and reiterated. It was also in the interest of safety of the American traveling public that the Congress debated the problem involved in the possible construction of a great, new system of high-speed arterial highways, all of limited access, all built to specifications of the highest standards, which in the end would ribbon the United States from north to south and from east to west.

Ultimately the Congress passed the interstate and defense highway law under which the Federal Treasury would underwrite 90 percent of the cost of construction. The bill also provided that the Federal Bureau of Public Roads would carefully sit in judgment as to the high standards which each State must follow in order to obtain nine-tenths of the cost of constructing the system within its borders.

In the intervening months, construction across the country has progressed; but for many reasons it has not progressed with the rapidity which was envisioned at the time when the bill was passed.

Thus, as the Senate deliberates this week on proposed legislation to get the 13-year Interstate Highway System construction program back on the track, the Senate has also—two years after the original law was passed—still to face up to a fundamental problem, as the pending bill faces up to it now. That is simply whether the American people have the right to look forward to a great new highway system, unspoiled by indiscriminate outdoor advertising. I say the American people have that right and that Congress has a duty to perform in this field.

I wish to say in all frankness that last August, I believe it was, the able junior Senator from Oregon [Mr. NEUBERGER] submitted an amendment to give the States of the Union an incentive to control outdoor advertising along the Interstate System. I felt that that matter involved some problems which needed to be resolved before such a proposal would justify bipartisan majority support in the Congress.

One such problem dealt with a constitutional question. I can illustrate it best, Mr. President, by indicating it in the following way: A State such as my own—California—has, by its own State constitutional provisions, delegated police power to incorporated communities within the borders of the State, to the extent that such incorporated communities, in determining the use to which private property may under their jurisdiction be put, act entirely apart from any legislation which the State legislature, on its own part, may pass for the rest of the area within the borders of the State.

As a Californian, I wanted my State to be able to avail itself of any incentive legislation adopted by Congress under which a State could reasonably exercise its zoning authority, and, thus, I wanted such legislation to recognize the problem of "home rule" State constitutions, and to permit States to enter into agreements with the Federal Government to control outdoor advertising on the Interstate System without penalizing them for their home-rule constitutional provisions.

In the intervening months between August and January, my staff and I studied, from a legal standpoint, that problem, and some other problems, as a result of which I was able, earlier this year, to introduce my own conception of an incentive bill by which States would be encouraged to adopt their zoning legislation, in reasonable manner, in accordance with the national policy.

I said earlier today I was perfectly delighted to work with the distinguished junior Senator from Oregon in the last several weeks, and to fashion what I am pleased to say in my judgment is an honest, realistic, and workable piece of legislation in this field. We jointly offered it to the Public Works Committee of the Senate, and, with one or two changes, by a majority vote the committee approved that amendment.

Earlier today the Senator from Oregon lucidly indicated what the proposal does. For the purpose of endeavoring to assist my fellow Senators who will avail themselves of the RECORD during the week, to help them determine how they will cast their vote on this problem, I wish to add just a few more words of my own as to the scope of this committee-approved amendment.

First of all, the billboard section of the highway bill before the Senate lays down a national policy.

Mr. President, I ask unanimous consent that the part of S. 3414 appearing on page 20, and continuing down to line 25 on page 21, entitled "National Policy," be set forth in the RECORD at this portion of my comments.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

SEC. 122. Areas adjacent to the Interstate System.

"(a) National policy: To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways, it is hereby declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system. It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for:

(1) Directional or other official signs or notices that are required or authorized by law.

(2) Signs advertising the sale or lease of the property upon which they are located.

(3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Mr. KUCHEL. Mr. President, Senators may read that national policy and I hope, like the authors, agree with it in its goal, and, generally in the manner of reaching it.

With respect to that part of the national policy which appears after subparagraph (3), the committee saw fit specifically to provide that signs of not more than 500 square inches, advertising activities being conducted at a location within 12 miles of the point at which such signs are located, would constitute an exception to the national policy.

Earlier the Senator from Oregon and I both discussed that amendment, which we believe to be unfortunate, because in our view, it would be the State legislatures, acting in accordance with their own constitutional authority, which would determine how and in what manner signs might appear along the Interstate System, in a fashion best designed to assist the traveling public, and in accordance with the national policy. At

any rate, aside from that amendment, as I say, it seems to me this basic policy should appeal to Senators on both sides of the aisle.

Mr. President, the billboard regulation amendment, aside from recognizing exceptions which are noted in this national policy, recognizes that there are other exceptions which must exist, and which must exist reasonably.

By reason of the problem created by home-rule communities, the bill recognizes that under any agreements between the Federal Government and a State, incorporated communities which exercise home-rule authority shall be excluded.

Besides the constitutional reasons involved, Mr. President, I think there are some very practical reasons involved in recognizing that type of exception. I think, Mr. President, you would agree that in the average incorporated city in American through which an interstate high-speed road may run, for 2 or 10 or 15 miles, there is not considerable beauty to be preserved. I need not dwell upon that point, Mr. President, except to say the problem with respect to incorporated cities does not represent any overriding consideration in the legislation before the Senate; but, in the last analysis, it does recognize a constitutional question, and to that extent I think we have obviated a serious problem by our provision for excluding them.

It also recognizes, Mr. President, and this is most important to Senators who will be sitting in judgment on the problem, that the Interstate Highway System will inevitably pass through areas in the Nation which are commercial in character, which are industrial in character, or which are business in character. It recognizes that a State legislature, in adopting legislation under the incentives offered by the bill before the Senate, may recognize the character of such areas, and having recognized them, provide that the policy shall not apply in those areas.

It does something else. It provides that where any part of the Interstate Highway System is in being prior to the effective date of the present law—which is the year 1956—where no new rights-of-way are required to be purchased, the policy shall not apply. Thus we are not faced with the problem of retroactive application of zoning laws.

This is a forward-looking bill. This is a bill which, if enacted, will give the States of the American Union all across the country an opportunity to pass appropriate legislation to preserve the scenic beauty of the Nation through which the great bulk of the 41,000 miles of Interstate Highway System is yet to be constructed—indeed, yet to result in the acquisition of rights-of-way by all the 48 States.

Mr. President, I have received a number of communications from my State and elsewhere endorsing the provisions of the legislation which the able junior Senator from Oregon [Mr. NEUBERGER] and I have jointly sponsored. I ask unanimous consent that a number of such communications be printed at this point in my remarks.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
STATE GARDEN CLUBS, INC.,
Alexandria, La., March 20, 1958.

Hon. THOMAS H. KUCHEL,
United States Senate,
Washington, D. C.

DEAR SENATOR KUCHEL: We understand that March 25 is an important day for advocates of billboard-control legislation.

May I remind you that 400,000 members of garden clubs throughout the Nation are vitally concerned over the protection of the new Interstate Highway System roadsides from billboard advertising, and we bespeak your support.

Very sincerely,
RUBY HARRIS
Mrs. Homer H. Harris,
Chairman.

THE GARDEN CLUB OF HONOLULU,
March 31, 1958.

Hon. THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: We of the Garden Club of Honolulu are interested in the billboard legislation which is now pending. We believe that it would be a tragic mistake to permit our new highway to be cluttered up with billboards such as unfortunately already exist in many parts of the mainland of the United States.

America is a beautiful land and we are but trustees for future generations. Part of our obligation is to pass on our land to our children with all its strength and beauty. We believe that the overwhelming majority of the people of America want to see the new highway free from the unsightliness of advertising billboards. The legislation pending before your committee would go far to accomplish that end.

Although we in Hawaii have no voice in the Congress of the United States, we are Americans, many of us with our roots in the mainland of the United States and hence have an interest in the preservation of our land unimpaired with all its scenic beauty. I hope you will not feel it presumptuous for us to express our views. I am requested by the Garden Club of America to state our position.

The Members of Congress who have been in Hawaii, I am sure, were impressed by the absence of billboards along our highways. What we have done in Hawaii can be done in the new highway about to be constructed. We hope that you will act favorably on the pending legislation.

Respectfully,
DOROTHY ANTHONY
Mrs. J. Garner Anthony,
President, Garden Club of America.

SANTA BARBARA, CALIF., *March 21, 1958.*

Re billboards, interstate highways (absolutely no billboards).

Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: As the time approaches for a final decision on the above matter it behooves all of us to do what we can to resolve this issue, with its widespread ramifications for years to come, in the best way for the most.

Certainly this means irrevocably no billboards on the Interstate Highway System.

We, your constituents, look to you to aid in bringing order out of the present chaos of ambiguous legislation being instituted by special selfish interests in the name of politics.

Great strength to you in your task for us.

Very truly yours,
ELIZABETH T. MCMENEMLY.
(Mrs. Logan T.).

SAN FRANCISCO, CALIF., *March 21, 1958.*

The Honorable THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: May I urge you to use your influence and vote against granting any permission to the advertising industry to erect billboards anywhere along the proposed new Federal highways. Both considerations of traffic safety and of elementary esthetics would seem to make such a stand highly desirable.

Sincerely yours,
RALPH A. BING.

SUNNYVALE STANDARD,
Sunnyvale, Calif., March 20, 1958.

Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: Enclosed is a copy of the editorial page which ran earlier this week in the Mountain View Register-Leader and the Sunnyvale Standard. I thought you would be interested in this support of a measure to control billboards along the new Federal system of superhighways.

I hope the Congress will institute these controls, and Governor Harriman's article in the recent Reporter well outlines the advantages for the American people in such legislation.

Very sincerely,
JOSEPH C. HOUGHTELING,
Publisher.

MONTEREY PENINSULA HERALD,
Monterey, Calif., March 19, 1958.

Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: The Advertising Federation of America has sent me a long telegram signed by Robert M. Feemster, chairman of the board, asking my opposition to the antibillboard section of the Gore public roads bill. This is on the grounds "that an attack on the rights of one legal medium of advertising soon can be translated into attacks on all other mediums."

This is sheer nonsense. I am heartily in favor of the antibillboard section and only wish that it were more drastic. You and I have witnessed in California a deterioration of the appearance of our civilization due to failure to control the exploitation of our highways by billboard interests. In my county the billboard interests have fought one zoning effort after another, but they've always been licked for the past 25 years.

We hope that Congress will stand by and act to prevent wholesale piracy by these predators upon the new great highways built by the taxpayers of the country, from which the people have the right to enjoy the unmarred appearance of their fair land.

Best wishes.

Yours sincerely,
ALLEN GRIFFIN.

OAKLAND, CALIF., *March 24, 1958.*

Hon. THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:

Heartily favor keeping billboard amendment in highway bill.

Mr. and Mrs. HERBERT E. HALL.

BERKELEY, CALIF., *March 23, 1958.*

Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:

Don't let America the beautiful become America the billboard. Heartily support Kuchel bill to control billboard advertising on national highways.

HELEN LYON HAWKINS,
QUAL HAWKINS.

SAN MATEO, CALIF., *March 23, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
Strongly urge you vote "Yes" provision banning billboards Federal highway.
BRAYTON WILBUR.

SANTA BARBARA, CALIF., *March 23, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
We are unalterably opposed to any advertising along Federal highways and hope you will make every effort to see that this is done and oppose any effort to drop billboard amendment to the highway bill or to further weaken it.
Mrs. DOROTHY E. WARDEN,
President, Santa Barbara and Monticello Garden Club.

MONTECITO, CALIF., *March 22, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
Please vote to keep billboard amendment in highway bill.
Mrs. HAROLD (FRANCES) SHEETS.

BURLINGAME, CALIF., *March 22, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
Strongly urge retention billboard amendment in highway bill and oppose further weakening of bill.
ONE HUNDRED MEMBERS OF HILLSBOROUGH GARDEN CLUB CALIFORNIA.

CARPENTERIA, CALIF., *March 22, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
May I urge you to do everything you can to keep amendment in highway billboard bill and to oppose any effort to weaken it further.
Mrs. WALTER W. CLEM.

SANTA BARBARA, CALIF., *March 23, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
Strongly urge you to support billboard clause in highway bill. Hope so much no amendments will be added to weaken it.
Mrs. FRANCIS E. LLOYD.

SANTA BARBARA, CALIF., *March 22, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
To preserve the natural beauty of our State we ask you to vote for the billboard amendment in the highway bill soon to be voted upon. We feel you have the same affection for the State that we have.
MARY and WILLIAM C. MCDUFFIE.

MONTECITO CALIF., *March 22, 1958.*
Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.:
Do not permit the Highway Interstate billboard legislation to be further weakened.
LOGAN T. MCMENEMY.

MONTECITO, CALIF., *March 22, 1958.*
Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.:
Urge you to oppose any effort to further weaken billboard interstate legislation.
ELIZABETH T. MCMENEMY.

GOLETA, CALIF., *March 22, 1958.*
Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D. C.:
Please don't weaken highway bill and do keep billboard amendment.
Mrs. SELLAR BULLARD.

The PRESIDING OFFICER. Does the Senator from California yield the floor?

Mr. KUCHEL. Does the Senator from Minnesota desire to speak?

Mr. HUMPHREY. I wish to present a few items for the RECORD.

Mr. KUCHEL. Mr. President, I yield the floor.

RETENTION OF MILITARY LEGAL PERSONNEL

Mr. HUMPRHEY. Mr. President, in recent days and weeks we have been hearing a good deal about the critical problem facing the Armed Forces in connection with the retention of trained personnel. As one who subscribes to the objectives and most of the recommendations of the so-called Cordiner report, I am particularly hopeful that the Congress in the present session will embark on imaginative, new legislative steps to help assure that our Armed Forces may recruit and retain high-caliber personnel at all levels.

In our current emphasis upon retention of technical and scientific personnel, primary and essential though that may be, we must not lose sight of all of the other contributing factors which make for an effective military organization. Earlier Congresses have recognized a special need for professional manpower in the field of medicine and dentistry and have recognized it in a special way—authorizing what in effect is incentive pay for doctors and dentists in the Armed Forces. Such action by prior Congresses has successfully borne fruit in the availability and retention of medical and dental personnel.

Today the Armed Forces face a crisis in the field of retention of military lawyers.

In recent months this matter has been forcefully brought to my attention by letters from constituents who are interested in or serving in legal positions in the military. Following the introduction of S. 1165 by the distinguished junior Senator from South Carolina [Mr. THURMOND], my office has received a good many letters endorsing the principles of the bill. I have selected five of these letters at random, and I ask unanimous consent that they, together with my answer to them, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXHIBIT A

BLACKER & BLACKER,
ATTORNEYS AT LAW,
Minneapolis, Minn., March 14, 1957.
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: I was gratified to learn at our periodic United States Air Force Reserve training meeting, made up of 20 Reserve officers, that Senator THURMOND has introduced S. 1165.

As I understand it, the purpose of said bill is to attempt in a measure to equalize pay and incentives for lawyers on duty with the Air Force similar to the provisions of law now in effect for the benefit of doctors and dentists who are on duty. Since there is a shortage of legal personnel in the Air Force and there seems to be difficulty in inducing the younger legal officers to stay on after they finish their initial tour, I think the bill will be of great benefit, and urge your support of the same.

All 20 members of our flight who were in attendance at the above meeting were in agreement that it would be in the best interests of service if Senator THURMOND's bill was passed by Congress. In my own experience, while on active duty for short periods, I have had occasion to discuss the reasons why some of the young legal officers looked forward to the day that they had finished their tour of duty. The reason usually given for their desire to leave the service was based upon the fact that they were not being treated the same as the medical profession and that they felt they could do better in civilian life. These young officers on duty, as well as I, and other members of our Reserve training flight, see no reason why there should be a distinction made between the two professions. The amount of professional training initially is about the same, and the reduced opportunity for earning more in civilian life falls equally hard on both professions.

I am sure that all members of my Reserve training flight join with me in urging your support of S. 1165 as requested above.

Very sincerely yours,
HENRY S. BLACKER.

MARCH 20, 1957.
Mr. HENRY S. BLACKER,
Attorney at Law,
Minneapolis, Minn.

DEAR MR. BLACKER: Thank you very much for your letter of March 14 concerning S. 1165.

I know very well of the strong feeling of Air Force lawyers that they have been discriminated against in the past when their salaries are compared with those of other professional officers in the Air Force.

I am not on the committee which is considering this bill, but I am bringing your letter to their attention and assure you that I shall follow developments closely. You can expect me to support this legislation if it is recommended by the committee.

Best wishes.

Sincerely yours,
HUBERT H. HUMPHREY.

EXHIBIT B

ST. PAUL, MINN., *May 2, 1957.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: My son, Lt. Col. John F. Bell of Anchorage, Alaska, is interested in S. 1165, a bill to increase the pay of judge advocates in the Regular Army and place them on the same level as doctors in the Army Medical Service. I have been informed that this bill has the support of the American Bar Association.

John has charge of the Judge Advocate General's Office at Anchorage, Alaska, and is supposed to have eight lawyers to assist in the work. It is difficult for him to keep assistants because of the inadequate income. It would seem that the compensation of officers in the legal department should be placed on a par with the compensation paid to doctors in the Medical Service. I have not seen the bill, but I am advised that S. 1165 has been introduced for that purpose.

I will suggest to John that he write you directly and give you all the data pertaining to this bill. I trust that you will be able to give it such consideration and support as it seems to deserve.

I note that you are abroad just now. No doubt you will obtain much information in regard to the situation in the countries that you are able to visit.

With highest regards,
Sincerely yours,
ROBERT C. BELL,
United States District Judge.

MAY 9, 1957.

Hon. ROBERT C. BELL,
United States District Judge,
St. Paul, Minn.

DEAR JUDGE BELL: As you know, Senator HUMPHREY is in the Middle East on official Senate Foreign Relations Committee business. In his absence I wanted to acknowledge your letter of May 2.

Fortunately I can tell you that Senator HUMPHREY is deeply concerned about the discrimination favoring doctors over lawyers salary wise in the Air Force. You may count on a favorable vote from the Senator for S. 1165 in case it is favorably reported by the Armed Services Committee. Beyond that, I am sure that the Senator will discuss the situation with his colleagues on the committee. Meanwhile, I shall see to it that your own interest in this matter is brought to the committee's attention.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY,
By THOMAS L. HUGHES,
Legislative Counsel.

EXHIBIT C

SJA 5039th AIR BASE WING,
Seattle, Wash., May 16, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: My father, United States District Judge Robert C. Bell of St. Paul, wrote to you on May 2 concerning S. 1165, a bill to afford military attorneys compensation to offset the higher income that they could obtain as civilians. I had in no way solicited his assistance. Mr. Hughes of your office acknowledged my father's letter with a very nice reply to the effect that you favored such a bill. Because of this correspondence, I take the liberty to briefly present my views.

Of some 25 young lawyers who have worked for me in the last several years, I have been able to retain only one past his earliest service-release date. All have professed satisfaction with the military except as to compensation. The result is that my office consists of 8 lawyers, most without experience, to do work which 5 experienced men could do better. These youngsters leave as they can start as civilians at nearly the compensation they receive here and, if at all competent, are soon making materially more.

My own case may be somewhat in point. As a lieutenant colonel with 17 years of active commissioned service, my before-tax annual pay and allowance total is $9,142.56. To support my family in Alaska, I have had to resort to teaching night school. I recently had an opportunity to take a position at $14,000 to be increased to $18,000 after 3 years. Needless to say, as soon as I can get a return through retirement on my time invested in the military, I will owe it to myself and my family to leave the Air Force. I would remain as long as possible with the incentive provided by S. 1165 as I highly prefer the military to private practice or employment.

It is my sincere belief that enactment of S. 1165 will save the Government money as it will greatly reduce the large lawyer turnover and enable us to do a better job with fewer people.

Sincerely yours,

JOHN F. BELL,
Lieutenant Colonel,
United States Air Force.

MAY 21, 1957.

Lt. Col. JOHN F. BELL,
SJA 5039th Air Base Wing,
Seattle, Wash.

DEAR COLONEL BELL: When I returned from the Middle East yesterday, I found your letter on my desk concerning S. 1165.

Your experience with lawyer turnover in the Air Force is typical of the reports which have come to my desk earlier. They all bolster the arguments in favor of S. 1165, and as my legislative counsel, Mr. Hughes, previously wrote to your father, you may be sure that I shall support this bill. During its consideration I shall have occasion to make use of the account you have sent me of your own experience. I know that it will be helpful.

Please do not hesitate to write to me any time I can be of assistance in any way.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

EXHIBIT D

BEMIDJI, MINN., *May 21, 1957.*

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: At the present time I am home on leave from the United States Army where I am serving as first lieutenant in the Judge Advocate General's Corps. It has been brought to my attention that there is presently in Congress a bill which would give incentive pay as well as certain promotion advantages to members of the Judge Advocate General's Corps. Although I have not had an opportunity to read the bill and study it in detail, my present understanding of its contents results in my writing you to support it in the Senate.

Of course, my being a member of the Judge Advocate General's Corps certainly makes me an "interested party," but being somewhat close to the situation, I sincerely believe that such proposed measures are a necessity for the existence of a good Judge Advocate General's Corps in the Army. This I believe to be so for the following reason: What with the present 6-month programs in the Army, National Guard, and Air Force, good men with law degrees are going to accept 6-months' programs rather than take a direct commission for 3 years, even though it be at officer status. This I believe to be only a logical choice unless the military would offer career opportunities to lawyers in the Judge Advocate General's Corps. I, myself, had a choice between 2 years in the draft and 3 years in the Judge Advocate General's Corps as an officer, and I chose the latter. However, today the choice is between 6 months and 3 years, and were I to have this choice today I would, without question, take the 6-months' program so that I could more quickly get back into the active practice of law in civilian life. I therefore feel that there is an essential need today to provide incentives to young lawyers to apply for 3-year judge advocate general commissions and from what I understand, the bill in question does just that.

Needless to say, my position rests upon the promise that a Judge Advocate General's Corps should be composed of the best grade of lawyers obtainable and I am sure this point need not be pressed here, since I am sure you are well aware of the need for competence and integrity in a group which defends the liberties of our servicemen.

I would certainly appreciate learning your position in regard to this bill—whether pro or con—as I can readily understand when other factors as, e. g., need for budget cuts, necessitate an adverse position. If you find reason for being in favor of the bill, I would appreciate your doing everything possible to effect its passage. Thank you.

Respectfully yours,

ALLEN I. SAEKS,
First Lieutenant, Student Detachment,
the Judge Advocate General's School,
United States Army.

JUNE 8, 1957.

1st Lt. ALLEN I. SAEKS,
Student Detachment,
Judge Advocate General School,
Charlottesville, Va.

DEAR LIEUTENANT SAEKS: Please forgive this delay in replying to your letter concerning a special bill for legal officers in the armed services.

S. 1165 introduced by Senator THURMOND, is the bill you have in mind. Unfortunately, there have been no reports on this bill yet from the appropriate administrative agencies. These reports are usually necessary before the Committee on Armed Services will begin official consideration of the bill.

There is a good deal of interest in this legislation, and I myself am sympathetic to it. You may be sure that I shall do everything possible to speed action on it once these reports have been received.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

EXHIBIT E

HEADQUARTERS, 83D FIGHTER-DAY WING (TAC),
UNITED STATES AIR FORCE,
Seymour Johnson Air Force Base, N. C.
September 23, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: In the last session of Congress, the Honorable STROM THURMOND introduced a bill whereby commissioned attorneys in the Armed Forces of the United States are to receive professional pay analogous to that now being received by those in the medical profession.

The American Bar Association in its recent meeting in London has, as a part of its six-point program concerning the coming year, emphasized more effective action to secure Federal legislation to end pay and rank discrimination against lawyers in the Armed Forces.

As a member of the Minnesota Bar, formerly practicing in the good city of Minneapolis, I am seeking your support in this matter and am hoping that all possible action will be taken to see that favorable legislation is enacted in the above regard.

Sincerely yours,

EDMOND T. SEXTON,
First Lieutenant, United States Air Force, Judge Advocate.

SEPTEMBER 27, 1957.

Mr. EDMOND T. SEXTON,
Judge Advocate, Headquarters, 83d Fighter-Day Wing (TAC), Seymour Johnson Air Force Base, N. C.

DEAR MR. SEXTON: Thank you for your recent letter. You have my assurance that I will strongly support S. 1165.

With the increasing need for trained attorneys, I feel that this bill would greatly contribute to the retention of such badly needed personnel in the armed services. S. 1165 was not acted upon this past session. The Armed Services Committee is awaiting reports from the Departments of Treasury and Defense before further action can be taken. I will continue to press for approval of S. 1165 in the next session.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

EXHIBIT F

ANDREWS AIR FORCE BASE,
Washington, March 19, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I have this date received a copy of the statement of Mr. Charles S. Rhyne, president of the American Bar Association, before the subcommittee of the Senate Armed Services Committee, appointed to study revised pay schedules for the military services.

Mr. Rhyne, after clearly setting forth the facts with respect to the problems of retention and experience level of judge advocates

in the military services, unqualifiedly recommended, inter alia, that the provisions of Senate bill 1165 be included as an amendment to Senate bill 3081 to be known as the Thurmond amendment.

That since shortly after World War II the uniformed services have been dismally unable to retain on a career basis young lawyers, who would not in the first instance be available to the military service were it not for their vulnerability to selective service, is an uncontrovertible fact. This retention problem will be further aggravated by the progressively greater number of senior judge advocates facing mandatory retirement beginning in 1960 and the number of such officers, who then and shortly thereafter, having completed 20 years active service, will seek voluntary retirement. That an equally dismal personnel picture which until recent years existed in the medical departments of the military services was substantially alleviated by the enactment of special incentive pay, promotion, and service-credit legislation is so manifest as to require no comment. Can any logical reason be advanced that similar legislation for service judge advocates if promptly enacted cannot accomplish similar results? The 1-year failure of the Department of Defense to submit any report on this legislation is clearly indicative that this problem exists and that it can only be solved by special incentive pay, promotion, and service-credit provisions for judge advocates.

As a long-time resident of the Fifth District, Hennepin County, a Minnesota attorney, and a career military judge advocate, I earnestly request your serious consideration of the aforementioned statement of Mr. Rhyné, the provisions of Senate bill 1165, and your active wholehearted support of such legislation.

Awaiting an expression of your opinion in the premises, I remain,

Sincerely,

ROBERT J. RITTER,
Lieutenant Colonel, United States Air Force Deputy Staff Judge Advocate Headquarters, ARDC.

MARCH 22, 1958.

Lt. Col. ROBERT J. RITTER,
United States Air Force, Deputy Staff Judge Advocate, Headquarters, ARDC, Andrews Air Force Base, Washington, D.C.

DEAR COLONEL RITTER: Thank you for your letter proposing that S. 1165 be adopted as an amendment to legislation providing a new formula for computing basic pay rates for members of the armed services.

I am in complete sympathy with the provisions of S. 1165 and I am fully cognizant of the problem of procuring and retaining judge advocates in the military services. You can count on my support.

It was a pleasure to hear from you and I want you to feel free to call upon me at any time.

Best wishes.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, this kind of interest on the part of lawyers everywhere, military and nonmilitary, has resulted in the endorsement of S. 1165 by several State bar associations. Among them was the Minnesota Bar Association which, on November 16, 1957, adopted a resolution to this effect.

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD, as well as my acknowledgement of it, addressed to the executive secretary of the Minnesota State Bar Association.

There being no objection, the resolution and letter were ordered to be printed in the RECORD, as follows:

EXHIBIT G

A RESOLUTION ENDORSING SENATE BILL 1165, 85TH CONGRESS

Whereas there has been introduced in the Congress of the United States Senate bill 1165, which provides for additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity, bringing the pay and promotion status of military lawyers to a level commensurate with the special professional pay and promotion schedule now available to members of the medical and other learned professions serving with the military; and

Whereas it is the sense of the board of governors of the Minnesota State Bar Association that lawyers should receive such commensurate compensation and rank, for their professional training and skill are certainly as valuable to the Armed Forces as those of the other learned professions; that the armed services are having great difficulty in procuring and retaining even a minimum of military lawyers, and that if they are unable to do so, it will be impossible to administer properly the present Uniform Code of Military Justice; that said code was made the basis of military justice largely through the efforts of civilian lawyers, and that we therefore have a responsibility to insure its successful operation; and that, finally, this bar has a peculiar interest in and knowledge of the needs and problems of the armed services: Therefore, be it

Resolved, That the board of governors of the Minnesota State Bar Association endorses Senate bill 1165, and urges upon the Congress of the United States its passage, and the secretary be and he is directed to send copies of this resolution to the Members of the United States House of Representatives and the United States Senate from this State, and to the American Bar Association.

(Adopted at board of governors meeting November 16, 1957.)

DECEMBER 20, 1957.

Mr. BERT A. MCKASY,
Executive Secretary, Minnesota State Bar Association, Minneapolis, Minn.

DEAR MR. MCKASY: Thank you for sending me a copy of the resolution passed by the board of governors of the Minnesota State Bar Association approving Senate bill 1165.

I announced my support of this bill several months ago and you can count on me to work enthusiastically for its adoption. Unfortunately, I am not a member of the Senate committee which has jurisdiction over the bill, but you may assure the board of governors that I shall do everything possible to speed its enactment.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Last week, Mr. President, the American Bar Association issued a pamphlet containing the best summary of this whole problem yet to appear in public. It was prepared by the ABA's Committee on Lawyers in the Armed Forces and is entitled "Retention of the Military Lawyer."

The pamphlet deserves the widest possible circulation. I know the up-to-date facts and figures contained in it are of tremendous interest to many Members of the Senate. It is a pity that the excellent charts contained in this pamphlet cannot be reproduced in the CONGRESSIONAL RECORD, because they state the predicament in graphic terms. The text of the pamphlet, however, and the conclusions are themselves of immense importance, and I ask unanimous consent that the text of the American Bar Association pamphlet, except those charts which cannot be reproduced, be printed at this point in the RECORD.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

RETENTION OF THE MILITARY LAWYER

(American Bar Association Committee on Lawyers in the Armed Forces)

THE LEGAL DEPARTMENTS OF THE SERVICES ARE FACING A CRITICAL SHORTAGE OF EXPERIENCED PROFESSIONAL PERSONNEL

Due to the complete turnover of officers in the lieutenant grades, the coming eligibility for retirement of officer-lawyers in the higher grades and the serious shortage of captains (lieutenants) and majors (lieutenant commanders), the services are facing a critical shortage of legally qualified personnel for service in legal duties. This situation is being aggravated by the lack of ability to procure new lawyers.

The reason: pay is inadequate as compared with the civilian lawyers in Government service and with the income of lawyers in civilian practice.

MILITARY LAWYERS

(a) Participated in 184,348 trials by courts-martial during calendar year 1956, 5.84 times the 31,554 cases handled in all United States courts during fiscal year 1956.

(b) Reviewed for legal sufficiency during fiscal year 1957 procurements valued at more than $8 billion.

(c) Processed and handled contract appeals in the amount of $80 million during fiscal year 1957.

(d) Handled patent cases in total value of over $3,200,000,000 during fiscal year 1957.

(e) Handled Government litigation involving hundreds of millions of dollars.

(f) Attended 4,437 trials of United States Armed Forces personnel by foreign tribunals as legal observer designated to safeguard the rights guaranteed by treaty.

THE FIELD OF THE MILITARY LAWYER

Military justice

(a) Participates in each court-martial. Required by law as trial and defense counsel and law officer in each general court.

(b) Reviews all cases tried for legal sufficiency and other considerations.

(c) Represents accused and Government at trial and appellate levels.

(d) Serves as member of Boards of Review in the Office of the Judge Advocate General.

(e) Advises the commander on all military justice matters.

Military affairs

(a) Serves as general counsel to commander on all military legal matters involving interpretation of laws pertaining to the military.

(b) Advises as to administrative matters involving legal points.

(c) Expert in pay, promotion, retirement, and personnel laws.

(d) Renders legal advice on board actions concerning elimination, financial responsibility, etc.

Procurement

(a) Reviews and renders legal advice on procurement matters.

(b) Handles contract dispute appeals before Armed Services Board of Contract Appeals.

Patents

(a) Controls and coordinates legal aspects of patent matters within the services.

Tax and litigation

(a) Handles matters concerning foreign, Federal, State, and local tax matters affecting the military services.

(b) Acts as house counsel by collecting evidence, interviewing witnesses, writing briefs, and doing everything short of trial appearance.

International law

(a) Observes all trials of military personnel by foreign courts to see that accuseds' rights under treaty are protected.

(b) Participates in negotiation and preparation of treaties and agreements with foreign countries.

(c) Renders advice on air law.

(d) Renders advice on foreign law.

Claims

(a) Handles all claims for or against the Government generated in military operations.

Legal assistance

(a) Furnishes legal assistance to military personnel and dependents. Gives advice pertaining to and prepares documents concerned with landlord-tenant relations; insurance; wills; retirement; medical benefits; tort actions; voting privileges; claims; domicile; taxes; deeds; complaints; marriage; divorce; adoptions; conditional sales contracts; repossession, and other facets of the law and human relations.

Legislation

(a) Analyzes and explains proposed legislation affecting the services.

(b) Drafts legislation emanating from the services.

HOW MANY CAREER MILITARY LAWYERS DO WE NEED?

Total requirement for military lawyers, career and Reserve, should be in the ratio of 1.5 lawyers per 1,000 actual troop strength. Present ratio authorized is 1.15 per 1,000. Present "on board" ratio is 1.12 per 1,000.

How many career military lawyers is the minimum required for adequate stability and experience? Two-thirds of the number of lawyers authorized for the services.

Actual strength by grade against authorized strength

U. S. ARMY

	Authorized	Assigned
Colonel	65	129
Lieutenant colonel	157	158
Major	196	134
Captain	333	193
Lieutenant	278	448

U. S. AIR FORCE

Colonel	93	61
Lieutenant colonel	166	137
Major	388	216
Captain	474	281
Lieutenant	139	501

JAG-LAW SPECIALISTS U. S. NAVY

Captain	45	63
Commander	114	168
Lieutenant commander	114	57
Lieutenant	105	55
Lieutenant (junior grade)	41	65
Ensign	0	25

TYPICAL COMMENTS RECEIVED

Senior Air Force commander: "I note on page 8 of the Air Force Times for March 2, 1957, a statement that bills have been introduced into both the House and the Senate which would pay judge advocate officers a 'special bonus of from $100 to $250 per month.' Until recently I was opposed to special pay for judge advocate officers for the reason that the problem of retention exists across the board. However, our problems and experience here at * * * have convinced me that definite action must be taken to retain in the Air Force our younger judge advocate officers in more substantial numbers than has been possible in the past.

"Besides the staff judge advocate and two field-grade judge advocate officers, I am authorized four judge advocates in the grade of captain and two in the grade of lieutenant. I have not had a single judge advocate officer in the grade of captain assigned to his headquarters since September 1955. Of necessity, relatively inexperienced judge advocate officers in the grade of second and first lieutenant have been required to perform duties demanding the experience level of captain.

"With a total authorization of 9 judge advocate officers, this headquarters has lost 6 judge advocate officers since July 1956, 4 of them to inactive duty. As replacements, we have received 1 lieutenant with approximately 1 year's experience and 3 recent graduates from law school without experience. One of the 3 recent law-school graduates has received notification that he has passed the New York Bar examination but he has not as yet become a member of the bar. One judge advocate authorization has not been filled and is now vacant.

"I am aware of the complexities of present-day military law in both the military justice and military affairs areas. No matter how conscientious and promising a young judge advocate officer may be, there is no substitute for experience. I can see no solution to the problem other than to retain in the Air Force younger judge advocates in greater numbers.

"Discussions with young judge advocate officers reverting to inactive duty from this headquarters have indicated that the hope of greater remunerative rewards in civilian practice stands high in their list of reasons for not remaining on active duty. While I fully appreciate that there are other reasons why judge advocate officers do not remain on active duty past their obligated tours, I am convinced that extra pay would serve to retain an appreciable number of lawyers in the service. I strongly recommend Air Force support of the proposed Congressional measures which would provide special pay for judge advocate officers."

Senior judge advocate: "My answer to No. 1 above is negative simply because I have plenty of service and am now past the 20-year mark. Fortunately for me I have other income.

"In view of ever-increasing and exacting demands placed on the young lawyer today in the service, the thought that no one has heretofore championed the cause of incentive pay for them makes me indignant. And the lack of such incentive has simply meant—these past 5 years—thousands of these lads coming into the service, getting valuable training at Government expense, and going back home and making use of such training in their private practice. I'm sure the record will eloquently testify to this.

"Lack of action to date proves to have been truly penny wise and pound foolish. And, last but not least, the caliber of our judge advocate officer and the quality of service are simply not improving today. The better men just aren't interested as matters stand right now."

Junior judge advocate: "The lawyer in civilian life is generally regarded as being an above-average individual. The military pay for lawyers establishes that in the eyes of the military force the lawyer is valued as a second- or third-rate officer and is to be paid accordingly; such a situation does not inspire one to continue service with such an organization."

Senior staff judge advocate: "Only this week I have been confronted with a situation which illustrates the problem. One of the brightest young attorneys that we have in the office is shortly due to complete his required active duty tour and has decided to apply for his release from the service. I have discussed the advantages of a career with him. However, he informs me that he has been offered $5,200 a year to start with one of the larger law firms in a midwestern city. They have assured him that within 5 years he will be earning upward from $10,000 a year, and can depend upon this to increase in later years. No amount of persuasion can convince him that a career in the Air Force offers similar opportunities."

Junior judge advocate: "It is my opinion that what is happening to the Judge Advocate General's Department of the Air Force is the result of this gross inequality of treatment. We have good, capable personnel at the top of the ladder and to some depth at present, but slowly the gap as to capable personnel is widening. By that, I mean that, in my opinion, at the present trend, in 10 years we will have lawyers of the rank of major and higher with experience and capability at one end and a constant turnover of second lieutenant ROTC new lawyers with no experience.

"I have yet to come in contact with one competent new lawyer, second lieutenant, with no previous military time, who is planning to remain in the service. We need good young lawyers who desire to make the service a career. Could you, in good conscience, ask a competent young lawyer to make the service his career under the present setup? For all of his education and talent, he is in no better position than a 4-year ROTC graduate. In my opinion, these young men are making a wise decision to enter private practice."

Junior judge advocate: "These are my circumstances: Two years ago I voluntarily returned to active duty after 10 years as a civilian—4 in college and 6 in the practice of law in California. When I returned my intentions were to remain indefinitely and naturally the prospect of a retirement sometime in the future was a matter to which I gave some thought. I like the Air Force and very much want to continue to serve in it. I like military life, and I enjoy the judge advocate work. In spite of all this I find that I am definitely considering a request to return to inactive status in the summer of 1958. The choice of time is solely for the convenience of my older daughter who is in school. The reason is that I cannot live in the manner to which I have become accustomed on the income I am receiving. Two years of active duty has made an inroad of several thousand dollars into my savings. I consider myself very lucky that my private practice provided me with these savings, but, unfortunately, they are not inexhaustible. I cannot continue to permit my monthly living expenses to run ahead of my income at the present rate. Past experience assures me that there is no need to as the civilian practice of law will meet my modest financial demands. Please do not assume that my problem is the result of personal extravagance. My family's standard of living is quite modest. Our tastes would certainly not be considered in the champagne class. We maintain a home costing less than $11,000, 1 new car and 1 "klunker," that wouldn't sell for $200. Our children, both daughters, number only two, and I do not consider this unreasonable for a 37-year-old lawyer. I believe our most expensive diversion results from our weakness for broiled African lobster tails. However, I feel I have earned this small delight by the many years of training and experience that I have put into my profession. I do not drink and neither does my wife. Neither of us gambles. I mention this not as a parading of virtue but only to imply that we do not indulge in either of these expensive pastimes, which can wreak such devastating havoc on a budget. True we occasionally spent a few dollars on a Saturday night for a three-game series of bowling and we do enjoy traveling a little. Is a lawyer expecting too much when he asks that his income provide him with such moderate luxury? I am sure it would be considered a very plain life by many and austere to some."

Military pay and allowances by age of officer and specialty

Age	30	32	34	36	40	42	46	50
	Over 4 (O-3)	Over 6 (O-3)	Over 8 (O-3)	Over 10 (O-3)	Over 14 (O-4)	Over 16 (O-4)	Over 18 (O-5)	Over 2 (O-6)
Lawyer:								
Basic pay	$374.40	$405.60	$421.20	$436.80	$514.80	$530.40	$608.40	$748.80
Allowances	150.48	150.48	150.48	150.48	167.58	167.58	184.68	184.68
Total	524.88	556.08	571.68	587.28	682.38	697.98	793.08	933.48
	Over 6 (O-3)	Over 8 (O-)	Over 10 (O-3)	Over 12 (O-4)	Over 16 (O-4)	Over 18 (O-5)	Over 22 (O-6)	Over 26 (O-6)
ROTC line officer:								
Nonrated basic pay	$405.60	$421.20	$436.80	$499.20	$530.40	$608.40	$748.80	$780.00
Allowances	150.48	150.48	150.48	167.58	167.58	184.68	184.68	184.68
Total	556.08	571.68	587.28	666.78	697.98	793.08	933.48	964.68
	Over 6 (O-3)	Over 8 (O-3)	Over 10 (O-3)	Over 12 (O-4)	Over 16 (O-4)	Over 18 (O-5)	Over 22 (O-6)	Over 26 (O-6)
Line officer, aviation or submarine duty:								
Basic pay	$405.60	$421.20	$436.80	$499.20	$530.40	$608.40	$748.80	$780.00
Allowances	150.48	150.48	150.48	167.58	167.58	184.68	184.68	184.68
Hazardous-duty pay	180.00	185.00	190.00	215.00	230.00	245.00	245.00	245.00
Total	736.08	756.68	777.28	881.78	927.98	1,038.08	1,178.48	1,209.68
	Over 8 (O-3)	Over 10 (O-3)	Over 14 (O-4)	Over 16 (O-4)	Over 18 (O-5)	Over 22 (O-6)		Over 26 (O-6)
Doctor, dentist:								
Basic pay	$421.20	$436.80	$499.20	$530.40	$608.40	$748.80	----------	$780.00
Allowances	150.48	150.48	167.58	167.58	184.68	184.68	----------	184.68
Special pay	150.00	150.00	200.00	250.00	250.00	250.00	----------	250.00
Total	721.68	737.28	866.78	947.98	1,043.08	1,183.48	----------	1,214.68
	Over 6 (O-3)	Over 8 (O-3)	Over 10 (O-3)	Over 12 (O-4)	Over 16 (O-4)	Over 18 (O-5)	Over 22 (O-6)	Over 26 (O-6)
Veterinarian:								
Basic pay	$405.60	$421.20	$436.80	$499.20	$530.40	$608.40	$748.80	$780.00
Allowances	150.48	150.48	150.48	167.58	167.58	184.68	184.68	184.68
Special pay	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total	656.08	671.68	687.28	766.78	797.98	893.08	1,033.48	1,064.68
Civilian lawyer (average net income)	615.93	690.00	740.00	814.00	1,032.00	1,032.00	1,108.00	1,172.00

NOTES

1. Lawyer enters service at age 25 with 3 years' constructive credit for promotion purposes only. ROTC line officer enters at age 22 so by age 30 he has almost 8 years for pay and promotion purposes. Therefore, at 30 years of age the lawyer has over 4 years for pay purposes, the ROTC line officer nearly 8 years.

2. Legal education costs a minimum of $2,000 per year (exclusive of board and room cost). A college graduate entering the service at the time the prospective lawyer enters law school earns approximately $14,000—total pay and allowances—while the law student earns nothing and must finance his own education. Then the lawyer enters the service with a minimum $20,000 deficit in educational costs and earnings loss.

3. The doctor enters the service at age 27. He receives 5 years' constructive credit for both promotion and pay purposes so that by age 30 he is paid for over 8 years.

Present pay versus proposed pay—Military

	Present pay range	Proposed pay range (present administration proposals, Cordiner modified)		
Lieutenant (junior grade) or 1st lieutenant.	$401.44-$477.48	$477.48-$517.08	4 years	18 years before any substantial increase. 18 years of service produces maximum of $400 additional income under present and proposed pay scales. This represents an average increase of $22.22 per month per year of service.
Lieutenant or captain	524.88- 602.88	570.48- 650.48	7 years	
Lieutenant commander or major.	666.78- 697.98	697.98- 797.98	do	
Commander or lieutenant colonel.	793.08- 824.28	894.68- 1,024.68	4 years	
Captain or colonel	933.48- 964.68	1,134.68- 1,249.68		

NOTE.—A young attorney can anticipate the same financial advancement in 5 years of civilian practice that he can anticipate in 18 years of military service. In addition, there is no ceiling on his civilian income. This comparison indicates that proposed pay scales will not help in retention of the military lawyer.

PRESENT SITUATION

Rank and promotion eligibility: Military lawyers are 1 to 3 years behind their line contemporaries of same age.

Longevity pay: Military lawyers are at least 3 to 4 years behind their line contemporaries.

Legal officer: Potential lawyers must spend at least 3 to 4 years after college acquiring legal education to qualify for a commission as a military lawyer.

Line officer: Potential line officer can thus be commissioned 3 to 4 years sooner than a lawyer. Eligible for promotion to first lieutenant (lieutenant junior grade) after 18 months' active duty.

WHY LAWYERS DO NOT DESIRE MILITARY CAREERS

Because of the postcollege years he must spend in law school and preparation for his bar examination, the military lawyer commences his career 3 to 4 years later than does his college contemporary in the line and most of the other staff corps. Under present law this causes him to remain permanently behind his contemporaries in both promotion eligibility and longevity pay. It makes him 3-4 years older upon reaching the retirement eligibility age. In the event he is retired for physical disability, his retired pay at a given age is less—due to the longevity factor. All during his career, the military lawyer loses up to 4 years longevity pay credit and receives approximately $50 per month less than his line officer contemporary. It should also be noted that military lawyers are required to finance their own professional education. It is a false economy "penny wise and dollar foolish" to attempt the legal mission with inexperienced military lawyers, when one considers that experienced military lawyers save the United States Government millions of dollars above their costs.

Many detailed studies of this problem have been made. The results of these studies indicate many reasons why lawyers prefer to practice their professions in civilian communities rather than in the military. The most frequent reasons given for lack of interest in a military career are: (1) inadequate pay; (2) lack of promotion; and (3) lack of prestige. There are unquestionably other factors, but these are the most important.

COMPARE THE MILITARY LAWYER WITH THE CIVIL-SERVICE LAWYER

With respect to the possibility of utilizing greater numbers of civil-service lawyers, there are limits on the number that can be utilized and, more important, on the number that can be procured. In general, civilian lawyers in significant numbers can only be obtained in or near large population centers where they have professional and cultural advantages. When civil-service lawyers are employed, they receive higher pay and have shorter working hours than their military colleagues; they are also entitled to overtime pay and are not subject to military regulations and responsibilities, change of assignment, or overseas duty. The utilization of civil-service lawyers is not the solution to the problem of retaining more young officer lawyers on active duty.

TYPICAL EXAMPLES OF REASONS FOR MILITARY LAWYERS LEAVING THE SERVICE

Captain: Graduated from law school in 1948; employed by the Government from 1948 to 1951, in a civilian capacity, at which time he was recalled to active duty as captain, JAGD USAF; principal assignment during period of active duty was staff judge advocate of an Air Force depot with annual pay and allowances of $7,095.36; reverted to inactive status in March 1953 to take employment as civilian GS-12 attorney adviser with the Air Force at starting annual salary of $7,570; in 1955 left the Government service to take employment as special legal counsel with a New York corporation at a starting annual salary of $12,500 per year; within less than a year later this salary was increased to $13,500.

First lieutenant: Graduated from law school in 1951; entered on initial tour of active duty as first lieutenant, JAGD USAF, in April 1953; continuously assigned as assistant for patent matters, Patents and Royalties Division, with annual pay and allowances per year of $5,729.76; reverts to inactive status on June 14, 1956, to take employment in the legal department of a Detroit corporation at starting annual salary of $10,000 per year.

First lieutenant: Enlisted in the Air Force in December 1952 and was commissioned second lieutenant in March 1953; in November 1953, as second lieutenant, assigned to JAGD USAF with duty as assistant for patent matters, Patents and Royalties Division; promoted to first lieutenant in June 1954 with annual pay and allowances of $5,729.76; separated from the Air Force in September 1956 to take employment in the legal department of a Massachusetts insurance corporation at a starting annual salary of $5,800 in addition to which he is guaranteed a 10 percent automatic annual increase in salary each year until his annual salary approximates $12,000, at which time he will be considered for an executive position at a higher annual salary. In addition to the monetary consideration, he has been guaranteed hospitalization and participation in a retirement program. He has also been assured that he will not be transferred and is also permitted to buy any type of insurance he desires at wholesale rates.

Captain: Graduated from law school in 1952; entered on initial tour of active duty as first lieutenant, JAGD USAF, in December 1952; held almost continuous assignment as assistant for contract matters in the Procurement Law Division; promoted to captain in March 1956 with annual pay and allowances of $6,088.56; in May 1956 reverted to inactive status to take employment as general counsel for New Jersey corporation at a starting annual salary of $12,000; the same officer was also offered a civilian GS–12 attorney-adviser position with the Air Force at a starting annual salary of $7,570.

First lieutenant: Entered on initial tour of active duty as second lieutenant, JAGD USAF, in September 1952; thereafter continuously assigned as assistant for military affairs and military justice in the Military Affairs, Military Justice, and Claims Division; after promotion to first lieutenant in January 1954 drew annual pay and allowances of $5,729.76; in September 1954 reverted to inactive status to take employment in a mortgage department of a New York bank at a starting annual salary of $6,000 per year; in addition to this salary he was guaranteed the following: a 10 percent increase in annual salary at the completion of first year with annual increases thereafter; free hospitalization; free life insurance in the sum of $6,000 for the first year and free life insurance in the sum of $10,000 thereafter.

Lieutenant: Graduated from law school in 1955. Left the military service in 1957 to work for New York City law firm. Starting salary $6,500 per year plus year-end bonus. Promised $1,000 a year raise in pay each year for the next 5 years.

Captain: Graduated from law school in 1950. Left the military service in 1953 to join Chicago law firm at $6,000 per year. Present salary is $10,000 per year.

Law school professor: "I am aware, of course, that you will have been using other means of recruitment and that the position involved may already be filled. Until I hear otherwise, however, I shall continue to be on the lookout for a likely prospect for your position. I may say parenthetically that the demand for law graduates continues at a high level. Three of our graduating seniors were offered $6,500 per annum as starting salaries in private practice. You can appreciate that a position paying $6,400 to a man of 3 years' experience will not attract a man who is having a reasonable degree of success and satisfaction in his practice. Valuable as experience is, my guess is that you would be likely to get a better man, inch for inch and dollar for dollar, if you start out a man fresh from law school who can be trained and who comes to work with the sharpness of youth and who does not have his zeal worn off. You have, of course, not sought my advice on your personnel policies, but I make this general observation because in my own experience with the placement process, I found it safer to recommend candidates for positions who have just completed their training than it is to recommend candidates who have had 2 or 3 years' experience and who are willing to take a change."

SAVINGS TO THE GOVERNMENT

For every career lawyer that we have on active duty, we will eliminate the need for 3 newly commissioned lawyers each 7 years. The cost to the Government for each noncareer officer-lawyer who separates upon completion of his tour is only slightly less than $6,000, considering commissioning expenses, salary, travel pay, schooling, and on-the-job training, uniform allowances, etc. Each inexperienced officer will cost the Government a minimum of 25 to 30 percent of its investment, not to mention the cost incurred through inexperienced legal advice.

With the services attempting to procure a minimum of 350 new officers per year, and the number becoming progressively greater year by year as senior experienced officers leave the service, the minimum total cost of this replacement program can be placed at $2,100,000 per year. This cost will increase by year.

Cost of proposed legislation can be estimated at approximately $6,500,000 per year. Therefore, the cost of such legislation will be partially offset by the lessened rate of turnover.

Computation of cost

Salary	$14,629.68
Travel	500.00
Processing	1,000.00
School	1,500.00
On-the-job training	1,500.00
Uniform allowance	250.00
Total	19,379.68

Thirty percent of the above total equals $5,813.90.

EFFECT OF VARIOUS PAY SCALES ON RETENTION OF MILITARY LAWYERS

To ascertain the effect of present and proposed pay scales on the willingness of military lawyers to remain in service, a questionnaire was sent to every military lawyer on active duty in all the armed services, and to recently separated personnel. More than half of these persons responded by February 28, 1958. The meaningful answers are tabulated below:

Regular officers and career reservists

1. Is it your present intention to seek voluntary retirement upon completing 20 years of active duty? Yes, 94.4 percent; no, 5.5 percent.

2. If your answer to the preceding question is in the affirmative, are your present rate of pay and the existing pay scales the primary factors in your decision to leave the service? Yes, 89.9 percent; no, 10.1 percent.

3. If your answer to question No. 1 is in the affirmative, would enactment of the Cordiner pay proposals alone afford sufficient financial incentive to cause you to alter your decision? Yes, 8.1 percent; no, 91.9 percent.

4. If you plan to seek voluntary retirement after 20 years, would the enactment of the military lawyer, financial incentive legislation (S. 1165) now pending in the Senate, cause you to change your plans in this regard? Yes, 92.1 percent; no, 7.9 percent.

Military lawyers serving an obligated tour

5. Do you plan to leave the military service upon completion of your obligated period of service? Yes, 99.1 percent; no, 0.9 percent.

6. If your answer to the preceding question is in the affirmative, are your present rate of pay and in the existing pay scales the primary factors in your decision to leave the service? Yes, 76.9 percent; no, 23.1 percent.

7. If you answered the previous question affirmatively, would the enactment of the Cordiner pay proposals alone afford sufficient financial incentive to cause you to alter your decision? Yes, 6.8 percent; no, 93.2 percent.

8. If you presently plan to leave the active military service upon completion of your obligated tour, would enactment of the military lawyer, financial incentive legislation (S. 1165) now pending in the Senate, cause you to change your plans in this regard? Yes, 79.4 percent; no, 20.6 percent.

Military lawyers who have recently left active duty for civilian practice

9. Was inadequate pay the major deterrent to your remaining in the military legal field? Yes, 38.1 percent; no, 61.9 percent.

10. Would you have seriously considered remaining in the service had appropriate military lawyer, financial incentive legislation, been in existence? Yes, 50.6 percent; no, 49.4 percent.

CONCLUSIONS

1. The legal departments of the military services are facing a serious personnel shortage. Charts 1 through 5, examined with certain facts in mind, give rise to considerable concern as to the ability of the judge advocates general to perform in the future not only regularly assigned functions, but those functions required of them by law. The facts to be considered are (1) a complete turnover of those officers in the junior grades who are serving an obligated tour of duty; (2) the present shortage of officers in the major and captain grades and equivalent; and (3) the coming eligibility for retirement of the great percentage of senior judge advocates and law specialists. According to a recently conducted poll, 80 percent of senior officers presently plan on retiring at the point of initial eligibility. The critical nature of the situation is pointedly affirmed by the recent experience of the Judge Advocate General's Department of the Air Force in the Air Force augmentation program, when 238 applications for regular status were received for 387 spaces, as contrasted to 60,000 applications from Air Force line officers for approximately 20,000 spaces.

Procurement programs have generally produced adequate results in the past. Such success is attributable almost entirely to the existence of selective service which forced the young draft vulnerable lawyer to apply for a direct commission as the alternative to enlisted service. Now, with the Army 6 months' training program and Executive Order No. 10714, June 18, 1957, procurement programs for direct Reserve commissions at this time are lagging far behind past programs, giving rise to justifiable apprehension. For instance, the Air Force offered 240 direct commissions in the Judge Advocate General's Department during fiscal year 1958. Indications are that 160 of these spaces will remain unfilled.

It is often stated that retention problems exist in other fields in the military services, but procurement of such specialists does not appear to be troublesome.

Such retention problems exist in fields where the specialist is trained as a military man on active duty. On the other hand, the lawyer is not trained at Government expense but at his own; consequently, the staffing of the military legal departments involves problems of both retention and procurement. The following tabulation indicates that lawyer retention is much more serious in nature than overall retention problems.

[Percent]

	Military career plans [1]		
	Yes	Undecided	No
All officers, USAF:			
Line officer	68.8	15.5	15.7
Judge advocate	49.6	20.0	30.4
Noncareer reservist, USAF:			
Line officer	12.4	31.4	52.3
Judge advocate	2.0	26.6	71.4

[1] Figures taken from the USAF Personnel Report, Characteristics and Attitudes From Sample Surveys, Oct. 1, 1957. This report reflects attitudes as of May 1957.

Therefore, unless corrective action is taken, the legal departments will not be sufficiently manned with experienced lawyers to perform the mandatory functions prescribed by the Uniform Code of Military Justice.

2. The desire of the senior military lawyer to retire upon reaching eligibility, and the reluctance of the young lawyer to choose a military career, is based upon several factors:

(a) Pay: Charts 6, 7, and 8 reveal certain inequities in pay within the military services. More specifically, they indicate that the military lawyer receives less pay throughout his military career than either his line or professional contemporaries, including doctors, dentists, and veterinarians. His average income is far less than the civilian member of the profession in addition to the fact that his earnings are limited throughout his military career. Also, his income as an attorney employed by the Federal Government would be considerably greater. Opportunities outside of the military are far more attractive.

(b) Promotion and prestige: Temporary promotion practices in the military services generally fall within the same pattern; from first lieutenant to captain, 4 years; from captain to major, 7 years; from major to lieutenant colonel, 5 years; lieutenant colonel to colonel, 5 years; therefore, advancement is extremely slow, and lacks any degree of certainty. Present indications point to the fact that these periods of time will increase until they are equal to the period of time in grade established by the Officer Personnel Act, to wit: First lieutenant to captain, 4 years; captain to major, 7 years; major to lieutenant colonel, 7 years; lieutenant colonel to colonel, 4 years. Insofar as prestige is concerned, line officers are generally unaware of the field of the military lawyer. His advanced professional education and standing is seldom recognized. Therefore, under existing conditions, the military lawyer must possess a dedication to his service, and a love of his work that will counterbalance his desire for professional success in civilian life and the resultant rewards, in order to choose a military career as a lawyer. This is seldom encountered.

Mr. HUMPHREY. It is my hope, Mr. President, that appropriate action may soon be taken in the House and Senate Armed Services Committees which will assure that this problem be met. We cannot continue to operate the Armed Forces, combining both the interests of efficiency and justice, without the continued performance of highly qualified, technically trained, military lawyers. The facts of the situation now demonstrate beyond question that unless corrective action is taken, the Armed Forces will not be sufficiently manned with experienced lawyers to perform the mandatory functions prescribed by the Uniform Code of Military Justice. We need speedy action along the lines of S. 1165, or comparable legislation adopted in connection with a more general bill. I hope that such action will be forthcoming.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

ECONOMIC CONDITIONS

Mr. HUMPHREY. Mr. President, in order to keep the RECORD up to date relating to the developments in the economy, I have been attempting from day to day to have printed in the RECORD the latest economic reports.

The latest economic reports indicate that the recession continues to grow. A spot check by the Associated Press, as reported this past weekend, shows that unemployment is increasing in the Nation's major labor markets.

Mr. President, I ask unanimous consent that the Associated Press report of March 23 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPOT CHECK INDICATES RISE IN UNEMPLOYMENT

A spot check by the Associated Press showed yesterday that unemployment still is increasing in March in the Nation's major labor markets.

The sample, while not nationwide in scope, covered more than a dozen of the biggest employment areas. It showed the idle in these areas increased by about 150,000 from the middle of February to the middle of March.

But, like the first robin in the spring, there are some hopeful signs. The survey data, together with the Government's latest unemployment compensation claims figures, suggest the jobless peak is close at hand and there may be some decline in unemployment in April.

JOB PICTURE NOW

The job picture at the moment appears to be this: Unemployment is still rising, but its upward momentum is rapidly slowing down. This is due to the usual spring employment pickup on farms and in other outdoor work as weather improves. This improvement has been delayed this year because of late winter storms.

But an April decline in the number of jobless, unless it is quite substantial, would not spell an end to the recession. Unemployment normally drops by about 400,000 or 500,000 between February and April. And available data indicates no decline in March.

An April pickup in construction, farming, and other outdoor work could reduce somewhat the overall national unemployment total, last counted by the Government at 5,173,000 as of mid-February.

But the seasonal gain in outdoor work would not signal an economic revival unless there is also job improvement in the auto and plane factories, steel mills, and other types of manufacturing and mining, the hard core of the current economic trouble.

PENNSYLVANIA OUTLOOK

In Pennsylvania, where the last jobless tally was 464,000, William L. Batt, Jr., State secretary of labor and industry, expressed doubt that a seasonal upswing in construction really would bite deeply into the State's jobless problem.

"The important thing is what happens in factory employment," Mr. Batt said. "What we need most is for men to get back to work in heavy manufacturing. The steel industry is important. As long as it's operating at only about 50 percent of capacity we're going to have a problem."

The Federal Reserve Board said a few days ago that production, employment, income, and retail sales all had declined in February. It noted further early March declines in auto production as well as in mineral output, including crude oil.

The Government's job data for March will not be known until the second week of April. A month ago President Eisenhower said there was every indication March would commence to see the start of a pickup in job opportunities, marking "the beginning of the end of the downturn." Later, Gabriel Hauge, his economic assistant, said he expected to see the downturn "slow to a stop" between April and July.

The latest Labor Department report shows that in the week of March 8 there were 3,274,800 jobless among workers insured by the unemployment compensation system. Only about two-thirds of all the Nation's workers are covered under the system.

The 3,274,800 figure represents a slight decline from the prior week's total, but an increase of about 138,000 over the week of February 15, when the Government took its last overall tally of the unemployed.

Some of the unemployment changes among insured workers in key States, with figures for March 8 listed first, followed in parentheses by the February 15 week totals:

California, 311,303 (315,843); Oregon, 44,244 (45,424); Washington, 62,134 (71,417); New York, 384,721 (361,439); Pennsylvania, 332,098 (309,604); Ohio, 208,650 (202,184); Illinois, 172,672 (163,644); Indiana, 88,271 (87,571); Missouri, 62,358 (65,882); Rhode Island, 27,445 (26,317); Alabama, 46,575 (46,310); and Texas, 72,926 (65,460).

The AP spot check showed seasonal job improvement in California, Washington, and Oregon, the West Coast States which have been hard hit. Plywood plants in Oregon and Washington which had closed because of low prices have now reopened, and timber activities are picking up. Boeing Aircraft at Seattle has delayed scheduled layoffs.

Boston reports the job situation in the six-State New England area is static, with a slight increase in insurance-covered unemployment between mid-February and mid-March. The increase was heaviest in Connecticut, where the legislature is in special session considering antirecession proposals.

In New York figures for unemployment claims shot up substantially in both the State and New York City between mid-February and early March. Martin W. Wilmington, New York City economist, said the March picture "shows some change for the worse." In Michigan, center of the hard-pressed auto industry, mid-March unemployment was estimated by State officials at 420,000 for the State and 230,000 for Detroit alone. The statewide figure was up 62,000 from mid-February. Current unemployment represents 14.3 percent of the labor force, 15.1 percent of Detroit's.

Mr. HUMPHREY. Mr. President, I also invite the attention of Senators to a story appearing in the Washington Post and Times Herald of Monday, March 24, 1958, which states:

Government economists are coming to the conclusion that business activity will begin to turn up slowly in the fourth quarter and not before.

This is an observation which the junior Senator from Minnesota has made previously, and which I believe has genuine merit.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT ECONOMISTS NOW SEE NO UPTURN BEFORE LATE IN THE YEAR

(By Joseph R. Slevin)

Government economists are coming to the conclusion that business activity will begin to turn up slowly in the fourth quarter and not before. Some of the gloomier seers think the rise may not begin until the first quarter of next year. And all the forecasters qualify their predictions by saying that all bets are off if there is no tax cut.

The recession now has gone further and is expected to last longer than any of the top economists anticipated just a few months ago.

The big, unforeseen trouble has been a sharp drop in automobile sales. Government economists expected the automobile manufacturers to have a good year and they are having a dismal one.

The forecasts of a fourth quarter rise turn partly upon expectations of an improvement in automobile activity when the 1959 models appear in dealer showrooms. If consumers cold-shoulder Detroit for the rest of this year, the economists say prospects of an upturn are very dim indeed.

The trouble that the experts have when they look for a turning point is that no one seems to be able to find a set of buying demands that will be strong enough to kick off a vigorous upsurge. That's why they all look for a slow rise when the advance begins.

State and local government spending for schools, hospitals, roads, and other facilities is expected to continue to climb slowly. So is Federal spending. And so, with any luck, is home building. Consumer spending, which has been tapering off, will pick up moderately if the 1959 models are attractive. But the downturn in business purchases of new plant and equipment that caused the slump is expected to continue—or, at best, to flatten out.

There's no spark in sight—no home-building boom as in 1954, no automobile buying jag as in 1955, no capital goods spending spree as in 1956 and 1957.

Guesses as to how long it will take to lift economic activity back to where it was at the end of 1957 range up to a year from the time the upturn begins. That could mean late 1959 or early 1960.

The most disheartening feature of the current situation has been the absence of substantial price cuts. Price reductions customarily are a key part of a recession adjustment and the economists figure that there's nothing that would whet business and consumer appetites more than a round of price slashes.

But prices have been holding firm. There's now a worrisome suspicion among the experts that this will be remembered as the recession that was ended by Government tax cuts and other moves—as the recession that was marked by about as many price maladjustments at the end as there had been at the beginning.

If the forebodings of the experts prove correct, it's a safe bet that the fourth postwar recession will follow closely on the heels of the current dip.

Mr. HUMPHREY. Mr. President, the serious effect of the recession upon the Minnesota iron-ore industry is reported in the New York Times of March 23. I have just returned from my State, and I can assure Senators that the situation in the iron-ore section in Minnesota is approaching very tragic and serious proportions. Unemployment today is heavier than it has been for years—since the early 1930's.

Mr. President, I ask unanimous consent that the article to which I referred, from the New York Times, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES IRON-ORE MARKET SQUEEZED BY STEEL SLUMP, RISE IN IMPORTS

MINNEAPOLIS, March 22.—Sagging steel production and growing imports of foreign ores have fashioned a pincers movement that threatens this year's market for domestic iron ore.

An aggravating factor is the existence of a record stockpile of unused ore at Lake Erie docks and at furnace yards served by Lake Superior mines. The stockpile on December 1 was 72 million tons, largest in history. Two months later it had declined by only 10 million tons, and ore consumption during February was 7 percent lower than in January.

Two winters ago ore furnaces gnawed so hungrily at 64-million-ton stockpile that by May 1, when the Great Lakes opened to spring shipping, the reserve had dropped to 27 million tons.

Lake Superior's iron range shipped 86 million tons of ore last year, 13 million tons below the record 1953 shipments of 99 million tons.

R. T. Elstad, of Duluth, Minn., president of the Oliver Iron Mining division of the United States Steel Corp., predicted a month ago that his company's output might be reduced as much as a third this year.

The Lake Superior mines in Minnesota, Wisconsin, Michigan and in two Canadian areas, have furnished the bulk of this Nation's iron ore for the last half century.

Rich veins in Labrador and Quebec and in Venezuela, Chile, and Liberia last year accounted for most of the record imports of 30 million tons.

In January, imports were higher than for the same month in 1957. There has been no indication that United States concerns that own and operate many of the foreign facilities plan to cut back their imports.

On Minnesota's iron range, as a consequence, local officials of the United Steelworkers of America have been talking more and more of tariffs and quotas on imported ore. The Duluth unit of the AFL–CIO recently demanded, contrary to national labor policy, an end to reciprocal trade agreements.

A 10-percent reduction in steel output is forecast for 1958 by many in the industry. Such a cut could mean that ore production might fall below the 71 million tons produced in 1949, a postwar low.

Minnesota's tax revenues will suffer in the coming fiscal year if ore production falls off drastically. In February the number of jobs in Minnesota's ore mines and taconite plants stood at 14,600. About half the decline of 6,000 jobs since last September was seasonal, the other half attributable to an unfavorable outlook for steel production.

Mr. HUMPHREY. Mr. President, despite the seriousness of the recession, the administration maintains its wait-and-see position on a tax cut. As I stated to Senators on March 6, I believe that a tax cut is needed now to stimulate purchasing power, especially in the low- and middle-income families.

I also add, Mr. President, I stated in late January, when the first signs of the depth of this recession were appearing, that a tax cut was needed. I recall that day, because the distinguished junior Senator from Alabama [Mr. SPARKMAN] was addressing himself to the overall subject matter of the weakness in the housing and construction field, referring to the weakness of market conditions. During that discussion I engaged in a colloquy with the junior Senator from Alabama [Mr. SPARKMAN], and pointed out my firm conviction that what was needed was not merely a step-up in construction and a coordinated activity on the part of the Federal, State and local governments in the field of public works, but also a sizable tax cut which would act as a stimulant to purchasing power.

I also believe that the date for the tax cut should be certain. There should be a date for it to go into effect, and a cut-off date, so that the tax schedule would return to the higher factor once the effectiveness of the tax cut has been shown.

I say that in relationship to the tax schedule, and not with respect to excise taxes. It is my view that the excise taxes are retrogressive. It is my view that they have a very injurious effect upon the economy, and that not only should they be reduced, but many of them which are retrogressive and injurious to the health of the economy should be repealed.

I was pleased to read this past weekend that the President's former economic adviser, Dr. Arthur Burns, recommends an immediate, broadly based tax cut. I referred to Dr. Burns' philosophy on the recession and how to cope with it in my speech on March 6. I read from Dr. Burns' book entitled, "Prosperity Without Inflation," and quoted in considerable measure from the recommendations of Dr. Arthur Burns, who, as we all know, was formerly economic adviser to the President. I recommend to my colleagues in the Senate as "must" reading the articles or lectures of Dr. Burns, which are published in the book to which I have referred, entitled, "Prosperity Without Inflation." In that book, which represents a collection of a series of lectures, Dr. Burns not only recommends a tax cut, but underscores the importance of timing in whatever we do. He points out that Government action in combating the recession is effective in direct proportion to the time the action is taken and the degree and extent of the action.

I have previously recommended that the President of the United States make a determined effort to consult with other representatives of government at the State and local level. I think we must clearly understand that if we are to combat the effects of this recession we cannot afford to have State and local governments withdrawing from their obligations or their plans for construction and economic progress, relying upon the Federal Government to do it alone.

There must be closely coordinated teamwork between Federal, State, and local governments in whatever public-works programs are undertaken, and whatever construction programs are undertaken.

Therefore I have recommended, and continue to recommend that the President call an immediate conference of the governors of the 48 States, first of all, to get their recommendations and

their observations on what is going on in their respective jurisdictions; and secondly, for the President to inform the governors that there needs to be, and that he will see to it that there will be, the closest type of cooperation and coordination between the Federal Government and State governments.

The same thing must be done in the case of the mayors of the major cities. The great municipalities of America and their governing bodies and officials must be called upon by the President to continue their works programs, their construction programs, and not be cutting off at a time when we are asking Congress to make appropriations to stimulate public works.

I refer to airport development, hospital construction, school construction, construction of sewage-disposal plants; streets, parks, and all the many areas of public works and public construction which are today found in the municipalities, counties, and States.

All these programs need to be coordinated with the Federal program, and the Federal program needs to add a genuine stimulus to those efforts.

This is the philosophy of Dr. Arthur Burns. Dr. Burns points out the importance of doing what needs to be done soon enough so that it will be effective. Delay will be costly.

One sure way to a Federal Government deficit is to permit this recession to grow deeper. One way of getting out of the recession is to have the courage to take the action which is required now, rather than delaying it. I believe that such action requires not only public works in the field of hospital construction, sewage disposal plant construction, recreational areas, housing, needed public buildings, and conservation efforts in our forests and national parks, but also emergency school construction and other emergency construction. We ought to move forthrightly and quickly into the field of emergency school construction. I hope the committees of Congress which have before them a large number of bills dealing with Federal aid to school construction will take affirmative action, and take it quickly. If there is any one area of public endeavor in which we ought to fulfill our obligation, it is in the field of school construction.

I hope that a sense of urgency about an emergency program will be manifest in the Congress.

I would add to that the tax cut which is being recommended by such responsible men as Dr. Arthur Burns and others. Dr. Burns said that—

> If we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic action.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks Dr. Burns' statement, as contained in an article from the New York Times with relation thereto.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WIDE TAX CUT NOW IS URGED BY BURNS—FORMER CHIEF OF PRESIDENT'S ECONOMIC ADVISERS CALLS FOR $5 BILLION SLASH

(By Austin C. Wehrwein)

CHICAGO, March 22.—Dr. Arthur F. Burns said today that the end of the recession was not yet in sight and called for an immediate, broadly based, permanent $5 billion tax cut.

Dr. Burns also urged improvement in the unemployment-insurance system, more flexibility in the highway construction program and the enactment by law of a national anti-inflation policy.

Dr. Burns is professor of economics at Columbia University and president of the National Bureau of Economic Research, Inc. From 1953–55 he was Chairman of the President's Council of Economic Advisers. He spoke at the annual University of Chicago Management Conference in the Conrad Hilton Hotel.

Dr. Burns told an audience of 1,000 Chicago businessmen and economists that "my only hope is that he will not take too long in seeking the perfection which we shall not find."

URGES PROMPT ACTION

Prompt action, he said, would create an excellent prospect of reversing the economic tide. He continued:

"If, on the other hand, we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic medicine."

Before his talk, Dr. Burns told a reporter he wanted to stress the need for action now that would not only combat the recession but also avoid inflationary effects later.

In his speech Dr. Burns laid great stress on a proposed amendment to the 1946 Employment Act, which laid down as a national policy that the Government has an obligation to nurture maximum employment and production.

"It would therefore be wise," he asserted, "to accompany any early tax reduction by a national declaration of purpose with regard to the general level of prices that could have a moral force such as the employment act already exercises with regard to our levels of production and employment."

INFLATION FEAR A FACTOR

The fear that governmental economic stimulants might cause inflation is a frequent theme among business leaders.

Asked whether he had discussed his points with anyone in the administration, Dr. Burns said he preferred not to answer lest he cause embarrassment.

Vice President RICHARD M. NIXON told a press conference here Thursday: "I think as far as the tax cut is concerned, it is not timely to make it now."

Dr. Burns said that although the recession was in its eighth month, business and consumer confidence had not yet been seriously impaired and that was precisely the element of strength to preserve.

He also warned that should the recession deepen it would provide propaganda for the Soviet Union.

He ruled out as unrealistic any significant economic effects in the immediate future from even a massive public-works program because it would take too long. The effect might be felt, Dr. Burns argued, just when the economy was under inflationary pressure again.

"A tax reduction is clearly a sounder method of dealing with a mild recession," he argued.

WOULD INCLUDE BUSINESS

He said it should apply to high as well as low incomes and to businesses as well as individuals so it would stimulate investment as well as consumption and be free of time restrictions limiting it to months or years.

Dr. Burns said that lower tax rates would soon be offset in considerable part by increased collections and he also argued that it would put a damper on later increases in Federal spending and thus generate less inflationary pressures in the future than a public-works program of the same size.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I entered the Chamber just as the Senator was referring to the article by Dr. Burns, former Chairman of the President's Council of Economic Advisers. Today, at the beginning of the morning hour, I had the opportunity to refer to the March issue of Economic Indicators. A copy of this document is, of course, available to every Member of Congress. I recommend that the Senator consult the March issue. He will find there, in the testimony of the statisticians of the Government, through the Council of Economic Advisers and the Joint Economic Committee, the statistical facts which show that the trend of the entire economy is downward, but prices are still rising.

Mr. HUMPHREY. I read the brief news dispatch in the morning press on that subject. Of course, the report of the Economic Indicators would be much more detailed. This, again, is one of those ironical and paradoxical situations, in which we see the economy as a whole suffering from deflation, in terms of the recession, but the price structure of the vast number of administered prices is going up, which is the story of inflation.

Mr. O'MAHONEY. There is a point in that connection which should be especially emphasized. When the Senate Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary had before it representatives of the big steel companies, among them former Secretary of the Treasury George Humphrey, the latter was asked why the steel companies did not reduce the price of steel, in view of the conditions which plainly existed, and the existence of which he acknowledged. His response was that his company was unwilling to reduce prices. Last week the Secretary of the Army announced that his Department was about to award $100 million worth of contracts for the building of vehicles of various kinds.

The Chrysler Corp. is to be one of the recipients of some of these contracts. The Government will be paying the higher prices of steel. There is no reason why the former Secretary of the Treasury and his company should not help the executive branch of the Government to fight inflation and the recession by reducing the price of the steel that goes into the commodities which the Government must buy with borrowed money, on which it is paying an increased rate of interest.

Mr. HUMPHREY. I say to my colleagues in the Senate that I always feel better when I know that the able and brilliant Senator from Wyoming inter-

ests himself and continues to interest himself in our economy.

As a student, some years ago, I read the splendid reports issued by the Temporary National Economic Committee, which are monumental contributions to the understanding of the corporate structure in the American economy and the economic factors which are at work. We are deeply and eternally indebted to the distinguished Senator from Wyoming [Mr. O'MAHONEY].

I was also pleased to see that the highly respected Committee for Economic Development urges a 20-percent tax cut if the recession deepens in March and April. The antirecession program of the CED merits careful consideration. I ask unanimous consent that the story on the CED proposals as reported in the New York Times of March 23 be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS GROUP ASKS 20-PERCENT TAX CUT IF SLUMP WIDENS—ECONOMIC DEVELOPMENT UNIT URGES ACROSS-BOARD SLASH IN PERSONAL INCOME LEVY—NIXON ASSURES NATION—SAYS ADMINISTRATION IS "ON TOP" OF SITUATION AND WON'T TOLERATE A LONG DIP

(By Edwin L. Dale, Jr.)

WASHINGTON, March 22.—The Committee for Economic Development recommended today a temporary 20-percent across-the-board reduction in personal income taxes if the recession deepens in March and April.

The recommendation came in a policy statement by an 8-man panel of the privately supported research committee of 150 businessmen and educators. The Committee for Economic Development has always backed large budget deficits to cure recessions.

Meanwhile, Vice President RICHARD M. NIXON told reporters that the Eisenhower administration had not yet made a choice between tax relief and major public works expenditures as a possible weapon to combat the recession.

ACTION IS PLEDGED

With considerable emphasis, however, Mr. NIXON asserted that the American people could be assured that the administration was "on top of the economic situation" and would not tolerate a prolonged economic downturn.

[In Chicago, Dr. Arthur F. Burns, former Chairman of the President's Council of Economic Advisers, urged an immediate $5 billion-a-year tax cut.]

A tax cut should be enacted, the Committee for Economic Development said, if seasonably adjusted industrial production, employment and personal income continue to decline through April.

The cut would automatically expire March 31, 1959.

The group also urged a more aggressive easy money policy by the Federal Reserve System and some speeding up of various Government-spending programs in cases where "the major impact upon the economy of doing so will be felt within a year or so."

LIMITED EFFECT FORECAST

The report stressed, however, that "rescheduling of public-works projects can of themselves make only a limited contribution to quick reversal of a downward trend of the gross national product"—the sum of all goods and services—and that "increases in Government expenditures should not be our chief reliance."

The committee is a highly respected economic research organization. It is nonprofit and nonpolitical. Donald K. David, chairman of the CED and chairman of the Ford Foundation's Executive Committee, is a member of the committee that wrote today's report. The CED was founded in 1942 by a group that included Marion B. Folsom, Secretary of Health, Education, and Welfare; William Benton, former Democratic Senator from Connecticut, Paul G. Hoffman, former administrator of foreign aid, and Wayne C. Taylor, former Under Secretary of Commerce.

The report set up the following three criteria for a tax cut:

1. The aim is to halt a recession, "not to change the burden of taxation or to reform the tax structure." Hence it should be "neutral" with respect to the existing tax distribution, affecting everyone's total income-tax bill, including withholding levies. "Such a cut," the report said, "would provide a quick spur to consumption expenditures."

2. It should be prompt if the economy continues to slide and should be temporary to avoid "a pronounced risk of inflation in the ensuing business advance."

3. "The size of the tax cut must be commensurate with the size of the problem." This would mean a personal income-tax cut at a yearly rate of $7,500,000,000, or 20 percent of the $38 billion that the income tax would bring in under conditions of prosperity.

The actual tax loss would be less because the 20 percent would apply to a recession income base, because the tax cut could be expected to increase incomes as prosperity returned, and because the cut would not be in effect for a full year.

The report said the group "does not claim that the program presented in this statement would immediately and exactly restore the economy to high employment and production; the time and pace of recovery will depend upon the decisions and actions of private consumers and producers."

"The influence of Government can stimulate and supplement private behavior but not displace it," the report stressed.

The group cited figures showing that the recession had gone as far as the declines in 1948–49 and 1953–54. In arguing that some further decline would be necessary to warrant major action, it said:

"We do not wish to fire our heaviest antidepression artillery each time business activity slackens, simply because we fear future economic collapse."

Such a policy, it said, would make inflation unavoidable.

The report also urged that the Government base its decision on actual figures on the performance of the economy, necessarily somewhat delayed, rather than forecasts of how the economy would go.

The signers of today's report were Frazer B. Wilde, chairman, president of Connecticut General Life Insurance Co.; Donald K. David, chairman of the executive committee of the Ford Foundation; William C. Foster, executive vice president of Olin Mathieson Chemical Corp.; Howard C. Peterson, president of Fidelity-Philadelphia Trust Co.; Berdsley Rummi, economist of New York; George F. Smith, president of Johnson & Johnson, surgical goods manufacturers; Allan Sproul, retired president of the Federal Reserve Bank of New York, and J. Cameron Thomson, chairman of the board of Northwest Bancorporation of Minneapolis.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that excerpts from the CED's policy statement on the recession as reported in the New York Times of March 23, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ANTIRECESSION PROGRAM OF COMMITTEE FOR ECONOMIC DEVELOPMENT

THE PRESENT POSITION OF THE ECONOMY

The current decline in business activity is one of the long series in the wavelike movement that has been characteristic of our economic growth. Most previous business declines in our history have been moderate and brief, with the downward movement ending within a year, recovery substantially completed within 2 years and the trough in the Nation's output not more than a few percent below the previous peak. The recessions of 1949 and 1954 were of this character. We have had only a few depressions that were both very deep and prolonged; those beginning in 1837, 1873, 1893, and 1929 are the only ones that really qualify for this description. Their extreme character stemmed largely from the collapse of the financial system and the wholesale destruction of confidence that such a collapse engendered. Institutional changes in the financial system since 1929 provide a guaranty against financial collapse and, along with other changes, warrant our belief that there will not be a future depression on the scale of the thirties. We have also had a certain number of depressions of intermediate character, such as those that started in 1920 and 1937. We have done a good deal to make such pronounced dips less likely, but we cannot be sure that we will not have to deal with them again.

DECLINES RECOUNTED

In February 1958 employment in nonagricultural establishments, seasonally adjusted, was 1,700,000, or 3.2 percent lower than in the previous August. In the same period, the seasonally adjusted unemployment rate rose from 4.2 percent of the civilian labor force to 6.7 percent. Short hours became more prevalent. The gross national product, seasonally adjusted at annual rates, dropped from $440 billion in the third quarter of 1957, when the economy was operating at high employment, to $432,500,000,000 in the fourth. If allowance is made for both the subsequent decline and the fact that prices had risen, it is likely that by February the real gross national product, which measures the total production of the economy, was about 3½ percent below the 1957 third quarter. But with normal growth of the economy's productive capacity, we would now be able to produce about 1½ percent more than in the third quarter of 1957. This would indicate that in February the economy was operating at about 95 percent of the high-employment level, if gross national product in the third quarter of 1957 is taken as a standard. The decline in employment and production was not slackening.

OTHER FACTORS NOTED

This, in broad terms, is where we stand as this is written. Certain important characteristics of the decline thus far should also be pointed out. Consumer expenditures for nondurable goods and services, together, which in 1957 absorbed 56 percent of the entire gross national product, have held up well. "This is significant, because an outstanding characteristic of the declining phase of major depressions is a general downward spiral of consumer income and consumer spending. Thus far in the present recession the decline in spending has not become general, and such a cumulative spiral is not in process. It should also be noted that purchasing by State and local governments is continuing to rise; Federal Government spending is scheduled to turn up a little, and the movement of residential construction activity continues irregular rather than clearly upward or downward.

The impact of the recession thus far has been principally upon employment and production in durable goods manufacturing. Employment in mining, construction, transportation, and nondurable goods manufacturing has been affected to a lesser extent. In other industrial divisions, employment has declined only slightly or increased.

SIMILARITIES FOUND

Despite important differences in the forces initiating declines in 1948, 1953, and 1957, the magnitude and most general characteristics of the 1957–58 decline are similar to the patterns of the 1948–49 and 1953–54 recessions after they had been in process for the same length of time. However, they are also similar to the pattern we should expect in the early stages of a more serious decline if we make allowance for the support provided to consumer income by automatic stabilizers, such as unemployment insurance, that have been introduced since we last experienced such a decline.

If the probabilities are that the amplitude and duration of the 1958 recession will be similar to those of its immediate predecessors, it is mainly because most recessions are of such a moderate character. That we do not know what will bring a reversal does not mean that it will not appear—any more than the outstanding sales success of the 1955 model automobiles that accelerated recovery in late 1954 could be foreseen with assurance earlier in that year. But we must also reckon with the possibility that we are in the early stages of a more serious decline. The most likely cause would be the same as in many such periods in the past—a pronounced and prolonged slide in the rate of business investment in plant and equipment, without sufficiently strong offsets in other types of demand. Reinforced by a further drop in foreign sales and by a rise in the rate of business inventory liquidation, a sharp slide in business capital outlays could curtail consumer income enough to set in motion the characteristic downward spiral of consumer income and spending, the hallmark of depression.

WHAT SHOULD BE DONE NOW?

1. Monetary policy: A main reliance for support of the economy in the present situation should be monetary policy.

Monetary policy influences private spending through its effect on the supply of money and the cost and availability of credit. Individuals and businesses tend to spend more if they have easier access to credit, if the cost of borrowing declines and if they find themselves holding more cash and other liquid assets in relation to their needs.

All of these factors depend to a great extent on Federal Reserve policies, since the Reserve System can make credit more readily available at lower cost by increasing the reserves of the commercial banking system. It can do this by buying Government securities in the open market or by reducing the reserves the member banks are required to hold against their deposits and it can lower the interest rate at which banks can borrow reserves from the regional Federal Reserve banks. These actions increase the lending capacity of banks and reduce the cost of borrowing and this, in turn, will tend to stimulate the banks to lend more readily to qualified borrowers at favorable interest rates and will thus help to increase private expenditures.

VIGOROUS ACTION URGED

The Federal Reserve System should move even more vigorously to provide the banks with abundant reserves. The reserve position of the banks should be adequate not only to permit them to meet all sound loan demands that come to them but also to impel them to seek to make additional sound loans and acquire other assets. The small decline in the money supply (seasonally adjusted) that has occurred since mid-1957 should be halted and reversed. We believe that monetary policy is most effective when it is used wholeheartedly. Obviously, we cannot prescribe the precise timing of the necessary steps or the magnitude of reserves that should be supplied. Such decisions must be made by the Federal Reserve on the basis of day-to-day developments.

2. Federal budget policy: In a recession, Federal tax receipts tend to fall and unemployment compensation payments, social security pensions, public assistance payments and other expenditures increase. These automatic responses to recession are stabilizing because they cushion the decline in incomes that individuals and businesses have available to spend.

The Federal budget should be permitted to exercise its normal, stabilizing effect on the economy—an effect that is far stronger than at any time prior to World War II. This means that if, as is to be expected, tax receipts drop below those estimated in the President's budget because of lower incomes, we should not try to make up the deficiency in receipts by raising tax rates or by lowering expenditures.

In addition, some acceleration of Government expenditures planned for the near future under existing authorized and necessary programs is appropriate.

To get the stabilizing effect of the budget principle we recommend it is necessary that in a recession the budget be allowed to run a deficit as tax revenues drop and certain expenditures automatically rise. In the coming year—fiscal year 1959—tax receipts are very likely to fall below the budget estimate, mainly because individual and corporate incomes are likely to be lower than was assumed in the tax forecasts. If this happens, the debt limit should not force the Government to reduce its spending precisely when the economy needs the stimulating effect of a Government deficit and when provision for national security demands increasing defense outlays. To avoid these undesirable consequences, the debt limit should be raised by an amount that would allow not only for ordinary seasonal variation in receipts in the coming year, but also for the possibility that expenditures for the entire year will substantially exceed receipts. In our view, the $5 billion temporary increase already enacted is too small, in view of the uncertainties on both the receipts and expenditures sides of the budget, even on the assumption that the recession will be moderate in extent and duration.

3. Planning stronger action: Additional measures to be used if the recession deepens should be readied and agreed upon now. This is necessary so that action may be taken quickly if it is needed. It will also provide a solid basis for confidence on the part of the businessmen, investors, and consumers that there will be no deep depression. Hence it will prevent fear and uncertainty from holding up investment and consumer spending and make it more likely that recovery will be achieved by natural forces assisted by the measures suggested above.

CONDITIONS WARRANTING STRONGER ACTION

It would be unwise to set up a single rigid signal for strong antirecession action, but we believe such action would be appropriate if the economic decline passes the low points reached in 1949 and 1954.

We suggest that this would be the case if, after allowance for seasonal influences, business activity continues to contract for another 2 months, after February, unless there is unmistakable evidence of quickly forthcoming improvement.

Any significant decline in total consumer spending for nondurable goods and services, accompanying a pronounced drop in disposable personal income, would also suggest the need for strong counteraction, since, as indicated earlier, it would suggest the beginning of a downward spiral of income and spending generally that, if unchecked, could cause the decline to snowball.

WHAT SHOULD BE DONE IF THE RECESSION DEEPENS

Circumstances described in the previous section would call for an economic policy that has a good probability of stopping the business decline and turning activity upward; half measures that merely slow the downward movement would not then meet our national objective. Subject to this criterion, we should also continue to use measures that do not interfere with adjustments in resource allocation, relative prices and costs through normal competitive processes and that are quickly reversible. The latter criterion, however, may be interpreted somewhat more loosely, since we shall be starting with more idle resources and less immediate danger of reviving inflationary pressures.

RESCHEDULING GOVERNMENT EXPENDITURES

Under conditions calling for strong Federal action, the Federal Government should make every effort to accelerate necessary procurement and public works, but only when the major impact upon the economy of so doing will be felt within a year or so. This allows more scope for rescheduling than the narrower program we have suggested for the present situation, but is nonetheless a severe restriction. If it is not met, procurement and public-works acceleration will not only be ineffective in helping to check recession but may later add to inflationary problems.

The increase of expenditures in order to fight recession can easily become wasteful unless discrimination is exercised. While a speedup of expenditures that would otherwise have to be made later is warranted, embarking upon unnecessary projects is both extravagant at the time and likely to lead to a continuing scale of Government expenditures larger than would be adopted were programs considered strictly on their merits. Acceleration of contract terms so much that costs are increased by overtime work at time and one-half or double time, or by wasteful production and buying practices, is also to be avoided. The Government should obtain more, not less, for its dollars in periods of slack business.

Acceleration of procurement and public works, together, can and should play a supporting role in bringing about recovery. State and local governments, by accelerating their programs in the manner suggested here for the Federal Government, could also make a contribution. But increases in Government expenditures should not be our chief reliance.

A LARGE TEMPORARY TAX CUT

The major emphasis should be upon temporary and substantial reduction in Federal income taxes to raise private incomes and hence to increase consumer spending and business investment. The tax cut should have three principal characteristics:

1. The purpose of the tax cut is to help lift us out of a recession, not to change the burden of taxation or to reform the tax structure. Consequently, it should be neutral with respect to the distribution of the tax burden. A flat percentage reduction in the income tax bills of individuals applied to the amounts computed under existing law would meet this criterion sufficiently well. Such a tax reduction would provide a quick spur to consumption expenditures. It should also help to restore opportunities for profitable investments, mainly by the improvement of business sales though also by di-

rectly increasing net yields to individual investors.

2. If the conditions we have assumed appear, the tax cut should be prompt. It should also be put into effect for a limited time only, with automatic provision for a return to the previous rates. This is essential to permit enough tax reduction to stimulate recovery and yet not run a pronounced risk of inflation in the ensuing business advance.

3. The size of the tax cut must be commensurate with the size of the problem. If the situation we describe should develop within the next few months, the real gross national product would have fallen something like 4½ percent from its previous peak. Over the intervening period estimated normal growth at a rate of 3 percent a year would have increased the productive capacity of the economy by more than 2 percent. Our gross national product, consequently, would probably be nearly 7 percent below a high employment level. This amounts to an annual rate of about $30 billion in gross national product.

We suggest the tax cut should aim to provide a stimulus that would provide the basis for quickly eliminating the larger part of the gap between actual and potential production. The immediate effects would be mainly to raise private consumption and, as a result of the strengthening of business sales, to check inventory liquidation. Some additional stimulus would be provided by the temporarily higher rate of Federal purchases we urge above. Together, the effects of these actions should strengthen investment generally, and impart an upward impetus to the economy that would set us on the road back to high employment.

Although a precise calculation is impossible, we believe that this objective requires a personal income tax cut at a yearly rate of about $7,500,000,000, when yields are computed on the basis of income levels consistent with high employment and stable prices. Present personal income tax rates would yield about $38 billion a year under conditions of high employment and price stability, so that would mean a cut of one-fifth in these taxes. A much larger reduction would carry too great a risk of inflation; one much smaller would have an insufficiently high probability of success.

COST TO TREASURY

The actual cost to the Treasury of such a temporary tax cut should be less than $7,500,000,000. First, because the actual income base to which it was applied would be below the high employment level; under the assumed conditions the tax loss initially would be at an annual rate of about $7 billion. Second, because we would expect the reduction to be in effect, at least in full, for less than a year. Third, because, under conditions of substantial unemployment, the stimulus of the tax reduction should raise the tax base well above what it would be in its absence—without the corresponding increase in government cost resulting from inflation that would ensue from a similar policy under high employment conditions.

We recommend that, if such a temporary tax cut becomes necessary, its original enactment should be for a period ending March 31, 1959. Tax withholdings, which account for the bulk of individual income tax collections, would be immediately reduced by one-fifth. Individuals making taxpayments on current-year incomes would recompute their liabilities and adjust their current payments. The tax liability on the final returns for the year would be computed in the usual fashion, but with the addition of a line for the "emergency antirecession tax reduction." This would be equal to the ordinary tax liability multiplied by one-fifth the fraction of the year for which the reduction was in effect. If, for example, the reduction were effective on July 1, 1958, and ended on March 31, 1959, the deduction on calendar-year returns for 1958 would be equal to 10 percent of the originally computed liability and for 1959 to 5 percent.

CUTOFF PROPOSED

To meet the objective of high employment without inflation—and to justify the use of taxation in any similar future situation—it is essential that the temporary tax cut be pared or eliminated as quickly as the recovery of the economy warrants.

If this more vigorous action becomes necessary and is taken boldly, there is reason for confidence that tax reduction on the scale we have recommended, supported by rescheduling of Federal expenditures and expansionary monetary policy, will succeed in turning the economy upward. Given the necessary determination, it should also be feasible to reverse action quickly enough to prevent the stage from being set for another round of inflation.

The CED research and policy committee has repeatedly recommended reduction in the corporate profits tax and in selective excise taxes as part of the long-run reform of the Federal tax structure. We urge consideration of these and other desirable tax reforms at the earliest possible time. We omit them from the proposed antirecession tax program only because of our desire to concentrate on the simplest step on which quick agreement would be most readily forthcoming. We believe that reduction of individual income taxes would be an effective way of stimulating an increase in private spending, with resulting increased employment, until expansionary forces within the private economy reassert themselves.

DISTINCTION IS MADE

We cannot emphasize too strongly the importance of distinguishing clearly between temporary measures to deal with the recession and permanent changes in public policy. This distinction will make prompt and effective action both more feasible and less dangerous. The possibility of agreeing quickly on emergency measures will be greatly enhanced if there is also agreement that these measures are for the duration of the emergency only. In particular, it should be much easier to agree upon a generally acceptable tax cut to last for a short period than to agree upon a broad and permanent revision of Federal tax policy with all the complications that entails.

Moreover, the danger that emergency measures would persist into conditions when they would be inappropriate—when they would be inflationary, wasteful, or inconsistent with long-term growth—would also be reduced by prior understanding of their temporary character and by advance provision for their termination. One implication of this is that we must all resist the temptation to use the recession as an occasion for trying to fasten permanent changes upon Federal policy with respect to expenditures, taxes, or anything else. Permanent changes should be considered in the light of the expected long-run condition of our economy, which is not a condition of recession.

We also wish to warn against the danger of basing policy primarily on forecasts of the future rather than on present facts. Forecasts of the short-term course of employment and business are guesses that cannot be continuously correct, so that any action based upon them may be wrong. Moreover, agreement can rarely be reached on forecasts of the future. Hence, if effective policy action depends upon forecasts, we may do the wrong thing or do things too soon or too late.

Mr. HUMPHREY. Mr. President, more and more people are asking why the administration does not face up to this recession. How much longer can it sit back with a wait-and-see attitude on a tax cut?

Mr. President, I may ask, also, what was it that dampened the ardor of the Vice President? Three weeks ago he seemed to be filled with urgency for a tax cut. Apparently since then his high desire has been moderated by some counsel or admonition from those in the administration who have been able to restrain what I thought was a commendable and helpful attitude on the part of the Vice President.

The Alsop brothers in the March 24 Washington Post give some very interesting answers to this question. I ask unanimous consent that their column entitled "Eventually, Why Not Now?" be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVENTUALLY, WHY NOT NOW?

(By Joseph and Stewart Alsop)

When the unencouraging preliminary figures for March employment and business activity were laid before the Cabinet last week, the response was gloomily impassive. This raises the puzzling question: "Eventually, why not now?"

Eventually, if the final returns on March are bad, the administration is heavily committed to a bold, business-stimulating tax cut. The President himself promised the country a March upturn only a few weeks ago.

Other leading figures of the Eisenhower team repeatedly have explained that we must wait and see the March outcome, and they have indicated that action to cut taxes would follow if the March outcome proved disappointing.

Virtually all the indices now suggest that the March outcome will be decidedly disappointing. New applications for unemployment relief have dropped fractionally. The month may well show a modest increase of persons having jobs—which the White House staff immediately will claim as justification of the President's incautious forecast.

But although the total of employed may rise, the figures already available almost surely mean that the crucial unemployment total will either hold about even or quite possibly rise, too. As family incomes are lowered by cuts in work hours, more and more housewives and young people are looking for jobs to keep pork chops on the family table.

Overall, the American economy looks like it is doing no better in March than in February, and there are some who say the curve is still downward in a month of normal seasonal pickup.

Unanimity among economists is never to be looked for. But there are not many Government economists who have not already delivered an unfavorable verdict on the month of March, except for men directly attached to the President's staff, like Gabriel Hauge.

The White House experts and some in the Treasury continue to argue that the economy's March performance can be judged only when all the statistics are finally available, in mid-April.

Maybe Hauge is right. Certainly, it is now the White House intention to stick to the wait-and-see line, at least until mid-April. Even Vice President NIXON, who was all for an immediate tax cut only 2 weeks ago,

has swung round to the case for wait-and-see. But the odds are clearly about 3 to 1 that when mid-April rolls around, the final returns on March will give the administration no choice but to take the promised action to cut taxes or openly to declare that taxcutting is not such a good remedy after all.

Therefore the question: "Eventually, why not now?" It has all the more force because any stimulant always is more effective if it is applied early, whether to an ailing economy or an ailing body. It is a really puzzling question, but it has an answer that comes in three parts.

In the first place, a big tax cut is a very big step, especially in view of the worsening foreign and defense situation, which may make heavy future demands on the economy. For that reason, if for no other, the key man on the President's advisory team, Treasury Secretary Robert Anderson, takes Hauge's line, not hostile to a tax cut if needed, but wanting all the evidence before the decision.

In the second place, there is an identifiable school of thought in the administration, probably stronger in the Federal Reserve Board than elsewhere, unkindly described as the "further through the wringer" school, in which inflation has been the great fear, all through the Eisenhower years.

The "further through the wringer" school holds that the current depression has simply got to be reflected in serious price cuts before it will be safe to take stimulating action with a naturally inflationary tendency, like a tax reduction. Otherwise, this school says, a stimulated upturn now will lead surely to a grave inflationary situation 2 years from now.

The third part of the answer is clearly the President himself. In the President's attitude, there are more than hints of the strong influence of his businessmen friends, many of whom have views about Government interference in the economy that do not differ greatly from former President Hoover's.

Then, too, as his reaction to the sputnik also showed, Dwight Eisenhower nowadays greatly prefers immobility to motion. The President is therefore the strongest defender of doing nothing now to lower taxes, even though it appears almost certain the tax-cut stimulant will have to be applied later.

Mr. HUMPHREY. Mr. President, the Washington Post of last Saturday reports:

While industrial output in the United States has been dropping rapidly during the current recession, the industrial ouput of the Soviet Union has been surging upward at an equally rapid pace.

The hardship to so many millions of Americans that is taking place as a result of this recession is bad enough in itself. But to make matters even worse, this recession is jeopardizing the position of the Free World in its struggle against the totalitarian forces led by the Soviet Union.

Let us consider for a moment what has been happening. While our own industrial production this year is running 10 percent lower than a year ago, the Soviet Union's production is up by 11 percent for the same period. And this rate of growth in the Soviet Union is typical of what they have been doing in recent years and plan to do in years to come.

If the United States is to retain its position as the leader of the Free World, Mr. President, it is imperative that we have a strong economy which is reflected in steady productive growth.

Unfortunately in the past 5 years we have not had a steady productive growth. As a matter of fact, industrial production at the present time is less than it was a full 5 years ago despite our increased productive capacity and booming population growth.

Mr. President, I was shocked when I read this statement, which has been checked very carefully, and which was underscored in the Washington Post article, namely, that the industrial production in the United States is less than it was a full 5 years ago, despite increased productive capacity and a booming population growth.

In 1953 the industrial production index averaged 134, in 1954 it dropped to 125, in 1955 it rose to 139, in 1956 it rose to 143, in 1957 it stood still, and for the first 2 months of this year it has averaged only 131½.

It would indeed be tragic if the Soviet Union were to win the balance of power due to our failure to maintain our advantage in production.

That is why the recession is even more important than the tragedy that befalls us at home, which is the tragedy of waste of manpower and productive facilities, and unemployment. There is a challenge every bit as great, and that is the challenge of the balance of power in the world shifting into the hands of the Soviet Union because of industrial progress.

This is a very real possibility unless the administration realistically faces up to the facts of life, tears up its chins-up speeches, rolls up its sleeves and begins to demonstate a capacity for intelligent leadership as demanded by the American people and the Free World at large.

I ask unanimous consent, Mr. President, that the article to which I have referred entitled "Recession Helps Russians Narrow Production Gap," from the Washington Post and Times Herald of March 22, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECESSION HELPS RUSSIANS NARROW PRODUCTION GAP

(By Thomas P. Whitney)

While industrial output in the United States has been dropping rapidly during the current recession, the industrial output of the Soviet Union has been surging upward at an equally rapid pace.

The result is that the Russians are swiftly narrowing the big gap between industrial production of the Soviet Union and that of the United States.

American industrial output in January and February 1958, was approximately 10 percent lower than it was in the same 2 months of 1957, according to the Federal Reserve Index.

An official communique of the Central Statistical Administration of the Soviet Government placed Soviet industrial production in January and February 1958 at 11 percent higher than in the same period of 1957.

TYPICAL OF RUSSIAN RATE

This figure of 10 or 11 percent annual increase is typical of the rate at which Russian industrial production is being increased each year currently.

Experts on the Soviet economy have estimated that, roughly, the Soviet Union may at present have about half as large a total industrial production as the United States. Nikita Khrushchev estimated a few months ago that it would take the Soviet Union 15 years, more or less, to reach the American industrial output of 1957.

Soviet leaders are obviously watching with great interest the American recession. Khrushchev himself demonstrated this when he devoted a full 10 minutes of his election speech on March 14 to the report by George Meany, president of the AFL–CIO, delivered at the recent AFL–CIO put-America-back-to-work rally.

Following this speech Soviet papers devoted much attention to the Meany report, which described declining production and rising unemployment in America.

TASK WOULD BE EASIER

Otherwise the Soviet press has not been devoting any tremendous amount of attention to the American recession in the last few weeks.

In the unlikely event the American industrial decline should continue for several years, the task which the Soviet Union has set for itself of catching up with American industrial production would be much easier and take fewer years than the Soviet leaders have been thinking it might.

Therefore, one can be sure that, despite the seeming lack of intense interest by the Soviet press in American economic troubles, Khrushchev and his colleagues in the Kremlin are following them closely. And, no doubt, they are quite pleased by the bad business news in the United States.

Mr. HUMPHREY. Mr. President, I conclude my remarks on the subject of the recession by saying that our foreign aid bill is in trouble and that our foreign trade bill is in trouble. They are going to be in trouble until the administration and Congress lay down an antirecession program which gives our people a sense of confidence. The American people are taking a dim view of foreign aid and loans to foreign countries and grants to foreign nations, even when those countries are our closest friends, and even when they know they are our trusted allies, so long as the American people find they are unable to get jobs and unable to do the things that are needed to be done in their communities.

If the administration wishes to save the foreign aid program—and I surely do, and I shall support it—it will have to take some effective steps. Mr. President, I shall support it despite the fact that 90 percent of the mail that comes to my office is opposed to foreign aid. The latest check this morning reveals the fact that 9 out of every 10 letters that I have received on the subject of foreign aid and mutual security are in opposition; that 8 out of every 10 on the subject of reciprocal trade are in opposition. Despite that fact, it is my sincere belief that both measures are urgently needed. I shall support them.

However, I say that unless the administration is willing to take effective and forthright and timely action to stop the recession and give our people a sense of confidence, and give our people an opportunity to work, and put men back on the jobs, and restore industrial capacity and industrial production, there is going to be a tragic failure in America in the field of foreign policy and in the field of foreign aid.

Today our mutual security program and our foreign trade program rest on a precarious balance, and can be tipped over at any time to such an extent that the foreign aid program will be cut to ribbons, and the foreign trade program will be filled with protectionist philosophy.

I hope and pray that that will not happen. One sure way to stop it is for the administration to get away from the nonsense of its chins-up talk, and to get down to the practical case of getting the necessary work done. This means the construction of housing and hospitals and schools, and the raising of unemployment compensation, and it means an expanded social-security program, in which the benefits are commensurate with the cost of living.

It means that the President of the United States should sign the farm measure, Senate Joint Resolution 162, which we have put on his desk. He should sign the measure which will make certain that farm prices will not fall any further. He must not veto it, because to do so will be to serve warning on the farm population of America that their lot is not to be considered; that their economic situation is to be ignored. If that kind of action follows, if there is a veto, an outcry from the rural areas of America will take its toll upon effective foreign aid programs and effective foreign aid.

As a friend to foreign aid and foreign trade, I appeal to the President to exercise his leadership to give to the Nation reassurance that we are just as willing to lend money to the municipalities of the Nation to repair their water systems and sewage disposal systems as we are to make loans to other nations; reassurance that the United States Government is as willing to help our own people obtain jobs by effective action as it is to provide economic opportunities to the people in other parts of the world.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. Mr. President, is the Senator aware of the statistical argument in support of his position, as revealed in the New York Times this morning? Every Monday, for a long period of years, the New York Times has been printing a list of the maturities of the United States Government which must be refinanced within the next 12 months.

Mr. HUMPHREY. I am interested to know about that.

Mr. O'MAHONEY. Here is an amazing story. The 1-year maturities amount to $82,206,530,641. They are the United States Treasury obligations in the hands of the public, and they will mature within the next 12 months.

Mr. President, I ask unanimous consent that the article containing the list of Treasury securities be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE-YEAR MATURITIES ARE $82,206,530,641

Direct obligations of the United States Government in the hands of the public that will mature within 12 months amount to $82,206,530,641. They consist of Treasury securities as follows:

Mar. 24	—Tax antic. bills	$3,001,664,000
Mar. 27	—Discount bills	1,700,152,000
Apr. 1	—Ser. E sav. bonds[1]	2,291,394,146
Apr. 1	—Ser. F sav. bonds[1]	172,987,637
Apr. 1	—Ser. G sav. bonds[1]	1,306,651,700
Apr. 1	—1½% Treas. notes	49,715,000
Apr. 3	—Discount bills	1,700,340,000
Apr. 10	—Discount bills	1,699,903,000
Apr. 15	—3½% ctfs. of ind	356,835,000
Apr. 15	—Discount bills	606,953,000
Apr. 17	—Discount bills	1,700,648,000
Apr. 24	—Discount bills	1,701,606,000
May 1	—Discount bills	1,700,563,000
May 8	—Discount bills	1,699,718,000
May 15	—Discount bills	1,709,489,000
May 22	—Discount bills	1,800,701,000
May 29	—Discount bills	1,802,235,000
June 5	—Discount bills	1,800,197,000
June 12	—Discount bills	1,700,377,000
June 15	—2¾% Treas. bonds	918,780,600
June 15	—2⅞% Treas. notes	4,391,791,000
June 15	—2¾% Treas. bonds	4,244,811,000
June 19	—Discount bonds	1,700,318,000
Aug. 1	—4% ctfs. of ind	11,519,077,000
Oct. 1	—1½% Treas. notes	121,269,000
Dec. 1	—3¾% ctfs. of ind	9,832,719,000
Dec. 15	—2½% Treas. bonds	2,368,365,500
1959		
Jan. 1	—Ser. E sav. bonds	2,263,890,755
Jan. 1	—Ser. F sav. bonds	201,981,303
Jan. 1	—Ser. G sav. bonds	1,272,396,000
Feb. 14	—2½% ctfs. of ind	9,766,725,000
Feb. 15	—1¼% Treas. bonds	5,102,277,000
Total		82,206,530,641
Week ago		82,206,327,641
Year ago		72,857,158,202

[1] Maturing monthly within a year from this date forward.

Mr. O'MAHONEY. Mr. President, this is the significant figure. A week ago, the maturities, according to the New York Times, amounted to $82,206,327,641. That was less than the amount published today. A year ago the maturities amounted to $72,857,156,202. In other words, the maturities a year ago were almost $10 billion less than they are now.

In order that the meaning of this surprising statistical picture might be clear, I have had a computation made as to the percentage this represents of the national debt.

For the year 1952, before this administration took office, the national debt was $266 billion. The maturities which were due within 1 year, according to the New York Times, amounted to $55,700,000,000, or 20.8 percent of the national debt.

As of March 1958, the national debt had risen to $275,500,000,000. The maturities within the 12-month period amounted to $82.2 billion, or consisted of 29.8 percent of the national debt. Thus, the national debt has risen more than $9 billion, and the amount of the maturities which must be met within the 12-month period has increased 50 percent.

This administration has made the poorest fiscal record of any of the administrations having power and responsibility during the great crises which our Nation has encountered. The severity of crises has not been improved, it is worse than it was before.

What the Senator from Minnesota has said about the responsibility of the Government to take remedial steps immediately cannot be overemphasized. The Senator is quite correct. We may not all agree upon the things that ought to be done.

For myself, I believe that we must change the manner in which foreign aid is administered. I do not believe in military aid, now that we have reached the era of nuclear weapons. I do not believe in having Uncle Sam spend borrowed money to build outmoded weapons for use by European or Asiatic nations. I doubt the advisability of asking our friends in the rest of the world to allow their territories to become the sight of nuclear weapons launching stations.

But whatever may be the doubt of it, I have no doubt that if economic aid is provided, it will be administered in a way which will make the nations that receive the aid responsible for the administering of the aid. I hope the Senator from New Hampshire will agree with me on that.

Mr. HUMPHREY. The Senator from Minnesota.

Mr. O'MAHONEY. The Senator from Minnesota, of course. That was a curious mistake to make, because when I get the floor, I may say to the Senator, I shall quote remarks by a distinguished former Representative and Senator from Minnesota concerning the stockyards and packers bill. I shall quote the words of "Blind Tom" Schall, in his dramatic appeal against the murder of the Federal Trade Commission for the benefit of the big packers.

Mr. HUMPHREY. The Senator's statement will be of great interest, because the late beloved Senator, "Blind Tom" Schall, as he was called, was truly an advocate of the people's interest.

I thank the Senator from Wyoming for his statistical information, which is always to the point, and is always very illuminating and informative.

I now turn to another subject, Mr. President.

The PRESIDING OFFICER. The Senator may proceed.

ELECTORAL COLLEGE REFORM

Mr. HUMPHREY. Mr. President, in the 84th Congress I introduced Senate Joint Resolution 152, an attempted compromise proposal in the electoral college debate. That proposal owes much of its genesis to the imagination and hard work of Dr. Ralph M. Goldman, now professor of political science at Michigan State University.

Dr. Goldman has just written for the Midwest Journal of Political Science an article entitled "HUBERT HUMPHREY'S Senate Joint Resolution 152: A New Proposal for Electoral College Reform." I ask unanimous consent that the text of Dr. Goldman's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Midwest Journal of Political Science, vol. II, No. 1, of February 1958]

HUBERT HUMPHREY'S SENATE JOINT RESOLUTION 152: A NEW PROPOSAL FOR ELECTORAL COLLEGE REFORM

(By Ralph M. Goldman, Michigan State University)

The Senate gave brief consideration to the electoral college during March 1956. The main departure from previous Congressional discussion of the issue was the high degree of interest in finding a compromise solution. Two such compromises were proposed. The Daniel-Thurmond-Mundt compromise would enable the States to make their own choice between two earlier plans; that is, votes

could be counted according to either the Daniel-Kefauver (formerly Lodge-Gossett) or the Mundt-Coudert plan. The Humphrey compromise, on the other hand, offered an entirely new approach which would assign two electoral votes to the victor in each State and divide the remaining 435 electoral votes nationally in proportion to the nationwide popular vote.

A great many Senators were familiar with and committed to either the Daniel-Kefauver or the Mundt-Coudert plans and gave the sponsors of the Daniel-Thurmond-Mundt proposal a 48 to 37 majority in the Senate vote, 9 votes short of the two-thirds of those voting required for constitutional amendments. The Humphrey compromise, put into the hopper only 3 weeks prior to the floor debate and unfamiliar to most of the legislators, was set aside by a voice vote. The two new compromises and several previous plans were sent back to committee.[1]

SENATE JOINT RESOLUTION 152 AS A COMPROMISE

The Humphrey compromise now establishes a fourth approach to electoral college reform. The principles and political implications of the new proposal were brought to the attention of Senator HUBERT HUMPHREY, of Minnesota, in July 1955, by the present writer.[2] Senate Joint Resolution 152 received practically no press publicity.[3] It was brought to the attention of about 46 Members of the Senate by a special letter from Senator HUMPHREY, dated March 9, 1956. Because the Senator's name was previously associated with various other proposals for changes in the electoral system, there was some confusion among his colleagues as to the relation, if any, between Senate Joint Resolution 152 and the other HUMPHREY-supported plans.

HUMPHREY'S Senate Joint Resolution 152 eliminates the electoral college and the presidential electors as such, a point on which nearly all reform proposals agree. Senate Joint Resolution 152 is the same as the Daniel-Kefauver and Mundt-Coudert proposals in that it retains the total strength of both Houses of Congress, that is, 531 votes, as the numerical basis for determining the election of Presidents. The Humphrey plan assigns the two senatorial electoral votes to the candidate winning the plurality of popular votes in each State, as does the Mundt-Coudert plan. Unlike the other reform proposals, however, the Humphrey compromise enables the presidential electorate as a national body to influence directly the presidential choice. This would occur by dividing the remaining block of 435 votes according to the proportion of popular votes received by each candidate on a nationwide basis.

As illustrated in table 1, in 1956 Dwight Eisenhower carried 41 of the 48 States, which, under this plan, would have given him 82 votes at the rate of 2 per State carried; Adlai Stevenson would have received 14 senatorial electoral votes. Of the more than 60 millions of votes cast nationally in the presidential contest, some 35 millions went to Eisenhower and over 25 millions to Stevenson. Dividing 435 electoral votes in the same proportion as the national popular vote would, under this new plan, have given Eisenhower an additional 249.6 electoral votes and Stevenson 182.3 additional votes. The total electoral vote would have been: Eisenhower, 331.6; Stevenson, 196.3; other candidates, 3.0.

TABLE 1.—*State strength in Presidential electoral voting under proposed Humphrey system (S. J. Res. 152)*

	1956		1952	
	Democrat	Republican	Democrat	Republican
Alabama	4.0	1.4	3.9	1.1
Arizona	.8	3.2	.8	3.1
Arkansas	3.5	1.3	3.6	1.3
California	17.0	23.3	15.5	22.5
Colorado	1.8	4.7	1.7	4.7
Connecticut	2.8	7.0	3.4	6.3
Delaware	.5	2.6	.6	2.6
Florida	3.4	6.5	3.1	5.8
Georgia	5.1	1.5	5.2	1.4
Idaho	.7	3.1	.7	3.3
Illinois	12.4	20.4	14.2	19.4
Indiana	5.5	10.3	5.7	10.0
Iowa	3.5	7.1	3.2	7.7
Kansas	2.0	6.0	1.9	6.4
Kentucky	3.3	6.0	5.5	3.5
Louisiana	1.7	4.3	4.4	2.2
Maine	.7	3.7	.8	3.6
Maryland	2.6	6.0	2.8	5.5
Massachusetts	6.6	11.7	7.7	11.1
Michigan	9.5	14.0	8.7	13.0
Minnesota	4.3	7.0	4.3	7.4
Mississippi	3.0	.4	3.2	.8
Missouri	8.4	6.4	6.6	8.8
Montana	.8	3.0	.8	3.1
Nebraska	1.4	4.6	1.3	5.0
Nevada	.3	2.4	.2	2.4
New Hampshire	.6	3.2	.8	3.2
New Jersey	6.0	13.3	7.2	11.7
New Mexico	.7	3.0	.8	2.9
New York	19.3	32.4	21.9	29.9
North Carolina	6.2	4.1	6.6	3.9
North Dakota	.6	3.1	.5	3.4
Ohio	10.1	17.8	11.3	16.8
Oklahoma	2.7	5.3	3.1	5.7
Oregon	2.3	4.8	1.9	5.0
Pennsylvania	13.9	20.1	15.2	19.1
Rhode Island	1.1	3.6	1.4	3.5
South Carolina	3.6	.5	3.2	1.2
South Dakota	.8	3.2	.6	3.4
Tennessee	3.2	5.3	3.1	5.2
Texas	6.0	9.6	6.8	9.8
Utah	.8	3.5	1.0	3.4
Vermont	.3	2.7	.3	2.8
Virginia	1.9	4.7	1.9	4.5
Washington	3.6	6.4	3.8	6.2
West Virginia	2.6	5.1	5.2	3.0
Wisconsin	4.1	8.7	4.4	8.9
Wyoming	.3	2.5	.3	2.6
Other parties	3.0		2.1	
S. J. Res. 152 outcome	196.3	331.6	210.8	318.1
Outcome present system	73.0	457.0	89.0	442.0

The compromise character of the Humphrey method rests upon the manner in which it applies the various principles traditionally accepted as part of the American presidential election system. First, the Humphrey plan gives recognition to the Federal principle by allowing the 96 senatorial electoral votes (out of 531 total) to fall according to the respective statewide popular votes. The Lehman-Langer approach does not at all allow the Federal principle. The Mundt-Coudert plan handles the Federal factor in the same way as the Humphrey plan, that is, by placing 96 of the 531 electoral votes under the influence of State-by-State voting returns. The present system, like the Daniel-Kefauver proposal, magnifies the role of federalism by placing electoral votes entirely under State influences.

Secondly, the Humphrey plan claims to reconcile the disparities among the other three plans with respect to the application of the population principle. The Langer-Lehman proposal is the extreme statement of the direct election approach. Theoretically, a 1-vote majority in 60 million votes cast could elect a President. The Lehman-Langer supporters, pointing to the national character of the modern Presidency, declare that under this system neither Congressional Districts nor State boundaries should intervene between the citizens of the Nation and their highest national officer. Finally, say the Langer-Lehman advocates, a direct election system puts a premium on political participation; getting out the vote would reap immediate rewards and, conversely, denial of access to the ballot box would automatically have punitive consequences for guilty States, regions, or parties. The Daniel-Kefauver and the Mundt-Coudert plans, on the other hand, assume that presidential voters act primarily as citizens of States and Congressional Districts. Under the Daniel-Kefauver system, a majority of the 531 votes must be built up out of popular majorities in the States. Under Mundt-Coudert, the Congressional Districts are where popular majorities count most. Daniel-Kefauver also claims to provide a stimulus to minority party activity in one-party States by assuring such minorities some part of the State's electoral vote, of which it now receives none. The new Humphrey method comes close to incorporating the Langer-Lehman nationwide direct election principle into the 531-vote framework of the other electoral systems. HUMPHREY'S Senate Joint Resolution 152 also has a built-in stimulus to voting participation.

Finally, the separation of powers principle would be maintained by the Humphrey plan. An essential feature of the separation of powers is the election of public officers by different electorates. Under present conditions, for example, Congressional District voters elect members of the House of Representatives; State voters choose Senators and decide the State's vote in the electoral college. The Mundt-Coudert plan, on the other hand, makes Congressional and presidential constituencies coincident with each other, negating the separation principle. Langer-Lehman sharply accentuates separation by creating an entirely new mass constituency for the Presidency. The Humphrey plan, it is argued, creates a new presidential constituency without going to the extreme of the Langer-Lehman plan.

SOME POLITICAL IMPLICATIONS OF THE NEW PLAN

After mathematically translating past presidential election results from the present counting system to that of the Humphrey plan, supporters of Senate Joint Resolution 152 have demonstrated several of the political implications of the new reform. Setting aside the probability that a somewhat different national party pattern might have developed under the Humphrey system, the same Presidents would have been elected under the Humphrey method in 21 of the 22 presidential elections between 1872 and 1956; the exception, 1876. The Humphrey method, however, would have modified the exaggerated electoral college majorities. The winners would have received an average of 78 fewer votes between 1872 and 1956. The principal losers would have received an average of 55 additional electoral votes over the same period.

Table 1 shows what the voting outcomes would have been, by States, in the elections of 1952 and 1956 under Senate Joint Resolution 152. Because 435 of the electoral votes are divided between the parties on a national basis, strictly speaking the only "State" votes would have been the 2 votes going to the plurality winner in each State. The computations of table 1, however, reveal how many electoral votes would have been contributed to the national party totals by the vote in each State. For example, under Senate Joint Resolution 152, Stevenson in 1952 would have received 210.8 electoral votes consisting of 18 senatorial votes from 9 States and 192.8 of the 435 nationwide electoral votes. To the 18 senatorial votes Alabama would have contributed 2 votes; to the 192.8 Alabama would have contributed

[1] For the floor debate, see CONGRESSIONAL RECORD, vol. 102, pt. 4, pp. 4932, 5120, 5127, 5136–5139, 5146–5166, 5231–5254, 5263, 5323–5325, 5332–5337, 5351–5357, 5365–5373, 5426–5440, 5445–5446, 5497, 5529, 5533–5574, 5626–5674.

[2] Correspondence with Max M. Kampelman, then Senator HUMPHREY'S legislative counsel, dated July 14, and 25, 1955. See also, author's letter to editor, New York Times, August 6, 1955.

[3] An exception was passing mention in Arthur Krock's column in the New York Times, March 16, 1956.

1.9. Alabama in 1952 would have contributed 1.1 electoral votes to the Republican side. This would have given Alabama a total strength of 5 presidential electoral votes. Alabama's actual electoral college strength under the present system was 11 votes. Total State strength would vary from quadrennium to quadrennium depending upon Alabama's—and every other State's—contribution to the total national turnout and its contribution to the national party totals. Alabama's low level of voter participation would have cost the State 6 electoral votes under the proposed system. On the other hand, California's high voter participation under the Humphrey system in 1952 would have raised that State's electoral strength from the 32 votes it actually had to a new total of 38 votes.

Still another probable consequence of the Humphrey plan would be the strengthening of the national organs of the political parties under the necessity of waging campaigns with equal vigor in every State. Under the present system the major campaign efforts are made in the large pivotal States of New York, Pennsylvania, California, Illinois, Ohio, Michigan, and a few others. It now takes a plurality of but a few votes to win all of the New York's 45 electoral college votes, California's 43, etc. Under the Humphrey system most State party victories would consist of 2 or 3 electoral vote margins. In 1956, for example, the distribution of the national presidenial vote was such that dominant State parties would have received 2 to 2.9 more electoral votes than the principal minority parties in 28 of the 48 States; in only 6 instances would the electoral vote spread have been 6 votes or more (California, Illinois, New Jersey, New York, Ohio, and Pennsylvania). Such a spreading of the rewards for success among so many States would heighten the need for coordinated and widely distributed presidential campaign effort on a national basis. As a consequence, the duties of the national party organs would undoubtedly be multiplied. The national parties would compete not primarily for the electoral votes of a few major States but for a plurality of the 435 electoral votes available nationwide and for the 2-vote electoral margins in as many individual States as possible.

The importance of States with 2-to-3 vote electoral margins would tend to eliminate the pivot State approach to presidential politics.[4] New York, Pennsylvania, California, Illinois, Ohio, Michigan, etc., would continue to be focal States for campaign activity for reasons of sheer size of population as well as the prospect of higher than average voter participation characteristic of these States. These States, however, would have to share campaign attention with such States as Arizona, Delaware, Idaho, Montana, Nevada, New Hampshire, New Mexico, Rhode Island, Utah, and Wyoming.

The Humphrey plan—for that matter, any change in the present electoral college system—would undoubtedly cause repercussions in the politics of presidential nominations. For example, one obvious consequence would be an improvement in the nomination prospects of aspirants coming from States other than the large, pivotal ones. Secondly, since the main principles of apportionment of votes in the national conventions have traditionally followed the principles inherent in the electoral college system, it is possible that a change in the method of presidential election would be followed by a change in the apportionment of nominating strength.

The new Humphrey plan for reform of the electoral college system of electing the President adds a fourth to the existing three types of proposals in this field. Senate Joint Resolution 152, which embodies the Humphrey proposal, has been offered as a compromise among the existing plans, on grounds that it applies the reconcilable principles underlying each of the others in a practical manner. Supporters of the Humphrey plan also claim that the new system would bring the outdated method of choosing the President abreast of modern conditions of nationwide two-party competition and national presidential electorates.

[4] Defenders of the present electoral college system, particularly some leaders of minority groups in metropolitan centers, argue that their main source of influence in national politics rests upon the strategic location of the popular votes of their groups in the large, closely-contested States. Presumably the President who fails to support the aspirations of these influential minorities would run the risk of losing their critical votes in the key States such as New York, Pennsylvania, California, Illinois, Ohio, Michigan, etc. This has been a cardinal political principle for minority group leaders in recent years, yet nowhere are its premises conclusively supported by the facts. While it is true that the electoral college votes of New York and the other pivotal States may be won or lost by a handful of popular votes, it is highly problematical that minority group leaders could deliver their supporters in substantial numbers from one party to the other in the short run. Although long run trends and changes are certainly occurring in minority groups voting for President, it does not seem likely that group leaders could in the short run dramatically change the Democratic preference of two-thirds to four-fifths of the voting Negroes, Catholics, Jews, Polish-Americans, Italian-Americans, etc. The majority preference within many of these groups has been known to change over the long run—Negroes moved from the Republican to the Democratic Party during the New Deal years, Jews were heavily Republican in the earlier part of the century, Catholics seem to be shifting from the Democratic Party during the past 2 or 3 presidential elections, etc.—but not overwhelmingly in the short run. For sources of these observations see Angus Campbell, Gerald Gurin, and Warren E. Miller, The Voter Decides (Evanston: Clawes, 1954); Bernard R. Berelson, Paul F. Lazarsfeld, William N. McPhee, Voting (Chicago: University of Chicago Press, 1954); V. O. Key, Jr., Politics, Parties, and Pressure Groups (3d ed., New York: Crowell, 1952); Lawrence Fuchs, American Jews and the Presidential Vote, American Political Science Review XLIX (June 1955), 385–401.

Under the proposed Humphrey system, organized minorities would have to develop nationwide in place of local manifestations of strength. This would probably be consistent with existing trends away from a parochial minority group policitics as successive generations of descendants of immigrants become integrated into the American community, as some minorities depart from ghettoes to suburbia, and as the South becomes less solid and more like the rest of the Nation in its political patterns. In the very nature of the pluralism of American politics, organized minorities may be expected to exert substantial influence under any system of presidential election. To equate the survival of minority group influence with the preservation of a dubious strategic advantage under the present electoral college system is to place that influence upon very tenuous grounds indeed.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND—MOTION TO RECONSIDER

Mr. HUMPHREY. Mr. President, I ask unanimous consent to enter a motion for the reconsideration of the vote by which the Senate passed Senate bill 1538, to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes. This bill was Calendar No. 1301.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the motion to reconsider will be entered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the House of Representatives be requested to return Senate bill 1538 to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATION OF COMMERCE IN MEAT AND MEAT PRODUCTS

Mr. O'MAHONEY. Mr. President, today the Senate entered into an unanimous-consent agreement whereby the so-called packers and stockyard bill—which is Calendar No. 706, Senate bill 1356, a bill to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes, which was reported to the Senate from the Committee on the Judiciary—was referred to the Judiciary Committee and the Committee on Agriculture and Forestry, with instructions to report it back to the Senate Calendar not later than April 21, with their recommendations.

At the time when that agreement was entered into I announced, as the Senator in charge of the bill, that I was willing to agree to that method of handling the matter, not because I had any fears about the willingness of the Senate to pass the bill, but because I felt that it was only fair that the Members of the Committee on Agriculture and Forestry have an opportunity to study the reasons why the bill is a "must" if we believe in economic freedom and the preservation of what we call free enterprise.

CONCERNED WITH PROBLEM SINCE 1916

Mr. President, it has been my good fortune to have been associated with this problem from the time when I first came to the Senate as the secretary of Senator John B. Kendrick, of Wyoming. Senator Kendrick, when governor of Wyoming, was elected to the United States Senate in 1916. He invited me to come to Washington as his secretary. I did so. After coming to Washington, I attended the night sessions of Georgetown University Law School, from which I was graduated in 3 years. Then I resigned as secretary, to enter the practice of law. In 1922, I managed Senator Kendrick's campaign for reelection to the Senate.

During those experiences—first, as his secretary; then as a lawyer watching the proceedings in the Senate and those in the State of Wyoming; and, later, as manager of Senator Kendrick's political campaigns—I came to understand his feelings toward the meat industry.

Senator Kendrick was one of the largest cattlemen in the West. At one time

he was president of the American National Livestock Association. When he came to Washington, he was determined to play his part, insofar as he could, in breaking what he considered to be the monopolistic hold which the 5 big meat packers had at that time on the meat industry.

The President of the United States had instructed the Federal Trade Commission to make an investigation of the conditions which existed at that time.

Mr. HOLLAND. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. The distinguished Senator from Wyoming is making a contribution to the subject matter of the proposed amendment of the Stockyards Act, and I believe it merits the attention of more Senators. Therefore, I ask unanimous consent that the Senator from Wyoming may yield to me, in order that I may suggest the absence of a quorum, but without causing the Senator from Wyoming to lose his right to the floor.

Mr. O'MAHONEY. With that understanding, Mr. President, I yield for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I am advised that many of the committees of the Senate are in session this afternoon on important hearings, and I do not wish to disturb those hearings by calling for a live quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

FTC MADE INVESTIGATION OF PACKERS 40 YEARS AGO

Mr. O'MAHONEY. Mr. President, before the quorum call I was referring to the fact that the then President of the United States, Woodrow Wilson, had requested the Federal Trade Commission to make an investigation of the monopolistic practices of the packers. One of the outstanding lawyers of the period, Mr. Francis J. Heney, of California, was placed in charge of that investigation. He was a remarkable man, a bulldog of a lawyer, a man with a capacity to seek and obtain evidence. He brought in such a report for the Federal Trade Commission that the Department of Justice had no difficulty in securing a consent decree from the big packers.

THESE TRADE PRACTICES WERE REPORTED

I want the RECORD of the Senate today to show some of the practices which were found by Mr. Heney to have been indulged in by the packers. There were five of them, including Armour, Swift, Morris, and Sulzberger. He found, for example, that the large companies had continued, during the war years when the Nation was fighting for the life of freedom, to engage in a livestock pool under which the purchases of livestock sent to market were made according to definite percentages agreed upon for for long periods. That is No. 1.

No. 2, it found evidence of a combination between Armour, Swift, Morris, and Sulzberger with British and South American companies to regulate and divide beef and mutton importations from Argentina and Uruguay into the United States and from South America into European ports.

They were not content to restrain themselves to monopolistic practices affecting the growers and consumers in the United States, but they sought to control and regulate commerce of foreign nations as well.

No. 3. The Commission found evidence of an agreement whereby the companies limited the amount of dressed meat which packers would have for sale in proportion approximately to the percentage of live animals upon the ground.

No. 4. It found proof of hoarding of cheese during the war by a combination of packers which, through their control of large cheese firms, controlled the cheese market.

No. 5. In addition, the Federal Trade Commission found that the large meatpacking companies exercised great market power over many food items which were not related to meat. These companies were distributing, through their organizations, such varied items as vegetables, fish, fruits, condiments, rice, cereals, and many others.

Finally, it was found that the large meatpacking companies had gained control of some 50 stockyards in the United States, which themselves controlled about 69 percent of the business. The 4 largest yards received more than 53 percent of the cattle, 43 percent of the hogs, and 53 percent of the sheep.

The Big Five, it was shown, either jointly or separately, had an interest in 28 of the 50 yards, controlled the majority of the voting stock in 22 of them, and were jointly interested in 15 of them. Approximately 84 percent of the animals marketed passed through the yards controlled by the big five at such points as Chicago, Kansas City, St. Louis, and Omaha, which had great and decisive influence on other markets which were controlled by the large companies.

DEFENDANTS WERE GLAD TO ACCEPT CONSENT DECREE

The facts were such, as I have already pointed out, that the Department of Justice, having brought an antitrust suit, had no difficulty in persuading the defendants to accept a consent decree. The Department took the consent decree because it was easier to obtain a decree in that manner than to fight the giant combine through all the levels of the courts of the land. On the theory that a half a loaf was better than no bread, the consent decree was accepted. But it took years to draw the final order, which was intended to break down the monopoly.

PACKERS DICTATED PRICES AT PRODUCER AND RETAIL LEVELS

The 5 big packers, as is proven by the figures I have recited, which figures can be verified by the record, were in a position that enabled them to tell the grower of livestock—to tell the farmer who raised hogs, to tell the rancher who raised cattle, to tell the farmer and rancher who raised sheep—the prices they would have to take for their animals. At the same time, because they were in control of the distributing facilities, they were able to tell the housewife, the hotel keeper, and every consumer the prices which had to be paid for the finished product. They were able to control prices of nonfood items, such as tennis rackets and other commodities which were made from those parts of the live animal which were not usable for food.

The consent decree was not sufficient.

KENDRICK INTRODUCED BILL TO STOP MONOPOLISTIC PRACTICES

My former chief and great friend, John B. Kendrick, one of the most respected men who ever sat in the Senate Chamber, made up his mind that he would make every effort to seek by legislation to close the door firmly and finally upon these monopolistic practices, so he introduced what became known as the Kendrick-Kenyon bill.

It perhaps is worth mentioning that just as the Senator from Utah [Mr. WATKINS] and I are joint sponsors of the bill under consideration, one of us a Democrat and the other a Republican, so also were Senator Kendrick and Senator Kenyon of opposite political faiths. Senator Kendrick was a Democrat, and Senator William S. Kenyon of Iowa was one of the great men the State of Iowa sent to the Senate in years past. They were both convinced that if the freedom of opportunity and competition was to be maintained in the United States the Federal Trade Commission, which had done such a superlative job in bringing the packers to give consent to an antitrust decree, should be given the power to enforce the antitrust laws.

FTC LOGICAL AGENCY TO ENFORCE ANTI-MONOPOLY LAW

What could be more logical? What could be more simple than that the act passed by Congress in 1914 to prohibit monopolistic practices and unfair trade practices in commerce should be enforced by the Federal Trade Commission, and not by the Department of Agriculture?

REPRESENTATIVE TOM SCHALL CRIED "MURDER"

I desire to read into the RECORD today an eloquent statement by blind Tom Schall, who was at that time a Member of the House of Representatives from the State of Minnesota. He afterwards was elected to the Senate.

Many a day I have heard Senator Schall stand to speak from his side of the aisle, in the second row from the front, speaking, of course, without assistance. He had no aide or clerk to suggest to him what to say. He had no document from which he could read. But with a perfectly clear mind, in eloquent language, he would tell the story which his studies had revealed about whatever subject he was discussing. He was admired and loved by his associates both in the Senate and in the House.

The speech to which I refer was delivered on August 9, 1921. I shall read from page 4784 of volume 61, part 5 of

the CONGRESSIONAL RECORD for the 67th Congress, 1st session:

Mr. SCHALL. Mr. Speaker, the stage is set. The scene is laid. The curtain has risen. The first act is about to come off. Many of the Congressmen are home. What is to be done? A little job of murder. Who is to be killed? The Federal Trade Commission. Why? Because they have done their duty honestly and faithfully. Sentence has been passed. It has been O. K.'d by the Senate, and it is back here to be O. K.'d by the House. No chance to amend it. Our only hope is in the future. In order to be sure that the bill passed it is plastered around with regulations that should go into effect, that should have gone into effect long ago, but that would never have been brought to light had it not been for the courage and industry and integrity of the investigations of this very Federal Trade Commission which certain clauses of this bill now seek to quietly assassinate. Every good provision in the bill has been inspired by the work of the Federal Trade Commission, yet buried deep in this law is the death sentence of that commission, the only legal machinery which has been constructed that has proven itself equipped to meet the industrial problems of today in the interest of the public.

This is the first act of a long and ill-conceived tragedy. Next will come the clause in the futures trading bill which will attempt to take from the Federal Trade Commission their jurisdiction over the grain trade. Then the clause in the misbranding bill taking their power away over misbranding.

PACKER LOBBYISTS COMMITTED THE MURDER

And so he continued. The first act in the great tragedy of destroying the jurisdiction of the Federal Trade Commission was about to take place. It did take place, exactly as he predicted. The clauses which gave the Federal Trade Commission the authority to enforce its own act were eliminated from the bill by special amendments that were written in the handwriting of one of the lobbyists for the packers. They were amendments which transferred the enforcement of the antitrust Federal Trade Commission Act from the Federal Trade Commission to the Department of Agriculture, upon the alleged argument that it was an agricultural problem. It was not an agricultural problem; it was a problem of trade and commerce in the purchase and sale of material.

As I have already pointed out in my previous address upon this subject, the packers represented themselves as being the friends of the stockmen and of the consumer. So, because of the argument that they were friends who would serve the best interests of the producer and the consumer, the Federal Trade Commission was murdered, as blind Tom Schall said it would be, so far as this act was concerned. The Federal Trade Commission lost its jurisdiction.

ADMISSION THAT AGRICULTURE DEPARTMENT FAILED TO ENFORCE LAW

In the hearings over which I presided last year as Acting Chairman of the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, Assistant Secretary Earl Butz, of the Department of Agriculture, testified, in response to an inquiry by my colleague, the Senator from Utah (Mr. WATKINS), that for 26 years the Department of Agriculture had inadequately enforced the antitrust law.

We listened with applause to the recommendations of the Hoover Commission for the elimination of overlapping jurisdictions. The Senator from Virginia [Mr. BYRD], a great advocate of economy, has come on this floor time and time again to point out how money is wasted by the Federal Government through the duplication of efforts. Here we have a Federal Trade Commission staff knowledgeable in the enforcement of the antitrust laws, and a Department of Agriculture which is not so staffed. Is it any wonder that the Assistant Secretary of Agriculture had to confess, under interrogation, that the Department of Agriculture was not adequately enforcing the law?

CONSENT DECREE OF 1920

I referred to the action of the Department of Justice. I think it proper that there should be placed in the RECORD at this point a description of the consent decree.

After a long series of negotiations with representatives of the five largest packing companies, this prearranged settlement took place. On February 27, 1920, a petition alleging an unlawful combination was filed in the District of Columbia courts, and simultaneously a consent decree, already signed, was entered in the court's records. These companies, which were Swift, Armour, Morris, Wilson, and Cudahy, were restrained by this consent decree of 1920 from the following acts:

First. Doing any act amounting to a combination in restraint of trade;

Second. Engaging in any unlawful trade practice;

Third. Engaging in the public storage warehouse business;

Fourth. Engaging in the public stockyards business;

Fifth. Engaging in any line of retail business, both in the meat line and every other line: and

Sixth. Engaging in the so-called unrelated lines of food, which were defined and enumerated, particularly in all the lines of wholesale groceries.

PRESENT ATTEMPT TO CHANGE DECREE TERMS

Three of these major packing companies recently initiated an attempt to have the terms of this 1920 consent decree changed, particularly to allow them to handle unrelated lines of groceries.

That petition to revise the consent decree of 1920 was filed here in the district court, and the packers who were asking to be relieved from the decree prohibiting them from engaging in certain antitrust practices sought to have the action transferred to the Federal courts in Chicago. Such an order was entered. The matter is still pending there.

The Department of Justice has not agreed to the modification of the consent decree, and I know of no rumors or reports to the effect that any consent is now being considered. But I have no hesitation in suggesting that if the Congress of the United States should now say that we may have special legislation for the benefit of the packing industry so that it may be relieved from the jurisdiction of the Federal Trade Commission, it will not be long before other segments of industry will find a way to escape the prohibitions of the Federal Trade Commission Act.

MONOPOLY ESTABLISHES PRIVATE REGULATION OF COMMERCE

Mr. President, this is a serious matter. The issue in the world today, which is about to be decided by the result of the cold economic war, is the issue as to whether we are to have totalitarianism in politics and business, or whether we are to have free government in politics and business.

When a small group of corporations becomes so powerful that it can take control of any line of business and bring under control other unrelated lines, it is inevitably closing the door of opportunity to many others.

Mergers, combinations in restraint of trade, and concentrations of economic power—all are the familiar aspects of monopoly; and monopoly is the establishment of private regulation of commerce.

RIGHT TO REGULATE COMMERCE IS VESTED IN CONGRESS

When the great men who wrote the Constitution of the United States sat at the Constitutional Convention they had no idea of turning control of commerce over to monopoly. Quite the contrary. They wrote into the Constitution, in article I, section 8, the careful provision that the Congress should have the right to regulate commerce among the States, with foreign nations, and with the Indian tribes. There is the power and the duty of Congress. There is no other power in America which has the right to regulate business.

GOVERNMENT HAS NO POWER TO CONTROL BUSINESS

There is no power, not even within the Government itself, to control business. I have seen Members of the Senate and Members of the House on numerous occasions in the past—men who proclaim themselves as opponents of socialism—introduce bills, the effect of which was to put the Government itself in business and to give the Government power to control.

The theory of our Government is that it is made for the people—all of the people—and every great President whom we have ever had, and every great leader from Washington down through Jefferson and Daniel Webster and Abraham Lincoln, has not hesitated to say that ours is a Government of living persons who constitute America.

CORPORATIONS ARE CREATIONS OF GOVERNMENT

Mr. President, a few days ago there came to my hands a little pamphlet, containing an article written by Mr. Robert C. Tyson, chairman of the finance committee of the United States Steel Corp. I do not think Mr. Tyson ever expected me to quote anything that he said. However, he wrote a paragraph which I think is well worthy of quotation. He wrote a special sentence which every newspaper in America and every radio and television channel in America and every member of the Government in America should remember and should repeat. The United States Steel Corp., like the National Steel Corp., when it

appeared before the Antitrust and Monopoly Subcommittee, of which the Senator from Colorado [Mr. CARROLL] is a distinguished member, refused every suggestion made by any member of the subcommittee that the price of steel be reduced. They knew that steel was a commodity needed in almost everything that goes into the building of a great America. They knew, when they refused, that the Government was engaged in the great program of building for defense, using steel, but they were not interested in the price the Government had to pay.

As I pointed out earlier today, with the interest on the national debt running at $7,900,000,000, with the cost of rehabilitating and paying the pensions of the veterans running at the rate of $5 billion a year, and with the mutual security appropriations running at the rate of $43.9 billion, we are spending $58.7 billion for past wars and future wars and economic crises. We are borrowing money to give to the steel companies and the automobile companies on the contracts they are about to receive because there is unemployment in the automobile industry.

Against this background, Mr. Tyson, in speaking about taxation and the terrible plight of the big corporations, says:

> Well, let's take a look at corporate taxation and double taxation. Corporations are the creations of government.

I ask Senators to listen to that sentence:

> Corporations are the creations of government. They are the resourceful invention of people to enable large numbers of them cooperatively to pool their resources and their labor and so accomplish mighty production tasks beyond the power of any one individual or small numbers of them. The dividends paid by these corporations are less than 4 percent of the Nation's income, yet corporations provide nearly three-fourths of all the nongovernmental wages and salaries paid. The corporate economy is also the biggest remaining segment of business life that is still disciplined by vigorous competition.

I wonder through what kind of glasses he was looking when he wrote the word "competition."

> In the light of all this there must surely be something wrong with a generalized attitude of hostility toward corporations and their profits as such.

I stop reading long enough to say that I have no hostility toward corporations or their earnings, but I do know that corporations consist of a great segment of our economy. They perform activities which individuals would be incompetent to perform in their own right or ability. What I am emphasizing here is what Mr. Tyson said, that corporations are the creations of government. In other words, a corporation cannot exist unless some government gives it a charter.

STATES CREATE CORPORATIONS THEY CANNOT REGULATE

Here is a situation that constitutes a terrible anomaly in the United States, which poses as the leader of the Free World. The Constitution gave to Congress the right—nay, the duty—to regulate commerce among the States and with foreign nations, and took that right from the States. The Thirteen Original Colonies, before the Union was formed, could regulate corporate activities within their boundaries and could regulate commerce, but after the Nation was set up, interstate and foreign commerce became the sole jurisdiction of the National Government while the States lost the power to regulate commerce, they were allowed to retain the power of creating corporations, which are the instruments of the interstate and foreign commerce that the corporations carry on.

How absurd that the State of New Jersey, the State of Delaware, the State of Wyoming, and any other State anyone may care to name should have the power to authorize a group of individuals to create a corporation which then, without let or say from the Government of the United States, which has the constitutional power to go into foreign commerce, should have the right to go into it as they please. They write their own tickets. Any Member of the Senate who is a lawyer, or as a Member has had an opportunity to read charters issued by some of the States which are patronized by the big corporations knows full well that the charters take no concern whatsoever to protect the rights of the individual. They take no concern whatever to protect individual rights, producer rights, or consumer rights. They are blank checks by which the promoters of corporate organizations may do whatever they please. Here we have an illustration of what is now going on.

CHAINSTORES POSE AS PACKERS

Last Friday I referred to the fact that the amendments which were written into the bill were intended to protect the packers.

I must secure the document I had, in which these various matters were related. Sufficient it will be, I am sure, for me to summarize the facts. Into the Packers and Stockyards Act were written the amendments in which Representative Schall, as he was then, pointed out that the power of the Federal Trade Commission to have jurisdiction over its own act was eliminated. It was written into the Packers and Stockyards Act that that jurisdiction should not apply to the packers.

Now what has happened? I have here a letter dated March 19, 1958, from the Office of the General Counsel of the Federal Trade Commission, which was written at my request. It reads:

> FEDERAL TRADE COMMISSION,
> OFFICE OF THE GENERAL COUNSEL,
> *Washington, March 19, 1958.*
>
> Hon. JOSEPH C. O'MAHONEY,
> *Senate Office Building,*
> *Washington, D. C.*
>
> DEAR SENATOR O'MAHONEY: In response to your request of March 18, 1958, the best information we have indicates that National Tea Co. is a packer subject to the Packers and Stockyards Act. This is based upon a list of packers issued by the Secretary of Agriculture on June 17, 1957. The following eight major chainstore organizations appear on that list: American Stores Co.; First National Stores; Food Fair Stores; Giant Food Shopping Center; the Great Atlantic & Pacific Tea Co.; the Kroger Co.; National Tea Co.; Safeway Stores, Inc.
>
> The approximate 1956 sales, areas of operation, and number of units of these organizations (with the exception of Giant Food Shopping Center) are indicated on an attached list. This list indicates sales and unit data of the 15 major food chains. As you will note, the seven largest chain-store organizations on this list are classified as packers.
>
> To this point the status of any of such eight major chain organizations as a packer has been fully litigated before the Commission in only one case. Food Fair Stores, Inc. The decision in that case was, as you know, that Food Fair, by reason of its ownership of a packing establishment, qualified as a packer and was not subject to the jurisdiction of the Federal Trade Commission. In another case, Giant Food Shopping Center, the Commission has ruled that it has jurisdiction but this ruling is subject to appeal to the courts.
>
> Among other concerns listed as packers on the Agriculture list of June 17 are the following: Procter & Gamble, Heublein, Inc., Continental Baking Co., Beech-Nut Life Savers, Campbell Soup Co., Carnation Co., Crosse & Blackwell, Durkee Famous Food, H. J. Heinz Co., Libby-McNeil-Libby, The Quaker Oats Co., Seabrook Farms Co., Hot Shoppes, Howard Johnson's, Stouffer Corporation, Birds Eye Division, General Foods Corp., College Inn Food Products Co., Duffy-Mott Co., Gerber Products Co., La Choy Food Products, Division of Beatrice Foods, Stokely-Van Camp.
>
> Of the above, to this point only Procter & Gamble and Crosse & Blackwell have been made the subject of litigation as to packer status. The Commission ruled that Crosse & Blackwell is not a packer. On September 30, 1957, the Commission issued a complaint against Procter & Gamble charging it with violation of the Antimerger Act, Section 7 of the Clayton Act, as amended, by reason of its acquisition of the Clorox Chemical Co. Subsequently, Procter & Gamble sought dismissal of the complaint on the basis that it was a packer. The Commission's hearing examiner denied this motion. But Procter & Gamble, though not appealing the hearing examiner's decision, specifically reserved the right to argue this point subsequently before the Commission.
>
> In seven cases the Commission's Bureau of Litigation has returned to the Bureau of Investigation files containing a recommendation for complaint, for further investigation to determine whether the Commission has jurisdiction under the Packers and Stockyards Act. Several of these cases involve some of the Nation's largest chain-store organizations.
>
> At the present time in the Bureau of Investigation there are pending a total of 31 matters involving concerns which are listed with the Secretary of Agriculture as meatpackers. Because of the jurisdictional questions which have arisen and because the facts developed in such cases do not disclose in detail the exact status of the proposed respondents, supplemental investigation of these 31 matters has been or may be undertaken for the purpose of securing information on their packing status.
>
> Our letters of June 28, 1956 and May 28, 1957, to you have summarized matters referred to the Secretary of Agriculture from January 1, 1950 to May 3, 1957. Our correspondence files indicate that three additional matters have been referred since May 8, 1957, and these are on the attached list. There have been, however, an undetermined number of additional instances in which the Commission has advised complainants of its lack of jurisdiction and has suggested that the parties communicate with the Department of Agriculture.
>
> Sincerely,
>
> EARL W. KINTNER,
> *General Counsel.*

COMPLAINTS ABOUT PACKERS REFERRED TO DEPARTMENT OF AGRICULTURE

Accompanying the letter was a table entitled, "Summary Information on Complaints Involving the Practices of Packers Which Were Referred to the Department of Agriculture—May 6, 1957, to March 7, 1958." I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary information on complaints involving the practices of packers which were referred to the Department of Agriculture, May 6, 1957–Mar. 7, 1958

Correspondence No.	Packer	Date	Nature of complaint and disposition
8714	Grand Duchess Steaks, Inc.	Nov. 5, 1957	Allegation that hamburger is misbranded as "steak." Complaint transmitted to Department of Agriculture.
8947	Great Atlantic & Pacific Tea Co.	Dec. 4, 1957	Allegation that ribs are removed from rib steaks and the product passed off as T-bone steak. Complaint transmitted to Department of Agriculture.
9667	Stock Yard Inn	Feb. 21, 1958	Allegation that advertisement offered mail-order steaks postage prepaid, and consignee was later billed for transportation charges. Complaint transmitted to Department of Agriculture.

DATA ON SALES OF CHAINS POSING AS PACKERS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a partial list of the sales and unit data on the 15 major food chains, mentioned by Mr. Kintner in his letter.

The source of this information is Moody's Industrials for 1957. There is, of course, no question about the accuracy of the report.

We find National Tea Co. listed as having been registered voluntarily, by itself, with the Department of Agriculture as a packer. The meaning of this registration is that National Tea Co., which engages in the sale of many commodities besides meat products—and to what extent it engages in the sale of meat products, I am not prepared to say at this moment—is released from the prohibitions against unfair and monopolistic trade practices.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Sales and unit data (partially preliminary) on the 15 major food chains

Name	1956 sales	Areas	Units
A. & P.[1]	$4,304,900,650	40 States and District of Columbia, 2 provinces of Canada.	4,650
Safeway [1]	1,989,305,295	24 States, District of Columbia, and Canada	1,981
Kroger [1]	1,492,552,000	21 States	1,476
American [1]	654,727,474	7 States and District of Columbia	953
National Tea [1]	617,635,555	12 States	761
First National [1]	491,667,908	7 States	661
Food Fair [1]	475,197,534	do	238
Colonial	423,040,272	11 States	449
Winn-Dixie	421,327,312	9 States	447
Jewel Tea [2]	334,755,447	1 State	184
ACF Wrigley	138,351,493	4 States	154
Grand Union	374,155,488	9 States, District of Columbia, and Canada	354
Loblaw	241,495,440	1 State (New York)	182
Bohack	141,768,102	do	184
Penn Fruit	134,140,169	3 States	45
Total	12,235,110,130		12,719
Total 1956 retail sales of food	[3] 43,040,000,000		

[1] Indicates packers.
[2] Routes 2,000 in 42 States and District of Columbia.
[3] MARGUS.

Source: Moody's Industrials, 1957.

AMERICAN "PACKER" IS OWNED BY FOREIGN CORPORATION

Mr. O'MAHONEY. Mr. President, there is a little mistake about National Tea Co. It is listed here as one of the 15 largest food chains. But National Tea Co. is no longer an independent corporation. National Tea Co. became the property of George Weston, Ltd., about Thanksgiving 1955. There was a payment of, I think, some $25 million to accomplish that sale. Barron's Weekly, for St. Patrick's Day, this year, published an article, which I ask unanimous consent to have printed in the RECORD, although I shall read a part of it now. The title is:

George Weston, Ltd. It has carved out a vast empire in the food business.

I wish to make it clear, before I read from the article, that what I am talking about is the manner in which a foreign corporation, created by a government other than ours, can evade the antitrust laws of the United States. George Weston, Ltd., is not an American company.

Mr. President, there is not a family in the United States which is not interested in the price of food. The departments of the Government tell us every day and every month that the cost of living is rising and that the price of food is rising. It was so stated today in the March issue of Economic Indicators.

George Weston, Ltd., is a vast empire in the food business.

The article reads in part as follows:

When business lags, corporate horizons narrow. In slack periods like the present, most companies prefer to sit tight and wait for a turn in the economy. Thus a growing number of expansion programs of late have been trimmed severely or shelved. Yet in the past hard times have brought some companies opportunities for vigorous growth. Notable among these is George Weston, Ltd., of Toronto. By buying up impoverished firms in the early thirties, it grew from a successful but small biscuit baker into a major one. Moreover, in the process it entered the United States market, thus laying the foundation for today's mighty food empire, which spans the length and breadth of North America.

Mr. President, when I read the foregoing from Barron's Weekly, certainly no one can charge me with indulging in extravagant language of the left. Instead, I am reading the language of the right; I am reading the language used by the conservative Wall Street publication, Barron's Weekly, which refers to George Weston, Ltd., as having laid "the foundation for today's mighty food empire, which spans the length and breadth of North America."

I read further from the article:

BUSINESS SCOPE WIDENED

It was the momentum gathered during the great depression, as much as anything, that enabled Weston to cash in so handsomely on the postwar boom. In the decade following the end of World War II, its profits more than tripled. Furthermore, the scope of the business was broadened greatly. Through acquisition of controlling interests in Loblaw Groceterias, a leading Canadian grocery chain, and National Tea, an equally fast-growing United States counterpart, Weston carved out an impressive niche in the burgeoning supermarket field. As a result, Weston now occupies a unique position in the food industry. On the one hand, it is an important manufacturer and distributor of biscuits, bread, cakes, and other food products; on the other, as retailer, it controls a vast Canadian and United States network of over 1,000 supermarkets.

Mr. President, I shall not take more of the time of the Senate this afternoon to read from the article. Instead, I ask unanimous consent that the full text of the article, together with the accompanying table, as they appear on pages 15 to 18 of Barron's Weekly of March 17, 1958, be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GEORGE WESTON, LTD.: IT HAS CARVED OUT A VAST EMPIRE IN THE FOOD BUSINESS

When business lags, corporate horizons narrow. In slack periods like the present, most companies prefer to sit tight and wait for a turn in the economy. Thus a growing number of expansion programs of late have been trimmed severely or shelved. Yet in the past hard times have brought some companies opportunities for vigorous growth. Notable among these is George Weston, Ltd., of Toronto. By buying up impoverished firms in the early thirties, it grew from a successful but small biscuit baker into a major one. Moreover, in the process it entered the United States market, thus laying the foundation for today's mighty food empire, which spans the length and breadth of North America.

BUSINESS SCOPE WIDENED

It was the momentum gathered during the great depression, as much as anything, that enabled Weston to cash in so handsomely on the postwar boom. In the decade following the end of World War II, its profits more than tripled. Furthermore, the scope of the business was broadened greatly. Through

acquisition of controlling interests in Loblaw Groceterias, a leading Canadian grocery chain, and National Tea, an equally fast-growing United States counterpart, Weston carved out an impressive niche in the burgeoning supermarket field. As a result, Weston now occupies a unique position in the food industry. On the one hand, it is an important manufacturer and distributor of biscuits, bread, cakes, and other food products; on the other, as retailer, it controls a vast Canadian and United States network of over 1,000 supermarkets.

The instrument through which it exercises control over its food chain Goliaths is a 51-percent-owned holding company, Loblaw Cos. The latter holds 97 percent of the common and second preferred shares of Loblaw Groceterias, which operates 188 stores in Ontario. In turn, Loblaw Groceterias holds 55 percent of the stock of Loblaw's, Inc. The latter chain numbers 121 units in New York State, 37 in Pennsylvania, 22 in Ohio, and 1 in West Virginia. Loblaw Groceterias also owns about 30 percent of the common of National Tea, which has 883 outlets, concentrated principally in the Midwest. Recently, George C. Metcalf, the empire's chief executive (president of Weston and Loblaw companies and chairman of Loblaw Groceterias and National Tea), confirmed that eventually Loblaw's, Inc., and National Tea would be merged. The possibility also exists of an ultimate further amalgam, including Loblaw Groceterias.

Except to the extent of dividends received, the interest in the Loblaw group is not consolidated in the parent company's balance sheet. A truer measure of Weston's earning power is obtained by including the company's interest in the net of its nonconsolidated subsidiaries. On such a pro forma basis, Weston earned $3.10 per share in 1957, a brisk 12.8 percent gain over 1956's $2.73. In view of the continuing stress on expansion—the 3 grocery chains under its control will open a combined total of 200 supermarkets this year alone—and the resourceful merchandising which characterizes every segment of its widespread operations, further progress appears likely in 1958.

On the manufacturing end, Weston turns out a host of food products on both sides of the border. In biscuits, it ranks first in Canada and, through Weston Biscuit Co., a wholly owned subsidiary, fourth in this country. In the Dominion, in addition to the parent company, which has biscuit facilities in Toronto, Longueuil (Montreal), and Edmonton, and a confectionery plant at Brantford, Ontario, the roster of operating companies includes Marven's, Ltd., which produces biscuits and potato chips for the Maritimes and Quebec markets; McCormick's, in London, Ontario, which turns out biscuits, candy, ice cream cones, and sipping straws; Paulin-Chambers, which makes biscuits and candy in Winnipeg; and the Independent Biscuit Co. of Calgary, Alberta.

Each member of this coast-to-coast Canadian biscuit and candy network operates on a highly decentralized basis. In fact, they compete with one another on the shelves of Loblaw Groceterias. In addition, each subsidiary handles its own purchases of essential ingredients, and draws up and directs its own advertising program. Supplementing their activities is Weston Bakers, Ltd., which operates cake and bread bakeries in most of the Dominion's leading cities. Another subsidiary, Western Grocers, Ltd., runs a string of cold storage plants and warehouses, from the Great Lakes to Vancouver. Western Grocers also carries on a large wholesale food and vegetable business and a wholesale grocery operation in British Columbia. It is affiliated closely with Red and White Stores. Although independently owned, Red and White's 1,000 outlets are associated with Western Grocers under a merchandising agreement.

The Weston empire encompasses still more. The William Neilson subsidiary in Toronto manufactures and distributes cocoa, boxed chocolates, candy bars, and ice cream. Doctor Jackson Foods, Ltd., produces uncooked cereals at facilities in Toronto and Longueuil. Willard's Chocolate Co. also is Toronto based. Somerville, Ltd., operates seven converting plants specializing in offset lithography and printing of folding cartons for packaging food, candy, drugs, and tobacco products. Besides providing most of the wrapping materials for the Weston subsidiaries, Somerville is a large supplier to the automotive industry of cardboard-type panels for the inside of car and truck doors.

In all, the organization's food sales run to $2 billion a year. The parent company does not disclose the respective contributions to earnings of the various segments of its operation. Nevertheless, it is believed that, excluding dividends from Loblaw companies, between 30 percent and 40 percent of profits are derived from the United States subsidiary; 25 percent from Western Grocers, Ltd., and the balance from the remaining subsidiaries. Although Loblaw companies has enjoyed sharply rising and substantial earnings, its dividend payout in recent years has been extremely small. Last year, for example, out of earnings of $2.64, it distributed only 40 cents. Thus, as noted, Weston's official statement does not reveal its full stake in the earnings of the Loblaw group.

A word might be pertinent here about Loblaw Groceterias. It boasts the highest net return per dollar of sales of any food chain this side of the Iron Curtain. In part, such impressive profit margins reflect its concentration in the Province of Ontario. They also can be attributed to a tightfisted control over costs, and consumer acceptance of quality merchandise at prices above those of similar products offered by competitors. The chain currently is branching out into western Canada, a move which should be facilitated by Western Grocers' firmly entrenched position in that area.

The latest available balance sheet of George Weston showed a sound financial condition. Current assets totaled $42.3 million, including some $6.6 million in cash, $12.6 million in receivables and almost $23 million in inventories. Current liabilities aggregated $19.4 million; net working capital amounted to $22.9 million, and the current ratio stood at a comfortable 2.2 to 1. Capitalization consists of $16.1 million of long-term debt, including $6.4 million 4¾ percent 15-year debentures, due 1968, and $9.7 million 4¾ percent 15-year debentures, due 1971; $11.6 million 4½ percent cumulative preferred stock; $8 million 6 percent cumulative preferred stock; 1,371,792 shares of class A common and 1,371,792 shares of class B common. The two classes of common are identical, except that the class A shares (traded on the Toronto Exchange) have a small prior dividend right, but no vote. Warrants are outstanding to purchase 300,000 class A shares, at prices ranging from $22.50 to $27 through October 15, 1966.

Through his ownership of the Weston B shares, control of the huge food empire rests in the hands of Willard Garfield Weston, son of the company's founder. It was Mr. Weston, incidentally, who guided the concern to its rapid growth in the thirties. Now living in England, he no longer is active in management of the Canadian company.

Weston's stockholders have received some payment every year since 1930. Since the end of World War II, the annual payout has increased gradually from 15 cents in 1947 to the current 50 cents. (Loblaw has an unbroken dividend skein stretching back to 1925.)

Moreover, it would seem that Weston's 4,500-odd shareholders can anticipate a steadily larger payout as earnings increase. Prospects for growing profits, this year and over the longer term, appear promising. For one thing, the company has demonstrated its ability to prosper in bad times as well as good. Further, its recent diversification within the food business has strengthened greatly both current and potential earning power. Finally, it can be expected to benefit particularly from such trends as an expanding population and the continuing economic development of the Dominion.

George Weston, Ltd., and subsidiaries other than Loblaw Cos., Ltd., and its subsidiaries, 10-year financial data

Year end Dec. 31	Net operating profit	Depreciation	Interest on funded debt	Taxes on income	Net proceeds after minority interests	Earnings [1]	Dividends [1]	Range [1]
	Millions	*Millions*	*Millions*	*Millions*	*Millions*			
1956	$13.87	$4.10	$0.75	$3.28	$5.49	$1.57	$0.27½	$36½ to $18¼.
1955	11.99	4.00	.60	3.20	3.93	.96	.25	$37½ to $14¼.
1954	11.84	3.88	.60	3.36	3.36	.66	.25	$16¾ to $8¾.
1953	11.85	3.69	.50	3.77	3.18	.65	.25	$8⅞ to $6⅝.
1952	11.39	2.58	.11	4.75	3.25	.64	.25	$6¾ to $5.
1951	9.39	2.40	.12	3.36	2.68	.45	.21⅞	$6⅝ to $5.
1950	9.73	2.43	.14	3.13	3.06	.60	.18¾	$6 to $4½.
1949	8.23	1.87	.14	2.68	2.62	.51	.18¾	$5 to $3⅞.
1948	7.07	1.31	.19	2.26	2.40	.47	.16⅞	$5¼ to $4⅛.
1947	6.88	.77	.15	2.7	2.50	.48	.15	$5⅞ to $4⅞.

[1] Per common share. Adjusted for 4-for-3 split in 1951 and a 4-for-1 split in 1955.

KEEPING FTC ON JOB IS RECESSION REMEDY

Mr. O'MAHONEY. Mr. President, the question the Senate must answer in connection with its consideration of this measure is whether the executive branch and the legislative branch are to rush pellmell to appropriate billions of dollars for plasters to be applied to the recession, or whether they will go to the heart of the disease and apply a remedy. The remedy is clear: It is to keep the Federal Trade Commission on the job as the guardian of the public interest.

If the packers succeed now in having the jurisdiction of the Federal Trade Commission removed from the meat-packing industry, they will also succeed in having the jurisdiction of the Federal Trade Commission removed from the chainstore industry.

The records of the Department of Justice and the records of the Federal Trade Commission show that there have been violations of the antitrust laws. The hearings which this subcommittee of the Judiciary Committee has held show that from various quarters innumerable complaints have been received about discriminatory pricing in violation of the antitrust laws, and also about false and misleading advertising, tie-in sales, exclusive contracts, price

fixing, and what are called stabilized-pricing practices.

Oh, how nice it is to use a happy phrase such as "stabilized pricing" for an anti-trust practice, rather than to use the phrase "price fixing." But regardless of whether the price is said to be "stabilized" or "fixed," the consumer is required to pay more, and the producer receives less.

Numerous complaints have also been received about exclusion of competitors, allocation of markets and customers, unlawful rebates and allowances, and mergers.

MONOPOLISTIC PRACTICES ARE CRUSHING SMALL BUSINESS

Mr. President, by means of mergers and interlocking directorates—all of which are practices about which complaints have been received—small business is being crushed. That is what we are witnessing today.

Mr. President, is all this just a dream of mine? Indeed not. When President Eisenhower sent his economic message to the Congress, one of the recommendations he made was that the limitation on the life of the Small Business Administration be repealed, so that small businesses might continue to come to the Small Business Administration for loans from the Treasury of the United States. The Treasury borrows the money and pays a steadily increasing rate of interest because the Congress is unwilling to take the acts which necessarily must be taken in order to maintain free, independent enterprise. If the Congress is going to permit small business to wither on the vine, then we may be sure that, as a result, monopoly will take over. There can be no doubt about that. When private management controls the commerce among the States and with foreign nations, free government in the United States of America will have ceased.

MANAGEMENT AND OWNERSHIP HAVE BEEN SEPARATED

Mr. President, these are not figments of the imagination. Mr. Cordiner, the head of the General Electric Co., made a speech before the Columbia University School of Business, in 1955, I believe. The speech should be read by every Member of Congress and by every member of every governmental department. In the course of that speech, Mr. Cordiner said that modern big business had witnessed a great change. He said that the functions of ownership and management had been divided, with the result that one group owns and the other group manages. He pointed out that thousands and thousands of people own small groups of shares of stock—1 share, 5 shares, 10 shares, or 20 shares—and content themselves, so far as management is concerned, merely with signing the proxies which they send to the annual stockholders' meetings, there to be voted by the management, and then the management puts through its own plans by which the managers are rewarded. They are allowed options to buy stock in the company at a particular rate. When the market is "right," they buy the stock; and when the market is "right" again, from their point of view, they sell the stock. Thus they make capital gains, instead of income profits on which they would be required to pay taxes.

Oh, we pay no attention to these pretty devices by which management accumulates, and the poor find it impossible to get out from under the canopy of debt under which they live.

LEADS TO BIG BUSINESS, BIG UNIONS, BIG GOVERNMENT

Big business, if it controls this Government for the rest of this year or for 2 years more, will make inevitable the development of big government.

Twenty years ago, in discussing this matter, I pointed out that the neglect by Congress respecting the issuance by the States, which have no power to regulate interstate commerce of charters of the corporations which carry on that commerce, was leading to the creation of big labor unions, and to the creation of big government. All of this has occurred while Congress has been delegating away its power.

BIG PACKERS FORCING OUT SMALL PACKERS

Now we are confronted once more with the problem of the packers who, through the American Meat Institute, travel up and down the countryside seeking to convince the small packers and the stock growers that they are the custodians of their welfare. Small packers are losing out. The record shows mergers are taking place.

I have in my hand a memorandum on the American Meat Institute which I should like to make a part of this RECORD. It is an association of meatpackers, dominated by the giant packing companies.

The American Meat Institute is an association of meatpackers, dominated by the giant packing companies, and used as an instrument for the promotion of the aims of those companies through public relations campaigns and Federal and State lobbying. While its membership includes about 435 meatpackers, processors, and wholesalers, the representatives of the largest packers have always served in important positions on its board and in its committees. It is financed by dues which are based on the number of livestock each company slaughters, and it is needless to point out that the companies which make the largest contributions are going to control the purse strings of the organization and are going to dominate the policymaking decisions that are made.

When the American Meat Institute reported to the committee on its operations in 1956, all of the top 10 companies, except 1, and practically all of the top 20, were on its board of directors. Its 39 working committees, which do much of the work and make many decisions for the institute, were almost all chaired by representatives of Swift, Armour, Cudahy, Wilson, Morrell, Hormel, Rath, and Oscar Mayer. Only three committees were chaired by representatives of companies other than these companies which are in the top 10. Nine committees were chaired by representatives of Swift, 7 by Hormel, 5 by Armour, 4 by Wilson, 3 each by Rath and Mayer, 2 each by Morrell and Cudahy, and 1 each by 3 smaller companies.

The important legal committee was at the time of the report entirely staffed by representatives of the top 10 packers.

I must repeat that. The legal committee was entirely staffed by members of the management of the top 10 packers—a fine group, indeed, Mr. President, to whom to delegate away the power of Congress to regulate commerce in the meat industry.

Its chairman was Templeton Brown, a private attorney who has represented Swift and other packing companies for many years.

The AMI has spent substantial sums of money for advertising and public relations during recent years, as follows:

1951–52	$2,409,879.20
1952–53	669,148.91
1953–54	886,525.86
1954–55	822,370.10
1955–56	502,393.39

I would be interested in getting figures for 1957 and the first 2 months of 1958. Have no doubt about it, I shall get them.

The principal lobbyist for the AMI in recent years has been Aled Davies, who is identified by Wesley McCune in his book, Who's Behind Our Farm Policy (1956), as one of the lobbyists who have been influential in our farm policy. He named Davies as having served as "consultant to Secretary Benson" and "consultant to the Commodity Credit Corporation" during the Eisenhower administration. Davies, he says, has been a personal friend of Secretary Benson for "many years."

I might say Davies has been a friend of mine. Friendship does not necessarily mean influence, of course; but I know very well that he is an influential and able leader of the American Meat Institute, and that he has been represented in person at many of the meetings of the various conventions of stockmen throughout the country.

The Department of Agriculture has stated, in a letter dated January 15, 1958, that Mr. Davies was in fact employed by the Department during the fall of 1953, given the title of expert, and asked to perform advisory and consultative service in connection with the Department's program to promote the consumption of beef.

NONMEAT ACTIVITIES OF BIG PACKERS

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list of the nonmeat activities of large packers.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NONMEAT ACTIVITIES OF LARGER PACKERS (A FEW OF THESE PRODUCTS MAY BE DERIVATIVES OF LIVESTOCK)

Swift: Poultry, butter, cheese, margarine, ice cream, like products, eggs, soy beans and peanut oils, cooking oil and other vegetable compounds, sulfuric acid, adhesive, geletin, glycerin, soap, industrial oils, fatty acids.

Armour: Poultry, butter, cheese, eggs, vegetable oils, salad oils, margarine, shortening, soap, toilet articles, glue, glycerin, fatty acids, curled hair, sandpaper, ammonia cylinder-filling operations, tanning of hides, manufacture of leather products, chemicals and pharmaceuticals, fertilizers (including mining of components).

Wilson: Dairy and poultry products, pharmaceuticals, industrial oils, gelatin, hair,

commercial acids, dog and cat food, edible fats and oils, athletic goods, equipment and wear.

Cudahy: Vegetable oils, shortening, cooking and salad oils, eggs, poultry, cheese, cream and butter, margarine, ice cream, mining of rock salt, operating of brine wells.

Morrell: Butter and creamery products, dog and cat food.

MERGERS AMONG PACKERS

Mr. O'MAHONEY. Mr. President, with respect to mergers, there appears in the printed record, at pages 279 through 289, a tabulation entitled "A Summary of Acquisitions by Packers From 1930 to June 1955." This tabulation covers the mergers and acquisitions accomplished over the years by the larger packers, including the following: Swift, Armour, Wilson, Cudahy, Hygrade, Oscar-Mayer.

Of the 10 packing companies listed, the tabulation shows that a grand total of 320 independent companies were acquired, with businesses ranging from packing and slaughtering plants and dairy products to general business unrelated to the packing industry, as shown at page 279 of the report.

Why, these mergers constitute vast empires, just as Barron's Weekly denominated George Weston, Ltd., a vast food empire.

The protection of the right of the people to produce living food or planted food upon the land and sell it in a free market is involved. That opportunity today is being taken away from them by the monopolistic growth of big business.

DEPARTMENT OF AGRICULTURE HAS NOT INVESTIGATED MERGERS

None of the witnesses interrogated during the hearings had any information concerning possible investigation by the Department of Agriculture concerning the effect on competition which such mergers and acquisitions have had. Mr. E. F. Forbes, president and general manager, Western States Meat Packers Association, Inc., testified as follows on this point:

> Although the Department of Agriculture has the responsibility to investigate mergers which tend to create monopoly powers, it was brought out at the hearings before this subcommittee last July that the Packers and Stockyards Branch has never investigated a single merger in the meatpacking industry.

That testimony is taken from page 100 of the report.

The record is clear that the Department of Agriculture has never undertaken a formal proceeding for the purpose of limiting or preventing the merger trend. Yet the Congress, in enacting the Packers and Stockyards Act, charged the Department of Agriculture with the principal responsibility with reference to these types of practices in the meatpacking industry.

Mr. Angus McDonald, assistant legislative secretary of the National Farmers Union, was aware of this problem when he appeared as a witness before the subcommittee. Commencing at page 150 of the printed record, there appears a careful study of vertical mergers which have occurred in the industry. It is a most interesting analysis and I commend it to Senators. At page 156, Mr. McDonald states in part:

> Studies of the Federal Trade Commission indicate that every great wave of mergers, of which there have been several since the turn of the century, are accompanied by skyrocketing profits. * * * Attention is called to the fact that during the same period when wheat and dairy farmers and livestock growers were experiencing the most drastic decline in profits since 1952, that profits of these corporations, processors and products were increasing by leaps and bounds. Recent disastrous price declines have wiped out thousands of farmers and have endangered the solvency of hundreds of thousands and perhaps millions.

FARM PROBLEM UNSOLVED

Oh, Mr. President, we talk about the farm problem and the fact that it has not been solved. It has not been solved. It has not been solved during this administration or during preceding administrations.

I remember when President Coolidge and President Hoover vetoed farm-relief bills passed by Republican Congresses because the power of these concentrated mergers was so great that the groups were able to overcome the minds of Congressmen.

The time has come when Congress should do something to solve the farm problem and set the individual farmer free from the totalitarian economic dictation under which he now suffers. We should free the Government from the necessity of levying taxes upon the people to raise billions of dollars to pay farm benefits, subsidies, Soil Bank payments and the like, which do no good.

INDIVIDUAL CITIZEN MORE IMPORTANT THAN CORPORATION

The time has come when we should return to sound American principles of freedom, political and economic freedom. I am confident that before we finish with the bill under consideration in the present session of Congress we shall have acquainted all the country, from coast to coast, with the fact that the individual comes first, that the individual citizen is more important than the artificial corporation, and that Congress itself must prescribe the manner in which regulation shall take place.

Such prescription has already been made. It is the Federal Trade Commission Act.

PACKERS SUBJECT TO PACKERS AND STOCKYARDS ACT

With these words, Mr. President, I conclude; but first I wish to have printed in the RECORD at this point a document from the United States Department of Agriculture, Agricultural Marketing Service, Livestock Division, June 17, 1957, giving a list of packers subject to the provisions of the Packers and Stockyards Act, 1921, as amended. The list gives all who have been listed as subject to the act. I have arranged to have marked all the companies which are obviously not packers but are, instead, food operators, giant chains, organizations which desire to escape the regulation of unfair trade and monopolistic practices set forth in the Federal Trade Commission Act.

I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PACKERS SUBJECT TO PROVISIONS OF THE PACKERS AND STOCKYARDS ACT, 1921, AS AMENDED

A A Hotel & Restaurant Supply Co., Inc., 2025 Gravois Avenue, St. Louis, Mo.

A. B. C. Packing Co., 1709 Fifth Street, Wichita Falls, Tex.

Aberdeen Packing Plant, Box 235, Aberdeen, N. C.

Ace Packing House, 20137 Denquire, Detroit, Mich.

Acme Meat Co., Inc., 4366 Alcoa Avenue, Los Angeles, Calif.

Ralph & Paul Adams, Bridgeville, Del.

S. Adams Packing Co., 4900 Emerson Street, Denver, Colo.

Addonizio Bros., 156 Salem Street, Boston, Mass.

The J. C. Adler Co., Inc., West Jefferson and Bluff, Joliet, Ill.

Akins & Fincannon Packing Co., Box 216, Sand Springs, Okla.

The Akron Standard Market Co., 198 Wooster Avenue, Akron, Ohio.

Agar Packing & Provision Corp., 4057 South Union Street, Chicago, Ill.

Airways Supply Co., Box 117, Kenner, La.

Ajax Meat Packing Co., 3320 East Vernon, Los Angeles, Calif.

Albert Packing Co., Inc., Chartiers Street, Washington, Pa.

Emil Alinikoff, 92 South Pennsylvania Avenue, Wilkes-Barre, Pa.

James Allan & Sons, Evans Avenue and Third Street, San Francisco, Calif.

Allen Brothers, Inc., 3737-39 South Halsted Street, Chicago, Ill.

Allendale Beef Co., R. D. No. 3, Hudsonville, Mich.

AllFresh Food Products, Inc., 2156 Green Bay Road, Evanston, Ill.

J. H. Allison & Co., Middle Street, Chattanooga, Tenn.

Almeida & Cabral, Inc., 156 Fifth Street, Cambridge, Mass.

Alpha Beta Packing Co., 17311 Nicols Avenue, Huntington Beach, Calif.

Alpine Meat Pack, Inc., 1100 West 6894 South, North Salt Lake, Utah.

Alpine Packing Co., Route 2, Box 411, Stockton, Calif.

Alta Meat Co., Post Office Box 428, Dinuba, Calif.

Louis Altberger, 5600 York Street, Denver, Colo.

Amarillo Packing Co., 1809 Northeast Third Avenue, Amarillo, Tex.

Samuel Amdorsky, 150 Joseph Avenue, Rochester, N. Y.

Amend Packing Co., 410 Southeast 18th Street, Des Moines, Iowa.

American Home Foods, 40 Hanover Avenue, Morris Plains, N. J.

American Packing Co., 3858 Garfield Avenue, St. Louis, Mo.

American Kosher Products, Inc., 1188-1190 Blue Hill Avenue, Dorchester, Mass.

American Stores Co., 124 North 15th Street, Philadelphia, Pa.

Anderson Abattoir, Box 626, Anderson, S. C.

Anderson & Tarlow, Inc., 486 Austin Place, Bronx, N. Y.

J. S. Anderson Packing Co., Inc., 510 West Hackley Avenue, Muskegon, Mich.

Fred L. Andrews Estate, R. D. No. 2, Box 403, Nazareth, Pa.

Anker Meat Co., Post Office Box 873, Modesto, Calif.

Apache Packing Co., 1500 Tampico Street, San Antonio, Tex.

Apex Packing Co., 916-918 West Fulton Street, Chicago, Ill.

Arbogast & Bastian, Inc., 1-31 Hamilton Street, Allentown, Pa.

Arcadia Packing House, 727 Blue Island Avenue, Chicago, Ill.

E. J. Archie & Sons, Inc., 626–630 Howard Street, Buffalo, N. Y.
Armour & Co., Union Stock Yards, Chicago, Ill.
Gilbert P. Arnold & Sons, Oak Tree Road, Iselin, N. J.
Arnurius, Dunn & Co., 236–242 Pleasant Street, Hartford, Conn.
Wm. Aronson, 211 Maple Street, Glens Falls, N. Y.
Arrow Meat Co., Cornelius, Oreg.
The Arvada Packing Co., Arvada, Colo.
Associated Meat Packers, Inc., 8349 North Vancouver Avenue, Portland, Oreg.
Astor Abattoir, Inc., 324 Astor Street, Newark, N. J.
Atacosa Packing Co., Pleasanton, Tex.
Atlas Packing Co., 1515 East Seventh Street, Tulsa, Okla.
Atlas Packing Co., Inc., 3501 East Vernon Avenue, Los Angeles, Calif.
Auburn Packing Co., Inc., Box 519, Auburn, Wash.
Ed Auge Packing Co., 1305 South Brazos Street, San Antonio, Tex.
Auth Sausage Co., Inc., 1260 Fifth Street NE., Washington, D. C.
Autin Packing Co., Inc., Corner School and Canal Streets, Houma, La.
Avera Provision Co., Olive Road, Augusta, Ga.
Avon Packing Co., Route No. 2, Mount Vernon, Wash.
B & M Packing Co., West of City, Burley, Idaho.
B & W Packing Co., 205 Second Street, East, Lemmon, S. Dak.
L. H. Babb, Ivor, Va.
Bacino-Pizza Food Products Corp., 546 Ingraham Avenue, Calumet City, Ill.
Bacon Crisp Co., 24434 West Warren Avenue, Dearborn, Mich.
Baconette Products, 1925 Glendale Boulevard, Los Angeles, Calif.
Balentine Packing Co., Inc., Box 1590, Greenville, S. C.
John Ballek, RFD 1, Riegelsville, Pa.
Baltz Bros. Packing Co., Elm Hill Road, Nashville, Tenn.
Charles Banfield Co., 1443 North Cincinnati, Tulsa, Okla.
Banfield Frozen Food Co., 30 Lewis, Tulsa, Okla.
Barnes Provision, Inc., Road 1, Alliance, Ohio.
Harry Barr & Son, 55 L. W. 12th Street, New York, N. Y.
Bartels Packing Co., Cottage Grove, Oreg.
G. Bartusch Packing Co., 567 North Cleveland Avenue, St. Paul, Minn.
Basin Packing Co., Post Office Box 78, Durango, Colo.
Kayseri Basterma Co., 4 Vassar Road, Poughkeepsie, N. Y.
Jacob Bauer's Sons, Inc., 2870 Massachusetts Avenue, Cincinnati, Ohio.
Max Bauer Meat Packer, 830 West 23d Street, Post Office Box 704, Hialeah, Fla.
D. S. Baum, Route 3, Elizabethtown, Pa.
Baum Packing Co., 4124 West Natural Bridge, St. Louis, Mo.
H. P. Beale & Sons, Courtland, Va.
J. W. Beardsley's Sons, 696–702 Frelinghuysen Avenue, Newark, N. J.
Beasley Packing Co., Inc., of Florida, Post Office Box 1501, Pensacola, Fla.
Beasley Packing Co., Inc., Box 246, Hattiesburg, Miss.
Beaver Valley Packing Co., 1215 Fifth Street, New Brighton, Pa.
Beaver's Meats, Route 3, London Road, Delaware, Ohio.
Beavers Packing Co., Newman, Ga.
Bechtols, Orrville, Ohio.
Beck Provision Co., 82 Abbott Road, Buffalo, N. Y.
L. Beck & Sons, 3829 Morgan Street, Chicago, Ill.
Beck Bros., 361 Tilghman Street, Allentown, Pa.
Becwar Packing Co., North 601 Freya Street, Spokane, Wash.
Beech-Nut Life Savers, Inc., Canajoharie, N. Y.
Edward F. Beicke, 1195 William Street, Buffalo, N. Y.
Beinecke, Inc., 821–825 Washington Street, New York, N. Y.
Belvedere, Inc., 5580 Utica Road, Fraser, Mich.
Berchem's Meat Co., Post Office Box 102, Niles, Calif.
David Berg & Co., 163–167 South Water Market, Chicago, Ill.
William Bergin, 3800 South Halsted Street, Chicago, Ill.
Frances E. Bergman, 3620 Linden Avenue, Dayton, Ohio.
Bergman Packing Co., Griggsville, Ill.
Edward G. Berlett & Sons, Inc., 263 South Conkling Street, Baltimore, Md.
Berks Packing Co., Inc., 307–323 Bingman Street, Reading, Pa.
Louis M. Berman, Inc., 38 Colfax Street, Pawtucket, R. I.
Berman Food Products Co., 47 Waverly Avenue, Newark, N. J.
Bernhard's Sausage Co., Inc., 2433 North 20th Street, Post Office Box 54, Sheboygan, Wis.
Schmulka Bernstein & Co., Inc., 107–109 Rivington Street, New York, N. Y.
Berry Packing Co., 400 Medio Street, San Antonio, Tex.
Max Besbris, 1881 Ravine Road, Kalamazoo, Mich.
Best Kosher Sausage Co., 3527–3529 West Roosevelt Road, Chicago, Ill.
Beste Provision Co., 115 Logan Street, Wilmington, Del.
Betbeze Bros., 705 23d Avenue, Meridian, Miss.
Bethlehem Packing Co., 610 Wyandotte Street, Bethlehem, Pa.
Bettinger & Barnett, 1459 East Kirby, Detroit, Mich.
Beverly Meat & Locker, 613 East Pacific, Salina, Kans.
Curt Biastock Wholesale Meats, 1300 Centennial Avenue, Butte, Mont.
Biffs Steaks, Inc., 1621 30th Street NE., Canton, Ohio.
A. Bills & Co., South Main Street, Midvale, Utah.
Bilt-More Food Prod. Co., Inc., 1034 Howell Mill Road NW., Atlanta, Ga.
Bird Provision Co., Powerton Road, Pekin, Ill.
Birds Eye Division, General Foods Corp., Clarke Avenue, Pocomoke City, Md.
Black Hills Packing Co., Rapid City, S. Dak.
Blaskovics, Inc., 1101 West Walnut Street, Milwaukee, Wis.
Morris Blinder & Co., Inc., 32 North Street, Boston, Mass.
Bloomfield Packing Co., 2108–2114 East Street, Pittsburgh, Pa.
Bloomington Packing Co., Inc., West Sixth Street, Bloomington, Ind.
Blue Grass Provision Co., Inc., 309–315 West 12th Street, Covington, Ky.
Blue Ribbon Packing Co., Inc., 4767 Calhoun Road, Houston, Tex.
Blue Star Foods, Inc., 501 West Broadway, Council Bluffs, Iowa.
Blumenstein Packing House, Lebanon, Ill.
J. J. Boeckmann & Son Packing Co., 1218 Keowee Street, Dayton, Ohio.
Bogart Packing Co., Inc., 300 Johnson Avenue, Brooklyn, N. Y.
Boise Valley Packing Co., Eagle, Idaho.
E. R. Boliants, 1276 Main Street South, Mansfield, Ohio.
John Boll & Son, 318 South Fourth Street, Ironton, Ohio.
S. Bonaccurso & Sons., 1426–1438 South Front Street, Philadelphia, Pa.
Bongiorni Bros., Box 406, Slovan, Pa.
Bonnee Frozen Products Co., 8144 Olive Street Road, St. Louis, Mo.
Bon Ton Saratoga Chip Distributors, Rear 1229 D Street SE., Washington, D. C.
Antonio Bonuomo, 912 South Ninth Street, Philadelphia, Pa.
Bookey Packing Co., Southeast 18th and Scott, Des Moines, Iowa.
Boone County Packing Co., Rural Route 3, Lebanon, Ind.
Border City Packing Co., 110 North C Street, Fort Smith, Ark.
August Born & Son, 2250 North Teutonia Avenue, Milwaukee, Wis.
Bornstein & Pearl Provision Co., Inc., 196 Quincy Street, Roxbury, Mass.
Boston Brokerage Co., 148 State Street, Boston, Mass.
Boston Sausage & Provision Co., Constitution Wharf, Boston, Mass.
Bouckaert Packing Co., 218 Sidney Street, St. Louis, Mo.
Bourbon-Bell Corp., 3449 West 48th Place, Chicago, Ill.
Bovalina Packing Co., 9 Main Street, Slovan, Pa.
Frank B. Bowman Co., 6 Abattoir Road, Brighton, Mass.
Bracco & Co., 768 North Commercial Street, Trinidad, Colo.
A. Bradnan, 3183 West 65th Street, Cleveland, Ohio.
Brander Meat Co., 915 North Columbia Boulevard, Portland, Oreg.
Brandes & Trautman, Elmore, Ohio.
B. Brauer's Sons, stalls 7 and 9, Sixth Street Market, Richmond, Va.
Otto C. Brauer, First Market, stalls 13 and 14, Richmond Va.
Braun Bros. Packing Co., Troy, Ohio.
P. J. Breish & Son, 816 Noble Street, Philadelphia. Pa.
P. Brennan, 231 Lewis Street, Buffalo, N. Y.
The P. Brennan Co., 3927–43 South Halsted Street, Chicago, Ill.
Brest Packing Co., Fourth and Walnut Streets, Shamokin, Pa.
Bridgeford Packing Co., Post Office Box 552, Anaheim, Calif.
Bridwell Packing Co., Post Office Box 584, Kingsport, Tenn.
Bridwell Packing House, Box 814, Bluefield, W. Va.
Briggs & Co., 454 11th Street SW., Washington, D. C.
Otto Brilck Sons, 466 North Chicago Street, Joliet, Ill.
Bristol Packing Co., 204 Carssow Building, Lewiston, Idaho.
Britt Packing Co., 1517 West 59th Street, Shreveport, La.
M. Brizer & Co., 1515 Drinker Street, Dunmore, Pa.
Broadway Meat Packers and Provisioners, 501 North Culberhouse Street, Jonesboro, Ark.
Barnet Brodie, Inc., 123–5–7 Walton Street, Brooklyn, N. Y.
Brodsky Packing Co., Spearfish, S. D.
Bronx Meat Co., 440 West 13th Street, New York, N. Y.
The Brooks Packing Co., Post Office Box 1942, Lake Station, Tulsa, Okla.
Broken Bow Packing Co., Rural Free Delivery 3, Broken Bow, Nebr.
M. Bronich, RD 2, West Middlesex Pa.
Brothro Food Products, Inc., d/b/a Richter's Food Products, Inc., 1040 West Randolph Street, Chicago, Ill.
V. L. Brousse Co., 162 Esteben Street, Arabi, La.
John H. Brown, 3514 North Eighth Street, Philadelphia, Pa.
Brown Packing Co., 158th and Greenwood Avenue, South Holland, Ill.
Brown & Edwards Packing Co., Route 1, Alexandria, La.
Brown Packing Co., Inc., 6900 West Capitol Avenue, Post Office Box 2378, Little Rock, Ark.
Brown Bros., RD 1, Fairview, Pa.

Brown's Meats, 1606 E. Franklin Street, Richmond, Va.
Frank Bruno, 1039 South Ninth Street, Philadelphia, Pa.
Bryan Bros. Packing Co., West Point, Miss.
Bryan Bros. Packing Co., 2105 Morris Avenue., Birmingham, Ala.
Bryan & English Packing Co., Box 481, Edinburg, Tex.
Bryan Meat Co., Post Office Box 822, South River Road, Paso Robles, Calif.
Bryan Sausage Co., Downsville, La.
Aaron Buchsbaum Co., 729–731 Ninth Avenue, New York, N. Y.
Buitoni Foods Corp., 450 Huyler Street, South Hackensack, N. J.
Bullock Manufacturing Co., 317 Whitehall Street SW., Atlanta, Ga.
Z. B. Bulluck & Son, 131 Washington, Rocky Mount, N. C.
Bunzel's Wholesale Veal, 2344 South 27th Street, Milwaukee, Wis.
Buon Gusto Sausage Factory, 535 Green Street, San Francisco, Calif.
Russell Buono, 133 Cherry Tree Lane, Merchantville, N. J.
Fred Burger & Co., 1815 John Street, Cincinnati, Ohio.
Burger Bros., 551 St. Joseph Street, Lancaster, Pa.
Buring Packing Co., Inc., Post Office Box 267, Wilson, Ark.
Nat Buring Packing Co., Inc., 313 South Wagner Place, Memphis, Tenn.
Louis Burk Co., Girard Avenue and Third Street, Philadelphia, Pa.
Burkholder Bros., Lebanon, Pa.
Burlison Packing Co., Old Petrolia Road, Wichita Falls, Tex.
Burham & Morrill Co., 45 Water Street, Portland, Maine.
Burns Packing Co., 140 Power Road, Grand Junction, Colo.
Burton Bros., 4773 Calhoun Road, Houston, Tex.
Roy Burton, Wholesale Meats, Route 3, North Little Rock, Ark.
H. F. Busch Co., 4756 Paddock Road, Cincinnati, Ohio.
W. H. Butcher Packing Co., 101 Southeast Eighth Street, Oklahoma City, Okla.
Butler Packing Co., 505 Negley Avenue, Butler, Pa.
C. J. D. Packing Co., Inc., 88 Holt Street, Buffalo, N. Y.
C. & N. Livestock Co., 118 Milan Street, Houston,Tex.
C. & R. Beef Co., 84 Newmarket Square, Boston, Mass.
Cadwell, Martin Meat Co., Post Office Box 615, Hanford, Calif.
Claude Cady Slaughterhouse, Osborne, Kans.
Caffee & Branum Wholesale Meat Co., Post Office Box 1153, Lubbock, Tex.
Calabrese Food Products, Inc., 900 Wentworth Avenue, Toronto, Ohio.
Caldwell Packing Co., Windom, Minn.
Vernon Calhoun Packing Co., Route 1, Palestine, Tex.
Calihan & Co., Box 1176, Peoria, Ill.
The Cambria Packing Co., Jackson, Ohio.
Camel Bros., 5747 North Peters Street, New Orleans, La.
Camp Packing Co., Inc., West Homer Road, Cortland, N. Y.
S. M. Campbell, Gray, Ky.
Campbell Bros., 1271 Jackson Pike, Columbus, Ohio.
Campbell Soup Co., Southwest Corner Second and Market Streets, Camden, N. J.
Canadian Valley Meat Co., 1240 Southwest 15th Street, Oklahoma City, Okla.
The Canton Provision Co., Carnahan Avenue NE., Canton, Ohio.
Capitol Beef & Provision Co., Inc., 117 Newmarket Square, Boston, Mass.
Capitol Kosher Sausage & Prov. Co., 77 I Street SE., Washington, D. C.
Capitol Packing Co., 5000 Clarkson Street, Denver, Colo.
Cappellino's Abattoir, Inc., 108 West Main Street, Gouverneur, N. Y.
Domenico Cappuccio, 1019 South Ninth Street, Philadelphia, Pa.
Capri Table Products Co., Inc., 1342 39th Street, Brooklyn, N. Y.
The Carel Corp., 18 North Virginia Avenue, Penns Grove, N. J.
Carey Packing Co., Post Office Box 308, Morristown, Tenn.
Cariani Sausage Co., 2424 Oakdale Avenue, San Francisco, Calif.
Carnation Co., Los Angeles, Calif.
Carolina Packers, Inc., Smithfield, N. C.
Rex Carpenter, RD. 1, Townville, Pa.
Carr Packing Co., Inc., 410 South Pearl Street, Albany, N. Y.
Carr Packing Co., Inc., 1 Niver Street, Cohoes, N. Y.
Carson Packing Co., 17 South Water Street, Philadelphia, Pa.
Carter Packing Co., Buhl, Idaho.
Cascade Meats, Inc., Post Office Box 390, 2805 Valpak Road, Salem, Oreg.
Case Pork Roll Co., Inc., 644 Washington Street, Trenton, N. J.
Casey Packing Co., Gail Route, Big Spring, Tex.
Castleberry's Food Co., Inc., 1621 15th Street, Augusta, Ga.
Anthony Catelli, 622–24 Federal Street, Philadelphia, Pa.
CeeBee Packing Co., 944 West 38th Place, Chicago, Ill.
Central Beef Co., 1 Newmarket Square and 225 Southampton Street, Boston, Mass.
Central Falls Provision Co., Inc., 847 High Street, Central Falls, R. I.
Central Meat Co., 824 West 38th Place, Chicago, Ill.
Central New York Packing Co., Inc., 2217 Dwyer Avenue, Utica, N. Y.
Central Packing Co., Highway 20, Alexandria, La.
Central Packing Co., Box 262, Cape Girardeau, Mo.
Central Packing Co., South 24th and Frisco Tracks, Muskogee, Okla.
Central Packing Co., Old Burk Road, Wichita Falls, Tex.
Central Packing Co., 300 Central Avenue, Kansas City, Kans.
Central Packing Corp., 352 Johnson Avenue, Brooklyn, N. Y.
Century Packing Co., 3301 East Vernon Avenue, Los Angeles, Calif.
Certified Provision Corp., 500 Broadway, Brooklyn, N. Y.
Champion Foods Division of the Frito Co., 2827 Nagle, Dallas, Tex.
Madam Chang Foods Co., 410 Edmond Street, Pittsburgh, Pa.
Chapman & Chapman, Middleport, N. Y.
Charney Meat Co., 143–155 Addison Street, East Boston, Mass.
Chattanoga Sausage Co., Inc., 1601 Rossville Avenue, Chattanooga, Tenn.
Cherokee Packing Co., Gaffney, S. C.
Cherry-Levis Food Products Co., 424–26 Christian Street, Philadelphia, Pa.
Cherry Meat Packers, Inc., 4750 South California Avenue, Chicago, Ill.
Chet's Foods, Inc., 2639 Elizabeth Street, Pueblo, Colo.
Mike Chiapetti Co., 3810 South Halsted Street, Chicago, Ill.
Chicago Dressed Meat Co., 529 Westchester Avenue, Bronx, N. Y.
Chilli-O Frozen Foods Inc., 311 North Aberdeen Street, Chicago, Ill.
Chilco Quick Freeze, Clanton, Ala.
Christensen Meat Co., Inc., Post Office Box 152, Tillamook, Oreg.
Churchill Meat Co., Pittsburgh, Pa.
Cianciulli Bros., Inc., 507–11 Carpenter Street, Philadelphia, Pa.
Cimpl's, Inc., 321–323 Broadway, Yankton, S. Dak.
Ciralski Packing Co., 21 North Superior Street, Toledo, Ohio.
Circle Packing Corp., 319 Winstanley Avenue, East St. Louis, Ill.
Circle T Meat Co., 2828 North Haskell, Dallas, Tex.
City Beef Company of Bridgeport, Inc., Asylum Street, Bridgeport, Conn.
City Dressed Beef, 3131 North 31st Street, Milwaukee, Wis.
City Line Abattoir, 339 Florida Grove Road, Perth Amboy, N. J.
City Meat Market, 514 Cedar Street, Wallace, Idaho.
City Packing Co., Inc., 115 Newmarket Square, Boston, Mass.
City Packing Co., 1931 South 96th Street, Seattle, Wash.
City Packing Co., Inc., Box 1672, Fort Worth, Tex.
Claridge Food Co., Inc., 41–23 Murray Street, Flushing, N. Y.
Claire Mont Packing Co., Wagner Street, Chippewa Falls, Wis.
H. G. Clark Provision Co., Stillwater Avenue, Dennison, Ohio.
Clark's Packing Plant, Eighth Street and Santa Fe Avenue, Fowler, Colo.
Clayton Packing Co., 4303–05 West Clayton Avenue, St. Louis, Mo.
Roy Clement & Son, Salem, Mich.
Clougherty Packing Co., 3049 East Vernon Avenue, Los Angeles, Calif.
Clover Beef Co., 820 North Christian Street, Lancaster, Pa.
Clover Packing Co., Inc., 426 West 14th Street, New York, N. Y.
Wm. Coady & Co., 211 North Green Street, Chicago, Ill.
Coast Packing Co., 3275 East Vernon Avenue, Los Angeles, Calif.
Coffeyville Packing Co., Inc., Coffeyville, Kans.
Jacob Cohen Beef Co., Inc., 14 Brighton Abattoir, Brighton, Mass.
Louis Cohen, 159 East Main Street, Newark, N. J.
Cohen's Famous Knishes, 631 Frelinghuysen Avenue, Newark, N. J.
Sam Cohen, 9435 Peterson, Detroit, Mich.
Colfax Packing Co., 34 Colfax Street, Pawtucket, R. I.
College Inn Food Products Co., 4301 South Ashland Avenue, Chicago, Ill.
Colonial Beef Co., 409 North Franklin Street and 303 Callowhill Street, Philadelphia, Pa.
Colonial Corned Beef Co., 137 South Water Market, Chicago, Ill.
Colonial Packing Co., Northwest 13th Street, Boca Raton, Fla.
Colonial Provision Co., Inc., 1100 Massachusetts Avenue, Boston, Mass.
Colorado Packing Co., Inc., La Junta, Colo.
Columbia Corned Beef Co. and Columbia Packing Co., 1233–37 George Street, Chicago, Ill.
Columbia Packing, 155 Southhampton Street, Boston, Mass.
Columbia Packing Co., 2807 East 11th Street, Dallas, Tex.
Commercial Beef Co., 124 Newmarket Square, Boston, Mass.
Commercial Packing Co., Inc., 3811 South Soto Street, Los Angeles, Calif.
Community Cold Storage, Torrington, Wyo.
Concord Dressed Beef & Veal Co., 45 Concord Street, Pawtucket, R. I.
Cones Market & Cold Storage, 109 East Main, Grangeville, Idaho.
Connecticut Packing Co., Bloomfield, Conn.
Consolidated Dressed Beef Co., Inc., Grays Ferry Avenue and 36th Street, Philadelphia, Pa.
Consolidated Packing Co., Inc., 132 Newmarket Square, Boston, Mass.
Consolidated Rendering Co., 176 Atlantic Avenue, Boston, Mass.
B. Constantino & Sons Co., East Taintor Lane, Rural Route 5, Springfield, Ill.
P. Conti & Sons, Inc., Henrietta, N. Y.

Continental Packing Co., 630 Fifth Avenue, New York, N. Y.
Continental Sausage Co., 540 Dartmouth Street, South Dartmouth, Mass.
Cook Packing Plant, Post Office Box 763, Concord, N. C.
Cook's Foods, Inc., 1223 South Atherton Street, State College, Pa.
Corley Packing Co., Copley, Ohio.
Cornell Provision Co., 1411–1413 West Chicago Avenue, Chicago, Ill.
Cornhusker Packing Co., 4436 Dahlman Boulevard, Omaha, Nebr.
J. Lynn Cornwell, Inc., Purcellville, Va.
Ed. K. Corrigan & Son Meat Packers, 607 15th Avenue, Council Bluffs, Iowa.
Corsair Packing Co., 74 Concord Street, Pawtucket, R. I.
Corte & Co., 414 Hoboken Avenue, Jersey City, N. J.
Crawford Packing Co., 717 North San Jacinto Street, Houston, Tex.
Crayton's Products, Inc., 2746 East 53d Street, Cleveland, Ohio.
Creaghe Packing Co., Lamar, Colo.
C. & M. Creitz Co., Newton Hamilton, Pa.
James Crixci, Route 4, New Castle, Pa.
Cross Bros. Meat Packers, Inc., 3600 North Front St., Philadelphia, Pa.
Howard E. Crossan, Marshallton, Del.
The Crosse & Blackwell Co., 6801 Eastern Avenue, Baltimore, Md.
Crowgey Sausage Co., Kellysville, W. Va.
Crown Packing Co., 68 Newmarket Square, Boston, Mass.
Crown Packing Co., 1561 Adelaide Street, Detroit, Mich.
Crown Pork Products, 11208 Avalon Boulevard, Los Angeles, Calif.
Cudahy Brothers Co., Milwaukee County, Cudahy, Wis.
Cudahy Packing Co., Union Stock Yards, Omaha, Nebr.
Cudney & Co., 400 North Orleans Street, Chicago, Ill.
Cuellar Foods, Inc., 162 Leslie Street, Dallas, Tex.
Curtis Packing Co., P. O. Drawer 1470, Greensboro, N. C.
Cushing Packing & Provision Co., Cushing, Okla.
Cushman Food Co., 700 Block Williamsburg Street, Aiken, S. C.
Custom Meat Packing Co., 515 East 45th Street, Boise, Idaho.
Custom Packing Co., Inc., 1015 Street Patrick, Rapid City, S. Dak.
Custom Packing Co., Box 721, Twin Falls, Idaho.
Cuyamaca Meats, 1200 West Main Street, El Cajon, Calif.
D. & W. Packing Co., South State Line, Texarkana, Tex.
John R. Daily, Inc., 115–119 West Front Street, Missoula, Mont.
Dakota Packing Co., Stockyards, Jamestown, N. Dak.
Dallas City Packing Co., Morrell Road, Route 2, Box 806, Dallas, Tex.
A. F. Damaske, 1694 South Pearl Street, Milwaukee, Wis.
The Danahy Packing Co., 25 Metcalfe Street, Buffalo, N. Y.
Daniel Bros., Inc., Columbia City, Ind.
Danville Meat Supply, Inc., 546 Craghead Street, Danville, Va.
Davenport Packing Co., Inc., Milan, Ill.
Davidowitz Kosher Provision Co., 123 Walton Street, Brooklyn, N. Y.
David Meat Co., P. O. Box 154, Santa Clara, Calif.
David Davies, Inc., 616 West Mound Street, Columbus, Ohio.
The William Davies Co., 41st Street and Union Avenue, Chicago, Ill.
Edward Davis, Inc., 420 West 14th Street, New York, N. Y.
Davis Meat Co., Box 2836, Boise, Idaho.
The Daw Packing Co., Inc., 180 Oak Street, New Haven, Conn.
Dawson-Spatz Packing Co., Inc., 1227 Lexington Road, Louisville, Ky.
The Dayton Packing Co., 46 Rappee Avenue, Dayton, Ohio.
George Dealman, Mt. View Road, Warren Township, Plainfield, N. J.
Dean Pack and/or Sioux Locker Co., West Main, Vermillion, S. Dak.
Dearborn Meat Co., 2035 West Pershing Road, Chicago, Ill.
Val Decker Packing Co., 727 East Ash Street, Piqua, Ohio
Decker & Son, 1500 Arch Street, Colorado Springs, Colo.
Dedeaux Packing Co., Route 2, Box 297, Gulfport, Miss.
Earl Dehn, Route 1, Amherst, Ohio.
Herman Deile, Inc., 82–86 Jackson Street, Hoboken, N. J.
Del Monte Meat Co., 303 Southeast Oak Street, Portland, Oreg.
Delano Packing Co., Delano, Minn.
Del Ray Packing Co., 9374 Copeland Avenue, Detroit, Mich.
Delaware Packing Co., Route 3, Delaware, Ohio
Delaware Packing Co., 205 Bloomsbury Street, Trenton, N. J.
Delfrate Packing Co., Box 276, Slovan, Pa.
Delta Packing Co., 1019 Fourth Street, Clarksdale, Miss.
E. Demakes & Co., Inc., 37 Waterhill Street, Lynn, Mass.
Deming Packing Co., Deming, N. Mex.
Denholm Packing Co., 6670 Transit Way, Pittsburgh, Pa.
The Denver Tamale & Supply Co., Inc., 1050 10th Street, Denver, Colo.
Denver Wholesale Meat Co., 2701–06 West Colfax Avenue, Denver, Colo.
Wm. H. Deruff & Co., 1246 Hargest Lane, Baltimore, Md.
De Schepper Packing Co., Knoxville Road, R. R. No. 1, Milan, Ill.
Des Moines Packing Co., 1700 Maury Street, Des Moines, Iowa.
Detroit Packing Co., 1120 Springwells Avenue, Detroit, Mich.
Detroit Veal & Lamb, Inc., 1540 Division Street, Detroit, Mich.
Detwiler's Abattoir, Road 2, Pottstown, Pa.
Dewig Bros., Haubstadt, Ind.
Diamond F. Meat Co., Inc., 1336 Commerce Street, Tacoma, Wash.
A. Di Cillo & Sons, Inc., Route No. 322, Mayfield Road, Chesterland, Ohio.
Dickinson & Co., Post Office Box 755, Lafayette, Ind.
Dietz & Watson, Inc., 115 Vine Street, Philadelphia, Pa.
Edward Dillon, Wyoming, N. Y.
Gaetano Di Pascale Sons, 920 South 9th Street, Philadelphia, Pa.
Frank Di Pietro, 902 South 9th Street, Philadelphia, Pa.
Ditzler Bros., 28 Wood Street, Pine Grove, Pa.
Division Packing Co., 1566 Division Street, Detroit, Mich.
Dixie Frozen Foods, Inc., 15 Waddell Street NE., Atlanta, Ga.
Dixie Packing Co., Inc., 221 Mehle Avenue, Arabi, La.
Dixon Packing Co., 106–110 Milam Street, Houston, Tex.
Harry Dobrowitsky, 2966 Cortland Street, Detroit, Mich.
Joe Doctorman & Son, Inc., 2900 South 2d West, Salt Lake City, Utah.
Doehne Provision Co., Box 53, Clarkwood, Texas.
Fred Dold & Sons Packing Co., 421 21st Street, Wichita, Kans.
Donelson Packing Co., 366 Frederick Street, Carey, Ohio.
Donner Commission Co., 1915 West Canal Street, Milwaukee, Wis.
Dorset Foods, Ltd., 44–02 23d Street, Long Island City, N. Y.
Dreher Packing Co., Inc., Broad River Road, Columbia, S. C.
Paul Dressler, 1230 Wyoming Avenue, Exeter, Pa.
Drummond Meat Co., 116 West Water, Chillicothe, Ohio.
Dubuque Packing Co., 16th and Sycamore Streets, Dubuque, Iowa.
Duffy-Mott Co., Inc., 370 Lexington Avenue, New York, N. Y.
Dugdale Packing Co., 11th & Bell, St. Joseph, Mo.
Dukeland Packing Co., Inc., 1050–60 South Dukeland Street, Baltimore, Md.
Dunn-Ostertag Packing Co., 800 East 21st Street, Wichita, Kans.
Du Quoin Packing Co., Du Quoin, Ill.
Durham Meat Co., Inc., Mariposa & Villa Street, Mountain View, Calif.
Durkee Famous Food, Inc., 3702 Iron Street, Chicago, Ill.
Ernest Dutcher, 207 Cottage Street, Whitewater, Wis.
Dwares Provision Co., 58 Washington Street, Pawtucket, R. I.
Dykstra Bros., Route 5, 128 Cummings Avenue, Grand Rapids, Mich.
Joe Dzapo, Route 1, Box 381, Brookfield, Ohio.
Eagle Brand Products, Inc., 122 Jane Street, New York, N. Y.
Eagle Packing Co., 4402 South 35th Street, Omaha, Nebr.
East Carson Packing Co., East Carson Street, Hays, Pa.
East Tennessee Packing Co., 200 Jones Street, Knoxville, Tenn.
Eastern Boneless Beef Co., 724 Callowhill Street, Philadelphia, Pa.
Eastern Market Pork Products Co., 10023 West Fort Street, Detroit, Mich.
Eastern Oregon Meat Co., Inc., Baker, Oreg.
Eastern Packing Co., Inc., 1215½ Silver Lane, East Hartford, Conn.
Eastern Packing Co., Inc., 416 East Linden Avenue, Linden, N. J.
The Eastern Shore Provision Co., Lewes, Del.
Eatwell Provisions, Inc., 646 Bergen Avenue, New York, N. Y.
Ebner Bros. Packers, 100 Walnut Street, Wichita Falls, Tex.
E. Eckerlin, Inc., 1817 John Street, Cincinnati, Ohio.
The Eckert Packing Co., Route 7, Defiance, Ohio.
Economy Meat Market, 92 Prince Street, Boston, Mass.
Edmond's Chile Co., Inc., 3236 Oregon Avenue, St. Louis, Mo.
Lee Edson, Hudsonville, Mich.
Edwin Beef Co., 5140 Edwin Street, Hamtramck, Mich.
Elburn Packing Co. of Illinois, 309 West Nebraska Street, Elburn, Ill.
Eldridge Packing Co., 28 North Second Street, Kansas City, Kans.
Eldridge Packing Co., Post Office Box 874, La Grande, Oreg.
Merlin Eliason, 219 North Fourth West, Logan, Utah.
Elizabethville Abattoir, Elizabethville, Pa.
Elk Grove Meat Co., Elk Grove, Calif.
Elkhart Packing Co., Box 304, Elkhart, Ind.
Elliott Packing Co., Post Office Box 458, Duluth, Minn.
Ellis Canning Co., 1575 Alcott Street, Denver, Colo.
Elm Grove Packing Co., 529 Mine Street, Elm Grove, W. Va.
Emge Packing Co., Fort Branch, Ind.
Emmart Food Products, Co., 4701 South Christiana Avenue, Chicago, Ill.
Emmart Packing Co., 1202 Story Avenue, Louisville, Ky.
Emmert Meat Co., West Fourth Street, Emmett, Idaho.
Emmite Meat Co., Inc., Post Office Box 2547, 4821 Calhoun, Houston, Tex.
Empire Packing Corp., 74 Concord Street, Pawtucket, R. I.
Emporia Packing Co., Rural Route 4, Emporia, Kans.

Engelberg Packing Co., 1186 Riverside, Memphis, Tenn.
John Engelhorn & Sons., 17–27 Avenue L, Newark, N. J.
Engelhorn Packing Co., 2011 Eighth Street, North Bergen, N. J.
H. R. Englebeck & Sons, Rural Free Delivery 1, Port Clinton, Ohio.
Enid Packing Co., 2424 North Madison Street, Enid, Okla.
T. E. Epperson & Co., Charleston, Tenn.
David Epstein Co., 83 Newmarket Square, Boston, Mass.
Eremic's Provisions, 54 Valley Street, Box 193, Pitcairn, Pa.
G. Erhardt's Sons, Inc., 545 Poplar Street, Cincinnati, Ohio.
Essem Packing Co., 101 Beacon Street, Lawrence, Mass.
Robert L. Estes, Baird, Tex.
Estes Bros. Packing Co., 506 Northeast 37th Street, Box 4561, Fort Worth, Tex.
E–TEX Packing Co., Post Office Drawer 152, Mount Pleasant, Tex.
Eugster's Market, 2201 30th Street, Southwest Birmingham, Ala.
European Kosher Provision Mfg., Co., 6 Spring Street, Baltimore, Md.
The Evans Packing Co., Inc., Box 301, Callipolis, Ohio.
Evergood Meat Co., Inc., 610 Bergen Avenue, Bronx, N. Y.
Excel Packing Co., 900 East 21st Street, Wichita, Kans.
Excelsior Quick Frosted Meat Products, Inc., 128 Sheriff Street, New York, N. Y.
Eyerman & Co., 147 Hanford Street, Columbus, Ohio.
F K & Son, Inc., 15–17 Spencer Street, Buffalo, N. Y.
The Fairmont Provision Co., 735 South Willow Avenue, Alliance, Ohio.
Fairway Packing Corp., 216–218 Walton Street, Syracuse, N. Y.
Falk Bros., 511 Saint Joseph Street, Lancaster, Pa.
Herman Falter Packing Co., 378 Greenlawn Avenue, Columbus, Ohio.
Famous Foods, Inc., 1121 Pryor Street SW., Atlanta, Ga.
Famous Packing Corp., 122 Junius Street, Brooklyn, N. Y.
The Fanestil Packing Co., Inc., Route 4, Emporia, Kans.
Farmer Pete Packing Co., 715 Santa Fe Drive, Denver, Colo.
Farnsworth Packing Co., 1487 Farnsworth, Detroit, Mich.
Farris & Co., 2116 West Beaver Street, Post Office Box 1553, Jacksonville, Fla.
Angelo Favazza, 1167 South Ninth Street, Philadelphia, Pa.
M. Feder & Co., 948 North Front Street, Allentown, Pa.
Federal Beef Co., 180 Atlantic Avenue, Boston, Mass.
Federal Meat Co., 1614 Puyallup Avenue, Post Office Box 1113, Tacoma, Wash.
Federal Packing Co., Post Office Box 750, Everett, Wash.
Chas. J. Fehl Co., Blooming Glen, Pa.
Feinberg Kosher Sausage Co., 809–811 Lyndale Avenue North, Minneapolis, Minn.
Feldman Bros., 2472 Riopelle Street, Detroit, Mich.
Feller Packing Co., Rural Free Delivery 2, Clearfield, Utah.
F. A. Ferris & Co., Inc., Brooklyn, N. Y.
Ferry Bros., Inc., Ferndale, Wash.
Fidel Bros. Packing Co., Unionvile, Ohio.
Field Packing Co., Inc., Post Office Box 493, Owensboro, Ky.
Fiesta Meat Co., 3533 Evans Avenue, St. Louis, Mo.
Figge & Hutwelker Co., 621–635 West 40th Street, New York, N. Y.
Filler Products, Inc., 715 Highland Avenue, Atlanta, Ga.
Fineberg Packing Co., 2875 Starling, Memphis, Tenn.
The Fink & Heine Co., Bechtle Avenue and D T & I R R, Springfield, Ohio.
C. Finkbeiner Inc., 900 High Street, Little Rock, Ark.
Fischer Packing Co., Box 182, Issaquah, Wash.
Henry Fischer Packing Co., Inc., 1860 Mellwood Avenue, Louisville, Ky.
Fischer & Fischer, 117 Washington Street West, Charleston W. Va.
E. L. Fisher, Post Office Box 506, Baytown, Tex.
Fisher Bros., 71 South Pearl Street, Bridgeton, N. J.
Flanery Sausage Co., Milbank, S. Dak.
Flechtner Bros. Packing Co., Inc., 435 North Countyline Street, Fostoria, Ohio.
Fleischaker Co., 1911 Frankfort Avenue, Louisville, Ky.
Philip Fleischer, Inc., 777 Washington Street, New York, N. Y.
L. W. & C. W. Fletcher, Inc., Lenoir City, Tenn.
Fletcher Wholesale Meats, 628 North Minnesota Street, Pratt, Kans.
Earl Flick Dressed Beef, Clackamas, Oreg.
Flicker Packing Co., South 12th Avenue, Scottsbluff, Nebr.
Fred W. Flockerzi, 14 Chestnut Street, Lawrence, Mass.
Florence Packing Co., Inc., Route 1, East Stanwood, Wash.
Florida Chip Steak Co., Inc., 4410 West South Street, Tampa, Fla.
Fluffs, Inc., 2005 Wall Street, Dallas, Tex.
Fluke, Inc., Cleveland Road, Ashland, Ohio.
The William Focke's Sons Co., 1712 Springfield Street, Dayton, Ohio.
Finley Packing Plant, McConnelsville, Ohio.
The Finest Provisions Company of Springfield, 190 Chestnut Street, Springfield, Mass.
Foell Packing Co., 3117–23 West 47th Street, Chicago, Ill.
Jacob Folger Packing Co., 500 Phillips Avenue, Toledo, Ohio.
Foo Lung Co., 112 East Washington Street, Stockton, Calif.
Ford Packing Co., Grand Island, Nebr.
Foremost Packing Co., 1164 13th Avenue, East Moline, Ill.
Formost Kosher Sausage Co., 517 South 4th Street, Philadelphia, Pa.
Forst Packing Co., Inc., 100–144 Abeel Street, Kingston, N. Y.
Fort Bend Co. Abattoir, Box 385, Rosenberg, Tex.
Fort Dodge Packing Co., Inc., Box 488, Fort Dodge, Iowa.
Fort Plain Packing Co., 201 Main Street, Fort Plain, N. Y.
Fort Scott Packing Co., 1005 Shute Street, Fort Scott, Kans.
Foster Beef Co., 409 Elm Street, Manchester, N. H.
B. V. Fox Wholesale Meats, 4821 Calhoun Road, Houston, Tex.
J. Austin Fraley, Thurmont, Md.
Frank & Schrader, R. F. D. 3, Cuba, N. Y.
Frankel Meat Co., Union Stock Yards, Cincinnati, O.
Franklin Provision Co., 222 Callowhill Street, Philadelphia, Pa.
B. Franza, 901 West Travis, San Antonio, Tex.
Fraser Wholesale Meats, 6 E Street NE., Ardmore, Okla.
Frederick County Products, Inc., Post Office Box 218, Frederick, Md.
Frederick Meat Co., East Balsom, Frederick, Okla.
Frederick Packing Co., 5300 Riopelle Street, Detroit, Mich.
Freeburg Packing Co., Freeburg, Ill.
Freeman Bros. Packing Co., 4905 Calhoun Road, Houston, Tex.
French Bros. Beef Co., Inc., Hooksett, N. H.
French Steak Co., 1285 Main Street, Swoyerville, Pa.
I. A. Frey & Sons, Inc., 3925 Burgundy Street, New Orleans, La.
Fried & Reinman Packing Co., 2100 East Ohio Street, Box 6769, Pittsburgh, Pa.
Morris Friedman, 2917 N. E. Stanton Street, Portland, Oreg.
Friedman & Belack, Inc., 634 Washington Avenue, Philadelphia, Pa.
Frigid Packing Co., 144 Black Horse Pike, West Collingswood Heights, N. J.
Frigidinners, Inc., 1933–35 Reed Street, Philadelphia, Pa.
Frigidmeats, Inc., 3755 S. Racine, Chicago, Ill.
Frisco Packing Co., 544 S. Walnut Street, Oklahoma City, Okla.
Frontier Packing Co., Post Office Box 922, Broadway SE., Albuquerque, N. Mex.
Frosty Morn Meats, Frosty Morn Avenue, Post Office Box 391, Clarksville, Tenn.
Frosty Morn Meats, Inc., 1498 Furnace Street, Montgomery, Ala.
Frozen Meat Packers, Inc., 845 N. W. 71st Street, Miami, Fla.
Fryer & Stillman, Inc., 53d & Franklin, Denver, Colo.
Fulton Beef and Provision Co., 511 Newark Street, Hoboken, N. J.
Furr's, Inc., Box 838, Lubbock, Tex.
G. & C. Packing Co., 240 South 21st Street, Colorado Springs, Colo.
Eugene Gaboury, Jr., R. F. D. 2, St. Albans, Vt.
Galat Packing Co., 1472 Kenmore Boulevard, Akron, Ohio.
Galligan Meat Co., 1220 35th Street, Denver, Colo.
S. W. Gall's Sons, 2119–2125 Freeman Avenue, Cincinnati, Ohio.
Gambord Meat Co., Post Office Box 697, San Jose, Calif.
Garos Packing Co., Hooksett, N. H.
Gartner-Harf Co., 25 East 12th Street, Erie, Pa.
W. A. Gay & Co., Iowa City, Iowa.
Gebhardt Chili Powder Co., 112 South Frio Street, San Antonio, Tex.
Isaac Gellis, Inc., 37 Essex Street, New York, N. Y.
Albert Gemmen, Box 57, Allendale, Mich.
Genoa Packing Co., 221 Monsignor O'Brien Highway, East Cambridge, Mass.
Gentner Packing Co., Inc., West Roosevelt Road, South Bend, Ind.
Gerber Products Co., 460 Buffalo Road, Rochester, N. Y.
Gerber Products Co., Fremont, Mich.
George C. Gerber, Road 1, Dalton, Ohio.
Max German, 3836 Aldine Avenue, St. Louis, Mo.
Gerstenslager Meats, Inc., 336 North Market Street, Wooster, Ohio.
Gerson Packing Co., 2535 East Vernon Avenue, Los Angeles, Calif.
Giant Distributing Co., 913 West Street, Oakland, Calif.
Earl C. Gibbs, Inc., 3378 West 65th Street, Cleveland, Ohio.
John A. Gibbs, Bradford, Vt.
James B. Gilbert, 1110 Maryland Avenue SW., Washington, D. C.
K. C. Giles Co., 3183 West 65th Street, Cleveland, Ohio.
Gino Corp., Boston Post Road, Milford, Conn.
Girard Packing Co., 10–18 North Delaware Avenue, Philadelphia, Pa.
Gissell Packing Co., Inc., 1501 Jefferson Avenue, Huntington, W. Va.
Giuliano's Spaghetti Sauce Co., Inc., 250 Valley Street, Providence, R. I.
Giunta & D'Agostino, 901 Christian Street, Philadelphia, Pa.
Joseph L. Giunta & Sons, 927 South Ninth Street, Philadelphia, Pa.
Glasers Provisions Co., Inc., 5036 South 26th Street, Omaha, Nebr.
Glick Brothers, Mt. Pleasant, Pa.
Globe Packing Co., 11200 Kewen Street, San Fernando, Calif.
Globe Products Co., 5300 Emerson Street, Denver, Colo.
Glover Packing Co., Box 6609, Roswell, N. Mex.
Goebel Packing Co., 93 Holt Street, Buffalo, N. Y.

Albert F. Goetze, Inc., Post Office Box 1017, Baltimore, Md.
M M Goff & Sons Co., Inc., 118 West State Street, Pendleton, Ind.
Gold Medal Packing Corp., 614 Broad, Utica, N. Y.
H. S. Golde Packing Co., Inc., 193 Fillmore Avenue, Tonawanda, N. Y.
Goldberg Bros., 111 North Harrison Street, Wilmington, Del.
Goldberg, Boyarsky & Steirn, 655 Riverside Avenue, Burlington, Vt.
Goldis & Cross, Inc., 325 Callowhill Street, Philadelphia, Pa.
Goldring Packing Co., Inc., 3461 East Vernon Avenue, Los Angeles, Calif.
Gold Merit Packing Co., Inc., Post Office Box 4516, Jacksonville, Fla.
Gold Ribbon Fresh Frosted Meats, Inc., Post Office Box 112, Middletown, Pa.
H. Graver Co., 3813 Morgan Street, Chicago, Ill.
Angelo Grasso, 318 Meadow Street, Agawam, Mass.
A. Golin Wholesale Meats, 400 Delaware Avenue, Philadelphia, Pa.
Gooch Packing Co., Eighth and Almond Streets, Abilene, Tex.
M. Goodman Sons, 2712 Blodgett Street, Houston, Tex.
Goodnight County Sausage, Route 3, Lubbock, Tex.
Jack Goose & Co., 3219 Michigan Avenue, Detroit, Mich.
Goren Packing Co., Inc., 39 Commercial Street, Boston, Mass.
Goshen Packing Co., R. D. No. 1, Middletown, N. Y.
Daniel A. Gottlieb & Son., Inc., 416 Mount Vernon Street, Camden, N. J.
James P. Gourley, R. D. No. 1, New Bethlehem, Pa.
Grade A Meat Co., 1005 Washington Avenue, Houston, Tex.
Grady Packing Co., Inc., Cairo, Ga.
Grandview Packing Co., Grandview, Wash.
Granite Meat & Livestock Co., 500 East 56th Street South, Murray, Utah.
Granite State Packing Co., 163 Hancock, Manchester, N. H.
R. D. Graves Co., Westwood Drive, Strongsville, Ohio.
Graves Sausage Co., Route 1, Antioch, Tenn.
J. J. Gravins, Sixth Street Market, Richmond, Va.
Grays Harbor Meat Co., Inc., Foot of Washington Avenue, Hoquiam, Wash.
The Great Falls Meat Co., Post Office Box 1526, Great Falls, Mont.
Great Western Beef Co., 4044 South Halsted Street, Chicago, Ill.
Great Western Packing Co., Inc., 3377 East Vernon Avenue, Los Angeles, Calif.
Greater New York Packing, Inc., 525 11th Avenue, New York, N. Y.
Greater Omaha Packing Co., 5102 South 26th Street, Omaha, Nebr.
C. E. Greenawalt Sons, Mountville, Pa.
Greendell Packing Corp., Prattsville, N. Y.
Green Hill, Inc., United States Route 11, Elliston, Va.
Greenlee Packing Co., Inc., West Highway 16, Sioux Falls, S. Dak.
The Greensboro Packing Co., Inc., Greensboro, Ala.
Greenville Packing Co., S. S. Norfolk S. R. R., Greenville, N. C.
Greenwood Packing Plant, Greenwood, S. C.
Greisler Bros., Inc., 230-232 North Delaware Avenue, Philadelphia, Pa.
Sol Greisler & Sons, Inc., 32 North Delaware Avenue, Philadelphia, Pa.
Gruensfelder Packing Co., 3914 North 25th Street, St. Louis, Mo.
David H. Griffith, Cushing, Okla.
Grote Meat Co., 4124 West Natural Bridge Road, St. Louis, Mo.
Arthur J. Guillot, Inc., 339 Charbonnet, Street, New Orleans, La.
Guillette & Co., 23 Blodgett Street (rear) Post Office Box 447, Manchester, N. H.
Gunsberg Beef Co., 6800 Dix Avenue, Detroit, Mich.
Gustine Meat Co., Box 261, Gustine, Calif.
Gusto Ravioli Co., 653 Ninth Avenue, New York, N. Y.
P. D. Gwaltney, Jr. & Co., Inc., Smithfield, Va.
H. & H. Packing Co., Route 7, Yakima, Wash.
Chas. Haag, Inc., 497 Observer Highway, Hoboken, N. J.
Haas-Davis Packing Co., Inc., Post Office Box 277, Mobile, Ala.
Habbersett Bros., Media, Pa.
Philip H. Haha Co. & Specialty Meat Products, 179 Grafton Street, Worcester, Mass.
Edward Hahn Packing Co., Hickory Street & B. & O. R. R., Johnstown, Pa.
Haibach Bros., 501 East 19th Street, Erie, Pa.
Haldas Bros., Inc., 501-507 King Street, Wilmington, Del.
Haley Canning Co., 560 South Fourth Avenue, Hillsboro, Oreg.
Hall Bros., Inc., Cook Road, North Olmsted, Ohio.
Halpern Packing Corp., 88 Worchester Road, Framingham, Mass.
Halstead Packing Co., Fairview, Okla.
Halsted Packing House, 736 South Halsted Street, Chicago, Ill.
Hammer Provision Co., 300 Rivos Street, San Antonio, Tex.
Hammond, Standish & Co., 2101 Twentieth Street, Detroit, Mich.
Hampden Beef Co., Inc., 203 Liberty Street, Springfield, Mass.
Hampshire Cash Market, Hampshire, Ill.
George Hanas, R. S. 1, Route 481, Daisytown, Pa.
H. A. Hancock, Acree, Ga.
Handschumacher & Co., Inc., 48 North Street, Boston, Mass.
Edward Hans, 38 Holt Street, Buffalo, N. Y.
Harding Packing Co., Inc., 1450 Troy Avenue, Indianapolis, Ind.
John P. Harding Market Co., 728 West Madison Street, Chicago, Ill.
Hark Beef Co., 24 North Street, Boston, Mass.
Harkel Wholesale Meats, 3451 Frankford Avenue, Philadelphia, Pa.
W. I. Harman & Son, Saluda, S. C.
Harman Packing Co., 3305 East Vernon Avenue, Los Angeles, Calif.
Trae V. Harper, 9th West 6th North, Brigham City, Utah.
Joel E. Harrell & Son, Inc., Post Office Box 115, Suffolk, Va.
Harris Meat & Produce Co., 1 North Western, Oklahoma City, Okla.
Sam Harris Packing Co., 802 Covington Street, Crawfordsville, Ind.
Hartford Provision Co., Inc., 302 Pleasant Street, Hartford, Conn.
Hartman's, R. D. No. 3, Nazareth, Pa.
Harvin Packing Co., Inc., Green Swamp Road, Sumter, S. C.
Hately Brothers Co., 1341 West 37th Street, Chicago, Ill.
Hatfield Packing Co., Hatfield, Pa.
Sam Hausman, Alameda & Mussett, Corpus Christi, Tex.
Hawley Meat Pack, Vale, Oreg.
G. E. Hawthorn, Route 2, Hot Springs, Ark.
Bert Hazekamp & Sons, 954 Evanston, Muskegon, Mich.
The Hebrew National Kosher Sausage Co., Inc., 155 East Broadway, New York, N. Y.
Hebron Packing Co., Inc., Route 173, Box 486, Hebron, Ill.
Bernard Hecht & Sons, Inc., 17 South Front Street, Baltimore, Md.
Philip Hedderel, 4112 Clematis Street, New Orleans, La.
Heierding Bros., 35 Harrison Avenue, Oklahoma City, Okla.
Henry Heil, 3624 Falls Road, Baltimore, Md.
Heil Packing Co., 2216 La Salle Street, St. Louis, Mo.
H. Heilbrunn Co., 501 Newark Street, Hoboken, N. J.
Heim Bros. Wholesale Meat Co., 1707 West 11th Street, Little Rock, Ark.
Heim & Thompson Packing Co., 4905 Calhoun Road, Houston, Tex.
H. T. Heinz, Inc., 135 South Warwick Avenue, Baltimore, Md.
Heinz's Riverside Abattoir, Inc., 1900-22 Light Street, Baltimore, Md.
Henderson's Portion Pak, Inc., 4015 Laguna Street, Coral Gables, Fla.
J. Henriques & Son, 113 Gano Street, Providence, R. I.
James Henry Packing Co., 2025 Airport Way, Seattle, Wash.
Mark Herbst, Inc., 222 Prelinghuysen Avenue, Newark, N. J.
Herman Sausage Co., Inc., Post Office Box 1651, Tampa, Fla.
C. Herrmann & Sons, 2640 Gallia Street, Portsmouth, Ohio.
Herrod Packing Co., Joplin, Mo.
Hersch Packing Co., South Avenue B, Box 962, Scottsbluff, Nebr.
C. Hertel Co., 220 Raphael Avenue, Syracuse, N. Y.
Hervitz Packing Co., 1146 South Cameron, Harrisburg, Pa.
Heublein, Inc., 330 New Park Avenue, Hartford, Conn.
Ed Heuck Co., 530 Clay Street, San Francisco, Calif.
Hickory Packing Co., Inc., Box 653, Hickory, N. C.
High Grade Packing Co., Inc., 2627 Avenue D, Galveston, Tex.
John Hilberg & Sons Co., 525 Poplar Street, Cincinnati, Ohio.
H. G. Hill Co., 500 2d Avenue North, Nashville, Tenn.
Hill-N-Dale Farm Meat Co., Post Office Box 61, Downingtown, Pa.
Hill Packing Co., Post Office Box 117, Esterville, Iowa.
Hill Packing Co., Post Office Box 148, Topeka, Kans.
Hill Top Packing Co., Rural Route 1, Huntingburg, Ind.
Hilleman's Packing Plant, 813 Union Street, Marshalltown, Iowa.
Hines Packing Co., 5213 South 50th Avenue, Omaha, Nebr.
Samuel W. Hippey, R. F. D. No. 1, Willow Street, Pa.
Hirsch Brothers & Co. (Inc.), 14th and Cedar Streets, Louisville, Ky.
Hitch Packing Co., Princeton, Ind.
Phil J. Hock & Co., 2123 Allanthus Street, Cincinnati, Ohio.
Hodge Chile Co., 2310 Sidney Street, St. Louis, Mo.
Hoerter & Son, 2011 Frankfort Avenue, Louisville, Ky.
Hoffman Bros. Packing Co., Inc., 2731 South Soto Street, Los Angeles, Calif.
George Hoffman Packing Co., 4702 South 27th Street, Omaha, Nebr.
Roy L. Hoffman & Son, Route 4, Hagerstown, Md.
Hogansville Food Packers, Post Office Box 173, Hogansville, Ga.
E. V. Hohener, 2500 Davis Street, San Leandro, Calif.
Holiday Frosted Food Co., 150 Laurel Street, Philadelphia, Pa.
Holland Supply Co., Holland, Va.
Grover D. Holland, 5305 Summit Avenue, Fort Smith, Ark.
Charles Hollenbach, Inc., 2653 Ogden Avenue, Chicago, Ill.
G. Hollenbach, 1100 West Marquette Road, Chicago, Ill.
J. Lloyd Hollinger, 814 Sixth Street, Lancaster, Pa.
Hollinger Meat Products, Inc., Post Office Box 86, Mechanicsburg, Pa.
Hollstein's Packing Co., Rushville, Nebr.
Holly Meat Packing Co., 2736 Magnolia Street, Oakland, Calif.
Walter Holm & Co., 827 Grand Avenue, Nogales, Ariz.

Holt Packing Co., Holt, Mich.
P. E. Holz Sons Co., Box 2666, Charleston, W. Va.
Home Packing Co., First and Chestnut Streets, Terre Haute, Ind.
The Home Packing Co., Lagrange Street, Toledo, Ohio.
Homestead Prov. & Packing Co., 321 Baldwin Street, Hays, Pa.
Hoosier Veterinary Laboratories, Inc., Thorntown, Ind.
Hopfman Bros. Inc., 525 Water Street, Clinton, Mass.
Hopkins Packing Co., Blackfoot, Idaho.
Hopkinson and Haigh, 857 East Russell Street, Philadelphia, Pa.
H. C. Hoppe Co., Box 36, Oakwood, Wis.
Everett C. Horlein & Son, 669 Howard Street, Buffalo, N. Y.
George A. Hormel & Co., Austin, Minn.
Joe Horovitz, c/o Dixon Packing Co., Calhoun Road, Houston, Tex.
L. P. Horst, Jr., Route 89, Harrisburg, Pa.
Geo. V. Hoskings Meat Packer, 2501 Cleveland Avenue, National City, Calif.
E. B. Hostoffer, Mount Pleasant, Pa.
Hot Shoppes, Inc., 1234 Upshur Street NW., Washington, D. C.
Houlton Packing Co., Inc., Route 2, Abilene, Kans.
House of Costa, Peaks Island, Portland, Maine.
Houston Packing Co., 3301 Navigation Boulevard, Houston, Tex.
Hubbard Packing Co., 1343 Hubbard Street, Chicago, Ill.
Hubbell & Sons Packing Co., 114 Milam Street, Houston, Tex.
Hudson Packing Co., Inc., 95 Central Avenue, Jersey City, N. J.
H. M. Huffman, Route 1, Vandergrift, Pa.
Hughes Packing Co., R. F. D. 1, Oberlin, Ohio.
Hughes Sausage Co., Post Office Box 70, North Little Rock, Ark.
Huler Beef Co., 4070 Deming Street, Detroit, Mich.
The Hull & Dillon Packing Co., West 4th Street, Pittsburg, Kans.
Humphrey-Mace Meat Co., North First Street, Dixon, Calif.
The Humko Co., 1702 North Thomas Street, Memphis, Tenn.
Chas. J. Hunn, 238 East Main Street, Chillicothe, Ohio.
Hunt Potato Chip Co., 70 Lake Avenue, Worcester, Mass.
Hunter Packing Co., Post Office Box 231, East St. Louis, Ill.
Huntington Packing Co., Inc., Box 322, Huntington, Ind.
H. Hurwitz, 328 Waverly Avenue, Newton, Mass.
Hygrade Food Products Corp., 2811 Michigan Avenue, Detroit, Mich.
Hy-Grade Meat Specialties Co., 4990 Jackson Street, Denver, Colo.
Hy-Mark Kosher Meat Products Corp., 968 Longfellow Avenue, Bronx, New York.
Hynes Packing Co., 16400 S. Downey Avenue, Paramount, Calif.
Idaho Meat Packers Inc., Caldwell, Idaho.
Idaho Packing Co., Box 549, Twin Falls, Idaho.
Ideal Packing Co., Inc., 3095 East Vernon Avenue, Los Angles, Calif.
Illinois Meat Co., 3939 Wallace St., Chicago, Ill.
Illinois Packing Co., 911–993 West 37th Place, Chicago, Ill.
Imhof Packing Co., Inc., 227 Washington Street, New York, N. Y.
Independent Dressed Beef Co., Post Office Box 1166, Morgantown, W. Va.
Independent Meat Co., Inc., Post Office Box 430, Twin Falls, Idaho.
Inland Products, Inc., Box 926, Columbus, Ohio.
International Food Products Co., 4705 South Christiana Avenue, Chicago, Ill.
Interstate Beef Co., 4 Commercial Street, Boston, Mass.
Iowa Beef Co., Inc., 75 South Market Street, Boston, Mass.
Irish & McBroom Packing Co., 300 Coburg Road, Eugene, Oreg.
J. & A. Meat Sales, 1200 Roosevelt Street, Stony Creek, Pa.
Jackson Packing Co., 2520 South Gallatin Street, Jackson, Miss.
Jackson Packing Co., Rosedale Avenue and G. M. & Co., Railroad, Jackson, Tenn.
Jackson Packing Co., Inc., Marianna, Fla.
Jacobs Packing Co., 1416 Adams Street, Nashville, Tenn.
John Jacobsmuhlen, Route No. 2, Box 125, Cornelius, Oreg.
M. Jacobson & Sons Co., Inc., 218 Southbridge Street, Auburn, Mass.
Janert Bros. Wholesale Meats, 1000 West Raymond Street, Indianapolis, Ind.
Jefferson Packing Co., 500 Observer Highway, Hoboken, N. J.
Jiffy Steak Co., 1497–1499 Third Avenue, Freedom, Pa.
Johann Packing Co., 17170 Mitchell Street, Detroit, Mich.
Carl R. Johnson Wholesale Meats, 4115 South Westnedge Avenue, Kalamazoo, Mich.
Howard Johnson's Inc., 97–13 218th Street, Queens Village, N. Y.
Howard Johnson Inc., of Florida, 6901 Northwest 26th Avenue, Miami, Fla.
J. G. Johnson, Inc., Arthur Avenue and Third Street, San Francisco, Calif.
Johnson Food Co., 201 Lee Street, Post Office Box 665, Colorado Springs, Colo.
Johnson Meat Products Co., Inc., Pocomoke City, Md.
Johnstown Packing Co., Johnstown, Pa.
Jones-Chambliss Co., Post Office Box 2399, Jacksonville, Fla.
The Jones Dairy Farm, Fort Atkinson, Wis.
Jones Packing Co., Box 767, Dodge City, Kans.
Jones Packing Co., Second and Jackson Streets, Paducah, Ky.
Jones Sausage Co., R. F. D. 2, Danville, Va.
Jordan Meat & Livestock Co., 1225 West 33d South, Salt Lake City, Utah.
Joseph Packing Co., Box 273, Connellsville, Pa.
Gus Juengling & Son, Inc., 2869 Massachusetts Avenue, Cincinnati, Ohio.
Juniata Packing Co., R. F. D. 2, Tyrone, Pa.
K & B Packing Co., 4800 Washington Street, Denver, Colo.
Kadish & Milman Beef Co., 138 Newmarket Square, Boston, Mass.
The E. Kahn's Sons Co., 3241 Spring Grove Avenue, Cincinnati, Ohio.
George Kaiser Packing Co., 81 North 1st Street, Kansas City, Kans.
Kansas City Chip Steak Co., 1121 East 12th Street, Kansas City, Mo.
Kansas City Dressed Beef Co., 77 South James Street, Kansas City, Kans.
Kansas Packing Co., 822 Greenwich Street, New York, N. Y.
Kansas Packing Co., 406 East 21st Street, Wichita, Kans.
I. Kaplan, 218 Hull Avenue, Olyphant, Pa.
Kappler Packing Co., 3356 Pontiac Road, Ann Arbor, Mich.
Fred Karg, Box 5636, Kenton Station, Portland, Oreg.
Wm. Karn & Sons, 922 Taylor Avenue, Columbus, Ohio.
W. F. Kastelberg & Co., 15 North 17th Street, Richmond, Va.
Kaufman Meat Co., 8th and Bayshore, San Jose, Calif.
Kaw Valley Packing Co., Inc., 17 South James Street, Kansas City, Kans.
Kay Packing Co., 17 North Louisiana, Houston, Tex.
Kearns Packing Co., 228 Wayne Street, Mansfield, Ohio.
Keck's Market, Second and Market, Richmond, Va.
H. H. Keim Co., Box 690, Nampa, Idaho.
Keible Bros., Berlin Heights, Ohio.
Keller Bros., St. Helena, Calif.
Kelley Packing Co., 1089 Chehalis Avenue, Chehalis, Wash.
Thomas J. Kelly Beef Co., 30 Newmarket Square, Boston, Mass.
Kelly Foods Inc., Poplar Street, Jackson, Tenn.
Herman Kemper's Sons, Inc., 2124 Baymiller Street, Cincinnati, Ohio.
Kenmore Packing Co., Route 4, Box 294, Bothell, Wash.
Kenosha Packing Co., Inc., Post Office Box 509, Kenosha, Wis.
Kenton Packing Co., North Columbia Boulevard and Burrage, Post Office Box 5666, Kenton Station, Portland, Oreg.
Kerber Packing Co., Post Office Box 78, Elgin, Ill.
Lee G. Kern and Son, 580 Main Street, Slatington, Pa.
John Kern and Son, 251 Commercial Street, Portland, Maine.
Kern Valley Packing Co., Post Office Box 1229, Bakersfield, Calif.
Kesslers, 705 Hummel Avenue, Lemoyne, Pa.
Kilsheimer Bros., Inc., 1900 Bladensburg Road, NE., Washington, D. C.
King Steak Co., 3485 Janney Street, Philadelphia, Pa.
Kingan and Co., Inc., Maryland and Blackford Streets, Indianapolis, Ind.
King's Food Products, Inc., 5255 North Broadway, St. Louis, Mo.
Kingston Beef Corp., 12–18 Meadow Street, Post Office Box 701, Kingston, N. Y.
T. F. Kinnealey and Co., Inc., 20 Newmarket Square, Boston, Mass.
Harvey A. Kipp, Rural Free Delivery 1, Bethlehem, Pa.
Alvin Kirsh, 1010 West Cary, Richmond, Va.
I. Klayman and Co., 876 North 48th Street, Philadelphia, Pa.
Mathew F. Klein Co., 1016 Napoleon, Detroit, Mich.
F. A. Klein Provision Co., Box 14, Turtle Creek, Pa.
Klinck Brothers, 588 Howard Street, Buffalo, N. Y.
Klinck and Schaller Inc., 620 Babcock Street, Buffalo, N. Y.
Klubnikin Packing Co., 3425 East Vernon Avenue, Los Angeles, Calif.
Edw. J. Kluener, 12023 Bader Street, Cincinnati, Ohio.
Knauss Bros., Fulton Street, Poughkeepsie, N. Y.
E. W. Knauss and Son, Quakertown, Pa.
E. W. Kneip, Inc., 911 West Fulton Street, Chicago, Ill.
Knoxville Abattoir Co., North Central Avenue, Knoxville, Tenn.
Knudson Packing Co., West Oneida Street, Preston, Idaho.
Koch Beef Co., Inc., 248 North Adams, Louisville, Ky.
A. Koch's Sons, 2900 Sidney Avenue, Cincinnati, Ohio.
E. A. Kohl Packing Co., Inc., 1320 Ethan Avenue, Cincinnati, Ohio.
Chas. Koppenhaver, 556 North Second Street, Lykens, Pa.
Stanley Kornas, 4605 West 26th Avenue, Gary, Ind.
Korona Food Products, Inc., 2115–2117 Abbey Avenue, Cleveland, Ohio.
Kosher Zion Sausage Co., 163–167 South Water Market, Chicago, Ill.
Kosh-R-Best, Inc., 620 Albany Avenue, Hartford, Conn.
Krall's Meat Market, Lebanon County, Schaefferstown, Pa.
Kramer Beef Co., 240 River St., Scranton, Pa.
J. Fred Kraus Sons, 2510 Dulany Street, Baltimore, Md.
Kreinberg and Krasny Inc., 3300 West 65th Street, Cleveland, Ohio.
Krey Packing Co., 2100 Bremen Avenue, St. Louis, Mo.

Kriel Packing Co., Inc., 137 South Warwick Avenue, Baltimore, Md.
Kummer Meat Co., Route 4, Hillsboro, Oreg.
Kunkel Packing & Provision Co., 2007 Broadway, Quincy, Ill.
Kunzler & Co., Inc., 648 Manor Street, Lancaster, Pa.
Kwiatkowski Bros., 144 Detroit Street, Buffalo, N. Y.
Kwick Steak Co., Fairburn, Ga.
N. Lachapelle & Sons, 8-10 Charles Street, Worcester, Mass.
LaChoy Food Products, Division of Beatrice Foods Co., Archbold, Ohio.
Lackawanna Beef & Provision Co., 1000-1006 South Wyoming Avenue, Scranton, Pa.
Lakeside Products Co., Walled Lake, Mich.
Lakeview Farm Meat Market, Inc., 2002 Fourth Street NE. (mail) 1511 Good Hope Road SE., Washington, D. C.
Lamoni Packing Co., Inc., Lamoni, Iowa.
Lampe Market Company, 1950 Dakota Avenue, South, Huron, S. Dak.
Lampert Beef Co., Inc., 69 South Market Street, Boston, Mass.
Landers & Co., Post Office Box 6642, Stockyard Station, Denver, Colo.
Landy Packing Co., Box 251, St. Cloud, Minn.
M. Lapin & Sons Co., 316-330 Callowhill Street, Philadelphia, Pa.
Isadore Lapine, 46 Kenilworth Avenue, Toledo, Ohio.
V. LaRosa & Sons, Inc., Jacksonville Road and County Line, Hatboro, Pa.
Larson Brothers Co., Inc., 226-228 North James, Kansas City, Kans.
Guy A. Laurents Packing Co., 2700 Dwenger Avenue, Fort Wayne, Ind.
Lawrence Corp., 527 West 41st Street, Chicago, Ill.
Lawton Meat Supply, East End of "D" Street, Box 1187, Lawton, Okla.
H. W. Lay & Co., Inc., 4520 Peachtree Industrial Boulevard, Chamblee, Ga.
T. L. Lay Packing Co., 400-402 East Jackson Avenue, Knoxville, Tenn.
C. W. Layer & Co., 1516 Story Avenue, Louisville, Ky.
Leduc Packing Co., Post Office Box 327, Springfield, Mo.
D. L. Lee & Sons, Alma, Ga.
Lee Foods, Inc., 137 Franklin Avenue, Scranton, Pa.
John J. Leech, 154 Cross Street Market, Baltimore, Md.
Leeds Packing Co., Inc., Leeds, Ala.
Olin M. Leidy, R. D. 1, Souderton, Pa.
Lem's Caterers, 125 Sisson Street, Pawtucket, R. I.
Leon's Famous Pit Bar B-Q, 101 North Ewing Avenue, Dallas, Tex.
Lester Packing Co., Linton, Ind.
Levin Dressed Beef Co., Inc., 816 Noble Street, Philadelphia, Pa.
Abraham Levine, 9 Center Street, Ellenville, N. Y.
Levy Brothers, Post Office Box 41, Augusta, S. C.
Joe Lewis & Sons Kosher Meat Market, 1914 Hamilton Street, Houston, Tex.
Lewis & McDermott, Second and Harrison Streets, Berkeley, Calif.
Lewis River Meat Co., Route 1, Box 214, Woodland, Wash.
Libby-McNeill-Libby, Union Stock Yards, Chicago, Ill.
John Liber, Route 3, Alliance, Ohio.
Liberty Meat Packers, Route 1, Eagle, Idaho
Liberty Packing Co., 800 East Las Vegas Street, Colorado Springs, Colo.
Robert Lieberman, 404 West 13th Street, New York, N. Y.
Liebman Packing Co., Box 7, Green Bay, Wis.
E. C. Lightle, 2071 Payne Street, Columbus, Ohio.
The Lima Packing Co., 215 South Central Avenue, Lima, Ohio.
Lincoln Beef Co., 137 Newmarket Square, Boston, Mass.
Lincoln Meat Co., 3800 South Halsted Street, Chicago, Ill.
Lindner Packing & Provision Co., 1624-30 Market Street, Denver, Colo.
Lingo Packing Co., Route No. 1, Jonesboro, Tenn.
Lipoff's Wholesale Meats, 628-830 Callowhill Street, Philadelphia, Pa.
Lisbon Sausage Co., 433 South Second Street, New Bedford, Mass.
Little Mexico Frozen Foods, South Chadbourne Street, San Angelo, Tex.
Little Rock Packing Co., Foot East 4th Street, Little Rock, Ark.
Little's Wholesale Meat House, 214 East Middle Street, Hanover, Pa.
Litvak Meat Co., 5900 York Street, Denver, Colo.
Lloyd Packing Co., 1038 North Canfield-Niles Road, Youngstown, Ohio.
George J. Lochmann Packing Co., Fort Dodge Route, Dodge City, Kans.
S. Loewenstein and Son, 1945 Adelaide Street, Detroit, Mich.
S. S. Logan & Son, Inc., 1935 Third Avenue, Huntington, W. Va.
The Lohrey Packing Co., 2827-2829 Massachusetts Avenue, Cincinnati, Ohio.
Lombardi Brothers Wholesale Meats, 1926 West Elk Place, Denver, Colo.
Lone Star Packing Co., 812 Live Oak Street, Houston, Tex.
The Long Dressed Beef Co., West 68th Street and Big Four R. R., Cleveland, Ohio.
Longino & Collins, Inc., 3625 Tulane, New Orleans, La.
Longview Meat Co., Post Office 776, Longview, Wash.
Los Banos Abattoir, Post Office Box 949, Los Banos, Calif.
Los Hispanos Provision Co., Inc., 528 Craven Street, Bronx, N. Y.
Louisville Beef Co., 210 Adams Street, Louisville, Ky.
Louisville Provision Co., 914-920 East Market Street, Louisville, Ky.
Loup Valley Packing Co., Loup City, Nebr.
Loveland Packing Co., Inc., Post Office Box 178, Loveland, Colo.
Lovitt Beef Co., Inc., 315 Canal Street, Providence, R. I.
Lowrey's Freshies, Inc., 208 South Kalamath Street, Denver, Colo.
Loyal Packing Co., 3313-27 West 47th Street, Chicago, Ill.
Luce & Co., 300 Kansas Street, San Francisco, Calif.
Luck Bros. Co-op Packing Co., 425 North Second Street, Milwaukee, Wis.
M. Luck, Inc., 2345 North 18th Street, Milwaukee, Wis.
Luedke Brothers, Inc., 2601 North 15th, Sheboygan, Wis.
Luer Bros. Packing & Ice Co., 725 East Broadway, Alton, Ill.
Luer Packing Co., Inc., 3026 East Vernon Avenue, Los Angeles, Calif.
Lugbill Bros., Inc., Archbold, Ohio.
Peter J. Luger & Sons, Inc., First Avenue, Geneva Hill, Beaver Falls, Pa.
Lukon Meats, R. D. 3, Burgettstown, Pa.
Lu-Tex Packing Co., Inc., Box 688, Luling, Tex.
Luther's Locker & Packing Co., 409 Grant Street, Holdrege, Nebr.
Lutz Packing Co., 3205 South Rural Street, Indianapolis, Ind.
Lykes Bros., Inc., Post Office Box 1690, Tampa, Fla.
Lykes Bros., Inc., of Georgia, Sylvester Road, Albany, Ga.
M. & C. Foods, Inc., 1820 North Major Avenue, Chicago, Ill.
M. & D. Provision Co., 1120 West 47th Place, Chicago, Ill.
MFA Packing Division, East Mill Street Road, Springfield, Mo.
M. & M. Packing Co., Iola, Kans.
Maass-Hartman Co., 621 West Ray Street, Indianapolis, Ind.
M. M. Mades Co., Inc., 67 South Street, Somerville, Mass.
Madison Beef Co., 8 North Delawafe Avenue, Philadelphia, Pa.
Madison Packing Co., 12th and Greenwood Streets, Madison, Ill.
Macarthur Packing Co., 4th and Halstead Street, Hutchinson, Kans.
MacKimm Bros., Inc., 3727 South Falsted Street, Chicago, Ill.
Mahon-Bonenberger Packing Co., 2761 North Kentucky Avenue, Evansville, Ind.
Maier Bros., 497 Harmon Avenue, Columbus, Ohio.
Maierson Wholesale Meat, 621 West Ray Street, Indianapolis, Ind.
Makpie Co., 1724 First Street, San Fernando, Calif.
Joseph Malecki, 191 Person Street, Buffalo, N. Y.
H. E. Malone, Route 1, Box 755, Texarkana, Ark.
Mandarin Food Products, Inc., 748 Ceres Avenue, Los Angeles, Calif.
Manger Packing Corp., 124 South Franklintown Road, Baltimore, Md.
Manieri, Inc., 30th and Oxford Streets, Philadelphia, Pa.
E. B. Manning & Son, 9531 East Beverly Boulevard, Pico, Calif.
Manning Dressed Beef, 2601 North Summit, Springfield, Mo.
H. Mapelli & Son, 1525 Blake Street, Denver, Colo.
Mar Meat Co., 900 Branch Street, St. Louis, Mo.
Marhoefer Packing Co. of Iowa, Postville, Iowa.
Marhoefer Packing Co., Inc., North Elm and 13th Streets, Muncie, Ind.
Maricopa Packing Co., Box 449, Phoenix, Ariz.
Market Cooperative Packing Co., Inc., 4445 South Soto Street, Los Angeles, Calif.
W. S. Marks, Route 2, Box 260, Woodland, Calif.
Marks & Sons, 3325 West 65th Street, Cleveland, Ohio.
Marlo Packing Corp., 1955 Carroll Avenue, San Francisco, Calif.
Marquette Provision Co., 5035 South Halsted Street, Chicago, Ill.
Marshall Packing Co., Union and Swayzee, Marshalltown, Iowa.
Ezra W. Martin Co., P. O. Box 788, Lancaster, Pa.
J. Martinec Packing Co., P. O. Box 1234, Scotia, N. Y.
Marvel Meats Inc., 97 East Main Street, Corfu, N. Y.
Maryland Beef and Provision Co., 2139 Kirk Avenue, Baltimore, Md.
Marysville Meat Packing Co., P. O. Box 8, Marysville, Calif.
Maryville Packing Co., 909 East Seventh, Maryville, Mo.
Massachusetts Packing Co., Inc., 133 Newmarket Square, Boston, Mass.
Master Meat Co., Inc., 310 Johnson Avenue, Brooklyn, N. Y.
J. H. Matthews & Son, P. O. Box 54, Sardinia, Ohio.
Maurer-Neuer Corp., 100 Meyer Avenue, Kansas City, Kans.
Oscar Mayer & Co., Inc., 1241-1263 Sedgwick Street, Chicago, Ill.
Oscar Mayer Packing Co., 1335 West Second Street, Davenport, Iowa.
The Mayer Meat Co., 1031 Central, Middletown, Ohio.
Mays Brothers, Rural Route No. 6, Greeneville, Tenn.
R. E. Maynard Wholesale Meats, 3350 Griswold Road, P. O. Box 58, Port Huron, Mich.
McCabe Packing Plant, Route 29 West, Taylorville, Ill.
McCandless Packing Co., 334 Rhode Island Street, Memphis, Tenn.
C. A. McCarthy, Inc., 44 North Street, Boston, Mass.
McCook Packing Corp., P. O. Box 960, McCook, Neb.
McCook & Gray Packing Co., 406 Washington Avenue, Houston, Tex.

Sam McDaniel and Sons, Route 3, Bedford, Va.
Archie McFarland & Son, Inc., 2922 South Main Street, Post Office Box 1853, Salt Lake City, Utah.
John McKenzie Packing Co., Inc., 40 George Street, Burlington, Vt.
Joseph McSweeney & Sons, S. A. L. Railroad and Dineen Street, Richmond, Va.
Meats, Inc., 1200 Alaskan Way, Seattle, Wash.
Meca Meat Co., 2535 East Vernon Avenue, Los Angeles, Calif.
Medford's, Inc., 18 West Second Street, Chester, Pa.
Medina Provision Co., Medina, N. Y.
Edward Meister, 84 South Franklintown Road, Baltimore, Md.
Melton Provision Co., 1717 South Brazos Street, San Antonio, Tex.
Memphis Butchers Association, Inc., 1186 Riverside Boulevard, Memphis, Tenn.
Morris Mendel & Co., Rural Delivery 1, Norwich, N. Y.
Menghini Bros., Inc., Box 226, Frontenac, Kans.
Menichetti Packing Co., North Clary Street, Petersburg, Ill.
Menner Packing Corp., 200 Rutgers Street, Maplewood, N. J.
Merkel, Inc., 9411 Sutphin Boulevard, Jamaica, N. Y.
Merkel & Nowmair, Inc., 8386 Main Street, Utica, Mich.
Meszaros Bros., Inc., 1079 South Broad Street, Trenton, N. J.
Metz Bros. Meats, 2860 Sidney Avenue, Cincinnati, Ohio.
George H. Meyer Sons, 1601 Overbrook Road, Richmond, Va.
Henry Meyer's Sons, Inc., 2855 Sidney Avenue, Cincinnati, Ohio.
Meyer Packing Co., 3127 Cherokee, St. Louis, Mo.
Meyer's Packing Co., Chicago and Lafayette Streets, Sioux City, Iowa.
The H. H. Meyer Packing Co., Central Avenue and Linn Street, Cincinnati, Ohio.
John Micelle, Lake Charles, La.
A. Michaud Co., 175 West Oxford Street, Philadelphia, Pa.
Joe Michel Packing Co., Post Office Box 492, Meridian, Miss.
Mickelberry's Food Products Co., 801–811 West 49th Place, Chicago, Ill.
Mickelberry Sausage Co., 801 West 49th Place, Chicago, Ill.
Middle Georgia Abattoir, Inc., Post Office Box 104, Macon, Ga.
Middletown Packing Co., Inc., River Road and Asylum Street, Middletown, Conn.
Midland Empire Packing Co., Inc., Billings, Mont.
Mid-South Packers, Inc., Post Office Box 143, Tupelo, Miss.
Mid-State Packers, Inc., Post Office Box 427, Bartow, Fla.
Mid-State Packing Co., Inc., 25 Metcalf Street, Buffalo, N. Y.
Midtown Veal and Mutton Co., Inc., 37 Legal Street, Newark, N. J.
Mid-West Packing Co., 1301 West Broadway, Sweetwater, Tex.
Midwest Packing Co., 4823 South 27th Street, Omaha, Nebr.
Mid West Packing Co., 1310 North Fifth Street, Milwaukee, Wis.
Mid-Valley Beef Co., Inc., 218 Hull Avenue, Olyphant, Pa.
Louis Milani Foods, Inc., 4253 West 40th Street, Chicago, Ill.
Roy C. Miles, 106 South Main Street, Livingston, Mont.
Milikin Packing Co., 4350 South Alcoa Avenue, Los Angeles, Calif.
Millar Bros. & Co., Southeast Corner 35th and Reed Streets, Philadelphia, Pa.
Miller Abattoir Co., 2014 Fifth Street, North Bergen, N. J.
Miller Brothers, 918 Chestnut Street, Camden, N. J.
Miller & Hart, Inc., 46th Street and Packers Avenue, Union Stock Yards, Chicago, Ill.
Miller Packing Co., 15214 74th Street, South Seattle, Wash.
Miller Packing Co., 206 Second Street, Oakland, Calif.
Charles Miller & Co., North Bergen, N. J.
E. A. Miller & Sons, Hyrum, Utah.
Millers Meats, Star Route, Millersburg, Ohio.
Miller's Super Markets, Inc., 4120 Brighton Boulevard, Denver, Colo.
Theo T. Miloch & Son, 4070 Deming Avenue, Detroit, Mich.
Milwaukee Dressed Beef Co., Inc., 126 North Muskego Avenue, Milwaukee, Wis.
Milwaukee Meat & Provision, 2245 North Teutonia Avenue, Milwaukee, Wis.
Minch's Wholesale Meats, Box 712, Red Bluff, Calif.
John Minder & Son, Inc., 75 Stockton Street, Newark, N. J.
Morris Mindick, 12 Intervale Street, Roxbury, Mass.
Min Sun Trading Co., 2222 South La Salle Street, Chicago, Ill.
Minute Steak Co., Box 21, Mitchell Avenue, Burlington, N. J.
The Miracle Ham Co., Inc., 700 North Western Avenue, Chicago, Ill.
Mitchell Packing Co., Box 111, Mitchell, S. Dak.
Miotok Beef Co., 5 Washington Street, Paterson, N. J.
Moberly Packing Co., Box 442, Moberly, Mo.
Modern Meat Packing Co., 3501 Emery Street, Los Angeles, Calif.
H Moffat & Co., 1400 Fairfax Avenue, San Francisco, Calif.
Mogen David Kosher Meat Products Corp., 968 Longfellow Avenue, Bronx, N. Y.
Mohawk Packing Co., 1660 Bayshore Highway, San Jose, Calif.
Mohr, Inc., Route 12, Box 214, Tacoma, Wash.
Emery M. Molnar, Latchie Road, Millbury, Ohio.
Monarch Meat Packing Co., 1323 North 6th Street, Milwaukee, Wis.
Monarch Packing Co., 2496 Orleans, Detroit, Mich.
Monarch Packing Co., 3026 North Elliott Avenue, St. Louis, Mo.
Monarch Packing Co., Inc., 89 Margin Street, Salem, Mass.
Monarch Provision Co., 920 West Fulton Street, Chicago, Ill.
Monroe Packing Co., 1801 Monroe Street, Gary, Ind.
Monroe Packing Co., Post Office Box 604, Monroe, Wash.
Monroe Packing Co., Inc., 400 Ferrano Street, Rochester, N. Y.
Montana Horse Products, Butte, Mont.
Montana Meat Co., Inc., 1419 Helena Avenue, Helena, Mont.
Montell, Inc., 105 Muir Street, Cambridge, Md.
Montenery Provisions, Connorsville, Ohio.
Montrose Beef Co., Inc., Coxton Road, Pittston, Pa.
Morgan Packing Co., Inc., Austin, Ind.
Morgan's Meat Market, 25 East Pattsville Street, Pine Grove, Pa.
Henry Morlang, Inc., U. S. Route 50, Parkersburg, W. Va.
John Morrell & Co., Inc., South Iowa Avenue, Ottumwa, Iowa.
John Morrell & Co., 3700 North Grove, Fort Worth, Tex.
Morrell-Felin Co., 4142 Germantown Avenue, Philadelphia, Pa.
Morris Packing Co., 666 Windsor Street, Hartford, Conn.
G. L. Morrison, 115 South 24th Street, Boise, Idaho.
Morrison & Schiff Corp., 64 Fulton Street, Boston, Mass.
Morrissey Meats and Provisions, 706 First Avenue North, Nashville, Tenn.
Morton Bros. Packing Co., Johnson City, Tenn.
Motor City Packing Co., 1532 Alfred Street, Detroit, Mich.
Mt. Angel Meat Co., Mount Angel, Oreg.
Mt. Sterling Packing Co., East High Street, Mount Sterling, Ky.
Mt. Vernon Meat Co., Route 1, Mount Vernon, Wash.
Mountain Packing Co., Box 286, Dolores, Colo.
Mountain Packing Corp., 162 Craven Street, Asheville, N. C.
Mouret Packing Co., 506 Garland Lane, Opelousas, La.
C. D. Moyer Co., Silverdale, Pa.
Mulberry Provision Co., Post Office Box 1294, Macon, Ga.
Harry E. Mundy & Son, R. D. 1, Bound Brook, N. J.
Munhall Packing Co., 805 Ravine Street, Munhall, Pa.
Munn & Co., 426 Third Avenue, North, Nashville, Tenn.
Muntean Packing Co., 5238 Russell Street, Detroit, Mich.
Murphy's Boneless Beef, Lincoln and Weber Avenue, Stockton, Calif.
Murphy Meat Co., 1809 23d Street, Sacramento, Calif.
Murray Packing Co., Plainwell, Mich.
Murry's Steaks, Inc., 403 Swann Avenue, Alexandria, Va.
Mutual Beef & Veal Co., 120 Newmarket Square, Boston, Mass.
Wm. F. Myers Sons, Inc., Westminster, Md.
Herman Nacker & Co., 2916 West Forest Home Avenue, Milwaukee, Wis.
Lawrence E. Nagel, Marissa, Ill.
Nagle Packing Co., 2963 Lansing Road, Lansing, Ill.
Nalley's, Inc., 3410 South Lawrence Street, Tacoma, Wash.
National Meat Packers, Inc., 517 West 24th Street, Post Office Box N, National City, Calif.
National Provision Co., 117 45th Street, Pittsburgh, Pa.
National Tea Co., Fergus Falls, Minn.
Natural Bridge Packing Co., 4220–4222 Natural Bridge, St. Louis 15, Mo.
Nea Agora Packing Co., 953 West Lexington Street, Chicago 7, Ill.
D. E. Nebergall Meat Co., Post Office Box 188, Albany, Oreg.
Nebraska Beef Co., 36th and I Streets, Omaha 7, Nebr.
Ned Cloud Packing Co., 1511 South Kansas, Springfield, Mo.
Neese Sausage Co., Route 6, Greensboro, N. C.
Neff's Meat Market, Main Street, Yoe, Pa.
E. P. Nelson, 504 West Maywood Street, Peoria 5, Ill.
Frank A. Nelson, Route 2, Box 112, Ludington, Mich.
Nelson Meat Co., Post Office Box 152, Coyote, Calif.
Nenninger Packing Co., Cape Girardeau, Mo.
P. H. Ness, Route 2, York, Pa.
Neuhoff Bros., Packers, 2821 North Alamo, Dallas 1, Tex.
Neuhoff Packing Co. (Swift & Co.), 1307 Adams Street, Nashville, Tenn.
New Bedford Linguica Co., 56 Davis Street, New Bedford, Mass.
New Bern Provision Co., Highway 17, New Bern, N. C.
New Castle Packing Co., Post Office Box 416, County Line Road, New Castle, Pa.
New City Packing & Provision Co., 147 South Water Market, Chicago, Ill.
The New-Cooperative Co., Dillonvale, Ohio.
New England Provision Co., Inc., 960 Massachusetts Avenue, Boston 18, Mass.
New Hampshire Provision Co., Inc., 698 Islington Street, Portsmouth, N. H.
Newsom Packing Co., Mount Vernon, Tex.
Nichols-Foss Packing Co., 201 Morton Street, Bay City, Mich.

Niebergall & Martini, Inc., 4415 Eoff Street, Wheeling, W. Va.
Edgar Nimmer, 2719 North 3d Street, Milwaukee, Wis.
G. B. Nissen Packing Co., Inc., Webster City, Iowa.
Noble Packing Co., Inc., 816 Noble Street, Philadelphia, Pa.
Noble's Independent Meat Co., Post Office Box 1020, Madera, Calif.
Nola Beef Co., Post Office Box 24, Arabi, La.
Normal Meat Co., 4021 South Normal Ave., Chicago, Ill.
North American Packing Co., 93–95 South Market Street, Boston, Mass.
North East Packing Co., 20 Water Street, Somerville, Mass.
North End Manufacturer, 364 Brightman Street, Fall River, Mass.
North End Provision Co., 544 North Underwood Street, Fall River, Mass.
North Platte Packing Co., 2400 East Eighth Street, North Platte, Nebr.
North River Meat Co., Inc., 449 West 13th Street, New York, N. Y.
North Side Packing Co., 2200 Spring Garden Avenue, North Side, Pittsburgh, Pa.
Northside Packing Co., 3100 Colerain Avenue, Cincinnati, Ohio.
Norwich Packing Co., 24 North Thames Street, Norwich, Conn.
Abe Novack, 20 Balmforth Avenue, Danbury, Conn.
E. F. O'Berry, Post Office Box 111, Suffolk, Va.
J. F. O'Neill Packing Co., 25th and Z Streets, Omaha, Nebr.
O. K. Packing Co., Goodland, Kans.
O. K. Packing Co., Tecumseh, Okla.
Oakland Meat Co., 3823 South Halsted Street, Chicago, Ill.
Clarence Obermeyer, 1223–26 Bank Street, Cincinnati, Ohio.
Ocoma Foods Co., 810 Farnam Street, Omaha, Nebr.
Ogden Dressed Meat Co., Post Office Box 295, Ogden, Utah.
Ohio Packing Co., 3245 East Fifth Avenue, Columbus, Ohio.
The Ohio Provision Co., 6101 Walworth Avenue, Cleveland, Ohio.
Oklahoma City Packing Co., 1300 Southwest 15th Street, Oklahoma City, Okla.
Okmulgee Packing Co., 1500 West Fourth Street, Okmulgee, Okla.
Old Yankee Foods, 700 Fifth South, Seattle, Wash.
George Oldani & Co., 202 South Ninth Street, St. Louis, Mo.
Oldani Brothers Sausage Co., 2201 Edwards Street, St. Louis, Mo.
Old Smoky Packing Co., Inc., Post Office Box 112, Middletown, Pa.
Olesky Packing Co., Tallmadge, Ohio.
Omaha Dressed Beef Co., 4640 South 31st Street, Omaha, Nebr.
Omaha Packing Co., 71 Paris Street, Newark, N. J.
Omaha Packing Co., Inc., 120 South Market Street, Boston, Mass.
On-Cor Food Products, 1227 West Fulton Street, Chicago, Ill.
Ontario Meat Packing Co., Ontario, Oreg.
Orange County Meat Co., 11666 East Bolsa Avenue, R. D. 3, Santa Ana, Calif.
Orange Co. Packing Co., Inc., Chester, N. Y.
Orleans Canning Co., Jamestown, N. Dak.
Orofino Mercantile Co., 209 Johnson Avenue, Orofino, Idaho.
Orvis & Clinger, Inc., 5000 East Fremont Street, Stockton, Calif.
Orvis Bros & Taylor, Post Office Box 41, Modesto, Calif.
Osborne Stock Farms, 8275 Central Avenue, NE., Minneapolis, Minn.
I. Oscherwitz & Sons, 659 West Sixth Street, Cincinnati, Ohio.
Osher Bros. Co., 1840 North Ridge Road, Elyria, Ohio.
Oswald & Hess Co., 1550 Spring Garden Avenue, North Side, Pittsburgh, Pa.
Otoe Food Products Co., Nebraska City, Nebr.
Ottman & Co., Inc., 2 Ninth Avenue, New York, N. Y.
Owen Bros. Packing Co., Inc., U. S. Highway 11 South, Meridian, Miss.
Maurice Owsowitz & Son, 17–21 Newell Street, Buffalo, N. Y.
P & B Packers, Inc., 18th and Vine Streets, Hays, Kans.
P. D. & J. Meats, Box 392, Kent, Wash.
P. & H. Packing Co., 7036 Second Avenue, Dallas, Tex.
Pace Packing Co., Inc., 1300 West Broadway, Sweetwater, Tex.
Pacific Meats, Route 6, Box 740, Puyallup, Wash.
Pacific Meat Co., Inc., Kenton Station, Post Office Box 5636, Portland, Oreg.
Pahler Packing Corp., R. F. D. No. 1, Potsdam, N. Y.
Paige Meat Co., 4220 Natural Bridge, St. Louis, Mo.
Palmer Packing Co., Post Office Box 658, Candelario Road, Albuquerque, N. Mex.
Palmyra Bologna Co., Inc., Palmyra, Pa.
Howard Pancero & Co., 256–260 Stark Street, Cincinnati, Ohio.
Panhandle Packing Co., Box 206, Alliance, Nebr.
Panhandle Packing Co., Inc., Pampa, Tex.
Paragon Food Products, Inc., 431 Somerville Street, Manchester, N. H.
Wm. C. Parke & Sons, 724 West 21st Street, Ogden, Utah.
Parker House Sausage Co., 4605 South State Street, Chicago, Ill.
Parker Sausage Co., De Garis Mill Road, Georgetown, Ky.
H. G. Parks, Inc., 2509 Pennsylvania Avenue (rear), Baltimore, Md.
Parks Sausage Co., 2460 Woodbrook Avenue, Baltimore, Md.
Parks, Harris & Co., Columbia, Tenn.
Anthony Parillo, Inc., 1347 Hartford Avenue, Johnston, R. I.
Parrot Packing Co., Maumee Road, Fort Wayne, Ind.
Parsell Beef Co., 313 West Water Street, Flint, Mich.
Pasco Meat Products, Inc., 618 Howard Street, Buffalo, N. Y.
Pashigan Brothers, 2816 18th Street, Detroit, Mich.
Urban N. Patman, Inc., 3290 East Vernon Avenue, Los Angeles, Calif.
Pavetti Sausage Mfg. Co., 2261 North Linden Avenue, Trinidad, Colo.
Payne Sausage Co., Rural Route 6, Jonesboro, Tenn.
Pearl Packing Co., Inc., 710 North West Street, Madison, Ind.
Peck Meat Packing Corp., 2215 West Scott Street, Milwaukee, Wis.
Peer Food Products Co., 1400 West 46th Street, Chicago, Ill.
Peerless Packing Co., 3290 West 65th Street, Cleveland, Ohio.
Peet Packing Co., Chesaning, Mich.
John M. Peluso, Rural Delivery Number 1, New Castle, Pa.
Penczek Bros., Room 214, Exchange Building, Union Stock Yards, Chicago, Ill.
Penford Packing Co., 127th Street and State Road, Lemont, Ill.
E. W. Penley, 37 Knight Street, Auburn, Maine.
Penn Beef Co., 215 West Norris Street, Philadelphia, Pa.
Penn Packing Co., 630 Callowhill Street, Philadelphia, Pa.
Peoples Market, Yerington, Nev.
People's Market, Roberts & Oelwein, Inc., Sixth and Center Street, Pocatello, Idaho.
People's Wholesale Market, Box 64, Idaho Falls, Idaho.
Pepper Packing Co., 901 East 46th Avenue, Denver, Colo.
B. Perlin, 444 Church Street, Norfolk, Va.
Perretta Packing Co., Brier Hill, N. Y.
Perth Amboy Packing Co., 605 New Brunswick Avenue, Perth Amboy, N. J.
Peschke Packing Co., 313 South Jackson Street, Ionia, Mich.
Wm. H. Peters, Inc., Seventh and Sayford Streets, Harrisburg, Pa.
Peters Meat Products, Inc., doing business as Claire Mont Packing Co., Wagner Street, Chippewa Falls, Wis.
Peters Packing Co., Post Office Box 1151 (4000 Peoria Road), Springfield, Ill.
Peters Sausage Co., 5454 West Vernor Highway, Detroit, Mich.
Peyton Packing Co., Inc., East End of 11th Street, Cotton Addition South, El Paso, Tex., Postoffice Box 106.
Peza's Slaughter House, 60 Armento Street, Johnston, R. I.
Pezzner Bros., 16 Cook Street, Ashley, Pa.
Pfaelzer Bros., Inc., 939 West Place, Chicago, Ill.
Philadelphia Boneless Beef Co., 223 Callowhill Street, Philadelphia, Pa.
Philadelphia Dressed Beef Co., 114–128 Moore Street, Philadelphia, Pa.
Phillips Packing Co., Race Street, Cambridge, Md.
Gibson Pierce, R. F. D. 3, Suffolk, Va.
Pierce Packing Co., Inc., Billings, Mont.
Bernard S. Pincus Co., 735 Callowhill Street, Philadelphia, Pa.
Pinkney Packing Co., 2900 Third Street, Amarillo, Tex.
Pioneer Meat Packers, Box 492, Ontario, Oreg.
Pioneer Provision Co., 65 Brady Avenue NW., Atlanta, Ga.
Pipkin-Boyd-Neal Packing Co., Box 405, Joplin, Mo.
Piute Packing Co., Postoffice Box 1545, Bakersfield, Calif.
Pizza Frozen, Inc., 611 Tower Grove, St. Louis, Mo.
Plat Packing Co., 1410 Fifteenth Street, Denver, Colo.
Isadore Platt, 3108 Madison Street, Wilmington, Del.
E. Wilbur Plitt & Bros., 1900 Retreat Street, Baltimore, Md.
George E. Plitt, Inc., 2652 Pennsylvania Avenue, Baltimore, Md.
Plymouth Rock Provision Co., Inc., 2700 Third Avenue, Bronx, N. Y.
Pocomoke Provision Co., Front Street, Pocomoke, Md.
S. Poehlman, 4512½ Ninth Street, Rock Island, Ill.
Polarized Meat Co., Postoffice Box 608, Scranton, Pa.
Poletti Sausage Co., 428 Pacific Avenue, San Francisco, Calif.
John Poliak Packing Co., Box 60, North Aurora, Ill.
Port Stockton Sausage Co., 1320 South Aurora Street, Stockton, Calif.
Pontius Meats, rear 14 East Pine Street, Selinsggrove, Pa.
Portland Provision Co., Postoffice Box 5666, Kenton Station, Portland, Oreg.
R. E. Poss and Son, R. F. D. 4, Box 493, Athens, Ga.
Potts Packing Co., 507 West Fourth Street, Okmulgee, Okla.
Powell Meat Co., West Bainbridge, Ga.
Pratt Packing Co., Magnolia Street, Sulphur Springs, Tex.
Prejean's Wholesale Meat and Products, Carencro, La.
Premier Packing Co., Inc., 1240 Columbus Avenue, Boston, Mass.
Premier Smoked Meats, Inc., 85 North Sixth Street, Brooklyn, N. Y.
Premium Food Plan, Inc., 4563 Torresdale Avenue, Philadelphia, Pa.
B. J. Price, 1126 Engle Street, Chester, Pa.
Prickett Packing Co., Batesvile, Ark.
Pride of Lima Provision Co., 1304 Neubrecht Road, Box 567, Lima, Ohio.
Prim Packing Co., 217 Third Street, McDonald, Pa.

Prime Packing Co., 2049 North Fourteenth Street, Milwaukee, Wis.
Primeat Packing Co., 2380 20th Street, Detroit, Mich.
Prince-Roselli Foods, Inc., 6575 Chestnut Avenue, Merchantville, N. J.
The Procter & Gamble Manufacturing Co., Richmond Terrace & Western Avenue, Port Ivory, Staten Island, N. Y.
Provisions Meat Co., 225 Webster Street, Oakland, Calif.
Pruden Packing Co., Post Office Box 14, Suffolk, Va.
Prudence Foods, Inc., 188 State Street, Boston, Mass.
Psichalinos Bros. & Co., Inc., 722 Blue Island Avenue, Chicago, Ill.
Puckett Stock Farm, Sayre, Okla.
Punxsutawney Beef & Prov. Co., Punxsutawney, Pa.
Purdy Steak Co., 2730 East Layton Avenue, Cudahy, Wis.
Pureta Sausage Co., 324 Alhambra Boulevard, Sacramento, Calif.
Puritan Beef Co., Inc., 825 Washington Street, New York, N. Y.
Purity Packing Co., Powell Station, Tenn.
Quaker City Packing Co., Inc., 104 Union Street, Allentown, Pa.
The Quaker Oats Co., Merchandise Plaza, Room 345, Merchandise Mart, Chicago, Ill.
Quaker State Foods Corp., 131 Dahlem Street, Pittsburgh, Pa.
Quality Meat Packing Co., 4512 South Alcoa Avenue, Los Angeles, Calif.
Quality Packing Co., Post Office Box 1018, Lexington, Ky.
Quality Packing House, Inc., Route 1, New London, Wis.
Quality Packing Plant, South of Sugar Factory, Sterling, Colo.
Queen Packing Co., Inc., 324 North Randolph Street, Philadelphia, Pa.
Queen Packing Corp., 900 Campbell Street, Rochester, N. Y.
R & C Packing Co., 4003 Dahlman Boulevard, Omaha, Nebr.
R & R Provision Co., 1240 Pine Street, Easton, Pa.
R & R Wholesale Veal & Beef, 1538 Wazee Street, Denver, Colo.
Raber Packing Co., Inc., 100 Apple Street, Peoria, Ill.
Wm. J. Rahe & Sons, East Jackson Street & Wilson Road, Muncie, Ind.
Earl Rainbow, Palmyra, N. Y.
Randolph Packing Co., Route 2, Randleman, N. C.
Randy's Frozen Meats, 7602 West 55th Street, Arvada, Colo.
Randy's Steaks, Centerville Road, Manassas, Va.
Rapides Packing Co., Inc., Box 806, Alexandria, La.
Raskin Packing Co., 1918 Jay Avenue, Sioux City, Iowa.
Rath Packing Co., Elm and Sycamore Streets, Waterloo, Iowa.
Raton Packing Co., 1216 Brilliant, Raton, N. Mex.
Frank Rausch & Son, Inc., 1097 William Street, Buffalo, N. Y.
Rayner Packing Co., Inc., 3713 Jensen Drive, Houston, Tex.
Ray's Abattoir, Blackfoot, Idaho.
Ray's Brand Products, 1920 South 13th Street, Springfield, Ill.
Abramo Re, 52 Fulton Street, Boston, Mass.
Rea Serum Co., P. O. Box 471, Tallahassee, Fla.
E. S. Read, East Fairfield, Vt.
Clair E. Reader, 478 Adams Street, Rochester, Pa.
Real Kosher Sausage Co., Inc., 15 Rivington Street, New York, N. Y.
Redmond Packing Co., Inc., Box 626, Redmond, Oreg.
Reelfoot Packing Co., South 5th Street, Union City, Tenn.
Wm. G. Rehn's Sons, 450 Bank Street, Cincinnati, Ohio.
George L. Reid, Inc., 1613–19 Retreat Street, Baltimore, Md.
M. Reinfeld & Sons, Inc., 98–100 Prince Street, Newark, N. J.
Reinhardt Packing Co., 2620 Elliott Avenue, St. Louis, Mo.
Reitz Meat Products Co., 5608 Raytown Road, Kansas City, Mo.
Reliable Packing Co., 1440 West 47th Street, Chicago, Ill.
Reliable Provision Co., 330–332 Mifflin Avenue, Scranton, Pa.
Frank D. Rendulic, 800 Manning Avenue, McKeesport, Pa.
Reo Foods, Inc., 2925 Indianola Road, Des Moines, Iowa.
Republic Food Products Co., 47th and Christiana Avenue, Chicago, Ill.
Rice Meat Packing Co., South 307 Conklin Road, Veradale, Wash.
C. Rice Packing Co., Patton Street and Eastern Avenue, Covington, Ky.
R. B. Rice Sausage Co., Inc., Route 3, Lee's Summit, Mo.
Joseph N. Rice Co., 1564 Water Street, Covington, Ky.
C. E. Richards & Sons., 213 West Second Street, Muscatine, Iowa.
H. Richberg & Son, 2806 Division Street, Manitowoc, Wis.
Richlor Boneless Pork, Inc., 2766 Webster Avenue, Bronx, N. Y.
Ridley Packing Co., Duncan, Okla.
Morris Rifkin & Sons, Inc., Union Stockyards, South Street, St. Paul, Minn.
Richter's Food Products, Inc., 1040 West Randolph Street, Chicago, Ill.
Carl Rittberger, R. F. D. 6, Zanesville, Ohio.
Ritter's, 300 East Philadelphia Avenue, Boyertown, Pa.
The Rittman Packing Co., Inc., Rittman, Ohio.
Riverside Packing Co., 817 Water Street, Jackson, Mich.
Robb Packing Co., Post Office Box 496, Lisle Road, Lexington, Ky.
A. C. Roberts, Kimberton, Pa.
Roberts & Oake, Inc., 45th Street and Racine Avenue, Chicago, Ill.
Roberts Packing Co., Kimberton, Pa.
Robertson Packing Co., 303 South Main, Springfield, Mo.
Robison & Terrell, Fillmore, Utah.
Rochester Independent Packer, 11 Independence Street, Rochester, N. Y.
Rochester Packing Co., Hacker Street, Rochester, Mich.
Rockford Wholesale Beef Co., Stillman Valley, Ill.
Rocky Mountain Packing Co., Inc., Post Office Box 1008, Casper, Wyo.
Roddey Packing Co., Inc., 707 Stadium Road, Columbia, S. C.
The J. H. Rodman Graff Corp., 309 Johnson Avenue, Brooklyn, N. Y.
Roegelein Provision Co., 1700 South Brazos, San Antonio, Tex.
L. C. Rogers Sausage Co., Route 3, Harrodsburg, Ky.
Rogers Meat Products, 117 Summer Street, Fitchburg, Mass.
Rolet Food Products Co., Inc., 24 Bogart Street, Brooklyn, N. Y.
Roman Packing Co., Box 602, Norfolk, Nebr.
Roman Products Corp., 498 Huyler Street, South Hackensack, N. J.
Rome Provision Co., Inc., 105 Pollock Street, Rome, Ga.
Roode Packing Co., Fairbury, Nebr.
Max Rosenberg & Co., 300 Johnson Avenue, Brooklyn, N. Y.
Eugene Rothmund, Inc., 21 South Street, Somerville, Mass.
Roos Packing Co., 2210 Kentucky Avenue, Indianapolis, Ind.
Riverside Meat Co., 1614 Puyallup Avenue, Tacoma, Wash.
Rose City Packing Co., Inc., West Broad Street, New Castle, Ind.
Sandy Rose Meat Market, 1033 South Ninth Street, Philadelphia, Pa.
Rose Packing Co., Inc., 2129 West Pershing Road, Chicago, Ill.
Rosebud Packing Co., Box 523, Winner, S. Dak.
Roselle Packing Co., 1201 East Linden Avenue, Linden, N. J.
Rosen Meat Packing Co., 3425 East Vernon Avenue, Los Angeles, Calif.
Rosenthal Packing Co., 2010 North Grove Street, Fort Worth, Tex.
Rosevale Packing Co., De Witt, Mich.
Roseville Packing Co., Route 1, Box 302, Springfield, Mo.
Robert E. Ross Abattoir, 2000 West Washington Street, Springfield, Ohio.
Wm. Roth, 886 Kirby Street, Columbus, Ohio.
Roth Packing Co., Inc., Glenwood, Iowa.
M. Rothschild & Sons, Inc., 1040 West Randolph Street, Chicago, Ill.
John Roth & Sons, Inc., 42d and T Streets, Omaha, Nebr.
Rountree Packing Co., Hanover, Mich.
J. H. Routh Packing Co., South Campbell Street, Post Office Box 650, Sandusky, Ohio.
Routh Packing Co., 419 South Sandusky, Tiffin, Ohio.
A. Rowe Sons Co., First and Linden Streets, Terre Haute, Ind.
L. E. Rowland & Sons Co., 419 Findley Street, Cincinnati, Ohio.
Roy Meat, 1756 East 5600 South Street, Roy, Utah.
Royal Gorge Packing Co., Rhoades Avenue, Canon City, Colo.
Royal Meat Products Co., 707 Linwood, Kansas City, Mo.
Royal Packing Co., Post Office Box 1028, Broderick, Calif.
Royal Packing Co., Inc., 36½ Park Street, Lawrence, Mass.
Royal Packing Co., 1719 North Vandeventer Avenue, St. Louis, Mo.
Roy's Food Products, Inc., 2804 South Calumet Avenue, Chicago, Ill
Nathan Rubin, Inc., 2426 Scotten Avenue, Detroit, Mich.
Rucci's Quality Meats, 2226 South 12th Street, Philadelphia, Pa.
Ruchti Bros., 10600 Ruchti Road, South Gate, Calif.
E. J. Rudman & Co., 104 Union Street, Allentown, Pa.
John Ruddy Packing Co., Old Petrolia Road, Wichita Falls, Tex.
Rudy Sausage Co., 2607 McGavock Road, Nashville, Tenn.
Rudy's Quality Meats, Broad Street, Landisville, Pa.
Rund Packing Co., Inc., First and Ellsworth Streets, Lafayette, Ind.
George G. Ruppersberger & Sons, Inc., 2639–2645 Pennsylvania Avenue, Baltimore, Md.
Russ Meat Co., Post Office Box 26, Eureka, Calif.
Russell Packing Co., 3946 Normal Avenue, Chicago, Ill.
Russell Packing Co., Inc., Long Prairie, Minn.
Russell Provision Co., 2457 Russell Street, Detroit, Mich.
Russellville Packing House, Russellville, Ark.
Tony Russo, 951 South Ninth Street, Philadelphia, Pa.
Rutherford Food Corp., 4 West 13th Street, Kansas City 6, Mo.
Ryan Packing Co., Blue Run Road, Maysville, Ky.
Rygg Packing, Inc., East Stanwood, Wash.
S & S Packing Corp., 300 Johnson Avenue, Brooklyn, N. Y.
S & S Provision Co., 621 West Ray Street, Indianapolis, Ind.
Sabrett Food Products Corp., 50 Colden Street, Jersey City, N. J.
Safeway Stores, Inc., Post Office Box 660, Fourth and Jackson Streets, Oakland, Calif.
Sahlen Packing Co., Inc., 318 Howard Street, Buffalo, N. Y.

St. Clair Foods Co., Ltd., Lozano Street, San Juan, Tex.
St. Cloud Meat Packing Co., 14th Street and Third Avenue South, St. Cloud, Minn.
Eli Salevetz, 13 Brighton Abattoir, Brighton, Mass.
Salem Commodities, Inc., 201 Fourth Street, Oakland, Calif.
Salinas Dressed Beef Co., Inc., Post Office Box 147, Salinas, Calif.
Edwin Salsburg, Lancaster Pike, Shillington, Pa.
Salter Packing Co., 4350 Alcoa Avenue, Los Angeles, Calif.
Sambol Packing Co., Shawnee Street and Railroad Avenue, Kansas City, Kans.
David Samiof & Sons, 130–132 River Street, Troy, N. Y.
Samett Packing Co., 5600 York Street, Denver, Colo.
San Antonio Packing Co., 2000 South Laredo, San Antonio, Tex.
San Jose Meat Co., Route 2, Box 635, Berryessa Road, San Jose, Calif.
San Mateo Meat Co., Post Office Box 54, 19th Avenue and Bayshore Highway, San Mateo, Calif.
Samuel Sandler Kosher, Sausage Manufacturing Co., 2207 North 30th Street, Philadelphia, Pa.
Santa Maria Meat Co., Route 1, Box 126, Santa Maria, Calif.
Schaake Packing Co., Inc., Route 1, Ellensburg, Wash.
Schaake Packing Corp., Post Office Box 32, Toppenish, Wash.
Schaffner Bros. Co., 15th and Reed, Erie, Pa.
John Schams, 2300 South Avenue, LaCrosse, Wis.
Charles S. Schaum, 3914 North 25th Street, St. Louis, Mo.
Schisler Provision Co., 801 John Street, Portsmouth, Ohio.
Jacob Schlachter's Sons Co., Inc., 2841 Colerain Avenue, Cincinnati, Ohio.
The William Schluderberg, T. J. Kurdle Co., 3800–3900 East Baltimore Street, Baltimore, Md.
A. W. Schmidt & Son, Inc., 2136 Harford Avenue, Baltimore, Md.
Charles J. Schmidt & Co., 2124 Harford Avenue, Baltimore, Md.
J. Fred Schmidt Packing Co., 253 East Kossuth Street, Columbus, Ohio.
Schmidt Packing Co., North Front Street, Niles, Mich.
Schmidt Provision Co., Matzinger Road, Toledo, Ohio.
J. J. Schmitt & Co., Inc., 175 Lewis Street, Buffalo, N. Y.
J. F. Schneider & Son, Inc., Box 481, Middlesboro, Ky.
Schneider Packing Co., 146 Victor, St. Louis, Mo.
A. D. Schnipper, 1002 Wood Street, Texarkana, Tex.
Schott & Co., Inc., 1703 Poydras Street, New Orleans, La.
Schrader's Meat Products, 651 Plymouth Avenue, Rochester, N. Y.
John Schramm & Son, 534 Plymouth Street, Missouri, Mont.
Michael J. Schulz, 1000 West Mineral Street, Milwaukee, Wis.
Schuman Provision Co., 641 Kossuth Street, Columbus, Ohio.
Schwab & Co., 1101 Linwood Boulevard, Oklahoma City, Okla.
B. Schwartz & Co., 1114 Wood Street, Dallas, Tex.
Schwartzman Packing Co., Post Office Box 1358, Albuquerque, N. Mex.
S. Schweid, 236 East Fifth Street, Paterson, N. J.
Scioto Provision Co., Daniel Avenue, Newark, Ohio.
C. C. Scott & Sons, R. F. D. 2, Wellston, Ohio.
Seabrook Farms Co., Seabrook, N. J.
Seattle Packing Co., 2203 Airport Way, Seattle, Wash.
Sebastopol Meat Co., Box 56, Sebastopol, Calif.
Sechrist Bros., Inc., 32 East Main Street, Dallastown, Pa.
Dave Segal, Blackfoot, Idaho.
Segal Dressed Beef, West 68th and Big 4 Railroad, Cleveland, Ohio.
Seiler's, Inc., 4051–59 North Fifth Street, Philadelphia, Pa.
Seitz Packing Co., Inc., 16th and Garfield Avenue, St. Joseph, Mo.
A. Seles, 110 57th Street, Pittsburgh, Pa.
Alfred P. Seligman, Inc., 416 West 14th Street, New York City, N. Y.
Sell Meat Co., R. F. D. 3, Johnson City, Tenn.
Selma Dressed Beef Co., Inc., Post Office Box 117, Selma, Calif.
A. C. Seman Sons, Box 23, Versailles, Ohio.
A. Servetnick & Sons, 420 North Ninth Street, Philadelphia, Pa.
Seven Valley Beef, Inc., Cortland, N. Y.
F. J. Sewald Meat Market Co., Jefferson County, Festus, Mo.
John Sexton & Co., 500 North Orleans Street, Chicago, Ill.
Guy Shaffer, R. D. 1, Hooverville, Pa.
Shamokin Beef Co., South Fifth Street, Shamokin, Pa.
Shamokin Packing Co., Inc., Post Office Box 388, Shamokin, Pa.
A. Shapiro Beef Co., 12 Brighton Abattoir, Brighton, Mass.
Shapiro Beef Co., 139 New Market Square, Boston, Mass.
K. Shapiro Inc., 2800 Standish, Detroit, Mich.
Sam Shapiro Wholesale Meats, 1230 Bland Avenue, Dearborn, Mich.
Shapiro Packing Co., Inc., New Savannah Road, Post Office Box 119, Augusta, Ga.
F. W. Shattuck & Co., 30 10th Avenue, New York, N. Y.
Shaw Packing Co., 404 East Oakland Street, Tyler, Tex.
Shehan & Co., Inc., 2301 South Washington Street, Peoria, Ill.
Sheller Bros., Smithville, Ohio.
Shen-Valley Meat Packers, Inc., Timberville, Va.
Sheridan Meat Co., Inc., 194 North Main Street, Sheridan, Wyo.
Sherman Slaughtering Co., R. R. 1, Sherman, Tex.
Shonyos' Inc., Lydonville, Vt.
Shores Meat Packers, Telfair Road, Savannah, Ga.
Shreveport Packing Co., Inc., 1801 Kings Highway, Shreveport, La.
Shull & Trusdale Wholesale Meat Co., 1200 Leaphunt Street, West Columbia, S. C.
Meyer Shulman's Smoked & Cured Meat Co., 77 I Street SE., Washington, D. C.
Sieck Packing Co., Inc., 3660 Placentia Street, Riverside, Calif.
Jacob Siegel, 403–5–7 North New Market Street, Philadelphia, Pa.
Siegal & Block Inc., 4905 Calhoun Road, Houston, Tex.
Siegal Bros., 518 Washington Street, Woodbine, N. J.
Siegal-Weiler Packing Co., 4535 McDowell Avenue, Chicago, Ill.
Hans Sierk Meat Packing Co., Post Office Box 946, Wenatchee, Wash.
Sierra Meat Co., 2424 South Fruit, Fresno, Calif.
Sigman Meat Co., Inc., 835 East 50th Avenue, Denver, Colo.
Siller Beef Co., 37 Ann Street, Kingston, N. Y.
Silver Lake Packing Co., R. F. D., Moscow, Pa.
Silver Falls Packing Co., Post Office Box 26, 9902 North Hurst Avenue, North Portland, Oreg.
Silver Hill Corp., Franklin and Harrison Streets, Riverside, N. J.
Silver Skillet Brands, Inc., 7450 North St. Louis Street, Skokie, Ill.
Silverman & Wexler, 3725 South Halsted Street, Chicago, Ill.
Simon Meat & Provision Co., Inc., 309–315 North Halsted Street, Chicago, Ill.
Sinai Kosher Sausage Corp., 3355 South Halsted Street, Chicago, Ill.
Singer Bros., 2906 Southwest Second Avenue, Portland, Oreg.
Sioux City Dressed Beef, Inc., 1911 Warrington Road, Sioux City, Iowa.
Sixth Street Market, Sixth and Pine, North Platte, Nebr.
Skokie Valley Frozen Foods, Inc., 8135 North Monticello Avenue, Skokie, Ill.
Skyway Meat Packing Co., Inc., 71–75 Paris Street, Newark, N. J.
Sluss Bros., North Tazewell, Va.
Smallwood Packing Co., Middlefield, Ohio.
Fred Smalstig, 10 Sherman Street, Millvale, Pa.
Smelko Bros., Old Rainey Works, Mount Pleasant, Pa.
Smit & Son, Boyden, Iowa.
B. G. Smith, 72 River Street, Troy, N. Y.
C. B. Smith, Route 3, Parkersburg, W. Va.
H. A. Smith Markets, Inc., 2731 Dove Road, Port Huron, Mich.
Hubert H. Smith, 509 Young Avenue, Muskegon, Mich.
Lloyd C. Smith, Box 5636, Kenton Station, Portland, Oreg.
Malcolm Smith, 3721 Old York Road, Philadelphia, Pa.
Smith Packing Co., 1143 South E Street, San Bernardino, Calif.
Smith Packing Co., Chicago and Prospects Streets, Sioux City, Iowa.
Smith Packing Co., 807 Third Avenue North, Nashville, Tenn.
Smith Packing House, Mohnton, Pa.
Smith's Heat'n Serve Frozen Foods, Inc., 3303 Secor Road, Toledo, Ohio.
Smithfield Ham & Products Co., Inc., Smithfield, Va.
Smithfield Packing Co., Inc., Smithfield, Va.
Smithgall & Ging, 338 Court Street, Williamsport, Pa.
W. W. Snavely, 4207 York Street, Harrisburg, Pa.
Snell Packing Co., Inc., Route 3, Clovis, N. Mex.
Snider Bros. Inc., Blackstone Street, Wilkinsonville, Mass.
Snohomish Packing Co., Inc., Route 4, Snohomish, Wash.
Morris Snow & Co., 4070 Deming Street., Detroit, Mich.
Solano Meat Co., Post Office Box 728, Vallejo, Calif.
Somerville Packing Co., 20 Water Street, Somerville, Mass.
Glen C. Soper, 152 Freedom Street SE., Grand Rapids, Mich.
South Philadelphia Dressed Beef Co., Inc., 232–240 Moore Street, Philadelphia, Pa.
South Side Butchers, R. F. D. 4, Box 352, 3001 South Harding Street, Indianapolis, Ind.
South Side Packing Co., 6525 Hamilton Avenue, Pittsburgh, Pa.
South Side Packing Co., Inc., 2259 South Muskego Avenue, Milwaukee, Wis.
Southern Farms, Walkersville, Md.
Southern Food Co., 5 Lloyd Street, Baltimore, Md.
Southern Foods, Inc., 1616 Murray Street, Columbus, Ga.
Southern Hotel Supply Co., 1248 Fourth Street NE., Washington, D. C.
Southern Packing Co., Inc., South Lelia Street, Post Office Box 867, Texarkana, Tex.
Southern Packing Corp., 9 Newcastle Street, Norfolk, Va.
Southern Provision Co., Inc., 1944 Rossville Boulevard, Chattanooga, Tenn.
Southern Style Foods, Inc., Craighead Street, Nashville, Tenn.
The Southland Corp., 2828 North Haskell Street, Dallas, Tex.
Southland Provision Co., Inc., Orangeburg, S. C.
Southland Provision Co. of Florida, Inc., Palatka, Fla.

Southwestern Packing Corp., Box 1068, Harlingen, Tex.
Sparky's Packing Co., 800 West Eighth, Pueblo, Colo.
Spencer Packing Co., Box 488, Spencer, Iowa.
J. Spevak & Co., Inc., 116 South Central Avenue, Baltimore, Md.
Spidle Meat Market, 739 Manor Street, Lancaster, Pa.
James T. Spinos Co., 31 Linden Street, Somerville, Mass.
Spitzler's Meat Products Co., Inc., North Gallatin Avenue Extended, Uniontown, Pa.*
Spivack & Onorato, 1875 Main Street, Bridgeport, Conn.
Sprague Bros. Co., 135 Newmarket Square, Boston, Mass.
Spring Grove Packing Co., Inc., Spring Grove, Ill.
Springfield Beef Co., 202–208 Lyman Street, Springfield, Mass.
Springfield Meat Co., Inc., 2860 East Main Street, Springfield, Ohio.
Spungin's Abattoir, Inc., 330 South Cameron Street, Harrisburg, Pa.
Stadler Packing Co., Inc., 660 Belmont, Columbus, Ind.
R. W. Staffeld & Sons, 1237 William Street, Buffalo, N. Y.
Stafford's Market, 608 14th Street, North, Great Falls, Mont.
Stahl-Meyer Inc., 172 East 127th Street, New York N. Y.
Stahl Packing Co., Inc., 326 Northwest Sixth Street, Evansville, Ind.
Standard Beef Co., 151 Cedar Avenue, Scranton, Pa.
Standard Beef, Inc., 2510 Orleans Street, Detroit, Mich.
Standard Foods, Inc., 729–731 South Eighth Street, Louisville Ky.
Standard Meat Co., 514 East Central, Fort Worth, Tex.
Standard Packing Co., Inc., 201 West North Street, Kokomo, Ind.
Stanko Packing Co., Sheridan, Wyo.
Frank A. Stanley Packing Co., 10171 Gravois Avenue, Affton, Mo.
August E. Stapf, 2524 Dulaney Street, Baltimore, Md.
Star Packing Co., 164 Esteben Street, Arabi, La.
Star Packing & Cold Storage Co., Sidney, Nebr.
Star Provision Co., 1200 Howell Mill Road, Atlanta, Ga.
Star Provision Co., Inc., 2327 First Avenue North, Birmingham, Ala.
Stark Wetzel & Co., Inc., 725 Gardner Lane, Indianapolis, Ind.
State Fair Provision Co., 316–330 Callowhill Street, Philadelphia, Pa.
State National Kosher Provision Corp., 82–86 Westerlo Street, Albany, N. Y.
State Packing Co., Inc., 3163 East Vernon Avenue, Los Angeles, Calif.
Statesville Packing Co., Old Mocksville Road, Statesville, N. C.
Stauffer Packing Co., 306–308 South Main Street, Rocky Ford, Colo.
Stearns & Welch Meat Co., 4319 Northeast Columbia Boulevard, Portland, Oreg.
George H. Steele Packing Co., R. F. D. No. 2, Centerville, Iowa.
Steen Bros. Food Stores, 334 West Second Street, Albany, Oreg.
Stegner Food Products Co., 1026 Township Avenue, Cincinnati, Ohio.
Max Stein Beef Co., 4070 Deming Avenue, Detroit, Mich.
Steinbach Meat Co., 226–228 North Main Street, Chariton, Iowa.
Steinbacher Packing Co., Woodruff Lane & Henry Street, Elizabeth, N. J.
Sam Steinberg, 990 Crescent Street, Brockton, Mass.
O. J. Stelling, Inc., 801 West 49th Place, Chicago, Ill.
Stephens Packing Co., 2120 Eton Avenue, Albuquerque, N. Mex.
Sterling Boneless Beef Co., 705 Callowhill Street, Philadelphia, Pa.
Sterling Packing Co., Box 87, Sterling, Colo.
Steuernagel Packing Co., 1325 South Brazos Street, San Antonio, Tex.
Stevens Meat Co., Gonzales, La.
Stock Yards Packing Co., Inc., 1107 West Fulton Street, Chicago, Ill.
Stoeven Brothers, Post Office Box 716, Rio Vista Road, Dixon, Calif.
Stokely-Van Camp, Inc., 905 East Fourth Street, Fairmont, Minn.
Stokely-Van Camp, Inc., Post Office Box 1113, Indianapolis, Ind.
Stokes Canning Co., 378 Osage Street, Denver, Colo.
Harvey L. Stoltz and Raymond Matz, Bernville, Pa.
Stoppenbach Sausage Co., River Street, Jefferson, Wis.
Stor-Dor Service Packing Co., 621 West Ray Street, Indianapolis, Ind.
The Stouffer Corp., 3800 Woodland Avenue, Cleveland, Ohio.
Straub & Smith, 5047 West Chelsea Road, Indianapolis, Ind.
Strauss Bros. Packing Co., 530 South Muskego Avenue, Milwaukee, Wis.
Streck Bros., 401 West Washington Street, Belleville, Ill.
A. Darlington Strode, 337 West Union Street, West Chester, Pa.
Stumpf Brothers Packing Co., 3225 South Meridian Street, Indianapolis, Ind.
A. C. Stuebben, doing business as Stubgen's Meat Market, Isabell Street, Saxonburg, Pa.
The Sturgis Packing Co., R. R. 4, Kenton, Ohio.
Suber-Edwards & Co., 1508 West Washington, Quincy, Fla.
The Sucher Packing Co., 400 North Western Drive, Dayton, Ohio.
The Sugardale Provision Co., 1018 McKinley Avenue, SW., Canton, Ohio.
Summers Packing Co., North Liberty, Ind.
Sumski Harband & Sumski, Inc., 1510 Evans Avenue, San Francisco, Calif.
Sunni-Kosher Sausage Corp., 3355 South Halsted Street, Chicago, Ill.
Sunflower Packing Co., Inc., 1200 East 21st Street, Wichita, Kans.
Sunny Dale Meat Products, 50 Van Buren Street, Nashville, Tenn.
Sunnyland Packing Co., Dothan, Ala.
Sunnyland Packing Co., Postoffice Drawer 191, Thomasville, Ga.
Superior Meat Products, Inc., 1700 Monroe Street, Gary, Ind.
Superior Packing Co., 4111–4119 South Union Avenue, Chicago, Ill.
Superior Packing Co., 2103 Wabash Avenue, St. Paul, Minn.
Superior Packing Co., Postoffice Box 876, Broderick, Calif.
Superior Provision Co., Massillon, Ohio.
Superior Provisions, Inc., 1345 Germantown Avenue, Philadelphia, Pa.
Supreme Meat Co., Inc., 314 South 21st Street, St. Louis, Mo.
Survall Packing Co., 3207 East Vernon Avenue, Los Angeles, Calif.
Swayze & Garey Packing Co., Edison, Nebr.
Swift & Co. (Neuhoff Packing Co.), 1307 Adams Street, Nashville, Tenn.
Swift & Co., Union Stock Yards, Chicago, Ill.
Joseph Switken Co., 134 West Delaware Avenue, Philadelphia, Pa.
Syracuse Packing & Prov. Co., Inc., 248 Walton Street, Syracuse, N. Y.
T & T Packing Co., Division Street, Macon, Ga.
T & W Packing Co., Chicago and Lafayette Streets, Sioux City, Iowa.
Wm. Taaffe & Co., Inc., 1536 Evans Avenue, San Francisco, Calif.
G. H. Tabron, Route No. 2, Shinnston, W. Va.
Talmadge Farms, Inc., Lovejoy, Ga.
Talone Packing Co., West Washington and R. R., Box 728, Escondido, Calif.
Isaac Tamaren Beef Co., 1515 East Kirby, Detroit, Mich.
Tankersley Bros. Packing Co., 1017 Grand Avenue, Fort Smith, Ark.
Tannehill and DeYoung, Inc., Cass Street Road, Post Office Box 108, Traverse City, Mich.
Tant Packing Co., 831 Amarouth Avenue, Laurel, Miss.
Tarpoff & Co., 1428 Edwardsville Road, Granite City, Ill.
J. V. Taylor & Co., Wyalusing, Pa.
A. C. Taylor Packing Co., 164 Col Road, Mount Vernon, Ohio.
Taylor Meat Co., Idaho Falls, Idaho.
The Taylor Provision Co., 63 Perrine Avenue, Trenton, N. J.
Ted's Boneless Beef, Inc., 125 North American Street, Stockton, Calif.
Telfer Packing Co., Owosso, Mich.
Temptee Product Co., 4655 Washington Street, Denver, Colo.
Tenda Brand Frozen Foods, Inc., 176 Saddle River Avenue, Garfield, N. J.
Tennessee Sausage Co., Inc., 295 Southfield, Ecorse, Mich.
Tennessee Valley Packing Co., Carter Street, Columbia, Tenn.
Terry Foods, Inc., 700 West Touhy Avenue, Park Ridge, Ill.
The Teufel Bros. Co., 3325 West 65th Street, Cleveland, Ohio.
Texas Meat Packers, Inc., 5219 Secons Avenue, Dallas, Tex
Texas Meat & Provisions Co., 311 South Lamar Street, Dallas, Tex.
Texas Packing Co., 1119 Commerce Street, Houston, Tex.
Texas Tavern Canning Co., Fair Park, Seguin, Tex.
Theede Packing Co., Somonauk, Ill.
The Theurer Norton Provision Co., 3136 West 63d Street, Cleveland, Ohio.
Nick Thielman Sausage Co., Rhine Street, Elkhart Lake, Wis.
Thies Packing Co., Inc., Box 750, Great Bend, Kans.
Thies Packing of Dodge City, Inc., East Chestnut Street, Dodge City, Kans.
Thomasma Bros., 701 West Leonard Street, Grand Rapids, Mich.
Thompson Beef Co., 5437 12th Street, Detroit, Mich.
Tid-Bit Products Co., 17212 Miles Avenue, Cleveland, Ohio.
Tieman Packing Co., Fort Morgan, Colo.
Timmerman Packing Co., North Yale and Dawson Road, Tulsa, Okla.
Titis Food Products, Inc., 175 Main Street, Agawam, Mass.
Tobin Packing Co., Inc., 900 Maple Street, Rochester, N. Y.
E. M. Todd Co., Inc., Post Office Box 76, West End Station, Richmond, Va.
Tog Packing Co., Inc., 1010 Clinton Street, Buffalo, N. Y.
Tom Boy, Inc., 4353 Clayton Avenue, St. Louis, Mo.
Torrington Packing Co., Box 540, End of West C Street, Torrington, Wyo.
Trans World Refining Corp., 137 12th Street, Jersey City, N. J.
Traverse City Provision Co., Cass Street Road, Traverse City, Mich.
J. T. Trelegan Co., 41 Clay Street, Cambridge, Mass.
H. Trenkle Co., 1225–1227 Central Avenue, Dubuque, Iowa.
Trenton Dressed Beef Co., 53–63 Bloomsbury Street, Trenton, N. J.
Trenton Foods, Inc., 713–A Linwood Boulevard, Kansas City, Mo.
Trenton Packing Co., 58–72 Escher Street, Trenton, N. J.
John W. Treuth & Sons, 334 Oella Avenue, Catonsville, Md.
Tri-Miller Packing Co., Hyrum, Utah.
Triangle Meat Distributors, Inc., 440 West 14th Street, New York, N. Y.
S. Triolo & Son, 1141 South Ninth Street, Philadelphia, Pa.

Tri Our Steaks, 480 Slocum Street, Exeter, Pa.
Triplex Packing Co., Route No. 2, Box 80, Pueblo, Colo.
Trumbull Packing Co., Route No. 2, Sioux Falls, S. Dak.
Tru-Value Food Products, 309 Front Street, Santa Cruz, Calif.
Trunz, Inc., 24–45 Lombardy Street, Brooklyn, N. Y.
Turlock Meat Co., Post Office Box 586, Turlock, Calif.
Turner Bros., 123 East Osage Street, Nowata, Okla.
Turvey, Inc., Post Office Box 54, 103 Southeast Eighth Street, Oklahoma City, Okla.
Turvey Packing Co., Blackwell, Okla.
Twin City Packing Co., Inc., Sixth and Cherry Streets, Winston-Salem, N. C.
Uddo & Taormina Co., 527 Chestnut Avenue, Vineland, N. J.
Uintah Packing Co., 400 North Vernal Avenue, Vernal, Utah.
William Underwood Co., 85 Walnut Street, Watertown, Mass.
Union Beef Co., Inc., 131 Newmarket Square, Boston, Mass.
Union Packing Co., 3030 East Vernon Avenue, Los Angeles, Calif.
Union Packing Co., 3855 North Market Street, St. Louis, Mo.
Union Packing Co. of Omaha, 4501 South 36th Street, Omaha, Nebr.
Union Provision & Packing Co., 5138 Butler Street, Pittsburgh, Pa.
United Beef Co., 140 Newmarket Square, Boston, Mass.
United Beef Co., Inc., Park Street, Gaffney, S. C.
United Dressed Beef Co., Inc., 4360 South Soto Street, Los Angeles, Calif.
United Dressed Meats, 801 North Regal, Spokane, Wash.
United Home Dressed Meat Co., Ninth Avenue and 31st Street, Altoona, Pa.
United Meat Co., Inc., 3813 Cote Brilliante, St. Louis, Mo.
United Packers, Inc., 1018–1030 West 37th Street, Chicago, Ill.
United Packing Co., 20th Street, Benwood, W. Va.
Universal Beef Corp., 119 Newmarket Square, Boston, Mass.
Ursick Meat Co., 1414 Constitution, Pueblo, Colo.
U. S. Packing Co., 16 North Street, Boxton, Mass.
Fred Usinger, Inc., 1030 North Third Street, Milwaukee, Wis.
Utah County Packing Co., Inc., 428 East 2 South, Provo, Utah.
Valentine Co., Inc., Post Office Box 356, Terre Haute, Ind.
Valentine's Meat Juice Co., 166 Chamberlayne Avenue, Richmond, Va.
Valley Meat Co., Box 263, Marysville, Calif.
Valley Meat Co., 123 South Yellowstone, Sidney, Mont.
Valley Packing Co., Post Office Box 1001, Pueblo, Colo.
Valley Packing Co., Post Office Box 1525, Farmington, N. Mex.
Valley Packing Co., 618 Commerce Street, San Benito, Tex.
Valley Packing Plant, Box 911, Livingston, Mont.
Valley Sausage Co., Post Office Box 581, La Grande, Oreg.
Valleydale Packers, Inc., of Bristol, Commonwealth Avenue, Bristol, Va.
Valleydale Packers, Inc., Eighth and Iowa Streets, Salem, Va.
William Van Alstine, Route 1, Box 140, East Lansing, Mich.
Van Brown Packing Co., 1700 North Yale, Tulsa, Okla.
Van's Packing Plant, Box 1902, Boise, Idaho.
Varano & Troutman Abattoir, Sixth and Oak Streets, Kulpmont, Pa.
Joseph Venexia & Sons, 601 Moore Street, Norristown, Pa.
Venice Maid Co., Inc., Boulevard and Montrose Streets, Vineland, N. J.
Frank Venuto, 407 North 66th Street, Philadelphia, Pa.
Joseph Venuto, 231–35 Tasker Street, Philadelphia, Pa.
Verschoor Packing Co., Hospers, Iowa.
Vetter Meat Co., 817 West Lordiman Street, Kokomo, Ind.
Victor Meat Co., Inc., 331 Washington Street, Oakland, Calif.
Victory Beef Co., 557 River Street, Paterson, N. J.
Victory Packing Co., 3363 East Fourth Street, Los Angeles, Calif.
Victory Beef Co., 2530 Scotten, Detroit, Mich.
Vienna Sausage Mfg. Co., 1215 South Halsted Street, Chicago, Ill.
Vietti Foods Co., 701 Bradford Avenue, Nashville, Tenn.
Viking Packing Co., Inc., 241 Mehle Street, Arabi, La.
Virginia Packing Co., Duncan Avenue, Virginia, Ill.
Virginia Provision Co., Inc., Walden Avenue 1745, Cheektowaga, N. Y.
Vogel's Inc., 121 South Second Street, Pekin, Ill.
Vogt Packing Co., 4309 South Dort Highway, Flint, Mich.
J. H. Vollmer & Sons, Bozeman, Mont.
John Volpi & Co., 5258 Daggett Avenue, St. Louis, Mo.
Volz Packing Co., 826 East Prairie Avenue, St. Louis, Mo.
Wabnitz & Deters, 765 West South Street, Indianapolis, Ind.
Wagers Packing Co., 713 North San Jacinto Street, Houston, Tex.
Wagner Provision Co., 56 East Broad Street, Gibbstown, N. J.
G. H. Waldock, Inc., Neilson Avenue, Sandusky, Ohio.
The Waldock Packing Co., Perkins Avenue at Campbell Street, Sandusky, Ohio.
Walden Packing Co., Inc., Route 52, Walden, N. Y.
Walker Bros., 2579 Graham Avenue, Akron, Ohio.
Walker's Austex Chili Co., 310 San Antonio Street, Austin, Tex.
Wall Packing Co., R. F. D., Sturgis, Mich.
Wallabout Meat Packing Co., Inc., 108 North Sixth Street, Brooklyn, N. Y.
Wald, Baram, Inc., 89 South Market Street, Boston, Mass.
W. W. Meats & Provisions, Shackamaxon and Allen Streets, Philadelphia, Pa.
Wallace Meat Co., 512 Cedar Street, Box 767, Wallace, Idaho.
Wallens-Byrne Packing Corp., 196 Guilford Street, Buffalo, N. Y.
Walti Schilling & Co., Inc., P. O. Box 495, Santa Cruz, Calif.
Wampler Wholesale Meats, Inc., R. F. D. 2, Lenoir City, Tenn.
Wand & Co., Box 193, Slate Hill, N. Y.
Wardrup Packing Co. Inc., Letcher County, Box 36, Blackley, Ky.
W. H. Warren, 5873 Highway 70, Memphis, Tenn.
Warrington Packing Co., Inc., Chalfont, Pa.
Warsaw Sausage Co., 3711 Scoville Avenue, Cleveland, Ohio.
Washington Packing Co., Inc., Box 753, Washington, N. C.
Watertown Abattoir, Inc., Watertown, S. Dak.
Waterman Packing Co., 73 North Third Street, Price Utah.
Watsonville Dressed Beef, Inc., Post Office Box 629, Watsonville, Calif.
Wayne Packing Co., 2520 Orleans Street, Detroit, Mich.
Wayne Packing Co., Inc., Front Street, Rittman, Ohio.
Weaver's Famous Lebanon Bologna, Inc., Post Office Box 525, Lebanon, Pa.
Webb Packing Co., Salisbury, Md.
Weber & Ritter Co., Inc., Post Office Box 54, Sumner, Wash.
Weber's Pickled Meat Products, 492 South 12th Street, Newark, N. J.
Ray Weeks & Sons Co., Inc., 6083 West 32 Mile Road, Richmond, Mich.
Weil Packing Co., 1700 Oakley Street, Evansville, Ind.
Weiland Packing Co., Inc., 493 Bridge Street, Phoenixville, Pa.
Weiler Packing Co., Inc., 11 North Main Street, Batesville, Ind.
C. W. Weimer, New Central Market, East Fourth and Bolivar, Cleveland, Ohio.
Weimer Packing Co., 225 McColloch Street, Wheeling, W. Va.
Weinstein Packing Co., Station B, Superior, Wis.
Weisel & Co., Inc., 2113 North Humboldt Avenue, Milwaukee, Wis.
Weiss Packing Co., R. F. D. 1, Turkey Hollow Road, Dinora, Pa.
Well & Davies, Payette, Idaho.
Welsh Packing, Co., Box 1644, S. S. Station, Springfield, Mo.
Wenatchee Packing Co., Inc., South Wenatchee Avenue, Wenatchee, Wash.
Earl S. Wenrich, 566 Pennsylvania Avenue, Sinking Spring, Pa.
John Wenzl Co., 4300 Jacob Street, Wheeling, W. Va.
Charles Werkmeister, 716 Lapeer Avenue, Port Huron, Mich.
L. E. Werners Sons, 225 Main Street, Watsontown, Pa.
Wessel Brothers, 100 State Street, Belleville, Ill.
West Coast Meat Co., 9638 Madison Avenue, Castro Valley, Calif.
West & Ellender, Inc., M. R. H., Sulphur, La.
R. B. West Co., Inc., 1233 William Street, Buffalo, N. Y.
Western Boy Meats, Post Office Box 112, Yakima, Wash.
Western Cattle & Dressed Beef Co., 4773 Calhoun Road, Houston, Tex.
Western Meat Packers, Inc., 1300–1308 West Seventh Street, Little Rock, Ark.
Western Meat Packers, Inc., Post Office Box 387, Missoula, Mont.
Western Packing Co., 5747 North Peters Street, New Orleans, La.
Western Packing Co., Inc., Post Office Box 552, Toppenish, Wash.
Western Pork Packers, Inc., 288 Franklin Street, Worcester, Mass.
Weyhaupt Bros. Packing Co., 1510 Lebanon Avenue, Belleville, Ill.
J. L. Whisler & Sons, Inc., Post Office Box 553, Elkhart, Ind.
White Packing Co., Liberty Street Extended, Salisbury, N. C.
Whitehall Packing Co. (see Peters Meat Products, Inc., Chippewa Falls, Wis.).
Whitson Food Products Co., 1207 Oakland Avenue, Denton, Tex.
Wickham Packing Co., Inc., Post Office Box 286, Sapulpa, Okla.
Paul H. Wike, 116 North Robeson Street, Robesonia, Pa.
Wilder's Abattoir, Route No. 1, La Junta, Colo.
Wilkes-Barre Abattoir, 810 North Pennsylvania Avenue, Wilkes-Barre, Pa.
Williams Packing & Storage Locker Co., 300 South Main, Miami, Okla.
S. W. Williamson, Turbotville, Pa.
Willo Packing Co., 120 North Sixth Street, Brooklyn, N. Y.
Willow Brook Packing Co., Inc., West Chester, Pa.
Wilson & Company, Union Stockyards, Chicago 9, Ill.
John W. Wilson Sausage Co., Lewisburg, Tenn.
Winchester Packing Co., Inc., Hutchinson, Kans.
Winget's Market, Ithaca, Mich.
Winner Packing Co., Lock Haven, Pa.
Wisconsin Packing Co., 215 West Oregon Street, Milwaukee, Wis.
Wisconsin Wholesale Meats, Inc., 2380 20th Street, Detroit, Mich.

James Witt Sausage Co., 77 I Street SE., Washington, D. C.
Wolf Packing Plant, R. R. No. 4, La Porte, Ind.
Wolfe's Meat Market, 105 North Center Street, Cumberland, Md.
Wolff Meat Co., 1325 South Brazos Street, San Antonio, Tex.
Wolf's Home Service, R. R. No. 4, Box 153, Belleville, Ill.
Wolin Packing Co., 3401 Michigan Avenue, Flint, Mich.
Wolverine Packing Co., 1340 Winder Street, Detroit, Mich.
Luther Wood & Son, Franklinton, La.
Roger Wood Packing Co., Post Office Box 612, Savannah, Ga.
Wood County Packing Co., Hart Avenue, Fostoria, Ohio.
Norman A. Wright, R. R. No. 2, Boonville, Ind.
Wright Packing Co., Baytown, Tex.
Wright Packing Co., 2510 Cleveland Avenue, National City, Calif.
Wuestling Packing Co., 3955 Garfield Avenue, St. Louis, Mo.
Wyandot Meat Products, Inc., R. F. D. No. 1, Nevada, Ohio.
Wyler & Co., 1050 Fullerton Avenue, Chicago, Ill.
Y. J. Packing Co., Post Office Box 57, Coeur d'Alene, Idaho.
Yadkin Valley Packers, Inc., Post Office Box 187, Elkin, N. C.
John E. Youndt, Adamstown, Pa.
Young Bros., Prattville, Mich.
Young & Stout, Inc., Traders Avenue, Clarksburg, W. Va.
Young's Packing Co., Inc., 801 South Main Street, Decatur, Ill.
Delbert Zandbergen, Wilson Road, Route 1, Grandville, Mich.
Zanville Packers, Inc., Foot of Tyler Street, Toledo, Ohio.
B. Zeff & Co., Post Office Box 425, Modesto, Calif.
R. L. Zeigler, Inc., Post Office Box 351, El Paso, Tex.
Zeimmer & Zeimmer, Harlan, Ind.
Zenith Meat Co., 2501 Vernon Avenue, Los Angeles, Calif. (Safeway).
Zenith Meat Co., Nampa, Idaho (Safeway).
Zenith Packing Co., 5600 York Street, Denver, Colo.
Wm. G. Ziegler & Son., Main Street, Schwenksville, Pa.
Zimmerman Beef Co., 1200 Howell Mill Road, Atlanta, Ga.
Zion Kosher Meat Products, Inc., 482 Austin Place, Bronx, N. Y.
Zitron Bros., 219 South Muskego Avenue, Milwaukee, Wis.
Geo. L. Zoeckler's Sons., 118 Bow Street, Wheeling, W. Va.
Zolmans Farm Market, Rural Delivery 3, Fredericktown, Ohio.
Sam Zubroff, 401 Sunbury Street, Minersville, Pa.
Jacob Zucker, 176 South Elliott Place, Brooklyn, N. Y.
J. Zuman Abattoir, Oak Tree Road, Iselin, N. J.
Herman Zumstein, Inc., 3095 Colerain Avenue, Cincinnati, Ohio.
Zweigart Packing Corp., Pocatello, Idaho.

Mr. CARROLL. Mr. President, I desire to congratulate and to commend the distinguished Senator from Wyoming for the wonderful and excellent leadership he has given the Antimonopoly Subcommittee of the Senate Judiciary Committee.

As a new Member, I have been privileged to participate in the oil investigation, the steel investigation, and the investigation of the automotive industry. I say in all sincerity that the leadership of the distinguished Senator from Wyoming has given not only great knowledge, but great impetus, to those hearings. As a new Member, I cannot help but express my admiration and my compliments on this occasion.

We all are deeply concerned with and interested in the evidence on administered prices in the steel industry brought out by the distinguished Senator from Wyoming and the distinguished senior Senator from Tennessee [Mr. KEFAUVER] during the Antimonopoly Subcommittee hearings.

Is there any doubt in the mind of anyone concerning the magnitude of that economic matter?

Is there any doubt in the mind of any economist that the United States Steel Corp. sets the price for steel commodities? And is there any question that after the price is set—economists are beginning to call it an "administered price"—some 25 steel companies move their prices up toward such price?

The same appears to be true in the automotive industry, although this is denied by the leaders in the industry. Three major automobile companies produce 96 percent of the products of the entire industry. The similarity of pricing on comparative models by these three majors is more than coincidental.

The tremendous influence of the major oil companies is admitted by all who have studied the record. Such influence also provokes the kind of questions the able Senator from Wyoming has been asking. Where is this Nation headed?

Only a few days ago a distinguished writer, Sylvia Porter, mentioned in a column on small business the topic of business mergers which are producing giant industries and squeezing out small companies. She, too, wondered in her column where this country is heading. She made some dire predictions and prophecies in her estimate of the situation.

As a new Member of this body I must say in all frankness I do not think the subject of monopoly is receiving serious enough consideration by either this body or the other body of the Congress. A few men work hard, as the able Senator from Wyoming has for over 20 years, in an effort to alert this Nation to what is happening.

Today we have a very serious and unprecedented economic problem confronting us. The cost of living has been increasing month by month, in a period of economic decline. We find that the durable goods industries are in great economic distress. Unemployment is increasing and spreading. Production of steel has been at 52 percent of capacity for months. But at the same time there is no price reduction in steel or automobiles or any of the industries producing durable goods which are controlled by the major giant corporations.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CARROLL. I am very happy to yield.

Mr. O'MAHONEY. I have just received a message through the counsel of the committee, Mr. Don McHugh, from the Federal Trade Commission, which tells of an action today by the Giant Food Shopping, Inc., which proves every word I have been saying about the loopholes in the law which ought to be closed.

Let me read the message. I call this particularly to the attention of my friends in the press gallery who do me the honor of listening to this discussion. I will read it slowly:

On December 19, 1957—

A little more than 3 months ago—

the Federal Trade Commission ruled that Giant Food Shopping, Inc., was not a meat packer merely because it was grinding and mixing beef and pork into meatloaf and sausage. The case was referred back to the examiner for further consideration of the charges of price discrimination.

On March 21, 1958, last Friday—

When the pending bill became the unfinished business of the Senate—

Giant bought 100 shares of common stock in Armour & Co., with par value of $5 per share. Today, March 24, Giant Food Shopping, Inc., filed a motion to dismiss this case on the ground it now qualifies as a packer under the Packers and Stockyards Act, and therefore is no longer subject to the jurisdiction of the Federal Trade Commission. This motion is based on the claim that under title 2 of the packer definition a company qualified as a packer if it is already engaged in the marketing of meats and then acquires ownership of any interest in the packing company.

If it is already engaged in the marketing of meats, and then acquires ownership of any interest, it becomes a packing company, and therefore exempt from the Federal Trade Commission Act.

Ask the stock raisers of Colorado, or Wyoming, or of any other State in the Union; ask the farmers who raise hogs, where they think they would get by buying 100 shares of Armour & Company's stock. What good would that do them in respect to their prices? But the purchase of 100 shares of Armour stock gets Giant Food Shopping, Inc., off the hook in relation to a charge of violation of the antitrust laws, price discrimination, and the like.

This is the most amazing confession I think I have heard since the Assistant Secretary, Earl Butz, honestly confessed before our committee that for 26 years the Department of Agriculture had not adequately enforced the Federal Trade Commission Act.

Mr. CARROLL. I thank the Senator from Wyoming for bringing this matter to our attention. It only emphasizes the boldness, the brazenness of this group of people in negotiating such a transaction when the bill is under consideration and asking that they be exempted from possible prosecution under the Federal Trade Commission Act.

After listening to the message read by the distinguished Senator from Wyoming, I ask this question: Is the amount of the purchase sufficient to exempt them, under existing law, from possible prosecution under the antitrust laws?

Mr. O'MAHONEY. I give a curbstone opinion to the Senator from Colorado. I do not believe that the purchase of such an amount of stock will be sufficient. However, the fact is that title II of the Packers and Stockyards Act contains this provision in section 201, which defines the term "packer." This

is one of the amendments that was written into the law by the lobbyists in 1921:

When used in this act—

The term "packer" means * * * any person engaged in any business referred to in clause (a) or (b) above.

The businesses referred to in clauses (a) and (b) above are the businesses—

(a) of buying livestock in commerce for the purpose of slaughter, or (b) of manufacturing or preparing meat or meat food products for sale or shipment in commerce.

My further answer to the Senator is that even though that loophole was created, it is the business of Congress to slam the door and close it now.

Mr. CARROLL. Did not the evidence adduced at the hearings show that 6 or 7 of the big food corporations, by using a similar device, had exempted themselves from prosecution?

Mr. O'MAHONEY. I say to the Senator from Colorado, tell the world that the gigantic food companies, the gigantic food chains, and the big packers want to take into their own hands, and out of the hands of Congress, all the constitutional power which the forefathers gave Congress to protect the public interest.

Mr. CARROLL. Would the Senator from Wyoming say that, as the result of 6 or 7 large chains having put themselves in the packing business by virtue of the method of operation described, they are no longer subject to prosecution under the Federal Trade Commission Act?

Mr. O'MAHONEY. I do not wish to rely upon a legal argument. I wish to make the provision a hard-and-fast law. By the bill before us we would repeal this definition of "packer," and by repealing it we would close the loophole. That would mean that the Federal Trade Commission Act would remain under the jurisdiction of the Federal Trade Commission, which was established to enforce it.

Mr. CARROLL. And that was the condition which existed before 1921.

Mr. O'MAHONEY. The Senator is correct.

Mr. CARROLL. Mr. President, I assure the Senator from Wyoming that I wholeheartedly support the measure introduced by him and the Senator from Utah [Mr. WATKINS], which is designed to strengthen the antitrust laws by authorizing the Federal Trade Commission to proceed against monopolistic and unfair trade practices of meatpackers. Everyone who has studied the meatpacking industry knows that it is one of the most important in the American economy, for it slaughters vast quantities of livestock annually. Livestock is a major source of income to the producer and supplies a substantial part of the diet of the Nation. Because of these facts the price of livestock paid to the producer and the cost of meat and meat products to the consumer are of vital importance. Since I represent many livestock producers, I am particularly aware of these problems. The American meatpacking industry traditionally has been dominated by a few large companies, and in terms of the total number of companies, this continues to be the fact down to the present day.

The Senator from North Dakota [Mr. YOUNG] and I are sponsoring an amendment to S. 1356 in order to give the livestock producer greater protection than he now has under the Packers and Stockyards Act from unfair and discriminatory practices by meatpackers and others.

Senator O'MAHONEY and Senator WATKINS, the sponsors of S. 1356, recognize that such an amendment is necessary if livestock producers are to receive a fair price for their product. As Senator O'MAHONEY has already pointed out, S. 1356 does not attack the enforcement record by the Department of Agriculture under title III of the Packers and Stockyards Act where its authority is directed against practices which occur on the stockyard. The Department of Agriculture has demonstrated that it is competent and well able to deal with the problems of the producer in getting the products of the producer to the market place. Therefore, it is my firm belief that S. 1356 would be strengthened by giving the Department of Agriculture jurisdiction over all livestock transactions whether they occur at the stockyard or off the stockyard. Accordingly, sections (j) and (k) of my amendment would broaden the jurisdiction of the Secretary of Agriculture and permit him to regulate livestock transactions at country buying points and at auction yards.

I am basically and fundamentally opposed to the approach adopted by the Cooley bill in the House and which bill I understand has been adopted in full by the Senator from Illinois [Mr. DIRKSEN] in the amendment he introduced on March 3, 1958. In my opinion, this bill is fatally defective because it perpetuates the existing jurisdiction of the Department of Agriculture over merchandising activities of meatpackers. The record is clear beyond peradventure of doubt that agriculture has neither the competency nor the inclination to enforce aggressively the antitrust provisions of the Packers and Stockyards Act against the marketing activities of the meatpackers, that is, after the livestock has been slaughtered and has entered into the various forms in which it is prepared for sale to the consumer. This is the principal business of the meatpackers. It is the area of their activities which they do not want exposed to the light of day. The meatpackers are diligently seeking to preserve the protective umbrella of the Department of Agriculture over these activities. Past experience has convinced them that they cannot afford to have the Federal Trade Commission conducting investigations of their practices in the merchandising of meat and meat food products. To accept the Cooley bill or the Dirksen amendment is to surrender to the meatpackers in the same identical fashion as the Congress deferred to the lobbyists for the meatpackers in 1921. The packer lobbyists succeeded in having written into the Packers and Stockyards Act the provision which conferred jurisdiction for the enforcement of this act upon the Secretary of Agriculture.

However, because of my belief that transactions involving the live animal are best regulated by the Department of Agriculture, I feel that certain other provisions of the Cooley bill are desirable. Therefore sections (l), (m), and (n) of my amendment cover, in substance, provisions which are found in section 2 of the Cooley bill and are included in the Dirksen amendment.

Section (l) of my amendment strikes out the last complete sentence of section 302 (a) of title III of the Packers and Stockyards Act. This sentence restricts Agriculture's jurisdiction to stockyards which are 20,000 square feet or more. Complaints have been brought to my attention of unfair trade practices which have been injurious to the livestock growers in those smaller stockyards over which the Department of Agriculture now has no jurisdiction.

I have received complaints from cattle producers in Colorado who were unable to collect large sums of money for sales made to dealers and market operators who purchased at country buying points and auction yards. These purchasers went into bankruptcy and the growers did not get paid. Such a situation could not occur if the Department of Agriculture were able to exercise the same degree of regulation over the activities of market operators and commission agents at country buying points and small stockyards as it now exercises over the posted stockyards.

Section (m) of my amendment is necessary to implement the provision already described which extends Agriculture's jurisdiction to transactions off the stockyard. Section (m) permits the Secretary of Agriculture to require persons operating off the stockyard to register in such manner as the Secretary may prescribe.

As section 311 of title III of the Packers and Stockyards Act is now written, dealers—who are defined as any person, not a marketing agency, engaged in the business of buying and selling livestock, on his own account, or an employee or agent of the vendor or purchaser—are not included among those categories of persons against whom the Secretary of Agriculture can take corrective action for certain improper activities. Section (n) of my amendment is intended to include dealers within the scope of section 311.

I note that the Packers and Stockyards Act in section 406 (b) empowers the Secretary of Agriculture in the exercise of his duties to request the Federal Trade Commission to make investigations and report in any such case. In examining the record of your hearings, Senator, I note that on page 60 there is a letter to you from Chairman John Gwynne of the Federal Trade Commission replying to your request for all instances in which the Secretary of Agriculture has requested the Federal Trade Commission to conduct any such investigation. In this letter reported on page 60 of the record, Chairman Gwynne noted that the

Federal Trade Commission minutes disclosed no such instance, and he stated:

A check has been made with senior staff members of this agency, who can recall no instance when such an investigation and report was requested, at least in the past 20 years.

Paragraph 3 of section 1 of the Dirksen amendment provides that when the Secretary of Agriculture determines it to be in the public interest, the Federal Trade Commission may institute a proceeding under this act. This seems to me to be a completely empty gesture in view of the past history of the Department of Agriculture in seeking the aid of the Federal Trade Commission. Not only is this an empty gesture toward effective antitrust enforcement, but it does violence to our concept of the Federal Trade Commission as an independent agency. Since the Commission is an independent agency, its jurisdiction should not be permitted to rest upon a determination by an executive department. In *Rathbun (Humphrey's Executor)* v. *U. S.* (295 U. S. 602 (1935)), the Supreme Court described the Federal Trade Commission as "a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government." Under the Dirksen amendment, the jurisdiction of the Federal Trade Commission will be subject to the leave of the Secretary of Agriculture.

S. 1356, with the amendments added by myself and Senator YOUNG, and which has been accepted by the sponsors, would now divide jurisdiction cleanly between the Department of Agriculture and the Federal Trade Commission upon a logical basis of functions which can best be performed by each agency. The area of expertness of the Secretary of Agriculture, as evidenced in his experience, generally relates to matters involved in production and the initial sale by the producer. The Federal Trade Commission operates primarily in the sale or merchandising of commodities, that is, in sales to wholesalers, to retailers and to consumers. S. 1356 with the proposed amendment accomplishes precisely this result. If we are determined to secure effective and realistic antitrust enforcement, S. 1356 is the only way to do it. We must not permit ourselves once more to play into the hands of the major packers and afford them a haven from surveillance of their trade practice activities.

In conclusion, Mr. President, I again wish to pay my respects to the able and distinguished Senators from Wyoming and Utah for the tremendous amount of work they have expended in constructing the evidence and argument on this bill.

I am sincerely hopeful that the RECORD will be read by all who are interested in developing an effective antitrust program for the protection of the meat producer, the retailer, the wholesaler, and the consumer.

I yield the floor.

Mr. WATKINS. Mr. President, at the outset I wish to make it plain that no packer, large or small, or other business firm engaged in wholesaling meat, nonmeat food or other products has anything to fear from the return of authority to prevent unfair trade practices to the FTC, provided their wholesaling and merchandising trade practices conform to the norms outlined in the antitrust laws, which are designed to maintain and foster price as well as product competition. Likewise, my support of S. 1356 should not be construed as an attack upon big business. Bigness, per se, is not to be condemned. In fact, much of the comforts of everyday living which we all enjoy is made possible by economies of production which only large-sized firms can achieve. Only when big business uses its superior bargaining power and economic resources in a manner not consistent with the public interest is it to be condemned.

S. 1356 HAS BIPARTISAN SPONSORSHIP

Mr. President, the public has come to expect and demand that Government reinstate, where possible, and maintain by law as much price and product competition as the public interest necessitates in those areas of the economy in which it works badly or where little of it exists. This public concern is reflected in the platforms of both political parties. It is a matter of bipartisan concern.

For example, the 1956 Republican platform declares:

The Republican Party has as a primary concern the continued advancement of the well-being of the individual. This can be attained only in an economy that, as today, is sound, free, and creative, ever building the new wealth and new jobs for all the people.

We believe in good business for all business—small, medium, and large. We believe that competition in a free economy opens unrivaled opportunity and brings the greatest good to the greatest number.

Republicans also at that time pledged themselves to "a continuously vigorous enforcement of the antitrust laws"—page 7.

On the other hand, members of the Democratic Party at their 1956 convention pledged themselves to maintaining "competitive conditions in American industry," and likewise "to the strict and impartial enforcement" of the laws "designed to prevent monopolies and other concentrations" of economic power—page 18.

Thus both of our major political parties are committed to the objective of maintaining a free and expanding economy by fostering the growth of competition. For this reason, among others, I was happy to join with Senator O'MAHONEY in sponsoring S. 1356 in the Senate.

S. 1356 is designed to prevent unfair trade practices, and other unlawful restraints in interstate commerce by persons engaged in wholesaling or distributing meats, meat products, nonmeat food, and nonfood products. This it does by amending the Federal Trade Commission Act so as to return to the FTC jurisdiction over the wholesaling practices of the meatpacking and distributing industry, and by amending the Packers and Stockyards Act so as to eliminate the authority the USDA has not used to prevent unfair trade practices in connection with such wholesaling activities under title II of that act.

PACKERS AND STOCKYARDS ACT OF 1921

In the years prior to 1921 and before passage of the Packers and Stockyards Act, the FTC's investigation of packers resulted in the filing of antitrust suits by the Justice Department against some five national packers. Apparently, rather than face prosecution, these packers signed a consent decree which since then has prevented them from dealing in 140 food and nonfood products, chiefly vegetables, fruit, fish, and groceries; using their distribution facilities for the handling of any of these 140 products; owning and operating retail meat markets, and dealing in fresh milk or cream. In effect, they agreed to get out of the grocery business.

In 1921, when the Congress was considering passage of legislation to regulate stockyards, the five national packers, who had signed the consent decree, were able to convince Congress that prevention of unfair trade practices in that industry should be transferred from the FTC to the USDA.

Regardless of the merits their arguments might have had in 1921, it is evident that 37 years of ineffective administration or nonenforcement of title II renders them completely valueless today. Experience, in my opinion, clearly indicates that the Congress made a mistake when it transferred authority to regulate trade practices of packers from the FTC, a specialized agency handling antitrust matters, to the USDA, which did not then, and does not now, have a separate regulatory agency.

Mr. President, a review of USDA experience in the administration of the Packers and Stockyards Act will make this conclusion more obvious. In June 1956, Mr. Millard J. Cook, who for 25 years—1929 to 1955—was employed by the USDA in the enforcement of the Packers and Stockyards Act, the last 10 years of which he served as the head of the unit doing this enforcement work, told the Antitrust and Monopoly Subcommittee:

In the early years of the administration of the act * * * they [USDA] undertook rather extensive studies of the operations of packers. * * * They brought quite a few actions. But at that time they had 150 employees, and took on as many as 30 part-time employees. They had relatively a large appropriation. * * *

From 1921, when the act was passed, up until about 1928 or 1929, they [P & S Administration] were an independent agency * * * and they reported directly to the Secretary of Agriculture * * * in the late 1920's prior to my becoming an employee of the Division, it was made a Division of the old Bureau of Animal Industry (transcript, June 28, 1956, pp. 336–337).

When asked why this transfer of its status was made, Mr. Cook replied:

Well, I know only from comments that I have heard made. I was new in the organization, and the comments that were made were to the effect that the Secretary at the time was not favorable to the act. He disliked the act. * * *

And I think that some of the feeling of Secretary Jardine boiled over into the Bureau of Animal Industry, because thereafter there was not the inclination to go out and

initiate investigations of monopolistic practices (transcript, June 28, 1956, p. 379).

USDA HAS NOT SOUGHT ADEQUATE APPROPRIATIONS

In answer to questions of committee members concerning requests for funds made by the Packers and Stockyards Division during the 10 years he was head of it. Mr. Millard J. Cook replied as follows to the Senate Subcommittee on Antitrust and Monopoly in June 1956:

I made many recommendations; yes. I usually met with a pessimistic approach that it was useless to attempt to get any more money and that the explanation given to me was that Congress wouldn't be interested in appropriating more money for us to do a better job than we were doing.

I think you will find in the Department's records that there are numerous recommendations for increased appropriations. There were innumerable oral conferences with my superiors on the need for increased appriations. * * *

I think there were a few instances in which my immediate superiors recommended increases, but then when it got into the hands of the budget people in the Department, they scaled down those increases (transcript, June 29, 1956, p. 366).

This indeed is a story of lack of concern by not only the superior administrative but also budget officials of the USDA. Recent experience by the Packers and Stockyards Branch in this respect also has been met by denials of adequate funds.

On July 6, 1956, I introduced S. 4177 in the Senate. The Senate Agriculture Committee to which it was referred requested a report from the USDA on July 10, 1956. In the meantime, the USDA's 1958 fiscal year budget request went to the Bureau of the Budget. Its request for new obligatory authority for administration of the Packers and Stockyards Act amounted to $178,000 to be used for the purpose of posting additional stockyards under title III of the Packers and Stockyards Act. Not one dollar of new obligatory authority was requested by the USDA for expansion of its enforcement activities under title II of the act for the 1958 fiscal year.

Information given the committee by USDA officials, however, indicated that the Packers and Stockyards Branch requested additional new funds amounting to $200,000 for title II enforcement.

Notwithstanding this background, the USDA on December 21, after its 1958 fiscal year request had gone to the Bureau of the Budget, rendered a report recommending against enactment of S. 4177. In spite of this negative report on a bill to transfer title II authority back to the FTC, and in spite of the Senate subcommittee's hearings on the meat industry in 1956, the testimony of the USDA before the House Subcommittee on Agricultural Appropriations for the 1958 fiscal year makes it plain that the Department did not, until S. 1356 was introduced, intend to pay more attention to the enforcement of title II.

On February 7, 1957, Mr. Roy D. Lennartson, Deputy Administrator, Agricultural Marketing Service, told the House Appropriations Subcommittee:

Although we have been criticized recently for not devoting some of the funds under this act to explorations into trade practices on the part of packers and others outside the yards, I think our policy has been sound in attempting first to use our funds to bring the impact or benefits of this act down closest to where the producer can obtain them (hearings, pt. 2, p. 946).

The Antitrust and Monopoly Subcommittee was told on May 22, 1957, by Assistant Secretary Butz that the Department of Agriculture would not make a supplemental request for title II funds, but that "we also anticipate requesting from Congress additional funds for administrating the act, particularly title II, in our next budget request"—hearings, page 368. However, the budget of the United States Government for the fiscal year ending June 30, 1959—page 323—indicates that the requested increase of $225,000 in funds for regulatory activities of the Agricultural Marketing Service "would be used to strengthen overall administration of the Packers and Stockyards Act." Then follows a table which, in my opinion, explains what is really meant by strengthening overall administration. The table shows that a total of 546 stockyards were posted and being supervised at the end of fiscal year 1957. It estimates that a total of 606 yards would be posted by end of fiscal 1958, an increase of 60 yards; and that by the end of fiscal 1959 a total of 736 yards would be posted, an increase of 130 yards over fiscal 1958.

Primarily, the requested increase for fiscal 1959 is to be used, as it was last year, for posting and supervising more stockyards. Major emphasis is to continue to be placed on producer-packer relations involving the buying and selling of live animals, but little or none upon the prevention of unfair trade practices in the wholesaling of meat, meat products, and other items sold by packers in interstate commerce as required by title II.

In a recent letter to the Senator from Wyoming [Mr. O'MAHONEY], Secretary Benson said that $75,000 of the $225,000 increase in appropriation asked for by the Department for the Packers and Stockyards Branch would be made available for title II enforcement. This does not mean, however, that the $75,000 will be used to prevent unfair wholesaling practices under title II since packers can be charged with unfair-trade practices with respect to livestock transactions under that title also.

Of the 36 cease and desist orders issued to packers under title II, for example, 28 of these were issued to packers for, first, refusing to pay producers for livestock purchased; second, defrauding farmers through incorrect weighing and grading of their animals, and third, discriminating against some producers in the purchase of livestock. Since the executive budget for fiscal 1959 indicates that $225,000 increase will be used primarily for the posting of an additional 130 stockyards during fiscal year 1959, it is to be expected that the $75,000 will be used at the new yards primarily to regulate livestock transactions which involve meatpackers rather than in the prevention of unfair wholesaling trade practices.

Can anyone really doubt, after reviewing this appropriation history as it concerns title II, that USDA plans for its vigorous enforcement do not continue by and large to be tentative and anticipatory, as they have been for 30 years.

ADEQUATE TITLE II ENFORCEMENT STAFF LACKING

By contrast with the vigorous activities in earlier years under title II, as described by the former head of the Packers and Stockyards Branch, responsibility for prevention of unfair trade practices by meat packers until recently not only under title II but under title III as well in Washington, D. C., was vested in the Trade Practices Section of the Packers and Stockyards Branch of the Livestock Division of the Agricultural Marketing Service. A separate and specialized Packers and Stockyards Act Regulatory Agency has long since been dispensed with. This trade practice section was staffed by two marketing specialists and a stenographer at the time S. 1356 was introduced. In October, 1957, it was renamed the Packer Section.

Neither one of these two marketing specialists, who now comprise the Packer Section, nor a single employee in any of the 20 understaffed field offices maintained by the Packers and Stockyards Branch is engaged full-time in title II enforcement. A review of the USDA's April 4, 1957, self-appraisal report on the Packers and Stockyards Act administration indicates, in addition, as does the Department's appropriation request for both the 1958 and 1959 fiscal years that the great bulk of the work of this Packer Section and the Packers and Stockyards Branch itself has been and will continue to be spent in title III enforcement—regulation and posting of stockyards. Any action taken under title II as concerns packer wholesaling practices will remain incidental to its title III activities at stockyards.

These remarks are not to be deemed criticism of the personnel of the Packer Section or of the Packers and Stockyards Branch itself. The personnel of that Branch are to be commended for their continued efforts to obtain more funds and to expand their title II activities involving packer wholesaling practices. These remarks, however, are meant to be critical of several national administrations except during the price control periods for the almost complete lack of action in the part to support the Packers and Stockyards Branch and thereby to comply with the Congressional mandate given the USDA in 1921 to prevent unfair trade practices in the meatpacking industry. The simple facts are that the Packers and Stockyards Branch has not been permitted to obtain an adequate enforcement staff for prevention of unfair trade practices in the merchandising of meat and meat products under title II of the act.

This self-appraisal report I have referred to states that—

The organization that is maintained in administering the Packers and Stockyards Act permits a high degree of flexibility in planning and conducting major investigations and in meeting the fluctuating demands of different district offices. This is because the entire field force may be actively utilized in such an investigation whenever necessary (p. 8).

This statement appears to be a self-directed gratuity rather than a fact, as is revealed by examination of Assistant Secretary Butz and Mr. D. M. Pettus, Director, Livestock Division, Agricultural Marketing Service before the Senate subcommittee. Consider the following colloquy between these gentlemen and myself:

Senator WATKINS. Mr. Secretary, is it not true that in the Ogden, Utah, area you have 2 marketing specialists and 1 clerk—3 people to regulate 26 packers in 3 States, 12 of them in Utah, 13 in Idaho, and also 1 in Oregon?

Mr. PETTUS. Those are the people permanently assigned to that location. When we have an investigation under way, we frequently bring in people from other markets and from our Washington area and add to our staff.

Senator WATKINS. If they do not have any bigger staff in other areas than in this, what would you have to enforce the law where you are moving them from?

Mr. PETTUS. We leave a reduced staff.

Senator WATKINS. For instance, in Billings, Mont., you have 1 marketing specialist and 1 half-time clerk, as I get it, to regulate 5 packers in Utah, 3 in Idaho, 2 in Wyoming, and 11 in Montana—21 altogether. How in the world can you take anybody from that area to help somewhere else such as the Ogden, Utah, area if the others are manned in the same way? (hearings, p. 391).

At this point, Mr. Butz asked Acting Director Pettus to explain how a case 2 years ago in the Ogden, Utah, area was handled. In part, Mr. Pettus replied:

Mr. PETTUS. I cannot recall at the moment how many people we had locking into the particular transaction, but we try to operate it with as few people as possible because we are spread so thin, Senator (hearings, p. 392).

To which I replied, with the colloquy continuing, as follows:

Senator WATKINS. I recognize you are spread thin, and that is our complaint—that you do not have enough force to do the job in title II.

Mr. PETTUS. We agree with you, and I think that is pointed out.

Senator WATKINS. You have not had for nearly 36 years.

Mr. PETTUS. I agree with you, sir.

Senator WATKINS. We think that is a long enough trial period. * * * With all the problems that have been handed to Agriculture, we thought we would certainly find someone who would be glad to get rid of this matter of law enforcement in the field in which the FTC has a special interest by reason of the act of Congress creating it as an independent regulatory agency—a special arm of the Congress.

Mr. BUTZ. It is quite true for 26 years it has not been adequately enforced, but don't you think when the sinner confesses and resolves to do better he should be given a chance? (hearings, p. 392).

As a "confessed sinner," what has the Department of Agriculture actually done since Assistant Secretary Butz said it had resolved to do better? What has it done to streamline its enforcement agency, the Packers and Stockyards Branch, so that greater emphasis can be put on title II enforcement?

In answer to these questions, I regret to reply that it has done very little. Its recent reorganization efforts follow and reflect the nature of its appropriation requests for the Packers and Stockyards Branch. And what is that? The need for posting and supervising more stockyards, which is admirable in itself, but hardly a substitute for adequate title II enforcement as concerns packer wholesaling activities.

For example, in October 1957 the Trade Practices Section was renamed the Packer Section. The mere changing of a name, not backed by an effort to obtain enforcement funds at the departmental level, is no guaranty that this section will be any more able in the future than it has been in the past in preventing unfair wholesaling trade practices by packers. Especially is this true when one realizes that only 36 cease-and-desist orders have been issued to packers since passage of the Packers and Stockyards Act, of which only 8 were for unfair trade practices in the wholesaling of meat and meat-food products.

The Regulatory Audit Section was abolished and its functions given to two new sections—Stockyard and Stockyard Engineering Sections. Two other sections—Rates and Registration, and Scales and Weighing—were not affected by the reorganization. The important thing to note is that the names of all these sections clearly indicate that they are concerned primarily with regulating livestock transactions.

On February 5, 1958, this action was followed by an announcement "that enforcement of the Packers and Stockyards Act is being strengthened further by establishment of an additional Deputy Director in the Livestock Division for overall administration of the act in the Agricultural Marketing Service." What do the packers think of this reorganization move as a means of preventing unfair trade practices in the wholesaling of meat and meat-food products?

The National Independent Meat Packers Association put it this way in their February 11, 1958, bulletin:

On Wednesday of last week Secretary Benson publicly announced an action which in no way satisfies the demands of many meatpackers that the mechanism for proper enforcement of unfair trade practice violations be strengthened * * *. In the opinion of many who are qualified to pass judgment on this situation, this does not even approach an honest recognition by the Department that something more tangible and practical than this shift of emphasis is necessary to meet the requests of the industry that proper enforcement of the Packers and Stockyards Act be insured.

Another packer organization, the Western States Meat Packers Association, observed in its bulletin of the same date, follows:

This association does not believe that this change will do much toward increasing enforcement over fair trade practices in the meatpacking industry. It is merely a gesture, and any action taken by the Packers and Stockyards Branch will still be subject to veto by 4 or 5 people in the Secretary's Department, any one of whom can veto any recommendation of the Packers and Stockyards Branch.

In a few words, the Department admits that title II has not received adequate enforcement; yet, paradoxically, it has not asked for and will not ask for adequate appropriations to prevent unfair wholesaling trade practices by packers under its title II authority. Nor, by the same token, will it take adequate steps to improve its internal enforcement setup. Under these circumstances, what reasonably prudent person would not conclude that such responsibility should be returned to the FTC, where it was vested before passage of the Packers and Stockyards Act of 1921? Is not 25 or 30 years of inadequate enforcement a long enough trial period?

ENFORCEMENT OF TITLE II OF PACKERS AND STOCKYARDS ACT HAS BEEN INADEQUATE

The Packers and Stockyards Act vests the Secretary of Agriculture with authority under title II to issue cease and desist orders to packers who engage in unfair wholesaling trade practices. A small number of such cease and desist orders, in and of itself, obviously is not a good indicator of whether title II in this respect has been and is being enforced. A small number of such cease and desist orders, however, do indicate nonenforcement in my judgment, in light of what I have said, when coupled with the growing volume of complaints of unfair trade practices by packers, in their merchandising or wholesaling activities, which due to lack of desire and facilities, the USDA has done little or nothing about.

No, to say the least, it is unlikely that the small number of cease and desist orders—eight in number since passage of the Packers and Stockyards Act—which have been issued to packers for unfair trade practices in wholesaling or merchandising meat and meat products can be attributed to any other fact than a longstanding and continuing display of noninterest and lack of real concern on the part of the USDA. Except for one issued in December 1957, the last one before that was issued in 1938—20 years ago. By docket number, those 8 cease-and-desist orders can be identified as follows: 418—1933, 419—1933, 420—1933, 440—1936, 476—1938, 477—1938, 580—1938, and 2272—1957.

In addition, the USDA has never issued a cease and desist order against a packer for engaging in unfair trade practices in the wholesaling or merchandising of nonmeat food or nonfood products, since passage of the Packers and Stockyards Act. This is the case in spite of the fact that 18.2 percent of the interstate shipments of the 4 largest packers by 1950 was composed of such products, and in spite of numerous complaints which witnesses said were filed with the USDA alleging unfair trade practices by packers in connection with merchandising such products, but which the USDA did nothing about.

These are the kind of unfair trade practices then which S. 1356 is designed to prevent. It is jurisdiction over the trade practices of packers in the merchandising or wholesaling field which S. 1356 would return to the FTC. Its purpose is to prevent the use of unfair trade practices by a packer to the detriment of other packers and food firms in the merchandising or wholesaling of meat, meat food and other products as well, which packers sell in interstate commerce.

In summary, I urge the passage of S. 1356, because 37 years of jurisdiction over packer activities in this area has not produced a quality of enforcement

which the public interest requires—and I mean the public interest, including producers, packers, and consumers.

I yield the floor.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 24, 1958, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1984. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution; and

S. J. Res. 162. Joint resolution to stay temporarily any reduction in support prices or acreage allotments.

RECESS UNTIL TOMORROW AT 11 A. M.

Mr. CARROLL. Mr. President, pursuant to the order previously entered, and in accordance with the last clause of Senate Resolution 280, as a further mark of respect to the late Representative GEORGE S. LONG, of Louisiana, I move that the Senate now stand in recess.

The motion was unanimously agreed to, and (at 6 o'clock and 1 minute p. m.) the Senate took a recess, the recess being, under the order previously entered, and in accordance with the last clause of Senate Resolution 280, as a further mark of respect to the late Representative from Louisiana, until tomorrow, Tuesday, March 25, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 24 (legislative day of March 17), 1958:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Jacob D. Beam, of New Jersey.
C. Burke Elbrick, of Kentucky.
Bernard Gufler, of Washington.
G. Lewis Jones, of the District of Columbia
Robert Newbegin, of New Hampshire.
J. Graham Parsons, of New York.
William P. Snow, of Maine.
Tyler Thompson, of Maine.
William C. Trimble, of Maryland.
Henry S. Villard, of New York.
Charles W. Yost, of New York.

The following-named persons, now Foreign Service officers of class 1 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Garret G. Ackerson, Jr., of New Jersey.
Ware Adams, of Rhode Island.
W. Park Armstrong, Jr., of New Jersey.
Rollin S. Atwood, of Maryland.
Walworth Barbour, of Massachusetts.
Leland Barrows, of Kansas.
Frederic P. Bartlett, of New York.
Samuel D. Berger, of New York.
Niles W. Bond, of Massachusetts.
Elmer H. Bourgerie, of Maryland.
Daniel M. Braddock, of Michigan.
Aaron S. Brown, of New Hampshire.
Winthrop G. Brown, of the District of Columbia.
Charles R. Burrows, of Ohio.
Homer M. Byington, Jr., of Connecticut.
Henry A. Byroade, of Indiana.
William P. Cochran, Jr., of Pennsylvania.
Howard Rex Cottam, of Utah.
John K. Emmerson, of Colorado.
Carlos C. Hall, of Arizona.
William O. Hall, of Oregon.
Outerbridge Horsey, of the District of Columbia.
Frederick Jandrey, of Wisconsin.
Howard P. Jones, of Maryland.
Foy D. Kohler, of Ohio.
William S. B. Lacy, of Virginia.
Robert McClintock, of California.
Thomas C. Mann, of Texas.
Edwin M. Martin, of Maryland.
Graham A. Martin, of Florida.
George A. Morgan, of the District of Columbia.
Brewster H. Morris, of Pennsylvania.
Frederick E. Nolting, Jr., of Virginia.
Joseph B. Phillips, of Virginia.
Harold M. Randall, of Iowa.
Hayden Raynor, of the District of Columbia.
William M. Rountree, of Maryland.
William Sanders, of Virginia.
Durward V. Sandifer, of Illinois.
Livingston Satterthwaite, of the District of Columbia.
Walter K. Scott, of Maryland.
Philip D. Sprouse, of Tennessee.
Henry J. Tasca, of Pennsylvania.
Robert P. Terrill, of California.
Ben H. Thibodeaux, of Louisiana.
Ray L. Thurston, of Missouri.
Benson E. L. Timmons III, of the District of Columbia.
William R. Tyler, of the District of Columbia.
David W. Wainhouse, of Massachusetts.
Woodruff Wallner, of New Hampshire.
Joe D. Walstrom, of Missouri.
Woodbury Willoughby, of Florida.
George H. Winters, of Texas.
Glenn G. Wolfe, of West Virginia.

Robert E. Wilson, of Arizona, now a Foreign Service officer of class 2 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Harrison Lewis, of California.
William D. Moreland, Jr., of Oregon.

The following-named Foreign Service officers for promotion from class 4 to class 3:

Joseph B. Alexander, of Virginia.
James J. Blake, of New York.
William D. Brewer, of Connecticut.
Anthony Cuomo, of California.
Hermann F. Eilts, of Pennsylvania.
Harold M. Granata, of New York.
Philip C. Habib, of California.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Sherman F. Euler, of Indiana.
David D. Hoyt, of Florida.
Stephen Peters, of Virginia.

John C. Amott, of New Jersey, for promotion from Foreign Service officer of class 5 to class 4.

The following-named Foreign Service officers for promotion from class 6 to class 5 and to be also consuls of the United States of America:

C. Arthur Borg, of New York.
J. Stewart Cottman, Jr., of Maryland.
Allen P. McNeill, Jr., of California.

The following-named persons for appointment as Foreign Service officers of class 5, consuls, and secretaries in the diplomatic service of the United States of America:

Zachary P. Geaneas, of New York.
Henry Hunt McKee, of the District of Columbia.

The following-named Foreign Service officers for promotion from class 7 to class 6:

Paul L. Aylward, Jr., of Kansas.
Brady G. Barr, of the District of Columbia.
Eugene H. Bird, of Oregon.
Paul F. Canney, of Massachusetts.
Robert G. Cox, of New Mexico.
Edwin G. Croswell, of Ohio.
Harold T. Ellis, of California.
Gordon A. Klett, of California.
John D. Tinny, of Florida.
Robert E. White, of Massachusetts.

Joseph Basile, of New Jersey, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 8 to class 7:

John P. Blaine, of Alabama.
Michael Calingaert, of the District of Columbia.
Jack M. Carle, of Colorado.
Theodore B. Dobbs, of Virginia.
George B. Lambrakis, of New York.
Gerald Floyd Linderman, of Ohio.
Miss Elaine Diana Smith, of Illinois.
Thurston F. Teele, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Stephen M. Carney, of the District of Columbia.
Robert A. Lincoln, of California.
Miss Josephine Pasquini, of Michigan.
Howard R. Simpson, of California.

The following-named Foreign Service reserve officers to be consuls of the United States of America:

Robert G. Caldwell, Jr., of Virginia.
Robert H. Cunningham, of Ohio.
Renze L. Hoeksema, of Michigan.
Orval B. Hopkins, of Maryland.
Griffith Jones, of Connecticut.
Deric O'Bryan, of New Mexico.

The following-named Foreign Service reserve officers to be vice consuls of the United States of America:

Richard W. Hale, of Florida.
Anthony L. Sileo, of Connecticut.
Paul E. A. Van Marx, of Connecticut.
John R. Vought, of New York.

The following-named Foreign Service reserve officers to be secretaries in the diplomatic service of the United States of America:

Richard A. Cleveland, of Pennsylvania.
Darwin J. Flakoll, of Virginia.
Roger Goiran, of Maryland.
Edward L. McAllister, of Virginia.
Richard L. Ruffner, Jr., of Virginia.
Barney B. Taylor, of Michigan.
Robert Taylor, of Florida.
John A. Unumb, of Minnesota.
Raymond Villemarette, of Louisiana.
Dan S. Wages, of California.

UNITED STATES MARSHALS

The following-named persons to the positions indicated:

Claire A. Wilder, of Alaska, to be United States marshal for division No. 1, district of Alaska, for a term of 4 years. (Reappointment.)

Fred S. Williamson, of Alaska, to be United States marshal for division No. 3, district of Alaska, for a term of 4 years. (Reappointment.)

Albert Fuller Dorsh, Jr., of Alaska, to be United States marshal for division No. 4, district of Alaska, for a term of 4 years. (Reappointment.)

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 24, 1958

The House met at 12 o'clock noon.

Rev. Russell Ford, D. D., American Evangelical Christian Churches, Baltimore, Md., offered the following prayer:

I John 1: 7: *But if we walk in the light, as He is in the light, we have fellowship one with another, and the blood of Jesus Christ His Son cleanseth us from all sin.*

Let us pray. Eternal God, we approach Thee in the name of Jesus Christ in behalf of this Congress of the United States, and especially the House of Representatives.

We beseech Thee, O Lord, that Thou wilt enlarge the capacity of this legislative body to receive a greater influx of divine revelations during these perilous times.

Lord Jesus, inspire the executive, legislative, and judicial bodies of our Government, that they may always be led by Thy infallible word, now and forevermore.

Grant that every branch of the Government shall be perpetually permeated by Thy precious Holy Spirit.

Christ, Thou Prince of Peace, save our Nation which Thy power has made great and deliver it from potential enemies within and without and lead us to ultimate security.

Guide our Congressmen as they faithfully promote the function of the Government until Jesus Christ returns and ushers in the kingdom of peace on earth as foretold in Thy holy word.

We thank Thee for the life and character of Thy servant who now dwells with Thee in eternal blessedness. Grant unto the members of the bereaved family the consolations of Thy grace.

This we ask in Christ's name.

The Journal of the proceedings of Thursday, March 20, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 72. An act to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes;

S. 3149. An act to increase the lending authority of the Export-Import Bank of Washington, and for other purposes; and

S. 3420. An act to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 162. Joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price-support and acreage-allotment laws.

The message further announced that the Vice President had appointed the Senator from West Virginia [Mr. HOBLITZELL] as a member of the Joint Economic Committee in place of the Senator from Arizona [Mr. GOLDWATER], resigned.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1958

Mr. CANNON filed a conference report and statement on the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, without establishing a precedent, but in view of the death of our dear friend, Dr. Long, I ask unanimous consent that all Members who may desire to do so may have permission to extend their remarks in the CONGRESSIONAL RECORD and, if they desire, to include therein extraneous matter?

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, briefly, tomorrow's business will be the conference report which has just been reported, the military pay-raise bill, and the independent offices appropriation bill. They will be taken up in that order.

Mr. TABER. The conference report which has just been filed will precede the other bills?

Mr. McCORMACK. That will be the first order of business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule referred as follows:

S. 3420. An act to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the tax court of the United States for the fiscal year ending June 30, 1959, and for other purposes."

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1984. An act to provide for a transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution; and

S. J. Res. 162. Joint resolution to stay temporarily any reduction in support prices or acreage allotments.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 21, 1958, present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 7226. An act to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes; and

H. J. Res. 483. A resolution to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

THE LATE HONORABLE GEORGE S. LONG

The SPEAKER. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Speaker, I have the sad duty of announcing to the House of Representatives the death of our friend and colleague, GEORGE SHANNON LONG. Congressman LONG represented the Eighth Congressional District of Louisiana. Death occurred last Saturday afternoon at 1:55 p. m., in the Naval Medical Center at Bethesda, Md. Dr. LONG, as we liked to call him, was stricken several days ago with a severe heart attack. Death came quickly.

"Dr. GEORGE," as many of his admiring friends referred to him—he was a dentist by profession—was born near

Winnfield, La., September 11, 1883; and, as he often stated, it was in a little log cabin that he first saw the light of day. He attended public schools in Louisiana and later taught in this school system in his native State.

At one time in his life, GEORGE LONG moved to Oklahoma, and for a number of years took an interest in civic and political activities there.

He was brother to the former United States Senator and former Gov. Huey P. Long, and brother to the present Governor of Louisiana, Earl K. Long. His sister-in-law is former United States Senator Mrs. Rose Long, of Shreveport. His nephew is United States Senator from Louisiana RUSSELL B. LONG. He has another brother, Julius Long, an able attorney in Shreveport, La.

While much of his political activity during the course of a very busy life was in the State of Oklahoma, he always returned to his native Louisiana to take part in political campaigns. After moving back to Louisiana permanently, he set up dental offices at Pineville, just across the Red River from the city of Alexandria. It was then that he decided to enter politics for himself and in dead earnest. He ran for Congress and was elected to the 83d Congress, reelected to the 84th and 85th Congresses.

GEORGE LONG asked to be placed on the Veterans' Affairs Committee in the House of Representatives. Upon arriving here, his engaging personality and his tremendous energy created a drive for this position that would not be stopped. Although he was a newer Member, our older colleagues marveled at the enthusiasm and the effort which he gave to his work on this committee.

When he first appeared in the Congress 6 years ago, there were many people in Louisiana who predicted that he would not make the grade. With very few errant moves, the doctor dug in and began to produce for his native State and for the United States a type of leadership in the House which delighted us who believe that the South must show aggressiveness if we are to recapture the position which is rightly ours in the Nation's affairs.

Although not a veteran himself, GEORGE LONG so dedicated himself to the affairs of veterans that he earned from them sincere admiration and wholesome respect. As chairman of a subcommittee which handled hospital operations, Congressman LONG visited many veteran institutions throughout the country, inquiring as to the attention and care which these institutions gave to the sick and wounded. When he appeared in these hospitals, the authorities knew that they were in for thorough investigations and the veteran patients knew that they could expect from this great public official immediate and sympathetic action.

Congressman LONG had one great attribute which younger Members of the House of Representatives can well emulate. He devoted himself to each measure which came up for discussion on the floor of this body. When the House was in session, one could always expect to see GEORGE LONG sitting here near the front row, listening to the debate and taking an active part when his convictions indicated that his efforts were needed.

Our late friend had rugged courage. When he made up his mind on a subject, nothing seemed to shake his conviction, and neither considerations of his own ambitions or his own political future stayed his hand or kept his voice quiet.

Dr. LONG was a devoted public servant. At the time of his death he was rapidly ascending the stair as a most able leader. He bore every promise here of a vigorous career from which the people of this country could really profit. But death was lurking in the shadow; and while this man worked until late hours and the Congress became activated by his enthusiasm, he did not realize that he was depleting the reservoir of his energies and vitality. With resources depleted, death stepped in and took our friend from us.

He is survived by his devoted widow, Jewell Tyson Long; two brothers, and a host of relatives throughout Louisiana. To hem go our deepest sympathy in this hour of overwhelming grief.

We shall meet, but we shall miss him.
There will be a vacant chair.
But though we no longer possess him,
Still our hearts his memory bear.
But a while ago we gathered,
Friendship beaming in each eye,
Now the golden cord is severed,
He has passed to realms on high.

A short funeral service will be held this afternoon at 4 at Gawler's Funeral Home on Pennsylvania Avenue, near 17th Street. His body will remain there until it leaves Washington for the last time on the Crescent Limited late this evening for his home and final resting place at Pineville, La. Funeral services for his relatives and thousands of Louisiana friends will be held at the First Baptist Church in Pineville, La., Thursday at 2.

May his soul rest in peace.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, in the death of our dear friend and colleague, Dr. LONG, the House has lost one of its most valuable Members, and I have sustained a personal loss.

While a Member of this body since 1953, by his devotion to duty and his strong, sterling character, Dr. LONG had made a profound favorable impression upon his colleagues.

During our service together, Dr. LONG and I contacted each other frequently, out of which developed a strong friendship between us. I admired him so much for his strong convictions, his fighting heart and mind, and above all for his gentleness of character and nobility of mind.

Dr. LONG always fought the battle of the backbone of America, the average American, the workers in the factories and offices, and the tiller on the soil and the farms of America. He was one of the best friends the veterans of our country ever had, and one of the best friends the widows and dependents of our veterans ever had in the Halls of Congress.

It was only a few days ago I was chatting with him about pending legislation.

The House deeply regrets his passing on. I shall miss Dr. LONG very much. To the people of his district that he so ably and courageously represented and to the Louisiana delegation I extend my sympathy. In particular to Mrs. Long and his loved ones I extend my profound sympathy in her bereavement.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to my distinguished colleague, the gentleman from Louisiana [Mr. PASSMAN], whose district adjoins that of our late friend.

Mr. PASSMAN. Mr. Speaker, I am deeply grieved at the passing of our distinguished colleague, Dr. GEORGE S. LONG.

But for me, beyond even this measure of bereavement at the loss of an able and respected coworker, GEORGE LONG's crossing of the divide from mortal being into the immortality of eternity constitutes also the loss of a very near and dear personal friend, for whom I held most genuine esteem and the warmest affection. He was also one to whom I was closely and faithfully bound by the strong bonds of enduring Masonic fraternal brotherhood.

Those of us closely associated with our departed colleague know that this world is a better place in which to live by his having lived in it.

While mourning his death, I shall cherish his memory so long as this life may be spared to me.

If I were called upon to reflect within the limitations of one brief sentence a substantial measure of the quality of Dr. LONG's life with his fellowman, I would say this: He acted justly, loved mercy, and walked uprightly in his several stations in life before God and man.

But even so, it would be incomplete, for GEORGE LONG's life was also rich and full from service to others as he passed along life's pathway.

From humble beginnings, though in a noteworthy family of whom several members have been and are widely recognized for their attribute of placing service above self, our late colleague was one who especially gave meaning to this trait through both precept and example, in his thoughts and aims and deeds. His home communities of Pineville, Alexandria, and Winnfield, and his own Eighth Congressional District of Louisiana in particular, but also our State as a whole and this entire Nation are better today in numerous respects than they might have been otherwise, because of this characteristic of Dr. GEORGE LONG's life.

Through his heritage and by a background of training, experience, and desire, Dr. LONG was well equipped to undertake his praiseworthy career in the Congress. Rich in both practical knowledge and basic wisdom gained from the school of life, intellectually strengthened while earning two advanced academic and professional degrees in furthering

his formal education, a long-time practicing dentist and also an attorney-at-law, formerly a State legislator in Oklahoma, an executive for several years in the public institutional system of Louisiana, Dr. GEORGE LONG assumed his seat as a Member of this House in January of 1953.

His record here during the more than 5 years is well known by his colleagues in the House and is one which may well be recalled by his loved ones and friends, and contemplated through the years ahead, with a full measure of pardonable pride. His good deeds, fidelity, and integrity will soar as a bright example to generations yet unborn.

Dr. GEORGE LONG was zealous in the performance of his duties. His convictions were deep; he fought hard for the principles and the issues in which he believed. Open and aboveboard in his character and manner, he pursued a course calculated to serve the public interest at all times. With a strong sense of fair play always evident, he championed the cause and the needs of the masses of our citizenship. He courageously opposed encroachments on the part of those who would weaken or destroy the American way of life by undermining its fundamental principles.

Motivated by an ideal of charity and brotherhood, Dr. LONG devoted himself to the development and furtherance of innumerable positive and specific virtues. Of his endeavors in these fields, including his tireless work for the preservation of free government, the conquest of disease, the reduction of crime and juvenile delinquency, the relief of widows and orphans, the improvement of the lot of the destitute and the aged, the education of our young people, and, most certainly, for justified benefits to the veterans of the Nation's wars and their dependents, it surely must be said of him: "Well done, thy good and faithful servant, welcome into the temple of the Supreme Architect of the Universe and receive thy reward."

To his devoted wife and companion and coworker, Mrs. Jewell Tyson Long, and other members of his family, I extend my heartfelt sympathy, while personally deeply bereaved along with them. We cherish his memory here. We commend his spirit to God who gave it. We know that GEORGE is at rest.

As to my personal feelings, I must state that I bid him a fond farewell. To him I would say: "You were punctual in the performance of every duty; you answered the rollcall here; I know you have answered the rollcall above; so be now with our Heavenly Father and rest in peace forevermore."

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Louisiana.

Mr. WILLIS. Mr. Speaker, I knew Dr. LONG and his family for a very long time, indeed. I have often said that, in my opinion, his election to Congress after a number of tries brought out his best qualities. He was a truly courageous and completely fearless man. In politics, as in debate on the floor of this House, he never gave or asked quarter if that was the way his adversary wanted to play the game. For that reason he will be remembered by many people as a rugged and rough-and-tumble individual.

But there was another side to his character that he seldom talked or bragged about and which was apparently reserved for the observation of his close associates of whom I was privileged to count myself one. Doc was a deeply religious man. He certainly made it a practice to use the Prayer Room in the Nation's Capitol more frequently than the normal Member and he was not only secretary-treasurer but a regular and devoted attendant at the weekly prayer breakfasts.

Just a few days ago the entire Louisiana delegation and our wives enjoyed a quail dinner at his home and that of his good wife, Jewell. This had become an annual affair and it was an occasion for conviviality that we all looked forward to with great pleasure.

Coming back to Washington by plane some time ago, I clipped from the morning paper of that date a passage from the Wisdom of Solomon, in one of the apocryphal books. For sheer loftiness and majesty of thought, I do not recall reading more beautiful and comforting lines in the history of literature. I have carried the clipping in my purse and quote the passage:

The souls of the righteous are in the hand of God
And no torments will ever touch them.
In the eyes of the foolish they seem to have died
And their departure was thought to be an affliction,
And their going from us to be their destruction;
But they are at peace.
For though in the sight of men they were punished
Their hope was full of immortality.
Having been disciplined a little, they will receive great good.
Because God tested them and found them worthy of himself.

What is wrong with praying that Doc LONG was found worthy and that his soul may be at peace even now?

I hope that deep faith in this thought may bring relief and comfort to his widow and family in this their own hour of trial, bereavement, and mental anguish.

Mr. THOMPSON of Louisiana. Mr. Speaker, I hasten to join my colleagues in expressing my deep sorrow in the passing of our friend, GEORGE SHANNON LONG. Certainly, he was one of the greatest of a historic Louisiana family. Dr. GEORGE's accomplishments resulted from his individual efforts and the personal trust that was placed in him by those who knew him. His driving energy and strength of purpose belied his age in years and has been an inspiration to all of us.

I had known Dr. GEORGE for years prior to my service in Washington, and since we became Members of this body together in 1953 our close association has taught me to love and respect him. He was a man of great ability and courage possessing all of the sterling qualities of manhood and always displaying the highest sense of Christian and moral character. The State of Louisiana and the Eighth Congressional District can justly be proud of having been represented by him in the Congress of the United States. His constant presence on this floor indicated his devotion to this body and to service to his district, State, and Nation. Certainly, we, his colleagues and friends, will miss him and our prayers go with him.

To his devoted wife and the other bereaved members of his family, I wish to extend my deepest sympathy.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Speaker, with my colleagues I join in paying tribute to our friend and fellow Louisianian, the Honorable GEORGE S. LONG. I shall miss him greatly, because I not only valued him as a tremendously effective coworker for our State and Nation, but as a loyal and true friend.

Dr. LONG came to the Congress at an age when most men have long since retired from the hustle and bustle of the problems of life, never mind the staggering problems of governing our Republic.

Despite his age he immediately jumped into the task of representing his great district with the vigor, confidence, and intelligence of a man many years his junior. One never thought of Dr. LONG as being an "old man." He was young in thought, vigorous in body, and effective in his work.

Dr. LONG had the capacity for making and keeping friends. I believe that he was known to every Member of this body, and loved by each of them. He was a man of strong convictions, and he was never hesitant in his political expressions. Yet he was always able to maintain his friends despite political differences.

He comes from a family long prominent in the State of Louisiana. I join with all of them in paying tribute to his memory, and in expressing profound regret in his passing.

At the time of his death he was busily engaged in working toward retaining Fort Polk in the Eighth District of Louisiana. I pledge to his friends and to our State continued activity to retain this vital installation.

To his lovely wife, Jewell, Mrs. Boggs joins with me in expressions of love and affection.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I mourn with the lovely widow and with the family of the late Congressman GEORGE SHANNON LONG. I also mourn with his own great State of Louisiana. The people of this wonderful State, his beautiful, smiling homeland, have lost a tremendous fighter, a strong Democrat, a man who believed in fairness, who tried to do right, who

fought for justice and hated intolerance. I mourn with the Members of the House at his passing, and I mourn with his committee of which I am a member, the Committee on Veterans' Affairs. I sat next to him for a good many months, for several years, in fact, and I enjoyed talking over with him many of the great issues facing our Nation. Sometimes we talked about his religion and I know the depth and sincerity of his faith.

I enjoyed talking with him about his love and his fight for the veterans. He never ceased thinking of them. He never ceased being grateful to them for what they have given to us to make our country safe and to make it strong. He never missed an opportunity to work for legislation for their health, and he never missed an opportunity to seek justice for them. He hated injustice. He hated persecution. I heard him express his positive views many times when something was done that he felt was unfair or unjust to an individual or when intolerance failed to comprehend that mankind everywhere is human. He loved people and was pleased to serve and to help them. You all know of his tremendous work in building better veterans' hospitals, in receiving and giving better care for the patients of the hospitals and for those veterans who were injured and sick, particularly those who still suffer from the fury of battle, that this Nation under God shall not perish but shall live on. He wanted these brave men to live on, too.

The last time I ever saw Dr. LONG and his lovely wife was after a big military dinner at the Statler Hotel. Some kind friends were driving me home to my hotel, and while I was waiting for them Dr. LONG and his wife came up to me with their warm and friendly greetings. I asked him how his bill for the betterment of the doctors and nurses and attendants in the veterans' hospitals was coming along. I knew he had given hours and hours of tireless work and enthusiasm to this bill. And, he said without a smile, "I am terribly discouraged. It is so difficult to accomplish a little for those who have done so much." I hope so much that the Committee on Rules will give H. R. 6719 a rule, and that the leaders of the House will be willing to schedule Dr. LONG's bill for this consideration by the House. I am certain this excellent bill of our late colleague, H. R. 6719, would be approved. It is a bill to increase the pay of doctors and nurses and attendants in veterans' hospitals, in order that they may be able to see their way clear to keep on in the service and give the best of care to the men who need their care so desperately. I think so often there are things that we might do to help our colleagues before they die, and this is something we could do for a colleague in his memory. It would be a lasting accomplishment and memorial for him and of great benefit to all of the veterans and their dependents all over the country.

I pray, Mr. Speaker, that this action will take place. I know the soul of our friend and colleague Dr. LONG is now in heaven, and may God grant peace and comfort to his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, along with all of the other Members of the House I am terribly shocked at the passing of our colleague, the gentleman from Louisiana, Dr. GEORGE S. LONG.

Dr. LONG was a valued colleague on the Committee on Veterans' Affairs and I shall miss him sorely as well as will all of his colleagues on this committee.

He brought to the Congress and to our committee peculiar and unusual talents in that he was both a practicing attorney and a dentist. The training in both of these fields was of the greatest assistance to our committee during his period of service.

The segment of the veterans' program that was closest to his heart was the hospital program and that is indeed the heart of our veterans' program. In the 83d Congress he sponsored the bill which became Public Law 84 which clarified the entitlement of veterans to outpatient dental care, and while liberalizing somewhat the then existing requirements, the passage of this legislation has resulted in the saving of several millions of dollars to the Federal Government. I cite this as one example of the constructive approach which Dr. LONG had to legislation.

In both the 84th and 85th Congresses Dr. LONG served as chairman of the Subcommittee on Hospitals. During the 84th Congress he and his subcommittee made a rather extensive trip around the country to visit numerous Veterans' Administration installations. At the conclusion of the trip he filed a report which has been very helpful not only to the committee but to the entire Congress. He spoke from firsthand knowledge and long experience in the hospital program and it is not without significance that the bill which he sponsored in this Congress had to do primarily with improving the conditions in the Department of Medicine and Surgery of the Veterans' Administration. This bill, H. R. 6719, seeks to increase the salaries of doctors and other professional personnel in this section of the Veterans' Administration, and he handled the measure for the subcommittee ably and well. The full committee reported the bill with few changes and the measure is well advanced along the road to passage. It is a great pity that he did not live to see the passage of this legislation in which he was so vitally interested and on which he spent so much time and thought.

The veterans of this country have lost a good friend and the Congress has suffered the loss of an able and conscientious colleague. To his widow and to other members of his family I extend my heartfelt sympathy.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the distinguished whip of the House of Representatives, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I rise this morning with a heavy heart. Congressman LONG has been my friend for many years. He has visited in my home in McAlester, Okla. He has many friends in my community. He lived in my State for more than 30 years. He was there when Oklahoma became a State. He practiced dentistry in Tulsa. He served with distinction in the Oklahoma State Legislature. He was well known and highly regarded all over our State. His friends there were legion. Since coming to Congress Dr. LONG has taken a personal interest in every measure before this House affecting my State. Along with Louisiana we in Oklahoma claim him as one of our own.

An illustrious member of an illustrious family, that came up from poverty and oblivion, GEORGE LONG was a great Congressman and a great American. I shall miss his colorful speeches and his warm smile in the years to come. I extend my deepest sympathy to Mrs. Long and the other members of his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Speaker, it is with deep regret that I learned of the death of my very, very good friend, GEORGE LONG, of Louisiana. With the Members of the Louisiana delegation I want to pay my respects to GEORGE not only as a kindly gentleman but as a Member of the House who was vitally interested in veterans' affairs and who was a tower of strength on our committee, the House Committee on Veterans' Affairs.

Mr. Speaker, GEORGE succeeded me as chairman of the Subcommittee on Hospitals. It was a pleasure to work under him because of the interest that he took, not only in the matter of the vital necessity of new hospitals, but also because of his activities in general in connection with disabled veterans. It was with a deep feeling of sorrow that I learned of his passing, and I extend my deepest personal sympathy to his widow and his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Speaker, it is very difficult for me to speak without emotion as we pay tribute to our departed colleague, Dr. LONG, because, as with many of my colleagues, I felt very, very close to him. There were so many little personal things that this late colleague of ours did that you would not read about in public print.

We have already heard so many comments about the interest that he had in the veterans. He came to my home city of Gainesville, Fla., and spent hours talking with me about our proposed neuropsychiatric hospital there. In the late afternoon he went to Lake City, Fla., in my district, and there spent hours talking with many veterans, trying to give them advice and help.

Mr. Speaker, I served with Dr. LONG on the Committee on Veterans' Affairs during the 83d Congress under the leadership of the gentlewoman from Massachusetts [Mrs. ROGERS], and I know so well of the many hours of consecrated work he put in in the field of veterans' legislation. I remember last year a humble citizen from my district came to see me. He had a boy who had been involved in some trouble in the great State of Louisiana. He said, "I have heard of this man, Congressman LONG, and I believe that if you could make it possible for me to have a conference with him he could help me. My boy is in prison. He is eligible for parole, but he does not know just exactly what to do. We have no money. We can hire no expensive attorney. Can you get a conference for me with Congressman LONG to see if he can help?"

Our friend GEORGE LONG helped this humble citizen. He gave him the assistance that he deserved. That is just another indication of the personal contacts I have had with him through the short years we both have been Members of Congress.

Comment has been made about his religious life and I notice here today many of us who have met with him Thursday after Thursday morning at our prayer groups. GEORGE LONG was recently nominated as the vice president of that group and would have been our president next year, which suggests the high esteem his colleagues held for him.

One of the recent letters he wrote to most of us was about a pages' school. He was interested in doing something for these fine boys who are here with us and who at the present time have no regular home. That is another indication of the humanitarian interest of this great man.

In the poetry anthology that was prepared several years ago by Members of Congress he submitted this poem which suggests to me his deep religious conviction. This poem by William Herbert Carruth, is entitled "Each in His Own Tongue":

A fire-mist and a planet,
A crystal and a cell,
A jellyfish and a saurian,
And caves where the cavemen dwell;
Then a sense of law and beauty
And a face turned from the clod—
Some call it evolution,
And others call it God.

A haze on the far horizon,
The infinite, tender sky,
The ripe, rich tint of the cornfields,
And the wild geese sailing high;
And all over upland and lowland
The charm of the goldenrod—
Some of us call it autumn,
And others call it God.

Like tides on a crescent sea beach,
When the moon is new and thin,
Into our hearts high yearnings
Come welling and surging in:
Come from the mystic ocean
Whose rim no foot had trod—
Some of us call it longing,
And others call it God.

A picket frozen on duty,
A mother starved for her brood,
Socrates drinking the hemlock,
And Jesus on the rood;
And millions who, humble and nameless,
The straight, hard pathway plod—
Some call it Consecration,
And others call it God.

In my own great State of Florida we have the sturdy oak trees that give their spiritual response to one who seeks rest and solace. In GEORGE LONG a sturdy oak has fallen, but I shall find in his memory great spiritual repose that will be of great benefit to me in the years ahead.

To his widow and loved ones that he leaves behind, and to his colleagues from Louisiana, I offer my sincerest and most profound sympathy.

Mr. MORANO. Mr. Speaker, I join with the other Members of the House in mourning the death of our late colleague, GEORGE LONG, of Louisiana. We served together on the Committee on House Administration and especially we served on the Subcommittee on Elections of that committee. Congressman LONG performed his duties with vigor and integrity always. There were times when some of us disagreed with him, but I do not believe our disagreement ever caused us to lower our esteem and our affection for Congressman LONG. He was a man who, when he made up his mind on a principle or on a course of action, pursued it with dogged determination to the very end. We on the Committee on House Administration always admired him for that. I mourn his passing and extend to his widow and the members of his family my profound sympathy in this their hour of bereavement.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Speaker, the picture of Old Glory flying at half-mast over the Capitol again today gives me a very keen sense of sadness. This sadness comes from the message that our beloved friend, Dr. GEORGE LONG, has been removed from our legislative family.

In serving with our departed colleague on the Committee on Veterans' Affairs during the 1st session of the 85th Congress I came to know him rather intimately. His graciousness and desire to be of service to me in my work on that committee will remain one of the most favorable and indelible impressions of my early days in the Congress. He was at all times considerate, kindly, and generous to me and to all others who were privileged to be associated with him.

The State of Louisiana has lost a distinguished son, a capable legislator, and a Christian gentleman. The people of the United States have lost an outstanding legislator whose sole aim was to serve the best interests of all the people in this Nation which he loved so much.

I have lost a close personal friend. Such a loss is always an irreparable one.

It is with sadness and earnestness that I join in expressing to Mrs. Long and the other members of the family of our departed colleague my sentiments of sincere sympathy. May the Heavenly Father, in whom our departed colleague placed so much trust, give to them in this hour the serenity of spirit which will sustain them in their bereavement.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to our colleague the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I join my colleagues in mourning, and in expressing tribute to the memory of our departed colleague, Dr. GEORGE S. LONG. My distinguished colleague, the majority whip, Congressman CARL ALBERT, has suggested something about the Oklahoma background of GEORGE S. LONG. I would like to add to that, that a number of years ago he was a campaign manager for Hon. Jim McClintic in his successful race for Congress, as he sought to represent the old Seventh District in Oklahoma, which is now a part of the Sixth District, which I have the honor to represent at this time. Because of his background of many years spent in my own State of Oklahoma and because of the fact that Dr. GEORGE S. LONG and I had so many things in common and thought so much alike about so many things, it was my honor and privilege to visit with him and talk with him on many occasions. Naturally we did not agree on everything, but we agreed on so many things; and when we might disagree on anything we always disagreed in the very finest attitude of friendship, respect, and understanding, each for the views of the other. I am honored in this, that as we all know in this historic Chamber we as individual Members of the House do not have assigned to us any particular seat. We may sit just where we please when we find a vacant seat. But I am honored in that GEORGE often would come and sit down next to me and I, at every opportunity, came and sat down by him. We followed legislation as closely as we could, and he gave me so many, many good suggestions, and I was inspired so many times by his wisdom and with his suggestions. He was so helpful to me.

His death came as a severe shock to me. I sincerely and deeply mourn his passing.

My remarks should be brief and will be, but I would like to pay tribute to one particular outstanding virtue that he possessed. He possessed many virtues. He was a man of high integrity who believed in truth and honor, but I would like to pay particular tribute to his virtue of courage. I may say that I believe that that particular virtue is more needed today than it ever was in the history of our great Nation. It seems to me that we have plenty of intelligence among our leadership to know what to do, but the courage to do the right thing, after we know what to do, is something that I am afraid we are somewhat lacking in. Therefore we have suffered a great loss in this Chamber because of the passing of GEORGE S. LONG, who possessed this great virtue of courage so admirably well.

May I close with this suggestion: A poet has said something like this:

Do you fear the force of the wind,
The slash of the rain?
Go face them and fight them,
Be savage again.
Go hungry and cold like the wolf,
Go wade like the crane;
The palms of your hands will thicken,
The skin of your cheeks will tan,
You'll grow ragged and weary and swarthy,
But you'll walk like a man!

It is my considered opinion that because of the inherent nature he possessed, plus the vicissitudes of fortune in his life by reason of the experiences he had, coming from a very humble station in life and rising to a position of great prominence, because of these hardships and struggles in his life, and that inherent nature of his, he became a man of great, wide experience and great courage. Truly, if there ever was a Member of this House that did so, he did truly walk like a man. He was a real man; a man of great integrity, a man of great power, and a man of great courage.

To his loved ones I extend my heartfelt sympathy and I hope and pray that God will comfort them in this their hour of great bereavement.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, since he came to this House, Dr. LONG has served on the Committee on Veterans' Affairs. It was my privilege and pleasure to serve with him there.

During those years which have passed so rapidly and so pleasantly I came to know him quite well and to admire him. He was a man of deep conviction; he was one who was willing to fight for those things in which he believed; yet, withal, he had respect for the views of other people, even though they were in opposition to his own.

During the period of time that he served in this House, he never forgot his responsibility to our believed Nation and to its people; not only to the people of his own cherished district in Louisiana, but also to the people of all the Nation. In the time that he was here he made a great record for himself. His will be a place difficult to fill. We will remember him fondly and with admiration.

Our sympathy and our prayers, Mr. Speaker, go to his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Speaker, I join the people of Louisiana in mourning the passing of a great American and a great public servant. It was my pleasure to serve with Dr. GEORGE SHANNON LONG on the Veterans' Affairs Committee for about 3 years. Through that association, I found our now departed colleague to be a good man, a great American, and a loyal friend of mankind. Dr. LONG very ably served as chairman of the Hospitals Subcommittee, where he contributed much by his wise leadership. Dr. LONG was not afraid to firmly state his convictions, and he fully recognized the rights of every man to do likewise.

While we will miss his physical presence in the Halls of this House, we will continue to sense his influence and his strong personality, and we will continue to be guided by the democratic principles to which he so strongly adherred. We are blessed because we had the pleasure to work with Dr. GEORGE SHANNON LONG, able Congressman from the Eighth District of Louisiana.

To his beloved wife, to his family, and to his wide circle of friends, I express my heartfelt sympathy, and repeat words of that beautiful song, There Is No Death:

Death is but an open door; we move from room to room.
There is one life, no more. One dying and one tomb.
We live, we see, we know; we shout with every breath—
All is eternal life. There is no death.

To those of us who remain to carry on the work of this great body, may we join in praying "Oh, God, teach us to number our days that we may apply our hearts and our minds unto wisdom."

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, I rise in warm tribute to an able national leader who has passed from our midst due to death, Dr. GEORGE LONG. We were neighbors in our offices here on Capitol Hill and in our Washington residences in southeast Washington. I will always cherish the memory of his kind friendliness and sense of humor, his courage, his enthusiasm, and his leadership for the cause of all those in need of his help. America is stronger and better because of his fine work here in the House of Representatives. In keeping with his Christian living he was a faithful attender and an officer in a group of Members of the House who meet each week for a special prayer meeting for divine guidance in governmental affairs. I feel that as he joins our Father above he will be at home and in the eternal place which his good works have earned for him. My deepest sympathy goes out to the lovely and able lady who is his widow.

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. Mr. Speaker, I sat next to GEORGE LONG on the Veterans' Affairs Committee for several years.

In evaluating the accomplishments and achievements of a man like GEORGE S. LONG, I think we must go back to the year 1883 in the great aftermath of the War Between the States. It is difficult for many of us to realize today the hardships undergone by tenant farmers and the people in the small towns and rural sections of the South of that day and time. In many cases they had no money. They went to the country stores to swap corn, wheat, and scrap cotton for coffee and sugar.

Into such a world came GEORGE S. LONG, next to the oldest of four brothers. I feel today, Mr. Speaker, that this famous family, this family known throughout the length and breadth of the world, owes much of its success and achievement to the older member of that family, GEORGE S. LONG. You know, back of nearly every great family or every great man there is a woman, a mother, or father, or someone who plants an idea. In my district in the case of John C. Calhoun it was his father and his cousin. His cousin preceded him here in the Congress and gave Calhoun an incentive, a mark to shoot toward. I honestly believe that Huey Long, Earl K. Long, Senator Rose Long, and the Honorable Russell D. Long, all of whom I know, love, and admire—owe much of their phenomenal success to this humble man to whom we pay tribute here today. He was the first one of this great family to embark upon a political career, many years before any of them, I believe, even dreamed of a political life.

When the final chapter of the history of this turbulent era of depression and war is written, you will find that chapter filled with the achievements of the great Long family of Louisiana.

Mr. Speaker, GEORGE LONG was forthright, he was fearless, he was a man of courage; and above all, knowing him as I did, I admired his nonconformity in a day of conformity, in a day of propaganda when many propaganda agencies are seeking to get all America to think in the same pattern, thus paving the way for thought control, for national socialism, for fascism. It was refreshing to me to see a man who simply did not conform, forthright, independent, able to stand for and speak his own mind, the world and even the whole country notwithstanding.

"They pass on but their good works do follow them" and "Greater love hath no man than this, that he lay down his life for his friends."

These passages of Scripture characterize the love for his fellow men that GEORGE S. LONG had.

To his family and many friends I extend my deepest sympathy.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Texas [Mr. BURLESON], chairman of the Committee on House Administration.

Mr. BURLESON. Mr. Speaker, as was mentioned by the gentleman from Connecticut [Mr. MORANO], our beloved departed friend, Dr. LONG, served on the Committee on House Administration, of which I have the honor to be chairman. During the years which he served on that committee, I always knew and I could always depend upon knowing exactly where he stood. At the risk of speaking in the vernacular, he played the game according to the rules. And, as has previously been mentioned by a number of speakers, he was the sort of man with whom you did not have to agree to have his respect and to return that respect to him. Whatever issues arose in the committee on which we disagreed, he always told me previously of the action he expected to take. I respected his position as he respected mine. We understood one another.

Sometimes there are strange things which bring men together. Dr. LONG liked to hunt. We have hunted together on several occasions. We had the common interests of loving bird dogs. On those occasions when hunting we did not talk shop. We talked dogs and enjoyed what we were doing.

I think when you are out with a man in this way, hunting or fishing, you come to know him pretty well. I think when you get that personal touch outside of this Chamber you have a closer touch of personal warmth when you return to it. Consequently I had a greater admiration for this man who was my personal friend.

Mr. Speaker, I join with those who have spoken so beautifully about this wonderful character. I join with them in expressing deepest sympathy to his widow. May God bless her and the members of his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS of Mississippi. Mr. Speaker, we of the State of Mississippi join our neighbors in Louisiana in mourning the passing of our beloved friend, Dr. GEORGE S. LONG. We thought of Dr. LONG as a fine friend and a good neighbor, and he will be missed by the people of Mississippi as well as by the people of Louisiana.

The people of Mississippi have known the Long family and have watched them and admired them during many years. We recall how GEORGE LONG and his brothers, born into conditions of poverty, rose from the most humble beginnings to the point where every one of them held high offices of great trust. Dr. GEORGE LONG, the eldest of these brothers, came from obscurity to be elected to the third highest Federal office within the gift of the American people. His life is a shining tribute to the great land of opportunity that is America.

Dr. GEORGE LONG was a man of deep conviction and great courage, dedicated to the highest ideals of American statesmanship. He held the friendship and admiration of every Member of this body, and his loss will be felt here for many years to come, as it will be felt throughout the United States.

Mr. Speaker, to his widow and his beloved family we offer our deepest and most heartfelt sympathy.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the Delegate from Hawaii [Mr. BURNS].

Mr. BURNS of Hawaii. Mr. Speaker, in echoing the expressions of the distinguished Members who have spoken of the great achievements, the excellent character, the outstanding integrity and the many other splendid attributes of the Honorable GEORGE S. LONG, I am deeply conscious of the great privilege I had in having his friendship. Congressman GEORGE LONG, in the course of his duties on the Committee on Veterans' Affairs, visited Hawaii a few years ago. I had the privilege of making his acquaintance at that time and of taking him around the various parts of the island, with his lovely wife Jewell. Since that time Dr. GEORGE S. LONG has been a very real friend of mine. Upon my coming to the Congress a year ago he took me under his personal wing and he used to review the work that I had here.

Just this last week he came up to me, and including me as a part of his family asked, "Cousin, how are you getting along?" and reviewed the current progress of matters affecting my work here and the interests of Hawaii, which he supported.

GEORGE SHANNON LONG was a believer in democracy, democracy with a capital "D" as well as that with a small "d." This, to me, was an extension of that great charity that he possessed in abundance over and above that usually possessed. He had the courage of his convictions. As God gave him the light to see the right he followed it unswervingly with the fullest force at his command.

Mr. Speaker, I am deeply honored and privileged to have this opportunity to pay tribute to the memory of a man who so much represented that which we in America value. I honor him for his statesmanship, his character, his integrity, his loyalty and devotion to his country and to the people whom he served in the Congress, and to his family.

I extend to his wife, Jewell, and to other members of his family my deepest and heartfelt sympathy in their bereavement. GEORGE LONG believed in prayer. I offer my most sincere prayers for the repose of his soul and for the understanding of the Almighty to his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Speaker, as a member of an allied profession to which Dr. GEORGE LONG devoted the major part of his life, I can readily understand his untiring devotion to the well-being of people in all walks of life.

I have learned to admire him for his personality, his enthusiasm and his devotion to his duties as a Representative of the citizens of his great State. Our associations as Members of the House have been more closely tied because of our mutual professional interests. I join with the members of the Louisiana delegation in extending sympathy to his wife, his family and his legions of personal friends.

Mr. BROOKS of Louisiana. I yield to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, it was my privilege and honor to be assigned to the Committee on Veterans' Affairs on my coming to Congress. For the past 3 years I have had the privilege of serving on the Subcommittee on Hospitals under the able chairmanship of GEORGE LONG. I came to know him very well and to consider him a very close and personal friend.

It was my privilege to accompany him on a number of trips to visit hospitals and to hold hearings on behalf of the veterans of this Nation. Today it is with a sense of great loss that I think of the passing of Dr. LONG, and on behalf of the 2 million-plus veterans in the State of California I express that feeling of loss.

It was my privilege to accompany Dr. LONG in a trip throughout the State in an inspection of the hospitals of the Pacific coast and to come to an appreciation of his great and deep feeling for the welfare of the veterans, particularly for the ill, the disabled, and those who stood in need of medical care.

Another reason, Mr. Speaker, that I felt so close to Dr. LONG was the visits I have had with him and the coincidence of the fact that, in 1883, the year of his birth in Louisiana, my father was born in the great State of Georgia, and as a young man he migrated to what then was Indian Territory and is today the great State of Oklahoma, at a time similar to that when Dr. LONG migrated to Oklahoma. I have talked to him of the many experiences he had, apparently comparable with those of my father in that time.

So it is today that I speak with a feeling of the loss of a dear and very personal friend, as well as the loss to our committee of a great legislator, a man who aggressively pursued the welfare and the well being of the American veteran, as well as of Americans generally. So, I close with an expression of my deepest sympathy to his widow, to his family, and to his many friends.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Speaker, I wish to join with our colleagues in paying our respects to the memory of Congressman LONG. He was one of the most faithful in attendance at our Thursday prayer group breakfast. There I learned to know him in close association for a number of years. A finer man I have never known. I regret exceedingly his untimely death, and extend my sympathy to his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Speaker, I wish to join with the Louisiana delegation and other Members of the House in paying tribute to GEORGE LONG. When I was first elected to Congress I sat next to him on the Veterans' Affairs Committee and learned of his abiding interest in the welfare of those who had served us in World Wars I and II and in the Spanish-American War. I know he had a particular knowledge of the problems of medical and dental care and attention that our veterans need. He worked diligently to provide the kind of program we in the Congress want for the veterans.

GEORGE LONG was a kindly and a very humanitarian man, two attributes which every public officeholder should possess, and he possessed them to a very high degree. I know the country has suffered a great loss in his passing.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I should like to join with my good distinguished colleague the gentleman from Louisiana [Mr. BROOKS] and the other Members of the Louisiana delegation in the House in expressing my feeling of great sadness and loss at the very untimely passing of Dr. LONG. On many occasions I have watched Dr. LONG both on the floor and in committee. I have had the pleasure of noting the rare delicacy of his conscience, his strong sense of duty, and his sense of justice; they were without peer in the House of Representatives. I was always delighted at his care of humanity, his concern for the hungry and the needy. Those who were suffering in this country and abroad, were always most carefully considered in his legislation. Dr. LONG was a man who was able to see clearly his duty and to adhere very closely to his very high principles once he had determined his duty. He was a fine servant of his people in the State of Louisiana; of the people of this country.

I would like to extend my personal condolences to his wife, Mrs. Long, in her loss and to assure her that those of us who served here in the House of Representatives with her splendid husband will miss him sorely.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I wish to join the Members of the Louisiana delegation and my other colleagues in the House who have paid tribute to the memory of our deceased colleague, Dr. LONG. I was greatly shocked and saddened when I heard of his untimely passing. It was a privilege to serve with Dr. LONG in this body. He had visited in Colorado and I enjoyed talking to him about his trips to our State. He was a man devoted not only to the welfare of his District but to the best interests of the entire Nation. I also enjoyed my association with him in the breakfast group where he was very faithful and regular in his attendance, and rendered most effective service as secretary of this group. Dr. LONG had a most friendly and genial personality. He was truly a Christian gentleman. Our lives have been enriched because of our association with this outstanding American and patriot. I wish to extend my deep personal sympathy to his widow and the other members of his family.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield to our colleague, the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Speaker, I cherish the memory of Dr. LONG and the honor to have claimed his friendship. My association with Dr. LONG has been rather close through the Congressmen's prayer breakfast which meets every Thursday morning. His great Christian character caused me to admire him and gain an affection for him.

His remarkable faith was in the power of Christianity to transform the lives of not only individuals but of peoples and nations. I liked his belief that belief in fatherhood of God and brotherhood of man—and people-to-people communication can bring peace. It can also go far to create unselfishness and destroy the greed that threatens our economy and our peace.

I honor his memory, praise him in the gates for his good work.

Mr. ROONEY. Mr. Speaker, I was deeply distressed on Saturday evening last to learn of the sudden and unexpected passing of our distinguished colleague, the Honorable GEORGE SHANNON LONG of the Eighth Congressional District of Louisiana.

Doctor LONG was a fine and respected man who came to this body in 1953 and served in the 83d, 84th, and 85th Congresses. He was a member of the House Administration and Veterans Committees and enjoyed the high esteem of his colleagues. His Congressional District, his State, and the Nation have lost a distinguished legislator.

I extend my deepest sympathy to his widow in her sad hour of bereavement.

Mr. BROOKS of Louisiana. Mr. Speaker, short funeral services will be held at the Gawler Funeral Home this afternoon at 4 o'clock.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD, and that they may have 5 legislative days to extend those remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, Dr. GEORGE LONG was a man of high character, of splendid ability, and was an all-round good man.

To Mrs. Long and all his loved ones I extend my deepest sympathy.

Mr. EVINS. Mr. Speaker, may I join with my colleagues from Louisiana and others in paying a brief but sincere tribute to the memory of our late colleague and friend, the distinguished gentleman from Louisiana, Congressman GEORGE S. LONG. Dr. LONG, as we all called our friend, was a most colorful and delightful personality. It was my privilege to serve with him as a member of the Veterans' Affairs Committee and thus had the opportunity in the day-to-day work of that committee to appreciate his devotion to the welfare of the Nation and the ex-servicemen of our country and the fine qualities of his character and personality. His service in the Congress and his contribution to our work have enriched both his great State and the Nation and added luster to the name of his family. Certainly it is a great tribute to a family—the Long family of Louisiana—that it could produce so many members who won the confidence of their fellow citizens so many times. We shall miss Dr. LONG, and I should like to convey an expression of my sincerest sympathies to the members of his family.

Mr. THOMPSON of Texas. Mr. Speaker, the death of GEORGE LONG was a particular shock to me. I had not known of his illness and was entirely unprepared for the announcement when it came over the radio.

Just last week, he and I had spent many hours in an airplane on the way to his home country and mine. We sat side by side and chatted during most of the time. I felt as we parted as I have felt so many times during our association here—that I had been encouraged and refreshed by a true philosopher and a friend of man.

I suppose that seated here today there are many who feel as I do—that they have lost a true and intimate friend. Among the many other fine things that are said here on this sad occasion, none could more closely describe our old friend than that along with being a fearless fighter for what he thought was right, he was above all, always a friend of man.

My sympathy goes out to his family, to the members of the Louisiana delegation, and to the people whom he served in so many ways for such a long time.

Mr. AYRES. Mr. Speaker, GEORGE LONG brought to this House a distinguished, exciting, and unusual career. His path had not always been an easy one. He neither tried to live up to, or live down, the reputation of those who bore his name.

He was GEORGE LONG, doctor of dentistry, doctor of law, and Member of Congress.

His wife has lost a loving husband, I have lost a friend, and the Congress has lost a dedicated Member. Although I seldom found myself in agreement with his political positions, I respected his enthusiasm.

I cannot improve on the words of the Psalms known as A Song of the Lord's Deliverance:

I will extol Thee, O Lord; for Thou hast lifted me up and hast not made my foes to rejoice over me.

O Lord my God, I cried unto Thee, and Thou hast healed me.

O Lord, Thou hast brought up my soul from the grave; Thou hast kept me alive, that I should not go down to the pit.

Sing unto the Lord, O ye saints of His, and give thanks at the remembrance of His holiness.

For His anger endureth but a moment; in His favor is life; weeping may endure for a night, but joy cometh in the morning.

And in my prosperity I said, I shall never be moved.

Lord, by Thy favor Thou hast made my mountain to stand strong; Thou didst hide Thy face, and I was troubled.

I cried to Thee, O Lord; and unto the Lord I made supplication.

What profit is there in my blood, when I go down to the pit? Shall the dust praise Thee? shall it declare Thy truth?

Hear, O Lord, and have mercy upon me: Lord, be Thou my helper.

Thou hast turned for me my mourning into dancing: Thou hast put off my sackcloth, and girded me with gladness.

To the end that my glory may sing praise to Thee, and not be silent.

O Lord my God, I will give thanks unto Thee forever.

Mr. O'HARA of Illinois. Mr. Speaker, from the moment he came to the House, even before I met him and came to know him, I liked "Doc" LONG. His human warmth, his open frankness, his shirt-sleeved honesty reached out and drew

me into a rich and treasured friendship. I shall miss him very, very much.

I shall miss hearing him speak from the well of the House, his arms flailing the depth of his feeling and giving a dramatic emphasis to words that often were blunt but came thundering from his lips, with the intonations of real oratory, as bullets from a machinegun. He was an orator of the old school who spoke fearlessly the sentiments, as he understood them, of his constituents. He never disguised his meaning, or softened the impact, by polishing of diction. Whether one agreed with him or disagreed one felt when he had finished that he had hit hard the target that he intended. He represented faithfully and courageously his constituents and enjoyed the high esteem and affection of his colleagues.

But most, Mr. Speaker, I shall miss his smile and his hearty greetings. If he liked you, and I think there was no rancor in his heart toward anyone, he never left you hanging in doubt. He was a deeply religious man, once told me that he had read countless times the Bible from cover to cover, and I doubt that there was any passage of the Bible that he could not immediately have located as to book and verse. In his associations with his colleagues, in his daily relations with his fellow man, it always seemed to me that he was striving to live by the precepts of his faith.

His passing has brought grief to every veteran of the Spanish-American War and to the widows of our veterans who have passed on. The cause of these widows, hopelessly in their old age seeking to keep going on pensions cruelly meager, was very close to his heart. His name and his good deeds will be remembered with deep affection as long as life and memory remain among the dwindling survivors of the war of six decades ago. Congressman LONG was their friend at every turn of the road.

Mr. Speaker, to his wife, to the Louisiana delegation, to his brother, the Governor of Louisiana, and to his nephew, the junior United States Senator from Louisiana, I join with my colleagues in expression of deepest sympathy.

Mr. WEAVER. Mr. Speaker, it was, indeed, sad news to learn of the death of my friend and colleague, GEORGE LONG, of Louisiana. I served with Dr. LONG as a member of the House Veterans' Affairs Committee for the past 3 years.

GEORGE LONG was devoted to his job of serving the people of the great State of Louisiana and was equally devoted to the veterans of our country through his service on the House Veterans' Committee. He was a friendly and kind man, and one who was firm and courageous in his convictions to stand up for what he thought was right and fair. I shall miss Dr. LONG. To his wife and members of his family, I extend my heartfelt sympathy.

Mr. EDMONDSON. Mr. Speaker, we have lost a stouthearted champion of the causes of the people in the death of our distinguished colleague from Louisiana, the Honorable GEORGE LONG.

Ever since I came to the House, Dr. LONG has been a good neighbor in the Old House Office Building, as well as a warm, personal friend.

His residence in Oklahoma had left with him a keen interest in our State and its problems and he was always ready to lend a helping hand on legislation affecting the people of Oklahoma.

The contribution which he made to the veterans of America, in his unflagging interest in the veterans' hospitals of our country, and in all matters affecting veterans and their dependents, has been a great one.

We shall miss this courageous man in the Halls of Congress in the trying times ahead.

To his lovely wife and his fine family and to the people of Louisiana, I want to express my warm sympathy in this hour of sorrow.

Mr. JOHNSON. Mr. Speaker, it was my privilege to meet Dr. GEORGE LONG on the Veterans' Affairs Committee during my first years in the Congress. Here was a man with as genuine an interest in the veterans of this country as any of the devoted men I met on that committee or coming before it. And he was always anxious and willing to share his vast understanding of the ways of humanity with those who showed an interest. His interest in the common man was common knowledge. His religious belief was based upon a firm foundation, true, and sincere. He had a background of training in life as a teacher, lawyer, and dentist which few of us can duplicate. And he was active in the social, civic, and business organizations which are an important part of our life.

Only last week I had the opportunity to exchange a few pleasant remarks with him off the floor of the House. As always, he was gracious and kind and quick to appreciate any spark of humor in our conversation. My life is richer for having known him.

Mr. MORRISON. Mr. Speaker, it is always a sad occasion when we meet together in this House after learning of the loss of one of our Members. I believe that serving together draws the Members more closely together than any other association of men and women.

An even deeper sense of grief than usual is mine today, because the Member we have lost is my very close and dear friend, GEORGE SHANNON LONG, affectionately known as Dr. GEORGE, not only by our Louisiana delegation but by the entire membership. Dr. GEORGE is one man, above all in my experience, who lived by the Golden Rule.

His deep religious and moral principles were reflected in every action in his daily life. It may truly be said that his dignity, courage, and diligence were in the highest traditions of this House. Yet, these attributes were fully equaled by his deeply sympathetic approach to the problems of others, and his thoughtfulness, courtesy, and friendliness to everyone who came in contact with him.

I have often felt, but have not taken the occasion to say it until this moment, that every individual who met or talked or worked with Dr. GEORGE was the better for the experience.

It has been my great privilege to enjoy the close personal friendship of GEORGE LONG and his fine family for many years. Time will not permit a recitation of his many kindnesses to me and to all of his associates. I know that these things will stand to his credit in a higher place.

Dr. LONG's life story is the story of a self-made man—a man who literally made a high place for himself in the councils of his State and his Nation. He is a credit to his chosen profession of dentistry and to the people of the Eighth District of Louisiana, whom he has represented so effectively since 1953 in this Congress. He was just coming into his own as one of the great leaders and statesmen that typify the outstanding leadership the South has furnished since the birth of the United States. It is not ours to question the wisdom of He who called Dr. GEORGE from among us. Dr. GEORGE had well and faithfully carried out his duties in this life. His absence will be felt and mourned, but his accomplishments will go on to benefit the people of his State and his country.

Dr. LONG, in his conscientious devotion to duty, simply drew too deeply on his vast reservoir of energy and vitality in his endeavor to achieve, in the span of his service in Congress, advances that would have taken many years longer in the hands of another man. He is truly a martyr to his devotion to duty.

Let us, then, count ourselves fortunate to have known this wonderful man, and to have had our paths in life cross his. Though mourning his loss, we may be consoled that the good he did lives on.

They cannot wholly pass away,
How far so e'er above;
Nor we, the lingerers, wholly stay
Apart from those we love:
For spirits in eternity,
As shadows in the sun,
Reach backward into time
As we, like lifted clouds, reach on.

Mr. DAGUE. Mr. Speaker, it is with sad hearts that we mark the passing of another stalwart American and our heads are bowed in solemn contemplation of the loss of one who was never loath to raise his voice in behalf of any cause which he felt was in the interests of the Nation in general and his District in particular.

GEORGE S. LONG was an able champion of the disabled veteran and he was tireless in his pursuit of those things which would make things easier for the widow and the orphan. As a doctor of dentistry he was jealous of his profession and stoutly resisted all attempts which might lead to the socialization of medical science and its application.

It was my personal privilege to join each week, when Congress was in session, with GEORGE LONG in the meditations of a breakfast prayer group and it was in that gathering that I came to know the deeply religious side of this departed brother. His was a faith that had been learned at his mother's knee and we are assured that it has carried him to that happier place where there will be no more parting.

Our deepest sympathy is extended to his loved ones who have been made desolate by this grievous event.

Mr. AVERY. Mr. Speaker, I wish to associate myself with my colleagues to pay tribute to my late friend the Honorable GEORGE LONG, the gentleman from Louisiana. Much has been said here today about his blood relationship to other dramatic public servants from the great State of Louisiana, but I prefer to direct my remarks just to the career and to the service to this Nation of the gentleman himself.

His unselfish public service was not rendered alone to the people in Louisiana, as the late doctor also had a record of distinguished service to the State of Oklahoma as well. This service was partly in the way of public service and also in the practice of his dedicated profession, a doctor of dental science.

As has been indicated by other members, I served on the Veterans' Affairs Committee with our departed colleague and also on the Veterans Hospital Subcommittee of which he was chairman. Between the first and second sessions of the 84th Congress, our subcommittee was assigned a considerable number of veterans' hospitals to visit in nearly every portion of the United States. Dr. LONG and I, along with Mr. Patterson of the committee staff, were the only members of the subcommittee who made all of these trips. This in itself is a tribute to the late doctor's intense interest in the problems of the veteran as I assure you it is not a pleasure cruise to travel day after day and to only visit with those who are suffering and in many cases not even able to care for themselves. Our chairman would always ask penetrating questions from the managers, engineers, and directors of professional services. From his questioning and personal inspections of facilities, it was always apparent that he was not only interested in making available to the veteran the necessary hospital and medical service, but also he was determined that every dollar spent by the Veterans' Administration should yield a full dollar's worth of benefits to the veteran. Because of his professional knowledge of medical and hospital problems, he was an extremely capable chairman.

On one of these trips, we visited the hospital in the doctor's own District, the Veterans' Administration hospital in Alexandria. When we had completed our day's work, and I recall it was on a national holiday, November 11, Dr. and Mrs. Long invited us out to their home for dinner and to meet a few of their many friends in Pineville. His home was a symbol of the modest, efficient, and excellent taste that were always exemplified by his lovely wife and lifelong associate, Mrs. June Tyson Long. To Mrs. Long and his other relatives and friends, I want to express my sincere sympathy. As long as I serve in this body, I shall always miss but never forget the impressionable characteristics of my friend from the Eighth District of Louisiana, the late GEORGE S. LONG.

Mr. COAD. Mr. Speaker, the death of Representative GEORGE LONG was a stunning loss to this House. GEORGE LONG was one of my many sincere friends, and the news of his death last Saturday was a distinct shock to me.

Dr. LONG was an able, sincere, and hard-working Member of this House. Mr. LONG continuously upheld the principle of our American democracy in action. Many were the times when the battle of the little man was taken up by Mr. LONG, who earnestly believed in bettering the conditions of those less fortunate.

My sincere sympathy goes out to Mrs. Long and the entire family. We need men of the caliber and who are possessed with the courage as were found in GEORGE LONG. He has made for himself a place in the annals of the history of this Nation, but the loss of so able a public servant will long be felt.

Mr. CHRISTOPHER. Mr. Speaker, with the passing of GEORGE SHANNON LONG the world has lost a great statesman, and the veterans of this country have lost one of their foremost advocates.

"Doc," as he was known to his friends, was the able chairman of the Subcommittee on Hospitals of the Committee on Veterans' Affairs, an assignment that enabled him to exercise his many talents. He never failed to meet his responsibilities. He was devoted to the welfare of the veteran, his dependents, and his survivors.

GEORGE LONG was fearless, yet kind and considerate.

GEORGE LONG was a fighter, yet gentle and forgiving.

He was a devout Christian gentleman and a devoted husband.

GEORGE LONG wore no man's collar, yet he was ever alert to the will of his constituents.

GEORGE LONG was never "on the fence." He made it a point to let the world know how he stood on every public question.

The details of GEORGE LONG's public career have been ably given by the chairman of the Louisiana delegation, Mr. BROOKS. And let us note that two States were the beneficiaries of his public service—Louisiana and Oklahoma.

GEORGE LONG was a personification of the great American tradition. In what other country, Mr. Speaker, can one born in humble surroundings rise to a position of distinction, as in the case of GEORGE LONG?

To Mrs. Long and to his many relatives we extend our deepest sympathies. We are all better men and women for our associations with him.

Mr. BROOKS of Louisiana. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

House Resolution 508

Resolved, That the House has heard with profound sorrow of the death of the Honorable GEORGE S. LONG, a Representative from the State of Louisiana.

Resolved, That a committee of eight Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following as members of the committee to accompany the body: Mr. BROOKS of Louisiana, Mr. HÉBERT, Mr. MORRISON, Mr. BOGGS, Mr. PASSMAN, Mr. WILLIS, Mr. THOMPSON of Louisiana, and Mr. DORN of South Carolina.

The Clerk will report the remainder of the resolution.

ADJOURNMENT

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 22 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 25, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1740. A communication from the President of the United States, transmitting a proposed provision pertaining to the fiscal year 1957, and proposed supplemental appropriations for the fiscal year 1958 in the amount of $2,378,000 for the Veterans' Administration and $273,000 for the Treasury Department (H. Doc. No. 355); to the Committee on Appropriations and ordered to be printed.

1741. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Deposit Insurance Corporation for the fiscal year ended June 30, 1957, pursuant to section 17 (b) of the Federal Deposit Insurance Act (12 U. S. C. 1827) (H. Doc. No. 356); to the Committee on Government Operations and ordered to be printed.

1742. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of December 1957 relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

1743. A letter from the Secretary of Defense, transmitting 54 reports covering 96 violations of section 3679, Revised Statutes, and Department of Defense Directive 7200.1 entitled "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679 (i) (2), Revised Statutes; to the Committee on Appropriations.

1744. A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff on December 31, 1957, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

1745. A letter from the President, Export-Import Bank of Washington, transmitting the report of the Export-Import Bank of Washington, covering the period July to December 1957, pursuant to the Export-Import Bank Act of 1945, as amended; to the Committee on Banking and Currency.

1746. A letter from the Comptroller General of the United States, transmitting a report on the review of the Housing Authority of Baltimore City, Md., 1956, Public Housing Administration, Housing and Home Finance Agency, pursuant to the Housing Act of 1954, approved August 2, 1954 (42 U. S. C. 1435); to the Committee on Banking and Currency.

1747. A letter from the Secretary of State, transmitting a copy of a request for the restoration of an unobligated balance to an appropriation account of the Department of State, pursuant to Public Law 798, 84th Congress; to the Committee on Government Operations.

1748. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1958, pursuant to the Communications Act, as amended by Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

1749. A letter from the Director, International Cooperation Administration, transmitting a report covering foreign excess property disposals by the International Cooperation Administration for the period January 1 to December 31, 1957, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 20, 1958, the following bill was reported on March 21, 1958:

Mr. THOMAS: Committee on Appropriations. H. R. 11574. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 1543). Referred to the Committee of the Whole House on the State of the Union.

[Submitted March 24, 1958]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Conference. H. R. 10881. A bill making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 1544). Ordered to be printed.

Mr. DELANEY: Committee on Rules. House Resolution 510. Resolution waiving points of order against H. R. 11574, a bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 1545). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 20, 1958, the following bill was introduced on March 21, 1958:

By Mr. THOMAS:

H. R. 11574. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes.

[Introduced and referred March 24, 1958]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 11575. A bill to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care; to the Committee on Ways and Means.

By Mr. TALLE:

H. R. 11576. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. ASPINALL:

H. R. 11577. A bill to increase from $5 to $10 per month for each $1,000 national service life insurance in force the amount of the total disability income benefits which may be purchased by insureds, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 11578. A bill to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. BAKER:

H. R. 11579. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on the transportation of persons; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 11580. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to increase the maximum amounts payable in Alaska; to the Committee on Education and Labor.

By Mr. BENTLEY:

H. R. 11581. A bill to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933; to the Committee on Agriculture.

By Mr. BONNER:

H. R. 11582. A bill to give effect to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington, February 9, 1957, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of Missouri:

H. R. 11583. A bill to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo.; to the Committee on Armed Services.

By Mr. BURNS of Hawaii:

H. R. 11584. A bill to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H. R. 11585. A bill to amend the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11586. A bill to amend section 208 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11587. A bill to amend section 160 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11588. A bill to amend section 247 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11589. A bill to amend paragraph (11) of section 216 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11590. A bill to amend paragraph (2) of subsection (a) of section 393 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11591. A bill to amend clauses (6) and (7) of paragraph (a) of section 265 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11592. A bill to amend section 328 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 11593. A bill to amend the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. COLLIER:

H. R. 11594. A bill to appropriate funds for the construction of the National Institute of Dental Research Building; to the Committee on Appropriations.

By Mr. CUNNINGHAM of Iowa:

H. R. 11595. A bill to grant retirement with pay to certain emergency officers of World War I seriously disabled from gunshot wounds incurred in combat; to the Committee on Veterans' Affairs.

By Mr. DOOLEY:

H. R. 11596. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. FINO:

H. R. 11597. A bill to amend the Servicemen's Readjustment Act of 1944 to provide authority for the Administrator of Veterans' Affairs to prescribe the rate of interest on guaranteed or direct home loans; to the Committee on Veterans' Affairs.

H. R. 11598. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. HUDDLESTON:

H. R. 11599. A bill to amend section 42 (a) and the first paragraph of section 43 of title 18, United States Code, to prohibit the importation of injurious species of wildlife and to prohibit the transportation or importation of wild animals in violation of National, State or foreign laws; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 11600. A bill to provide outpatient treatment in Veterans' Administration facilities for non-service-connected disabilities of certain veterans; to the Committee on Veterans' Affairs.

H. R. 11601. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. MURRAY:

H. R. 11602. A bill to authorize the use of certified mail for the transmission of service or matter required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Illinois:

H. R. 11603. A bill to provide for unemployment reinsurance grants to the States to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. QUIE:

H. R. 11604. A bill to authorize construction of a building in Winona, Minn., to house the Federal post office and Federal and county courtrooms and offices; to the Committee on Public Works.

H. R. 11605. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. RADWAN:

H. R. 11606. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. REUSS:

H. R. 11607. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON:

H. R. 11608. A bill to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. WEAVER:

H. R. 11609. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

H. R. 11610. A bill to provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol for stockpiling purposes; to the Committee on Agriculture.

By Mr. O'HARA of Illinois:

H. Res. 509. Resolution favoring the application of the principle of self-determination to the people of Cyprus; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HOLIFIELD: Memorial of the Assembly and Senate of the State of California, jointly resolved, that the Congress of the United States is respectfully memorialized to continue undiminished its program of financial assistance to school districts experiencing excessive growth due to Federal activities as provided in Public Law 815 and Public Law 874 of the 81st Congress; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States, relative to harbors of refuge for small craft; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal aid to schools; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to implement the Federal Flood Insurance Act of 1956; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to maintain the manpower level of the National Guard at a minimum of 400,000; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to establish three time zones within the continental limits of the United States; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to extend Public Law 550, 82d Congress, relating to education and training benefits, to service men and women as long as the draft continues; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation protecting textile, fishing, and other historic industries; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 11611. A bill for the relief of McCune C. Ott; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 11612. A bill for the relief of Santina Maria Frate; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 11613. A bill for the relief of Antonio Tovera Ramos; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 11614. A bill for the relief of Demetria Spiropoulos; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 11615. A bill for the relief of Benjamin G. Enloe; to the Committee on the Judiciary.

H. R. 11616. A bill for the relief of Mrs. Lena F. Shelton; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

485. By Mr. HOLIFIELD: Petition of the Reverend Elmo L. Black, minister of the Fetterly Avenue Church of Christ and 27 other members of that church urging the Congress to pass the Siler bill, H. R. 4835, to remove the advertising of alcoholic beverages from television and radio; to the Committee on Interstate and Foreign Commerce.

486. Also, petition of the Richard L. Luy Post 397, American Legion, Monterey Park, Department of California, requesting the Congress to vigorously oppose any attempts to reduce the appropriations needed to provide necessary medical and hospital facilities; and to pay adequate compensation and pensions; to the Committee on Veterans' Affairs.

487. By Mr. NIMTZ: Petition of Mrs. A. D. Shaffer and 22 other members of the Woman's Christian Temperance Union of South Bend, Ind., urging the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

488. Also, petition of Almeda Geyer, of Nappanee, Ind., and 350 other citizens of New Paris, Wakarusa, Etna Green, Milford, Leesburg, Elkhart, and Goshen, Ind., requesting relief from the invasion of their homes by advertising of the alcoholic beverage industry, and urging the adoption of legislation to remove this advertising from the channels of interstate commerce and over the air; to the Committee on Interstate and Foreign Commerce.

489. By the SPEAKER: Petition of Mrs. H. T. Hessler, Harrisburg, Pa., requesting enactment of the bill H. R. 7798, to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to provide for the safety of chemical additives in food; to the Committee on Interstate and Foreign Commerce.

490. Also, petition of Dr. Robert H. Ellis and others, Portland, Oreg., relative to a redress of grievance relating to the House Committee on Un-American Activities; to the Committee on Rules.

491. Also, petition of the city manager, Troy, Mich., urging the removal of the excise tax on automobiles; to the Committee on Ways and Means.

492. Also, petition of the deputy clerk, Board of Supervisors, Los Angeles, Calif., requesting the removal of the excise tax on all telephone service; to the Committee on Ways and Means.

493. Also, petition of the county clerk, county of Hawaii, Hilo, T. H., requesting that Congress give favorable consideration to the bill H. R. 11308; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

Address by Hon. William F. Knowland, of California

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, March 24, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered in Oakland, Calif., on Friday, March 21, 1958.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR WILLIAM F. KNOWLAND

Fellow Californians, 1958 is a year of decision for the people of the United States of which our own State of California is such an important and dynamic part.

The decisions we make, political and economic, may well set the pattern from which there is no turning back.

Neither regimentation nor coercion have any place in this great free process. Once the curtain is closed behind the voter's back and he or she is alone the questions to be answered are:

What is best for our country?

What is best for California?

No political, business, or labor boss can control our individual vote at this rendezvous with destiny.

As a people our problems are great, but so are our opportunities.

We are in the midst of an economic dislocation. How long it continues, how deep it becomes, what will come later will depend

to a considerable extent on whether we measure up to our responsibilities.

Launching our economy into the unexplored spaces of astronomical Federal spending, deficits, and debts would be as fatal to our economic and political system as it was to the canine passenger aboard mutnik during its journey into outer space.

The fact that the doctor may prescribe patient does not mean that 4 or 10 times the dosage self-administered will be that many times better. It could kill the invalid rather than helping to cure him.

As of this date, we still have more than 60 million Americans gainfully employed.

California need not trail in recovery. We can be one of the leaders.

What we do in this State will have a great impact on the economy of the Nation, and, of course, we will respond to developments 1 pill or capsule for the recovery of the elsewhere.

Our population is now over 14 million, or 8.2 percent of the Nation's 170,333,000. California pays over $6½ billion in Federal internal-revenue taxes, or 8.29 percent of the Nation's total internal-revenue collections.

The Federal taxes we pay are more than 3 times the amount of our $2 billion State budget.

The friction loss that takes place in a California tax dollar going to Washington and returning as a grant is substantial.

We are second in population in the American Union and by 1970 we will have a population of over 22 million people and will be first.

There are 82 members of the United Nations. At the present time California is larger in population than 56 of these nations.

In January of this year employment in California totaled 5,457,000, which was 21,000 less than the same month last year. It was, however, the second highest January employment in the State's history.

The impact of increased home construction, expedited defense spending, acceleration of the highway program and a number of reclamation and flood-control projects is already being felt in California.

These steps together with the action of the San Francisco Federal Reserve Bank in lowering its discount rate and coming into conformity with the other Reserve districts should provide considerable stimulation to our economy.

In our free society we must not depend upon Government action alone. The cumulative effect of the multiplied individual economic decisions of the people is of primary importance.

Many thousands of families have been waiting to build or buy a new home or to remodel the present one. This is the time to show confidence in America's future.

California is a highly diversified State. Many of the problems that are to be found in agriculture or industry in the other 47 States can be found within our borders.

Our State has made substantial progress in our elementary and secondary local school system under the constitutional guarantees for their financial support.

As a member of the legislature I played an active part in preserving these guarantees and in providing the revenue system that have made them effective.

The control of our school system must be retained in our school districts and State. Not in the Federal Government.

It is also essential that our State university, the State colleges, the primary and secondary educational systems keep abreast of our State's growth and meet the new challenges that face this generation.

As a member of the State senate I was chairman of the subcommittee which drafted, and I subsequently handled on the floor, the first unemployment insurance legislation enacted in this State. We have over $900 million of reserves in this trust account.

I have supported, in the State legislature and in the United States Senate, social-security legislation for old-age assistance, vocational rehabilitation, aid to the blind, and child-care assistance.

During my service in Sacramento, I supported legislation which assured every worker the right to join a union of his choice. This legislation made illegal the so-called yellow-dog contract which had prevented a worker from having that free choice.

As a State assemblyman, I cosponsored the antilynching legislation now on the statute books of this State.

As Republican leader of the United States Senate, I moved to bring before the Senate and to pass legislation assuring every American that he would not be denied his constitutional right to vote.

In the State legislature, as a private citizen and for more than 12 years as a United States Senator I have actively worked for the development and protection of our resources, river and harbor development, flood-control, reclamation, and irrigation projects throughout California.

As a member of the Senate Appropriations Committee I have cooperated with my Senate colleagues and House Members, without regard to partisanship, to help advance sound and constructive public-works projects.

As a Member of the Senate I took an active part in the fight to restore to this and other coastal States the tidelands which had been taken from us under the New Deal doctrine of Federal inherent powers overriding the right of the States.

At the time my opponent announced his candidacy for Governor of California he held a press conference in Los Angeles on October 30, and at that conference was quoted as saying that Senator KNOWLAND was a person with whom "I disagree 100 percent."

I thought then, as I do now, that this was a pretty broad, if not a sweeping, generality to which the attorney general is at times addicted.

The responsibilities of the Governor as chief executive authority of this State are large.

There are 8 constitutional offices, 24 departments, 128 boards and commissions, and 46 independent agencies.

Under existing law State narcotic enforcement comes under the attorney general. The head office of that agency is close to the San Francisco office of the attorney general. Obviously it has not received the supervision or executive direction its importance warranted.

However, there are a number of fundamental issues where we are in sharp disagreement.

Let's review the scorecard to date.

I believe a State constitutional amendment is necessary in order to assure the success of our statewide water project. My opponent does not.

I support the position that the Federal Government should respect the water laws of California.

If elected Governor I will do everything in my power to have the department of water resources and the water rights board sustain the State's position as upheld by the recent decision of the Supreme Court of California in the Ivanhoe and related cases.

I would hope that the new attorney general will, likewise, support the historic California position protecting the rights of this State.

My opponent, the present attorney general of California, has himself abandoned, and sought to get the irrigation districts to abandon, this position.

I support the partnership proposal for the Trinity project so that the water users may be benefited, the cost to the taxpayers reduced, and private industry encouraged to invest in California's future. My opponent favors the all-Federal power project.

He would move toward more Federal Government in the power business. I favor the encouragement of private enterprise rather than doctrinaire policy of Federal ownership of electric power.

I do not want to see the Federal Government monopolize the electric power industry.

I do not want to see the great Central Valley of California become another TVA.

I have supported in the past and I will in the future those sound reclamation and flood-control projects which are important for the protection of life and property and the development of our resources, the improvement of our farms, and the encouragement of our industry.

In areas of the country, including our own State, I believe the determination of whether or not a community engages in the business of public power should be up to the people of the locality and determined by their votes based on the full facts as developed in public debate.

This question of local public power by local determination is a different proposition than Federal power spreading like the tentacles of an octopus without any vote on the issue by the people of the areas concerned.

At a regional meeting in Oakland of the California Democratic council (the Statewide convention of which endorsed my opponent) the meeting went on record in favor of transferring welfare administration out of the hands of the 58 counties of California into State administration.

This as you will recall was in conformity with the so-called McLean-Williams pension plan which proved to be so costly to California until repealed by the people of this State.

At that time I declared myself in opposition to this transfer of administration from the county governments to the State government and propounded the question as to where my opponent stood on this important issue.

He indicated then that the time was not ripe to make his views known on this important subject.

Again I call on him to state his position on this important question prior to and not after the primary election on June 3.

The labor organizations associated with my opponent in this campaign have advanced an initiative proposal that would cut the sales tax, which is the mainstay of the support of our schools and general government in California, by some $200 million.

It would also reduce income taxes in the lower brackets and attempt to offset the losses by greatly increasing taxes in the upper brackets.

The end result will be a substantial loss of revenue to the State government.

I believe this proposal will be detrimental to California and will tend to discourage potential investors to come and reside in our State. Both in its immediate effect and in its future potential it will be highly harmful to the economy of California.

We need to encourage potential investors with new capital to come to California and to invest in the creation of new industry and the expansion of existing facilities in order to create more jobs for our growing population.

Taxes out of line with those in other States could cause investors and industry to locate elsewhere.

I stated my opposition to this initiative proposal on February 6. I am pleased to note that finally on Monday of this week, a month and a half later, my opponent has joined me

in opposition to this proposal. He at least no longer disagrees with me 100 percent.

California, as a leading agricultural State, has a vital interest in whether we go down the road to a completely regimented agriculture where the Government at Washington is to determine what the farmer will grow, how many acres he will plant, the price of his product and if, indeed, he shall be a free man in making the determination of the use of his land or will we preserve freedom for the farmer from growing controls by the Federal Government.

We need to constantly expand our markets, domestic and foreign, for our agricultural products.

As Governor I shall continue the work I have carried on as United States Senator to advance the interests of this important part of our State's economy.

As for me, I favor more freedom for the farmer to make his own determinations and less regimentation by the Federal Government in Washington.

Toward this end I have opposed the rigid high-support levels and have favored flexible supports.

Unlike the carping critics who can find no good in the Secretary of Agriculture, I have a high regard for the ability and integrity of Secretary Ezra Benson.

I believe in voluntary unionism and my opponent supports compulsory unionism.

I support the initiative that would give the 6 million people of California an opportunity to vote on the issue of voluntary versus compulsory unionism.

My opponent and his allies, the labor bosses, have done and are doing everything possible to keep it off the ballot and out of the people's hands.

Why do they fear to let the people of California pass judgment on this issue?

The bill of rights for labor I have introduced in the Senate has received an enthusiastic reception from almost every quarter with the notable exceptions of:

1. A group of union bosses, who naturally enough do not want to see their secure positions of power disturbed and who have vast sums of union funds available to be placed behind their selected candidates; and

2. Certain political figures who are in a political alliance with these bosses.

The worker's bill of rights provides the following:

1. Election of union officials at least every 4 years by secret ballot with a guarantee that the ballots cast are the ballots counted.

2. Recall proceedings through which union members can replace union officials who misuse their positions of trust and responsibility.

3. Procedures for approval by majority of union members on question of calling, continuing or waiving their right to strike.

4. Registration and public disclosure requirements of union members' welfare funds whether administered by unions or management.

5. Safeguards for members against unauthorized use of union initiation fees, dues or assessments.

6. Protection for members against arbitrary or coercive actions by union officials.

7. Restrictions upon the appointments of trustees or supervisors whereby national and international unions gain and hold control over local unions for long periods of time, abrogating their democratic rights and taking control of their treasuries.

8. Penalties for cases involving collusion between management and union officials against the interests of union members.

In my judgment, these provisions will safeguard basic human rights of union members and give them a representative voice in the management of their unions to whose support they contribute, year in and year out, a part of their wages.

The American way of life has its foundation fixed on maintaining the God-given dignity of man and the noble aspiration of free men in a free society.

In order to assure the success of our purpose, we must always insist that with power must go responsibility.

I believe in the right of every American worker to join a union. This right to join a labor organization is now and will continue to be protected by law. So this is not the issue.

I believe in the right of the majority in a plant, department or bargaining unit to bargain collectively for the employees within that bargaining unit. This right is now and will continue to be protected by law. So this is not the issue.

The issue then arises on whether a worker, against the dictates of his conscience, shall be compelled to join a union in order to hold a job and earn a livelihood for himself and family. Whether a student seeking to help pay for a college education shall be compelled to pay a fee for a union work permit to secure a summer job. This then is the issue.

The late Samuel Gompers, the founder and the father of the American Federation of Labor, pleaded the cause of voluntarism in unions. He also wrote in his autobiography printed in 1925, page 132 (this quote has been curiously omitted from the newly revised and edited edition of 1957):

"I held and I hold that if a union expels a member and he is deprived of a livelihood, in theory or in fact, insofar as he and his dependents upon him are concerned, it is capital punishment."

Honestly administered unions responsible to their members, whose first goal and purpose is to protect and advance the cause of the workingman at the bargaining table, will be infinitely stronger and more effective than any boss controlled compulsory union in existence.

Just as monopolistic power in government cannot be countenanced by a free people, so it is true that monopolistic industrial or labor union power cannot be allowed unchecked control over a vital segment of our national life. Neither industrial nor labor organizations should be above the law or be given powers which no nongovernmental agency should have.

No group in industry or in labor should have the power to strangle the economic life of 170 million Americans. This is too much power for responsible leaders in industry or labor to want and far too much power for irresponsible ones to be allowed to have.

The challenge of our generation is to demonstrate that free men can meet and solve the domestic and foreign crises without the surrender of our constitutional Government or our free-enterprise system.

In meeting these problems we must show the same courage and common sense as the men who gave us our Republic and have helped to maintain it.

As Republicans, Democrats, or independents we can all join in subscribing to the oath of Thomas Jefferson when he said:

"I have sworn upon the altar of God eternal hostility to every form of tyranny over the mind of man."

Solid Majority Is in Favor of Federal Aid for School Construction

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. THOMPSON of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter to the President; a report on a recent New Jersey poll showing a solid majority in favor of Federal aid for school construction; a New York Times report showing the support of organized labor for a school construction program; a fine article by George W. Oakes, in the Washington (D. C.) Star showing that hopes for a school construction bill have increased recently.

Mr. Speaker, I must report to this House, somewhat sadly, that there has been no reply by the President to the letter signed by 13 Members of this body. There can be no doubt but that the letter was received at the White House since it was hand delivered by a trusted courier to Homer H. Gruenther, assistant to the Deputy Assistant to the President, on March 12, 1958.

TEXT OF LETTER TO THE PRESIDENT

MARCH 12, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: As each day passes, signs accumulate that the present recession will, before it runs its course, be the most serious business depression our country has experienced in many years. In recent days many of our colleagues in the House and Senate have been urging accelerated action on public-works programs now before Congress.

We are writing today to express our view that this is a propitious time to revive the school-construction legislation which was defeated by a margin of only five votes in the House last July. As you stated in your special message to the Congress last year the most critical problem in the field of education is the classroom shortage in many communities across the country. We need not remind you that this shortage still persists, or that American education has been faced with sobering new challenges in the year that has intervened.

We have noted that your public-works proposal for bolstering our sagging economy centers on post-office construction and improvement but makes no mention of the much greater necessity for school construction. Which is more important, Mr. President, adequate classrooms or chrome-trimmed letter chutes?

As members of the House Education and Labor Committee who have always supported school-construction legislation, we urge you at this time to send a new school construction message to the Congress and throw the full weight of your Office behind it. If our economy needs to be stimulated by new Federal programs, surely united action to build schools for our children is the most worth while of all the programs now under consideration.

We wish to make one further point. Although in the past there have been many differences of opinion in our committee over

the details of school construction legislation, we are prepared now to put aside personal predilections and to support legislation embodying all of the major principles which you recommended to the Congress last year. We pledge you our support in this enterprise. Prompt action on our part, and yours, might well mean that construction of new schools will be under way by midsummer.

Very truly yours,

JOHN H. DENT, Member of Congress, 21st District, Pennsylvania; EDITH GREEN, Member of Congress, 3d District, Oregon; ELMER J. HOLLAND, Member of Congress, 30th District, Pennsylvania; GEORGE MCGOVERN, Member of Congress, 1st District, South Dakota; LEE METCALF, Member of Congress, 1st District, Montana; CARL D. PERKINS, Member of Congress, 7th District, Kentucky; ADAM C. POWELL, Jr., Member of Congress, 16th District, New York; JAMES ROOSEVELT, Member of Congress, 26th District, California; LUDWIG TELLER, Member of Congress, 20th District, New York; FRANK THOMPSON, Jr., Member of Congress, 4th District, New Jersey; STEWART L. UDALL, Member of Congress, 2d District, Arizona; ROY W. WIER, Member of Congress, 3d District, Minnesota; HERBERT ZELENKO, Member of Congress, 21st District, New York.

[From the Trenton Evening Times of March 20, 1958]

THE NEW JERSEY POLL—SOLID MAJORITY IS IN FAVOR OF FEDERAL AID FOR SCHOOLS

(By Kenneth Fink, director, Princeton Research Service)

At the present time, President Eisenhower and his advisers are considering asking Congress to help the various States with their school-building programs in an effort to increase employment and improve economic conditions.

Should Congress see fit to appropriate money to help the States with their school-building programs, such action would meet with the approval of a solid majority of New Jersey citizens, judging from the results of a survey completed in the State within the past 10 days.

Survey findings show that more than 3 out of every 5 New Jersey adult citizens think Congress should provide money for this purpose. At the same time, more than 1 out of every 3 of all those interviewed think school aid for buildings should be left up to the various States.

In other words, those who think Congress should help the States with their school building programs outnumber by a 7-to-4 margin those who would prefer leaving the matter to the individual States.

New Jersey poll staff reporters put the following question to New Jersey citizens in all walks of life and in all parts of the States: "This year's Congress is considering giving money to the various States to help them with their school-building programs, such as the building of elementary schools, high schools, and college buildings. Do you think Congress should provide money for this purpose, or should school aid for buildings be left up to each State?"

The results:

	Percent
Yes; Congress should help	64
Should be left up to States	35
No opinion	1

Highlight of today's survey findings is that at least 58 in every 100 in each population group examined think that Congress should provide money to the various States to help them with their school programs, and that in no population group examined do more than 41 in each 100 think the matter should be left to the individual States.

An interesting finding to emerge from today's survey is that somewhat more manual than white-collar workers favor such aid from Congress.

The vote by occupational groups:

[In percent]

	White collar	Manual
Congress should help	58	70
Be left to the States	41	29
No opinion	1	1

Chief reason why people think Congress should help the States with their school-building programs are that it would relieve the burden on the individual property owner and that it would help improve employment conditions.

Opponents of Congressional help cite principally that they are opposed in principle to Federal aid to education because it might bring Federal interference with the State's education program and that they would prefer that each State solve its own problems.

[From the New York Times of March 11, 1958]

LABOR URGES UNITED STATES TO BUILD SCHOOLS—SPOKESMAN CALLS FOR ACTION TO PROVIDE CLASSROOMS AND AID THE JOBLESS

WASHINGTON, March 10.—Organized labor's legislative spokesman told Congress today that the time had come for the Government to start building schools as an urgent program that would also lessen unemployment.

Andrew Biemiller, speaking for the American Federation of Labor and Congress of Industrial Organizations, appeared before the Senate Labor and Public Welfare Committee.

He said that those in the trade-union movement are appalled by the failure of President Eisenhower to even mention the classroom shortage in his plans for meeting the recession.

However, he praised a group of eight Republican Senators who included school construction yesterday in a broad plan for meeting unemployment. The joint statement of the Senators included this sentence: "It would be shocking for Congress to fail to act promptly in favor of a school-construction program."

OTHER LABOR PROPOSALS

Mr. Biemiller listed increasing of teacher salaries as the next most urgent field for Federal school action. He put Federal scholarships as third in importance. He declared that they should be awarded without a needs test and should cover the humanities equally with science.

The committee headed by Senator LISTER HILL, Democrat, of Alabama, is nearing the close of hearings on science-aid bills stressing scholarships.

[From the Washington (D. C.) Sunday Star of March 23, 1958]

RECESSION RAISES SCHOOL BILL HOPES

(By George W. Oakes)

School construction as an antirecession measure is getting bipartisan attention in Congress. Despite the integration issue, education policymakers in both Senate and House believe that the rising demand for useful public works has reached such proportions that school construction legislation could be adopted by both Houses if the administration would lend its support.

There are a number of bills for school construction already before Congress and more are in the works. For example, Representative PETER FRELINGHUYSEN, a New Jersey Republican and on the House Education Committee as an administration supporter, has introduced a bill that would make $1.8 billion of Federal funds available to the States on a 50–50 matching basis over a 3-year period. To speed construction his plan would waive certain requirements on the States contained in last year's unsuccessful administration bill.

Early this month 13 Democratic members of the House Education Committee, including Representative ADAM CLAYTON POWELL, whose antidiscrimination amendment was a stumbling block for school construction legislation in previous years, urged President Eisenhower to recommend again the major principles of the administration's 1957 school building program.

Also, Senator KENNEDY, of Massachusetts, a leading Democratic presidential contender, has introduced a school construction bill during the current session. Senator KENNEDY sees school construction as one of the most effective ways Federal public works could be used to strengthen the economy. In his view, school building is especially suitable for that purpose because it would take place largely in populated areas where plans are likely to be ready and where the money expended would have a high velocity of circulation.

WHERE SHOULD AID GO?

One of the basic questions that the administration and Congress must resolve in any school construction program conceived as an antirecession measure is whether Federal funds will be provided to school districts that need new buildings the most or to areas where construction plans are ready. If schools are built on a where-required-most basis, then the impact on the economy will probably be delayed. On the other hand, if the guiding principle is to get construction under way as fast as possible, then priority will naturally be given to those school districts that have already drawn up their plans.

There are no reliable official figures available as to how many and which of the approximately 54,000 school districts throughout the country actually have building plans prepared or under way. Such data is usually prepared by the State education departments, but in some States school districts are independent of State control and therefore the necessary information cannot easily be compiled.

Federal education officials, in discussing proposals for school building, favor allocation of funds on the basis of need even if such a policy would delay construction because they consider that educational requirements are paramount. They also say that Federal funds should not be provided for States and local communities that can finance new schools on their own.

For example, Baltimore County has a 6-year $50 million program under way. If Federal funds should supplement the $24 million of local and State money to be spent in 1959–60 probably twice as many schools could be built during this period. But officials believe it would be better to spend the same amount of Federal money in States which cannot afford to finance a program of their own.

SEE WIDESPREAD EFFECTS

Proponents of school construction as a business stimulant argue that the funds expended would have benefits far beyond the areas in which the schools are built. They declare the projects would have national impact, since they would stimulate the entire building materials business, and, of course, the additional money flowing into the se-

lected areas would create markets for consumer products made in all parts of the country.

How long would it take to build the average high school for 1,000 children? Officials estimate that on the average 3 months should be devoted to educational planning, 6 months for the architectural plan and another year to construct and complete the building—1 year and 9 months in all. In some areas, of course, the first two steps have been taken.

The last federally financed school construction programs were the PWA and WPA operations nearly 25 years ago. Then about $1.5 billion at today's prices was invested in building public schools. The cost of labor and materials is three times what it was then, but because of more efficient design and construction methods, the classroom cost is up only 2½ times.

What are the political prospects of a school construction bill? The Democratic leadership in the Senate would probably back it as part of an overall public works program. In the House—where the fight will be tougher and where school construction legislation has been repeatedly defeated—present prospects are that school construction legislation would face less hurdles than in the past few years for economic and other reasons. However, its strongest supporters point out that only administration backing will make it possible to muster the necessary votes, so these advocates—both Republican and Democratic—are looking to the White House for encouragement.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my newsletter of March 22, 1958:

The story of free enterprise is out of style, forgotten or replaced by accelerating (not creeping) socialism. Free enterprise underlies the greatness of the United States. For example, one of the many stories:

"A poor, uneducated, but enterprising man built a prosperous business by selling a good hamburger at a fair price. Prospering, he sent his son to college to learn economics. The son, returning full of book learning, warned his father of a recession. Following his son's advice, he cut the size of the hamburger, reduced personnel and advertising to lessen the impending losses of a recession. Sure enough, his business fell off 50 percent, and the father proudly told others of his good fortune in having an educated son who had warned him of a recession and just in the nick of time."

Now what is all this talk about recession, downturn, slump, hard times? Well, here are some facts. Personal income in February 1958, was the highest February in history (at an annual rate of $341.8 billion, 1957, $338.5 billion; 1956, $317 billion). Savings now are at an all-time high. Further, now 54 percent of American families have incomes of more than $4,000 a year, compared to only 41 percent in early 1953 (Federal Reserve figures). Families with incomes of more than $7,500 increased from 9 percent to 17 percent. Families under $3,000 decreased from 41 percent to 34 percent.

How about employment and unemployment? Of a total work force of 67 million, 5 million now are out of work, 7.5 percent of the total. Now, let's compare: In 1938, after 6 years of the New Deal, 10,400,000, or 20 percent, of the 54 million work force were unemployed. In 1950, 4,800,000, or 7.6 percent, of 63 million were unemployed. Also, in 1950, President Truman said that jobseeking was healthy and that three to five million unemployed was normal. Two wars solved the unemployment of these two former periods. The 1954–55 recession was solved peacefully by our refusal to get ruffled, and the national gross soared upward. We do know there were even 2½ million unemployed at peak prosperity.

Are we then in a recession? Well, we have receded from the last high peak of prosperity. Compared to any other period, our economic outlook is good. The real danger, as I see it, stems from politicians wanting to capitalize on the recession scare technique. For example, Senator LYNDON JOHNSON and Representative WRIGHT PATMAN are sponsoring a new capital bank system. Another Senator suggests another world bank. Scores of others, well-intentioned or not, are pushing pet programs. New Dealers are saying this is the "now-or-never period to get liberal programs under way."

All these Government aids cost the taxpayers either in more dollars in taxes or by watering the dollars through deficit financing and inflation. The big spenders are also the tax-cut proponents. We all want tax cuts. Responsibly, how can we cut taxes while increasing spending? It is gratifying to see the widespread recognition of the beneficient effect of a tax cut. Yet, taxes pay the cost of Government programs. Now we're expanding the costly Government programs. Who is kidding whom? There is only one way safely to reduce taxes—and that is to reduce Government spending, not increase it.

The housing bill, to pump $1.85 billion more into housing subsidies, provides for lower downpayments, increased mortgage purchases by Government, and one-half of 1 percent increase of interest rates. The bill was railroaded through under suspension of the rules, without debate, and without Members even having a copy of the bill, a flagrant disregard for customary procedure.

The farm bill, to freeze farm supports at the 1957 level, brought on a bitter partisan fight. Generally, Democrats were for fixed supports; Republicans for flexible supports seeking a gradual return to the free market place. The bill passed, 210 to 172, indicating that should the President veto it, the House will not override the veto. Two resolutions expressing the sense of Congress called for accelerating military construction and civil construction, respectively, as an economic stimulus.

The tragedy of our governmental effort is, while saying we do not want to alarm the public, we do just that. We try to kill the patient with kindness. Priming a pump that is smoothly producing is not help but hindrance. Government should build confidence and public morale, not destroy it for political advantage. Broad, sweeping national legislation to cure local or spotty recession is not the cure. But when people appeal, politicians are eager to please, so a law is passed to give money to the people from whom it has been taken. Accelerating this activity is the Congress' current endeavor. It is accelerating (not creeping) socialism. This is not free enterprise.

Sixth Anniversary of the United States Escapee Program

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. WALTER. Mr. Speaker, I would like to call the attention of my colleagues to the fact that March 21 marked the sixth anniversary of the United States escapee program.

This program was first announced by President Truman in March 1952. "These men and women," he said, "friends of freedom, ask only for an opportunity to play a useful role in the fight for freedom. It is the responsibility of the Free World to provide this opportunity."

President Eisenhower, in speaking of the escapee program, said:

I believe that the task of caring for the escapees should have the highest emphasis in the minds of all the Free World, and I am happy that the United States has already done so much of this work. I know that the American people consider their participation in this humanitarian effort is not just a material effort, but also a matter of the heart.

The continuation of the escapee program will probably be necessary as long as the international Communist conspiracy, entrenched in the Soviet Union and in that country's colonial dependencies, continues its rule of persecution.

To date, 317,000 escapees have received help in some form in rehabilitating their lives in free areas. Of this number 170,000 have come from Europe and 147,000 from the Far East.

Many of the escapees have been brought to this country. This Congress has passed Public Law 85–316 which further extends our humanitarian efforts to admit genuine refugees and escapees, especially to unite families which have been separated.

This program, Mr. Speaker, also gives the lie to the Communist claim that only through dialectic materialism can happiness be achieved. It refutes for the world to see the Soviet propaganda that the free nations are heartless and activated only by materialism.

I should not like this occasion to pass, Mr. Speaker, without saying a word in praise of the efforts of the Intergovernmental Committee for European Migration—ICEM, as it is commonly known. This organization, which is composed only of countries of the Free World, and in which membership of Communist dominated countries is prohibited, has since its founding in 1951 been responsible for the transportation to countries of resettlement of more than 800,000 refugees, escapees, and other migrants.

I should like to think, Mr. Speaker, that the end of this problem is in sight. However, I believe that we must realize that

as long as there are Communist persecutions there will be those who will have the courage to escape from it.

The American Legion

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. PRICE. Mr. Speaker, the recent action of the Congress in passing a bill to broaden and improve the housing program contained provisions of special interest to veterans. It offered a good chance for revival of one of our most important housing aids—the Veterans' Administration loan guarantees that have made it possible for former servicemen to purchase and pay for their own homes. The extension of this part of the program did not come about by accident. It resulted because such veterans' organizations as the American Legion, the Veterans of Foreign Wars, and AMVETS have shown vigor and devotion in furnishing the necessary information on which the Congress could act.

The American Legion also has protected the interests of servicemen in many other fields. It took the lead, for example, in testifying in favor of the bill sponsored by the gentleman from Texas [Mr. TEAGUE] to codify and unite in one law all existing veteran benefit acts now administered by the Veterans' Administration.

This measure was preceded by an act passed last year to consolidate the compensation and pension laws affecting veterans. The new program favored by the American Legion would wrap into this structure all other benefits under the Veterans' Administration. It would be of great assistance to the former servicemen and I hope that we shall be able to complete action in this session of the Congress.

During this month, Mr. Speaker, the American Legion has celebrated the 39th anniversary of its founding in Paris in March 1919. As it approaches its 40th birthday, the Legion's program shows that it maintains a vigor and vitality that not all human organizations can match. Its record even in the years since World War II is a proud one; it led the way in developing the GI bill and the Korean GI bill, and it has never wavered in its fight for those who have borne the burden of battle and their widows and orphans. Its influence has been expanded into many fields of citizenship—the continuing resistance to communism, its youth program of training leadership, its child welfare interests, its service to youth through its junior baseball leagues, its boys-state and boys-nation programs and its oratorical contests on the sacred documents of our Nation, the Constitution and its Bill of Rights. It has been a tower of strength in urging a powerful national defense.

We in the Congress know the value of the American Legion as spokesman for the millions of servicemen who need an avenue of communication with their Government. I am proud that I have been able to support, across the years, the legislative programs of the Legion, including its program this year.

DAR Award of Merit to Hon. Edward Martin, of Pennsylvania

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 24, 1958

Mr. MARTIN of Pennsylvania. Mr. President, on February 5, 1958, I had the privilege of accepting the DAR Award of Merit, at the annual luncheon of the Philadelphia chapter, Daughters of the American Revolution, in Philadelphia, Pa. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from the remarks which I made at that time.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS OF UNITED STATES SENATOR EDWARD MARTIN OF PENNSYLVANIA, ACCEPTING THE DAR AWARD OF MERIT AT THE ANNUAL LUNCHEON OF THE PHILADELPHIA CHAPTER, DAUGHTERS OF THE AMERICAN REVOLUTION

I shall treasure this award as long as I live because it is symbolic of the outstanding patriotism of the Daughters of the American Revolution. With deep humility and profound gratitude I ask you to accept my sincere thanks.

In this time of desperate challenge our paramount concern must be the preservation of our freedom, our form of government, and our way of life.

The Daughters of the American Revolution and every other association of patriotic Americans must organize our frontline of defense against the dangers confronting the United States.

I believe it is a service to our country to bring the dangers we face out into the open for free and frank discussion in meetings such as these.

What are our real dangers?

First, too little interest in government.

There are so few of us here in the United States who really understand the nature of our Government and how the American system of individual freedom sustains our way of life.

Government has grown too costly and too cumbersome. Through the years it has become swollen with overlapping and duplication of functions and services.

We need better and more efficient organization of government, and this can be achieved only by more widespread participation in governmental affairs.

For many years I have advocated a definite assignment of duties and responsibilities to each level of government—Federal, State, and local. At the same time each division of government should be allocated exclusive areas of taxation adequate to produce revenues to perform its proper function.

As far as possible all government should be placed on a pay-as-you-go basis.

If we could accomplish these things the cost of government would be reduced and there would be no need for grants from the higher levels to the lower echelons of government.

Second, we are placed in danger by the tendency to make decisions without adequate information. Many times we rush into decisions under the stress of emotionalism without thinking the subject through.

Let us not be stampeded into quick action which may prove unwise. Let us not forget that any one stirring up popular emotionalism is the most dangerous demagogue in our form of government.

We are now seriously disturbed over the military phase of our national defense.

Recent developments in scientific achievement by the Soviet Union have started a tidal wave of discussions. Some have come quickly to the conclusion that the wars of the future will be fought either in the air or under the water.

If I may be pardoned a personal opinion, let me say that I believe this is far from the real situation. I refuse to believe that Russia is superior in everything. This is no time for hysteria. We seem to forget that we will have more brush wars and guerrilla warfare than we will have war in the air and under the water.

The basic objectives of war have not changed. The individual soldier still holds the key to victory. I am still old-fashioned enough to feel that universal military training would have great value in building the strength of our national defense.

Third, we are in danger if we overlook the vital importance of a strong, stabilized, and expanding economy as part of our national defense.

One of the most difficult functions of a free government is to maintain a stable currency. At the same time it is one of the most important objectives of government.

A sound dollar means so much to the ordinary citizen. No family in America can escape the hardships that result from the depreciation of our currency through inflation.

Its effects are most severe on those who live on fixed incomes, annuities, or pensions. It inflicts serious damage upon the owners of life-insurance policies, savings accounts, and other forms of savings. It deprives those who receive social-security payments of a portion of the benefits.

Excessive public and private debt is one of the greatest causes of inflation. Our most effective weapon from a governmental standpoint is economy. We must always remember that regardless of our strength, it is impossible for Government to give each of us everything we desire.

Control of inflation is a job for all of us because in the United States the people are the Government.

The fourth danger to which I wish to direct your attention has to do with the training of our young people for the responsibilities of citizenship.

In recent months there has been a great deal of discussion about our educational system. Many have expressed the belief that we are failing to provide adequate opportunities for scientific study in our schools and colleges.

We have been told that the Soviet Union is far in advance of our system in the training

of qualified young people for careers in science. President Eisenhower has proposed the appropriation of a $1 billion scholarship fund to remedy our deficiencies in scientific education.

There is no doubt that we need more scientists but equally important, in my opinion, is the need to teach self-reliance.

One of the great needs in America today is to impress upon our boys and girls that the future of our country depends upon their character, their industry, and their patriotism.

We must teach them that each individual must stand on his own feet—as our forefathers did—confident, courageous, and self-reliant.

In the history of our Republic we find so many inspiring examples of distinguished achievement in the face of danger and hardship. The real meaning of Americanism may be found in the heroism and sacrifice of the great leaders of our historic past. The high principles by which they lived and their distinguished services in peace and war should be studied, appreciated, and honored. We can all contribute to the strength of America if we are guided by their example.

In America we have equal opportunities. We may attain leadership through self-reliance and pride in accomplishment.

Minshall Opinion Poll

EXTENSION OF REMARKS
OF
HON. WILLIAM E. MINSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. MINSHALL. Mr. Speaker, on 3 previous occasions, I have sent out questionnaires seeking expressions of my constituents on pending issues before the Congress. The response to these opinion polls has been excellent. Again this year, I am requesting the views of the people of Ohio's 23d District on some of these vital issues. The questionnaire follows:

	Yes	No	No opinion
1. Do you approve of the proposal to put pay TV on a trial basis?			
2. Do you favor a protective tariff or quota on imports of foreign goods which compete with our own businesses?			
3. Do you believe we should continue our foreign aid program which calls for the expenditure of $3,900,000,000 in military and economic aid to our allies in free countries during the next fiscal year?			
4. Are you in favor of removing the Federal Government's present regulatory control over prices which producers can charge for natural gas?			
5. Do you feel a need exists for some form of Federal assistance to encourage scientific education?			
6. Would you favor a $20,000,000,000 national air raid shelter construction program?			
7. Do you favor increasing social security benefits with corresponding increases in individual and employer contributions?			
8. Would you favor furnishing nuclear weapons to our NATO allies in Western Europe?			
9. In an effort to meet the national economic situation, please indicate which of the following Federal actions you think should receive prior attention:			
(a) Accelerate our present public-works program (highways, public buildings, etc.)			
(b) Initiate a massive public-works program			
(c) Increase our housing program			
(d) Income tax reductions			
(e) Reduce credit restrictions			
(f) No Federal Government action required			
10. Do you favor Federal aid for local school construction?			

NOTE.—If you wish, the space below may be used for additional comments. It is not necessary to give your name.

The Story of Free Enterprise

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. ALGER. Mr. Speaker, are we underestimating free enterprise? Are we selling ourselves short? This talk about recession and unemployment, let us look at the facts. For example, on employment and unemployment: In 1938, 10,400,000, or 20 percent of the total work force, were unemployed and this was after 6 years of New Deal programs.

Yet the economic and political palliatives suggested on every side today have a strangely familiar ring. Did not we try to spend our way to prosperity through the thirties? Did not we embark on vast public-works programs naively confident that we could thereby create jobs? And did it work? Are we to try these remedies again?

In February 1950, 4,800,000, or 7.6 percent, of the total work force were out of work. Mr. Truman at that time said 3 to 5 million unemployed is normal and job seeking is healthy. Further, it is a fact that even at peak prosperity over 2½ million were unemployed.

So it is a demonstrated fact that today's 5,100,000 unemployed, or 7.5 percent of the total, is not alarming in itself. Further, income and savings are at a record high.

Must we now, forgetful of our experience, try all of the unsuccessful New Deal cures of the 1930's, the Federal handouts and the make-work programs? Will this help, hinder, or kill free enterprise? Let me tell a story:

Two Maine farmers met on the road and pulled up their teams.

"Hey, Sy," said Josh. "I've got a mule with distemper. What did you give yours that time he had it?"

"Turpentine. Giddap."

A week later they met again:

"Say, Sy," said Josh. "I gave my mule turpentine, and it killed him."

"Killed mine, too. Giddap."

The Status of the Nene Goose in Hawaii

EXTENSION OF REMARKS
OF
HON. JOHN A. BURNS
DELEGATE FROM HAWAII
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. BURNS of Hawaii. Mr. Speaker, I have today introduced H. R. 11584, a bill seeking the restoration of the Nene goose of Hawaii. I submit the following information on this goose:

The history of vanishing species of wildlife in the United States is one of too little, too late. Such was the case in regard to the passenger pigeon, the heath hen, and possibly the whooping crane. Another vanishing species in the United States that now is facing extinction is the Nene or Hawaiian goose. This species probably is the rarest waterfowl in the world today, and possibly the second rarest bird in existence.

The Nene was abundant at one time in the Hawaiian Islands on the slopes of Mauna Loa and Hualalai in Hawaii and on Haleakala in Maui. However, over the past several decades this magnificent native waterfowl has declined seriously in numbers due to a group of factors. These include indiscriminate hunting in past years, changes in land use, and the increase of predators such as wild pigs and dogs.

In 1949, when less than 30 Nene were known to exist in the world, the Territorial Board of Agriculture and Forestry's Fish and Game Division initiated a Nene restoration program at Pohakuloa, Hawaii, to propagate Nene under wire to prevent the imminent extinction of this species. Through the cooperation and generosity of Mr. Herbert C. Shipman, who had the only captive flock of Nene in existence, two pairs were loaned to the board of agriculture and forestry and the project was begun.

At the same time, plans were made for a comprehensive ecological survey of the wild birds to determine what factors actually contributed to the great reduction of the Nene, and how to correct these detrimental factors and increase and perpetuate these birds in their native habitat.

In 1955, with the help of interested conservationists in Hawaii and on the mainland, grants to finance this ecological survey were secured through the Yale-Bishop Museum Fellowship, Pan American Section of the International Committee for Bird Preservation, the Guggenheim Foundation, and the McInerny Foundation. The grants were awarded to Dr. William H. Elder, professor of zoology at the University of

Missouri, who is one of the foremost waterfowl specialists in the country today. He arrived in Hawaii in September 1956 for his year's study.

Doctor Elder conducted his study and presented a scientific paper on the subject at the 23d North American Wildlife Conference in St. Louis, Mo., on March 2, 1958. Dr. Elder recommended that four steps were necessary to save this species and restore it to its native habitat.

First. Permanent protection of the only known breeding ground of the Nene, both from human disturbance and predation by exotics introduced by man.

Second. Artificial rearing to be continued and improved until sufficient surplus stock can be released to assure the status of the species in the wild.

Third. Acquisition of a release area adjacent to the breeding ground, wherein stock to be liberated can be released when flightless within a predator-proof fence for conditioning to natural foods and flight before the normal flocking and flight season begins.

Fourth. Strengthen the public relations program leading to greater public awareness of the need for protection of the Nene, the official bird of Hawaii.

Here, in the case of the Hawaiian goose, is a situation where it is not too late to save a species from extinction. Due to the concerted efforts of a few individuals, this species is in an excellent position to be restored to its native habitat. Additional funds are needed, however. The Territory of Hawaii and private organizations have been able to start this restoration program, but Federal assistance is needed so that competent personnel can be assigned to this task and see it through.

Stop the Impoverishment of Our Farmers; Turn Back the General Business Recession

---

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. COOLEY. Mr. Speaker, I should like to address myself today to the Members of the House who on last Thursday cast their votes against the resolution which would forestall, in 1958, another half-billion dollar loss in income by the already hard-pressed farmers of America.

I cannot believe that any Member of this body would intentionally impose further impoverishment upon the men and women, and the children, who till the soil and who have made us the best fed country on earth.

Therefore, I can only conclude that those Members who voted against the legislation to prevent a further cut in farm prices in 1958 were misinformed and were ill-advised by those whose leadership they have trusted and, therefore, they were not aware of the tragic consequences a deepening depression in agriculture will have not only upon our farm people but also upon the total economy and upon all the people of our country.

Some, no doubt, thought they were voting to "set agriculture free," whatever that means.

Others thought they were protecting the interests of the consumers of the Nation.

A few may have thought they were saving money for taxpayers.

FREEDOM FOR FARMERS

To those who may have been influenced by a plea to "set the farmer free," let me say first that I shall work to the limit for the real freedom of farmers and of all Americans, but I shall never brood on the farmers' loss of their freedom to go bankrupt and their freedom to become once again the paupers in this Nation's economy.

If any one of you is worried about the freedom of farmers, let me ask you two questions:

First. Is it regimentation, loss of liberty or something more evil when people in industry regulate their production to fit their markets? That is just what the farm program seeks to do for farmers. If indeed, this is something evil, then the owners and managers of our industry have embraced it since the beginning, while it only recently has "corrupted" agriculture.

Second. Is it regimentation, loss of liberty or something more evil when people in industry have a voice in the price of the things they offer for sale? That is just what the farm program seeks to do for farmers. If, indeed, this is evil, then the people in industry have always been neck deep in something corrupt, and our farmers just recently have got their feet wet.

Let me point out to some of you who may have forgotten that a two-thirds vote of farmers is necessary, under the farm law, before a program adjusting the production of any crop is put in force. May I allay some fears by reminding you that our farmers are the most independent people on earth and they will never permit Government to preempt their freedoms.

Mr. Speaker, the cry "set agriculture free" is a shibboleth to wring from our farmers the advantages they have gained in a working partnership with their Government. I do not and never shall subscribe to a proposition that the farmer must take a choice of either poverty with dignity or prosperity at a price of lost freedom. There is no foe so inimical to human dignity—to freedom—as poverty. I say that the farmer, as the rest of us, should have money in his pocket as well as freedom in his heart.

THE FARMER AND THE CONSUMER

Let me speak now to those who may feel they must vote against the interests of the farmer to protect the interests of the consumer.

My friends from the cities may be astonished to look at the facts on that. Never in our history has the wage of working people bought more food than during the years of the operation of the farm program.

The Department of Agriculture has prepared figures on the quantities of food the average pay for 1 hour of factory labor would buy in 1929 and in 1957.

One hour's pay would buy 6.4 one-pound loaves of bread in 1929, and 11 loaves in 1957; 1.2 pounds of steak in 1929, and 2.2 pounds in 1957; 7.8 pints of milk in 1929, and 16.6 pints in 1957; 1 pound of butter in 1929, and 2.8 pounds in 1957; 1.3 pounds of bacon in 1929, and 2.8 pounds in 1957; 1.1 dozens of eggs in 1929, and 3.7 dozens in 1957; 17.7 pounds of potatoes in 1929, and 36.3 pounds in 1957; and 1.3 dozens oranges in 1929 and 3.6 dozens in 1957.

This is the situation although in recent years consumer food prices have gone up while farm prices have gone down.

Senate Joint Resolution 162, which the House passed by a 210 to 172 vote on last Thursday, and which the Senate sent to the White House by a 48 to 32 vote on Friday, would prevent the Secretary of Agriculture from reducing price supports in 1958 below the dollar and cents support levels of 1957. By forestalling cuts already announced by the Secretary, this would save milk producers another loss of $250 million this year and prevent another loss of more than $200 million to wheat producers.

Now let us look specifically at the relationship of farm price to consumer price in these two commodities.

In 1952 milk prices were supported at 90 percent of parity and the average price of a quart of fresh milk in grocery stores throughout the country was 22.8 cents. In 1957 the support had been reduced to 83 percent of parity (actually 76 percent of parity as computed in 1952), and the retail price of milk had risen to 24.3 cents a quart.

Now look at wheat. Department of Agriculture figures show that in January, 1948, the farm price of wheat reached a peak of $2.81 a bushel, and the average price of a one pound loaf of bread at that time was 13.8 cents. In 1955, the farm price of wheat had dropped to $2.14 a bushel, and the average price of a loaf of bread had increased to 17½ cents. Thus while the price of wheat declined 24 percent, the price of bread advanced 27 percent. In 1952, wheat was supported at 90 percent of parity of $2.20 a bushel and the average price of a loaf of bread was 16 cents. In 1957, with wheat at $2 a bushel, the average price of a loaf of bread was 18.8 cents. For the wheat in an 18.8 cents loaf of bread, the farmer gets somewhere between 2.6 and 3.2 cents.

These figures substantiate completely that another cut in the farm prices of milk and wheat will mean simply that $250 million will be taken away from dairymen in 1958, and more than $200 million from wheat producers, and all these millions will be absorbed by middlemen between the farmers and the consumers. Consumers will derive no price benefit whatsoever.

PROGRAM PRICES AND COSTS

Now, Mr. Speaker, as I have noted, some of my colleagues may have sup-

ported lower prices for farm commodities in the expectation that costs of the farm program would be reduced and, therefore, there would be savings to taxpayers.

I earnestly request all of my colleagues to look at the figures on this. The official reports of the Department of Agriculture show that the price support program through the Commodity Credit Corporation operated for 20 years prior to 1953 at an actual profit of over $13 million on the programs for the basic crops, and the loss on all crop operations at the end of the 20 years was only $1,064 million, whereas loses in the last five years have amounted to over $4 billion. It should be pointed out that with price supports at 90 percent of parity for 11 consecutive years prior to 1953 the actual farm prices were at 100 percent of parity or better, and farm program costs were negligible, whereas during the recent years of constantly falling farm prices, program costs have skyrocketed.

Some of my friends here are inclined, I have noted, to give the price support program no credit for the years preceding 1953 and want to attribute to "war and postwar demand" all the responsibility for the good prices that farmers received in those years. I ask you to take note of the fact that the demand for, and use of, the products of American farms, at home and abroad, has been greater in the last four years than in the four years of World War II, yet the farm program has been administered in such a way that farm prices have been reduced to depressing levels and program costs to the Government have mounted by leaps and bounds.

I say to you: Poor prices to farmers do not make farmers prosperous. Poor prices to farmers have not reduced food costs to consumers. Poor prices to farmers do not mean less costs to the Government and savings for taxpayers.

At this point I shall insert a table listing the major commodities produced by farmers which are affected by Senate Joint Resolution 162 and which indicated the 1958 farm value of these commodities at the lower support levels announced by the Secretary and their value at the 1957 support rates, which would be reinstated by this resolution. For the purpose of this computation it is assumed that production of the various crops in 1958 will be at the same volume as in 1957.

Crop	1958 crop values at announced reduced support rates	1958 crop values at S. J. Res. 162 minimum 1957 support rates
Wheat	$1,686,000,000	$1,894,000,000
Rice	187,000,000	204,000,000
Milk, cream, and butter	4,390,000,000	4,640,000,000
Barley	405,000,000	414,000,000
Rye	29,000,000	31,000,000
Sorghum	573,000,000	584,000,000
Dry beans	97,000,000	100,000,000
Cottonseed	204,000,000	208,000,000
Flax	72,000,000	75,000,000
Total	7,643,000,000	8,150,000,000

THE GENERAL ECONOMIC RECESSION

Mr. Speaker, the Nation now is in a general economic recession, with business declining and unemployment increasing.

Our agriculture has been in a decline for 5 years.

Comparing 1957 with 1952, total farm production was up 6 percent, farm prices down 16 percent, farm parity ratio down 18 percentage points, total farm income down 20 percent, realized net farm income at the lowest point since 1942, purchasing power of that farm income down 24 percent, lowest since 1940, and the farm population has declined from 24,283,000 in 1952 to 20,396,000 in 1957.

Farm debt in 1957 reached a record high of $19,500,000,000.

Deterioration of the agricultural economy dries up rural purchasing power. Then businesses in towns and cities that service agriculture begin to suffer. Ultimately the impact reaches throughout the economy. This is what has happened in the past and it is happening again today.

Among the unemployed in our cities there now are many thousands of people who have been forced off the land by the depressed conditions in agriculture in recent years.

It often has been said that national depressions are farm-led and farm-fed. We know that in the past the breadlines in our cities have been longest when our farmers were receiving the lowest prices for the food they produced.

Mr. Speaker, I have read carefully the President's antirecession program, but to my dismay I have failed to find in his economic proposals one mention of or any sympathy for the depressed plight of the Nation's agriculture.

Not only does the President ignore agriculture in his antirecession program but now we read in the press that he will veto our efforts, through Senate Joint Resolution 162, to prevent farm income from dropping this year by a half billion dollars below 1957.

The legislation which is now before the President to stave off immediate economic disaster to our farmers by providing a 1-year freeze on price supports is not ill conceived or poorly thought out. The Congress is not merely buying time in the hope that something better will happen. We now have before us for study the proposals of America's farmers for improving our domestic agricultural situation. For example, both the dairy farmers and the wheat farmers have presented proposals which are designed by these groups to meet the needs of their industry. What we are asking for in suggesting to the President that he sign Senate Joint Resolution 162 is for time in which the Congress can review these proposed plans and others like them applicable to other crops. It is our hope that in reviewing them and in subjecting them to the processes of the Congress, we can develop improvement in programs for farmers.

Mr. Speaker, it is beyond all understanding that the President would veto Senate Joint Resolution 162 and endorse the actions of his Secretary to reduce again the already depressed conditions of farm families at the same time he is developing pump-priming measures to combat unemployment in our towns and cities. He seems to be totally unaware that the work of his Secretary, which we in the Congress have acted to forestall, would inevitably intensify the very recession that he is trying to cure.

The rural economy of America and the urban economy of America are intermixed and inseparable. Both must be prosperous, or else one will drag down the other.

Mr. Speaker, I appeal to the President, before it is too late—before we have a full-fledged depression in this country—that he comprehend this interdependence of our rural and urban people, that by all means he approve the "hold the line" legislation for agriculture embraced in Senate Joint Resolution 162, and that he then cooperate with the Congress—Democrats and Republicans alike—with measures in agriculture to restore prosperity on our farms and to turn back and banish the recession now gripping our towns and cities.

Program of Action To Accelerate Recovery

EXTENSION OF REMARKS
OF
HON. WILLIAM F. KNOWLAND
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Monday, March 24, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD a statement issued by me at Sacramento, Calif., on March 21, 1958, outlining some of the steps which had been taken by the administration and/or the Senate toward the acceleration of economic recovery.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNITED STATES SENATOR WILLIAM F. KNOWLAND AT SACRAMENTO, CALIF., MARCH 21, 1958

The administration and the Congress are facing up to the dislocations in the Nation's economy.

We have more than 62 million Americans gainfully employed.

Following are the programs and actions taken by the administration and/or the Senate to accelerate recovery:

HOUSING

1. In August 1957, the administration reduced the downpayments required by FHA and took action reducing the amount of cash a home purchaser would have to put up at time of purchase.

2. In December 1957, the administration released $107 million of additional funds for purchase of military Capehart housing loans by the Federal National Mortgage Association.

3. At the same time, the President released an additional $50 million of capital grant funds for urban-renewal projects and an additional $20 million for the purchase of FHA-insured loans for cooperative housing by the FNMA.

4. In January 1958, the administration rescinded the FHA rule requiring that closing costs must be paid in cash. This had the effect of reducing the cash investment required by a home buyer when purchasing a home under an FHA-insured mortgage.

5. In March 1958, the maximum yields allowed on VA-guaranteed loans traded in the secondary market were allowed to rise by adjusting allowable discounts. This move was made to attract more funds to the GI program.

6. In March 1958, the President released $200 million for use in the special assistance program of FNMA. FHA-insured and VA-guaranteed loans of $10,000 and less were made eligible for purchase by FNMA. This will stimulate building of homes for citizens of modest means and expedite other authorized programs. If more funds are needed, the administration will ask for them.

7. During February and March 1958, the Federal Housing Administration took several steps to speed up its processing of loan applications and began the practice of using local fee appraisers to supplement its salaried staff of appraisers.

8. The Federal Home Loan Bank Board has announced that, effective April 15, 1958, member institutions may arrange long-term financing up to five years with the Home Loan banks. This would increase the availability of funds for investment in home mortgages in areas that recently have experienced a shortage of such funds.

9. In addition, the administration has made a number of requests for legislative action by the Congress, including:

a. Repeal the requirement that discounts be controlled and allow administrators of the housing programs to establish maximum permissible interest rates within overall statutory limits.

b. Raise the maximum statutory permissible interest rates on:

(1) VA-guaranteed loans.

(2) FHA-insured rental project loans.

(3) FHA-insured cooperative housing loans.

(4) Capehart military housing project loans.

c. Raise the maximum permissible loan amounts for FHA-insured home loans from $20,000 to $30,000.

d. Increase FHA's insurance authorization by an additional $3 billion for each of the next 5 years.

e. Act promptly on FHA's request for a supplementary appropriation for the 1958 fiscal year of $2 million to speed up processing of applications being received.

DEFENSE CONTRACT AWARDS

Defense contracts let are being sharply accelerated. These contracts will provide increased employment in many industrial communities.

1. Defense procurement, construction, and other contracts placed in calendar year 1957 totaled $17.8 billion. They are estimated to rise by $5.8 billion in calendar year 1958, to a total of $23.6 billion.

2. Of the $1,715,000,000 of obligations planned for military construction (exclusive of housing) in the months February through June 1958, $450 million are planned for labor-surplus areas of the Nation.

3. And the Defense Department is looking into the possibility of speeding construction projects already under way in labor-surplus areas without increasing the total cost to the Government.

4. On orders of President Eisenhower, the military departments have, in recent days, acted to award more procurement contracts in labor-surplus areas, with first priority to small-business concerns in such areas.

5. A new clause is being inserted in future contracts urging prime contractors to give preference to qualified subcontractors in labor-surplus areas to the full extent permissible under existing law.

6. The military services are also reexamining their procurements to assure that the maximum number of contracts are available to small business generally as well as to labor-surplus areas.

HIGHWAY

Federal-aid highway expenditures will have an appreciable impact on the economy in the months ahead in the direct employment of labor and materials and by stimulating large amounts of additional indirect investment.

1. The administration has accelerated its spending for highways. In the current 1958 fiscal year estimated spending is $800 million more than in the last fiscal year ended June 30, 1957. Spending in fiscal year 1959 will be $600 million more than in 1958.

2. President Eisenhower revealed he will ask Congress to suspend for 3 years certain expenditure limitations in the Federal Highway Act. Such amendment, he said, would permit apportionments to the States of an additional $2.2 billion of Federal funds, all of which will be placed under contract during calendar years 1958–61.

Adoption of the amendment will permit apportioning during each of those years a total of $2.2 billion of Federal funds for interstate-highway construction alone.

CIVIL PUBLIC WORKS

1. The administration plans to increase Federal spending on civil public works in the current fiscal year and in fiscal year 1959.

In total, spending will increase by $440 million in fiscal year 1958 over fiscal year 1957 and by $240 million in 1959 above 1958.

2. The President instructed the Director of the Budget Bureau to accelerate, where practicable, the construction of projects for which appropriated funds are available. Speeding up of civil projects alone, many of which are already in the planning and engineering stages, will result in the expenditure of nearly $200 million several months earlier than previously planned.

This earlier expenditure will step up such construction programs as Corps of Engineer civil works, the improvement of roads and facilities in national parks, and the Bureau of Indian Affairs roadbuilding maintenance activities.

3. Water-resource projects have also been accelerated in the 1958 fiscal year, and the affected departments are submitting amendments to the budget as are needed to continue this higher building rate in 1959. Additional amounts requested are:

	In millions
a. The Department of the Interior, Bureau of Reclamation	$46
b. Department of the Army, Corps of Engineers, rivers and harbors and flood control	125
c. Department of Agriculture (watershed-protection and flood-prevention projects)	15
Total	186

4. In addition, the President said he will ask an amendment to the Department of the Interior budget to allow an early start on small reclamation projects which were authorized by the 1956 Small Projects Act.

Here is the increased spending picture for civil public works:

[In millions]

	Fiscal year—		
	1957	1958	1959
Commerce and housing (excluding trust-fund-financed highways)	$172	$325	$424
Natural resources (mainly water resources)	841	938	1,012
Labor and welfare (hospitals, schools in impacted areas)	127	219	261
Veterans (mainly hospitals)	40	43	41
Agriculture and agricultural resources (grain storage and watershed control)	48	61	165
General Government building	63	126	165
Total (rounded)	1,290	1,730	1,970

UNEMPLOYMENT COMPENSATION

President Eisenhower announced he would propose to Congress a program to extend the duration of jobless benefits for unemployed workers. Federal funds would be used to grant unemployment compensation for an additional period, perhaps 13 weeks.

(Benefit levels and lengths are set by the States and paid from payroll taxes on employers. Maximum duration of payments now varies by State from 16 to 30 weeks, with most covered workers eligible for 26 weeks.)

LEASE-PURCHASE PLAN

Projects currently authorized in General Services Administration program of lease-purchase for acquiring public buildings total 92.

In calendar year 1958, 58 projects will be started involving $105 million of financing.

The administration has scheduled a sharp expansion for calendar year 1959, with an estimated $300 million of financing for the 34 remaining projects.

The law authorizing lease-purchase programs expired July 1957 and legislation is needed to permit the program to continue beyond the 92 projects currently authorized.

URBAN RENEWAL

Action under the urban renewal program will increase substantially in fiscal year 1958 and 1959. One hundred projects will be started in fiscal year 1958 and 120 in fiscal year 1959, compared with 56 in fiscal year 1957.

As part of his housing program, the President requested an additional $200 million for the fiscal year beginning next July 1.

On March 19, 1958, the President wrote a letter to the Housing and Home Finance Administrator urging acceleration of the urban renewal program which with Federal, State, and local funds involves $1 billion.

EXPORT-IMPORT BANK

It is estimated that credits extended by the bank will finance $625 million of shipments abroad in the first half of calendar year 1958, of which a substantial part will be machinery and equipment.

Exports financed by Ex-Im Bank credits are expected to rise further in the last half of the calendar year, for which the President has asked Congress to increase the bank's lending authority by $2 billion.

Action on this request would accelerate the bank's lending activities with direct benefits to employment in many communities.

(Note: Senate passed S. 3149, which provides a $2 billion increase. The House bill, H. R. 10459, has been reported from committee and is on the House Calendar.)

OTHER LEGISLATIVE REQUESTS OF THE ADMINISTRATION

1. Special assistance to areas of high and persistent unemployment.

2. Tax relief for small business.

3. Removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business.

4. A $2 billion program to modernize post office buildings and equipment.

5. $46 million supplemental appropriation for Hill-Burton hospital grants.

OTHER ACTION TAKEN BY THE ADMINISTRATION

The following funds held in reserve by the Budget Bureau at the instruction of the President were released:

1. $8 million to General Services Administration for repair and improvement. February 8, 1958.

2. Twelve million five hundred ninety-seven thousand dollars to REA for loans, March 6, 1958.

The President released letters designed to accelerate federally aided construction total-

ing more than $2¼ billion in private, State, local, and Federal funds.

a. To Housing and Home Finance Agency under which are the following programs:

(1) Public facility loans, $75 million.

(2) College housing loans, $300 million.

(3) Urban renewal (redevelopment and supporting facilities, $1 billion.

(4) Public housing, $140 million.

b. To the Secretary of Agriculture:

(1) Rural electrification and telephone loans, $740 million.

FEDERAL RESERVE CREDIT AND MONETARY POLICIES

The Federal Reserve System is independent of the administration. The President does not direct the operations of the Federal Reserve Board and banks. Therefore, technically speaking, actions of the Reserve Board to relax credit restrictions cannot be attributed to the Eisenhower administration.

Nevertheless, the actions taken by the Board, however independent of the administration, have an impact on the economy. The Board has certainly acted in light of the recession and has certainly consulted with the administration.

Steps have been taken by the Federal Reserve authorities to increase the availability of credit and to reduce its cost to borrowers.

1. Discount rates member banks must pay when they borrow from Federal Reserve Banks were reduced 3 times beginning last November:

(a) November 1957 the rate was cut from 3½ percent to 3 percent.

(b) January 1958 the rate was cut from 3 percent to 2¾ percent.

(c) March 6, 1958 the rate was cut from 2¾ percent to 2¼ percent.

2. Reserve requirements have been reduced twice so far since January 1958. These are the amounts that reserve banks must keep as a percentage of their demand deposits.

a. On February 19 the reserve requirement was cut by one-half of 1 percent. This released about $500 million, which could support some $3 billion increase in loans and discounts.

b. On March 18 the reserve requirement again was cut by one-half of 1 percent, releasing about $490 million. This makes possible an expansion of funds available for loans and discounts of about $3 billion.

The increased availability and lower cost of credit which these steps are bringing about help promote a higher level of home building and of construction generally. They will make it easier, and less expensive, for State and local governments to move forward with construction of needed public facilities.

ANTIRECESSION ACTION OF THE SENATE, 85TH CONGRESS, 2D SESSION

1. Passed supplemental defense appropriation bill for fiscal year 1958 (Public Law 85-322, providing $1.260 billion in new funds and $150 million in transfers from old funds to speed high priority missile and bomber programs).

2. Passed supplemental appropriation for Labor Department providing $25 million more for unemployment compensation for veterans and $18.4 million for unemployment compensation for Federal employees (Public Law 85-324).

3. Passed bill providing disaster loans for small business suffering loss on account of rain damage (Public Law 85-335).

4. Passed bill to stimulate residential construction by some 200,000 new homes. Bill went to the House for action.

5. Adopted Senate Concurrent Resolution 68, favoring acceleration of civilian construction programs for which funds have already been appropriated—estimated to total about $4 billion. Adopted March 12, by vote of 93 to 1. The resolution contained Congressional commendation of the President and executive agencies for "such action as they have taken to accelerate these programs."

6. Adopted Senate Concurrent Resolution 69, favoring acceleration of military construction programs for which funds have already been appropriated—estimated to total on February 1, 1958, about $1.8 billion in unobligated funds. Adopted March 14, by vote of 76 to 1. The resolution commended the President and the executive agencies for "such action as they have taken to accelerate these programs."

7. Passed a bill to extend the Agricultural Trade and Development Act for 2 years to help dispose of farm surpluses.

Japanese Plywood Made of Soviet Russian Logs Is Depriving American Workers of 8,000 Jobs

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. MACK of Washington. Mr. Speaker, Japan is now buying logs from Russia and shipping the plywood she makes from these Soviet logs into the United States.

According to the Tokyo correspondent of the Lumbermen, an independent, large and influential timber industry trade publication of Portland, Oreg., Japan's purchase of Russian logs in 1958 will total 198 million board-feet. Since 1,000 board-feet of logs makes 1,500 board-feet of 3-ply standard plywood, this means that this quantity of Russian logs would produce 300 million board-feet of standard plywood, or if the Russian logs were used only as core stock, that the Russian material could be used in the manufacture of as much as about 1 billion board-feet of Japanese plywood.

The present heavy imports of Japanese plywood are depriving about 8,000 Pacific Northwest and southern plywood plant workers and the loggers who supply them raw materials of employment.

We of the plywood producing areas do not want to deprive the Japanese of a reasonable share of the plywood market of the United States. However, we feel that Japan's plywood sales in the United States should be limited to about one-third Japan's 1957 volume. If this were done, Japan still would have a far larger share of the American plywood market than she ever enjoyed prior to Pearl Harbor and the Korean war while our domestic plywood industry would experience greater prosperity and its workers less unemployment.

I made a statement to the Ways and Means Committee today on the need of a quota limit on Japanese plywood imports. My statement to the committee follows:

STATEMENT BY REPRESENTATIVE RUSSELL V. MACK, OF WASHINGTON, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, MONDAY, MARCH 24, 1958

Mr. Chairman and members of the committee, I thank you for this opportunity to inform your committee of a very serious unemployment condition in the Pacific Northwest States of Oregon and Washington that has resulted from too heavy imports of Japanese plywood.

Japanese plywood imports which were only 13 million square feet in 1951 and 21 million square feet in 1952 increased to more than 686 million square feet in 1957.

These 1957 imports of Japanese plywood had a wholesale value of about $60 million and were the equivalent of the combined output of 12 large plywood mills that employ a total of about 5,000 American plywood workers. Because of these plywood imports about 5,000 American workers in plywood mills of the South and Pacific Northwest are out of jobs and in addition in the two areas about 3,000 loggers who supply these mills with raw material are unemployed. As the result of this heavy unemployment in plywood producing areas, which is largely the result of plywood imports from Japan, many small businesses and their employees are suffering employmentwise and incomewise.

I am inserting here a table showing how Japan's plywood production has expanded during recent years and how her shipments of plywood into the United States has increased by leaps and bounds year after year. This table follows:

Japan production and exports of plywood to United States

[In million square feet]

Year	Production	Exports to United States
1951	625	13
1952	780	21
1953	1,064	112
1954	1,404	311
1955	1,800	436
1956	2,250	541
1957	----------	686

There have been rumors and reports that Japan voluntarily has agreed to curtail her exports of plywood to the United States to 400 million feet a year. I can find no official evidence of this.

A dispatch from the United States Embassy in Tokyo to the American State Department (No. 894.391) dated September 1957 said that Japan had agreed to curtail her plywood exports to the United States for the 6 months, October 1, 1957, to April 1, 1958, to 310 million board-feet. This, on an annual basis, would be 620 million board-feet. This, if adhered to, would be a reduction of only about 10 percent on the 686 million feet of plywood Japan shipped into the United States in the calendar year 1957. Such a small reduction would have no appreciable effect in increasing jobs in the American plywood industry.

I have obtained figures showing Japan's shipments of plywood figures in the last quarter of 1957. These show that in the last 3 months of 1957 United States imports of Japanese plywood totaled 167 million board-feet.

Imports by months of plywood from Japan were: October, 58 million board-feet; November, 44 million board-feet; and December, 65 million board-feet. This is at about the same rate of plywood imports from Japan as for the entire year 1957 and far above the 1956 import figures.

The wage rate in the Japanese forest-product industry is only 11½ cents an hour. Our American workers cannot and should not be expected to compete with such a low wage scale.

It is interesting to note that Japan last year shipped goods of all kinds valued at $625 million into the United States. Plywood exports from Japan represented, therefore, about 10 percent of her total exports to the United States. Our plywood industry is one of the hardest hit of all industries by these Japanese imports.

The Japanese plywood industry is still expanding and growing as the table of Japan's plywood production indicates—increased from 625 million board-feet in 1951 to 2,250,000,000 board-feet in 1956 and to 2,600,000,000 board-feet in 1957. I am told the rated annual capacity of her plywood mills is now about 3,600,000,000 board-feet. In short, Japan's plywood mills can produce a billion feet a year more plywood than they produced last year.

Unless something is done by the Ways and Means Committee and Congress soon to place some limits on these Japanese plywood exports, our American plywood industry and its workers will suffer even more severely in the months and years ahead than it is suffering employmentwise and prosperitywise now. If Japanese plywood exports continue to increase, more of our American plywood mills will be forced out of business.

JAPAN USES RUSSIAN LOGS

Logs from the Soviet Union now are being used by Japan in the making of her plywood. This means that when Americans buy Japanese plywood they are, indirectly, trading with Russia and thereby helping the Soviet economy.

Where do I get the information that Japan is buying logs from Russia? I obtained it from a Japanese source, and from a Japanese authority.

The Lumberman, of Portland, Oreg., a large and influential trade paper of the Pacific coast lumber industry, recently published a news article written by its Tokyo, Japan, correspondent, Mr. Kenji Sakai. The news article by Tokyo correspondent Sakai, as published in the Lumberman, follows:

"JAPANESE TO INCREASE SOVIET TIMBER IMPORTS

"(By Kenji Sakai)

"TOKYO, JAPAN.—Late in 1957 a general trade agreement was at least realized between the Soviet Union and Japan. As result, Japanese importation of Soviet timber in 1958 will be more than three times as much as in 1957.

"In 1957 Japan, imported nearly 60 million feet of Siberian coniferous wood. In 1958, Japan is enabled to import up to 500,000 cubic meters. This would be equivalent to about 198 million feet. MITI has arranged a permit for the use of foreign currency held by Japanese for the import.

"The outlet 'windows' composed by importing firms have organized a new import association. On the other hand, the actual recipients of the Soviet timber are now composing a nationwide federation of North-Seas-Timber Import Association and this federation composed of nationwide timber merchants and sawmills.

"Annual Japanese import of North American timber has held a level of 70 million feet or so. There is a difference in species and monetary value by species, but so far as quantity is concerned, the import from North America will be superseded in 1958 and onward by the import from the Soviet."

You will note that Correspondent Sakai, in this article, reports that whereas Japan imported 60 million board-feet of logs from Russia in 1957 that she expects to import from Russia 198 million of Russian logs in 1958.

One thousand board-feet of logs produces 1,500 board-feet of 3-ply plywood. If all of the Russian logs imported this year were used in making plywood panels, they would produce about 300 million board-feet of plywood. If, however, the Russian logs were used only to make core stock for plywood panels, the Russian logs could go into the making of almost 1 billion board-feet of Japanese-made plywood.

A Japan Forest Resource Utilization Rationalization Conference in a statistical report on Japanese timber imports from Russia gives the following figures:

Japanese import of Soviet timber

	Board measure
1954	960,000
1955	8,160,000
1956	26,000,000

Tokyo newspaper correspondent Kenji Sakai in his article in the Lumberman says that Japan's 1957 imports of timber from Russia were about 60 million square feet or more than double the quantity imported in 1956 and that 1958 imports from Russia are estimated to be 198 million square feet or 6 times the quantity of Russian timber Japan imported from Russia in 1956.

QUOTA LIMITS URGED

My constituents in the plywood industry, its operators and its workers, are not asking that our doors be closed tightly against all Japanese plywood imports. We are asking, however, that quota limits on the amount of plywood Japan is permitted to ship into the United States be imposed.

We believe that if Japan were permitted to ship into the United States 250 million square feet of plywood a year instead of the almost 800 million square feet she now is shipping annually into our country that Japan still would have a large market in the United States—a far larger market for Japanese plywood than she ever enjoyed prior to Pearl Harbor and World War II. However, by limiting her to 300 million feet valued at $20 million a year about 3,700 jobs in American mills could be saved for American plywood workers and 2,500 other jobs created for loggers who are now idle.

Red Propaganda in United States Is Unchecked

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the sixth in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in the United States. This series of articles recently appeared in the Philadelphia Inquirer:

PROPAGANDA IS UNCHECKED

(By Representative FRANCIS E. WALTER)

Most Americans hailed it as good news when the Daily Worker, after slavishly disseminating vicious Communist propaganda in the United States for so many years, ceased publication shortly after the New Year.

To exaggerate the importance of the Daily Worker to the Communist conspiracy would be dangerous self-delusion. The party newspaper was sent down the drain for the Communists' own good reasons but a mammoth Red propaganda operation is still flooding the United States with tons of literature from behind the Iron Curtain, most of it in violation of the Foreign Agents Registration Act.

This law is the special interest of the section of the Justice Department in which Judith Coplon was employed and it was no coincidence that Soviet spies were vitally concerned about obtaining information from that branch of the American Government.

The Committee on Un-American Activities investigated three phases of the Communist propaganda campaign, tracing it back to the Soviet Union, Red China, and the satellites—East Germany, Poland, Hungary, and Czechoslovakia. These were:

1. A drive to lure refugees and defectors, who have found asylum in America, back to the slave-camp homelands from which they had fled.

2. Propagandizing by Americans who penetrate the Iron Curtain through the fraudulent use of passports.

3. Treasonable activities of American Communists in spreading propaganda among American prisoners of war in Korea.

Most of the refugees who receive literature from behind the Iron Curtain, react indignantly because they have already repudiated the terror governments of the countries from which they fled. Moreover, they have been acutely disturbed to learn that the Communist apparatus has been able to locate their addresses and in some cases to discover newly assumed identities in this country.

The purpose of this campaign is twofold: First, to create dissension and dissatisfaction among the refugees about conditions in the United States and to develop a sympathy for the Communist program; second, to lure the refugees back to their native lands, where they can be reindoctrinated for espionage and subversive purposes.

The uniform nature of the propaganda publications proves beyond question that the campaign is conducted in a highly integrated fashion by the international Communist apparatus.

A great deal of it holds out to refugees glowing promises of free transportation, food, clothing, good living quarters, and excellent jobs for those who will return to their native lands. Some even promise leniency to those who may have violated laws at home if they are genuinely sorry and desire to redeem themselves through honest work for the homeland.

The particular treachery of this bait lies in the fact that even refugees who have acquired American citizenship may lose this protection once they set foot on their native soil. Poland, for example, refuses to recognize the American citizenship of any Poles who have become naturalized here.

In one 4-week test, officials of the Bureau of Customs and the Post Office Department identified some 32,000 packages containing propaganda—each package comprising from four to a dozen separate publications—entering the port of New York and destined for Pennsylvania.

Pennsylvania, in fact, ranked fourth among the States in the amount of propaganda dumped from abroad, and New Jersey was third. To learn how the stuff was distributed to individuals, the Un-American Activities Committee questioned a number of witnesses, with interesting results.

One was a young German, Werner Marx, who admitted he had come to America to escape the Nazi terror. He served in the United States Navy during the war; as a result, he was able to obtain his master's degree from the University of Pennsylvania at Government expense.

Richard Arens, committee counsel, examined Marx:

"I put it to you that since you have been a resident of Philadelphia, without being registered as a foreign agent, pursuant to the Foreign Agents Registration Act, you have been receiving foreign Communist political propaganda and have been a nerve center for the dissemination of political propaganda in this community."

Marx, the refugee who had found freedom and protection in America, refused to answer claiming the privileges of the fifth amendment.

The fraudulent use of American passports by Communists presents a particularly difficult problem. The issuance of passports

to party members is prohibited by the Internal Security Act of 1950, but Reds often have managed to defeat the law. The party, for example, has stopped issuing membership cards and in many cases has specifically forbidden strategically placed adherents to join the party.

At one series of hearings, our committee summoned some 20 witnesses, all of whom had traveled abroad since the end of the Second World War. Many had taken part in international Communist-controlled meetings as officials, delegates, or observers. A review of their passports exposed the trickery by which they had entered countries their passports did not entitle them to visit.

When the travelers presented their passports to an Iron Curtain country the Communists did not, as required by law, affix an entry visa. Instead, they gave the visitors separate bits of paper on which the visas were stamped. In some cases—apparently by oversight—the visas were stamped in the passports but were later eradicated. The FBI was able to re-create the visa stamp by a chemical process.

To show how some of these Americans behaved abroad, consider the case of Louis Wheaton, identified as deputy secretary general of the Peace Liaison Committee of the Asian and Pacific Regions. Following is a portion of a speech made by Wheaton, as reported in an English language broadcast from Peiping on October 31, 1952:

"It is time that a few things be said to us, the people of the United States. The first-hand accounts of the conduct of our troops abroad are shocking. American troops' vicious and criminal behavior is absolutely horrible.

"These accounts were given by newspaper correspondents of many lands, as well as by the Korean peace delegation to the conference. The people of Asia and the Pacific region are convinced these accounts are true.

"In one village in Korea, more than 300 children were put into one warehouse and their mothers into another nearby. Gasoline was poured around the warehouse where the children were and set afire. The mothers, hearing the screams of their children, broke down the doors and windows. As they were trying to save their children, these mothers were machinegunned by our troops."

The same hearings provided proof that Americans who took part in various Communist-dominated conferences for peace or youth—held abroad—were, knowingly or unknowingly, an integral part of the Communist movement

These peace conferences and youth festivals attract delegates from all countries of the world, but they are dominated by the Iron Curtain spokesmen, and their purpose is to propagandize in behalf of the foreign policy of the Soviet Union and against the foreign policies of all free nations.

Without exception, delegates to these conferences have unanimously supported all resolutions proposed by the Communist leaders, and the Communist delegates from non-Communist countries—including Americans—invariably attacked their own governments.

Never once have delegates from Soviet-bloc countries condemned their own governments nor, significantly, did any delegates from the United States condemn the long record of Soviet aggression and inhumanity.

The Communist invasion of South Korea, which exposed Moscow's aggressive intentions for the whole world to see, received warm indorsement from American Communists, who played upon the hardship and suffering of Americans fighting this menace at the front in one of the most cold-blooded examples of Red treachery.

The story of the Communist-inspired Save Our Sons Committee was exposed through the aid of an FBI undercover agent, Anzelm Czarnowski, of Argo, Ill. The SOS Committee, he told our investigators, was organized in October 1952, with the professed purpose of promoting a cease-fire in Korea and drew into its orbit many non-Communists motivated by a genuine desire for peace.

The fact is, the organization was conceived by Communists as an instrument for removing United States troops from the scene so that South Korea would be left at the mercy of Communist invaders.

As part of its scheme, the committee periodically released a bulletin entitled "Save Our Sons," which it mailed to relatives of American prisoners of war. The issues usually included reprints of letters purportedly written by Americans held in Korean prison camps. They appeared to be authentic, since they bore the signatures of known PWs.

What the unsuspecting families did not know was that most of the letters had been forged or had been written under duress.

Chairman of the SOS Committee was Mrs. Florence Gowgiel, of Argo, whom Czarnowski told us he had known as a member of the Communist Party since 1946. Her connection with the party was well concealed, however, by the SOS outfit.

As part of her campaign, she wrote letters to many prisoners of war in Korea. Cooperating with her, Communists in Korea forced the prisoners to read these letters over loud speakers to fellow prisoners.

The infamous SOS machine went even further in exploiting the plight of American prisoners. In 1953, for example, it circulated what it said was a letter written to Mrs. Gowgiel by a prisoner named Dale E. Jones. In part, the letter stated:

"I am certain that the majority of the American people know that this war in Korea is useless and inhuman. Thousands of people are dying just because a few individuals want a little more for themselves. They even kill their own people in order to make it that way. That is why the American people must urge President Eisenhower to keep his promise and put an end to the Korean war, peacefully.

"We want to return to our loved ones very bad, even though we have been treated with the best of care. We never have a dull moment here in this camp but we want to come home. The Chinese people don't want to kill and cripple the American boys. They are here to protect their own country from being invaded."

Private Dale E. Jones eventually appeared before the Un-American Activities Committee. He testified he had never written to Mrs. Gowgiel, nor had he ever seen the letter that allegedly bore his signature.

Mrs. Gowgiel, who had loudly and ceaselessly preached and promoted the cause of communism, was given her chance to explain her curious activities on behalf of an enemy of her country. She chose, instead, silence, on the ground that she did not wish to incriminate herself.

Plans for the 1958 Congressional Tour of New York City, May 23, 24, and 25, for Members of Congress and Their Families Have Been Completed

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. VAN ZANDT. Mr. Speaker, plans are being completed for the annual Congressional tour of New York City for Members of Congress and their families on May 23, 24, and 25.

This annual Congressional tour for Members of both branches of Congress and their families provides for 3 glorious days in New York at a cost of $37.50 each for adults and $32.50 each for children between the ages of 5 and 12 years.

This year's trip will include a reception at New York City Hall, a visit to the United Nations, a day at West Point Military Academy, a reception on a transatlantic liner, a visit to New York's Chinatown, and several other receptions at various hotels. Opportunities for attending New York shows are included in the schedule.

Since there are no primary elections scheduled for the weekend of May 23, 24, and 25, Members of both branches of Congress interested in making the tour should reserve that period for an enjoyable period in New York. Those wishing to obtain further information may call Miss Patricia Bryan in my office, extension 4576.

Extension of Reciprocal Trade Act

EXTENSION OF REMARKS
OF
HON. ROBERT L. F. SIKES
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. SIKES. Mr. Speaker, I request permission to place in the CONGRESSIONAL RECORD as a part of my own remarks, a statement which I have made to the House Committee on Ways and Means on the extension of the Reciprocal Trade Act. The statement follows:

STATEMENT OF CONGRESSMAN ROBERT L. F. SIKES BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS ON THE EXTENSION OF THE RECIPROCAL TRADE ACT

Mr. Chairman, I do not appear in opposition to the extension of the Reciprocal Trade Agreements Act, if a reasonable modification can be had. I could not, however, vote for the extension of this act in its present form. I think it extremely important that a new concept of reciprocal trade be written into this year's bill. American industry is feeling the pinch of foreign competition very keenly and many American plants are destined to be closed and many more American workmen to be forced out of employment if the present program is re-enacted without change. When the livelihood of our own people becomes so obviously affected, we in the Congress must take such steps as are within our power to protect their interest.

I still believe in the original purpose and intent of the Reciprocal Trade Agreements Act. But, I note that the Constitution states very clearly that Congress shall review the decisions of the Tariff Commission. By the simple process of restoring to Congress this power, which now is vested in the President by law, the reciprocal trade program can again become a good thing.

It is my opinion that the efforts of this Nation to be helpful to its neighbors throughout the world is being taken advantage of by other nations under the guise of the Reciprocal Trade Agreements Act. The State Department, in its zeal to further good will and to assist in world progress, has, I fear, lost sight of the dangers which

are inherent in the present act to American economy. Certainly it is not intended that the United States should carry the entire load of world affairs. We are not economically able to do so. We have already done far more than our share.

I have noted the effect of low wage competition from abroad on business in community after community across the Nation. If the act is continued in its present form, there will inevitably be increased imports of the products of cheap labor abroad that will mean more business failures and increased unemployment at a time when we cannot afford it. A case is made by advocates of the present Reciprocal Trade Act for the flow of American goods abroad. Actually, these exports may or may not be affected by the modification of the Trade Agreements Act which is proposed. But, in any event, the exporters who benefit are localized; the American industries which are adversely affected are nationwide. The truth of the matter is we have built up serious foreign competition for our own producers very largely with American dollars, American know-how, and American sponsorship. But, we cannot continue to support this foreign competition out of our own pockets to the detriment of our own people.

I have expressed my general interest in this matter. I have also a specific interest.

I have the honor to represent the Third District of the State of Florida. I have a number of plywood and veneer plants in my District that are being seriously affected. by the ever increasing imports of foreign plywoods. Supplying those plants are numerous loggers, truckers, and timberland owners. The impact of the imports is affecting these companies and their employees and their suppliers.

The crux of the unfortunate situation lies in the fact that foreign producers, and I am speaking primarily of Japan, pay their workers such very low wages that they can market their product in this country and undersell our domestic producers again and again.

To illustrate the damage done by foreign companies, may I cite a few statistics Imports in 1951 counted for but 7 percent of the domestic consumption with Japan taking 1 percent. Today, imports account for 52 percent of domestic consumption and Japan is furnishing 42 percent. When the hardwood-plywood industry, or indeed any American industry, suffers the loss of over one-half its markets, its position becomes untenable.

The economy of the country is now, it is well recognized, in a depressed state. We in the Congress are talking about all manner of relief. What manner of relief then is necessary for the hardwood-plywood industry, relief which in turn will help the loggers, truckers, and the timbergrowers? The answer is simple, it is the establishment of quantitative quotas. As has been said many times, in and out of Congress, the Japanese have instituted voluntary quotas since 1956 and as has been proven, the Japanese have flagrantly violated these so-called quotas since their inception. It has been suggested that an increase in duty on plywood imports would save this industry, and this, too, is not true. With a labor cost in Japan of $4.17 per thousand square feet as opposed to a labor cost in the United States of $38.50 a thousand square feet, a tariff of 100 percent might be imposed and the Japanese would still undersell our producers in our own markets. It has been suggested that the industry turn to the Tariff Commission once again as it did in 1955, but this would be useless. Only quotas will save our industry and the President has publicly stated many times that he will not approve Tariff Commission recommendations for quotas on industrial products.

It is time that Congress took a good, hard look at this grave situation which is facing not only the American hardwood-plywood industry, but many other industries as well, and then reassert through legislation its control over the Tariff Commission's decisions. And, it should write into law a strong provision for the establishment of import quotas for injured American industries that must have them.

I advocate and support measures to return the regulation of our foreign commerce to the Congress, including amendment of the escape clause of the Trade Agreements Act, so that it will provide:

That all recommendations of the Tariff Commission be submitted to the Congress for approval or disapproval instead of the President; that any such recommendations by the Tariff Commission with respect to import quotas and duties shall be final and become operative until disapproved by Congress and; that there should be set forth explicit guidelines to govern decisions of the Tariff Commission with respect to the establishment of duties and import quotas.

I want to thank you, Mr. Chairman, for this opportunity to appear before your honorable committee today.

Statement of Hon. Robert W. Hemphill, of South Carolina, Before the House Committee on Ways and Means on Proposed Extension of the Reciprocal Trade Agreements Act

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. DORN of South Carolina. Mr. Speaker, my colleague, Hon. ROBERT W. HEMPHILL, made an outstanding statement to the Ways and Means Committee on the subject of reciprocal trade. Mr. HEMPHILL's statement is worthy of the attention of the entire country:

STATEMENT OF HON. ROBERT W. HEMPHILL, FIFTH DISTRICT OF SOUTH CAROLINA, BEFORE THE COMMITTEE ON WAYS AND MEANS ON PROPOSED EXTENSION OF THE RECIPROCAL TRADE AGREEMENTS ACT, MARCH 13, 1958

Mr. Chairman, and distinguished members of the Ways and Means Committee, I appreciate very much the privilege of appearing here this morning in behalf of my people to give a statement regarding the extension of the Reciprocal Trade Agreements Act. I confess that I am no expert, that my knowledge is limited to what I have read, and what I have heard, and what I have seen.

In the good old American fashion of name calling, those of us who feel some loyalty and allegiance to our own American industry have been given the label of "protectionist." Is it not strange that American industry and American production need protecting from agreements or legislation in which American investments are being sacrificed?

In my area we are particularly concerned over the effect of reciprocal trade on the textile industry and the plywood industry. The textile industry is fourth in the Nation, and many thousands of people who work in that industry are taxpayers and consumers as well as producers. Any course of conduct by this Government which materially affects the economic well-being of the textile industry must, by chain reaction, generally affect other great industries of the United States. An idle textile worker cannot purchase a new automobile, nor any home appliance, nor is he a desired sort of consumer. I hope you share my desire to protect this industry in my part of the country, just as I would have a desire to protect industry and its workers in whatever part of the country you represent.

Just a few days ago we learned there are now 5.1 million people unemployed in the United States. This does not take into consideration the textile workers, working 3 days a week, or less, or those in the plywood industry, working the same sort of short week. We must not forget that both capital and labor in these industries support the Government by taxes, support the community and constitute a part of the purchasing power in the particular area in which they are engaged. And if industry is so hampered that it has no demand for its goods, then it does not need producers and unless the employees are producing for wages they do not have any money to spend for other items. I grant you that the standard of living in this country depends upon production and perhaps not on protection, but if we do not give the producer protection, the sacrifice will hurt all of us.

As I understand the policy of the late and revered Cordell Hull, who fathered the program known as the reciprocal agreements program, his idea was to have the trade reciprocal. The idea was to purchase from other countries the things we did not have, such as raw materials, or which we did not produce, by virtue of time, distance, or other factors, and in turn sell to those countries the products of our factories. But what has happened? I will use the Japanese textiles as an example. The Japanese plants take our cotton at 6 or 7 cents below the price our own mills have to pay, pay their workers as little as 10 percent or less of the wage rates paid United States workers and ships back the cotton goods. In the American plants, wages, hours of work, minimum wages, and cotton prices, are all regulated by the Government. Who is most important? The American textile laborer, investor, and American taxpayer, or the Japanese?

I realize that those who are wedded to the idea of reciprocal trade have many statistics as to the percentage of imports. They are going to tell you that the Japanese voluntarily agreed to curtail textile imports to this country. The Japanese did voluntarily agree to curtail imports to this country, an admission of the effect of those imports on our economy; that voluntary action on their part was only after pressure was put on by the State and Commerce Departments of this country.

Not only in my section, but in others have textiles been affected. The New Bedford, Mass., Hoosac Mills has recently announced it is closing 1 plant which employs 800 people. The Lewiston, Maine, Pepperell plant has laid off 60 to 70 employees. Two weeks ago, on a Sunday television program, I saw long lines of unemployed. Down in my section many good taxpaying Americans are working so little they barely have food to eat.

Let me quote you from a letter I received from one of my constituents about another industry that is affected:

"It is the question of the import of Japanese stainless flatware, which has taken a heavy toll on the domestic production of not only stainless steel flatware, but also, sterling, and silverplate.

"My company, which is the largest in the industry, was forced to cut their sales force by about 25 percent the first of the year. I feel very fortunate in still having a job with them, but if the Japanese situation remains as serious as it now is, there will perhaps be more cuts in the future.

"It is my understanding that the Tariff Commission has recommended some relief in increased duty, but this increase will not alter the situation, because of the great difference in price of the American product,

and the Japanese product, due to the 22-cents-an-hour-wage advantage. The silverware industry has meant a great deal to this country in the form of excise taxes for a number of years."

There are some who say that the escape clause, which has been in effect for the last 10 years, will protect us. We are faced, however, with the realization that there has been no concrete definition of the phrase "serious injury," which is the apparent key to the situation. This escape clause is supposed to give industry a right to present its case before the Tariff Commission. There, if serious injury is shown, the Tariff Commission can recommend action by the President to escape from the harmful agreement, and some relief may be realized. So far, however, in the majority of the cases it has proved unworkable because the executive department has failed to honor the recommendations of the Tariff Commission. Meanwhile, one industry after another is hurting and being sacrificed.

Recently the Assistant Secretary of Commerce tried to justify the policy with reference to textiles by saying that while we imported 646 million in textiles, we exported 668 million. Let's look at the 646 million for a second. Those imports would not and could not have existed except for the fact that they could be sold cheaper than our American goods. The reason they could be sold cheaper than ours is because of lower wages, longer hours, cheaper cotton, less taxes, than in America. Meanwhile, the American industry was supporting the Government, management, labor, the local community, and furnishing its share of the taxes which went to make up the difference in the cost of cotton to our foreign competitors. It does not make sense, and it is not right. For some reason, we failed to make provision for the export of our surplus cotton in fabricated goods. No provision has been made that we keep our mills running, our people employed, and our taxes flowing into the Treasury by exporting fabrics, at low or surplus cost, instead of raw cotton, let our Government take up the 6 or 7 cents differential—at least the American people will get the benefit of (1) the use of the surplus cotton, and (2) the benefit of employment to make the fabrics. The differential paid on the fabrics could be paid to industry and earmarked for expansion or improvement to give further employment, and expand our industry. I do not offer this as a panacea for the depression presently upon us, but the potential and benefits are apparent.

I am making no apology for putting America first. The people of America are more important to me than any other people in the world.

There are some who say that if the Reciprocal Trade Agreements Act is not extended we will destroy our position in the world. We cannot escape the fact that such things as we really need such as raw materials, we import duty free. This includes most of our tin, nickel, aluminum, raw wool, part of our petroleum, 25 percent of our iron ore, and about one-third of our copper and rubber. Nobody is going to cut us off. We are good consumers and you and I know we pay exorbitant prices for these raw materials in most instances. The world would not lose us as a market, and the original idea of reciprocal trade would be back in balance, in part, at least.

If it is necessary to have high tariffs to protect our home industries, then I hope this great committee will make some provision for those tariffs; if, adopting the philosophy of more recent times, import quotas are to be used, then I hope this committee will recommend import quotas. Does this country adhere to the GATT strictly despite the departures of the less conscientious participants to that agreement? If so, in the consideration of any reciprocal trade program, should we not take such facts into consideration?

Let us look at the plywood industry for a moment. Yesterday morning I received a letter from one of my constituents and I quote:

"In a newsletter published in Washington to which I subscribe, the current issue reports a considerably better chance to tax reductions, in the face of increasing unemployment. I am not in a position to express an opinion on the subject, but I am well qualified to know that a forced tax cut is in store for the Government when we pay our income taxes for 1957. In 1958, we will pay $406.50. This serious condition reflects lower prices for products we sold in 1957 and higher costs we had to pay for supplies, etc.

"You have heard a lot about conditions in the plywood industry, brought about directly by having to compete with plywood imported from foreign countries and sold at prices that are probably equal to less than our costs. No doubt the industry has been accused of crying 'wolf, wolf'. So far as this company is concerned, we can now reply, 'We told you so.' I think there is no point in saying anything more to you. You can fill in the rest of the story.

"The administration keeps talking about helping the little man and little business. What about our 65 little employees and this little business. What has become of the 'dignity of the individual,' something Americans have always accepted as our way of life. Surely it has been tossed aside, in favor of a 'foreign' foreign policy."

In the CONGRESSIONAL RECORD of March 6, 1958, on page 3652, the distinguished Representative from the State of Washington pointed out the widespread plant shutdown and unemployment in his area. On January 21, a distinguished Representative from Florida made the same complaint. In a recent Commerce Journal there appeared a story that Japan was tightening the plywood quota for the United States, which recognizes, if our Government will not, the inroads of foreign imports on this industry. In 1937, we imported into this country about 4½ million square feet of plywood and in 1956, 690 million square feet. In 1951, this represented only 8.2 percent of our domestic shipments and 7.6 percent of our domestic consumption, but in 1956 it represented 85.2 percent ratio to domestic shipments and 46 percent of domestic consumption. These are just some of the signs of the times to former flourishing taxpaying American industries. I realize that part of the difficulty arises from the reduced trade-agreements rates made effective pursuant to undertakings created by the United States General Agreement on Tariff and Trade. But what about the escape clause—what good is it if we wait until our industry has been given a death blow before it is put into effect? The best medicine in the world is no good if the patient is dead.

Among the propaganda I have seen, there is a little article put out called "American Stake in Japan." It uses the usual threat of communism to justify America's concessions to Japanese interests. But what about America's stake in America?

In his letter of transmittal of January 30, 1958, the Secretary of Commerce made the following statement with reference to the legislation before you:

"The proposed legislation takes into consideration the Nation's experience under the Trade Agreements Act, the new conditions arising since its enactment, and the need for a sound, reciprocal trade program beneficial to our own economy and in support of our foreign economic policy."

I wonder if the distinguished Secretary failed to take into consideration the industries I have mentioned above, which are in trouble, the tunafish industry and many others which are suffering. How is a reciprocal trade program beneficial to our own economy, if we are putting people out of work? Eighty-one thousand workers are out of work today. What is reciprocal trade doing for them?

Again in his letter, he seeks to justify a 5-year period, with adequate authority to reduce tariffs, because, he says, we are in an important period of development of the external tariff of the European Economic Community. I think we are beginning to realize in this country that this is an important period in the history of this Nation, that the economic as well as our military survival is at the crossroads. Europe is booming and a depression is imminent here. Where is reciprocal trade? We must face the answer. Reciprocal trade as now employed by the United States is a disgraceful failure, and is in large measure responsible for the economic difficulties of many industries.

In keeping with the experience of the past few years, if the Reciprocal Trade Agreements Act were to be extended for 5 years, by that time some of our American industries could be entirely wiped out, and could suffer financial ruin waiting for peril-point investigation.

If this committee is going to recommend an extension of the Repicrocal Trade Agreements Act, I hope it will limit it to 1 year. Congress meets every year, and an annual review of the impact of these agreements on our domestic economic situation is certainly in order, especially in these times of threatening economic difficulty.

Much of the criticism of the Reciprocal Trade Agreements Act arises from the fact that the control has been legislated away from the Congress and into the hands of the administration. I have only been in Congress one term, but I have witnessed throughout that limited experience the difficulties impressed upon a Nation by an unwilling, reluctant, or indifferent Executive.

The ineffectiveness of the escape clause was recognized when the policy committee was established by Executive power on November 25, 1957. The establishment of that committee was a step to prevent a move toward a regaining of Congressional control.

If the committee is going to recognize an extension, I hope that some provision will be contained in the legislation, making the findings of the Tariff Commission final unless voided by prompt action of Congress.

I am opposed to any extension of the Reciprocal Trade Agreements Act in its present form, or in the form proposed by the administration. In such form it does more harm than good.

May I urge your consideration of H. R. 11250, introduced by my distinguished colleague from South Carolina, the Honorable WILLIAM JENNINGS BRYAN DORN. The Dorn bill seeks to return reciprocal trade to its normal channels, for the flow of exports to the United States has reached the flood stage—a stage never intended by Cordell Hull. In the years between 1930 and 1958 the situation has gotten out of hand, out of control—this bill will return control.

From the original act (19 U. S. C. 1351) I quote:

"PROMOTION OF FOREIGN TRADE

"Foreign-trade agreements: (a) Authority of President; modification of duties; altering import restrictions:

"For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to

those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time"—

This section gives the authority to the President—a wide latitude, since expanded by the 1949 act, GATT, and the acts of 1953, and 1955.

The Dorn bill does not do away with the Tariff Commission, as some have reported. It does change the name, calls for increase in the number and provides for removal only by Congress. Other provisions provide for and outline the duties of the Board.

Section 463 of the Dorn bill is significant. It provides for bilateral agreements, in keeping with the original concept of reciprocal trade. Before the President can enter negotiations he must give 120 days' notice in order that affected or interested parties may have a hearing. It provides for advisory views from agriculture, industry, and labor. We believe such a provision is necessary and practical in order to meet the competition on today's world markets.

Section 366 hits at the weakness in the escape clause of existing legislation. It gives the Board power of determination as to the peril point, before the situation becomes critical. It is the belief of the proponents of this legislation that this provision may prevent damaging invasions such as many of our industries have suffered, and with resulting unemployment of which some of us are acutely aware.

Section 370, related to section 366, provides that the findings of the Board, under provisions of the escape clause, shall, where recommending withdrawal or modification of the concession previously granted, become mandatory and in effect unless the Congress shall disapprove within 90 days.

There are other aspects of this legislation I would like to discuss, had I time. I feel, however, that the experienced members of this committee will go into every detail, in an endeavor to give us some relief. I believe some change in our approach to the problem of reciprocal trade is necessary. I believe the Dorn bill will solve many problems, will help to relieve unemployment, and will in large measure prevent debacles such as have existed in the plywood and tunafish industries, and which overshadows the textile industry today.

Al Sarena—Why Legislation To Prevent Another Such Instance Has Been Introduced

---

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. PORTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an editorial written by Senator RICHARD NEUBERGER and a letter to the editor written by me. Both appeared in the Grants Pass, Oreg., Courier on Friday, March 14, 1958. They speak for themselves and are in reply to an editorial in the same paper, which editorial was inserted in the RECORD by the gentleman from Michigan [Mr. HOFFMAN] on March 20, 1958.

SENATOR NEUBERGER REPLIES

(By Senator RICHARD NEUBERGER)

(When we asked Representative Fay Bristol to write a guest editorial about the Al Sarena case, we rather expected that his offering would bring a reply. It was not long delayed. Senator RICHARD NEUBERGER telephoned us from Washington and asked equal space and prominence to answer some of the charges made by Bristol. We were happy to grant the request, in view of a long-standing policy of always providing space for both sides of controversial issues.)

I appreciate your willingness to grant me space in which to reply to the attack upon me voiced in your editorial column of March 3 by State Representative Fay Bristol. Thank you very much.

At the outset, let me say that the true weakness of Mr. Bristol's arguments, and his fatal lack of objectivity, are demonstrated by his vicious charge that the mother of the Al Sarena operators died of a heart attack caused by tension during the hearing called by NEUBERGER. I know nothing of the circumstances of the death of this lady, who to my knowledge never had any contact with the Congressional hearings on Al Sarena, and of course, I profoundly sympathize with her family. But I think the misrepresentations with which the McDonald brothers, and their political spokesmen such as Mr. Bristol, have been willing to exploit her memory speak for themselves in showing the level at which these men seek to debate the question.

As a matter of fact, to keep the record straight, I did not call the hearings in the first place. The question of the Al Sarena patents came before the Congressional committees in the course of the extensive and valuable review of Federal timber sale policies that was initiated by the two chairmen of subcommittees of the Senate Interior and House Government Operations Committees, respectively, namely, Senator JAMES E. MURRAY, of Montana, and Representative EARL CHUDOFF, of Pennsylvania. As a member of the Senate subcommittee, I participated in these hearings and also in the Al Sarena hearings held jointly by these committees.

I do not intend to impose on your generosity by reviewing again the joint findings of the two subcommittees with respect to Al Sarena. In brief, they found that the solicitor of the Department of the Interior, under Secretary Douglas McKay, had granted the Al Sarena mining patents in the Rogue River National Forest by a special, unprecedented procedure that completely short circuited the United States Forest Service, which had repeatedly protested the patent applications. Thus the national forest timber standing on the claims went to the Al Sarena operators along with the "mining" patents in February 1954, without even prior notice to the Forest Service of this final decision.

I put mining in quotes because in the 4 years since the patents issued, there has been no substantial mining activity on them. But nearly 3 million board feet of lumber have been cut. This timber was obtained by Al Sarena with the patents, at no extra cost.

Mr. Bristol made much of the fact that the McDonalds had invested $200,000 in their search for minerals. Is it his position that public timber, belonging to the people as a whole, should be given as a consolation prize to people whose mining ventures fail to pan out? I know of no such solace for people who invest unprofitably in farming, sawmilling operations or running a small restaurant or store.

Mr. Bristol charged that NEUBERGER has now introduced a bill to take property rights away from the mining industry and give control of this to the Department of Agriculture. This is further demonstration of Mr. Bristol's irresponsible use of wild charges and scare language. What I have proposed is that, in national forests, mining patents should convey title to mineral deposits and full rights necessary to mining operations, including the use of timber, but not title to the surface and timber insofar as not actually needed for mining. This is already the law on eight national forests, including Mount Hood, and in no way interferes with mining.

Under these laws, and my bill, a mining firm can still obtain virtually free of charge the minerals in national forests, and it is free to cut timber for use in pit props, flumes, or cabins. But it could no longer convert the timber and other surface resources, unrelated to the minerals, to commercial gain by sale, as has happened on the Al Sarena patents. This is what Mr. Bristol attacks so intemperately. I wonder what Oregon lumbermen, who must pay high stumpage prices for their Federal timber from the national forests, are to think of Mr. Bristol's insistence that others should continue to obtain their trees for nothing from the United States taxpayers, as the frosting on a patent obtained for the ostensible purpose of operating a mine?

Lumber is the basis for much of Oregon's economy. Josephine County will revive economically only if lumber revives. Yet lumbermen enjoy no such privileges as mining people demand for themselves in the national forests. When a lumberman in Grants Pass or elsewhere pays a high price for national forest stumpage he receives no right to any minerals or oil that may be discovered under the surface of the timberland. Yet mining operators, who receive free of charge the land where minerals might exist, seem to think they have an inalienable right to receive free of charge—and to log commercially—the trees growing on such land.

When the present mining laws were enacted, in the last century, the public lands and resources were so vast that there was little point in protecting the surface resources in granting mining patents. But can this policy still be consistent with the public interest today, when sustained timber yields, and watershed management in the national forests have become of vital importance to many communities and whole States and regions? I am convinced a new balance of interests is needed, and that is why I have introduced my bill to preserve timber and other surface resources in granting mineral patents in national forests.

LETTER TO THE EDITOR

If you want to know what actually happened in the Al Sarena case you cannot find out by reading Fay Bristol's guest editorial in the Courier, March 3, 1958, where the truth about Al Sarena is not told.

Because I was accused of fraud and associated with theft, deceit, and scandal, you will understand my wish to comment in your columns on Mr. Bristol's fantastic omissions and inaccuracies.

He ignores completely the main point of the Al Sarena case and tries to make it appear that those of us who protested were fighting industrial development in Oregon. What nonsense.

The scandal of Al Sarena lay in the procedural irregularities of Interior Department Solicitor Davis who, acting for McKay, permitted the introduction of new evidence at the appeal level. He never allowed the Forest Service or the Bureau of Land Management, agencies which had repeatedly opposed the patents on the evidence before them, to see the new evidence or to be heard at all.

What would Mr. Bristol think if the Oregon Supreme Court decided a case on the basis of evidence that had never been before the

circuit court and without allowing it to be tested according to our adversary system?

One of Secretary Seaton's first acts after taking over from McKay was to correct this sorry situation. I checked up on this when I first came to Washington last year and am satisfied that another Al Sarena cannot happen.

I never criticized the McDonalds. I did criticize McKay and Ellsworth for ignoring or defending unfair procedures which were used to give away (and the words apply exactly) valuable timber belonging to all the people.

Along with everyone else in Oregon I want year round steady jobs and diversified industry. Mr. Bristol fails to demonstrate their relevance to the Al Sarena case. I can only conclude that he would have preferred that the procedures, speedily corrected by Mr. Seaton, be left as they were.

Mr. Bristol charges me with fraud. I have committed no fraud on anyone. I admit, as I admitted publicly when it first came to my attention in 1956, that some of the pictures I had taken for Drew Pearson of the Al Sarena area did show cut-over areas which were not part of the Al Sarena logging operation. Rogue National Forest officials assured me the error was hard to avoid.

Who was deceived about what? Rogue National Forest timber was cut. It was valuable timber. These were the facts illustrated by the pictures and admitted by everyone. Nobody was misled.

I have introduced in the House of Representatives the identical bill of Senator NEUBERGER and others introduced in the Senate, a bill I have been interested in since I came to Congress. It provides for separation of the surface and sub-surface rights, which means that the timber (except timber needed in the mining operation) will not pass along with the mineral rights when a claim is patented.

In some cases a part of the mining industry deserves a subsidy but the occasion and the amount of a subsidy should not depend on whether or not merchantable timber is growing on the claim.

I hardly expected that the Al Sarena case would be an issue this year, the Interior Department having corrected the faulty procedures giving rise to our objections. However, I shall oblige Mr. Bristol or anyone else who claims to know the truth and misses the mark so far.

The issue is important, especially for Oregon where our economic future largely depends on the responsible management of our great federally owned resources, forest and mineral alike.

CHARLES O. PORTER,
Member of Congress.

Tax Adjustment Suited to Small- and Medium-Sized Business

EXTENSION OF REMARKS
OF
HON. FRANK IKARD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 24, 1958

Mr. IKARD. Mr. Speaker, the need for an ever-expanding economy has been expounded for many years. With the continuous increase in our population and the desire for higher and higher standards of living, the business community has responded by investing vast sums in research facilities and in improved and expanded manufacturing and marketing operations.

The year 1957 resulted in a gross national product of $434.4 billion—the highest ever achieved by this or any nation. But, underneath those large figures there lurk ominous signs for the future. Indeed, some forces have already slowed down our economic growth in one segment of our economy. I am referring to that segment commonly referred to as small and medium-sized business. It is true that we cannot expect in a growing economy that all branches would grow at the same rate, yet when these differences are significant, a close examination is indicated.

In the Small Business Act of 1953, the Congress authorized the establishment of the Small Business Administration, the purpose of which was to assist small-business enterprises to grow and prosper.

America has long been recognized as the land of opportunity. This act reaffirms the determination of the Congress that the door of opportunity shall remain open to those with foresight and enterprise. Pursuant to the provisions of the Small Business Act, the Small Business Administrator in the ninth semiannual report dated February 18, 1958, reported that the most prominent problem facing small business men throughout the country was the impact of taxes which makes it difficult for some small businesses to accumulate working capital or capital for expansion.

Elsewhere in the report, the administrator indicates that business failures in 1957 amounted to 13,739, or an 8 percent increase over 1956. It is interesting to note that the annual bankruptcy rate for 1957 was 57 per 10,000 businesses compared with 14 per 10,000 businesses in 1947. Indeed, each year since 1951 has seen an increase in the failure rate, except 1955, which was the same as 1954.

Since the beginning of this session of the Congress, the Ways and Means Committee, of which I have the honor to be a member, has heard hundreds of witnesses discuss general economic conditions and the influence of taxation on the operation of our economy. Prominent among these were men who operate small businesses and the representatives of small business associations.

During these hearings which I approached with an open mind, the other members of the committee and I have given careful attention to the testimony presented. Since then, I have given considerable thought and study to this problem. In my opinion, the hearings demonstrated, beyond the shadow of a doubt, small and medium-sized businesses need a tax adjustment—not in their own interests alone, but in the interest of the general public as well. All of us recognize the desirability as well as the need of preserving economic opportunity for such businesses to grow and prosper in our economy. There are many forces now affecting our economy which make hazardous any prediction concerning the future.

Many voices have been raised that we should approach tax revisions with a spirit of caution. Many advise a wait-and-see policy. But the holdout power of small business is limited. The sands of time have run out for many, and for thousands more relief must come quickly if it is to be helpful.

I must report to you that the hearings held by the Ways and Means Committee demonstrated one fact in this connection which is often lost sight of. That is that one of the greatest problems faced by such business today is its inability to grow and expand in keeping with the expansion that has taken place in our economy. Witness after witness appeared before us stating that greater working capital and more expansion capital were the two greatest needs of small and medium business. Sales and production have gone up for many such businesses and so have their costs of doing business. Replacing wornout equipment, construction improvements, and increase in working capital seem to be the basic need.

It is well to keep constantly reminding ourselves that small- and medium-sized business needs to expand in order to survive in a growing economy. I mention this very important fact because it is a key to the proper adjustment in taxes which these businesses so desperately need.

We are all aware, I am sure, that most small- and medium-sized concerns are unable to secure needed capital in the open market, as their larger competitors can do. They are very often forced to rely on bank loans for their needs. And a great many such firms have already borrowed all they can and should from banks and other commercial lending institutions. Furthermore, many of them need long-term loans for new construction or equipment for which banks cannot supply the funds. In addition, there is a limit to the amounts of money which a small business should borrow. Right now their greatest need is for equity capital, and the chief source of this is retained earnings.

Before I describe the tax adjustment which seems to me to be best suited to the needs of small and medium-sized business today, I should like to say a few words about general tax reduction. The major point I wish to make in this connection is that regardless of whether or not this Congress approves general tax relief, small and medium-sized businesses require individual attention and action. The relative position of such businesses within our economy needs to be improved. General tax relief will help very little in this regard, although it may be necessary for other reasons.

Small and medium-sized business requires individual attention for many reasons. One of these is that the present heavy tax burden falls more heavily on such businesses than it does on much larger enterprises. This is not to say that taxes are a burden only for smaller firms. But the evidence presented before our committee at its recent hearings by Dr. Spencer M. Smith and other witnesses indicates quite clearly that small and medium-sized business is less able to protect itself from the crippling effects of high taxes than are larger companies.

This is not hard to see once you think about the matter. It is clear that Federal income taxes applied to business

constitutes a drain, and very often a serious drain, on earnings. The more a business pays to the Government in taxes, the less it has available to plow back into its operation. As a consequence, it has to seek more money from other sources. We know such sources of additional capital available to small and medium-sized businesses are severely limited because of their size. Businesses in this category cannot generally acquire additional equity capital on the open market through the issuance of stock. By and large they cannot obtain long-term loans from such institutions as insurance companies. After studying this problem, it is clear to me that small and medium-sized businesses are pinched very hard by high taxes because they depend in large measure on retained earnings for current operating needs as well as for expansion. If Congress is to deal with this matter adequately, it has to take this important fact into account.

In our study of the problems of small business, we have the benefit of the hearings conducted by the Select Committee on Small Business of the United States Senate. This committee, under the chairmanship of Senator SPARKMAN, conducted hearings in 14 cities throughout the country at which 293 businessmen appeared personally before the committee, and another 163 offered written testimony. The Senate committee purpose was to determine how Federal taxation affected the small business segment of the economy.

Most of the witnesses stated the greatest problem was the inability to keep up with an expanded market because of their inability to obtain the necessary funds for plant modernization, and inventory, and credit expansion. In discussing their findings, the Senate committee reported:

> Your committee, after careful examination of the hearing record and study of various proposals advanced to provide businesses with funds for necessary development, finds that an allowance for profits reinvested in business will best accomplish the desired end by way of a tax adjustment.

In addition, the committee reported:

> Most of the witnesses testified in favor of a reinvestment allowance, and there was no substantial opposition. This unanimity of thought and opinion was very impressive to the committee.

Pursuant to these findings, several members of the Senate Small Business Committee joined the chairman in submitting S. 3194 which would amend the Internal Revenue Code providing the tax adjustment for additional investment in business.

May I also call to your attention the fact that our distinguished colleague, Mr. PATMAN, of Texas, chairman of the House Small Business Committee, in his bill, H. R. 9957, has incorporated the principle of a tax adjustment based on reinvested earnings.

In introducing the bill, Mr. PATMAN stated that the witnesses who had appeared in the public hearings of the House Small Business Committee were unanimous in the statement that one of the most serious problems of small business financing is that of the tax burden on the very small concerns. The witnesses pointed out that, while the large corporations have access to capital through large, well-organized facilities, the small business concern must rely upon what it can retain from its earnings for investment in plant and equipment to meet the demands for survival, expansion and growth.

Another matter of some concern is the high rate of mergers and acquisitions taking place. Many small and medium-sized businessmen are selling out to larger concerns. If this trend continues for many more years, it is bound to produce growing competitive problems for small independent concerns.

Estate taxes play a major role in motivating mergers and acquisitions. Many independent businesses are owned in large part by one or a few individuals. Most of their assets are tied up in their business. On their death, the Treasury Department places a valuation on all the assets in their estates. This tax falls due 15 months after date of death, and its payment frequently requires the liquidation or financial impairment of the business in order to raise the funds with which to pay the estate tax.

So it is that in too many cases the individually or family owned business is placed in a dangerous position in the event of the death of its major owner. In anticipation of such a family catastrophe, businessmen are encouraged by their tax advisers to sell out while they can to protect their families and loved ones, as well as to make the jobs of their employees more secure.

Certainly the least that Congress should do is to stretch the payment of the estate tax over a period of 10 years. Reasonable interest could be charged the owners of these closely held business enterprises. Another helpful step Congress may consider is one permitting business owners to purchase tax-anticipation certificates. These certificates would carry no interest but would be excluded from the taxable net estate. This is a fair arrangement as the Government would have the use of the proceeds of such certificates without paying interest.

May I point out that both the Senate and the House Committees on Small Business have come to the same conclusion that the Government's estate tax provisions are encouraging mergers at an alarming rate. Members of both committees have included similar provisions for easing this burden in their proposals to aid small business.

Consideration of all these factors has prompted me some time ago to introduce a bill which would allow all businesses (incorporated or unincorporated) to deduct from business net income, for tax purposes, an amount equal to additional investment in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of such income or $30,000 whichever is the lesser. The bill defines additional investment to include an aggregate increase during the taxable year of (1) all depreciable property used in the trade or business, (2) all stock in trade held primarily for sale to customers in the ordinary course of the trade or business, and (3) all open accounts receivable attributable to sales to customers in the ordinary course of the trade or business.

My bill provides no artificial or arbitrary definition of small business. All business, large and small, would be benefited, with the smaller concerns receiving the relatively greater help.

Also of interest during this current economic downturn is the provision that no tax saving accrues except through business reinvestment. Now is the time for confidence in the future, and Congressional approval of the principles embodied in this legislation will generate renewed business energy and expansion. The stimulation thus provided will broaden the tax base for increased revenue in future years.

But this bill is not designed for the purpose of reversing the current slowdown in economic activity. Its first purpose is to preserve small- and medium-sized businesses and permit them to grow and prosper out of retained, after-tax earnings. May I emphasize once more, small and medium-sized businesses had great difficulty in holding their own long before the current slowdown. Indeed, their difficulty has contributed significantly to the unhappy trend we now witness.

Another provision of my bill allows the representative of an estate having 50 percent or more of its gross valuation in stock or investments in one or more closely held business enterprises to elect to make installment payments on the estate tax due over a period not to exceed 10 years.

A third provision would allow a person to purchase tax-anticipation certificates up to $100,000 which, on his death, would be receivable in payment of the estate tax and would be deductible from the value of the gross estate for tax purposes.

These are the principal provisions of the bill which I have introduced. It is similar to H. R. 5735, introduced by my esteemed colleague on the Ways and Means Committee, Mr. CURTIS of Missouri. The principal difference between Mr. CURTIS' bill and mine is that, in my bill, open accounts receivable would be added to the aggregate additional business investment for the purpose of figuring the tax adjustment.

The reason I have added this provision to the bill is that it seems in harmony with the principle of allowing increased inventories to be considered as a part of additional business investment. Many small businesses could not increase inventories without, at the same time, increasing the credit they must extend to sell the merchandise.

It is my sincere hope that every Member of the House will give diligent study and due consideration to the plight of small business. I know that my colleagues on the Ways and Means Committee have been impressed by the seriousness of the problems of these smaller concerns in their search for funds to provide for normal business expansion. I suggest the principle of a tax adjustment based on reinvested earnings as the most meaningful solution to this critical problem. These small concerns

are the wellsprings of individual initiative and free enterprise in this country. Let not history write that a free government cannot create the economic atmosphere in which they may grow and prosper and, by so doing, make America grow and prosper.

The State of the Unions—Now

EXTENSION OF REMARKS
OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. GWINN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered before the National Metal Trades Association at White Sulphur Springs, W. Va., on March 23, 1958.

This is similar to a speech I delivered almost a month ago in Pittsburgh, Pa., but contains additional material of more significance to an audience composed of businessmen. The address follows:

THE STATE OF THE UNIONS—NOW

Last month I was visited by one of the most prominent businessmen in America. At one time he was president of the largest of all America's trade associations. His company maintains an office in Washington. He had contributed toward the tens of millions that the business world contributed for the reelection of President Eisenhower—but hardly a dime, and little time, for the election of a Congress.

So this man wrote the President a thoughtful letter outlining what he regarded as "must" legislation in labor-management relations. His proposals were that:

(1) Compulsory union membership requirements should be abolished by Federal law;

(2) Antitrust laws should be extended to cover the activities of organized unions;

(3) There should be further prohibitions against secondary boycotts;

(4) There should be an effective prohibition against union political actions; and

(5) Mass violence should be subject to Federal law.

These all are sound proposals.

The trouble is that our industrial leaders do not realize that while the businessmen were electing a President in 1956, the AFL–CIO was electing a Congress. The Congress enacts all laws, not the President. The President may propose. The Congress can act or not, as it sees fit.

I had to tell my visitor that his proposals hadn't a ghost of a chance in this Congress. They will have even less chance in the next. He was startled, but he was startled too late.

In the 1956 elections organized labor was active in 300 of the 435 Congressional District elections—and were successful—that means that their man got elected—in more than 175.

And when I say the unions were active, I mean just that.

In addition to direct money contributions, labor-supported candidates received incalculable numbers of free campaign workers, union treasuries paid for untold hours of radio and TV time, "friends" of the candidate inserted expensive full-page ads in the local newspapers, wives of union men manned telephone brigades contacting voters, teen-age sons and daughters undertook baby-sitting chores while mothers and fathers went to the polls. Meanwhile, the labor press gave full play to the election, and the merits of their particular candidate. Special election editions were issued and distributed.

In terms of known reported spending we have already counted more than $2,200,000 spent or contributed by national and international unions, exclusive of all State and local unions. One Senator benefited in an amount of $725,000 in 1954 from one union for his campaign. The total for all the States will run, of course, high in the millions. Organized business, by comparison, spends virtually nothing in time or money to elect Congressmen or Senators. Individual business leaders with rare exceptions are just as bad.

Let's look at just one campaign, in 1954, by one union, for one Senator. Special election radio and TV broadcasts cost for time only, with no allowance for staff, script preparation, reprints of talks, was $250,000. Special election editions of regular publications, extra copies to distribute outside the regular union membership ran to another $175,000. And then, on top of all this, this union hired 500 "special organizers" (payroll title for political workers) at $20 per day for the 30 days just before election. This cost another $300,000, exclusive of expenses or other services. This gives us a total of $725,000 spent by the United Automobile Workers, CIO, in support of Senator MCNAMARA in Michigan in 1954.

What were the other unions doing in Michigan that year? For this, we turn to the reports filed with the Clerk of the House of Representatives.

The national AFL's Labor League for Political Education (this was before the merger) reported spending $19,124.73 on political activities within the State, the national CIO political action committee another $43,500, and so on, for a grand total of $116,091.81, in addition to the "indirect" and, therefore, unreported costs already noted.[1]

This gives us a new total for the State of Michigan of $841,000 as a reasonable estimate of known and reported spending by the political affiliates of organized labor. From case histories, we know that actual expenditures are more than 10 times those required legally to be reported. This means that approximately $10 million was spent in Michigan alone.

In 1956 union political workers were active in 30 of 35 general election contests for the United States Senate. Michigan was one of the more bitterly fought contests in 1954, but similar and equally large figures are available for Illinois (Senator DOUGLAS), Minnesota (Senator HUMPHREY), and Tennessee (Senator KEFAUVER), etc.

What would it all add up to if we had all the available reports analyzed and tabulated, plus the case histories we have, for a few contests?

If the unions spent only half as much in the 30 senatorial contests in 1956 as they spent in Michigan in 1954, it would amount to $150 million.

Or, to estimate on another basis:

Total union income, per year, is $620 million, exclusive of welfare and pension fund payments. If we assume that 10 percent is spent for political purposes (a recent study of union publications shows that more than sixty percent of the space is devoted to political and legislative news), we would arrive at a figure of $62 million for political purposes annually, or a total of $124 million for each biannual election of Members of the House and Senate.

It seems utterly fantastic.

Is it any wonder that few pieces of legislation pass contrary to the recommendations of the leaders of organized labor?

[1] Statistics by courtesy of Association for Industrial Mobilization, Washington, D. C.

The 1st session of the 85th Congress passed no such legislation; neither did the entire 84th Congress; and I defy anyone to point to a single bill in the present session of the 85th that has a chance of passing if it is against the will of the AFL and CIO.

Let's look at the situation today inside the House Committee on Education and Labor.

A national "right-to-work" law was proposed in the committee almost 4 years ago, but lost by a 3-to-1 vote; to be exact, 18 to 6. Today it seems clear that two-thirds, viz, 20 out of 30 members on the Education and Labor Committee would vote against a "right-to-work" bill. The union bosses are against the "right-to-work" unless the workers join the union. They favor compulsory unionism.

Another proposal, long favored by business, the application of the principles of antitrust law to the activities of organized labor was also proposed in 1954. It lost. At the very least, 20 of the 30 members would vote against this today.

In the Congress, we find that 216 Members of the House and 45 Senators voted a majority of the time last year in accordance with the recommendations of the Americans for Democratic Action, a front organization for most of the left-wing pressure groups, including labor.

That's how much Congress has changed since 1947. In that year, the House passed the Taft-Hartley Act over the veto of President Truman by a vote of 331 to 83. Today 216 Members vote more than half the time with the leaders of organized labor.

Both the AFL–CIO and the ADA favor all socialistic proposals of all kinds. Suppose the issue is schoolroom construction assistance out of the Federal Treasury? The Congressmen elected by organized labor are right there for it. Foreign aid, public housing, public power, Government lending and banking? It is the same answer. Whatever legislation is passed which adds to the power and authority of the Federal Government and reduces the property and freedom of the individual, even if it has destroyed States rights, they have supported it.

To paraphrase, "the road to socialism is paved with good intentions—and active fighting support—of the leaders of organized labor."

This is exactly as described by Garret Garrett as long ago as 1944 in "The Revolution Was." (Caxton Printers, Ltd., Caldwell, Idaho.)

What's being done about it?

Nothing. Nothing at all.

Businessmen in general think a job is being done, but by whom? My visitor didn't know the simplest facts regarding the legislative situation. He was completely unaware of the progress that had been made by the labor leaders in taking over the Congress and the Government. Nor was he aware that business hadn't even tried to meet the threat.

Now there has to be a reason for such ignorance and failure by organized business.

And there is a reason.

The business associations of this country are simply not telling their members, and the public generally, the truth. Business is not really aware of its danger.

The average businessman is "milk fed" by the representatives of business in Washington, including the trade associations, the Washington offices of big corporations, and Washington lawyers who have business clients. These men who work for business in the Nation's Capital must, I suppose, justify being in business themselves, but what a disservice they are rendering business by keeping their members and clients out of politics!

Whatever the reason, the Washington representatives of business have created the illusion that this Congress, or the next, will

do something—or maybe the next President will—or somebody, other than themselves, will do something to solve their problems.

Even some of the best informed businessmen in their own fields in this country still cling to this illusion—that this Congress, as badly constituted as we know it to be, might be persuaded by means of lobbying and committee hearings, to do what it should. They are wrong; a sound tax program is impossible; so is any reversal of out and out socialist measures at home; we can't even reduce aid to out and out Socialist governments abroad, etc.

Business has failed to protect itself, and in its failure, has failed to protect the country from the mad rush toward more and more socialism which we are now seeing in all our Government policies. There is not one reversal in sight.

The average businessman must belong to literally dozens of different trade associations, chambers of commerce, conservative organizations. Official Government statistics tell us that there are 1,700 national trade associations, 600 regional groups, 2,000 State associations; to this we must add 7,500 local associations, 5,000 chambers of commerce, 10,000 luncheon and service clubs, and 300 management organizations, all adding up to almost 30,000 different organizations.

That is impressive. With so many organizations, it would seem that the businessman would at least be informed of some of the facts of our political life. It would seem that he should be so frightened or angry—or patriotic enough to have long since taken the necessary steps to protect his business and his family.

But he hasn't. Like Rip Van Winkle he has been dead asleep for 20 years—all through the revolution. When he awakens, he'll find like Rip did a new sign over the door of the inn he used to frequent. It will be the symbol of an entirely new Government that won the war he didn't even know had been going on. Will it be the clasped hands of the AFL–CIO over America?

A recent issue of the NAM News devotes a third of its space to the latest—the very latest—resolutions passed by the manufacturers' board of directors in its very latest meeting at Boca Raton, Fla. Among other things, they propose that the Congress cut the Eisenhower budget by $4.5 billion. Why, believe it or not, that sounds like the same resolution that they have been passing for years and years. The budget continues to increase.

The United States Chamber of Commerce has just finished a series of what it calls Aircades. Thousands and thousands of businessmen all over the country will gather in local meetings to be told what they should think, what they should resolve, and then—send a copy to Congress. Although I was told personally by the president of that great organization that "at least one reference" would be made to the need for political action the first Aircade circus in New York managed to avoid the dirty word "politics" altogether.

By way of explanation I was told that "we didn't and couldn't ask the business organization to get into politics. * * *"

Yet without political action their resolutions will go the way nearly all such resolutions have gone for years.

If only a small portion of the money now being spent by and for these thousands of business associations could be spent precisely as the unions spend theirs, and if their personnel might be employed in downright political action to restore sound government, then we might begin to see a few rays of hope. Business associations must stop looking for excuses to stay out of politics. Their legal counsels must stop telling them what they can't do. They must tell them what they can do if they only wanted to.

It is our only hope. Organized labor is subject to exactly the same restrictions against political action as business associations, yet look what they have done in building a mighty political machine within the last 10 years. In fact, organized labor has blazed the trail to show business associations how political activities can be carried on without violating existing Federal statutes.

Business is the only segment of our society—besides labor—that has adequate organizations to do the job that must be done. If the associations continue to rely on resolutions (as to what somebody else should do), educational programs, publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letterwriting campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who will never agree, we might as well resign ourselves to a continuance of life under a labor-Socialist government for a long time to come. It is here today. It is no longer just a threat.

We cannot rely on the political parties to stop labor's political power. By their very nature, they must court that power. Right now labor can muster more votes on most critical issues than either political party.

What can be done?

Right now in each Congressional District a half dozen political leaders in each party are deciding who shall run for Congress. An equal number of the leading businessmen, if they really cared and represented business, could exert a strong influence on this selection and who gets elected. At present business is so uninformed that few businessmen know or care about the next Congress. As a result, candidates committed to the labor-Socialist philosophy of Government are being designated for nomination. They will be elected to Congress to get special favors for the special groups who are organized to put them there. Oddly enough, these groups are small minority groups, including labor itself. Ten percent of the vote organized is more than enough to hold the balance of power in most districts and win the elections. The others vote along traditional lines for one party or the other.

Then after election, business, through its thousands of organizations will spend millions upon millions to present the validity of its ideas to Members of Congress already pledged to be against them. Does this make sense?

For example, millions have been spent within recent months to promote a sound and crying necessity for revision of the tax laws. It's a good program, but it will never pass this Congress. The horse is already stolen—the lock, the barn door, and the barn too, for that matter.

The business tax program was doomed before it started. Now the labor leaders will ride the crest of the wave for tax reductions and get it where they want it: in the lower income brackets, and the deadly Marxian progression in our tax system will be intensified and continued.

Our business organization genius must be put to work—the same genius that has organized great industry and provided the capital and tools of production on which labor itself depends. Business associations must now do the same to maintain law and order under which we all live and work.

The conservatives in Congress will not be satisfied any longer with programs of the mammoth trade associations, chambers of commerce and other business organizations designed to impress upon their members the necessity for individual action, but which overlook the fact that it is the associations themselves who must act.

We are told to depend upon individual businessmen for political action. This is to expect a miracle.

We know that many businessmen who want to do something are afraid for their own safety and for the future of their business. We are told that businessmen who assert themselves against labor's encroachments have to fight the many subversive elements who have made labor the beneficiary. There are not many companies with the courage of Kohler or Perfect Circle. We cannot hope for individual businessmen to take on the political action machine of organized labor. It is only the business associations who are strong enough to do so.

Individual businessmen cannot function without an organization, without leadership, without funds. Unorganized individuals cannot get political results—particularly when their own associations broadcast optimistic Washington reports, telling of all the lobbying activities, the programs, the resolutions, and meetings—the educational campaigns, and all the other ineffective activities by which most business associations justify their continued existence in Washington.

For them to confess legislative and political impotence would weaken the intense competition for bigger and better memberships. Yet until they do confess their impotence these associations in and of themselves constitute the biggest obstacle to effective political action. They hold out false promises that keep businessmen from knowing what should be done.

Here is what the individual businessman should do:

1. Demand that local business associations become active in political affairs immediately. This means organizing to ring doorbells, to establish telephone brigades, to collect political contributions. It means registration and voting drives. It means providing opportunities for candidates to get their views across.

2. Demand that State and National associations, chambers of commerce, and other conservative organizations to which you undoubtedly belong begin to produce the kind of "educational" political material your local organizations need.

Get the facts. Find out what the representatives in the House and Senate are doing, how they are voting, whom they represent, who put them there, who paid for their campaign, and what the real effect of union political action has been. Of utmost importance is a detailed comparison, issue by issue, between individual voting records and the stated policies of your business associations.

Here are some of the things individual businessmen should not do:

1. Don't be stopped by any of the usual arguments that political activity by business associations is against the law, or not in accord with tax regulations. Most activities which appear to be political are not against any Federal law whatsoever. The Treasury Department does not even have a regulation on the subject of political activity by business associations.

2. Don't rush out and start another organization until you are convinced that the ones to which you already belong will not do a political job.

If you are asked for increased dues for a political education program, be certain that it is what needs doing and that none of the usual association activities can be curtailed to provide the money.

If the businessmen of America who already have and are paying for tens of thousands of associations, chambers of commerce, etc., won't see to it that men are elected committed to restoring constitutional gov-

ernment, who else will? If they do not, the labor bosses will continue to set aside the constitutional limitations on government and substitute the unlimited powers of the Socialist state instead. Our labor bosses are closely associated with the world labor bosses who have already done this in the rest of the world.

As was stated by Donald R. Richberg, in his latest study of union power entitled "Labor Union Monopoly," "labor's economic monopoly and political power are preparing the way for communism far more effectively than the Communists themselves."

Business organizations and associations must provide the leadership, the money, and the manpower for business political action. And they must DO IT NOW.

SENATE

TUESDAY, MARCH 25, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who bids the light of the day to shine out of the darkness when morning gilds the skies, we would still our hearts for this hallowed moment as we bow for the benediction of Thy loving kindness, fresh every morning; for

> New mercies each returning day
> Hover around us while we pray.

Grant us this day to live on the altitudes of our aspirations. As servants of Thine and of the peoples of this shattered earth, stricken, groping, starving, reaching out for more abundant life, save us from false choices, and guide our hands and minds to heal and feed and build and bless. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 24, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees were authorized to meet today during the session of the Senate:

The Committee on Banking and Currency,

The Committee on Agriculture and Forestry, and

The Committee on Finance.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Mendon Morrill, of New Jersey, to be United States district judge for the district of New Jersey, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Robert Newbegin, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Honduras;

Horace H. Smith, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Laos;

James S. Moose, Jr., of Arkansas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Sudan; and

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED STATES CIRCUIT JUDGE

The Chief Clerk read the nomination of Oliver D. Hamlin, Jr., of California, to be United States circuit judge for the ninth circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the transaction of routine business, and that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT OF STAFF MEMBERS OF THE SENATE SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to announce that, after consultation with the distinguished ranking minority member of the Senate Special Committee on Space and Astronautics, the senior Senator from New Hampshire [Mr. BRIDGES], I have made the following appointments to the staff of the committee:

Edwin L. Weisl, of New York, consulting counsel.

Cyrus R. Vance, of New York, consulting counsel.

Dr. Homer Joe Stewart, of California Institute of Technology, scientific consultant.

Mr. Weisl and Mr. Vance served as special counsel and assistant counsel, respectively, during the inquiry by the Senate Armed Services Preparedness Subcommittee into the Nation's satellite and missile programs.

Dr. Stewart, a professor of aeronautics, served as technical consultant during the same inquiry.

Mr. Weisl and Mr. Vance have such heavy commitments that they cannot possibly serve the Space Committee on a full-time basis. But they have agreed to advise and consult with the committee, and the knowledge they gained during the Preparedness Subcommittee investigation will be invaluable.

Dr. Stewart is one of the best informed men in his field. The work he did for the Preparedness Subcommittee was impressive, and we are fortunate that once again he has agreed to offer his services.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D. C., reporting, pursuant to law, on agreements concluded during February 1958, under title I of the Agricultural Trade Development and Assistance Act of 1954 (with accompanying papers); to the Committee on Agriculture and Forestry.

TEMPORARY ADDITIONAL UNEMPLOYMENT COMPENSATION

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to provide for temporary additional unemployment compensation, and for other purposes (with accompanying papers); to the Committee on Finance.

SCHOOL LUNCH PROGRAM, AND SO FORTH—RESOLUTIONS

Mr. THYE. Mr. President, I present a series of resolutions adopted by the Minnesota Elevator Association, relating to the school lunch program, and so forth. I ask unanimous consent that the resolutions may be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

1. On May 11, 1858, Minnesota Territory became a State and took its place among the other States of this commonwealth known as the United States of America.

The early pioneers enduring many hardships, harvested very abundant crops of grain from its virgin soil, lumber from its mighty forests, later iron from its huge iron ore mines. As the State became more densely populated, the railroads laid their network of rails north, west, northwest reaching into Canada also westward to the Pacific Ocean, the site now known as Minneapolis and St. Paul became the gateway of the Northwest, with the Twin Cities as the hub of this great center of activity. A great milling industry was founded, followed by many other industries of great importance to the Northwest. It became a great marketing center and terminal for farm products. Also a very large meatpacking industry was established. From here products were readily shipped by rail to eastern seaports, by barge to the south on the Great Father of Waters, which has its origin in northern Minnesota, or to the ports of Duluth and Superior through the St. Lawrence to all parts of the world.

Minnesota men and women have always shown themselves worthy, as good neighbors, in business relations, in defense of our country, and the principles for which this country stands.

Therefore, let us join with others in paying tribute to those who have gone before us. They gave us a great heritage.

It is for us, the living of today, to preserve this heritage, the American way of life.

2. Minnesota is primarily an agricultural State, changing to daylight-saving time inconveniences the whole agricultural industry. Dairying cannot be advanced at the beginning of daylight-saving time and later be changed back to standard time. Seasonal crops have to be harvested at such times of day as conditions warrant. Even labor would object to long afternoon hours, necessitated by daylight saving, to harvest certain crops. Rural families could not take advantage of evening business meetings or social events. Also all business houses in rural villages and towns would be closed at the early hour, especially banks: Therefore be it

Resolved, That the Minnesota Elevator Association go on record that daylight-saving time be discontinued indefinitely, both State and national; be it further

Resolved, That a copy of this resolution be sent to the Governor of the State of Minnesota, and also to both Houses of the Legislature of the State of Minnesota.

3. REA is a real service to agriculture, and greater demands are constantly made for more power as electricity is put to more use in agriculture every day: Therefore be it

Resolved, That every endeavor be made to bring more hydro-electric power into Minnesota from the Missouri Valley project and urge full cooperation of all concerned in its transmission and also distribution; and be it further

Resolved, That no increase in interest rates on loans to REA cooperatives be made—both electric and telephone. Also, increases in loans should be granted.

4. School lunch programs have become established throughout the United States. All schools should be encouraged to make greater use of the opportunity offered, and all schools should be urged to participate.

5. The State of Minnesota, home of 10,000 lakes, is the vacation land of the north, with its beautiful wooded country and lakes, its fishing and outdoor camping sites attracting tourists from far and wide. It disturbs the rural people to see our highways littered with refuse.

We recommend a stricter enforcement of our laws pertaining to dumping refuse on our highways. We also recommend that the State Highway Department place labeled trash cans along highways and at oil stations.

6. Mr. C. A. Erickson a former director of the Farmers Elevator Association of Minnesota has passed on to the great beyond. Therefore let us pause for a minute in silent tribute to Mr. Erickson as a past member and a director of this organization.

7. Whereas some of the elevators of the association have requested that a study be made of the means whereby a pension plan can be made available to members and it has been found that there is a need for such a plan; and

Whereas all members have been informed of the type of plan contemplated: Be it

Resolved, That the association put into effect a pension plan which can be made available to its members according to the plans which have been presented to it during the past year and at this convention.

8. Each town or village today has a local depot and depot agent serving the interests of the community, abandoning of stations would prove a hardship to local business depending on such service.

Therefore we vigorously oppose the abandoning of stations.

9. We wish to thank the Pick-Nicollet Hotel and the Hotel Association and the Grain Exchange, the speakers and all parties which helped to make this convention a success.

Respectfully submitted.

PAUL SCHMECHEL,
Chairman.
RAY OLESON
MYRON GERDES
WILLARD BUSSE

10. (Presented from the floor.) In view of the large surplus, the Farmers Elevator Association of Minnesota in convention assembled do highly recommend that both State and Federal agencies be urged to allot moneys to be used for an accelerated research program on all grains and grain products to try and find commercial uses so as to reduce this surplus.

RESOLUTION OF BUHL (MINN.) PUBLIC UTILITIES COMMISSION

Mr. THYE. Mr. President, I present, for appropriate reference, a resolution adopted by the Public Utilities Commission of the Village of Buhl, Minn., favoring the appropriation of Federal funds for a public works program in the vicinity of Buhl. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabi iron range, with hundreds of iron ore miners unemployed and many more to be laid off as time goes on; and

Whereas this serious situation has created undue hardship and suffering upon these unemployed and their families: Now, therefore, be it, and it hereby is

Resolved, That the Public Utilities Commission of the Village of Buhl, Minn., requests the Congress of the United States of America to appropriate Federal funds and aid for a public-works program in this area affected by this serious unemployment situation and thus help relieve the undue hardship of these unemployed and their families; and to effectuate the securing of the same, copies of this resolution will be sent to Representative JOHN BLATNIK, Senator HUBERT HUMPHREY, and Senator EDWARD THYE. Secretary N. J. Mallaro moved the adoption of the foregoing resolution and upon support thereof by Commissioner M. J. Klarich, the same was adopted and so declared at a duly called meeting held March 18, 1958.

RESOLUTION OF BOARD OF COMMISSIONERS, ST. LOUIS COUNTY, MINN.

Mr. THYE. Mr. President, I have received a copy of a resolution adopted by the Board of County Commissioners of St. Louis County, Minn., favoring an extension of the Ely-Buyck Road in St. Louis County. I present the resolution, for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas the United States of America is now in the midst of an economic recession to the extent that the Congress of the United States has become greatly concerned; and

Whereas curtailment of steel and wood products manufacture has affected northeastern Minnesota, especially St. Louis, Lake, and Cook Counties to the extent that a large number of residents are no longer eligible for unemployment compensation: Now, therefore, be it

Resolved, That the United States Forest Service, through the Department of Interior, is hereby requested to extend the Ely-Buyck Road to at least as far as Big Lake in St. Louis County; and further

Resolved, That the Congress of the United States is hereby requested to allocate additional funds to the United States Forest Service for projects in their recreational and forestry management program; and further

Resolved, That the United States Forest Service is hereby requested to commence at once, wherever practical, any projects which they have under consideration for the year 1958.

RESOLUTION OF COUNCIL OF VILLAGE OF HIBBING, MINN.

Mr. THYE. Mr. President, I present for appropriate reference, a resolution adopted by the Council of the Village of Hibbing, Minn., favoring the adoption of a public works program in the village of Hibbing. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

VILLAGE OF HIBBING,
Hibbing, Minn., March 17, 1958.

Hon. EDWARD THYE,
Senator, Washington D. C.

DEAR SENATOR THYE: As you well know, the chief industry in Hibbing is that of the mining of iron ore. Recently the majority of the mining firms operating in Hibbing and vicinity have reduced their working forces to 4 days per week, and if rumor has it correctly there will be further curtailment. No one knows just how long this condition will continue, but in view of the publicity we have had here it may be for a considerable length of time, even during the summer season when production should be at its peak.

It is incumbent upon the village council to consider ways and means of providing employment for those who are and will be without same. The finances of the village of Hibbing will not permit sponsoring any projects which involve the employment of enough labor to alleviate the situation. We are on a mill rate in Hibbing as far as taxation is concerned. Reduced valuations each year continually diminish the amount available for expenditure in our general fund, and it taxes our ingenuity to provide funds with which to meet our normal needs without anticipating any unusual situations, one of which we are and will be faced with this year, as above referred to.

At a meeting of the council held March 14, 1958, I was instructed to communicate with you and to ask that you look into the matter of the possibilities of the village of Hibbing receiving Federal aid with which to make sewer extensions and provide moneys for the erection of lift stations. This would provide employment, if it is possible to receive aid, and we have one sewer extension in particular which we have been attempting to take care of for quite a number of years, but due to lack of funds have been unable to do so. This sewer extension referred to would require the erection of a suitable lift station to properly operate the line.

If Federal assistance is not available to cover the aforementioned projects is there anything available for us at all in line with projects which would take up some of the slack here insofar as unemployment is and will be concerned? We would be grateful for any help. If so, will you please advise what such projects might consist of and how we should go about submitting our application promptly so as to receive due consideration.

Your cooperation and assistance in this matter is solicited and will be gratefully appreciated and remembered.

Respectfully yours,
E. ARTHUR ANDERSON,
Village Clerk.

PROMOTION OF MINING OF MINNESOTA IRON ORE—RESOLUTION AND TELEGRAM

Mr. THYE. Mr. President, I present for appropriate reference a resolution adopted by the City Council of the City of Virginia, Minn., relating to the promotion of the mining of local Minnesota iron ore. I ask unanimous consent that the resolution, together with a telegram I sent in reply thereto, may be printed in the RECORD.

There being no objection, the resolution and telegram were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

RESOLUTION 6611, TO SENATORS AND CONGRESSMEN, REQUESTING ECONOMIC ASSISTANCE

Whereas the unemployment situation throughout the country has become increasingly critical and many varied plans have been discussed in Congress to alleviate this situation; and

Whereas the adverse effects of the Nation's economy have been immediately felt in this area as steel production has decreased: Be it hereby

Resolved, That the city of Virginia and its surrounding area urgently request immediate action be taken to provide a system of public works or other benefits to provide economic assistance to this area, whether a part of a national program for the entire country or some form of action giving special assistance to promote the mining of local Minnesota iron ores.

MARCH 25, 1958.

W. H. BORGEN,
County Auditor, St. Louis County, Office of the County Auditor, Duluth, Minn.:

I want you to know I will do all I can to bring improvement of the economic situation for Minnesota's Mesabi range. I know that I speak for the entire Minnesota Congressional delegation when I say that every effort will be made to be of assistance.

EDWARD J. THYE,
United States Senator.

(Same wire to: Peter Starkovich, chairman, public utilities commission, Buhl, Minn.; E. Arthur Anderson, clerk, village of Hibbing, Hibbing, Minn.; Arthur J. Stock, president, city council, city of Virginia, Virginia, Minn.; the Honorable John Vukelich, mayor, city of Virginia, Virginia, Minn.)

RESOLUTION OF CITY COUNCIL OF PHILADELPHIA, PA.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Council of the City of Philadelphia, Pa., favoring the enactment of Senate bill 497, the omnibus rivers and harbors authorization bill.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution 236

Resolution memorializing the Congress of the United States to favorably consider the omnibus rivers, harbors, and flood control authorization bill (S. 497), which provides for the improvement of anchorages between Philadelphia and the sea

Whereas the cargo handled through the Delaware River ports contributes over $800 million a year in direct income throughout the Philadelphia metropolitan area and generates several times this amount in secondary income; and

Whereas the trend in recent years has been for larger and larger vessels, both general cargo and bulk carriers, in serving these ports; and

Whereas the swift and safe operation of these larger vessels in the Delaware River channel depends on the availability of fully adequate anchorages at key points in the river; and

Whereas the omnibus rivers, harbors, and flood control authorization bill (S. 497), now awaiting a final vote in the United States House of Representatives, provides some $24 million for the improvement of four such anchorages between Philadelphia and the sea; and

Whereas the early expenditure of this money will be tremendously helpful in assuring the effective growth of Philadelphia's port commerce and, coming at the present time, in easing the effects of the national recession on the economy of the Delaware Valley: therefore

Resolved by the Council of the City of Philadelphia, That we hereby petition the Members of the Congress of the United States to enact the omnibus rivers, harbors, and flood control authorization bill (S. 497), which provides $24 million for the improvement of four anchorages between Philadelphia and the sea.

Resolved, That certified copies of this resolution be forwarded to the Speaker of the House of Representatives, the United States Senators from Pennsylvania, and the Members of Congress representing the Philadelphia area.

JAMES H. J. TATE,
President of City Council.

Attest:

NATHAN WOLFMAN,
Chief Clerk of the Council.

COMMENDATION OF RURAL ELECTRIFICATION ADMINISTRATOR—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a resolution adopted by the Minnesota Electric Cooperative commending David A. Hamil, Rural Electrification Administration, for his effective and satisfactory discharge of his duties.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolution No. 2

Resolution unanimously passed by Minnesota Electric Cooperative (statewide association), St. Paul, Minn., January 20, 1958

To all Minnesota Members of United States House and Senate:

Whereas the actions, statements and discussion of David A. Hamil as Rural Electrification Administrator have demonstrated a sincere effort to serve and promote and protect the program of efficient, effective and economical rural electrification: Now, therefore, be it

Resolved, That we express our sincere appreciation for the effective and satisfactory manner in which he has discharged his duties as Administrator of the Rural Electrification Administration.

GENEVIEVE A. KELLEY,
Executive Secretary,
Minnesota Electric Cooperative.

RESTORATION OF FARM PRICES TO FULL PARITY LEVEL—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a resolution adopted by the Pine Point Farmers

Union urging Congress to take immediate steps to restore farm prices to full parity level.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore be it

Resolved, That, we the Pine Point Farmers Union urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Ponsford, Minn., March 17, 1958.

RICHARD O. BRANSTROM,
Secretary.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 3120. A bill to exempt the production of durum wheat in the Tule Lake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended (Rept. No. 1418).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL (for himself, Mr. FULBRIGHT, Mr. THYE, Mr. MONRONEY, Mr. SPARKMAN, Mr. KENNEDY, Mr. MAGNUSON, Mr. MCNAMARA, Mr. JACKSON, and Mr. MURRAY):

S. 3551. A bill to provide evaluation of rehabilitation potentials and rehabilitation services to handicapped individuals who as a result thereof can achieve such ability of independent living as to dispense with the need for expensive institutional care or who can dispense with or largely dispense with the need of an attendant at home; to assist in the establishment of public and private nonprofit workshops and rehabilitation facilities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (for himself and Mr. MANSFIELD):

S. 3552. A bill to amend the Foreign Service Act of 1946, as amended, to improve recruitment and training for the Foreign Service of the United States; to the Committee on Foreign Relations.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER:

S. 3553. A bill to amend the Soil Conservation and Domestic Allotment Act and the Soil Bank Act so as to end Federal cost-sharing and technical assistance in farm drainage harmful to wildlife, and to create corresponding incentives for maintaining wetlands in the conservation reserve program; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES:

S. 3554. A bill for the relief of Mitsuo Horiguchi; to the Committee on the Judiciary.

By Mr. THYE (for himself and Mr. LANGER):

S. 3555. A bill to amend section 1461 of title 18 of the United States Code, relating to mailing of obscene or crime-inciting matter; to the Committee on the Judiciary.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 3556. A bill to provide for the designation of holidays for the officers and employees of the Government of the District of Columbia for pay and leave purposes, and for other purposes; to the Committee on the District of Columbia.

By Mr. LONG:

S. 3557. A bill to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12); to the Committee on Foreign Relations.

By Mr. CHAVEZ:

S. 3558. A bill for the relief of Ghao Ju Chang; and

S. 3559. A bill for the relief of Ling Poo Son; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. J. Res. 164. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the Middle Atlantic Shrine Association meeting of AAONMS in September 1958, to authorize the granting of certain permits to Almas Temple Shrine Activities, Inc., on the occasion of such meeting, and for other purposes; to the Committee on the District of Columbia.

PRINTING AS A SENATE DOCUMENT STUDY ENTITLED "RECRUITMENT AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES"

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senator from Montana [Mr. MANSFIELD], I submit a resolution providing for the printing as a Senate document of the staff study prepared by the staff of the Committee on Foreign Relations entitled "Recruitment and Training for the Foreign Service of the United States."

The resolution also provides for the printing of an additional 1,000 copies for the use of the Committee on Foreign Relations.

I ask that this resolution receive appropriate reference.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 281) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the committee print "Recruitment and Training for the Foreign Service of the United States" prepared as a staff study for the Committee on Foreign Relations, be printed as a Senate document, and that 1,000 additional copies be printed for the use of the Committee on Foreign Relations.

REHABILITATION ACT OF 1958

Mr. HILL. Mr. President, on behalf of myself, and Senators FULBRIGHT, THYE, MONRONEY, SPARKMAN, KENNEDY, MAGNUSON, MCNAMARA, JACKSON, and MURRAY, I introduce, for appropriate reference, the proposed Rehabilitation Act of 1958, which has been carefully prepared to expand rehabilitation opportunities for the Nation's millions of physically and mentally handicapped citizens. The proposed legislation will extend rehabilitation services in our State-Federal program for the first time to severely handicapped persons for whom there may not be a reasonable expectation of employability, but who, as a result of rehabilitation services, can be assisted to take care of themselves so as to dispense with the need for extensive institutional care or the need of attendants at home.

It has been demonstrated during the last 10 years that rehabilitation services provided to severely handicapped persons not only pay rich dividends in terms of human achievement but constitute good business practice in that the services reduce sharply the cost of medical and custodial care to debilitated persons.

Estimates are that at least 200,000 persons will be benefited as a result of the self-help rehabilitation services we are proposing. The bill provides for Federal assistance to States and local communities for the creation of rehabilitation workshops and other rehabilitation facilities. Apportionments will be made to the States and actual grants will be made by the Secretary of Health, Education, and Welfare on an individual project basis. I strongly believe that through this legislation substantial progress can be made in securing the kind of rehabilitation services that we need to enable the severely handicapped people of the country to be prepared properly for competitive and remunerative employment. Recent studies have indicated that at least one-half of all our handicapped people not now receiving appropriate rehabilitation services will require workshop experience before they can be placed in competitive industry.

An important feature of the bill is the financial assistance that will be offered to States in setting up comprehensive

programs of evaluation for all handicapped adults. At the present time, there is likely to be no place in the community where the handicapped adult can go with the assurance that he can receive proper medical, psychological and vocational evaluation of his rehabilitation potential and appropriate referral to the agency or program which is in the best position to help meet his needs. Our bill will enable the State rehabilitation agency to set up such evaluation programs and to utilize the diagnostic services which are available in the community. Under the bill we are introducing, the responsibility of the State rehabilitation agencies will be broadened by giving them the opportunity to provide for evaluation and for the proper referral of handicapped adults.

I wish to emphasize that rehabilitation is a constructive, first-line approach toward the solution of the problems of dependence brought about by disability. This surely is one approach which should not be controversial. We know that it is good for the individual and it is good for the country that all handicapped persons be rehabilitated to the maximum possible extent. Handicapped persons deserve every opportunity to enjoy the satisfaction of demonstrating their usefulness and productivity and the Nation deserves the strength and the example of their efforts, their energies, and their contributions.

Mr. President, I cordially invite the cosponsorship of other Senators of this worthy measure which will demonstrate our humanitarian concern for our fellow men. I ask unanimous consent that the bill be printed in the RECORD, and that the bill lie on the table through Thursday, March 27, in order that other Senators may add their names as cosponsors.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from Alabama.

The bill (S. 3551) to provide evaluation of rehabilitation potentials and rehabilitation services to handicapped individuals who as a result thereof can achieve such ability of independent living as to dispense with the need for expensive institutional care or who can dispense with or largely dispense with the need of an attendant at home; to assist in the establishment of public and private nonprofit workshops and rehabilitation facilities, and for other purposes, introduced by Mr. HILL (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Rehabilitation Act of 1958."

FINDING OF FACT AND DECLARATION

The Congress hereby finds and declares—

(1) That many severely handicapped persons, including the mentally ill or retarded, and older persons, ineligible for vocational rehabilitation, as a result of independent living rehabilitation services can achieve such a degree of independence that—

(a) their institutional care can be terminated, or

(b) their need for an attendant's care at home will be ended or substantially reduced, and

(c) in many instances these individuals will be found to be capable of vocational rehabilitation and will become gainfully employed taxpayers.

(2) That the provision of independent living rehabilitation services to such severely handicapped persons ends or minimizes the public and family burden of providing them with attendant's care, contributes greatly to their dignity and self-respect, and is in the public interest.

(3) That there is a grave shortage of rehabilitation facilities where independent living and vocational rehabilitation services are provided the severely handicapped, including hearing and speech correction, fitting and use of prosthetic devices, adjustment, pre-vocational and vocational training, and particularly of centers providing a variety of such services.

(4) That there is a grave shortage of sheltered workshop facilities wherein work capacities of severely handicapped can be evaluated and developed, and can also be utilized in productive work in cases where the handicapped individual is not absorbable in the competitive labor market.

(5) That Federal grants assisting in the provision of the foregoing rehabilitation facilities and services are required in the public interest as a necessary expansion of present grants under the Vocational Rehabilitation Act.

SEC. 2. (a) The Vocational Rehabilitation Act, as amended by the Vocational Rehabilitation Amendments of 1954 (29 U. S. C., ch. 4), is amended (a) by inserting at the beginning thereof the heading "Title I", (b) by striking out the phrase "this Act" wherever it appears, and inserting in lieu thereof "this title", by inserting before the period at the end of section 11 (a) the following: "*Provided*, that vocational rehabilitation services shall not include any evaluation services with respect to which grants have been qualified for by the State and have been, or will be paid, under title IV of this act" and (c) by adding the following after section 3 (c):

"(d) In the event of failure of any State or States to qualify in a fiscal year for any payment under this section or to qualify for a payment in an amount less than the amount of the State's allotment, the amount equal to the total of each such State's allotment, or the difference between its allotment and its payment, as the case may be, shall be reallotted among the remaining States on the basis of their respective population."

SEC. 3. The Vocational Rehabilitation Act, as amended by the Vocational Rehabilitation Amendments of 1954, is further amended by adding at the end thereof three new titles as follows:

"TITLE II—INDEPENDENT LIVING REHABILITATION SERVICES

"Authorization of appropriations for grants; purpose for which available

"SEC. 201. For the purpose of assisting the States in rehabilitating handicapped individuals who, as a result of such rehabilitation, may be expected to achieve such ability of independent living as to dispense with, or largely dispense with, the need for institutional care or, if not institutionalized, to dispense with, or largely dispense with, the need for an attendant, thereby reducing their burden upon others and contributing to their dignity and self-respect, there is hereby authorized for the fiscal year ending June 30, 1958, $10 million; for the fiscal year ending June 30, 1959, $20 million; and for each fiscal year thereafter such sums as Congress may determine necessary to carry out the purposes of this title.

"Grants for independent living rehabilitation services

"SEC. 202. (a) From the sums made available under section 201 to assist States in meeting the costs of independent living rehabilitation services, each State shall be entitled to an allotment of an amount which bears the same ratio to such sums as the product of the population of the State and the square of its allotment percentage (as defined in sec. 11 (h) of title I) bears to the sum of the corresponding products for all the States. The allotment to any State under an allotment for any year which is less than $25,000, or in the case of the Virgin Islands is less than $10,000 (or such other amount as may be specified in a minimum allotment in the act appropriating such sums for such year) shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States, but with such adjustments as may be necessary to prevent the allotments of any such remaining States from being thereby reduced below that amount. In the event of failure of any State or States to qualify in a fiscal year for any payment under this section or to qualify for a payment in an amount less than the amount of the State's allotment, the amount equal to the total of each such State's allotment, or the difference between its allotment and its payment, as the case may be, shall be reallotted among the remaining States.

"(b) From each State's allotment under this section, as determined by the Secretary of Health, Education, and Welfare, hereinafter called the Secretary, the Secretary shall pay to such State an amount equal to the Federal share (determined as provided in sec. 11 (1) of title I of this act) of the cost, including cost of administration, of independent living rehabilitation services provided under the independent living rehabilitation plan approved under section 203 of this title, which such plan is incorporated in the State plan approved under section 5 of title I of this act.

"State independent living rehabilitation plans

"SEC. 203. (a) To be approved under this title, a State plan for independent living rehabilitation services shall—

"(1) designate the State agency administering or supervising the administration of vocational education in the State, or a State rehabilitation agency (primarily concerned with vocational rehabilitation), as the sole State agency to administer the plan, or to supervise its administration to the extent that any part thereof is administered in local areas by any public agency pursuant to contract, except that where under the State's law the State blind commission, or other agency which provides assistance or services to the adult blind, is authorized to provide them vocational rehabilitation services, such State blind commission or other State agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for the blind (or to supervise the administration of such part in a political subdivision of the State by a sole local agency of such political subdivision) and the State vocational education agency or the State rehabilitation agency shall be designated as the sole State agency with respect to the rest of the State plan;

"(2) provide for financial participation of the State, which may include non-State funds which the State plan specifies may be accepted by the State agency;

"(3) provide such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Secretary to be necessary for the proper and efficient administration of the plan;

"(4) contain (A) provisions relating to the establishment and maintenance of personnel standards, including provisions relating to the tenure, selection, appointment, and qualification of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of independent living rehabilitation services, but the Secretary shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

"(5) show the plan, policies, and methods to be followed in carrying out the work under the State plan and in its administration and supervision and, in case independent living rehabilitation services cannot be provided all eligible physically handicapped individuals who apply for such services, show the order to be followed in selecting those to whom independent living rehabilitation services will be provided;

"(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time reasonably require to carry out his functions under this act, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide for cooperation by the State agency with, and the utilization of the services of, the State agencies administering the State's public-assistance and public-health programs, and the Bureau of Old-Age and Survivors Insurance (Department of Health, Education, and Welfare) and of other Federal, State, and local public agencies providing services relating to independent living rehabilitation services.

"(b) The Secretary shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section which is submitted as an addition to a State plan for vocational rehabilitation approved by the Secretary under title I of this act.

"(c) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

"(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that no further payments will be made to the State under this title, until he is satisfied that there is no longer any such failure. Until he is so satisfied the Secretary shall make no further payment to such State under this title.

"(d) If any State is dissatisfied with the Secretary's action under subsection (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of the Administrative Procedure Act.

"Method of computing and making payments

"SEC. 204. The method of computing and paying amounts pursuant to this title shall be as follows:

"(a) The Secretary shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of this title for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation as the Secretary may find necessary.

"(b) The Secretary shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under this title was greater or less than the amount which should have been paid to the State for such prior period under this title. Such payments shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Secretary may determine.

"Administration

"SEC. 205. (a) In carrying out his duties under this act, the Secretary shall—

"(1) make studies, investigations, demonstrations, and reports with respect to programs of independent living rehabilitation services carried on under this title;

"(2) cooperate with and render technical assistance to States in matters relating to the independent living rehabilitation of physically and mentally handicapped individuals;

"(3) provide training and instruction in technical matters relating to independent living rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary;

"(4) disseminate information as to the studies, investigations, demonstrations, and reports referred to in paragraph (1) and other matters relating to independent living rehabilitation services.

"(b) The Secretary is authorized to make rules and regulations governing the administration of this act, and to delegate to any officer or employee of the United States such of his powers and duties, except the making of rules and regulations, as he finds necessary in carrying out the purposes of this act.

"Definitions

"SEC. 206. For the purpose of this title—

"(a) The term 'independent living rehabilitation services' means counseling, psychological and related services (including transportation) rendered seriously handicapped individuals and in the case of any such individual found to require financial assistance with respect thereto, after full consideration of his eligibility for any similar benefits by way of pension, compensation, and insurance, such term shall include physical restoration and related services, including corrective surgery, therapeutic treatment, and hospitalization, needed prosthetic appliances and other devices which will contribute to independent living and training in the use thereof, and maintenance needed to assure the availability of such services.

"(b) The term 'handicapped individual' means an individual of employable age, as defined by regulations of the Secretary, who is under such physical or mental disability as to require institutional care or attendance in his household continuously or for a substantial portion of the time, but who can be reasonably expected, as a result of rehabilitation services to achieve such ability of independent living that he will no longer require such institutional care or such attendance in his household.

"(c) The term 'State' includes Alaska, District of Columbia, Hawaii, Virgin Islands, Puerto Rico, and Guam.

"TITLE III—WORKSHOPS AND REHABILITATION FACILITIES

"Authorization of appropriations for grants; purposes for which available

"SEC. 301. (a) For the purpose of encouraging and assisting in the establishment of public and other nonprofit workshops and rehabilitation facilities needed in rehabilitating physically and mentally handicapped individuals, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1959, the sum of $10 million; for the fiscal year ending June 30, 1960, $12,500,000; for the fiscal year ending June 30, 1961, $15 million and for each fiscal year thereafter such sums as Congress may determine, for grants to carry out the purpose of this title, including any amounts which may be specifically appropriated for area facilities.

"(b) In making grants hereunder, except from funds specifically appropriated for and limited to area facilities, the Secretary of Health, Education, and Welfare, hereinafter called the Secretary, shall, insofar as practical and consistent with the purposes of this act, distribute grants for projects in the several States in aggregate amounts proportionate to their respective populations, and in no event shall grants hereunder to a State exceed by more than 50 percent the aggregate amount it would receive on such population basis or $10,000, whichever is greater: *Provided*, That in any case where the Secretary of Health, Education, and Welfare finds that any State or States has no project, or insufficient projects, to utilize fully the amount it would utilize in a fiscal year, he may, after January 1 of such year redistribute the funds which would otherwise have been paid such State to other States for suitable projects and such distribution need not be proportionate to State populations.

"(c) As used in this section 'area facilities' means facilities intended to serve areas which include all or parts of two or more States.

"Grants for establishment of workshops and rehabilitation facilities

"SEC. 302. (a) From the sums made available pursuant to section 301 of this title, the Secretary shall make grants for paying part of the costs incurred in the establishment of nonprofit workshops and rehabilitation facilities as hereafter defined and limited in subsections (b) and (c) hereof, and subject to the conditions and requirements of section 303 of this title. Such grants shall be available for payment of administrative expenses found by the Secretary to be necessary in connection with performance by the State of its functions under this title.

"(b) Nonprofit workshops and rehabilitation facilities with respect to which grants may be made pursuant to subsection (a) hereof, shall include but not be limited to—

"(1) nonprofit workshops where any manufacture or handiwork is carried on, and which are operated for the primary purpose of providing one or more of the following:

"(A) remunerative employment to severely handicapped individuals as an interim step in the rehabilitation process for those who cannot readily be absorbed in the competitive labor market, or during such time as employment opportunities for them in the competitive labor market do not exist;

"(B) an opportunity for evaluating the work potential and developing the work capacity of handicapped individuals; or

"(C) employment for handicapped individuals confined to their homes.

"(2) nonprofit rehabilitation facilities operated for the primary purpose of assisting in the rehabilitation of physically and mentally handicapped individuals—

"(A) which provide one or more of the following types of services:

"(i) testing, fitting, or training in the use of prosthetic devices;

"(ii) vocational training;

"(iii) prevocational or conditioning therapy;

"(iv) physical, occupational, or other medically supervised therapy;

"(v) adjustment training; or

"(vi) evaluation or control of special disabilities; or

"(B) through which is provided an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision: *Provided*, That the major portion of such evaluation and services is furnished within the facility and that all medical and related health services are prescribed by, or are under the formal supervision of, persons licensed to practice medicine or surgery in the State.

"(b) Grants shall be made with respect to construction or alteration of buildings and procurement or installation of initial equipment necessary to establish or increase their effectiveness as workshops or rehabilitation facilities, and staffing for a period not to exceed 2 years. Grants shall be subject to such limitations and conditions as the Secretary of Health, Education, and Welfare shall prescribe to assure minimum standards for facilities and personnel under this act, including a system of priorities for the approval of projects.

"(c) The Federal share of cost of the workshop or rehabilitation facility established under this title shall not exceed $2 for each $1 which is otherwise obtained and used toward defraying such cost.

"(d) No grant shall be made under this title with respect to any workshop or rehabilitation facility unless—

"(1) application therefor in such form and containing such data and assurances as are required by the Secretary has been transmitted through and approved as feasible and necessary for vocational rehabilitation by the State agency designated pursuant to section 5 (a) (1) of title I of the State where such workshop or other rehabilitation facility is located or to be located;

"(2) the Secretary finds that the facility with respect to which such grant is requested is feasible, is needed, and that Federal grants for its establishment are not available under any other Federal law;

"(3) the Secretary finds that wages paid handicapped workers meet wage and hour standards administered by the United States Department of Labor;

"(4) the Secretary requires, and the applicant provides, such assurances, in such form and with such provisions as the Secretary finds necessary to insure that the purpose of such grant will be carried out and that its conditions and limitations of such grant will be complied with.

"TITLE IV—REHABILITATION EVALUATION SERVICES

Authorization for appropriations

"SEC. 401. For the purpose of assisting the States in evaluating the nature and extent of the disabilities and the rehabilitation potentials of individuals of employable age, as defined in regulations of the Secretary of Health, Education, and Welfare, whose application therefor shows that they are under a substantial physical or mental handicap which may be overcome or substantially reduced by vocational rehabilitation services available under title I of this act or otherwise available, or whose dependency may be overcome or substantially reduced by independent living rehabilitation services available under title II hereof, or otherwise available, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1959, and for each fiscal year thereafter, such sums as are necessary for grants to States to carry out the purpose of this title.

"Payments to States

"SEC. 402. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for vocational rehabilitation (under title I of this act) and for independent living rehabilitation services (under title II of this act), for each fiscal year an amount equal to two-thirds of the total of the sums expended by the State agency or agencies administering such plans during such year, including administrative costs thereof, as found necessary by the Secretary of Health, Education, and Welfare, for the proper and efficient evaluation of disabilities and rehabilitation potentials referred to in section 401.

"(b) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, or such other period as he shall prescribe as appropriate, estimate the amount to be paid with respect to expenditures for such evaluations in such period, such estimate to be based on (1) a report filed by such State agency or agencies containing the estimates of such expenditures, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such period, and if such amount is less than the State's proportionate sum of such estimated expenditures, the sources from which the difference is expected to be derived, (2) records of the number of applicants for rehabilitation evaluation and (3) such other records and reports as the Secretary may find necessary.

"(c) The Secretary of Health, Education, and Welfare shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health, Education, and Welfare (A) reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior period was greater or less than the amount which should have been paid to the State under subsection (a) for such period; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior period greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior period.

"The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

"(d) Payments hereunder shall not be made a State with respect to any period for which the Secretary refuses payment of grants to such State under title I or II hereof pursuant to the provisions of such titles.

"Definition of rehabilitation evaluation services

"SEC. 403. The term 'rehabilitation evaluation services' means (1) diagnostic and related services (including transportation) incidental to the determination of the nature and extent of an individual's physical and mental impairment and rehabilitation potentials and the rehabilitation services required to realize these potentials, (2) the determination of appropriate referral of such individual for vocational rehabilitation services as defined in title I of this act, independent living rehabilitation services as defined in title II of this act, or other needed services provided by public or private agencies. In the case of individuals found to require financial assistance with respect thereto such term also includes maintenance during any period he is required to be away from home during the period diagnostic and other evaluation services are being provided."

IMPROVEMENT IN RECRUITMENT AND TRAINING FOR THE FOREIGN SERVICE

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from Montana [Mr. MANSFIELD] and myself, I introduce for appropriate reference, a bill to amend the Foreign Service Act of 1946, as amended, to improve recruitment and training for the Foreign Service of the United States.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3552) to amend the Foreign Service Act of 1946, as amended, to improve recruitment and training for the Foreign Service of the United States, introduced by Mr. SALTONSTALL (for himself and Mr. MANSFIELD) was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. SALTONSTALL. On May 25, 1956, I submitted Senate Resolution 272, 84th Congress, calling on the Committee on Foreign Relations to "make a full and complete study and investigation of ways and means by which personnel of the Foreign Service of the United States may be more effectively recruited and trained, with particular reference to the desirability of improving and implementing the program of the existing Foreign Service Institute, or, as an alternative, the establishment of a new Foreign Service Academy."

It was subsequently decided that the committee staff should make a study of the subject covered by my resolution. The staff has recently completed its study which has been printed as a committee print entitled "Recruitment and Training for the Foreign Service of the United States." The study, which has been prepared with the full cooperation of appropriate officials of the State Department, is very thorough and searching within its scope.

It contains a draft bill providing legislative proposals designed to implement the recommendations of the staff to improve recruitment and training for the Foreign Service. I have reviewed the staff's study and its recommendations and am very pleased to introduce a bill to implement the recommendations of the staff and particularly pleased to have the Senator from Montana [Mr. MANSFIELD], who is a member of the Foreign Relations Committee, join me in the introduction of this bill.

I commend to my colleagues the study on recruitment and training for the Foreign Service. It sets forth in much detail and with much background the need for this bill. The study goes into the recommendations of the Wriston Committee report, Toward a Stronger Foreign Service, issued in June 1954, dealing with recruitment and training and the State Department's record of implementing those recommendations. I do not wish to take the time of the Senate to discuss all these details and background.

I would say only now briefly that I am sure we all recognize the tremendous importance to our country that we be well represented abroad. We need a strong Foreign Service staffed with well-qualified and well-trained people just as much as we need strong military services staffed with well-qualified and well-trained people. I think that generally speaking we have such services.

This bill will materially assist in assuring that we continue to have a strong Foreign Service and will also provide for

the strengthening of one particular aspect of the Foreign Service which in my judgment needs strengthening. This is the matter of foreign language ability. I think it is very important that our Foreign Service representatives abroad have a good working knowledge of the language of the countries to which they are posted. There are too many instances now where this is not the case. This bill will go a long way toward correcting this deficiency.

In closing I compliment our Foreign Relations Committee and its entire staff, and in particular, Dr. Carl Marcy, the chief of the staff, and Mr. George C. Denney, Jr., the staff member who I understand did the largest share of the work on the study, for the excellent job they have done. I would also pay my respects to Deputy Under Secretary of State for Administration Loy W. Henderson, and Dr. Harold B. Hoskins, Director of the Foreign Service Institute, and their associates for the fine cooperation which I understand they gave to the Foreign Relations Committee and its staff during the preparation of the study and for what they are doing for the benefit of our country in working for a strong Foreign Service.

I hope and trust that in due course the Committee on Foreign Relations will have an opportunity to hold a hearing on this subject.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. MANSFIELD. I commend the distinguished senior Senator from Massachusetts for his foresight and for the interest he has shown in this particular legislation. I also join him in his words of praise for Carl Marcy, chief of staff of the Foreign Relations Committee, and George Denney, an extremely able staff member, Deputy Under Secretary Loy Henderson, and Dr. Harold Hoskins, Director of the Foreign Service Institute. The Senate should know that he has been the leader in the fight to bring about better representation within the Department of State, and to bring about the formation of a better qualified corps, especially in the field of foreign languages, in which our country has been delinquent for so many years.

I assure the Senator that the measure which he has worked so hard to achieve in the fight which he has led for so many years will be given consideration in the Committee on Foreign Relations. As chairman of the Subcommittee on the State Department, let me say to the Senator that hearings will be held at the very earliest opportunity.

Mr. SALTONSTALL. I thank the Senator from Montana for his cooperation and understanding. I know that his aim in this field coincides with mine.

Mr. President, I have prepared a section-by-section analysis of the bill, which I ask unanimous consent to have printed in the RECORD at this point, together with the bill itself.

There being no objection, the bill (S. 3552) and the section-by-section analysis were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 516 of the Foreign Service Act of 1946, as amended (22 U. S. C. 911), is amended by adding at the end thereof the following additional sentence: "The President may appoint directly to class 7 persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8 when, in his opinion, their age, experience, or other qualifications make such an appointment appropriate."

SEC. 2. (a) Section 517 of such act (22 U. S. C. 912) is amended by striking out the words "A person who has not served in class 8" which appear at the beginning of the first sentence, and inserting in place thereof the following: "A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this act."

(b) Section 517 of such act is further amended by inserting a period after the word "Constitution" in the first sentence, and by striking out the remainder of that sentence and all of the second and third sentences of such section.

SEC. 3. The first sentence of subsection (a) of section 520 of such act (22 U. S. C. 915) is amended by inserting a period after the word "Service" where it appears for the third time, and by striking out the remainder of that sentence.

SEC. 4. Section 701 of such act (22 U. S. C. 1041) is amended by adding at the end thereof the following: "The Secretary may also provide appropriate orientation and language training to dependents of officers and employees of the Government if such officers and employees are assigned to foreign relations activities overseas. Other agencies of the Government shall wherever practicable avoid duplicating the facilities of the Institute and the training provided by the Secretary at the Institute or elsewhere."

SEC. 5. Section 704 of such act (22 U. S. C. 1044) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary may, under such regulations as he may prescribe, provide special monetary or other incentives not inconsistent with this act to encourage Foreign Service personnel to acquire or retain proficiency in foreign languages or special abilities needed in the service."

SEC. 6. Title VII of such act is amended by adding at the end thereof the following new section:

"LANGUAGE TRAINING

"SEC. 708. The Secretary shall designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. After December 31, 1963, each position so designated shall be filled only by an incumbent having such knowledge: *Provided*, That the Secretary or Deputy Under Secretary for Administration may make exceptions to this policy for individuals. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere."

The section-by-section analysis presented by Mr. SALTONSTALL is as follows:

SECTION-BY-SECTION ANALYSIS OF S. 3552, A BILL TO AMEND THE FOREIGN SERVICE ACT OF 1946, AS AMENDED, TO IMPROVE RECRUITMENT AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES

Section 1 would add a sentence to section 516 of the Foreign Service Act of 1946, as amended, to authorize the President to appoint directly to class 7 candidates for the Foreign Service who have passed the examination for class 8 when in the President's opinion the age, experience, or other qualifications of such candidates make such an appointment appropriate. This provision would afford greater flexibility than does the present law in bringing into the Foreign Service persons who have specialized experience or advanced academic training.

Section 2 (a) would amend a portion of the first sentence of section 517 of such act in order to harmonize with the changes in section 516 provided in section 1 of the bill.

Section 2 (b) would delete the second and third sentences of section 517 of such act which contain restrictions on lateral entry into the Foreign Service.

Section 3 would delete part of the first sentence of section 520 of such act to broaden the authority of the President in reappointing former officers to the Foreign Service.

Section 4 would add two sentences to section 701 of such act: the first to give the Secretary of State specific authority to provide orientation and language training to dependents of officers and employees of the Government who are to serve in foreign relations activities abroad; the second to direct that other Government agencies wherever practicable avoid duplication of the facilities of the Foreign Service Institute and the training provided by the Secretary of State.

Section 5 would add a new subsection to section 704 of such act to give the Secretary of State authority to provide special incentives to encourage Foreign Service personnel to acquire or retain proficiency in foreign languages or special abilities needed in the service.

Section 6 of the bill would add a new section to such act to direct the Secretary of State to designate each Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of the language of such country; to require that after December 31, 1963, each position so designated be filled only by an incumbent having such knowledge with provision for exceptions for individuals; and to direct the Secretary of State to establish foreign language standards for overseas assignment of Foreign Service officers and employees and to arrange for language training for them at the Foreign Service Institute or elsewhere.

SOIL BANK INCENTIVE FOR PRESERVATION OF WET LANDS

Mr. NEUBERGER. Mr. President, one of the hoped for objectives in enactment of the Soil Conservation and Domestic Allotment Act and the Soil Bank Act was that land taken out of crop production would be utilized to some extent for the improvement of wildlife habitat. This has been achieved to a degree in the program carried out through tree planting and in establishment of cover crops. However, one phase of the Soil Bank program has acted adversely to conservation of migratory waterfowl by providing incentive payments for the drainage of swampy areas and wet lands needed to maintain feeding and nesting grounds for ducks and geese.

Because large-scale drainage has been set in motion under the acreage and conservation reserve programs, I am introducing a bill to terminate payments by the Federal Government for drainage inimical to wildlife and to provide instead the payment of incentives for maintaining wet lands in the conservation reserve program. This bill is a companion measure to H. R. 10641 and H. R. 10642, introduced in the House of Representatives by two outstanding spokesmen for conservation, Congressman HENRY REUSS, of Wisconsin, and Congressman GEORGE MCGOVERN, of South Dakota.

Payment of incentives to drain wet lands needed for waterfowl is inconsist-

ent with national policies, Mr. President. We have longstanding treaty obligations with Canada and Mexico to maintain within our boundaries conditions which will satisfactorily provide waterfowl production habitat. The elimination of prairie potholes and swampy areas as the result of incentives in the Soil Bank Act is directly contrary to these international obligations.

Moreover, Mr. President, the drainage of wet lands opens the way for putting new land into production of crops already in surplus, such as corn and wheat. I do not think it was the intention of Congress in enactment of the Soil Bank program to reduce the water supply needed for expanding our duck and goose populations and at the same time open new land for the growing of surplus crops. It is indeed a jewel of inconsistency for the United States Fish and Wildlife Service to devote funds from duck stamps for the acquisition of migratory waterfowl refuges and improvement of nesting areas for ducks and geese, while another agency of our Federal Government, the Department of Agriculture, subsidizes large-scale drainage which is carrying us in the opposite direction.

Mr. President, I ask unanimous consent to have printed in the RECORD, the bill which I am introducing for appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3553) to amend the Soil Conservation and Domestic Allotment Act and the Soil Bank Act so as to end Federal cost-sharing and technical assistance in farm drainage harmful to wildlife, and to create corresponding incentives for maintaining wet lands in the conservation reserve program, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 7 of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590g) is amended by adding at the end thereof the following new subsection:

"(h) No assistance shall be furnished for draining wet lands, either through grants or by technical assistance, unless advance notice of the proposed assistance has been given the Secretary of the Interior; and such assistance shall be furnished only upon concurrence of the Secretary of the Interior upon a finding that wildlife preservation will not be materially harmed by the proposed drainage. The Secretary of the Interior and the Secretary of Agriculture shall jointly develop rules and regulations for the expeditious administration of this subsection."

SEC. 2. (a) Section 107 (a) (1) of the Soil Bank Act (7 U. S. C. 1831 (a)) is amended by inserting immediately before the period at the end thereof the following: "or to maintain for the contract period a specifically designated acreage of wet lands on the farm."

(b) Section 107 (a) (7) of such act is amended by inserting immediately before the period at the end thereof the following: ", and to wildlife management of wet-lands acreages."

(c) Section 107 (b) (2) of such act is amended by inserting immediately after the second sentence thereof the following new sentences: "In establishing such rates in the case of contracts for the maintenance of wet lands, the Secretary shall also take into consideration the value of such wet lands for wildlife and water conservation purposes and the incentive necessary to prevent their drainage. The aggregate of the annual payments made to producers in any State in a year for maintaining wet lands shall not exceed the sum of the amounts paid producers in that State under this subtitle for maintaining wet lands and the amounts granted or expended in such State under the Soil Conservation and Domestic Allotment Act for draining wet lands, in that 1 of the 3 preceding years in which such sum was the largest."

(d) Section 107 of such act is amended by adding at the end thereof the following new subsections:

"(e) In determining the lands in any acreage to be covered by contractors for the maintenance of wet lands, the Secretary shall give priority to lands for which drainage aid under the Soil Conservation and Domestic Allotment Act has been requested.

"(f) The Secretary, in agreement with the Secretary of the Interior, may delegate to the Secretary of the Interior such of his duties hereunder relating to the maintenance of wet lands and to wildlife management as he deems can best be carried out by such a delegation."

Mr. NEUBERGER. Mr. President, the problems connected with improvement of habitat which will enable a higher rate of survival among ducks and geese have been studied in detail by conservationists in my home State of Oregon, by officials and members of the Oregon Wildlife Federation and the Oregon Division of the Izaak Walton League, especially in connection with the Klamath Basin. The subject of wetlands drainage also was discussed at length at the recent meeting of the National Wildlife Federation in St. Louis. I ask unanimous consent to have printed in the RECORD resolutions adopted at the federation's annual meeting relating to Klamath Basin migratory waterfowl lands, earmarking and increasing duck stamp funds, and the federation's priority program including its position on wet lands and other basic conservation needs.

There being no objection, the resolutions and program were ordered to be printed in the RECORD, as follows:

RESOLUTION 4, KLAMATH BASIN MIGRATORY WATERFOWL LANDS OF OREGON

Whereas the Oregon Wildlife Federation, supported by the California Wildlife Federation, has submitted for consideration of and action by this convention a resolution, a copy of which is hereto attached and made a part hereof, pertaining to the national wildlife refuges in the upper Klamath Basin of Oregon and California; and

Whereas the Honorable Fred A. Seaton, Secretary of the Interior of the United States, in his address delivered before this convention has stated that he will make a decision upon the numerous vexing problems relative to such refuges and upon the United States Fish and Wildlife Service report and recommendations relative thereto, submitted in April 1956, within the immediate future, and whereas the adoption of the proposed resolution by this federation at this time might further delay the Secretary's decision and action: Therefore be it

Resolved—

1. That we commend the Oregon Wildlife Federation for its exhaustive studies of the Klamath Basin refuge problem and its enlightening presentation of the proposed solution;

2. That because of the Secretary's firm commitment made to this convention, any action upon said proposed resolution is hereby deferred;

3. That a copy of this resolution shall be by the secretary of this federation transmitted immediately to the Honorable Fred A. Seaton, Secretary of the Interior of the United States; be it further

Resolved, That it shall be the policy of the National Wildlife Federation to work vigorously for early completion and full development of the national wildlife refuge system and the waterfowl management program in the upper Klamath Basin of Oregon and California in a manner that will assure the perpetuation of the waterfowl resources and public hunting opportunities of the Pacific Flyway without diminution and if possible with the enhancement of those resources and opportunities.

Whereas the minimum habitat requirement in the Upper Klamath Basin of Oregon includes those lands and water areas now being used by waterfowl management with the exception of Clear Lake and item 8 of this resolution;

Whereas for proper management it is essential that the Fish and Wildlife Service have requisite control over the land and land uses and that water supplies be provided in the proper amount and at the right time; and

Whereas the most desirable plan providing permanently for all future needs of this important flyway includes the following: Now, therefore, be it

Resolved by the National Wildlife Federation in convention assembled on February 28, 1958, at St. Louis, Mo., That—

1. We concur in and support the Fish and Wildlife Service published report and recommendations of April 1956 and recommend that immediate steps be taken through legislative and administrative action to put the provisions of this report into practice.

2. That all existing Federal refuge lands at Tule Lake and Upper Klamath Lake be retained except as hereafter noted in item 8.

3. That the federally owned areas adjacent to Tule Lake, Lower Klamath Lake, Upper Klamath National Wildlife Refuges, and Hank's Marsh be added to the waterfowl management program.

4. That primary jurisdiction of all Federal wildlife management lands including the administration of leasing and agricultural use of the area be transferred to the United States Fish and Wildlife Service.

5. That the controlled marsh habitat on Upper Klamath Lake federally owned lands be developed further for waterfowl use.

6. Consolidate and round out Upper Klamath and Lower Klamath refuge areas through land exchanges.

7. That immediate steps be taken to acquire two tracts of land totaling 9,771 acres of private land in the Upper Klamath Lake and Agency Marsh areas which join the 4,378 acres now owned by the United States Fish and Wildlife Service, to permit a long range plan for the development of this area.

8. That upon acquisition of an equivalent acreage of equal or greater strategic value for migratory waterfowl use in the refuge, 10,000 acres be allocated for economic use in the Tule Lake area with hunting rights reserved to the public, such economic use nevertheless to be contingent upon previous accomplishments of the objectives set forth in the paragraphs 1 to 7, inclusive, hereof, and provided further that said economic use shall be timed and regulated in such an orderly manner as to assure the complete development of the entire refuge program in manner and extent that, in the opinion of the United States Fish and Wildlife Service, there will be neither curtailment nor

depletion of the overall Klamath River Basin wildlife refuge resource.

RESOLUTION 10, EARMARKING AND INCREASING THE DUCK STAMP

Whereas the waterfowl resources of the North American Continent have been drastically reduced during the past century due to the destruction of natural habitat through drainage, pollution, siltation, agricultural development and other factors; and

Whereas the destruction of natural wet lands continues today at an accelerated pace; and

Whereas the foremost waterfowl authorities of Government and private agencies have agreed that the resource cannot be maintained at present levels, nor the future of the great sport of waterfowl hunting assured, except through the acquisition, preservation, and management of essential marsh areas by Federal and State wildlife agencies, and that a total of 12½ million acres of desirable wet lands may be considered the minimum goal of such acquisition; and

Whereas it has been proposed and generally agreed that the State share of this goal should be 5 million acres, and that the United States Fish and Wildlife Service (Bureau of Sport Fisheries and Wildlife) should acquire some 7½ million acres, of which about 3½ million acres already have been acquired and encompassed within existing national wildlife refuges, leaving 4 million acres yet to be acquired with Federal funds; and

Whereas when the Duck Stamp Act was passed in 1934 and again when the act was amended in 1949 to increase the fee from $1 to $2, it was the belief and intent of sportsmen and other supporting conservationists that the primary purpose was to provide funds for the acquisition of waterfowl areas, and yet of some $54 million in total revenues collected since 1934, less than 15 percent has been expended in land acquisition; and

Whereas even if all of the revenues from the present $2 fee, totaling some $4,500,000 per year, were allocated for acquisition, these funds would be insufficient to complete the Federal share of the necessary acquisition program before continued drainage and other factors make suitable wet-land areas unavailable; and

Whereas the only extensive, high-producing waterfowl nesting area left in the United States—the prairie pothole region of the Dakotas and Minnesota—is being diminished at a rapid rate through agricultural drainage: Now, therefore, be it

Resolved, That the National Wildlife Federation urgently requests the Congress to recognize the critical nature of the waterfowl problem and to enact legislation without delay amending the Duck Stamp Act as follows:

(1) Increase the migratory bird hunting license fee from $2 to $3;

(2) Allocate not less than 65 percent of duck-stamp revenues for land acquisition of waterfowl areas;

(3) Authorize the use of a portion of such funds for the establishment of waterfowl production areas of less than 500 contiguous acres, such areas not to be subject to the inviolate sanctuary provisions of the Duck Stamp Act; be it further

Resolved, That the National Wildlife Federation urges the Congress, in recognition of the general public interest in waterfowl conservation over and above the hunting use, and in accordance with Federal obligations under the Migratory Bird Treaties with Canada and Mexico, to provide additional direct appropriations out of general revenues for waterfowl conservation purposes.

RESOLUTION 11, FEDERATION'S PRIORITY PROGRAM

Be it resolved, That the National Wildlife Federation, in 22d annual convention at St. Louis, Mo., February 28–March 1 and 2, 1958, declares and reaffirms its support of the following objectives, which it deems of major conservation importance:

1. Legislation to halt destructive drainage of valuable wet lands and to speed up public acquisition or reservation of waterfowl areas, including amendment of the Duck Stamp Act to increase the migratory bird-hunting license fee to $3 and earmark 65 percent of the receipts for acquisition of waterfowl areas.

2. Revision of the Coordination Act (Public Law 732, 79th Cong.) to provide adequate protection for, and enhancement of, fish and wildlife resources and opportunities for public enjoyment of such resources, in the planning and execution of Federal river development, drainage, or other water projects, and in connection with such projects undertaken by private, State, or local agencies under Federal license or with Federal financial aid or technical assistance.

3. Legislation to establish wilderness preservation as a national policy, to provide greater protection for the designated wilderness, wild and primitive areas within national forests, and to encourage the preservation of the wilderness character of certain areas within the national parks, national wildlife refuges and other public lands of the United States.

4. Legislation to authorize, and adequate appropriations to finance, a realistic program of research into the effects of the widespread and growing use of chemical pesticides on public and private lands, and into methods and rates of application of such chemicals for the purpose of minimizing the damages to fish and wildlife resources.

5. Administrative and legislative support and adequate appropriations for parts I (recreation) and II (wildlife habitat) of Operation Outdoors as planned by the United States Forest Service and as intended to be carried out on the national forests in cooperation with State conservation agencies.

6. Adequate appropriations for the pollution-abatement, research and enforcement programs authorized by the Blatnik Water Pollution Control Act of 1956; and legislation to double the authorizations of the Blatnik Act for sewage-treatment construction grants to municipalities.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—AMENDMENTS

Mr. CARROLL submitted amendments, intended to be proposed by him, to the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. CARLSON submitted an amendment, intended to be proposed by him, to Senate bill 3414, supra, which was ordered to lie on the table, and to be printed.

Mr. COTTON submitted an amendment, intended to be proposed by him, to Senate bill 3414, supra, which was ordered to lie on the table, and to be printed.

Mr. YARBOROUGH. Mr. President, I submit an amendment, intended to be proposed by me, to Senate bill 3414, the Federal-aid road bill. I ask unanimous consent that the amendment may be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment referred to is as follows:

On page 19, beginning with line 25, strike out all over to and including line 14 on page 20 and insert in lieu thereof the following:

Sec. 11. (a) Subsections (a) and (b) of section 111 of the Federal-Aid Highway Act of 1956 are amended to read as follows:

"(a) Reimbursement with Respect to Relocation of Publicly and Cooperatively Owned Utilities.—Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of publicly or cooperatively owned utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project: *Provided*, That Federal funds shall not be apportioned to the States under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

"(b) Reimbursement with Respect to Relocation of Privately Owned Utilities.—Whenever a State under State law is required to pay for all or any part of the cost of relocation of privately owned utility facilities necessitated by the construction of a project on any of the Federal-aid highway systems, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project not to exceed 70 percent of such cost which the State is obligated to pay: *Provided*, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds."

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 3414, supra, which was ordered to lie on the table, and to be printed.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, if no Senators now present desire to submit morning business at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

MARIAN ANDERSON—AMBASSADOR EXTRAORDINARY

Mr. POTTER. Mr. President, I ask unanimous consent that I may address the Senate for 10 minutes.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection to the request of the Senator from Michigan? The Chair hears none, and the Senator from Michigan may proceed.

Mr. POTTER. Mr. President, an ambassador extraordinary recently returned to the United States from Asia, after traveling 35,000 miles, stopping in

12 countries from the 38th parallel to the Equator.

Those parts of the world are still echoing with the music of her voice.

She is Marian Anderson, and I take this occasion to thank her for the people of Michigan and the United States, and to welcome her back.

The lady from Philadelphia had only one line of briefing from the State Department before she left on her tour. She was asked to be herself—to be Marian Anderson. And that was enough.

Her triumph, sensational and well deserved, was described in an outstanding television broadcast by the Columbia Broadcasting System. The program was produced by Edward R. Murrow and Fred W. Friendly and took the fortunate persons who viewed it through Asia with Marian Anderson. The script opened with a statement that the program was dedicated to the children of Asia and to the great singer's mother—Mrs. Anna Delilah Anderson of Philadelphia.

Mr. President, if space permitted I should like to include in the RECORD the entire CBS television script. Since it is rather lengthy, I shall comment on its principal sections, including certain portions of it as a I proceed with my remarks.

The genius of the world, the great natural gifts of the world, are given by a God who has no consideration for wealth or skin pigment or previous condition of family or servitude. Today the whole world is taking firmer steps in the direction of greater opportunity for all human beings. The eastern world, in the process of throwing off the yoke of colonialism, is simmering with hope, demands and dreams; with renewed pride of race and cultural heritage.

Each country yearns for the privileges of modern living achieved within the framework of its own individuality as a nation, within its own nationalism. Each country wants its leaders, artists, scientists, and other men of great achievement to be recognized by the rest of the world. It wants to take its own honored and rightful place in the family or community of nations.

Most of these countries are comparatively underdeveloped. They badly need help, encouragement, a belief that they can succeed in their various goals of combining their own ancient cultures and national pride with modern technological development. They need to feel that the pigment of their skins, their long condition of poverty and illiteracy, will not in any way militate against their receiving help from the democratic countries of the Free World such as the United States.

Marian Anderson went as our ambassador to these people.

With her great singing voice, her beauty, character and charm, she has carried that message of hope to the colored peoples of the world with vital impact. When she sang the Ave Maria, they heard all men of all Christian times appeal to a mother beyond the skies to guide their faltering and harried footsteps. In the magnificent spirituals of her own people, they heard the cry of a minority race of high emotional power and capacity for great suffering and great laughter in the United States. They too were crying out to be relieved of the bonds of poverty and disease and ignorance, and lack of opportunity and technological development.

Marian Anderson, a great American woman of color, was one with them when she sang. She was all the oppressed people of all time, all nations, all vicissitudes of servitude. They identified themselves with her in her songs. Her cry was their cry. And because of the eternally universal language of the great human voice singing, she reached their hearts as well as their minds.

They took her into the shrines of their nations, into the secret places of their culture where people from other lands had not been invited to go before. She was invited to speak at the Mahatma Ghandi shrine in Old Delhi, where no American official or visiting dignitary from a foreign nation has before been invited to speak.

She said to the people of Thailand when she introduced the song, "Trampin':

> The Negro spirituals are songs of my people. When they were very sad they made these songs. Later, their songs were a bit more gay, but this one means walking along slowly and very hard, because you have on your shoulders many unpleasant things, and so the song means when you go to the other land, everything will be beautiful.
>
> Abraham Lincoln, one of the Presidents of whom you have learned much, made for the Negroes in America a freedom—we say emancipation. And after this freedom for which they were most grateful, their songs began to be more gay. Why? Because they began to feel that they "belong."

And then our great American singer's voice said to the people of Asia:

> I'm trampin', trampin', tryin' to make heaven my home.
>
> Hallelujah, I am trampin', trampin', tryin' to make heaven my home.

The Saturday Review of Literature thus summed up the message which Miss Anderson took to the Far East as it was condensed in the CBS program:

> You have been slaves to white masters from the West. Now you are your own masters, free to choose between the Communists and us. Both are prepared to radiate to you the West's industry, literacy, and material betterment. But the Communists will make you pay a price for that—a second slavery and a poverty of spiritual values. Choose the West and you will gain your freedom and dignity as well as science and technology. Marian Anderson is the image of your own future—if you follow us.

In Rangoon, Burma, Daw Mya Sein, a Buddhist scholar, said to our great American contralto:

> The Buddha made no distinction at all between whether a person is rich or whether he's poor; whether he belongs in the same caste or that caste, and in one of his sermons, you know, when he was talking about outcasts, he said: You are not born an outcast just the way you are not born a Brahman high class. It is by your deeds that you become an outcast or by your deeds that you became a Brahman.

And to this Marian Anderson answered:

> And whether you call it one faith or another, is not too terribly important, I think, if we are striving, all of us, to do the very best that is in us to do.

Mr. President, though Miss Anderson's prime job was visiting the Asian peoples, she took the time on her way to the Far East to sing to the GI's in an amphitheater carved out of the Korean hills. In her audience were not only soldiers from the United States, but from Turkey, Greece, Britain, Thailand, France, and Korea. The Eighth Army choir, conducted by a Korean civilian, accompanied the lady from Philadelphia. She sang for them the universal favorite, "Home Sweet Home."

Gen. Edmund H. Leavey at the close of the CBS broadcast had this to say:

> It seems to us that the critical problem which faces mankind today is whether man can learn to get along with man, and whether the means of communication which we have today can serve mankind to interpret our common hopes and our common aspirations. It seems to us that in establishing communications with the people of Asia, Miss Anderson has done a useful and very important job.

I agree with General Leavey. Miss Anderson has made a great contribution to communication between the peoples of the Free World. As a woman, as an artist, and as an American, she has given her people and her Government cause for pride.

IDLE STEEL PRODUCTION FACILITIES

Mr. PROXMIRE. Mr. President, this morning's New York Times reports that steel production for the coming week will be at only 50.5 percent of the industry's rated capacity, a 6-year low. This is shockingly bad news.

If we only have regard for the effect on our domestic economy, we must be deeply concerned that the bellwether of American industry is now one-half idle. We all realize, of course, that this means tragic unemployment. We should also realize that this idleness constitutes a disastrous waste of American resources. It means a loss of production that cannot be recovered, totalling literally billions of dollars.

What we may overlook, however, is the tragedy of idle steel facilities in America at a time when we are engaged in a struggle for survival with Communist Russia.

Mr. President, the idle steel plant should be a sharp reminder to our Government that we must press for legislation that will start America on the road to recovery at the earliest possible moment.

Mr. President, I ask unanimous consent that this article from the New York Times be printed in the RECORD at this point following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEEL OUTPUT HEADING FOR 6-YEAR LOW; RATE FOR WEEK PUT AT 50.5 PERCENT OF CAPACITY

The lowest weekly steel production in nearly 6 years—not counting those weeks when output was reduced by major strikes or holidays—has been scheduled by the industry for this week.

The American Iron and Steel Institute reported yesterday that the steelmakers had scheduled output at 1,363,000 net tons of ingots and steel for castings. That would represent operations of 50.5 percent of the industry's rated capacity. It also would be the lowest total for a week during normal production since April 1952.

Last week, 1,417,000 net tons of raw steel were produced, representing operations of 52.5 percent or one-tenth of 1 percentage point more than had been anticipated. In the previous week, operations were 54.2 percent and output was 1,463,000 net tons.

One month ago, or in the week that began on February 24, operations were 54.6 percent and production was 1,475,000 net tons. One year ago, when the industry's capacity was smaller, the furnaces poured 2,364,000 net tons, and operations averaged 92.4 percent of potential.

The figures compared as follows:

	Percent capacity	Production (net tons)	Index based on 1947–49
Week beginning—			
Mar. 24	[1] 50.5	1,363,000	84.8
Mar. 17	52.5	1,417,000	88.2
Mar. 10	54.2	1,463,000	91.1
1 month ago	54.6	1,475,000	91.8
1 year ago	[2] 92.4	2,364,000	147.2

[1] Estimated.
[2] Based on smaller 1957 capacity.

With the year's first quarter drawing to a close, it appeared likely that the average rate of the steel industry's operations for the January-through-March period would average about 53.8 percent of the steelmakers' rated potential of 140,742,570 net tons a year. In the same quarter last year, when steel demand was still brisk and before steel consumers began trimming inventories, the industry's operations averaged 96 percent of capacity, which at that time was rated at 133,459,150 net tons a year.

OPPOSITION TO HIGHER RURAL ELECTRIFICATION ADMINISTRATION INTEREST RATES—RESOLUTION BY LAND O'LAKES COOPERATIVE

Mr. PROXMIRE. Mr. President, one of the finest dairy food manufacturing organizations in the entire world is the Land O'Lakes Cooperative. It is owned by the dairy farmers themselves—many of them being Wisconsin citizens.

Land O'Lakes recently held its annual meeting, and among other resolutions which its delegates adopted was one which expresses the conviction that modern dairying is absolutely dependent upon electricity.

It expresses another equally important conviction—that the rural electrification program is indispensible in the providing of electricity for the farmers of this Nation.

Land O'Lakes delegates are opposed, Mr. President, to any step that would weaken the REA cooperatives and their work of providing low-cost and abundant electric power to the farming population of this Nation. I ask unanimous consent, Mr. President, to have this resolution printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION

1. Whereas there are bills before the Congress to raise interest rates on loans to rural electrification cooperatives; and

2. Whereas the authority of the REA Administrator has been limited in approving loans within the Department of Agriculture; and

3. Whereas many dairymen, members of Land O'Lakes, are served by REA-financed cooperatives: It is therefore

Resolved, That Land O'Lakes Creameries, Inc., at its annual meeting on March 14, 1958, requests that—

(a) The interest rates not be raised.

(b) The REA Administrator be given full authority to approve loans, which authority was granted to him in the original REA Act of 1936: It is therefore

Resolved, That a copy of this resolution be sent to Senators and Representatives of the States in which Land O'Lakes has members, and that a copy be sent to the REA Administrator, Mr. Hamil.

APPEAL FROM GRASSROOTS AGAINST REDUCTION OF PRICE SUPPORTS ON DAIRY COMMODITIES

Mr. PROXMIRE. Mr. President, one week from today economic disaster is scheduled to fall upon the family-sized dairy farmers of this Nation. On April 1 the price of manufacturing milk will be driven down—after 5 years of declining farm purchasing power—by a sharp reduction in the price-support rate on dairy commodities.

Only one man—the President of the United States—holds the power to avert this economic disaster. On the President's desk is a joint resolution passed by both Houses of Congress, with strong support, which would set aside this unwise and dangerous blow to dairy producers. If the President signs this joint resolution, his act will help to save the economic life of many thousands of farm families. If he vetoes this resolution, his act will sentence those farm families to economic death—to a bleak and despairing future among the ranks of the rising horde of unemployed workers in our cities.

Mr. President, I hope the President will weigh the consequences of his decision with great care. I hope he will recall the promises he made to our farm people when he was a candidate for office—promises which raised the hopes of farm people and which, unhappily, have been cruelly disappointed. Most of all, I hope he will weigh the immediate consequences of further squeezing farm purchasing power when factory gates are slamming shut and workers are losing their jobs throughout our industrial cities.

Mr. President, a few days ago I received an unusually thoughtful and well-considered message from a real authority on the farm situation—Mr. Willis D. Erickson, the agricultural extension agent of Polk County, Wis. Mr. Erickson has distinguished himself as an outstanding community leader as well as a fine technician in his field.

Mr. Erickson has written to Secretary of Agriculture Benson to pass on his first-hand observations about how the proposed dairy price cut would injure Wisconsin dairy farmers. I ask unanimous consent, Mr. President, to have this letter from a man who knows the facts at first-hand printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS,
STATE OF WISCONSIN,
Balsam Lake, Wis., March 13, 1958.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.

DEAR SECRETARY BENSON: I am writing this letter with much concern. Here is the general opinion of 3,400 farmers and 1,900 Polk County businessmen:

If the proposed dairy price support cut goes through as has been proposed, it will cause the following results:

1. Increase in production of milk, which will add to the present surplus.

2. A loss of income to the dairy farmer. In Polk County it will mean a net loss of about $500,000.

3. The local milk distributors do not plan to lower the retail price of milk, therefore, there will be no saving to the consumer.

4. From 5 to 15 percent of the farmers will discontinue farming and move to the city and compete with the unemployed for jobs.

It would be my suggestion to continue price supports for milk until another plan can be worked out to help make the dairy industry stable.

We would appreciate it if you would give this some reconsideration as a temporary measure in the agricultural situation.

Sincerely yours,
WILLIS D. ERICKSON,
Polk County Agricultural Agent.

(Carbon copy: Senator WILLIAM PROXMIRE, Senator ALEXANDER WILEY, Representative E. O'KONSKI.)

GREEK INDEPENDENCE DAY

Mr. COTTON. Mr. President, today is being celebrated throughout the world as Greek Independence Day, honoring the 137th anniversary of the time Greece burst from the bonds of Ottoman tyranny and regained her cherished freedom.

This is a day to be remembered and cherished by all freedom-loving people. The lessons of Greek Independence Day have a deep and vital significance today, both for Americans and for the rest of the world.

Perhaps the most significant lesson we can draw is one that should bring terror to the very core of the Kremlin. Greek Independence Day is clear warning that even 400 years of foreign domination are not enough to drive the love of freedom and independence from the hearts of a brave people. Independent spirit, devotion to traditions, and spiritual graces bore the Hellenic citizens through four centuries of Ottoman rule. This same dogged determination, encouraged by Greek example, will ultimately end the present Communist tyranny.

Greek history also provides a profusion of examples of courage, determination, and vigilance which have a real meaning for Americans today. The heroism of Marathon, Thermopylae, and Salamis still excites the world. The raw courage of the Greek response to Mussolini's ultimatum and the bravery of the battles that followed in 1940 and 1941 are current examples.

Furthermore, this is an occasion for paying tribute to the influence of Greece on our civilization and our life. We, in

New Hampshire, are proud of our fellow citizens of Greek ancestry and of their many contributions to our State, just as we are proud of the enrichment which has come to us from Plato, Aristotle, Homer, Phidias, Euclid, Pericles, and many others.

But, as we mark Greek Independence Day, we cannot help but think about Cyprus. Events of the last few years there only emphasize the love of freedom which characterizes the Greek people. The people of Cyprus will inevitably gain the right to choose their own government, which is the hallmark of freedom. I hope the lessons of Greek Independence Day will sink into the hearts of those who possess the power to solve this problem so that justice and freedom will prevail in Cyprus.

Mr. HUMPHREY. Mr. President, March 25 marks the 137th birthday of Greek independence, for in 1821 Greek revolutionaries began their courageous battle against Ottoman rule. The odds were against them; but they fought with the sympathy of the United States, as well as with the sympathy of many European countries. Volunteers to aid the Greek cause came from all over the world. By 1832, under the guidance of her first president, Demetrios Capodistrisa, Greece had gained complete independence.

Mr. President, I visited this grand country last year, as a member of the Foreign Relations Committee. I returned to the United States with vivid recollections of the courage and determination that are typical of Greece and her people. This little country has suffered, and has paid a price for freedom that has few parallels in the history of the world.

As I have pointed out in an article which I wrote for AHEPEN and the Chicago PNYX, it is frightening to contemplate a struggle in the United States that would result in having one out of every three children in this country lose one or both parents.

Today Greece stands as a tough and stalwart friend of the United States, a strong link in the NATO defense, and plays an important role in the Eisenhower doctrine.

Mr. President, the people of the United States admire and respect the people of Greece. On the 137th birthday of their independence, we send our best wishes and our assurances that their past sufferings will not have been in vain.

Mr. President, I ask that an article entitled "Greece: A Friend in Need," which appeared in the February issue of the Chicago PNYX, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREECE: A FRIEND IN NEED

(By Senator HUBERT H. HUMPHREY, of Minnesota)

No one, not even the most astute observer, which I certainly do not claim to be, can learn all about a country during the course of a few days' visit. However, on my recent visit to Greece as a member of the Senate Foreign Relations Committee, I found the officials and the citizens of this great country willing and eager to impart any information which they felt would give me a better understanding of their nation and its problems.

As a result of this and my longtime interest in Greece, I learned a great deal about the country and its people. I returned with an even greater admiration for the magnificent stand these stalwarts have made against totalitarianism in any form. But we in the United States must not merely praise the Greek people for their courage and then let our voices fall silent. Make no mistake, my friends, this nation has suffered and paid a price for freedom that is with few parallels in the history of the world.

It is frightening to contemplate a struggle in the United States that would result in one out of every three children losing one or both parents. That is exactly what happened in Greece and to further complicate the problem, Greece is the poorest country in Europe. Nearly one-third of the people have incomes of less than $8 a month. Fortunately, the Greeks are a resourceful people and the Greek-Americans have been most generous in their assistance. Well over one-fourth of the population are now sustained by Greek-Americans.

Much of this assistance has been on a private citizen-to-private citizens basis. CARE, the National Catholic Welfare Conference, the Church World Service, and other voluntary agencies have also made notable contributions. American foodstuff distributed by these agencies is literally keeping alive thousands of people. I wish that every American who has contributed to this wonderful program could have been with me when I delivered a food package to a family in Athens. They were not preselected, but were rather just a needy family from the file. The head of the household was a veteran of the civil war who had lost a leg in the fighting. He told me that his income was about 60 cents a day. With this pitifully small sum he was attempting to support his wife, four children, and his wife's mother. Their two rooms were clean and I sensed warmth of human spirit that I have found lacking in some of the most costly mansions that I have visited. The husband actually wept in gratitude when I presented the small package of food. Here was something to help keep the pangs of hunger from his loved ones. It was a moving experience, and I had to busy myself in conversation to keep my own composure. He told me that without the food packages that they received every 7 or 8 weeks he did not know how they would be able to live.

In spite of terrible hardships, Greece provides one of the most spectacular examples of the value of foreign aid. Aid to Greece, a proven friend of the United States, has not only helped our own national interest, but it has greatly aided the cause of freedom generally. Our assistance has helped her to recover from the German occupation of World War II, win a bitter guerrilla war, and make a significant contribution to NATO. Now we must depend upon Greece to play an important role in the Eisenhower doctrine and for two reasons she is uniquely equipped:

1. Greece was not associated with the emotions and tensions of the struggle of the British, French, and Egyptian forces last year. Her record has no overtones of colonialism and so enjoys the confidence of many of the Arab governments.

2. Greece is a living monument to the success of the Truman doctrine, and to a degree the Eisenhower doctrine is really an extension of the Truman doctrine in the Middle East.

In summing up my observations, I would like to leave a number of points with my friends, the readers of the Chicago PNYX.

1. Greece and the Greek people desperately need your continued support—both on a family-to-family basis and also through the voluntary agencies.

2. We must continue to see that this fighting country gets sufficient economic aid so that her friendly government is not jeopardized.

3. Greece needs more food which we can supply under Public Law 480, which provides for sale of our surplus goods.

4. We must redouble our efforts in aiding their program for vocational education.

5. Greece is in need of additional electric power and a program modeled on our own to extend these benefits to farm areas.

Some of these points must necessarily be projects undertaken by our Government. Others, we as private citizens may accomplish. A prime example of the good that can be done by individuals occurred shortly after my return. While in Greece, I visited the Zanneion Orphanage of Piraeus. I found that this overcrowded institution for orphan and indigent children was desperately in need of additional toolkits to be used in the training of the 350 young students. After telling the story of my visit before the 14th District Convention of the Ahepans at Duluth, Minn., the group generously contributed $300, and as a result, CARE was able to deliver 12 electrician kits to the school. The expressions of gratitude we received were truly moving. My heartfelt thanks go to the fine 14th District Ahepans for this wonderful gesture.

Food, of course, is the critical item, and I am convinced it is one of the most powerful weapons in our arsenal. With a few more of our dollars directed to our voluntary agencies, all of us can help not only to alleviate needless suffering, but at the same time we can become effective in the cold war against communism.

THE INTERIM REPORT OF THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McNAMARA. Mr. President, yesterday the interim report of the Select Committee on Improper Activities in the Labor or Management Field was filed in the Senate.

With it were filed my individual views.

In my dissenting views, I called particular attention to that part of the majority report which stated the committee had found that $10 million had been "stolen, embezzled, or misused" by union officials over a 15-year period.

I stated in my views that there was no justification for this figure. I said:

> The only plausible explanation for such a statement is that the committee has gratuitously provided the newspapers with a startling figure for headline use.

Mr. President, I regret to say that I was right.

No sooner had the committee report been made public than a newspaper gave us this headline: "Hoods Got $10 Millions Out of 5 Unions." And the subheadline states: "Stole $5 a Member, Senate Probers Say." And here is a headline from a magazine: "The $10 Million Grab."

These are only two examples, Mr. President. But I do not doubt that this canard has been repeated in headlines all over the country.

I cannot absolve the committee from blame for this, Mr. President.

It chose to use this $10 million figure, knowing full well how the newspapers would treat it.

As I said:

We are not told how much of it has been stolen, how much has been embezzled or how much has been "misused," whatever the definition of that word may be. Further, there is no indication of how much has permanently left the unions' treasuries.

As if this $10 million statement was not startling enough, the report later embellishes it by noting that it represents "an average of $5 out of the pocket of every member of the unions covered in this report." This is statistical perversion, and it is further reduced to its true ridiculous state when the $5, if it has indeed been taken out of anyone's pocket, is viewed in relation to the 15-year period.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECRETARY OF DEFENSE McELROY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very complimentary, friendly, and humorous article concerning Secretary of Defense McElroy, written by Arthur Krock, and published in the New York Times of March 25, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNIFICATION OF DEFENSE SECRETARY McELROY

(By Arthur Krock)

WASHINGTON, March 24.—The Supreme Court has now imposed financial liabilities on those hacks—already burdened with the guilt of producing shoddy imitations—who parody famous works of literature. But a chance rereading of Lochinvar created an irresistible urge which materialized in the following (and anyhow the statute of limitations has run out for Sir Walter Scott):

O Neil McElroy is come out of the West,
In all Cincinnati his soap was the best,
He came in a Chevvy when Ford there was none,
He came here unarmed, and he came all alone.
In the Pentagon Stimson once ruled with McCloy
They'd never heard mention of Neil McElroy.

But general nor admiral awed him one whit,
He said that where he sat the head man would sit,
Yet once he had passed through the Pentagon's door
He found out what Sherman had meant about war.
For unification was still just a word,
And sub-Secretaries had grown to a herd.

Right boldly he entered the turbulent hall
Among Joint Chiefs disjointed, brassclashing and all.
Then spoke for the Navy, the Army, the Air,
VINSON and SALTONSTALL, SYMINGTON there:
"O come ye in peace and to be a good boy,
"Or to bust all our protégés, Neil McElroy?"
"My mood it is peaceful; my heart is as pure
"As my products, of which you have read the brochure.
"My soul is as pure as my ads represent
"The Flakes y-clept Ivory—99 plus percent.
"And in the soap business, of which I am roi,
"When asked who's the cleanest, they cry 'McElroy.'"

His hand so immaculate quickly was shook
By CARL, LEV and STUART. And "You're off the hook"
They chorused in unison, gladsome of cry,
And tenderly gazed in his honest blue eye.
"Okay, pals," said he, "now hear this, my epistle:
"A simple directive of who shoots the missile."

The three did a retake of missiles' new czar,
Their faces reflected thoughts deep and afar:
VINSON's of missions and roles—air and land—
Assigned to the Navy upon his command.
LEV dreamed of Redstone; and SYMINGTON
Of an Air Force supreme in the Pentagon.

Mac read his directive: 'twas firmer than Sherm.
Of duplicate efforts it left not a germ.
It unified projects of eggheads diverse.
It tightened the strings on the Federal purse.
It bade the Joint Chiefs to exchange uniforms
Whene'er service rivalries break out in storms.

"Hold on thar!" spake VINSON, "'Tis Vanguard must be."
Said SALTONSTALL: "Nay, sir, 'tis Jupiter-C."
"Aut Atlas aut nullus," quoth SYMINGTON—pat in
A language he'd picked up at Yale—and thought Latin.
But McElroy answered—it rang through the room
As when in Ohio a cleanser called Zoom
He named as the new line of Procter & Gamble—
"We'll shoot one by one, and let 'em all scramble."

Stern was his visage, his stature outsize,
So soft said his visitors: "Let's compromise.
"You make the policy, yours that creation,
"And we will decide on the appropriation."
"I've won," cried Sec. Def., and he hummed his trade ditties.
"You'll find out," quoth they, "when you face our committees."

Directives flew swift through the Pentagon vast,
Burke, Taylor and Twining and White moved in fast;
There were failures and triumphs at Canaveral,
But Air, Army, Navy shared equal in all.
Thus of Congress the Sec. Def. became the pet boy—
Which the soap trade expected of Neil McElroy.

It is obvious that, even if Sir Walter could take action, no damage suit for the above could be based on the 4-to-4 Supreme Court antiparody ruling in *Anno Domini* v. *Jack Benny* (6892 U. S. 18472) because: (1) the Lochinvar central plot of the purloined bride was lost somewhere; (2) nothing in Secretary McElroy's excellent record of missiles integration resembles any incident in the narrative.

IRON ORE TRADE WITH JAPAN HIGHLY NECESSARY

Mr. KUCHEL. Mr. President, the drop in employment which has been the disturbing main feature of the business scene in America during the past few months, is causing great concern in California, which I have the honor to represent, in part, in the Senate of the United States.

California is a growing State. The census estimators tell us that our population is in the neighborhood of 14½ million today, an increase of approximately four millions since 1950. The work force—the number of people who must have jobs in order to meet their responsibilities as breadwinners for their families—now consists of 5,868,000 persons. Of that number, 5,419,000 are employed. But 449,000 were out of work at mid-February, the latest date on which the State's division of labor statistics and research has been able to base a compilation of figures furnished to me.

This amount of unemployment is critical. Our economy in California is sensitive to all the trends of a national nature. The reduced spending rate for Government procurement last summer and fall was felt immediately in our manufacturing employment, because this consists in great part of plants in the air-frame industry and of other defense business. The falling off of residential construction all around our land during the past year likewise has had a heavy impact on employment in my State, the second largest producer of lumber. Employment in our petroleum industry has been affected by the failure of sales to rise at the normal rate, and by the heavy imports of oil from overseas fields. And so it goes.

We also have our special problems. It is with respect to one of these that I desire to address the Senate at the present time.

This special situation has to do with the withdrawal of shipments of iron ore from the port of Stockton, Calif., to the steel industry of our good friend, Japan. The ore is mined in our sister State of Nevada. The port of Stockton in California is a great inland port which has been developed on the San Joaquin River some 80 miles inland from San Francisco Bay. It is a facility particularly designed and equipped for the movement of bulk cargoes of all kinds, not only the iron ore of which I speak but grains and other products of our fields and farms.

The iron ore movement has been a mainstay of the business of the port of Stockton. In calendar 1957, it consisted of 650,000 tons. The loss of this business poses a serious problem for the port, which is a political subdivision of the State of California, owned by the people of the Stockton area and operated for the benefit of their local economy and for the prosperity of our American foreign trade.

Nevada's mines developed the ore supply in response to an urgent need of Japan for this material after the war came to an end in 1945. Americans have invested heavily in the mines, and for the facilities to move the ore.

But recently a Japanese trade mission concluded arrangements in Red China to purchase part of their needs in that country. The same mission proceeded

to India to negotiate for additional supplies.

I shall ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement by the director of the port of Stockton on this problem, together with his letter of March 12 to me with additional detail, and the text of my letter of March 21 to the Secretary of Commerce, asking for assistance in retaining a reasonable amount of this trade for present American suppliers and shippers.

I am advised that the mission in India has been discussing a program for rehabilitating iron mines in India, and that the Japanese Government will send its trade representatives to Washington during the next few days to support a proposal for using American mutual security funds to assist India in the rehabilitation program. I shall include in the correspondence for the RECORD a telegram from the director of the port of Stockton which states that the mission is en route.

I realize the need of Japan to conserve its dollar balances, and it may be reasonable for Japan to look for part of its ore in India and even in China. I question, however, the wisdom of becoming solely dependent on such sources. Certainly it is a fact that during the first 12 or 13 years following the conclusion of World War II, Japan was singularly assisted by being able to procure its iron in the United States. It is not inconceivable that future circumstances would make the availability of the Nevada ore, shipped through the port of Stockton, again of transcendent importance.

The 650,000 tons which were sent from Nevada to Japan in 1957 represent, I am informed, about 15 percent of the total needs of the Japanese steel industry. It would not seem unreasonable to me for our Government immediately to enter into discussions with the Government of Japan in the friendly interests of both, by which this rate of procurement in America might be continued. I hope very much that such mutually beneficial action may now be undertaken by these two great friends and free neighbors.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the correspondence and statement to which I have previously referred.

There being no objection, the correspondence and statement were ordered to be printed in the RECORD, as follows:

PORT OF STOCKTON, *March 17, 1958.*

IRON ORE PRODUCTION IN THE WEST SHOULD BE SUPPORTED

The Japanese steel industry was dependent for rehabilitation during 4 years following World War II upon Western United States supplies of iron ore. From then until now, this source has been the principal supplier of their wants.

Mines and rail, truck, loading and dock facilities have been developed to supply Japan's needs. The port of Stockton is just completing the expenditure of $1 million in car unloading and ship loading aids for a total plant investment of $1,700,000 to serve this trade.

The tonnage and the dollar value of that portion of this business which moves through Stockton annually is as follows:

651,000 tons iron ore exported to Japan ex Stockton

Producing mines	$3,255,000
Railroad freight	2,904,000
Port loading charges	651,000
Ocean freight	5,959,000
Total annual movement	12,769,000

Communist China and Japan signed a 5-year barter agreement March 5, 1957, to exchange iron ore for steel products. This will take care of a part of future Japanese needs. To the extent of this importation, Japan's steel industry will be dependent upon Red China's Russian-directed foreign policy.

India is requesting a grant from the Presidential Special Fund of up to $75 million to develop iron mines in the Rourkela and Belladuld districts. The economic justification for the grant is sale of the iron ore to Japan. A mission from that country is now in New Delhi to negotiate the purchase.

If the Indian mines are opened up with United States money, they can and will serve all Japan's requirements not filled by China.

If the India-Japan compact is made possible through American financing, United States western mines will close, unemployment will increase and valuable security potential will be lost to our allies and ourselves.

We believe that the Japanese should be asked to consider the value to them of divers sources of iron ore.

Our estimate is that Indian ore will cost $13 per ton laid down in Japan. United States ore costs $16 per ton. If the Japanese would volunteer to enter into a 10-year contract with United States suppliers for 15 percent of their iron ore demands, that would give them an added sure source of supply and would keep alive the business built up to serve them.

Japan would still benefit greatly through getting 85 percent of their ore at $13. India would gain a new industry. United States producers, carriers, shippers, handlers, and ships would benefit moderately from our investment.

E. E. FERRARI,
Director.
WARREN H. ATHERTON,
Special Assistant.

OFFICE OF THE DIRECTOR OF THE PORT,
Stockton, Calif., March 12, 1958.

Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.

DEAR TOM: Reference is made to my conversation of the other day, regarding the movement, or better yet, the lack of movement of iron ore to Japan. I sometimes find it awfully hard to reconcile in my mind the many positions, seemingly, that our State Department takes on matters of foreign trade. For example, on one hand they (ICA, GSA, or others) will ask for bids on wool for Japan and Korea from world sources. We permit the world to bid against American bidders with United States money that we give to these countries. Coal: GSA asks for bids on worldwide basis for Korea; in most every case American coal suppliers are beat—they even ask for freighting on foreign-flag vessels and by full cargoes—this all with United States money. Foreign-flag vessels and full cargoes immediately eliminate any chance for American berth liners to participate, even if American coal suppliers could be competitive with foreign coal.

For the past 10 or more years Japan has depended, to a large extent, on our Nevada supply of iron ore. This was particularly true at the end of the war and continued for about 4 years. These western mines, rail, truck and loading facilities were developed to fulfill their national requirement. It was good business for the West as well as Japan, but now Japan has decided to buy their ore from China and India. On the one hand, we frown on trade with China, and have poured billions into Japanese economy to keep them outside the Communist orbit, but in the case of their steel industry we do nothing about saying to Japan that this is, to some extent, a reciprocal arrangement—that they should continue to purchase 1 million or so tons of iron ore from the Western United States and "X" millions of tons of coal and coke. This would bolster our western economy and would, in some part, be a material repayment for the vast sums we have given to Japan.

Now Japan has concluded contracts for iron ore and coal with China and has a trade mission in India for the purchase of iron ore.

It is interesting to note that the Indian purchase agreement is contingent on our Government giving the Indians approximately $100 million for construction of loading facilities, railroads, mines, etc. This grant, if made, will be made with a total disregard for the millions of American dollars invested in the West and the thousands of unemployed Americans.

I am not arguing whether we should give the Indians millions, or whether we should put some restrictions on trade between Japan and China, but the main point is that funds from the Presidential Special Fund should not be used to put American industry out of business.

I concur that this matter may be of interest to the Assistant Secretary of Commerce for International Trade, and it is possible that he will attach sufficient importance to this problem to either go to Japan with a small mission of interested traders, shippers, etc. and discuss this with his counterpart in the Japanese Government, or give this business mission some cloak of United States Government sanction or blessing in the event he could not personally participate.

To give you some idea of the gross dollars we are talking about, last year we loaded 650,000 tons of iron ore, which produced the following figures:

651,000 tons of iron ore exported to Japan ex Stockton

Producing mines	$3,255,000
Railroad freight	2,904,000
Port loading charges	651,000
Ocean freight	5,959,000
Total	12,769,000

200,000 tons coal exported to Japan via Stockton

Producing mines	1,000,000
Rail freight	1,200,000
Port loading charges	325,000
Ocean freight	1,800,000

From the above figures you can see that this business is sizable and important to our well-being.

I know we need help, and perhaps what I've suggested, concerning the Assistant Secretary of Commerce, is not the way, but I certainly think someone should give a look before spending money in India, which will put us completely out of business.

You may care to know that Japan now uses approximately 10 million tons of iron ore per year—all imported. Now, if this Indian project goes through they plan to import approximately 8 million tons from there. This then leaves about 2 million tons, which will be secured from China, Philippines, Indo-China, Peru, Canada, and

the United States. I think you will agree that our participation, if any, would be small.

Tom, let's not let this iron ore and coal business go the way the West's wheat, corn, fertilizer, flour and rice business has gone (no business with Japan).

Please excuse my ramblings, but this is very important and I would be most happy to sit with Secretary Kearns any time if it would help.

Regards

E. E. FERRARI.

STOCKTON, CALIF., *March 19, 1958.*

Senator THOMAS H. KUCHEL,
Senate Office Building,
Washington, D. C.:

Re iron ore advice received today from Japan advises Japanese mission to India successfully concluded negotiations for purchase of iron ore mission. Now on way to Washington to secure United States funds for Indian government to activate mines.

E. E. FERRARI.

MARCH 21, 1958.

Hon. SINCLAIR WEEKS,
Secretary of Commerce,
Washington, D. C.

MY DEAR MR. SECRETARY: I appreciate very much the time Henry Kearns gave Tuesday afternoon to Mr. Warren H. Atherton, of Stockton, as representative of the Port of Stockton, for a discussion of the export of iron ore to Japan.

I also went over this question in some detail with Mr. Atherton. Beyond that, I had discussed it with the director of the port, Mr. Elmo E. Ferrari.

I must confess that I am very much interested in the statement that the Nevada supply was developed at a time when it was of immeasurable assistance to Japan to have this ore. In order to fulfill the Japanese need, American citizens developed the mines and the shipping and loading facilities. I have no idea what investment has been involved, but I suspect it has been considerable. I do know that to lose the business, particularly at this time of unemployment, would be a serious thing to happen.

I believe Mr. Atherton left figures with you which show that in the movement of 650,000 tons of iron ore through Stockton last year, the gross business developed, including ocean freight charges, was worth $12,769,000.

Now I understand that a contract has been made for the purchase of iron ore for Japan in Red China and that discussions have been conducted recently in India for a similar purpose. Our California people tell me that India can furnish large quantities of ore if its mines are rehabilitated, and that to rehabilitate them it is proposed to use between $75 million and $100 million of American mutual security funds. This, on the face of it, appears incongruous, to say the least.

I think it is entirely reasonable that the United States Government should urge the Japanese Government to maintain the present annual purchase level of about 650,000 tons of iron ore from the American source. I understand this amounts to about 15 percent of the requirements of the Japanese steel mills.

I support the request and hope very much that you may be able to assist in having it accepted. I understand a Japanese mission will be in Washington shortly to discuss with our Government the question of funds for rehabilitating the Indian mines.

I would like very much to speak with you on the telephone after you receive this letter Monday.

Very sincerely yours,

THOMAS H. KUCHEL,
United States Senator.

Mr. BIBLE. Mr. President, I have listened with great interest to the statement which has been made by my colleague, the distinguished junior Senator from California. The matter to which he addressed himself has recently come to my attention, and I am greatly alarmed because of the threat which it portends for the already faltering mining interests of Nevada. For the past few years, one of the bright spots in the Nevada mining picture has been the mining and shipping of high-grade ore to Japan.

Following World War II, the steel industry of Japan was rehabilitated by the use of iron ore which came principally from the west coast areas of the United States. My State, Nevada, was one of the largest shippers of this product, and the iron-mining industry has grown to one of considerable stature. The last 2 years the shipments of Nevada iron ore averaged in value about $2½ million a year. Considerable amounts have been invested in Nevada to carry on this important mining work. Recently one of the iron mining companies erected in western Nevada a magnetic separation plant at the cost of $1 million and the industry shows a promise of continuing growth. As I have said, this is one of the few bright spots of the mining industry in Nevada.

However, I have recently learned of developments that seriously threaten the very existence of iron mining for export on the Pacific coast.

Japan recently entered into a barter agreement with Red China which would provide the Japanese steel mills with a sizable amount of iron ore in exchange for finished steel products. It is too early to tell how extensively this barter deal will hurt our west coast producers, but it is felt that there will still be an adequate market for our iron ore. Next we learn that a Japanese delegation is negotiating with the Indian Government to exploit Indian iron ore reserves and to develop transportation and harbor facilities so that the iron ore can be shipped to Japan. From the best information I can obtain, it is planned that the proposed development in India be financed, to a large extent, by United States funds through the International Cooperation Administration. If the developments occur as planned, the result will be a discontinuance of purchases by Japan of iron ore from United States sources. This will not only put the domestic iron mines out of business, but will also hurt the railroads which carry the ore to Pacific coast ports, the dock workers and loading facilities at those ports, and the ships which carry the ore to Japan.

Mr. President, with our country presently in the throes of a financial recession and everything possible being done to create employment, it seems ironical indeed that the United States should finance a project in India which, in turn, will create more unemployment in the United States.

I have received telegraphic appeals from mining companies, railroad companies, the port of Stockton, Calif., and the Nevada Mining Association, asking my aid in preventing this great injustice to this growing industry.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from the executive secretary of the Nevada Mining Association, telegrams from two of the iron-mining companies, and a telegram from the Western Pacific Railroad, all relating to the new threat to the mining industry.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

RENO, NEV., *March 18, 1958.*

Hon. ALAN BIBLE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Am advised United States is considering grant of $100 million to India to develop their iron mines, loading facilities, railroads, etc., and that iron ore so developed will go to Japan to extent of some 8 million tons, leaving only 2 million tons of Japanese iron ore requirements to come from other sources, including Communist China on barter basis and Western United States iron mines. Iron ore shipment to Japan last 2 years averaged in value about $2½ million per year to Nevada iron ore producers. Loss of this revenue would seriously affect economy of our State which has been almost irreparably damaged by present conditions in domestic metal mining industry. Please contact Senator KUCHEL and Congressman MCFALL of California for details regarding proposed loan. Am advised Japanese consumers are not making any contracts for next year with west coast iron ore producers, indicating their using proposed loan as a club over west coast iron miners.

LOUIS D. GORDON,
Executive Secretary, Nevada Mining Association.

RENO, NEV., *March 19, 1958.*

Hon. ALAN BIBLE,
United States Senator from Nevada,
Senate Office Building,
Washington, D. C.:

Standard Slag Co., operating at Gabbs and Wabuska, sent the following telegram to Henry Kerns, Assistant Secretary for International Trade, Department of Commerce:

"It has been reported from Japan that Japanese steel mills have recently entered into purchases of iron ore with the Chinese Communist Government and that a Japanese delegation is presently negotiating with the Indian Government for an agreement to exploit Indian iron ore resources and to develop railroad transportation and harbor facilities and that it is contemplated that such development is to be largely financed by ICA funds. It is further reported that these developments will result in a discontinuance of further purchases of American and Canadian iron ores. We are currently supplying Japanese steel mills with iron ore from our Nevada mines and therefore, we are greatly concerned that use of ICA funds for this purpose might result in shutdown of our mining operations. In view of our past relationship with the Japanese steel mills and knowing their high integrity we do not believe these reports are entirely correct. However, should request be made for ICA funds, we presume that before such funds are granted that our Government will seek some assurance from the Japanese and Indian Governments that the granting of such funds will not result in Japanese steel mills curtailing their purchases of American iron ore as to cause these mines to shut down. We urgently request your consideration to the foregoing."

Understand Douglas Dillon, State Department, has control of ICA funds. Understand also that Walter Williams, Assistant Secretary of the Department of Commerce about to go to India to discuss iron matters with Indian Government. Will appreciate everything you can do in connection with

matter because future sales Nevada iron ore may be seriously curtailed or terminated to detriment State and operating companies with very substantial investments and create additional unemployment. Will telephone you Thursday.

Best regards.

JOHN S. SINAI.

LOS ANGELES, CALIF., *March 19, 1958.*

The Honorable ALAN BIBLE,
United States Senator from Nevada,
Senate Office Building, Washington, D. C.:

For several years we have been shipping from our mines in Nevada iron ore to the Japanese steel mills and last year completed the installation of a million-dollar magnetic separating plant on our Buena Vista mine in Churchill County, Nev. We have been advised that Japanese steel mills have recently entered into agreements with the Chinese Communist Government for the purchase of iron ore and that at the present time a Japanese delegation is negotiating with the Indian Government for an agreement to exploit iron ore resources in India and to develop and construct railroad transportation and harbor facilities for shipping of iron ore to Japan. We understand that it is contemplated that the development in India will be largely financed by ICA funds. It is further reported to us that if these developments succeed they will result in a discontinuance of further purchases of American iron ore. We are therefore greatly concerned that the use of ICA funds supplied by our Government may result in the shutdown within the next 60 days of our mining operations. Our relations with the Japanese steel mills have always been excellent and it may well be that the reports received by us are in error. However, we do not believe that ICA funds should be used for the development of facilities and resources in foreign countries which are immediately competitive with the American export trade and which will cause unemployment in American industry. If the use of such funds is granted by our Government we believe the Government should seek some assurances from the Japanese and Indian Governments that the granting of such funds will not curtail the purchases of American iron ore by the Japanese steel mills. We urgently request you to communicate the contents of this telegram to Mr. Douglas Dillon, of the State Department, whom we are informed controls the use of ICA funds. We request similar communication be made to Secretary of State Dulles and Assistant Secretaries Walter Williams and Henry Kerns of the Department of Commerce as well as to Secretary of Commerce Weeks. In the meantime inquiry of the Japanese Embassy by our State Department as to the future plans of the Japanese steel mills might result in assurance that the Indian negotiations do not mean cessation or curtailment of purchases of American iron ore.

With kind regards and best wishes.

MINERAL MATERIALS CO.,
CLAIR W. DUNTON,
General Manager.

ALHAMBRA, CALIF.

SAN FRANCISCO, CALIF.,
March 21, 1958.

Hon. ALAN BIBLE,
United States Senate,
Washington, D. C.:

Understand consideration is being given to aid grant to India to permit development of iron ore deposits and related harbor and railroad facilities with substantial portion of ore to be shipped to Japan. We have participated in the movement of iron ore from Nevada to Japan and anticipate a continuance unless this Indian situation makes such impossible. Accordingly, seems to us proposed aid grant to India would adversely affect not only Nevada ore suppliers but also rail and water transportation agencies and Pacific coast ports through which Nevada ore has been moving, unless grant could be conditioned upon continuance of reasonable quantities of Nevada ores. Certainly, with economic conditions as they are in this country, it seems improper to make any foreign-aid grant which would further reduce income to western economy. Would certainly appreciate your support.

M. W. ROPER,
Vice President, Traffic,
Western Pacific Railroad.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. BIBLE. Mr. President, I ask unanimous consent that I may have 2 additional minutes, so that I may yield to the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, the comments which the able Senator from Nevada has made concerning this problem are pertinent and clear, and beyond that, most persuasive. Iron-ore mining faces a serious problem. In order that it may be solved, I am confident that the distinguished Senator from Nevada and our colleagues from California and Nevada may be able to indicate to the executive branch of the Government the necessity to take the steps which the junior Senator from Nevada and I have discussed briefly this morning.

Mr. BIBLE. I appreciate the sentiments of the Senator from California, and share his view that we can do something about the matter.

MARYLAND DAY

Mr. BEALL. Mr. President, this is an important day in my State, the great Free State of Maryland. Today is Maryland Day. Three hundred and twenty-four years ago today the Maryland colonists landed at a Potomac island just off where St. Marys City now stands. Here they founded what subsequently became the State of Maryland. One of Lord Calvert's first edicts was that there was to be freedom of religion; that every person had the right to worship according to the dictates of his own conscience.

This emphasis on freedom of religion became a part of the ideals and principles of our people. The Maryland Act of Toleration of 1649 was the first such document to espouse the idea of freedom of religion, and was the forerunner of the incorporation of that principle in the American Constitution. This led to Maryland's becoming known as the Free State.

Therefore, this day, March 25, Maryland Day, is important, not only to the citizens of Maryland, but to all the freedom-loving people of our Nation.

IMPORTANCE OF THE INFANTRY SOLDIER

Mr. MARTIN of Pennsylvania. Mr. President, there is much discussion relative to the work of the infantry soldier in the atomic age. Maj. Gen. Herbert B. Powell, the commanding general of the United States Army Infantry Center, and commandant of the United States Army Infantry School, at Fort Benning, Ga., has discussed this important question in an article published in the April issue of the Army Information Digest. He has pointed out the wide variety of weapons now in use by the infantry, its rapid mobility, and its better communications. In the article he states that ground forces are the only forces really capable of securing and holding ground. Since he serves and works on the ground, the presence of the foot soldier has the effect of encouraging our allies.

I ask unanimous consent that this part of General Powell's article be printed at this point in the RECORD, as part of my remarks.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

Technological developments in recent years have advanced at such a rapid pace and have been so dramatic that they have all but overshadowed the infantryman's historic purpose of seizing and holding ground so that the just will of our Nation can be imposed upon the aggressor. And yet, at no time in the history of the American Army has the role of the infantryman been more important than it is today in the atomic age.

Never before has our foot soldier been supported by a wider variety of weapons or by weapons with more awesome capabilities. Never has he had greater mobility. He can strike the enemy anywhere in the world by rapid movement over the ground, through the air or by jumping from the sky. Never has he possessed better communication. Indeed, no weapon has yet been produced or conceived which can do more than pave the way for the foot soldier—the indispensable force without whose presence land could not be held.

In the atomic age the infantryman is still the symbol of our Nation's strength. He has not been replaced by anything that razes, radiates, flies, floats, buzzes, booms, or bangs. Wherever he stands around the globe, with his rifle in hand and his feet planted firmly on the ground, he is visible evidence to any leader of Communist conspiracy that we mean exactly what we say—that we intend to resist aggression in any form.

He is the flesh and bone representative—on the spot—of our military might which includes the nuclear weapons, missiles, aircraft, tanks, and all other tools in our arsenal which back him up. He is an ever-present and effective deterrent to war.

We know that the Communist bloc has never committed aggression in a country where the American combat infantryman was physically present. But we know, also, that within months after our foot soldiers were pulled out of Korea the enemy crossed the 38th parallel. Powerful, but distant, weapons—which may or may not be used—do not appear to be as effective in deterring all forms of Communist aggression as does the presence of armed men on the ground.

The Communist realizes that if he attacks the American combat soldier, reaction will be swift and positive. There can be no doubt that he has committed aggression and no doubt, in his own mind, as to what America will do about it. He knows that he cannot explain later that he misunderstood our position—that he didn't believe we would go to war or that he believed we would limit means at our disposal.

The Communist may risk aggression in areas unprotected by the American foot soldier, in areas guarded by the threat or possibility of our intervention. He may gamble on our reaction to his aggression or on the

speed with which he thinks we can act. But he will think long and hard, and be sure he is ready for all-out war, before he deliberately attacks the American soldier who stands physically and immediately in his path. In this respect, the infantryman, with his feet on the ground, is one of our greatest restraining forces in the atomic age.

Our ability to hold our present allies and to gain new ones in the future could depend, to a major degree, on our foot soldier who stands beside their own defenders. His presence is tangible assurance of American support with all of its implications.

This undoubtedly does more to encourage the smaller nations to remain free than promises or remote, invisible tools of war. It gives them the courage and will to resist Communist pressures and helps to keep the Soviets from eating up the Free World bite by bite, thus acquiring additional resources for a final struggle. This physical presence of the infantryman plus the knowledge that airborne troops would be flown to any area of aggression could delay or even prevent that struggle.

Mr. MARTIN of Pennsylvania. Mr. President, the fact that man desires to live on the ground is another argument in favor of ground forces. The general states that, regardless of the work of the Air and Navy, the infantry is still the arm of ultimate decision.

I ask unanimous consent that this part of his article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

Man is a land animal. He spends most of his life on the ground. His home, his job and his resources are on the land surfaces of the earth. Control of land areas and the people who inhabit these areas is essential to victory in war. Control of the air and the sea is important—to the extent that the air and the sea control the adjacent land and the people on that land.

Although our Air Forces wage their battles in and from the air and our naval forces fight on or from the sea, these forces depend upon land bases and land resources for the means with which to fight. The loss or destruction of these land bases and resources can seriously limit or eliminate their ability to fight. Ground forces including airborne infantrymen are the only forces really capable of seizing and holding the land essential to provide bases and the resources necessary for waging war and, in fact, for man's survival.

Of the ground forces, the infantry always has been and still is the arm of ultimate decision. It is the infantryman who must ultimately close with and destroy the enemy. And it is the infantryman who must hold the ground and control the people who live on it. Weapons alone, regardless of their power, cannot do this job.

Weapons alone did not destroy the German underground submarine pens along the French coast in World War II. They failed to locate and destroy the Nazi rocket sites in northern France and Belgium. Not until these vital areas were overrun by the foot soldier were they put out of operation. Nor did our tremendous air effort against the Ruhr destroy German production capabilities. In spite of all we could do, Nazi armament output in 1944 was doubled that of 1942.

In atomic war the enemy may be expected to put more of his installations and resources underground to avoid destruction from missiles and nuclear blasts. The infantryman, more than ever before, will be required—to dig him out of the ground and destroy him. Gen. Willard G. Wyman pointed up this requirement recently when he said, "Until a B–52 can occupy a city or a submarine can take a hill, we will need men with their feet on the ground. The infantryman will continue to be the conclusive element in war."

To perform this role in the atomic age the foot soldier must have increased capabilities. Some changes in weapons, tactics, and techniques become necessary. But change is not new to the infantryman. Throughout history it has been necessary for him to adjust to each new development in the means for waging war.

The invention of gunpowder, the machinegun, the tank, and the airplane in turn brought claims that man could not face such weapons and survive to impose his will on the battlefield. But history itself proves that the infantryman has always countered each innovation with a better weapon, with better organization, and with revised tactics and techniques. He has maintained his decisive position in war by pitting his brain and courage against each new weapon and evolving methods of defeating it.

Mr. MARTIN of Pennsylvania. Mr. President, the infantry soldier probably understands the value of teamwork better than any other branch of our national defense. The infantry soldier is now readjusting himself to the new methods of warfare.

I ask unanimous consent that this part of the general's article be printed at this point in the RECORD as a part of my remarks.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

Today the infantryman, once again, is faced with new and awesome weapons. He is in the process of adjusting to these conditions. Despite claims to the contrary—which he has heard repeatedly through the years and just as repeatedly disproved—his decisiveness in combat will continue. The infantryman will be on the battlefield, at the moment of decision, in nonatomic, limited atomic, or all-out atomic war.

To appreciate the logic of this assertion it is necessary to look at what the infantryman is doing today. With the skill and experience acquired in defending this country in every war it has had to fight since 1775, the infantryman is now adjusting to requirements imposed by nuclear weapons. He is accomplishing this task quickly, calmly, and thoroughly.

You don't read too much about him in the press because he doesn't break individual records or pull off the dramatic stunt. He makes no brash or sweeping claims that he can go it alone or that he is the sole answer to nuclear or any other kind of war. Probably more than any other soldier, the infantryman understands the value of teamwork and the need for the combined efforts of all arms and all services for his success—and more important, for successful defense of the Nation.

New developments and increased capabilities by the other branches of the Army and the other members of our defense forces are not only welcomed but are wholeheartedly encouraged by the infantryman. When he faces the enemy on the battlefield he wants all the strategic and local assistance he can get. He gives full credit to his brothers-in-arms, but he does not "shout" for personal attention. For he is quietly confident that when the chips are really down in any kind of war, he will have a decisive part to play and he will be ready.

No facet of combat in atomic or nonatomic war is being overlooked. The infantryman is revamping his organization, his weapons and his tactics. He is developing the firepower, the mobility, the communications, and the special techniques he must have to maintain his decisive role in combat.

Major changes have been made in infantry organization. The triangular division of World War II and Korea did not meet the mobility and dispersion requirements imposed by nuclear weapons. It has been replaced with new Pentomic infantry and airborne organizations created specifically for the atomic age.

With these new organizations, the infantryman will be able to operate effectively in either atomic or nonatomic warfare. They give him increased air and ground mobility, greater firepower (including tactical atomic weapons) and better communications. They are streamlined organizations, stripped of nonessentials and reduced in size. Yet they have greater foxhole strength (more than 450 riflemen in squads) than their predecessors.

New weapons are being developed and procured. Recently, the infantryman acquired a new, lighter rifle which will replace four of the small-arms weapons he used in World War II and Korea. He has approved and will soon get a new "all-purpose" machinegun which will replace the light and heavy guns he employed in three wars. He is getting improved recoilless weapons and mortars.

These, however, are but minor innovations already accomplished. In the future the infantryman will have new and unheard-of capabilities. He will have in his hands the means to penetrate the heaviest armor that can be thrown against him and he will carry in the front lines atomic weapons to blast his way forward or to dig the enemy out of his atomic shelters. He is working closely with all branches of the Army in the development of missiles, tactical nuclear weapons and other tools of war which will support his advance on the atomic battlefield.

Mr. MARTIN of Pennsylvania. Mr. President, in conclusion, whether we call the infantry soldier a doughboy, a trooper, a dogface, a mudslogger, a gravel cruncher, or any other name, he has been, from the days of the embattled farmers of Lexington to the time when our troops fought on the frozen hills of Korea, the backbone of our defense.

I ask unanimous consent that the conclusion of General Powell's article be printed at this point in the RECORD as a part of my remarks.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

Equally significant are the changes that have been made and which will continue to be made in tactics and techniques. The infantryman is learning to fight and survive in combat where both sides will use strategic and tactical atomic weapons. He is learning to concentrate rapidly from dispersed positions to seize objectives and then to disperse again, just as rapidly, to avoid destruction from enemy atomic blasts.

To do this he requires great battlefield mobility. He is getting it now through the use of armored personnel carriers, helicopters, and other Army aircraft. In the future he can be expected to move over the atomic battlefield in flying trucks or individual flying platforms.

He requires better communications to control his operations under adverse conditions and over great distances. Better radios, television, and other signal means are now being put into his hands. Just around the corner are helmet radios and other devices which will virtually wire every man for sound.

As new technological developments occur and as new concepts are generated, the infantryman will continue to adjust to the realities of modern warfare—atomic or nonatomic. He is ever conscious of his respon-

sibilities and of the role he must play in any future conflict. He is not deterred by those who predict that his role will be lessened by new weapons. The infantryman is a realist who has been matured by the many struggles in which he has met the enemy face to face, closed with him and destroyed him. He is no dreamer who visualizes a quick and easy defense of this country in a pushbutton war with weapons alone. He prepares for every eventuality.

Realizing that we face an enemy with comparable nuclear capabilities and advantages in manpower and other means for conventional warfare, the infantryman does not believe that the security of the Nation can rest primarily on a possible superiority of strategic nuclear weapons. He cannot justify the logic of those who claim that the enemy will surrender or that the war will be called off in a few weeks, after mass destruction attacks and retaliation have reduced the relative potency of both sides.

Hard, cold facts and dispassionate judgment, based on the nature of man and the history of war, dictate that the war will continue after nuclear destruction and the ultimate decision will still be made by the man on the ground. Our advance and success in combat, as in the past, will be measured only to the point where the infantryman stands on the field of battle.

The infantryman has no illusions about his job. He has spearheaded the advance in all of our wars. He has always met the enemy head on and destroyed him. He sees no easy way of defeating a foe in the future. He accepts this role without the incentive of personal gain. No amount of money prompts him to stand in the frontline and close with the enemy in personal combat. He does it because this is his job—because the defense of his home and country demands it.

You may call him doughboy, trooper, dogface, mudslogger, gravel cruncher, or what you will, but the American infantryman has always been the backbone of our national defense. You can count on him to be a decisive factor in keeping the hammer and sickle off our front lawn in the atomic age.

FORTIETH ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

Mr. HUMPHREY. Mr. President, today, March 25, 1958, marks the 40th anniversary of the Declaration of Independence of the Byelorussian Democratic Republic. When the Rada of the Byelorussian Democratic Republic proclaimed their land a free and independent state they recognized that this act of courage and daring was fated to invoke punitive and retaliatory action by the Soviets.

In 1921, just 3 years after these brave people established their new nation, the Soviets seized control, and, by the Pact of Riga, in 1921, divided the territory of the Byelorussian Democratic Republic between Poland and Russia. Even under this tyranny, the Byelorussian people have continued their fight for freedom in all possible ways in Poland and in the B. S. S. R., and the leaders in exile continue to be active. In spite of the fact that Moscow has employed every means of oppression, it is evident that the Soviets have not succeeded in eradicating the desires of these valiant people for freedom. We are confident that they never will.

Mr. LAUSCHE. Mr. President, March 25 is being observed as the 40th anniversary of National Independence Day by the Byelorussian peoples.

At the present time, these people are enslaved by their Communist masters and will have little opportunity to express their national love of liberty and freedom.

It is not to be forgotten by the free Western nations that at the end of World War I, the first Byelorussian Congress was convened at their national capital, Miensk, and that the armed forces of Communist Russia attacked and dispersed this free national assembly. On March 25, 1918, however, the Council of the Byelorussian Democratic Republic again proclaimed the independence of the Byelorussian State and, in an act of aggression, Soviet Russia attacked and conquered Byelorussia. Once again, in 1944, the all-Byelorussian Congress convened in Miensk and annulled the treaties of the occupational government, but again, Byelorussian was conquered by the army of Soviet Russia.

Today, the Byelorussian Soviet Socialist State has no sovereign functions and exists on paper for propaganda purposes. All the ministries of the Byelorussian Soviet Socialist Republic act only as the local administrative offices of Moscow, and the Byelorussian people have no national influence in their own affairs.

It is my sincere hope that the people of Byelorussia and those who live in exile here in the United States will continue to resist the aggression of Soviet Russia and will find in their National Independence Day, a symbol of their liberation, which under God's moral universe will come in the fullness of time.

ROLE OF SENATOR NEUBERGER IN KLAMATH INDIAN RESERVATION PROBLEM

Mr. MURRAY. Mr. President, on several occasions in recent years, it has been my duty, as chairman of the Senate Committee on Interior and Insular Affairs, to hold hearings at Klamath Falls, Oreg., in an effort to decide the difficult Klamath Indian Reservation issue. Some of these difficulties were compounded by the complex Termination Act of 1954.

In an effort to solve the problem, I named this year as chairman of the Indian Affairs Subcommittee the able junior Senator from Oregon [Mr. NEUBERGER]. I know all of us, regardless of political party, have been favorably impressed by the tireless and nonpartisan energy which the Senator from Oregon has contributed to this urgent cause.

There has now been called to my attention a column from the March 23, 1958, issue of the daily newspaper published in Klamath Falls, the Klamath Falls Herald and News. This column was written by Mr. Frank Jenkins, editor of that newspaper. It is my understanding that Mr. Jenkins did not support RICHARD NEUBERGER for election to the Senate in 1954. Yet I am indeed gratified to observe that Mr. Jenkins has himself been sufficiently fair and nonpartisan to give the Senator from Oregon full credit for the valiant effort he is making in this Klamath situation, to achieve a solution which will be fair to the Indians, and yet which also will preserve the valuable pine timber and marshes of the reservation area.

Editor Jenkins has written in part:

In his effort to bring about what he believes to be the best possible solution of an admittedly difficult problem, Senator NEUBERGER is completely sincere. He is playing no politics. He is declining all chances to play politics.

He is entitled to all the help we can give him.

Mr. President, I endorse that statement about Senator NEUBERGER. As chairman of the Senate Committee on Insular and Interior Affairs, I believe that I am in a position to judge the sincerity and honesty of the approach the junior Senator from Oregon has made to the whole stubborn and vexing Klamath problem.

For that reason, I ask unanimous consent to have printed in the RECORD at the close of these remarks the full text of the column of March 23, 1958, in the Klamath Falls, Oreg., Herald and News, by Frank Jenkins, under the title "In the Day's News."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Klamath Herald and News of March 23, 1958]

IN THE DAY'S NEWS

(By Frank Jenkins)

In Washington the other day Oregon's Senator NEUBERGER leveled some blunt charges at the National Lumber Manufacturers Association and the Western Pine Association.

He said these two big organizations declined to take any part in efforts to provide a fairer method of disposal of the Klamath Indian Reservation timber (which represents the bulk of the Indians' wealth) than that provided by Public Law 587. Although urged to do so, they refused to appear at the hearings held in Oregon and in the National Capital.

But—

He added—

Now that a bill to offer the Klamath timber to private bidders on a sustained-yield basis—with the Government to buy it if no private purchasers can be found—is before the Congress, these associations are seeking to defeat it.

Senator NEUBERGER said in a telegram to this newspaper:

"At Klamath Falls last October, I said it was particularly regrettable that the Western Pine Association declined to appear to testify publicly on legislation so vital to the pine-lumber industry. Now this same association is bombarding the Senate Interior Committee with prejudicial arguments against the administration bill. * * *

"It is significant that if the present termination is not halted the groups now staging a blitzkrieg against this bill [the bill offered by the Secretary of the Interior and approved by the Secretary of Agriculture, which Senator NEUBERGER is supporting] stand to pick up the pine timber of these Indians at possible bargain-basement prices."

That may not be their purpose.

But, as Senator NEUBERGER says, their tactics have certainly made it look that way.

I think a word about Senator NEUBERGER is in order here.

It was he who introduced the bill embodying the management specialists' proposal that in order to pay off the members of the

tribe who want their share in cash the Government should purchase the Klamath timber and add it to the national forest area.

Later, when the Seaton bill to offer the Klamath timber first to private bidders on a sustained yield basis was introduced, Senator NEUBERGER dropped his own bill and backed the administration bill. He did so because he felt that the (Republican) administration bill stood a better chance of enactment into law.

He believed that, under all the circumstances, Federal purchase of all or a part of the Klamath timber provided the best obtainable solution of the knotty problem of termination of the Klamath Reservation.

In order to bring it about, he was willing to drop his own bill and support the administration bill.

Senator NEUBERGER believes that purchase of the Klamath Reservation timber, either by private interests under sustained yield covenants or outright purchase by the Federal Government, provides the best possible solution of termination of the Klamath Reservation.

He believes it is best for the long-term economy of the Klamath Basin and the State of Oregon. But, above all, he believes it is best for the Indians—who are the ones to be considered first.

It is their property that is to be disposed of. If it has to be sold at auction to the highest bidder, in a period when the timber market is depressed, it is the Indians who will suffer by failure to receive what their property is worth under normal conditions.

In his effort to bring about what he believes to be the best possible solution of an admittedly difficult problem, Senator NEUBERGER is completely sincere. He is playing no politics. He is declining all chances to play politics.

He is entitled to all the help we can give him.

MAILING OF OBSCENE OR CRIME-INCITING MATTER

Mr. THYE. Mr. President, I introduce a bill for appropriate reference, and I ask unanimous consent that the bill may lie on the table for the remainder of the week in order that other Senators may join as cosponsors if they desire to do so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. LANGER. Mr. President, reserving the right to object, may I inquire as to the nature of the bill?

Mr. THYE. I did not desire to describe the bill in order that I might avoid trespassing on the time the distinguished Senator from New Mexico [Mr. CHAVEZ] intends to occupy on the highway bill. The bill refers to certain materials which are sent through the mails, and which are of such a nature that they should not be in the mails.

Mr. LANGER. I join the distinguisned Senator in the introduction of the bill.

Mr. THYE. I think the Senator will find the bill most desirable.

The bill (S. 3555) to amend section 1461 of title 18 of the United States Code, relating to the mailing of obscene or crime-inciting matter, introduced by Mr. THYE (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, the bill will lie on the table for the remainder of the week, as requested by the Senator from Minnesota.

WALTER REUTHER—ECONOMIC DEMAGOG

Mr. BUTLER. Mr. President, on Monday, January 27, I included in my remarks the text of an article which appeared in the Human Events newsletter of November 2, 1957, entitled "Walter Reuther—Economic Demogog." In this article I characterized his misguided notions as economic hogwash.

During recent weeks I have received numerous letters from individuals who have commented in this article. They represent the opinion of all sections of our great country. The letters express alarm and concern at the inflationary pressures being generated by the unreasonable demands of Mr. Reuther. His economic proposals are obviously advanced primarily to secure political power.

On January 9, 1958, the distinguished junior Senator from Arkansas had printed in the CONGRESSIONAL RECORD remarks by Marriner E. Eccles, former Chairman of the Federal Reserve Board, before the American Institute of Chemical Engineers at their annual awards banquet in Chicago. Mr. Eccles' address completely supports the views I expressed in the Human Events newsletter. Mr. Eccles stated:

> If the corporations and their shareholders did not exist, the amounts collected by the Government from them in taxes, and the amount retained in the business, would have to come out, in one way or another, of the national economy. Therefore, the total consumer purchasing power would not be increased more than 1½ percent to 2 percent even if business profits were eliminated entirely. I think this is an extremely cheap price to pay for the benefits we reap from the system of capitalistic democracy.
>
> On the domestic front, a serious peacetime inflation has taken place, largely because the monopolistic powers of the labor organizations have been allowed to go unchallenged by the Government. These organizations, which have grown immensely in size and power, have never been subject to the antimonopoly laws of Government to which business has always been accountable. Without such control, there could be no limit to their demands, all of which, in the final analysis, must be paid for by the entire American public through higher prices and/or higher taxes. Even with the present downturn in the economy due to the inability of business to sell its output at today's inflated prices, the news from organized labor is that there will be increased demands next year.

I ask unanimous consent that a few of the many letters I have received may be printed at this point in the body of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PRINCETON UNIVERSITY,
Princeton, N. J., January 8, 1958.

Senator JOHN MARSHALL BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: Thank you for sending me your article in the November 2 issue of Human Events on Walter Reuther and the need, as you see it, for the amendment of our antitrust laws as applied to labor unions.

It is important that our antitrust laws be subject to periodic review in the light of changed conditions. The power now possessed by the UAW and similar industrial unions to bargain nationally on behalf of all workers in their field imposes tremendous responsibility not only on union leaders but on legislators. I look forward to reading your analysis with interest.

Sincerely,

ROBERT F. GOHEEN.

CAMDEN TRUST CO.,
Camden, N. J., January 3, 1958.

The Honorable JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Thank you for your letter dated December 30 last, with enclosure as stated.

I certainly must agree with you that constantly mounting wages at the manufacturers' level, without a commensurate increase in production, must make for higher prices and a decrease in the purchasing power of the dollar—that this is bad for our economy.

Also I cannot help but feel that a sound economy in the United States is essential to a defense of our Nation against possible foreign aggression.

It is nice to know that you and I hope other of our legislators as well are giving this important matter attention.

Sincerely yours,

ROBERT J. KIESLING, *President.*

St. JOSEPH LEAD CO.,
New York, N. Y., January 2, 1958.

The Honorable JOHN M. BUTLER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BUTLER: Thank you for providing me with a copy of your views on the current labor situation. I believe you have placed your finger on the one element that must be corrected before we can expect to see inflation curbed; namely, the necessity of applying the antitrust laws to labor as well as business.

Even though the McClellan committee's disclosure of dishonesty and generally unsavory labor conditions succeeds in removing some of the labor leaders who have been such a discredit to the very interest they serve, other labor leaders will no doubt arise and be tempted to exercise the same unbridled power of their predecessors. It is all very well to tighten, by law, the fiscal responsibility of the labor leaders but, unless something is done to curb the monopolistic powers of our large and wealthy labor unions, I fear that we may face another period of inflation with rather unpleasant end results in prospect.

With kindest regards, I am,

Sincerely yours,

ANDREW FLETCHER, *President.*

INSTITUTE OF LIFE INSURANCE,
New York, N. Y., December 27, 1957.

The Honorable JOHN MARSHALL BUTLER,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR BUTLER: You were very thoughtful to send me a copy of your recent article that appeared in Human Events under date of November 2. I have read it with a good deal of interest. May I compliment you. I also had sent to me sometime previously Mr. Reuther's justification for the position he has taken. I think you have very effectively answered him in this statement.

As you know, in the life-insurance business we have been very much concerned with this constantly growing inflationary

cycle, and particularly with the philosophy of some people that a little inflation is good for the economy and also that it is inevitable. We of course differ in both of these points of view and must do so in the interest of 110 million policyholders who have a vital concern in the stabilization of our economy.

Like yourself I don't believe anybody objects to the growth of prosperity on the part of our people in the country in return for their labor. However, we must keep in mind that unless productivity expands with the cost of labor, the inevitable result is inflationary.

I compliment you on the position you are taking, and I did want this to be on the record with you.

Kindest regards.

Sincerely yours,

HOLGAR J. JOHNSON, *President.*

AMERICAN TELEPHONE & TELEGRAPH CO.,
New York, N. Y., December 27, 1957.

The Honorable JOHN M. BUTLER,
The United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: Thank you for sending me a copy of your article on wages, prices, and inflation as it appeared in the November 2 issue of Human Events.

I agree with you that the profiteering legend will not stand up as the explanation for inflation and I was very much interested in your analysis of this whole problem.

In fact it is our firm conviction in the telephone business that good earnings actually benefit the consumer. A good profit permits the introduction of improvements, facilitates long-range planning, and gives us the freedom to do a well thought out and imaginative job. In the long run good earnings bring better service to telephone users at less cost to them.

Your effort to preserve a competitive economy with maximum freedom for labor and capital is one that I strongly support.

With my very best wishes for you in the new year,

Very sincerely,

FRED KAPPEL.

THE DELEWARE & HUDSON CO.,
New York, N. Y., December 31, 1957.

Hon. JOHN M. BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: Your letter of December 20 and the copy of Human Events of November 2 which was enclosed therewith was very interesting to me.

While we have a Republican and Democratic Party, there is no solidarity in either. Actually, there isn't much cleavage between Republicans and Democrats except for political purposes. Whatever cleavage there is in this country exists between conservative and socialistic doctrines and I don't believe that the working people are socialistic as are some of their leaders, and even they would not admit that they believe in a socialist doctrine, but what some of them espouse can very easily lead to socialism.

There is certainly an awakening among the American people about the right to work. It is a simple issue which people can understand and I happen to think it is an issue that the Republican Party can espouse with great benefit. In fact, I think it is the only issue on which the Republican Party can prevail in 1960. Any kind of a labor agreement that requires a man to belong to a union in order to hold a job is a trespass on individual freedom, just as serious as requiring a man to belong to a certain church or a certain fraternal organization. It is much more serious than the racial issue and I am happy to see that some Republican Senators are espousing this cause.

Yours very truly,

WM. WHITE.

COTY,
New York, December 26, 1957.

The Honorable JOHN MARSHALL BUTLER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: Many thanks for your letter of December 20 and the article, Walter Reuther—Economic Demagog, which was published in Human Events. I wish to commend you for your courage because I know that it takes courage for a Senator to write this kind of an article. This is no less true for businessmen.

I beg to take advantage of this occasion to submit to you that the overwhelming majority of Congressmen and Senators do not realize the seriousness of the situation with which labor is confronting the business world and our country. The unions have become in this country organizations for the use of violence, intimidation, and coercion against employers. The unions have it in their power to put businesses, particularly medium and small sized ones, into bankruptcy or completely out of business. The right to strike, together with picketing, has come to mean exactly that. When the right to strike was recognized it meant that the employer was free to hire other men who were willing to work for the wages he was able to pay. I realize that theoretically the employer still has this right, but one has to be completely blind at what is going on in our country not to realize that the right to strike has become for all practical purposes the right to condemn business to bankruptcy or complete extinguishment if the union so chooses. During the hearing of the McClellan committee I was shocked to hear condemnations of employers who compromise with some of the labor racketeers. It is simply a symptom that many do not wish to face facts. The truth is that as far as the unions are concerned we are living in a lawless country, or rather, the unions take the law into their own hands whenever they wish to do so.

The so-called remedies provided by the law against intimidation, violence, and coercion by the unions are inoperative for the simple reason that a company would be out of business for a long time before justice could be secured. The Taft-Hartley law may be an improvement over the Wagner Act, but it is still a very bad law. The realities of the situation should be carefully examined and a law should be provided for adequate protection of the employers.

More power to you, my dear Senator, and with my best wishes for a Happy New Year, I am,

Yours sincerely,

PHIL CORTNEY.

NEW YORK HERALD TRIBUNE,
New York, January 2, 1958.

Senator JOHN MARSHALL BUTLER,
Committee on Interstate and Foreign Commerce, United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: Thanks very much for sending me a copy of your piece entitled, "Walter Reuther—Economic Demagog, the Truth About Wages, Prices, and Inflation." It is a most interesting presentation of some of the most challenging aspects of our economy. Certainly it seems to me that there should be equality of treatment for all groups in our economy and that free enterprise should not be forced to the wall by any all-powerful group.

With gratefulness for sharing your piece with me and best wishes for the New Year.

Yours sincerely,

WHITELAW REID.

AMERICAN GAS & ELECTRIC CO.,
New York, December 30, 1957.

Hon. JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: I was glad to get and wish to thank you for your letter of December 20, with which you sent me a copy of your article from Human Events of November 2, discussing wages, prices, and inflation.

It has been a source of great wonder to me that among the very many people who have come up to discuss this question before governmental bodies of inquiry, none or very few have had either the perception or the courage, or both, to indicate as plainly as you have the effect that the wage increase pattern, and particularly the recent phase of it, with wage increases following much faster than increases in productivity, has already had on inflation and the great danger that it poses to our social-economic system for the future.

With my best regards, I am,

Yours sincerely,

PHILIP SPORN.

OKLAHOMA CITY, OKLA.,
December 30, 1957.

Hon. JOHN M. BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR: You were very kind to include me in your mailing of the Human Events—Walter Reuther story. I am most happy to see that you are taking a personal interest in the serious problem of inflation and the equality of treatment that has long been needed in all elements of our industrial life.

I sincerely hope that the forthcoming session of Congress would deal urgently and specifically with the many serious economic problems which face us and which have a tendency to be obscured by our international situation. 1958 promises to be a difficult year at best. Mr. Reuther's activities will have a great bearing on the whole economy because of his ability to paralyze the automobile industry, as now appears to be his intentions.

From a business point of view our economy has never been darker since the great depression of 1929–32. People's confidence is seriously shaken and this applies to the working people as well as those of us in business.

I am delighted that you are taking this personal interest. With kindest personal regards and best wishes for the new year.

Sincerely,

DEL RENTZEL.

ARMSTRONG CORK CO.,
Lancaster, Pa., December 23, 1957.

The Honorable JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: Thanks very much for your letter of December 20 enclosing a copy of your article about Walter Reuther that appeared in Human Events for November 2. Since I am a subscriber to Human Events, I had already read it, but I am very glad to have this extra copy which I am circulating among my associates. I agree emphatically with all that you have to say, and sincerely hope that President Eisenhower will support legislation restricting the power of labor union leaders. The unions should certainly be made subject to the antitrust laws, compulsory unionism should be prohibited, and secondary boycotts, featherbedding and violence on picket lines should be outlawed.

As a citizen, I appreciate very much the splendid leadership you are giving in this connection.

Yours sincerely,

H. W. PRENTIS, Jr.

GULF OIL CORP.,
Pittsburgh, Pa., January 7, 1958.
The Honorable JOHN MARSHALL BUTLER,
United States Senate, Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR SENATOR BUTLER: I have read with great interest and am in accord with the thoughts expressed in your recent article in Human Events concerning wages, prices and inflation forwarded with your December 20, 1957, letter. Incidentally, I recently addressed myself to this subject in our company organ, The Orange Disc, concluding with the same theme that labor, in the ensuing wage talks, should shoulder its share of the responsibility in the fight against inflation. Also, I wish to compliment you on the fine talk you delivered before the Merchant Club of Baltimore earlier in the month, a copy of which I have circulated among our management.

In answer to your question concerning modification of the antitrust laws, we have always felt that the antitrust laws are adequate as applicable to American business. We are advocates of free enterprise; one regulated by competition and not by government; and one in which all participants are subject to same regulations.

There is considerable public opinion today which expresses apprehension over the size and commensurate political and economic influence wielded by organized labor. I am not antilabor, but when labor becomes big business (as it is today), it should be ruled by the same laws as other business. Removing the statutory exemption granted to labor under the antitrust laws certainly would not accelerate the inflationary trend and would be a long stride in the direction of maintaining a proper balance between the industry and labor segments of our economy.

We will be happy to supply you with any information at our disposal which may be of assistance to you in this matter.

With best personal regards, I am,
Yours very truly,
WILLIAM K. WHITEFORD.

THE UNIVERSITY OF TENNESSEE,
Knoxville, January 5, 1958.
The Honorable JOHN MARSHALL BUTLER,
United States Senate, Washington, D. C.

DEAR SENATOR BUTLER: This will acknowledge receipt of your letter of December 30 with which you have enclosed a statement appearing in the November 2 issue of Human Events in regard to wages, prices, and inflation. I appreciate your sending me a copy of the statement you have made along this line. Furthermore, I want to congratulate you for being concerned about it. You are in an influential position and a position where it is possible for you to do something about it.

In my judgment, the inflationary trend that is under way at the present time, and which apparently continues to move forward gradually, is one of the most dangerous economic situations that confronts this country.

When you associate the gradual inflationary process with the high Federal debt, and Congress probably being asked to consider raising the debt ceiling, together with proposed greater expenditures by the next Congress, it is a dangerous situation. Fact of the matter is, these "three horsemen" can create more internal problems than satellites.

We are tremendously concerned about our security at the present time. In my judgment, one of the fundamental factors on which our security is going to depend is a sound financial economy. I am not unmindful of the problems confronting the future welfare of the United States and its relationship to other nations in the world and that these things are going to cost money. At the same time, I am also aware that the best way to meet threats without confines of the United States is to have a sound economy internally.

I am glad that some Members of Congress are thinking along this line and I want to compliment you for being concerned about it. With best wishes for the new year, I am,

Yours very sincerely,
C. E. BREHM, *President.*

SOUTHWEST LIFE INSURANCE CO.,
Dallas, Tex., January 2, 1958.
The Honorable JOHN MARSHALL BUTLER,
United States Senator, Senate Building, Washington, D. C.

DEAR SENATOR BUTLER: Just a note to thank you for your courtesy in sending me a copy of your article which appeared in the November 2 issue of Human Events newsletter.

Inasmuch as I fear great power and hate tyranny, whether it be of the individual or of the group, I think labor as well as business should be subject to the antitrust laws and prevented from assuming dictatorial power. I might add in passing that perhaps it is time for the Congress to represent the plain old common variety of unorganized Americans rather than only the small but well organized minorities.

Cordially yours,
J. R. WOOD.

LONE STAR STEEL CO.,
Dallas, Tex., January 6, 1958.
Senator JOHN MARSHALL BUTLER,
Senate Office Building, Washington, D. C.

DEAR SENATOR BUTLER: Your thoughtfulness in remembering that I, too, am an advocate of the free enterprise system as established by our forefathers is very gratifying.

I feel that it goes without contradiction that the greatest challenge that exists in the Halls of Congress today is that persons such as you have the knowledge and courage to stand up to the selfish pressure groups that would have our economic system socialized.

Your article on the Truth About Wages, Prices and Inflation is certainly one of the best that I have ever read. It gives evidence on the basis that the socialistic leaders have asked for. It analyzes many of their criticisms of free enterprise and shows the folly of their wisdom.

May I take this opportunity to personally offer my help in assisting you in your courageous stand.

Kindest personal regards.
Sincerely,
E. B. GERMANY, *President.*

COCHRAN-ODLUM RANCH,
Indio, Calif., December 27, 1957.
Senator JOHN MARSHALL BUTLER,
United States Senate, Washington, D. C.

DEAR SENATOR BUTLER: I have read with interest the article enclosed with your letter of December 20 about wages, taxes, and inflation.

Some considerable thought has been given by me to the subject of inflation.

If you will chart from the turn of the century to date the course of the dollar's purchasing power, hourly wages, and productivity per man-hour, you will find that the inflationary gap consists of the difference between man-hour cost and man-hour producivity. Since the start of World War II man-hour wages have increased by about 6 percent per year and productivity has increased per man-hour by only about 3 percent. Inflation has been at the rate of the difference.

The job is to get productivity up through better use of technology and plant and machines and, of course, through best efforts of personnel while they are at their appointed tasks.

A happy New Year to you.
Sincerely,
FLOYD B. ODLUM.

BATH IRON WORKS CORP.,
Bath, Maine, December 30, 1957.
Senator JOHN MARSHALL BUTLER,
Senate Office Building, Washington, D. C.

DEAR SENATOR BUTLER: Thank you very much for your letter of December 20. Thank God we have you in the United States.

It is indeed heartening to see a red-blooded Senator standing up for the rights of the people against the onslaught of Reuther and his like—who, as you so clearly perceive, is working to build himself into a position of great political power so that he can destroy our system of competitive capitalism. Aside from the other dangers the big union monopolies pose to our people, they are the No. 1 cause of inflation in this country, and inflation is our No. 1 economic problem.

The little people are crying out for someone to break the iron grip the labor bosses have on our country. They are inarticulate because they are scared.

With best wishes for your continued fight to preserve the rights of the people and to keep our country free and prosperous.

Sincerely,
JOHN R. NEWELL.

THE MECHANICS NATIONAL BANK OF WORCESTER,
Worcester, Mass., January 3, 1958.
Senator JOHN MARSHALL BUTLER,
Senate Office Building, Washington, D. C.

DEAR SENATOR BUTLER: Thank you for sending me a copy of your article which was printed in Human Events under date of November 2 and which I had earlier read, and read again with pleasure and approval.

Certainly, amending the Clayton Act seems a highly desirable move and very much in the national interest. As important a step as any of a remedial nature, it seems to me would be a Federal right-to-work bill. If such an amendment does not have the effect of making "featherbedding" practices illegal, I believe it is important to so provide.

While the spreading effect of certain excessive wage increases granted militant labor segments, through exercise of their federally protected power is indirectly a factor of inflationary pressure, fundamentally such increases represent only preferences obtained at the relative expense of all others.

As a basic preventative of continued inflation, I believe a real reform could be instigated by requiring a return to the gold standard and prohibition of the issue of fiat currency either via the printing press, or via the money-creating power and practice of the Federal Reserve System.

With congratulations on your paper and with best wishes,
Sincerely yours,
RODNEY WASHBURN, *President.*

BANK OF THE COMMONWEALTH,
Detroit, Mich., January 6, 1958.
The Honorable JOHN MARSHALL BUTLER,
United States Senate, Washington, D. C.

MY DEAR SENATOR BUTLER: Thank you kindly for sending me an excerpt from the Human Events pamphlet, having to do with your writing concerning Walter Reuther and the labor movement. Your remarks are truths and should be read and digested by all of our citizens.

Too much of our legislation and many of our courts appear to be slanted in the direction of union labor. I presume this is to be expected, due to the fact that the sympathy of practically all Americans is with those considered to be less fortunate than others.

It is my belief, like yours, that in trying to enhance our economy through the labor movement, we might actually be retarding our economy. Laboring men as a group should receive no benefits from our Government, taxwise or otherwise, that is not enjoyed by all of our citizens.

I have great admiration for the Kohler Co., of Madison, Wis., for their stand against some of the unreasonable demands of union labor. It would seem that this company should receive support from our elected officials, from our courts, and from citizens in general.

Actually, I believe that union labor is, with the employment of subversive measures, gradually ruining the corporation. This should not happen in America. And if we had more men like you, it wouldn't happen.

Kind regards.

Sincerely,

H. P. PARSHALL.

AMERICAN ZINC, LEAD & SMELTING CO.,
St. Louis, Mo., December 28, 1957.

The Honorable JOHN MARSHALL BUTLER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: We are most appreciative for your letter of December 20 and the enclosed article which you wrote for Human Events.

With the problems facing business today, it is very encouraging that you are willing to take time to point out the facts about inflation and work for the adoption of amendments which will bring unions under the antitrust laws.

I am hopeful that the leaders of labor will soon recognize their responsibilities toward the future prosperity and development of our country and will work to the end of using their best efforts to help stop the present inflationary spiral. The main contributing factor today is continued demand for higher wages without correspondingly increased production.

With kindest personal regards.

Sincerely yours,

HOWARD I. YOUNG, *President.*

INTERSTATE BAKERIES CORP.,
Kansas City, Mo., December 30, 1957.

The Honorable JOHN MARSHALL BUTLER,
The United States Senate, Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR SENATOR BUTLER: I have read with great interest your article entitled "Walter Reuther—Economic Demagog—The Truth About Wages, Prices, and Inflation" published in the November 2 issue of Human Events.

In my opinion, if we are to control inflation, there must be equality of treatment for all organized groups of our economy—and necessarily, we will have to modify our antitrust laws. This applies not only to labor and business but to cooperatives as well. The statements you have made, and the reasoning behind them, cannot be refuted.

It seems to me we spend too much of our time when considering the relative merit of labor and business in merely answering labor accusations and in denying their propaganda attacks. Business and government always seem to be on the defensive and not aggressive enough in bringing out the facts, and then planning a direct attack on the problems.

It gives me great satisfaction to see such a presentation as you have made with reference to this serious threat that confronts the Nation. I hope a majority of the statesmen and great political leaders of today will join you in doing something about it. I am sure I speak for thousands of citizens who feel the same way I do, but just do not take the time to write and convey to you gentlemen their true and honest thinking.

I appreciate very much your letter of December 20 and wish for you a successful program along the lines you propose to work during the coming year.

Sincerely yours,

JOHN R. DOW.

THE GRAND UNION CO.,
East Paterson, N. J., December 30, 1957.

Hon. JOHN MARSHALL BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: I read with interest your article concerning the charges by certain leaders of organized labor that business is reaping excessive profits. It is reassuring to know that you personally are alert to the motives of those making such charges.

The situation today is far different from that existing in 1914 when Congress passed the Clayton Act and I think it is proper to consider amendment of the statute exempting labor unions from the antitrust laws. Labor unions today are in the position to raise prices, control production and, indeed, alter our democratic system. Whenever such a group has such power, it seems obvious to me that it should be regulated by the Government in the interest of all the people, just as business itself is regulated.

Sincerely yours,

LANSING SHIELD.

NEWPORT NEWS SHIPBUILDING & DRY DOCK CO.,
Newport News, Va., December 23, 1957.

The Honorable JOHN M. BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have read with a great deal of interest your article, the Truth About Wages, Prices, and Inflation, published in Human Events newsletter on November 2.

I believe you have put the cause of inflation on the dotted line and I would be fully in accord with any action to amend section 6 of the Clayton Act so that labor unions would be treated in the same manner as any corporation. I think if such action could be obtained, it would help immensely by showing the public the wealth of the unions and it would reduce the continued pressure of the unions for higher wages and more fringe benefits.

We firmly believe that you are on the right track and only hope that enough of your contemporaries are not influenced by vote-getting so that you will be successful in your efforts.

With kindest regards and wishing you success in your endeavors.

Sincerely yours,

W. E. BLEWETT, Jr.

THE INGERSOLL MILLING MACHINE CO.,
Rockford, Ill., January 2, 1958.

The Honorable JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: Thank you for sending me a copy of the November 2 Human Events. I am a regular subscriber to Human Events and had already seen the article you wrote on Walter Reuther and thoroughly enjoyed it.

It is good to know recognition is gradually growing that men like Reuther and others who follow his line of misrepresentation are to be exposed as the charlatans they are.

The constant use of misrepresentation employed by the union bosses in all their activities—with their members, as well as with the employers and the public—is shameful and unique in this day of relative honesty in public statements.

Congratulations and best wishes for the New Year.

Sincerely,

ROBERT GAYLORD.

STOKELY-VAN CAMP, INC.,
Indianapolis, Ind., January 7, 1958.

The Honorable JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: I appreciate your recent letter containing the article written by you for Human Events.

The views expressed by you, are, in my opinion, irrefutable.

It seems to me that the type of bargaining covered in your article is certain to lead to further concentration of business and elimination of the smaller element, and gradual elimination of our free-enterprise system as we know it.

The Thompson Products Co. study is exactly correct and we are up against this same problem in our own business, having recently found it necessary to reduce our cash common stock dividends in order to retain sufficient funds in our business to keep up on new equipment, etc., now available at only inflated costs, which are not covered by previously established depreciation reserves, and we have at all times taken the maximum depreciation allowed under Government regulations.

As slight additional thought in connection with your article, it seems to me that if additional wages should be paid and taken out of corporate profits, necessarily taxes will have to be raised across the board, to make up for decreased returns from those sources.

Thanking you for bringing this to my attention, I am,

Yours very truly,

W. B. STOKELY, *Jr.*

THE MOUNTING PRESSURE FOR TAX REDUCTION

Mr. ROBERTSON. Mr. President, I am concerned by the mounting pressure for tax reduction which comes not only from groups which in the past have not objected to deficit spending but also by those who usually have insisted upon keeping the Federal budget as closely in balance as practicable.

Today, for example, I received a letter from a highly respected and conservative organization of businessmen soliciting my support for the Sadlak-Herlong tax bill designed by businessmen for the relief of businessmen.

In reply to that letter I was forced to point out that prospects are that new spending bills will add from six to eight billion dollars to the budget total recommended by the President last January. If we also cut taxes to the extent of seven or eight billion we will wind up the next fiscal year with a deficit of around $15 billion.

Assuming that only one-third of that deficit is financed by commercial banks, it would create $30 billion of potential credit or bank-check money which would, of course, be highly inflationary. Last year consumer purchases were estimated in the neighborhood of $288 billion. In the past year consumer prices have gone up 3½ percent. If you assume the same rate of consumer purchases this year as last and apply the

3½ percent increase, you get an increased cost to consumers of more than $10 billion. That is the inflation levy.

The individual tax cut proposals which have been most frequently mentioned—cutting the normal tax to 15 percent or raising exemptions $100—would give the average family a reduction of around $80. But the chief living costs of that family are for food, clothing and shelter, which respond quickly to price inflation.

Does it make sense to give a family an $80 tax cut but subject the same family to inflation costs of twice that amount? People might be fooled just before the November election but by the following June they would realize what had happened to them.

In view of these facts I frankly find it difficult to understand why the leaders of business organizations, who understand the workings of our economy, do not unite to say the country cannot afford a tax cut for anybody right now, instead of advocating a tax cut for themselves.

ACTION BY FEDERAL PAY SUBCOMMITTEE ON PAY OF POSTAL SUPERVISORS AND POSTMASTERS

Mr. NEUBERGER. Mr. President, the Federal Pay Subcommittee, of which I am chairman, today unanimously reported favorably on S. 3400. This is the bill sponsored by the able junior Senator from Louisiana [Mr. LONG] and others, to provide for upward adjustment in the pay of post-office supervisors and of postmasters.

We trust that our action will serve as guidance to the conferees who soon will consider the postal pay bill now in conference between the Senate and the House.

Therefore, I ask unanimous consent to have printed in the body of the RECORD a brief release which my office has submitted to the press regarding subcommittee action on S. 3400.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Senator RICHARD L. NEUBERGER, Democrat, of Oregon, chairman of the Subcommittee on Federal Employees Compensation of the Senate Committee on Post Office and Civil Service, announced today that the subcommittee had unanimously agreed to favorably report S. 3400, a bill to further increase compensation of post-office supervisors and postmasters, to the full committee.

"It is hoped that the bill will be favorably reported by the full committee at its next meeting," stated Senator NEUBERGER.

"This course of action," continued Senator NEUBERGER, "has two possibilities. If the measure is accepted as an amendment to S. 27, the postal pay bill still pending on the Senate Calendar, and in the event of action on that bill, postal supervisors and other top employees in the postal service would receive the same cost-of-living adjustments S. 27 gives to other postal employees.

"If, on the other hand, an increase in the pay of postal employees results from H. R. 5836, the bill now in conference, this action by the subcommittee will serve to impress and guide the conferees with our views in the matter."

Other members of the Federal Employees Compensation Subcommittee are RALPH YARBOROUGH, Democrat, of Texas; WILLIAM PROXMIRE, Democrat, of Wisconsin; WILLIAM LANGER, Republican, of North Dakota; and THRUSTON B. MORTON, Republican, of Kentucky.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 5, 6, 9, 35, and 38 to the bill, and concurred therein, and that the House receded from its disagreements of the Senate numbered 18, 20, 22, and 48 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

ORDER FOR RECESS UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL AID HIGHWAY ACT OF 1958

The PRESIDING OFFICER (Mr. COTTON in the chair). Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. CHAVEZ obtained the floor.

Mr. JOHNSON of Texas. Mr. President, before the distinguished Senator from New Mexico states, for the benefit of the Senate, the action which has been taken by the Committee on Public Works, will he yield to me, in order that I may suggest the absence of a quorum?

Mr. CHAVEZ. I yield.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum; and I ask unanimous consent that following the quorum call, the Senator from New Mexico shall be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAVEZ. Mr. President, when the Congress enacted the Federal-Aid Highway Act of 1956, it embarked the United States on the greatest peacetime public works program in history. It recognized the Federal responsibility for early completion of the National System of Interstate and Defense Highways, a 41,000-mile system of the most important highways of our Nation, at an estimated cost in excess of $27 billion.

The 1956 act continued in effect the cooperative Federal-State relationship that has been operating effectively since the Federal-aid highway program was initiated in 1916. That program has made possible the improvement of our highways in every section of the Nation, in our industrial centers and in our rural areas, in our cities and in our forests.

The benefits from our highways reach every segment of our economy and the entire population of the Nation. These highways and roads are important for our national defense and for the development of our natural resources.

Senate bill 3414, the Federal-Aid Highway Act of 1958, includes the authorization for continuing and expanding the Federal-aid highway program. It includes additional authorization for fiscal years 1959, 1960, and 1961, for the regular Federal-aid systems, the Interstate System, and the Federal domain roads. The total authorization included in the bill is $3.244 billion. It also includes provisions for apportionment of the Federal-aid funds for fiscal years 1959 and 1960.

The Subcommittee on Public Roads held extensive hearings on S. 3414 and other bills relating to the Federal-aid highway systems, and proposed amendments to the Federal-Aid Road Act. Careful consideration was given to the testimony received. The bill, as reported with an amendment, represents the recommendations of the majority of the members of the Committee on Public Works.

The committee believes that acceleration of work on the highway program is one of the most effective permanent public works programs for relieving unemployment, improving business conditions, and stimulating the Nation's economy. With more than 5 million of our citizens out of work, we should take the necessary corrective action, immediately and effectively, to get them back on the payrolls.

The committee further believes that the completion of the Interstate System on schedule is of paramount importance to the Nation. Any slowdown or stretchout of the program would be tragic. The Federal Government is committed to completion of this system. The States have geared their programs and schedules to completion of the program within the original time schedule. It should not be permitted to lag.

The Committee on Public Works will continue to exercise strict surveillance of the highway program, its status and progress. When legislation is needed,

it will be recommended. When irregularities in the prosecution of the program are rumored, they will be investigated. We will endeavor to see that the American taxpayer gets full value for every dollar spent on the highway systems.

Mr. President, the committee and I believe all Senators are interested in the Interstate Highway System. It is extremely important to the Nation and to the people of the Nation. But the committee went further. It believed other roads were needed as much as the Interstate System, that is, primary roads, secondary roads, farm-to-market roads, forest roads, and urban roads. Those are the roads which actually help the man who lives in the country. Those are the roads which will get the farmer out of the mud. So we did something about such roads, and I wish to call the attention of the Senate to what the committee did.

Under the 1956 act, there was provided for the construction of the type of roads I have mentioned $850 million for fiscal 1958. Under the bill before the Senate, the committee recommended $900 million for 1960. The 1956 act provided $875 million for fiscal 1959. Under the pending bill the committee has recommended $900 million for that purpose for the year 1961.

The proportionate amounts of money which will be received from those authorized amounts is as follows: Of the total amount of dollars received under this program, the primary roads will get 45 percent; the secondary roads will get 30 percent; and the urban roads will get 25 percent.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. LANGER. Will the States have to match any portion of the money?

Mr. CHAVEZ. Yes. The States will have to match a certain amount.

Mr. LANGER. What will be the matching figure?

Mr. CHAVEZ. Thirty percent will be the contribution of the State governments.

Mr. LANGER. Is that true with respect to farm-to-market roads?

Mr. CHAVEZ. Not only that, but the bill also provides for an appropriation in many instances, so that when the State does not have the money to comply with its proportionate share, the State can borrow the money from the Federal Government. Of course the money would have to be reimbursed to the Federal Government from other money the State would get in the future.

Mr. LANGER. Do I correctly understand that with respect to farm-to-market roads the State would have to pay 30 percent?

Mr. CHAVEZ. No. In the regular 1956 bill the matching provision is 50–50. We have in the bill under consideration an authorization of $400 million for fiscal year 1959 with respect to which the 70–30 matching comes into the picture.

Mr. LANGER. Will the distinguished Senator explain the difference in matching of funds as between a secondary road and a farm-to-market road?

Mr. CHAVEZ. They will be treated practically the same. The farm-to-market roads, secondary roads, and primary roads are to be treated practically the same.

Mr. LANGER. In other words, the farm-to-market road will be treated the same as the secondary road?

Mr. CHAVEZ. The Senator is correct.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield to the Senator.

Mr. MARTIN of Pennsylvania. As I understand, the purpose of the additional road work is to furnish employment. Is it not true that there is much more employment in the case of what we call the ABC roads than in the case of the interstate highways?

Mr. CHAVEZ. That is correct. More people can be employed on the ABC roads—the primary, secondary, and farm-to-market roads—than can be employed on interstate highways. On the interstate highways, the work is heavy construction, generally performed by heavy equipment. When the work is done on a small country road, the local people are employed to do the work. Such roads provide more employment.

I may say in passing that one of the objections raised related to the section of the bill containing the billboard provision. The bill has only one justification; namely, the acceleration of road work and thus providing employment. In the opinion of at least six members of the committee, the section pertaining to billboards would put people out of work instead of putting people to work. That was the only objection. It was not raised so much because Senators were against controlling billboards, but it was felt that such a provision did not fit in very closely with the purpose for which the bill was introduced. That was the feeling of many Senators on both sides of the aisle.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield at that point?

Mr. CHAVEZ. I yield.

Mr. MARTIN of Pennsylvania. Is it not also true that many Senators believe that billboards on the various roads are a matter for the States to police, rather than something which should be regulated by a directive of the Federal Government?

Mr. CHAVEZ. Those sentiments were expressed. I desire to make my position clear. I personally feel that billboards should be controlled, but I also feel, as I stated in the committee meetings, that the billboard question does not belong in the bill now being considered. I think it should be treated separate and apart, for several reasons.

In the first place, I desire to have a road bill passed. I am afraid that if the amendment is added to the bill by this body, we may have a little trouble elsewhere, because there are differences of opinion even among those who feel billboards should be controlled. I know that in many instances billboards are very unsightly and detract from the scenic qualities of the terrain; so the ladies who are members of garden clubs and other organizations do have something to complain about.

I have stated heretofore that we were all in favor of the Interstate Highway System, the system which will take the tourist from New Jersey all the way to California.

The subcommittee devoted much time to the other types of roads, and I thank the members of the subcommittee for doing so.

I have made a few remarks about the primary, secondary, and urban roads. There are other types, and I shall mention a few.

Consideration was also given to forest highways. Those who come from the West, and even those who live in the East, know the importance of forest highways. Such highways are necessary not only for the protection of the forests, but so that people can get into the forests. A lumberman might want to get into a forest, so that he could obtain the lumber or timber he had purchased from the Forest Service. What did the committee do in that regard? In the 1958 and 1959 allotments, the forest highways received $30 million. Under the provisions of the bill under consideration an authorization of $36 million is provided for forest highways.

Consideration was also given to forest development roads. Those are the roads to which I referred previously, which make it possible to give protection from fire, and to get into the forests in order to remove the 5 billion board-feet of stumpage. For 1958 and 1959 the total amount authorized for such roads was $27 million. Under the provisions of the bill under consideration for 1960 and 1961, the committee has recommended $34 million.

We gave consideration to national parks. Unless highways are provided, how are the American people to visit these wonderful places, which are assets and resources of Uncle Sam? For roads in national parks for the years 1958 and 1959 Congress authorized $16 million. In this bill the committee has recommended $20 million.

Under the 1958 and 1959 allotment, parkways were given $16 million. The parkways item was left intact in the pending bill.

We gave Indian roads on Indian reservations some consideration. Indians also like to get out of the mud. I can speak about that matter, because there are many Indians in my State, as the Senator from North Dakota [Mr. LANGER] knows, including the Pueblo Indians. In many instances, because of the mud, the Indians cannot even fare forth to buy groceries.

The bill contains provision for $12 million for 1960 and 1961. There is a further provision which should be helpful. Heretofore when we appropriated money for roads on Indian lands the money was for construction, maintenance and operation. Under the provision of the pending bill every penny of the $12 million must be used for the construction of roads.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. LANGER. Is any provision made that Indian labor must be employed?

Mr. CHAVEZ. There is no such provision in the bill, but we are crowding the employing officials. Indian labor will be used, I am pretty sure.

Mr. LANGER. As the distinguished Senator knows, with regard to some Indian roads a construction firm has obtained a contract to do the work.

Mr. CHAVEZ. We are trying to make sure the work will be done by local people, instead of having a bulldozer used so as to do the work in a hurry.

Mr. LANGER. Is there a provision in the bill that Indian labor must be employed?

Mr. CHAVEZ. That is not in the bill. The Indians, however, are employed. Let me give my friend some information.

A road is being built from the New Mexico-Arizona line to Glen Canyon, which is in approximately the central part of Arizona, on the San Juan River. A road is being constructed through that area at present, and I understand that most of the labor consists of Navahos from the area.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LANGER. What good does it do to have the Indian road which the Senator mentions, in New Mexico, for the Navahos, when great construction firms from California bring in their own labor?

Mr. CHAVEZ. I think I understand what the Senator has in mind, and I fully agree with him. We did not place in the bill a requirement that Indian labor be used on Indian lands, because in many instances there will be a stretch of 9 leagues, or 6 miles, in my State, within the Pueblo area. The land granted to the Indians, back to the time of Phillip II, was 9 leagues wide, or approximately 6 miles. The road then continues, but within that area the labor program is usually handled locally.

Mr. LANGER. Is there anything in the bill which provides for building roads to mines, to move out strategic materials?

Mr. CHAVEZ. No; there is nothing in the bill on that subject.

Mr. LANGER. Does the Senator believe that the owner of a mine far removed from the highway should have assistance in building a road to move out strategic material?

Mr. CHAVEZ. If I could have my way on the subject of roads and many other subjects which come before the committee, I would favor such a course being followed. However, after all, there are other members of the committee. We tried to report a fair bill, and I think this is a fair bill. The subcommittee reported the bill unanimously.

There was no question whatsoever about the road bill. Members from both sides of the aisle were for it, and I am pretty sure that, notwithstanding the laudable ideas of the Senator from North Dakota in that connection, the committee recommended a very fair bill. However, there is nothing in the bill to provide that a road shall be built, say, from Grants, N. Mex. to the area where mining for uranium is in progress.

Mr. LANGER. Was the subject discussed in committee?

Mr. CHAVEZ. Let me say also to the Senator that usually in a mining area the local entities—the States or the counties—have jurisdiction over such roads as are usually built. However, the committee did not feel that we should compel the construction of a road 60 miles in length in order to reach a mine.

Mr. LANGER. Does not the distinguished Senator agree with me that, if we are to build a road 50 miles long for Mr. Weyerhaeuser to get out his timber, if two or three independent operators are working a mine, they should have some aid in building a road to reach the mine?

Mr. CHAVEZ. Mr. Weyerhaeuser gets his timber either from his fee property or from forest land. The only situation in which the Government helps is when forest lands are involved.

Mr. LANGER. I merely wished to bring to the attention of the distinguished Senator the subject of roads to mines.

Mr. CHAVEZ. I thank the Senator. He has some very good ideas.

Mr. President, there is another type of land in New Mexico with respect to which the Federal Government has jurisdiction. In the Western States, or the so-called public domain States, the Federal Government has Indian lands, reclamation lands, forest lands, and lands which constitute the public domain.

The bill contains a recommendation for the expenditure of certain funds for building roads in the public land areas. Money has been used for that purpose heretofore. I think the first time that occurred was in connection with a bill passed 3 or 4 years ago. An amendment was offered by the Senator from Oklahoma [Mr. KERR], as I recall.

In 1957 Congress made available for public-land roads $3 million. In 1958 and 1959 Congress made available $2 million. The amount contained in this bill for 1960 and 1961 is $4 million, or double the amount which was authorized for 1958 and 1959.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. LANGER. Does the description of public lands include Indian lands?

Mr. CHAVEZ. No. The public domain is the area in which a citizen may apply for a homestead. Once upon a time forest land had nothing at all to do with grazing. In very few instances would a person be allowed to homestead on forest land. No one can buy Indian land. A person might be able to lease it from the Indians, but he cannot homestead on Indian land. In my State, for instance, the Navahos own 16 million acres of reservation land. That land cannot be alienated, and it cannot be sold to a white man. A person could lease it, but he could not buy it.

Public lands are those lands which can be leased from the Federal Government for the purpose of herding cattle or sheep during a certain portion of the year. Forest lands are practically in the same category, except it is harder to get a permit to graze stock on forest lands.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CHAVEZ. In the national parks, no land is leased. I yield to the Senator from North Dakota.

Mr. LANGER. Under the bill will the Federal Government pay 100 percent of the cost of the roads on public lands?

Mr. CHAVEZ. Yes. The land is not on the tax rolls of the States. That is the reason for the requirement that the Federal Government pay 100 percent of the cost. In my State, for example, perhaps 45 percent of the entire area belongs to the Federal Government. Hence we feel that it is only fair that Uncle Sam, who owns so much land, should help keep up the roads in New Mexico. The same principle applies to the State of North Dakota.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. LANGER. Let us take a quarter section or a half section of Indian land which is owned by a private citizen, a white man. How is the money allocated for the building of Indian roads in a case like that?

Mr. CHAVEZ. The money?

Mr. LANGER. Yes. Will the white man have to pay for the construction of the road which goes by his property on Indian land?

Mr. CHAVEZ. No; he does not. The Indian lands, so far as roads are concerned, are all Government owned. I do not know of any area, except possibly in the State of Oklahoma, that can be sold by the Indians.

Even where Navahos own homesteads outside the reservation itself, it is impossible for them to sell such land. I believe a law in Oklahoma, although I am not positive of this, permits an Indian to sell his property if he wishes to do so.

Mr. LANGER. I know the Senator is very much interested in the Navahos.

Mr. CHAVEZ. I am interested not only in the Navahos; I am interested in all the Indians.

Mr. LANGER. Yes.

Mr. CHAVEZ. My kinsfolk have been living among them for about 350 years. I like them. The Indian, primarily, needs three things. First, he needs roads. Education will come with the roads. Unless we build roads for the Indians in the Navaho Reservation, how can a Navaho child go 50 miles to Gallup to attend an Indian school?

Next, the Indians need what comes with the roads; namely, education and health. I wish to assure my good friend from North Dakota that within the next 60 days construction will start on a hospital for the Navahos at Gallup, N. Mex. That hospital will cost $3 million. Then another hospital will be built for the Navahos within their reservation at Shiprock. That will cost a similar amount of money.

Mr. LANGER. I thank the Senator. I am delighted to hear him say that.

Mr. CHAVEZ. They need roads and subsistence, and they need health and education, and they need to be left alone, instead of being made museum pieces.

Mr. President, I have been most fortunate as chairman of the Committee on Public Works. Helping me are

chairmen of subcommittees who work very patiently and for very long hours. The Senator from Tennessee [Mr. GORE] is chairman of the Subcommittee on Roads. For days and days he listened to tales of woe about what is contained in the pending bill. He is the one who took the trouble to listen and to get the information which would make it possible for the committee to make a recommendation to the Senate.

I am now going to ask the Senator from Tennessee to proceed with the details of the bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. GORE. The subcommittee chairmen who have the privilege and opportunity to serve under the guidance and leadership of the able senior Senator from New Mexico are fortunate indeed. No chairman of a Senate committee could possibly extend greater consideration and a more helpful and cooperative attitude, nor more clearly delegate authority and responsibility, than does the distinguished chairman of the Senate Committee on Public Works.

Mr. CHAVEZ. The Senator is very kind, and I thank him. I hope that we can pass the bill very quickly.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. JOHNSON of Texas. I wish to express my great admiration and respect for the senior Senator from New Mexico [Mr. CHAVEZ] and for the outstanding work his committee always does. I am very appreciative of the promptness with which he has acted to meet the challenge that faces the Nation. I listened with great interest to the presentation the Senator made, and I shall now listen with equal interest to the presentation about to be made by the Senator from Tennessee [Mr. GORE]. I thank the chairman for the efficiency and dispatch with which he has acted.

Mr. CHAVEZ. I thank the Senator from Texas.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LANGER. The distinguished Senator from New Mexico served with me on the Committee on Post Offices and Post Roads when he was chairman of that committee. In all my experience in the Senate I have never found a man who was more devoted to a task than was the Senator from New Mexico, in working out the retirement laws for all the postal employees—the letter carriers, clerks, and mail handlers—and I am satisfied, although I am not a member of the Committee on Public Works, that he is doing just as fine a job as chairman of that committee as he did when he was chairman of the Committee on Post Offices and Post Roads. On the tombstone of the distinguished Senator from New Mexico, when the time——

Mr. CHAVEZ. I ask the Senator not to be a fanatic about it, or to be in any hurry about it.

Mr. LANGER. When the time comes for that, the epitaph on his tombstone will pay tribute to the great service of the distinguished Senator from New Mexico rendered on the retirement bill in behalf of everyone in the postal service of the United States. He did a great job.

Mr. CHAVEZ. I recall vividly when I served on that committee that the committee had about as much to do with roads as the Public Works Committee does now. It used to be the Committee on Post Offices and Post Roads, and it had jurisdiction over legislation pertaining to roads. The Committee on Public Works did not come into the picture until the passage of the Reorganization Act. After that the functions of the committee were divided; post office and civil service affairs went to the Committee on Post Office and Civil Service, and road matters went to the Committee on Public Works.

The Senator from North Dakota, who is an able constitutional lawyer, knows that the only authority this body has to recommend or to approve legislation such as is proposd in the bill now before the Senate is a 3- or 4-line paragraph in the Constitution which says that Congress shall have power to establish post offices and post roads. That is the only reason why we can authorize the imposition of $27 billion in taxes upon the American people for this purpose.

Mr. GORE. Mr. President, the bill before the Senate will, in the unanimous view of the Committee on Public Works, provide a timely acceleration of our highway construction program so as to bring into being needed permanent public improvements while, at the same time, providing employment opportunities and otherwise stimulating our economy.

The increased cost of vehicle operation resulting from inadequate highways has been estimated at approximately 1 cent per mile, or in excess of $5 billion a year. The tragic loss of life—more than 37,000 fatalities last year—and the untold suffering of the more than 1 million persons who are injured in highway accidents each year cannot be measured in terms of dollars. The staggering proportions of highway accidents should steel our determination to improve our highways.

This improvement is made the more necessary by the delay in accomplishing highway improvements during the years of World War II, the Korean conflict, and the period immediately following, because of the shortage of materials and labor. Such shortages are now nowhere to be found; on the contrary, unemployment, and stockpiles of surplus vehicles and materials, invite the use of the unemployed persons and machinery for the accomplishment of permanent public improvements, from which the Nation now and in the future will benefit.

The economic benefits which will flow from improved highways, as reflected in reduced transportation costs and decreased property damage, together with the reduction in the number of deaths and human suffering, are in themselves ample justification for the construction of roads which will be made possible by the funds authorized in the committee bill. The additional jobs which will be provided through highway construction, and the additional stimulation to our economy which will result from the expenditures of the funds earned by those who will obtain employment, are added dividends at a time when they are sorely needed to shore up our economy.

The President has estimated that one-seventh of all Americans owe their livelihoods to occupations which are connected in one way or another with our highway system. Contemplate that, Mr. President. One-seventh of all Americans owe their livelihoods to the industries associated with highway transportation. Where else, then, could we proceed more sensitively, quickly, and effectively to reach the heart and the pulse of our national economy? The additional jobs which will be created by an accelerated construction program will be an immediate and highly beneficial, but by no means the only, or even the major, economic benefit to be derived from the bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. Can the Senator from Tennessee give the Senate an estimate of the number of additional jobs which, in his opinion, will result in the next fiscal year from the enactment of the bill?

Mr. GORE. I appreciate the concern evidenced by the question of the distinguished majority leader. There are several ways in which the matter could be viewed.

First, before replying directly to the able Senator's question, although the number of job opportunities which will actually be created by the expenditure of funds under the terms of the bill is important, they are not, in my opinion, the most important economic stimulation. The confidence of the people in the soundness of the economy—there is a difference between confidence in the future and concern about the future—is more important, in my opinion, than the actual Government expenditure itself.

The important question is, How are we to shore up that confidence? I think the most effective way to strengthen the confidence of the American people in the future of the economy and to dispel their uncertainty and apprehension about the future is to have the Government demonstrate by acts that it is determined not to let the present slump get out of hand. One of the effective ways of doing so, in my opinion, is by the enactment of the pending bill.

To come more directly to an answer to the Senator's question, under the terms of the bill Federal funds will be made available to the States by July of this year which, when added to the State matching funds, will result in a $5½ billion highway construction program. This amount includes the supplemental authorizations for fiscal 1959, which would be apportioned immediately upon the enactment of the bill, and the fiscal 1960 authorizations, which would be apportioned by July of this year. None of these funds—none of the $5½ billion—would be available during this calendar year without the enactment of the pending bill or some other bill.

In terms of acceleration, however, if it is assumed that a routine authorization bill providing, for fiscal 1960, funds for primary, secondary, and urban roads would be passed anyway—an objective for which provision is made by the pending bill—the amounts made available by July of this year, under S. 3414, exceed by $1,800,000,000 the amount which would otherwise be made available on December 31, 1958. The bill, therefore, not only makes more funds available, but also moves the date of apportionment from December 31, 1958, to July 1958.

On the basis of information supplied by the American Association of State Highway Officials, it is estimated that the prompt enactment of Senate bill 3414 will bring about obligation by the States, during the remainder of the calendar year 1958, of highway funds totaling $2,720,000,000, over and above the amount which would be put under contract in the absence of this proposed legislation. Thus it can be said that the pending bill would bring about the initiation of $2,720,000,000 worth of highway work during this calendar year, over and above the amounts which otherwise would be begun.

If we translate that amount of expenditure into terms of man-years of employment, we arrive at the very conservative estimate of 520,000 man-year jobs. I believe it is more conservative than realistic to estimate on a man-year basis, because, as the able Senator from Texas knows, highway construction is concentrated in the good-weather months of the year. But in order to be conservative, I have chosen to answer the majority leader's inquiry by giving a conservative estimate, based on man-year jobs.

That brings us to the large total of 520,000 man-years of employment opportunities. I wish to point out that when half a million people have jobs, they are able to pay their grocery bills, buy clothes for their children, make payments on their automobiles, and thus avoid repossessions, pay their rents, and perhaps build homes. Thus the economy is stimulated, in my opinion, far more than that job figure indicates. This estimate of 520,000 man-year jobs is only an estimate of the actual job opportunities which in 1958 would be provided, directly or indirectly, by means of the contract obligations made under the provisions of the bill. The estimate does not relate to the general stimulation to the economy.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Tennessee yield to the Senator from Texas?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. I wish to congratulate the Senator from Tennessee for the thoroughness with which he has replied to my question. It is characteristic of the able Senator from Tennessee.

I wish to observe that I share his viewpoint that it is extremely important that the 170 million people who make up the population of the United States have confidence in the future of the country and in the ability of our democratic processes to cope with any challenge which confronts the Nation.

But I believe it is extremely important that the processes of Government be put to work, not by means of what some call a massive, long-term, long-drawn-out public-works program, but by a housing program which can be felt immediately, and which it is estimated will put 600,000 men to work; and by a roads program which the Senator from Tennessee says will employ an additional 520,000 men during this calendar year. If the Congress and the Executive together will face up to the realities of today, I believe we shall be very proud of our system, because, as the Senator from Tennessee so well stated a few days ago in the Public Work Committee, it is much cheaper to prevent a depression than to get out of one.

I realize that these may not be the only steps we need to take. I believe that whatever it is necessary to do will have to be done. Studies and reviews are constantly being made of other fields which will permit our people to face up to this challenge and be equal to it.

But I am glad the Senator's subcommittee has—as a result of his diligence and his leadership—produced for the full committee and for the Senate, a bill which I understand has been unanimously reported from the committee. My understanding is that the only differences among the members of the committee do not relate to the wisdom of a road-building program. I understand that the differences among the members of the committee are in regard to other matters related to billboards and perhaps utility apportionments. Is that correct?

Mr. GORE. That is correct.

Mr. JOHNSON of Texas. Do I correctly understand that the bill has been reported to the Senate by a unanimous vote of the members of the committee, with the exception of the vote on those two items?

Mr. GORE. That is correct.

Mr. JOHNSON of Texas. Mr. President, I wish to congratulate the members of the committee for the statesmanship they have displayed and for their willingness to act in a bipartisan manner in an hour of great trial.

Mr. GORE. I thank the able Senator from Texas. The Subcommittee on Public Roads and the Senate Public Works Committee as a whole have constantly striven to avoid partisanship in connection with highway legislation. We do not feel that partisanship has a part in it. Democrats and Republicans alike are being killed on the highways. Unfortunately, our highways have been growing worse, instead of better. In other words, highway improvement has for the past decade fallen far behind.

On yesterday, in Nashville, Tenn., I attended a convention of home builders, mortgage bankers, and representatives of building and loan associations. A speaker who preceded me on the program asked for a show of hands, first by those who thought there would be more new home starts this year than last year. Then he asked for a show of hands by those who thought there would be fewer starts this year. I was impressed by the fact that fully three-fourths of the persons there did not express an opinion either one way or the other. That seemed to me to demonstrate the uncertainty which has seized business leaders and the people of the country.

What we need to do is take the steps necessary to give to the country assurance that the Government will not permit a recession to slide into a depression.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. MANSFIELD. I wish to commend the Senator from Tennessee for the statement he has just made.

In view of the fact that a certain amount of propaganda is being spread around the country about the uncertainty of action by the Congress, and in view of the statements being made about prophets of gloom and doom, and in view of the political implications which have been made about the recession we are in—although I am sure that today no one in the country would not admit that we are in a recession, at least—I wonder whether the Senator from Tennessee recalls that action taken by this body, under the leadership of the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], has been on a bipartisan basis. Is that correct?

Mr. GORE. That is correct. I think the votes taken thus far have been almost unanimous, if not unanimous.

Mr. MANSFIELD. Very well.

To date the distinguished majority leader has submitted two resolutions stating that it is the sense of the Congress that the administration be requested to accelerate civil works projects and defense projects which already have been authorized, and for which funds have already been appropriated? Is that correct?

Mr. GORE. That is correct.

Mr. MANSFIELD. And on both of those resolutions there was only one dissenting vote. Then we have the housing program, calling for an expenditure of $1,800,000,000, which will put hundreds of thousands of people to work. As I recall, that bill was passed unanimously by this body.

Mr. JOHNSON of Texas. Eighty-six yeas to no nays.

Mr. MANSFIELD. Eighty-six yeas to no nays, was the vote.

Recalling a statement made earlier in the debate on the highway program, the pending bill was reported unanimously by the Committee on Public Works.

Mr. GORE. That is correct.

Mr. MANSFIELD. So, on the basis of the constructive, responsible record to date, I would say, that there has been no panic so far as the Senate or the House of Representatives is concerned; that we have moved deliberately, knowing what we are doing, and endeavoring

to alleviate the recession throughout the country; and that we have done it in a responsible, bipartisan, nonpolitical manner. Does the Senator agree?

Mr. GORE. I agree fully with the Senator from Montana; and I would respectfully suggest to President Eisenhower, members of his Cabinet, and the spokesmen for his administration, that faint heart never won fair lady.

Following me on the program in Nashville yesterday, to which I have already alluded, there was a spokesman for the White House, Mr. Howard Pyle. In the first part of his speech he seemed to condemn thoroughly what some people call massive public works. Why, suddenly, everything is condemned by use of the word "massive" I do not know. In the latter part of his speech he delineated the various public works programs and expenditures which the administration has brought into being or now recommends.

I do not think it is quite so effective as it could be for an administration spokesman to condemn antirecession acts on the one hand, and then recommend them in the same statement. I think there should be more forthrightness, more determination. I believe more forthrightness and more determination would have more effectively stimulated confidence than have the fainthearted expressions we have heard. Even President Eisenhower accomplished the remarkable political feat of both condemning and recommending public works in the same statement.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GORE. Yes.

Mr. MANSFIELD. I have been interested in the President's remarks concerning make-work projects, and I put the words "make work" in quotation marks. Does the Senator recall any action taken by this body this year which would in any way have any relation to make-work projects?

Mr. GORE. That depends upon the interpretation of the expression. I should like to know what the administration means by make work, what it means by massive, and what it means by other terms which have been used. Insofar as concerns a program which has but one objective, providing work, I do not know what it means. Insofar as concerns bills to stimulate the economy by doing two things: first, providing for the construction of permanent, needed public improvements; and, second, furnishing thereby additional employment opportunities, the pending bill is a prime example. The housing program is another prime example.

Mr. MANSFIELD. The Senator is correct. To use another expression, does the Senator know of any leaf-raking projects which have been advocated, proposed, or passed by this body?

Mr. GORE. I know of no Member of this body who has proposed a leaf-raking project, or who has proposed "boondoggling." I know of a number of Senators who have voted for a resolution recommending acceleration of a public works program to provide permanent public improvements so as to stimulate the economy, and with this latter view I have been associated.

I should like to say to the Senator that it was 8 weeks ago today when I rose at this desk and said, frankly, after studying the economic indices of our economy, that I thought we were in a recession. On that day I introduced a bill to provide for a public works program. I called for an accelerated highway program, expansion and liberalization of credit, relaxation of the tight-money policy, a vigorous home-building program, urban redevelopment, river and harbor improvements, and a stabilization of farm income. I will say to my able colleague from Montana, in all candor and frankness, that from Maine to California, and in the Congress of the United States, I was denounced more scathingly for those words and those actions than I had previously been during my 20 years in public life.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. MANSFIELD. The Senator is correct. I recall some of those statements. I recall some of the news stories. I recall what the Senator said on this floor, after having made a trip to his home State of Tennessee, after having seen people who were out of work; after having seen people who were on relief. But also I think the Senator should receive some satisfaction from the fact that what he said then has been proven true, and that the measures which he advocated 8 weeks ago are now coming to full fruition.

Mr. GORE. I thank my able colleague from Montana for his very generous remarks.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CHURCH. I think the Senator from Montana has pointed to a subject which in these days needs much emphasis, because there is certainly the suggestion, in the remarks of those who are high in the councils of the present administration, that any public works project is questionable; and certainly there is the added suggestion in such remarks that public works projects are somehow make-work or leaf-raking projects, and therefore projects to be resorted to only in the last extremity.

In the light of that viewpoint, I think it ought to be said, with reference to the PWA and the WPA, which the gentlemen making those remarks apparently have in mind, that there is much evidence, even today, that those projects, undertaken in the years of the great depression, in the New Deal years, in the 1930's, contributed lasting benefits to the people. I know that in the cities of my own State of Idaho one can travel from place to place today and still find boulevards, bridges, parks, playgrounds, schools, and hospitals which were built by the unemployed under the WPA and the PWA, in the dark years of that depression, and which are still contributing to the lasting benefit of the people a generation later.

Lest there be any misunderstanding with respect to the kind of public works projects which are now securing the approval and support of the Congress, let it be pointed out we are not now considering, nor have we considered at any time during the present session, any sort of leaf-raking or make-work projects. We have been considering homes for the families of America, and dams, in the interest of comprehensive development of our river resources, which will contribute energy and will contribute water to the arid lands of America for generations to come.

In the bill now pending before the Senate we are considering the acceleration of a highway building program which will last for decades, which is already badly needed. As the Senator from Tennessee well knows, this bill will merely contribute toward putting back on schedule the program which was adopted by the Congress several years ago.

I have only recently become a member of the Committee on Public Works, but it has been my privilege to watch the distinguished Senator from Tennessee in action, so to speak, with respect to the highway question. It was my privilege to see him conduct a public hearing in Idaho, my own State, last December. I have participated with much interest in the deliberations of the Committee on Public Works on the pending bill.

I wish to say to the distinguished Senator from Tennessee that I think he is making a great contribution to the welfare of the country in the leadership he has shown in advancing the bill, steering it through the committee, and speaking on its behalf today in the Senate Chamber. We are considering a bill which meets a real national need. We are considering a bill which will stimulate our sagging economy and provide a half million additional jobs. Finally, we are considering a bill which will result in a network of highways scattered throughout the country, which will provide lasting benefits for the people of America, not only this year, but next year and in the future for as long ahead as we can see.

For these reasons I commend the Senator for the work he has done and assure him that I am pleased to join enthusiastically in support of the bill now pending before the Senate.

Mr. GORE. I thank my able, distinguished, and generous friend, the junior Senator from Idaho. He has contributed greatly to the pending measure. I look forward to working with him in this Chamber in years to come. He has brought to the Senate a freshness of point of view, an ability to foresee, and an eloquence to express his aspirations and those of his people for America, from which in my opinion, the Senate and the country will long benefit.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Mr. President, I have listened with great interest to the colloquy engaged in by my distinguished colleagues from Montana, Tennessee, and Idaho, particularly with reference to the

attitude of the Eisenhower administration toward the present recession. I wonder if my good friend from Tennessee would agree with my analysis if I expressed the idea a little differently.

The Eisenhower administration seems to love to bring up phrases like "made work of dubious value" for the purpose of discrediting efforts of Members of Congress to find ways and means by public-works programs to put people back to work. It is my suggestion that the blind spot of the Eisenhower administration is that it has no appreciation of how obsolete much of the public sector of our economy is.

I recall for my friend from Tennessee the famous comment of Abraham Lincoln, which both sides of the aisle are so wont to quote:

> The legitimate object of Government is to do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves.

I point to my own distress at seeing the Eisenhower administration back away from its program for school construction, which would put people back to work at a time when we know many thousands of our schools are obsolete and many more thousands of additional schools are necessary, which local and State tax resources cannot buy.

I invite my friend's attention to a subject in which he has perhaps an even greater interest, which is river valley development. I invite his attention to the utterly unrealistic partnership policy of the Eisenhower administration, which has prevented the further and needed development of the great rivers in the State of the Senator from Tennessee and the great rivers in the State of the Senator from Idaho, and has prevented even a beginning of the long overdue development of the three great river basins in my State: the Delaware, the Susquehanna, and the Ohio-Allegheny-Monongahela.

I invite my friend's attention to what must have been a calculated plan to cut down urban redevelopment and slum clearance, through the desire of the Eisenhower administration to throw back on the States and localities a fiscal burden which they cannot possibly bear.

Finally, I invite to my friend's attention the something less than enthusiasm displayed for his own timely bill to speed up the modernization of our road system by putting into that system quickly and at once vast additional sums, which will probably put people back to work quicker than anything else.

So I wind up a pretty long question with the inquiry as to whether my friend from Tennessee feels that we must somehow, in some way, awaken this administration to the great and unmet needs in the public works field. The highway program is an outstanding example of a development which is badly needed to create wealth. The purpose is neither to rake leaves nor to make work of dubious value, but instead to create wealth in the public sector of our economy which, under the administration of our friends across the aisle, has been so sadly neglected for the past 5 years.

Mr. GORE. Mr. President, I appreciate the erudition evidenced by the statement and the question. Wealth is created by the application of effort, the combination of capital and labor. A dam in an effective river valley development which will provide energy to turn the wheels of production is, in any reasonable sense, an acquisition of wealth, of capital improvement and structure to our Nation.

Viewed in a long-term sense, particularly since the very survival of our way of life depends on the quality of our education, the construction of adequate school facilities adds to the wealth, and more particularly to the strength and security of the United States.

That is true in an equal sense of urban redevelopment and the elimination of slums.

It was in a debate on this particular subject about a year ago that I heard the able junior Senator from Pennsylvania startle a number of Members of this body with the statement that in his opinion the President's budget was not large enough. How right the Senator was. But, oh, how he was condemned for his statement at the time.

The Senator has referred to the cold water being thrown upon the efforts of Members of this body to bring about stimulation of our economy. He has referred to such tactics as efforts to discredit the activities of Members of this body. That may be. However, I am more concerned with the effect of such action in diminishing the effectiveness not only of what is done in this body, but also of the actions of the administration itself.

Why must an act be condemned on the one hand, and found necessary on the other—and sometimes in the same statement? Fear breeds upon fear, and confidence grows upon confidence.

I do not say these things in a partisan sense. I started by saying that I was offering a suggestion. The real leadership against the recession has come from the Chamber in which the able Senator and I have the great honor and privilege of serving. Members of this body have not undertaken to provide national leadership because of any desire to usurp the powers of the Presidency. Indeed, we are trying to persuade and help the President to do the job he should be doing himself.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I express my appreciation that the Senator has so ably amplified my own thinking. I think he and I are in accord, that if this suggestion were partisan it would be valueless, because under our constitutional system of checks and balances executive leadership is vested in the White House, where it properly belongs.

We in this body can do not more than to suggest, advise, and consent. I sometimes have the feeling that the able Senator and a number of his colleagues, including myself, are trying to push water uphill, against an inertia where leadership should exist. It is discouraging at times.

Many of my friends on the other side of the aisle have also made suggestions as to how leadership should be grasped at the other end of Pennsylvania Avenue. This is not a partisan subject, and I am glad my friend has noted that fact. However, I am sure he will agree with me that while we in the Legislature do our best to suggest or recommend, no one can take the place of the President of the United States in exercising the leadership on which the future welfare and well-being of the country depend.

Mr. GORE. No one can provide the leadership which this country requires and deserves except one clothed with the power, the glory, the honor, and the prestige of the Presidency of the United States.

In the absence of adequate leadership, Members of the United States Congress have no choice but to do the best they can, inadequate though that may be, within the limits within which the Congress is organized and constitutionally empowered to act. We have no patriotic choice but to do the best we can under the circumstances.

What can we do? We can propose. We can investigate. We can make committee reports. We can articulate our views and sentiments, voicing the will and the needs of the people in the Chamber of the United States Senate.

We can undertake to contribute the best thinking of which our intellects are capable. We can legislate. We can enact programs, but the Congress cannot administer the programs. We can make appropriations and urge their use, but under the Constitution we cannot spend the money.

We can authorize contracts, but we cannot sign them. There are things that the Congress can do, and things that the Congress cannot do.

I am proud that the Congress is undertaking to do the things of which it is capable, and that it is undertaking to persuade the President and the executive branch of the Government to do those things which, in the view of the Congress, the representatives of the people, are necessary to be done.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I wish to thank my good friend for his courtesy in permitting me to interrupt the fine address he is delivering on the subject. It is always a satisfaction and a pleasure to listen to him.

Mr. GORE. I thank the Senator.

I should like to point out one additional thing. On Tuesday, week before last, the administration came before the Highway Subcommittee and opposed the pending bill. On Friday of the same week the bill was reported unanimously, with respect to all except two sections.

I should like to see the administration wake up and realize the danger to the American economy and to American security. I regret that this particular question has arisen during the course of my discussion of the pending bill and its contents. I should like now to return to the pending bill.

Mr. CLARK. I thank my friend from Tennessee.

Mr. GORE. The automobile industry, the petroleum industry, the trucking industry, motels, filling stations, tourist courts, roadside parking facilities, and innumerable other industries associated with highway transportation, and indeed, the general public will receive benefits from improved highways. On this point, insofar as I know, all are agreed.

Of more immediate concern, however, is the provision of employment opportunities for the mounting numbers of the unemployed, about whom we are all currently concerned. Evidence presented to the Committee on Public Works, originating in a survey conducted by the State of New Jersey, indicates that for every dollar spent in highway construction, 90 cents goes for wages, either directly for on-the-job labor, or indirectly for labor performed in the production of materials and the manufacture of equipment used in the construction process.

Under the pending bill, funds will be made available this year, which, when added to matching funds put up by the States, will provide for a highway construction program of $5.4 billion on the Federal-aid highway systems alone. In excess of $100 million additional will be made available this year for the construction of highways in our national forests, our national parks, and other areas within the public domain.

It is true that not all of these funds will actually be paid out of the Treasury during this coming fiscal year. A substantial portion of them will be obligated by contract during this year, however, and this amount, when added to sums already programed from funds previously made available, will approach that figure. On the basis of testimony presented to the committee by State highway officials and representatives of the road-building industry, I am confident that our State highway departments and the industry can quickly gear their programs to the annual construction rate authorized in the bill before the Senate.

I turn now, Mr. President, to an analysis of the major provisions of the bill as reported by the committee. I will deal, first, with the authorization provisions for the Interstate System; secondly, with the sums authorized for the primary, secondary, and urban systems, and for highway construction on Federal lands; and, finally, with miscellaneous provisions of the bill which make certain changes in existing highway law.

This recognition of the prime responsibility of the Federal Government for a system of interstate and defense highways illustrates that as our Nation grows more complex and populous, more and more problems become national in character. Two Presidents of the United States vetoed Federal highway bills partly on the ground that highways were local responsibilities. Who can say now, when the strength of our economy and the strength of our national defense in a very realistic sense are tied to transportation and communication, that adequate highways are local problems? Indeed, the need for adequate highways is a national problem.

The act of 1956 proclaimed explicitly the recognition on the part of the Federal Government of its primary responsibility for financing the Interstate System of highways connecting the major metropolitan centers of the United States. The act of 1956 authorized the apportionment over a 13-year period of funds sufficient, on the basis of cost estimates then submitted to Congress, to complete this system of highways by 1972, to standards adequate to meet the traffic needs of 1975.

Since passage of the act of 1956, revised cost estimates have been submitted by the Secretary of Commerce reflecting a 37 percent increase over the estimates upon which the authorizations in the 1956 act were based.

In the absence of additional appropriations to the highway trust fund, which was not recommended in the budget, certain restrictions contained in the financing provisions of the 1956 act prevent apportionment this year of the sums authorized for fiscal 1960, in the amount of $2.2 billion, as provided in the act.

The Secretary advised the committee that he would be unable to apportion any amount in July of this year, the normal time at which fiscal 1960 funds would be made available for obligation; that the 1960 apportionment would be deferred until December, and would be made available at that time in the reduced amount of $1.6 billion.

Thus, Mr. President, in the absence of appropriate action by this Congress we are faced with a slowdown, or a stretchout, in our interstate highway construction program just as it is gaining momentum and at a time when curtailment of highway construction would have an adverse effect upon our economy, already suffering a serious downturn. Unless we act to restore the time schedule contained in the 1956 act, the completion of our Interstate System will be extended to 1980, or possibly later. Under such conditions, these magnificent highways would be obsolete before they are even constructed.

The act of 1956 was specific in declaring, as a matter of policy, the intent of the Congress to take such action as might be necessary to adhere to this time schedule set forth in that act. Your committee believes that the increases in authorizations for the Interstate System provided in this bill will be reasonably sufficient to insure construction progress during fiscal years 1959, 1960, and 1961 adequate to maintain the time schedule in the act. We have increased the authorization for fiscal 1959 to $2.2 billion by authorizing a supplemental apportionment of $200 million. This $200 million will become immediately available upon enactment of the pending bill. The authorizations for the years 1960 and 1961 are each increased from $2.2 billion to $2.5 billion. The authorization for 1960, under the terms of the pending bill, can be apportioned in July of this year.

The committee has deferred its decision on increasing the authorizations for the years 1962 through 1969 because of the presentation to it of certain encouraging information, which I am sure will be of interest to the Senate. The committee was informed by the Bureau of Public Works, and other witnesses, particularly Governor Harriman of New York, that contracts awarded for the actual construction of the Interstate System have been let in amounts which are in some cases substantially below the cost estimates submitted to Congress.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. O'MAHONEY. As the Senator from Tennessee knows, I spoke to him several days ago about some of the aspects of the highway bill, and said that I was hopeful an opportunity would be presented for me to discuss it with him in our offices. That opportunity did not arise. I became ill shortly after that, and then an accumulation of work made it impossible for me to ask him the questions I had in mind.

Judging by what I have seen in my own State, I have come to the conclusion that the Federal Highway System is being constructed——

Mr. GORE. Is the Senator referring to the Interstate System?

Mr. O'MAHONEY. The Interstate System. It is being constructed according to the ideas of the engineers who plan and the contractors who build, rather than according to the ideas of the areas to be served. I doubt that half a dozen ordinary cities and communities in Wyoming actually will be on the Interstate Highway System. In Cheyenne, or right next door to Cheyenne, there has been a military base for many years. It was first known as Fort D. A. Russell; then it became Fort Francis E. Warren, named after the great Senator from Wyoming; it is now known as Warren Air Force Base.

The Interstate Highway System which is now being constructed has resulted in the erection of an earthen bastion which shuts off the base from the town. I myself have inspected one of the streets of the city, as it runs north and south. It used to face the Warren Air Force base; it now faces a big bank upon which the Interstate Highway stands. That, in my judgment, has greatly decreased the value of the properties along that road.

What assurance have we that in the further extension which is being proposed, full opportunity will be granted to local communities to protect themselves from such treatment? I am aware that the State highway commissions are consulted, but charges have been made to me which I have not had the opportunity to investigate, that the State highway commissions do not pay any attention to local ordinances, because the general concept is of an interstate system designed for military purposes, and which will skip the local cities. Is that correct?

Mr. GORE. The 1956 act provides almost exactly the contrary. It provides that the highways shall be located and designed to meet, equally, to the extent feasible, the traffic needs of a national

character and the traffic needs of a more local character.

I read from subsection (b) of section 116 of the 1956 act:

> Insofar as possible in consonance with this objective, existing highways located on an interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs, to the extent practicable, suitable, and feasible, shall be given equal consideration with the needs of interstate commerce.

Mr. O'MAHONEY. That authorizes the exercising of discretionary power to make the decision as to whether or not the roads are practicable, suitable, and feasible.

Mr. GORE. The able Senator from Wyoming knows that this is a Federal-aid program, and it is traditional in this program that the States initiate applications for highway construction projects. The States propose the locations. The respective States propose not only the locations, but also the geometric designs and grades, and they specify the number of traffic lanes.

The Secretary of Commerce then is given the power and the responsibility under the act to approve or disapprove the applications of the States.

The subcommittee was informed that there had been a very satisfying degree of cooperation between the Bureau of Public Roads and the States. In some instances I have been critical of the Bureau of Public Roads in that I thought the Bureau was undertaking to transgress upon the rights of the States in a truly cooperative and partnership program.

Mr. O'MAHONEY. May I ask another question?

Mr. GORE. Let me make one further comment. By and large, I think the degree of cooperation between the Bureau of Public Roads and the various State highway departments has been most commendable. I now yield.

Mr. O'MAHONEY. Am I to understand from the Senator that the initiation of a particular highway must come from a State authority?

Mr. GORE. I defer to the distinguished chairman of the Committee on Public Roads for the answer to that question.

Mr. CHAVEZ. The State authority, generally through the highway commission, programs or initiates the construction of the roads.

Mr. O'MAHONEY. But is it the only initiator?

Mr. CHAVEZ. As stated by the Senator from Tennessee, after that has been done——

Mr. O'MAHONEY. That is another matter. That is passing upon the application. If a State does not initiate a project, can the Federal Government initiate one?

Mr. CHAVEZ. No.

Mr. GORE. No; except on Federal land.

Mr. O'MAHONEY. Oh, yes; of course; that is obvious. Then, as I understand, if the construction of a highway in any State would be too expensive, would be beyond the local needs, or seemed to be harmful to local needs, the responsibility would lie with the State authorities who first initiated it?

Mr. GORE. I do not think that that is completely accurate, because if a State proposes a geometric design which is below the approved standards, it cannot and should not be approved by the Secretary of Commerce, nor should the project be approved if the State had proposed a design which greatly exceeds the standards. The standards for the Interstate System are declared by the act to be the standards adequate to handle the traffic of 1975. So the State highway departments and the Bureau of Public Roads must look forward to the greatly increased traffic pattern anticipated for 1975.

Mr. O'MAHONEY. Who are the prophets in the Department of Commerce who will undertake to tell what the volume of traffic in 1975 will be?

Mr. GORE. I cannot identify people as prophets. The Bureau of Public Roads has a staff of competent engineers who have devoted their lives and their careers to highway transportation problems. They have a remarkably fine record in that regard.

Mr. O'MAHONEY. I am aware of that. I echo the Senator's compliment. But I should like to tell him a story, if I may, of certain experiences when the Office of Price Administration was in operation. The OPA, in trying to keep the cost of living down during the war, issued ration cards for the purchase of gasoline and tires, because both gasoline and rubber were needed for the war. Civilian consumption was reduced, and the prices of those commodities were held down.

But in certain areas of my State I found that some farmers, in order to get the rationed tires, had to expend their entire gasoline allowance to drive to the county seat to get the tires, because the plans were written by experts in Washington, who were familiar only with what was going on in the highly populated States, but did not understand the situation which existed in the States which were still growing, States like Wyoming and New Mexico.

Mr. CHAVEZ. The OPA was practically a crash proposition.

Mr. O'MAHONEY. That is correct.

Mr. CHAVEZ. I may say in behalf of the Bureau of Public Roads that since the days of Commissioner MacDonald——

Mr. O'MAHONEY. I knew Mr. MacDonald very well. Before the Senator voices his compliment, I may say that I agree with him.

Mr. CHAVEZ. I have dealt with many bureaucrats; but Mr. MacDonald was one official who was really liked and respected by Congress, on both sides of the Capitol.

Mr. O'MAHONEY. Indeed; but he is not the person who is to determine what the volume of traffic will be in 1975.

Mr. CHAVEZ. That is true. But let me tell the Senator from Wyoming that the Bureau of Public Roads, even after Mr. MacDonald retired and was out of the picture, had Mr. Tallamy. I am not speaking now from the administrative standpoint or from the political standpoint. I believe that Mr. Tallamy, the present Federal Highway Administrator, is an engineer before he is a politician.

At the moment a great many of the men working for the Bureau of Public Roads have been working for it for at least 25 years. I never saw so many old men as I did one time at San Antonio when all those who had been working for the Bureau of Public Roads for 25 years or more were asked to stand. They constituted the great bulk of the members of the convention of the American Roadbuilders.

Mr. O'MAHONEY. Mr. President, I have no criticism at all of Mr. Tallamy, or of Mr. MacDonald, who no longer is a member of the Bureau of Public Roads. I am not making a personal argument. I am merely trying to determine upon whom rests the power to make the decision.

From what the Senator from Tennessee has said, I understand that the State must make the initial application for a project.

Mr. CHAVEZ. That is correct.

Mr. O'MAHONEY. Then the application comes to the Bureau of Public Roads and the Secretary of Commerce, and there it is reviewed. If it does not meet certain geometrical standards which the Bureau of Public Roads lays down, and if it does not meet what they believe to be the requirements of 1975, then the Secretary may deny the application or may require a modification of it. Is that true?

Mr. GORE. That is true. They will be, should be, and are disapproved for inadequacy or because they may be too grandiose.

Mr. CHAVEZ. That is correct.

Mr. O'MAHONEY. If the responsible citizens of a State believe such a project is too grandiose or is inadequate, may they make an appeal to their State commission?

Mr. CHAVEZ. They may do so.

Mr. O'MAHONEY. And also to the authorities in Washington?

Mr. GORE. Yes; indeed. In fact, the 1956 act specifically provides that any organized community, municipality, or county can have a public hearing on the location and design of a highway merely for the asking.

Mr. CHAVEZ. That is correct.

Mr. GORE. In fact, the law requires that when a State submits an application for approval of a project and for obligation of funds for construction of the project, the State must certify that an opportunity for public hearings has been afforded to the citizens of any community which is bypassed by the proposed highway or which the highway is to pass through.

Mr. O'MAHONEY. I should like to ask the Senator from Tennessee another question: Is it a fact that the cost of the projects which will be built under the bill the Senator is now explaining has already exceeded the trust fund which was established by means of the original act, and that additional appropriations—over and above the trust fund—will be necessary in order to have the contemplated roads built?

Mr. GORE. I do not believe I can categorically give an affirmative answer

to that question. The more correct answer would be that the cost for the construction of the system in the early years of the construction period exceeds the availability of funds in the trust funds for those early years. I cannot say that the revenue from the highway-user taxes which are by present law dedicated to the highway trust fund will not be sufficient, over the funding period, to meet the cost of constructing the program. It is the limitation on the amount which can be apportioned to the States which now makes it necessary either to appropriate more funds to the trust fund or to suspend this limitation temporarily.

Mr. O'MAHONEY. Mr. President, the Senator from Tennessee has given a very clear answer, and I think I understand it.

Let me ask this additional question: Is it not a fact that because of the conditions the Senator from Tennessee has described, it has been necessary for the Department of Commerce to request independent appropriations—over and above the trust fund—for the next fiscal year?

Mr. GORE. I thought it would have been advisable, and I thought that a prudent regard for keeping our interstate highway program under way would have indicated that such a recommendation would be made. But the fact is that the budget submitted by the President to the Congress did not contain such a recommendation.

I should say that since the committee has held its hearings on the subject, the administration has come forward with a recommendation that the limiting features of the funding provision of the 1956 act be suspended. So the answer to the question is "No" with respect to the budget; but the answer to the question is "Yes" with respect to subsequent action which was taken 10 days or more ago.

Mr. O'MAHONEY. Has any action been taken upon that recommendation?

Mr. GORE. The pending bill constitutes the committee's recommendation to the Senate for action, partly in response to the administration's recommendation, and partly upon the initiation of the committee itself.

Mr. O'MAHONEY. Would it be proper to say that the committee bill will result in making possible appropriations over and above the trust fund?

Mr. CHAVEZ. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Tennessee yield to the Senator from New Mexico?

Mr. GORE. I yield.

Mr. CHAVEZ. Mr. President, after the introduction of the bill hearings were held by the Public Works Committee. In those hearings the matter was developed. After the committee began the public hearings, the Bureau of the Budget made its recommendation.

Mr. O'MAHONEY. I should like to ask one more question, and then I shall be through. I am very grateful to the Senator for his patience. His answers have been most helpful.

Mr. GORE. I thank the Senator from Wyoming.

Mr. O'MAHONEY. Of course I know that an amendment which has been proposed will refer to the States the power to decide where and how billboards may be erected along the interstate highways.

Mr. GORE. No such amendment would be necessary, because the bill in no way proposes Federal regulation and in no way proposes to infringe upon the freedom of the States to act or to decline to act in that regard.

Mr. O'MAHONEY. Has not such an amendment been proposed? I understood that the Senator from New Mexico [Mr. CHAVEZ], the chairman of the Public Works Committee, and the Senator from Oklahoma [Mr. KERR] had an amendment with respect to billboards, and that they desired to submit the amendment to the bill.

Mr. GORE. They have an amendment, but I think the able junior Senator from Wyoming may have——

Mr. O'MAHONEY. Perhaps I misunderstand the amendment.

Mr. GORE. Certainly much misinformation regarding the billboard provisions of the bill has been sent out to the country.

Mr. O'MAHONEY. Therefore I now turn to the chief authority for information.

Mr. GORE. A little later in my speech I had intended to explain the matter in some detail. However, at this time I shall be happy to respond to the inquiry which my able friend, the Senator from Wyoming, has made.

No Federal regulation of outdoor advertising is proposed by the pending bill. What does the bill propose? It proposes to aid the States and provide incentives for States which undertake, and satisfactorily accomplish, regulation of outdoor advertising along and adjacent to the rights-of-way of the Interstate System. States are left free to initiate such regulation, either by the purchase of the advertising easements or by the exercise of the police power of the States, as the States may please.

There is, let me repeat, no Federal regulation of outdoor advertising proposed in the pending bill. What is proposed is, first, authority and direction to the Secretary of Commerce to propose standards which, in his opinion, and consistent with the policy outlined in the bill, would promote the safety of highway traffic and the preservation of historical monuments and beauty of the landscape. If the States agree to comply with those standards, financial aid in accomplishing this objective is provided, and financial incentives for doing so are provided in the bill.

Mr. O'MAHONEY. I had in mind an amendment which I thought was to be proposed by the junior Senator from Oregon [Mr. NEUBERGER].

Mr. GORE. The amendment in the bill is coauthored by the junior Senator from Oregon and the junior Senator from California [Mr. KUCHEL]. The provision, section 12, was not in the highway bill as I introduced it. An amendment was proposed jointly by the junior Senator from Oregon and the junior Senator from California, which was adopted by a vote of 7 to 6 in the full committee.

Mr. O'MAHONEY. Mr. President, the Senator has indulged me very generously. I have taken a great deal of his time. My information has been clarified by the answers he has given to my questions. I shall take the copy of the bill which is on my desk and examine the text of the provision to which he has referred. I am very grateful to him for his helpfulness.

Mr. GORE. The Senator pays me a high compliment.

Mr. O'MAHONEY. I know of no better exponent of wise legislation than the junior Senator from Tennessee.

Mr. GORE. The Senator adds to his generosity. The purpose of debate in the Senate should be the imparting of information regarding proposed legislation and the subject matter with which it deals, and if the junior Senator from Tennessee can in a small way contribute to the great store of information of the distinguished junior Senator from Wyoming, then he is satisfied and compensated.

Mr. President, the Bureau of Roads has advised the Committee on Public Works that, on the basis of contracts awarded through February of this year, actual construction costs on the Interstate System are running about 7 percent below the estimates presented to the Congress in January 1958. In the light of this evidence, the committee has deferred recommending an increase in the authorizations for the latter years of the program, pending further evaluation of the cost estimates recently submitted to the Congress and further opportunity to compare these cost estimates with actual construction estimates covering a more extended period of time.

In view of the trend toward actual costs falling below the most recent estimates, the committee feels that the construction rate authorized in the pending bill through fiscal 1961 will be sufficiently rapid to permit construction of the system within the originally scheduled period. I believe it fair to say that the committee was unanimous in its view that the original 13-year schedule should be adhered to. I think it is fair to say also that the committee was advised that the administration, upon further consideration, desired to adhere to the original 13-year schedule. We of the committee believe that the bill presented will, within the next 3 years, as I said, permit a construction program sufficient to permit the completion of the system in the originally scheduled period.

The committee will continue its study of the overall cost of the program, and will recommend to the Senate such increases in authorizations for 1962 through 1969 as may appear necessary on the basis of committee study.

The act of 1956 provides that, beginning with fiscal year 1960, funds authorized for the Interstate System shall be apportioned to the States on the basis of estimates of cost. The act directs that each State shall be apportioned that percentage of the total funds made

available which the estimate of the cost of completing the Interstate System within its borders bears to the estimated cost of completing the system in all States. The act further provides, however, that estimates which the Secretary of Commerce is directed to submit to the Congress, having originally been submitted to him by the States, shall not be used as a basis of apportionment until they shall have been approved for such apportionment by a concurrent resolution of the Congress.

In accordance with the directive in the 1956 act, the Secretary of Commerce submitted cost estimates to the Congress in January of this year, and requested that they be approved as a basis for making apportionments of Interstate funds for the years 1960, 1961, and 1962. The committee is now engaged in studying these estimates and has requested the assistance of the General Accounting Office for this purpose. The Comptroller General has been asked to examine the estimates as submitted for certain States, selected by him, and to advise the committee of his conclusions as to the validity of these estimates from the standpoint of uniformity, and otherwise, for the purpose of their use as an apportionment of formula. Because of the complexity of this task, the Comptroller General will be unable to report to the committee until next month. Thereafter, the committee itself will devote intensive study to these estimates and to the report of the Comptroller General, not only from the standpoint of the use of these estimates as an apportionment formula, but also from the standpoint of their validity as a basis for financing the overall cost of the interstate program.

We must, it seems to me, Mr. President, accomplish at a reasonably uniform rate the construction of a system of interstate highways throughout the 48 States adequate to meet the pattern of traffic anticipated for 1975. We must also be conscious of the necessity for equity in the distribution of Federal funds to the respective States, consonant with the needs of the States to complete the portions of the Interstate System located within their borders according to a uniform schedule and program.

In order to insure that the availability of interstate funds for fiscal 1960 would not be delayed by the committee's further study of these estimates, the bill before the Senate authorizes their approval as a basis of apportionment of interstate funds for the year 1960 only. This provision will permit the prompt apportionment of the funds authorized for fiscal 1960 and will enable the several States to learn immediately the amount of interstate funds which will be available for that fiscal year, so that they may plan accordingly. The committee hopes to take further action with reference to this matter, as it may affect the apportionments for 1961 and 1962, prior to the adjournment of the present session of Congress.

Mr. President, the improvement of our primary, secondary, and urban roads is, in the opinion of the committee, of equal importance to the construction of interstate highways. The primary, secondary, and urban roads are the feeder arteries for the Interstate System and they continue to carry by far the greater portion of our highway traffic. In the opinion of the committee, these roads also must be improved as rapidly as is practicable in order that local traffic needs not be neglected at the expense of interstate movements. The bill before the Senate contains the regular authorizations for primary, secondary, and urban roads for the years 1960 and 1961 in the amount of $900 million for each year. These amounts are $25 million higher than the amount previously authorized for fiscal 1959. The division of these funds between the three systems, the formula of apportionment among the States, and the traditional 50–50 matching requirements remain unchanged.

The committee has also recommended in the bill a special supplemental authorization for primary, secondary, and urban roads for fiscal 1959, in the amount of $400 million. This sum will be apportioned to the States immediately upon the enactment of the pending bill in such manner as to bring about an acceleration of highway construction in the months immediately ahead, thereby contributing directly to the alleviation of unemployment in every sector of the United States. Advance engineering and design requirements for primary, secondary, and urban roads are less time consuming than for projects on the Interstate System. The States have reported to the committee that they are in a position to place additional contracts on primary, secondary, and urban roads almost immediately, if funds are made available. It is made clear in the bill that this special authorization is to be used by the States for additional construction projects over and above those financed by regular apportionments.

In order to emphasize that this $400 million authorization is to be used so as to provide additional employment opportunities as rapidly as possible, the bill provides that these funds must be obligated no later than December 1, 1958, under contracts which provide for completion of construction of said projects no later than December 1, 1959. States which fail to so obligate their share of this special authorization within the time limit set forth in the bill will lose it, the apportionment will lapse.

In connection with this special authorization, the committee recognized that most of the State legislatures will not be in session this year, after the enactment of the bill. Many States will, therefore, not be in a position to supplement materially the funds already available to their highway departments for use in matching Federal funds. For this reason, this special authorization is made available to the States on more liberal terms than are those applicable to the regular authorizations.

The committee provided the liberal terms for an additional reason, believing it was in the national interest to stimulate the economy and provide additional employment opportunities. We felt this matter was of national concern.

The Federal share of the cost of projects financed with these funds is increased from 50 to 70 percent, with the States share reduced from 50 to 30 percent.

As a further means of assisting the States in acquiring State funds for matching purposes, and this facilitating the early obligation of these special funds, the bill authorizes for those States which so request it a further increase in the Federal share equal to two-thirds of the States' share of the cost of any project financed under the supplemental 1959 authorization. This additional increase shall not be in the nature of an ordinary apportionment but shall be in the nature of a temporary advance to the State, and any amounts so advanced are to be reimbursed to the Federal Government by deductions from apportionments regularly made to the States for primary, secondary, and urban roads for the fiscal years 1961 and 1962. The several States are given wide discretion in the application of this $400 million fund as between the primary, secondary, and urban projects, and, in fact, may elect to apply these funds to projects on either of these systems at the discretion of the States.

The committee is convinced that this particular section of the bill will be extremely beneficial as an economic stimulant and that additional job opportunities will quickly be made available by obligation of this special authorization. It is expected that construction work financed by this special authorization will be well under way within 60 days after enactment of the bill.

I have previously referred to certain limitations and restrictions in the law which the Secretary of Commerce has indicated will prevent him from making apportionments for fiscal 1960 in the amounts and at the times contemplated by law. Unless these restrictions are suspended, or unless additional revenue is dedicated to the trust fund, or unless additional appropriations are made, we shall face a slowdown in construction activity at the very time the public interest requires an acceleration. Accordingly, the bill before the Senate provides for the suspension of these restrictions insofar as funds herein authorized for fiscal years 1959 and 1960 are concerned. The committee will also study this problem further, and expects to make an additional recommendation relative to these restriction for years subsequent to fiscal 1960.

Mr. President, S. 3414 also authorizes appropriations for the construction of forest highways, forest development roads and trails, roads and trails in national parks, parkways, roads on Indian reservations, and for other public lands highways, for fiscal years 1960 and 1961.

Mr. CHURCH. Mr. President, will the Senator yield to me? I am sorry to interrupt this excellent address a second time.

Mr. GORE. The Senator is welcome to propound any question he desires, or to make any comment he wishes. Either will be a contribution.

Mr. CHURCH. I thank the Senator.

I note that the Senator has referred to that particular provision in the bill which relates to public lands highways for the fiscal years 1960 and 1961. I invite the Senator's attention to the fact that in December of last year he presided over a hearing which took place in Lewiston, Idaho, which concerned one such highway, which qualifies for money under the public lands highways provision of the bill. It is a highway of great importance to my State, and also to the entire economy of the Northwest. I refer, of course, to the Lewis and Clark Highway, as the Senator may recall.

Mr. GORE. It was a pleasure to hold the hearings, and to visit in the great States of Oregon, Washington, Idaho, and Montana, and to have the distinguished junior Senator from Idaho participating in the hearings.

Mr. CHURCH. I thank the Senator. I should like to have him know that his generosity in coming to Idaho, and the time he spent in examining the merits of the case for building the Lewis and Clark Highway earned him the gratitude and appreciation of the people of my State.

In this connection, I should like to ask the Senator if the action of the Public Roads Subcommittee in increasing the appropriation for public lands highways from $2 million to $4 million for the fiscal years 1960 and 1961 was not taken with the view in mind of applying the additional money to the acceleration and completion of this vital Lewis and Clark Highway?

Mr. GORE. Such action was not only taken with the purpose and intent that the additional apportionment should be applied toward the completion of the Lewis and Clark Highway, but to a large extent it was taken in consequence of the efforts and the eloquent plea of the distinguished junior Senator from Idaho, who is a member of the committee.

Mr. CHURCH. I thank the Senator very much.

Mr. GORE. And at the request of every Senator from the great northwestern section of the country.

Mr. CHURCH. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Tennessee yield to the Senator from Idaho?

Mr. GORE. I yield.

Mr. CHURCH. I am very appreciative of the fact that the Senator has placed emphasis—as it should be placed—upon the unanimity of view on the part of all the Senators from the Northwest, regardless of party, because there is general appreciation of the fact that the completion of this highway, which now lacks only 13½ miles, will not only provide a third and most direct route through the Northwest to the Pacific coast, but will also commemorate a feat of real historic significance, because the highway follows the course taken by Lewis and Clark in the original exploration and discovery of the Northwest, which has meant so much to the building of our country. Once this highway is completed, it will be marked by Americans in all parts of the country as a highway of peculiar historical significance, and I am sure it will be traveled by all those who have a love for American history and wish to follow the course taken by that illustrious party, Lewis and Clark, when they opened up and laid claim to the Northwest for the United States in the time of Thomas Jefferson.

Mr. GORE. I hope that will be the result. It is my purpose to cooperate fully with the effort of the junior Senator from Idaho, the senior Senator from Idaho, and every other Senator from the Northwest in bringing about the early completion of this highway.

Speaking of its historical value, I note with appreciation the presence in the Chamber at the moment of the distinguished junior Senator from Oregon [Mr. NEUBERGER], who has written extensively on the feats of Lewis and Clark, and the distinguished senior Senator from Illinois [Mr. DOUGLAS], who is recognized as an outstanding scholar and historian. They will surely vouch for the historic importance, as well as the economic importance, of the development and completion of this natural northwestern passage.

The 13½ miles remaining unconstructed are in the Lolo Pass through the Bitter Root Mountains. The highway is constructed from Missoula westward, and from Lewiston eastward, but the 13½-mile gap prevents tourists—men and women from all over the United States—from traversing this famous trail. It has historic importance and economic importance; and I am happy to join with Senators from the Northwest in urging its early completion.

(At this point Mr. GORE yielded to Mr. BUSH, whose remarks appear in the RECORD following Mr. GORE's speech.)

(Mr. GORE also yielded to Mr. JOHNSON of Texas for the consideration of the conference report on House bill 10881, the second supplemental appropriation bill, on which debate ensued, all of which appears in the RECORD following the remarks of Mr. BUSH above referred to.)

Mr. GORE. Mr. President, the sums authorized for some of these categories are increased above present levels in order to meet partially the need for improvement of public-land highways. The bill contains provisions making certain adjustments in the apportionment of forest-highway funds, directing further study of factors affecting apportionment of these funds, and making other minor changes in substantive provisions controlling the use of funds authorized for expenditure on roads and highways lying wholly within Federal lands. These changes are fully explained in the report which has been printed and is available to the Senate.

Section 10 of the bill authorizes the Secretary of Commerce, when making payments to the States on account of construction work in progress, to include reimbursement to the States for the cost of materials stockpiled adjacent to the right-of-way. Under present law, progress payments cannot include the cost of materials until they are actually incorporated into the highway. This imposes a burden upon the States and/or the contractors who are forced to finance the cost of these materials, in some instances for considerable periods of time. Inclusion of this provision in the bill was advocated by the Secretary of Commerce and the senior Senator from Wyoming and other Senators who urged its passage.

Mr. NEUBERGER. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. COTTON in the chair). Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. GORE. I yield.

Mr. NEUBERGER. Because the able Senator from Tennessee has been discussing the various provisions of the bill which make apportionments with respect to forest highways, forest-development roads and trails and public-land roads, I should like to ask him several questions.

First, I want to point out what a privilege it is to serve on the Subcommittee on Roads and Highways under the chairmanship of the Senator from Tennessee. Just as Johnny Appleseed scattered apples, the Senator from Tennessee builds roads. I doubt that anyone else in the modern history of the Congress has successfully handled as much authorization legislation which has been so important to the roads and highways network of the country as has the Senator from Tennessee.

Mr. GORE. Mr. President, I appreciate the generous remarks of my distinguished and close friend, the junior Senator from Oregon. But I should like to know which Senator, if any, is properly identified as Johnny Appleseed. [Laughter.]

Mr. NEUBERGER. I was making an allegorical reference, and was attempting to point out that the junior Senator from Tennessee is as prolific with roads as Johnny Appleseed was with apples; and that is very prolific, indeed.

Mr. GORE. I am glad to know that the Senator from Tennessee was not describing any Member of the Senate in that way, and that no Member of the Senate is properly described in that fashion.

Mr. NEUBERGER. I am particularly interested in the forest-access roads, which are so important to the Pacific Northwest in general, and to the State of Oregon, in particular. Oregon is the leading lumber-producing State. The stands of timber in the national forests have become of ever-increasing importance to the lumber industry, not only in the State of Oregon, but in the other Northwest States of Washington, Idaho, and Montana, and also in northern California, where there are great stands of timber stumpage which belong to the Federal Government.

To indicate to the Senator from Tennessee how crucially significant the national forest timber has become, I point out that, although in 1935 only 1 billion board-feet of timber were cut in the national forests, by 1956 the figure had increased to 7 billion board-feet, which brought to the Federal Government returns of approximately $100 million. It is my understanding that, of the 7 billion board-feet harvested

in 1956, 1 billion board-feet were cut in the State of Oregon.

However, in recent years the harvesting of this timber has been retarded by lack of access roads built into the forests by the Government. That is why we of the Pacific Northwest are so appreciative of the fact that the Senator from Tennessee cut short his Christmas holidays with his own family, in order to come to communities such as Portland, Oreg.; Lewiston, Idaho; Missoula, Mont.; and other communities in the Western States, to hold with us hearings which were so important in regard to the network of roads into the national forests.

It is my understanding that by means of Senate bill 3414, which has been reported by the Senator from New Mexico to the Senate, the authorization for forest-access roads and highways is increased from $27,000,000 annually, as at present, to $34,000,000, or an overall gain of a little more than 25 percent. Is that correct?

Mr. GORE. That is correct. It can be found on page 12 of the bill, in line 14.

Mr. NEUBERGER. The Senator from Tennessee presided over the hearings which were held by him and his colleagues in the Northwest, and he heard the testimony of trained, technical foresters of the United States Forest Service and of leaders in the lumber industry. Is it his opinion, after having heard such testimony, that the increase the bill makes in the funds and program for forest-access roads is fully justified and merited?

Mr. GORE. If I have any doubt about it, it is about the adequacy of the amount, rather than the justification for it.

During the hearings which it was my pleasure, in company with the junior Senator from Oregon [Mr. NEUBERGER], to conduct in the Northwestern States, I was greatly impressed by the knowledge and information which were obtained, particularly by me. Of course the junior Senator from Oregon was already fully aware of the questions which were considered.

The loss to the Nation as a result of overripe timberland, and the consequent cutting of immature timber in more accessible areas, is almost beyond calculation. When one flies over the great forest lands in the Northwest and sees the vast areas of virgin timber which are deteriorating for want of access, and when one realizes that in many other parts of the country immature timber is being harvested, one appreciates the importance of access roads. That point appealed to me very greatly.

That is why I say that if I have doubts about this amount, it is about its adequacy, rather than the justification for it.

Mr. NEUBERGER. Naturally, those of us who come from the Pacific Northwest—and I know I speak not only for myself, but also for the distinguished junior Senator from Idaho [Mr. CHURCH], who now is on the floor, and also for the distinguished junior Senato from Colorado [Mr. CARROLL]—would like to see a larger appropriation authorized.

It is my understanding that the junior Senator from Montana [Mr. MANSFIELD] hopes to sponsor an amendment to have the amount increased to $40 million during the next fiscal year. I support his proposal.

But I should like to have the Senator from Tennessee know how much we appreciate his leadership in bringing about an increase of more than 25 percent—from $27 million to $34 million, as is done in his bill.

In recent weeks we have heard much about the importance of husbanding our natural resources as we face the grim rivalry of the Soviet Union, in terms of production in the future.

We heard the Senator from Louisiana [Mr. ELLENDER] describe vividly the journey he made last fall to the Soviet Union, and tell of the virtually unlimited forests which stretch across Siberia—forests so vast in their expanse that one must travel for days and days on the Trans-Siberian Railroad in order to pass through them.

That is why I believe it is so important that the Senator from Tennessee has brought out a bill which will enable the foresters of the National Forest Service to harvest the valuable fir, pine, hemlock, cedar, and other timber in the national forests before it becomes so overripe that it no longer will be useful for lumber or for sawmill production in the future.

For example, I believe there was testimony that in 1957, in 193 national forest working circles, less than 70 percent of the full allowable timber cut was harvested. This was a waste. In 1957, so the Forest Service told us, on a nationwide basis it could cut only 70 percent of the 10 billion board-feet which these forests can contribute to the national economy. That is due in very substantial measure to the lack of adequate forest-access roads.

So I wish to thank the able Senator from Tennessee for his solicitude and interest in our region of the Pacific Northwest.

Of course, I share his keen interest in all the other provisions of the bill—in those pertaining to the acceleration of construction of the Interstate Highway System, and of the ABC roads, and of other roads which are nationwide in character.

But I am particularly grateful to him for being permitted to advance in committee, under his leadership, the provision to increase to $34 million the forest-access roads authorization. I know that I speak for other Senators from the Pacific Northwest, which is the great lumber-producing region of the Nation, when again I express to the Senator from Tennessee our gratitude for the time he has spent and for the patience and diligence he has shown in his consideration of the special problems of our areas.

Mr. GORE. I am most grateful for the generous words and sentiments of my able colleague and neighbor in the back row. We have been sitting side by side for days and months, working together in the Senate, and working together in the Public Works Committee. I am convinced that failure to provide adequate access roads into our national forests has resulted in an economic loss. It has resulted in loss of great natural resources, on the one hand, and on the other hand, the immature harvesting of resources which would become better with the passage of time. As the able Senator knows, in several places where we held hearings, our committee was advised that at least 50 percent more timber could be cut and marketed without any long-term diminution of the country's natural resources of timber.

Mr. NEUBERGER. There is no question about that; and I believe it is of equal significance that only a few days ago the Senate Appropriations Committee had testimony from Mr. Edward Cliff, Assistant Chief of the United States Forest Service, to the effect that, where forest access roads are built, they more than amortize themselves in returning extra funds to the Treasury, because they permit additional competitive bidding on Federal stumpage, which results in much higher prices received for that timber when it is sold on the open market.

Mr. GORE. For the very good reason that if contractors, or bidders for contracts, must build 25 or 50 miles of highway in order to gain access to the tract of timber upon which they are submitting bids, only a few bidders are likely to be found. The small timberman, the gippo, cannot bid on large tracts of timber, when he must bear the great cost of building a long access highway.

Mr. NEUBERGER. The Senator from Tennessee, in addition to being an exponent of adequate roads, is likewise a foe of monopoly. When the Government does not build access roads into the national forest timber stands, look what happens. Only the very largest timber monopolies then can build roads with private capital. That means there is only one bidder on timber which belongs to all the American people. The small lumber and sawmill operators, often the ones who live in the particular area, in Oregon, Washington, Montana, or whatever the State may be where the timber is being harvested, cannot bid. Therefore, when the Government builds access roads to the forests, they not only bring higher prices to the Government as a result of higher prices paid for timber stumpage, but also encourage the good old American system of aiding free enterprise in the open market.

Mr. GORE. I agree with the Senator fully.

Mr. NEUBERGER. I thank the Senator again for his great cooperation.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield to the junior Senator from Colorado.

Mr. CARROLL. The junior Senator from Tennessee knows the very high regard I have for his leadership and his competence, not only in the field of Federal highway construction, but his ability and leadership in all problems which come before the Senate.

Mr. GORE. The Senator is overly generous. His generosity and friendship arise out of our long and pleasant

association as Members of the other body of the Congress.

Mr. CARROLL. The distinguished junior Senator from Tennessee knows I was one of the first Members of this body to associate myself with the excellent work he is doing and I am happy to have been associated with him on this important bill.

Mr. GORE. I recall the able junior Senator from Colorado was the first Senator to ask that his name be included as a cosponsor of the pending bill.

Mr. CARROLL. I may say to the distinguished junior Senator from Tennessee I find myself today in a position where I must question the able Senator about the equity in one section of this bill. I am reading from page 20 of the report, the second paragraph; this section concerns forest highways:

> The committee was concerned about this change in apportionment formula by the Secretaries without consultation with State or local officials, or Members of the Congress.

That language is followed by a sentence which I think is significant:

> It would be difficult to adjust the apportionments already made for fiscal year 1959, and the committee recommends approval of such apportionments.

I should like to invite the attention of the able junior Senator from Tennessee to the predicament in which the State of Colorado finds itself as a result of this new formula and the resultant apportionment in the fiscal year 1959.

I observe that, as a result of the change in formula, the State of Colorado will lose the largest amount of any State in the forest-highway program.

Because of the reevaluation of the great national forests in our area, Colorado will lose under the 1959 formula $313,000, which is 15 percent of the amount that Colorado would have been entitled to under the formula used in 1958.

I believe the new formula was initiated in November 1958 by the Department of Commerce, to be effective in connection with 1959 forest-highway apportionments.

I wish to point out that under this new formula in fiscal 1959 Arizona will lose $148,000; California, $193,000; Colorado, $313,000; Idaho, $172,000; Montana, $143,000; Wyoming, $158,000. Other States will also lose in 1959, but Colorado will be the principal loser.

It is my understanding that, in connection with the sentence I have just read from the report, it would be difficult to adjust the apportionments already made for the fiscal year 1959. Would not the difficulty in adjusting the apportionments affect those States that have received an increase?

As I study the committee report I note that there is involved a loss to 19 States and Territories under the 1959 formula of about $1½ million. By virtue of the new formula, some States will have their apportionments increased, and other States will have their apportionments decreased, by approximately $1½ million.

I observe that the report shows that the $1½ million loss will obtain only in 1959, and will not obtain in 1960 or in 1961, under the bill, because the formulas in those years revert to the 1958 formula.

I ask for no commitment at this time. And I might say I shall support the amendment offered by the distinguished Senator from Montana [Mr. MANSFIELD], which provides an additional authorization of $10 million for 1959. The authorization of $10 million will correct certain of the inequities suffered by the group of States to which I have referred, and will increase appropriations needed for the continuation of the building of forest highways.

But if the Mansfield amendment should fail to be adopted, it seems to me that under the doctrine of equity, without taking a dime away from another State and without changing a dollar in the formula, Congress could provide a minor sum of money with which to equalize the appropriations heretofore given to the States. That would constitute no great loss to the Government and most important of all would prevent any interference with the pending forest highway program.

My own estimate of the situation today—and I have been talking with experts from the subcommittee which operates under the leadership of the distinguished junior Senator from Tennessee—is that it would not cost more than $1.5 million to assure in the fiscal year 1959 the equality to which we think we are entitled.

Mr. GORE. Does the Senator mean, when he speaks of equality, the provision of an apportionment to each State for the fiscal year 1959 equal to the apportionment for fiscal year 1958?

Mr. CARROLL. The Senator is exactly correct. I ask for no commitment. I do not know whether the subject has been considered by the committee.

Mr. GORE. It was considered by the committee. In fact, the subcommittee held hearings in several places in the West on this subject. The subcommittee found it to be a particularly vexatious problem.

Insofar as the fiscal year 1959 is concerned, we were faced not with a theory or a recommendation for our consideration, but instead with a fait accompli. The Department of Commerce and the Department of Agriculture had jointly, as the report to which the Senator referred states, without reference to the Congress or the committee, made a revision of the apportionment formula. If the able Senator will read the hearings, he will find that the chairman of the subcommittee reproached the officials for taking such arbitrary action without consultation with the committee having jurisdiction.

Mr. CARROLL. I have read the record, and I commend the Senator for his strong position.

Mr. GORE. I thank the Senator.

The fact is, though, the apportionment had been made. It is difficult to correct the error, if it be an error. It is difficult to undo that which has been done. Therefore, what the committee recommends is that there be not taken from one State the funds which have already been apportioned to it, and which have perhaps been obligated, in order to add to the amount given the other States which have suffered a reduction.

Mr. CARROLL. Mr. President, will the Senator yield at that point?

Mr. GORE. I shall be glad to yield in a moment.

We recommend the acceptance of the 1959 apportionment because of the difficulty of undoing what has been done. We recommend, however, that in fiscal years 1960 and 1961 each State shall receive the same percentage of available funds as it received in fiscal 1958.

I recognize very well there is no justification, so far as I can find, for an actual reduction in the amounts made available for such purpose to Montana, to Colorado, or to other States which have suffered reductions for fiscal year 1959. Therefore, the committee has recommended a restoration of prior percentages for the following fiscal years, for which apportionments are authorized under the bill.

As I understand, the Senator from Colorado requests consideration of an amendment or a suggestion that additional funds be authorized for apportionment for fiscal year 1959, so as to give each State an amount equal to the amounts which that State received in fiscal year 1958?

Mr. CARROLL. We do not wish to disturb apportionments to other States which have received an increase.

Mr. GORE. In other words, the Senator does not propose to take anything away from the States to which apportionments have been made?

Mr. CARROLL. That is correct. In other words, we feel that the States probably have taken action under the new formula. Perhaps the State highway departments in certain States have proceeded on the assumption that the apportionment was definite, and to make a change might create some administrative difficulty. Therefore, we are not asking that any funds be withdrawn from any State, but we ask that there be restored to States which have suffered reductions at least a proper allocation, which we ought to be able to live with until 1960 or 1961.

Giving full credit to the able junior Senator from Tennessee for not only restoring but increasing the very important forest-highway program for 1960 and 1961, compared to the old formula for fiscal year 1958, we feel that is desirable.

Mr. GORE. I think the Senator has made a meritorious suggestion. If the Senator will prepare such an amendment I shall be happy to confer with my colleagues on the committee about it. I recognize the effect on the program in those States which will in the next 12 months actually experience a reduction rather than an acceleration, which we have provided for fiscal years 1960 and 1961.

Mr. CARROLL. Exactly. I knew that the able junior Senator from Tennessee would recognize the merits and equity of the proposition. I ask for no commitment. I will prepare the amendment and submit it to the able junior Senator from Tennessee. I thank the

Senator for permitting me to trespass on his time.

Mr. GORE. I thank the Senator.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. GORE. I yield to my distinguished friend, a colleague with whom I have served in both branches of Congress, the distinguished junior Senator from New Hampshire.

Mr. COTTON. I thank the Senator.

I should like to ask the distinguished junior Senator from Tennessee one question; but before asking the question I wish, speaking as a Member of the minority of the Subcommittee on Roads of the Committee on Public Works, of which the Senator from Tennessee is the chairman, to say to him that again this year, as was true in past years, as chairman of the subcommittee the Senator from Tennessee has given a beautiful demonstration of how patient, fair, just, and considerate a chairman can be in conducting both the open hearings and the executive sessions, when frequently we had very knotty and difficult problems to consider, and oftentimes natural clashes of opinion.

Much of the credit for reporting to the Senate a constructive bill, with the general support of the Members of the subcommittee as to most of its provisions, is due to the fairness and the consideration of the distinguished Senator from Tennessee. As a Republican member of the subcommittee, I simply want the Senator to know I am sure we all appreciate his conduct.

Mr. GORE. Mr. President, I want deeply and genuinely to thank my friend, able Senator that he is, the junior Senator from New Hampshire, for his sentiments and his comments.

The pending bill bears the mark of the work and ability of the junior Senator from New Hampshire. Several amendments, involving substantial provisions of the bill, were offered by the junior Senator from New Hampshire and were adopted by the committee. Unfortunately he offered 1 or 2 which were not accepted, but most of the amendments which he proposed were adopted. It is a pleasure to work with the able Senator, and I thank him.

Mr. COTTON. I thank the Senator from Tennessee.

For the purpose of the legislative history of the bill I should like to discuss one point which I believe—if my memory serves me correctly—was fairly well understood in the committee, but which might not be immediately apparent. I can find no language in the bill or in the report which would make it wholly clear, though I may have misunderstood the language.

It is the recollection of the Senator from New Hampshire that the $400 million authorized for a quick program with respect to the so-called ABC roads, as well as the additional $200 million for fiscal 1959 for the Interstate System, at least, and some of the additional funds for fiscal 1960 and 1961 for the Interstate System were to come from the moneys in the Treasury, and not from the trust fund. Is that assumption correct?

Mr. GORE. The funding provisions of the 1956 law which limit disbursements from the trust fund are temporarily set aside. The trust fund, therefore, will be called upon in the next 2 years for more funds than are now in the trust fund, or which could be reasonably anticipated to become a part of the trust fund by reason of the present taxes. Therefore the trust fund must be replenished, either by appropriations by the Congress from the general fund to the trust fund, or by borrowing by the trust fund from the general fund upon anticipated future revenue coming into the trust fund for use during the following years. It seems to me that the money comes out of the same pocket, whichever of those two methods is used. The same Treasury must borrow from the same public for the purpose.

Mr. COTTON. According to my recollection, it was clearly understood in the discussions in the subcommittee—and I believe also in the full committee—that if the bill should become law, it would suspend the limitation on the trust fund, so that in the case of the Interstate System, money could be drawn ahead in order to keep the Interstate System up to schedule, in order that it could be scheduled to be completed in 13 years.

Mr. GORE. I think the recollection of the Senator is substantially correct, if not entirely correct. If the Senator will turn to page 6 of the bill, he will find, beginning in line 13, the following language:

> There is hereby authorized to be appropriated the sum of $900 million for the fiscal year ending June 30, 1960; and the sum of $900 million for the fiscal year ending June 30, 1961.

I invite the Senator's attention to the specific words "there is hereby authorized to be appropriated." There is no prohibition against the sums being appropriated directly for this purpose, nor is there any prohibition against an appropriation being made directly to the trust fund. I think the Senator's recollection is substantially correct.

Mr. COTTON. I do not think there is any question between us as to the regular appropriations, both with respect to the interstate and the so-called ABC roads, namely, that eventually they would come from the trust funds, but they could be appropriated in advance, to keep the construction on schedule. Up to that point we are in perfect agreement.

I think the Senator from Tennessee will recall that the Senator from New Hampshire submitted an amendment which did not apply to the Interstate System, but provided for a special program for 1 year with respect to the ABC roads. The amendment was adopted to the extent of $400 million, but $200 million was diverted from the purpose of the original amendment of the Senator from New Hampshire, and put into the Interstate System.

It was the understanding of the Senator from New Hampshire—and I thought it was the understanding of the committee—that that particular emergency or special fund of $400 million which was to go into the ABC system on different terms and on a temporary basis, to revert if it were not used within a short time, would be treated specially, and that it was not to be a charge on the trust fund, now or in the future, but would actually mean putting new money, aside from the trust fund, into the special program for ABC roads for 1 year.

Mr. GORE. If the Senator will look on page 8 of the bill, he will find, beginning on line 22, reference to the specific 1-year apportionment of $400 million to the primary, secondary, and urban Federal-aid roads. The language is as follows:

> For the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1959, $400 million in addition to any sums heretofore authorized for such fiscal year.

So the Senator is correct, in that there is a supplementary authorization, regular in form, to be used on projects completed prior to December 1, 1959, and for which the Congress would have to make appropriations.

Mr. COTTON. I wished to make the record clear that it was the intent of the Senator from New Hampshire, who proposed the amendment carrying that special program, that it should not at any time be a charge on the trust fund, or be returned to the trust fund. It was the intent of the proposer of the amendment that this should be a special program, paid for separately, and administered as a special program, any funds not used to revert; and that it should not be used in any way to deplete the trust fund at any time, now or in the future.

I am still a little in the dark as to whether the language of the bill makes that clear, and I would like to have the judgment of the Senator from Tennessee, chairman of the subcommittee, on that particular point.

Mr. GORE. First let me say that the language in the bill is the ordinary appropriation-authorization language.

Mr. COTTON. I note that.

Mr. GORE. Unquestionably the objective which the able Senator has in mind can be accomplished. I do not find any prohibition in the bill against the Appropriations Committee recommending that the funds specially authorized be appropriated to the trust fund and be paid out of the trust fund, but I see no necessity for doing it in that way. It would involve additional bookkeeping. I see no necessity for Congress appropriating $400 million from the general fund to the trust fund in order that it may be paid out of the trust fund for this purpose. It could be appropriated directly for this purpose in the first instance.

Mr. COTTON. In order to tie this point down—and I believe this is very important—do I understand correctly that the Senator from Tennessee, the chairman of the subcommittee, agrees with the Senator from New Hampshire that it was the intention of the committee that the $400 million fund should not permanently be a charge on the trust fund?

Mr. GORE. I cannot say that I remember that being determined as the

position of the subcommittee. It may have been. My memory may be faulty in that regard, but I cannot say that I remember it. It can be accomplished in that way by the language of the bill.

Mr. COTTON. But it would have to be accomplished administratively, would it not?

Mr. GORE. No; by Congress.

Mr. COTTON. In order to make sure of that, would an amendment have to be submitted to the bill?

Mr. GORE. The Senator could make it a certainty either by an amendment or by seeing to it, when the appropriation of this sum is made, that it goes directly to the Department of Commerce, rather than to the trust fund.

Mr. COTTON. Unfortunately, the Senator from New Hampshire is not a member of the Committee on Appropriations, and he is not very confident that he could, in the euphonious words of the Senator from Tennessee, see to it that that was done.

I wish to establish, first, for legislative history, the intention. It is quite plain to me from the statement of the Senator from Tennessee—with his usual frankness and forthrightness—that it was not the fixed intention of the committee, although it was, I would say, the declared intention of the Senator from New Hampshire when he submitted his amendment.

Mr. GORE. It may have been of the full committee. My memory may be at fault.

Mr. COTTON. If we are to be certain that that be done, then sometime before the bill is passed an amendment should be added to make that point clear. Is that correct?

Mr. GORE. If it be the desire of the Senate to make sure that the $400 million will be appropriated directly, and not via the highway trust fund, then a single amendment at the proper place in line 1, 2, or 3, of page 9, stating "without reference to or effect upon the highway trust fund," or language of similar effect, would accomplish the Senator's purpose.

Mr. COTTON. If it is appropriated via the trust fund, as the Senator says, it would have to be put back into the trust fund eventually from somewhere. Is that correct?

Mr. GORE. Not if the funds were appropriated from the general revenue to the trust fund.

Mr. COTTON. To put it plainly, can the $400 million, if it stays in the bill under the present language of the bill, be taken from the trust fund, without being replaced?

Mr. GORE. It cannot be taken from the trust fund without first having been placed in the trust fund by appropriation.

Mr. COTTON. By appropriation.

Mr. GORE. Yes.

Mr. COTTON. That is definite. So if that is correct, then the Senator from New Hampshire has little further apprehension, because it means that much of the $400 million will immediately be put into circulation in connection with the ABC roads on which less is paid for engineering, less for planning, and less for rights-of-way, and where the money can immediately go into jobs and into construction, which is very important at this time. That is the intent of the Senator from New Hampshire, and, I am sure, of the members of the committee.

It was the purpose of the Senator from New Hampshire that that be a special fund and that it should not deplete the trust fund. I gather now, from what the Senator from Tennessee says, no matter how it is arranged, whether money for the special ABC authorization is appropriated and goes into the trust fund, or whether it is appropriated separately, it is to be covered by an appropriation, and cannot be permanently taken from the trust fund, to constitute a further drain on the trust fund.

Mr. GORE. It is possible, under the terms of the bill, for the trust fund to borrow from the general fund, which, it seems to me, would amount to the same thing in either instance, whether borrowed from the general fund or appropriated from the general fund. It would come out of the same pocket. If the Senator has a substantial doubt about it, if he will prepare a simple amendment, I shall be glad to confer with members of the subcommittee about it. I remember that the Senator expressed his views and intent in this regard. I do not recall that there was an expressed concert by the subcommittee on the point. If the Senator will submit an amendment, I shall undertake to get such concert.

Mr. COTTON. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Tennessee may yield, with the understanding that he will not lose the floor, so that I may suggest the absence of a quorum, and that, following the quorum call, I may propose a unanimous-consent request on behalf of the minority leader and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the unanimous-consent agreement proposed by the distinguished minority leader and myself be read. I may say that it has been approved by all members of the Committee on Public Works on this side of the aisle.

The PRESIDING OFFICER. The clerk will read the proposed agreement.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, March 26, 1958, at the conclusion of routine morning business, during the further consideration of the bill S. 3414, the Federal-Aid Highway Act of 1958, debate shall be limited as follows:

Four hours on the so-called billboard amendment, and 3 hours on the utility amendment, to be equally divided and controlled as set forth in the case of other amendments set forth below.

Debate on any other amendment, motion, appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, may I ask whether, under the clause relating to germaneness in the proposed unanimous-consent agreement, it would be in order to offer an amendment which would deal with title II of the Highway Act of 1956, which relates to revenue? I have in mind an amendment relating to title II of the Highway Act of 1956, which is entitled "Highway Revenue Act of 1956." I should like to have the right to offer that amendment.

Mr. JOHNSON of Texas. I should be glad to modify the unanimous-consent agreement to provide, if it is not now in the order, that an exception be made in this instance, and I so do.

Mr. CASE of South Dakota. I have no objection to the proposed agreement.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement, as modified?

Mr. KUCHEL. Mr. President, reserving the right to object, may I ask if, when the agreement refers to the billboard amendment, it refers specifically to the amendment designated "3–24–58–B" offered by the distinguished Senator from Oklahoma and other Senators?

Mr. JOHNSON of Texas. I think it is the amendment to strike out the billboard provisions of the bill.

Mr. JAVITS. Mr. President, reserving the right to object, will not the majority leader also ask unanimous consent to change the time for convening tomorrow morning from 10 o'clock to 10:30? A rather crucial meeting of the Committee on Rules and Administration is scheduled to begin at 10 o'clock, with the first item on the agenda to be the question of rule XXII, which was under debate for weeks. It will be disposed of in a half hour. If 10 o'clock is to be the hour fixed for the Senate to meet, it will kill the meeting.

Mr. JOHNSON of Texas. So far as I am concerned, it will not kill the meeting. If any member of the committee desires to ask unanimous consent tomorrow morning that the committee may meet, I shall not object. The Senate has already entered an order for the Senate to convene at 10 o'clock, and Senators have been notified all during the day of that fact.

One amendment to be considered will keep the Senate busy until 2:30 tomorrow afternoon before a vote will be taken.

So if the Senator from New York or any other member of his committee will ask unanimous consent that the committee may meet tomorrow morning, I shall offer no objection.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement, as modified? The Chair hears none; and the agreement, as modified, is entered.

The unanimous-consent agreement is modified as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, March 26, 1958, at the conclusion of routine morning business, during the further consideration of the bill S. 3414, the Federal-Aid Highway Act of 1958, debate shall be limited as follows:

Four hours on the so-called billboard amendment, and 3 hours on the utility amendment, to be equally divided and controlled as set forth in the case of other amendments set forth below.

Debate on any other amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment, except the amendment by Senator CASE of South Dakota to title II of the Highway Act of 1956, that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, I should like to call attention to the fact that any Senators who care to address themselves to the pending bill will have an opportunity to do so today, for as late as they may care to remain this evening.

I am not certain that all the time available under the unanimous-consent agreement will be used by both sides. I should like to have the secretary for the majority and the secretary for the minority keep all Senators advised of the situation, because it is our hope that a vote on the bill will be reached either late on Wednesday or early on Thursday.

Mr. GORE. Mr. President, section 11 of the bill amends section 111 of the Highway Act of 1956, which deals with reimbursement to the States for the cost of relocating utility facilities when such location is made necessary by construction projects on the Federal-aid highway systems. The present law authorizes the Federal Government to participate in such costs by reimbursing the State its pro rata share whenever the State shall have paid such costs. The committee took cognizance of the fact that since enactment of the act of 1956, a number of States have enacted legislation providing for the payment of such costs. A substantial majority of the States which thus have acted have authorized the reimbursement only of the utility-relocation costs made necessary by construction projects on the Interstate System, where the Federal Government's pro rata share is 90 percent. The committee felt that this was a development contrary to the purposes for which section 111 was enacted. Accordingly, the committee proposes to amend section 111, the principal effect of the amendment being to restrict the amount payable by the Federal Government for utility relocation costs to not exceeding 70 percent of such costs as may have been paid by the States.

I come now, Mr. President, to a provision of the bill over which there was substantial controversy within the Public Works Committee. I refer to section 12, which is designed to encourage the several States to regulate the erection of signs and billboards in areas adjacent to the Interstate Highway System. This section is a moderate provision which will contribute to the safe and efficient movement of traffic over our interstate highways.

Section 12 of the bill is the one referred to in the large numbers of telegrams which Senators are receiving, and in which telegrams this section is referred to as section 122.

The purpose and the effect of section 12 have, in my opinion, been grossly misrepresented and much exaggerated. Most of those who have been interested in this problem insist that they are in favor of reasonable regulation of billboard advertising. Some, however, profess not to have been able to find a means of doing so which meets fully the criteria which they feel should be embodied in appropriate legislation. The Committee on Public Works has studied this problem intensively over an extended period of time. Lengthy hearings have been held. There has been prolonged discussion in executive session in which every member of the committee has participated in good faith.

I make no claim that the solution contained in section 12 of the bill is perfect. I do say, however, Mr. President, in all sincerity, that it constitutes a reasonable and a sensible approach that comes as near as possible to meeting the legitimate objections of those who may be interested in the outdoor-advertising business or who may be interested in using that advertising medium, while protecting the public interest in highway safety and in the preservation of scenic beauty and points of historical interest.

This section, Mr. President, does not prohibit outdoor advertising, although some seem to fear that it does. On the contrary, it merely provides aid and incentives for States to exercise reasonable regulation of outdoor advertising and other conservation measures under the terms of broad policy guidelines specified in the bill. This bill, Mr. President, does not provide for Federal regulation of billboards, as some have suggested that it does. Any regulation, other than for the segments of the Interstate System lying within federally owned lands, if accomplished at all, will be accomplished only by the several States or by counties or municipalities of the several States, which will be free to regulate or not to regulate, as they may deem advisable.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. GORE. I yield.

Mr. LAUSCHE. I thank the Senator from Tennessee for yielding to me.

First, let me say to him that among the objectives of the State of Ohio, in connection with the construction of its turnpike, were the promotion of safety and the increase of the scenic beauty along the highway, by acquiring restrictive rights on adjacent property against the display of signs and other devices which would distract the attention of the motorist from fulfilling his proper responsibility in connection with the operation of his motor vehicle.

Mr. GORE. What does the law of the State of Ohio, to which the able Senator has referred, contemplate by the term restriction? It does not mean an absolute prohibition, does it?

Mr. LAUSCHE. No. Within a certain distance—which I cannot specify at this time—of the rights-of-way acquired, property owners transfer to the State their right to use the property for the erection of billboards. In my opinion that arrangement has proved highly successful, and has met with the approval of the traveling public.

Mr. GORE. Is that a restriction or a regulation? I believe that in the sense in which the Senator from Ohio has used the word restriction, it means a regulation for the control of the location of billboards or other outdoor advertising media.

Mr. LAUSCHE. That is correct.

Mr. GORE. Was that regulation accomplished in Ohio by the purchase of an advertising easement on the property, or was it accomplished by the use of the police power?

Mr. LAUSCHE. In connection with the acquisition of the right-of-way, as an incident to the transaction there was acquired from the property owner a relinquishment of his property right to have billboards erected on his land.

Mr. GORE. In other words, as the State of Ohio purchased the rights-of-way, it negotiated with the landowners for the purchase of the advertising easements on areas in addition to the rights-of-way acquired; is that correct?

Mr. LAUSCHE. That is correct.

Mr. GORE. As the Senator from Ohio knows, that is one of the ways by means of which outdoor advertising along the Interstate System can be controlled under the terms of the pending bill, in case States do thus acquire from the owners, and pay for, the advertising easements. In such cases, under the terms of the bill, the Federal Government will reimburse the States to the extent of 90 percent of the cost, provided it does not exceed five percent of the cost of the right-of-way.

Mr. LAUSCHE. Yes, I so understand.

I have some questions in regard to section 12. It is my understanding that section 12 provides for the payment—in part, by the Federal Government—of the cost of acquiring restrictive rights against the use of the property for billboard displays.

That section provides that the Secretary of Commerce——

Mr. GORE. From what line is the Senator from Ohio reading?

Mr. LAUSCHE. I shall state that in a moment.

It provides that the Secretary of Commerce may enter into agreements with the separate States for the carrying out of this policy.

Mr. GORE. That begins at the bottom of page 21.

Mr. LAUSCHE. Yes.

Beginning in line 15, on page 22, we find the following:

> Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, or which are built on rights-of-way wholly acquired before July 1, 1956.

My query is, Does this language mean that the Secretary of Commerce, within his discretion, shall be able to exclude highways traversing a municipality, even though the municipality is desirous that such highways be included in the program?

Mr. GORE. I shall be glad to give the Senator my interpretation, but first I am glad to yield to one of the coauthors of the amendment, the junior Senator from California [Mr. KUCHEL].

Mr. LAUSCHE. What I have in mind is this: Let us assume a municipality says, "We want to be included in the provision excluding billboards and other attention-distracting devices," but the Secretary of Commerce says, "In my discretion, that should not be done." Would it be the judgment of the Secretary of Commerce that would be final in the matter?

Mr. KUCHEL. Mr. President, I should like to answer the Senator's question in this way: The constitutions of some of the States of the Union, as the able Senator well knows, contain what are called home-rule provisions, under which, where municipalities are organized and incorporated pursuant to State law, they have exclusive police-power jurisdiction; whereas, as the able Senator knows, in other States of the Union local communities are completely creatures of the State government.

It was the intention of the authors of the amendment to recognize that some States, through their State governments, would not have the State constitutional authority to speak for home-rule cities within their jurisdiction; but, to the contrary, where local municipalities were complete creatures of the State government, it was the intention of the authors of this amendment that the State, in accordance with what the able Senator from Ohio has in mind, if the State were speaking for all those municipalities, it could do so under the State's constitutional provisions. So in drafting this language to give the Secretary authority to place in the agreement with the State such exceptions as are herein enumerated, it was the intention of the authors, and of the entire committee, to develop on the Senate floor the intention to include every area that could be included.

Mr. LAUSCHE. That is, the situation would not then develop which would preclude a State, in the areas over which it did have control, from entering into an agreement with the Secretary of Commerce bringing the State within the provisions of this proposed law?

Mr. KUCHEL. The Senator is completely correct. In circumstances where the State government could speak for its municipalities without violating the provisions of the State constitution, it was the intention of the committee which approved the amendment that the State should so speak, and those areas should be included in the agreement.

Mr. KERR. Mr. President, will the Senator yield on that very point?

Mr. GORE. Yes; I yield.

Mr. KERR. I should like to say to the distinguished Senator from Ohio and the distinguished Senator from California that the statement of the intention which the Senator from California has so eloquently made was certainly the intention of the framers of the amendment. The Senator from California made a very eloquent speech on the floor when he submitted a proposal and stated that the provision was in the amendment. It is not in the bill now before the Senate. If the Senator will look at page 22 of the bill, beginning at line 15, he will find language which specifically provides——

Mr. LAUSCHE. May I interrupt?

Mr. KERR. Yes.

Mr. LAUSCHE. My concern is that the language contained in line 16 puts the discretion in the Secretary of Commerce, and it is silent concerning any discretionary power in the States.

Mr. KERR. The Senator is eminently correct. The language beginning at line 15, and going through line 24 on page 22, if this bill becomes law, insofar as it is capable of being carried out, will place in the Secretary of Commerce, and him alone, the discretion to disregard any State zoning power, or municipal zoning power or authority, and leave solely in the discretion of the Secretary of Commerce the decision as to what the restriction shall be.

Mr. GORE. Mr. President, I invite attention to line 4, page 23 of the bill, which reads:

> The Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof, not including any additional cost that may be incurred in the carrying out of the agreement.

Therefore I point out, Mr. President, that the increased share payable to the State by the Federal Government will not and cannot include such payment with respect to a section of the Interstate Highway which does not meet the national standards, and which is not covered by the agreement.

Mr. LAUSCHE. The Senator from Tennessee anticipated my question. I was going to ask this question: If a State enters into an agreement with the Secretary of Commerce, under which agreement certain segments of the highway traversing a municipality are excluded, then for the purpose of ascertaining the amount to be paid under the one-half of 1 percent formula, that segment of the highway running through the municipality is not considered. Is that correct?

Mr. GORE. But it may be considered.

Mr. LAUSCHE. Getting back to that point, that is what I understood the Senator from California, joined in by the Senator from Tennessee, declared to be the intention of the committee.

Mr. GORE. Will the Senator repeat his question?

Mr. LAUSCHE. The declaration made by the Senator from California, and obviously subscribed to by the Senator from Tennessee, is to the effect——

Mr. GORE. I am not sure it is obvious that I agree with the interpretation of the language of this portion of the bill. I say, in all candor, that as the bill is drafted, if this language is interpreted strictly, the discretion is vested in the Secretary of Commerce. If the Senator wanted to correct that situation and make such discretion dependent upon the application of a State, then I think it might be necessary to add the words "and upon application of the State" in line 17 or in some other appropriate place.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. LAUSCHE. That is, the Senator from Tennessee is faced with the fear that, though the intention was as expressed by the Senator from California, the language used does not carry out that intention?

Mr. GORE. Practically, I think the language is not a prohibition at all. However, it is inconceivable to me that the Secretary of Commerce, in negotiating an agreement with the State of Ohio on the regulation of outdoor advertising along the rights-of-way of the Interstate System, would be entirely arbitrary and would thereby and in that manner exclude the municipal areas, which constitute about half the route of Ohio, I suppose.

Mr. LAUSCHE. The Senator is correct.

Mr. GORE. I cannot conceive that he would exclude such areas from the application and the subject matter of the agreement if the State wanted to negotiate on the basis of including those segments.

Mr. LAUSCHE. What I wish to make certain is that the States which desire to negotiate on the basis of including such portions of the highway as traverse municipalities shall not be precluded from enjoying that right because of the adverse decision of the Secretary of Commerce, acting at his discretion.

Mr. GORE. The bill in no way would preclude such negotiations and agreements.

I have to agree with the distinguishd Senator from Oklahoma [Mr. KERR] that the discretion vested in the Secretary of Commerce is not dependent upon an application by the State. Perhaps it should be.

Mr. KERR. Mr. President, will the Senator yield further at that point?

Mr. GORE. I yield.

Mr. KERR. I say to the Senator from Ohio that under the language of the bill, if the State makes an agreement with the Secretary of Commerce, certain things automatically follow.

First, the Secretary of Commerce has full and complete discretion to apply the regulatory powers and control powers given by the bill to every mile of the Interstate Highway in the State. Based upon that fact, the bill provides that when the contract is made the State receives, on the basis of money being appropriated—if, as, and when appropriated, but not out of the trust fund—an amount equal to one-half of 1 percent of the money furnished by the Federal Government to the State for the Interstate System.

Mr. GORE. No. It refers to those segments included in the agreement.

Mr. KERR. If they make any agreement it is an all-inclusive contract, because the bill specifically provides that having made a contract "with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act"——

Mr. GORE. Will the Senator read further?

Mr. KERR. The provision continues "to which the national policy and the agreement apply." And they apply within the discretion of the Secretary of Commerce.

Mr. GORE. No.

Mr. KERR. Absolutely.

Mr. GORE. I cannot agree with that interpretation.

Mr. KERR. That is the plain language of the bill. That is the provision of the bill.

Mr. GORE. I agree with the Senator in the first instance, but I cannot go along with him in his last statement, because it is a matter of an agreement between the State and the Department of Commerce. Unless there was an agreement reached between the State and the Department of Commerce the provision would not apply.

Mr. KERR. I ask the Senator to tell the Senate, then, if an agreement is made to what does it apply?

Mr. GORE. To those projects, or to those segments of the Interstate System within the State included in the terms of the agreement.

Mr. KERR. The language states:

Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control—

Therefore, it is discretionary.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and, if so, to whom?

Mr. GORE. I point out to the able senior Senator from Oklahoma that in line 7, on page 23 of the bill, he will find the activating language so far as the financial incentive to the State is concerned, which reads:

Shall be increased by one-half of 1 percent of the total cost thereof—

That refers to the projects on the Interstate System within such a State. The language immediately prior reads:

provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply.

I now defer to the junior Senator from California.

Mr. KUCHEL. I wish to say to the Senator from Ohio that when we investigated the question of home-rule provisions in State constitutions, we came to a realization that in various States of the American Union towns, municipalities, and villages are incorporated in various ways under State laws. It was exceedingly difficult to find language which would do what the Senator from Ohio has in mind and what the Senator from California has in mind; that is to say, in States where municipalities exercise constitutional home rule the State could not speak for them, but in States where municipalities exercise home rule solely as creatures of the State government and the State legislature, the State could speak for them. Rather than try to find precise language which would cover all shades of the situation, the language set forth was finally agreed upon.

I will say to the Senator from Oklahoma, discretion is vested in the Secretary of Commerce, but subject to conditions. As the able Senator from Tennessee indicated, the Secretary's discretion must be governed by an agreement with the State with respect to any particular contract; and, secondly, by the language of the bill, as the Senator from Tennessee stated, "to which the national policy and the agreement apply."

I have one more comment. There must be an element of good faith in carrying out the basic intention of such a provision in the bill. I am sure a Secretary of Commerce who acted in a capricious or arbitrary manner would not last very long, so far as an alert Congress was concerned.

Mr. GORE. If the Senator will permit me to interject at that point, no State is required to accept any part of this provision.

Mr. KUCHEL. The Senator is correct.

Mr. GORE. I cannot conceive of a State entering into an agreement with a Secretary of Commerce who was showing caprice, arbitrariness, and unfairness. I cannot believe that an agreement would be reached unless there were proper consideration shown by the Secretary of Commerce to the State, which is left completely free to regulate or not to regulate.

Mr. KUCHEL. As it sees fit.

Mr. GORE. It is entirely within the election of a State whether it will take advantage of any part of the financial incentives provided in the section. That being the case, though I agree with the senior Senator from Oklahoma that the discretion vested in the Secretary to exclude certain segments is not, by the strict terms of the bill, activated only upon the application of the State, yet the entire question of whether the State shall enter into an agreement under this section is left to the State to decide.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. Let me say to my good friend that he may find limitations in the bill as to what the State may receive, but he cannot find limitations as to the discretion of the Secretary of Commerce once the State makes the contract, because if he will refer to line 5 on page 22, he will see the language:

Any such agreement—

That must refer to any agreement which a highway department makes with the Secretary of Commerce—

shall include provisions for regulation and control of the erection and maintenance of advertising signs, displays, and other advertising devices in conformity with the standards established in accordance with subsection (a) and may include, among other things—

That is over and beyond what is set forth on page 21 as to what such agreements shall include. It—

may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation, development of viewpoints for scenic attractions that are accessible to the public without charge, and the erection of markers, signs, or plaques, and development of areas in appreciation of sites of historical significance.

That language plainly states that any such agreement that is made between the Secretary and the highway department shall include provisions for regulation and control of the erection and maintenance of signs, and so forth, established in accordance with the provisions of subsection (a).

Mr. GORE. What is wrong with that?

Mr. KERR. What is wrong with it, so far as the Senator from Oklahoma is concerned, is that it requires that the Secretary of Commerce be given power, within his discretion—and, I will say to the Senator from Ohio, without compensation—to take private property. Under the terms of the bill, the highway department, which has no authority to do so, may give to the Secretary of Commerce, who has no authority to accept it, the power—at the point of a pistol, as it were—without compensation, to deprive any property owner within 650 feet of the right-of-way on either side, in perpetuity, of his vested right to lease or otherwise use the property for the purpose of exhibiting or

permitting others to exhibit advertisements of any kind.

In addition, the agreement may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation, and so forth.

The Senator from Ohio [Mr. LAUSCHE] has never seen such a far-reaching grant of power in his lifetime—power transferred by an agency which has no authority, to another, who has no legislative authority to exercise the power, except by the terms of the bill and the contract which is made. It is a program to deprive citizens of their property at the point of a pistol, as it were, without compensation or any consideration of its value.

Mr. GORE. The reference to the taking of property at the point of a pistol brings up the point to which the junior Senator from Ohio has already referred, and that is that the State of Ohio paid for such rights.

Mr. KERR. Not at all. It does not have to.

Mr. GORE. I am referring to what the State of Ohio has already done.

Mr. LAUSCHE. That was true in the case of the building of the Ohio toll road.

Mr. GORE. There are other ways by which the regulation may be accomplished, and that is by the power of eminent domain, or by the exercise of the police power of the State.

Mr. KERR. They are two different things.

Mr. GORE. I refer to the power of the State relating to the zoning of property, and the regulation of property for public purposes. Under either method, whether by use of the police power or whether by actual purchase in condemnation of the advertising easement, a State may implement the standards, objectives, and policies set out in the bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me in order that I may make a unanimous-consent request for the yeas and nays on final passage of the bill, so that every Senator may know that when the debate is concluded there will be a yea-and-nay vote on the passage of the bill?

Mr. GORE. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

Mr. KERR. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GORE. I yield.

Mr. KERR. Mr. President, I ask unanimous consent that my amendment, designated "3-24-58-2," which I offer on behalf of the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nebraska [Mr. HRUSKA], and myself, be made the pending question, so that Senators may know what the first question to be voted upon tomorrow will be.

Mr. JOHNSON of Texas. Is that the so-called billboard amendment?

Mr. KERR. Yes.

Mr. GORE. Mr. President, pending action upon that request, I ask that the committee amendment be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. The Chair is informed that that has already been ordered.

Mr. JOHNSON of Texas. Will the Senator from Oklahoma amend his request so as to include the printing of his amendment in the RECORD?

Mr. KERR. It was printed yesterday, and is available at the desk.

Mr. JOHNSON of Texas. Will the Senator have it printed in the RECORD?

Mr. KERR. I include the request that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma that his amendment be made the pending question, and that it may be printed in the RECORD?

Mr. JOHNSON of Texas. Mr. President, the purpose of the request is that Senators may know that there will be approximately 4 hours of debate on the Kerr amendment under the unanimous-consent agreement.

If the morning hour is concluded at 10:30, all Senators will be on notice as to the approximate time when a vote may be reached on the Kerr amendment. Several Senators are attending meetings at Annapolis and other places. They will wish to know approximately when a vote may be reached. We may reach a vote between 1:30 and 2 o'clock p. m. tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. Would the granting of the request of the Senator from Oklahoma preclude the offering of a perfecting amendment to the text which the amendment of the Senator from Oklahoma proposes to strike?

The PRESIDING OFFICER. The question is, which amendment does the Senator from Oklahoma desire to offer? If he will send it to the desk, the clerk will read it, and the Chair believes it will be understood.

The clerk will state the amendment which is the subject matter of the unanimous-consent request of the Senator from Oklahoma.

The CHIEF CLERK. On page 20, line 19, it is proposed to strike out all of section 12 through line 9, on page 24.

Mr. CASE of South Dakota. Mr. President, the point of my inquiry is that I propose to offer a perfecting amendment to the language which would be stricken by the amendment of the Senator from Oklahoma.

I have no objection to the amendment of the Senator from Oklahoma being made the pending question, but I do not wish to be foreclosed, under the unanimous-consent agreement, from offering a perfecting amendment which will be voted upon before the motion to strike is voted upon.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the motion to amend the section proposed to be stricken would be in order before a vote is taken. A technical perfecting amendment will be in order before a vote is taken on the motion to strike.

Mr. CASE of South Dakota. I thank the Chair.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. Is it appropriate at this time to ask that the yeas and nays be ordered on the Kerr amendment?

Mr. JOHNSON of Texas. As soon as the request of the Senator from Oklahoma is acted upon, I intend to make such a request, in order that Senators may have ample notice.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. If time is taken on the Case amendment, will it be deducted from the time allowed on the Kerr amendment itself?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that if the unanimous-consent agreement suggested by the Senator from Oklahoma is approved, the procedure would be, that there would be 4 hours of debate on the Kerr amendment; that the Senator from South Dakota could propose an amendment, and 1 hour of debate, 30 minutes on each side, would be permitted on the Case amendment; and that then the Senate would vote on the Case amendment before voting on the Kerr amendment.

Mr. KERR. But the time for debate on the Case amendment would not be taken from the time for debate on the Kerr amendment.

The PRESIDING OFFICER. It would not be taken from the time for debate on the Kerr amendment.

Is there objection to the unanimous-consent request of the Senator from Oklahoma that the pending question tomorrow morning shall be his amendment, which has just been stated by the clerk?

The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Kerr amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I should like to invite the attention of all Senators to the fact that 1 hour of debate will be allowed on all amendments except on the utility amendment and the billboard amendment. Assuming, for the purpose of illustration, that the Case amendment is offered at 10:30 tomorrow morning, there would be a total of 1 hour of debate available on that amendment, with 30 minutes to each side. Therefore a vote on the Case amendment would come at approximately 11:30. May I ask the Senator from South Dakota whether he will request the yeas and nays on his amendment?

Mr. CASE of South Dakota. Not on my perfecting amendment; no.

Mr. JOHNSON of Texas. The first vote, therefore, would come on the Kerr

amendment. Assuming that all the time on the amendment is used, the vote on the Kerr amendment would come somewhere between 1:30 and 2:30.

The PRESIDING OFFICER. The Chair will state that the Senator from South Dakota could not offer his amendment until all time had been consumed on the Kerr amendment, unless one side or the other yielded time for the consideration of his amendment.

Mr. JOHNSON of Texas. Then the Senate will not have any vote until 1:30 or 2:30.

Mr. CASE of South Dakota. Mr. President——

Mr. GORE. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I believe I should state the perfecting amendment which may be offered. Whether I offer it will depend on the answers I receive to the questions I pose to the Senator from Tennessee. In view of the discussion which has taken place on the part of the Senator from Ohio, the Senator from Tennessee and the Senator from Oklahoma, it occurs to me that it may be possible for the Secretary of Commerce and a State to agree upon excluding from the application of the national standards certain segments of the Interstate System which traverse municipalities, and not to have such segments excluded when it comes to computing the increased payment.

Mr. GORE. I do not believe that is correct. The first part of the Senator's statement is undoubtedly true. The junior Senator from Colorado [Mr. CARROLL] has pointed out that a project can be a segment of an interstate highway. Obviously we will not have 41,000 miles in one project. However, if the Senator from South Dakota will refer to page 23, beginning in line 4 of the bill, and read lines 4 through 10, inclusive, he will find that the payment of the one-half of 1 percent shall apply only to those segments to which the national policy and the agreement apply.

Mr. CASE of South Dakota. Yes; but the agreement will apply to the excluded segments of the highway. It must be in the agreement or it will be excluded from the standards. What is excluded is the application of the standards, not the segment of the project.

Mr. GORE. I cannot agree with that statement.

Mr. CASE of South Dakota. Let me suggest the language of an amendment which I believe would clarify the situation. The amendment would be inserted at the end of the sentence which deals with the agreement between the Secretary of Commerce and——

Mr. GORE. On what page is that?

Mr. CASE of South Dakota. I refer to the bottom of page 22. Lines 15 through 24 on page 22 provided for the exclusion of the application of the national standards, but that language does not exclude the segment from the agreement. The segment must be in the agreement in order that the standard be excluded.

Mr. GORE. The Senator will find——

Mr. CASE of South Dakota. May I follow through on this point?

Mr. GORE. Certainly.

Mr. CASE of South Dakota. Therefore I believe that at the end of the sentence in line 24 there ought to be added a proviso such as this:

Provided, however, That any such segment excluded from the application of such standards shall not be considered in computing the increase of the Federal share payable on account thereof.

Mr. GORE. I believe that proposed language sets forth what is stated on page 23, lines 4 to 10. So far as I am concerned, I do not believe I would object to such an amendment, although, of course, I would have to confer with my colleagues on the subcommittee. It seems to say precisely what the intent of the committee is and what I believe would be a reasonable interpretation of the language on page 23.

Mr. CASE of South Dakota. I believe it is in keeping with the intent of the language. However, I am afraid that the language on page 23, if closely read, makes the share payable for the project to which the national policy and the agreement apply.

Mr. GORE. But the national policy spelled out in agreements, as the Senator will note on page 22, line 5, "shall include provisions for regulation and control of the erection and maintenance of advertising signs," and so forth.

Mr. CASE of South Dakota. Yes; but if that portion is left out and the bill provides that it does not apply because it is subject to municipal regulation, there should not be included the additional half percent for the section that is taken out.

Mr. GORE. I agree with the Senator thoroughly. If there is any doubt as to the meaning of the language to which I have referred on page 23, then his amendment will be in order, and I hope he will give consideration to it further and confer with the authors of the committee amendment prior to tomorrow.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the amendment I have indicated be printed; and for the information of the Members of the Senate I read the amendment. It would be, on page 22, at the end of line 24, to strike out the period and insert in lieu thereof a colon, and the following proviso:

Provided, however, That any such segment excluded from the application of such standards shall not be considered in computing the increase of the Federal share payable on account thereof.

The PRESIDING OFFICER. The amendment intended to be proposed by the Senator from South Dakota will be received and printed.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LAUSCHE. I understand that the amendment which the Senator from South Dakota has in mind is in accord with the intention and purpose of the committee as set forth in the language of the bill. However, it may have a serious impact in some States. In Ohio, the probability is that one-half of the Interstate System runs through municipalities. If the State decides to exclude the segments of the highways which run through municipalities, and then is reduced in an amount equal to the mileage taken out, in proportion, the moneys remaining with which to put into effect the program on the remainder of the System will be practically nil.

Mr. CASE of South Dakota. Then by the very virtue of what the Senator from Ohio has pointed out, if we exclude half the mileage from the application of the standards because half of the mileage is within municipalities, there would be a 1-percent increase for the half to which the standards apply.

Mr. GORE. If that were the interpretation, I do not believe it would be a reasonable interpretation. It would be contrary to the intent of the committee.

Mr. LAUSCHE. Mr. President, will the Sentor yield?

Mr. GORE. I yield.

Mr. LAUSCHE. The Senator suggested that the language beginning on page 22, in order definitely to express the intention of the committee, might be amended by inserting, on line 17, following the word "policy," these words: "and upon application of the State."

That would mean that if a State were desirous of including an entire project in the program, the Secretary of Commerce would have no discretion to exclude any part of the project.

Mr. GORE. Except upon application of the State.

Mr. LAUSCHE. Only when the State would apply to exclude those portions of a highway running through a municipality would the Secretary of Commerce have the discretion to exclude them. Is that correct?

Mr. GORE. It seems to me that the language "and upon application of the State" would clearly place the initiation upon the State.

Mr. LAUSCHE. Is the Senator from Tennessee in a position to say whether he would accept an amendment of that type?

Mr. GORE. Before saying so, I should like to confer with the members of the subcommittee prior to the convening of the Senate tomorrow.

Mr. LAUSCHE. I do not think the discretion should be placed completely in the Secretary of Commerce. The States should have something to say. If they once declare, "We want so much of the highway excluded," only then should the Secretary of Commerce be permitted to exercise his discretion.

Mr. GORE. As I stated earlier, the whole matter rests upon the initiation and approval by the States. It may be, so far as segments are concerned, that we need to spell out that, so that even there, also, the initiative rests clearly with the States. I will confer with my colleagues overnight.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. If I understand correctly the amendment offered by the Senator from South Dakota, it would exclude the cost of the Interstate System in the municipal areas from any effect——

Mr. CASE of South Dakota. If the application standards are excluded.

Mr. KERR. From any amount of money the State would get. That is, the State would get that much less by reason

of the amendment, under the terms of the one-half of 1 percent bonus or incentive, but it would not in anywise affect the discretionary power of the Secretary of Commerce to regulate those areas within the municipality and to control signboards. Under the bill, his authority to regulate them is limited to permitting signboards; and under the proposed act, his authority to regulate them is limited to permitting signs not in excess of 500 square inches.

Mr. LAUSCHE. Upon what language is the Senator from Oklahoma relying to support the statement that the Secretary of Commerce has complete discretion?

Mr. KERR. It is the language beginning in line 15. The Senator from Tennessee referred to the language in line 5, which begins, "Any such agreement shall include provisions for regulation and control."

I ask the Senator from Tennessee, What agreement is that which is designated? To what does the phrase "any such agreement" refer?

Mr. GORE. That refers to an agreement between the Secretary of Commerce and a State; and the Secretary of Commerce, under the terms of the bill, has no authority, except that it be effectuated through an agreement between the Secretary of Commerce and a State.

Mr. KERR. The Senator is correct. If he will read the five lines preceding the words "any such agreement," he will have the information concerning what the agreement is.

Mr. GORE. I shall be glad to read those lines. The first sentence begins on line 25, page 21.

> The Secretary of Commerce is authorized to enter into agreements with State highway departments (including such supplementary agreements as may be necessary) to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State.

Mr. KERR. Does that say, "with reference to segments of the Interstate System within the State"? Or does it not state completely that the Secretary of Commerce is authorized to enter into agreements with a State highway department with respect to the Interstate System within the State?

Mr. GORE. To carry out the policy set forth in subsection (a).

Mr. KERR. Very well. What is the policy set forth in subsection (a)?

Mr. GORE. Before we come to that, I point out that the conferring of authority upon the Secretary of Commerce to enter into an agreement with the State is a far cry from conferring authority upon the Secretary of Commerce to impose a condition.

Mr. KERR. The Senator is eminently correct. But I have been saying that once a State highway department makes a contract, the contract confers upon the Secretary of Commerce what I have indicated; and the only authority which the Secretary has to make a contract with a State highway department is with respect to the Interstate System within the State. That is the authority, and it sets forth what the contract is that is authorized.

Mr. GORE. The Senator from Oklahoma asked me if I saw in those lines the word "segments." I do not see "segments' in those lines; but if the Senator will refer to line 18, page 22, he will see the phrase "for excluding from application of the national standards segments of the Interstate System."

Mr. KERR. The Senator is entirely correct. That provides that the Secretary of Commerce may, at his discretion, exclude segments; but it does not say that the State highway department may, at its discretion, exclude segments.

How could the Secretary of Commerce be granted discretion to exclude segments of a system which he had not been given the authority to regulate? What will he exclude it from, if it is not from the effect of the contract which he has been authorized to make?

Mr. GORE. It is an exclusion from the standards, as specified in the agreement.

Mr. NEUBERGER. The agreement with the State highway department.

Mr. KERR. But it is at the discretion of the Secretary.

Mr. GORE. It is at the discretion of the Secretary.

Mr. KERR. That is all I said.

Mr. GORE. But it would have to be an exclusion spelled out in the agreement to which the State is a party.

Mr. KERR. No; it does not say that; it says after they make any such agreement; and such an agreement is with respect to the Interstate System within the State.

Mr. GORE. I do not see the word "after."

Mr. KERR. How could the Secretary exclude from the application of the bill segments which had not been included in the contract which he made?

Mr. GORE. It says, "any such agreement may."

Mr. KERR. May what?

Mr. GORE. May provide.

Mr. KERR. No; it does not say that.

Mr. GORE. I am skipping a clause.

Mr. KERR. It says:

> Any such agreement may, within the discretion of the Secretary of Commerce.

That is what the Senator must not skip.

Mr. GORE—

> Any such agreement may * * * provide for excluding.

Mr. KERR. No; it does not say that.

Mr. GORE. I read the sentence beginning on line 15, page 22:

> Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide—

Mr. KERR. What is the "national policy"?

Mr. GORE. The language is, "national policy."

Mr. KERR. The phrase reads "consistent with the national policy."

Mr. GORE. The national policy is spelled out beginning on line 23, page 20. If the Senator wishes me to read it, I shall do so.

Mr. KERR. I should be glad to have the Senator read it. I am sure the Senator from Tennessee knows what the policy is; but I am calling his attention to the fact that the Secretary of Commerce does not have any discretion to make any exclusions except those consistent with the national policy, which is set forth in the bill.

Mr. GORE. But if the Senator will turn to line 15, he will find that the agreement between the Secretary of Commerce and any State "may provide for excluding from application." There must be two parties to the agreement, and the agreement may provide for an exclusion.

Mr. KERR. At whose discretion?

Mr. GORE. At the discretion of the Secretary of Commerce. But that is a grant of authority by means of the bill to the Secretary of Commerce.

Mr. KERR. The Senator from Tennessee is correct.

Mr. GORE. Under that grant of authority, the Secretary of Commerce may exclude from the agreement some of the provisions of the national policy. But any State which is a party to the agreement must agree to the exclusion, in order to reach an agreement, if an agreement is to be reached.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. CARROLL. That is precisely the point. The State of Colorado, through its highway commission, may enter into a contract; and the very purpose, as I view this matter——

Mr. GORE. The decision as to entering into the contract will be entirely within the election of the State of Colorado.

Mr. CARROLL. Yes, always; until there is a meeting of the minds.

As I understand the language appearing at the bottom of page 21, it is merely an authorization for the Secretary of Commerce to enter into an agreement.

Then we come to the words, on page 22, beginning in line 5:

> Any such agreement shall include—

This is a legislative mandate in regard to a contract; it specifies that in that connection the Secretary of Commerce must do certain things—

> provisions for regulation and control—

And so forth. Then we come to the definitive language, which states that such an agreement may "provide for excluding from application."

If Colorado does not like the exclusion provided by the Secretary of Commerce, Colorado does not need to accept it.

Mr. GORE. Yes; the State does not have to enter into the agreement.

Mr. CARROLL. I should like to have the able Senator from Oklahoma [Mr. KERR] and the distinguished Senator from Tennessee [Mr. GORE] define the meaning of the words "a project" under the Interstate System.

Mr. GORE. "A project" can be a bridge. I am not undertaking to give a legal interpretation; but "a project" is a portion of highway construction for which the State has made application and has obtained the approval of the Secretary of Commerce, thereby entitling the State to reimbursement for the Federal Government's pro rata share of the cost thereof.

Mr. CARROLL. Let us assume that Colorado wishes to enter into a contract with the Secretary of Commerce for perhaps 100 miles——

Mr. GORE. Or 10 miles.

Mr. CARROLL. Yes.

Mr. GORE. Or 1 mile.

Mr. CARROLL. Yes. That would constitute a project, would it not?

Mr. GORE. Yes.

Mr. CARROLL. Let me read from page 23:

If an agreement pursuant to this section—

The one we have been discussing—

has been entered into with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State—

It seems to me that the words "payable on account of any project" in contract law would be the gist of the contract.

The rest of the provision is the legislative authorization of legislative mandate or a statement of the definitive standards; but here is the activating portion of the contract which the distinguished junior Senator from Tennessee has discussed.

I wonder whether the project could be separate; or would it have to be included in the total number?

I have been much impressed by one of the statements made by the distinguished senior Senator from Oklahoma [Mr. KERR]. In other words, could there be a series of projects on the Interstate System, within a State?

Mr. GORE. The only exclusion I find in the bill, as it applies to the Interstate System within a State, is under the provision we have been discussing for the past hour, which is to be found on page 22, beginning on line 15.

Mr. CASE of South Dakota. Mr. President, if the Senator from Tennessee will yield to me, let me say that certainly there can be more than one contract, because the language in line 2 on page 22 reads as follows:

(Including such supplementary agreements as may be necessary.)

So there could be an agreement for the first project a State presented, and also an agreement for the second project it presented, and also an agreement for the third project it presented, and so forth.

The bill uses, on page 22, the words "(Including such supplementary agreements as may be necessary)." Certainly that language gives all the latitude in the world for as many projects as there might be in a State.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. CARROLL. This matter could be very important to Colorado. For instance, let us consider the so-called short grass area of the Great Plains section of Colorado. Colorado might have a contract covering that specific territory, and another covering the scenic mountain areas.

Mr. GORE. Let me also point out that Colorado will not build her entire share of the Interstate System in 1 year or under 1 contract or in 1 project.

Mr. CARROLL. That is exactly correct.

Mr. KERR. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. KERR. But under this language, as the Senator from Colorado has so pointedly referred to it, "if an agreement pursuant to this section has been entered into with any State prior to July 1, 1961, the Federal share payable on account of any project on the Interstate System within that State," if, as, and when it is built and reimbursed for, will carry with it the provision for one-half of 1 percent.

If the contract is with respect to any project in the State, then certainly it is with reference to all the projects. Contracts will not be made as the projects are made, because this program will go forward for 10, 15, or 20 years.

But "if an agreement" is made "prior to July 1, 1961"—that is set forth on page 23 of the bill—then—

The Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof.

Mr. CARROLL. But here let me say that I think the Senator from Tennessee has put his finger precisely on the point, namely, unless the contract is satisfactory to the State of Colorado, Colorado will not accept it. That is the complete answer.

Mr. GORE. And the contract may "provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities." So there it is.

Mr. KERR. Within the discretion of the Secretary.

Mr. GORE. Yes; within the discretion of the Secretary, to which agreement the State must be a party.

Mr. HRUSKA. Mr. President, is it the understanding of the Senator from Tennessee that that would be an absolute exclusion? In other words, would the signboards erected under a local ordinance of a municipality be allowed, if the exclusion applies to that particular municipality?

Mr. GORE. I think the Senator has raised a different question, which I shall be glad to answer in accordance with my understanding, as follows: If the standards of the national policy are met by a municipal zoning ordinance or regulation, then the Secretary of Commerce could, by means of the language on page 23 to which reference has frequently been made, pay the "one-half of 1 percent of the total cost thereof."

Mr. HRUSKA. That does not answer my question.

My question is this: When will the Secretary of Commerce exclude a certain segment of the Interstate Highway System which is found within a city that has a zoning ordinance which permits billboards of a variety of kinds to be used or erected within the municipality? Is it the understanding of the Senator from Tennessee that the billboards may still be used or erected within the municipality, pursuant to its present zoning ordinance?

Mr. GORE. If the municipality, or the area within the municipality, is excluded from application of the standards, under forms of the agreement, this bill will have absolutely nothing to do with that area.

Mr. HRUSKA. Let me ask the Senator from California if he agrees with that statement.

Mr. KUCHEL. I do, thoroughly and completely.

Mr. HRUSKA. Let me ask the Senator from Tennessee the significance and the meaning of the words commencing on line 15, page 22, "any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy." What is the meaning and the significance of the words "consistent with the national policy," taking into consideration that the national policy which is there referred to is the one outlined on page 21, and, in fact, very definitely spelled out on page 21, commencing in line 6? Any exclusion, in other words, must be consistent with the national policy. I refer the Senator from Tennessee to the language on page 21, commencing on line 6, wherein the national policy is spelled out in letters.

Mr. GORE. To begin with, the national policy is declared beginning on line 23, page 20.

Mr. HRUSKA. That is not the national policy. That is a preliminary recital. The words, "It is hereby declared to be a national policy," on lines 6 and 7 on page 21, it seems to me are a declaration of the national policy with reference to the subsequent language in that section.

Mr. GORE. I submit the statement of the national policy begins on line 23, page 20, and runs through line 24, page 21.

Mr. HRUSKA. Granting that for the time being, even if that be true it would include the language starting on line 6, page 20, and continuing through line 24 on page 21. Is that correct?

Mr. GORE. That is the national policy.

Mr. HRUSKA. That is the national policy; is that correct?

Mr. GORE. That is correct.

Mr. HRUSKA. My question is, If signboards, 24 by 30 feet, are permitted within a municipality which now zones its area, would the maintenance of such signs be consistent with the national policy set forth on page 21?

Mr. GORE. I am not able to say whether the zoning provisions of a particular municipality would meet the national policy which is set forth.

Mr. HRUSKA. I have stated the size of the sign. I know of no language on page 21 which would permit the Secretary of Commerce to exclude a municipality from an agreement he made with a State, if the signs were 24 by 30 feet. There is nothing on page 21 which makes such signs consistent with national policy. The largest sign permitted under those circumstances would be a sign not bigger than the top of the desk in front of me, 20 by 25 inches, and that is all.

Mr. GORE. What is the Senator's point and suggestion?

Mr. HRUSKA. My point is that if the Secretary of Commerce could, within his discretion, exclude any municipality from an agreement, he could in effect nullify and repeal any zoning ordinance within such municipality.

Mr. GORE. I do not think the bill vests in the Secretary of Commerce any authority to repeal a municipal zoning ordinance. If there be such authority, I desire to strike it out. There is no authority conferred by the bill upon the Secretary of Commerce which can be exercised except through agreement between the Secretary of Commerce and a State.

Mr. HRUSKA. That is true, but he has the discretion granted on page 22, to which we have repeatedly referred, to provide for excluding from the application of these standards certain municipalities.

Mr. GORE. In an agreement between him and the State.

Mr. HRUSKA. In the agreement, but any exclusion he makes must be consistent with the national policy which is set forth on page 21 of the bill. If it means that only what is provided on page 21 can fall within the exclusion, then it would be meaningless for him to exclude any municipalities at all.

Mr. GORE. It would be meaningless for him to exclude them, but I cannot conceive of a State's agreeing to the exclusion of an area within a given municipality which meets the standards of the national policy, thereby denying itself financial benefits to which it would be entitled.

Mr. HRUSKA. But it does not meet the national policy.

Mr. CASE of South Dakota. Mr. President, will the Senator from Tennessee yield to me for an observation with respect to the billboard proposal?

Mr. GORE. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the public does not have a clear and correct picture of what is proposed in section 12 of the pending highway bill, the so-called billboard section. Whatever may be responsible for the situation, it is time to clear away some of the confusion.

I appreciate the effort which the able Senator from Tennessee has made this afternoon to point out what the billboard section really proposes to do, and also to point out some of the things it does not propose to do.

Supplementing what the able Senator has said, I should like to say that section 12 does not prohibit highway advertising. It only proposes a way in which States may receive some help on the cost if they want to regulate advertising along the Interstate Highways.

The provisions do not apply to the regular primary and secondary roads. They apply only to the Interstate System, where Uncle Sam is paying 90 to 95 percent of the cost.

Mr. President, I make that point clear, because I have received letters from farmers who live many miles from any presently designated section of the Interstate System, and from any proposed or requested segment of the Interstate System, who have been made to fear they will lose $5 or $10 or $50 which they may be getting as a reimbursement for the erection of a sign on their premises, although they are on a secondary road. Of course, this section of the bill does nothing with respect to controlling advertising or regulating advertising on primary or secondary roads, except and only if such roads are segments of the Interstate System.

The provisions say, in effect, that when a State wants to do something to regulate the signs and billboards on the Interstate Highway, the Federal Government will contribute a little toward the cost of doing it.

Second, I wish to make it clear that section 12 is not self-executing. It is not automatic. Unless States, through their legislatures, enact regulatory legislation, nothing happens.

Again, unless they enter into an agreement with the Secretary of Commerce, nothing happens.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. May I complete the statement first, please.

The Federal Government does not have police powers in this field. During the hearing, I challenged advocates of prohibitory legislation to find any Supreme Court decision which would indicate that the Federal Government could forbid roadside advertising. None were produced.

Third, I should like to point out that the agreements which would have to be made between the States and the Secretary of Commerce before a State could be eligible for assistance in the matter would protect the right of towns, businesses, motels, and service stations to indicate their location by small, neat signs within a distance of 12 miles. That is provided by an amendment which I sponsored in committee.

Also, general directional signs, and signs advertising the sale or lease of property adjacent to the highway and signs to give information in the interest of the traveling public are expressly authorized.

In short, section 12 does not outlaw all roadside advertising even along the Interstate Highways, but provides a way in which States, if they desire, can get a little help in regulating signs to prevent the new Interstate System from becoming a $35 billion boulevard of billboards.

I thank the Senator from Tennessee for yielding.

PRESIDENT'S PROPOSED UNEMPLOYMENT BENEFITS

Mr. GORE. Mr. President, I ask unanimous consent that I may yield to the junior Senator from Massachusetts, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Massachusetts may proceed.

Mr. KENNEDY. Mr. President, I have in my hand a statement issued by the White House to the Congress of the United States in regard to unemployment compensation. In the statement the President states that the legislation which he is recommending to the Congress "should provide for the payment, to individuals who have exhausted their regular unemployment compensation benefits, of temporary benefits for an additional period equal to one-half of the duration of their regular benefits."

He states it is a loan program. He states further, "The Government would be reimbursed for the costs incurred by it for this program by each State through an increase, 4 years after the program's end, in the taxpayments to the Federal Government by employers in that State under the Federal Unemployment Tax Act."

There are 3 or 4 major shortcomings in the proposal.

In the first place, many States provide for a short period of unemployment benefits. In one State the duration is as low as 6 weeks. When the President proposes that unemployment benefits be paid for 50 percent longer than now paid in the States, that provides in such a State a total benefit of 3 additional weeks, or a total of 9 weeks. The proposal does nothing toward insisting on the necessity for a longer period of time for the payment of such benefits. I believe that period should be at least 39 weeks.

Secondly, the whole loan program is badly conceived. Many States will derive no advantage from it. Many State legislatures are not in session. Many States have constitutions which would prohibit them from adopting the program. Many State legislatures will not meet until next year. Many State legislatures have already adjourned.

I think the program is most unfortunately conceived. I think it will do little, in view of the seriousness of the problem. I am hopeful the Congress will adopt a more substantial program. Tomorrow I hope to discuss in more detail the proposal which a number of us have introduced in the Senate, and which has been introduced in the House by Representative McCARTHY, of Minnesota.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CASE of South Dakota. The Senator referred to States which might have unemployment benefit periods as short as 6 weeks.

Mr. KENNEDY. I had reference to the State of Florida.

Mr. CASE of South Dakota. The Senator was referring to the State of Florida?

Mr. KENNEDY. Yes.

Mr. CASE of South Dakota. Does any other State provide for such a brief period of unemployment benefits?

Mr. KENNEDY. Yes, and there are other States which have periods as brief as 10 weeks and 12 weeks.

Mr. CASE of South Dakota. The observation of the Senator from Massachusetts suggests that he believes the determination of the basic period for which unemployment compensation benefits should be payable should not be a matter of judgment for the States,

but should be a matter of judgment for the Federal Government.

Mr. KENNEDY. That is correct. I think there should be minimum standards of duration and amount.

Mr. CASE of South Dakota. I merely wish to observe that many States, by their employment policies and by the careful protection of their reserves, have sought to build up a substantial reserve fund. I think the Federal Government should cautiously approach any attempt to take from the States the right to determine the period for which their unemployment benefits may be payable.

Mr. KENNEDY. Unemployment is a national problem, not a State problem. No. 1, the problem is almost uniform across the country. No. 2, States have failed to adopt recommendations which the President has been making since 1953, to provide within their own borders, minimum standards of duration and amount.

All I have suggested in my bill is that the Federal Government make compulsory the minimum standards the President recommended for 4 years, because States have shown they are either unwilling or in some cases unable to do so because of competitive features with which the Senator is familiar.

I thank the Senator from Tennessee.

TEMPORARY CONTINUATION OF UNEMPLOYMENT COMPENSATION BENEFITS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 358)

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States on the unemployment situation.

The Chair is informed an identical message was transmitted to the House today, which was read and referred.

Without objection, the message to the Senate will be printed in the RECORD, without reading, and referred to the Committee on Finance.

The message from the President is as follows:

To the Congress of the United States:

I recommend to the Congress the enactment of legislation to provide for the temporary continuation of unemployment compensation benefits to otherwise eligible individuals who have exhausted their benefits under State and Federal laws. I believe that these workers and their families should be enabled temporarily to receive weekly benefits for a longer period than is now in effect so that in the current economic situation they and their families can obtain a greater measure of security.

These recommendations reflect my strong conviction that we must act promptly, emphatically, and broadly to temper the hardship being experienced by workers whose unemployment has been prolonged. They also reflect my conviction that the need for additional assistance to these workers will be of relatively brief duration.

Such legislation should not encroach upon the prerogatives which belong to the States, and matters of eligibility, disqualification, and benefit amounts should be left to the States. The legislation should provide, however, for the payment, to individuals who have exhausted their regular unemployment compensation benefits, of temporary benefits for an additional period equal to one-half of the duration of their regular benefits.

The State employment security agencies and the Railroad Retirement Board would administer the program. The Government would be reimbursed for the costs incurred by it for this program in each State through an increase, 4 years after the program's end, in the taxpayments to the Federal Government by employers in that State under the Federal Unemployment Tax Act. Any State, however, that wished to avoid an increase in such tax on the payrolls of employers within the State, could provide for reimbursements to the Federal Government either by direct appropriation or by authorizing transfers from its credit in the unemployment trust fund.

The temporary Federal assistance which this program provides, while of great immediate benefit, is in no sense a substitute for extending the coverage of unemployment compensation which I have previously recommended, or for appropriate State action extending the duration of benefits and increasing benefit amounts which I have previously urged upon the States.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 25, 1958.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 10881. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; and

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

APPEAL TO PRESIDENT TO SIGN FARM BILL

Mr. GORE. Mr. President, I ask unanimous consent that I may be permitted to yield, without losing my right to the floor, to the distinguished senior Senator from Oklahoma [Mr. KERR] for the purpose of his making a brief statement on a subject other than the bill under discussion; and that I further be permitted to yield to the distinguished junior Senator from Louisiana [Mr. LONG] and his colleague [Mr. ELLENDER] for the purpose of making a statement on a still different subject.

The PRESIDING OFFICER (Mr. CARROLL in the chair). Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

The Senator from Oklahoma is recognized.

Mr. KERR. Mr. President, I wish to join the distinguished Senator from Texas [Mr. JOHNSON] in the public appeal he made Saturday and Sunday that the President sign the farm bill enacted by the Congress and sent to the President for his action.

I believe the President of the United States has evidenced a sincere desire to help overcome the recession now gripping the Nation. On the basis of his desire to do so, I remind him there is no segment of our economy with reference to which the need is greater or with reference to which remedial action will be more effective in overcoming the recession than the segment of agriculture.

In the first place, Mr. President, the agricultural segment of our economy represents about $180 billion of investment. That means agriculture is larger of itself, both in investment and in the number of people affected primarily by it, than the total of the next three greatest industries in our country combined.

Considering the fact that this predominantly important segment of our economy has suffered so much in comparison with any other or in comparison with all other segments of our economy, I urgently request the President to keep it in mind and give agriculture the consideration to which it is entitled, because I believe if he does he will sign the farm bill.

The President has said many things about many segments of our industry and our economy. Members of the Senate have said much about many segments of our economy. But, Mr. President, unless the agricultural bill sent to the President by the Congress, is signed, it perhaps will be true that nothing can or will be done in the present session to aid this most important and largest segment of our economy—agriculture.

When we look at the cold figures for 1952 through 1957 we find that labor income has increased from $190.3 billion to $246.6 billion; that business and professional personal income has increased from $25.7 billion to $28.7 billion; that rental income of persons has increased from $9.9 billion to $10.4 billion; that dividends have increased from $9 billion to $12.3 billion; that personal interest income has increased from $12.3 billion to $18.6 billion; but that in the same period, the personal net farm income has declined from $14.3 billion to $11.5 billion.

From every conceivable angle our agricultural economy is the one most in need of having the environment in which it operates improved, so that the average farm family can look forward to increased income and more prosperous conditions.

On that basis, I join the distinguished Senator from Texas and others in a public appeal to the President of the United States to sign the bill passed and sent to him by the Congress.

I thank the distinguished Senator from Tennessee for yielding me this time.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. LONG] is recognized.

A QUESTION OF HONOR AT FORT POLK, LA.

Mr. LONG. Mr. President, on June 13, 1955, a press release was issued on behalf of the Department of the Army and the State of Louisiana to the effect that Camp Polk would be reopened on a permanent basis and designated Fort Polk. This announcement followed extensive and formal negotiations between officials of the State of Louisiana and the Department of the Army. It represented beyond question a contract between the Department of the Army and the officials and citizens of the State of Louisiana, whom I have the great good fortune to represent here in the Senate.

I ask unanimous consent to have printed in the RECORD at this point the full text of this news release.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

The Department of the Army and State of Louisiana today announced an agreement under which Camp Polk, La., will be reopened on a permanent basis, providing the State and property owners will insure the use of the 7-million-acre large-scale maneuver area on a continuing basis.

The maneuver area which includes approximately 600,000 acres of Government-owned land will entail no cost to the Army except for that involved in restoration and claims payment to property owners in the area for actual damage done to property during maneuvers. The Army pointed out since the maneuver land will be available to it under a continuing basis, the reopening of Camp Polk as a permanent installation is essential in the view of a need for an active Army installation to serve as a base to support maneuver operations. Camp Polk has been in a standby status since June 1954. Approximately 100,000 troops will be phased into the area in connection with forthcoming large-scale fall maneuvers dictated by the needs to conduct troop tests to meet new and changing conditions of warfare.

Army engineers, with the assistance of State officials, will proceed immediately to acquire the land use permits. The vanguard of troops will begin to move into the Camp Polk area following the acquisition of the maneuver area.

Identification of troops to be stationed permanently at Camp Polk has not been made by the Army since the station list is in the planning stages.

The area involved is bounded roughly by the Sabine River on the west; U. S. Highway 80 on the north; U. S. Highway 90 on the south; and by a north and south line running through Alexandria, La., on the east. In addition, logistical support operation will be conducted in areas both north and south of this area.

Mr. LONG. There are a number of official documents having a security classification which have been seen by me and which present the detail of the negotiations leading to the public announcement to which I have just referred. I cannot, of course, introduce these documents into the public record.

I can say, however, that in the course of these official negotiations, it was proposed by the Department of the Army that the guarantee with regard to maintaining Fort Polk as a permanent establishment be limited to 15 years. This proposal was flatly refused by the official representatives of the State of Louisiana and the agreement finally arrived at contained no time limitation.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a letter dated October 17, 1955, which was signed by the Secretary of the Army, Mr. Wilber M. Brucker, and which was addressed to the then Governor of Louisiana, Mr. Robert F. Kennon.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, October 17, 1955.

Hon. ROBERT F. KENNON,
Governor of Louisiana,
Baton Rouge, La.

DEAR GOVERNOR KENNON: I have your telegram and confirming letter of October 14 and appreciate the splendid cooperation extended by you, Adjutant General Fleming, and other State officials in securing the necessary maneuver rights over approximately 7 million acres of land adjacent to Camp Polk, La.

I was pleased to hear from Assistant Secretary Davis that General Fleming advised him last night of the written consent just received from Mr. Stark, giving his consent for the 129,732 acres controlled by him.

I am sure that you have been advised by the adjutant general of his understanding with Assistant Secretary Davis that the acquisition of such maneuver rights over the area of approximately 7 million acres, without cost to the Army, not only for the present but for future years, was a condition precedent to declaring Camp Polk a permanent post.

It is unfortunate that several landowners whose acreage is essential for the maneuvers have been reluctant to sign the necessary agreement. I appreciate your intention to file expropriation proceedings through the attorney general of your State, through which you expect to secure easement rights in the land and thus afford maneuver privileges to the Army without cost to the United States Government. I urge you to continue efforts to secure, voluntarily, permission from all necessary owners.

Under the present circumstances, I am now authorizing the Army to activate Camp Polk in anticipation of your securing necessary rights, voluntarily if possible, or through legal proceedings. It is the intention of the Army to use the area for maneuvers this fall. As soon as I have secured the assurance that the necessary maneuver rights have been secured, it is my intention to designate Camp Polk a permanent Army installation.

Sincerely,

WILBER M. BRUCKER,
Secretary of the Army.

Mr. LONG. Senators will note that this letter represents a firm contract in which the last sentence is the principal clause which is as follows:

As soon as I have secured the assurance that the necessary maneuver rights have been secured, it is my intention to designate Camp Polk a permanent Army installation.

As Senators will see, this arrangement involved the securing of a maneuver area of approximately 7 million acres without cost to the Army and, as stated in the third paragraph of Mr. Brucker's letter: "without cost to the Army, not only for the present but for future years, was a condition precedent to declaring Camp Polk a permanent post."

Mr. President, most of the people in the area voluntarily gave the maneuver rights requested of them without payment. The State of Louisiana in its sovereign capacity placed such importance on this matter that it used its legal powers to force some of its citizens to grant these rights. Both the officials of the State and its citizens have kept and are keeping their side of this bargain.

Now there is increasing evidence that the Government of the United States does not plan to keep its part of the bargain. The Senators and Representatives of the State of Louisiana have been advised that the installation may be closed if the proposals of the present administration with regard to the troop strength of the Army and its overall budget for the next fiscal year are maintained.

A Capehart housing project was represented only last year by the Secretary of the Army as being the most desperately needed housing of this type anywhere in the United States. He urged the Congress to take emergency action to provide additional funds specifically to take care of these needs.

Congress provided these funds. The contract was let and the work begun. Then the Secretary of the Army canceled the contract and is at present engaged in negotiating the damages which have been caused by this cancellation. I cannot tell at this point how much these damages will be, but certainly it will be a very large amount of money for which the Government will receive nothing.

The issue before us is not the question of whether the Army needed Fort Polk in order to house its troops. The Army already had adequate permanent installations to house its existing garrisons at the time the agreement was made to open Fort Polk. That was not involved in the deal.

The question is whether the Army will pay the agreed price for its only large maneuver area.

The Army had attempted to acquire such a maneuver area elsewhere. It had failed. The Army then inquired as to the possibility of obtaining the same general maneuver area in Louisiana where the vast training operations of World War II were conducted. The people of Louisiana, acting through their Governor and their responsible officials, made it clear that the property was not available at any price unless the Army was willing to reopen Camp Polk as a permanent installation and agree that it should be kept open. The Army agreed without reservation. That was the agreement. It existed without equivocation.

The Army agreed that it would keep Fort Polk open with approximately 1 division of troops as payment for a maneuver area large enough to conduct the type of maneuvers which conditions of atomic warfare would occasion. Such an area is approximately 7 million acres—larger than the State of Maryland, and almost as large as the nation of Belgium.

Mr. President, the people of Louisiana had confidence in the signed declarations of the Secretary of the Army. They look upon a man who holds such an honored and high position in the Government as a man to be trusted and a man whose signature would bind the Government which he was representing.

They expanded their businesses, running themselves into debt. They voted bond issues to provide schools and other public facilities to take care of the sudden increase in population. They taxed themselves both through their local governing agencies and in terms of their own personal resources. In many cases, they staked everything they had financially on the assurance that Fort Polk would remain a permanent Army installation with approximately the troop strength of one division.

Together with other members of the Louisiana Congressional delegation, I have discussed this matter personally with both the Secretary of the Army and his superior, the Secretary of Defense, Mr. McElroy. The only assurance we have been able to obtain is that no decision with regard to the closing of Fort Polk will be made until after the Congress has acted finally on the Defense Department appropriation for the next fiscal year. We have been entirely unable to get any commitment that Fort Polk will be kept open.

This is an astonishing situation. Fort Polk is not in the same situation as any other permanent military installation in the United States.

A deal was made with the people of Louisiana, who gave the Department of the Army what they said they desperately needed—a tremendous maneuver area.

The State of Louisiana did not approach the Department of the Army to offer this maneuver area. The Department of the Army said it was needed and could not be obtained elsewhere.

Under these circumstances, Mr. President, it is clear to me that Fort Polk should be kept open, if all the other permanent Army installations of a similar nature throughout the country have to be closed.

I am confident that every Member of this body will agree with me when they are fully acquainted with the facts of the case. It is my hope, therefore, that the Secretary of Defense and the Secretary of the Army will realize that Fort Polk should not be closed. The effect on the people of Louisiana would be shattering. The doubts which would be cast upon the trustworthiness of our military leaders would be disastrous.

In my State, our military leaders have always enjoyed the highest respect and admiration. This profound admiration cannot continue if the pledged word of the Secretary of the Army is to be broken in such a brutal fashion.

Needless to say, Mr. President, these military leaders and the Department of State have not dealt in this way with the governments of other countries in which we wish to have military bases and the right to conduct training exercises. If they did, we would not have any now.

We of Louisiana, realize that the closing of Fort Polk will mean an enormous increase in the unemployment of our State. At present, we are not regarded as one of the more distressed areas. When the base is closed, we will be. At a time when serious consideration is being given to drastic measures to overcome the recession, this cruel blow would make a depressed area of most of Louisiana.

The Army would be losing its only maneuver area on earth in which sufficient width and depth and variety of terrain is available to conduct maneuvers under atomic warfare conditions. I predict it will never get another if this one is lost.

Considering the enormous inconvenience of a full-scale Army corps maneuver to the citizens, with troops and tanks, trucks and artillery tearing up the roads, knocking down the fences, running through crops and inconveniencing citizens in a thousand major and minor ways, who is going to make the sacrifice?

What State government will cooperate with an Army which makes this kind of a record of fulfilling its end of the bargain?

It has only been a part of my purpose to put on the record the fundamental facts with regard to the existing situation. I now serve notice that I intend to press for the repayment by the Federal Government of all of the money which has been spent by the people of Louisiana relying upon the Army pledge that the base would be kept open.

Every person who can make a legitimate showing of having suffered damage through the opening and closing of this base, if indeed it should be closed, should have his claim recognized and paid by the Federal Government. I do not know what this total amount might be, but I do know that it would run into many millions. I have been given figures on some aspects of it.

I am told that more than $13 million have been spent on public improvements, entirely exclusive of improvements paid for by the Federal Government. At least $7 million have been spent on providing additional private housing, for which there will be no need if Fort Polk is closed. I have also been given a very conservative estimate of at least $1 million of increased investment by small businesses. These items alone total more than $21 million.

Tragic as it seems, the Secretary of the Army, in showing great concern for the financial interest of the United States Government, showed pitifully little concern for the financial solvency of those many persons and groups who relied upon his pledge that the base would be kept open.

The small city of Leesville and other local government agencies are faced with bond issues to pay for schools and public improvements for which there would be little need. Persons who built homes, trailer camps, and established new businesses to service the Army's installation, banks who underwrote loans relying upon the firm pledge of the United States Army, are stuck with losses. I know personally of one family which has invested $500,000 for a trailer camp, for which there will be no need at all if the base is closed.

It is ironical and somewhat whimsical that this situation should have first arisen over the proposal of the United States Army to cancel a Capehart housing project which was under consideration.

The Capehart housing program—and the Wherry program which preceded it—were based on the theory that the United States Government had to double guarantee, or even triple guarantee, the investment of a landlord in housing for military personnel on the theory that changing circumstances might result in the closing of certain permanent installations of the armed services.

Previous efforts by the armed services to persuade private investors that the services would not close their permanent bases and leave the landlords holding the bag had not been of sufficient assurance to private investors. Accordingly, the Wherry housing program, and, later, the Capehart program, was instituted.

It is unfortunate indeed that a second or third agency of the Government would be necessary to underwrite the pledged word of the United States Army or, for that matter, the pledged word of any other instrumentality of the Federal Government. The position which this Nation enjoys in world affairs requires that we do business with 70-odd nations on a basis of full confidence and faith. If our own citizens cannot have faith in the United States Army, who, pray tell, can?

I, for the life of me, cannot believe that the Army of the United States, or the Department of Defense of this country would make such a pledge and then knowingly violate it.

Nor can I believe that any economizer in the Bureau of the Budget who too frequently speaks for the President in a theoretical sense only, would make such a decision.

I am also here to inform whatever so-called economizer might be recommending saving a few dollars at the expense of the honor of this Government that any saving achieved would be only temporary if at all. The first year that Fort Polk would be closed, any good expert on the subject could demonstrate that it will cost more to close out the base and transfer the men and material than it would cost to keep the base open.

Furthermore, it will be necessary to reacquire maneuver rights. No army is fully trained if it has never maneuvered in the field. Maneuvers to develop strategy and tactics for large scale combat are indispensable to a fully trained Army and a fully trained Reserve. It is only by going through the motions that those who must provide for all the details of combat fighting are able to discover their oversights and shortcomings.

The Army will find it necessary to maneuver again on a scale of the magnitude of its large previous maneuvers. It is impossible to estimate what the enormous cost would be to acquire the area in which to conduct such maneuvers or the rights to maneuver across a sufficient amount of property. In this case the landowner contracts clearly state that the agreement is canceled in the event that Fort Polk is closed.

Any small day-to-day saving occasioned by housing Armed Forces in a

smaller number of camps will be wiped out in short order when the Nation is required to pay out the untold millions necessary to acquire property rights from individuals who did not care to freely volunteer them.

Above all, the ablest economizer in the Bureau should realize that this Government possesses nothing more precious than its honor and the integrity of its pledged word. In years gone by nations have been known to go to war at tremendous cost to uphold commitments that they had made in good faith. I would hope that we could expect no less of the United States Government and the Army of the United States.

Throughout my service in the Senate I have been a consistent advocate of economy, whether it helped or hurt my State. In 1952, I served as chairman of an important subcommittee of the Committee on Armed Services. During that year I presided over the hearings on the military construction bill.

The bill involved approximately $3 billion. I recommended reductions that totaled approximately $700 million, a cut of about 23 percent. So far as I know, that is the largest reduction made on a construction bill during my service in the Congress.

In that year there was $700,000 recommended for new construction at Camp Polk. I was responsible for deleting the entire item. Approximately $3 million of housing for the Barksdale Air Force Base was recommended. I was responsible for striking that item. The Congressman from the Fourth Congressional District so strongly differed with me on the Barksdale Air Base item that I felt compelled to offer to engage him in a debate of the issue before the Shreveport Chamber of Commerce before the chairman of the House conferees.

Construction items in Louisiana took a far larger cut than the average State. I was somewhat gratified that the chairman of the House conferees, Mr. CARL VINSON, while strongly differing with my position, complimented me on my consistency.

In that year, the Army's construction program took the largest cut of them all. For example, the Army had an item of $100 million to commence replacement of its old barracks. I took the attitude that during the Korean war when priorities and rationing were the order of the day, the construction of new barracks could wait and the services could use the old barracks for a while longer. This entire item was deleted upon my recommendation. It was the one item that appeared to be closest to the Army's heart.

The following year the Army announced the closing of Camp Polk which was the largest military installation in Louisiana. Some people contended that this action was taken to punish the junior Senator from Louisiana for his drastic views on economy in military spending. I have never made that contention and I do not expect to.

Yet if I should ever be punished for voting to impose economy on the military, on the foreign-aid program, or any other recommendation of this Republican administration or any Democratic administration, I would still continue to carry out my convictions, regardless of the consequences.

The reason that I have made this final point is to demonstrate that I am being consistent today, when I tell the United States Army first, that it will cost in dollars a lot more than the Army will save to lose its only maneuver area and, second, that a nation's honor should never be compromised at any price.

Mr. ELLENDER. Mr. President, I join my distinguished colleague in the sentiments he has just expressed.

It is my considered judgment that the people residing in and around Fort Polk have been most unjustly treated by our military planners. It is my contention, and I think the facts will bear me out, that a top-level decision to deactivate Fort Polk amounts to nothing less than a breach of a solemn obligation of the Government of the United States and the people of De Ridder, Leesville, and the other Louisiana communities which have contributed so much toward making Fort Polk a desirable and worthwhile military installation.

When notice was first brought to me that the Army had determined to suspend construction on the Capehart housing project at Fort Polk, I immediately called a meeting of the Louisiana Congressional delegation and we sat in my office and discussed with Secretary of the Army Brucker the impact such a decision would have upon the taxpayers of the surrounding communities, and, indeed, upon our own Government, since suspension of the project would involve a loss to the Federal treasury of some $13 million.

Subsequently, when we were informed that the suspension had been made permanent, and, furthermore, that the Capehart housing project had been closed, members of the Louisiana Congressional delegation met again with Secretary of the Army Brucker and Secretary of Defense McElroy in an effort to prevail upon them to honor the obligation of our Government. As a result of this conference, we obtained a promise from them that no further action would be taken toward deactivating Fort Polk until the Congress had been able to act upon the fiscal 1959 Army budget.

According to information given to us the Army strength should be fixed at a minimum of 929,000 and that sufficient funds should be provided for the Army personnel accounts to sustain this top strength.

Based upon the information submitted the cut proposed to be imposed upon our ground forces in fiscal 1959 is much too deep—that if carried out, it would rob our country of the necessary Army strength to properly guard our own shores and join in arresting brush-fire wars that may flare at any time in various parts of the world.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield.

Mr. LONG. The Senator is most correct in what he has said about the strength of the Army. He perhaps knows that there is only one American division stationed in the United States which is fully trained and ready to go—the 82d Airborne Division. At least, I have been so informed.

The Russians, instead of trying to move through Western Europe, might perhaps be wise if they made a parachute drop on the mainland of the United States, because we have 5 trained divisions in Europe, but only 1 fully trained division available in the United States.

Mr. ELLENDER. I thank my colleague for his comment.

Earlier, Mr. President, I referred to a solemn obligation between our Government and the people of the Fort Polk area to keep Fort Polk open. At this time, I wish to refer to certain data which I have obtained that offers ample proof of the existence and validity of this agreement.

Back in 1955, a conference was held at Camp Beauregard, La., in which a number of high military officers participated, including the then adjutant general of Louisiana, Maj. Gen. Raymond H. Fleming, Assistant Secretary of the Army Mr. Hugh Milton, and others. At that time, discussions were held looking toward the obtaining of a 7-million-acre maneuver area in Louisiana. As a result of this conference, a press release was promulgated and given wide publicity. I read from that release:

> The Department of the Army and State of Louisiana today announced an agreement under which Camp Polk, La., will be reopened on a permanent basis, providing the State and property owners will insure the use of the 7 million acre large-scale maneuver area on a continuing basis.
>
> The maneuver area which includes approximately 600,000 acres of Government-owned land will entail no cost to the Army except for that involved in restoration and claims payment to property owners in the area for actual damage done to property during maneuvers. The Army pointed out since the maneuver land will be available to it under a continuing basis, the reopening of Camp Polk as a permanent installation is essential in the view of a need for an active Army installation to serve as a base to support maneuver operations.

Senators will note that this press release, concurred in by the Department of the Army and the State of Louisiana, refers to an agreement between the Army and the State of Louisiana. It is my position that the agreement referred to was valid and binding—that was supported by a clear and specific consideration—namely, the promise on the part of Louisiana to provide the maneuver area on a continuing basis, and the promise on the part of the Department of the Army to reopen Fort Polk on a permanent basis.

Louisiana has performed its obligations under that contract; all we ask is that the United States Government perform its obligation, namely, to keep Fort Polk open.

The matter is as simple as that.

At any rate, Mr. President, following the promulgation and dissemination of the press release from which I read earlier, and acting upon the valid agreement outlined therein, the people of the Fort Polk area did a number of things:

First. They gave unstintingly of their time and personal efforts to obtain from their friends and neighbors approval of the necessary maneuver agreement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the maneuver agreement form.

There being no objection, the form was ordered to be printed in the RECORD, as follows:

MANEUVER AGREEMENT

1. This agreement, made and entered into this _____ day of _____, 19__, by and between _____, hereinafter called the owner, and the United States of America, hereinafter called the Government.

2. The owner, for the consideration of $1, the receipt of which is hereby acknowledged, grants to the Government a right for United States troops and their equipment to periodically maneuver and conduct field exercises over and upon the following described lands: _____ acres of land located in _____ Parish, La., save and except all places of residences, barns, and all other structures and buildings, cultivated areas, including areas planted in pine or hardwood either before or after the date of this agreement, constructed ponds, sawmills, logs, and lumber pertaining thereto.

3. The provisions of this agreement become effective immediately and will continue for a term of 15 years from the date above written.

4. In the event of damage to the premises resulting from the Government's exercise of the rights and privileges herein granted, the Government shall repair, replace, and restore the premises to the condition existing at the time of commencement of the use herein granted or at its option make a cash settlement with the owner, or lessee, in lieu of actual restoration. It is understood and agreed that restoration, or cash settlement in lieu thereof, by the Government shall be effected at the conclusion of each maneuver or field exercise. That the amount or extent of damages, if any, be arrived at in accordance with established practices for determining fair market value, and such settlement shall be made within 1 year of submission of statement of damages.

5. The use hereby granted is not to be considered as exclusive use and the exercise of the rights and privileges as hereby granted shall in no manner interfere with or abridge the ownership rights of the owner or occupant in connection with the premises.

6. This agreement will automatically terminate in the event of a conveyance of title of the premises described above, or in the event Camp Polk is not reactivated as a permanent installation of the United States Army, or in event it is deactivated.

7. The Government shall use all reasonable precautions to prevent fires on said lands and to prevent the spread of any fires that may occur. In the event of a forest fire, caused by military forces, burns on lands covered by this agreement or on lands adjacent that may spread to lands covered by this agreement, the Government agrees to notify the land owner of such fires if possible and to have the troops who may be carrying on operations on these lands, aid and assist in controlling said fires.

In witness whereof, the parties hereto have subscribed their names as of the date first above written.

_____
(Witness)
_____
(Address)
[SEAL] _____
(Owner)
_____
(Address)
_____
_____
UNITED STATES OF AMERICA,
By _____
_____
(Official title)

Mr. ELLENDER. Mr. President, I remind the Senate that agreements of this type were obtained covering some 7 million acres of land.

Second. The people of the Fort Polk area, acting at the request of the military authorities, undertook to provide additional housing for troops and their dependents.

Third. Nearby communities bonded themselves heavily in order to provide the necessary electrical, sewerage, and other public-utility services made necessary by a substantial increase in the population of the area.

Fourth. Bond issues were also floated to provide additional schools.

Fifth. Bond issues were voted to increase recreational opportunities to provide parks and other desirable public places as a means of sustaining the high morale of the Army troops stationed at Fort Polk.

Sixth. Churches and other private institutions contracted for expanded building programs.

All of these things were done by the People of the Fort Polk area in reliance on the promise of the Department of the Army, and, indeed, of our own Government, that Fort Polk would remain a permanent military installation.

I have stated on many occasions, and I state again, that no other military installation in the United States stands on the same footing as Fort Polk—in no other part of the country have the people living in and around a military installation been parties to such a solemn and binding contract with their Federal Government.

This factor alone amply demonstrates that Fort Polk should not be the first permanent post considered for closing when the Bureau of the Budget decides to tighten its fist a little bit, but, rather, the last.

Fort Polk offers specific advantages to our Defense Establishment which are available at no other post.

First and foremost of these is the fact that the people welcome the Army—not just as so many customers for their stores and businesses, but as new friends and new neighbors. In addition, and this is of great importance, no other area in the United States offers 7 million acres in maneuver rights upon which the Army can deploy its troops for every conceivable kind of training necessary. As a matter of fact, the Army tried to obtain more limited maneuver rights in other parts of the country and were turned down point blank, even when monetary inducements were offered. The people of Louisiana provided maneuver rights over a larger area, for no monetary consideration.

If Fort Polk is closed, the people of my State have authorized me to serve notice that the Army will have lost not only the good feeling and goodwill of the people surrounding Fort Polk, but also the present existence of a 7-million-acre maneuver area and any hope of again obtaining such an area at any time in the future.

Today, our country is in a depression. We are seeking ways and means to reduce unemployment and to restore economic health to all parts of our country. But while we try to do these things, the Department of Defense is deliberately, and almost with malice aforethought, breaking a solemn obligation to the people of one of our States, and, at the same time, is threatening to extend the depression even deeper into that area.

Mr. President, I have called these matters to the attention of the Senate because the time is fast approaching for a final decision on Fort Polk to be made. I am hopeful that the Senate will join in the efforts of myself and other Members to put into effect a realistic minimum insofar as the number of Army troops is concerned.

I urge that, when the time comes, the Senate join me in seeing that sufficient moneys are made available to support this troop strength.

Finally, but most important, I hope the Senate will agree that the people of the Fort Polk area have been treated most shabbily, and that my colleagues will join me in taking action to impress upon our military leaders and the civilian administrators of our military program that the solemn contract between the Government of the United States and the people of the Fort Polk area must be honored, if faith in our Government is to be preserved.

Mr. LONG. Mr. President, I ask unanimous consent that the remarks of my colleague from Louisiana with regard to Fort Polk be printed in the RECORD immediately following the speech I made on the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I thank the Senator from Tennessee [Mr. GORE] for his courtesy in yielding.

FARM PRICE SUPPORTS

Mr. ELLENDER. I should like to read a bulletin which has just been handed to me. It is taken from the news ticker, and reads:

Senate Republicans voted 17 to 14 in a stormy closed session today to tell President Eisenhower they favor his signing a bill to freeze price supports.

Mr. President, I congratulate the 17 Republicans who have given the President this advice.

As chairman of the Committee on Agriculture and Forestry, I managed the joint resolution on the floor. I have read quite a number of editorials, published in various newspapers throughout the country, which entirely miss the point.

The newspapers contend that the joint resolution freezes the prices. As a matter of fact it does not do any such thing. It merely tells the Secretary of Agriculture that he shall not further depress farm prices below the prices that were paid farmers in 1957, which means that the farm prices on all basic commodities can flex upward to 90 percent from the prices paid last year.

Let us take, for example, cotton. Cotton was supported last year at 78 percent of parity. In 1958 cotton prices have been pegged at 81 percent of parity, which is greater than the amount paid last year. If the joint resolution is

signed by the President—and I hope he will sign it—it will mean that farmers will get no less than what they got last year, and for the next year the price can flex upward to 90 percent.

Another provision in the joint resolution freezes the acreage for cotton as well as rice and wheat, at the acreage planted last year. That is all the joint resolution provides. The reason the committee decided to do that was to not further depress the income of the farmer.

As I pointed out in the debate, last year the farmers of this Nation received the lowest amount of money, percentagewise, of the national income than in any previous year. It was 4.2 percent of the national income. Six or 7 years ago it was 14.1 percent of the national income.

I take the position that now is not the time to further depress the farmer's income, because it will simply mean that the depression in which we now find ourselves will deepen more and more.

Mr. KERR. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KERR. I wish to express my deep appreciation to the chairman of the Committee on Agriculture and Forestry for his leadership in bringing to the Senate floor the joint resolution which was passed by Congress and sent to the President. It was because of the tireless efforts of the distinguished Senator from Louisiana and the members of the committee who agreed with him that the measure was reported to the Senate and made available to Senators to support and pass. In doing that, he rendered a service far beyond the ability I have to adequately describe, and for which he is entitled to appreciation from the farm population of America far beyond my ability to indicate. I certainly wish to thank him and to congratulate him on what he has done and what he has said about it.

Mr. ELLENDER. I thank my good friend from Oklahoma.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. I congratulate my colleague upon the statement he has made. In view of the fact that the administration and Congress will be facing a tremendous deficit this year, and the possibility of an even greater deficit as a result of proposed tax cuts, there are no two things that could be done to help bring back prosperity and restore full employment and full production any quicker and at less cost to the Government than by stabilizing farm prices now and by reversing the high-interest-rate policy. My guess is that those two steps would actually save Government money if they were accomplished simultaneously.

Mr. ELLENDER. I thank my colleague.

SECOND SUPPLEMENTAL APPROPRIATIONS 1958—CONFERENCE REPORT

During the delivery of Mr. GORE's speech:

Mr. JOHNSON of Texas. Mr. President, the distinguished senior Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, desires to submit a conference report. Since the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] is present, representing the minority, and since the report has been cleared with the minority leader, I ask unanimous consent that, without losing his right to the floor, the Senator from Tennessee may yield to the Senator from Arizona, for the purpose of taking up the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. COTTON in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr JAVITS. Is this the conference report which contains the appropriation for the Brussels Fair?

Mr. HAYDEN. It is.

Mr. JAVITS. May we know exactly how that matter has now been disposed of?

Mr. SALTONSTALL. Mr. President will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. As one of those who advocated the full amount of $2,054,000, I am not satisfied with the amount of $1,100,000 contained in the report, but I am convinced that it is the most we could expect to get from the House. If the money is to be of any use, it should be made available immediately. It was the feeling of the Senators on this side of the aisle who signed the report that we should do so. The amount was, as I say, the very best we could get. Therefore, I believe the report should be adopted.

Mr. JAVITS. I asked the question because I, too, feel that we should have provided for the Brussels Fair the amount which was included in the bill passed by the Senate. I think it would have proved to be an investment, which, not having made, we will regret not having made. I think that at the fair the United States will not show up in the great and favorable way in which our country should be shown. But I express the hope that, as I have just said, and as has been said much better by other Senators, including my distinguished colleague from Massachusetts, our exhibit at the fair will be successful.

I do not question the sincerity of the House conferees, who took the position they assumed, except that I differ with them very strongly.

I shall delay the Senate for only a minute, to express a hope I entertain. We are a remarkable people. There are many things we do which the Government does not do, and for which the Government does not even pay. I express my hope, and indeed my expectation, that those active in the fields of American art and culture, those associated with the theater and with music, whom I know so well from my home city, and the great American business organizations, now seeing exactly what Congress will do, and being no longer under any uncertainty about what the Federal Government will do, will now pour into the breach and make the contributions which may be made even at the 11th hour—and this is the 11th hour—and which will sustain American prestige and the American posture in respect to the fair.

The fair, unfortunately, has been blown up to be a great test, as between the United States and the Soviet Union, as to which country will do better so far as prestige in the world is concerned. Although together with many of my colleagues, I realize that action in this regard will not be decisive of the great issues with which we are confronted in Congress and with which the world is faced, nevertheless the Brussels Fair has been perhaps inflated beyond its importance. But there it is.

So I hope very much—and I express this as one Senator from one State—that the great forces in our country which have heretofore contributed so mightily under similar circumstances, will welcome an opportunity to act patriotically, to make up, as I think they themselves believe they should do, for what is lacking in the amount of the appropriation.

Mr. HAYDEN. The report does contain $1,100,000, which was not in the bill as it passed the House.

Mr. JAVITS. Of ccurse. I congratulate my colleagues who were the Senate conferees. I realize how difficult the conference was. I happen to know exactly what they were up against. I served in the other body for 8 years. I think, from what I know of the situation, and considering what the Senate conferees had available to them, they did very well. I thank the Senator from Arizona.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. I, too, regret that the House did not concur in the Senate's views. It will be recalled that the Senate provided the full amount, and that amount was to come directly from the Treasury, not from money previously appropriated, for the fair at Gorky Park, in Moscow.

As I understand, the House forced the Senate to agree to the terms of the House; that is, to take the money from the Gorky Fair appropriation, rather than directly from the Treasury. That

means a further delay in the plans for the Gorky Fair, which is expected to be held sometime soon.

It strikes me, as I said on the floor and also before the committee, that we could well spend much more money at the Gorky Fair than has been appropriated, and could do much more good with it than with the millions we shall spend now at the Brussels Fair, although, as I said, I should like to have money appropriated for both fairs.

But I hope that the State Department will leave nothing undone to make certain that a fair will be held at Gorky Park, Moscow, as soon as possible.

Mr. HAYDEN. I join with the Senator from Louisiana in that regard. Four hundred thousand dollars remain available to the State Department with which to conduct negotiations, at least.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10881, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
March 25, 1958.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 9, 35, and 38 to the bill (H. R. 10881) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the sum of "$60,000" named in said amendment, insert "$50,000."

That the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein with an amendment, as follows: In lieu of the sum of "$100,000" named in said amendment, insert "$50,000."

That the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows:

"In addition to the matter inserted, add the following: 'House of Representatives'."

For payment to Gladys S. Dempsey, widow of John J. Dempsey, late a Representative from the State of New Mexico, $22,500.

For payment to Jewell T. Long, widow of George S. Long, late a Representative from the State of Louisiana, $22,500.

That the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows:

In line 5 of said amendment, delete the words: "United States district courts and."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 18, 20, 22, and 48.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the budget estimates, the House and Senate versions of the bill, and the amounts agreed to in conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

2d supplemental appropriation bill, 1958 (H. R. 10881)

[Comparison of budget estimates with House and Senate version of bill and conference action]

H. Doc. No.		Budget estimate	House bill	Senate bill	Conference action
	CH. I				
	DEPARTMENT OF AGRICULTURE				
	AGRICULTURAL RESEARCH SERVICE				
	Salaries and expenses			$12,500	$6,250
313	Reimbursements to Commodity Credit Corporation for advances:				
	Animal disease eradication	$18,942,413	$18,942,413	18,942,413	18,942,413
	Grading and classing activities	1,139,982	1,139,982	1,139,982	1,139,982
	Soil Bank programs:				
	Reimbursement by appropriation	489,500,000	489,500,000	489,500,000	489,500,000
	Reimbursement by transfer	[1](78,000,000)		[1](78,000,000)	[1](78,000,000)
	Acreage reserve program:				
	Program expenses		250,000	250,000	250,000
	1958 program authorization		[2](250,000,000)	[2](250,000,000)	[2](250,000,000)
	Special commodity disposal programs	1,725,549,473	1,725,549,473	1,725,549,473	1,725,549,473
	Total, ch. I	2,235,131,868	2,235,381,868	2,235,394,368	2,235,388,118
	CH. II				
	DEPARTMENT OF COMMERCE				
	BUSINESS AND DEFENSE SERVICES ADMINISTRATION				
313	Salaries and expenses	300,000			
	MARITIME ACTIVITIES				
S. 79	Salaries and expenses	Language		Language	Language
313	Federal ship mortgage insurance fund	Language	Language	Language	Language
	NATIONAL BUREAU OF STANDARDS				
S. 79	Expenses	Language		Language	
	Total, Department of Commerce	300,000			
	PANAMA CANAL				
313	Canal Zone Government, operating expenses	320,400	320,400	320,400	320,400
313	General provisions	Language	Language	Language	Language
	Total, Panama Canal	320,400	320,400	320,400	320,400
	Total, ch. II	620,400	320,400	320,400	320,400
	CH. III				
	INDEPENDENT OFFICES				
	FEDERAL COMMUNICATIONS COMMISSION				
313	Salaries and expenses	69,000	65,000	65,000	65,000
	FEDERAL POWER COMMISSION				
313	Salaries and expenses	148,000	133,000	136,000	136,000
	GENERAL ACCOUNTING OFFICE				
	Salaries and expenses		[3]	[3]	[3]

[1] Includes language proposing transfer of $78,000,000 from "Acreage reserve program," fiscal 1958, which together with appropriation of $489,500,000 reimburses CCC for full costs amounting to $567,500,000.

[2] Increase in program authority for 1958 crop, making a total authorization of $750,000,000.

[3] Increase in travel limitation.

2d supplemental appropriation bill, 1958 (H. R. 10881)—Continued

[Comparison of budget estimates with House and Senate version of bill and conference action]

H. Doc. No.		Budget estimate	House bill	Senate bill	Conference action
	CH. III				
	INDEPENDENT OFFICES				
	GENERAL SERVICES ADMINISTRATION				
313	Public Building Service, operating expenses	$2,700,000	$2,000,000	$2,700,000	$2,350,000
313	National Archives and Records Service, operating expenses	(1)	(1)	(1)	(1)
313	Transportation and Public Utilities Service, operating expenses	100,000	75,000	50,000	75,000
	HOUSING AND HOME FINANCE AGENCY				
313	Federal Housing Administration (limitation on nonadministrative expenses)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)
	NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS				
313	Salaries and expenses	5,000,000	3,500,000	3,720,000	3,720,000
313	Construction and equipment	6,780,000	6,000,000	6,780,000	6,200,000
	NATIONAL SCIENCE FOUNDATION				
313	Salaries and expenses	9,900,000	8,750,000	9,900,000	8,750,000
313	International Geophysical Year	2,100,000	2,000,000	2,000,000	2,000,000
	VETERANS' ADMINISTRATION				
313	Inpatient care	6,032,000	6,000,000	6,000,000	6,000,000
313	Maintenance and operation of supply depots	37,800	37,800	37,800	37,800
313	Compensation and pensions	256,000,000	256,000,000	256,000,000	256,000,000
313	Readjustment benefits	30,000,000	30,000,000	30,000,000	30,000,000
313	Servicemen's indemnities	2,250,000	2,250,000	2,250,000	2,250,000
	Total, ch. III	321,116,800	316,810,800	319,638,800	317,583,800
	CH. IV				
	DEPARTMENT OF THE INTERIOR				
	OFFICE OF TERRITORIES				
313	Trust Territory of the Pacific Islands	[4] (1,350,000)	[4] (1,350,000)	[4] (1,350,000)	[4] (1,350,000)
	BUREAU OF LAND MANAGEMENT				
313	Management of lands and resources	[4] (700,000)	[4] (700,000)	[4] (700,000)	[4] (700,000
	DEPARTMENT OF AGRICULTURE				
	FOREST SERVICE				
313	Forest protection and utilization	3,850,000	3,850,000	3,850,000	3,850,000
	INDEPENDENT OFFICES				
	NATIONAL CAPITAL PLANNING COMMISSION				
S. 79	Salaries and expenses, Washington Mass Transportation Survey	60,000		60,000	50,000
	HISTORICAL AND MEMORIAL COMMISSIONS				
313	Civil War Centennial Commission, salaries and expenses	37,000	37,000	37,000	37,000
313	Lincoln Sesquicentennial Commission, salaries and expenses	31,000	37,500	37,500	37,500
	Total, ch. IV	3,978,000	3,924,500	3,984,500	3,974,500
	CH. V				
	DEPARTMENT OF LABOR				
	BUREAU OF EMPLOYMENT SECURITY				
313	Grants to States for unemployment compensation and employment service administration	33,000,000	33,000,000	33,000,000	33,000,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
	OFFICE OF EDUCATION				
313	Assistance for school construction	57,000,000	56,900,000	57,000,000	56,950,000
	OFFICE OF VOCATIONAL REHABILITATION				
313	Grants to States and other agencies	1,400,000	1,400,000	1,400,000	1,400,000
	SOCIAL SECURITY ADMINISTRATION				
313	Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance	(8,690,000)	(8,690,000)	(8,690,000)	(8,690,000)
313	Grants to States for public assistance	170,600,000	170,600,000	170,600,000	170,600,000
	Total, Department of Health, Education, and Welfare	229,000,000	228,900,000	229,000,000	228,950,000
	Total, ch. V	262,000,000	261,900,000	262,000,000	261,950,000
	CH. VI				
	LEGISLATIVE BRANCH				
	SENATE				
.....	Payment to the widow of Matthew M. Neely			22,500	22,500
	Salaries of officers and employees:				
.....	Administrative and clerical assistants to Senators			8,000	8,000
.....	Office of Sergeant at Arms and Doorkeeper			21,480	21,480
	Contingent expenses of the Senate:				
.....	Joint Economic Committee			13,000	13,000
313	Inquiries and investigations, 1957	285,000		285,000	285,000
S. 79	Inquiries and investigations, 1958	510,000		510,000	510,000
	HOUSE OF REPRESENTATIVES				
.....	Gratuity payments to beneficiaries of deceased Members		135,000	135,000	180,000
313	Contingent expenses, special and select committees	475,000	475,000	475,000	475,000

[1] Increase in travel limitation.

[4] To be derived by transfer.

2d supplemental appropriation bill, 1958 (H. R. 10881)—Continued

[Comparison of budget estimates with House and Senate version of bill and conference action]

H. Doc. No.		Budget estimate	House bill	Senate bill	Conference action
	CH. VI				
	LEGISLATIVE BRANCH				
	CAPITOL POLICE				
------	General expenses	------	------	$11,840	$5,920
	LIBRARY OF CONGRESS				
313	Distribution of catalog cards, salaries and expenses	$48,000	$48,000	48,000	48,000
313	Books for the blind	75,000	75,000	75,000	75,000
	Total, ch. VI	1,393,000	733,000	1,604,820	1,643,900
	CH. VII				
	PUBLIC WORKS				
	DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS				
	DEPARTMENT OF THE ARMY				
	Rivers and Harbors and Flood Control				
313	Operation and maintenance, general	7,000,000	------	------	------
	DEPARTMENT OF THE INTERIOR				
	SOUTHEASTERN POWER ADMINISTRATION				
313	Operation and maintenance	[4] (489,000)	[4] (350,000)	[4] (350,000)	[4] (350,000)
	BUREAU OF RECLAMATION				
313	Upper Colorado River Basin fund	10,000,000	10,000,000	10,000,000	10,000,000
321	Construction and rehabilitation	10,000,000	10,000,000	10,000,000	10,000,000
------	General investigations	------	62,500	------	------
	Total, ch. VII	27,000,000	20,062,500	20,000,000	20,000,000
	CH. VIII				
	DEPARTMENT OF STATE				
	ADMINISTRATION OF FOREIGN AFFAIRS				
313	Salaries and expenses	447,000	375,000	375,000	375,000
	INTERNATIONAL ORGANIZATIONS AND CONFERENCES				
313	Contributions to international organizations	9,794,000	9,690,563	9,690,563	9,690,563
313	International contingencies	300,000	250,000	250,000	250,000
	Total, Department of State	10,541,000	10,315,563	10,315,563	10,315,563
	DEPARTMENT OF JUSTICE				
	LEGAL ACTIVITIES AND GENERAL ADMINISTRATION				
313	Fees and expenses of witnesses	250,000	250,000	250,000	250,000
	FEDERAL PRISON SYSTEM				
S. 79	Salaries and expenses	400,000	------	------	------
313	Support of United States prisoners	250,000	250,000	250,000	250,000
	Total, Department of Justice	900,000	500,000	500,000	500,000
	THE JUDICIARY				
	COURTS OF APPEAL, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES				
313	Salaries of judges	340,000	300,000	275,000	275,000
313	Fees of jurors and commissioners	675,000	675,000	675,000	675,000
313	Travel and miscellaneous expenses	70,500	59,000	70,500	59,000
313	Salaries of referees	(52,400)	(46,000)	(46,000)	(46,000)
313	Expenses of referees	(71,000)	(71,000)	(71,000)	(71,000)
	Total, the Judiciary	1,085,500	1,034,000	1,020,500	1,009,000
	FUNDS APPROPRIATED TO THE PRESIDENT				
306	President's special international program	[5] 2,054,000	[6]	[7] 2,804,000	[8]
	Total, ch. VIII	14,580,500	11,849,563	14,640,063	11,824,563
	CH. IX				
	DEPARTMENT OF DEFENSE				
	INTERSERVICE ACTIVITIES				
S. 31	Olympic Games	3,500,000	------	3,500,000	------
	CH. X				
	DISTRICT OF COLUMBIA				
	OPERATING EXPENSES				
S. 79	Metropolitan Police	(192,000)	------	(192,000)	(192,000)
	CH. XI				
	CLAIMS, AUDITED CLAIMS, AND JUDGMENTS				
321	Claims	6,900,276	6,900,276	6,900,276	6,900,276
S. 80	------do	1,423,236	------	1,423,236	1,423,236
	Total	2,877,644,080	2,857,882,907	2,869,406,463	2,861,008,793

[4] To be derived by transfer.

[5] For Universal and International Exhibition, Brussels, Belgium.

[6] Language to authorize the use of funds previously appropriated for a trade fair exhibit in Gorki Park, Moscow, as follows: Not to exceed $1,000,000 for the U. S. Public Health Service to operate a health exhibit at the Brussels Fair, and not to exceed $750,000 for the international trade fair program of the Department of Commerce.

[7] Full budget estimate for Brussels Fair and $750,000 for international trade fairs of the Department of Commerce.

[8] Language to authorize the use of funds previously appropriated for a trade fair exhibit in Gorki Park, Moscow, as follows: Not to exceed $1,100,000 for the Brussels fair, and not to exceed $750,000 for the international trade fair program, Department of Commerce.

Mr. JOHNSON of Texas. Mr. President, I desire to express my appreciation to the Senator from Tennessee for his courtesy.

FEDERAL-AID HIGHWAY ACT OF 1958

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. GORE. Mr. President, I repeat that this bill does not provide for Federal regulation of outdoor advertising. The bill does not provide in any way a prohibition of, or against, outdoor advertising. Any regulation, other than for those segments of the Interstate System lying wholly within wholly federally owned land, if accomplished at all, will be accomplished only by a State, which is free to regulate or not to regulate, as the State may deem advisable.

Mr. LONG. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. GORE. I yield.

Mr. LONG. The Senator from Tennessee is making a very fine statement. I should like to know whether he has made any calculation as to what it would cost to line a mile of highway with billboards. Does the Senator from Tennessee have any estimate of that cost?

Mr. GORE. Does the Senator from Louisiana mean the cost of lining a highway with billboards?

Mr. LONG. Yes.

Mr. GORE. Does the Senator from Louisiana mean how much a mile of billboards would cost?

Mr. LONG. Yes.

Mr. GORE. I never made such a calculation. But unless the Congress takes some action, we may easily be able to calculate it—most unfortunately.

Of course there is a limit to the number of billboards which could be erected within a distance of 1 mile. I would not think the billboards would be constructed parallel to the highway, in the way that a picket fence might be constructed. Instead, the billboards are generally constructed at angles to the highway, in order to provide for greater visibility. I suppose, therefore, that the billboards are a least 100 feet apart.

Mr. LONG. The thought which occurred to me was this: When the Congress plans to spend as much as $1 million a mile in building splendid highways through beautiful, rolling, scenic areas with lovely views, I am curious to know how much it would cost to erect enough billboards to prevent one from having a chance to enjoy the natural scenery.

Mr. GORE. I do not know. But I can state the antithesis of that: In the State of New York, when the State negotiated for the rights-of-way for construction of the New York Thruway, at the same time the State purchased the advertisement easements on areas adjacent to the rights-of-way, and purchased them for what seems to me to be almost a nominal cost—namely, approximately $1,000 a mile. Of course, once the highway is constructed and once traffic on it commences and once a site has been purchased, the cost of acquisition would be multiplied, as I am sure the Senator from Louisiana understands.

Mr. LONG. Yes.

The thought occurred to me that if a mile of highway passing through some beautiful country costs $1 million, then if a person were permitted to erect $50,000 worth of billboards, those who used the highway would not be able to enjoy very much scenery in the course of that mile; that is my offhand guess.

I should like to inquire whether the Senator from Tennessee has made any estimate of the cost of lining a highway about as closely as could be done, as a practical matter, with billboards.

Mr. GORE. I must say that I have not made such a calculation. Certainly I have no desire that such a situation should be brought about.

Mr. CASE of South Dakota. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. CASE of South Dakota. The Senator from Tennessee has referred to the situation which would pertain on federally owned lands—for instance, national parks, national forests, and Federal reserves. The situation under this bill would not be different from the present situation, would it? At the present time, advertising is not permitted on such lands.

Mr. GORE. That is correct; today it is not permitted in the national parks or on the Federal lands or on the public domain. The pending bill does not seek to make any change in that respect.

Mr. KERR. Mr. President, will the Senator from Tennessee repeat the statement he made just before the question was asked by the Senator from Louisiana [Mr. LONG]?

Mr. GORE. I said the pending bill does not provide for Federal regulation of billboards, as some have suggested that it does. Any regulation, other than for those segments of the Interstate System lying wholly within wholly federally owned land, if accomplished at all, will be accomplished only by the several States, which are free to regulate or not to regulate, as they may deem advisable.

Mr. KERR. Does the Senator from Tennessee seriously inform the Senate that if the pending bill is passed and is enacted into law, and if a State highway department made a contract with the Secretary of Commerce, that would not vest in the Secretary of Commerce not only the power but also the responsibility to regulate the area adjacent to the highway—for 660 feet on either side—with reference to the exclusion of billboards?

Mr. GORE. I say, and I have so advised the Senate, and I do now advise the Senate, that any regulation whatsoever, if there is any, will be accomplished by the States.

Mr. KERR. I should like to have the Senator from Tennessee show the Senate the language which says the States shall regulate.

Mr. GORE. This regulation, if it is achieved at all——

Mr. KERR. Will be by whom?

Mr. GORE. It will be in one of two ways.

Mr. KERR. By whom?

Mr. GORE. By the States. It will be achieved——

Mr. KERR. The Senator from Tennessee cannot be serious about that.

Mr. GORE. I could not be more serious.

Mr. KERR. The language of the bill grants authority for the Secretary of Commerce to regulate.

Mr. GORE. I beg the able Senator's pardon. The bill, if enacted, will provide authority for the Secretary of Commerce to enter into agreements with the States. The States can bring about the regulation, either by purchase of the advertising easements—in which event, 90 percent of the cost thereof will be reimbursed to the States, provided it does not exceed 5 percent of the cost of the right-of-way—or by the exercise of the police power of the States, in the case of States which desire to exercise such police power. In either event the States will receive an incentive payment equal to one-half of 1 percent of the cost of the Interstate System, exclusive of those segments excluded by mutual agreement.

Therefore, I say, in all seriousness, to the distinguished senior Senator from Oklahoma that any regulation which is accomplished will be accomplished by the States, not by the Secretary of Commerce. The Secretary of Commerce is authorized to enter into agreements with the States, and to provide a part of the cost of performance by the States, and to provide financial incentives to the States for their participation.

Mr. KERR. Will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. There is not a Member of the Senate for whom the Senator from Oklahoma has a higher regard or a deeper affection than he has for the distinguished Senator from Tennessee; but if the Senator from Oklahoma is capable of reading the English language, the bill before the Senate does not, nor can it by any possible interpretation be deemed to, bring about the result which the distinguished Senator has just, I am sure in all sincerity, told the Senate would be brought about.

Mr. GORE. I wish to reciprocate fully in the expression of esteem and affection which the able Senator has bespoken for me. I appreciate it very much. I am most grateful for it. I assure him the esteem and affection are fully reciprocated. If I have been guilty of misleading the Senate, I wish the Senator would point out wherein I am wrong.

Mr. KERR. I say to the distinguished Senator, if I correctly read the bill, beginning at the bottom of page 21, it authorizes the Secretary of Commerce to enter into agreements with State highway departments. The Senator has referred to State legislatures. There is no provision in the bill requiring approval by State legislatures. There is no provision in the bill which states that a contract shall be entered into with a State

legislature. It provides that the Secretary of Commerce is authorized to enter into agreements with the State highway departments, to carry out the national policy set forth in subsection (a) of this section.

Mr. GORE. Will the Senator yield at that point?

Mr. KERR. I yield.

Mr. GORE. What is that national policy? If the Senator will look at the top of page 21, line 2, he will see the language, "to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system."

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HRUSKA. A few lines below that phraseology, commencing at line 11, will be found the provision that the signs "should be regulated, consistent with national standards to be prepared and promulgated by the Secretary."

Then they are listed. If those are the regulations and the precise standards by which the provisions shall be formulated and prescribed by the Secretary of Commerce, I should like to ask the Senator who is doing the controlling and who is doing the regulating.

Mr. GORE. There is a difference between the exercise of police powers, or the purchase of a right, on the one hand, and the promulgation of standards, on the other. The standards promulgated by the Secretary of Commerce are, however, national standards with which the States must comply in order to qualify either for reimbursement of the cost, the acquiring of the advertising easement, or the financial incentive of one-half of 1 percent. It is really beyond me to comprehend the Senator's interpretation.

Mr. HRUSKA. My point is if the Senator from Tennessee contends that there is to be no Federal regulation, this provision does not bear out his statement. Regulations are prescribed and the method of enforcing them. When it is the Secretary of Commerce who promulgates and prepares the regulation, who is it that regulates? I say it is the Secretary of Commerce.

Mr. GORE. The same thing occurs in the highway program itself. The Secretary of Commerce promulgates standards of construction for the Interstate System. States make applications for approval of projects. The projects must in the same way, meet the standards promulgated. In identically the same way the Secretary will promulgate standards for the regulation of advertising along the Interstate System. If the States wish to receive Federal aid in accomplishing the goal, they must comply with the standards.

Mr. HRUSKA. Precisely. Merely because there must be such compliance does not make it any less controlled by the Secretary of Commerce.

Mr. GORE. The control must be exercised by the States. It is the States that will buy the easements. It is the States that will exercise the police power to see that the goal is accomplished.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG. Actually, do we not have many similar arrangements provided for in the Federal law? Let us take the welfare programs. If a State meets certain standards provided in the Federal law for welfare payments, the Federal Government will match the funds it pays.

Mr. GORE. That is also true of the hospital construction program.

Mr. LONG. If the States meet certain standards of the Federal law in providing public assistance, the Federal Government aids such States. In the case of unemployment benefits, States can provide assistance, and if they meet Federal standards, they receive Federal assistance. There are many instances of the Federal Government assisting States in carrying out their programs at the State level.

The same provision is already in the law with regard to highways. If a State in building highways meets certain specifications and standards, then the Federal Government will match funds provided by the State for that purpose.

Mr. GORE. The same principle applies to the hospital construction program.

Mr. LONG. The same thing is true with respect to Federal aid to hospitals. A similar situation prevails in the case of limited access highways. If a State proposing to build a limited access highway meets Federal standards, the Federal Government will provide matching funds.

What the Senator from Tennessee here proposes is more liberal than other arrangements, because States can decline to follow Federal standards. If the States prefer to do so, they will lose only a small percentage of the matching money.

May I ask the Senator how much the States would lose?

Mr. GORE. One-half of 1 percent.

Mr. LONG. A State can decline to follow the Federal standards. If it does so, it will lose only one-half of 1 percent in Federal funds.

Mr. GORE. Whereas, if a State declines to build an interstate highway equal to the Department of Commerce standards for which authorization is provided in the law, then the State loses the Federal funds for the interstate highway through it.

This precedent goes back many, many years. For instance, let me refer to vocational and agricultural training. Before becoming a Member of Congress I served my county as superintendent of education. I remember we wanted to obtain vocational and agricultural training in one of our high schools. To a certain degree it involved Federal aid to education.

What did we have to do? We had to meet certain standards. We had to employ a teacher with given qualifications. It was necessary to pay a given salary, a minimum of which was to be provided by the United States Department of Agriculture. It was necessary for us to have a classroom with adequate facilities, certain lighting in the classroom, and workshops. When we met those requirements we were then eligible to have a part of the salary of the vocational teacher paid by the Federal Government. That provision of law has been in effect about 40 years.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. LONG. Actually, if a State decides not to follow the particular Federal standards which the Senator is recommending, there is some monetary saving, is there not? In other words, in some respects the State would save money, but the saving would be offset by the fact that the State would not receive quite as much matching money.

Mr. GORE. It might work out in some States that the actual advertising easement could be purchased within the limitation of 5 percent of the cost of the right-of-way, in which event the State would receive a bonus of one-half of 1 percent of the cost of those segments of the system not included.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. GORE. Yes.

Mr. LONG. The Senator's statement reminded me of a slogan which meant something to me. Most people want to do the right thing, but they oftentimes need a little encouragement. What the Senator is trying to do is to provide encouragement to the States to maintain the scenic values along the highways, I take it.

Mr. GORE. I am interested in the maintenance of scenic values, yes, but I wish to say, in all fairness to the Senator, that my support of the provision rests primarily on safety of traffic.

The esthetic values, scenic values, and historic values appeal to me strongly. When we understand that the system is to be one of expressways, and as each turnoff is approached on the right for the last 3 miles there will be an average of 10 official signs which it will be necessary for the driver to comprehend, in order to provide safety, we then realize, I think, the importance of the matter.

Let me point out to the Senator that traffic will be moving on these highways at a far greater rate of speed than on the ordinary highway. There will be 10 official signs it will be necessary for the driver to read before he reaches a turnoff. His vision must be kept clear, or else he may weave into the wrong lane of traffic. He may suddenly be approaching the turnoff without having read the signs and may jam on his brakes, only to be hit from behind. Perchance, if his vision is blurred or the official signs are obscured or dwarfed, he may drive completely by a turnoff and then have to go 25 or 50 miles to get back where he wanted to go. He may be tempted—as I have been tempted to do several times—to try to back up, or turn around to go the wrong way on a one-way expressway, inviting death for himself and other people traveling at the time.

Mr. LONG. The thought occurs to me if a man is faced with the possibility of having to go 25 miles out of his way if he misses a single turn, if he fails to see the sign which says he should get on the right-hand side to make the turn, there will be a strong temptation for him

to turn abruptly across the fast-moving traffic coming from behind him.

Mr. GORE. I wish to read to the Senator from page 392 of the hearings which were held last year, from the testimony of Mr. Tallamy, Federal Highway Administrator:

Senator GORE. You testified this morning that at each turnoff, each point of egress and ingress from the highways, to and from the highway, there would be a total of 20 official directional signs.

Mr. TALLAMY. Yes, sir.

Senator GORE. And I believe you testified that as one approaches a turnoff, on his right within the last 3 miles before reaching that turnoff there would be 10 official signs approximately four of which would notify the driver of service facilities—filling stations, restaurants, domiciliary accommodations, garages, et cetera.

How would a clustering or intensification of outdoor advertising within that last 3 miles affect the efficiency and service of the official signs?

Mr. TALLAMY. I think it would seriously impair the efficiency of the official signs. If the outdoor advertising sign was good at all, it would certainly attract the driver's attention and could very well be attracting it when an official sign ought to be making an impact on his mind and failing to do so would get him into trouble or beyond his turnoff point.

I am convinced that a mixing of outdoor advertising signs and of official signs would be very detrimental.

Does the Senator understand the point?

Mr. LONG. Yes. I understand.

Mr. GORE. It is possible for the Secretary of Commerce to promulgate standards with which the States can comply, thus obtaining the benefits without prohibiting commercial signs in the area. Where there are long stretches of highway without an interchange it will be possible for the Secretary to provide in his national standards the conditions under which a sign can be permitted or prohibited. Is that not correct, let me ask the Senator from California?

Mr. KUCHEL. The Senator is completely correct in his interpretation.

I should like to say, if the Senator from Tennessee will permit me, that I think the Senator from Louisiana [Mr. LONG] has made some excellent points in support of the pending bill which the able chairman of the subcommittee is explaining.

Let me put my finger on one comment the Senator made. We listened to Bertram Tallamy tell of his experiences in New York State when the great New York Thruway was constructed. In purchasing the property required to be purchased for rights-of-way a single contract of purchase on many, many occasions would include the so-called advertising easement. Mr. Tallamy stated he was able—through the exercise of the right to buy the advertising easement as a part of the transaction with many of the farms through which the throughway was to run—to consummate in one agreement both the fee purchase of the right-of-way and the necessary easement. I think that points the way as to how other States might likewise negotiate, under the provision of the bill which enables some reimbursement to be made.

Mr. GORE. Let me say to the junior Senator from Louisiana that my principal concern is the area near the interchanges. Three years ago, when we began consideration of this new concept of highways, I expressed vigorous opposition to limitation of access. Some people have told me or telegraphed me to the effect that in this bill we are proposing discrimination against outdoor advertising. We are not proposing discrimination. We are proposing regulation in the public interest.

I think we have gone pretty far. For the first time we have gone so far as to provide, in a Federal law, that a man who lives by the side of the road may not enter upon that public highway at will. He must enter the stream of traffic on it under regulated conditions, for his own safety and the safety of the traveling public. Though he may own a business or a farm or may live in a house beside this road, he may not use the road without going two or three miles, or more, to a point of access or a clover leaf, at which point he may enter the stream of traffic with safety to himself and the traveling public.

I say to the junior Senator from Louisiana that when we are impelled by the safety of traffic, with due regard to the safety of the traveling public, to try to cut down the tremendous loss of life and property caused by automobile wrecks, by providing limited access, even with respect to the man who owns land beside the road, we can, with equal justification, provide for regulation in regard to the signs which might be placed on the inside of a curve, or in the area of an interchange, and which might obscure the vision of drivers and interfere with the safety of traffic at that point. That is my primary concern. I would not diminish the desire to preserve the scenic beauty and historic values, but my primary concern is safety of traffic.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG. Apropos of the Senator's point, in this bill the limited access provision might mean that a farmer whose son lived a mile down the road would be, in effect, 10 miles from his son by the time the highway was constructed between the two farms.

Mr. GORE. That might very well be.

It required a great deal of persuasion to change my mind on that point, but I finally became convinced that I was mistaken. It is pretty hard to persuade a Senator to admit that he is mistaken about anything.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment.

I finally became convinced that limited access was necessary to preserve the value of the public investment and to preserve the safety of traffic. That principle has been approved by the Congress. Now I think it is necessary to provide regulation of commercial advertising along the rights-of-way of these highways. The bill does not provide for prohibition, either by States or by the Federal Government. It does not provide for regulation by the Federal Government, but by the States.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HRUSKA. Reference is made to the testimony of Mr. Tallamy in regard to the matter of safety, on the occasion when he testified, as quoted by the Senator from Tennessee. That was the first testimony in all the voluminous hearings which we had to the effect that there was any indication of a detriment to the driver and to the safety of traffic by reason of billboard structures. The colloquy between Mr. Tallamy and myself, on page 391, indicates by his responses to the suggestion of the Senator from Nebraska that such was the fact. Mr. Tallamy said:

I don't know of any survey that has been made of outdoor advertising effects on express highways, and I am talking of express highways.

A little later he said:

I did admit that I know of no statistics, I know of no survey of the effect on safety of outdoor advertising on expressways, but I am giving you my sincere opinion on it, and I have traveled many, many, many thousands of miles under all conditions on express highways.

That was the only expression of opinion I found in all the voluminous hearings.

On the contrary, when we turn to the hearings in 1957, at that time we had the result of the studies by the Iowa State College and the University of Michigan, which show the contrary to be true. So if it is a matter of opinion against academic, scientific studies which have been made, plainly showing no detrimental effect of structures of that kind to safe driving, I am wondering what is the basis for the safety factors upon which the Senator from Tennessee so heavily relies. How much weight should be given to them?

Mr. GORE. I asked Mr. Tallamy, the Administrator, who previously had been administrator of the Thruway in the State of New York, his sincere opinion. He gave it. I rely on that.

I rely also on what I regard as common sense observation. The largest official sign, I believe, is about 13 feet high. If that must be in competition with a 50-foot billboard, neon lighted, with a pretty girl with movable parts, I say that if the sign on the billboard is any good at all, it will attract attention; and such a sign would attract my attention.

Mr. HRUSKA. Would not the Senator also say that the pretty girl with the movable parts will not be alongside the 10-foot official sign? It will be somewhere outside and beyond the right-of-way, which is 330 feet wide, at a minimum, on all the Interstate Highway Systems. So it is not a matter of having all the signs crowded around the turnoff, so that the view of the turnoff is obscured, and the attention of the driver is attracted to the advertising sign. It is moved away a considerable distance from any of the official signs, and therefore has no detrimental effect.

Mr. GORE. Let us think about that. Let us say that the right-of-way is 300 feet wide. I do not know how wide the center strip will be. At any rate, the

driver will be traveling on the right hand side of the center. Let us say that he is traveling within 100 feet of the edge of the right-of-way. This Chamber is only about 100 feet wide. The driver we are talking about is traveling at the rate of 75 miles an hour. He must comprehend, within the last 3 miles approaching an interchange, 10 official signs. Suppose that, blinking in his eyes, are many commercial signs much larger, illuminated with flashing lights. It is only reasonable to anticipate that those who are professionals in the art of attracting attention will succeed to some extent in distracting the attention of the driver from the highway, from management of his vehicle, and from the reading of the official signs. If the advertising industry were not good enough to do that, it would not be interested in advertising along the highways.

Mr. HRUSKA. All the studies by the Iowa State College and the University of Michigan were concerned with rights-of-way less than 330 feet wide, and they came to a contrary conclusion, based upon surveys which tabulated all the accidents and the cause-and-effect factors involved in dangerous driving conditions. So I say it is pure conjecture, it is wishful thinking, and there is no basis of any kind in the evidence except the expression of opinion by Mr. Tallamy, which should cause us to accept the thesis of the Senator from Tennessee. The opinion of Mr. Tallamy must be weighed against the scientific surveys, the results of which were carefully tabulated and carefully weighed in every regard.

Mr. GORE. There has been no official survey of traffic or advertising on a national system of limited-access interstate and defense highways, because we have had no such system. We are now undertaking to construct such a system. I submit that it must be viewed as a different kind of highway system. It is a new concept. It is a concept of expressways on which the traffic will move at much greater speed, and on which there will be cloverleaf access and egress points. It is particularly in this area that the greatest caution must be exercised lest these interchanges become deathtraps rather than safe, regulated means of ingress and egress.

Mr. HRUSKA. The survey and study made by the University of Michigan, and conducted by Mr. J. Carl McMonagle, assistant director of the Traffic Planning Division of the Michigan State Highway Department, and a member of the President's Highway Safety Conference, is to an extent an official survey. A thorough study of the subject was made. The study which was conducted by Iowa University was, as the study itself states, a part of some 250 programs in this area, the results of which have been published. It was not wishful thinking or an expression of opinion. It was a tabulation and a scientific analysis.

Mr. GORE. What I am pleading for is the passage of a bill which will encourage the States to provide not prohibition but regulation and control, so that the outdoor advertising industry will find it necessary to obtain official consent to place their advertisements in accordance with a pattern which will provide safety and conservation of the beauty of the landscape.

I am pleading for the passage of a bill which will encourage the States to enact and provide the necessary regulation and control, to prevent the indiscriminate and unsafe location of billboards. That is all I desire to accomplish.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. Under the standard of specifications in the bill, the boards cannot be more than 500 square inches. Is that correct?

Mr. GORE. Yes; they can be.

Mr. KERR. Will the Senator show me the language in the bill which permits them to be other than that, if they are regulated and controlled?

Mr. GORE. I shall be glad to do so. The language is on page 21:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 650 feet of the edge of the right-of-way and visible from the main traveled way of all portions of the Interstate System should be regulated—

Mr. KERR. I ask the Senator to read on.

Mr. GORE. The language continues:

> consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for—

Mr. KERR. No. 3.

Mr. GORE. Before I go to No. 3, let me point out that "regulated" does not have the connotation of prohibition. It connotes discretionary power.

Mr. KERR. In whom?

Mr. GORE. In a State authority.

Mr. KERR. Where is that State authority named? Where are the words in the bill with reference to the State authority?

Mr. GORE. All regulation to be accomplished by the bill is to be accomplished by the States who enter into an agreement with the Secretary of Commerce.

Mr. KERR. And "consistent with national standards to be prepared and promulgated by the Secretary." That is what the bill says. I read further:

> Which shall provide for:
>
> (3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

Mr. GORE. The paragraphs (1), (2), (3), and (4) describe types of signs for which provision must be made in the standards to be promulgated.

Mr. KERR. Regardless of who regulates them.

Mr. GORE. That is correct.

Mr. KERR. The regulation must be consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for signs not larger than 500 square inches, and such advertising activities are to be conducted at a location within 12 miles of the point at which signs are located.

I ask my good friend in all sincerity to tell me if that does not mean what it says? First, what does it mean and, second, why is it in the bill if it is not to be effective?

Mr. GORE. I shall be very glad to undertake to say what my interpretation of the whole sectoa is.

Mr. KERR. Would the Senator limit it, to begin with, to paragraph (3), beginning at line 18 on page 21, and the words in line 11 which read "should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for", and so forth, and then read paragraph (3)?

Mr GORE. We will begin with line 13. I am sure the Senator wants me to give as clear an explanation as I can. Beginning with line 13 it will be noticed that the regulations shall provide for——

Mr. KERR. What?

Mr. GORE. The succeeding four paragraphs. However, signs which are not mandatorially provided for in paragraphs (1), (2), (3), and (4) may be provided for under the interpretation of the words, in line 11, "should be regulated."

Mr. KERR. It says the signs "should be regulated," but the regulation shall be consistent with "national standards to be prepared and promulgated by the Secretary, which shall provide for signs not larger than 500 square inches." That is a limitation. That is a definition. That is a prescription of one of the things for which the regulatory rules shall provide.

Mr. GORE. This is a requirement of the regulation, not a limitation of it.

Mr. KERR. That is correct. The controlling authority could require the signs to be smaller, but could——

Mr. GORE. And larger signs may be permitted.

Mr. KERR. Not at all; not under the language of the bill.

Mr. GORE. I respectfully disagree.

Mr. KERR. What is the significance of the language that the signs shall not be larger? It states that they shall not be larger than 500 square inches.

Mr. GORE. What I have tried to point out to the Senator——

Mr. KERR. That is 20 inches long and 25 inches wide, or vice versa.

Mr. GORE. Paragraphs (1), (2), (3), and (4) on page 21 are mandatory provisions of the regulation.

Mr. KERR. That is what I am trying to point out to the Senator from Tennessee, that they are mandatory.

Mr. GORE. Yes; they are mandatory.

Mr. KERR. They are mandatory.

Mr. GORE. Though it is not mandatory that other signs be permitted, the standards may permit other signs, if I may use that word.

Mr. KERR. Show me the word "permit." The language says that the regulation should be consistent with the standards set forth and provides for signs not larger than 500 square inches.

The Senator from Tennessee himself has said that that is mandatory, and that is what the Senator from Oklahoma says. If it is mandatory, and if it must be provided that signs shall not be larger than that, does the Senator from Tennessee suggest that there can be provisions inconsistent with that regulation?

Mr. GORE. Let me clarify what I mean by "mandatory." I mean it is

mandatory that the Secretary provide in his regulations for certain advertisements to come within the terms of paragraphs (1), (2), (3), and (4). But provision may be made for advertising signs consistent with safety and the preservation of beauty, somewhat larger than those described under the terms which I have read on line 18, page 21.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KUCHEL. I may say that where on page 21, line 18, paragraph (3) appears, it is obviously necessary to read that entire provision in order to see to what the 500 square inch provision refers. A reading of the entire sentence indicates:

> Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

Mr. GORE. These provisions are placed in the bill to make certain that a local tourist motel or other local facility can be advertised. The Secretary of Commerce can provide standards which, under specified conditions, would permit larger advertising signs than are here mandatorily provided for and than are here specified as a necessary part of the regulations. Does the Senator from California agree?

Mr. KUCHEL. Yes, I do, because paragraph (3) refers to the specific proviso which constitutes a part of the national policy. But to recognize what the national policy is, obviously all parts of the provision must be read together.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HRUSKA. I must confess that I am baffled. The language plainly states that national standards must provide that the signs shall not be larger than 500 square inches. The Senator from Tennessee says that is correct, and that it is mandatory; but that the Secretary of Commerce may allow larger signs if he wants to.

Why in the world is the provision in the bill in the first place, if the Secretary may allow larger signs? Where is the mandatory part if he is given discretion to allow larger signs?

Mr. GORE. I have tried to say to the Senator that these specific types of signs are those which the regulations must provide for, as a minimum, to insure that local businesses may be permitted to advertise.

Mr. HRUSKA. What is the maximum? How large can a sign be? The provision says it must be not larger than 500 square inches.

Mr. GORE. If the Senator will read again, on line 11, "consistent with national standards."

Mr. HRUSKA. One of the standards is 500 square inches.

Mr. GORE. It says, "consistent with national standards to be prepared and promulgated by the Secretary."

Mr. KERR. Now read the rest of the language.

Mr. GORE. What are the national standards?

Mr. HRUSKA. Paragraphs (1), (2), (3), and (4).

Mr. GORE. Oh, no. In the national standards, "which shall provide for"; it does not say that is all that can be provided for.

Mr. HRUSKA. Very well. The language provides for signs not larger than 500 square inches. What else can be provided for as to size?

Mr. GORE. It "may" provide; not "shall". It shall provide for those things contained in paragraphs (1), (2), (3), and (4), but the regulations may provide for other types of signs.

Mr. HRUSKA. Where does the Senator find "may" in the language? Will the Senator point it out?

Mr. GORE. Will the Senator give his interpretation of "regulate"?

Mr. HRUSKA. The use of the word "regulate" here is completely out of place.

Mr. GORE. Will the Senator give his interpretation of the word "control"?

Mr. HRUSKA. "Control" means to influence within a certain confine of activity.

Mr. GORE. Does either the word "regulate" or the word "control" mean "prohibit"?

Mr. HRUSKA. No, not in and of themselves. But when the language provides for regulation to a size of 500 square inches, and that is one of the standards provided, I cannot interpret that as meaning that it may also include signs of 5,000 square inches.

Mr. GORE. I do.

Mr. HRUSKA. The Senator from Tennessee does. Where is the permissive language?

Mr. GORE. The author of the amendment so agrees.

Mr. HRUSKA. Then, I ask what is the sense of having subparagraph (3), which provides for "signs not larger than 500 square inches"?

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from California, who is one of the authors of the amendment.

Mr. KUCHEL. I think a part of the unfortunate misinterpretation by my friends with respect to the phrase "500 square inches" is that they feel in some ways that the phrase "500 square inches" may be interpreted as applying to paragraphs (1), (2), and (4), which it does not. The legislative intention, as evidenced by the Senate debates, may be helpful on the point. I am certain that the committee would overwhelmingly agree that it does not.

When the Senator from South Dakota offered the 500-square-inch amendment, I opposed it, but the amendment was adopted by a majority vote, and it was in that fashion that it came to the floor.

Mr. HRUSKA. May I ask why the Senator from California opposed the amendment? What were his reasons for opposing it?

Mr. KUCHEL. Because, as I participated in drafting the bill, it was, to my way of thinking, without that provision, a little more precise, a little more clear.

Mr. KERR. Mr. President, will the Senator yield at that point?

Mr. KUCHEL. No. But when the committee added to the amendment paragraph (3), there was no question that that meant that a man who owned a business alongside a highway would have a right to advertise that business not only on his property, but also within 12 miles of his property. That was what the Senator from South Dakota was trying to do. So that is what the committee approved.

But beyond all that, there is, it seems to me, a clear right on the part of any State which enters into an agreement with the Federal Government to exercise its constitutional authority reasonably under paragraphs (1), (2), and (4). Those paragraphs read together demonstrate that portion of the national policy which is outlined in the four paragraphs.

Mr. HRUSKA. If I may interrupt, subsection (4) reads:

> Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Mr. KUCHEL. Correct.

Mr. HRUSKA. One of the standards of the section is that signs not larger than 500 square inches may be erected.

If the section does not mean they are limited to 500 square inches, will the Senator explain how large they can be?

Mr. KUCHEL. I think a reasonable interpretation of the national policy and standards set forth in the bill contemplates generally a protection of the Interstate Highway System for a distance of 660 feet from the roadbed itself. As I have said, that is the general rule. Then, in an attempt to arrive at a reasonable policy, various exceptions are made to the general policy. To me, that is a fairly clear indication of what has attempted to be done in the bill.

Mr. HRUSKA. And the word reasonable has been defined in no uncertain terms as meaning a sign not larger than 500 square inches.

Mr. KUCHEL. In what instance?

Mr. HRUSKA. In any instance.

Mr. KUCHEL. No; I deny that; I do not agree at all.

Mr. HRUSKA. Where is the provision that such a sign may exceed 500 square inches in size?

Mr. KUCHEL. There is no provision about exceeding 500 square inches in size, if the Senator is talking about the authority contained in paragraph (3).

Mr. KERR. Where is it provided in any other part of the bill?

Mr. KUCHEL. It is not provided in any other part, I may say to my dear friend from Nebraska.

Mr. KERR. So there is the prohibition in paragraph (3), and there is no escape from it by means of any other portion of the bill. Therefore, it has to apply.

Mr. GORE. No; that is not the case. I read from page 21, beginning on line 6:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated——

Mr. KERR. Is there a period at that point?

Mr. GORE. There is a comma there.

Mr. KERR. Then something follows, does it not?

Mr. GORE. Yes.

Mr. KERR. What is it?

Mr. GORE. The provisions about what the regulations must include.

Mr. KERR. The provisions about what the regulations shall provide for, or what they must include?

Mr. GORE. The provisions about what the regulations must provide for; and the general rule of regulation within 660 feet is the principle——

Mr. KERR. I wish to say to the Senator from Tennessee that I could not be in more complete accord with him. They would have the right of regulation beyond what is included in paragraphs (1), (2), (3), and (4). The regulations must be "consistent with national standards which shall provide for"—now, let us read what follows:

(1) Directional or other official signs or notices that are required or authorized by law.

If they are authorized or required by law, this language will not remove them. But certainly it does not apply to billboards.

Then we find the following:

(2) Signs advertising the sale or lease of the property upon which they are located.

In other words, if a man owns some land along a right-of-way, he can put one kind of sign on it, according to that paragraph; namely, a sign whereby he offers the piece of property for sale or for lease.

So, if it is not a directional or official sign required by law, and if it is not a sign which would advertise the sale or lease of the property upon which it is located, then they must be—

(3) Signs not larger than 500 square inches—

And even then they can be only those—

advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

That is why I ask my friend, the Senator from Tennessee [Mr. GORE], whom I know to be sincere, and my good friend, the Senator from California [Mr. KUCHEL], whom I know also to be sincere, this question: Since that language is mandatory, as the Senators have said, and since the proposed law states that this must be provided for, where is there any escape from it?

Mr. GORE. We have been over this point many times.

Mr. KERR. But the Senator from Tennessee has not yet shown any language which provides for any escape from it.

Mr. GORE. That has principally been because I have been unable to explain it satisfactorily to the Senator from Oklahoma.

Mr. KERR. I do not want an explanation. I merely ask the Senator from Tennessee to show me the language.

Mr. GORE. Very well; I shall do it once again.

The provisions on page 21, from line 14 through line 24, including paragraphs (1), (2), (3), and (4), set forth the conditions for which the standards promulgated by the Secretary of Commerce shall provide. But the regulations and the standards are not limited to these four numbered paragraphs.

Mr. KERR. But they must include them, must they not?

Mr. GORE. They must permit them.

Mr. KERR. Oh, no.

Mr. GORE. Or they must provide for them.

Mr. KERR. Yes, they must provide for them.

Mr. GORE. Yes. But these four are not exclusive.

Mr. KERR. The Senator from Tennessee is correct.

Mr. GORE. None of these four is exclusive of other standards which the Secretary of Commerce is authorized to promulgate.

Mr. KERR. But where is the authority which would permit the Secretary of Commerce, after having prescribed that the signs shall not be larger than 500 square inches in size, to have a larger one erected?

Mr. GORE. The bill does not say that there shall be none larger than that.

Mr. KERR. It says "which shall provide for" signs not larger than that.

Where is the language which provides for those which are larger than that?

Mr. GORE. Very well; I shall be glad to read it to the Senator from Oklahoma; it is in lines 11 and 12 of the same page—page 21:

The Interstate System should be regulated, consistent with national standards.

Who will prepare those national standards? Who will promulgate those national standards?

Mr. KERR. The Secretary of Commerce, despite the fact that a moment ago the Senator from Tennessee said that would be done by the State highway departments.

Mr. GORE. No; I did not say the standards would be promulgated by the State highway departments. I said the regulation would be accomplished by the States.

I am sorry that I am unable to persuade my distinguished friend, the Senator from Oklahoma, what this part of the bill means. But at least my interpretation of it is concurred in by the two authors of the amendment; and I know of no other members of the committee—except the senior Senator from Oklahoma [Mr. KERR] and the senior Senator from Nebraska [Mr. HRUSKA]—who are in disagreement. There may be others who are in disagreement.

Mr. HRUSKA. Mr. President, if the Senator from Tennessee will yield to me, let me say that I am sure he is familiar with the rule regarding the use of legislative history which develops on the floor of the Senate, namely, that if there is any uncertainty as to the meaning of the language of a statute, then one turns to the legislative history which may be made on the floor of the Senate. But if there is no uncertainty as to its meaning, my understanding is that what is said on the floor of the Senate is then disregarded.

Where is the uncertainty about "signs not larger than 500 square inches" in size, which would require reference to be made to the debate occurring on the floor of the Senate?

Mr. GORE. I suggest that the Senator from Nebraska read the RECORD tomorrow, and he will find numerous references.

Mr. HRUSKA. Can the Senator from Tennessee refer to 1 or 2 of them at this time?

Mr. GORE. I have just done so.

Mr. HRUSKA. The Senator from Tennessee said that when the bill refers to a sign not larger than 500 square inches in size, it means something else; is that what the Senator from Tennessee has said?

Mr. GORE. I say to the Senator from Nebraska that these are the things for which the standards must provide:

The right of a local business to advertise.

The right of a person who has a piece of property for sale along the right-of-way to advertise it for sale.

The right of one who operates a business within a certain distance of the highway to advertise it with signs of the dimensions herein stated.

Mr. KERR. Signs of what dimensions?

Mr. GORE. But these four paragraphs are not exclusive.

Mr. HRUSKA. Then what may be used?

Mr GORE. What does the Senator from Nebraska mean?

Mr. HRUSKA. The Senator from Tennessee just said that these four paragraphs on page 21 are not exclusive, and that something more may be done.

Mr. GORE. That is correct.

Mr. HRUSKA. Will the Senator from Tennessee tell us what more may be done?

Mr. GORE. That will be found in the three previous lines—lines 11, 12, and 13 on page 21.

Mr. HRUSKA. Then what more may be provided?

Mr. GORE. The standards must provide—let me read the provisions again.

Mr. KERR. Mr. President, at this point will the Senator from Tennessee yield to me?

Mr. GORE. No, not at the moment.

Mr. KERR. Very well.

Mr. GORE. I now read from page 20, beginning in line 23:

To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways, it is hereby declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent of the Interstate System by controlling the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to that system. It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated—

Mr. HRUSKA. "As follows."

Mr. GORE. No—

consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for—

Then there are the four numbered paragraphs.

Mr. HRUSKA. Which shall provide——

Mr. GORE. But, I repeat, they are not exclusive, and if the Senator will give any reasonable interpretation to the provision, I think he will be in serious doubt as to the correctness of his position.

Mr. HRUSKA. I ask for the 18th time, having heard read 18 times the section which provides the minimum standards, what other standards may be added, and by whom?

Mr. GORE. Other signs consistent with the standards to be promulgated by the Secretary of Commerce may be permitted in the reaching of an agreement between the Secretary of Commerce and the States.

Mr. HRUSKA. So that if the Secretary of Commerce and any one of the 48 States get together, they can disregard subparagraph (3) and say, "We are not going to regard 500 square inches as the maximum."

Mr. GORE. That was not my statement at all.

Mr. HRUSKA. What may they do?

Mr. GORE. I repeat, the Secretary of Commerce is authorized to promulgate standards.

Mr. HRUSKA. In addition to the ones listed herein, what other standards may he promulgate?

Mr. GORE. To promulgate standards which may include provisions other than subsections (1), (2), (3), and (4), on page 21 of the bill, but which must provide for subsections (1), (2), (3), and (4), on page 21 of the bill. Is that plain?

Mr. HRUSKA. Yes, so far as it goes.

Mr. GORE. How much farther does the Senator wish me to go? Does he wish me to go to some highway and measure a signboard?

Mr. HRUSKA. I submit the question has not been answered. What else may be provided for in addition to subparagraphs (1), (2), and (4)? What does "standards" mean?

Mr. GORE. I am incapable of giving the Senator a better explanation than I have. I suggest and request that he read the RECORD tomorrow. I believe he will find his mind satisfied.

Mr. HRUSKA. I submit the Senator has not answered the very simple question as to what other standards may be agreed upon between the Secretary of Commerce and the State highway departments. The question has not been answered. The Senator may ask to have the RECORD read again and again, but the answer to that question has not been given.

Mr. GORE. The detailed provisions of the broad standards are not spelled out. That is left to the Secretary of Commerce. But some of the types of signs for which the standards must provide are spelled out.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. Could the Secretary, under this authority, permit signs of 500 square feet in the area 660 feet on either side of an Interstate System road for which contracts have been made with the State highway departments?

Mr. GORE. In accordance with policy, the Secretary of Commerce is authorized to promulgate national standards.

Mr. KERR. I understand, but will the Senator answer the question? Could the Secretary of Commerce, under the bill, permit signs up to 500 square feet within the area of 660 feet on either side of a highway?

Mr. GORE. The standards must be promulgated on a national basis.

Mr. KERR. Could such signs be promulgated on that basis?

Mr. GORE. I should think it would be incumbent upon the Secretary of Commerce to promulgate standards which are within the bounds of reason. I do not know what conditions might obtain which would justify a regulation permitting a sign of 500 square feet.

Mr. KERR. I am not asking if it would be justified. I am asking the Senator if, in his opinion, under the language of the bill, the Secretary could issue regulations which would permit signs up to 500 square feet in the area of 660 feet on either side of the highway?

Mr. GORE. If standards providing for the erection of such a sized billboard were reasonable, yes. If not, I should think——

Mr. KERR. Reasonable in whose opinion? The Secretary is granted certain authority in the bill, is he not?

Mr. GORE. Yes.

Mr. KERR. He cannot have any authority beyond what is herein provided with reference to the program. Is that correct?

Mr. GORE. The Senator is correct.

Mr. KERR. Under that standard, is it the Senator's opinion that if the Secretary decides it is reasonable, he has the authority, under this bill, to say signs up to 500 square feet in size can be erected within 660 feet of either side of the highway?

Mr. GORE. I am not willing to hazard a guess on what would be reasonable.

Mr. KERR. No, I did not ask the Senator what he thought was reasonable. I asked him if he believed the Secretary had the authority, under the bill, to permit signs up to 500 square feet in size.

Mr. GORE. If the Secretary of Commerce should determine that it is reasonable, consistent with safety and the preservation of beauty of the landscape, to permit a sign 20 by 20 feet, which would be 400 square feet——

Mr. KERR. I said 500 square feet.

Mr. GORE. Very well, 500 square feet, in an area between the turnoffs, not at the brow of a hill, not on an inside curve, not at a point which would obstruct the beauty of the landscape. I should think it would be within the power of the Secretary of Commerce so to provide in the standards.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. KERR. Would the Secretary of Commerce under the language have authority to prescribe that signs up to 1,000 square feet could be erected on the right-of-way?

Mr. GORE. I shall not engage in the exercise of imagination as to when, in an arithmetical projection, the size of a sign would become unreasonable.

Mr. KERR. The Senator was not asking about what was reasonable.

Mr. GORE. I think the exercise of authority must meet the rule of reasonableness. It is not to be presumed otherwise.

Mr. KERR. Whose standard of reasonableness?

Mr. GORE. In the final analysis, it would have to be the standard of the courts of the land.

Mr. KERR. That was the question I was about to ask the Senator. The Senator has said under the language the Secretary could permit erection of signs up to 500 square feet.

Mr. GORE. I have said he could, under certain conditions, if consistent with the national policy.

Mr. KERR. The Senator said the Secretary would have that power under the language of the bill.

Mr. GORE. I believe he would.

Mr. KERR. That would be true with reference to the Secretary in office when the bill was passed.

Mr. GORE. The Senator is correct.

Mr. KERR. Would a subsequent Secretary have authority to change that?

Mr. GORE. That would constitute abrogation of the agreement, if a State had entered into an agreement.

Mr. KERR. The agreement would permit the Secretary to authorize erection of signs up to such size, and the Secretary now in office, let us assume, did permit them. Since it was not a requirement that he had to, but a permission that he could, would the next Secretary of Commerce then be authorized to change that?

Mr. GORE. Without all of the hypotheses, let me make a statement as to what I believe would be the situation. I do not intend my statement to be an answer to all the hypothetical situations the Senator has mentioned.

Mr. KERR. I was trying to limit it, not to broaden it.

Mr. GORE. Very well. I was not sure exactly which was the case.

Had the State entered into an agreement with the Secretary of Commerce with respect to standards promulgated by the Secretary of Commerce, then a contract would exist, of course, between the State and the Secretary of Commerce or the Department of Commerce. I do not think the present Secretary of Commerce could subsequently, or that some subsequent Secretary could, modify the standards and thereby abrogate the agreement. I think that the present Secretary could subsequently, or a subsequent Secretary could, modify the standards which would be effective on future agreements between the Secretary and any State.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. KERR. Would the Senator be willing to cosponsor an amendment to change the 500 square inches to 500 square feet?

Mr. GORE. No; I would not.

Mr. KERR. If the Secretary has authority under the bill to authorize signs

up to 500 square feet, why would the Senator not be willing to put that into the bill?

Mr. GORE. I would not be willing to put it into the bill because if we changed the 500 square inches to 500 square feet we would then require that the standards provide for a sign of such a size, whereas if we leave it as it is——

Mr. KERR. Not at all, because the language says "not larger than." The language does not say it must be that size, but says "not larger than."

Mr. GORE. I will not disagree with the language there.

Mr. KERR. Is that what the language says?

Mr. GORE. That is what the language says.

Mr. KERR. Then I ask my good friend, since in his opinion under the language the Secretary can prescribe signs not larger than 500 square feet, is he willing for the language of the bill so to state?

Mr. GORE. It is unnecessary for the language so to state, to provide that signs may be regulated to that extent. I would not want to see that dimension written into the provisions as a mandatory requirement of the standards.

Mr. KERR. The Senator does not want anything to be left to caprice?

Mr. GORE. No.

Mr. KERR. Or to guesswork?

Mr. GORE. But I want something left to discretion.

Mr. KERR. If there is something left to discretion, and if in the opinion of some Senators the language limits the discretion to signs not larger than 500 square inches, and if the Senator from Tennessee and the authors of the amendment, the Senator from California [Mr. KUCHEL] and the Senator from Oregon [Mr. NEUBERGER], think under the language the Secretary can authorize signs up to 500 square feet, why would not the Senator be willing to use such language in the bill, so as to remove the doubt, so that people would not have to depend upon legislative history to get that benefit from the bill, which might be denied to them by the language of the bill, if it should be enacted?

Mr. GORE. We are now back once again to the point of citing the difference.

Mr. KERR. I do not care about citing the difference.

Mr. GORE. Very well.

Mr. KERR. I asked the Senator why he would not be willing to put into the language of the bill the power which he says he believes to be inherent.

Mr. GORE. I have answered the Senator that the subsections (1), (2), (3), and (4) are requirements of the standards but not exclusive limitations of the standards, because the regulation of advertisements within the 660-foot area is a matter involving the exercise of some discretion in promulgation of standards which are implemented by agreement.

Mr. KERR. Then why not limit (1), (2), (3), and (4)?

Mr. GORE. It is a matter of discretion and agreement. There is some discretion as to the national standards and there must be agreement between the States and the Secretary of Commerce.

Mr. KERR. If the Senator does not believe paragraph (3) is binding or controlling, and if he is willing for the power to be greater than that, why not eliminate paragraphs (1), (2), (3), and (4), or put into them the extent of the power which the Senator says, in his judgment, is given to the Secretary under the provisions of the bill?

Mr. GORE. I have tried several times to answer, and I hope the Senator will be satisfied with such answer as I can give him.

Mr. KERR. I want to relieve the Senator of any further burden, and I thank the Senator for his patience in answering the questions.

Mr. GORE. But the Senator is still not satisfied?

Mr. KERR. If the Senator does not care either to put the language in the bill to mean what he says he thinks it means, or to eliminate any language from the bill which evidently means something different from what he says it means, then I would say no profit would accrue from further questioning.

Mr. GORE. I would have some disagreement with the accuracy of the word "evidently."

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. LANGER. I notice that in response to a question from the Senator from Oklahoma the Senator stated that the Secretary of Commerce could modify an agreement. Could the Secretary do that, in the opinion of the Senator, unilaterally?

Mr. GORE. The standards are to be promulgated by the Secretary of Commerce, but in the event an agreement has been reached between the Department of Commerce and a State, it is not my view that the agreement could be unilaterally breached.

Mr. LANGER. I am very glad to hear the distinguished Senator make that statement, because I received exactly the opposite impression from what the Senator said in response to a question by the Senator from Oklahoma [Mr. KERR].

Mr. GORE. The establishment of Federal standards is a function of the Federal Government, whether such standards be set out in laws enacted by the Congress or whether they be provided by an administrative authority, subject to the grant of authority contained in Federal law. The provision of Federal standards is a Federal function. Compliance by a State with such standards in this case is a question for decision by the State. If the Department of Commerce provides the standards which must be met in order that a State may qualify for the benefits, and a State elects to qualify and does qualify, and reaches an agreement, that agreement cannot be breached unilaterally.

Mr. LANGER. I am entirely satisfied with the answer of the distinguished Senator.

Mr. GORE. Mr. President, this is a moderate provision. Moreover, it applies only, as the junior Senator from South Dakota [Mr. CASE] has already said, to the Interstate Highway System, most of which will be on new locations. I point out that the Interstate System will be only about 1 percent of the total road mileage in the United States. It is with respect to the 1 percent that we have debated at such great length.

The policy will apply in no way whatsoever to the remainder of the Federal-aid highway systems, or to any other highway or road under the control of States and local bodies.

The policy guidelines laid down in the bill explicitly recognize and make provision for essential official signs, signs advertising the sale or lease of property on which they are located, signs of limited size advertising activities within 12 miles of the signs, and other signs erected in accordance with State law which are of specific interest to the traveling public. These policy standards would not exclude all advertising from the area adjacent to the right-of-way. On the contrary, appropriate signs under appropriate conditions would be permitted. Furthermore, Mr. President, provision is made for the exclusion, even in those States wishing to implement these standards, of those segments of the Interstate Highway System lying within the borders of incorporated municipalities, or which are otherwise subject to State or local zoning provisions.

I repeat, Mr. President, this is a moderate provision. It is a reasonable provision. It directs the Secretary of Commerce to promulgate reasonable standards in accordance with the policy set forth, and to authorize the Secretary to enter into agreements with those States which wish to comply with those standards. It offers incentive payments to encourage the States to agree to take appropriate action. Under the bill, a State may proceed either under its police powers, by acquiring advertising easements, or by a combination of both these methods, or it may take no action whatever, as the State may choose. If the State should elect to proceed by acquiring easements, the cost of such acquisition, within reasonable limits, would be considered as a part of the cost of construction of that segment of the highway, with the Federal Government paying its pro rata share of the cost of acquiring the easements. Nowhere in this provision, Mr. President, is there any manifestation of an oppressive hand of Federal regulation.

We propose to expend vast sums of money, Mr. President, in the construction of this magnificent system of interstate highways. The overriding purpose of such construction is to provide for the safe and efficient movement of traffic from place to place. I fully support the concept that we should preserve areas of scenic beauty and historic sites through which these highways will pass. These esthetic values appeal to me strongly. But my support for this provision does not rest principally on esthetic grounds. Testimony presented to the Public Works Committee, in my opinion, is persuasive evidence that unrestricted use of billboards along our highways will impair their safety features and retard the smooth flow of traffic.

Like other Senators, I have within the past few days received numerous letters and telegrams alleging that this proposal, if adopted, would be discriminatory against the outdoor advertising industry. In the first place, as I have already pointed out, the entire proposal would be applicable only to the new system of interstate and defense highways. These highways will be constructed in large measure on new locations. Except for the construction of these highways at public expense, the land adjacent thereto would have no value as sites for advertising signs.

Secondly, for those who choose to regard reasonable regulation of outdoor advertising along these new highways as being discriminatory, I should like to direct the attention of the Senate to a much more extreme regulatory measure which is inherent in this new system of highways and which this Congress has already approved. We are undertaking to build a system of public highways but we have provided, Mr. President, that an American citizen whose home or whose place of business is alongside this free public highway shall be denied the right to enter upon and use it, unless he enters at certain designated points where he can enter the line of traffic under regulated conditions which promote traffic safety for him and others using the highway. Initially, I was opposed to this concept of limited access. Later, after having listened to the evidence, I became convinced that limited access was absolutely essential in the interest of safety and efficient movement of traffic. I am likewise convinced, Mr. President, that these same considerations make necessary the regulation of outdoor advertising, particularly so along those portions of the highway near points of ingress and egress.

These are not to be ordinary roads, Mr. President. As I have said, they will be limited-access roads and traffic will move at a rate considerably faster than on those roads for which access is uncontrolled. To permit the smooth flow of traffic, numerous official signs will be required, particularly in areas approaching points of ingress and egress. The Federal Highway Administrator testified before our committee that approximately 20 such signs would be required within about 3 miles of each interchange. The purpose of these signs, Mr. President, is to provide directions to the traveling motorist. They are ineffective unless they can be read. They cannot be read and understood if they are intermingled with, or dwarfed by, larger commercial advertising signs which are designed to attract the motorist's attention.

And so I say, Mr. President, that it is reasonable to regulate the erection of commercial signs in areas adjacent to the right-of-way in order to preserve the safety features of these highways and to insure maximum efficiency for the movement of traffic. I shall support section 12 of the bill for these reasons, and I urge other Members of the Senate to do likewise.

Mr. President, S. 3414 as amended by the Public Works Committee is a comprehensive highway bill tailored for current requirements. I am gratified that all of its provisions relating directly to the construction of highways received the unanimous support of all of the members of the committee on both sides of the aisle. It reflects our collective judgment as to what action should be taken at this time to accelerate the program. I am personally grateful to each member of the committee for having participated in our lengthy hearings and for having given unstintingly of their time and their energies in fashioning the final results. Our highway program has always been a bipartisan program, and I am glad it remains so. Neither the benefit flowing from adequate highways nor the credit for their construction belongs exclusively to any group or to any political party.

This bill, Mr. President, will keep our Interstate Highway construction program on its planned schedule as provided in the act of 1956. I have already referred to the fact that our economy needs stimulating by sound governmental action and that this bill will provide such stimulation in the form of jobs and in the form of increased business activity. It is fortuitous that with our economy in its current condition we should have available a program on which advanced planning has been accomplished and which can be accelerated immediately in the public interest. It is a major step toward putting America back to work.

But, Mr. President, I do not rest my case for this bill on the immediate economic benefit derived from additional jobs in the highway construction industry and in other industries associated with this activity. This is a bill for the building of roads. The funds authorized in this bill are a sound investment in the future of America—an investment which will pay ever-increasing dividends in the years ahead.

During the delivery of Mr. GORE's speech:

Mr. BUSH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUSH. If the Senator will bear with me for 3 or 4 minutes, I think I can dispose of one matter which is in the form of an amendment. I wish to ask the Senator a question, and I wish to say by way of preface that it refers to the amendment which I have submitted, but which I do not not intend to call up. It is designated as "3-21-58-C." This amendment is somewhat different from the bill which I introduced, and upon which hearings were held before the Senator's committee.

Mr. GORE. Does the Senator have more than one amendment prepared for offering?

Mr. BUSH. No. My purpose was to avoid taking time later to dispose of the amendment. I think we can do so in a few minutes without embarrassment to the Senator.

Mr. GORE. I yield with pleasure. The able senior Senator from Connecticut was a member of the Public Works Committee and the Public Roads Subcommittee for 4 years, I believe.

Mr. BUSH. That is correct.

Mr. GORE. It was with great pleasure that I served with him on that committee.

Mr. BUSH. I thank the Senator for his very generous comment. As the man on the radio said, "This is Mutual."

I have been sorry many times that I have not remained on the committee. Of course, I have followed the deliberations of the committee much more closely than I would have if I had not been a member of it for a long time.

Mr. GORE. I can assure the Senator from Connecticut that he may return to the committee at any time, with only a slight loss of seniority. I am afraid we would have to insist on having him go to the foot of the class.

Mr. BUSH. I thank the Senator for his kind assurance. I should like to say that the amendment to which I have referred proposes to do three things.

First, it declares it to be the Federal policy to reimburse the States for the toll or free roads which have been taken into the Interstate System.

Secondly, it authorizes the Secretary of Commerce to provide reimbursement for highways built or put under construction between August 2, 1947, and June 30, 1956.

Thirdly, it authorizes States to use reimbursed funds for the construction of highways connecting with the Interstate System and enhancing the utility of the Interstate System, and, if any funds remain thereafter, to use the funds on the Federal aid highway systems.

Those are the three points which constitute the purpose of the amendment.

The committee report, in dealing with the matter, at page 10, states:

> The committee held hearings on S. 3429—

That is the bill I introduced earlier this month—

> a bill which would authorize reimbursement to the States for certain free and toll roads on the Interstate System included in the report of the Secretary of Commerce. The committee gave consideration to the information presented and discussed the matter thoroughly. The merits of this proposal were recognized, but it was felt that because of the policy matters involved, the high costs of such reimbursement, and the questionable issues relative to the financial provisions, the matter should be the subject of further study and considered as separate legislation.

I should like to advise the Senator that this morning I appeared before the House Committee on Public Works, to testify on the bill. Also testifying was the distinguished Governor of my State, Abraham A. Ribicoff. He testified in support of the measure, which was introduced in the House by Representative EDWIN H. MAY, JR., of the First District of Connecticut.

In concluding his appearance before the House committee, Governor Ribicoff said he intended to raise the reimbursement problem at the governors' conference in May in Florida.

I ask the Senator from Tennessee, the distinguished chairman of the subcommittee, if he will give me the assurance that, following the receipt of the recommendations from the governors' conference respecting the reimbursement issue, he will hold hearings on my bill

and on any similar bills dealing with reimbursement, after the governors' recommendations have been formulated and are available to his committee?

I ask it with the understanding that, with his favorable assurance, I will not bring up the amendment today, but will patiently await the result of the governors' conference, which I believe will throw considerable light on the issue.

Mr. MARTIN of Pennsylvania. Mr. President, I wonder if the Senator will yield to me so that I may make a short statement.

Mr. GORE. I shall be glad to do so if it is agreeable to the Senator from Connecticut.

Mr. BUSH. I would appreciate it if the Senator from Tennessee would yield for that purpose.

Mr. GORE. I yield.

Mr. MARTIN of Pennsylvania. I am fully in agreement with the distinguished Senator from Connecticut that the amendment probably should not be submitted to the pending measure. The purpose of the pending measure is to create jobs for the unemployed of our country. It seems to me that we have an obligation to the States which have built toll roads and free roads which come under the specifications of the Interstate System. I hope that the distinguished Senator from Tennessee will agree to hold hearings shortly after the governors' conference, after we hear what the sentiment may be of the governors at their session.

Mr. GORE. If the Senator from Connecticut will include in his hypothesis a presentation to the subcommittee of the recommendation of the administration, as well as of the governors' conference, I can unhesitatingly and gladly give him an affirmative answer.

Mr. BUSH. I shall certainly use my best efforts to obtain an expression from the administration. I believe persons in the administration should be called as witnesses on the subject.

Mr. GORE. I hope the Senator realizes that I am not attempting in any way to be partisan in this matter.

Mr. BUSH. Certainly.

Mr. GORE. Last year the committee requested the Department of Commerce to make a study and to report on the problem referred to by the Senator. The Department of Commerce made a study and a report, but it stuck so strictly to the language of the request that it submitted no recommendation.

As chairman of the subcommittee, I have requested Secretary Weeks to submit for the consideration of the committee a recommendation of the administration on the question. Of course, the committee can, if the two distinguished Senators request, hold hearings without a recommendation from the administration. However, since we try in all phases of highway legislation to have a cooperative relationship between the legislative branch and the executive branch of the Government, it would appear advisable that we have a recommendation from the administration also.

Mr. BUSH. I shall certainly forthwith tell the Department of Commerce, which I presume would speak for the administration on this issue, that it seems most likely that a hearing will be held on the reimbursement issue sometime after the governors' conference in May, and I certainly hope it will be prepared to testify at that time and set forth the views of the administration on this subject. With that assurance, can the Senator from Tennessee give me his assurance that hearings will be held and that the Department of Commerce will be heard?

Mr. GORE. I can say in all candor to the able Senator from Connecticut that in our discussion in the subcommittee there was general recognition of the equities involved, and the report so states. Since the request of the able Senator from Connecticut is joined in by the ranking minority member of the committee, who served with distinction as chairman of the committee, I will say that hearings will be held whether the administration submits a recommendation or not.

Mr. BUSH. Nothing could be fairer than that. I thank the distinguished chairman, the Senator from Tennessee, for his assurance in that connection. I greatly appreciate his permitting me to ask questions of him at this time.

If the Senator has no objection, I should like to ask unanimous consent to have printed in the RECORD at this point the text of the amendment I have submitted and which I had intended to propose, as well as the text of the statement I made before the House Committee on Public Works.

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

On page 24, between lines 10 and 11, insert the following new section:

"SEC. 13. Reimbursement to States for free or toll roads on Interstate System.

"(a) It shall be the policy of the Federal Government to equitably reimburse a State for free or toll highways on the Interstate System within its boundaries, the construction of which has been completed or partially completed subsequent to August 2, 1947, or which was either in actual construction, or under construction by contract, for completion, awarded not later than June 30, 1958, if such highway or partially completed section thereof meets the standards required for the Interstate System.

"(b) If an existing free or toll highway or partially completed section of highway which is located upon the Interstate System and included in the report submitted to Congress under section 114 of the Federal-Aid Highway Act of 1956 (70 Stat. 374) (H. Doc. No. 301, 85th Cong.), is believed to measure up to the standards of construction adopted under section 108 (i) of the Federal-Aid Highway Act of 1956, a State may request of the Secretary of Commerce that it receive reimbursement for such highway, and the State shall be entitled to receive such reimbursement subject to the conditions of this section. The Secretary of Commerce shall first determine whether or not the highway, or partially completed section of highway, meets such standards. If he approves the same, the Secretary of Commerce shall determine, in accordance with the rules and regulations issued pursuant to subsection (d) of this section, the amount of reimbursement to which the State is entitled based on the cost of such highway, less depreciation and the total amount of any Federal funds used in the construction of such highway. In each such determination for a toll highway, the Secretary shall also exclude from the cost of the highway the cost of financing thereof and the cost of any toll plazas, toll-collection facilities, and any other facilities not included within the definition of the term 'highway' under Federal-aid highway legislation.

"(c) Any State entitled to reimbursement under this section, whether for a toll or free highway or a partially completed section of highway, shall use the funds so reimbursed, first, for construction of projects on highways which connect with the Interstate System and enhance the utility of such system; and then, if there be any funds remaining after completion of such projects, on any Federal-aid system, subject to the condition that all Federal-aid highway funds apportioned to a State under Federal-aid highway legislation for the current fiscal year have been expended within the meaning of said legislation. Whenever a State constructs such projects with funds received as a result of a reimbursement under this section, all procedures and steps shall be taken in the same manner as though such funds had been apportioned under Federal-aid highway legislation: *Provided*, That State matching funds shall not be required: *And provided further*, That the funds received as a result of a reimbursement under this section shall constitute the total Federal share of any project upon which such funds are expended. The State shall obligate the amount to which it is entitled to be reimbursed under this section prior to July 1, 1972, and any portion of such amount not so obligated shall lapse. No State shall be permitted to obligate in any one fiscal year more than 10 percent of the amount to which it is entitled to be reimbursed under this section.

"(d) The Secretary of Commerce shall establish such rules and regulations as may be necessary to carry out the purposes of this section."

On page 24, line 11, strike out "13" and insert in lieu thereof "14."

On page 24, line 20, strike out "14" and insert in lieu thereof "15."

STATEMENT BY SENATOR BUSH URGING REIMBURSEMENT TO THE STATES FOR CERTAIN FREE OR TOLL ROADS ON THE INTERSTATE SYSTEM BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS, TUESDAY, MARCH 25, 1958

Mr. Chairman and members of the committee, I am grateful for your invitation to appear today to urge that you provide for fair and equitable reimbursement to States which have constructed sections of the National System of Interstate and Defense Highways to the required standards with either State or toll financing.

I recall with pleasure working with the chairman and other members of this committee when the Federal-Aid Highway Act of 1956 was under consideration in the 84th Congress.

At that time we fought shoulder to shoulder for two principles:

1. That apportionment of the Federal Government's 90-percent share of the expense of completing the Interstate System be made on the basis of construction costs instead of by a completely unrealistic formula; and

2. That States which, prior to the effective date of the 1956 act, had built or were building highways to the required standards for the Interstate System be equitably reimbursed.

We were successful in our fight for recognition of the principle of distribution of Federal funds on a costs basis. Under the 1956 act, each State will receive from the Federal Government 90 percent of the costs of completing that portion of the Interstate System which lies within its borders—no more and no less. This completely fair system of apportioning Federal funds is far superior to the old formula. Under that formula, the sparsely populated States in

which construction costs are low would have received inequitable windfalls and the thickly populated States would have received insufficient funds to complete the highways within the planned construction period, and we never would have had a balanced Interstate System.

The Congress postponed a decision on the second principle for which we fought; namely, equitable reimbursement. The 1956 act merely contains a declaration that it was Congress' intent to determine whether or not reimbursement should be made to the States for highways, toll or free, which have been completed or put under construction on the Interstate System between August 2, 1947, and June 30, 1957.

It is now time for Congress to make that determination, and I am delighted that the chairman has called this hearing to focus attention upon the need.

Fairness and justice require that reimbursement be granted. Congress has a moral obligation to treat fairly those States which had the vision and courage to proceed to finance by their own methods the construction of these urgently needed highways prior to enactment of the 1956 act. Unless we enact legislation for reimbursement in the present session, severe penalties will be imposed against the very States which have made the most progress in modernizing the Interstate System within their borders.

This committee is considering today many bills intended to meet the reimbursement problem. While I have not had the opportunity to give detailed study to all these bills, they appear to fall into three groups:

1. H. R. 10422, introduced by Chairman BUCKLEY, and companion bills sponsored by other members of this committee and of the House. These measures would limit reimbursement to toll highways (including bridges and tunnels), and would provide reimbursement by giving a State additional mileage on the Interstate System equivalent to the toll mileage it had contributed to that system.

2. H. R. 10921, introduced by Representative SCHERER, of Ohio. This bill also would limit reimbursement to toll highways and would provide reimbursement by permitting a State to designate certain highways on its Federal-aid primary system equivalent in mileage to the toll mileage it had contributed to the Interstate System. Highways so designated would be eligible for a 90 percent Federal contribution instead of the usual 50 percent on the primary system.

3. H. R. 11365, introduced by Representative MAY, of Connecticut, which is a companion bill to S. 3429, which I introduced and which is cosponsored by Senators PURTELL, of Connecticut, and IVES, of New York.

All these approaches to solution of the reimbursement problem have merit. However, I would like to confine myself today to discussion of H. R. 11365, and its companion in the Senate, S. 3429, and to certain modifications I have proposed since the bills were introduced.

In general, our bills are intended to carry out the major recommendations regarding reimbursement of the President's Advisory Committee on a National Highway Program, headed by Gen. Lucius D. Clay. The Clay Committee recognized that unless reimbursement were provided, the fact that a radically new highway program was under consideration might lead States to delay their plans for modernizing their highways on the Interstate System. Accordingly, the Clay Committee recommended reimbursement, and in the faith that Congress would recognize the equity and justice of their position many States proceeded with construction of their interstate highways.

I quote pertinent sections of the Clay committee's report:

"Some States have already constructed sections of the Interstate System to the required standards with either State or toll financing and others are proceeding along similar lines. Such construction should not be discouraged by this report since our goal is maximum highway improvement. Those States in which sections of the Interstate System have been provided to meet the presently established standards for the completed system should receive appropriate credit, provided such funds are used to improve other roads on established Federal-aid systems or as may be approved by the Federal Government and all other Federal funds for highway purposes have been matched as required. * * *

"The funds thus made available to the States will not only encourage matching of available funds but will also make possible accelerated improvement of primary, secondary and other roads, and will encourage local financing of interstate mileage to make funds available for other roads without increasing total Federal responsibility. They will be paid to the States only as required to meet the costs of projects approved for construction and, it thus appears would provide a major incentive to the highway-improvement program as a whole."

Under the terms of our bills, all 48 States would benefit, for all, to greater or lesser degree, have constructed or have under construction free or toll interstate highways which would create eligibility for reimbursement. Twenty-six States, or more than half, have toll facilities on the Interstate System, while the remainder have constructed free highways only.

Our bills would declare it to be the policy of the Federal Government to provide equitable reimbursement to the States for acceptable highways, toll or free, incorporated into the Interstate System.

They would authorize the Secretary of Commerce to provide reimbursement, upon request of a State, if he determines that such highways meet interstate standards. The amount of reimbursement would be limited to the cost of the highway, less depreciation and less the total amount of Federal funds used in its construction. In the case of toll highways, the reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for toll operation.

As introduced, the bills provided that States so reimbursed could use the funds for construction of projects on any Federal-aid system within their borders without a requirement of State matching funds. I have proposed a modification of this provision which would give priority to the construction of projects on highways which connect with the Interstate System and enhance its utility.

I know that this committee is concerned with the cost of reimbursement, which has been estimated by the Bureau of Public Roads at approximately $4.2 billion, about equally divided between toll and free highways. In our bills as introduced, it was provided that the reimbursed funds must be expended within 5 years. Upon reflection, I have decided that 5 years is too limited a period in which to expect the expenditure of so large an addition to the normal flow of Federal highway funds. Accordingly, I am modifying my bill to give a State until July 1, 1972, to obligate the reimbursed funds to its credit, with a proviso that no more than 10 percent of the total credit may be obligated in any 1 fiscal year.

Mr. Chairman, in closing, I should like to state for the record that I have serious reservations about the wisdom of hasty action on so large an addition to the Federal highway program as is proposed in S. 3414, the so-called Gore bill now before the Senate.

I agree that acceleration of some public works programs can assist in relieving the unemployment problem with which we are all concerned at the present time, but I would prefer that priority be given to school construction which I regard as a far more urgent national need than making bigger an already enormous highway program. I regret that the President's classroom construction bill was defeated during the last session. However, that bill is still alive in the Senate Committee on Labor and Public Welfare and I hope that the Democratic leadership will see fit to have it brought to the floor. In my judgment, Federal funds spent on schools would have more effect in creating jobs and would serve a greater national interest than adding new Federal dollars to the highway program. At this critical time, we should be spending at least as much money for character building as for road building.

Despite my reservations, I recognize that this Congress will soon act on highway legislation and it is my conviction that any legislation to be enacted must, in the interests of justice and equity, treat fairly those States whose vision and courage have contributed so much to the Interstate System. I therefore urge you strongly to include the principle of reimbursement in any bill affecting the Interstate System which you may report to the House.

Mr. BUSH. I thank the Senator from Tennessee.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Tennessee yield, with the understanding that my remarks will appear at the close of his remarks?

Mr. GORE. I yield.

Mr. MARTIN of Pennsylvania. I thank the distinguished Senator from Tennessee for his answer to the distinguished Senator from Connecticut. I think this is a very important matter, and we ought to commend the Senator from Connecticut for bringing it to our attention at this time. I also express my appreciation of the fact that he does not push his proposal as an amendment to the pending bill.

Mr. BUSH. If the Senator from Tennessee will permit me to do so, I thank my colleague from Pennsylvania. I observe, for the benefit of the Senate, that the House committee is very much interested in this issue, as can be understood by the questions which were asked.

Mr. GORE. The chairman of the full committee has likewise introduced a bill on the subject.

Mr. BUSH. That is encouraging, indeed; I had not caught up with that.

Mr. GORE. I refer to the chairman of the Public Works Committee of the House.

Mr. BUSH. Oh; I misunderstood. I thought the Senator meant our good friend, the Senator from New Mexico [Mr. CHAVEZ]. Yes, Representative BUCKLEY has, indeed, introduced a bill. Hearings were held today on his bill, Representative SCHERER'S bill, which is a similar bill, and a companion measure to my bill, which was introduced in the House by Representative MAY, of Connecticut.

I think there is great interest in the whole principle of reimbursement. The problem now is to determine the right formula and also the right time to undertake reimbursement.

Mr. GORE. Not only those things, but also the amount of reimbursement which would, in all circumstances, be equitable, the manner of reimbursement,

and whether the highways for which reimbursement is provided—if it is provided—shall be free highways or shall continue to be toll facilities.

Mr. BUSH. Those are all very pertinent questions.

Mr. COTTON. Mr. President, I desire to make a few brief comments at this time about section 2 of S. 3414, the pending highway bill. This is the section which provides an extra $400 million on an immediate basis to speed work and employment on the so-called ABC roads, the primary, secondary, and urban Federal-aid highway systems.

During the executive sessions of the Roads Subcommittee, it was my privilege to suggest a special authorization for the ABC roads on a reduced matching basis to stimulate immediate contracting and construction and to boost employment. While my original suggestion called for $500 million on a 75–25 matching basis, I believe the committee recommendation in section 2 of $400 million, with a 70–30 matching formula, is a constructive and effective proposal. It has my support.

When it comes to creating employment and combating the recession, the special $400 million authorization for the regular Federal-aid system in section 2 is the most important part of this bill.

It has a number of key advantages over a similar increase in interstate funds:

First. It can be put under contract and actual construction more swiftly. This is because primary and secondary roads require less engineering, less planning, less time-consuming preparation in initial stages than the Interstate System. Furthermore, States have been planning the work on their primary and secondary highways since 1916; on the new Interstate System only since 1956.

Second. More of the funds can be spent on job-producing aspects of highway construction. Large portions of funds for the Interstate System must necessarily be spent on acquiring rights-of-way for the new highways, in addition to sums for planning and engineering. Most of the improvements in the primary and secondary systems follow existing rights-of-way, so that funds for these systems do not have to be initially expended for land condemnation, which is more likely to produce dislocation, and hardship than jobs. Appropriations for the ABC roads can go more directly into work which creates employment at the highway site as well as back at the cement plants and the steel mills.

Third. The funds provided for the ABC system can be used in any section of a State, because there are primary and secondary Federal-aid routes in all sections of every State. The Interstate System mileage, in contrast, is limited and may involve only a single area of a State. New Hampshire for example, has 10 times as much mileage on the primary and secondary systems as on the interstate. Funds for these ABC roads would be available to States for work in the areas that needed it most. Contracts could be let by the States in these areas where unemployment is most severe, instead of being confined to the few locations along the Interstate Systems.

Fourth. The committee recommendations for a Federal advance of two-thirds of the State matching share will enable the States to proceed with this program at once, without jeopardizing the rest of its highway program.

Fifth. Furthermore, by imposing rather strict time limits on the money, the committee tried to insure that States would move fast to get work started with the extra apportionment. In suggesting a special ABC authorization in the committee, I proposed even earlier dates because I believe action to combat the recession must be swiftly taken. Contracts let next year may provide jobs next year but will not do a thing for the man out of work now.

As recommended by the committee, section 2 requires that contracts be let by December 1, 1958, and work be completed by December 1, 1959, the end of the construction season next year. The purpose of this limitation frankly, is to require the States and their contractors to move swiftly so that additional employment will be created at the earliest possible date. This legislation is a proper and an effective place to create additional employment because safer better highways are one of the best investments we can possibly make as a nation.

The language recommended by the committee is the most effective we could devise to insure that the funds are put to work this year on actual highway construction and that they will be in addition to the regular highway construction programs in each State.

There may be some concern because this section breaches the traditional 50–50 matching ratio. That fact cannot be denied, but it can be explained and, in my opinion, fully justified.

Special provision must be made to assist States in matching this special authorization, if any work is to get started immediately. In virtually every State, the financing programs for highway construction for this year have been completed and approved. State legislatures have adjourned for the year, and for 2 years in many cases. Unless some special provision is made, no fast increase in the rate of highway construction would be possible.

After careful consideration, the committee has approved a 70–30 Federal-State matching ratio, with additional authority to advance the States two-thirds of their share of the matching funds.

The bill makes these funds available only for a very limited time. To a considerable extent, it is self-enforcing. Funds advanced to the States to aid in matching will be recaptured out of regular Federal-aid apportionments in fiscal years 1961 and 1962. The Federal-aid highway apportionments for fiscal year 1961 are provided in this bill and half of the funds advanced to States this year will automatically be recaptured from the 1961 apportionments unless Congress takes affirmative action to wipe out the debt.

I personally feel it is wiser to increase the Federal share, than to insist on a 50–50 matching ratio and advance large sums to the States which almost certainly would never be repaid in the future. It is my understanding that advances were made to the States some years ago, and later forgiven, resulting in hard feelings and a discrimination against those States which had conscientiously started repaying the money.

The committee recommendation avoids this future controversy. Its recommendations in section 2 provide a reasonable and effective way to stimulate highway building and create employment this year when it is needed. I hope they will be approved.

THE CHOICE IN ASIA—DEMOCRATIC DEVELOPMENT IN INDIA

Mr. KENNEDY. Mr. President, at no time since the war has American and Western policy been so gripped by a sense of paralysis, by a waning of hope, by the loss of its compass points. More and more the thoughts of those abroad—and of Americans themselves—have been riveted on Russia's capabilities, on Russia's educational system and educational achievements, on Russia's new diplomatic and economic initiatives, on Russia's seemingly greater flexibility and power of maneuver. Less and less have we and our allies been concerned with our own capacities, our own positive objectives, and our own ability to reach new goals consonant with our own values and traditions.

The evidence mounts daily of dissatisfaction with the rigidity of thinking and approach which characterizes not alone the makers and spokesmen for our foreign policy but also many of its critics in and out of Congress. The blunt fact is that the uneasiness which has stirred even our closest friends is directed not against a President or Secretary of State or party. In very large measure it attaches to the whole tone and thrust of our national effort in foreign policy. Indeed, we have come increasingly to doubt ourselves, to question the impact of a policy whose substance seems so very largely military, to scrutinize actions whose origins very often were in reflex to Soviet moves and transitory crises rather than rooted in a settled policy of our own.

There is no special merit in newness or change as such. Indeed, there are compelling reasons why, in the absence of realistic alternatives, the United States should not change course merely in response to foreign or even internal criticism. If critics cannot provide some secure new guidelines, their pleas do not deserve acceptance. There are also, unhappily, situations in the world which cannot for the moment be much alleviated by the United States—no matter how good its intentions or how great its military or economic commitments. There are clearly certain fixed and harsh facts in the world power balance which the Western alliance can influence only slowly or slightly—and then only after hard work, patience, and sacrifice. But if there are established continuities and commitments, which we must constantly invigorate through our alliances in this hemisphere and Europe, there are also new perils and new chances which are

altering the pattern of world events and world power. There are—especially in the underdeveloped world—new dimensions in the challenge which we face. There remain opportunities for intelligent and creative action.

As members of the opposition we have a special obligation to maintain the critical ferment which makes such new departures possible, which enlarges the horizons of our public thinking, which establishes a responsible basis for new action.

In recent weeks there have been a number of Democrats who have tried conscientiously to perform this function. The distinguished majority leader [Mr. JOHNSON] has given us a program of action in the field of weapons and missiles which measures up to the peril we face. The distinguished junior Senator from Arkansas [Mr. FULBRIGHT] has set in focus the relations between our educational effort and our international leadership. The distinguished junior Senator from Minnesota [Mr. HUMPHREY] has explored searchingly the possible ways by which meaningful disarmament negotiations might be resumed. The distinguished senior Senator from Illinois [Mr. DOUGLAS] has posed the new economic and political equations in our international trade policy created by the common market and the free trade area in Europe. The distinguished junior Senator from Montana [Mr. MANSFIELD] has examined with care the continuing crisis in North Africa and the steps which might be taken by the United States to help resolve it.

Outside the Senate Mr. George Kennan has performed an important critical service by loosening up the terms of discussion about our western and central European policies and by closely analyzing the military assumptions upon which so much of our international policy is predicated. There are few of us who would agree with all, and some who would agree with only a little, of the analysis and prescription which his lectures contained. But I feel, Mr. President, that we are better off for being able to test our assumptions against a carefully formulated set of alternatives. It has been of more than incidental value for the world to know that there is a wider constellation of thought within our own society and that we are wrestling with many of the same issues which agitate thinking in Europe, Asia, and Africa.

Our sense of drift, our gnawing dissatisfaction, our seemingly hopeless predicament in reaching but the fringes of a great crisis is nowhere more evident than in our search for policies adopted effectively and concretely to the new and generally uncommitted nations which run from Casablanca to the Celebes. Over the past few years we have begun to appreciate that the tested formulas we have applied to events in Western Europe and NATO have only limited application to the broad medley of changes occurring in the uncommitted world. Though we have learned that we must come to terms with the new nationalisms, we have tended to interpret their meanings too much against the backdrop of our own historic experience on this continent and in Europe.

Easy as it is to proclaim a position of anticolonialism and self-determination, many sympathetic observers in the West have not fully realized that some of the new states have set their courses in an environment empty of positive democratic or liberal aim; that their attainment of political independence was but a prolog to the harsh realities of political and economic growth.

We have certainly begun to learn that a purely military response to the tides in the Middle East and Asia is an illusory breakwater. For military pacts and arms shipments, though sometimes a necessary instrument of national policy, are themselves new divisive forces in those areas shot through with national and regional rivalries and often lacking historic boundaries and allegiances. We are beginning to see, too, the special attraction and emotional appeal which the Soviet Union has in the fluid pattern of events in the uncommitted world, to peoples full of social resentment and impatient for rapid social betterment and economic progress. Communism to them is the alternative, with the glamour of novelty, of breaking fresh ground, of seeming to offer a disciplined, coherent and irresistible answer to the overwhelming problems of economic mobilization and takeoff. Indeed, it has been one of Marxism's cruelest ironies—not lost upon the Russians themselves—that it has gained special force not in advanced industrial societies, but in those confused, transitional regions which have not yet created effective modern economic or political systems.

The outlook in many countries is not hopeful. Some of these countries provide barren soil for any real economic progress now to take root—they cannot productively absorb investment capital, they do not possess the skills or plans of social outlook which derive genuine benefit from economic assistance, their rapid gains in population outpace any attempted increase in living standards. There are, of course, exceptions—countries such as Tunisia, Ghana, Pakistan with whom we hope to have beneficial economic relationships. And we dare not give any up as lost.

THE CASE OF INDIA

But one country in particular—India—has successfully pointed the way to progressive economic development; it has achieved a steady rate of growth, established the firm beginning of an economic base, maintained an economy in which the private sector plays a large and expanding role, and avoided an excess of governmental regimentation and controls. In India democracy has prevailed in the face of heavy obstacles. The national and per capital incomes have risen despite a continuing rise in population, and education has spread. Two national elections have been held on the basis of universal suffrage. The parliamentary framework is no mirage. It is sustained by capable political leadership and a first-rate civil service. A spirit of democratic compromise has permeated the political system.

In 1956 India completed its first 5-year plan. During that time national income rose by nearly 18 percent, about 5 percent beyond target. Quite apart from its intrinsic achievements, this plan, with its emphasis on agriculture, helped to generate a mood of national confidence, which began to reach back into the villages where most Indians live. It diverted energies away from colonial grievances and into the task of national self-development on a truly national basis. Moreover, the plan was favored by good harvests and generally benign weather. During the period of this plan, the United States aided India with about $300 million in addition to the special wheat loan of $190 million and World Bank loans aggregating about $30 million. Few assistance loans which we have made anywhere have been better used for real economic development.

The granting of independence to India preceded by only a short time the coming to power in China of the Communist regime. These have been the two cardinal events in postwar Asia. China and India both began their first 5-year plans at roughly the same time. Each country began with an economy in which almost 85 percent of the population was rural. Each country possesses a high resource potential and a relatively low ratio of agricultural cultivation per acre. Each system was actually in danger of running critically close to the minimum level of human well-being; in 1950 the per capita income in each country was below $50—lower than 20 years before. India had an advantage in having a larger pool of trained and skilled persons, a somewhat better transportation network, and a better ability to mobilize internal investment. But like China she had not developed extractive processes for her rich resources. She needed to import much of her machinery and she suffered from poor food yields as well. And India after 1948 had massive problems of population redistribution and economic dislocations as a result of the partition.

Yet India was able to create an environment for economic development. Without imposing the totalitarian direction that China required, India was able to take real strides forward, economically and politically.

A recent writer has overstated the case very little when she wrote:

> India is encompassing in a decade the linguistic battles which tore Austria-Hungary to pieces, the religious reformation which led to the massacre of St. Bartholomew's Day, the political revolution which led to the fall of the Bastille, the economic revolution which resulted in the red star flying over the Kremlin.

India's second 5-year plan is now near the end of its second year. In contrast to the first plan it stands in great peril. It may even collapse. India has just experienced a very poor rice and grain harvest.

In part this deepening crisis is the handmaiden of success—the fact that the Indian economy is expanding, that the government has sought not to impose a rigid series of controls, that it has permitted a considerable sector of private enterprise. This plan, moreover, is ambitious—almost two and a half times as large as the first plan. It hopes to carry India across the most difficult

threshold of economic growth—the establishment of capital-generative basic industries such as steel. It seeks to raise national income by about 5 percent annually or 3 percent on a per capita basis. This could serve to accelerate development at a rate permitting India to double national income in real terms in the next 12 years. If successful, it could vigorously mobilize India's rich resources in hydropower, iron ore, manganese, coal, bauxite.

The essential features of the plan include four steel mills—one of which is well advanced—which absorb a large fraction of investment and which would expand crude steel output to 4½ million tons; railway and transport improvements costing over $2½ billion, machine molding shops and a step-up in hydroelectric and coal output, as well as critical but less expensive plans for agriculture, irrigation, service industries, housing and education.

Clearly the plan developing at a time of poor harvests and growing unemployment—which depends so vitally upon the importation of machinery from abroad—is contingent upon international credit. Yet this is not a time when there is much international venture capital, private or public, and the price of such funds is high. The World Bank's interest rate is 5½ percent. The interest rate announced by the International Development Fund is almost equally high, while some short-term capital rates have run as high as 13 percent.

It is easy to dismiss India's needs with the assertion that she has launched a pretentious and impossibly large scheme calling for a scale of effort and cumulative capital infusion wholly beyond her capacity. Yet is this so? Hardly, when we consider that the plan has a level of investment of less than $7 per year per head and when we lay it beside the contemporary effort at totalitarian planning being made by China. If the plan succeeds, India's rate of investment and savings will still be less than 10 percent of national income, compared with 20 percent in Russia, 15 percent in prewar Japan and 12 percent in China. India, a country with a population twice that of all Western Europe, will still only have an investment capacity equal to that of Sweden with its population of 7 million. The second plan investment per year is only equal to the total absorbed last year by the American Telephone & Telegraph Co.

India, moreover, has taken stern measures of economic self-discipline. The current economic program of the Indian Government can properly be characterized as austere. The level of taxes is high, especially after the recent addition of wealth and expenditure taxes; stiff import controls and licensing have been imposed to ease the drain on India's foreign exchange reserves. Foreign travel has been almost prohibited. Though few persons have an income level that contributes much taxation in a nation whose per capita income is under $60, persons of measurable income are taxed about as heavily as anywhere else in the world. In fact, the real question is whether these austerity measures may not soon reach the point of becoming self-defeating—by drying up too much private capital, debilitating the previously buoyant private sector by the rigidity of import controls, or sapping the incentives on which much of the plan was predicated.

Unfortunately, a serious foreign exchange crisis has forced India to pare its plan to the core. Her foreign reserves have been more than halved in the past year. Import restrictions on consumer goods have been tightened and many expenditures under the plan curtailed, extended in time, or canceled. Office and industrial buildings, communications facilities, housing and health centers have been the victims of the cutback. But these measures only begin to close the gap. The heavy expenditures lie in the heart of the plan—steel, transport, irrigation, power, tool plants.

Can the Indian Government cut more deeply into the plan without deflating all its vital energies and breaking the springs of its momentum? Informed judgment tells us that it cannot, for a genuine program of economic development is a seamless web which cannot be pulled apart or rewoven from cheaper materials. The Indian economy has reached a level of complexity and maturity in which the various elements of the plan are intermeshed. Steel and coal and transport and machinery are part of a single complex and all must grow together. Extractive industries cannot grow unless the resources are accessible; almost all industries depend on an economical energy and machine base; education and housing are the muscle for a developmental effort. Without them there will be a husk without a kernel.

In short, further serious cuts or extended stretchouts in the plan would not save money. They would only veil and compound even greater costs in the future—or decree the eventual death sentence of the plan and India's democratic experiment in Asia.

This is not to say that there are not some possible cuts and postponements, some frills, but it is equally possible that for the maximum effect there should be a somewhat greater infusion of investment into the private and overhead sector of the plan and into rural development, which tend to create the sort of enterprises which are especially useful in yielding high employment and in breaking down the barriers between the rural and urban economies.

If the second plan collapses, so may democratic India and the democratic hope in all of Asia setting in motion forces which would erode the broad security interests of the United States and its allies. However sharply one may reject the concept of American ideals impelling us to help others in need, however blind one may be to the dependence of our own economic well-being upon our closing the enormous prosperity gap between ourselves and have-not nations, no thoughtful citizen can fail to see our stake in the survival of free government in India. India stands as the only effective competitor to China for the faith and following of the millions of uncommitted and restless peoples. Should India fall prey to internal disorder or disillusionment among either its masses or leaders and become absorbed in the Communist system, the Free World would suffer an incalculable blow.

It is absolutely imperative that the Western nations and India keep their gaze on and summon their efforts to the achievement to the broad goals and to the type of overall scheme envisaged originally in the second plan. Continued slippage and a mood of "let drift" will only leave India with a dismal economic performance and a climate of blighted expectations, the outcome of which has perhaps already been foreshadowed in the Indian State of Kerala, where educated but despairing citizens freely elected a Communist government.

Though the Indian Government has been consistently reluctant to ask for outside help and has tended to overestimate its internal capital resources, neither her Government nor ours can evade the fact that the second 5-year plan is mightily dependent on outside capital. Though India has an excellent record in servicing foreign investment and capital repatriation, its newly acquired sense of nationhood and pride of achievement have made her naturally reluctant to acknowledge the full measure of its needs if the essential integrity and desired balance of the plan is to be maintained.

It is clear that the Indian planners were somewhat optimistic about the built-in deficit and the investment necessary for bringing the plan to successful fulfillment. It is also apparent that in the face of the serious reverses the Government of India has preferred to cover its target, rather than to appeal to other nations for drastic increases in the levels of essential assistance. This series of cutbacks and compromises has been such as to make it impossible to paint the canvas of Indian requirements with any precision or confidence. We are all aware that India is in a period of economic crisis, but we lack a clear panorama of need. When the Indian Finance Minister visited Washington early in the fall, a loan figure of about $500 million to $600 million was informally discussed. The administration has announced an Indian program amounting to $225 million, but we do not know now whether this is intended for the life of the plan or as primarily a program for the coming year. There is continued report of more cuts in the core plan, but they have not been spelled out explicitly. Is it not time that India and its foreign friends reach an understanding about the real scope of need? If we cannot take this central problem from under the shroud of uncertainty, there is a great danger that reliance will be placed on purely stopgap, patchwork remedies, on spasmodic pain relievers, and on superficial therapies which will satisfy neither India nor potential lenders. It is far better if a frank dialog exists between the United States and India, both in terms of generating support and securing a level of assistance which rests on more than false expectations and cloudy hopes. We need to know not only of India's plight but we

must also have from her a searching and candid presentation of needs and plans. I repeat: India has undertaken a plan which meets the minimum requirements for real economic progress—the United States has a vital stake in India's economic future. How can we merge these two overriding considerations?

A PROGRAM FOR ACTION

The situation in India has many marked parallels with the problems of European recovery 10 years ago. Like that of postwar Europe, the Indian economy has reached a crucial and precarious point of success or failure. Secretary Marshall in 1947 urging the European countries to make a reckoning of their primary requirements. This was done through the OEEC and confirmed by such studies as the Harriman report and the surveys of the Herter committee. After such a review and candid presentation of needs, it was possible for Congress to commit itself to the Marshall program of European recovery. There is a similar need for India today. The necessity for American action is so apparent that the real question now, I would hope, is not whether we respond, but how. It is not solely a question of amounts; much depends on the form in which aid is given and to what purpose.

At the present time the United States is furnishing India about $70 million in hard currency assistance, most of it on a loan basis. About $60 million is for economic development purposes—such as machinery and steel plates—and the remainder in technical assistance. India is also receiving $360 million worth of surplus agricultural commodities—largely grain—over a 3-year period, with a portion of the local currencies resulting from the sale of these commodities loaned back to India for economic development purposes. Most of the deliveries under this agreement have already arrived. Although the total is thus already larger than we were providing under the first plan, it falls short of her requirements—even after the assistance likely to come from other nations and the World Bank.

In looking to the success of the plan, I would suggest a three-pronged series of actions:

I. IMMEDIATE LEGISLATION AND ADMINISTRATIVE ACTION

Our starting point must be the immediate and emergency needs of the Indian Government and the proposals being made by the administration this year. In my judgment they provide a useful—but in themselves inadequate—first step. I recognize that their inadequacy stems in part from a Congressional failure to activate the International Development Fund in the manner conceived by its sponsors last year and by the unresponsiveness shown by Congress to the foreign aid program last year. But this Congressional numbness was caused in its turn by cumulative evidence that our foreign assistance programs were losing direction, were oscillating between several guideposts, were not reaching visible goals and measurable results.

The Indian requirements provide us with a striking opportunity to make a purposeful contribution, the impact of which may eventually benefit not India alone, but other countries such as Pakistan which have a capacity to absorb investment for economic development.

I would suggest therefore that we explore first the ways in which the agreements already concluded by the administration can be reinforced. My colleague across the aisle, the distinguished Senator from Kentucky and former Ambassador to New Delhi, has already given us some pointers in his two speeches on the floor of January 16 and January 27. Perhaps I can elaborate his valuable recommendations and add to them.

First. There is no reason why the balance of the 1951 wheat loan, about $170 million, cannot be converted so that it is repayable in local currency, in line with the provisions later made under Public Law 480. This would help to improve India's credit position.

Second. The loan of $125 million which has been negotiated through the Export-Import Bank could be supplemented. But for underdeveloped countries the Export-Import Bank policy is restrictive and rigid.

A difficulty in Export-Import loans is that it generally requires 12 to 15 months to set them fully in motion and specifically to commit the money. It would be a great help to India if this time interval could be shortened so that the effects of the loan could be felt by the summer of this year.

Third. It is unfortunate that the first year's appropriation gave the International Development Fund a capital base of only $300 million. This low figure makes it necessary to consider so many other expedients for countries with legitimate needs. I would hope that Congress at the very least would respond to the request which the President has made for a further appropriation to the revolving fund of $625 million. This is the very minimum figure which will make this fund a flexible and effective tool. It also gives us and recipient nations strong incentive for better planning and for a more rational evaluation of the political and psychological effects of aid. It may discourage the year-by-year, project-by-project appropriations which cannot be spent effectively. In my estimation the interest rates established for the fund are needlessly high and could be somewhat reduced to ease the servicing and cost of these loans. Moreover, we must make sure that the funds loaned are not tied only to direct dollar purchases. If Congress can carry out—or improve—the President's recommendations for the loan fund, we shall be much better equipped to serve the developmental needs of India as well as other nations.

Fourth. There is a special need in increasing and making as flexible as possible the loans and grants for agricultural goods and foodstuffs. The administration is still negotiating with India on these matters, and Congress is actively considering a number of proposals which will significantly increase the amount authorized for disposal under Public Law 480.

Certainly the greatest possible emphasis on long-term loans rather than short-term credit is desirable in this area. Since Public Law 480 allows some local currency loans, it would be worthwhile also to explore again the possibility of the United States using such currency receipts for the purchase of goods in third countries under aid programs to the latter. We have learned that Public Law 480 can produce working capital and that perhaps 25 percent of developmental assistance in some countries can take this form.

The agricultural crisis in India is paramount. Not only did India suffer a grain harvest debacle in the monsoons of this past fall, a loss almost equivalent to the total United States program newly devised for India. But the elimination of the food crisis is also essential to the control of price inflation, to the development of an agricultural tax base in India, to allowing the Indians to resolve their fundamental economic problems of resource exploitation, employment, and capital mobilization. This is peculiarly an area where the United States can help imaginatively and effectively, if we carry the potential inherent in Public Law 480 into fuller execution. We can further convert our great economic dilemma of agricultural surpluses and waste into a capital asset for the poorer nations.

Fifth. The United States should make every effort to satisfy the joint Indian-Japanese request for about $50 million to develop Indian iron ore supplies for the Japanese steel industry. Whether this sum is drawn from the President's special fund or some other source, it would be a most promising investment in Asian development. It would diffuse benefits and further improve the growingly cordial relationships between India and Japan. Japan, the other great free nation of Asia, is slowly establishing real trade possibilities with several countries in southeast Asia, and it can help India in its 5-year plan in a number of significant ways.

II. AMERICAN ACTION OVER THE LIFE OF THE PLAN

It is important that the United States view the Indian 5-year plan in its totality and in its true time dimensions. Our assistance, as I have suggested, should be geared to the fullfillment of the large goals, not the patching of holes and filling of small gaps. We must stress the continuities, the full cycle, the whole operations. This is in our own self-interest by reducing the final cost, by defining the destination, by giving us a standard for measuring performance. It is to India's interest, by allowing her to gather momentum to maintain good morale, to set the example of achievement to other nations, to relieve the perpetual suspense created by annual reappraisals and short-term solutions.

In the fall of 1947 the Congress passed an emergency-type program for the start of the Marshall plan. We shall have to do the same for India this year. But simultaneously in 1947 the Congress set to work on considering and passing an expression of commitment to a European recovery program and providing a distinguished select committee which

could study intensively the needs of the several European countries. We should again follow the example. Either Congress can again authorize a select committee or it can send subcommittees of the Foreign Relations and Appropriations Committees to India. At the same time the Congress should act upon a resolution expressing American interest in the success of the 5-year plan and a willingness to commit itself to aiding its achievement.

I point out that yesterday Mr. Dulles, our Secretary of State, in testifying before the Foreign Relations Committee, made the point that the loss of India would be as important to the United States and as deleterious to our foreign interests as the loss of China has been. How many billions of dollars and how many thousands of American lives have been lost because of the loss of China? Now when India hangs in the balance and there is a clear opportunity for the United States to take some affirmative action to maintain the viability of India, it seems to me to be extremely important that the United States Senate go on record in support of the second 5-year plan and assert its willingness to assist India in every reasonable way.

I therefore submit, on behalf of myself and the Senator from Kentucky [Mr. COOPER] a concurrent resolution, on which I hope the Senate Foreign Relations Committee and the House Foreign Affairs Committee can soon hold hearings.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 74) to express the sense of Congress on the importance of the economic development of India, submitted by Mr. KENNEDY (for himself and Mr. COOPER) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently, it is the sense of the Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration adequate to assist India to complete successfully its current program for economic development.

III. MULTILATERAL ACTION IN SUPPORT OF INDIAN ECONOMIC DEVELOPMENT

Mr. KENNEDY. Though the United States must make the largest contribution in leadership and in direct assistance, the Indian 5-year plan can, in closing a payments gap over the life of the plan of as much as $3 billion, find support in many other countries.

I have already mentioned the case of Japan in connection with the joint India-Japan request, and there are further opportunities in converting the Indian advantage in coking coal into a pig iron advantage for Japan. But there is an even greater reservoir of interest and support within the Atlantic community. Germany has just recently made a new contribution of $140 million toward one of the steel mills and is contemplating more forms of assistance which are well within its capacities. France has extended a small line of credit despite its own economic difficulties. It is possible that the Italians may build a rail spur and some port facilities in return for a supply of coal. Canada, a country which enjoys great respect and confidence among the Indian people, is considering further agricultural surplus assistance and some other proposals beyond about $50 million already arranged. Great Britain, despite its payments difficulties, has already committed $45 million, while many other NATO countries are actively considering ways and means of helping.

There have also been a number of important private investments which contribute toward the plan. With American leadership it is certain that many other countries, as well as the International Bank, which is already underwriting some of the cost of the private steel mill and of rail expansion, will materially bolster their economic effort. And it may well be possible for several Latin and Central American countries, who themselves have only recently gone through their own period of economic takeoff, to extend some small assistance, technical and economic.

The will to help is evident; it exists within the Atlantic community, within the Colombo plan membership, in Japan, and among several smaller free nations of the world. How can we best prod and join these disparate intentions and programs so that they mutually reinforce each other and produce the impact required in the common interest?

Many of us have long urged multilateral assistance and joint effort, but we have had difficulty of finding the proper framework and cause. At the recent meetings of the Atlantic Alliance this issue barely reached the surface of discussion, yet all countries present revealed a receptivity to such a notion. Governor Stevenson, in particular, during his consultant period and since, has underscored the desirability of setting in motion such a joint effort. Here, it seems to me, the opportunity has arrived and the situation is ripe for such a step.

I would urge that a subcommittee of the OEEC be at once designated to go to India and to recommend plans by which long-term assistance could be given by all member nations through an international consortium. Not only will this permit the various nations better to mesh their programs; but it will also make easier a proper merger and balance between foreign government and private investment in India.

Such an OEEC body could draw on the best business and economic minds of the Atlantic world and could inspire the latent will to action which exists in countries such as Sweden, the Netherlands, Italy, Canada, Germany, and elsewhere. It could do much to change the whole psychological relationship between India and the Western partners. We know that there exists in India a real fund of friendship for the West and an absorbing interest in our techniques. From our own country almost all official and private visitors have experienced an intense and friendly reception, even when they have spoken frankly with their hosts. Great Britain is still—or more than ever—a country with whom the Indians feel a close affinity, as Prime Minister Macmillan has recently observed personally. The work of our private foundations and scholars in India has won wide respect in India. An OEEC committee, if it could include among its members persons of broad experience such as John McCloy of the United States, Sir Oliver Franks of Great Britain, Professor Tinbergen of Holland, Albert Kervin of Belgium, or Erland Waldenstorm of Sweden, could give a powerful impetus to such an international consortium.

By its example, such a committee could furnish a model for other later efforts—perhaps in Pakistan—and it could consider improvements in foreign assistance such as simplification in the handling of counterpart funds and local currencies which would have broader application. It could perform a most valuable service in recommending ways in which other countries and the United States could in combination turn their food surpluses to productive use. This is especially important for the United States and Canada, both of which could well integrate their efforts outside of existing trade markets. The export of surplus crops has been a very damaging factor in United States-Canadian relations, yet there are clearly joint alternatives which allow agricultural shipments for constructive purposes which carry neither the evils of dumping nor the hardships of sale.

I feel confident, Mr. President, that if the United States raises its sights in this year's program for India and acts as the catalyst for a multilateral approach to India over the longer cycle, then most foreign creditors will double their contributions, while some other countries will do something where they are now doing nothing.

Mr. President, I offer these suggestions in the hope that they may furnish some guides by which we can break the paralysis of which I spoke, by which we can give confidence among both parties and to the public at large that there are constructive alternatives in American foreign policy, that we are not chained in futility.

CRITICISMS OF SPECIAL ACTION FOR INDIA

First. Private investment: The first view is that India's economic future must rest with private investment—that this is the only durable basis of economic growth. Certainly, India can expect and is receiving a good measure of private investment. The World Bank has repeatedly shown confidence in the private sector of the Indian economy. The Standard Oil Co. has built a refinery; Krupp of Germany was instrumental in beginning the construction of the Rourkela steel mill; and private investment has financed the Tata steel plan. And there is little question that dollar-for-dollar private capital is both the most durable and resilient form of assistance. Through our own action in improving the international investment guaranty program, in providing tax incentives, and

in negotiating tax conventions, we would spur international private investment somewhat. And the Indian Government could also take some measures which would build up private investment.

But, even under the best conditions, private investment cannot cover the gap. The fact of private-capital depletion and starvation remains, and there is an overabundance of private-capital outlets. The United States channeled over $3 billion into private foreign investment last year, but less than 10 percent of this flowed into underdeveloped States. Well over three-fourths is attributable to investment in Canada, in Latin America, and Middle East oil.

There is every reason to believe that future private investment in India will expand with the rise of Government assistance and that Government assistance now will expand rather than confine such private opportunities. Mr. G. D. Birla and Mr. J. R. D. Tata, perhaps the foremost exponents of private enterprise along western lines in India, have made it perfectly clear that the success of India's 5-year plan is essential if there is to be a sizable increase in private investment and a good business climate.

There are certain types of investment in underdeveloped countries—education, health, transport, fuel, and power—which private capital cannot underwrite. Yet they are essential to the creation of a setting in which efficient and profitable private operations can grow. What is certain, however, is that in future years there can be an increase in joint public-private capital ventures and in partnerships between local and foreign private capital.

Second. Pakistan: A second objection which deserves serious attention and frank comment is that our special and valued treaty relationships and military pacts with Pakistan do not make possible such an international effort for India. I myself have for some time investigated the possibility of devising a program which would jointly serve the needs of India and Pakistan.

I have regretfully concluded that the current political cleavages between India and Pakistan do not allow such a program. My hope is that the kind of program I have suggested may help to create the climate in which, for example, the staff work already done by Indian and Pakistani engineers on the Indus River could be brought to fruition. At the moment Pakistan is more nearly receiving the amount of aid which she can effectively absorb. Needless to say, we look forward to the time that her plans and economic momentum allow her to use even more. The choice is not one between India and Pakistan. Our responsibility is to aid each in its basic development programs. I hope the time is not far distant that these types of multilateral efforts can be adopted to the economic growth of Pakistan.

Third. The budget and the recession: It may be argued that any proposal of this nature faces an impossible hurdle as a result of this year's budget, and the economic recession. The impression has been conveyed to some people that foreign aid can only be viewed as an alternative to programs of housing, education, urban redevelopment, and irrigation. It has been urged, for example, that we should stop building irrigation projects abroad and shift to building them at home.

The truth is that we can more easily afford an expanded foreign aid program this year than in the past few years. And our national interest, especially in the light of the shrinking markets in the United States for foreign goods and materials, requires it even more. A vigorous design of national recovery, if launched without delay, should include expanded programs for missiles, school building and education, urban redevelopment, conservation, and foreign aid.

Unemployment is an agonizing waste of resources. Looked at in another way, this tragic waste provides an opportunity to get things done that have to be done. There is no need to make work in this recession; there is more than enough to be done in the public interest. Our economy affords no excuse for a series of second best years. There is no conflict between domestic needs and foreign security needs. And at no time would cuts in foreign aid—conceived as economies at home—mean such a drastic loss of ground abroad.

It is often the very people who minimize the damage done by weaknesses in our domestic economy who are also minimizing the capacity for growth which our economy possesses.

At the moment there are approximately 5 million unemployed and several million more underemployed. Each full-time worker in our economy produces about $6,000 toward the national gross product. If 3 million of the currently unemployed could go back to work in the next year—and they certainly should—they will add about $18 billion to the gross national product per year. But there is greater potential than that. We have been leveling off in our economy for over a year. If we were back on the normal growth curve, we would be producing about $25 billion more than we are now. A year from now, due to the rise in the working force and productivity increases, we could be $12 billion higher than that. There is more than adequate margin in our economy, plenty of capacity to grow, and abundant opportunity to make the kind of foreign assistance effort which the times demand. This is possible if we recover our balance in both domestic and foreign policy.

Mr. President, we must remember that foreign aid serves to invigorate our international trade relations. There is no question but that foreign assistance now will mean trade later. There are in our Nation innumerable industries which are the healthier for having expanded export markets. A very large portion of the money we loan abroad finds its way directly or indirectly to American industries. This is not a foreign giveway. The Indian loan opportunity is one which has a high return to India and its creditors alike. In this instance we have clear objectives with clear reach and with visible benefits which would be to the interest of all segments of our national life.

Fourth. Soviet assistance to India: The final matter that deserves comment is the range of Soviet assistance in India. We now all know that economic warfare and ruble diplomacy are the distinctive tools-in-trade of the Khrushchev regime. The U. S. S. R. made no contributions toward the first Indian 5-year plan, nor did it provide wheat during the crisis of 1951. Beginning in 1953, however, Russia began to send specialists and technicians to India and negotiated the agreement for the Bhilai steel mill, toward which it gave a 12-year loan at 2 percent, worth $140 million; recently another low-interest loan of $126 million was added. The other big projects which are Soviet-financed are a steel machinery plant with $56 million credit, a large thermal powerplant of $32 million, the development of the Korba coalfield of $16 million, and an optical glass factory. Various forms of technical assistance and expert studies are also being provided by the Russians, the most important being a large group of 175 seismic and gravity-cum-magnetic experts and another group which is developing a pharmaceutical industry using Indian raw materials. There is also a growing flow of Indians to Russia for technical training and education. This illustrates dramatically that one of Russia's most powerful new weapons is its ability to export that precious commodity—knowledge.

But these developments must be seen in their proper light. Western assistance and trade is much more widely diffused; it is much more likely to reach and touch the lives of ordinary Indians—especially through food and agricultural assistance. In fact, Soviet assistance is largely confined to inflexible prestige projects which contribute far less directly to the human condition of Indians. The Russians cannot parallel the contribution being made or likely to be made by Western countries. Of course, the Russian programs have useful lessons for us: The danger of neglecting technical assistance and cultural and educational exchange—no substitute for development assistance but a psychologically and practically powerful form of help; and the need for the United States to identify itself as closely as possible with Indian economic goals.

India, in fact, seems to offer an extraordinary opportunity to match systems with the Soviet Union on favorable terms, to show our true concern for economic development, and to push India well ahead in its competition with the Chinese economy, which is also experiencing serious trouble, especially in the agricultural sector of its second plan.

Nor let us, Mr. President, become confused by all the talk about competition with the Russians in foreign assistance. Our policies cannot be merely a series of reflex actions dictated by Russian moves and offers. To make foreign aid the vehicle of a popularity contest or a cut-price proposition is senselessly self-defeating. The fact is that we cannot compete with the Russians in barter arrangements, interest rates, and the like.

It is on the ultimate frustration of underdeveloped nations that the Russians count for their success, and nothing would serve their interests better

than to draw us into a trade race and numbers game. We must continue to concentrate on projects and programs which can succeed. That is our big asset: That we want recipient countries to succeed while the Russians do not. We have no other grounds for acting. We might recall the words of Robert Cobden, spoken over a century ago:

I need not tell you that the only way in which the soul of a great nation can be stirred is by appealing to its sympathies with a true principle in its unalloyed simplicity.

CONCLUSION

Mr. President, let us recall again the profile of the Asian continent. India, with its nearly 400 million souls, and China, a country in the neighborhood of 600 million. India contains nearly 40 percent of all the free peoples of the uncommitted world. Let us not be confused by talk of Indian neutrality. Let us remember that our Nation also during the period of its formative growth adopted a policy of noninvolvement in the great international controversies of the 19th century. Nothing serves the ultimate interests of all of the West better than the opportunity for the emergent uncommitted nations of the world to absorb the primary energies now in programs of real economic improvement.

This is the only basis on which Asian and African nations can find the political balance and social stability which provide the true defense against Communist penetration. Our friendships should not be equated with military alliances or "voting the Western ticket." To do so only drives these countries closer to totalitarianism or polarizes the world in such a way as to increase rather than diminish the chances for local war.

The Russians are trying to repeat in other parts of Asia and Africa their takeover of China. They are counting on the Indian disenchantment with the inadequacy of Western assistance and democratic methods of planning and economic life.

In considering the economic future of India we shall do well to recall that India has passed the point of economic takeoff and is launched upon an effort which will by the end of the century make her one of the big powers of the world, with a population of just under 1 billion and capable of harnessing all the resources of modern science, technology, and destruction. No greater challenge exists in the future than the peaceful organization of a world society which includes not only the wealthy industrial states of America, Western Europe, and Russia, but also powerful new industrial states in Asia, Latin America, Africa, and the Middle East. How these states emerge from their period of economic transition will not only color but quite likely cast the historic setting of the next generation. This question was recently set in these words by Prof. W. W. Rostow before the Senate Foreign Relations Committee:

Shall these new powerful states emerge to maturity from a totalitarian setting, their outlook dominated by bitter memories of colonialism and by memories of painful transition made without help, while the rich West sat by, concerned only with the problems of defense? Or shall these states emerge from a democratic setting, built on human values, shared with the West, and on memories of shared adventure in the decisive periods of transition?

The answer to this question will not be long in the making if we do not act now and over the next few years, for India, the most important of all the uncommitted states, has entered its formative period. A successful Indian program is important at least as much for the example it can set for the economic future of other underdeveloped countries as for its own sake. The United States, Western Europe, and Japan have it in their power to make a demonstration that the democratic process is a persuasive method of creation, not frustration.

India stands out as one of the few countries in this non-Communist zone which really believes in the importance of breaking stagnation and acquiring habits of growth. India, like the United States, is engaged in a struggle of coexistence—in its case with China, which is also pursuing a planning effort being put under critical comparison all over the world. India, for better or worse, is a world power with a world audience. Its democratic future is delicately and dangerously poised; it would be catastrophic if its leadership were now humiliated in its quest for Western assistance when its cause is good.

There is no visible political glory for either party in coming to the aid of India, particularly at a time of high taxes and pressing defense needs. The task of selling such a program to the American people is far more difficult than that of a decade ago, for we were more familiar with the people and problems of Europe, our ties were closer, their economies were more directly alined with our own and held more certain promise of success. But the need—and the danger—are as great now as then. India today represents as great a hope, as commanding a challenge as Western Europe did in 1947—and our people are still, I am confident, equal to the effort.

I realize that it is difficult to give resonance to such words and proposals in the mood which has governed the approach to foreign aid and economic policy in both parties during the past sessions of Congress. But this mood has, in part, been induced by the persistent counsels of caution, by the lack of vision the purposefulness with which we have approached the problems of the underdeveloped world. If we are to break the aimless drifts and deadlocks in policy, if we are to regain the initiative in world affairs, if we are to arouse the decent emotions of Americans, it is time again that we seek projects with the power of stirring and rallying our hopes and energies. Once again our national interest and creative magnanimity can merge in the service of freedom.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Why Help India?" published in the Boston Herald of March 22, 1958. The editorial commends the Senator from Kentucky [Mr. COOPER] for his discussion of this problem on the floor recently.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Boston Herald of March 22, 1958]

WHY HELP INDIA?

In the Senate the other day a couple of Republicans, JENNER of Indiana and COOPER of Kentucky, got into one of those sharp, terse, off-the-cuff debates that are so much more human than the prepared affairs. And in the process they reduced to capsule form the arguments for and against aid to India.

If we may be permitted to lift out pertinent sentences for the sake of brevity, here's how it went:

"Mr. JENNER. India says she needs $1 billion right now. Why should we take this money from American producers and give it to India? Our money will go to bolster the 5-year plan, but what is the 5-year plan but Socialist economy tyranny over the Indian people?

"Mr. COOPER. I had the honor of serving as Ambassador to India in 1955–56. * * * We are having our economic troubles today, but I think of foreign aid as I think of defense.

"Mr. JENNER. The defense of our country is a great thing. But will the Senator point out to me one instance in which India, after the gift of $1½ billion from our people (since her independence) has decided any question of foreign policy, in connection with any major problem, on the side of this country?

"Mr. COOPER. I would be very happy if every country in the world would agree with the United States. One of the mistakes this country would make would be to insist that every other country in the world must agree with the United States.

"We are seeking, I think, security. One thing that will determine our security in the long run will be whether other great countries in the world which are democratic will remain democratic or fall under the domination of Russia.

"For 10 years we have cried about China. But now China is gone.

"Mr. JENNER. China is gone. But will not the Senator admit that the policies which this country carried out helped her to go?

"Mr. COOPER. I certainly believe we could have done more.

"Those who have talked about China for the past 10 years would, if they had it in their power, give unlimited sums to the economic advancement of China, if it were free, to keep it free. Are we to be so blind as to repeat our mistake (in India)?

"Mr. JENNER. I think the Senator has misunderstood my premise. I stated that I did not know how we could ask our people to send to India a quarter of a billion dollars when only a few days ago we increased our debt ceiling from $275 billion to $280 billion.

"Mr. COOPER. It is difficult, I will admit, in a time of recession to make a foreign aid program popular; yet I make the point that the problems of defense and of security continue, and we cannot cut them off for a few months because we are in a recession.

"Suppose India fails. Suppose she loses, and her people should turn to communism. Where would we stand then?

"Mr. JENNER. I will ask my question again. Where would we stand if we became a bankrupt Nation?

"How could we have a defense? Does the Senator think India would come over here and defend us?

"Mr. COOPER. We disagree on the question of foreign aid.

"Mr. JENNER. Of course we disagree.

"Mr. COOPER. I wished to answer the statement that we were aiding a Communist country.

"Mr. JENNER. I said a Socialist country, not a Communist country.

"Mr. COOPER. India in its plan has adopted certain principles of governmental ownership. They are not what I would approve for this country. However, I will say there is less public ownership in India than there is in the United States. That might be of interest to the Senator from Indiana.

"Mr. JENNER. Yes, it would be."

And if we are asked to append our own capsule, it is this: If the present world conflict is to be resolved by economic and cultural contest, it is 10 to 1 that the crucial battle will be won or lost in India.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOPER. Mr. President, I am glad to join with the distinguished junior Senator from Massachusetts [Mr. KENNEDY] in submitting a resolution expressing the interest of Congress in the economic development of the Republic of India. I congratulate the distinguished Senator from Massachusetts on the initiative he has taken to bring this issue before the Senate, and in challenging public opinion. I know of his great interest in these problems and of his influence in Congress and throughout the country. I am glad to be associated with him.

Mr. President, the text of the resolution is as follows:

Resolved, That the Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently, it is the sense of the Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration, adequate to assist India to complete successfully its current program for economic development.

In 1955, when I was serving as Ambassador of the United States in India, I was called home to testify before the Senate Committee on Foreign Relations, the House Committee on Foreign Affairs, and the House and Senate Committees on Appropriations regarding United States-Indian relations, and Indian economic development. At that time, I made substantially the same arguments and the same recommendations that I shall make today. During this session of Congress, I have spoken several times in the Senate in the same vein.

The Senator from Massachusetts has presented eloquently and comprehensively the reasons which should lead the Congress of the United States, our Government, and our people to assist the Republic of India. I do not intend to elaborate at length on his remarks. My purpose is to state my understanding of the meaning of the resolution which the junior Senator from Massachusetts and I have offered, and the reasoning which supports its purpose.

THE RESOLUTION—WHAT IS ITS MEANING?

It is proper that Members of Congress and the people of the Nation should inquire of the sponsors: What is the purpose of the resolution?

If the resolution should be adopted, it would express, in my view, the decision of Congress to support India in its second 5-year plan for economic development.

Before its second 5-year plan ends in May 1961, India will need technical assistance and also food and fiber from our agricultural surpluses. But the central issue of its success or failure hinges on its ability to secure foreign exchange in the amount of $1.4 billion, now reduced to $1.175 billion by reason of our loan of $225 million, announced on March 4.

After attaining independence in 1947, India embarked on its first 5-year plan in 1950, and in 1956, on its second 5-year plan, to meet the demands of its peoples and to advance toward economic self-sufficiency.

The second 5-year plan, with which this resolution concerns itself, contemplates a total investment of $14.4 billion—$9.6 billion by the Indian Government and $4.8 by private investment. These programs called for increased agricultural production and the beginning of a balanced industrialization in both the public and private sectors of the Indian economy. An increase in agricultural production is still a chief goal, but the plan is designed to develop basic industries, such as coal, iron, and steel; electric power; machine tools and chemicals; which will themselves generate subsidiary and consumer industries. Parallel with this expansion is the need to repair and enlarge India's overburdened railway and other transportation systems.

The minimum objectives of the Indian Government are to provide new employment for 8 million workers who will come into the labor force; increase gross national product from $22 billion to $28 billion; and to increase investment from 11 to 12 percent. In terms of our wealth, this is a modest program. For if it is successful, India's per capita annual income will increase only from $56 to $66, compared to ours of over $2,000, and average daily per capita food consumption of 1,900 calories in India, compared with over 3,000 in this country, will increase only moderately.

A PROGRAM FOR THE UNITED STATES

As I have said, the recent loan of $225 million will reduce the gap to $1.175 billion and will be of substantial assistance to India. But it is my view that a minimum of $500 million in additional loans will be needed from the United States before May 1961, if India's economic program is to have assurance of success.

It is in this background that I shall speak of India's foreign-exchange problem. For brevity, I shall quote from an article which I wrote for the New York Times Sunday magazine, and which was published in the issue of March 16, 1958.

For its second 5-year plan the Indian Government foresaw a need for $2,200,000,000 with which to buy capital goods abroad. Since 1956, however, crop failures, the closing of Suez, and additional purchases of western military equipment (which India felt imperative as a result of our extensive military aid to Pakistan) have increased foreign exchange needs to $3,400,000,000.

India reduced this gap to $2.2 billion by drawing $1 billion from its sterling reserves and $200 million from the International Monetary Fund. Loans from the World Bank and other sources, including Russia, will reduce the gap to $1.4 billion. It is to help make up this amount that the United States is asked to provide additional loans and capital goods.

If the United States intends to do its full part to see India through, it is of the utmost importance that we give India assurance now that loans will be available. That is one purpose of our resolution.

Our constitutional system makes it difficult to give such assurance. But there are steps which can be taken to give evidence of our purpose.

First, an additional allocation of $75 million from the Economic Development Fund could be made by July 1. Second, payment of the balance of a $187 million wheat loan should be charged to payment in local currency, to conform to our present policy of surplus food sales to other countries. This would permit India to increase its credit at the World Bank by $125 million. These two steps, coupled with the recent $225 million loan, would provide India with credits aggregating $400 million during our fiscal year ending July 1, 1959, and would, I believe, meet her needs during that period.

The remaining $300 million needed before 1961 could be met in part by loans from the Export-Import Bank and the Economic Development Fund.

If loans from these sources are not forthcoming, it is my judgment that the administration ought to submit to Congress in 1959 its request for a direct loan to India. If the full case is made for aid to India, I believe that the Congress and the country would see that it is a matter of our mutual self-interest that such a loan should be made.

THE REASON FOR AID

I am well aware, as my colleague, the Senator from Massachusetts, said a few minutes ago, that any proposal to extend foreign aid, even by loans, at a time of economic recession, and when it is necessary to spend large sums for the military security of the United States, will meet strong opposition and critical inquiry. I agree wholeheartedly that it is the first duty of our country to strengthen its economy and to assure the security of our country. I have no doubt that our economy will resume its advance and that we will make whatever expenditures and sacrifices that are necessary to protect our country. In fact, the resolution which we have introduced expresses that confidence.

But during this time of internal economic stress, we cannot lay aside the issues of defense and security and our international responsibilities. We cannot cut them off for a few months because we are in a recession. They continue, and we must deal with them responsibly. As Secretary Dulles said yesterday to the Senate Foreign Relations Committee, we cannot because of our problems at home "tear down" "the very structure of the Free World, which makes it possible for us to enjoy in

peace and freedom the material blessings we have."

It is precisely because we are in a crisis of national defense, different from any our country has known, that we must exert greater efforts to hold together and sustain democratic countries throughout the world. For our goal of a free democratic world is challenged also by the economic and political side of the new Soviet policies.

It is an objective fact, little considered by most of us, that both the United States and Soviet Russia are seeking to alter the balance of power in the world—our country on the side of democracy; the Soviet Union on the side of communism and totalitarianism, without resort to war, but by political and economic means. In the evolving and changing competition between democracy and totalitarianism, the success of newly independent countries, such as Asia, their ability to advance economically and to be strong enough to remain free is an uncertain factor. The outcome of this competition in Asia could determine the duration and the result of the struggle between democratic and totalitarian forces in the world.

The economic challenge to the United States and democratic countries is being clearly drawn in Asia. The compulsion for economic advancement and equality in the world is the primary fact of political life in Asia. The governments of the new democratic countries will not be given the chance to carry forward the industrial revolution at the leisurely pace of a hundred years, as was the case in Europe and in the United States. If the democratic governments of Asia fail to better the living standards of their people, they will lose their support; and their people will look to the example of Soviet Russia and Communist China.

This, rather than aggression, is the threat to the growth of democracy in Asia.

Post-Stalinist Russia has shown itself aware of the issue at stake in India, and in Asia. The new leaders of Russia are aware of this, and they have been saying to Asia, and Africa, and the Mid-East, that they can develop economically by following the Soviet pattern, and by association with the Soviet bloc. And despite the backwardness and needs of their own people, Russia has been giving substantial economic aid to these countries. Our State Department recently reported that, since 1953, Soviet bloc agreements of military and economic assistance in Asia and the Middle East had totaled $2 billion. Russian scientists and agriculturists by the hundreds have been sent to these areas, and hundreds of leaders in the Asian-Afro industrial revolution have been brought to the Soviet Union for training.

It is all right that Russia should help bear the economic burden of these countries. It has waited a long time to do so. But the Asian countries should never forget that, following World War I, the Soviet Union poured its scorn and abuse on their democratic governments. Soviet aid is a threat to us, only if we withdraw our aid, or because we may lose by default—by timid half measures, by preoccupation with the military aspects of the world crises, to the neglect of the political and economic. If we disassociate ourselves from the great interest of these countries—to advance economically—and if they are forced to rely on the Soviet bloc—eventually we shall face isolation from a majority of the world's people.

I see no reason why we cannot meet this new economic and political challenge. We were first in the field, and it is the field in which we have announced to the world for a long time that we are best fitted.

Why should the United States assist India? I do not derogate the necessity of continuing assistance and friendship for our old and true friend, the Philippines, or for Japan, Pakistan, and other Asian friends. But the case for India is self-evident. It is the largest non-Communist nation in Asia. It is the most powerful country in the South Asian, Middle East, and African region in terms of resources and present economic development. It is engaged in a great effort of political and economic development—and we must not forget—by democratic means. It has a democratic government, whose leaders command the overwhelming support of the people; and it has a first-rate civil service—probably the best in Asia. It has successfully completed its first 5-year plan, and has a good chance of success with its second 5-year plan, if it receives the necessary assistance—assistance that can come only from the United States or the Soviet Union.

India is strategically the center of this vital region, flanked by the Arab world and an unstable South Asia. This region is confronted with the experiment of Communist China—to advance by totalitarian methods, with the massive aid of Russia—and by India's effort to advance by democratic means. If India should fail, there is grave danger that the peoples of Asia and Africa would view it as a failure of democratic institutions and methods. If this happens, the balance of power and influence will actually fall against the United States and other free countries, and our danger would be intensified.

I am reminded that for 10 years, now, our country has been upset and saddened by the adherence of China's mainland to communism. If the Chinese mainland were not Communist today, the balance of influence in Asia and the world would, without question, be upon the side of the democracies, and the prospects of freedom and security would be brighter.

It is my view that India has a much better chance to achieve democratic and political stability than China had, for India has had a true political revolution, led by men who have the confidence and support of the people, and it is working to bring economic and social justice to its people.

After World War II, I do not believe we realized the importance of economic advancement and social justice in China, as a condition of maintaining and building democratic institutions. Shall we make the same mistake in our understanding of India's problems?

I do not want to pass over the American criticism of India's policy of nonalinement or, as it has been termed by many in this country, neutralism, as a reason for opposing further aid to India.

India would like us to understand her policy as a contribution to peace. In part, it is a policy of self-interest, based on geography—her proximity to the Soviet Union and a 2,000 mile frontier with China. India desires also to concentrate her energies on her economic tasks, without involvement in the cold war. But in the main, nonalinement arises from a desire to be wholly independent.

India should not forget that the great purposes we have in common are independence and freedom. It is certain that these are not Soviet purposes. Our opposition to the march of communism is founded on our intense hatred of force and our determination to maintain the independence of our country and strengthen freedom in the world. We believe that the resolution of our own country and others of like mind—to whom the threat of aggression has been very real during the past 10 years—has helped many newly independent countries pursue their goal of peaceful development.

While I have argued our self-interest, I do not want to neglect the affirmative purposes which should lead us to aid India. She has chosen democratic institutions, and is staking her success on free and voluntary methods. President Prasad, Prime Minister Nehru, Vice President Radhakrishnan, and other Indian leaders are unalterably opposed to the use of force and coercion, and are democratic by conviction and sympathy. Twice they have taken their policies to the people in the largest free elections in the world. If India resists alinement with our political policies, she resists alinement also with the Soviet bloc. India's influence, already great, will increase throughout Asia and Africa, and in the world. A strong, democratic India is in accord with our national security, and is in harmony with our goal of sovereign, democratic nations.

No one can predict the outcome of the Indian struggle for economic development. It is true that in India, there are elements, as in other Asian nations, which are attracted by the seemingly successful methods employed by Russia and Communist China in the development of their economies. I believe India will strengthen her democratic institutions and will succeed in her efforts for economic advancement. I would not like it to be recorded that the greatest democratic country in the world, the United States, failed to give adequate assistance to India in her crucial effort for her own people and for democracy in Asia.

I have dealt chiefly with the self-interest of the United States. But I do not want to overlook the deep humanitarian impulses of our people which have led us throughout our history to help peoples throughout the world. We cannot help but know that it is inequitable if democratic countries will not move toward correcting the imbalance of

opportunity and living standards which exist in different areas of the world. Humanity and justice dictate the responsibility of the United States, as a favored nation, to do its part to correct this imbalance.

I congratulate the distinguished junior Senator from Massachusetts [Mr. KENNEDY] on the initiative he has taken in bringing these issues before the Senate, and in challenging public opinion. I am glad to be associated with him.

I should like to say, also, that I know, from personal experience, that the President of the United States, and the Secretary of State, Mr. Dulles, have continually shown their deep interest in the problems of India and Asia, and have taken the initiative in supporting their democratic efforts. And it has been evident to all that Mr. Christian Herter and Mr. Douglas Dillon, in their positions of leadership in the Department of State, have given strong and effective support to this aspect of our foreign policy.

In our preoccupation with world communism, we may forget at times the powerful drive for freedom and independence which has swept from the Philippines, across Asia, into Africa. It offers great opportunities. It also offers some dangers. We believe that freedom will prevail, but we know that its spirit is not constantly and uniformly irresistible. The great Justice Holmes said: "The irresistible comes to pass through effort." We have submitted this concurrent resolution to suggest that the United States make its greatest effort for freedom, and in the hope that it may prevail in Asia.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. KENNEDY. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Committee on Banking and Currency, the Committee on Rules and Administration, and the Committee on Labor and Public Welfare be permitted to sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask unanimous consent that this request be printed in the RECORD, following the conclusion of my remarks and those of the Senator from Kentucky.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL-AID HIGHWAY ACT OF 1958

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. COOPER. Mr. President, I submit, and send to the desk, some amendments which I wish to have lie on the table.

I ask that they be printed in the RECORD.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The amendments will be received, printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments intended to be proposed by Mr. COOPER are as follows:

On page 7, line 1, after the word "shall", insert a comma and the following: "except as provided in section 2 of this act."

On page 7, line 6, after the word "shall", insert a comma and the following: "except as provided in section 2 of this act."

On page 8, beginning with line 20, strike out all over to and including line 13 on page 9, and insert in lieu thereof the following:

"SEC. 2. (a) Immediate apportionment of $400 million of the Federal-aid primary, secondary, and urban authorization for 1960: Immediately upon enactment of this act $400 million of the sum authorized by section 1 of this act to be appropriated for the fiscal year ending June 30, 1960, shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838)."

On page 9, lines 14 and 15, strike out "authorized to be appropriated in section 2 (a) herein" and insert in lieu thereof "required to be apportioned by section 2 (a)."

On page 11, beginning with line 21, strike out all over to and including line 4 on page 12, and insert in lieu thereof the following:

"(h) It is hereby declared to be the intent of the Congress in the enactment of this section to make funds available for expenditure on the Federal-aid primary or secondary systems, including extensions of these systems within urban areas, for the purpose of immediate acceleration of the rate of highway construction on these systems."

Mr. COOPER. Mr. President, my amendments would reduce by $400 million the appropriations authorized in section 2 of the bill; but the amendments would not alter in any way the purpose of the section, which is to speed up and increase the work on the primary and secondary roads, known as the ABC system, and their extensions in urban areas.

I shall explain the purpose and operation of section 2 of the bill and the effect of my amendments.

Section 2 of the committee bill authorizes the appropriation of $400 million for the ABC system for the fiscal year 1959, in addition to the $875 million authorized by the Federal-Aid Highway Act of 1956.

Certain changes from the 1956 act are made in the use of the funds. Chief among these are the provision that Federal-State matching shall be on a 70 percent–30 percent basis, rather than on the usual 50 percent–50 percent basis; the provision that contracts awarded by State highway departments under this special authorization shall be awarded before December 1, 1958, and shall provide for completion by December 1, 1959; and the provision that loans aggregating $115 million may be made to States to assist them in matching the Federal funds, and that they shall be repaid from any Federal highway funds apportioned for the fiscal year 1961 and the fiscal year 1962.

It is obvious that the purpose of this special authorization of $400 million and $115 million, or a total of $515 million, and it is a very proper purpose, is to provide additional funds to increase the awards and amounts of contracts on the ABC system, and to put men to work during this time of recession. It is an antirecession measure.

But this point must also be made clear: The $515 million which the bill thus would authorize to combat recession and to provide employment must come out of the general funds of the Treasury. It cannot be taken from the trust fund provided by the Federal Highway Act of 1956. If there were need of this special and additional expenditure of funds, I would not offer my amendment, but I do not think it is needed.

I give my reasons: The pending bill authorizes an apportionment of $900 million for fiscal year 1960. Sometime after July 1, 1958, this sum will be apportioned to the States, and will be immediately available for contractual obligation. It will impose no additional obligation on the Federal budget, because it will be paid from trust funds which will accumulate from various highway-user taxes.

My amendment provides that $400 million of the $900 million authorized for fiscal year 1960 shall be immediately apportioned to the States. If the amendment is adopted, it will achieve the same purpose as the special authorization of $400 million provided in section 2 of the committee bill.

First, the $400 million would be immediately available to the States for road construction on the ABC system. Second, it would have the same effect as an antirecession measure. It would put men immediately to work. But the difference between the committee provision and my amendment is that the $400 million authorized by the committee bill would add to Federal expenditures in that amount. My amendment would not add to Federal expenditures. It would simply advance by a few months the apportionment of $400 million of the $900 million which the pending bill authorizes for fiscal year 1961, and which is a part of our regular road program.

If my amendment is adopted, the $400 million will be paid from the trust fund, for ABC funds have first claim on the trust fund. It will not, I repeat, increase the regular highway expenditures of the Federal Government, and it will accomplish the same purpose as the committee version—put men to work.

If the recession should continue and the Congress should decide that additional highway funds should be provided, that would be the proper thing to do. But it seems to me there is no necessity for adding $400 million to Federal expenditures when the regular authorization of $900 million is available, and $400 million of it can be made available at this time and apportioned to the States.

My amendment would not disturb any other provision of section 2. The $115 million authorized would still be available to help the States.

We do not know what the next few months will bring. There may be other expenditures for public works. I simply make the point that the amendment I

offer would immediately make available to the States $400 million. It would not add a cent to the budget. It would put men to work the same as a special appropriation of $400 million would, and if more funds should be needed later this year, they could be authorized by the Congress.

A ONE-MAN FIGHT ON DISEASE

Mr. HUMPHREY. Mr. President, the Minneapolis Sunday Tribune for March 9, 1958, contained a feature article entitled "Father Wages One-Man Fight on Disease." The story concerns the heroic efforts of the Minneapolis businessman, Mr. Miles Fiterman, growing out of his 3-year-old daughter's unfortunate disease, ulcerated colitis.

Mr. President, this is the kind of voluntary individual effort which I like to think typifies the best in the American way of life. I think Mr. Fiterman's story is one which should be widely noted, and I ask unanimous consent that the text of the article just mentioned be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FATHER WAGES ONE-MAN FIGHT ON DISEASE—CHILD'S ILLNESS LEADS HIM TO FORM RESEARCH FOUNDATION

(By Victor Cohn)

Three years ago a Minneapolis man learned that his 3-year-old daughter had a disease called ulcerative colitis.

He already knew her symptoms—severe pain, chronic dysentery, loss of weight and strength, or in his words "how my vivacious, beautiful, alert little girl became a seriously ill, semi-invalid, bedridden patient."

But he asked the doctors, as we all would: "What's ulcerative colitis?"

He was told: "A progressive, inflammatory disease of the intestine."

"What causes it?"

"We don't know."

"What can you do for her?"

"Perhaps something. Perhaps little."

"How long will she have it?"

"Perhaps all her life."

This father, as we all might, took his daughter from doctor to doctor, in several parts of the country. Every place, he got about the same answers.

Ulcerative colitis attacks the large intestine. Our food, after we digest it, goes from the stomach through the long, coiled small intestine, then into the broad large intestine.

A disease called regional enteritis—called, in one form, ileitis—affects the small intestine. This is what afflicted President Eisenhower in 1956.

The two diseases may or may not be related—no one is sure. But they are very much the same in their effect on the patient, whether President or small child.

Drugs, changed diet, blood transfusions, bed rest, vitamins, sedatives—these things sometimes help ulcerative colitis. And sometimes not. In a typical case, the disease gets better, then worse again, and usually does this again and again.

Most patients are 20 to 40 years old when first seen, but the disease is common, too, in children, teen-agers, and the old. Hospital stays often run months, and care costs thousands of dollars.

In 5 to 10 percent of all cases, the chronic weakness and exhaustion, and sometimes complicating infection, lead to death.

Surgery sometimes helps spectacularly. And sometimes not.

All these things this Minneapolis father gradually learned.

The man is Miles Fiterman, a lumberman. He has built this business in 10 hurried years, and his approach to this strange disease now became hurried, too.

"How long," he tells you, "can a man sit in hospital corridors before he tries to see if something can't be done or learned about this disease, if not for his daughter, for someone?"

So he started traveling again, and found several interested clinicians—the doctors who treat patients—but few interested research men.

At the University of Chicago, however, he found Dr. Joseph Kirsner, and a little bronze plaque on the door of one small room: "Research in Ulcerative Colitis."

"What other research is there around the country?" he asked Kirsner.

The answer was "Almost none."

Fiterman went to the Government's National Institutes of Health at Bethesda, Md., near Washington, and saw Dr. C. J. Van Slyke, distinguished Associate Director.

Ulcerative colitis, Van Slyke told him, is one of the back alleys of modern medicine, "and we, too, feel something should be done about it."

Fiterman offered help. He now formed a nonprofit foundation—the National Foundation for Research in Ulcerative Colitis, with headquarters at 1100 K Street, Washington.

With Kirsner's aid, he established a top-notch medical advisory board, including men from New York, Chicago, and other cities; Duke, Stanford, Chicago, Oregon, and Oklahoma Universities medical schools, and two Minnesotans eminent in this field—Drs. J. Arnold Bargen, of the Mayo Clinic, Rochester, and Owen H. Wangensteen, of the University of Minnesota.

He had a statistical study made indicating that perhaps 200,000 new cases a year of ulcerative colitis and regional enteritis appear in American doctors' offices—far more than anyone had supposed.

He also saw Senators HILL, of Alabama, and THYE and HUMPHREY, of Minnesota. (HILL and THYE as ranking majority and minority members of the Senate Medical Appropriations Subcommittee sponsored an appropriations increase for the National Institutes of Health.)

With this, plus Fiterman's financial help, the Institutes sponsored a high-level ulcerative colitis research conference—first of its kind—January 6 in Washington. Fiterman and HILL were the only nonmedical speakers.

This Minneapolis man is going around the country now talking to scientists and others, with the goal of the new foundation "a large-scale research effort, not through a public drive but through solicitations of individuals and other foundations, and Government support."

"The research men need to try to produce the disease in experimental animals," Fiterman explains. "Kirsner says medicine needs to study bacteria, viruses, emotions, allergies, nutrition, biochemistry, stress, cell growth, biology—in other words everything.

"Most of all, we want to provide a research climate that will attract young men—a long-range program with continuing and guaranteed funds. The way ahead may be long."

But he adds: "Maybe not. The fact patients improve for one reason or another is evidence that it can be reversed."

As he said to the research scientists meeting in Washington: "We accept the fact that no cure exists now, but we will not accept the fact that little nor nothing can be done about it."

EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter appearing in the New York Times yesterday on the subject of the Capitol extension.

The writer of the letter is Mr. Gilmore D. Clarke, member of the Commission on Fine Arts from 1932 to 1950, and Chairman of that Commission for 13 years. Mr. Clarke is an honorary member of the American Institute of Architects, a fellow of the American Institute of Landscape Architects, a receiver of the gold medal of honor from the Architectural League of New York, a member of Academy of Arts and Letters, a member of the National Academy of Design.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAPITOL CHANGE APPROVED—PROPOSAL TO EXTEND EAST FRONT SAID TO BE GOOD PLAN

To the EDITOR OF THE NEW YORK TIMES:

The proposal to extend the central element of the east front of the United States Capitol has been the subject of attack from a number of persons, professional architects and others, who are not informed on the subject. The New York Times has also joined in opposing the decision to undertake this new construction.

Congress, by an act passed in 1956, has deemed it necessary for three reasons: to replace the relatively soft, disintegrating Aquia Creek stone (it has been painted 35 times since 1819) of which this central part is constructed, with a durable marble as originally planned; to extend the portico, including the flanking walls, a distance (32 feet 6 inches) necessary to support the dome that now overhangs it, and to provide additional space for offices and hearing rooms as well as to afford a desirable hallway on the second floor. This hallway will connect the House of Representatives and the Senate wings for exclusive use by the legislators.

FIRST SUGGESTION

A proposed extension of the central element of the Capitol was first suggested in 1864 by the then Architect of the Capitol, Thomas U. Walter, who designed the dome and the Senate and House wings. Studies, including a scale model, were made for the extension of the east front by John M. Carrere and Thomas Hastings soon after the turn of this century. One of the two schemes was approved in principle on two occasions by the National Commission of Fine Arts, first in 1918–19 and again in 1935. The distinguished architect members of the Commission who approved the extension of the east front of the Capitol in 1918–19 were John Russell Pope (designer of the National Gallery of Art), Charles Adams Platt (designer of the Freer Gallery of the Smithsonian Institution), and William Mitchell Kendall of the firm of McKim, Mead & White (designer of the Arlington Memorial Bridge).

The equally distinguished architects who again approved the extension of the east front in 1935 were Edgerton Swartwout, John Mead Howells, and Charles Coolidge. All six of the aforenamed architects were classically trained.

ARCHITECTS BACKED

The architects at present associated with the Architect of the Capitol to follow the will of Congress as expressed in the Legislative Appropriation Act of 1956 providing for the extension, reconstruction, and replacement of the central portion of the United States Capitol substantially in accordance with scheme B of the architectural plan submitted by a joint committee of the Congress of March 3, 1903, are neither vandals, as has been intimated, nor are they committing a crime against art and history, as one commentator wrote.

They are dedicated artists who firmly believe, as did the six distinguished members of their profession before them, that they are right in deciding that the beauty of the central element of the east front of the Capitol will be greatly enhanced when reconstructed in marble in the exact manner in which it was originally designated and moved east 32 feet 6 inches properly to support the dome.

In order to retain the reentrant court of the east facade they have recommended to the Congress that the Senate and House wings should ultimately be moved easterly a distance equal to that of the central element. They are firmly of the opinion that the contemplated changes will neither destroy the majestic grandeur of the dome nor totally obliterate the central court.

GILMORE D. CLARKE,
Member, Commission of Fine Arts, 1932–50.
NEW YORK, *March 17, 1958.*

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. GORE, by unanimous consent, introduced a bill (S. 3560) to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes, which was read twice by its title and referred to the Committee on Public Works.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

CONSTRUCTION OF COURTHOUSE AND FEDERAL OFFICE BUILDING, MEMPHIS, TENN.

Mr. GORE. Mr. President, I introduce for appropriate reference a bill to authorize the construction of a courthouse and Federal office building in Memphis, Tenn.

During the past several years, numerous surveys have been made in Memphis to determine the need for a new Federal building, but to date no action has been taken on the part of the General Services Administration to provide these much-needed facilities.

According to reports which have reached me, the Government is paying an annual rent bill of about $375,000 to house various agencies in the city of Memphis. These agencies are widely scattered throughout the city, to the extent that persons doing business with Government agencies must be greatly inconvenienced in seeking out several different offices before their purposes have been accomplished. Even within a given department of the Government, offices are widely scattered. For example, various offices within the Department of Agriculture will be found in 10 different locations throughout the city. The Department of Commerce has agencies in four different locations.

The only Federal building now in existence in Memphis is an old building which was first completed in 1885. This building has been expanded by additions made to it in 1904 and 1932. This building is grossly inadequate for even the limited activities which are now carried on within it. Federal court is held in this building in a courtroom which will seat approximately 75 persons. A second courtroom, which was formerly a grand jury room, accommodates only about 20 people and the bankruptcy court meets in a small room which accommodates only about 25 people.

Mr. President, I submit that we should take every advantage of the downturn in our economy to construct public works of lasting importance. It is in times of economic recession that we can do this work to best advantage and at minimum cost.

Mr. President, I hope the Public Works Committee and the Senate will act promptly on this matter.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3560) to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes, introduced by Mr. GORE, was received, read twice by its title, and referred to the Committee on Public Works.

RECESS TO 10 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 15 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, March 26, 1958, at 10 o'clock a. m.

NOMINATION

Executive nomination received by the Senate March 25 (legislative day of March 17), 1958:

UNITED STATES DISTRICT JUDGE

Mendon Morrill, of New Jersey, to be United States district judge for the district of New Jersey, vice Alfred E. Modarelli, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 17), 1958:

UNITED STATES CIRCUIT JUDGE

Oliver D. Hamlin, Jr., of California, to be United States circuit judge for the ninth circuit.

UNITED STATES ATTORNEY

Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado, term of 4 years.

UNITED STATES MARSHALS

Pervie Lee Dodd, of Alabama, to be United States marshal for the northern district of Alabama, term of 4 years.

Tom Kimball, of Colorado, to be United States marshal for the district of Colorado, term of 4 years.

Vernon Woods, of Illinois, to be United States marshal for the eastern district of Illinois, term of 4 years.

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire, term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 25, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

James 4: 8: *Draw nigh unto God, and He will draw nigh unto thee.*

Almighty God, Thou art always calling and constraining us to draw nigh unto Thee in prayer with a humble spirit and a contrite heart.

We are now coming unto Thee, bringing many things that we cannot leave behind; our sins and shortcomings, our failures and frustrations, our problems and perplexities, beseeching Thee that we may find Thy grace sufficient for all our needs.

Help us to feel that Thou art daily seeking to deepen our faith and to strengthen our feeble wills with Thy sustaining power.

May all the barriers which prevent us from entering into an intimate and joyous fellowship with Thee, be broken down.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE HONORABLE ROSCOE CONKLING McCULLOCH

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, it is with regret that I announce to the House the passing of Roscoe Conkling McCulloch, a former Member of this body.

Roscoe McCulloch served in this House during the 64th, 65th, and 66th Congresses. He represented the 16th Congressional District which I now have the honor to represent.

As a Member of the House of Representatives Mr. McCulloch became an expert on tariff laws which made contribution to the development of the Middle West and particularly the 16th Congressional District. As a Member of Congress he served on the Banking and Currency Committee and also on the Committee on Immigration and Naturalization.

He voluntarily retired from the House of Representatives and returned to his home in Canton, Ohio.

From 1922 to 1926 he served as an Assistant United States Attorney General, taking an active part in the investigation and prosecution of fraud cases, serving in the interests of the Government.

He later served as chairman of the Public Utilities Commission of Ohio, having accepted the appointment at the insistence of Gov. Myers Y. Cooper because of important rate cases that were to be heard by the commission. While serving on the commission a vacancy occurred in the United States Senate by reason of the death of the Honorable Theodore E. Burton. Roscoe McCulloch was appointed to fill the vacancy and he served in the Senate for the unexpired term.

Mr. Speaker, Roscoe Conkling McCulloch throughout his lifetime made substantial contribution to the welfare and interests of his city, his State, and the Nation. He was an impressive and handsome man who looked every inch a statesman and whose every action exemplified the best in statesmanship. I knew him well, Mr. Speaker, and I have lost a friend. Although I have not seen him in recent years I have vivid memories of being associated with him in the practice of law and hearing him recount many of his experiences as he served here in the House of Representatives.

He is survived by his widow, Helen Herbruck McCulloch, a son, Hugh McCulloch and his daughter, Katherine.

To his family I extend my most sincere sympathies.

GENERAL LEAVE TO EXTEND

Mr. BOW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to extend their remarks on the life, character, and service of the late Mr. McCulloch.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1959

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the Labor, Health, Education, and Welfare appropriation bill for the fiscal year 1959.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on the bill.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday next to consider the Labor, Health, Education, and Welfare appropriation bill for the fiscal year 1959.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during general debate in the House today, Wednesday, and Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

THE UNEMPLOYMENT SITUATION

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, many proposals have been advanced as cures for recession. The most important one has been mentioned but little and pushed not at all. High prices are our principal problem, and the President could do no greater service than to bring management and labor together in a determined effort to reduce prices.

Our economy is not in danger unless we talk recession into a depression. Despite scare headlines in nearly every issue of the major publications, we are still a prosperous Nation. A relatively small percentage of our people are unemployed. Savings are up. The Nation is sound and strong.

Now it is true that we have more unemployed than we had last year or that we have had for a good many years. But also we have more people working than in most of the years of our history. I believe the reasons for the fact that unemployment has grown in recent months are easily determined. People are tired of high prices. There has been a buyer's strike against prices that are ridiculously high for products which stress gadgetry more than service and reliability. I believe also that people are apprehensive about the security of our Nation, because they are still disturbed by Russian progress in the scientific field and in the diplomatic arena.

This situation could feed on itself and grow. But there are remedies and one major remedy is lower prices. The economic experts agree that the failure of prices to come down is the most unusual thing about the current recession. That in itself is an admission this is no ordinary recession generated by economic weakness. People will start buying again when there is good reason for it. Certainly an attack on high prices is preferable to huge spending programs or to tax cuts.

We cannot spend ourselves into prosperity through Government appropriations. The measures which have been suggested, and they are many, are in reality small-scale endeavors to restore confidence by passing laws. A restoration of more general prosperity is much more certain if the President will take the lead in bringing about the necessary action on the part of management and labor to induce price reductions. He has the prestige to insure proper cooperation between management and labor and he has the power, if need be, to knock heads together to guarantee cooperation.

COMMITTEE ON RULES

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PICTORIAL EXHIBIT OF SOVIET EMPIRE, 1917–58

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, on Sunday I had the pleasure of seeing the pictorial exhibit of Soviet Empire, 1917–58 now on display in Washington's Union Station. This display has been sponsored by the American Federation of Labor and Congress of Industrial Organizations. A real public service has been performed by organized labor in the United States through its sponsorship of this timely and highly informative pictorial exhibit.

This year the Russian leaders are celebrating the 40th anniversary of the victory of communism in Russia. As usual, their worldwide propaganda network is making outlandish and unfounded claims of the triumphs in the name of socialism during these past 40 years. The unsuspecting people of the world are asked to believe, through the propaganda, that the Russian Communists have created a utopia on earth and that they want no more than to share this so-called utopia with all the people of the world. In the fairyland of life under communism presented by Moscow propagandists no mention is made of the frightening trail of inhumanities which so mark the 40 years which have elapsed since the Communists took over control of the Russian Federated Soviet Socialist Republic.

Organized labor in the United States, being keenly aware of the facts that surround the past 40 years of life behind the Iron Curtain, have determined that the truth be presented to the American people. That is the motive that lies behind the pictorial exhibit now on display in the Union Station. There the viewer finds a graphic picture of the realities of life under communism. There are appropriate quotes from the lips of Lenin, Stalin, and other Russian leaders which show the real intention of communism toward all the people of the world. These, of course, are quite the opposite to what Khrushchev and his crowd are now claiming as their intentions toward humanity as they press for an early and ill-prepared meeting at the summit, where they seek to compel the leaders of the West to agree to a Russian-dictated era of peaceful coexistence.

I feel the American people are indebted to organized labor in the United States for sponsoring the graphic presentation of the earmarks of communism and Russian imperialism. I urge all Members of the House who have not already seen this exhibit to do so at their earliest convenience.

THE LATE HONORABLE GEORGE S. LONG

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, George Long was born in a log cabin.

At the time of his death, last Saturday, he was a Member of the Congress of the United States.

Only a few days before, he stopped to talk with me after the House had concluded its business for the day. I had no idea that the final adjournment was so near for him. From his manner, I do not believe he had any intimation that the end of his life was approaching so rapidly.

He was his usual cheerful self, interested as always in the welfare of others.

When I first came to Congress from Massachusetts, I did not know much about his native State except that the Long family was the most popular in Louisiana. George was a brother of Gov. Earl Long and the late Huey P. Long. He was also an uncle of Senator RUSSELL LONG.

But from my friendship with George, I learned how close he and his family were to the everyday problems of the people they represented. George worked night and day to make a success of his life; became a teacher, a dentist and a lawyer in turn, but he never lost that homespun, down-to-earth quality that endeared him to the folks back in the parishes of the Pelican State.

George had a great, big heart for the underdog.

He fought hard but clean for every constructive bill that was designed to help the aged, and the veterans.

Through him we came to know the people of Louisiana and their spirit, because he was so true to them.

The unknown thousands of people that he helped during his journey through life, stopped for a moment in silent prayer when they heard that their benefactor had passed on to his eternal reward.

The Congress of the United States joins with them in mourning the loss of our friend, and in the comforting words that we send to his widow, Mrs. Jewell Tyson Long, of Pineville, La.

GAMBLING—HYPOCRISY AND THE UNITED STATES SUPREME COURT

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, last week's decision by the United States Supreme Court in a case regarding our gambling laws typifies the kind of hypocrisy we are engaged in.

While we are supposed to frown on gamblers and their unscrupulous activities, we find instead that we still continue to practice hypocrisy by all kinds of interpretations and circumventions of our laws.

Mr. Speaker, until this recent court ruling, only the Congress engaged in this game of deception. Since 1951, by law, we have recognized this gigantic gambling industry by imposing a stamp tax of $50 a year on gamblers as well as a 10-percent tax on gross receipts. Beyond that, hypocrisy came into play, and we closed our eyes to this huge gambling enterprise.

Last week, the Supreme Court joined our ranks with a further exhibition of hypocrisy. The highest court in the land, by a 9 to 0 decision, ruled that the gambling taxes we imposed had the effect of making a gambling enterprise "a business for Federal tax purposes," and as such it should be treated just like any other legitimate business.

In this case, the Court decided unanimously that gamblers have a right to deduct operating expenses for tax purposes even though the enterprise is illegal under the laws of their States.

Mr. Speaker, while the American people cry out for sorely needed tax relief, hypocrisy continues to ride high. Instead of banishing hypocrisy by legalizing a national lottery which would produce $10 billion a year in revenue to our Government and a tax cut to our hard-pressed taxpayers, we stubbornly refuse to recognize the obvious.

As a result of the Supreme Court's decision, hypocrisy not only denies our taxpayers relief from the unconscionable tax burden, but rewards our gamblers with a tax cut for carrying on their illicit businesses.

What price hypocrisy.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, lest we panic over this much-discussed recession, let us consider what we are receding from. A drop in the water to a few feet below flood stage does not constitute a drought.

By any normal standard our business and economic activities remain at a prosperous level, only a little below our all-time record highs. Consider the story of the hotel owner who was complaining worriedly about the turn his business had taken.

"Just how bad is it?" queried a friend. "Oh, we're still turning away 200 people a week," said the proprietor, "but last year it was over 300."

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1958

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1544)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10881) "making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 12, 17, 41, 42, 44, 45, and 47.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 8, 13, 14, 21, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 36, 37, 39, and 40, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert: "$6,250"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "2,350,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$75"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: ", none of which shall be for additional employees"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$6,200,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$56,950,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert: "$5,920"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "Not to exceed $1,100,000 of the funds previously appropriated under this head for the trade fair exhibit in Gorki Park, Moscow, may be used for the Universal and International Exhibition of Brussels, 1958, and the limitation thereon as contained in the Supplemental Appropriation Act, 1958, is increased from '$7,045,000' to '$8,145,000' "; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree

to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CHAPTER IX

"District of Columbia

"(Out of District of Columbia funds)

"Operating expenses

"Metropolitan Police

"For an additional amount for 'Metropolitan Police,' $192,000, to be paid out of the general fund of the District of Columbia"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, 6, 9, 18, 20, 22, 35, 38, and 48.

CLARENCE CANNON,
ALBERT THOMAS,
JAMIE L. WHITTEN,
JOHN J. ROONEY,
JOHN TABER,
H. CARL ANDERSEN,
CLIFF CLEVENGER,
Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
WM. F. KNOWLAND,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER I

Department of Agriculture

Agricultural Research Service

Amendments Nos. 1 and 2: Appropriate $6,250 for research work on pear decline instead of $12,500 as proposed by the Senate.

Soil Bank Programs

Amendment No. 3: Reimburses the Commodity Credit Corporation in the amount of $567,500,000 as proposed by the Senate instead of $489,500,000 as proposed by the House.

Amendment No. 4: Reported in disagreement.

Amendment No. 5: Reported in disagreement. While the managers on the part of the House will offer a motion to recede and concur in Senate Amendment No. 5, it is agreed by the conferees that funds from either this authorization or that contained in the regular 1958 Appropriation Act shall not be used to make payments on any contract on lands which were found to have been divided for the purpose of evading the limitation in the act making such authorization.

CHAPTER II

Department of Commerce

Maritime Activities

Amendment No. 6: Reported in disagreement.

National Bureau of Standards

Amendment No. 7: Strikes out the Senate proposal to appropriate an additional amount of $112,000 for "Expenses."

CHAPTER III

Independent offices

Federal Power Commission

Amendment No. 8: Appropriates $136,000 for "Salaries and expenses" as proposed by the Senate instead of $133,000 as proposed by the House.

Amendment No. 9: Reported in disagreement.

General Services Administration

Amendment No. 10: Appropriates $2,350,000 for "Operating expenses, Public Buildings Service," instead of $2 million as proposed by the House and $2,700,000 as proposed by the Senate.

Amendment No. 11: Allows payment of not to exceed $75 per diem instead of $50 as proposed by the House and $100 as proposed by the Senate.

Amendment No. 12: Appropriates $75,000 for "Operating expenses, Transportation and Public Utilities Services," as proposed by the House instead of $50,000 as proposed by the Senate.

The managers on the part of the House do not agree to the statement of policy in the Senate report regarding the role of this service.

Former Chairman Hyde of the Federal Communications Commission described the role the General Services Administration has in matters before the Commission as follows: "Our duty is to protect all users, private users, corporate users, Government users, when they appear before us in that capacity, to see that there are no discriminations favoring one class as against another; and we do endeavor to protect all; we will call them consumers in a collective way. That does not mean that any person who feels he has a view to urge should not seek to make a presentation in this kind of case. I believe that they (GSA) have a duty to watch out for their interests from their viewpoint, and that is not a duplication of our work."

The House managers are of the opinion GSA's responsibilities are clearly established by law in this matter.

The conferees expect the General Services Administration to act with good judgment and not enter into any harassing activities, to avoid trivialities, and protect the interest of the Government.

Housing and Home Finance Agency

Amendment No. 13: Strikes out the House provision relating to building permit requirements.

National Advisory Committee for Aeronautics

Amendment No. 14: Appropriates $3,720,000 for "Salaries and expenses," as proposed by the Senate instead of $3,500,000 as proposed by the House.

Amendment No. 15: Restores House limitation relating to personal services to prohibit the use of the appropriation carried in amendment No. 14 for additional employees.

Amendment No. 16: Appropriates $6,200,000 for "Construction and equipment," instead of $6 million as proposed by the House and $6,780,000 as proposed by the Senate. The $200,000 increase above the House figure is to be used for equipment and not construction.

National Science Foundation

Amendment No. 17: Appropriates $8,750,000 for "Salaries and expenses," as proposed by the House instead of $9,900,000 as proposed by the Senate. The amount approved by the conferees includes $3,156,000 for basic research, $2,367,000 for the fellowship programs, and $2,367,000 for the institute for training of science teachers, the balance being minor items.

CHAPTER IV

National Capital Planning Commission

Amendment No. 18: Reported in disagreement.

CHAPTER V

Department of Health, Education, and Welfare

Office of Education

Amendment No. 19: Appropriates $56,950,000 for "Assistance for school construction," instead of $56,900,000 as proposed by the House and $57 million as proposed by the Senate.

Amendment No. 20: Reported in disagreement.

CHAPTER VI

Legislative branch

Senate

Amendment No. 21: Inserts heading as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendments Nos. 23–29: Insert miscellaneous items for expenses of the Senate as proposed by the Senate.

Capitol Police

Amendment No. 30: Appropriates $5,920 for general expenses instead of $11,840 as proposed by the Senate.

CHAPTER VII

Public works

Bureau of Reclamation

Amendments Nos. 31 and 32: Strike out excess language as proposed by the Senate.

Amendment No. 33: Strikes out the House language which prohibits allocation of funds for use on contracts which were not in effect as of February 20, 1958. However, the conferees are in agreement that no new construction contracts under the upper Colorado River storage project shall be entered into for service facilities pending further review by the Committees on Appropriations.

Amendment No. 34: Includes clarifying language proposed by the Senate relating to funds for the Navaho unit.

Amendment No. 35: Reported in disagreement.

Amendments Nos. 36 and 37: Make perfecting language changes as proposed by the Senate.

Amendment No. 38: Reported in disagreement.

Amendment No. 39: Strikes out House language appropriating $62,500 for general investigations. In lieu of the direct appropriation proposed by the House, planning on the following projects will be financed from available funds as follows: San Angelo, Tex., $50,000; Canadian River, Tex., $12,500; and Pecos River channelization and salinity control, New Mexico and Texas, $35,000.

CHAPTER VIII

The judiciary

Amendment No. 40: Appropriates $275,000 for salaries of judges as proposed by the Senate instead of $300,000 as proposed by the House.

Amendment No. 41: Appropriates $59,000 for travel and miscellaneous expenses as proposed by the House instead of $70,500 as proposed by the Senate.

Amendment No. 42: Strikes out the Senate proposal to increase the amount available for payment of fees to attorneys.

President's special international program

Amendment No. 43: Provides $1,100,000 by transfer for the Universal and International Exhibition at Brussels and deletes the House proviso which would have required that $1 million be used on a public health service exhibit. The House proposal would have derived $1 million by transfer as compared with the Senate's proposal to provide $2,054,000 by direct appropriation.

Amendment No. 44: Provides not to exceed $750,000 to be derived by transfer for use in connection with the international trade fair program as proposed by the House instead of the Senate proposal to provide the same amount by direct appropriation.

CHAPTER IX

Department of Defense

Amendment No. 45: Strikes out the proposal of the Senate to appropriate $3,500,000 for the 1960 Olympic Winter Games.

CHAPTER IX

District of Columbia

Amendment No. 46: Appropriates $192,000 for "Metropolitan Police," as proposed by the Senate.

CHAPTER X

Claims for damages, audited claims, and judgments

Amendment No. 47: Retains chapter number as proposed by the House.

Amendment No. 48: Reported in disagreement.

CLARENCE CANNON,
ALBERT THOMAS,
JAMIE L. WHITTEN,
JOHN J. ROONEY,
JOHN TABER,
H. CARL ANDERSEN,
CLIFF CLEVENGER,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, on this bill the budget estimates totaled $2,874,144,080. The bill as it passed the House totaled $2,857,882,907. The Senate increased it by $11,523,556 to a total of $2,869,406,463. The conference agreement is for a total of $2,861,008,793. That of course is a compromise but it is a compromise in favor of the House position. It is $3,125,886 above the House bill, but it is $8,397,670 below the Senate total.

There are four principal questions involved, Mr. Speaker. One is the acceptance of the Senate language on the $3,000 limitation on the amount to be paid any one participant under the additional authorization for the 1958 acreage-reserve program. That is a matter with which the House is quite familiar. To assure fair and equitable treatment to all participants in the 1958 program, we have agreed to language making the limitation established for the original authorization also applicable to the supplemental authorization.

We denied the full appropriation on the Brussels Fair. We recommend $1,100,000, which is only $100,000 above the House bill but substantially below the $2,054,000 in the Senate bill.

We added $50,000 of the $60,000 inserted by the Senate for a District of Columbia mass transportation survey. There has been survey after survey made, and probably no local question has been more carefully considered than the question of transportation here in the District of Columbia. Appropriations have already been made to the extent of $400,000. With $400,000 we should have secured an adequate survey, but because of the congestion on the streets we agreed to go along an additional $50,000.

Finally, we have allowed an additional $192,000 inserted by the Senate, for District of Columbia police. There are so many young hoodlums in this town who prey upon old women and old men that we thought we were justified in making this additional allowance for police protection.

Now, Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the Congress and the country are today confronted by many important questions, some of which affect directly the safety and perpetuity of the Republic. But a new question is being agitated, the most important question of them all, as to whether or not we will rebuild the east wall of the Capitol.

The front of the Capitol was built of crumbling sandstone. Like London Bridge, it is falling down, and like London Bridge it must be rebuilt. London Bridge was one of the most venerable structures in the British Empire, and yet it is not recorded that, when the time came to rebuild it, anybody said it was a national monument and exempt from the depredations of profane hand of modern progress. But, there are those who contend that the rebuilding of the front of the Capitol is a matter of such world-shaking importance that it has crowded national defense, tax adjustment and Drew Pearson revelations off the front page. The destinies of the Republic turn on the determination of this momentous question.

It is contended that the Capitol is a monument, a national museum; that it is as sacred and unapproachable as the Ark of the Covenant.

Mr. Speaker, this town is full of monuments and museums. The Capitol of the United States is not a monument. It is not a museum. It is a workshop. The business of the Congress is more important and more voluminous than that of any capitol in the world. We must have room in which to meet and facilities with which to transact it, unhampered by lovable and innocent old ladies and sentimental, emotional, sensation seeking flubadubbies adding to the burden of these critical days instead of helping carry the load.

Mr. Speaker, I was disconcerted when I entered the Capitol this morning to note the brilliant lights on every side. When the Capitol was built they established candelabra and used tallow candles. Some sacrilegious iconoclast has removed the candles and substituted electric lights.

We are informed that George Washington was accustomed to soak his aching feet in a wooden foot tub. I am told—I am not in a position to speak from first-hand knowledge as I have the constitutional aversion to bathtubs shared by other adversaries to the march of progress—that the Capitol is equipped with large porcelain bathtubs trimmed with glittering chrome fixtures.

And one of the most sacred traditions of Capitol Hill is that of Thomas Jefferson riding up to the east front, tieing his horse to the hitch rack and going in to take the oath as President of the United States.

Mr. Speaker, where is that historic hitch rack?

I want to know who moved those hitching posts away from in front of the Capitol. I demand that they be returned or that somebody be impeached.

When Abraham Lincoln came here as a Member of this Congress, in order to make him feel at home, they took him out and showed him a rail fence around one corner of the Capitol "yard." Some vandal has removed that rail fence.

Mr. Speaker, along with the rest of the sob sisters I demand the return of the ancient landmarks, the candelabra and the candles; throw out the chrome bathtubs and return George Washington's foot tub, Jefferson's hitching post, and Abraham Lincoln's rail fence.

And let the fragments of the east wall fall where they may.

In China, it is the custom to bury important men where the soothsayers indicate, sometimes in the middle of a field. Then for hundreds of years after they plow around those tombs.

We are not as Chinese as that. We have work to do and, at best, we have little enough space and little enough time in which to do it. We refuse to plow around the impedimenta of the past. We revere our ancient grandeur—at the proper time and in the proper place. But this is a practical, workaday world. General Prescott, at Bunker Hill, when gun wadding was exhausted in repelling the second charge of the British, himself gathered up the Bibles and hymn books in the little village church and passed them out to the minutemen.

Mr. Speaker, the east front was intended to be the front door of the Capitol and the city of Washington was to be built east of the plaza. It is now a storage room and a junk pile. Walk over there and try to find the columns Jefferson gave the Nation. Look for the cornerstone laid by Washington with such elaborate ceremonials. You will have difficulty locating them.

We need not only room and durable stone at the east front. We need to restore the beauty and dignity of the east front.

Mr. Speaker, I yield to the gentleman from New York [Mr. TABER] such time as he may require.

Mr. TABER. Mr. Speaker, this bill, like the rest of them that have been coming along, is away above what it ought to be. There is an increase of $78 million in amendments 3 and 4, which is supposed to come out of the acreage reserve program for the fiscal year 1958 which otherwise would not be used. It is a situation that I do not believe is right because the funds that are involved in this thing are so much bigger than they ought to be that it is not right.

On the ordinary items which are in there I do not have very much to say. We did pretty fair in our dealings with the Senate. For that reason, I shall not try to oppose the conference report.

Mr. CANNON. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I would like to ask the gentleman from Texas [Mr. THOMAS], chairman of the Independent Offices Subcommittee, a question.

I preface my question by stating that I spent the weekend at my home in Richmond, and, frankly, I was disturbed by the situation which I found there. It appears that the veterans' hospital in Richmond is turning down all applicants for admission except service connected and emergency cases, and their definition of emergency is a person who

cannot be moved to another hospital without endangering his life or his health.

I received numerous calls at my office and at my home from relatives and friends of veterans who had been refused admission. They informed me that they had been advised by the hospital that the reason for the refusal of admission was the failure of the Congress to provide sufficient funds.

I called the hospital, and the manager told me that was correct, that in the last few days they had been forced to change their policy and they were now admitting only service-connected and emergency cases. The reason for it was that they did not have sufficient funds to do otherwise.

May I ask the gentleman if there is anything in this bill to take care of that situation?

Mr. THOMAS. I will say to my friend from Virginia that I am at a loss to understand any such situation. In this bill they asked for $6,032,000 and we gave them $6 million for inpatient care. I am advised the administration sent up this morning another supplemental for about $3 million for inpatient care, which the committee has not yet received. We will get busy on it immediately. But assuming the situation you describe is true, I cannot imagine the VA turning down any patients when only a $3 million supplemental to a $700 million appropriation is now being requested.

Mr. GARY. I would say further to the gentleman that it was explained to me that heretofore the companies writing hospitalization insurance have been reimbursing the Veterans' Administration Hospitals for the patients that have insurance, but many of them have stopped that now, and a deficit has been created by reason of that fact.

Mr. THOMAS. The gentleman is right. There is $1,600,000 in the bill right now because of the decline in reimbursements.

Mr. GARY. Does the gentleman think that will take care of the situation?

Mr. THOMAS. Yes, I cannot believe there would be a situation where there would be any large closing of beds.

Mr. GARY. It is a serious situation in my district. I talked to the manager of the hospital 4 or 5 times over the weekend.

Mr. THOMAS. I think this will cure it. If not, we will be glad to cooperate with the gentleman.

Mr. GARY. I thank the gentleman.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I take this time to ask the chairman of the committee about the language on page 4 of the bill. The statement of the managers on the part of the House states with reference to amendment No. 5, which was introduced by me, and which provided that no part of the amount made available for acreage reserve payments shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000, states that amendment No. 5 is reported in disagreement, and recommends the House recede from its position. The language which reads as follows will be substituted:

Provided, That the same $3,000 limitation which was applicable to the original $500 million shall also apply to the additional $250 million authorized herein.

When this second supplemental appropriation bill was on the floor of the House, we had considerable debate on the Laird amendment and the House decided that the limitation should provide that there would be no more than $3,000 paid to any one individual or corporate participant. The language written into this bill by the other body provides that payment will be authorized as presently made according to the decision of the Comptroller General. Some payments are already programed for this year in excess of $140,000 to one individual operation under the acreage reserve program, and certainly it seems to me that the Congress does not want to give its stamp of approval to such large payments out of this $250 million which is made available in this second supplemental appropriation bill. The House accepted the opinion of the GAO on the original $500 million acreage reserve payments. I see no reason why we must follow the same procedure on the additional $250 million being made available today. I wonder if the gentleman from Mississippi could clarify this for me?

Mr. WHITTEN. May I say to the gentleman that the Subcommittee on Appropriations in bringing in the recommended $250 million did so because the law provided that each farmer was to be provided a fair and equitable opportunity to participate. At the time our subcommittee acted on the additional funds, a great number of farmers who had gone to the right place at the right time had the door closed in their faces and they were not given their fair opportunity to participate. Our whole argument was that these farmers are entitled to be treated in the same way as those who had been permitted to sign up under the original program of the $500 million. I am in thorough accord with the gentleman's views as to what we thought we had done last year in the conference report on the $3,000 limitation. But, the Department, however, with the approval of the Comptroller General, held that this limitation did not apply to the point of paying any one person only $3,000. In that connection, they left us this time, when we went to the other body, notwithstanding the House action, so that we would have had a $250 million program for those who were not permitted to sign up in line with their rights under the law, they would be operating under one restriction and those in the original $500 million would be under another restriction. I think that administratively it would have been untenable by the Department of Agriculture. We did the best we could. We provided in the report, and we had to put it in the report so that it would have application to both, because otherwise we could not amend last year's act by this year's action on the appropriation bill. So in the report itself, we provided that none of the money under either program, or at least this is our directive to the Department, should be paid where they had divided lands for the purpose of defeating the limitation. This is not what the gentleman supported here. It is not the House action. But, if we are to treat all farmers alike, as the law, I think, contemplated, since the other limitation is beyond our reach, the only thing these conferees could do would be to bring the $250 million into the same provision. We have tried to write this language to help to the degree that we thought we had the right to help.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. REUSS. Mr. Speaker, as the gentleman from Wisconsin knows, I vigorously supported his amendment and so did the great majority of the people here on the floor of the House.

After the Senate had acted to cut out the House language, I asked the Comptroller General for an opinion on whether the Secretary of Agriculture could not, in fact, live with and administer equally, with respect to both funds, the language which the House adopted. The Comptroller General on March 12 gave me a ruling that the Secretary of Agriculture, if he wanted to, certainly could administer both of the funds exactly alike, and treat all farmers fairly, and when this comes up later I will allude to it again.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, the Appropriations Committee is to be congratulated on its action in deferring the appropriation of funds for the construction of four new Federal buildings in Washington. The only improvement in this decision would be to permanently withhold funds for the construction of any additional buildings in Washington or this immediate area.

For many years there has been talk of the desirability for decentralization of many of the ever-expanding agencies in the Capital. Everyone seems to be in agreement that some steps should be taken to accomplish this, but as far as I can observe, nothing is ever done about it.

More building inevitably means workers to occupy those buildings, and the population is further concentrated in an area, where traffic is becoming almost impossible, and getting worse each day.

There is no reason why many Government agencies should not be operating in some other sections of the country, just as they did during World War II. There is no reason why even other agencies should not be shifted to other sections of the country.

Predictions are being made now that there will continue to be a rise in Federal employment, and frankly we do not need any more of it in this area. It is time to call a halt to this trend, and the quicker the better.

It might also be mentioned in this connection that the Commissioners of the District of Columbia are adopting a new approach in their attempt to justify larger Federal contributions, and this

time they are suggesting that the contribution be based on the Government payroll in the area. Talk about eating your cake and having it too, this is the limit.

The Commissioners are complaining that the Government-held land and other nontaxable property now totals 52.8 percent of the city's area. What better time to stop this from increasing than now?

Until such time as the District Commissioners show some inclination to collect taxes from property owners in the District of Columbia on a basis comparable to the taxes paid in other areas of the country, and more specifically the 10th Congressional District in Missouri, I expect to oppose any increased Federal contribution.

It is time for Congress to initiate a survey to determine the number of Federal Government activities that can be carried on just as well—even better—outside of the immediate environs of the congested area surrounding the District of Columbia. Representatives of the North, the South, the East, the Midwest, and the Far West should consider the activities which might be carried on best in the areas which they represent.

The Appropriations Committee has made a start on what could develop into a real decentralization of our Government which would distribute some of the benefits which the residents of the District of Columbia apparently think of as a burden. Let us relieve them of this burden now.

Mr. CANNON. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I did not realize that we came in at 11 o'clock today. I rise to ask the chairman if there is additional money for the attendants, doctors, and nurses in the veterans' hospitals. The hospital in Bedford in my district informs me that they are having a very difficult time taking care of their patients, due to the shortage of funds.

Mr. THOMAS. There is $6 million, the budget estimate, in this bill.

Mrs. ROGERS of Massachusetts. I think the Budget did not realize there would be a shortage. There was certain money they expected to come in that did not come in.

Mr. THOMAS. There is $6 million in this bill.

Mrs. ROGERS of Massachusetts. They are asking for a deficiency appropriation became it is absolutely necessary.

Mr. THOMAS. Yes. I understand it came in this morning. It is around $4 million. We will get busy tomorrow and bring it in.

Mrs. ROGERS of Massachusetts. I think the gentleman realizes, and every Member of the House realizes, that it does not make sense to dismiss hospital personnel and to make jobs for people somewhere else and not have enough money to take care of the men and women in the hospitals.

Mr. THOMAS. We will get around to it tomorrow.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. MORANO].

AMERICAN ART—BRUSSELS FAIR

Mr. MORANO. Mr. Speaker, last week, on this floor, I called attention to the very unfortunate choice of American art which will be shown in the United States Pavilion at the Brussels Fair. Since then, I have received a large number of letters and calls from citizens who expressed shock, indignation, and dismay over these disclosures.

I was happy to read Sunday that a few steps have been taken in recent days to strengthen the character of our art display but the basic weakness in the project still remains: The periods represented are too arbitrary, unrepresentative and irrelevant in the context of the whole sweep of American art history.

Many of my correspondents agreed that the fair offers a magnificent opportunity to reflect America's art at its best, to project the entire dynamic evolution of its great culture. A well-planned panorama of truly representative art would be one of the most dramatic ways I know of impressing on people of other lands the vitality, imagination, breadth, sensitivity—and good humor, too—of the American people from settlement days to the present.

Through this cavalcade of art, we would have a chance to show the development of the Republic, the lusty pioneers of the great West, the folklore and color of the various regions, the romantics and the realists, the throbbing impact of the historic tides of immigration and the growth of our great metropolitan centers, the modern influences and now, even, the new pioneers in the fields of impressionism and abstraction. Surely, as some of the recent excellent books on American art have shown, it is possible to assemble a striking, stirring story of America on canvas.

Such great names as Peale, Copley, Frederic Remington, Whistler and Sargent, Innes, Homer, Eakins, the Ashcan School artists, Wyeth, Bellows, Hopper—yes, and Grandma Moses—are but a scattering of some of our truly representative painters who could be represented.

Incidentally, I have written a letter today recommending to the United States Commissioner General of the Brussels Fair, Mr. Howard Cullman, requesting that he take corrective steps before it is too late, before we again blunder and lose an opportunity to put forth a real portrait, and not a misshapen caricature of America's face.

The letter follows:

MARCH 25, 1958.

Mr. HOWARD CULLMAN,
United States Commissioner General, Brussels Fair, Brussels, Belgium.

DEAR MR. CULLMAN: Last week I took the floor of the House to voice my protest against the unrepresentative, inadequate art exhibit proposed to represent the United States in the Brussels Fair.

In the past week I have received hundreds of communications supporting my stand. In addition, the Nation's press and art critics have expressed alarm at the choice of paintings purported to display to the world America's best art.

It seems particularly important to me that the mounting protest comes not from art critics and connoisseurs alone, but from people in every walk of life, who, like myself, are at a loss to understand why the great names of American painting have been deliberately omitted from our display.

I see in the unfamiliar names listed for exhibit no Trumbull, no Peale, no Remington or Sargent, nor even Grandma Moses.

Perhaps these protests may be dismissed by your art consultants as the uninformed opinions of nonartists who just don't understand the finer qualities of the chosen works.

Well, it is my understanding that the fair will draw viewers from every walk of life from every part of the world. Art, like music and sunshine belongs to everyone. Its capacity for appreciation is not confined to the artist alone.

Furthermore, in this situation, the protest has been led by recognized artists and art critics.

I strongly urge you, Mr. Commissioner, to effect a review of the choice of paintings which is causing concern to the American public. I strongly urge that steps be taken at once to present a more typical and representative selection of American art to the world.

Sincerely,

ALBERT P. MORANO,
Member of Congress.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I oppose the adoption of this conference report for the reason that there is an item of $3,000 included under amendments 8 and 9 agreed to by the House conferees. That item provides for the payment of a $3,000 gratuity, and I use the word "gratuity" in its proper sense, a gift to Chairman Kuykendall, of the Federal Power Commission, allegedly for the period from the time of his appointment to the time of his confirmation. During that time he did no appreciable amount of work and his testimony, and the testimony of others at the hearing on his confirmation, so indicated. As a result of action on the Senate floor the conferees agreed to include in the conference report an item of $3,000 to be paid to Mr. Kuykendall. I suppose it is put in as salary, but actually it is a gratuity, since he did practically nothing during this time. In the Senate the question was raised that this was legislation on an appropriation bill, but it was adopted in the Senate; they agreed they would allow it, when that question was referred to the Senate by the Chair.

So, Mr. Speaker, I strongly urge this House that this conference report not be adopted in the House, for it is wrong for us to set a policy of giving a $3,000 gratuity to anyone, especially in the case of a person such as the present Chairman of the Federal Power Commission.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. I hope our friend from the great city of Detroit, whom we all like and admire very much, will not become too incensed over this little matter.

I know the gentleman is a big man. He is not only big in size but big in every way. He does a very fine job for his District and we are all proud of him.

But, after all, this Chairman over there is not a wealthy man. He makes less salary than the gentleman does. He has a family here. He was here all the time. Of course, he was not confirmed on that day, but let us be just a little bit generous. He has a wife and two or three children. He never did move out of the building. He was over there all the time and, as a matter of fact, I suspect that all of us called him two or three times and he responded. Do not be too small about this matter. He was here on the job and, as far as I know, was doing just about as much as if he had been the regularly appointed Chairman. He was ultimately appointed Chairman.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to express my own personal affection and great respect for the distinguished gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. The gentleman really does not want to hurt that man, does he?

Mr. DINGELL. I would like to say to my very dear friend from Texas that it is not a question of hurting the man or not hurting the man, it is a simple question of right or wrong. Are we to be so free with the taxpayers' money?

Mr. THOMAS. He is not a rich man. Does the gentleman want him to sit around here for 6 or 7 weeks? And now we hit him over the head, and we are not going to let him eat? He makes less salary than the gentleman does.

Mr. DINGELL. The gentleman makes only a good humanitarian case for giving away the taxpayers' money.

Mr. THOMAS. No, I am not addicted to that. I believe my reputation here on the floor will bear that statement out.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I rise in opposition to the motion to recede and concur in Senate amendment No. 5. After full debate on February 25, the House added a proviso to H. R. 10881, the second supplemental appropriations bill, declaring that no part of the $250 million additional authorization for the Soil Bank acreage reserve "shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000."

Member after Member expressed his conviction that we should not pay more than $3,000 to any one farm producer or participant, no matter how many farms he operates. Huge payments to corporate farms, such as the payment of $318,734.29 to Garvey Farms of Colby, Kans., a firm which owns many farms throughout Colorado and Kansas and operates the farms itself, were referred to. Accordingly, the House proviso was expressly designed to limit payments to each participant, irrespective of the number of farms. It was overwhelmingly adopted, 137–17.

Now the other body has acted upon H. R. 10881 by deleting the House proviso and instead inserting language furnished by the Department of Agriculture—see hearings, Senate Committee on Appropriations, on H. R. 10881, page 409. The language accepted by the Senate reads:

Provided, That the same $3,000 limitation which was applicable to the original $500 million authorization shall also apply to the additional $250 million authorized herein.

This language completely undoes the House amendment, the sole purpose of which was to prevent Soil Bank payments of more than $3,000 to participants with multiple farms.

It must be emphasized that the Secretary of Agriculture has consistently opposed any limitations whatever on payments under the Soil Bank acreage reserve:

First. On March 14, 1957, I introduced H. R. 6002, which would amend the basic Soil Bank legislation so as to limit to $5,000 payments made to any one producer under the acreage reserve in any year. Secretary of Agriculture Benson, in a letter of June 5, 1957, to the Honorable HAROLD D. COOLEY, chairman of the House Committee on Agriculture, opposed H. R. 6002, on the ground that it would discourage farm producers "having large acreages" from placing as much of their land in acreage reserve as they would if no limit were placed on the amount of money which Secretary Benson could pay them.

Second. Moreover, when the Congress put its $3,000-per-producer limitation into the Agriculture Appropriation Act of 1958, the Department proceeded to manhandle the limitation.

On August 9, 1957, immediately after passage of the act, the Department of Agriculture wrote the Comptroller General urging the Comptroller General to agree with the Department of Agriculture's interpretation that the $3,000 limitation did not mean what it said, but that it permitted the Secretary of Agriculture to pay huge sums, vastly in excess of $3,000, to producers with multiple farms. The letter of August 9 gave the Department of Agriculture's position:

It is our view that the $3,000 limitation should be applied to each producer's share of the compensation payable for all commodities with respect to a particular farming unit, i. e., farm—rather than to the compensation payable to him with respect to all farms in which he may have an interest.

Clearly the Department of Agriculture persuaded the Comptroller General to rubberstamp the Department's interpretation of the $3,000 limitation. This was brought out at the hearings before the House Subcommittee on Appropriations on H. R. 10881 when the subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN], confronted Assistant Secretary of Agriculture McLain with the paragraph just quoted from the August 9, 1957, letter. Secretary McLain admitted that the Department of Agriculture had tried to persuade the Comptroller General to go along with its interpretation—hearings, House Committee on Appropriations, on H. R. 10881, pages 217–218:

Mr. MCLAIN. Now, I would just like to say a word as to the $3,000 limitation, Mr. WHITTEN, because we, after the act was passed, and after reading, and our General Counsel reading it carefully, and our Operating Division reading it carefully, the language of the act, that is, and the wording that went out about it, were not sure what it did mean.

The fact is, I think, any fairminded person could read various passages of the statements made and could get two interpretations.

I did not want to proceed, and Mr. Parrington did not want to proceed, without knowing for sure what the Comptroller General meant, and so I think we did what you would expect us to do. Our General Counsel went to the Comptroller General for his clearance of what we thought was the proper interpretation of the language.

Mr. WHITTEN. Let us keep the record straight. I have asked that the findings on this point by our Appropriations Committee investigation last year and this year be incorporated in this record. The Department wanted to continue without limitation so that you could continue the program on an unlimited basis; is that not correct?

Mr. MCLAIN. No, sir.

Mr. WHITTEN. You did not recommend any limitation or anything of that sort. The Congress has, in its wisdom, put a $3,000 limit on it.

You immediately construed it, and asked the Comptroller General to go along with you, in such a way as to let you escape the $3,000 limitation. In the face of the findings of our committee, of which you were advised, there was a request for the Comptroller General to go along with you, as I understand it.

Mr. MCLAIN. Mr. WHITTEN, it was because of our desire to give an interpretation of what the act really meant that we went to the Comptroller General.

It was not for the purpose of trying to avoid and circumvent it or do anything else. I think it is not quite fair to say that we had any desire to do anything else than what the Congress wanted us to do.

Mr. WHITTEN. I do not mean to infer any ulterior motive. However, at the outset the Department let these tremendous sums be paid to certain people who in turn let production be encouraged in other areas.

One exaggerated case was Arizona, I believe, where several hundred thousand dollars was paid out and used by the farmer to grow cotton.

Mr. MCLAIN. All I can say to you Congressman WHITTEN, is that it was our desire to find out what the Congress meant and, as is customary, we went to the Comptroller General.

Mr. WHITTEN. I have a copy of a letter here dated August 9, 1957, from you to the Comptroller General, in which you state: "It is our view that the $3,000 limitation should be applied to each producer's share of the compensation payable for all commodities with respect to a particular farming unit—i. e., farm—rather than to the compensation payable to him with respect to all farms in which he may have an interest."

You construed it, and asked for approval, it appears to me.

Mr. MCLAIN. That is the construction of our General Counsel, and I think you would say that before we went to the Comptroller General, we ought to put our own construction on it.

The Department of Agriculture's August 9, 1957, letter purported to recite the legislative history of the $3,000 limitation. But that letter entirely omitted statements on the floor of the House and Senate by the gentleman from Virginia [Mr. ABBITT], the gentleman from Mississippi [Mr. WHITTEN], and the Senator from Georgia [Mr. RUSSELL], which clearly indicated that Congress wished to limit payments to $3,000 per producer irrespective of the number of farms operated—see hearings, Senate Committee on Appropriations, on H. R. 10881,

pages 407–408. The Comptroller General, also without referring to this relevant legislative history, on August 26, 1957, issued an opinion apparently agreeing with the Department of Agriculture. From that time on, the Department of Agriculture has been purporting to proceed under the Comptroller General's opinion.

The recent debate in both House and Senate on H. R. 10881, incidentally, clearly indicates that Congress intended the original $3,000-per-producer limitation to apply irrespective of the number of farms owned by a producer, despite the opinions of the Secretary of Agriculture and the Comptroller General. To this effect are statements on the floor of the House on February 25, 1958, by Representatives WHITTEN, BOYLE, HARRISON, HOLIFIELD, and REUSS—CONGRESSIONAL RECORD, pages 2751–2778. Similarly, in the Senate on March 10, 1958, Senators DOUGLAS—CONGRESSIONAL RECORD, page 3743—CARROLL—page 3744—and HUMPHREY—page 3748—also made the point that the Secretary of Agriculture and the Comptroller General were flouting the plain Congressional intent.

Third. Despite the great clarity of the House debate of February 25, 1958, to the effect that the House wanted the $3,000 limitation applied to each participant, regardless of the number of farms he operated, Assistant Secretary of Agriculture McLain testified 2 days later, on February 27, 1958, that:

> The intent of the House amendment establishing a $3,000 payment limitation is not clear. Under any of the possible interpretations which may be made, serious administrative problems would be encountered. It is doubtful that the Department could successfully explain and administer a 1958 program at this time on a basis other than that which has been announced to the farmers. The spring planting season is almost here. Time would not permit, in our opinion, the promulgation of regulations or the dissemination of necessary information concerning a 1958 program on a different basis. We therefore urge that the limitation be amended or the sense of Congress be made clear that the $3,000 limitation, as presently being interpreted and administered, is applicable to the expanded 1958 program (hearing, Senate Committee on Appropriations, on H. R. 10881, p. 268).

Apparently nothing that the House can do will deter the Department of Agriculture from its desire to enrich large multiple farms almost without limit. The Senate apparently accepted the Department of Agriculture's view, for it struck out the House proviso and instead inserted the language furnished by the Department of Agriculture.

I hope that the House will not recede from its position, and will insist on the proviso which it adopted on February 25. For it to do so will in no way create any hardship or administrative difficulty.

On March 11, 1958, I sent the following telegram to the Comptroller General:

MARCH 11, 1958.

The Honorable JOSEPH CAMPBELL,
Comptroller General of the United States, Washington, D. C.:

1. The House on February 25, 1958, by a vote of 137–17, amended the $250 million Soil Bank acreage reserve authorization of the second supplemental appropriation bill, 1958, by adding the following language: "*Provided*, That no part of this amount shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000."

2. The Senate has deleted this language. The bill will now go to conference.

3. In order that I may pass the information on to the House managers of the conference, I should appreciate your answering the following questions:

If the bill as ultimately passed includes the restored language of the House amendment of February 25, 1958, quoted above, cannot the Secretary of Agriculture by administrative discretion and with complete legality so administer the $3,000 limitation on the $500 million authorization of the Agriculture Appropriations Act, 1958, as to prohibit payments in excess of $3,000 to any one producer or participant irrespective of the number of farms he operates, so that the administration is identical as to both the $250 million and the $500 million? Secondly, cannot the Secretary of Agriculture so apply the $3,000 limitation that it may be enjoyed by any producer or participant, be he owner, tenant, or sharecropper (thus, if a corporation operates 100 farms, its overall limitation is $3,000; if it lets out the farms to tenants or sharecroppers, each of the 100 tenants or sharecroppers is entitled to his $3,000 limitation)? Thirdly, cannot the Secretary of Agriculture, by administrative discretion, pay out of the $500 million fund sums in excess of $3,000, based on multiple farms, to a single participant or producer, where that participant or producer has allowed the time for planting to elapse, and would thus suffer hardship if his over-$3,000 payments were not honored? Winter wheat, of which the time for planting elapsed last fall, is an example.

4. I am under the impression that the Secretary of Agriculture may legally conduct himself administratively along the lines described in the event the House version of the $3,000 limitation in the current supplemental appropriations bill is adopted. I should appreciate your prompt advice.

HENRY S. REUSS,
Member of Congress.

Under date of March 12, 1958, the Comptroller General replied as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 12, 1958.

Hon. HENRY S. REUSS,
House of Representatives.

DEAR MR. REUSS: Your telefax of March 11, 1958, requests our advice on several questions concerning administration by the Department of Agriculture of the limitation on the appropriation of $250 million for the acreage reserve program under the Soil Bank Act, contained in the second supplemental appropriation bill, 1958, as passed by the House. The language of the limitation reads:

"*Provided*, That no part of this amount shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000."

The Senate has deleted the quoted limitation language and the appropriation bill will now go to conference. Our response to the questions is desired so that you may pass the information on to the House managers of the conference. The questions presented are as follows:

1. "If the bill as ultimately passed includes the restored language of the House amendment of February 25, 1958, quoted above, cannot the Secretary of Agriculture by administrative discretion and with complete legality so administer the $3,000 limitation on the $500 million authorization of the Agriculture Appropriation Act, 1958, as to prohibit payments in excess of $3,000 to any one producer or participant irrespective of the number of farms he operates, so that the administration is identical as to both the $250 million and the $500 million."

2. "Cannot the Secretary of Agriculture so apply the $3,000 limitation that it may be enjoyed by any producer or participant, be he owner, tenant, or sharecropper (thus, if a corporation operates 100 farms, its overall limitation is $3,000; if it lets out the farms to tenants or sharecroppers, each of the 100 tenants or sharecroppers is entitled to his $3,000 limitation)."

3. "Cannot the Secretary of Agriculture, by administrative discretion, pay out of the $500 million fund sums in excess of $3,000 based on multiple farms, to a single participant or producer, where that participant or producer has allowed the time for planting to elapse, and would thus suffer hardship if his over-$3,000 payments were not honored. Winter wheat, of which the time for planting elapsed last fall, is an example."

The Soil Bank Act, approved May 28, 1956 (70 Stat. 188), grants to the Secretary of Agriculture broad discretionary authority in the formulation and administration of the acreage reserve program, participation in which is voluntary on the part of producers. The $3,000 limitation provided for in the Department of Agriculture Appropriation Act, 1958, approved August 2, 1957 (71 Stat. 338), and applied by the Department on a per producer per farm basis, merely established a ceiling on the amount which could be paid and did not preclude the Department, in its discretion from paying lesser sums. Therefore, and in answer to the first question, the Secretary of Agriculture would be authorized to uniformly apply the $3,000 per participant payment ceiling quoted above to the $250 million appropriation and to the portion of the $500 million appropriation contained in the Department of Agriculture Appropriation Act, 1958 (71 Stat. 338), that has not been obligated by firm agreements entered into between producers and the Department.

Regarding the second question, the Secretary of Agriculture can apply the $3,000 per participant limitation to the $250 million and the unobligated balance of the $500 million appropriations, in the situation involving the corporation owning 100 farms which are owner operated or operated by 100 tenants or sharecroppers provided, of course, that the corporation and tenants both are agreeable to participate in the program on that basis.

In answer to the third question, valid agreements entered into and charged against the $500 million appropriation are required to be paid therefrom even though, in endeavoring to apply the $3,000 per participant limitation as to multiple farms with a single participant or producer, such limitation may be exceeded. We are unable to categorically answer your question as to whether a winter wheat farmer who has no written agreement but has allowed the time for planting to elapse without planting could be given the benefit of the $3,000 limitation per farm, per producer. Such answer would appear to depend upon whether the facts and circumstances surrounding his failure to plant could be said to give rise to an implied contract and whether it would be fair and equitable to other types of farm participants. See section 104 of the act of May 28, 1956 (70 Stat. 190).

We have no information as to the administrative or accounting difficulties which would be involved as a result of applying a different and more restrictive treatment of the $3,000 limitation to the unobligated balance of the $500 million appropriation, and our answers to the foregoing questions are based solely on the legal authority of the Secretary of Agriculture to apply the above-quoted limitation, if enacted into law,

to the unobligated portion of the $500 million.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

This exchange makes it clear that the Secretary of Agriculture can live perfectly well with the House's proviso of February 25. By treating the $500 million authorization voted last summer in the same way as the $250 million authorization now being voted—by applying to both authorizations the $3,000 limitation irrespective of the number of farms operated—the Secretary of Agriculture can provide perfect uniformity of treatment. True, he will have to suppress his desire to pay out sums vastly in excess of $3,000 to one producer from the $500 million authorization. In view of the need for economy in government, it is not too much to expect him to do so.

Equally clear from the exchange between the Comptroller General and myself is the fact that the $3,000 maximum is available to a tenant or sharecropper, just as to an owner. There never was any intention to prevent each of 100 tenants of a single large landowner from claiming his $3,000 maximum. The Comptroller General's reply makes clear that there is to be no discrimination against tenants or sharecroppers.

Finally, the exchange makes clear that the Secretary of Agriculture can, under the House proviso, prevent any genuine hardship. Where the time for planting has gone by, and a participant in the Soil Bank Acreage Reserve has "finalized" his participation, as in the case of winter wheat where the time to plant expired last fall, fairness requires that the Government proceed with the arrangement even in the case of over $3,000 payments. But this applies only to the approximately $78 million assigned to winter wheat. For all other crops in the acreage reserve, the planting times as set forth by the Department of Agriculture did not even start until March 1 and will continue for many weeks to comes. As indicated by the Department of Agriculture's press release of March 21, 1958, acreage reserve applications have not yet even been accepted:

TWELVE AND TWO-TENTHS MILLION ACRES FOR 1958 ACREAGE RESERVE REPORTED THROUGH MARCH 14

Farmers have offered a total of 12,234,170 "allotment" acres of wheat, corn, cotton, rice, and tobacco for the 1958 acreage reserve of the Soil Bank on signed and filed applications, according to reports from State Agricultural Stabilization and Conservation (ASC) offices to the United States Department of Agriculture.

The latest State ASC reports, made as of March 14, reflect some slight adjustments from information on the program previously available. These reports are still subject to change on the basis of cancellations or adjustments of applications made by farmers or corrections made in county ASC reports.

Signup for the 1958 acreage reserve for spring planted crops closed February 20 for spring wheat, corn, and cotton and March 7 for rice and tobacco. For winter wheat, the program closed last fall when 3.9 million acres (included in the total above) were put in the program.

Corn, cotton, and spring wheat farmers still have until March 28 to cancel or adjust downward any applications they have filed. In California and Texas, where rice acreage allotments are made on a producer basis, growers of that crop have until April 30 to come into the 1958 program.

By crops, and within fund allocations, farmers through March 14 had signed and filed applications for 3,093,832 acres of upland cotton, 4,018,504 acres of corn, 141,487 acres of rice, 94,313 acres of tobacco, and 4,886,034 acres of wheat (including 3.9 million acres of winter wheat and 986,000 acres of spring wheat). These acreages were covered by a total of 661,519 signed and filed applications. If the applications are accepted and farmers comply with the program, they could earn a maximum of $469,344,373 on the over 12 million acres offered in signed applications.

In addition to the applications signed by farmers and filed with county ASC committees, other farmers have indicated they want to participate in the program if funds are available.

Applications for payments larger than $3,000 per participant, except where the time to plant the crop has expired, should therefore be rejected. If this results in disappointment at being restricted to $3,000 for a corporate applicant which operates 100 farms, and hoped to get $300,000 from the Treasury, it is a disappointment that must be borne. I suspect it will be a smaller disappointment than that suffered by the taxpayers if they are told that they are going to have to pay the $300,000.

Unless the House insists on its $3,000-per-participant proviso, uncounted millions of taxpayers' dollars will be paid out of the Treasury to large farming organizations which neither need nor deserve the money.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, when the appropriation for the transportation and public utility section of the General Services Administration went over to the other body there was some language included in their report to the effect that GSA would not be permitted to appear before any of the regulatory agencies to protect the Federal Government against exorbitant rates.

I notice that the conferees have placed the following language in the report:

The managers on the part of the House do not agree to the statement of policy in the Senate report regarding the role of the service.

I should like to ask the gentleman from Texas [Mr. THOMAS], who was the conferee on that particular item, whether or not there was any agreement on the part of the conferees that the transportation and public utility section was to be permitted to represent the Government before regulatory agencies?

Mr. THOMAS. Of course, that is the very object of that agency. We did have an agreement with all the conferees that the action of the General Services was legal, proper, and desirable. I remember writing out some language myself to the effect we were positive that the General Services Administration would not carry on any delaying action or any dilatory action and I do not think they will.

Mr. YATES. But it was your intention and the intention on the part of the House that this unit do take action in order to protect the interests of the Federal Government as a rate payer. The gentleman does agree that it is the intention of the House that this unit do carry on its function to protect the Government of the United States as a rate payer?

Mr. THOMAS. By law, of course, it is.

Mr. YATES. I thank the gentleman.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, this has to do with the Soil Bank item, the increase for the acreage reserve program. I can fully appreciate the desires of my two friends from Wisconsin as well as the interests of numerous Members of the Congress in retaining the House provision on the $3,000 limitation. But, may I say again that the conferees have gone as far as we could if we want to treat all farmers, those under the $250 million that is announced here as well as those under the $500 million program announced earlier. May I say in regard to the statement about the large sums that have been paid in some instances, that report comes from an investigation which I asked for on behalf of our subcommittee on appropriations. We are the ones that brought that information out. We did it because we thought it should be brought out, and we thought it should be stopped. And, we have, to the limit of our control. May I say to the Members of the House that unless we go along with this conference report, this program of taking care of these farmers who tried to sign up within the time limit will further be further extended, and we will, to a degree, be depriving them of a fair and equal opportunity to participate as they are entitled to under the law. I would like to say further insofar as the coming year is concerned, this program will be limited to the conservation reserve. Our subcommittee now—and I am not at liberty to disclose their official action, but as of now it is their intention to meet this problem every way we can. May I say again with reference to those folks who set out to get around the limitation that was in the bill last year, those who got more than $3,000 each, my friends from Wisconsin may rest assured that that group got in on the first $500 million program announced. They would have been the first there and the first in. Those who were left out, were the small farmers who were not as fast to jump to the office door as they would have had to do if they wanted to get in on the first program. So, I am saying that the position my friends take will not reach the people they wish to reach. They are already under the wire. It is essential that the position of the conferees be adopted if we want to treat everybody alike.

Mr. CANNON. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to revise and extend

my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, the conference committee on H. R. 10881, the Second Supplemental Appropriation Act, 1958, composed of nine Members of the Senate and seven Members of the House of Representatives, have agreed to recommend that an additional $1,000,000 in funds previously appropriated for another purpose be made available for United States participation in the Universal and International Exhibition of Brussels. This will make a total of $13,445,000 which has been appropriated for the United States participation in this exhibition. In providing the additional funds, it is with the understanding that the United States pavilion will be kept in full operation and open to the public the 13 hours per day, 7 days per week as authorized by the fair regulations.

Those of us of the House subcommittee on appropriations dealing with this item have at no time said what should or should not be exhibited at the fair. That function has been left to those specifically appointed for that purpose. However, the Senate-House conferees unanimously agreed that more care should be practiced in the choice of exhibits at the Universal and International Exhibition of Brussels, wherein the expenditure of taxpayers' funds is involved, than has been evidenced in some of the sample exhibits which have been given publicity in this country. I have been requested and commissioned by all of the conferees to bring to the attention of the House a proposed exhibit to be erected at a cost of $25,600 of the Federal taxpayers' money which would refer to our segregation and slum problems. This exhibit was referred to in the following newspaper item from the New York Times of Tuesday, March 11, 1958:

FAIR GETS EXHIBIT ON UNITED STATES PROBLEMS—PRIVATE DISPLAY AT BRUSSELS DEALS WITH SEGREGATION, SLUMS, AND RESOURCES

Three architecturally symbolic buildings will house a report at the Brussels World's Fair on three of this Nation's big problems—segregation, the city, and nature.

When the fair opens next month visitors who have questions about segregation, slums, and overworked natural resources will find some of the answers in this side attraction.

The display, organized by Fortune magazine and designed by Leo Lionni, its art director, will consist of three multicolored pavilions raised on stilts and separated from the main United States pavilion. A suspended runway will pass through the center of its three sections. Each building will be 20 feet long, 12 feet high, and 12 feet wide.

In the first pavilion, a jumbled crystal shape, visitors will see a maze of enlarged newspaper clippings telling about southern school difficulties, bus boycotts, and discrimination in housing, and about slums and urban sprawl, floods and soil erosion.

Less chaotic walls in the second section will display photographs and charts documenting moves toward the improvement of the Negroes' status, toward the increase of private homes and elimination of slums, and toward the preservation of natural resources. Captions in English, French, and Flemish will accompany this progress report.

The third building, constructed with simple, angled panels, will be calm in contrast. Inside, three large photographs will present the ideals that a sometimes slow democracy works toward. In one enlargement white, Negro, and Oriental children are playing together; a beautiful, balconied apartment building is shown in another; in the third, machines cultivate in contours broad rice fields in California.

The exhibit will be entitled "American Idealism in Action." Originating the idea, a conference at the Massachusetts Institute of Technology last year advised the State Department to play down at Brussels the self-righteousness and boastfulness often associated with the United States. Dr. Walt W. Rostow, an economist at Massachusetts Institute of Technology, suggested then that a candid report on unfinished business be presented at the fair.

My attention has been called to a proposal to publish a five-times-a-week bilingual newspaper at the fair by students of the Columbia University Graduate School of Journalism who have offered their services without pay. If the management of our exhibition at Brussels considers this a worthwhile undertaking, such a proposal could be financed within the total amount allowed by this conference report as well as travel and expenses of topnotch operatic and theatrical stars who are also willing to donate their services without pay.

Mr. CANNON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to consider en bloc those amendments in technical disagreement on which the House managers will offer a motion to recede and concur, as follows: Nos. 4, 5, 6, 9, 35, and 38.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Senate amendment No. 4: Page 2, line 20, insert "of which $78 million shall be derived by transfer from the appropriation 'Acreage reserve program', fiscal year 1958."

Senate amendment No. 5: Page 4, line 9, after the colon strike out down to and including the figure "$3,000" on line 11 and insert: "*Provided*, That the same $3,000 limitation which was applicable to the original $500 million authorization shall also apply to the additional $250 million authorized herein."

Senate amendment No. 6: Page 5, line 17, insert:

"SALARIES AND EXPENSES

"The limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1958, on the amount available for 'Administrative expenses,' is increased from '$7,045,000' to '$7,057,800'; and the limitation thereunder on the amount available for 'Reserve fleet expenses,' is decreased from '$6,850,000' to '$6,837,200.'"

Senate amendment No. 9: Page 7, line 16, insert "of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid."

Senate amendment No. 35: Page 19, line 7, insert "and the unobligated balance of the $6,100,000 previously appropriated for the Flaming Gorge unit."

Senate amendment No. 38: Page 19, line 11, insert ": *Provided*, That the funds appropriated in this paragraph for the Trinity River Division of the Central Valley project shall be transferred to the appropriation entitled 'Construction and Rehabilitation, Bureau of Reclamation'."

Mr. CANNON. Mr. Speaker, I move that the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 9, 35, and 38, and concur therein.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. REUSS) there were—ayes 69, noes 14.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 12, line 8, insert:

"INDEPENDENT OFFICES

"NATIONAL CAPITAL PLANNING COMMISSION

"Salaries and expenses, Washington regional mass transportation survey

"For necessary expenses to enable the National Capital Planning Commission and the National Capital Regional Planning Council to jointly complete a survey of the present and future mass transportation needs of the National Capital region as defined in the National Capital Planning Act of 1952 (66 Stat. 781), and to report their findings and recommendations to the President, including transportation expenses and not to exceed $15 per diem in lieu of subsistence, as authorized by section 5 of the act of August 2, 1946, as amended (5 U. S. C. 73b-2), for the members of the Commission and Council serving without compensation, $60,000 to remain available until June 30, 1959: *Provided*, That the unobligated balance of $400,000 of appropriations heretofore granted under this head shall remain available until said date and shall be merged with this appropriation."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment No. 18 with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 18, and concur therein with an amendment, as follows: "In lieu of the sum of '$60,000' named in said amendment, insert '$50,000.'"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: On page 14, line 6, insert "of which $100,000 shall be available for necessary expenses of technical services rendered by other agencies."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment, with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 20, and concur therein with an amendment, as follows: "In lieu of the sum of '$100,000' named in said amendment, insert: '$50,000'."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 15, line 16, insert: "For payment to Alberta R. Neely, widow of Matthew M. Neely, late a Senator from the State of West Virginia, $22,500."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 22, and concur therein with an amendment, as follows: In addition to the matter inserted, add the following:

"HOUSE OF REPRESENTATIVES

"For payment to Gladys S. Dempsey, widow of John J. Dempsey, late a Representative from the State of New Mexico, $22,500.

"For payment to Jewell T. Long, widow of George S. Long, late a Representative from the State of Louisiana, $22,500.

"SENATE"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 48: On page 24, line 23, insert the following: "For payment of claims for damages as settled and determined by departments and agencies in accord with law, audited claims certified to be due by the General Accounting Office, and judgments rendered against the United States by United States district courts and the United States Court of Claims, as set forth in Senate Document No. 80, 85th Congress, $1,423,236, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or in certain of the settlements of the General Accounting Office or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by judgment, payment of interest wherever appropriated for herein shall not continue for more than 30 days after the date of approval of this act."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows: In line 5 of said amendment, delete the words "United States district courts and."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

REINVESTMENT BY AIR CARRIERS OF GAINS DERIVED FROM THE SALE OR OTHER DISPOSITION OF FLIGHT EQUIPMENT

Mr. ROBERTS submitted a conference report and statement on the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment.

COMMITTEE ON PUBLIC WORKS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be permitted to sit while the House is in session this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ADJUSTING BASIC PAY OF UNIFORMED SERVICES

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 507 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the consideration of H. R. 11470, a bill to adjust the method of computing basic pay for officers and enlisted members of the uniformed services and to provide proficiency pay for enlisted members of the uniformed services. It provides for an open rule and 3 hours of general debate.

We are advised that the bill has been entirely written by the Committee on Armed Services, based upon certain recommendations submitted by the Department of Defense contained in the bill, H. R. 9979. The Department of Defense recommendations were in turn based partly on the report of the so-called Cordiner Committee, under the chairmanship of Mr. Ralph J. Cordiner, president of the General Electric Co.

The Cordiner Committee, in its analysis of the high turnover of skilled personnel in the Armed Services made several important recommendations. Basic to their concept of retaining skilled personnel in the enlisted grades, was a recommendation that some form of proficiency pay be instituted for enlisted personnel possessing military skills.

The Cordiner Committee also made strong recommendations with regard to the so-called compression in the officer pay scales. The compression to which they refer is based upon their contention that the maximum pay of senior officers in the Armed Forces is inadequate to attract a bright young man on a career basis. In other words, young men with ambition and skill seek elsewhere for a career because even if they are the most successful officer in their particular service the maximum pay that they can attain is far below that which is paid for comparable responsibility in the civilian economy.

The Cordiner Committee, we are told, also objected to so-called pay inversions. That is, a system under which a junior in rank can draw more pay than his senior based simply upon his length of service.

We are also told that the retention rate of young officers, although better than that which existed in 1955, is still inadequate to meet the demands of a modern armed force which involves so many complex weapons. Only one officer in four stays on active duty beyond his obligated period of service. And the reenlistment rate of first-term enlistees is only 15 percent. The overall reenlistment rate for first-term enlistees and others who have reenlisted one or more times has increased from a low of 23 percent in 1954 to a present reenlistment rate of approximately 43 percent. Unfortunately, this does not properly reflect the lower reenlistment rate in the special skills among the enlisted personnel.

The Committee on Armed Services believes that they have attained all of the objectives sought by the Cordiner Committee, even though they have retained the traditional concept of longevity. In other words, the Committee on Armed Services has retained the concept that individuals should continue to draw increments in pay based upon their length of service, but they have reduced, to a large extent, the inversions condemned by the Cordiner Committee by eliminating increments in pay after an officer or an enlisted man has passed his normal promotion point.

The Committee on Armed Services, in its bill, authorizes the military services to use two forms of proficiency pay. As a result, the military services will be able to advance an enlisted man to a higher pay grade without changing his military rank and thus allow that individual to draw the increased pay of the higher grade without an insignia change; or in the alternative, the Services may use a straight proficiency pay system whereby they grant to outstanding enlisted personnel possessing military skills additional forms of money ranging from $50 to $150 a month depending upon the skill involved and the proficiency of the member who will qualify, for that additional pay.

The Committee does not claim that there will be any $5 billion saved as a result of enacting this bill. Instead, they claim that combat efficiency will be increased and that while there will be savings reflected in future years in retraining costs, the real result will be found in the ability of the armed services to fulfill their assigned missions, utiliz-

ing the complex weapons that are rapidly becoming a part of our military arsenal.

The bill will cost $668 million in fiscal 1959 and future costs will depend upon many factors: The size of the Armed Forces, the savings that may be effected, the promotion rate, and other factors.

I hope, Mr. Speaker, that the House will adopt the rule so that we may fully discuss the proposed legislation.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, our able colleague, the gentleman from Texas, has explained the rule. I know of no one who objects to the rule. I do not expect to ask for a rollcall vote on the rule, but I must remind the membership of this body that there are $668 million involved in this bill. When I say $668 million, I mean that in the event this bill becomes a law, $668 million of additional funds will go to the military and those of the military who have retired. It seems to me there seems to be some particular rush about this bill. It was reported by the Committee on Armed Services on March 20, and they immediately came over the same day to the Committee on Rules in a rush to get it through the Committee on Rules. Anyone who will even look at the bill itself and the report will, I am certain, be convinced that this is a complicated bill. They have charts and figures and ratios and so on, which are complicated and should be fully explained. I am pleased that the rule provides for 3 hours of debate. I hope those in charge of this bill will explain its provisions in order that the membership will better understand.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, I would like to say a word or two at this time because, unfortunately, while the bill is being considered in the Committee of the Whole, I will be in a military subcommittee on appropriations where we will be going into some of the costs of the Military Establishment which directly relate to the legislation before us. I will vote for this legislation, but I think it well that the House understand in dollars what may be involved not only in the fiscal year 1959, but in the years hereafter.

I would, for example, like to take one item in this bill which might be worthwhile discussing at this point, and that is the increase in costs for retired personnel. In the President's budget for the fiscal year 1959, which we are currently considering, there is a request for $600 million. That figure has been going up in the last 6 years to my own knowledge at a very substantial rate as we have more people retiring and as we from year to year increase the payments under the basic law. I understand that in this bill there is a 6 percent increase in the payments made to retired personnel, which in the fiscal year 1959 will add $36 million to the cost.

So in fiscal 1959, under retired pay alone, the Congress will have to appropriate $636 million. The Committee on Appropriations can do nothing about such an item. It is forecast by people who are competent that within a year or two the annual bill for retired personnel will be over a billion dollars.

As I said a few minutes ago, it is not going to get smaller. It is going to get bigger.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. SEELY-BROWN. Does that billion-dollar figure the gentleman spoke about refer to the retired personnel in the Armed Forces or all retired personnel in the Government service.

Mr. FORD. That refers to the Army, Navy, and Air Force retired personnel, and I believe people in the Public Health Service, as I recall.

I am completely cognizant of the necessity to make our Army, Navy, and Air Force a stable, career service. I am for that. I do not think anybody has worked harder trying to convince people that we should increase our reenlistment rate. Part of the reason why we want this legislation is so we can increase our reenlistment rate. However, the record should show we have done one thing after another to improve that situation during the past 4 or 5 years. We have provided a substantial increase in reenlistment bonuses. Does anybody know how much we are paying in fiscal 1958 for reenlistment bonuses? For the 3 services it will be approximately $150 million. Under the increase for fiscal 1959 it will be $45 million. So the bonus cost will be close to $200 million in 1959.

Since the enactment of that law about 3 years ago, has there been any substantial increase in the reenlistment rate? The fact is, No. There has been very little change in the overall reenlistment rate from the time we initially set up the reenlistment bonus program.

We have done some other things that have been aimed at trying to keep people in the service. We have provided a dislocation allowance, which means that if an officer is moved from point X to point Y he gets about 50 percent of one month's pay in order to help pay the cost of that change of station.

The SPEAKER. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. SPRINGER. If we have been spending $135 million a year for reenlistment bonuses, why have we not increased the rate of reenlistment?

Mr. FORD. There are a great many theories on that. It is my judgment that it is not necessarily added financial payment in one form or another that results in an increase in the reenlistment rate. I will admit it helps some, but simply adding these various programs where Uncle Sam pays more money in one form or another does not always result in an increase in the reenlistment rate. I think if you will look at the record of the overall reenlistment rate for the last 5 years, that will be shown to be true.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. FLOOD. The trouble with reenlistment is that the wrong category and the wrong type, sometimes the least desirable of the classifications, are reenlistments. What they want to do is to get a better selection of the more desirable classifications of reenlistments. We are getting too many chow hounds reenlisting, and not enough technicians.

Mr. FORD. Let me add a few more things that Congress has done. In my opinion the Congress has been very generous in this way. We have provided in the last 4 or 5 years many millions of dollars to increase family housing facilities at military installations. As a result, within the next year or two there will be no housing shortage at military installations. However, despite the improvement in that regard we do not see any discernible increase in reenlistment rates.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is raising some very pertinent questions. We still have no answer as to why enlistment bonuses, previously enacted, have not produced the results that were claimed for them when the House passed the legislation. What do the military leaders tell your committee on this subject?

Mr. FORD. You can always get the answer that if we had not done these things the reenlistment rates would have been worse than they have been.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. GAVIN. And the attractions on the outside, the opportunity to make more money and to have more desirable employment, are reasons why we are not getting reenlistments.

Mr. FORD. Let me just mention several other things the Congress has done in this area in the way of providing benefits and attractions. For example, there is the dependent medical care program that is currently costing a hundred million or so a year, which was announced 2 years ago by way of getting more personnel to reenlist. Then we made available Social Security coverage for personnel of the armed services several years ago. Since the enactment of this legislation we have not had any great upsurge of reenlistments.

I simply want to point out that although these benefits we have provided in the last few years will reflect substantially as an added cost to the taxpayers, we have not got the results that everybody said we were going to get. I am suspicious, frankly, of the Cordiner report as the complete solution. I know this bill is not exactly that report. I doubt if these proposals or this bill will have any substantial impact on the reenlistment rate; consequently, do not expect any overnight solution to this problem; do not expect a great change just because you enact this legislation. The

advantages offered in this bill are not the solution to this problem despite the fact that it will cost the taxpayers of this country, if enacted, almost $700 million additional each year.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I am opposed to the bill and I am opposed to the rule. I intend to seek a rollcall on the rule. I think this legislation has no right to be before Congress at this time.

I wonder how short our memories are? Last September after Congress had adjourned, the Pentagon commenced a program of releasing Reserve officers who had served after World War II and after Korea and who were earning their retirement pensions.

The gentleman from Georgia [Mr. VINSON], chairman of the Armed Services Committee, and the gentleman from Louisiana [Mr. BROOKS], chairman of Subcommittee No. 1, were irate about this matter. They wrote to the Pentagon in early January urging a stop to the program because a great injustice was being done to a great number of Reserve officers.

According to testimony later taken by Subcommittee No. 1 of the Armed Services Committee the armed services needed to get rid of 17,000 officers. They proposed to get rid of 70 percent of them by normal attrition and by cutting inductions. They had to discharge 30 percent, or 5,000 officers, against their will.

I have received complaints from officers in my Congressional District and I daresay every Member of this House has received complaints from Reserve officers who had spent the best years of their lives in following a military career on the promise they would receive retirement benefits. Then 2 or 3 years short of their eligibility for a pension they were unceremoniously thrown out of the armed services and were compelled to start a civilian career at a time when they had acquired families and a standard of living which made a new start difficult. Five thousand of them received this treatment.

All that was on the present pay schedule. Are you going to tell us that it is impossible to recruit and retain officer personnel because of poor pay? Look at the officers who were being discharged—lieutenant commanders, majors, lieutenant colonels, commanders, colonels and captains who, under the Cordiner plan, were to get increases of 12 percent, 31 percent and 42 percent, respectively, in their pay.

The military clique wanted to get these Reserve officers out so that Regular officers, the Service Academy Protective Associations, could be promoted to the positions from which Reserve officers were being removed.

Mr. Speaker, I think this is a very unjust measure. We have no business considering it today at a time when there is unemployment and Government service is more attractive to people than it is in time of full employment. A case has not been made for the bill and I think both the rule and the bill should be defeated.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Mississippi.

Mr. COLMER. This bill originally was supposed to be the answer to the Cordiner report. The Cordiner report was going to save the taxpayers some $5 billion a year and at the same time improve the military setup. As I read the report and as I heard the testimony before the Committee on Rules, instead of saving $5 billion a year, we are now going to spend $660 million more a year, as I recall the figures. Is that correct?

Mr. MEADER. That is my understanding from the statements that have been made here today.

Mr. Speaker, I shall insert in the RECORD at this point the correspondence between the Armed Services Committee chairman and the chairman of the subcommittee and the Department of Defense.

I shall also insert excerpts from correspondence I have received which reflect the feeling of injustice done to thousands of Reserve officers:

THE SECRETARY OF DEFENSE,
Washington, January 18, 1958.

Hon. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives.

DEAR MR. CHAIRMAN: I have received your letter of January 10, 1958, recommending that the involuntary release of officers to effect a reduction in force be stopped.

The decision, and I believe it to be a correct one, to reduce the officer strength was made only after careful consideration. This decision has been implemented and many officers have already left the service. To stop action now would be manifestly unjust to officers already separated, would hurt many awaiting separation who have made job commitments, and would increase the uncertainty of those who have been notified but would be held over to some indefinite date for an unknown decision.

I assure you, Mr. Chairman, this is a problem which has sorely vexed me. Reductions in any force—military or civilian—are not easily made. I share with you the concern for those men who must leave the service but I must also be concerned with what I consider to be in the best interest of our Armed Forces and to the individuals who remain in them.

I believe we have done everything possible to ease the number of and the impact upon those involuntarily released. However, in the interest of fairness to all it is impracticable to stop the involuntary release of Reserve officers who have received their notification.

I appreciate your concern but I know you will understand our position.

Sincerely,

NEIL MCELROY.

JANUARY 14, 1958.

Hon. NEIL H. MCELROY,
The Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: In view of the fact that you have taken the position that you cannot accede to the request of Mr. VINSON and myself concerning the temporary retention on active duty of Reserve officers of the Air Force and Navy scheduled to be involuntarily released in the near future, it will be necessary for me to convene my subcommittee on Saturday morning at 10 a. m. in Room 313–A for the purpose of taking testimony on this matter.

The subcommittee would like to have your views on the reduction-in-force program and the reasons why you are of the opinion that a temporary delay in the release of these officers cannot be arranged.

I am most hopeful that you can arrange to be present at the appointed hour and be the first witness.

I regret the necessity of calling this meeting on short notice and on a Saturday, but I know you will recognize that since these Reserve officers are due to be released as early as the last day of the month it is imperative that the subcommittee take immediate action, particularly in view of the fact that our request for their retention has been denied.

Sincerely,

OVERTON BROOKS,
Chairman, Subcommittee No. 1.

JANUARY 10, 1958.

Hon. NEIL H. MCELROY,
The Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: I wish to acknowledge receipt of your letter of January 10 which was in response to ours of January 7 concerning the suspension of future action on the reduction-in-force programs of the military services.

Your letter states that, for the time being, no further notifications of release are to be issued to Reserve officers to effect reductions in force. However, it is not clear what will be done for those Reserve officers who have received such notifications but have not been released from active duty.

I wish to make it clear that our recommendation was that the reduction-in-force program should be stopped and that no more Reserve officers be involuntarily released in order to effect a reduction in force. This would mean that those Reserve officers who previously received a notification of release would have such notifications canceled and be retained on active duty until such time as Subcommittee No. 1 has an opportunity to review this program. Our recommendation concerned only those Reserve officers being released because of a reduction in force and was not intended to apply to the normal administrative release of officers for termination of contract, unsatisfactory service, disciplinary reasons, and similar types of releases.

Will you please advise your decision in the light of this clarification of our original letter.

Sincerely,

CARL VINSON, *Chairman.*

JANUARY 10, 1958.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: In response to your letter of January 7, 1958, the Department of Defense does not plan at this time to issue any further notifications of release to Reserve officers to effect a reduction in force. The Secretaries of the military departments have been notified accordingly. However, the normal administrative release of officers for termination of contract, unsatisfactory service, disciplinary reasons, and similar types of releases will continue.

In connection with the foregoing, the Department of Defense will be glad to present any information which the Armed Services Committee may require.

Sincerely,

JANUARY 7, 1958.

Hon. NEIL H. MCELROY,
The Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: We have been concerned about the reduction-in-force programs recently implemented by the military services which have had the effect of involuntarily releasing many Reserve officers from active duty. In addition to those already returned to civilian life there are many more who have received notices of their separation from the service in the near future. Still others live and work from day to day not knowing when they will be notified that they also must be released.

We recognize that the Army has announced that no further reduction in Reserve officer personnel will take place in fiscal year 1958 but, to our knowledge, no such action has been taken by the Departments of Navy or Air Force.

This has caused a most unfortunate but understandable reaction among Reserve officers serving on active duty. Certainly, morale has suffered and the unsettled condition of their careers is having a markedly deleterious effect on the performance of duty of many of the Reserve officers still serving with the active forces.

We would remind you that these programs were initiated and implemented during the time that Congress was in adjournment. Furthermore, we are sure you have been advised that Subcommittee No. 1 has scheduled hearings in order to conduct an inquiry into the reduction-in-force programs, to begin just as soon as committee business will permit.

In view of the foregoing we believe that the best interests of the military services would be served if you would direct the Secretaries of the military services concerned to suspend any further action on the reduction-in-force programs, as it relates to Reserve officers, until such time as Subcommittee No. 1 has had an opportunity to review this matter and make such recommendations as may seem appropriate or advocate enactment of corrective legislation.

Sincerely,

CARL VINSON,
Chairman.
OVERTON BROOKS,
Chairman, Subcommittee No. 1.

Here is the service record of an Air Force major among those unjustifiably separated:

Fifteen years and eight months active duty, 6 years and 7 months of which were spent overseas. He has 3,624 hours of flying time. His awards include the Distinguished Flying Cross, the Air Medal with 3 oak leaf clusters, the European Theater Medal with 3 battle stars, to mention but a few of his valued decorations.

He wrote:

It would be enlightening to me to know where and how I have failed in relation to my fellow officers. If my performance of duty has been substandard at any time, this fact has never been brought to my attention by any of my commanders or superiors.

I sincerely feel that the service to my country has been devoted, honest, honorable, and, above reproach at all times. My record indicated that I have never committed an offense and have never been reprimanded for any acts or omissions in performance of duty.

As noted in my officer military record, a copy of which is enclosed, I am a combat veteran of World War II. At the end of my current tour, I will have completed 6 years and 7 months of service overseas.

It is most difficult to give up the years I have devoted to service for my country and not be eligible to continue on active duty for retirement purposes. In April 1962, I would have completed 20 years of continuous active duty.

That is the case of a skilled pilot, trained at a cost of hundreds of thousands of dollars to American taxpayers, unwillingly and quietly separated from the Air Force on the one hand while his superiors were attempting to make a case for higher pay ostensibly to retain well-trained, qualified officer personnel.

Here are excerpts from a letter from the wife of an Army major, specialized in the field of Medical Corps administration:

I admit the logic of the reasons advanced for the cut—in Reserve personnel on active duty—but injustice is being done to some of the Reserves, as a result of which officer morale is at a new low among all except the mediocre Regulars who see better hopes of their promotion. Bright young lieutenants, like several my husband commands and whom the Army wishes to attract, are deciding against working for an organization which breaks promise after promise to men like him.

She wrote further:

If you think that the associates of my husband and other men like him are bitter, disgusted, and sick at heart at this reward for excellent and faithful service to their country, you are absolutely correct.

Here is what a lieutenant colonel wrote a distinguished constituent of mine:

To say that I am not bitter after 16½ years of service would be deceitful—I am. The Civil Service and General Motors have better personnel programs than the Army. At least, where qualified, the employees with long service can bump down and those with least service and experience leave first. They are not required to go all the way to the bottom and crawl back up again. However, I am not giving up and I am going to start over again as an enlisted man, in order to complete my time for retirement. The 16th of November is the date for the switchover and I will have 3½ years to go.

Is not that a fine reward for a distinguished officer having served his country for 16½ years?

He wrote further:

I have one consolation; the job that I am presently holding and my last one as an officer is considered one of the key spots in the service. My local commanding officer and my immediate superior were as shocked as I when the notice (of impending separation) came through.

They assured me that in the short time that I had been here I was their answer to a problem they had of locating an experienced terminal operator that knew the problems of discharging and loading oceangoing ships, documenting of cargo, and coordinating the land movement of freight to and from the port.

Even the Navy is not immune to handing out this sort of treatment. Several constituents wrote me concerning a young lieutenant, sent to college at Government expense—the equivalent of an Annapolis education, to other technical schools and then placed in charge of a coastal radar station so vital to our national defense.

He was told recently, too, his services no longer were needed after 16 years of both enlisted and commissioned service.

Here is what I wrote Secretary Gates:

Naturally, I would like a detailed report on the situation of my constituent, ———. However, in the light of current proposals, I would like some kind of an explanation to satisfy constituents who have complained to me about the treatment being accorded competent military officers, its bearing upon attracting competent persons to a military career and how we can be going in both directions at the same time by claiming that the pay scale is so low as to be unattractive and at the same time discharge officers against their will.

Mr. Speaker, the whole foundation for this legislation is that increase pay is necessary to attract and retain capable personnel.

I say that no case has been made by the Pentagon for that request.

I want to call attention to some testimony given by senior officers before the Appropriations Committee in connection with the Department of Defense appropriation for fiscal year 1958.

On February 18, 1957, just a year ago, Admiral Beardsley testified before the Subcommittee on Defense Department Appropriations on the reasons given for voluntary separations from the service by both officer and enlisted personnel, and the reasons given for junior Reserve officers' recall to active duty at their own request.

It is apparent from the testimony, which I will include in full in my remarks, that of 211 officers who resigned on completion of their obligated service only 5 percent gave insufficient pay as the reason for leaving the service.

It is also apparent that retirement and other benefits were an incentive for those junior Reserve officers who returned to active duty voluntarily.

The pay incentive offered by this bill, especially to junior officers, in no way offsets the incalculable harm done to morale of reservists still on duty, to those already separated, and the reputation of the services for keeping faith with their personnel.

At this point I insert an excerpt from pages 851 and 852 of the hearings to which I have referred:

REASONS FOR LEAVING THE SERVICE

Admiral BEARDSLEY. I do not know if you want this in the record right now, but I have a report which was finished September of last year following an interview with young officers upon release from the service. This gives a breakdown of 12 reasons given by these officers upon release from service.

Mr. SHEPPARD. Very well. You may give that.

Admiral BEARDSLEY. The question was: "Why are officers leaving the Navy?" This investigation was conducted last September 1956. I will read the reason and then the percentage given on this interview.

Job dissatisfaction, 43 percent;
Limited homelife, 17 percent;
Instability of service as career, 8;
Unsatisfactory advancement, 5—I am rounding these off, sir;
Insufficient pay, 5;
Loss of officer prestige, 5;

Mr. MILLER. What was that, sir?

Admiral BEARDSLEY. Loss of officer prestige.

Mr. MILLER. Loss of officer prestige? I do not follow it. Are they not officers?

Admiral BEARDSLEY. These are officers. Perhaps I should say this off the record.

(Discussion off the record.)

Admiral BEARDSLEY. To continue:

Loss of traditional benefits, 4;

Family living conditions, 1½;
Demands of Navy social life, 1½; and
All other reasons, 10.
That adds up to 98 or 99 percent.
I have it for enlisted men.

Mr. SHEPPARD. We are interested in that.

Admiral BEARDSLEY. This is based on exit interviews with 11,000 enlisted men. That is the size of sample. It was made April to October 1956.

Better civilian job opportunities, 39; take advantage of educational opportunities, 34; general dissatisfaction with military life, 8; family demands, 5; extended fleet operations, 2; lack of advancement opportunity, 1½; to enlist in another service, 1½; poor leadership, 1; not recommended for advancement, 1; poor habitability, ½ of 1 percent; no reason given in about 6 or 7 percent of the cases.

Mr. SHEPPARD. Taking the 2 tables that you have just given for the record in response to Mr. Riley's interrogation, was the report completed or finalized to the degree that it can be determined if the difficulties expressed in those 2 reports, are correctable within the Navy by regulatory concept as against that by legal requirements or an act of Congress?

Admiral BEARDSLEY. No, sir.

Mr. SHEPPARD. Do you think in order to complete that report you might have those percentages determined?

Admiral BEARDSLEY. I believe I would have to have the Bureau of Naval Personnel do that. I will have such an insert prepared.

Mr. SHEPPARD. I think it would be very interesting to have that added information at this point in the record. You may have it supplied by the Bureau of Naval Personnel if you wish.

Admiral BEARDSLEY. All right.

(The following information is furnished for the record by Vice Adm. J. L. Holloway, Jr., USN, the Chief of Naval Personnel:)

"Determination of valid percentages of categories requested is not feasible with the data available at present. The report referred to is a single sample, 211 officers, from a continuing series of officer surveys. The officers questioned in this sample were Reserves leaving the Navy upon completion of obligated service, the majority of whom had indicated on original commissioning that they had no serious thought of making the Navy a career.

"The individual reasons given for leaving the service were arbitrarily grouped to indicate a job dissatisfaction percentage which is not substantiated by the continuing survey. Study of the individual reasons given would appear to confirm the view that they do not voluntarily continue on active duty primarily because of long overseas deployments, rigorous duty demands and limited opportunity for family and home life.

"And in this connection, the Navy must, under the current international situation, maintain substantial forces deployed on distant station in a high and continued state of readiness. In general, our personnel accept and endure the rigors of Navy life with considerable pride.

"A similar sample questionnaire administered to some 400 junior reserve officers recalled to active duty at their own request indicates the chief reasons for returning were preference for Navy life, and retirement and similar benefits. Nevertheless, this group frankly stated their view that civilian life had considerable advantages in terms of financial gains, adequacy of housing, and family life. But they expressed the thought that they would be better off in the Navy for such things as medical and retirement benefits, enjoyment of work, and travel.

"And practically without exception they indicated that they had not fully appreciated the less tangible but nevertheless real challenges and satisfactions of Navy life until they had left the Navy for a while.

"The views of two groups of Reserve officers of approximately the same age, but at different stages of service association, would appear to justify caution in accepting validity of other than generally observed phenomena.

"The Chief of Naval Personnel believes that the fundamental reason for more reserve officers not desiring to continue on active duty can best be expressed in such general terms as the opportunity currently offered in civilian life for high financial return, and homelife as a private citizen, free from the rigors of Navy operations.

"The Chief of Naval Personnel looks forward to the opportunity to elaborate on the foregoing remarks in greater detail to meet the desires of the committee when he appears personally before it."

I would like during the debate to hear explained how the Pentagon can talk out of both sides of its mouth at the same time; that is, first firing qualified officers in an unjustified manner, then asserting that we have to raise the pay to get officers to remain in the military service.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, it is difficult for some of us who have never participated in military operations and who have never been privileged to become millionaires, to understand how you can cure a depression by raising the pay of certain groups of our Federal employees and raising the wages of certain groups that are employed in industrial plants.

Some of us have been told that inflation was caused by too much money being put in circulation. That inflation came when the money supply exceeded the real value of things for sale. The other day the House voted to raise the debt limit to $280 billion dollars. A few more bills like this put into operation will require another raise in the national debt limit.

When I go to the market I do not see any drop in prices. When you go to the ordinary store you do not see any drop in prices. Yet along comes a bill like this one. We increase the pay of a certain group, and then comes another group. But, the gentleman from Michigan [Mr. MEADER] said it seems to some of us on the outside that we are playing favorites all the time here with those who were in the academies, just want to kick out others who entered the service when they thought there was necessity for their enlistment or their service, and the war is over and things settle down a little bit and we raise the compensation of another group of the professionals and kick out the other ones who left their homes and businesses and their families to serve. Apparently they were just as patriotic as those who graduated from the 2 academies—or 3 now. Well, as some of you have heard by the grapevine, once in a while I go fishing and hunting, yet I find that these fellows in the armed services, the aristocrats of the services, are usually ahead of me in being able to get there quickly without any expense to themselves, and they usually seem to have a sort of a preserve or refuge or something set off for their personal benefit where I cannot get on. It cannot be that this life in the armed services is too terribly hard. They waste and misuse almost as much if not more of the tax dollars as do Members of Congress. I see my friend and guide, the gentleman from Georgia [Mr. VINSON], chairman of the committee. Of course, CARL, I realize that it is treason to vote against anything that you propose, and that you have the boys so frightened that every time you get a roll call they all have to go along. For example, my colleague, the gentleman from Michigan [Mr. FORD], he does not like this bill, so he said, but he said he would vote for it. Sure. You whip all into line. I would not compare your operations with those carried on in Russia, but they are just about as effective. Of course, you salve and kid us along. I do not believe there was anyone who ever opposed a bill that you brought to this floor that you just did not slap down with flattery. Now, we cannot resist that; I cannot personally always resist, and others cannot.

The SPEAKER pro tempore (Mr. MCCORMACK). The time of the gentleman from Michigan has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HOFFMAN. That makes me think, noting our distinguished colleague in the chair, about this spending business. You noticed the other day we appropriated billions of dollars of additional funds. I almost wish I had gone along with Dr. Townsend or Walter Reuther who said that all the people lack is purchasing power. Somebody suggested that we print the money. After the House appropriated additional billions of dollars to aid in lessening or ending unemployment, along comes the efficient, astute, political gentleman from the majority side [Mr. MCCORMACK] and he says in substance, "Come on, boys; let us go back and join Eisenhower. Our divorce was only temporary. We commend him." Of course, he, incidentally, claims all the credit for your side. "And," he added, "hurry up the spending of this money." Get rid of it before it rusts. Does that make sense? Honestly, all joking aside, can you cure a depression by just putting more money into circulation? Do not prices go up as the volume of money given to the people is increased? Years ago I remember some financial experts telling us that that was it, and I think our expert from Texas [Mr. PATMAN] said—and I think that is still his theory—"Just print it." Well, if that is the answer then, of course, there is no use fussing around as we have been doing; let us print it and be done with it and give everybody all the paper money he wants. But, unfortunately, after that happens things break down, and by decreasing the number of those who work and earn and practice a little thrift and save, their ability to pay in tax dollars will be exhausted. Meanwhile the added dollars buy ever less. Of course, I would rather give it, as the gentleman from Georgia suggests and the gentleman from Texas [Mr. KILDAY]—I would rather give it to those in the armed services than waste it abroad. I have a grandson.

Neither inflation nor unemployment can be prevented or ended by indiscriminate spending.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Speaker, at the outset, let me make my position clear. I am in favor of a strong and well-paid Military Establishment. As a personnel staff officer in World War II, I realize the importance of maintaining high morale and the necessity of attracting sufficient numbers of capable and skilled personnel to lifetime careers in the armed services.

In recent years, Congress has done much to improve the opportunities of our citizens in the armed services. The Career Incentive Act of 1955 provided pay increases and, among other things, a dislocation allowance on permanent change of station. I supported this measure. Later on that year Congress passed the Dependent's Assistance Act which I supported and the Survivor's Benefits Act, for which I also voted. These bills improved the conditions of service personnel, provided their dependents with medical attention and included military personnel under the provisions and protection of social security.

We are now asked to consider a bill to raise the pay of members of the armed services once again and to provide proficiency pay for enlisted members of the Military Establishments. Most of us are prepared to accept the fact that a carefully considered increase in pay can contribute toward an increase in the reenlistment rate and the officer retention rate.

Needless to say there are many factors, other than rate of pay, which affect the individual's decision as to whether or not to remain in the armed services. Enlightened personnel procedures, reasonable respect for the personal problems of the individual military man or woman and exercise of intelligent leadership certainly contribute to the happiness and satisfaction of military personnel. Every member of this body has, in his own office files instance after instance of cases where poor administration and lack of exercise of basic commonsense has turned individuals so violently against the service that no amount of incentive pay would ever attract them back to a nightmare of misclassification, petty harassment or lack of effective leadership. Fortunately, these cases are the exception rather than the rule.

This bill, which is before us today, seeks to adjust the basic pay of the officers and enlisted members of the uniformed services and to provide proficiency pay for enlisted members of these uniformed services. That is a sugar-coated way of describing another pay-raise bill, and that is essentially what we have before us right now.

Once this legislation was described as an economy bill but that concept has been pretty thoroughly discredited by the great Committee on Armed Services which notes on page 2 of its report:

> In an effort to impress upon the American public the necessity for adequate pay adjustments for members of the armed services, considerable publicity has been given to the Cordiner report. In essence, the public has been led to believe that adoption of the Cordiner report after it has been in effect for several years, would lead to an actual savings of $5 billion annually in defense appropriations. In addition, the American public has been advised of the necessity for the adoption of a merit promotion system for members of the armed services. The facts in connection with these two points must be fully explained. The Secretary of Defense in testifying before the Committee on Armed Services, stated in connection with the proposed $5 billion savings:
>
> "In fact, one thing we have been trying to get away from ever since I have been down here is that commitment to save $5 billion a year. We would like to save $5 billion a year, and like it very much, but the savings, the potential savings here, are dependent upon quite a good many contingent benefits * * * and we just feel that we would like to forget that that figure was ever mentioned."
>
> No person in any position of responsibility in the Department of Defense has agreed that the adoption of the so-called Cordiner report would actually result in a $5 billion annual saving. The information submitted by the Department of Defense indicates that by 1962 actual savings of $100 million a year will be effected.

If this is essentially a pay-raise bill for the uniformed services, we must ask ourselves how much study the bill has received in subcommittee, how much time was spent on the bill in full committee, and whether, as a result of these deliberations, a bill has evolved which will accomplish the purpose the Committee on Armed Services outlines on page 3 of its report:

> The Committee on Armed Services is of the opinion that adoption of the proposed legislation will serve to further increase the reenlistment rate particularly in the so-called hard skill area among enlisted personnel, as well as the officer retention rate.

May I ask either the chairman of the great Committee on Armed Services or the distinguished gentleman from Texas [Mr. KILDAY], the chairman of the subcommittee which originated this legislation, how much time the Committee on Armed Services, itself, spent on this bill?

Mr. KILDAY. Mr. Speaker, will the gentleman yield?

Mr. BROWNSON. I yield to the gentleman from Texas.

Mr. KILDAY. The subcommittee in charge of this bill held open hearings 5 days a week, sometimes both morning and afternoon, for 4 consecutive weeks. It took 514 pages of testimony, which are available here. We then spent practically 1 week in executive session marking up the bill. I will say that we considered it in the subcommittee for 5 weeks.

Mr. BROWNSON. I congratulate the gentleman from Texas on the thoroughness of the consideration by the subcommittee, but, when the bill came before the full committee?

Mr. KILDAY. The bill was completed by the subcommittee on Monday afternoon. The same afternoon I offered a clean bill which was available in the document room on Tuesday morning. It came before the full committee on Thursday morning when it was considered during the entire morning session of that day.

Mr. BROWNSON. I thank the gentleman.

Mr. KILDAY. I might state for the information of the gentleman that I have never known of a bill before a committee which was handled by a subcommittee that consumed more than one session in connection with it.

Mr. BROWNSON. In other words this bill was considered by the full Committee on Armed Services for approximately 2 hours; is that right, sir?

Mr. KILDAY. That is substantially correct.

Mr. BROWNSON. Mr. Speaker, this bill involves an increased expenditure at this time of well over a half a billion dollars in the next year alone. Under this legislation it is possible for enlisted personnel with hazard pay to receive as much as $8,304 a year or $7,044 a year without hazard pay. A 4-star general with hazard pay will receive $29,304 a year or $27,324 without hazard pay.

This legislation increases the overall pay of 4-star generals by 36 percent; of lieutenant generals by 31 percent; of major generals by 23 percent, and of brigadier generals by 20 percent. The overall pay of colonels or captains in the Navy will be increased by 18 percent, majors by 11 percent, captains by 11 percent, first lieutenants by 8 percent, and second lieutenants by 4 percent. The overall pay of master sergeants will be increased by 12 percent. The overall pay of sergeants first class will be increased by 7 percent. Sergeants second class will receive a 10 percent pay boost and corporals will receive 8 percent.

Under this legislation a 4-star general will receive an increase of 47 percent on his basic pay which represents a raise of $7,188 a year. I wonder if this is necessary, in order to keep our four-star generals happy. I have not heard of many of them leaving the service except to retire at 50 or 55. How does the company grade officer make out? He is the one with the wife and youngsters who is often attracted to civilian life by increased earning possibilities. He gets an increase which amounts to only 15 percent of his basic pay or an additional $68 a month; $816 a year.

The sergeant first class rates an increase of only 11 percent basic pay which amounts to almost $29 a month or $332 a year. Are we saying to him, "This bill is a great thing for you. You are not going to get very much now. Your 11-percent increase on your basic pay doesn't compare with the 47 percent increase we gave your four-star general, but then, your morale should be improved because when you get to be an Army commander, you'll get your $27,324 a year too."

There is much merit in this legislation. The armed services has been in a turmoil for over a year as the much publicized and propagandized findings of the Cordiner Commission were dangled in front of their eyes. I hope, however, we can defeat the rule on this bill today. This would have the effect of sending it back to the committee for reworking. I want our generals and admirals to be paid well, to live well and

to be appreciated. I also want our noncommissioned officers, our enlisted technicians and our company grade officers to get a well-deserved break during the years they are raising families. They are the ones who are most tempted to leave the service, not our top-ranking officers.

May I suggest that the tremendous increases in pay for the top-level general officers may not take fully into account the fringe benefits they already receive? Few corporation officials have access to the yachts, airplanes, staffs, and other perquisites which are quite properly a part of their life. I do not begrudge them these privileges. I only say that when their salaries are compared with those of their civilian counterparts these fringe benefits, together with comparatively liberal retirement, medical attention, and career security must be taken into consideration. A 47-percent increase is quite a boost in a period of insecurity in civilian employment opportunities.

It is difficult to explain this bill to the reservist who served in World War II, and who was called back into the Korean conflict, only to be read out of the Army, Navy, or Air Force this year in the interests of economy.

I favor a more equitable distribution of pay increases. If the motion on the rule is carried, I will reluctantly vote for the bill, hoping that as it goes through the balance of the legislative process it will improve.

SOIL BANK CONTRACTS

Mr. ALBERT submitted a conference report and statement on the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments.

ADJUSTING BASIC PAY OF UNIFORMED SERVICES

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MEADER) there were—ayes 82, noes 6.

Mr. MEADER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 382, nays 5, not voting 42, as follows:

[Roll No. 29]

YEAS—382

Abbitt	Anderson, Mont.	Baker
Abernethy		Baldwin
Adair	Andrews	Baring
Addonizio	Anfuso	Bass, N. H.
Albert	Arends	Bass, Tenn.
Alexander	Ashley	Bates
Alger	Ashmore	Baumhart
Allen, Calif.	Aspinall	Beamer
Allen, Ill.	Avery	Becker
Andersen, H. Carl	Ayres	Beckworth
	Bailey	Belcher
Bennett, Fla.	Griffin	Montoya
Bennett, Mich.	Griffiths	Moore
Berry	Gross	Morano
Betts	Gubser	Morgan
Blatnik	Hagen	Morris
Boggs	Hale	Moss
Boland	Haley	Moulder
Bolling	Halleck	Multer
Bolton	Harden	Mumma
Bonner	Hardy	Murray
Bosch	Harris	Natcher
Bow	Harrison, Nebr.	Neal
Boyle	Harrison, Va.	Nicholson
Bray	Harvey	Nimtz
Breeding	Hays, Ark.	Norblad
Brooks, La.	Hays, Ohio	Norrell
Brooks, Tex.	Healey	O'Brien, Ill.
Broomfield	Hemphill	O'Brien, N. Y.
Brown, Ga.	Henderson	O'Hara, Ill.
Brown, Mo.	Herlong	O'Hara, Minn.
Brown, Ohio	Heselton	O'Konski
Broyhill	Hess	O'Neill
Budge	Hiestand	Osmers
Burleson	Hill	Ostertag
Bush	Hillings	Passman
Byrne, Ill.	Hoeven	Patman
Byrne, Pa.	Hoffman	Patterson
Byrnes, Wis.	Holifield	Pelly
Cannon	Holland	Perkins
Carnahan	Holmes	Pfost
Carrigg	Holt	Philbin
Cederberg	Holtzman	Pilcher
Chamberlain	Hosmer	Pillion
Chelf	Huddleston	Poage
Chenoweth	Hull	Poff
Christopher	Hyde	Polk
Church	Ikard	Porter
Clark	Jackson	Powell
Clevenger	Jarman	Preston
Coad	Jenkins	Price
Coffin	Jennings	Prouty
Collier	Jensen	Quie
Colmer	Johansen	Rabaut
Corbett	Johnson	Ray
Coudert	Jonas	Reece, Tenn.
Cramer	Jones, Ala.	Reed
Cretella	Jones, Mo.	Rees, Kans.
Cunningham, Iowa	Judd	Reuss
	Karsten	Rhodes, Ariz.
Cunningham, Nebr.	Kearney	Rhodes, Pa.
	Kearns	Riehlman
Curtin	Keating	Riley
Curtis, Mass.	Kee	Rivers
Curtis, Mo.	Kelly, N. Y.	Roberts
Dague	Keogh	Robeson, Va.
Davis, Ga.	Kilburn	Robsion, Ky.
Dawson, Ill.	Kilday	Rodino
Dawson, Utah	Kilgore	Rogers, Colo.
Delaney	King	Rogers, Fla.
Dellay	Kirwan	Rogers, Mass.
Dennison	Kitchin	Rogers, Tex.
Dent	Knox	Rooney
Denton	Knutson	Roosevelt
Deroumian	Krueger	Rutherford
Devereux	Lafore	Sadlak
Dingell	Laird	Santangelo
Dixon	Landrum	Saund
Dollinger	Lane	Saylor
Donohue	Lankford	Schenck
Dooley	Latham	Scherer
Dorn, N. Y.	LeCompte	Schwengel
Dorn, S. C.	Lennon	Scott, N. C.
Dowdy	Lesinski	Scott, Pa.
Doyle	Libonati	Scrivner
Durham	Lipscomb	Scudder
Dwyer	Loser	Seely-Brown
Eberharter	McCarthy	Selden
Edmondson	McCormack	Sheehan
Elliott	McCulloch	Shelley
Everett	McDonough	Sheppard
Evins	McGovern	Sikes
Fallon	McGregor	Siler
Farbstein	McIntire	Simpson, Ill.
Fascell	McIntosh	Simpson, Pa.
Feighan	McVey	Sisk
Fenton	Macdonald	Smith, Calif.
Fino	Machrowicz	Smith, Kans.
Fisher	Mack, Ill.	Smith, Miss.
Flood	Mack, Wash.	Spence
Flynt	Madden	Springer
Fogarty	Magnuson	Stauffer
Ford	Mahon	Steed
Forrester	Mailliard	Sullivan
Frazier	Marshall	Taber
Frelinghuysen	Martin	Talle
Friedel	Matthews	Teague, Calif.
Fulton	May	Teague, Tex.
Garmatz	Merrow	Teller
Gary	Metcalf	Tewes
Gathings	Michel	Thomas
Gavin	Miller, Calif.	Thompson, La.
George	Miller, Md.	Thompson, N. J.
Glenn	Miller, Nebr.	Thompson, Tex.
Gray	Miller, N. Y.	Thomson, Wyo.
Green, Oreg.	Minshall	Thornberry
Gregory	Mitchell	Tollefson
Trimble	Walter	Wilson, Calif.
Tuck	Watts	Wilson, Ind.
Udall	Weaver	Winstead
Ullman	Westland	Withrow
Utt	Wharton	Wolverton
Vanik	Whitener	Wright
Van Pelt	Whitten	Yates
Van Zandt	Widnall	Young
Vinson	Wigglesworth	Younger
Vorys	Williams, Miss.	Zablocki
Vursell	Williams, N. Y.	Zelenko
Wainwright	Willis	

NAYS—5

Bentley	Mason	Wier
Brownson	Meader	

NOT VOTING—42

Auchincloss	Diggs	Kluczynski
Barden	Engle	McFall
Barrett	Forand	McMillan
Blitch	Fountain	Mills
Boykin	Gordon	Morrison
Buckley	Granahan	Radwan
Burdick	Grant	Rains
Byrd	Green, Pa.	Robison, N. Y.
Canfield	Gwinn	St. George
Celler	Haskell	Shuford
Chiperfield	Hébert	Sieminski
Cooley	Horan	Smith, Va.
Davis, Tenn.	James	Staggers
Dies	Kean	Taylor

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Canfield.
Mr. Boykin with Mr. Kean.
Mr. Buckley with Mr. Auchincloss.
Mr. Gordon with Mrs. St. George.
Mr. Engle with Mr. Taylor.
Mr. Dies with Mr. Gwinn.
Mr. Sieminski with Mr. James.
Mr. Green of Pennsylvania with Mr. Chiperfield.
Mr. Staggers with Mr. Horan.
Mr. Rains with Mr. Haskell.
Mr. Barrett with Mr. O'Konski.
Mr. Forand with Mr. Robison of New York.
Mr. Fountain with Mr. Radwan.
Mr. Shuford with Mr. Burdick.

Mr. KNOX changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

Senate Resolution 280

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE S. LONG, late a Representative from the State of Louisiana.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate, at the conclusion of its business today, take a recess until 11 o'clock antemeridian tomorrow.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

The message also announced that the Senate agrees to the report of the com-

mittee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 10843) entitled "An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments."

The message also announced that the Secretary of the Senate requests the House of Representatives to return to the Senate the bill (S. 1538) entitled "An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10881) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes."

The message further announced that the Senate agrees to the amendments of the House to Senate amendments numbered 18, 20, 22, and 48 to the above-entitled bill.

ADJUSTING BASIC PAY OF UNIFORMED SERVICES

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11470), with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, for quite some time now there has been a realization in the country that a difficulty exists in connection with our armed services. I am sure that we are all quite familiar with the articles that have been published in national magazines over a period of months as to the conditions existing and the fact that we are failing to retain the highly skilled personnel necessary in modernized warfare, and that we are unable to retain the highly competent and qualified younger officers in the services. These officers, and the enlisted men as well, cost tremendous amounts of money to train, and we are constantly retraining while those men go into industry. We should bear in mind at the outset that our training costs in the armed services at the present time run to $4 billion a year. Four billion dollars a year is expended in training personnel of the Armed Forces, and it is a continuing drain upon us because we are so rapidly losing the trained members of our armed services.

So we have a problem, and it is my purpose today to discuss the problem which exists and point out what I believe to be the cause of that problem and the remedy which is suggested by the bill which has been brought to you by the committee.

I should like for just a moment to state to you that in my service in this House I have never known of a bill which received the careful, the protracted consideration that this bill received. For 4 straight weeks the subcommittee of the Committee on Armed Services received testimony on this bill. We received it from all of the services concerned. We received it from every individual who asked to be heard and had any legitimate excuse to be heard. No one has complained that he was denied an opportunity to appear. I am very considerably surprised to find that there is any contention that this bill has been rushed. I assure you that had you participated in these subcommittee hearings and knew the number of hours involved in the consideration of this bill you could take no part in the complaint that has been made to that effect.

Now what is our situation? We are attempting to maintain an armed force of, recently, 2,750,000, now being reduced to 2,605,000. In order to do that we must attract men on a career basis which is, of course, at the present time supplemented by the draft. We have over 65,000 new members entering the armed services each month at the present time. More than 65,000 persons are entering each month.

Ir fiscal 1959 it is anticipated that of 2,300,000 enlisted personnel there will be approximately 241,000 inductees and 1,297,000 enlisted men in their first enlistment, leaving only 765,000 trained and experienced personnel to perform the multitudinous tasks required in our present Armed Forces.

In the electronics field, in 1957, only 13 percent of the eligible first-time enlistees reenlisted. In other technical fields only 12.8 percent of the eligible enlistees reenlisted. In fiscal 1957, in the Air Force alone, enlistments of 22,000 airmen in 28 highly technical fields expired. Of those 22,000 only 5,500 reenlisted. This resulted in a loss of 16,500 experienced personnel, and, according to the Air Force, a replacement training cost of over $60 million.

Of 12,000 ROTC officers and aviation cadets who entered the Air Force on active duty in 1953 only 4,000 remain on active duty at this time. In the Navy in fiscal 1957 the first term reenlistment rate was 15 percent. According to the Chief of Naval Operations the Navy operated, in 1957, with a shortage of 3,000 line lieutenants, in their surface ships. In addition, the Navy is retaining only 2 out of every 7 naval aviators beyond their period of obligated service.

In the Army, in 1957, the retention rate of young officers after their 2 years' obligated tour of duty, according to the testimony of the Chief of Staff of the Army, was about 17 percent. So far in 1958 the rate is running at about 16 percent. The requirements for such officers are closer to 35 percent.

Let us now see what is happening to the graduates of our service academies. Of the class which graduated in 1950 from the United States Military Academy, 14.5 percent have resigned. From the United States Naval Academy, 30.7 percent have resigned. From those graduates of the Military Academy who were assigned to the Air Force, 18 percent have resigned, and of those graduates of the Naval Academy assigned to the Air Force 30 percent have resigned since they graduated in 1950.

Of those graduated from the Military Academy in 1951, 21.5 percent have resigned; from the Naval Academy, 21.5 percent; of those assigned to the Air Force from the Military Academy, 19 percent; and of those from the Naval Academy assigned to the Air Force, 29 percent.

Of those graduating in 1952, from the Military Academy, 25.8 percent; from the Naval Academy, 18.8 percent; from the Military Academy assigned to the Air Force, 20 percent; and from the Naval Academy assigned to the Air Force, 28 percent.

The class of 1953, from the Military Academy, 24.6 percent; from the Naval Academy, 13.8 percent; from the Military Academy assigned to the Air Force, 17.5 percent; and from the Naval Academy assigned to the Air Force, 15 percent.

Of the class that graduated in 1954 from the Military Academy, where 3 years of service is required of a graduate, 21.3 percent have already resigned. They resigned at the very first opportunity they could resign after their obligated service. It is expected that the resignation rate of the Military Academy class of 1954 will reach 27 percent by June 1959, a higher 5-year rate than any other in the history of the Military Academy.

From among regular officers we have had resignations, since Korea, in the fiscal year 1955, 791 officers; in the fiscal year 1956, 624; fiscal year 1957, 563; and for the first half of the fiscal year 1958, 265. This is the situation which confronts us.

What is the cause of this situation? It was stated here that pay is not the only cause. With that I agree. I agree wholeheartedly that pay is but one of the causes, although a very important cause. The causes are many and they are varied. I should like to take a minute or two to point out this fact.

There has been in the last 20 years a change in our social structure in this country. Twenty years ago the married individual in a college or university was practically unknown, unheard of. Today a very high percentage of all of the college students are married.

Let us go back to just before the mobilization incident to World War II. The enlisted men of the regular services were not permitted to marry without the permission of their commanding officer. That permission was invariably denied to enlisted men unless they were serving in 1 of the 3 top grades of noncommissioned officers. Those were the three grades in which we provided quarters allowances. Any enlisted man below the

first three grades who married without permission was immediately discharged.

Just before that mobilization the Congress passed a law to require that all commissions issued to graduates of the service academies be provisional and that they be provisional for a period of 2 years, for the express purpose of adopting a regulation to prohibit the new commissioned officer from marrying during his first 2 years, and if he did marry he would be discharged from the service. But mobilization came along and that was never placed into effect.

What is the situation today? As the testimony before our committee shows, the vast majority of the career people in the Military Establishment are married. They have families. It is in accord with the change in the social structure of our Nation. Let me give you a little personal experience. When I came to the Congress and brought my 2 little daughters with me, there were not more than 4 small children in the Texas delegation and no more than 10 children of any age, of all Members of the Texas delegation. Last week a member of our delegation counted up and there are now more than 50 children in the Texas delegation. The situation has changed. The families are larger; and in professional groups, I believe, the families are also larger. Let us understand this. There are still in the armed services senior officers who go back to the good old days in their thinking when they had nothing but unmarried enlisted men and when a high percentage of their noncommissioned officers lived in the barracks. They slept in the barracks and they ate with the troops. That removed tremendous difficulties of administration. Those bachelors were ready to be transferred anywhere at any time without this question of moving their dependents. These senior officers still long for those good old days. It is my definite opinion that if more consideration were given in personnel management in all of the military establishments to the dislocations involved in moving these family people, part of our difficulty would be removed. There is neither rhyme nor reason for sending a man with a large family into an area where housing and school facilities are nonexistent or in such short supply that they cannot be accommodated. With their IBM machines they could pull out every man in that organization in a matter of minutes, if not in a matter of seconds. Too frequent change of station is involved here. The idea of a man having a permanent change of station, perhaps as often as once every year, is totally inexcusable. A little long-range personnel planning will overcome a great deal of that difficulty. There are many other things that can be done administratively. But, here as in every other phase of governmental operation, the Congress cannot control the administration of the law. I hope there is no disposition here to penalize the members of the armed services who are subjected to these inconveniences and dislocations, but who have no responsibility for creating them or maintaining them. We have heard in recent days, even in this House, severe disagreement with some of the policies in the executive branch of the Government, but no action was taken to penalize those persons who are entitled to the service or the benefits of the administration of those departments. Rather, there has been an attempt to protect them and to change the administration in the department. I can assure you that this is not the first time that this has been mentioned in our committee, and it will not be the last time that every pressure possible will be brought upon the Department to see to it that better personnel management is provided.

Now what can we do to remedy this? Much consideration has been given to this. About a year and a half ago when Mr. Wilson was the Secretary of Defense, he appointed a committee to examine into this problem. The committee was headed by Mr. Ralph J. Cordiner, president of the General Electric Co. It has generally become known as the Cordiner Committee. That Committee was composed of both civilians and military men. They worked diligently on this problem for a very long period of time. As I stated, Mr. Cordiner was Chairman of that Committee. The other members were: Mr. Carter Burgess, at that time Assistant Secretary of Defense for Manpower and Personnel; Dr. John A. Hanna, president of Michigan State University and at one time the Assistant Secretary of Defense for Manpower and Personnel; Mr. Charles A. Hook, industrialist and president of Armco Steel Co., who headed up the commission upon which the pay bill of 1949 was based; H. Lee White, former Assistant Secretary of Air; Hugh Milton II, present Assistant Secretary of the Army; Albert Pratt, former Assistant Secretary of the Navy; David S. Smith, present Assistant Secretary of the Air Force; Admiral Fechtler, for more than 40 years a member of the United States Navy and now retired, and a former Chief of Naval Operations and at one time Deputy Chief of Staff for Personnel; Lt. Gen. Richard E. Nugent of the Air Force, now retired; and Brig. Gen. Charles H. Hayes of the Marine Corps. They made their report May 7, 1957, and is has been very widely publicized.

Mr. Cordiner and his Committee are entitled to the gratitude of the Nation as a whole for the service they have rendered. In addition to his work of the Committee, Mr. Cordiner pursued his interest in this question and, most commendably, alerted the American people to the necessities of our armed services.

There has been a great deal of misunderstanding with reference to the Cordiner report. The one outstanding thing that that Committee recommended was the proficiency pay system. When Mr. Cordiner appeared before our committee he was asked, "If you can get only one of the things you have recommended, what one would you take?" He said, "Proficiency pay, by all means." This proficiency pay applies only to enlisted men. I hope that will be remembered, because if it is not, it will cause difficulty. We must be realistic. In these times the Military Establishment is highly technical. No longer do they operate with just guns and bayonets. Every new type of electronic equipment, radar, radio, and everything that has been developed in recent years is used by our Military Establishment, and many, many thousands of men are required in connection with the operation and maintenance of this equipment. During this second industrial revolution that is going on in the country there is extreme need for these same people in industry, and we are losing these trained, efficient men to industry just as rapidly as we can train them, after their enlistment or their obligated tour expires. They are going into industry.

The idea of proficiency pay is that we pay a man because he is proficient in a skill. It is not intended to apply only to the technicians. It is proficiency pay for all men. The most important man you have in the service is still the fellow who is fighting. He is still the fellow who goes out and contacts the enemy. The most important proficiency you can have is combat proficiency, and this proficiency provision covers that. Proficiency pay was recommended by the Cordiner Committee, but legislation for proficiency pay was not recommended by the Cordiner Committee nor the Department of Defense. It was recommended that it be done administratively.

I hope you will believe me to be realistic enough to know that I never had any idea of bringing this bill before you without the words "proficiency pay" in it somewhere, after all the publicity that has been given to it. It is included in the bill two ways. This is where this bill should properly turn. We are in competition with industry for men whom we are training. I do not say it is unfair competition to which we are subjected, but it is certainly not equal competition. We do not compete with them on an equal basis. Why? Because in industry they have industrywide bargaining. The rate is the same in each of the companies using these technical personnel.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KILDAY. Mr. Chairman, I yield myself 15 additional minutes.

They may not be so anxious to solicit personnel from one company on a higher rate of pay if that just meant the other company was going to raise it a little higher, and they would have to go still a little higher. You would have a constant leapfrogging operation, but when it comes to dealing with this competition on the part of the armed services, where do we stand? We have a positive provision of law that there shall be seven enlisted grades, E–1 through E–7, and that they shall draw a fixed number of dollars, depending upon the years of service they have had in the Military Establishment.

There is no possibility under the present system of giving to that technician that you need any additional pay so that you can be competitive with industry. That is provided by this bill. This bill provides a system under which industry understands that if they up the pay the military can up its pay and become competitive. As a result, that will not have to be done; but we are also in

a position to pay a man what he is actually entitled to receive. Here is a full-page ad from a service publication that went to every one of the military services under date of January 11, 1958:

A successful company offers the best opportunity for a successful career.

That is the type of competition we face. That cannot be eliminated; we cannot keep them from advertsing, but we can certainly be so highly competitive that they cannot appeal to our technicians and take them away from us.

The bill which came to us from the Department and the Cordiner Committee recommended that junior officers, second lieutenants, first lieutenants, and captains, receive practically no in-increase—almost no increase in pay whatsoever. Captains received almost nothing, a 1-percent increase. Under the Department bill a man who had served 14 years and was then promoted to major in the Army, or lieutenant commander in the Navy, would have received the great additional sum of $14 a month.

We have changed that situation in this bill. There are over 370 individual pay scales in the bill. They have all received very careful consideration by your subcommittee. Obviously, it is not possible to discuss each one of them here. They are in the first part of the bill, and if you will take the report on the bill and turn to pages 38 and 40 you will find a chart showing the present pay of each and every grade of each and every year of service, the amount by which the pay would be increased by this bill, and the percentage of the increase. I refer you to those tables in case you wish to discuss them.

Another recommendation of the Cordiner Committee was that we create two new officer grades—that we create two new officer grades, not new officers; I hope that is understood. That would be the grades involving the 3- and 4-star officers. They would be known as O–9 and O–10. Every one of those officers exists and is on duty in the service today, right this minute. Therefore we are not creating any new officers.

The situation is that at the beginning of the mobilization for World War II Malin Craig was Chief of Staff, a major general. He wore two stars. At that time George Marshall was Deputy Chief of Staff, a brigadier general. He wore one star. And those were the highest grades that existed in the service. During the war and since there have been 3- and 4-star officers and there were those outstanding leaders in World War II who wore 5 stars. The 3- and 4-star officers have held a permanent military grade, but not a permanent pay grade; so when these men retired they reverted to the pay of 2-star officers and lost any benefit of the money allowance given them while on active duty as 3- and 4-star officers. Included in this number, of course, are some of the most outstanding heroes of World War II and Korea. So these pay grades become applicable to those presently retired in those grades.

We have created in accordance with the Cordiner Committee recommendation two new enlisted pay grades. Heretofore they have run, as I say, from 1 to 7, inclusive; this will create 8 and 9. This gives more latitude to meet the competitive situation by inaugurating proficiency pay and it also gives an opportunity for career enlisted men and noncommissioned officers to be promoted.

We in the committee felt strongly that these two new grades should be reserved exclusively for career enlisted men. So thus we have in the bill a provision that to qualify for the enlisted rates 8 and 9, you must have 8 and 10 years' service, respectively, as an enlisted man in order to qualify for those two new ratings.

The Cordiner Committee recommended the total abolition of longevity pay. That system has been in existence for many, many years. As a matter of fact, the Navy went to it in 1899. The Navy abolished a form of the system that the Cordiner Committee recommended be instituted at this time because the committee of Congress handling the bill found in 1899 that the system was an antiquated system but it was sought to be brought back again.

We have recommended a continuation of the longevity system, with modifications. Formerly we have permitted a man to continue to accumulate more pay by the number of years he served, sometimes all the way across the board to 30 years. In this bill we cut off increments at definite periods. If you will turn to the report again, page 33, you will find a chart with a line drawn across it showing the point in the service when additional pay is cut off unless the man is promoted to the next higher grade. This is a much better system than that suggested by the Cordiner Committee, because under that proposal an individual was moved up on the steps depending on the certification of his superiors. That was not satisfactory to us. I do not believe you can have a successful military pay system that leaves any opportunity for favoritism or any suspicion on the part of the military that favoritism does exist. Whether it would be true or not, there would be a very strong feeling on the part of many that the apple polisher and the boot licker was always satisfactory and efficient in his whereas the other was not. The young combat commanders opposed that provision very bitterly, because the man in command, the lieutenant colonel in the field commanding a battalion, realizes there are thousands of times during the day when he could mess himself up, when his record could look bad; but the fellow at headquarters, always under supervision, does not have many opportunities to ruin his record, and it will look good. We have adopted a provision to take care of that and I think takes care of it adequately.

As to the retired personnel, from as far back as there is any record in pay bills, or increases in the pay scales for the active duty personnel, those persons previously retired have been permitted to compute their pay upon the new rates. That had been the situation in the past. We have heard comment in debate here today as to what our retirement costs are running. The figures quoted by the gentleman from Michigan [Mr. FORD] are exactly correct. I do not believe that I would have to say or do anything to convince the retired personnel that I have always attempted to represent their best interests. If I have to convince them of that fact at this time, I believe it is a little bit late to try to convince them. The bill sent over by the Department of Defense gave them absolutely nothing. The tradition has always been that they participated to the extent that the new pay scales were included.

This is not essentially a pay increase bill. This bill, essentially, as its title states, is to adjust the method of computing base pay. It is an attempt to attract men to the services as a career. Do not forget that retirement is one of the greatest incentives you can have for a man staying in the military service 30 years or more, and the fact that at the end of that time he will not be faced with a less dollar and a less purchasing power. So the fact his pay can be increased after he retires is as great an incentive as the rest of it is.

The bill as it came from the Department allowed a 6 percent cost-of-living increase for active duty personnel. We are in the process of increasing the postal employees and the civil-service employees to take care of the cost of living. The new rates in this bill provide about 6 percent for the lowest increase. And, we have included 6 percent for those presently retired. It is to cover their increased cost of living, and is a practical limitation. Oh, I know most of you have had letters from people presently retired asking you to increase their retirement pay. They have no idea that there will be objection on the floor of this House to give them anything. I think you will find, if you continue to take an interest in the retired personnel, that you will have to be very vigilant for them. You are going to have to do what is right and best for them, whether they feel it is right and best for them or not. They are not always realistic when it comes to matters of this kind.

There was a proposal in the bill for Reserve officers on active duty for less than 30 days. That has been removed. This applies to the Reserve as it applies to the Regular personnel. There was a provision with respect to doctors to revise somewhat the Doctors Pay Act. That was taken out. And, all of those who wrote about Kings Point Merchant Marine Academy, that has been taken out of the bill. That is no longer here to haunt you.

The cost of the bill is $668 million. Now, what would the bill cost as it was sent here by the Department of Defense? It is most difficult to calculate just what it would have cost, because it had some very peculiar provisions in it; one, for instance, that you would now raise the pay of those to be increased, but they would not get it for a period of 4 years; you would phase a part of it over a period of 4 years. Well, we never had a pay bill that lasted 4 years, and I do not know why the Department thought it was a good plan to put something in requiring 4 years for its implementation.

So that it was almost impossible to figure the cost of that bill. Their stated cost was $485 million, but when you take that 4-year phase-in out, which they knew could never be put in effect, you would add $110 million the first year and then the 6 percent for retired would add another $36 million. After we got the publicity out in the field through the hearings, practically a revolution took place when they found out for the first time that the Cordiner Committee and the Defense Department did not intend to give the lieutenants and captains anything, and some enlisted received little or nothing, and increases for future entrants; then the Department came over and said, "Yes, you will have to do something for them." That is another $85 million. So, their bill could run somewhere in the neighborhood of $716 million.

This morning at about a quarter to 11 Mr. Ralph J. Cordiner telephoned me to state that he had now had an opportunity to study in detail, and thoroughly, the bill which the committee has reported, and he gave me his estimate of it. I asked him if I was at liberty to quote him. He not only gave me permission to quote him but specifically asked that I quote him to the effect that this is excellent legislation. He thinks it is fine and he hopes that it passes. That is from Mr. Cordiner, the Chairman of that Committee.

Upon my own responsibility I state that this bill is thoroughly acceptable to the military departments. I state that on my own responsibility. I do that because it is not possible in the present circumstances for the military departments to express any opinion with reference to this bill. The committee in the other body is now considering the same proposal, the same bills that were considered by our committee. If they had reported it first and the departments had all endorsed their bill before we had a chance to look at it, I am afraid that they would have had some hard dealings with me, and I think if they had endorsed the House committee bill ahead of the Senate action, it would have been highly improper. At least, I can say no one in the military departments has expressed any opposition to the bill, and on my own responsibility, as I said, I can tell you that it is satisfactory to them.

I can tell you that it is endorsed by the National Guard Association of the United States, by the American Legion, by the Navy League of the United States, the Regular Veterans Association, the Reserve Officers Association, and others, and representatives of 168 industrial firms who were in session under the auspices of the association of the United States Army at Fort Benning, Ga.

Mr. KILDAY. We have worked diligently, faithfully, and quite hard, I assure you. We did not have complete agreement within the various military departments. We have had a great deal of disagreement come to us individually. Our sole purpose has been to be fair, just, and equitable to all of the departments, and we have achieved that in this bill.

It costs money; yes. I do not represent that it is going to save $5 billion. Somebody gave that figure to Mr. Cordiner, and Mr. Cordiner believed the statement that he got. He stated it came to him from the military departments, but nobody in the military departments is claiming it. I do not represent that this will save any finite number of dollars. I do say to you that, in my opinion, my sincere opinion, it will increase the efficiency and the stability of your Military Establishment; that you will have a more effective and a more efficient Military Establishment; that you are going to get more for what you spend, and by as much as you can increase the stability and the efficiency of your Military Establishment you will have saved money. And when we are spending the kind of money that is being spent on the Military Establishment today, that can, and I am sure will, be a very substantial amount of money.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. First, I want to congratulate the gentleman on the very splendid statement that he has made, and I am sure many of my colleagues will agree with his views. Can the gentleman advise me, first, Is there any change in the so-called hazard pay which is presently in force in the service?

Mr. KILDAY. No; hazard pay remains the same as it has been. There was a recommendation for an adjustment, but the committee did not accept it.

Mr. SEELY-BROWN. Am I correct in my understanding from the title of the bill, where you use the term "uniformed services" that that includes the Coast Guard?

Mr. KILDAY. That includes the Army, the Navy, the Air Force, the Coast Guard, the Marine Corps, the Coast and Geodetic Survey, and the Public Health Service.

Mr. SEELY-BROWN. Would the gentleman find it possible to describe very briefly, to supplement what is already in the printed report which I have read, the reasons why the committee did not consider the question of those at the Kings Points Academy, the merchant-marine officers?

Mr. KILDAY. The faculty and others at the Merchant Marine Academy are paid, although they are not members of the Military Establishment, under the military pay rates. There is some hassle going on between the faculty and the staff at Kings Point and the Department of Commerce about what pay rates they should be under. There was a provision put in, apparently by the Bureau of the Budget, repealing that provision requiring that they be paid under the Careeer Compensation Act, and that they be paid such amounts as the Secretary of Commerce would want to pay. There has been litigation on it, there is legislation pending now before the Committee on Merchant Marine and Fisheries, and we left it to that committee to handle and took it out of the bill entirely.

Mr. SEELY-BROWN. Without prejudicing the point of view of anybody on that matter.

Mr. KILDAY. That is right. We just left it as it is; let them fight it out in the proper forum.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. Earlier in the gentleman's remarks he displayed an advertisement of some concern that was apparently in the nature of trying to induce men to go into private employment. Could the gentleman tell us what company that is?

Mr. KILDAY. I doubt that I should do that. The point is, there have been many, many companies that have been doing that. I happen to have one in this ad here, but I do not believe they should be pointed out particularly in that connection.

Mr. GROSS. May I ask the gentleman this question, Was it an aircraft enterprise?

Mr. KILDAY. No; it was not an aircraft enterprise.

Mr. GROSS. Of course I am sure the gentleman is well aware of the fact that aircraft plants, some of them subsidized 99 percent by cost-plus-fixed-fee Government contracts, have been engaged in that business of raiding the Armed Forces.

Mr. KILDAY. I am sure that is true. I think we point out here that the only way you can meet that situation is to be competitive in your pay with private industry. We provide a system under which it can be competitive.

Mr. GROSS. Does the gentleman in all reason think that the Federal Government is ever going to be able to pay the salaries paid by private industry that are operating under cost-plus-fixed-fee contracts?

Mr. KILDAY. I would say yes. I think now our pay of military people under this bill will be pretty much in line. Of course, the men in the services do not know that.

When they go out on the hourly rate and they are subject to closedowns for retooling and new designs, they do not get that. But we have provided here a system that will for the first time put ours on a competitive basis with industry.

It has been said that a GI under this bill—I saw a headline about it—could draw $10,000. Of course, that may be possible if quite a few things coincide. But I doubt if any GI is going to get $10,000 under this bill.

There is something I want to mention with reference to the senior officers of the service and what they should be paid. I agree that you are not going to attract the bright, very intelligent, perceptive young man you want in the service unless you can show him that if he is the very best in the service he is going to have an adequate and rewarding career from every standpoint.

The Cordiner Committee recommended $2,000 a month as top pay. We have

put it at $1,875. We are going to pay him just what we pay you and me. The man is not going to get it the day after he comes in, he is going to get it after he has been in the service not less than 26 years. If you ever start to write a pay bill you will learn you do not start out with how much you are going to give at the bottom and go on up, because you are going to go out the roof. When you first start it you decide on the ultimate rate you are going to pay the topmost man and then come down according to differentials between ranks and the various years of service. When we put this on the basis of what we pay ourselves for the man who has reached the highest, I think we are reasonable. In all of the services, what you pay the generals does not make a substantial difference in this bill. Out of $668 million not $6 million of that increase goes to the generals. There are just a few of them. There are only 1,287 star officers in all of the services combined. The amount of pay here for them is inconsequential when considered with reference to the amount of money involved in the bill.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. WAINWRIGHT. May I pursue the question asked by the gentleman from Connecticut [Mr. SEELY-BROWN] in regard to the hazard pay. Does the gentleman feel at liberty to discuss the committee's views as to why paratroopers, airborne personnel, and the submarine people were not granted pay equivalent to the Air Force? I feel that he who stands in the door or he who goes below the sea deserves, if anything, more than a flier. Frankly, I must put in a special bill for this pay.

Mr. KILDAY. We did not touch any of the hazard incentive pays at all. There was a recommendation for an adjustment of the flight hazard pay, which we did not accept. We left the matter just exactly as it is.

I want to say to you about these special pays that those have not been instituted in the first place by pay legislation. Those have come up under special legislation for that special purpose. Just before mobilization for World War II, when we provided jump pay of $50 and $100 a month, it was special legislation. The same was true of special pay for doctors and medical technicians. That was always considered in separate legislation. We did not feel that should be disturbed at this time.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Arizona.

Mr. UDALL. I should like to congratulate the gentleman from Texas for the very masterful job he has done in presenting a very intricate piece of legislation. As one of the two Members who were original sponsors in this body of the Cordiner legislation, I think he has done a very skillful job of working out the differences between this and the Defense Department bill, and I feel pretty satisfied that the bill will pass.

Mr. KILDAY. I hope the bill will pass. I assure you there is good reason for every provision in it if we are given an opportunity we will explain every provision you may want explained.

Mr. GAVIN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, it is my great privilege to serve as ranking minority member of Subcommittee No. 2 of the House Committee on Armed Services, the subcommittee responsible for the legislation now under consideration.

I am proud to be a member of this subcommittee under the leadership of the distinguished and outstanding gentleman from Texas [Mr. KILDAY].

The bill before the House today represents a great deal of hard and diligent work on the part of your subcommittee.

We were seeking to solve the problem of retaining skilled personnel on active duty in our Armed Forces. While the bill is based upon certain principles recommended by the so-called Cordiner Committee, it should be clearly understood that the bill before the House represents the recommendations of the Committee on Armed Services. It is the work of the Kilday Subcommittee.

I, for one, believe that it is the responsibility of the Congress of the United States to provide adequate pay scales for members of the armed services. It is the responsibility of the Committee on Armed Services to write these pay scales and recommend them to the House. And while I appreciate the vast amount of work performed by the Cordiner Committee, nevertheless I feel that the Congress is better able to understand the needs of the armed services, particularly those needs that have to do with the pay they should receive for the work they are performing.

The country has been besieged with editorials and newspaper articles about the alleged savings of $5 billion annually in defense appropriations if the Cordiner report is adopted. We could find no evidence of these savings and we do not propose to attempt to pass this bill in the House on the basis of savings that cannot be substantiated.

The bill will, of course, increase our combat efficiency. It will increase our retention of skilled personnel. But the public must not be disillusioned about a potential $5 billion savings because it simply cannot result from the enactment of any pay legislation. In fact, here is what the Secretary of Defense said about those alleged savings:

> In fact, one thing we have been trying to get away from ever since I have been down here is that commitment to save $5 billion a year. We would like to save $5 billion a year, and like it very much, but the savings, the potential savings here, are dependent upon quite a good many contingent benefits * * * and we just feel that we would like to forget that that figure was ever mentioned.

Mr. Chairman, no person in any position of responsibility in the Department of Defense has stated that adoption of the Cordiner report will actually result in an annual reduction of $5 billion in defense spending. The information submitted by the Department of Defense indicates that by fiscal 1962 there will be an estimated savings of $100 million a year as a result of reduced training costs, uniforms, and other factors.

Now let us examine the committee bill compared to the Department of Defense recommendation. You will be interested to know that under the bill submitted by the Department of Defense, the average second lieutenant of the future would have received a 3-percent reduction in pay. Under the bill, H. R. 11470, the average second lieutenant will receive a 2-percent pay increase. Under the Department of Defense proposal, the junior officers—that is, the typical captain and major—whom the services seek to retain on a career basis, would have received a 1 percent and 12 percent increase, respectively; while the typical lieutenant colonel and colonel would have received a 31 percent and 42 percent increase in pay, respectively. The committee bill, H. R. 11470, made a substantial change in this area so that the typical captain receives a 12-percent increase in pay, the typical major a 15-percent increase in pay, the typical lieutenant colonel an 18-percent increase in pay, and the typical colonel a 23-percent increase in pay. Frankly, I wanted to provide greater increases for the junior officers, but I realize that this would have increased the cost to an unacceptable amount because of the large numbers of personnel in these grades.

Under the Department of Defense proposal, an enlisted man in the grade of E–7 going to the grade of E–9 would have received a 25-percent increase in pay. Under H. R. 11470 the typical E–9 will receive a 44-percent increase in pay. The typical E–8 under the committee bill will receive a 28-percent increase in pay, compared with a 15-percent increase recommended by the Department of Defense. The typical E–7, today's master sergeant, received a 14-percent increase under the Department's proposal. Under the committee's proposal, the typical E–7 will receive a 17-percent increase.

Under the Department of Defense proposal, the average E–4, E–3, E–2, and E–1 of the future would have received reductions in pay ranging from 2 to 8 percent. Under H. R. 11470 the average enlisted man in the lowest four enlisted grades receives a pay increase, if he has over 2 years of service.

The increased pay for enlisted personnel is of course costly and represents a substantial portion of the $668 million increased cost contemplated by the proposed legislation.

The proposed legislation contains a 6-percent increase for retired personnel. The Department of Defense proposal contained no provision for retired personnel. The Cordiner Committee recommended that retired personnel receive retired pay under the new pay scales.

Now I would like to turn to another point: In writing a pay bill which is so badly needed, the committee had to provide for, and in some cases reconcile, the different requirements of the individual services. Basic to any pay plan must be an overall equality of opportunity so that one service or part of a service does not offer such disproportionate rewards as to create inequities. At the same time the

requirements and the operational demands on each service are so different that to insist upon absolute uniformity would be to fly in the face of reality. Therefore, where possible, the compensation plan must be flexible enough to permit each service to adapt it to its own particular needs.

The basic purpose of the proposed legislation is to provide pay methods and rates which will help attract the proper quality of personnel in the needed numbers to make a career of the military service. It will do this by providing more attractive pay rates for all who have reached the career stage and by holding out greater financial incentives for proficiency and outstanding performance in any field.

The proposed legislation will achieve these purposes for all services and at the same time will be flexible enough to cover the differences between the services. For example, promotions are faster in some services than in others and even among the different specialities in the same service, because some skill areas are more crowded than others. For those who are promoted at a normal frequency or faster, a pay system which provides increases in grade only would be a fine system, but there are some specialties where the promotion rate has been slowed down. To provide adequately for these it has been necessary to retain the system of longevity based upon years of total service. Therefore, to adequately provide for all the services and for all groups within a single service the committee has prepared pay tables which provide appropriate incentives for those progressing at accelerated speeds, and at the same time protect the vast majority—80 percent—of individuals who advance in rank at the normal rate. At the same time it brings to an end the system which gave pay increases to the individual who does not deserve promotion.

In the past all services have experienced great difficulty in retaining adequate numbers of enlisted personnel in the critical skills, and particularly in the technical skills. To correct this situation we recommend rewarding these individuals who possess special skills with proficiency pay as an added incentive to make the military profession a career, and at the same time to attract personnel into these specialties from other less critical skills.

But different requirements among the services presented problems as to how best to accomplish this purpose in an equitable manner. The different services require differing balances between technical skills and those skills involved in combat leadership. Variations in rank structure also require different approaches to the problem. To offer special proficiency pay to the technicians only would be an obvious inequity, and at the same time a dangerous precedent. We must never forget that the primary function of the armed services is to fight.

To meet the situation for all services the proposed legislation provides for proficiency pay for those enlisted personnel who have been designated as possessing special proficiency in any military skill, technical or otherwise. It permits a system of proficiency pay tied to advances in pay grade or to a system of flat sums, at the choice of each service Secretary, depending upon which method will best fit the needs of the individual service.

These examples I have just cited to you serve to demonstrate some of the ways in which the committee worked to formulate a military compensation plan which is tailored to meet the needs of all the services on as flexible and equitable a basis as possible.

Now, I would like to speak briefly on one final aspect of this bill which I consider to be one of its best features—a proper incentive for the outstanding young enlisted man or woman to compete for promotion to officer grade.

It is one of this Nation's proudest boasts that there is equal opportunity for all. But it requires the constant vigilance of everyone, and the Members of Congress particularly, to insure that this maxim has real meaning. One of its practical applications is in the principle that the road to the top, however difficult, should be open always to everyone—regardless of the fact that he may not have had the privilege of higher education.

It was to implement this principle that the Congress has provided by statute that a specified number of appointments to the service academies should be reserved for enlisted personnel of the various services. It was for this reason that Congress provided for warrant officers, for limited duty officers, and for other officer appointments directly from the enlisted ranks.

It is to the groups other than those going to the academies or other college training programs to which I address myself. I speak now of the men and women who did not have educational opportunities but who, once they are in the service a few years, show by their outstanding performance and their efforts at self-education that they are worthy of a chance to compete for and to go up the ladder of the officer ranks.

Success in their efforts of course is their main reward, for the road is hard: but a proper pay system should make it financially attractive for them to pursue this route. At the very least we should not ask such outstanding and ambitious young people to accept a pay reduction for the harder path they have chosen.

It was on this point that the committee differed from the viewpoint of the Cordiner group and the Department of Defense. The Cordiner group felt that a second lieutenant or ensign should be paid as such regardless of his background. But the backgrounds are not the same, and that is just the point. The typical enlisted man today who might be selected for a commission has about 6 years' service, has a wife and children, and has demonstrated his ability. His family obligations are such that he would be financially unable to accept a commission if it meant a pay reduction. Thus we would be in the position of claiming to hold the door of opportunity open to him, but under such conditions that there would be no real opportunity at all—only an illusion. The college graduate is in an entirely different situation. He is younger and in most cases has not yet assumed his family obligations.

To provide adequately for the enlisted man who wants to step up to officer grade the bill before you contains a special pay table applicable to officers who have had more than four years prior enlisted service. This table extends through the lower three officer pay grades and provides a continuation of longevity increases beyond the point where the regular pay table levels off. The resultant combination of pay tables is such that an enlisted man who is good enough to advance will better himself financially by becoming a warrant officer, but if he desires to become a commissioned officer he will do even better.

In this way the opportunity for unlimited advancement for those qualified enlisted men with high ambition is preserved and enhanced in such a way that the individual can better provide for his family as he himself reaps the satisfaction of success on the harder road.

Mr. Chairman, I am conscious of the fact that this bill will cost $668,000,000 in fiscal 1959.

I am conscious of the fact that there are 5,000,000 unemployed.

I realize the perils of inflation.

But, I am also acutely aware of the fact that we cannot be the second strongest military force in the world and expect to survive.

We must retain our skilled personnel; we must attract, on a career basis, our outstanding young men and women; we must reduce the high turnover of high quality personnel. In short, we must develop and maintain the most highly skilled armed force in the world.

Our national survival is the issue. The proposed legislation, in my opinion, will go far toward resolving the issue in our favor.

Let us not forget the fact that after World War I we sunk our battleships, we destroyed our fortifications, we put our trust in treaties with people we thought were as right-minded as ourselves. The result was that we got the Lenin's, the Trotsky's, the Stalin's, the Hitler's, the Himmler's, the Goering's, the Mussolini's, the Ciano's. We were going complacently along the pathway of pacifistic peace. Then, suddenly, we woke to find ourselves embroiled in World War II, totally unprepared to meet the demands that were then made upon us.

What happened? We went all out and in that fine American spirit we moved forward to victory. We brought a war-torn world to peace and stability. So ended World War II.

What did we do after that? We skeletonized our Army, our Navy, and our Air Force and Marine Corps. We had not learned the hard, practical, realistic lessons of war. Suddenly we were precipitated into the Korean war. We had to call back the Reserves, the boys that carried on the fight in World War II. We moved them into Korea. What did we have? We had a few obsolete tanks, a few bazookas in Japan. The result

was that we were nearly pushed back into the sea at Pusan, the most humiliating incident that ever occurred in the history of our Nation.

Let us build a national defense, a strong national defense to meet any needs and demands that may be made upon us in a critical and chaotic world. To do that you must have a military pay bill here as an incentive to keep and to retain these experienced and able men in all branches of the armed services. Why, it cost us $100,000 to train an average flier, it cost us $600,000 to train a B–52 flier. After we educate and train them they should be retained in the service and paid commensurate with the importance of the various assignments. This bill here, therefore, is going to correct a lot of inequities which now exist and will be an incentive to retain our skilled and technical men in the service.

I sincerely hope the legislation will receive the overwhelming support of the Members of this House.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I wish to congratulate the gentleman on his excellent presentation of the contents of this bill and what it will mean to the servicemen and to the security of our Nation. I also wish to congratulate him for his remarks in regard to previous wars and what we have done, and also for the work that he has accomplished as the ranking minority member of the subcommittee and the efforts he has put forth on this piece of legislation. May I also congratulate the chairman, the gentleman from Texas [Mr. KILDAY] for the work he did as chairman of the committee and for the excellent presentation he made on the floor of the House here today.

There is no reason why this bill should not receive the overwhelming support of every Member of the House. I marvel at the fact the bill is as good as it is. If the committee had worked the balance of the year I do not believe they could have done any better. It is one of the finest pieces of legislation that has been brought forth in many years and I thank every member of the committee who had anything to do with it.

Mr. GAVIN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I rise in support of H. R. 11470.

On May 15, 1957, I introduced a bill which would have implemented the recommendations of the so-called Cordiner Committee. Last year we were concerned about economy, but on October 4, 1957, sputnik rose into the skies, and we again became conscious of national security. Every once in a while some dramatic incident comes along to save us from a withering away of our Armed Forces.

Now we are all conscious of new weapons—missiles, Polaris submarines, power, space ships, outer space, fantastic communications equipment, improved submarine detection devices, complex radar, and all of the other fantastic weapons and countermeasures of national defense. We are willing to spend billions of dollars to produce these fantastic weapons; I hope we are not going to be foolish enough to spend billions for new weapons and refuse to spend $668 million a year in additional pay to provide for the personnel necessary to man these weapons.

I would like to pay tribute to Mr. Ralph Cordiner, president of the General Electric Co., who was the chairman of the Cordiner Committee, as well as the other members of that Committee. Many of them have had long years of experience in military affairs, and I have particular reference to Adm. William Fechteler, former Chief of Naval Operations. That Committee made many splendid recommendations to the Secretary of Defense, and I believe they are entitled to full credit for arousing the Nation to the need for a revised pay system in our armed services.

The Cordiner recommendations would have initiated an ingrade increase system. They recommended the implementation of a proficiency pay system. They recommended the elimination of the compression that now exists in our pay scales whereby a young officer who aspires to a career in the armed services is better advised to look elsewhere because the maximum pay that he may achieve, even if he should become a general officer, is less than the amount that he would receive if he becomes even partially successful in any business enterprise.

I believe, after studying H. R. 11470, that it will accomplish the objectives sought by the Cordiner Committee and for that reason I support H. R. 11470 wholeheartedly.

By eliminating increments in pay beyond normal promotion points it will hereafter be impossible for an individual to draw additional pay when not progressing in grade or rank.

By establishing two methods of paying proficiency pay to enlisted personnel, the services are given the flexibility necessary to meet the needs of each service, particularly in those cases where one service has a greater need for technological experts compared with the combat experts needed in another service.

The pay recommended for general officers will, in my opinion, give every young officer an adequate goal to which he may aspire. The average officer who enters the armed services today can expect to reach the grade of colonel if he performs well. The pay recommended for colonels, while less than that recommended by the Cordiner Committee, or that recommended by the Department of Defense, nevertheless represents a substantial increase over that which now exists and should provide an adequate career incentive for young officers.

The committee has made considerable improvements in the pay scales for the more junior officers, particularly in the grades of captain and major. And likewise, it has made considerable improvement in the pay scales for enlisted personnel.

The bill creates two new officer grades and two new enlisted grades. I am convinced that enactment of the proposed legislation will lead to a higher percentage of professional soldiers, sailors, marines, and airmen than we have ever had in our Military Establishment.

While I do not believe for one moment that enactment of the proposed legislation will eliminate the necessity for the draft, nevertheless I am convinced that it will result in the retention of a greater number of experienced and skilled personnel and this in turn will improve the proficiency of our Armed Forces considerably.

There used to be a day when all a man had to know was squads right, squads left, and how to load and fire his musket. World War II brought about radar, and the development of the atomic bomb. Today the complexities of modern warfare make the weapons of World War II comparable to the long bow and spears of the 11th century.

We can continue to maintain a large standing force through the operation of the draft law, but unless we take the positive action recommended in the proposed legislation to improve the quality of our military personnel, we may end up with a stockpile of the most highly developed, most complex weapons ever developed by man, and no skilled military hands available to use them.

I strongly urge the enactment of the proposed legislation.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. Surely.

Mr. KEATING. I intend to support this measure, and I congratulate the committee on bringing it out. I know of the hard work which was done in the preparation of the bill by the members of the committee, including the gentleman now addressing us. I have had some communications about the treatment of junior officers under this measure and some complaint voiced that there was not enough increase for junior officers to cause them to have incentive to stay in the service. The tenor of these letters is that it is there where the attrition is taking place and that after they have gotten up to lieutenant colonel or colonel, perhaps they are going to stay in anyway and that there should be more incentive to the young men to stay in. Would the gentleman address himself to that question?

Mr. VAN ZANDT. If the gentleman from New York does not object, I am going to ask the chairman of the subcommittee, the gentleman from Texas [Mr. KILDAY], to answer that question.

Mr. KILDAY. Mr. Chairman, it is true that there are heavier increases in the higher grades. Of course, it is understood, I am sure, that in the higher grades you do not move nearly as rapidly as you do in the lower grades, so that you are a whole lot longer waiting for those higher increases. I will give you the percentage increases recommended by

the Department of Defense and the percentage that we have included in this bill.

For a second lieutenant, the Department of Defense recommended 3 percent. The bill before us provides 6 percent.

For a first lieutenant the Department recommended 3 percent. We provide 11 percent.

For captain the Department recommended 1 percent, and we have recommended 15 percent. For a major the Department recommended 12 percent. We made it 15 percent. For a lieutenant colonel the Department recommended 31 percent. We have provided 18 percent. For a colonel the Department recommended 42 percent. We have recommended 23 percent.

I am sure the gentleman also understands from his service in the military that these have to be typical points in the careers of these men because pay is based upon years of total military service, so that you cannot say that all colonels or all lieutenant colonels or captains get a certain percentage. But this is about as typical as you can make it by percentage.

Mr. KEATING. I thank the gentleman from Texas. I think perhaps the letters which I have received on the subject were written based upon either the recommendations of the Department of Defense or the Cordiner report and not the recommendations of the committee as in this bill.

Mr. KILDAY. That is undoubtedly true. The point was argued to the subcommittee that the junior officer was not interested in what he is getting now, that he was only interested in what he was going to get when he was promoted. I do not suppose anyone would be a Member of Congress very long if he did not understand human nature any better than that.

Mr. KEATING. I can assure the gentleman from Texas that I appreciate that; I know that he knows it and we all know it. Mr. Chairman, I thank the gentleman.

Mr. Chairman, as mentioned previously, I am in full accord with this bill and hope it will receive the unanimous approval of this body.

Mr. GAVIN. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, I rise in support of this bill. It has been suggested here today, particularly when we were in the House, that his bill was ill and perhaps hastily conceived. I want to give this committee the full assurance that this bill has been considered for a long time by many, many people. The Cordiner Committee was established back in 1956; and, in the ensuing months, day after day, it studied this particular proposal.

It was then submitted to the Department of Defense who considered it thoroughly. I can assure the committee that our own subcommittee in 5 weeks of close scrutiny followed all the details of this bill. This bill does not represent the Cordiner report in toto. But I do believe, as has been suggested by the chairman of the subcommittee, that it is in accordance with the general philosophy as expressed in the Cordiner report.

Mr. Chairman, I would like to say, too, that our very able chairman of the subcommittee, the gentleman from Texas [Mr. KILDAY], is better versed in the subject of personnel matters than any man here in Washington or anywhere else, perhaps with the exception of our very distinguished counsel of the committee, John Russell Blandford, to whom we are all deeply indebted for the tremendous amount of time and detail which he has put into the study of this particular subject. I would also like to commend the gentleman from Pennsylvania [Mr. GAVIN] for his outstanding contributions.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BATES. I am glad to yield to the gentleman from Virginia.

Mr. HARDY. Mr. Chairman, I concur in the remarks the gentleman has made. He and I are somewhat junior members of the subcommittee and we have worked diligently on this matter. But I do want to express a word of commendation particularly of our chairman, the gentleman from Texas [Mr. KILDAY], and the counsel of our subcommittee, who have worked so hard and handled so many of the details. The rest of us did the best we could to support them, and to understand what was happening. As a result I am convinced that we came up with a very fine bill.

Mr. BATES. I should just like to say to those who indicated that our full committee spent only 2 hours on this bill that, speaking for myself, and recognizing the amount of time spent on this bill and the experience and ability of the gentleman from Texas [Mr. KILDAY] and Mr. Blandford, if only those two considered this bill and recommended it I would vote for it. I have that much confidence in them.

Mr. Chairman, the people in this country are not a military people at heart. The forebears of most of us came to this country to avoid military conscription. As a result it is impossible for this Nation ever to get on active duty voluntarily the number of people that our force requirements suggest. At the present time we have about 2,650,000 people in our Armed Forces, but without the draft we would get only approximately 1,400,000. So the question is, Where will the rest of these people come from?

Today approximately 500,000 men and women leave our service annually. What a tremendous waste of effort and training and money this has been to the people of the United States. The purpose of this bill is to attract and retain good people. The purpose of the bill is to provide an incentive for people to remain on active duty so that we can get a good portion of our money back in services rendered.

There are those who say that if military people were more dedicated to the service that the great attractions of outside life would not have such great appeal. This is certainly an oversimplification because military people, like all people, are simultaneously dedicated to more than one facet of their lives.

Dedications to military service complements, rather than substitutes for, the innate qualities which require dedication to family obligations. Both are important and both are separate.

Mr. Chairman, down through the years our subcommittee and our full committee have passed many bills which have had beneficial effect upon the morale of the Armed Forces. The contingency pay bill, the reenlistment bonus, the survival bill, the continuance of military housing almost from month to month, to mention but a few, all of these have been important in gaining better efficiency in the armed services. In 1954, before we gave the doctors in the Medical Corps special benefits, approximately 15 percent were resigning each year. Today, instead of 15 percent, in the Naval Medical Corps only 1.8 percent of these people are resigning.

We hope this bill will be helpful in making more people stay on active duty. I think all of us realize that military life cannot have the amenities, the emoluments, or the comforts which we find in civilian life, but I believe this bill goes a long way down the road toward helping us keep in the armed services efficient people who are interested in making the military service a career.

While I do not believe, as has been contended, that this measure will save $5 billion per year, I am convinced that great savings will be accomplished and that through greater efficiency and increased skills our beloved Nation will be better prepared to defend herself against any foe that might assail her.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I think it should be pointed out that the immediate impetus behind this bill is the growing realization that the Armed Forces are fast approaching a personnel crisis in that they do not have a corps of career officers and enlisted personnel of the numbers needed.

The effects of this situation have already been felt sharply in reduced operational effectiveness, in accident rates and in excessive costs in training and personnel turnover. There is no problem as to total numbers. The services can attain the required size by additional numbers of personnel serving their few years of obligated service. They put in their time and then just at the point where they have the experience to be effective they go home. And the retraining process must start over again. Meanwhile, the combat effectiveness suffers.

In the technical specialties among the enlisted groups the situation is just as bad. In the electronic specialties the services are getting no more than 25 to 35 percent of the numbers needed as a corps of career specialists. Actually, it is only in the nonskilled areas that reenlistment rates are up to or above that desired.

Today, technical training requires such long periods that most of the first enlistment is taken up with learning the business and relatively little of it is returned in the way of effective contribu-

tion. Not only is this wasteful, but without a satisfactory number in the second or subsequent enlistments there is a great lack of supervisory personnel to oversee the work of those who are newly trained in the particular line of work. The net result of this situation is appalling amounts of very expensive equipment in an inoperative status—equipment that could add much to the overall defense of this country if it were in working order.

In the officer group the shortage of career officers has resulted in an experience gap of from 3 to the 13 years of service experience. This is the gap where we are getting about half as many officers as are needed. In addition, the shortage of applicants means that the services cannot be selective as to the caliber of those they do accept. For the moment the shortage can be compensated for by the reservoir of World War II officers. But this group is growing older and replacement must come from better rates of retention among the junior officers. Unless some way is found to improve this situation the career officer structure will, in several more years, become seriously out of balance, with operational efficiency deeply eroded and the future leadership of the Armed Forces jeopardized in a way that will require a generation to correct.

The bill before the House for consideration is aimed directly at a correction of those defects I have just recited. We recognize of course that pay cannot solve everything. We must have a devoted body of patriotic men and women to start with. But pay is an important consideration in this day and age and it must at the very least attract rather than repel. We need to be able to retain career personnel: by this we mean personnel who stay beyond their first enlistment or obligated service. Therefore, the various benefits provided by this bill are designed to accrue to the individual at that point where he must make the decision to stay in or get out. The bill provides no pay increase for personnel with less than 2 years of service. In the next 2 years there will, for most personnel, be only a cost of living increase. It is after the 4-year point is reached that the monetary benefits start increasing more sharply, with the pay increases rising more steeply as the top is approached. The overall effect is pay raises for career personnel only and added promotional incentives for those individuals who decide to make the service a career.

At the same time the individual is given an incentive to aspire to the top in his particular field. There is an additional financial reward for those enlisted men who seek and gain warrant officer rank and an even greater one for those who are good enough to be selected for commissioned officer status.

This bill also establishes a special proficiency pay for those enlisted personnel designated as possessing special proficiency in a military skill. Although this provision is written so as to permit great flexibility in application, depending upon the differing requirements of the several services, it is envisioned that it will be so administered as to benefit only career personnel. This too will be used effectively as a career incentive.

These two aspects, the arrangement of the pay tables and proficiency pay, together with the increased retirement benefits which are inherent in any pay increase, create three powerful career incentives, and will go a long way, in our estimation, in helping to create the necessary body of career personnel our armed services and our country so badly needs.

Now, I should like to comment on what I feel is one of the most important attributes of this bill, namely, the manner in which it establishes a system of military pay that is geared to the career pattern that is being experienced by the members of today's Armed Forces.

Any pay system must naturally reward the proficient and provide an incentive to advance. But it is not enough to merely take care of the job being done. That we must do, of course, but in addition due consideration must be given to the problem of the speed of promotion being enjoyed at the moment, or the lack of it being suffered.

In the days before World War II many officers and men, particularly in the Army, spent many years in the same junior rank because there simply wasn't any opportunity for promotion. Fifteen years in the rank of first lieutenant was not at all uncommon. Under those conditions the pay system had to be geared to meet this problem; hence it provided increases based largely on years of service rather than promotion. Today, that same sort of promotion stagnation does not exist. Under the statutory controls provided by the Congress the services are enabled to guarantee opportunity for reasonably frequent promotions to those who can demonstrate their ability to earn it. Therefore, what is now needed is a pay system which will fit today's career pattern and which will offer adequate incentives and rewards under the circumstances.

The bill before the House for consideration does just that. It provides incentive to advance from the lowest enlisted to the highest officer ranks. Within each rank it provides pay increases to reflect the increased experience and effectiveness for each 2 years of additional service, but only up to that point where the normal officer, under today's career pattern, can reasonably expect a promotion if his performance has been of such caliber as to earn it. But no more than that. There is no reward for the time server. His pay increases in that rank are cut off at that point so that he will not be in the position, in later years, of drawing more pay than younger men who were good enough to be promoted above him. Thus, to a large measure, it avoids the so-called pay inversions which is one of the criticisms leveled at the present pay system.

Although it is essential that we not reward the time server we must at the same time provide sufficient flexibility to provide justice and incentive to those groups whose career pattern varies from the standard. This includes, among others, outstanding enlisted men who are promoted to officer rank after a number of years of enlisted service. There are also specialties and services where the promotion opportunities are not as great as the average. To take care of this group the bill provides for pay based on total years of service rather than on years in each pay grade.

However, for the average officer, who follows the average career pattern, the result will be exactly the same. The bill will take care of the groups who are exceptions to the pattern, but without aiding the officer who is not good enough to be promoted.

Although hewing to the career pattern in the military, we did not lose sight of the need for some relationship to the patterns of compensation followed in industry. Today's young men are largely serving only the length of time necessary to complete their obligated service. These young men are naturally comparing their service careers with the career prospects in civilian life. Therefore, it was essential that some thought be given to constructing a system that would bear a reasonable comparison with the pattern of compensation common to industry.

We cannot expect to bid competitively on a dollar basis only. Actually, it would be foolish to attempt it because we are all aware that pay alone is not sufficient to attract the type of person we want in the armed services. Without a motivation of basic patriotism there can be no Armed Forces worthy of the name; but we should remove financial penalties for patriotism. Today's military pay structure is characterized by a great compression between the pay of the top and bottom ranks. There is no relation between the amount of pay of our very top military leaders and the vast responsibilities they must shoulder. The bill before you restores more adequate rewards for achievement and great responsibility. The young man who aspires to the top can see adequate compensation as the reward for success.

Mr. Chairman, in my opinion, the proposed legislation will go far toward solving our most serious problem in the armed services—the higher turnover of skilled personnel.

I urge its enactment.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to my good friend and colleague, the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, earlier this afternoon the gentleman from Texas apparently deemed it impolite to name the company which sponsored an advertisement in the Army Times attempting to raid the Armed Forces of some of their skilled people. I understand that advertisement may have originated with a certain soap manufacturer in this country. I intend to get a copy of the advertisement and I tell you I am not going to be a bit squeamish about reprinting it in the CONGRESSIONAL RECORD together with appropriate remarks, if what I understand is true. I do not know why we should be squeamish here this afternoon in identifying that kind of business because this bill, if it has a real purpose, is to retain the

skilled people in the armed services. If some of those who are most responsible for this program are engaged in taking these people out of the services, I think the Members of the House and the people of the country ought to know about it.

I wish the distinguished chairman of the House Committee on Armed Services had brought before the House prior to this legislation, the legislation which he and other members of his committee are proposing, to remove at least a small layer of the fat in the Pentagon. I want at this time to commend the chairman of the House Committee on Armed Services and the members of that committee for not feeling it necessary to order out a couple of planes and take their wives to Puerto Rico—to Raimey Air Force Base to work out their version of a reorganization in the Pentagon. We are all waiting, I am sure, for that long-promised reorganization plan at the Pentagon which was supposed to be the product of the Secretary of Defense, some of his secretaries and advisers who found it necessary to take their wives and fly down to warm, sun-baked Puerto Rico so they could properly consult on the matter. That was about a month ago. Perhaps another trip to Puerto Rico for a long weekend will be necessary before the Secretary of Defense can determine whether there should be any removal of fat in the Pentagon.

The chairman of the House committee, without a trip to sunny Puerto Rico, says 14 secretaries of one description or another can be eliminated along with some 1,800 other personnel. That is at least a start.

I might say in passing that I was astounded to learn that when the Secretary of Defense and other pooh-bahs who flew down to Puerto Rico ostensibly to study reorganization of the Defense Department, newspapermen were barred from the air base, and told they were persona non grata when they presented themselves for admission. Why this un-American secrecy? There could be no possible reason why any newspaperman, who made the trip down there to cover this publicly announced so-called conference by the Secretary of Defense, should not have been permitted to report what he saw and heard.

Mr. Chairman, I wish this legislation had given some attention to a situation on which I have been trying to get action on for a long time. That is the extension of the obligated service of graduates of the various service academies. I wonder if the distinguished chairman of the subcommittee would agree to an amendment, which I might propose at a later time, to extend the obligated service of those in the service academies to 7 years. I wonder if the chairman would be opposed to that?

Mr. KILDAY. I do not believe the amendment would be germane if offered to this bill. In addition to that, of course the gentleman has a bill pending to increase that obligation, and it has been referred to our committee and we are going to hold hearings on it. I do not know that it could ever be extended as far as 10 years.

Mr. GROSS. My bill provides for 10 years. I might settle for 7.

Mr. KILDAY. I agree that a person who attends one of the service academies should be required to serve a proper length of time. I do not know that you are increasing the character of the young men you get if you require service for too long a period of time. I think perhaps 3 or 4 years is not adequate, as now required, but perhaps it should not go as far as 10 years. If you could have it 3 or 4 years, you would have to convince me that is what a career man would want. You had better get rid of him in 2 or 3 years rather than have him dissatisfied for 6 or 7 years.

Mr. GROSS. I notice that one of the members of the Joint Chiefs of Staff said that the present obligation is for 8 years, 4 years while in an academy and 4 years thereafter.

There is no obligation for service upon a man while he is still in West Point, Annapolis, or the Air Force Academy. He can resign at any time.

Is that not correct?

Mr. KILDAY. Until he is commissioned, he can resign at any time. I think you will find that the resignations at either academy are practically nonexistent.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. GAVIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. GROSS. I thank the gentleman.

Did I understand the gentleman to say that there would be hearings upon my bill?

Mr. KILDAY. The chairman of the full committee is here. He has told me he would have hearings.

Mr. GROSS. I would like very much to find out.

Mr. VINSON. The efforts of the gentleman have certainly fallen on fertile soil, and as soon as we can possibly do so we will have a hearing.

Mr. GROSS. The gentleman is more than generous, and I thank him.

This bill ought to contain some provision with respect to flight pay. It does not seem right to me that a general officer, far beyond the age of combat flying, should receive flight pay. I wonder if the committee is giving any attention to that, or proposes to do so?

Mr. KILDAY. Is the gentleman directing his question to me?

Mr. GROSS. Yes; I would be glad to have the gentleman answer.

Mr. KILDAY. This matter has been considered many many times. The gentleman has referred specifically to generals. We have, of course, reduced the generals' flight pay very materially; we did in 1949. As colonel he draws $245 a month, but when he became a general he drops to $165 a month.

I cannot subscribe to the statement that no generals actually fly or fly under combat conditions; a great many of them do. The division commanders who will have to lead their commands in the event of combat are regular pilots who fly constantly. The matter is not so simple as just cutting off their flight pay. It is a question also of whether we are going to permit a man to be directing people in flight who does not himself fly or undergo the hazards of flight, a man who is directing people must participate in flight in all kinds of weather and under all kinds of conditions. He should be under the same obligation himself.

Mr. GROSS. The gentleman is not saying, I am sure, that they are flying combat missions now or have been flying combat missions recently.

Mr. KILDAY. Of course there are no combat missions now, but they must be able to fly combat missions when required.

Mr. GROSS. In the event of hostilities, but we are not in hostilities.

Mr. KILDAY. Surely the gentleman does not think he can teach a general to fly after hostilities have started.

Mr. GROSS. I would assume the general had learned to fly long before he attained that rank.

Mr. KILDAY. How is he going to keep up his proficiency in the interim? Is he expected to have no flying experience in the interim and retain his skill or regain it the minute hostilities break out?

Mr. GROSS. What I am trying to get at are the abuses in the name of flight pay.

Mr. KILDAY. We are constantly trying to combat abuses. No matter what law we pass there will be abuses. The law provides there shall be long and frequent flights, but, of course, the law must be administered; and there are regulations which state there must be night-time flight, instrument flight, landings, and so forth. If it is not adequately administered, under our constitutional system, that is the responsibility of the other branch of government.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I was not on the subcommittee that considered this bill. I do, however, want to express my confidence in this subcommittee. I do not know of two more interested, hard-working men in this body than the chairman and ranking minority member of the committee, the gentleman from Texas [Mr. KILDAY] and the gentleman from Pennsylvania [Mr. GAVIN]; and I am certain that no committee of Congress has any more capable or hard-working counsel than the counsel of this subcommittee, Mr. Blandford.

Five of us, however, did vote in the full committee to put this bill over until yesterday or today in order that we could have time to read it and study it. It is not that I have any lack of confidence in the subcommittee, but I would like to know what I vote for in the full committee. Over the weekend I did study this bill. First, I want to say I think it is absolutely necessary that we do everything reasonable within our power to increase the morale of the armed services. I believe the last pay bill we enacted did a great deal of good in that direction. It was an incentive-pay bill, and did increase reenlistments to a very material extent. The records show that.

I will not have time to go into the various things Congress has done to increase and encourage reenlistments in the service within recent years. Incidentally, there have been more homes

built for families of military personnel in the last 2 years than have been built in the last 150 years.

Because of the complicated equipment we have today and the great time necessary in training our servicemen in the operating of this equipment, it is necessary today that we keep men longer in the service than we are doing at the present time. Money alone will not do that. Regardless of how much money we appropriate we must improve our leadership to keep men in the service. I trust that this bill will contribute to that end.

All of us would like to make the services more popular. We are looking forward to the day that we can stop the draft.

But there are things in this bill, Mr. Chairman, that, very frankly, I do not like. We have increased the pay of the lower-grade enlisted men, the lieutenants, and captains a very small amount. We have increased the higher grades to a great degree. This is a very complicated bill, and I do not believe it could be successfully amended on the floor.

This committee had a great problem before it. Such a bill is very difficult to work out. I do not think any member of the Kilday committee would say that this bill is perfect. I do not believe it meets 100 percent the desire of any member of the subcommittee. I certainly disagree with several provisions of this bill.

I should like to point out some things this bill does very well, in my opinion. One of the greatest problems we have had is to keep our best technicians in the enlisted grades. As a personal illustration, I remember in World War II we had great difficulty in a battalion in keeping the communication sergeants, the man who kept your radios in shape and generally supervised communication. As soon as he got to the point where he was really doing a good job he made application for officer-training school, and that was the end of him, as far as that job was concerned.

There are provided in this bill two additional grades in the noncommissioned officer structure for the services. These grades, if properly administered, will be of immense good to the services. This bill should help materially in keeping those men who make up the hard corps of our combat forces. It will do a great deal of good in that regard. Another matter that I would like to call to the attention of this body is that the retired personnel is only increased 6 percent. However, Mr. Cordiner opposed giving them any increase.

I should like to refer to stories you have been reading in the paper that this bill would save the American taxpayers $5 billion. There are no facts to support such a statement, and I do not believe that any well-trained military man who understood the situation would make such a representation. This bill may result in our being able to keep our key enlisted men and officers that we otherwise would be losing. Many of these men have cost hundreds of thousands of dollars to train. It might contribute materially to keeping them in the service. We hope so. If it does, it may pay for itself in the end.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GAVIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BRAY. Mr. Chairman, I hope that this bill by keeping those individuals in the service we need will justify its passage and the money that it will cost the taxpayers. I believe it is necessary to get some sort of bill through in the very near future. The rather extravagant stories that we have been reading in the press over a period of months has caused a great unrest in the service. I think we must bring some bill out in the near future so as to quiet their fears and let them know exactly where they stand.

As I said earlier, I do not believe this bill could be successfully amended on the floor. It is similar to a tax bill in that respect. My main objection to it is that we have made too great a difference in the percent of pay raise between the lower ranks and the higher ranks. This bill may tend to give us a higher grade of generals. I remember a couple or 3 years ago when the Congressional pay raise came before the House it was said that by giving a material increase it would increase the caliber of the Members of Congress. I voted against the bill. Whether that increase has increased the caliber of Congress is a matter that we are not capable of judging. The public as a whole should judge that. I am in no way trying to attack the armed services. I think we have a fine armed service, and I do think that they are justified in getting an increase. I do object, as I stated, to certain parts of the bill, but if it does encourage the retention of the people we really need in the services, it will be more than justified. I intend to vote for the bill, but I believe that this body is entitled to know the questionable provisions of the bill as well as the good provisions.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, our people, perhaps because of their previous experience, have always been afraid of a military government. Perhaps that fear is unjustified, but those who wrote the Constitution, who laid down the principles which should govern us, seemed to think it was necessary to guard against a dictator.

From the debate today it seems that the principal complaint is that talented people, educated people, in the service can get more money in industry; that is to say, they can get higher compensation, outside of the armed services than they can within it, and that therefore it is necessary that the pay be increased. That may be true, but if it is true, it seems to carry the implication that no longer do individuals go into the armed services because they wish to defend their country. Boiled down—I assume from the argument—they go into the military service because of the pay, because they think they can get more money there than they can outside. The argument seems to indicate they do not go in because of a desire to serve their country or because they love the service. That I find difficulty in believing. No doubt we all realize that the men who are trained in the academies—and someone said some years ago it cost approximately $25,000 to put a young man through—that after they are trained there they go out before the Government has had anywhere near service enough to compensate for that training. If that be true, at least in times when we have what is called a depression, when we have uemployment, it would seem that the answer to that argument would be, instead of increasing the pay to write into the law a provision that they be required to devote a certain number of years to the service of their country; that is, instead of being permitted to leave when their education or their diploma has been granted at one of the academies, to require them to stay in for the benefit of those who paid for their education and give a few years of useful service. That may not be practical. I do not know. I do know that one group should not be asked to pay the cost of educating experts for the benefit of other groups.

Then there is another thing that irks the people, the average citizen, and that is the way the military people, some of them, altogether too many, conduct themselves. A little earlier in the day reference was made to the fact that they take special privileges at Government expense. Thinking back over the situation, it seems to me that the military people unjustifiably spend almost as much money—if the gentleman from Georgia [Mr. VINSON] will listen—that they spend unnecessarily and waste almost as much money as do the Members of Congress. And, you and I know something about that, because we see it all the time. Now, I have been criticized because something was said about the way they have taken special privileges for their own personal benefit, and I must admit that the time is long past due when we should do a little policing of our own committees, perhaps of our own personal activities in some cases. I am like the revivalist who was against sin and wanted everybody to reform but was a little slow on the pickup himself. And, I am not the only one in the Congress who has that feeling. It is all right to talk about defending our country. There is a limit to what can be done. There is ample room as to where and how the defense should be prepared.

It is all right to talk about paying the men in the service more money, but is not the basic trouble due to the fact that we are trying to defend all the world? Our front is too long. How many military establishments have we outside of continental United States? Is not the number 900? I ask the question of the chairman of the committee.

Mr. VINSON. I am sorry I cannot give the exact number, but I will say it

is a large number of military establishments.

Mr. HOFFMAN. Something over 900, I think.

Mr. VINSON. I do not know how many.

Mr. HOFFMAN. I sent down a privileged resolution some time ago, because there was talk about there being 300 and my recollection is the Department on February 11, 1955, came back with an answer that there were approximately 950 military installations outside the United States. I doubt there is a man in the service who has been in it for 10 years who will contend that in the event of war we can defend more than two-thirds of our bases.

Then we get letters from people in Germany. Just this last week a young woman over there who says she is a teacher wrote saying she wants better schools. They want school facilities in Germany equal to those we have here.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GAVIN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOFFMAN. Mr. Chairman, I should apologize for taking that time because I have not prepared any remarks on this bill and am not familiar with all of its provisions. I do know that it will cost $668 million a year and that inflation is not prevented by adding millions to the circulation. The people we draft or who enlist and are sent abroad—there are some 240,000 or 250,000 of them in Germany, call for funds which are a grievous burden upon those here at home. Think of the cost. How far can we go? This depression does not worry me overly much. We are tough enough, we have enough courage and endurance to live through it all right even if we do not have all the former luxuries—now termed necessities—we now have. We will get along. A little hardship now—security later—is better than inflation. But one thing seems absolutely certain and that is that, unless we cut down on appropriations, we are going to be in serious trouble. If we continue to appropriate billions of dollars to be spent not only abroad but here at home, the dollar will be worth even less, and it is becoming worth less all the time. Our resources are melting away. Just the other day I paid another insurance premium. I should have died long ago if I wanted my children to make any profit out of that policy. But when my heirs get that small sum that is called for by my insurance—and I have paid premiums for more than 50 years—what will the dollar buy? Almost nothing. The home cost me $1,100, basement, foundation and all, and the lot another $100. And my wife and I live in it today when home. Not long ago I built a boathouse, just an ordinary boathouse for a couple of rowboats down on the river past my son's house, and that cost $1,200—the price I paid for my home—why? Inflation. Don't you see where that money has gone, the value of it, down, down all the time? Of course, you can turn that into an argument for an increase in pay for the armed services, but my point is that as a nation we are going to get no better just as long as we continue to increase appropriations far beyond our ability to pay.

As was said earlier in the day we have increased the limit on the national debt. We borrow more and more money for things we never should do; things desirable but not necessary when the money is needed to prevent war. We should not borrow money unless it is absolutely necessary, because that interest keeps piling up.

When we pay interest, unless we can put the money where it is earning something and can produce a profit, it is A B C in the alphabet that it is unsound, harmful, and a ruinous policy unless it must be spent to prevent dire want. Let us avoid becoming economic slaves by following ideal.

FREEDOM—WHERE IS IT?

Restlessness may prevent stagnation. May also bring accomplishment. It does not necessarily follow that just doing something is the wise or beneficial thing to do.

Freedom Wall, which it is proposed to erect near the Arlington National Cemetery to inspire freedom in the youth of the land, to be built and paid for by the schoolchildren, is, in the opinion of many, just the result of someone's patriotic thought and a lack of ideas which might result in more beneficial accomplishment.

The youth of the land can learn patriotism and the necessity therefor from the early history of this country. From the wars it has fought.

That our people desire that others throughout the world shall also benefit from the creation of freedom in their homelands can be learned if we read the record of expenditures which we have made to help other nations—$160 billion.

The futility of much of that spending will also be realized if some of the reports of Congressional investigations and a reading of the daily press is followed.

And as for our freedom here at home, the current hearings before a Senate committee show how completely freedom has been denied whole segments of our population.

Those hearings have spread upon the record a most amazing tale—long known to those who read the press—which should shock into action every patriotic American who cherishes our form of government, has concern for the future of our Nation.

Yet, notwithstanding that record, which is open to all, we find a tendency through public statements officially printed condemning those hearings.

Certain individuals in high office characterize them as an assault upon the freedom of the workers—as though practically all of us did not work most of the time.

Perhaps the condemnation in those hearings, of the trend of some to rush to the defense of individuals and organizations who disregard the law, accomplish their will by beatings and the destruction of property, the creation of fear, can be better understood if the contributions of some organizations toward the election of officials who appear willing to suppress truth-disclosing investigations will be understood if we remember that hundreds of thousands of dollars are spent not only at election time, but throughout the year for propaganda, much of which, under the guise of education and humanitarian programs, preach class hatred, tend to create civil strife.

If one is interested in the thousands of dollars admittedly paid toward helping the election of some individuals, he need but turn to a statement by David Lawrence which shows the payment of $198,747 to a few individuals whom he characterizes as men of integrity, as they undoubtedly are. It has been said that 160 or 176 individuals elected to high Federal office have received contributions from the CIO and AFL to further their political views.

A certain group of so-called liberals are continually yelling to high heaven because men of wealth, presumably patriotic and sincere, have over the years contributed to the election of the candidates of a political party.

It is probable that neither group is entirely free from the thought that by such contributions legislation which they favor can be enacted. That may be proper—it can also have its influence.

However, it is another thing—a decidedly different principle is involved—when any group, any organization, or any individual actively participates or even stands idly by when, over a period of years, the law is openly violated, its enforcement by force prevented.

A battle between right and wrong, obedience or disregard of the law, is now being fought. Unless the battle for obedience to the law is won, our country will shortly find itself in the grasp of a political power which will use the resources of the country, the earnings of the individual for the advancement of its own policies, the domination of our people by a dictator.

Let us take a look at what occurred recently.

YOUR FIGHT AND MINE

A recent paper carries a cartoon captioned "Sweetiepie, Tell Us Little Old Judges in Your Own Words What a Scoundrel That Reuther Is." It depicts caricatures of Senators GOLDWATER and MUNDT, cuddling up to and apparently soliciting favors from a supposedly beautiful and attractive lady labeled "Kohler Co."

Presumably, the cartoonist thinks the gentleman should be soliciting favors from Walter Reuther. Beyond question, if they wish political support, are ready to surrender their independence, that is just what they should be doing, for Reuther has it in plenty when misusing—some think embezzling—the dues of hard-working union men and women who have contributed out of their earnings assessments which are presumably made for union purposes.

He diverts union funds to the support of his political favorites, endeavoring to elect those who, he thinks, will do his bidding when they attain office. He is actively engaged in a political campaign.

Official records show that the CIO under Reuther has spent thousands of dol-

lars paid in as dues toward the support of political candidates.

If Reuther succeeds, his Democratic sponsors will find themselves his stooges.

Apparently, some are either so blind or so biased that they are thoroughly convinced that it is not only morally but legally wrong—criminally so—for a bank or a corporation or a wealthy industrialist to contribute to make effective his ideas—supporting a candidate of his choice—but it is all right to take the money which a man or a woman must pay in order to hold a job in many industries and use it in support of politicians and candidates that the worker never did and never would support, but who will be expected to do Reuther's bidding.

Last week, an effort was made by me during an hour and a half, or, perhaps, more—and I did not get half through—to place on the record facts which show beyond doubt that Walter Reuther has for years advocated a policy of violence in defiance of the law and court decrees in order to make effective the demands of the UAW and the UAW-CIO. A course of conduct through which, for the past 4 years, he has endeavored—again, through the use of goons and hired thugs who invaded Wisconsin from other States and in defiance of the law—to force the Kohler Co., as he has forced others, to do his will.

Critical questions have been asked Kohler witnesses and law-enforcing officers as to why they did not, on specific occasions, arrest the offenders.

Perhaps the officers have been at fault. Perhaps they have learned through personal experience or through reliable sources of information, including photographs, that, unless they are adequately supported in the beginning of a strike where there is violence, they just risk a beating when they later attempt to enforce the law after a mob has collected.

It is apparent that some who criticize local officers for not making arrests, or obtaining evidence which would justify convictions, have no personal knowledge of what would happen if such an attempt was made after union goons have assumed control of a particular situation. A little personal experience on the part of some critics might be helpful in arriving at an accurate conclusion.

The failure to prevent violence, beatings, destruction of property, in many instances grows out of the fact that the law violators have been supported by higher officials who do not wish to politically offend those who are guilty, nor to later prosecute them.

A glance at some of the photographs which have been presented by me, many of which came from court records, others from the press, shows an established custom of goons—many times imported—beating would-be workers who wanted to go through a gate to their work—sometimes the beating of police officers who tried to assist them.

Again, the Kohler Co. is criticized because it hired undercover agents in an effort to learn what directors of union goons were doing or were about to do that was unlawful.

That criticism apparently proceeds on the theory that, if there is an unlawful organized conspiracy to assault my employees, destroy their property or mine, or ruin my business, I have no right to take means to ascertain who is responsible for the coming violations of the law—to learn who has been guilty of those violations—who have injured or destroyed my property.

Such an assumption ignores my right to security, to property—my right to be left alone—not beaten.

In truth and in fact, the issue presented by the Kohler strike is a very, very simple one.

Shall my natural right, my constitutional right, my civil right, to be secure in my property, in my person, be protected? Or does the public welfare demand that Walter Reuther be encouraged in his effort, through the use of violence, to destroy private enterprise, make ineffective our form of government?

Many laws have been written by the Congress, not only to protect the rights of employees, but to grant them special privileges.

The foundation of this Government rests upon the fundamental principle that every individual has the right to personal safety, to the ownership of property, to protection from those who willfully violate our written laws.

I know nothing of the merits of the original demand of the union as made upon the Kohler Co. I do know this—and there can be no successful denial of the statements that—

First. The Kohler Co. owns property.

Second. The Kohler Co. has a right to operate its business in any manner which it may choose as long as it does not violate the law—moral, local, State, or national.

Third. Those individuals owning and operating the Kohler property have the inherent and the constitutional right, when assailed, to protect that property and themselves as well as their employees from violence.

Will those who deny that right, who criticize the methods which were used by the company, kindly put on the record just what they would do if similarly assailed?

Will the champions of law-violating officials of union organizations—or their spokesmen—those who apparently condone the violence of union goons, who assail not only nonunion but union employees who desire to work—put on the record the justification of Reuther, Emil Mazey, Jess Ferrazza, and hundreds of other violators of the law in the name of unionism?

The Kohler Co. has fought your battle and mine—yet those who condone violence, a section of the press, criticize the company because it attempted, when law-enforcement officers failed, or were unable, to protect its property, its employees, to defend its property, its employees, and their homes.

The friends and admirers of Walter Reuther may take him to the White House—they may kiss him on both cheeks, pat him on the back—they may applaud his violations of the law—his assaults upon constitutional freedom, his misuse of union funds—but the record shows that he is what he is—no respecter of the rights of others, an advocate of violence.

You and I are not too greatly interested as long as his goons confine their activities to the destruction of the property of someone else—to the beating of some other individual—do not directly beat us or destroy our property.

One thing worth a thought, however, is the fact that, when a large enough group of people are trampled upon by a would-be dictator—when they do not receive adequate protection even when police officers stand behind them—sometimes as in the early days of the Far West, or more recently in 1937, as at Monroe in Michigan, the people, outraged beyond endurance, rise in resentment and, sworn in as police officers, or called upon under the Riot Act, have, and may again, rise in their wrath and protect themselves.

That is a situation which should not be permitted to come about. But one thing is sure—if people are not given protection and if enough of them are imposed upon, beaten, and outraged, Reuther and his ilk may find that a dose of their own medicine will at least discourage some of them.

Just in passing, I have been wondering where the advocates of civil rights are hiding. Where are those who made so much noise when the bill was before Congress? Troops were sent to Little Rock so that pupils might attend school—but law-abiding American citizens who may desire to go to their places of work have their right to work taken from them by the politically powerful, campaign-contributing Walter Reuther, using money which did not belong to him—and the so-called liberals cheer.

Lincoln could get along without a formal education, but he did have to eat.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I shall not go into the details or the technicalities of this bill. I think they have been well explained. I am very happy to have been a member of the subcommittee that served under the gentleman from Texas [Mr. KILDAY] and to have been associated with our very fine counsel, Mr. Blandford, during the period we have considered this bill.

While we are passing out the bouquets to these people, I think it is fitting we recognize the fact that the man who selected them, and who directs the overall affairs of the committee, Mr. VINSON, should come in for his share of credit for this bill.

Those of us who associate the uniformed services as ramrod-straight soldiers swinging by in parade formation, with rifles and sidearms shining in the sun are not familiar with modern warfare.

The men who fight today's wars and who will fight the wars of the future do not necessarily have to be proficient in close-order drill. Many of them may

not ever be called upon to use a rifle. Do not get me wrong. There is a very definite place for the man on the ground with the gun. He is just as important now as he ever has been. It is not inconsistent with pushbutton warfare to still need men who live in the mud, the sweat, and soggy uniforms and on short cold rations.

We do need the ground soldier and the sailor but they are only a part of the team. In a missile firing center or in the control room of a rocket ship, you will find young men who must be trained, and well trained, to interpret what they see on radar screens and to maintain those screens and to safely care for the missiles and the rockets and to operate the intricate instruments that send an ICBM on its way. These are the men, the highly technically trained men, who are in such a demand and the ones whom we seek to retain in the services. The men who may be most at home in the field of intricate complex instruments would not make the best squad leaders. Their jobs are different, but each is just as important in today's involved system of warfare. We need skilled, expensively trained men in the Air Force. We have been educated to their need. It is obvious. The man who flies a jet plane at mach 2 or the pilot who has to refuel a B–47 in the air must be well trained. That training is long and hazardous. But what applies in the Air Force today applies in other branches of the service, too. I am sure if you visit a missile firing center as many members of this committee have, and I know that my good friend, the gentleman from Pennsylvania [Mr. GAVIN] was at one last year because I followed him there by a few weeks, you will see a number of vans or semitrailers lined up. You walk into them and on the sides and along the walls are cases with electric panels and gadgets that mean, perhaps, nothing to the layman. These are the guidance instruments, the computers and check controls, the men who operate them are the keymen. They are for the most part enlisted men and it is these people that we are fighting to retain in the services. The cost of training these people is great. Part of the savings of this bill will come by reducing the training load that is put on the services by the continual shifting of manpower. I want to say that serving on this committe has been an inspiration. I know of no committee in the House that has ever had a more imposing array of witnesses before it. There has been no committee that at one time has ever seen the four Chiefs of Staff as the panel being interrogated by the committee. The instant bill does not square with the Cordiner report, and I am inclined to agree with the gentleman from Indiana [Mr. BRAY] that there are things in it that some of us would like to see changed. But, out of the great wealth of information we obtained, the committee under the leadership of the gentleman from Texas [Mr. KILDAY] and the gentleman from Pennsylvania [Mr. GAVIN] came out with what no doubt is the best possible bill. It represents a compromise and, I think, the best solution that can be found for this complex subject today.

Mr. GAVIN. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, as a former member of the Committee on Post Office and Civil Service, I have had numerous experiences with pay raise hearings and pay raise bills. I can well remember the tremendous amount of pressure that was exerted against us as members of the committee. I can well remember some of the unpleasantness and even some of the political threats which were leveled in our direction. I am happy to say that my experience as a member of the Kilday subcommittee in the consideration of and writing of this legislation has been a most refreshing and welcome contrast to my earlier experience.

I would like to pay tribute to the men and women of the armed services who have been content to express their views in gentlemanly and ladylike fashion and without the use of pressure and abuse have allowed us to use our consciences and ability to write suitable legislation.

I would also like to compliment our distinguished chairman, the gentleman from Texas [Mr. KILDAY], and our counsel, Mr. Blandford, for the tremendous job which they did and the many, many hours of work that they have put in on this piece of legislation. They were extremely tolerant of those of us who were newer and less informed members of the committee. I would like to express my appreciation for that tolerance at this time. In my brief experience I do not profess to be an expert on military pay, but it does appear to me that, thanks to the leadership of the gentleman from Texas [Mr. KILDAY], we have taken a great many points of view, molded them together, and brought out a very worthwhile piece of legislation, without an ounce of politics in it, and which is designed for the good of these United States.

The CHAIRMAN. The time of the gentleman from California [Mr. GUBSER] has expired.

Mr. KILDAY. Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, as has been previously expressed by other Members, it has been a real pleasure to serve on this committee. I think everyone in the House appreciates the great wisdom and the kindliness of our chairman, the gentleman from Texas [Mr. KILDAY], and the leader on the minority side, the gentleman from Pennsylvania [Mr. GAVIN], and also realizes the same fine spirits in our general counsel, Mr. Russ Blandford. I am happy to say also that it is a great privilege to serve on the House Armed Services Committee under the leadership of my friend, Congressman CARL VINSON, who, in my opinion, has contributed more to the national defense of our country than any man living today.

Mr. Chairman, many of you have probably received letters on the subject of longevity and on various substitute proposals for steps in pay.

I should like in the minutes allotted to me to attempt to clarify the committee's viewpoint on what was undoubtedly the most controversial problem that had to be faced in attempting to arrive at a solution that would do the job intended and at the same time be fair to all groups. The solution offered in the draft presented by the Department of Defense and originated by the Cordiner Committee was the abandonment of longevity in years of service as a pay step method and the substitution of a pure step-in-grade system.

The system presently in effect is one which has been used ever since military pay was formally established with definite tables—that of successive pay increases based on total years of service. As presently set up, it has several defects. The main defect is that it gives undue benefit to the time server only.

An individual who does not get promoted goes on drawing pay raises every 2 years so that after several years he may be drawing more money than some of the younger men who were good enough to be promoted over him. This is the so-called pay inversion—the junior drawing more pay than his senior. This is undesirable and I think no one will dispute it. It cuts down on the incentive to advance or to shift to one of the critical skills where advancement could be faster. It discourages the ambitious individual who sees that his hard work gets him very little more money than the man next to him who is just going along for the ride.

The Cordiner Committee came up with the concept, which the Department of Defense accepted in toto, that in order to provide the proper incentive to advance in rank and to train in those specialties where the greatest shortages exist, there should be no such thing as pay inversions, except that there should be, in consonance with industry practice, an overlap between the highest enlisted grades and the lower officer grades, and similarly with the warrant officer structure.

They believed that within each of these three major groups the highest pay of anyone in a lower grade should invariably be less than the lowest pay of the next higher grade. Consequently, the pay tables which were proposed to the Armed Services Committee called for a step-in-grade system, with the step increases dependent on the number of years in that grade only, but in no case extending beyond the number of years normal for anyone to be in that grade. After that number of years had been reached the individual had to be promoted or receive no further pay raises.

Now there is no question but that this step-in-grade system would have solved the problem of the time served, and in theory it was supposed to have provided adequate incentive and reward for advancement. But it also created some new problems at the same time that it attempted to solve some of the old ones.

A system that has stood the test of time for over a century may be outdated

in some respects and need modernizing, but it is obvious that it also contains a great deal of wisdom.

We on the committee felt that the proponents of the Cordiner plan failed to give sufficient consideration to some of the basic differences between industry and the armed services.

In wartime, especially, but even today, the services take appreciable numbers of their officers from the enlisted ranks. The present pay system gives them a considerable pay incentive to make this step-up; the step-in-grade system does not. Perhaps you might say: If they are second lieutenants, pay them as second lieutenants. But their situation is not the same as the college graduate. They are generally older; they have families; they are immediately of greater value to the service. In fairness to their families they cannot afford to accept a commission if there are greater monetary rewards available to them over the next few years if they remain in an enlisted status.

The services have not said that they are no longer interested in these people, and in fact all of the services specifically asked that special provision be made for them when this defect was pointed out.

I am afraid that in the general enthusiasm for the overall plan the Department of Defense had failed to give adequate consideration to this problem.

A similar problem exists in those enlisted specialties where, because of numbers in that specialty, promotion is limited. Retrain them in another, more critical specialty, said Mr. Cordiner. But in actuality only a few of these men can be retrained and yet the services, in most cases, cannot afford to lose them.

Thus the longevity system is ideally designed to take care of situations of limited promotional opportunities, and there is no way in peacetime to insure that none will exist in any area or specialty.

The committee felt that a pay system had to be devised which would retain the advantages of both types without the one major disadvantage. After a great deal of study and consideration we have proposed pay tables which retain the basic concepts of the longevity system, but avoid its major defect, by cutting off longevity pay increases in any one pay grade shortly beyond that point at which an average individual under today's conditions can expect to be promoted to the next higher pay grade. This removes pay inversions for the great majority of cases and cuts off the time server at the point where he should be cut off. It is more liberal in the enlisted table because it is here that there are some areas of promotional stagnation.

In the officer table the elimination of longevity increases lies, as I have said, immediately after that point where the average officer following the normal career pattern should reasonably expect to be promoted to the next higher grade. To take care of the individual who goes from an enlisted to officer status we have included a separate pay table for those officers who have had at least 4 years of prior enlisted service. The effect of this table is to take the basic officer grades and extend the longevity increases for those grades for several years past the cutoff date applicable for the officer with no prior service.

And, finally, it should be noted that the Department of Defense-Cordiner proposal for in-grade increases could have resulted in substantial pay increases for those who have already received accelerated promotions, while at the same time limiting pay increases to a much lesser amount for those who hereafter can only anticipate normal promotional opportunities.

We are convinced that the pay scales we have submitted for your consideration represent the best possible compromise which will solve most of the deficiencies now existing without creating new problems.

It has been said that the committee reported this unanimously. The subcommittee did report this bill unanimously. As far as I personally am concerned I think that all the provisions of this bill are good, but there are some things which would have added to its effectiveness if they could have been included in this bill. However, we cannot get everything exactly as we desire. I hope very much that this bill will unanimously pass today.

Mr. KILDAY. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, at the outset let me say that I personally feel that the members of our subcommittee, the members of the House Committee on Armed Services, and I know the Members of this entire body owe to the gentleman from Texas, chairman of our subcommittee [Mr. KILDAY], and the gentleman from Pennsylvania [Mr. GAVIN], their undying gratitude for the outstanding qualities of leadership which they displayed in the drafting of this very important legislation. I also take this opportunity to pay tribute to my friend, the gentleman from Georgia, Congressman CARL VINSON, under whose great leadership an outstanding record of sound legislation has been enacted through his years of service.

Mr. Chairman, as a member of the subcommittee, I rise in support of H. R. 11470, and urge its enactment.

H. R. 11470 is not a Department of Defense measure. It is not an advisory commission measure. On the contrary, it is a measure written by the Committee on Armed Services, and its provisions are the end product of the comprehensive knowledge in the fields of military pay and personnel management which that committee has acquired through many years of intensive specialization in these complex and difficult fields.

Let me concentrate on one of the provisions of H. R. 11470, which is the direct result of your committee's work and which reflects the solid common sense and wisdom of its distinguished chairman.

H. R. 9979, the Department of Defense proposal, contained a complicated temporary 6-percent cost-of-living increase for members who would not otherwise benefit in the other provisions of that proposal.

Mr. Chairman, I will not weary you by attempting to unravel this provision in detail. I wish to state, however, what the final result of this provision would have been with regard to enlisted personnel.

At the end of 3 or 4 years enlisted personnel in the 4 lower pay grades who had either entered the service after the enactment of the Department of Defense proposal or who had completed 2 years of service after enactment would have been paid about $98 million less annually than they would have received under the present pay scales.

In other words, the Department of Defense proposal expected to attract and maintain a better quality of enlisted personnel by lowering pay in the crucial early stages of their career—in fact, Mr. Chairman, at the very time of decision as to the desirability of pursuing a service career.

Needless to say, the subcommittee flatly rejected that concept. On the contrary Mr. Chairman, the committee in H. R. 11470 has recommended a pay scale which not only precludes any such possibility in the three lower grades but which also provides sufficient increases in the higher pay grades to insure that an enlisted career in the armed services of the United States will once more be financially more nearly comparable with one in civilian life.

For example, where the Department of Defense proposal would have cut the average pay of the future E–1's, E–2's, and E–3's, 4.6 percent, 4.3 percent, and 8.1 percent, respectively, H. R. 11470 provides for an average raise of 1 percent in the grade of E–1, 1 percent in the grade of E–2, and 3 percent in the grade of E–3.

These apparently low percentages result from the fact that H. R. 11470 maintains the principle inaugurated in the Career Incentive Act of 1955 that career pay should be confined to those who are serving beyond the period of obligated service imposed by the Selective Service Act.

Actually, under H. R. 11470, no individual enlisted man with over 2 years of service will receive, now or in the future, an increase of less than 6 percent.

For example, under the Department of Defense proposal, in the future an average E–4—corporal in the Army, or petty officer third class in the Navy—would have lost 1.9 percent in his basic pay; under H. R. 11470, he will receive an increase of 7 percent.

An average E–5—sergeant in the Army, petty officer second class in the Navy—would have received an increase of 9.3 percent under the Department of Defense proposal; under H. R. 11470, he will receive an increase of 12 percent.

An average E–6—staff sergeant in the Army, petty officer, first class, in the Navy—would have received a 10.7 percent increase under the Department of Defense proposal; under H. R. 11470, he will receive a 12-percent increase.

An average E–7—master sergeant in the Army, chief petty officer in the Navy—would have received an 8.7-percent increase in the Department's proposal; under H. R. 11470, he will receive a 16-percent increase.

An E–8, one of the two new grades created by this legislation, under the Department of Defense proposal would have received an increase of 18.7 percent over the present pay of an E–7; under H. R. 11470, he will receive an increase of 28 percent, which more adequately reflects the rigorous selective process he would have undergone to attain this grade.

And, finally, the E–9, the top new enlisted grade created by this legislation, the pinnacle of the enlisted career attainable by only 1 percent of all enlisted personnel, would have received under the Department of Defense proposal a 34.5-percent increase over the present E–7 pay scale. Under the proposed legislation, H. R. 11470, this outstanding man will receive a 48-percent increase. This, it should be noticed, is the highest percentage increase granted to any officer or enlisted man under this legislation.

Thus, the subcommittee has submitted for approval of the Congress a pay scale which provides an orderly progression upward with the highest rewards available to those who achieve the most.

The subcommittee scale accomplishes this desired result; moreover, without penalizing any group of enlisted personnel.

Mr. Chairman, I believe that the enactment of this beneficial scale will have far-reaching and salutary results. I believe it will do much to stimulate reenlistments and an abiding interest in the service as a career.

I urge the enactment of H. R. 11470.

Mr. GAVIN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, after many years of service on the Military Affairs Committee and the Committee on Armed Services, we have many times come before this body with legislation that has been difficult to deal with, and today we again find ourselves in a similar situation. This matter before us is very involved, very technical. But, again your House Committee on Armed Services has objectively brought before the House a constructive solution of this problem, a bill which we feel will fit the situation and prove to be in the best interests of the armed services of this country. While there may be points in this bill which everyone is not in total agreement I am convinced that in the overall we have done a constructive piece of work in presenting this piece of legislation for the consideration of the House. I am hopeful that this bill will pass overwhelmingly, because I think our Committee on Armed Services, particularly the subcommittee headed by the gentleman from Texas [Mr. KILDAY], having dealt with this problem for many, many days, have done an exceedingly good job, and that they have in fact followed the recommendations of the Cordiner Committee as well as the Department of Defense in their recommendations. I want to compliment the subcommittee and the staff counsel, including every Member on both sides of the political aisle, and the gentleman on this side of the aisle [Mr. GAVIN] for the fine work they have done, the intensive thought and study they have given to the matter, all with the purpose that they bring to this floor a constructive piece of legislation. The problem of these men on the committee has been much more intricate than it has been in the past. The members of the services must be proficient individuals; they must be almost learned individuals in some respects to handle the equipment of war that we now deal with in these very troublesome times. So I want to say in behalf of the subcommittee and the full Committee on Armed Services that I think the subcommittee has done an outstanding job, and I sincerely hope that the House will overwhelmingly accept the recommendations of this committee.

Mr. GAVIN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. WILSON].

Mr. WILSON of California. Mr. Chairman, I want to associate myself with my colleagues on the Committee on Armed Services in favor of this legislation. I do not think there is any legislation that is more intricate or more important to the future of this country than legislation of this type. I am sure that in the course of the hearings I have learned much more than I have been able to contribute. But, I have been impressed with the knowledge and the wisdom of the chairman of our subcommittee, the gentleman from Texas [Mr. KILDAY], the ranking minority member Mr. GAVIN, and the counsel of our committee, Mr. Blandford.

This is truly a Congressional bill. We tossed the Department bill in the wastebasket and wrote an entirely new bill. I am glad that we have kept faith with the retired personnel in seeing that they are covered with a cost-of-living increase. This has been a tradition with us in the past.

I do not know just how much money this bill is going to save. The Cordiner Committee said that astronomical savings would result from writing legislation that followed their recommendations. But I do know we are going to have a much stronger military service. We are going to have more efficient, better trained men and women in the services, and the country will benefit from this legislation. I urge a favorable vote on the committee bill.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, certainly this is a very complex piece of legislation, one that has a good deal of complicated formulas in it and rather difficult for the average individual to understand. Certainly some criticism can be directed to almost any type of legislation that comes to this floor. I notice some in the press to the effect that the committee has disregarded some of the recommendations by men of experience. But I would like the country to know, referring now to what the gentleman from Illinois has said, that this is a committee of experienced men, probably more experienced than any committee that has been appointed, or any group of individuals in the Defense Department or anywhere else in the country. The chairman of the subcommittee, the gentleman from Texas [Mr. KILDAY], has had 20 years of experience in writing complicated laws; for instance, in 1939 and 1940, when we had no defense measures and when we had to start from the roots and build, he performed at that time a great service to his country. Also, the Committee on Armed Services is chairmaned by a gentleman who has spent his entire life in the House on legislation for the military services—44 years. If you can find any more experienced people to write legislation that is sound, I should like someone to tell me where they can be found.

Mr. Chairman, I want to congratulate the subcommittee. I am not going to try to speak to the legislation with the knowledge that I know is possessed by the members of the subcommittee. I happen to be chairman of another subcommittee, and most of my work is concerned with that. But I want to congratulate the entire subcommittee for bringing to the floor of this House this piece of legislation for the good of the Defense Department and the security of the Free World.

Mr. GAVIN. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, I have listened attentatively to the debate on this bill. At this time in our national history it would be foolhardy to neglect adequate provision for our defense agencies. I recognize lack of incentive pay to members of our armed services tends to encourage enlisted personnel to abandon the services for more remunerative and more tempting careers in civilian life.

If we are to maintain trained personnel to effectively meet the requirements of modern warfare, we must bear the increased costs, since to be unprepared is to invite defeat if we should be drawn into war.

While I am opposed to efforts being made to increase percentagewise the salaries of Federal civilian employees, I shall vote for this bill as a means of strengthening the defense of our country.

Mr. KILDAY. Mr. Chairman, I yield 10 minutes to the distinguished chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, the committee today has had the pleasure, and the benefit, of listening to one of the

clearest and most complete analyses of a bill that it has been my privilege to hear in a long, long time.

I refer of course to the brilliant explanation of H. R. 11470 made by the distinguished gentleman from Texas [Mr. KILDAY].

Mr. Chairman, there is no Member of the Congress more completely versed in the complexities of the military pay system than the gentleman from Texas. We all know and recognize that he is an expert in the field of pay and personnel legislation of the armed services and I am frank to say, and I measure my words when I say it, that he comes as close to being the irreplaceable man in this field as any man I know.

The Nation, the Congress, and the armed services are indeed fortunate that a man of his ability, his high integrity, his wisdom, and his complete understanding of human motivations, has been given the responsibility of handling and writing this new pay system for the armed services.

This is not a new undertaking for the gentleman from Texas [Mr. KILDAY]. As most of us realize, he handled the Career Compensation Act of 1949, the pay increase in 1952, the Career Incentive Act of 1955, and now this bill. You will also recall he played a prominent and conspicuous role in the writing of the Survivor Benefits Act, the Contingency Option Act, and he and his subcommittee had full responsibility for writing the Dependents Medical Care Act.

Subcommittee No. 2 of the Committee on Armed Services, under the distinguished chairmanship of the gentleman from Texas [Mr. KILDAY], has written the bill now under consideration by the committee of the House. It is their bill; it is their handiwork, written entirely by the subcommittee after 4 long weeks of hearings and concurred in without dissenting vote by the Committee on Armed Services.

In writing this legislation, the gentleman from Texas [Mr. KILDAY] had the wise counsel and advice of other very able members of his subcommittee. We are all proud of this subcommittee, and here today I wish to pay special tribute to the members of that subcommittee who attended the long hearings on this complicated matter.

If you read the hearings now available, you will see in the proposed legislation the valuable assistance rendered in the preparation of this bill by the ranking minority member of the subcommittee, the Honorable LEON GAVIN, of Pennsylvania. He was the outstanding champion to see that justice and fairness was accorded in the pay scales for the junior officers and enlisted personnel.

This bill reflects the indispensable assistance rendered by the ranking majority member of the subcommittee, the gentleman from South Carolina [Mr. RIVERS]. It also reflects the keen insight of the able gentleman from Connecticut [Mr. PATTERSON].

You will find in the proposed legislation the wise observations and suggestions of the gentleman from Louisiana [Mr. HÉBERT].

The bill also reflects the experience of a former naval officer, the very capable gentleman from Massachusetts [Mr. BATES], whose experience and wisdom in pay and personnel matters are contained in the proposed legislation.

The pay scales are based, in many instances, on recommendations from the very able gentleman from Virginia [Mr. HARDY], as well as the hard working and very able gentleman from California [Mr. MILLER], who brought to the subcommittee his previous experience in civil pay laws.

Policies were adopted that are contained in the proposed legislation based upon the recommendations of the very sincere and conscientious gentleman from Florida [Mr. BENNETT].

The gentleman from California [Mr. WILSON] brought to the committee his personal experience as an enlisted man in World War II and his assistance was invaluable.

Faithful in his attendance and bringing to the committee his long experience in the Congress, and as a former member of the old Military Affairs Committee, was the sage advice and counsel of the gentleman from Tennessee [Mr. REECE].

And I could not conclude complimenting this subcommittee without pointing out the many, many contributions made in the development of the proposed legislation by the very, very able gentleman from Alabama [Mr. HUDDLESTON] and the wise counsel and advice of the very able member from California [Mr. GUBSER].

And finally, Mr. Chairman, I cannot conclude my remarks about the subcommittee without commenting on the work performed by the subcommittee's counsel, Mr. John B. Blandford, who worked long and hard to separate the chaff from the wheat. His assistance in writing this pay legislation was invaluable.

I can assure the membership of the House that this subcommittee of 13 members possess all of the competence necessary in writing a new pay system for members of the armed services. They are wise in the ways of the military system; they understand human motivations; they are conscious of the traditions of the service; and they are willing to recommend changes where those changes are necessary to bring about greater efficiency.

While the bill before us is based upon the principles of the Cordiner report, nevertheless I can assure the membership of this House that it is a committee bill, written by the subcommittee and approved by the Committee on Armed Services. It demonstrates that the Congress of the United States is fulfilling its responsibility as envisioned by the Constitution to raise and support armies and provide and maintain a navy.

Now Mr. Chairman, this bill has been so thoroughly explained by the distinguished gentleman from Texas, and the other members of this able subcommittee, that I would be trespassing upon your time and patience if I sought to go into detail on the bill.

However, let me briefly say that the bill accomplishes two main objectives:

First. It authorizes the payment of proficiency pay to enlisted personnel; and

Second. It eliminates pay increases beyond normal promotion points, but rewards adequately those who assume the responsibility of higher rank and grade.

In other words, no one, enlisted or officer, can receive increased pay based merely on length of service if he is not promoted to a higher grade at normal rates of progression. Longevity has been retained, but it stops after normal promotion points have been passed.

Mr. Chairman, let me say complex weapons require skilled hands. We live in a practical world, and a man must first feel that he is providing adequately for his family in order to devote his full efforts to his job.

We cannot have the second best army, navy, air force, or marine corps because there is no second place in war.

The objective of the proposed legislation is to retain those skilled individuals so vital to our national security.

All members of the armed services must possess certain skills because almost every weapon has been made the subject of technological advances.

We will get the skill we are willing to pay for.

If we are willing to adopt the proposed legislation we will considerably improve the combat efficiency of our Armed Forces.

Without the proposed legislation, we will continue to have quantity, but we will be short on quality.

It would be a sad day for America if we were called upon to use these new deadly, complicated weapons of modern warfare and found that we were impotent because the men who were trained to use them were part of the civilian economy and not available to man these weapons.

There is no substitute for preparedness and preparedness means the ability to immediately wage war with all available weapons.

The proposed legislation will give us this availability in skilled manpower.

The basic philosophy, the underlying purpose of the proposed legislation is to develop a pay system which will retain on active duty the skilled personnel so vital to the operation of our modern Armed Forces.

This was the objective of the Cordiner report; this is the objective in which we all concur.

We believe that we have developed a pay system which, if enacted, will bring about the objective of retaining skilled personnel in our Armed Forces.

The Committee on Armed Services, as stated in the report, does not contend that enactment of the proposed legislation will solve all of the problems of the high turnover of skilled personnel. We do not contend that the enactment of the proposed legislation will eliminate the necessity for the maintenance of a Selective Service System.

But we do contend that enactment of the proposed legislation will increase the

reenlistment rate; will increase the officer retention rate; will increase the retention of a higher number of skilled personnel; will make a service career more attractive financially; and will improve to a considerable extent the quality of the personnel serving in the Armed Forces.

I repeat again that the whole philosophy upon which this bill is based, and upon which the Cordiner Committee report is based, is to develop a pay system which will retain on active duty the skilled personnel, both enlisted and officers, so necessary to the operation of our Armed Forces. We believe the proposed legislation will accomplish this vital objective and I earnestly urge that this legislation be enacted.

Mr. KILDAY. Mr. Chairman, we have no further requests for time.

Mr. GAVIN. Mr. Chairman, there are no further requests for time on this side.

The CHAIRMAN. The Clerk will read the bill for amendment.

Be it enacted, etc., That the Career Compensation Act of 1949, as amended, is amended as follows:

(1) Section 201 (a), as amended (37 U. S. C. 232 (a)), is amended by striking out the table therein and inserting the following tables in place thereof:

"COMMISSIONED OFFICERS

"YEARS OF SERVICE

"Pay grade	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
O–10	$1,200.00	$1,250	$1,250.00	$1,250.00	$1,250.00	$1,300	$1,300	$1,400	$1,400	$1,500	$1,500	$1,600	$1,725	$1,875	$1,875
O–9	1,063.00	1,100	1,100.00	1,100.00	1,100.00	1,150	1,150	1,200	1,200	1,300	1,300	1,400	1,500	1,625	1,625
O–8	963.30	1,000	1,021.80	1,021.80	1,021.80	1,100	1,100	1,150	1,150	1,200	1,250	1,300	1,375	1,375	1,375
O–7	800.28	860	860.00	860.00	900.00	900	950	950	1,000	1,050	1,125	1,125	1,125	1,125	1,125
O–6	592.80	628	670.00	670.00	670.00	670	670	670	690	800	840	860	920	995	995
O–5	474.24	503	540.00	540.00	540.00	540	570	600	640	680	720	745	795	795	795
O–4	400.14	424	455.00	455.00	455.00	485	530	560	580	610	640	640	640	640	640
O–3 [1]	326.04	346	372.00	420.00	445.00	470	500	520	530	530	530	530	530	530	530
O–2 [1]	259.36	291	360.00	372.00	389.00	389	389	389	389	389	389	389	389	389	389
O–1 [1]	222.30	251	314.00	314.00	314.00	314	314	314	314	314	314	314	314	314	314

[1] Does not apply to officers who have been credited with over 4 years' cumulative service as an enlisted member.

"COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' CUMULATIVE SERVICE AS AN ENLISTED MEMBER

"YEARS OF SERVICE

"Pay grade	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O–3	$420	$445	$470	$500	$520	$530	$540	$540	$540	$540	$540	$540
O–2	372	389	405	422	438	462	462	462	462	462	462	462
O–1	314	331	347	364	380	402	402	402	402	402	402	402

"WARRANT OFFICERS

"YEARS OF SERVICE

"Pay grade	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
W–4	$332.90	$376	$376	$393	$409	$426	$446	$479	$496	$515	$525	$540	$555	$585	$600
W–3	302.64	343	343	351	360	380	400	415	430	445	460	475	490	506	506
W–2	264.82	298	298	315	340	353	365	378	390	403	415	428	440	440	440
W–1	219.42	266	266	300	313	325	350	360	370	380	390	400	400	400	400

"ENLISTED MEMBERS

"YEARS OF SERVICE

"Pay Grade	Under 2 years	Over 2 years	Over 3 years	Over 4 years	Over 6 years	Over 8 years	Over 10 years	Over 12 years	Over 14 years	Over 16 years	Over 18 years	Over 20 years	Over 22 years	Over 26 years	Over 30 years
E–9							$400	$410	$420	$430	$440	$450	$460	$460	$460
E–8						$330	340	350	360	370	380	390	400	400	400
E–7	$206.39	$236	$236	$256	$272	286	300	314	328	342	356	356	370	370	370
E–6	175.81	200	200	230	240	250	260	270	280	290	290	300	300	300	300
E–5	145.24	180	180	210	220	230	240	240	240	240	240	240	240	240	240
E–4	122.30	150	160	170	180	190	200	200	200	200	200	200	200	200	200
E–3	99.37	124	124	141	141	141	141	141	141	141	141	141	141	141	141
E–2	85.80	108	108	108	108	108	108	108	108	108	108	108	108	108	108
E–1	83.20	105	105	105	105	105	105	105	105	105	105	105	105	105	105
E–1 (under 4 months)	78.00														"

(2) Section 201 (b) (37 U. S. C. 232 (b)), is amended by striking out the table therein and inserting the following table in place thereof:

"Pay grade	Army, Air Force, and Marine Corps	Navy, Coast Guard, and Coast and Geodetic Survey	Public Health Service
O–10	General	Admiral	
O–9	Lieutenant general	Vice admiral	
O–8	Major general	Rear admiral (upper half)	Surgeon General.
			Deputy Surgeon General.
			Assistant Surgeon General having rank of major general.
O–7	Brigadier general	Rear admiral (lower half) and commodore.	Assistant Surgeon General having rank of brigadier general.
O–6	Colonel	Captain	Director grade.
O–5	Lieutenant colonel	Commander	Senior grade.
O–4	Major	Lieutenant commander	Full grade.
O–3	Captain	Lieutenant	Senior assistant grade.
O–2	1st lieutenant	Lieutenant (junior grade)	Assistant grade.
O–1	2d lieutenant	Ensign	Junior assistant grade."

(3) Section 201 (c), as amended (37 U. S. C. 232 (c)), is amended by adding the following at the end thereof: "However, except as provided in section 209 of this title, an enlisted member may not be placed in pay grades E–8 or E–9 until he has completed at least 8 years or 10 years, respectively, of cumulative years of enlisted service creditable in the computation of his basic pay. Except as provided in section 209 of this title, the authorized daily average number of enlisted members on active duty (other than for training) in any uniformed service in pay grades E–8 and E–9 may not be more than 2 percent and 1 percent, respectively, of the number of enlisted members of that uniformed service who are on active duty (other than for training) on January 1 of each year."

(4) Section 201 (d) is amended by striking out the last sentence and inserting the following in place thereof: "Any payments accruing under any law to any member of a uniformed service incident to his release from active duty or for his return home incident to release from that duty, may be paid to that member before his departure from his last duty station, whether or not he actually performs the travel involved. If a member receives a payment under this subsection but dies before that payment would but for this subsection have been made, no part of that payment is recoverable by the United States."

(5) Section 201 (f) (37 U. S. C. 232 (f)) is repealed.

(6) The tables in section 204 (b) (37 U. S. C. 235 (b)) are amended as follows:

(A) The table entitled "Commissioned officers" under the heading "Pay grade" is amended by adding "O–9" and "O–10," and under the heading "Years of service" is amended by adding the figure "$165" for all categories of years of service for pay grades O–9 and O–10.

(B) The table entitled "Enlisted personnel" under the heading "Pay grade" is amended by adding "E–8" and "E–9," and under the heading "Years of service" is amended by adding the figure "$105" for all categories of years of service for pay grade E–8 and E–9.

(7) Section 206 (37 U. S. C. 237) is amended by adding to the table therein pay grades E–8 and E–9 and the monthly rates of $22.50 for each of those grades.

(8) The following new section is added after section 208:

"PROFICIENCY PAY

"SEC. 209. (a) An enlisted member of a uniformed service entitled to basic pay and designated as possessing special proficiency in a military skill of the service concerned may—

"(1) be advanced to any enlisted pay grade prescribed in section 201 (a) of this act that is higher than his pay grade at the time of designation and receive the pay, allowances, and special or incentive pays of the higher pay grade in accordance with his cumulative years of service for pay purposes; or

"(2) in addition to any pay, allowances, special or incentive pays to which he is entitled under this act, be paid proficiency pay at a monthly rate not to exceed the maximum rate prescribed in the following table for the proficiency rating to which he is assigned:

"Proficiency rating	Maximum monthly rate
P–1	$50
P–2	100
P–3	150

"(b) An enlisted member who has less than 8 or 10, as the case may be, of cumulative years of enlisted service for basic pay purposes and who is advanced under subsection (a) (1) to pay grade E–8 or E–9, respectively, is entitled to the minimum amount of basic pay, allowances, and special or incentive pays prescribed for that pay grade until such time as his cumulative years of service for pay purposes entitles him to a higher rate of such pays.

"(c) The Secretary concerned shall determine whether enlisted members of any uniformed service under his jurisdiction are to be paid proficiency pay either under subsection (a) (1) or (a) (2). However, he may elect only one of these methods of paying proficiency pay for each uniformed service under his jurisdiction. If he elects to have proficiency pay paid under subsection (a) (1), enlisted members in a military rank assigned to pay grades E–8 and E–9 may be paid proficiency pay at a monthly rate not to exceed the maximum rate prescribed in subsection (a) (2). If he elects to have proficiency pay paid under subsection (a) (2), he shall prescribe, within the limitations set forth in subsection (a) (2), the amount of such pay for each proficiency rating prescribed therein. He shall also designate, from time to time, those skills within each uniformed service under this jurisdiction in which proficiency pay is authorized, and shall prescribe the criteria under which members of that uniformed service are eligible for a proficiency rating in each such bill. He may, whenever he deems it necessary, increase, decrease, or abolish proficiency pay for any such skill.

"(d) In the computation of retired pay or retainer pay, the proficiency pay to which a member is entitled on the day before he becomes entitled to that retired pay or retainer pay is considered a part of his basic pay.

"(e) Except for determinations to be made under subsection (c), this section shall be administered under regulations prescribed by the Secretary of Defense for the uniformed services under his jurisdiction, and by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy."

(9) Section 302 (f) (37 U. S. C. 252 (f)) is amended—

(A) by inserting the following above pay grade O–8:

"O–10	171.00	136.80
O–9	171.00	136.80"; and

(B) by inserting the following between pay grades W–1 and E–7:

"E–9	67.50	45.00
E–8	67.50	45.00".

(10) Section 302 (h) (37 U. S. C. 252 (h)) is amended by striking out the words "E–6 and E–7" and inserting the words "E–6, E–7, E–8, and E–9" in place thereof.

(11) Section 304 (c) (37 U. S. C. 254 (c)) is amended by adding the following new sentence at the end thereof: "An officer entitled to receive basic pay shall, while serving as Surgeon General of the Public Health Service, in lieu of any other personal money allowance authorized by this section but in addition to any other pay or allowance authorized by this act, be entitled to receive a personal money allowance of $1,200 per annum."

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have an amendment at the desk. While I do not propose to press for its inclusion in the bill at this time, I ask unanimous consent that the Clerk may read it for the information of the membership.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The Clerk read as follows:

At the appropriate place insert the following: "Notwithstanding the provisions of this or any other act, any type or class of full-time active military or naval service creditable in computing the retired pay of any person in the uniformed services prior to the approval of this act shall be creditable in computing the retired pay of all persons in the uniformed services who have performed the same identical type or class of full-time active military or naval service, and who have been retired prior to the approval of this act: *Provided*, That this provision shall not operate to authorize the retired pay of any such person to exceed the existing limitation of 75 percent of his active duty pay."

Mrs. ROGERS of Massachusetts. Mr. Chairman, a separate bill incorporating the purpose of this amendment was passed by the other body in 1948 and was blocked here in the House at the end of the session during the closing days by one vote. This bill was favorably reported by the Armed Services Committee at that time.

The purpose of this amendment is to eliminate disparity in the military services in regard to the crediting of certain periods of service. Prior to 1916, naval officers, for example, could credit for both active and retired purposes the 4 years of time spent in the Naval Academy. After 1916, neither active nor retired officers could credit this time.

The amendment also applies to enlisted personnel. Some enlisted personnel in the Navy who attended the Naval Academy for 1, 2, or 3 years and then dropped out and became enlisted personnel in the Navy could credit the time spent in the Academy toward their active or retired service if they attended the Academy prior to 1916. After 1916, the time spent in the Academy could not be credited either for active or retired purposes. This seems to me to be a disparity which should be corrected. The amendment which I offer will correct this disparity. I do not believe it is fair for some military personnel to be able to credit a period of military service while others cannot credit the same service because they participated in it at a later date.

In view of this fact I urge that this amendment be adopted sometime, but I shall not press the matter at this time, hoping that the other body will incorporate it in the bill and that the House will accept it.

Mr. Chairman, I would like to commend the entire committee, the chairman of the subcommittee, the gentleman from Texas [Mr. KILDAY], and the gentleman from Pennsylvania [Mr. GAVIN], and the majority and minority members; and the chairman of the full committee, the gentleman from Georgia [Mr. VINSON], the gentleman from Illinois [Mr. ARENDS] and all of the others for a very fine bill which is so desperately needed at this time. I am disappointed that more is not done for the enlisted men—and hope that more will be done but it is a step in the right direction.

Mr. Chairman, I withdraw my pro forma amendment.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(The remainder of the bill reads as follows:)

SEC. 2. The tables in section 1 (c) of the act of May 19, 1952, chapter 310 (66 Stat. 79), are amended by adding pay grades E–8 and E–9. The allowances provided therein for pay grade E–7 shall apply to pay grades E–8 and E–9.

SEC. 3. Notwithstanding any other provision of law, except sections 4 and 7 of this act, the changes in rates of basic pay made by this act do not increase the amount of retired pay, retirement pay, retainer pay, or equivalent pay to which any person is entitled on the day before the effective date of this act.

SEC. 4. Except for members covered by section 7 of this act, members and former members of a uniformed service who are entitled to retired pay, retirement pay, retainer pay, or equivalent pay on the day before the effective date of this act, shall be entitled to an increase of 6 percent of that pay to which they were entitled on that date.

SEC. 5. Section 4 (a) (1) of the Armed Forces Leave Act of 1946 (37 U. S. C. 33) is amended by striking out the word "three" and inserting in place thereof the word "five."

SEC. 6. Title 10, United States Code, is amended as follows:

(1) Footnote 1 of section 3991 is amended to read as follows:

"[1] For the purposes of this section, determine member's grade as if section 3962 (d) did not apply."

(2) Section 5233 is amended by inserting before the period at the end of the first sentence the words "and with retired pay based on that grade," and by striking out the last sentence thereof.

(3) Section 6483 is amended by adding the following new subsection at the end thereof:

"(c) A retired officer of the Navy or the Marine Corps who is hereafter ordered to active duty in a grade to which he was advanced under section 6150 of this title, and who serves on such duty for a period less than 180 consecutive days, shall, upon release from that duty, not be entitled to have his retired pay based upon such higher grade as a result of such duty."

(4) Footnote 1 of section 8991 is amended by striking out the figure "8962 (a)" and inserting the figure "8962 (c)" in place thereof.

SEC. 7. (a) Notwithstanding any other provision of law, each officer entitled to pay and allowances under any of the following provisions of law shall continue to receive the pay and allowances to which he was entitled on the day before the effective date of this act:

(1) The act of March 23, 1946 (60 Stat. 59).

(2) The act of June 26, 1948 (62 Stat. 1052).

(3) The act of September 18, 1950 (Private Law 957, 81st Cong.).

(b) A member of a uniformed service on a retired list on the effective date of this act in the grade of general, admiral, lieutenant general, or vice admiral, as the case may be, other than an officer holding that grade under any of the acts cited in subsection (a) of this section, section 421 of the Officer Personnel Act of 1947 (61 Stat. 874), or section 6150 of title 10, United States Code, shall have his retired pay recomputed on the basis of the basic pay provided in section 201 (a) of the Career Compensation Act of 1949, as amended by this act, for the grade which he holds on the retired list.

SEC. 8. Section 110 of the Federal Executive Pay Act of 1956 (70 Stat. 740) is repealed.

SEC. 9. This act becomes effective on the first day of the month following the month in which it is enacted.

SEC. 10. No person, active or retired, in any of the uniformed services shall suffer by reason of this act any reduction in basic or retired pay to which he was entitled upon the day before the effective date of this act.

Mr. KILDAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 11, strike out section 10, and substitute a new section 10, as follows:

"The enactment of this act shall not operate to reduce—

"(1) the basic pay or retired pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this act; or

"(2) the amount of the dependency and indemnity compensation to which any person was entitled under section 202 of the Servicemen's and Veterans' Survivor Benefits Act on the day before the effective date of this act."

Mr. KILDAY. Mr. Chairman, I shall not consume much time.

This is a purely corrective amendment. The bill contains a saved pay provision. Through oversight in drafting that portion of the bill we neglected to include sums paid under the Survivors' Benefits Act. The saved pay provision of law was intended to cover all cases. This amendment corrects the language of the bill to accomplish this purpose.

We are indebted to the American Legion. In their analysis of the bill they discovered this oversight and called it to our attention.

As I say, Mr. Chairman, this is purely a corrective amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask the meaning of section 8 on page 11 which reads as follows:

Section 110 of the Federal Executive Pay Act of 1956 (70 Stat. 740) is repealed.

How far, may I ask the chairman of the subcommittee does that go?

Mr. KILDAY. That has to do only with the pay of the Surgeon General of the United States, the chief of the Public Health Service. They gave him a special pay bracket in the Federal Executive Pay Act. Always the Public Health Service has been paid under the military scale. They gave him a special pay bracket in that bill. The provision brings him back under Career Compensation Act, along with two or three others.

Mr. GROSS. It applies only to certain individuals in the Public Health Service now paid under the Federal Executive Pay Act?

Mr. KILDAY. Yes.

Mr. GROSS. I thank the gentleman.

Mr. Chairman, we should understand before voting upon this bill—and I expect to support it, although reluctantly—that this is not going to settle the pay of members of the Armed Forces for any appreciable length of time. Until Congress has taken action to stop this business of raiding the Armed Forces of skilled personnel through cost-plus contracts, I do not see how in the world we are going to remedy the situation except temporarily. We will be engaged in a continual rat race as long as we permit those who benefit from cost-plus contracts to raid the Armed Forces for their skilled personnel. The Federal Government can never pay those in the armed services the money that can be offered under contracts of that kind. Let us labor under no illusions today about this bill offering any finality of action insofar as settling the pay for members of the Armed Forces.

I urge the proper committees to take the steps that are necessary to bring this situation into proper perspective, for we are supplying the dollars under cost-plus contracts that bring about this kind of legislation.

On other occasions we have been told that pay increases for military personnel would provide the incentive for remaining in the service. It has not worked out that way, in fact hundreds of Reserve officers were forced out of the service last year even though most of them desired to make the military a career.

Let me make it clear that this is the last bill of this type that I propose to support until remedial action has been taken to stop the use of Federal funds to bid for military personnel.

Mr. EDMONDSON. Mr. Chairman, this is sound and urgently needed legislation and I congratulate the distinguished Committee on Armed Services for bringing it before this body.

If we are to have the great defense force in being which these perilous times require, it is imperative that we provide the incentives for career service that our officers and enlisted men deserve.

This bill is a long and wise step toward proper recognition of skill and proficiency in the duties assigned to men and women in the Armed Forces.

It is also an appropriate recognition of the problems of reenlistment and officer retention.

I am glad of the opportunity to support and vote for this bill.

Mr. JONES of Missouri. Mr. Chairman, I will vote for H. R. 11470, with great reluctance and many misgivings. I am fully aware of the necessity and the desirability of a better method of computing the basic pay for officers and enlisted men with special skills and outstanding ability who have demonstrated their proficiency. These men are needed and I hope that by the passage of this resolution we will be able to keep these men in the service.

What I fear, and I sincerely hope that it will be proved that my fears are without foundation, is that the maximum pay allowed under this legislation will be considered by some as being justified for the average soldier, or the average officer who has attained his rank merely by length of service.

I realize that, under any Government pay schedule, whether it be under civil service or in the armed services, we have groups of well-qualified, highly skilled, experienced personnel who are underpaid, yet who remain in their positions for a variety of reasons. On the other hand, we have much larger groups who benefit from increased pay schedules for proficiency, skills, and unusual ability, who have demonstrated no such skills or ability.

It has been suggested by many that, with the passage of this legislation, it will be only a short time until all general officers will be drawing the top pay. If that results, then I and the others who vote for this legislation will have made a terrible mistake. The fact of the matter is we have too many general officers. At the beginning of World War II, when I passed an officer with one star on his shoulder, I turned around to give him a second look. Even the eagle was a rare bird in those days What a difference today.

Yes, we need to hold our best men in the services, whether they be generals, colonels, or privates, and to do this we must pay them salaries comparable to the pay they can draw in private industry. I hope the committee which has brought us this bill will be just as alert to seeing that the law is administered so as to get rid of the incompetents—and we do have them in every service—as it has been vigorous in bringing about the passage of this legislation.

Mr. PHILBIN. Mr. Chairman, the able and distinguished gentleman from Texas [Mr. KILDAY] in his many brilliant speeches before the House on vital military and defense questions has seldom, if ever, acquitted himself with such great ability and clarity and understanding as he has in the excellent discourse he has given to the House in support of this bill.

I want to thank and commend him for the magnificent, penetrating, all-embracing explanation, which he has given us upon an extremely complex and difficult subject.

And I also want to thank him and his distinguished committee for their able, painstaking and efficient work in conducting the hearings and formulating the pay measure which is before us for action today. As a member of the House Armed Services Committee, I am very proud of this fine, able, efficient contribution to the national defense and security.

The early enactment of this bill is, to my mind, most essential. It is needed, not only to provide incentives and thus effectually stop the dangerous outflow of so many skilled men from our armed services, but it is essential to increased proficiency and efficiency in the operation of the armed services themselves.

In its broader sense, the bill seeks to do justice and equity to all our defense personnel at a time when living costs are high and adequate pay revenues so necessary to people of every calling.

This bill grew out of the work of the so-called Cordiner Committee, which made sweeping recommendations in the field of pay and compensation for armed services personnel. Many of the recommendations of this Committee are, we are told, incorporated in the bill.

It is to be regretted that the economies envisioned by the Cordiner report estimated to be in the neighborhood of $5 billion a year could not be realized; in fact, at this time it is doubtful whether any specific savings or economies could be shown to accrue directly as the result of the enactment of this bill.

However, there can be little doubt as is attested by the hearings and Mr. KILDAY's very able statement but that the bill will provide proficiency pay, lift the general tone and morale of personnel, provide stronger incentives for personnel to remain in the armed services and revise service pay scales in a realistic and practicable way for about all of the personnel.

It is not claimed for it that the bill is perfect or that it will perform miracles. There are few more complex questions than pay scales in the armed services, and there is probably no way short of compulsion that the Congress could retain all the personnel that is trained in various specialties, or prevent them from migrating into industry to reap the much more attractive financial rewards that are open these days to persons skilled in electronics, radar, radio, rockets and missiles, submarines and aircraft, and other fields so vital to our defense.

I think that the best that can be said for the bill is that it will cut down the number of good, trained men we are losing in critical categories. How we will be able to stop the outward annual flow of about one-fifth of our service Academy graduates is a problem that will have to be considered and acted upon by the Congress at some other time. I am greatly concerned about the resignation of so many fine young men, who are trained in our service Academies at great expense to the Government, leaving the services every year to take outside jobs in industry or the professions.

At the present rate these losses estimated to increase up to 27 percent in the near future, it is clear that serious inroads are being made into the military leadership pool upon which we must depend for the development of men capable of best furnishing future leadership for our entire Defense Establishment.

There is also the question of armed services organized as they are today being called upon not only to deal with, utilize, and consider the problems of the individual men, but also those of their families. American fighting men today are in large numbers accompanied by their wives and families to almost every part of the world where our troops are stationed. This presents for us, as well as for the Defense Department and the various services, problems of such magnitude and serious import that I will do no more than to touch upon them here.

But I am convinced that before long these problems will require our most penetrating consideration, if we are to be able to cope competitively with far-flung challenges of the Soviet Union, which has its armed forces organized on the nonfamilial principle, which does not involve all the problems, logistical, financial, social, and legal incident to transporting troops all over the world, establishing living accommodations for them and their families, schools, and other services for their children.

I should like to have seen larger increases for lower category personnel. Since the bill will cost $668 million annually some limitations were necessary. Most of this huge sum will go to enlisted men and younger officer categories. I think the committee has made every effort by special tables, the creation of new grades and in many other ways to furnish stronger incentives. It also makes provision for a flat 6 percent increase for retired personnel.

In my opinion, the bill is a big improvement over other bills and proposals being considered, and it represents a substantial, forward step in the pay system for the armed services. I believe it is fair to enlisted men and officers of every rank and grade. Whether it will be adequate competitively with private industry and private callings remains to be seen. But it undoubtedly moves very substantially in that direction, and I believe it is, not only workable, but hope it will be satisfactory to all service personnel and their families.

The hearings and the preparation of the bill now before us called for hard, laborious work and the highest order of legislative skill in drafting its provisions and reconciling them in innumerable ways with the present system so as to present an integrated, practicable whole.

We are fortunate indeed in having the expert services of the gentleman from Texas [Mr. KILDAY], possessed as he is of such a sure grasp of and mastery over the multitude of details and technical problems implicit in this legislation.

We are also fortunate to have able, dedicated colleagues like the gentleman from Pennsylvania [Mr. GAVIN], whose long experience, thorough knowledge and great ability in this field are so well known and have been so valuable to the successful completion of this work.

Indeed, we are fortunate to have such a splendid committee as the one which heard and wrote this bill—all able, painstaking, and very helpful in their contributions.

Last of all, but by no means least, we were fortunate in having the advice and service of our most capable staff assistant, Mr. Russell Blandford, whose devoted efforts, diligence, legal ability, sound judgment, and conscientious approach were of such great value to the committee and to the House.

I can wholeheartedly support this bill, because I know that it was formulated by able, zealous, and patriotic colleagues, highly skilled in all facets of the complex subject matter it covers. It derives from great sincerity of purpose to improve the lot of armed services personnel and to strengthen and render more efficient the operating branches of our huge defense system. I believe it marks a great advancement both in the theory and practice of sound defense pay legislation, and I am very hopeful that it will bear good results.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, pursuant to House Resolution 507, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KILDAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 366, nays 22, not voting 41, as follows:

[Roll No. 30]

YEAS—366

Abbitt	Davis, Tenn.	Jones, Ala.
Adair	Dawson, Ill.	Jones, Mo.
Addonizio	Delaney	Judd
Albert	Dellay	Karsten
Alexander	Dennison	Kearney
Alger	Dent	Kearns
Allen, Ill.	Denton	Keating
Andersen, H. Carl	Derounian	Kee
	Devereux	Kelly, N. Y.
Anderson, Mont.	Diggs	Keogh
	Dixon	Kilburn
Andrews	Dollinger	Kilday
Anfuso	Donohue	Kilgore
Arends	Dooley	King
Ashley	Dorn, N. Y.	Kirwan
Ashmore	Dorn, S. C.	Kitchin
Aspinall	Dowdy	Knox
Auchincloss	Doyle	Knutson
Avery	Durham	Krueger
Ayres	Dwyer	Lafore
Bailey	Eberharter	Laird
Baker	Edmondson	Landrum
Baldwin	Elliott	Lane
Baring	Everett	Lankford
Bass, N. H.	Evins	Latham
Bass, Tenn.	Fallon	LeCompte
Bates	Farbstein	Lennon
Baumhart	Fascell	Lesinski
Beamer	Feighan	Libonati
Becker	Fenton	Lipscomb
Beckworth	Fino	Loser
Belcher	Fisher	McCarthy
Bennett, Fla.	Flood	McCormack
Bennett, Mich.	Flynt	McCulloch
Bentley	Fogarty	McDonough
Berry	Ford	McFall
Betts	Forrester	McGovern
Blatnik	Frazier	McGregor
Boggs	Frelinghuysen	McIntire
Boland	Friedel	McIntosh
Bolling	Fulton	Macdonald
Bolton	Garmatz	Machrowicz
Bonner	Gary	Mack, Ill.
Bosch	Gathings	Mack, Wash.
Bow	Gavin	Madden
Boyle	Glenn	Magnuson
Bray	Granahan	Mahon
Breeding	Gray	Mailliard
Brooks, La.	Green, Oreg.	Martin
Brooks, Tex.	Gregory	Matthews
Broomfield	Griffin	May
Brown, Ga.	Gross	Merrow
Brown, Mo.	Gubser	Metcalf
Brown, Ohio	Hagen	Michel
Brownson	Hale	Miller, Calif.
Broyhill	Haley	Miller, Md.
Burleson	Halleck	Miller, Nebr.
Bush	Harden	Miller, N. Y.
Byrd	Hardy	Minshall
Byrne, Ill.	Harris	Mitchell
Byrne, Pa.	Harrison, Nebr.	Montoya
Byrnes, Wis.	Harrison, Va.	Moore
Canfield	Harvey	Morano
Cannon	Haskell	Morgan
Carnahan	Hays, Ark.	Morris
Carrigg	Hays, Ohio	Moss
Cederberg	Healey	Multer
Celler	Hemphill	Murray
Chamberlain	Henderson	Natcher
Chelf	Herlong	Neal
Chenoweth	Heselton	Nicholson
Chiperfield	Hess	Nimtz
Christopher	Hiestand	Norblad
Church	Hill	Norrell
Clark	Hoeven	O'Brien, Ill.
Clevenger	Holifield	O'Brien, N. Y.
Coad	Holland	O'Hara, Ill.
Coffin	Holmes	O'Konski
Collier	Holt	O'Neill
Corbett	Holtzman	Osmers
Coudert	Hosmer	Ostertag
Cramer	Huddleston	Passman
Cretella	Hull	Patman
Cunningham, Iowa	Hyde	Patterson
	Ikard	Pelly
Cunningham, Nebr.	Jackson	Perkins
	Jarman	Pfost
Curtin	Jenkins	Philbin
Curtis, Mass.	Jennings	Pilcher
Curtis, Mo.	Johansen	Poage
Dague	Johnson	Poff
Davis, Ga.	Jonas	Polk
Porter	Schwengel	Trimble
Powell	Scott, N. C.	Udall
Preston	Scott, Pa.	Ullman
Price	Scudder	Utt
Prouty	Seely-Brown	Vanik
Quie	Selden	Van Pelt
Rabaut	Sheehan	Van Zandt
Reece, Tenn.	Shelley	Vinson
Reed	Shuford	Vorys
Rees, Kans.	Sikes	Vursell
Reuss	Siler	Wainwright
Rhodes, Ariz.	Simpson, Pa.	Walter
Rhodes, Pa.	Sisk	Watts
Riehlman	Smith, Calif.	Weaver
Riley	Smith, Miss.	Westland
Rivers	Spence	Whitener
Roberts	Springer	Widnall
Robeson, Va.	Steed	Wigglesworth
Robsion, Ky.	Sullivan	Williams, Miss.
Rodino	Taber	Williams, N. Y.
Rogers, Colo.	Talle	Wilson, Calif.
Rogers, Fla.	Taylor	Wilson, Ind.
Rogers, Mass.	Teague, Calif.	Winstead
Rogers, Tex.	Teller	Withrow
Rooney	Tewes	Wolverton
Roosevelt	Thomas	Wright
Rutherford	Thompson, La.	Yates
Santangelo	Thompson, N. J.	Younger
Saund	Thompson, Tex.	Zablocki
Saylor	Thomson, Wyo.	Zelenko
Schenck	Thornberry	
Scherer	Tollefson	

NAYS—22

Abernethy	Marshall	Simpson, Ill.
Budge	Mason	Smith, Kans.
Dawson, Utah	Meader	Tuck
Dingell	Moulder	Wharton
George	O'Hara, Minn.	Whitten
Hoffman	Pillion	Wier
Jensen	Ray	
McVey	Scrivner	

NOT VOTING—41

Allen, Calif.	Grant	Radwan
Barden	Green, Pa.	Rains
Barrett	Griffiths	Robison, N. Y.
Blitch	Gwinn	Sadlak
Boykin	Hébert	St. George
Buckley	Hillings	Sheppard
Burdick	Horan	Sieminski
Colmer	James	Smith, Va.
Cooley	Kean	Staggers
Dies	Kluczynski	Stauffer
Engle	McMillan	Teague, Tex.
Forand	Mills	Willis
Fountain	Morrison	Young
Gordon	Mumma	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. St. George.
Mrs. Griffiths with Mr. Kean.
Mr. Kluczynski with Mr. Horan.
Mr. Barrett with Mr. Stauffer.
Mr. Green of Pennsylvania with Mr. Mumma.
Mr. Young with Mr. Allen of California.
Mr. Boykin with Mr. James.
Mr. Engle with Mr. Sadlak.
Mr. Forand with Mr. Robison of New York.
Mr. Fountain with Mr. Hillings.
Mr. Rains with Mr. Gwinn.
Mr. Sheppard with Mr. Radwan.
Mr. Morrison with Mr. Burdick.

Mr. GEORGE changed his vote from "present" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1959

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That during the consideration of the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes, all points of order against the bill are hereby waived.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may use.

Mr. Speaker, House Resolution 510 provides that all points of order shall be waived against the independent offices appropriation bill, H. R. 11574.

There are two main items subject to points of order. The first appears on page 4, line 8, providing that whenever Congress enacts any legislation which would increase annuities, Congress will appropriate funds before the increases go into effect. This is designed to protect the solvency of the civil-service retirement and disability fund in which there is now approximately a $19 billion shortage.

The other item appears on page 12, line 2 of the bill and provides that the Government must award direct contracts on Government buildings which are under the jurisdiction of the General Services Administration rather than lease-purchase contracts. The only exception provided is on buildings used solely for post-office buildings.

Testimony before the Rules Committee by the chairman of the Post Office and Civil Service Committee and members of the Public Works Committee indicated that these committees had no objection to the waiving of points of order and, in fact, were in favor of the proposals in the appropriation bill.

I urge the adoption of House Resolution 510.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. HYDE. I understand from what the gentleman says that the item on page 4 starting in line 12 would be subject to a point of order without this resolution.

Mr. DELANEY. That is correct. This waives points of order against items in the bill.

Mr. HYDE. But that would not prevent the offering of an amendment to delete the section.

Mr. DELANEY. The gentleman is correct. Such an amendment can be offered when the bill is read under the 5-minute rule. This simply waives points of order being made against any item in the bill. Without this rule a point of order could be raised against it on the ground that it is legislation in an appropriation bill.

Mr. HYDE. Mr. Speaker, I do not think the rule should be adopted waiving points of order to that part of the

bill, because I think there should not be legislation of that kind in the bill; it should be considered separately.

Mr. DELANEY. That is what the resolution does. If the gentleman does not agree with it, vote against it.

Mr. HYDE. I know that; I just want to put my objection on the record.

Mr. DELANEY. I hope it is clear.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from New York has ably explained the rule. There are very few of us who enjoy voting for rules waiving points of order.

I am convinced that the objectives as contained in the proviso waiving points of order are sound. In my opinion, past independent offices appropriation bills should have had this proviso in it a long time ago.

Mr. Speaker, the rule does not provide time for debate, but it is my understanding that the gentleman from Texas [Mr. THOMAS] and the gentleman from Illinois [Mr. VURSELL] will decide on that. It is also my understanding they intend to ask for 3 hours of general debate.

Mr. DELANEY. That is my understanding.

Mr. ALLEN of Illinois. It is my understanding also that we are to come in at 12 o'clock. Mr. Speaker, I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I take this time because of the question that has been raised about waiving of points of order. Generally speaking, I do not look with too much favor on waiving points of order. It is only fair to say that this is legislating upon an appropriation bill. On the other hand, there are times when that is justified, and, in my opinion, this is one of those times.

I have reference particularly to the waiving of points of order on the question of paying into the trust fund the required amount when the provisions of that fund are liberalized to the extent of raising the pay of annuitants. You and I, as well as the annuitants that we represent at home, are involved in this matter because we pay into that trust fund ourselves and as one who hopes some day to become the beneficiary of that payment I want to see that fund kept sound. I want to see it kept solvent so that it will have some value in the future. Therefore, Mr. Speaker, I hope there will be no fight made on that provision when the bill is read under the 5-minute rule. We must keep the fund solvent.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. VURSELL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11574, with Mr. ALBERT in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, we have discussed this matter with the leadership, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. ALBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 11574, had come to no resolution thereon.

ADJUSTMENT OF CERTAIN LEGISLATIVE JURISDICTION

The SPEAKER laid before the House the following request of the Senate:

Ordered, That the Secretary of the Senate request the House of Representatives to return to the Senate the bill (S. 1538) entitled "An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes and for other purposes."

The SPEAKER. Without objection, the request of the Senate is agreed to.

There was no objection.

THE 85TH CONGRESS HAS NEGLECTED TO PROVIDE FEDERAL AID TO DISTRESSED AREAS SUFFERING FOR YEARS FROM CHRONIC UNEMPLOYMENT

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, amidst all the furor over unemployment in the United States, the absence by this 85th Congress in taking action on distressed area legislation stands out as gross neglect of the welfare of thousands upon thousands of the American people who reside in some 149 labor-surplus areas.

Since 1955, when I introduced the first distressed-area legislation in Congress, I have constantly called attention to the plight of the unemployed in these distressed areas and pleaded for Congressional action. Since 1955 many of my colleagues have joined in the appeal for positive action in alleviating the distress of unemployment in labor-surplus areas.

Mr. Speaker, at the present time there are over 40 bills pending in the Senate and House designed to provide Federal aid to labor-surplus areas. Hearings have been held in and out of Washington with the result that several hundred witnesses account for over 3,000 pages of printed testimony confirming the need for immediate action.

Mr. Speaker, I am trying to emphasize that committees of this Congress have a wealth of information on distressed areas, yet no action has been taken.

Many of us who represent distressed areas have pleaded without success for over a year for action on these bills, which are now pigeonholed in committees of this Congress.

Mr. Speaker, President Eisenhower has asked this Congress for distressed area legislation and stands ready to sign into law a reasonable bill.

On March 11, 1958, when he appeared before the AFL–CIO economic conference in Washington, D. C., Secretary of Labor James P. Mitchell had this to say regarding distressed area legislation:

> Congress has had before it for 2 years now an area development bill designed to help communities with high and persistent unemployment. Maybe this bill does not meet with everyone's approval. Maybe it could be improved. The fact is Congress has done nothing about it.

At the same conference, AFL–CIO President George Meany, the Nation's outstanding and most highly respected labor leader, after scolding the Eisenhower administration for what he termed "shortsightedness" relative to today's economic crisis had this to say about the laxity of Congress to deal with the unemployment situation:

> The people on Capitol Hill must share the blame too. There is no excuse for the delay in the Congress.

Continuing he said in referring to labor-surplus areas:

> How about improving the lot of the chronically distressed cities—and remember that figure is growing every day that this recession lasts.

Mr. Speaker, the 85th Congress has been indicted from all quarters for its utter neglect of labor-surplus areas where unemployment has been chronic for many years and has been the nucleus for the increased unemployment we have today.

It has been authoritatively stated that if the unemployment in the chronically distressed areas could be alleviated, our unemployment problem would be reduced by 50 percent.

This is borne out by the fact that approximately 62.5 million persons are employed and 5.2 million idle.

By comparison, during the month of February 1957, over 63 million Americans enjoyed full-time employment with approximately 3 million out of work. With a civilian labor force of 68 million, this means that in good times we

had about 4.7 percent of the civilian labor force unemployed.

During February 1958 with 5.2 million unemployed, the present recession reveals an average of 7.4 percent of the civilian labor force out of work or an increase in the last 12 months of about 2.7 percent in our unemployment figures.

While it is true that the present unemployment is higher than at any other time since 1941, the closest approach was in 1949–50 with 4.8 million unemployed in February 1950. The Korean war in 1950 turned the tide of unemployment and ended the 1949–50 recession in the same manner that the 1938 depression ended with the advent of World War II. In February 1939 after 7 years of "pump priming," a total of 10.5 million were unemployed, or 19.5 percent of the civilian labor force.

A recent survey of the unemployment situation reveals that it tends to be concentrated heavily in relatively few States and in a few industries such as the railroad, steel, automobile, and allied industries. However, in many other industries, the furloughing of employees has been relatively light.

In short, the survey reveals that not all industries are affected by unemployment and that actually in some fields people are being hired.

Keeping in mind that we have had for several years 149 chronic labor-surplus areas and that these so-called pockets of unemployment prevailed during alltime high employment of well over 60 million people, it is logical to conclude that Federal aid to these chronically distressed areas is the key to providing a solution to the current unemployment problem resulting from 5.2 million jobless persons.

The communities and States have helped, but to do an effective and a complete job Federal aid is needed without further delay.

The residents of the 149 distressed areas certified by the United States Department of Labor as labor-surplus areas have done a magnificent job themselves in trying to accomplish their own economic salvation. Practically every community has an alert and highly energetic area development committee or organization eager to aid in every possible manner to attract new industry to the area. It is with the thought of diversifying the industrial life of the community that the best means is found for cushioning the devastating effects of mass unemployment.

As a result these area development committees have raised funds locally to the extent that they have "scraped the bottom of the barrel." They have had splendid cooperation from area banks in financing the drive to rehabilitate the economy of their respective areas. But banking institutions, too, are hemmed in by State and national banking laws, thus limiting the extent of their assistance regardless of how laudable the objective may be.

The various States have also extended a helping hand, but in the end the job is of such vast proportions that only Federal aid to these chronic labor surplus areas will insure success of the determined drive to rehabilitate the economy, thus relieving the plight of the unemployed.

Mr. Speaker, in a sincere effort to end the fruitless discussion and the resultant confusion that surrounds distressed area legislation, I call attention to my bill H. R. 6975, which is a compromise between the administration bill and the Douglas-Spence bill.

The Van Zandt bill, H. R. 6975, is heralded by many as a realistic approach in providing a solution to the deadlock that exists in the enactment of a program to provide Federal aid for chronically distressed and labor surplus areas.

H. R. 6975 retains many of the features of the administration bill and the Douglas-Spence bill. It is regarded as a sane and sensible compromise and should serve as a reasonable and realistic basis for perfecting a legislative measure acceptable to all shades of opinion.

It is my opinion that the administration bill, S. 1433, does not go far enough to meet the needs of chronically depressed areas, which need Federal help in forms of grants, vocational training with compensation, and Federal loans. While on the other hand, the Douglas bill, S 964, provides too liberal aid to areas whose economic decline is of recent duration. In this connection, such communities normally have sufficient resources and should not be entitled to the variety of programs offered in the Douglas bill.

AID SHOULD BE PROVIDED ON BASIS OF NEED

I believe that the solution to this difference lies in providing various types of aid that would be available to communities with labor surplus. The extent of the help would be based upon the duration and levels of unemployment. Under my proposal, as embodied in my bill, H. R. 6975, the neediest communities would get the most aid, while the help extended to the less needy communities would be more limited.

This approach would also make it possible to reduce the Federal expenditures, but still leaves sufficient funds for communities which meet the most rigid tests of chronic unemployment and economic distress.

My bill, H. R. 6975, provides for designation of three different levels of unemployment, such levels determining the eligibility of the areas for different types of programs.

The three levels of unemployment are as follows:

No. 1. First level: The unemployment rate in the area is 6 percent or more, adjusted seasonally, and has been 6 percent or more at least 8 months in each of the preceding 2 years.

No. 2. Second level: The unemployment rate in the area is 8 percent or more, adjusted seasonally, and either has been 8 percent or more for the major portion of each of the preceding 2 years, or has averaged 12 percent or more during the preceding year.

No. 3. Third level: The unemployment rate in this area is 6 percent or more, adjusted seasonally, and either has averaged 6 percent or more during the preceding 5 years, 8 percent or more during the preceding 3 years, or 12 percent or more during the preceding 2 years.

Here is how I would apply these criteria to the various types of programs offered in the administration and in the Spence bills.

I. TECHNICAL ASSISTANCE

I believe that all communities with labor surplus should be entitled to technical assistance from the Federal Government. But that does not mean that the community which has had just 6 percent unemployment for parts of the last 2 years should be entitled to receive the same aid as the community which has been subjected to chronic unemployment many years.

I would, therefore, limit the extent of technical assistance given by the Federal Government to communities in the first level, mentioned before, to only one-third of the total cost of the needed technical assistance, and would require that the other two-thirds of the needed funds should come from State or local sources.

However, for the most needy communities I would extend Federal assistance to provide as much as $3 out of every $4 needed.

II. LOANS

The administration bill, S. 1433, now provides that Federal participation in loans to labor surplus areas should be limited to 35 percent of the cost of the proposed projects. The Douglas bill, S. 964, would go as high as three-fourths of the total cost of the project.

In this connection, I believe that the administration proposal is amply adequate for communities which meet the criteria of the first level of unemployment, but is certainly not sufficient for areas which have suffered from chronic unemployment for many years.

My bill, H. R. 6975, would extend Federal participation under the proposed loan program as follows:

(a) For the first level areas, up to one-third of the total cost of the project.

(b) For the second level areas, up to 50 percent of the total cost of the project.

(c) For the third level areas, as much as 75 percent of the total cost of the project.

In addition to providing loans to labor surplus areas, my bill, H. R. 6975, will amend section 207 (a) of the Small Business Act of 1953, by providing that in making and approving loans first preference be given to small business concerns which are otherwise qualified and which are located or are about to locate in areas of substantial and persistent unemployment.

Section 207 (a) of the Small Business Act of 1953 is also amended by making eligible for loans local private nonprofit organizations—including industrial foundations, development corporations, and similar groups—formed to assist, develop and expand the economy of areas of substantial and persistent unemployment—as certified under section 4 of the Area Development Act of 1957—but only where the purpose of the loan is to enable such organizations to provide supplementary assistance to one or more small business concerns in such areas

which have qualified for loans under the preceding provisions of this subsection.

In making and approving loans under this subsection, first preference at all times shall be granted to qualified small business concerns certified as being located in areas of substantial and persistent unemployment or about to locate in such an area and to local nonprofit organizations previously described under this amendment to section 207 (a) of the Small Business Act of 1953.

III. GRANTS

The administration bill, S. 1433, makes no provision for grants except in the case of technical assistance; while the Douglas bill, S. 964, provides for Federal grants for public-facility projects. I do not believe that all the communities that have some labor surplus should be entitled to this type of aid. Therefore, my bill, H. R. 6975, in addition to providing loans for public-facility projects, would allow Federal grants up to one-third of the cost of the public-facility project in level 2 areas, and up to two-thirds of the cost of the project in level 3 areas.

IV. SUBSISTENCE PAYMENTS

The administration bill, S. 1433, does not allow any subsistence payments to persons undergoing training for new jobs in labor surplus areas. I believe that this type of program should be used sparingly and in extreme cases only. Therefore, my bill, H. R. 6975, extends Federal subsistence payments to people undergoing training only in areas with the most chronic unemployment; namely, those which are classified in level 3.

My bill, H. R. 6975, would assure that the neediest communities would get adequate aid and, in addition, it encourages the several States to establish their own program of area redevelopment and by limiting some of the aid provided by the Douglas bill, S. 964, it would also be possible to reduce the total cost of these area redevelopment programs.

Mr. Speaker, it is my belief that my bill, H. R. 6975, constitutes a genuine compromise between the administration bill, S. 1433, and the Douglas bill, S. 964. This is especially true when you compare the cost of the three bills.

Recognizing the administration bill, S. 1433, as a conservative approach, it will cost about $55 million; while the Douglas bill, S. 964, represents an ultraliberal approach to the subject and would cost in excess of $325 million. My compromise bill, H. R. 6975, would cost in the neighborhood of $200 million and would extend Federal aid to labor surplus areas in a reasonable yet realistic manner.

Mr. Speaker, I have repeatedly stated that I have no pride of authorship regarding distressed area legislation. The time has arrived for the 85th Congress to stop squabbling over details and to unite in providing Federal aid for chronically distressed areas.

At this moment nearly 15 percent of the civilian labor force in my Congressional District in central Pennsylvania is unemployed. I know that many of my colleagues have a higher rate of unemployment in their Congressional Districts. Therefore, I plead in behalf of the unemployed in labor surplus areas that this 85th Congress assume its responsibility by proceeding immediately to approve legislation that will alleviate the misery of chronic unemployment throughout the Nation.

PRESIDENT SHOULD VETO FARM PRICE FREEZE BILL

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the Democrat action in forcing a farm price freeze through Congress was the most devastating and underhanded assault on the American consumer of the 85th Congress. In addition, it would, if allowed to become law, do irreparable harm to the American farmer.

It seems strange that a great political party would in times of unemployment take action intended to cause the price of food to rise, and to do so by taking action with which, I am sure, a majority of the farmers do not agree.

The farmer wants to be allowed to produce, not to be kept from it. He realizes that his best interests lie in regaining markets at home and abroad which he has lost because of the unrealistic Truman farm policy. To do this he must produce enough to supply the market, and do so at a price which is competitive.

I shall urge President Eisenhower to veto this measure.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

TEMPORARY CONTINUATION OF UNEMPLOYMENT COMPENSATION BENEFITS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 358)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I recommend to the Congress the enactment of legislation to provide for the temporary continuation of unemployment compensation benefits to otherwise eligible individuals who have exhausted their benefits under State and Federal laws. I believe that these workers and their families should be enabled temporarily to receive weekly benefits for a longer period than is now in effect so that in the current economic situation they and their families can obtain a greater measure of security.

These recommendations reflect my strong conviction that we must act promptly, emphatically, and broadly to temper the hardship being experienced by workers whose unemployment has been prolonged. They also reflect my conviction that the need for additional assistance to these workers will be of relatively brief duration.

Such legislation should not encroach upon the prerogatives which belong to the States, and matters of eligibility, disqualification, and benefit amounts should be left to the States. The legislation should provide, however, for the payment, to individuals who have exhausted their regular unemployment compensation benefits, of temporary benefits for an additional period equal to one-half of the duration of their regular benefits.

The State employment security agencies and the Railroad Retirement Board would administer the program. The Government would be reimbursed for the costs incurred by it for this program in each State through an increase, 4 years after the program's end, in the tax-payments to the Federal Government by employers in that State under the Federal Unemployment Tax Act. Any State, however, that wished to avoid an increase in such tax on the payrolls of employers within the State could provide for reimbursement to the Federal Government either by direct appropriation or by authorizing transfers from its credit in the unemployment trust fund.

The temporary Federal assistance which this program provides, while of great immediate benefit, is in no sense a substitute for extending the coverage of unemployment compensation which I have previously recommended, or for appropriate State action extending the duration of benefits and increasing benefit amounts which I have previously urged upon the States.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 25, 1958.*

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a House Subcommittee on Un-American Activities has just concluded 4 days of hearings at Boston.

Excellent staff work had prepared the way for one of the most interesting and revealing probes ever conducted by a committee of the Congress in the New England area. The one regret was the impossibility of extending the hearings so that the Communist organization and its activities in this region would be completely exposed. For it is only by such factual investigations that our people may learn how the Communist conspiracy operates, and from the knowledge gained, be able to detect and thwart its divisive tactics.

The press, radio, and television also performed a public service by the space and time they gave to their reports of

the hearings, so that the people of New England were fully informed as to developments.

In spite of the evasions and provocations of some hostile witnesses, the committee members conducted the hearings in such a fair and true manner, that the public was impressed with the important and constructive role played by Congressional investigating committees.

We realize that this subcommittee has a crowded schedule, but we hope that it will return to Boston in the future to carry on its vigilant and patriotic service in exposing the great deceit that is communism. The arrogance displayed by some of the party members, who flaunted their red shirts as they gave their squirming answers to pointed questions, did not fool anyone present. Their cynical boldness failed to hide their confusion and fear as their subversive operations were brought out into the light of day.

I believe that the Congress should not only congratulate, but should further recognize and honor the exceptional services rendered by those Americans who, at such personal sacrifice, have worked as unpaid undercover agents for the Federal Bureau of Investigation.

The success of the Boston hearings was due in large measure to the testimony given by two surprise witnesses, Armando Penha, 37, of Fairhaven, Mass., and Mrs. Carol Foster, 44, of Nashua, N. H. Years ago, these two Americans on their own, separately made inquiries as to how they could best serve their country. They were advised to join the Communist Party as undercover agents for the FBI.

As Mrs. Foster exclaimed, with relief, after the hearings were over: "Now, I can live again." These two fine Americans had to give up much, in terms of normal living, in order to carry out their confidential work which proved to be of such service to the FBI and to the security of our Nation.

Between the 2, the committee received the names of 150 or more persons who were identified as party members. These disclosures have caused a temporary panic in the "secret society" as the Communists begin to suspect and distrust each other. From now on, the hard-core members of the party apparatus will double check, and keep a close eye on their "comrades." The group will become smaller, but more difficult to detect. Therefore, the FBI undercover operatives in their ranks must be extra careful to conceal their identity as they carry out their nerve-racking assignments which are indispensable to the FBI in breaking up the Communist conspiracy.

The United States can never afford to ignore this threat from within. It will not make this mistake as long as we have devoted Americans to serve as undercover agents; cooperating with the efficient FBI; and with the vigilant members of the Committee on Un-American Activities of the United States House of Representatives.

Together, they make a team that is credited with an outstanding public service in protecting the internal security of the United States.

AIR POLLUTANTS

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, the armed services have a responsibility to live as good neighbors with the communities around them. Air pollutants from an Army powerplant or an Air Force or Navy rubbish burning operation are not neighborly. And, of course, they cannot be justified on the basis of military necessity or defense needs.

Mr. Benjamin Linsky, air pollution control officer of the San Francisco Bay Area Air Pollution Control District, brought to my attention that a spokesman for the chemical industry has said, "Air pollution control is largely a matter of economics. A community can have about as pure air as it wishes to purchase."

But a community, because it has no legal control over the Federal Government, must depend on the good judgment of the local installation's director and the good judgment and budgetary support of his superiors, including the Congress of the United States and its Appropriations Committees, as well as the Bureau of the Budget.

I believe it would be well for the United States Government to establish a policy firmly approved by Congress to require that military and defense activities be conducted in conformity with State and local laws relating to the air pollution abatement program and I am today introducing a concurrent resolution which would put this policy into effect.

Enactment of this resolution would require the Secretary of Defense to establish uniform policies and practices for the military departments with respect to the conduct of any activitiy which may result in air pollution. It would also serve as a guide to other Federal Government agencies in the conduct of their activities.

The effect of such a policy will remove the repeated embarrassment of Federal installations and their staffs and superiors because they are trailing, rather than leading, in reducing local air pollution.

Mr. Linsky has informed me that some Federal installations in the San Francisco Bay area continued open dump burning of garbage long after it had been stopped at local and State operations, because, with the best cooperation from the local commanding officers, there was inadequate and delayed planning ahead and fiscal provision by higher authority.

Mr. Speaker, this resolution will reduce substantially the danger to public health and welfare resulting from air pollution. I urge its prompt consideration and approval by Congress.

BYELORUSSIAN INDEPENDENCE DAY

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, today is Byelorussian Independence Day. The Byelorussians are perhaps the least known of the many peoples forcibly brought under Soviet communism. One hears of the Ukrainians, the Baltic peoples, of those in the Caucasus, and even of those in distant Asian countries, such as the Kazakhs, Turkmens, and the Uzbeks. But one seldom hears of the Byelorussians, despite the fact that they as an ethnic group are more numerous than any of the other groups I have mentioned. As a matter of fact, the Byelorussians—or the Ruthenians, the White Russians, whatever name one applies to them—constitute the third largest ethnic group in the Soviet Union; only the Russians and Ukrainians are more numerous.

The history of the Byelorussians has been just as glorious as that of their more numerous neighbors. From the late Middle Ages down to the beginning of the modern period and beyond, this sturdy people has occupied the central area west of the Baltic Sea and north of the Black Sea in northeastern Europe. For centuries they had their independent existence, until in the 17th century their country was annexed to Russia and they did not regain their independence until after the Bolshevik Revolution of 1917.

During their subjugation to Russia's czarist regime Byelorussians managed to retain their ethnic traditions and national characteristics. National feeling was kept alive in the course of several centuries. Finally, after the Russian Revolution when various ethnic groups sought and secured their national independence, the Byelorussians did likewise and proclaimed their independence on March 25, 1918. Then they set up their government and took their destiny in their own hands for a brief period. Unfortunately in less than a year the Red army overran the country. Thus came to an end the short-lived independent state of Byelorussia whose 40th independence day is being celebrated today.

For almost 40 years Byelorussians have been living under totalitarian dictatorship. For a brief period during the last war they experienced the tyranny of Nazi dictatorship, but with that exception they have suffered during the balance of those 40 years under the inhuman Soviet tyranny. Neither those who have endured the horrors of that Communist regime, nor those Byelorussians living abroad, have recognized the Soviet rule over their homeland; nor

have they become reconciled to the abhorrent ideas and brutal practices of the Communist overlords there. Americans of Byelorussian descent, including many who reside in my district, thoroughly detest and despise both the regime in the land of their ancestors and those who with cruel force rule there. On this 40th anniversary of their independence day we join them in this celebration and express the hope that one day Byelorussians shall be free from Communist Russian enslavement.

FOREIGN-AID PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Louisiana [Mr. PASSMAN] is recognized for 60 minutes.

Mr. PASSMAN. Mr. Speaker, it is necessary for some of us to firm up factual information on the foreign aid program to combat propaganda being circulated by one of the largest and best financed lobbying efforts ever conceived by the mind of man. Otherwise, the American people will have been hoodwinked to a considerable extent, and some of them effectively brainwashed, by a carefully planned, top-echelon lobby, which conveys only one side of a vitally significant many-sided story. The head man of this lobbying group is none other than experienced motion picture executime, Mr. Eric Johnston, who is serving in the post as an appointee of President Eisenhower.

The President has the right to select the person of his choice to head up the National Citizens' Committee for Foreign Aid. But I do question the wisdom and propriety of any part of the expense of this lobbying group being provided from public funds which may have been appropriated for another purpose.

Certainly the Congress and the people have the right to know, and their representatives in the Congress should check well into, the reasons for the selection by Mr. Johnston of certain people to head up committees to raise funds. Even though it may be expensive to secure the information, and possibly embarrassing to reveal it, I think it is proper that the Congress and the committee handling the funds for the foreign-aid program be supplied lists of names of those who received the 5,000 telegrams soliciting funds for the foreign aid propaganda program, or urging attendance at the unprecedented pressure conference held here in Washington on February 25.

I think it is equally important that the Congress receive a list of the 1,000 citizens who have been asked to contribute money to the foreign aid lobbying fund. I think the public, Mr. and Mrs. Taxpayer, and the Members of Congress should ask whether it was coincidental, or purposely arranged, for selection to membership on the committee of people such as Ernest Breech, executive vice president of the Ford Motor Co.; Lamar Fleming, president of Anderson, Clayton & Co.; George Killion, of the American President Lines; Frank Pace, Jr., of General Dynamics; William Robinson, of the Coca-Cola Co.; Joseph Spang, of the Gillette Safety Razor Co.; and H. J. Heinz, of the Heinz Co.; and many others of equal prominence. I think the American public and the Congress should have a yes or no answer as to whether the White House has given its blessing to this huge, privately financed, grassroots campaign aimed at putting public pressure on a reluctant Congress to approve President Eisenhower's $4 billion foreign aid program for the next fiscal year.

As we are requesting answers, I should also like to know the amount of funds collected by Mr. Johnston's committee through the solicitation of contributions from America's leading industrialists, those who are most apt to profit by a huge foreign-aid appropriation.

I have voted against the authorization for foreign aid from the inception of the program. But during my tenure as chairman of the Foreign Operations Subcommittee on Appropriations, I have voted for an appropriation sufficient to carry out a foreign-aid program in keeping with an intelligent and common-sense approach and in an amount sufficient to fulfill our commitments.

Regardless of the sounding off of the big guns downtown and elsewhere, many of the witnesses who have testified for foreign-aid appropriations in prior years have cleverly overstated their needs, but a persistent committee made it possible for the same witnesses to admit that more funds were appropriated for the program than could be obligated. Almost every year they contend that the current program being presented to the Congress is, in reality, a firm one, only to have their statements refuted by the factual record the following year. Present-day witnesses are being better brainwashed and possibly successfully lectured before appearing before the committees of the Congress.

I wish it were possible for some plan to be formulated whereby the foreign-aid visionaries and intellectuals could descend from their ivory towers and deal with the program on a common-sense, down-to-earth basis.

As an elected Representative in the Congress, being paid to represent the American people, the same as the President, I should continue seeking answers as to why some of the promises made by the successful presidential candidate in 1952 and 1956 were not carried out. Is it not true that these promises included:

First. "Trade, not aid." What happened to this vote-getting promise?

Second. "Balance the budget and reduce taxes." What happened to this vote-getting promise? No agency or group of statisticians or mathematicians could twist the figures so as to change the record of hard facts that, under the present wild spending program of this administration, we are proceeding toward wrecking our economy and certainly building an almost unbearable public debt to be ultimately paid or repudiated by unborn generations.

Mr. Speaker, unless we change our course, then men and women who are yet unborn will some day stand in the well of this House and condemn their predecessors for not having been more careful in their acts which resulted in the dissipation of our national wealth and passing along an unbearable debt, with many of our much-needed natural resources either exhausted or greatly depleted. A great part of this condition, if we permit it to come about, will have been attributable to an unwise and uncontrolled foreign-aid spending program.

Is it not true that the successful 1952 and 1956 presidential candidate who heads the present administration is traveling in an opposite course from the ones charted during the campaigns of those years, particularly with reference to the "trade, not aid" promise the "balance the budget" promise, and the "reduce taxes" promise? Is the record not abundantly clear that the present administration is bleeding the people white with excessive taxation and unnecessary spending?

Just so long as the leadership in the Congress gives its support to a program that extracts from the individual American taxes in excess of needs, just so long will the present administration continue spending far beyond the amount needed to operate our Government properly.

I would like to have an explanation, if one can be given, without merely glossing over the facts, as to why we are involved in a far worse mess internationally than was the situation 5 years ago notwithstanding the great expenditures properly labeled "foreign aid."

The record is abundantly clear that fantastic Government spending by the present administration places prior administrations in a miserly category by comparison. The record is also clear that not lack of money, but lack of commonsense and careful planning in the use of the money, is at the root of many of the major ills besetting our Nation. Mr. Speaker, the future may affirm the opinion of some of us that a continuation of uncontrolled and excessive taxation and spending is moving us along the road toward possible economic chaos.

Let us review some facts from the record:

Federal tax receipts for the first 156 years of the operation of our Government for which records were first kept, from January 1, 1792, to January 1, 1948, totaled $315,591,776,000. This period included, of course, all the Nation's wars through World Wars I and II.

Tax collections during the last 5 years of the Truman administration, from January 1, 1948, to January 1, 1953, amounts to $247,263,370,000. Out of this total, the public debt was reduced by $3½ billion.

But, during the 5 peacetime years of the present administration, from January 1, 1953, to January 1, 1958, Federal tax collections totaled $365,849,080,000. And not only did the present administration spend this entire amount, but, at the same time, increased the public debt by several billions of dollars.

Thus, it is clear that the present administration spent during the past 5 years approximately $130 billion more to run the Federal Government than the Truman administration spent in the preceding 5 years which included the expense of the Korean conflict.

The highest year for tax collections during the last 5 years of the Truman administration was 1952, when the total revenues collected amounted to $68,500,000,000. Contrast this, if you will, to tax collections in 1957, 5 years later, under the present administration, which amounted to $82,387,233,000.

I submit at this point for the RECORD a table of facts on tax collections itemized by year and covering the last 5 years of Mr. Truman's administration and the first 5 years of Mr. Eisenhower's administration. Let the record speak for itself:

ONE HUNDRED AND FIFTY-SIX YEARS

January 1, 1792, to January 1, 1948, total, $315,591,776,000.

5 years (Truman)—Jan. 1, 1948, to Jan. 1, 1953

1948	$42,302,860,000
1949	40,501,871,000
1950	39,862,736,000
1951	56,093,339,000
1952	68,502,564,000
Total	247,263,370,000

5 years (Eisenhower)—Jan. 1, 1953, to Jan. 1, 1958

1953	$68,299,418,000
1954	67,322,691,000
1955	69,294,764,000
1956	78,544,974,000
1957	82,387,233,000
Total	365,849,080,000

First. During the last 5 years of the Truman administration, he applied $3,500,000,000 of the amount collected in taxes to reduce the public debt.

Second. During the first 5 years of the Eisenhower administration, not only did he spend the entire amount collected in taxes during that period, but increased the public debt by several billion dollars.

Third. Information supplied and verified by Miss Maureen McBreen, fiscal analyst, Library of Congress.

We have heard a lot of talk, from time to time, about a balanced budget. I wonder to what period those who proclaim this accomplishment are referring. One accurate manner of obtaining a factual portrayal of the state of our budget is to check the amount of the public debt as of January 20, 1953, and then for January 20, 1958, which will cover a full 5-year period. If a public debt $9 billion greater at the end of a 5-year period of the present administration does not indicate just the opposite of a balanced budget for the period, then I should like to be cited to the contrary. May we have an explanation as to how the present administration through what they refer to as 5 years of peace and prosperity could collect $118 billion more than Mr. Truman's administration did during the last 5 years of his tenure, and yet have sound reason for increasing the public debt by any amount?

Mr. Speaker, similar factual information could be cited here almost endlessly, but to continue to do so could perhaps detract from the purpose for which so many of us are striving, and that is for a more honest and sensible foreign aid program. Therefore, I want to mention now a few pertinent matters so that the proper officials may start looking for the answers.

For instance, I ask if it is true that thousands of dollars worth of medicine being shipped to Laos through the foreign aid program, and going straight into the hands of the Minister for Health, His Excellency, Oudon Souvannavong, are not failing to reach the people in the manner intended by the United States? Is it true that Madame Oudon, wife of the Minister, owns the only pharmaceutical house in the country licensed to import medicines? Is it true that much of the medicine is being diverted to Thailand, India, Combodia, Burma and other places, where it brings huge prices and profits to the owner of the only phamaceutical house privileged to have a license to import medicines into Loas? Further, is it true that under such an extortionist arrangement, the peasants of Laos have to pay as much as 15 cents for a single aspirin tablet and 90 cents for a penicillin capsule at the Oudon pharmacy in the capital of Laos or, for that matter, at other dispensaries controlled by Oudon throughout the country? Is it true that literally tons of this same free medicine are deteriorating in storage because the holders, such as the governors of provinces and mayors of towns, refuse to distribute the medicine without receiving their financial cut, and that this extortion is so prohibitive the people cannot afford to pay it?

Is it true that in numerous countries our military bigwigs of the foreign-aid program are forcing more equipment, or at least agreeing to provide more military equipment, to recipient nations than they can absorb?

At the proper time, we hope to have some direct and factual answers, not military suger-coated answers, from some of the people who are expert at sugar-coating the answers.

I should like for the military foreign-aid experts to say "yes" or "no" as to whether or not a substantial quantity of excess military items in Japan, where I visited last summer, are being disposed of as surplus, while at the same time other military so-called experts in Japan are requisitioning comparable items for delivery from the United States. I should like to have the experts give facts and figures when we ask the question, "How many American buyers are in Japan and other parts of the world buying up surplus equipment and accessories, and shipping the material back to the United States?" We should like to have them tell us how many highly paid personnel are now stationed in Washington obtaining permits to return into the United States the so-called excess, or surplus, equipment, materials, and supplies shipped out of this country under the foreign-aid program.

Mr. Speaker, many times during the past 5 years I have read in the press that the executive branch of the present administration does not pressure the Congress, that the present administration leaves it up to Congress to work its own will. I have never known of a more complete misrepresentation of the facts for American consumption.

On March 6, 1958, the Washington Daily News carried an article from which I quote, as follows.

> There won't be any more "Dear Joe" letters. Ike says GOP must work with him if they expect his 1958 support.

Quoting now from the fourth paragraph of the same article:

> Mr. Eisenhower says Representatives he will support must be for foreign aid, a strong national defense, and possible Federal action to keep the country prosperous.

If it is correct that the President uttered these words at a press conference, would this indicate that he is willing for the Congress to work its will on the foreign-aid program? Or, rather, would it indicate that he is pressuring the Congress to work his personal will? What would happen to the individuality, the integrity of the individual Member of Congress, if he should subscribe to, and follow, such a philosophy?

Mr. Speaker, thinking further concerning the foreign aid program, it is my conviction, and I so contend here, that if the love of democracy and freedom does not first exist in the minds and hearts of the people themselves, no amount of money spent by us is going to create it.

Who can truthfully say, in fact, that, instead of curing the ills of the world with the $68 billion in foreign aid we have spent, or committed, since World War II in all but 16 of the other 86 nations of the world, we have not possibly actually added to those ills. It is indisputable that, through the foreign aid program, we have aided communism in many instances, and have subsidized socialism in even more instances.

I want also to note that the facts refute the propaganda which would erroneously tie together the foreign trade and the foreign-aid programs. Throughout our history, this nation has always been ready to trade with foreign nations, and we will continue to do so.

We have made far too many mistakes operating under a conception that we can solve the world's problems if we will only spend enough of our money. This do-it-with-dollars policy is one of fundamental folly, and it should not be continued on and on.

I submit, Mr. Speaker, that the people who are against communism will still be against it, with or without our dollars. Those who are not against communism are not likely to be changed by more dollars from the United States.

Our greatest safeguard—the world's greatest safeguard—against communism is a sound, strong United States of America. I believe it to be certain that we would be much stronger if we should curb the dissipation of our resources over the face of the earth.

For one thing, at least, our $275 billion national debt, which exceeds by some $63 billion the combined public debts of all the other 86 nations of the world, could be many billions of dollars less than it is. Further, it would be quite difficult to claim with success that, with substantially less foreign aid spending on the part of the United States, the rest of the world would have otherwise

been in worse shape than it is right now.

American performance in world affairs is dependent, first of all, on how well we perform here in America. Nevertheless, Mr. Eisenhower, Mr. Eric Johnston, and others in the top echelon of the Government would have the people believe that we should continue to tax and tax and spend and spend all over the world.

This spending includes nations which do not, by any stretch of the imagination, deserve our assistance under any kind of program. Examples of these are Yugoslavia, Poland, India, Indonesia, as well as others.

For brief illustration, Marshal Tito of Yugoslavia has received from the United States during the past 10 years an amount far in excess of $1 billion in aid. Tito has not at one time during this period been friendly to America, but has consistently held to the Communist line, and at times has been openly in the Kremlin's corner.

Only last month, however, the present administration attempted to cover up more giveaways to Yugoslavia, and entered into an agreement to grant Tito $64 million worth of what was mislabeled as "long credits." This was done even after it was reported that Tito had passed along $10 million in up-to-date military equipment to the pro-Communist President Sukarno of Indonesia.

As another example, we have been very generous with India. This generosity over the years has already amounted to about $2.5 billion. But notwithstanding this aid, India's Nehru has steadily been on the side of the Communist oppressors, with Indian influence consistently exercised against the Free World.

Limited Russian and Chinese Communist aid to India must be repaid with punctuality. But not so with Uncle Sam's aid. No credit to us and no help to the Free World, our aid is repayable, if ever at all, only when the Indian government feels it can do so. This is the situation, despite the fact that there has not been a single instance in which Nehru has supported the Free World policies when the chips were down.

There is no way to dodge the fact that much of the aid to India, or, for that matter, much of the aid to many of the other countries, is without either substantial economic or technical justification.

Mr. Speaker, it has been my privilege, in connection with studies of this matter, to have the benefit of well-founded correspondence, extending over a period of several years, from a reputable American engineer in India. This man has had many years of experience in the Far and Middle East, both with private enterprise and Government. I am convinced that his statements of fact may be accepted as accurate, and his conclusions accepted as well-founded and sound.

I shall now quote excerpts from letters written to him in January of this year. This is from a letter of January 3, 1958:

> The Government of India has submitted directly to the new development loan fund in Washington a list of some 75 capital projects requiring financial assistance. This list projects totaling $3.75 billion, with a foreign exchange component of some $2.75 billion. From this list, I believe they have selected some 14 or 15 projects as priority. * * * I know that the engineering and cost estimates are open to serious doubt as to accuracy and completeness. I am also not convinced that any serious consideration has been given to any logical coordination of resources. * * * There is no concentration on utilization of resources for revenue producing or exports for exchange earnings.

The next is from a letter of January 23, 1958, and I quote:

> It looks as if the United States had taken on an additional liability of at least $600 million over the next 3 years for India. Thought that the enclosed front-page item from the New Delhi Times was particularly interesting in stressing the immediate need to waive safeguards and restrictions required by sound banking procedures and the intimation that loans and credits of similar or greater extent be repeated for 2 additional years. The facts that the 5-year plan is a hodge-podge of uncoordinated proposals, that the Government of India refuses to recognize this, that the plan lacks flexibility and that international sources are expected to finance those errors of judgment and management seem to be totally ignored. * * * I believe that underlying this suggested waiver of established rules and procedures is a hidden recognition of the Indian inability to prepare a soundly engineered prospectus for specific project loan applications, since they would betray the lack of thinking through and coordination applicable to the so-called plan. * * * If we hold to what are generally recognized as sound loan projects India will not be able to get financing for anywhere near the $225 million presently in sight, unless we lump it all in railways and ports and leave the matter of periodic survey and inspection out, as well as the administration of the project after it has been completed. * * * Very few of the list of projects submitted are in the private sector. About 28 deal with major power and/or power plus flood and irrigation projects, 27 deal with transportation (including highways and port development as well as railroads). The balance are in mixed categories, few of them of any significance as far as private industry is concerned. * * * I am not too much concerned with Russian competition because I think that carries with it its own visible demonstration of undesirability. * * * I am much disgusted with the whole approach and program.

I now present excerpts from a letter of January 30, 1958, and I quote:

> You cannot superimpose a large industrial complex on a poverty-stricken agricultural country regardless of the financial resources you contribute. Our money will continue to be wasted until this is recognized. * * * Under our present policy we are merely postponing the final day of recovery and exerting very little, if any, effort to influence current planning or economic policies. * * * The rate of population growth (1.25), if you can accept any statistics out here, is such that the population cannot be supported on even a bare existence level, notwithstanding some unprecedented improvement in agricultural production. One gets involved in a fundamental revolution concerning land tenure, taxes, price control, dietary changes, religion, etc. About one-third of the land now provided with irrigation facilities in the last few years is presently not cultivated due to nonacceptance by the farmers of the Government charges for use of same.

Mr. Speaker, I believe the American public is becoming fed-up with the foreign aid waste on the part of our Government. I think also that the point is being reached where the Congress is going to insist that wasteful spending be curbed.

India is obviously determined to socialize, or nationalize, its industry. It appears to me that all we are buying there with the hard-pressed American taxpayers' money is a liability interest in an economic policy that is ultimately headed for either economic chaos or communism, or both.

I quote from other letters which have come to me:

> Some time ago oil concessions were negotiated which, among other things, provided for a 30-year concession with an option on the part of the operators to renew, or extend, for an additional 30-year period. Personnel and equipment were brought in and operations started. * * * Recently they were startled to read in the official Indian Government Gazette that the terms had arbitrarily been changed to 20 years, with the 20-year extension solely at the option of the Indian Government. * * * In the meantime, the Indian Government is moving to make oil exploration a complete national government operation.

From another letter:

> In nationalizing life insurance it was publicly overlooked that these companies are the largest traders, actively, in the Bombay and Calcutta stock exchanges, so the Bombay exchange took a nosedive and the Calcutta stock exchange opened and closed with no transactions. This same move, of course, placed the government in a strong position in many private industrial and commercial companies through the acquired stock ownership.

Another excerpt. I quote:

> At the movies the other evening I saw a Government documentary film extolling the services of banks. It ended by showing the number of banks per capita in the United States and the United Kingdom in comparison with India, and then plugged the idea of several thousand more banks for India. Nothing was said about money supply or national savings.

And yet another. I quote:

> It becomes increasingly difficult to determine whether the apparently stupid economic moves on the part of the National Government here are actually stupid or deliberately designed to create economic confusion and chaos, to accelerate complete socialization. The proposed ceiling on all incomes of about $6,000 and the proposed tax on wealth (not explained) are examples.

Are not these reports and observations at least thought-provoking? Do not they serve in some measure to point up the fact that the American people and the Congress should have a full disclosure from the administration of our financial commitments, and prospective commitments, to India?

In the absence of facts to the contrary, the indications are that the negotiations which have been completed, along with those in progress and contemplated, will have the certain effect of obligating us to uncertain and substantial amounts over an indefinite period of years.

If the points I am putting forward here can be successfully refuted, the public and the Congress should certainly have the information. The people should be aware of the full extent to which we may be tied by this administration to

India's obviously unrealistic and unstable economic programs.

I shall quote again from some more of the letters:

There is no reservoir of management personnel or technicians adequate for existing industries. There is absolutely no provision for management or technical experience for existing or planned expansion.

Continuing from a later letter, and I quote:

India has only a superficial semblance to a united nation. * * * Our aid programs are unknown to some 85 percent of the people, who are impossible to reach for all practical purposes.

And more still. I quote:

Addition to the usual jitters is from strong rumors that often-mentioned state trading companies are about to be set up for tea, jute, and steel. Steel already has a controller, and you can't buy steel without an armful of documents, and prices are fixed; so state trading wouldn't really be a major step. * * * With three new big government steel plants in process, state operation is certain; only the timing is indefinite. Incidentally, when these steel plants are completed, the volume of rail traffic they will create is equal to one-half of the total tonnage of all commodities now hauled. But in the second 5-year plan expenditures for rail extensions and improvements have been reduced, not increased.

So, Mr. Speaker, the administration proceeds to use the American taxpayers' money to promote a disorganized, poorly planned industrialization in a not too friendly India. And the Motion Picture Association chief, Mr. Johnston, attempts to sell the idea of more money for that type of program to the American people—strengthen, he says, the security of America and the Free World.

Among others, the International Bank mission on programs and policies in India pointedly concluded that the Nehru government's second 5-year plan was too ambitious, not sufficiently realistic, too large. Nevertheless, the present administration is proceeding toward kicking-in with hundreds of millions more of the American taxpayers' dollars.

Many Indian observers also regard the plan as ill-advised and unsound, both economically and technically weak.

The Indian publication, The Current, commented in its issue for September 25, 1957, on Mr. Nehru's attitude. Quote:

Give me a loan and then leave me alone.

The Times of India observed last September 21, quote:

The Government of India is on the friendliest terms with both the Soviet Union and China.

Said Naushir Bharucha, member of the Indian Parliament, on February 23, this year, in an article published by the Indian journal, Yojana, and I quote:

Estimates of our planners went crazily wide of the mark. What one resents is sacrifice at the altar of inefficiency and maladministration.

The Times of India commented on January 29, 1958, and I quote:

The internal resources position is by no means bright. If the plan lacked balance at the outset, it is now becoming definitely lopsided. It is difficult to see how the plan is going to be actually financed (rupe expenditure, not foreign exchange).

Mr. Speaker, United States participation, through the foreign aid program, in this grandiose soft-currency so-called loan venture, which appears unjustifiable economically or technically, and which is obviously questionable politically, could cost us, over the next few years, as much as $2 billion. For this vast expenditure, we are unlikely to receive benefits of any substantial type, and quite possibly could wind up by creating more resentments and ill will toward ourselves on the part of the Indian people and government.

There is no disputing the fact that the plan has a limitless capacity to grow, irrespective of the availability of Indian resources. But even if more favorable circumstances were existent, in any such program we would inevitably become a major factor in the currency management of the soft-money recipient nation. The likelihood would be one of acquiring a largely unwanted interest in that currency, and creating a situation in which forgiveness of the so-called loan would be the course which would be ultimately followed. To have called the aid a gift in the first place, if going into it at all, would have been preferable.

I wish to proceed now to quote a few excerpts from reports of some of the people I have interviewed during the course of on-the-spot investigations of the foreign-aid program in recent years. It is understandable, of course, that I am not at liberty to publicly reveal the identities of these individuals at this time without causing them great embarrassment; but you have my assurance that they are well qualified people of sound repute. I shall present brief excerpts, not necessarily in the sequence in which the reports were made to me:

The second 5-year plan in India will provide employment for only a fraction of the increase in the population over the same period. If the plan should be carried out 100 percent successfully, they would end up by having more unemployment, not less. Again, if you will take any of the available figures on capital required for any given number of persons, you will demonstrate mathematically that there isn't sufficient capital in the world to provide large gains in employment in India. * * * I know from personal experience that if I interviewed 50 or 100 people of this country, representing a cross-section of the population, I would get one predominant thought, and that is this: United States money is wasted. However, if they knew the interviews would be published, and their identities disclosed, they would clam up. Their reasoning would be that if we are so stupid or wealthy as to waste money, why should they incur the displeasure of the politicians by sticking their necks out. * * * I personally am not so much concerned, myself, with the obvious waste of public money as I am to the extremely dangerous situation into which the American people are bamboozled into thinking that we buy friends. In reality, we are demonstrating weakness and stupidity in this approach.

From another interview, I quote:

While no one will put it in writing, my job seems to be that of creating new requests from the government here for United States foreign aid, and not in giving any counsel, advice or assistance based on my own experience or judgment.

Now, if you will, listen especially carefully to this response to a question as to how the programs get started:

In many diverse ways, few of them rational, systematic or based on any identifiable policy or pattern. The Director appears to have almost unlimited authority, subject to approval from Washington; but actually each functional division head here, such as industry, agriculture, education, etc., works up his own programs and sells them to the Director. * * * In everyday usage, for example, in a general discussion between the head of our Industry Division and his host government counterparts, activity is discussed on general lines; and out of that comes an informal, tentative outline of a project. If we have funds available and the Industry Director likes the project, it is formulated in detail. A proposal is drawn up, signed by both governments, followed by an agreement. After that comes Washington's approval or disapproval. Ordinarily the latter seems to be more or less a formality. * * * The Ambassador seldom knows what is going on in this field; but this, of course, depends largely on the personality and interests of the Ambassador. The economic counselor, or person in charge of the economic section at the Embassy, should follow all this very carefully; but again, in practice, usually he maintains a hands-off policy unless there is interest in a conflict of jurisdiction or overlapping of function.

Can Mr. Eisenhower or Secretary Dulles or Under Secretary Dillon or ICA Director Smith, or even Mr. Eric Johnston, successfully refute the statements just quoted? If they can do so, they should do so. The American people have the right to know.

I continue to quote:

One of the objectives of the trip by (identity withheld here) is apparently to point out that productivity centers in the Far East and Near East areas are most desirable, and that liberal funds for these can be wangled out of the agricultural surplus sales (Public Law 480). He gives every evidence of expecting us to carry on indefinitely. * * * The scheme of the machine-tool specialists originated with (name withheld here), a technician contracted and assigned to the government of this aid-recipient country. This is the old game where the technician ingratiates himself with the host government, then builds up a sizable project, and with host government encouragement sells the idea to our people. Knowing that there was a considerable sum available for reprograming before the end of the fiscal year, this project was tailored accordingly. There will be further attempts to get Washington approval on this, particularly by (name withheld here) on his return.

Presenting still more excerpts, I quote:

I have talked with many responsible people of this country about our aid program. In general, they regard it as a wish on our part to demonstrate our limitless resources by wasteful, but inoffensive, indulgences to this nation. Several have asked me just why we as such proponents of private enterprise should be so busily engaged in accelerating socialism and nationalized industry. * * * The amount of the proposed aid for this fiscal year to India, used as an illustration, amounts to one-fifth of the foreign exchange deficit in the 5-year plan. You can argue two ways on the anticipated deficit. If they are successful in their industrialization plans, the deficit will be much larger. If the program is retarded by slow deliveries, slow construction, inability to transport, etc., the deficit will not materialize. I think the odds

are on the latter. However, if the aid should be approved, and go in large measure for development assistance, it probably will require even more grandiose schemes which may further bog down the economy, not improve it. * * * Our private industry carbon black experts have told them that their feasible requirements are so low as to make the establishment of their own plant quite uneconomical, but they still intend to build one. Private industry rubber people told them that they would not invest a nickel in a synthetic rubber plant. So we are asked to provide experts to show them how to build their own government plants.

Mr. Speaker, on the face of the total record, and not merely, of course, from these particular factual reports, an objective observer would be exceedingly hard put to try to define benefits which we may enjoy with, or from, some of the recipient nations as a result of these programs. With such countries as Yugoslavia, Poland, India, Indonesia, as well as others, there have certainly not been many benefits, if any, in good will or friendly relations. Nor, I think, in otherwise substantially strengthening the peace and security of America.

Continuing now to quote, here is another excerpt:

(Name withheld here) has finally arrived from Washington. As usual with Washington visitors, he has not come with an objective approach, but to tell us of the wonderful things Washington is doing all over the world. While here, he is completely encompassed by the upper level operating people, who have him so completely saturated with their remarkable and unquestioned good work that I am sure he will be more convinced than ever that all is well, if not perfect, with the world of his own creation. As far as I can determine, he is completely isolated from outside contacts or anyone in the least critical or questioning of the aid program. He is so typical in his complete saturation of Washington bureaucratic gobbledygook that a fresh thought or approach would be quite disconcerting.

I quote yet another excerpt:

I have not found an opportunity to apply myself on anything I regard as worthwhile; but as far as I know, no one but myself seems to be worried about it. He (representative from Washington, with name withheld here) is ignorance personified, full of bureaucratic gobbledegook, never worked outside of Government, no knowledge of industry, and nothing against which to evaluate what he sees and is. He and the party boys have been engaged during his stay here in a sort of self-admiration festival.

Excerpting from another interview quote:

He (name withheld here) is a relatively young man, very capable, and I am quite sure is completely aware of what is going on. He is very much worried over the Industry Division mess, is fully aware that the regional industry advisory jobs are useless jobs and never should have been created. But the overall atmosphere is one of "live and let live," so it becomes an interesting question as to just how useless or damaging a man would have to be in order to get recalled, fired or transferred.

It is obvious that a lot of incomplete, inaccurate and untruthful reporting is coming back to Washington from many of the ICA people in the field, and even from some of the American Embassies throughout the world. To me, it is frightening to think of our foreign policy and relations being colored by such misinformation and lack of factual information.

It is possible, Mr. Speaker, that some have become calloused to the indisputably tremendous waste of money through the foreign-aid program. But, nevertheless, all should realize that the time may come someday when the chips are down, and the American people will then know that we do not have some of the friends we have been led to believe have been acquired through the unintelligent expenditure of tremendous sums of the taxpayers' money.

Mr. Speaker, I know of many things which would be more pleasant to undertake than to be critical of our President or to spend many extra hours endeavoring to inform myself more fully on a most complex and confusing foreign-aid program, concerning which many important facts and much evidence are obviously being withheld from the American people; but this is a task which must be done. The pressure by the President and the many men and women he has appointed, as well as the thousands from industry selected by his appointees, cannot be permitted to go by unchallenged.

As long as the well-financed, well-oiled, top-echelon lobby is functioning to sell the American people a bill of goods on supporting excessively wasteful foreign aid, I intend to continue to do my part to help point out some of the conditions and practices which are being encouraged and tolerated that are tending toward the wrecking of the lives and economy of American citizens yet to be born.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman.

Mr. BAILEY. Will the gentleman from Louisiana join me in demanding that Mr. Johnston register as a common lobbyist?

Mr. PASSMAN. I think that he should do so. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. RHODES of Arizona. Of course the gentleman recognizes the fact that the Korean conflict was still in progress at the time you mentioned about this administration, and also that the bills which had been incurred by the Truman administration had come up to be paid during that time. Does not the gentleman think in all fairness he should point out that fact to the House?

Mr. PASSMAN. I am sure the gentleman would like to correct the remarks he just made. The Korean conflict was over in early 1952. I was in Korea then. The war had been brought to a conclusion, and the waiting was for a tough armistice which President Truman was trying to drive through.

The record is clear that many Members of this Congress visited the front lines early in 1952, and for all practical purposes the war was over.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield further?

Mr. PASSMAN. I shall be happy to yield to the gentleman.

Mr. RHODES of Arizona. Is it not also true that a large cut in the public debt was put through during the 80th Congress? And is it not also true that in no Democratic Congress of record has there been a tax cut, particularly in this modern era? Is it not also true that there has not been a balanced budget except during a time that the Republican administration has been in control downtown?

Mr. PASSMAN. I am sure the gentleman will also want to correct those remarks, because what he has said is not in keeping with the record.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. In view of the fact that the gentleman has asked a series of questions, he implies, by not answering the questions himself, that there may be some truth about any charges he has made.

Mr. PASSMAN. I do not like to accuse people of being dishonest. The clear inference is that some of the recipients are dishonest.

Mr. FRELINGHUYSEN. I wonder if there are problems in connection with the administration of the programs, whether the need for medical supplies in the Far East is so great that there is a willingness to pay on the part of the people who would like to get them, and may I ask, because there is a problem with the administration of these programs, would the gentleman junk the whole program of assistance to our allies?

Mr. PASSMAN. I think I stated in the beginning that I would support an appropriation sufficient to carry out a sensible, commonsense program. If the gentleman wishes to disagree with me, he should get a special order and do so. I have been quoting the facts.

Mr. FRELINGHUYSEN. Just one more question, and I do not want to intrude on the gentleman's time. He has 60 minutes.

Mr. PASSMAN. I yield to the gentleman.

Mr. FRELINGHUYSEN. I am wondering if the gentleman is proposing that we end sending any medical supplies to the Far East because we cannot control the distribution of aspirin tablets, only doing our best under the circumstances.

Mr. PASSMAN. If much of what we have been doing is our best, then we should discontinue it. If we are shipping thousands and thousands of dollars' worth of our medicines to Laos, and this is going into the hands of the wife of the Health Minister over there, and if she is not fairly distributing the medicine to the citizens of the country, but is peddling it at a terrific profit, and if other medicines are deteriorating because the bigwigs over there do not get their financial cut, if that is the way it is operated, it should be discontinued.

Mr. FRELINGHUYSEN. Is the gentleman stating that as a fact or is he charging this may be a fact?

Mr. PASSMAN. I want to be perfectly fair about this. I try to be fair in dealing with all matters. I am not trying to embarrass any of my friends on either side

of the aisle. We have leaders on both sides supporting this program. I have made charges in the past on this floor and before the committee, and I do not know that any of these charges have been successfully refuted. I will be very glad to have the gentleman search well into the records to determine if he can successfully refute any statement I have made here today. I prefer to put the matter in the form of a question rather than as an accusation, but if it pleases the gentleman, I shall make the statement in the form of an accusation rather than in the form of questions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman brought up Laos. Are we still spending $20 million a month to support the currencies of Laos, Cambodia, and Vietnam?

Mr. PASSMAN. I am pointing out here some of the matters about this program which could be corrected.

Mr. FRELINGHUYSEN. How would the gentleman suggest that corrections be made in the distribution of medical supplies in the Far East?

Mr. PASSMAN. The gentleman might go to the record and he might find the opinions of some outstanding physicians of this country as to suggested corrections.

Mr. FRELINGHUYSEN. If the way we are doing is not the way of improving our distribution of medical supplies, how would the gentleman improve it?

Mr. PASSMAN. If we sent a doctor of medicine over there in charge of this program, and if he attempted to write a report condemning the system, and officials recalled him immediately, what answer would the gentleman have to such a situation?

Mr. FRELINGHUYSEN. Who is the "officials"? I am not sure what the situation is.

Mr. PASSMAN. I am referring to ICA officials.

Mr. FRELINGHUYSEN. Does the gentleman mean that the ICA is covering up for other countries? We have the responsibility for the taxpayers' money, and if we have problems like that we ought to end them as quickly as possible.

Mr. PASSMAN. May I say, with all due respect for the gentleman, why do you not delve into the situation as I have done, and then provide some of the answers? You know that never in the history of America has there been such a lobby group as has recently been organized to pressure the Members of Congress into a package deal for foreign aid. Let us face up to the facts.

Mr. FRELINGHUYSEN. We all wish to improve the program if it can be done, and I think we would all be interested in knowing ways to improve the program.

Mr. PASSMAN. You cannot improve the program by just disagreeing with what I have said. I am trying to record the facts.

Mr. FRELINGHUYSEN. I am not sure whether they are facts or questions.

Mr. PASSMAN. Would you not feel a lot safer if you turned to some of the men downtown rather than the gentleman speaking at this time?

Mr. FRELINGHUYSEN. I am sure we will all be interested in pursuing the question.

Mr. PASSMAN. I sense your approach as of a critical nature for the information I have presented.

Mr. FRELINGHUYSEN. Not in any sense. Perhaps I have not been given an opportunity to express my position.

Mr. PASSMAN. I am sure the gentleman may obtain time to state his views.

Mr. FRELINGHUYSEN. That is not what I am talking about.

Mr. PASSMAN. That is what I am trying to get done, whether it be you or whether it be the Secretary of Defense, the Secretary of State, the ICA Director, Mr. Dillon, or whomever it may be. I want answers as to why they are continuing to tolerate such conditions and situations.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I would suggest to the gentleman from New Jersey that if he has read the Constitution of the United States—and I assume he has——

Mr. FRELINGHUYSEN. I can assure the gentleman I have read the Constitution of the United States.

Mr. WILLIAMS of Mississippi. He knows that the power of the Congress to tax and spend public moneys is limited. He knows that it is limited to those purposes specifically enumerated in the Constitution. Nowhere in that Constitution will he find authority granted the Congress to tax the American people for the benefit of people of other countries.

Mr. PASSMAN. I thank the gentleman.

Mr. HERLONG. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to my colleague.

Mr. HERLONG. Mr. Speaker, I should like to express my appreciation to the gentleman for the time and trouble he has gone to in giving us this information. I think the entire Congress and the entire country are indebted to the gentleman for the study he has made of this program. I should like to inquire of the gentleman in connection with the questions he says he is going to ask, if those questions are going to be asked in the Committee on Appropriations when the people will come up to try to justify their program?

Mr. PASSMAN. If it is the will of the Speaker and all others concerned that I remain as chairman of this subcommittee, there are going to be a great many questions asked, many more than have been asked before. The time has come to find out actually what is needed, what it is being spent for, and why, and whether they are continuing to misrepresent the case in many respects, as has been done in the past.

Mr. HERLONG. Mr. Speaker, in that connection, if the gentleman will yield further, the American people have the reputation of being not only generous but quite forgetful. I recall reading not too long ago where in Formosa the American Embassy was stoned and the American flag trampled upon. Upon inquiring into that I found the reason for that was that the person in charge of the security forces of Formosa at that time, perhaps not in name but in actual fact, did absolutely nothing to deter that attack on the American Embassy. That brings me to this question. How can we expect to make friends over there or anywhere else, I would ask the gentleman, if we find ourselves tolerating if not actually aiding and abetting people who are Communist-trained and Communist-inspired at least, in these attacks on United States Embassies in these various countries? I am talking in particular of one man whom I am sure the gentleman is familiar with, General Chang-Ching-Pou, who is the son of Generalissimo Chiang Kai-shek and who I understand is Communist-trained or at least is a Communist sympathizer.

I do hope the gentleman will inquire into that special thing and not let this Congress be so forgetful before we vote on giving some more money in this particular area.

Mr. PASSMAN. I thank the distinguished gentleman from Florida.

I contend that as a Member of Congress I am obligated to vote for funds to carry out the commitments of our country. What we are trying to do on the Appropriations Committee is ascertain whether or not there is real need for the amount of money being requested to carry out our commitments. It has been true in the past the requests have been for more funds than actually needed.

I have been endeavoring to obtain information which would enable me to do as good a job as possible in handling this complex bill. It is not at all pleasant to have to be critical of some of the leadership of my own party or of the party that is in charge of the executive department, but I feel it is my responsibility to find out the facts of the program.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. RHODES of Arizona. I just want to thank the gentleman for bringing this material to the attention of the House, and to compliment him on all of the hard work he has done in preparing it. The gentleman will recall that I have been on my feet disagreeing with him too many times, except when he gets to talking about taxes and deficits. I do not know that I would agree that $9 billion of the national debt has definitely the Republican label, but since the national debt is supposed to be around $279 billion, if I would agree to accept the label for the $9 billion, would the gentleman agree that the $270 billion should have the Democratic label on it?

Mr. PASSMAN. I would be willing to accept $266 billion as being the deficit built up in time of war. I want to be perfectly fair. Inasmuch as I have not

taken my seat, I am not trying to quarrel with my friends on either side of the aisle. But few people realize that under Mr. Truman's last full 5 years he only collected $247 billion in taxes. During that same 5-year period we reduced the public debt by $3½ billion, and that was during the Korean conflict. Then, moving into the past 5 years, and this is the record, the total tax collections went up to $365 billion. This is $118 billion more than receipts of the last 5 years of the Truman administration, which included the financing of the Korean war. But in addition, during the past 5 years, our public debt has gone up by $9 billion.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. YOUNGER. Would it not be fair to state that the former President, Mr. Truman, is also a part of this tremendous lobby that you have been criticizing?

Mr. PASSMAN. Yes. Our former President was brought into that. It was kind of amusing, in fact, when I picked up one of these printed pamphlets which indicated that Mr. Eric Johnston was the presiding officer, and the first speaker, if I remember correctly, was Mr. Dulles, Secretary of State. Then there was Mr. Adlai Stevenson, and then there were three great members of our clergy, leaders of the Catholic, the Protestant, and the Jewish churches. The next speaker on the program was Mr. Dean Acheson, a former Secretary of State; the next former President Harry S. Truman. Following him was RICHARD NIXON and then a couple of other speakers. Then Mr. Eisenhower.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman.

Mr. YOUNGER. Is it not true that the mutual-aid program was started by President Roosevelt and continued by Mr. Truman?

Mr. PASSMAN. It is my understanding that the foreign-aid program, as we know it today, since 1948, started in a Republican-controlled Congress. There had to be a majority of votes to pass it, and you had the majority at that time. My President and your President, Mr. Truman, continued it.

Mr. YOUNGER. But the program was started by President Roosevelt even before the Second World War in the lend-lease operations.

Mr. PASSMAN. Now, of course, I am not talking about lend-lease or about hard loans; I am talking about the foreign-aid program beginning with the so-called Marshall plan. This program has had about four or five different names since then.

Mr. YOUNGER. That may be true, but I want to be sure that the RECORD pointed out that this thing was started by President Roosevelt.

Mr. PASSMAN. So far as I am concerned, it was new in 1948. That is when the plan came into being.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. DEROUNIAN. Is it not true that in 1947 and 1948 the Republicans had the appropriating power in the House?

Mr. PASSMAN. Yes.

Mr. DEROUNIAN. And you had the votes in 1955, 1956, 1957, and 1958. If you did not like the foreign-aid program why did you not cut it out? You had the votes at that time to do it.

Mr. PASSMAN. I have not suggested that the foreign-aid program be cut out. You know as well as I do that certain Members on this side of the aisle are going to support the foreign-aid program. I am pleading with the distinguished Representatives from the 48 States to cut out the waste and extravagance and misuse of the program. I am expressing my opinion that the President is largely following the recommendation of his subordinates in this matter. You know this program is built up out in the field. The program is scattered throughout 70 nations over the face of the globe, and the administrator of the program in any area is a little king in his own kingdom. These people exert terrific pressure to continue the program.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentleman from Virginia.

Mr. GARY. Will the gentleman state how much the Democratic Party and the Democratic Congress has cut this program within the last 5 years?

Mr. PASSMAN. In recent years we have reduced the President's program by 40 percent. I think it could be cut even further without doing harm.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the distinguished gentlemen from Iowa.

Mr. GROSS. The gentleman and others have referred to this propaganda outfit downtown propagandizing the people of this country to support the foreign giveaway program, and it is a giveaway program. Letters are going out from this outfit downtown accompanied by a slip of paper saying that if you contribute it can be deducted as a business expense.

I think that when the gentleman's committee starts operating on this bill that he should inquire into the authority for this statement that is going out that you can contribute to this fund and deduct it as a business expense. A few of us around here have been trying to ascertain, and have ascertained up to this point, from the Bureau of Internal Revenue that those contributions are not tax exempt.

Mr. PASSMAN. I will say to the gentleman that we certainly hope Mr. Eric Johnston will see fit to submit to us a list of the names of the 5,000 people to whom telegrams were sent in promoting the big production here on the 25th of February. We also hope that we will be privileged to have the president and chairman of the board of the Gillette Safety Razor Co., who was assigned the task of soliciting funds from industrialists of America, as a witness. We hope to receive a list of the thousand people who are being solicited for funds.

Mr. GROSS. Do not overlook Mr. Heinz.

Mr. FRELINGHUYSEN. I think this discussion has brought up that there is a sharp difference of opinion as to the merit of the program. I think the gentleman's reference to prominent members of both political parties as sponsoring a continuation of the program suggests there is merit in it, whether we like the scope or disagree with the scope of it or whether we agree on aid to individual countries or not. I would like to ask the gentleman whether he agrees with the contention of the gentleman from Mississippi that this is an unconstitutional use of the taxpayer money that we have been engaged in since World War II?

Mr. PASSMAN. What would be constitutional, I do not know. I do not know what would be unconstitutional, as interpreted by the present Supreme Court.

Mr. FRELINGHUYSEN. The gentleman's position is that this is a reasonable program and an appropriate use of the taxpayer's money. But he is concerned about whether it is being well spent.

Mr. PASSMAN. The gentleman has never agreed that this is a reasonable program, but when my Government makes a commitment I have an obligation to try to support that commitment.

Mr. FRELINGHUYSEN. The point I have been concerned about in the gentleman's presentation is whether he is suggesting a scrapping of the program or whether he feels there is sufficient merit in it to continue it and whether it is of some aid to us.

Mr. PASSMAN. When this program started, the program as we know it today, it was supposed to run for 5 years. A Member needed to feel rather secure to even predict that this program would continue more than 5 years and that its cost would exceed $15 billion. But, before long, the pressures began to build, so that now, instead of being in 15 nations, we are in 70 of the 86 other nations of the world with this program, and it is getting bigger and bigger. There is now an additional subterfuge in the program, known as the development-loan provision. There is not an official downtown who will not admit off the record that this is nothing but a giveaway gimmick. On the record he will say, "Yes; we might collect some of it back." But off the record, if you press him, he will say, "I do not think of it as a loan, but it makes it easier for them to accept what we are giving." Then I always ask the question, "Did you have much trouble giving away the $68 billion?" And that usually closes the discussion.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Has any request been made for foreign aid at the moon?

Mr. PASSMAN. There is a member of the Space Committee here who might answer that question.

Mr. O'KONSKI. I am wondering why our Secretary of State said no useful purpose will be served going to the moon. Is it because they have no use for foreign aid?

Mr. PASSMAN. I hold the Secretary of State in high esteem, and I do not want to comment on what he said in that respect. But that is a relevant point.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. MEADER. I should like to commend the gentleman and his Subcommittee on Appropriations for the screening that they have given to this program. I, as the gentleman knows, have served with the gentleman from Virginia [Mr. HARDY] on the subcommittee of the Committee on Government Operations in an attempt to look into some of these expenditures to see whether they were wise and useful expenditures of the taxpayers' money. And, as the gentleman knows, we found many that were not; and I agree that, whatever party may be in power, it seems to me that this program is a bipartisan program.

Mr. PASSMAN. Yes; I have conceded that it is.

Mr. MEADER. And that there is a tendency on the part of those spending the money to find excuses to spend more and more, whereas the purpose of the program can only be accomplished if the program does some good and the countries we are seeking to help begin to stand on their own feet. And, I have always thought that we could do more toward encouraging economic stability and strength which will permit them to resist communistic infiltration and military aggression by encouraging them to adopt the economic system which has made this country great. And, that job can be done by the investment of private capital without any expense to the taxpayers of this country. I commend the gentleman and his Subcommittee on Appropriations for holding the line and not letting the bureaucrats get away with everything they ask for.

Mr. PASSMAN. I shall support appropriations that in my opinion the record justifies as needed to carry out our commitments, but not otherwise.

Mr. BYRD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from West Virginia.

Mr. BYRD. Mr. Speaker, I have been much interested in what the gentleman has been saying about the clambake that took place a few weeks ago, and I am wondering if the gentleman has any figures as to what this clambake cost, and I also would like to know if he can tell us from what source the moneys came with which to finance this clambake.

Mr. PASSMAN. I think if the gentleman will refer to the special committee which I mentioned—that is, some of the members of that committee—in my remarks earlier, he will find some very prominent names in industry. It is also my understanding that there have been 1,000 industrialists and other wealthy Americans from whom contributions have been requested. It is my understanding, further, that the chairman of the board of the Gillette Safety Razor Co. will be chairman of this fund-raising committee, with the first kickoff being invitations to 1,000 of America's outstanding businessmen to contribute to the fund.

DEMOCRATS VERSUS THE PEOPLE

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Under previous order of the House, the gentleman from California [Mr. HIESTAND] is recognized for 60 minutes.

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent that all Members participating in this discussion may be permitted to revise and extend their remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HIESTAND. Mr. Speaker, the great Democratic Party claims to be the party of the people. The Democrats themselves scream it on every possible occasion. Yet their every move proves the contrary.

Two weeks ago the gentleman from Missouri [Mr. CURTIS] right here showed most emphatically how the Democratic leadership disclaimed loudly but did nothing in the fields of the economy, taxes, small business, even taking on the distinguished majority leader very effectively.

Last week the gentleman from Michigan [Mr. CEDERBERG] showed indisputably that the Democratic leadership shouted loud in labor matters in behalf of labor unions and workers, and did nothing but block action to correct the scandalous abuses coming to light. The Democrat membership was invited but was conspicuously absent. Did they have no answers?

Today, we are prepared to show that although the Democratic leadership shouts "for the people" every move, every vote is against the worker, the housewife, the pensioner, and those in the lower income groups, and especially indeed the farmer.

Five great and important measures have passed the House at this session, ramrodded and forced through by the Democratic leadership—every one ruthlessly disregarding and emphatically damaging to the interest of the people—the man in the street, the consumer.

I shall dwell only lightly on the first four. The first three big appropriation bills jammed through by the Democratic majority, were not only not cut but in the aggregate were increased over the amounts recommended by their own Democratic dominated Appropriation Committee. Does this appear to be in the people's interest—spending their tax money recklessly, irresponsibly, and completely without regard to the value of the consumer's hard-earned dollar of purchasing power?

The Democratic spenders are in control and the control is a powerful one. Even the conservative wing of the party, historically dedicated to protecting the taxpayers' dollar, was forced by the lash of the leadership to go along. The party controlled by Walter Reuther and the CIO New York liberal wing brooked no compromise.

Came then the gigantic rivers and harbors authorization bill, $1½ billion worth of projects—something for everybody, pork barrel, a scandalous and disgraceful measure literally profligate with the people's money. Many of these projects had never been considered by the Corps of Engineers, others had been rejected. Yet the Democratic spending majority jammed them all back into the bill. Spend, spend, spend.

Not so far this year was the party line so clearly drawn. Of 234 Democrats only 4 dared to vote to recommit. Could this be the party of the people?

Through all of this, mind you, was the argument shouted "fighting the recession." What recession? Can you call it a recession with 62 million gainfully employed, almost the highest in history with total personal income at 343 billion, seven-tenths of 1 percent below the highest in history, with consumer purchasing up so far, and demand so great that retail prices are being forced up instead of down? Can you honestly call that a recession?

Can the Democratic spending leadership honestly claim that any of this money, any of these projects can possibly help unemployment? Can a construction project in Pennsylvania help an unemployed aircraft worker in Seattle? Can a highway project in New Mexico help an unemployed textile worker in New England? Is there a great deal of unemployment in the construction industry anywhere? Ninety-five percent of these projects are construction.

Can any of the Democratic spenders argue that any of this money could possibly get into circulation within 12 months, long after the slump is over? And how much unemployment was helped by the gigantic spending from 1933 to 1940? Did it do anything but stretch out the depression and double the Federal debt? There were 9½ million unemployed in 1939.

No, Mr. Speaker, the Democratic spenders' objectives were quite obviously threefold: To mend their own fences at the expense of the overburdened taxpayer, to discredit any Republican Congressmen who would oppose a project in his own District, and to discredit the administration by forcing a veto.

Mr. Speaker, it isn't going to work. A veto of the pork barrel measure, if it comes, will be an act of statesmanship in the highest order. And all of those who do not believe in throwing away other people's borrowed money will be fully vindicated. Not the Democratic spending leadership.

Comes now the hoped-for coup de grace. For years the Democratic leadership has fought to hold the line on high rigid farm price supports.

This year it looked as though the housewife, the wage earner, and the white collar worker might have his day in court. It looked as if some breaks might come, by the heroic fight of the great Agriculture Secretary really to protect the farmers' interest and to get food for the people at prices that did not take 40 percent of the pay envelope. These objectives harmonize perfectly. Big-city Democratic Congressmen loudly proclaimed their defense of the consumers' pay check.

What happened? The Democratic leadership and the big-city Democratic Congressmen united in backing a measure to freeze farm prices and acreage limitations. It was a desperation strategy. If it could be jammed through and enacted it would save the day for the Democratic spenders who claimed to be the saviors of the people, by keeping their food prices high. What party of the people? How can these big-city politicians justify their votes to their consuming constituencies?

Could this be an unholy alliance—the Farmers Union and the CIO big city labor management? Farmers generally and consumers generally don't want it. But to make it successful the Democratic leadership lash had to be applied.

What happened? On the vote to recommit, the RECORD shows 49 big city Democratic "people's friends" voting against the people's food dollar.

Here they are. Here are the big city Democrats who voted against their consumers: New York, 14; Chicago, 5; Los Angeles, 2; Philadelphia, 2; Detroit, 5; Cleveland, 2; St. Louis, 3; Milwaukee, 2; Minneapolis-St. Paul, 2; New Orleans, 3; Boston, 3; Kansas City, 2; and Seattle, Houston, Denver, and Portland, 1 each. Sixteen more Democrat big city "people's defenders" were listed as "not voting." Twelve more Democrats from medium sized city districts also voted against their consumers. Total 77.

What a spectacle. Screaming to protect the "peepul" and voting against them. "Party of the people?"

The price freeze measure was and is two things, a pure political maneuver to discredit Republicans and the Agriculture Secretary, and to force a veto.

It is a hideous and unjustified blow at the pocketbook of the consuming public.

In short, what does the passage of this bill, conceived in politics and dedicated to the proposition that by politics you can fool all the people all the time, mean to city people? For the city people their Democratic politicians voted for higher taxes—higher prices—and more unemployment.

First. Farm price freeze means freezing goods to shelves, freezing housewives from stores and freezing men from work. It means higher prices for the consumer. One of our big-city Democrats stood up here in the well of this Chamber and said he was speaking for the city consumer and was in favor of this economic monstrosity. Does 3 cents a pound reduction in the price of butter mean nothing to him? Is he so callous as to say that 2 cents per pound reduction in the price of cheese is of no significance? Is a reduction in the price of rice of no importance? Are lower prices for many other products all the way from beans to paint unimportant to my good Democrat friends from the great metropolitan areas? If increased food costs mean nothing to city consumers, why do not some city Congressmen recommend doubling them?

Second. It will cost the taxpayers an extra $300 million plus untold millions in additional interest on the money that must be borrowed to pay for this. This on top of the over $3,000 million per year of overburdened taxpayers' money. With the longtime trend away from the farms to the cities, who is going to pick up the tab? Of course, the answer is clear—the voters in the city districts.

Third. We have been hearing a good deal about unemployment from the Democratic side of the aisle. Certainly, the wrong way to treat the 5 million unemployed, is by making food more costly to them.

Fourth. The morning papers carry a story datelined from Detroit stating that the number of new cars in dealer hands on March 1, 1958 was 869,771. Will raising the cost-of-living help the sale of cars and thus help unemployment?

Fifth. In recent months we have all watched with concern the reduction in employment in the cotton textile industry. The amount of raw cotton being used domestically in the past year is the lowest in years. The number of spindles operating is way down. The production for export is down. The number of employed is down. What is up? The number of unemployed in this great industry. The answer that my friends on the other side of the aisle give is: "Freeze." Freeze for another year the Democrat program that caused this. If their program is that bad, why keep it that way?

Yes, Mr. Speaker, this freeze bill will freeze out a good many people from employment. What is another year? The great cotton textile industry can put the textile workers back on the payroll when they can compete for markets, here and abroad, and not before. Losing markets to competitors is no way to put Americans on company payrolls.

The ingenuity of American industry is unsurpassed. However, when we give foreign industries a tremendous advantage by enabling them to buy the raw materials at lower prices, it means unemployment in our cities. This bill continues that practice. This bill we have passed is not only a "freeze" bill, it is a "freeze out" bill so far as employment is concerned. Is it not about time we passed some agricultural legislation that makes economic sense? The President has recommended that kind of a program. This rejects the President's recommendations, and in effect says: "Wait until next year."

Sixth. Another reason why this recently passed legislation does not make sense is that it keeps farmers on the treadmill of overproduction. Those who say that the Government should guarantee all who choose to remain or become farmers—regardless of their efficiency—an income high enough to stimulate overproduction, are blind to basic economic forces. The man who could guarantee a certain price that would keep the inefficient on the job, and at the same time keep the efficient from overproducing, has not been born.

For the farmer for whom they have shed so many crocodile tears, they voted to further destroy markets, to pile up greater surpluses, to cripple standards for price supports and acreage allotments, to increase the cost to the taxpayer, to give no help to the small farmer, to punish the winter wheatgrower, establish mandatory supports for nine more commodities, and to freeze the very levels which got us into the fix they so deplore. If the farmer is in a bad way as they claim, why vote to keep him that way?

How then can our big city Democrats claim they really represent the people who elected them?

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. FRELINGHUYSEN. Mr. Speaker, I feel that the gentleman has touched on a very real problem when he talks about the consumer's interest in developing a reasonable farm program. I think in generalities it is easy to state what our policies should be and to recognize that our present policy is not adequate. We need to develop a farm program which will encourage national economic growth and which will encourage the general prosperity and high levels of employment. We need one which will adjust without undue hardship to the farmers the demand and the production. Under high rigid supports we certainly are not getting any readjustment of production and consumption. I think it is of great importance to the consumer not only because a freeze on farm prices means higher prices to the consumer for the food which he pays for, but also in the fact that there are tax bills which the nonfarmer must pay in order to support the 12 percent of our people who are on the Nation's farms. Regardless of the politics of the situation we are still faced with an unsolved problem, with one which is growing steadily worse, and our refusal to face up to the necessities for a realistic farm program underlies the fact that there is going to be, without any question, increasing dissatisfaction from the industrial areas, the big city areas, and the areas where there is a great industrial and nonfarm population. In the last 25 years we have spent directly for farm programs some $220 billion. In addition to that we spent $220 billion during the war to encourage greater production of farm commodities, and the farm problem is far from being solved.

I think the gentleman is doing us a real service in pointing out a real problem and in pointing out one of the basic reasons why there is dissatisfaction, why we have dissatisfaction in programs we have tried which have proved to be unsuccessful.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Minnesota.

Mr. McCARTHY. I wonder if the gentleman is complaining of pressure put on by Democrats in this country, why it is that the Senate Republican policy committee has just voted 17 to 14 urging the President to agree to the price freeze?

Mr. HIESTAND. I do not attempt, I will say to the gentleman from Minnesota, to justify any of the very wise or otherwise actions of the other body.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from New York.

Mr. DEROUNIAN. The gentleman has brought into very dramatic focus what our consumers are up against and what they do not know is happening through some of their Representatives in Congress.

I cannot see why a Member of Congress from the city would vote for the price-freeze bill if he really understood it—and I am not here to advise anyone how to vote, but I am expressing how I feel about it. How can some of these recent Democrat-sponsored programs be for the little man, when it happens that the State penitentiary down in Mississippi gets a payment of $71,000 for not planting a thousand acres of cotton? And, of course, this is multiplied hundreds and hundreds of times. As the gentleman has said, the Democrats say they are for the small man, or the little fellow, but we find big corporations down in Mississippi, one of which got $1,400,000, another one $1,200,000, one in Texas receiving $850,000. Are they small people? This is all common knowledge; it is to be found in the records of the Agriculture Department.

If these farm programs really helped the small farmer I might be for them, but it is time somebody thought of the city folks. We know they will not be helped by the freeze program; it will raise their prices; yet at the same time they are the ones who pay the taxes—pay taxes to keep prices high. That is not right and it should be stopped.

I commend the gentleman for bringing this matter to our attention.

Mr. HIESTAND. I thank the gentleman from New York.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I am happy to yield to the gentleman from California, an able member of the Agriculture Committee.

Mr. TEAGUE of California. First I should like to commend the gentleman from California for his very fine statement; then I should like to say that in looking around the Chamber I believe I happen to be in a position among those present of representing a combined urban and agricultural district in a very high degree. I am thoroughly convinced, as I have stated before, that the farm freeze, the high rigid price sppport program, is not a good thing for either the consumers or the farmers.

Mr. HIESTAND. I thank the gentleman from California.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the distinguished gentleman from Illinois.

Mr. SHEEHAN. Mr. Speaker, House Democrats are attempting to force city dwellers to finance purchase of the farm vote in the coming elections.

The American people already have poured almost $16 billion into programs aimed at stabilizing farm prices and income. The House action of March 20 in voting a continuance of such subsidization will—unless vetoed—further burden the taxpayer.

According to the 1956 survey of the Census Bureau, only 21.5 million of America's 164 million persons live on farms, but everyone is being ordered to pay for a program which has been a miserable failure ever since it was instituted in 1933.

The cost of these subsidies in 1956 was more than $1.9 billion, and last fiscal year was more than $3.25 billion.

Price supports have accomplished but three things. They have eliminated many American farm products from the world market; they have stuffed warehouses, on which the taxpayer is assessed storage charges of more than one million dollars a day, and they have depressed prices for the farmer and raised them for the consumer.

Minority rule certainly is bad enough, but when it means that seven-eighths of our population is forced to pay for a program which ostensibly benefits the other eighth, but does not, it constitutes a wanton waste of the taxpayers' money.

On top of that, the seven-eighths of our population which does not live on farms finds itself paying these additional taxes only to increase the prices of food in the corner grocery.

I shall urge, with all the power at my command, a Presidential veto of the measure.

Mr. HIESTAND. And I support the position of the gentleman from Illinois.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. Happy to yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I, too, want to commend the gentleman from California for taking the floor in reference to this matter, and also notifying those who might be opposed to his views on the other side of the aisle that he was going to take the floor so that they would have an opportunity of meeting these challenges.

I want to call attention to the fact that during debate on the rule which was adopted under which we considered this farm freeze bill are my remarks to the effect that I think this clearly shows the leadership on the Democratic side in the Committee on Agriculture was completely devoid of ideas and all they were doing and all they could think of was something in the nature of throwing rocks in the way of a program Secretary Benson was for. I made the remark that I would be very much interested in the ensuing debate to see whether any member of the Democratic party representing a city district would take the floor to oppose this measure. If they did not take the floor, I stated, it seemed to me they were certainly joining forces with the anti-Benson group.

This thing has gotten into politics, I regret to say, to the extent that I have received letters from my farmers—I think some of them were politically inspired—in which they were starting to call the Secretary of Agriculture the secretary of the consumer. Maybe that is a bad name out in the agricultural areas but I know it certainly is not a bad name in the city areas. I think that Secretary Benson is not only the Secretary of Agriculture but he recognizes that what is good for the consumer is really, in the long run, good for the farmer. What he is trying to do is to put economic facts back into this agricultural picture because it is only by dealing with these economic facts that we are going to come up with a proper solution. We have a situation that is very clearly brought out. We had an excessive demand for our agricultural products as a result of World War II. We have never adjusted from that demand, even though we knew the European soldiers became farmers again and the oriental soldiers became farmers. We never faced up to the fact that the need for our great production was not going to be there. Necessarily there was going to have to be an adjustment from a war economy to a peacetime economy.

My Democratic friends, under the leadership of their President, tried to maintain a peacetime economy based upon a wartime demand, then sniped at the Republican administration when it tried to find one which would sustain our economy on a peacetime basis. We could solve the farm problem tomorrow by going to war, but no one wants to reach a solution of that nature.

One basic factor in this farm situation is that there has been a technological revolution that is bound to bring about readjustment problems. We should certainly distinguish between two kinds of farmers. We know of the commercial farmer, the one who produces by far the bulk of this produce and, essentially, he is the family farmer still. I am glad to know those figures are as they are.

The commercial farmer is doing all right. The farm figures that were placed in the RECORD indicate he is doing all right. The fellow who is not doing all right is the marginal farmer, the farmer who has not been able to keep up with this technological revolution. And these Democrat-sponsored farm-support programs are not helping him.

I put in the RECORD 2 years ago a list of all the farmers who were receiving over a hundred thousand dollars in 1 year from the price-support program, and it took about a page and a half of the CONGRESSIONAL RECORD and the payments run from $1,400,000 for 1 farmer right down the line to $100,000. About 93 percent of the money was going into the hands of this small group. We are not helping the marginal farmer by that sort of process.

I want to also point out that 30 percent of the income of the farmers today—and this is a very gratifying figure—comes from nonagricultural pursuits. During the debate on the farm bill someone on the other side tried to ridicule the fact that farmers were getting some money by working in the factories. Actually most farmers who want to live a rural life have welcomed that opportunity and are highly in favor of it. We are going to continue to have a decline in farm population just as we have since this country was first founded. We used to have 90 percent of our Nation in agriculture. The supports, when it gets right down to it—and you cannot escape it—are paid for either by the consumer, and what the consumer does not pay for the taxpayer does. I am satisfied that we all would be willing to tighten our belts if we thought it was really helping the

farmer, because we do want to help him. But, when we know that this money that the consumer is spending and the tax money that is going into this Democratic program is not benefiting the farmer, then I think it is time to call a halt and call attention to the city consumer. I wanted to get these things in the RECORD, and I appreciate the gentleman yielding to me.

Mr. HIESTAND. Will the gentleman go so far as to say in respect to his figures that this hideous plan is in effect forcing poverty on a lot of little farmers?

Mr. CURTIS of Missouri. Of course it is.

Mr. HIESTAND. Then how can a political party for the people, for the man in the street, for the little man, justify its attitude in that regard?

Mr. CURTIS of Missouri. They can not. And, the thing that I cannot understand, having taken this callous attitude, they are the very ones that accuse Secretary Benson of trying to drive the farmer off the farm, which I have said is playing the role of the ignoramus, because they are ignoring the economic facts of life. Neither Secretary Benson nor any other individual wants to direct Americans anywhere. It is the economic facts that are here that are producing this situation, and I submit it is the one that faces up to the economic facts that will solve the problem for the marginal farmer and make his plight a little more easy to bear and give him an opportunity to share in the wealth of this great country.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from California.

Mr. YOUNGER. I just want to join my colleagues in congratulating the gentleman from California on the very fine presentation he has made. I think it is well to call attention here also that one of our great difficulties today in connection with the missile field results from the fact that for the lost years prior to 1951 we put almost as much money into the support of the peanut crop as we did into missiles. But, one of the peculiar things to me in the debate the other day was that everyone that spoke, including the chairman of the Committee on Agriculture, admitted that the Democrat-sponsored program was not a good program; that they ought to do something about it, and yet they want to freeze it. Now, why freeze something that admittedly is not good? The logic of that, to me, was absurd, and I, for one, will be more than happy to vote to sustain the President's veto when it comes down.

Mr. HIESTAND. I thank the gentleman.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Minnesota.

Mr. McCARTHY. I think we should point out that the chairman of the Committee on Agriculture did not intend to say that the program was not good. On the contrary, he said it was a good program being badly administered, and the effort on the part of the Democrats was not to change the program but simply to keep Ezra Taft Benson from further maladministration of the program which, under good administration, could go a long way toward solving the farm problem.

Mr. HIESTAND. I take it that the gentleman feels it had good administration while the same laws were enforced under a Democratic administration.

Mr. McCARTHY. It worked quite well.

Mr. HIESTAND. That is exactly how we got into this fix.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. HIESTAND. I yield.

Mr. CURTIS of Missouri. I think the gentleman from Minnesota is mistaken. The best test, of course, is to read the RECORD. I think the gentleman will find that the chairman of the Committee on Agriculture said that he admitted that this was not the answer, was not a good program, and that they had to hold it in line until his committee—and he pointed out he had a bunch of subcommittees set up to study this commodity by commodity—could come in with a proper program. I think the RECORD will bear that out.

Mr. McCARTHY. I suggest the gentleman read the RECORD.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the very forthright gentleman from Texas.

Mr. ALGER. Not having the seniority of some of the other Members, I cannot indulge in the political interchange quite so well, possible, although I heard lots of fallacies presented on the floor during the course of the debate last week. If we are to set a course of policy in freeing the farmer, we should think of principles along that line. Certainly on the Democratic side we have had nothing but rigid high price supports presented to us.

I have been rather puzzled, since I have been here for two terms, listening to my colleagues on both sides of the aisle, particularly on the Democratic side, who say that we have got to perpetuate a wartime policy. Since *Mayflower* days we have had fewer farmers. That is the normal course in this country. And I make the bold statement right now that there are too many farmers on the farm, and the reason for it is that they are being kept there by the high wartime bonuses which have not yet been removed.

Mr. Speaker, let me say in passing, that I was disturbed after our debate the other day over the fact that some Members of this House think that there is a clash of views between the farm and the city Congressman. As far as I am concerned, representing largely an urban area, this is not so, because I believe that the aims of both the rural and the city Congressmen are the same, in trying to look after the best interests of the people. I think this will necessarily give support to the flexible plan of returning the farmers to the free market place where the normal laws of supply and demand can determine these things rather than having Congressmen and bureaucrats telling the people how they ought to run their lives.

We have a poor Texan right now who has the temerity to challenge the power of the Secretary of Agriculture to limit his acreage. Is not that a lost cause, indeed? But I admire his courage for saying that "as a free American I have the right to plant what I want and to grow what I want." Of course, that is old-fashioned Americanism, but I happen to lean that way, much more so even than our administration. This gives no comfort to the Democratic side because they are far more of a controlled group than that represented by the Republican side regarding the present farm program.

Something was said about the consumer and the little fellow. Mr. Speaker, I want to commend the gentleman who has the floor for the observations that he has made. We know that when the Federal Government spends money in the name of the taxpayer we have got to increase one of two things. We have got to increase either the taxes which come out of the little man's pockets, because he bears about 85 percent of the total tax levy, or we are going to have to water the same dollar bills that he has got in his pockets in terms of buying power through inflation and deficit financing.

Mr. Speaker, finally, I want to join with my colleagues who have said it probably far better than I, in commending the gentleman for pointing out to us the problem that is facing us. The fact is we cannot sit on our hands, but we have to, through efforts such as this, call the attention of the American people to the fact that the farmers do not want to be the wards of the Government.

Mr. HIESTAND. Mr. Speaker, I thank the gentleman from Texas.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. Happy to yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I want to thank the gentleman from California for his fine presentation and for all of the work he has put into the very difficult subject.

I was interested in the statement of the gentleman from Minnesota [Mr. McCARTHY] that this program worked better under the Democrats than it does under the Republicans, because, unless my memory is wrong—and I am glad to be corrected if the gentleman is so inclined—this flexible-price-support system actually never went into operation until long after the end of the Korean war. So it was never in operation except under Secretary Benson. Before that time there were various stopgap pieces of legislation for farm price supports, among them being the high rigid formula which is so dear to hearts of so many of our people across the aisle.

I might say that there are quite a few people who are from the other side of the aisle, in this body and in the other body, who are devotees of flexible price supports as against the rigid price supports. One of them is the great former

Secretary of Agriculture, now a distinguished Member of the other body, from the State of New Mexico.

Mr. Speaker, I happen to represent a district which is a little bit unique in that it encompasses a city of some 400,000 people, but is also the fifth largest agricultural county in the United States. So I represent city folks and I represent farmers. I do not think anybody would seriously challenge the statement which I make when I say that I am definitely for the farmer and I am also very much imbued with the thought of keeping the cost of living down as much as I can.

The farmer has not been well served by the Democrat-sponsored agricultural program based on high rigid price supports. That we know. We do not know the answer to the agricultural problem. I do not think anybody does.

The best answer I can think of would be to allow the farmer to produce enough food and fiber to satisfy the markets which he can get at a competitive price.

The situation now, of course, is that the farmer has been held down on acreage and therefore on the products which he can produce. Because of that he has lost the foreign trade, he has lost markets here at home, to synthetics and other products which are in competition with agriculture.

In 1950 the cotton situation was such that we actually had to impose export quotas on cotton. This was at the beginning of the Korean war. Prior to that time a Secretary of Agriculture of the other party had made a mistake in saying that the cotton carryover should be a certain number of bales, when actually the carryover was far too small. We lost by that export quota situation in 1950, foreign markets which we have never been able to get back and which we are now trying to get back by the use of Public Law 480 of the 83d Congress and through other means.

The farmer has been much pitied, but he has not been helped very much by those who do the most effective job of pitying him. The farmer does not need to be pitied. What he needs is to be helped by a sane, sensible policy which will realize that he is a businessman, and as a businessman it is necessary for him to compete on the world market and with other groups of our Nation in a situation and atmosphere which is best calculated to allow him to do the job of making a living for himself and his family, which is really all any American farmer wants to do.

I thank the gentleman for yielding to me, and again want to compliment him on the fine statement he has made.

Mr. HIESTAND. I thank the gentleman from Arizona.

I now yield to my very good friend and colleague the very able Congressman from the adjoining district of California [Mr. HOLT].

Mr. HOLT. Mr. Speaker, I want to compliment my colleague and neighbor, the gentleman from California, on his very fine presentation here today. I am aware probably more than most others of the large district that he represents, the largest portion of Los Angeles County, which is the largest agricultural county in the United States today. Also, it ties in on the north with an area where there are a lot of corporation farms, which concern us very much because the small farmer is driven out of business today.

I want to associate myself with the gentleman's remarks. I think it is wonderful that the gentleman has brought not only the topic we are now discussing but the rest of it to the floor of the House today. In America we discover only certain issues are highlighted in the press and certain votes of Congressmen spread through the land. The American people demand action. The AFL–CIO pick out certain of the votes, and this will probably be one of them, and it will be twisted around especially as far as the consumer is concerned. I think the gentleman has done a real service. It is high time we get the truth before the American people.

Mr. HIESTAND. I thank the gentleman from California.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Speaker, with regard to this support-price freeze, I do not myself believe that over the long haul it is going to have a marked effect on the food prices, for the simple reason that in order to produce our food in this country the people who produce it are going to have to have enough return to enable them to stay in business, just like any other business. But the alarming thing the gentleman hits upon, and that I think is so important, is that the large amounts of money we are spending on the so-called agricultural program now are approaching $5 billion a year. Those funds are not going to help the farmer at all. As a matter of fact, they are hurting him. But the consumers, every American, the taxpayers, carry the burden of that. The storage cost alone of the excess production, $100 million a day on what has been stored, is very alarming. We are all burdened with that.

When it comes down to the farmer, just like any other business, his income, which was talked about so much on the floor of the House as being an alarming situation, is still production times price.

With this Democrat-sponsored political program that has been thrust at him to gain votes and not to help the farmer, we have found we have had shifts taking place that were never intended, uneconomic production. It has not helped the people. In my area we produce a high-quality wheat for which there is a market above support prices. The farmers out there have been forced to take a 40-percent cut in production. The smaller farmers are finding it hard to live with. That wheat acreage is shifting off into Alabama, Louisiana, and places like that, that raise feed wheat, that ought to be in competition with feed grain or corn, but they cannot compete with them on a free market. Basically, it has hurt the farmer. It is putting him into the position that two commodities now find themselves in.

In the case of tobacco we provided a minimum acreage of half an acre to enable a man to stay on the farm on a substandard-of-living basis. For the cotton farmer we have established a 4-acre minimum. That is not an American standard of living; that does not make a farmer out of him, putting him in pins. Certainly we have got to get back to the principle of supply and demand, to allow a man to produce for a market at a price under which he can afford to stay in business, eliminate the waste and get back to a sound income basis if we are going to help the farmer. Then we have got to take care of the taxpayers in this $5 billion expenditure that we are now running into that has harmed the farmer since 1946 when the war was over rather than helped him.

I again congratulate the gentleman on the fine statement he has made.

Mr. BASS of New Hampshire. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the able gentleman from New Hampshire.

Mr. BASS of New Hampshire. I wish to add my congratulations to my friend and colleague from California on his able and thought-provoking presentation.

Mr. Speaker, last Thursday the House pased the so-called quick freeze agriculture bill, Senate Resolution 162. This legislation freezes for an additional year farm price supports and acreage allotments at 1957 levels and places nine additional agriculture commodities under mandatory supports. The bill passed by 210 votes to 172.

This resolution penalizes the consumers—the great majority of persons in this country who, as consumers and taxpayers, will be required for another 12 months to foot a higher bill for food and taxes to pay for this political program.

The interesting part about the vote last Thursday was the support this bill received from 29 "big city consumer Democrats." Frankly, I wonder if these gentlemen realize what they did when they voted for a "freeze" in price supports? Briefly, let us examine just two basic crops under high price supports—wheat and cotton.

First, wheat: A consumer in this country with an income of between $2,000 and $5,000 per year pays in taxes each year an estimated $6.49 for the price support program for wheat, but in addition, it may cost him $20 a year more for the higher price of bread, which price supports add. And the consumer receives no benefits from the wheat price support program.

Let us take a look at cotton. The cost of the Federal cotton programs is estimated at $500 million a year or about $4.76 for each adult in the country. Cotton consumption per adult in the United States is about 42.8 pounds per year. If only the increased cost of the cotton were passed on to the buyer, price supports would mean an average additional cost for each adult of $2.87 each year. However, this is only part of the story, for the higher raw-material cost results in higher margins for the numerous steps through which it passes, and the cost of the retail article must be in-

creased at least twice the actual increase in raw-cotton costs. This figures out to about $5.74. Thus, in cotton, the average citizen pays an extra $4.76 per year in taxes for cotton price-support laws which result in his paying an average of $5.74 extra for his purchases of cotton products. Or, put it another way, more than 105 million adult citizens in this country pay out $10.50 per year to support cotton and enjoy no benefits.

In addition to the direct cost as taxpayers and consumers of these two items, the taxpayer-consumer pays as a part of his Federal tax bill his share of foreign disposal of surplus wheat and cotton. And, incidentally, none of this money goes to the farmer—rather it pays the Government loss in selling what it must dispose of abroad. And this loss is represented by storage and transportation charges, not by any proceeds to the farmer.

The facts are clear. What our big-city Democrat friends voted for is a $300 million increase for next year in the senseless double-cost-to-the-taxpayer-and-consumer price-support program, which has tragically failed this country for so long, including the farmers.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield again briefly?

Mr. HIESTAND. I yield to my colleague, the gentleman from California.

Mr. TEAGUE of California. I am anxious that the Members of the House have called to their attention again a statement which appeared in the RECORD a week or so ago here on the floor. One of the members of the Democratic Party, a member of the Committee on Agriculture, was asked the question in effect: "Are you in favor of driving the small farmer to the wall?" He replied in substance this way: "It is the high-price, rigid-support policy which has driven the small farmer to the wall."

Mr. HIESTAND. I thank the gentleman. That is very much in line with the conclusions we have been drawing. If the situation is that bad why should we continue it?

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from West Virginia.

Mr. NEAL. Mr. Speaker, I, too, think that the gentleman from California has brought up a very important subject. Rather than emphasize the ill effect the Democrat sponsored high price support program is having on the consumers in the cities, it might be well to bring out the fact that there are quite a few States in the Union that are more or less rural in character. Our State of West Virginia is one of those rural States. We have no farmland to speak of, we have no wheatgrowers except a few in the eastern panhandle. We have no corn that goes on the commercial market. We have a little tobacco that is grown down in my section that does have supports. We have no cotton, no peanuts, or anything else that is supported. When it comes to the interest of the consumer, who after all is the rank and file citizen of this country, we ought to give him some consideration. While we desire in every way that we can, to see that the farmer has a sufficient amount of prosperous production, yet at the same time the consumer is the one person who is finally interested in this matter. When we in West Virginia think that our farmers who raise feed animals have to go on the market to buy feed costing twice as much or three times as much, because the feed is based on support prices of the raw material, we can see that he is greatly handicapped. The same thing applies to poultry raisers. When we think that the people in our State pay taxes to buy these high-priced commodities and store them, and then pay double prices or triple prices on the raw materials that come to us, it is a very unfair situation the way the law reads today. For that reason I think you have done a good job in trying to bring to the attention of the consuming public that this question of farm supports at least on the basis of high priced rigid price supports is not good for the consumer. It is only good for a few of the big commercial farms and farmers who have heretofore reaped most of the profits.

Mr. HIESTAND. I thank the gentleman.

FOOD COSTS

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, my constituents today pay a higher price for farm products than ever before. At the same time, as taxpayers, they are paying out more money for the support of the farm program than ever before.

Since 1951, the taxpayer has been bled of $1,618.6 million just to store unneeded, unwanted surplus stocks of farm products, stocks which are a direct result of the Democrat farm program.

Actually, the cost is far higher because we have had to store excess farm products ever since 1934, but I cannot give you the costs prior to 1951—they are lost in the records of the Truman Reconstruction Finance Corporation mess.

One thing is clear, though—every year that the Democrats force upon the American people their farm program—and this administration is still forced to administer Roosevelt-Truman farm programs—the cost to store excess farm products goes higher. The Democrat sponsored and supported Senate Joint Resolution 162 is one more step on the road to greater spending.

In 1934, when the farm price support program was begun, commodity loans totaled $259.8 million and the farm population was 32,305,000 or 25.6 percent of our total national population. In 1957, with the farm population down to 20,396,000 or 12 percent of our total national population, commodity loans rose to 2,444.5 million—a drop of 13.6 percent in farm population but an increase of $2,184.7 million or 949 percent in support to the farmer and costs to the taxpayer.

I think it is time we stopped forcing the people to buy a program they do not want and gave the farmer the opportunity that is still permitted other American citizens—the privilege of free enterprise, unhampered and unencumbered by Government control.

THE BENSON PLAN FOR UNIVERSAL PROSPERITY

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Under previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 30 minutes.

Mr. DINGELL. Mr. Speaker, the ingenuity of Ezra Taft Benson is without apparent limit. He has now devised a method for excusing one mistake with another mistake. And, into the bargain, he has conceived the Benson plan for universal prosperity: empty market baskets in the cities and empty pocketbooks on the farms.

On February 10, 1958, the United States Department of Agriculture, in a general news release, announced that "more than 339 million pounds of food were donated through the direct distribution program of the Agricultural Marketing Service for use in school lunch programs, in institutions and by needy persons in this country from July through December 1957."

"Donations," the release continued, "decreased by about one-third from those distributed in the same period a year ago. USDA officials said the decrease was due to the fact that several commodities distributed a year ago were not available for donation during the last 6-month period."

Thus does Secretary Benson answer the anguish of the unemployed: "We have no food to give you." Mr. Speaker, I would not abuse a man who was prisoner of the laws he administers. If it were the law that locks the storehouse in the very sight of the starving, then I would demand that the law be humanized. But it is not the law that is the villain here. The gun is inanimate. It is Mr. Benson who has pulled the trigger.

"We have no food to give you." Oh, yes. "We have no food to give you." But, Mr. Speaker, this is the same Ezra Taft Benson who, in his other incarnation, tells the suffering farmer, "We will not buy your food." This is part of the right to suffer which we were once told by a functionary of the Eisenhower administration is the newest of our civil rights—though I cannot for the life of me recall reading it in the Bill of Rights or anywhere else in the Constitution.

It reminds me, without amusement, of the lines from Lewis Carroll's Through the Looking Glass from a walrus to the oysters he was about to eat:

> "I weep for you," the walrus said:
> "I deeply sympathize."
> With sobs and tears he sorted out
> Those of the largest size,
> Holding his pocket handkerchief
> Before his streaming eyes.

Mr. Speaker, like the oysters in the verse, we are asked to subsist on consolation and subterfuge. I ask consent to introduce at this point in the CONGRESSIONAL RECORD a table showing the quantities of surplus foods donated for domestic and foreign use during fiscal 1956, fiscal 1957, and the first half of fiscal 1958:

Quantities of surplus foods donated for domestic and foreign use, fiscal years 1956, 1957, and estimated 1st half fiscal year 1958

[Million pounds]

Commodity	Domestic												Foreign distribution			Total distribution		
	Schools			Institutions			Needy persons			Total								
	1956	1957	1st half 1958	1956	1957	1st half 1958	1956	1957	1st half 1958	1956	1957	1st half 1958	1956	1957	1st half 1958	1956	1957	1st half 1958
Beans, dry	24.7	28.3	15.7	11.1	9.2	(1)	41.4	42.9	0.2	77.2	80.4	15.9	49.7	67.3	-------	126.9	147.7	15.9
Butter	51.1	46.3	36.8	30.8	9.4	10.7	34.4	12.5	-------	116.3	68.2	47.5	98.4	.3	-------	214.7	68.5	47.5
Butter oil	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	[2] 99.0	[3] 4.7	-------	[4] 99.0	[3] 4.7	-------
Cheese	29.0	31.7	17.0	15.3	15.6	7.0	43.1	71.6	19.8	87.4	118.9	43.8	138.5	118.4	114.7	225.9	237.3	158.5
Corn	3.7	.5	-------	2.1	.4	-------	.2	-------	-------	6.0	.9	-------	78.0	36.9	35.9	84.0	37.8	35.9
Cornmeal	-------	17.7	9.6	-------	9.5	4.2	50.6	89.9	27.3	50.6	117.1	41.1	-------	208.2	187.7	50.6	385.3	228.8
Cottonseed oil	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	1.9	-------	-------	1.9	-------
Eggs, shell	-------	30.0	-------	-------	7.2	-------	-------	-------	-------	-------	37.2	-------	-------	-------	-------	-------	37.2	-------
Egg solids, dried	-------	-------	4.8	-------	-------	-------	-------	-------	-------	-------	-------	4.8	-------	-------	-------	-------	-------	4.8
Flour	-------	46.1	26.0	-------	56.8	29.6	77.1	140.8	45.4	77.1	243.7	101.0	-------	528.2	402.8	77.1	771.9	503.8
Ground beef, frozen	-------	71.3	-------	-------	-------	-------	-------	-------	-------	-------	71.3	-------	-------	-------	-------	-------	71.3	-------
Lard	8.1	16.5	-------	5.0	6.0	-------	23.2	1.6	-------	36.3	24.1	-------	-------	-------	-------	36.3	24.1	-------
Milk, nonfat dry	22.1	23.6	12.6	14.6	15.5	5.9	49.2	82.7	29.0	85.9	121.8	47.5	411.2	446.1	341.4	497.1	567.9	388.9
Peanut butter	-------	-------	3.5	-------	-------	-------	-------	-------	-------	-------	-------	3.5	-------	-------	-------	-------	-------	3.5
Pork, canned and frozen	64.9	52.1	-------	16.5	-------	-------	31.4	4.2	-------	112.8	52.3	-------	-------	-------	-------	112.8	52.3	-------
Potatoes, sweet	11.1	-------	-------	7.4	-------	-------	2.5	-------	-------	21.0	-------	-------	-------	-------	-------	21.0	-------	-------
Rice	17.4	21.9	12.8	9.4	10.8	4.2	23.5	47.6	17.5	50.3	80.3	34.5	104.0	201.5	68.2	154.3	281.8	102.7
Shortening [5]	19.4	-------	-------	10.2	-------	-------	17.5	-------	-------	47.1	-------	-------	17.0	-------	-------	64.1	-------	-------
Turkeys, frozen	-------	22.6	-------	-------	2.6	-------	-------	-------	-------	-------	25.2	-------	-------	-------	-------	-------	25.2	-------
Wheat	6.7	1.9	-------	6.9	6.4	-------	.3	(1)	-------	13.9	8.3	-------	224.7	55.3	23.6	238.6	63.6	23.6
Other [6]	6.5	-------	-------	.7	-------	-------	-------	-------	-------	7.2	-------	-------	-------	-------	-------	7.2	-------	-------
Other [7]	-------	7.1	-------	-------	5.1	-------	-------	-------	-------	-------	12.2	-------	-------	-------	-------	-------	12.2	-------
Total	264.7	417.6	138.8	130.0	154.5	61.6	394.4	489.8	139.2	789.1	1,061.9	339.6	1,220.5	1,728.8	1,174.3	2,009.6	2,790.7	1,513.9

[1] Less than 50,000 pounds.
[2] Butter equivalent of 79.2 million pounds of butter oil.
[3] Butter equivalent of 3.8 million pounds of butter oil.
[4] Special distribution for hurricane disaster relief in Puerto Rico.
[5] Includes cottonseed oil.
[6] Includes commodities in limited quantities: Cabbage and fresh prunes in fiscal year 1956.
[7] Includes commodities distributed domestically in limited amounts during fiscal year 1957: Cabbage, fresh plums, sweetpotatoes, and cottonseed oil.

For convenient comparison, I have prepared another table showing the donation programs for fiscal 1956 and fiscal 1957 on the basis of an adjusted half yearly rate.

I ask consent to introduce this table in the RECORD at this point:

Half year rate

[In millions of pounds]

	Adjusted 1956	Adjusted 1957	Actual 1958
Schools	132.3	208.8	138.8
Institutions	65.0	77.3	61.6
Needy	147.2	244.9	139.2
Domestic total	344.5	531.0	339.6
Distribution abroad	610.2	864.4	1,174.3
Total distribution	954.7	1,395.4	1,513.9

Several things are immediately apparent from this comparison. First, distribution of food to the needy was lower in the first 6 months of fiscal 1958, a period of rising unemployment and substantial hardship for millions of American families, than it was in either of the 2 preceding years, which were among the most prosperous in history. Second, although domestic donations have plummeted, total distribution has risen steeply. Why? Because we are sending more food overseas. Six hundred and ten million pounds in the first half of fiscal 1956. Eight hundred and sixty-four million in the first half of fiscal 1957. One thousand one hundred and seventy-four million through the first half of fiscal 1958.

I am not here, Mr. Speaker, to debate the wisdom of donating food abroad. I know only that under Public Law 480, 83d Congress, the Secretary of Agriculture is specifically directed—by law—to donate to voluntary agencies for use overseas only those foods which are in excess of what may be required in the United States, by first, the school lunch program, second, charitable institutions, and third, needy persons.

I, for one, would like an explanation of how this miracle of the two-way stretch has been brought to pass. How is it that domestic distribution of cheese, which was 118.9 million pounds for all of fiscal 1957, stands at only 43.8 million pounds or 37 percent for the first half of fiscal 1958—while, at the very same time, foreign distribution for the first half of fiscal 1958 stands at 114.7 million pounds or very nearly 97 percent of the total for the entire 12 months of fiscal 1957? How is that domestic distribution of nonfat dry milk, which was 121.8 pounds for fiscal 1957, stands at just 47.5 million pounds or 39 percent for the first 6 months of fiscal 1958—while, at the very same time, foreign distribution for the first half of fiscal 1958 was 341.4 million pounds or more than 76 percent of the total for the whole of fiscal 1957?

The answer that the Department of Agriculture gives is twofold. One—domestic consumption is down because several commodities distributed a year ago were not available. Two—foreign distribution is up because of increased shipments of grain products. A tidy explanation, Mr. Speaker, except for one thing. It is half non sequitur and half deliberate evasion. The items which Agriculture claims to have exhausted do not explain the drop in domestic distribution—not by 100 million pounds. And the increase in grain shipments does not explain the leap in foreign distribution—not by 100 million pounds. Unless, of course, cheese and milk are classified as cereal grains under some new system devised by the redoubtable Mr. Benson.

Mr. Speaker, I do not like to have dust thrown in my eyes. And I do not care to be hoodwinked by semantic improvisation.

But this fancy footwork is only a small part of Mr. Benson's repertoire. Mr. Benson tells us that certain foods were not available for domestic distribution. What he fails to explain is why they were not available.

They were not available because Ezra Taft Benson, in his discretion as Secretary of Agriculture, decided they would not be available. I think you will agree with me that he ought not to be allowed to charge off the failure of the domestic donations program to a failure of supply when he himself could have guaranteed that supply. As I have charged, this amounts to excusing one mistake with another.

Let us look at this a little more closely. As you know, Public Law 480, the surplus disposal program, is actually a three-part law. The second and third parts concern barter and donation programs—one for overseas famine relief on the explicit authority of the President, the other for general relief at home and abroad. Foods for both types of programs come out of the stocks of the Commodity Credit Corporation. They are price support commodities—and, if I am correct, it is the price support element which the general public understands to be in effect whenever the words "surplus disposal" are used.

But, Mr. Speaker, under the first part of Public Law 480, "surplus disposal" is not used to refer alone to price-support commodities. In granting to the Secretary of Agriculture the authority to sell

surpluses for foreign currency, the law defines surplus as "any agricultural commodity or product which is or may be reasonably expected to be in excess of domestic requirements."

In other words, an item need not be supported to qualify under the law for surplus disposal. Agriculture need not wait for the commodity to accumulate in CCC warehouses. It merely decides what is in excess of domestic requirements then chases out to the grocer's with a hat full of cash.

But such open market purchases are quite plainly hidden price supports and, as such, they help the farmers. God knows, I am all for helping the farmers. But I am not required to believe in fairies or to accept masquerade for fact. The reason certain commodities have never reached the CCC is that they have been shortstopped under title I of Public Law 480.

Nor is this the only reason.

We have all heard tell of Secretary Benson's flexible support program. The very mention of it is enough to send some of my farm State colleagues into paroxysms of anger. Farm Belt Republicans shudder at the thought of it.

Mr. Speaker, the "flexible" support program is a miracle of ineptitude. We know what awful effects it has had on the farmers. What is not generally understood is that "flexible" supports have also desperately injured America's needy. For it is this pernicious program—pernicious certainly in periods of economic decline—which has effectively closed the storehouse to the hungry. With a realistic support level some of those commodities which Secretary Benson claims "were not available for donation" would in fact have been available. We would not then be confronted with the irony of declining supply in the face of mounting need.

Nor is this the worst part of it.

Earlier in another speech, I pointed out how Secretary Benson has failed to meet his responsibilities under section 32 of the 1935 Agriculture Act. This is the law which provides for donation of perishables purchased in the open market.

Mr. Speaker, it is these items which are principally included among the "several commodities distributed a year ago which were not available for donation" during the first half of fiscal 1958. And I submit it is dishonest to pretend otherwise.

I repeat: The donation program has shrunk to nothingness because Secretary Benson willed that it should shrink to nothingness.

Let this pious humanitarian explain—without deliberate evasion—why domestic donations dropped out of sight in the first half of fiscal 1958.

Let him explain why he has refused relief both to the farmer and the unemployed.

Let him explain why he has failed to live up to his responsibilities under section 32, why he has failed to divert those extra items which are clearly excess to requirements and which are clearly depressing the agricultural market.

Mr. Speaker, it ought not to be necessary for me or any other Member of Congress to come before this House to plead for action on a food stamp bill. As I have already demonstrated, Secretary Benson now has all the authority he really needs. But, in common with other members of this Republican administration, Mr. Benson is a man of sluggish sympathies. He is playing brinksmanship with human misery. He substitutes worship of his budget for humanity.

We are told to wait. To wait.

Waiting is fine for corporations which can sit back easily on their profit cushions and, from their picture windows, watch former employees mill around on the corner that prosperity is "just around."

The Eisenhower administration says it is worried about unemployment. It is terrified of the swollen statistics. It sees the curve climbing steadily on the graph. And it vows that when the line passes this point or that point action will follow.

But, Mr. Speaker, unemployment is not alone a matter of numbers. It is life shorn of hope. It is the death of self-respect. It is a man scanning the want ads and shambling irresolutely from door to door and finally sinking down helplessly on a park bench to pass the day. It is hungry children and wives in breadlines. It is fear, the uninvited guest in parlor.

I am quite sure this atmosphere has not intruded at Burning Tree. Apparently it cannot get an appointment either with Secretary Benson.

And so I say Secretary Benson must be made to understand. If he will not act when the law gives him permission but does not direct him to act, then we must rewrite the law so there is no discretion.

BEWARE OF THE IDES OF MARCH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, this is the season to heed the historic warning: "Beware of the Ides of March."

Unless all signs miscarry and I miss my guess, there is something going on in the field of diplomatic activity that warrants vigilance and inquiry.

There have been more than a few hints in recent days that secret diplomacy, the discredited device of other days of unhappy memory, is back in favor.

While the international postal shuttle is exceedingly busy on its rounds delivering missives between the White House and the Kremlin, the international manipulators appear to be working overtime backstage.

For public consumption, the story is that we are holding firm for proofs positive of Soviet deeds for peace before agreeing to a summit meeting. Such a policy has the unquestioned support of American opinion.

Our people recall only too well the litany of broken Soviet pledges. They remember the Berlin blockade, the Communist plots against Iran, Greece, and Turkey, the imprisonment of millions behind the Iron Curtain in the captive satellite states. The unholy record of Soviet vetoes in the United Nations is well fixed in the American mind, as are the Communists' trickery in Korea, their devious intrigues in the Middle East, their conspiracies against free governments from Asia to Latin America. The Soviet crucifixion of Hungary, the brutal stamping down of the East German revolt, the strong-arm tactics used against Poland: these are all Soviet crimes that cannot be erased from the public mind by the Kremlin's pious pretensions.

Yet in face of the dire and dismal record of the Soviets as the breakers of the peace, there are, as I said before, increasing signs that the West is getting ready to deal with the Reds, and seemingly on Communist terms.

One might go so far to suggest, in view of the inspired news releases finding their way into the public prints, that an understanding has been reached already, that the finishing touches are being applied to the package deal. All that remains is the proper preparation of the climate of public opinion so that the results will be accepted by the democracies.

In view of the foregoing, Mr. Speaker, I venture to quote once more for the record, what Lenin said more than 40 years ago:

> As long as capitalism and socialism exist we cannot live in peace; in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or world capitalism.

It is well to be reminded of this prophecy from time to time as the joys of coexistence are being sung.

As diplomatic spokesmen tiptoe through the chancelleries of the world, I wonder if they have forgotten the Communists' record for violated pledges, treachery, subversion, intimidation and raw aggression. I wonder how they equate these with a program for peace?

In their travels, I wonder if these selfsame diplomats bear in mind that it was with just such tactics that the Soviets reduced to captivity the once free and proud states of Albania, Hungary, Poland, Rumania, Bulgaria, Czechoslovakia, Lithuania, Estonia, and succeeded in brutally dividing Germany, Indochina, and Korea.

Just what magical formula of self-persuasion do our appeasers of Soviet deceit, treachery, and intransigence use to have their beliefs add up to the proposition that the Soviets are going to do right this time merely because they say they will.

For the record, and for all to see, and beyond any peradventure of doubt, the United States is committed to universal peace through peaceful aims and peaceful deeds.

The United States did not seek nor does it want any foreign territory. It is not our aim to seek dominion over any other people, nor would American public opinion support any such program of international aggrandizement. On the contrary, the American record has been one of great sacrifices of her sons, and vast outlays of money and skills for peace throughout the world—ours, in concert with our allies, has been a truly meaningful quest for peace.

America is paying heavily for a worldwide program designed to protect the peace through the deterrence of local or general war, and by strengthening the economic and political structure of the Free World.

Before any apostles or practitioners of secret diplomacy go beyond the point of no return in their dealings, they should give pause to consider that the United States has peace-keeping alliances with 42 nations in the world, that we have bilateral treaties with Korea, Nationalist China, Japan, and the Philippines, and multilateral agreements as a result of NATO, SEATO, the Rio Treaty, and Anzus.

These systems of defensive alliances have been a bulwark which has stood as a warning against any general Communist aggression.

Are these peace protectors to be scrapped for the dubious and treacherous Soviet embrace?

Apart from the unthinkable desertion of such allies and commitments, have the "summit tomorrow" proponents estimated what such desertion would cost America in arms and manpower, apart from the spiritual suicide it would represent? Are our allies to be tossed into the ditch of expediency?

National policy to be effective must have its origin and sustenance in public support. Any attempt to flout this principle is foredoomed to failure. If our foreign policy is to succeed, the American people must not be kept in the dark.

The pitfalls of secret diplomacy must be avoided like a plague. The need of our times in the realm of diplomacy is Woodrow Wilson's formula of "open covenants, openly arrived at."

Mr. Speaker, America yearns for peace, works for peace, sacrifices for peace. Before history we have honorably acquitted ourselves in the cause of peace. Peace with honor is our unceasing quest—peace for all men, for all peoples—peace with the assurance of self-determination for all national states, no matter how large, how small. What a national dishonor and tragedy it would be for America, born in liberty and dedicated to universal freedom, to be a party, in the name of expediency, to the confirmation in slavery of any nation. And let us make no mistake about it, one of the prime objectives of the Soviets for another summit conference is the formal ratification of the status quo which would mean the abandonment in slavery of those millions of souls behind the Iron Curtain.

By all means let us look to a meeting or meetings with the heads of foreign states who are truly concerned with peace. Let us strive everlastingly to achieve safeguards that will banish aggression as an instrument of national policy anywhere and everywhere in the world—let us make war obsolete—let us wage peace, without end.

But in so doing, Mr. Speaker, let us be guided by intelligent realism. We must insist on Soviet bona fides before Khrushchev & Co. sit at the conference table. Peace talks for the sake of talking can only serve as propaganda forums for the Soviets.

America comes with clean hands to the peace table—let Russia likewise qualify.

The conscience of mankind assesses America as a peacemaker. The Soviets have yet to make good on their peace pretensions.

Peace can only be conquested by good faith, validated through deeds-for-peace.

We say to Messrs. Khrushchev, Bulganin and others: Win your right to the summit parleys by redeeming your first summit conference pledges—by taking such first steps toward peace that will insure a fruitful meeting at the summit.

The world looks to Moscow to make good on its peace talk. The Free World will not be lacking in enthusiastic and concrete response.

THE INTERDEPENDENCE OF AGRICULTURE AND INDUSTRY

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, if the economy of the United States is to remain strong, a balance must be maintained between our agricultural economy and the economy of our small towns and of our cities. When the agricultural economy began to decline in 1952 and 1953, there were many of us who warned that this decline would later be reflected in unemployment and in a falling off of industrial production. Spokesmen for the administration and some economists argued that agriculture was not important in the overall economic picture and that this decline in farm income was not serious since the farm population had also declined.

Early in his term, Ezra Taft Benson talked about a consumer uprising against farmers and the farm program. He continued to encourage consumer opposition to the farm program, implying that the high cost of living was in large measure the result of the farm price support program. He was not content with this effort, but has consistently tried to set one farm group against another.

A sound farm program should be fair to consumers and processors, to those engaging in marketing and transportation, to the taxpayer, and to the farmer.

Let us consider first the question of whether or not the agricultural industry of the country, as it has operated with governmental assistance in recent years, has been providing a reasonably adequate supply of food and fiber for industrial and consumer use in the United States. Between 1910 and 1957, the population of the country has increased by approximately 70 percent. Total farm production has increased by about the same percentage during the period, but nearly all of the increase occurred within the last 15 years. In order to keep pace with expanding needs, the farmers of the country have had to break past production records. This great increase in production did not occur by accident. It involves significant changes in the agricultural methods and pattern of the United States. Farmers were forced to supply more food to a greater number of people with fewer man-hours of work, and with only a slight increase in the area of productive land. This increase was made possible for a number of reasons. Today farmers are producing more, with less labor and a little more land, because petroleum and electrically driven machines are more efficient in performing work once done by men and animals; because new and improved varieties of seed and livestock have been developed; because of the increased use of fertilizers and other soil-improving materials and methods; because much more attention has been given to soil care and water conservation, as well as to farm management.

Farming today requires a much greater investment in capital equipment, and the operating costs in agriculture today are much higher than they were 20, 30, or 40 years ago. Farmers cannot be expected to produce at record levels unless their cash position is such as to permit them to finance the purchase of a much greater volume of materials, services, and power which are necessary for present high yield. In terms of current dollars, today's farm production expenses are approximately six times as high as they were in the 1910–14 period. In terms of dollars of equivalent value, today's farm-production expenses are approximately twice as high as they were in 1910–14. In view of these circumstances, farmers must have assurance of a market and a price that will keep them in business.

The principal problem in agriculture today is not one of overproduction and surpluses, but a problem of underproduction in many areas, and a problem of distribution. It is estimated that in order to supply each person, who would likely be living in the United States in 1975, at approximately the same level of diet that is now enjoyed in this country, an increase in agricultural production of about 20 percent will be required. At the same time, it is desired that the diet of many people be improved. In any case, the record shows that the farmers of the country have done well in meeting the food and fiber needs of the country in recent years, both in time of war and in time of peace.

The second question which is of interest both to consumer groups and to the farmers is this: has the farmer, in return for his contribution, received a just return? Has he been overpaid or has he been underpaid? And if so, has the Government farm program been responsible? Let us look at the record.

During Benson's 5 years in office, the price the housewife pays for food has increased. In the Consumer Price Index, food prices have risen 5.4 points—112.8 to 118.2—from January 1953 to January 1958.

Farmers' net income has dropped 24 percent. Last year witnessed a fall of 4 percent, from $12.1 billion to $11.5 billion—the lowest total since 1942. Prices paid to farmers have slipped 16 percent, and the farmers' share of consumer

food spending fell from 47 percent to 40 percent in 5 years.

The Government's losses on farm price supports are 3½ times greater than in all the 20 years before Benson took office.

The budget of the Agriculture Department has soared. Nearly 20,000 employees have been added to the payroll.

Surpluses have piled up, and three times as much corn is on hand now as when Benson took office.

The farm population has decreased by more than 2 million.

Farm debt has increased by $3.2 billion.

The farm foreclosure rate has doubled.

Distribution of surplus food to schools and charitable institutions has failed to keep up with needs.

A prosperous agriculture is to the advantage of the workingman in the city, as well as the business and professional man in the city and small town. Stable farm prices and incomes encourage high-level production of industrial goods and help maintain employment in industry. Moreover, a sound farm program is the best insurance of maintenance and conservation of agricultural resources. A sound and effective farm program is necessary to national security. It should, and can, provide a reservoir of goods against crop failure, and a stockpile in the event of international justice and peace.

THE AGRICULTURAL SITUATION

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I welcome the opportunity, as a Democrat from a city district, to state why I do not think Secretary Benson is doing a good job, either for the farmer, the consumer, or the taxpayer.

The family farmer—the most important man in American agriculture as far as I am concerned—has suffered catastrophe under Secretary Benson. Net farm income has declined from $14.3 billion in 1952 to $11.5 billion in 1957, according to Secretary Benson's own figures. In this same period, farm population has declined from 15.5 percent of our total population to 12 percent of the total.

On April 24, 1953, the Department of Agriculture announced its plan to push the marginal farmer out of farming and into industry.

Secretary Benson has succeeded with a vengeance in depopulating our farms. Secretary Benson's policies of driving the family farmer off the land are not made any more appealing by the existence of some 5½ million unemployed in our cities today.

Mr. Benson recently issued a press release in which he triumphantly proclaimed that the farmer's per capita income was at a record high of $993 in 1957. The announcement was greeted by considerable surprise, for all other evidence pointed to a tragic farm depression. Then the mystery was explained. Farm income per head had been brought to its present level by reason of Secretary Benson's policy of eliminating the family-sized farmer. A little further investigation disclosed an official Department of Agriculture book called Farm Population Estimates of 1957, showing that farm population had dropped by more than 8 percent in the last year. More, it appeared that the first edition of this handy booklet had not only given these population figures, but had quoted farm people to the effect that the sharp drop in farm population had been caused by Mr. Benson's own farm policies. Evidently this disclosure bothered the Department of Agriculture, because it ordered the entire edition of 2,500 copies gathered up and burnt. The Intergovernmental Relations Subcommittee of the House Committee on Government Operations, of which subcommittee the gentleman from North Carolina [Mr. FOUNTAIN] is chairman, has called upon Secretary Benson to produce these 2,500 books or explain their destruction. Mr. Benson has so far failed to give any explanation for his book burning.

I do not wish to suggest that Secretary Benson is opposed to the interests of all farming operators. His payment of untold millions of dollars under the Soil Bank Acreage Reserve to large operators of multiple farms shocked the Congress and caused us to impose a $3,000-per-producer limitation in this year's Agricultural Appropriations Act. Secretary Benson is insisting even now on disregarding this limitation and paying out sums vastly in excess of $3,000 to producers who operate multiple farms, even though the Comptroller General in his March 12, 1958, opinion has ruled that Secretary Benson is under no legal compulsion to do so, and could perfectly well restrict his payments to $3,000 per producer, regardless of how many farms the producer operates. And so the trend toward the large corporate-type farming operation continues, at the expense of the family-type farmer.

Secondly, I believe that Secretary Benson's administration has been bad for the consumer. Under the 5 years of the Benson farm program, the farmers' share of the food dollar has dropped 7 percent. But consumers' food costs, as compiled by the Bureau of Labor Statistics, are up 2 percent. Meanwhile, the profits of processors, food chains, and other middlemen have shown phenomenal gains, such as the 14-percent rise last year of food chain store profits over 1956.

The 1954 cheddar cheese scandal aptly illustrates Secretary Benson's careful attention to the interests of the processor. At midnight of March 31, 1954, Secretary Benson dropped the price support level for dairy products. Up until this deadline, the Commodity Credit Corporation bought cheddar cheese from cheese processors at the higher support price of 37 cents a pound. On April 1, when the lower price support level went into effect, these same processors bought back from the Commodity Credit Corporation millions of pounds of cheese at only 34½ cents a pound. The processors' windfall profit total $2½ million, without the cheese ever leaving their warehouses. As a result of the alertness of the Intergovernmental Relations Subcommittee, the transaction was brought to light and the Department of Justice was directed to sue the recipients for their windfall profits. Several of the suits have already been successfully concluded, and the Treasury has recouped the money which Secretary Benson illegally paid out.

Thirdly, I believe that Secretary Benson's policies have been bad for the American taxpayer. Since 1954 the Department of Agriculture has increased the number of its employees by nearly 30 percent, from 64,000 to 81,000, despite the fact that the Department is giving service to half a million fewer farm families than in 1954. When Secretary Benson came into office, the annual cost for the activities of the Department was something like $700 million. Secretary Benson's budget request for the current fiscal year called for more than $5 billion, about 7 times the pre-Benson rate.

The high cost of Secretary Benson to the American taxpayer is set forth in detail in the October 1, 1957 issue of Look magazine, which incidentally is a Republican periodical. In an article entitled "Fraud, Graft, and Folly in the Farm Program," Look says:

> After almost 5 years of the Eisenhower farm efforts, there is shocking news for the American taxpayer in the vast domain of surpluses, storehouses, and subsidies operated by Secretary of Agriculture Ezra Taft Benson.

Among the cases where Mr. Benson's administration has proved costly to the taxpayer is that of Jon M. Jonkel. Mr. Jonkel, who had been convicted of violating the Maryland election laws and paid a $5,000 fine, and who had outstanding against him at least half a dozen default judgments, was allowed to become the successful bidder on a $9 million deal to buy CCC owned rice for export to Indonesia. As the gentleman from North Carolina [Mr. FOUNTAIN] has pointed out, the Department of Agriculture "if it had taken the trouble to pick up the phone and call Dun and Bradstreet or the District Court, would have found that Mr. Jonkel did not have the kind of company most good businessmen would want to entrust with a $9 million contract. Mr. Jonkel, as might have been expected, defaulted on the contract. I hope the Department of Agriculture learned something through its business venture with Jonkel because whatever experience they may have gained cost the taxpayers more than $50,000."

Conservationists the country over are disturbed by Secretary Benson's wasteful program of draining valuable wetlands, particularly in Minnesota and the Dakotas. Already this drainage program has destroyed almost one-third of the Nation's finest breeding grounds for migratory waterfowl. The Benson farm drainage program has not only resulted in a waste of millions of taxpayers' dollars. It has been conducted without regard to the conservationists' viewpoint as represented by the Bureau of Sport

Fisheries and Wildlife of the Department of Interior. The Bureau on August 27, 1957, told the Intergovernmental Relations Subcommittee that Secretary Benson's farm drainage regulations "do not reflect cooperative or sympathetic consideration of the views of the Bureau of Sport Fisheries and Wildlife on the impact of drainage on waterfowl habitat. We also wish to point out that the Bureau of Sport Fisheries and Wildlife was not provided an opportunity to review these regulations prior to their acceptance by the Secretary of Agriculture."

These are but a few of many instances of waste in the farm program.

I agree that a constructive long-term legislative program is desperately needed. Senate Joint Resolution 162, which is now before the President, extends the present price supports at their current level for 1 year, in order to permit the writing of such legislation. I hope that there will shortly be presented to the House a farm bill similar to many sponsored by Democrats, built upon the following three principles:

First. A policy of insuring that reasonable prices for farm products are channeled through to the consumer, if need be by a vigorous program of antitrust law enforcement.

Second. Production payments, out of funds based upon ability-to-pay taxation, to the family-sized farmer so as to yield him a fair overall return.

Third. An incentive to farmers to adopt sound soil, water, and wildlife conservation practices.

No doubt Secretary Benson will greet such a program as he always has, with the charge that it is the Brannan plan and moral bankruptcy. But it is a constructive program, and Democrats, whether from farming or city areas, are going to continue to press for it.

GREEK INDEPENDENCE AND CYPRUS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, on this anniversary of Greek independence I am addressing my remarks to the subject of self-determination. This is the right we demanded for ourselves in our War of Independence. It is the right that we gave to the people of the Philippine Islands. It is the right for which we fought in the Spanish-American War and in World War I and World War II, the right of peoples everywhere to determine for themselves the kind of government under which they would live.

We cannot retreat from our position, steadfastly adhered to and by which we have lived. Retreat from that position would be the abandonment of our destiny as a leader of a Free World. No land is free when the people of that land are denied the right of self-determination.

Bonds of blood and of common interest unite the people of our country and of the United Kingdom. Together we have fought side by side in the two most devastating wars in all history. The mother of the great Winston Churchill was an American. My own mother was of English birth. There are many similar ties that unite Americans and the English. I hope the day will never come when there will be a severance of ties of sentiment and of friendship between the two great English-speaking nations.

It is in this spirit that on this anniversary of Greek independence I approach the subject of Cyprus. The position of the British Government in denying to the people of Cyprus the right of self-determination is building an ever-widening gulf that can only be bridged when to the people of Cyprus has been given the free exercise of this sacred right of self-determination. The American people will not retreat from this stand defending the right of self-determination by all peoples because that goes back to the foundations of our faith and is part and fiber of our national character. It would be much better for the maintenance of relations between allies if the British Government should come to that realization in its policy in Cyprus.

That there should be no doubt as to the position of the American people, I strongly urge early consideration of and favorable action on House Resolution 509, which I have introduced and which is similar to measures introduced by several of my colleagues. This is a sense resolution, the passage of which should bring forcibly to British attention the devotion of the House and the American people to the principle of self-determination and their insistence that this principle be applied to Cyprus.

We in the House of Representatives of the Congress of the United States are happy to join in celebration of Greek Independence Day.

In 1821 when a band of brave Greeks rose in revolt against their Ottoman oppressors and proclaimed their independence, they ushered in a new era in the history of modern Greece. It is a tribute to the Greek people that after suffering under the Ottoman Turks for nearly 400 years, they succeeded in keeping alive the ideas of liberty and freedom, ideas which their illustrious ancestors of pre-Christian age had prized as the highest and noblest possession of free men. The independence proclaimed in 1821 was not achieved easily; it was attained by bravery of dauntless Greeks with the financial aid and moral support of their friends abroad. Finally some 7 years later Greece was welcomed into the family of nations as an independent and sovereign state.

Since then Greece has had more than its share of misfortunes and miseries, especially during the two World Wars. Nevertheless, its people have, by courage and sacrifice, and with the aid of their sympathetic friends abroad, succeeded in maintaining and even strengthening their national independence.

During the last war and in the early postwar years Greek independence was seriously endangered by aggressive communism. When all of her neighbors in the Balkan Peninsula were ruthlessly victimized by Soviet expansion, Greece remained, and fortunately still remains, as the lone outpost of freedom and independence in the entire Balkan area. The Greek people freely acknowledge that her freedom was saved in a large measure by the aid received under the Truman doctrine. Today Greece is a strategic bastion of the Free World against communism. So far the Greeks have been successful in combating all postwar threats.

On this anniversary of Greek Independence Day we wish the Greeks peace and prosperity in their homeland of glory and splendor.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KITCHIN (at the request of Mr. VINSON) for March 24 through March 28, as a member of the Board of Visitors, United States Naval Academy.

To Mrs. ST. GEORGE (at the request of Mr. ARENDS) for 2 weeks, on account of official business.

To Mr. ALLEN of California, from March 25 to April 3, inclusive, on account of official business and to attend a daughter's wedding.

To Mr. BURDICK for the balance of the week, on account of official business in the District.

To Mr. FOUNTAIN (at the request of Mr. LENNON) for Tuesday, March 25, 1958, on account of illness in the family.

To Mr. HORAN (at the request of Mr. ARENDS) indefinitely on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BARTLETT, for 1 hour on tomorrow.

Mr. DINGELL (at the request of Mr. ALBERT), for 30 minutes today, and to revise and extend his remarks.

Mr. BURNS of Hawaii, for 20 minutes, on Wednesday, March 26.

Mr. BYRD, for 10 minutes, today.

Mr. MULTER, for 30 minutes, on Thursday next.

Mr. MEADER (at the request of Mr. RHODES of Arizona) for 30 minutes on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOLAND and to include extraneous matter.

Mr. ZABLOCKI.

Mr. BENTLEY in three instances and to include extraneous matter.

Mr. PROUTY.

Mr. CURTIS and to include extraneous matter.

Mr. DEROUNIAN.

Mr. DINGELL (at the request of Mr. ALBERT).

Mr. REECE of Tennessee and to include extraneous matter.

Mr. BYRNE of Illinois.

Mr. KEATING in two instances.

Mr. THOMPSON of Texas.

Mr. LAIRD.

Mr. POFF.

Mr. FRELINGHUYSEN and to include extraneous matter.

Mr. HOSMER and to include a letter and a table.

Mr. HARRIS and to include two letters.

(At the request of Mr. MCCORMACK the following, and to include extraneous matter:)

Mr. FLOOD.

Mr. ANFUSO in two instances.

Mr. MULTER.

Mr. RODINO.

Mr. DOLLINGER in two instances.

Mr. GATHINGS.

Mr. CURTIS of Missouri and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 10881. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; and

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 24, 1958, present to the President, for his approval, a bill of the House of the following title:

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1958, and for other purposes.

ADJOURNMENT

Mr. REUSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 26, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1750. A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting a report concerning agreements concluded during February 1958 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1751. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 27, 1958, submitting an interim report, together with accompanying papers and illustrations, on a survey of Santa Cruz Harbor, Calif., authorized by the Rivers and Harbor Act, approved July 24, 1946 (H. Doc. No. 357); to the Committee on Public Works and ordered to be printed with one illustration.

1752. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for temporary additional unemployment compensation, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H. R. 9381. A bill to designate the lake above the diversion dam of the Solano project in California as Lake Solano; without amendment (Rept. No. 1546). Referred to the House Calendar.

Mr. ASPINALL: Committee on Interior and Insular Affairs. H. R. 9382. A bill to designate the main dam of the Solano project in California as Monticello Dam; without amendment (Rept. No. 1547). Referred to the House Calendar.

Mr. HARRIS: Committee of conference. H. R. 5822. A bill to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; without amendment (Rept. No. 1548). Ordered to be printed.

Mr. ASHMORE: Committee on the Judiciary. H. R. 9022. A bill to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress; with amendments (Rept. No. 1551). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 9655. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 1552). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 11019. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 1553). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 10112. A bill to make permanent the existing privilege of free importation of guar seed; without amendment (Rept. No. 1554). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. House Joint Resolution 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes; with an amendment (Rept. No. 1555). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H. R. 10843. A bill to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; without amendment (Rept. No. 1559). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H. R. 9917. A bill to continue the temporary suspension of duty on certain alumina and bauxite; without amendment (Rept. No. 1560). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 11407. A bill to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders; without amendment (Rept. No. 1561). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 511. Resolution providing for the consideration of H. R. 607, a bill to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1562). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 512. Resolution providing for the consideration of S. 1740, an act to authorize the payment from the employees' life insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations; without amendment (Rept. No. 1563). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 7515. A bill to require pilots on certain vessels navigating United States waters of the Great Lakes, and for other purposes; with amendments (Rept. No. 1564). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOGARTY: Committee on Appropriations. H. R. 11645. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 1565). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 576. Joint resolution to facilitate the admission into the United States of certain aliens; with amendments (Rept. No. 1549). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 580. Joint resolution for the relief of certain aliens; with amendments (Rept. No. 1550). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6390. A bill for the relief of Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co.; without amendment (Rept. No. 1556). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7186. A bill for the relief of the estate of Richard Anthony Nunes, Jr.; with amendment (Rept. No. 1557). Referred to the Committee of the Whole House.

Mr. CRAMER: Committee on the Judiciary. H. R. 7718. A bill for the relief of Roy Hendricks, of Mountain View, Alaska; without amendment (Rept. No. 1558). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMHART:

H. R. 11617. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

H. R. 11618. A bill to permit the construction of certain public works on the Great Lakes for flood control, and for protection from high water levels, and for other purposes; to the Committee on Public Works.

By Mr. BENNETT of Michigan:

H. R. 11619. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act; to the Committee on Interstate and Foreign Commerce.

H. R. 11620. A bill to amend the Railroad Unemployment Insurance Act to provide temporary additional unemployment insurance benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DELLAY:

H. R. 11621. A bill to amend title 10 of the United States Code to provide for the establishment of a program of cash awards for suggestions or inventions made by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations in the general field under the supervision of the Secretary of Defense; to the Committee on Armed Services.

By Mr. ELLIOTT:

H. R. 11622. A bill to provide a residence for pages of the Senate and of the House of Representatives, under the supervision of a Capitol Pages' Residence Board, and for other purposes; to the Committee on House Administration.

By Mr. GROSS:

H. R. 11623. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. HYDE:

H. R. 11624. A bill to amend section 5 of the Administrative Procedure Act; to the Committee on the Judiciary.

By Mr. KEARNS:

H. R. 11625. A bill to authorize Federal payments to the States to assist in constructing schools; to the Committee on Education and Labor.

By Mr. KILDAY:

H. R. 11626. A bill to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets; to the Committee on Armed Services.

By Mr. KING:

H. R. 11627. A bill to repeal the manufacturers excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers excise tax on trucks and buses to 5 percent; to the Committee on Ways and Means.

By Mr. McINTIRE:

H. R. 11628. A bill to amend the Fisheries Cooperative Marketing Act; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLER of Maryland:

H. R. 11629. A bill to amend part III of title III of the Communications Act of 1934 in order to exempt from the provisions of such part certain vessels navigating on Chesapeake Bay or the Potomac River; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H. R. 11630. A bill to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes; to the Committee on Ways and Means.

By Mr. REED:

H. R. 11631. A bill to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 11632. A bill to provide a method for determining Presidential inability, and for other purposes; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 11633. A bill to provide income-tax withholding for ministers; to the Committee on Ways and Means.

By Mr. PROUTY:

H. R. 11634. A bill to increase the amount of unemployment benefits payable during periods of high-level unemployment to individuals who have not exhausted their unemployment benefit rights, and to provide unemployment benefits for additional periods for individuals who have exhausted such rights; to the Committee on Ways and Means.

H. R. 11635. A bill to amend the Internal Revenue Code of 1954 to allow a deduction, in computing the gift tax, for gifts made to or for the use of certain nonprofit cemetery companies; to the Committee on Ways and Means.

By Mr. RIVERS:

H. R. 11636. A bill to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest; to the Committee on Armed Services.

By Mr. SANTANGELO:

H. R. 11637. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 11638. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 11639. A bill to authorize the Department of Defense to indemnify its contractors against unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes; to the Committee on Armed Services.

By Mr. WIER:

H. R. 11640. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. CURTIS of Massachusetts:

H. R. 11641. A bill to amend the act of July 1, 1952, granting congressional consent to mutual military aid compacts, by extending the consent to other States and compacts; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 11642. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. HENDERSON:

H. R. 11643. A bill to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 11644. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. FOGARTY:

H. R. 11645. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. TOLLEFSON:

H. R. 11646. A bill to provide for the making of payments to State tax authorities with respect to Federal real property of amounts equal to the sums which would be paid as special assessments thereon for public improvements if such land were privately owned; to the Committee on Interior and Insular Affairs.

By Mr. BYRNE of Illinois:

H. J. Res. 583. Joint resolution designating June 1, 1958, as National Prayer Day, requesting the President to issue a proclamation in connection therewith, and requesting the President to invite the people of all the nations of the free world to participate in the observance of such day; to the Committee on the Judiciary.

By Mr. POWELL:

H. Con. Res. 298. Concurrent resolution to extend greetings to the Federal Legislature of the West Indies; to the Committee on Foreign Affairs.

By Mr. ANFUSO:

H. Con. Res. 299. Concurrent resolution requesting the President to proclaim a National Sales Week during 1958; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. Con. Res. 300. Concurrent resolution expressing the sense of the Congress with respect to air-pollution abatement in connection with the conduct of certain activities by the military departments of the Government; to the Committee on Armed Services.

By Mr. WEAVER:

H. Con. Res. 301. Concurrent resolution to approve the report of the Department of the Interior on Red Willow Dam and Reservoir in Nebraska; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 11647. A bill for the relief of Pavlos N. Veizis; to the Committee on the Judiciary.

By Mr. ENGLE:

H. R. 11648. A bill for the relief of Maria Wilikovsky; to the Committee on the Judiciary.

H. R. 11649. A bill for the relief of Mr. Taro Yodokawa; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 11650. A bill for the relief of Dragolub Medenica; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H. R. 11651. A bill for the relief of Cesare Tambornini; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 11652. A bill for the relief of Carmela DeBono; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 11653. A bill for the relief of Elemer Christian Sarkozy; to the Committee on the Judiciary.

H. R. 11654. A bill for the relief of Feng Chun Young; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 11655. A bill for the relief of Mrs. Yukiko Pluard; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 11656. A bill for the relief of Milka Drobac; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 513. Resolution providing for sending the bill and accompanying papers on H. R. 6350, a bill for the relief of Wilma D. Marsh, to the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

494. By the SPEAKER: Petition of Don Curtis and others, Niles, Mich., requesting passage of the bills H. R. 1008, H. R. 4523, and H. R. 4677, which are amendments to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

495. Also, petition of the corresponding secretary, Young Republicans of Essex County, Montclair, N. J., recommending that a study be undertaken by the Congress of the United States with the objective of enacting such statutes or initiating such constitutional amendments as may be necessary to establish an orderly succession to the powers and prerogatives of the President of the United States during periods when the President is temporarily or permanently incapacitated; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A New Approach to Unemployment Compensation

EXTENSION OF REMARKS

OF

HON. WINSTON L. PROUTY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. PROUTY. Mr. Speaker, today I have introduced a bill which represents a new approach to the question of unemployment compensation. I believe that it adheres to the principle of States' rights in this field and would not require any changes in State laws relating to such benefits. In my judgment, however, it will induce States to bring their unemployment compensation benefits up to levels which will be in keeping with current needs. Inasmuch as I intend to present a detailed explanation of the bill to the House Committee on Ways and Means I shall now refer only briefly to its provisions.

The bill seeks to enact a program of unemployment benefits which will come into being during high-level unemployment periods. A "high level unemployment period" is defined in the bill as any time when 6.3 percent of those covered by unemployment insurance are without work. For 1958 this is the equivalent of 2,527,560 individuals within the groups entitled to unemployment benefits.

The benefits provided by the bill are as follows:

First. During high-level unemployment periods individuals who receive unemployment compensation under State law or under the Railroad Unemployment Insurance Act will receive Federal supplemental compensation equal to (a) 30 percent of the unemployment compensation received from the State or the Railroad Retirement Board, reduced by (b) any additional payments which such individual receives as a result of his unemployment—such as, for example, unemployment benefits paid by employers or labor unions.

Second. Individuals who after June 30, 1957, have exhausted their benefit rights under the applicable unemployment compensation law will be entitled to an additional 20 weeks of unemployment compensation to be paid by the Federal Government but in amounts which are identical with prevailing State rates. In other words, the 30 percent increase will not apply in the case of those who have exhausted their benefits under existing State laws.

Third. Compensation for the additional weeks will be payable during the remainder of 1958 without regard to any termination of the high-level unemployment period and without regard to the termination of the individuals' benefit year. This provision was inserted on the theory that even if the present unemployment level is gradually reduced many individuals will have exhausted their benefits before jobs are readily available.

Fourth. After 1958, individuals will be entitled to a maximum of 20 additional weeks in a benefit year, but only after they have exhausted their benefit rights under the applicable unemployment compensation law and only for weeks beginning in a high-level unemployment period.

In terms of national averages the 30 percent Federal supplement will mean that those drawing benefits will receive about 48¼ percent of their average weekly salaries or 53.6 percent of their take-home pay.

Had this proposal been enacted into law previously its provisions would have been in effect for a relatively brief period in 1950 but in no subsequent year until now.

While increased unemployment compensation does not represent a cure-all for recession it does help maintain purchasing power and gets money in the hands of those who need it the most.

Farm Price Supports

EXTENSION OF REMARKS

OF

HON. EMMET F. BYRNE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I wish to express myself on the action taken last Thursday in this Chamber on Senate Joint Resolution 162 which provides that the 1958 dollars and cents support price for any agriculture commodity and the total acreage allotted for any basic commodity, except tobacco, through 1959 shall not be less than that in effect for the 1957 crop or marketing year. The record indicates that I was against this measure. I endeavored to get time to speak against the proposal but I was not successful. I want the RECORD to reflect my very sincere objections to the provisions of this proposal. My vote against passage and in favor of recommittal were overruled, since the required votes for passage and against recommittal were obtained.

First of all, I want to second the Washington Star's recent editorial appraisal of Secretary of Agriculture Benson as a man of courage. He is truly that and for my part he is one of our President's finest Cabinet members who will not be deterred from doing right as he sees it for the consumer and the farmer. Secretary Benson has withstood the whippings and lashings of leaders in Congress, some from his own side of the aisle, and mine. He has not buckled under the attacks nor succumbed to the great pressures to change his policies. He is truly fighting the fight to the end and I believe he will ultimately win. His actions are manifestations of his strength.

While making no pretense of being a farm expert, even though coming from the heartland of the Middle West, I believe I am something of an expert in knowing about the consumer and what consumption is with a family of eight children. The measure this body passed last Thursday touches the consumer closely since its provisions will be reflected in prices we pay at the supermarkets. I for one have not noticed any dearth of good produce at the markets as well as noting plenty of other farm commodities. Our party and our administration is being blamed for unemployment yet this body in effect is making it impossible to bring prices down on necessary food items which every family including the unemployed consumes in great quantities.

In my opinion this is not good sense. The measure was contrary to the wishes of President Eisenhower and Secretary Benson, who believe we must have a wider range of price supports and not narrower. It is unfair to winter wheat farmers who signed up for the 1958 Soil Bank at a distinct disadvantage with other wheat farmers. Before signing up for the 1958 Soil Bank to help cut down the surplus, these farmers compared the $1.20 per bushel payment with the $1.78 announced price support. Had they known that the price-support level would be $2 per bushel, their decisions could

have been different, and quite understandably so, with respect to their participation.

The change in support level on wheat is not going to benefit the farmers who tried to help America to cut our surplus.

Secretary Benson knows that increases in our price-support programs are not a solution to our problem. These programs are expensive to the individual taxpayer and the consumer. At a time when unemployment looms high on the list of our concerns, the House approved a measure which precludes any reduction of price support for 1958 and has frozen acreage allotment through the 1959 crops. I repeat, this action will by degrees show up in prices we pay when we go to the market.

Another aspect as I see it is that this measure will hurt the farmer because, instead of being able to achieve a better balance in our supply and demand, we will have unavoidable surpluses through stimulating unneeded production. This is not a good climate for the farmer.

More flexible price and lower agricultural price-support programs is a sound thesis propounded by Secretary Benson.

An ace and veteran newsman of Chicago, John W. Dienhart of the Southtown Economist, wrote recently:

Several of the largest corporations in the country have finally abandoned trying to enforce so-called fair prices for their products. They discovered that the only agency that can circumvent the law of supply and demand is the Federal Government. Fair prices, as such, constitute price fixing and they stifle competition and sales. It took manufacturers a long time to learn.

Translating these views to our subject at hand, I believe the result is the same. Let us hope it does not take the farmers as long to learn that price supports just as price fixing is not just a vitamin but can become a barbiturate upon which their existence depends. This is diametrically opposed to our concept of private and free enterprise and healthy competition.

Byelorussians Celebrate Their Independence Day

EXTENSION OF REMARKS
OF
HON. ISIDORE DOLLINGER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. DOLLINGER. Mr. Speaker, Byelorussians are celebrating the 40th anniversary of the proclamation of the independence of the Byelorussian Democratic Republic. I am pleased to extend my greetings to them and to recall that great event in their history when they seized their opportunity to escape from Russian rule, under which they had suffered for 300 years.

These courageous and freedom loving people, after enjoying a thousand years of independent existence and their own sovereign state, were conquered by invading Russians and brought under czarist rule. They never lost their national spirit or love of liberty and prayed for the day when they might again enjoy freedom in their homeland; hundreds of years of tyranny did not dim their courage or lessen their hopes. Although they were able to enjoy only 1 year of their new independence, having been forcibly brought under the Communists' oppression, they continue to hope that they will be able to throw off the yoke of Communist tyranny and find the freedom and sovereignty which have been denied them for so long, but which remain their dream and goal.

Americans, and freedom-loving peoples everywhere, join in hoping that day is not far off.

Results of Questionnaire to Residents of the Eighth Congressional District of Michigan

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BENTLEY. Mr. Speaker, under leave to extend and revise my remarks, I wish to include the text of a press release issued by my office on March 17, 1958, and which contains the results of the first half of my annual questionnaire sent to residents of Michigan's Eighth Congressional District.

Congressman ALVIN M. BENTLEY (Republican of Michigan) today issued the first of two releases covering the results of his fifth annual questionnaire to residents of the Eighth Congressional District of Michigan. Mr. BENTLEY expressed himself as extremely gratified by the fact that 19,500 questionnaires had been returned out of a total of 112,000 for an average return of 17 percent.

Following are the results of the first half of Mr. BENTLEY'S questionnaire with brief comments:

1

(a) I feel the President should resign in favor of Mr. NIXON—4.8 percent.

(b) I feel that the President should delegate some of his duties to Mr. NIXON—48.2 percent.

(c) I do not believe in making any change in the President's work—42.7 percent.

(d) Don't know—4.3 percent.

2

The best way to help the farmers would be to:

(a) Raise supports to 100 percent parity with tight production controls—6.5 percent.

(b) Continue flexible supports—19.4 percent.

(c) Increase Soil Bank payments—6 percent.

(d) Drop all supports and controls and return to free production in accord with supply and demand—59 percent.

(e) Other—3.4 percent.

(f) Don't know—6.1 percent.

Three thousand, one hundred and fifty-five farmers who answered this question voted 14.7 percent for high supports, 18.2 percent for flexible supports, and 46.9 percent for an end to supports and controls.

BENTLEY commented that the farm vote on his questionnaire for no Government farm program had been approximately 30 to 34 percent for the last 2 years. He added that this vote showed a definite increase in the dislike of Michigan farmers for any Federal farm supports and controls.

3

I am opposed to Federal aid to schools—28.8 percent.

I am for Federal aid to schools—59.3 percent.

Don't know—11.9 percent.

BENTLEY stated that his questionnaires had always shown a majority opinion in favor of some form of Federal aid to education. This, however, ranged widely between many different suggestions as to the form such assistance should take. The percentage of those opposed, on the other hand, showed a marked rise of last year's figure of 11.6 percent.

4

I am for admitting more immigrants from abroad—19.2 percent.

I am against admitting more immigrants from abroad—65.2 percent.

Don't know—15.6 percent.

The Michigan Congressman commented that answers to this question were probably influenced to some extent by the current economic situation. Percentages of those replies who opposed any liberalization of the immigration law showed a steady climb from 41 percent in 1955 to the 1958 high of 65 percent.

5

I am for raising postal rates to a point where the Post Office Department is out of the red:

Yes—67.8 percent.

No—19.4 percent.

Don't know—12.8 percent.

BENTLEY said that, although replies had varied widely on this question, which has always been included in the questionnaire, there has always been a majority opinion for increasing rates to the point where the Post Office Department would not be subsidized by the general taxpaying public.

Byelorussia's Independence

EXTENSION OF REMARKS
OF
HON. STEVEN B. DEROUNIAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. DEROUNIAN. Mr. Speaker, I wish to join in commemorating the 50th anniversary of the declaration of independence by the Byelorussian National Republic.

Byelorussia, perhaps more widely known as White Russia, is a small but mighty force for freedom.

Having suffered the ravages of wars by invasions from all sides for centuries, on March 25, 1918, these people declared themselves a free and independent nation. Their hopes, however, were short-lived and the little country was seized by the Red army of Russia and, in 1951, divided between Russia and Poland. But they have never ceased to struggle and their history should be an inspiration to all oppressed people who also hope for freedom from communism and tyranny.

Today marks the half century, 50 years since their declaration of independence proclaimed their rights and freedoms; proclaimed freedom of speech, press, meetings, strikes and organization, unconditional freedom of conscience, immunity of person, and residence for

all the people and citizens of Byelorussia.

May they stand firm against the oppression of communism and may they one day again embrace the freedoms they knew in 1918.

West Coast Oil Situation

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. HOSMER. Mr. Speaker, on Monday last, I made certain recommendations to the President regarding the distressed situation in the petroleum industry on the west coast. For information of my colleagues, I have obtained permission to reproduce the letter here. It is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 24, 1958.

Re west coast oil situation.
Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: At present the California oil industry is in serious dislocation, and I seek your help on behalf of the many thousands of individuals and businesses in distress for that reason. These include workers who have lost their jobs in the petroleum and allied industries, those threatened with unemployment, small producers, royalty holders, small drillers, truckers, and many others.

The problem is receiving attention of your special Cabinet Committee, and its report will be in your hands shortly, if it has not already reached you. Undoubtedly it will contain recommendations to alleviate the situation which, without knowing what they are, I nevertheless urge you to consider for implementation without delay.

If these recommendations do not specially treat the unique conditions of the petroleum industry on the west coast, I urge you to include the following recommendations to relieve the situation there:

1. Reduction of the imports to domestic production ratio for purposes of the voluntary import quota program from a range of around 30 percent to not more than 12 percent, thereby bringing the west coast in line with the ratio established for the rest of the Nation.

2. That you seek from west coast importers continued and further immediate voluntary reductions of imports during first half 1958 pending establishment of the new, reduced quota figures for last half 1958.

3. Vigorous action to accelerate the highway building program to create increased demand for the west coast's heavy crude oil for paving asphalt products and road oils.

4. Review of Defense Department petroleum purchase practices to insure maximum possible purchases from domestic sources.

5. Continuous monitoring of the voluntary import quota program to insure substantial compliance, and, in the absence of such substantial compliance, prompt recommendation by you of mandatory quotas or tariffs to insure restriction of imports.

6. Such other steps to improve west coast conditions as your petroleum advisers may suggest.

In making the foregoing recommendations to you, I recognize, as do you and your staff, that the problem appears to have no simple, easy, quick, single solution. Therefore I will outline what I believe to be involved in order to support the recommendations.

Let me begin by referring to the report on energy supplies and resources released by the White House on February 26, 1955.

The report concluded that, in the interest of national security, imports of crude and residual oils should be kept in balance with domestic production of crude oil at the proportionate relationships existing in 1954.

Properly to evaluate this report, it is necessary to have in mind that California, Oregon, Washington, Nevada, and Arizona (the west coast) make up coordination district V for the petroleum industry. This constitutes roughly the area west of the Rockies, and its problems are substantially different than those in districts I–IV which lie east of the Rockies.

In the base year 1954, suggested in the policy report, district V imported crude at the rate of 51,000 barrels daily, which amounted to 5.2 percent of the district's domestic production of 975,000 barrels daily. In the same base year, districts I–IV imported 605,000 barrels daily, amounting to 11.3 percent of that area's daily average 5,367,000 barrels domestic production.

Attached hereto is a table showing statistics regarding production, imports, inventories, and related data for district V from 1954 to as close to date as obtainable.

Readily apparent from the table is a tremendous and disproportionate increase of imports into district V since 1954, a slightly declining domestic production rate, a moderate increase in demand and almost steadily mounting inventories.

Last half of 1957 imports into district V are particularly significant.

As a background to analyzing them certain occurrences since the 1955 policy report are significant. You will recall that a number of us here in the Congress were instrumental in adding section 7 to the Trade Agreements Extension Act of 1955. Section 7 requires you, as President, to take action whenever imports reach such a volume as to threaten national security.

The national security aspect involved is maintaining adequate domestic supplies of petroleum to see the Nation through any emergency situation which would cut us off from overseas petroleum sources, such as occurred in World War II. Excess imports in peacetime are recognized as so discouraging to domestic exploration and production that, if permitted, they would create domestic shortages endangering the national security during an emergency.

In 1955 you were successful in getting oil importers voluntarily to restrict their imports, but by 1956 imports were edging up to such extent that the Independent Petroleum Association of America petitioned for application of section 7 to crude-oil imports. The Suez crisis developed before action was taken and the whole idea was abandoned.

Easing of the Suez situation in early 1957 restored somewhat normal world oil conditions, and this country again began to face the problem of excessive oil imports. On April 23, 1957, Office of Defense Mobilization, Director Gordon Gray advised you that imports were high enough to constitute a threat to the national security.

Action was taken resulting in imposition of voluntary import quotas for last half 1957 in districts I–IV, but not to district V, where an official eye was to be kept focused to see if district V quotas should be imposed for first half 1958.

Now, two important events next occurred as to district V that helped produce the oil glut existing there today.

In the first place, estimates of the demand for petroleum products were excessive in relation to normal expected increases in demand and wholly disasterous in relation to the actual decrease in demand which occurred (a) because of the current business recession and (b) because the highway building program, which was expected to consume much of California's low-gravity crude in the form of road oils and asphalt for paving, simply did not get moving as anticipated.

In the second place, importers seem to have stepped up imports during the last half of 1957 in district V all out of reason with anticipated demands in order to establish high proportionate allocation for themselves in the event that threatened district V voluntary import quotas for the first half 1958 actually did materialize. This threat was, of course, made almost a certainty by the fact that negotiations were going on in Washington during last half 1957 for imposition of such quotas for first half 1958.

The two above-related circumstances, and possibly others, concurred to start district V into the year 1958 with inventories of oil and oil products built up to a massive 145 million barrels, which figure comes very close to filling all the storage there is in the area.

A quota of 220,100 barrels daily was, in fact, imposed for district V for first half 1958, and from the table it is apparent that importers thus far have brought in considerably less than the allowed quotas.

Nevertheless, this tremendous inventory vis-a-vis the slackened demand picture is creating havoc. Crude-oil purchasers are canceling contracts for purchase of production of thousands of California oil wells which will have to be shut down. Many will probably be sanded in and their oil forever lost as a national resource. New drilling has practically come to a standstill, and the situation is working back into all segments of the industry and to related economies. Price cutting on crude is rampant and the situation spills over into gasoline retailing in the form of distressing price wars and threats of same. Posted prices for crude are becoming meaningless and creating an impossible situation for marketers of crude who must pay royalties on the basis of posted price, but can only market their production at a considerably lesser price, if at all.

The plain simple fact is that district V, and particularly California, oil industry is in a mess.

As I already have indicated, there seems to be no quick, simple solution.

Whatever steps the administration and Congress take to improve the general business situation will, of course, be salutory. I heartily commend you for those you already decisively have made.

But even given normal economic conditions, under which ODM estimated a demand for 1,286,000 barrels a day in first half 1958, and without any domestic production or foreign imports, it would take over 3½ months to work the 145 million barrels out of storage.

Assuming the above estimated demand has been reduced by 10 percent by business conditions to 1,157,400 barrels daily and taking American Petroleum Institute's March 14, 1958, estimates of district V domestic production at 884,725 barrels, and imports of 152,300 barrels, to calculate total supply at 1,037,025 barrels, there appears a current draw down in the inventory of some 120,375 barrels daily. At that rate, it will take well over 3 years to purge district V of the 145 million barrels excess inventory.

But that is not nearly all the bad news. Currently coming into operation is a new crude pipeline from the Four Corners area in New Mexico to southern California with a 100,000 barrels daily capacity. This effectively wipes out the foregoing 120,375 draw down figure.

With this pipeline now greatly altering district V's former need for foreign imports, I can see no alternative but to apply to district V the same ratio between imports and domestic production that applies to districts I to IV, namely, 12 percent.

That contrasts sharply with the figure of 31.4 percent, which was the import to

domestic production ratio for the second half of 1957; and to 17.2 percent which is the ratio calculated from the California Oil Producers' Agency's latest figures for the week ending March 14.

That, therefore, is the basis for my first two recommendations, namely that voluntary import quotas for last half 1958 be reduced to 12 percent of domestic production in district V to conform with the national pattern, and that district V importers be urged to further reductions during the balance of first half 1958.

The import reductions shown on the table for January, February, and March are encouraging and deserve commendation. By a copy of this letter I am making such an expression to district V importers, advising them of these recommendations and seeking their cooperation in continuing present import cuts.

In so recommending with respect to imports, no inference is to be made that I am attempting to create a situation of competitive advantage for whomever operates the Four Corners pipeline. I cannot at this moment recollect who, in fact, does operate it. Nor am I certain that import reductions would favor the operators over others in the industry. The situation is simply that the pipeline now physically exists and because thereof district V's situation relative to foreign imports has undergone a practical alteration to the extent of 100,000 barrels a day.

As to my recommendation respecting the highway program, I believe its effect on the west coast oil situation is quite apparent and needs no elaboration. The same is true with respect to my recommendation relative to Defense Department petroleum purchase policies.

By copy of this letter I request both the Secretary of Commerce and the Secretary of Defense to act promptly and appropriately on the respective recommendations.

With respect to my fifth recommendation, i. e., possible mandatory quotas or tariffs, I recognize, of course, that a balance must exist which recognizes the international importance of foreign trade and the many complicated factors which make it desirable from the standpoint of our national interest for United States firms to take part in overseas oil-producing activities. Also, that some importation of overseas production is a necessary stimulant to those firms' overseas activities as well as broader United States international and domestic considerations. But it is a balance which, related to the national security considerations mentioned in the 1955 policy report, requires maintaining not only from the standpoint of under imports, but also from the standpoint of over imports.

Therefore, it is my sincere hope that you will not hesitate to act decisively to seek mandatory quotas or tariffs, if same are necessary in order to maintain the balance. I have in mind in this connection the dangers to the success of the voluntary-quota program apparent from the disregard of it by Eastern States Petroleum and Chemical Corp., Sun Oil Co., and Tidewater Oil Co.

In closing, may I express my personal appreciation to you for your continuing concern with and attention to this problem, and your constant efforts toward seeking equitable solutions.

Very sincerely yours,

CRAIG HOSMER,
Member of Congress,
18th District, California.

(Copies to Hon. Neil H. McElroy, Secretary of Defense, Washington, D. C.; Hon. Sinclair Weeks, Secretary of Commerce, Washington, D. C.; Capt. Matthew V. Carson, Jr., Administrator, Voluntary Oil Import Program, Washington, D. C.; Mr. R. L. Minckler, General Petroleum Corp., 612 South Flower Street, Los Angeles, Calif.; Mr. J. W. Foley, the Texas Co., 135 East 42d Street, New York, N. Y.; Mr. C. S. Jones, Richfield Oil Corp., 555 South Flower Street, Los Angeles, Calif.; Mr. D. T. Staples, Tidewater Oil Co., 79 New Montgomery Street, San Francisco, Calif.; Mr. H. S. M. Burns, Shell Oil Co., 50 West 50th Street, New York, N. Y.; Mr. A. C. Rubel, Union Oil Company of California, 617 West Seventh Street, Los Angeles, Calif.; Mr. T. S. Petersen, Standard Oil Company of California, 225 Bush Street, San Francisco, Calif.; Mr. R. O. Anderson, Wilshire Oil Company of California, 727 West Seventh Street, Los Angeles, Calif.; Mr. W. G. Krieger, Douglas Oil Company of California; Post Office Box 697, Laramount, Calif.; Mr. D. S. Fletcher, Fletcher Oil Co., 24721 South Main Street, Wilmington, Calif.; Mr. A. L. Marsten, Mohawk Petroleum Corp., 405 Montgomery Street, San Francisco, Calif.; Mr. E. E. Lyder, United States Oil & Refining Co., 3001 Marshal Avenue, Tacoma, Wash.; Mr. W. B. Allen, Caminol Co., 525 West Third Street, Hanford, Calif.; Mr. R. Edgington, Edgington Oil Refineries, Inc., 2400 East Artesia Boulevard, Long Beach, Calif.; Mr. J. W. Hancock, Hancock Oil Co., 2828 Junipero Avenue, Long Beach, Calif.; Mr. R. S. Macmillan, Macmillan Petroleum Corp., 530 West Sixth Street, Los Angeles, Calif.; Mr. G. A. Olsen, Sunland Refining Corp., East Avenue, South of California Avenue, Fresno, Calif.; Mr. H. B. Keck, Superior Oil Co., 601 West Fifth Street, Los Angeles, Calif.; Hon. William F. Knowland, United States Senate, Washington, D. C.; Hon. Thomas H. Kuchel, United States Senate, Washington, D. C.; Hon. Hubert B. Scudder, suite 530, House of Representatives, Washington, D. C.; Hon. Clair Engle, suite 1323, House of Representatives, Washington, D. C.; Hon. John Moss, suite 1540, House of Representatives, Washington, D. C.; Hon. William S. Mailliard, suite 1413, House of Representatives, Washington, D. C.; Hon. John F. Shelley, suite 505, House of Representatives, Washington, D. C.; Hon. John F. Baldwin, suite 321, House of Representatives, Washington, D. C.; Hon. John J. Allen, Jr., suite 1527, House of Representatives, Washington, D. C.; Hon. George P. Miller, suite 506, House of Representatives, Washington, D. C.; Hon. J. Arthur Younger, suite 320, House of Representatives, Washington, D. C.; Hon. Charles S. Gubser, suite 336, House of Representatives, Washington, D. C.; Hon. John J. McFall, suite 124, House of Representatives, Washington, D. C.; Hon. B. F. Sisk, suite 421, House of Representatives, Washington, D. C.; Hon. Charles M. Teague, suite 118, House of Representatives, Washington, D. C.; Hon. Harlan Hagen, suite 1720, House of Representatives, Washington, D. C.; Hon. Gordon L. McDonough, suite 201, House of Representatives, Washington, D. C.; Hon. Donald L. Jackson, suite 529, House of Representatives, Washington, D. C.; Hon. Cecil R. King, suite 1125, House of Representatives, Washington, D. C.; Hon. Chet Holifield, suite 1034, House of Representatives, Washington, D. C.; Hon. H. Allen Smith, suite 1037, House of Representatives, Washington, D. C.; Hon. Edgar W. Hiestand, suite 103, House of Representatives, Washington, D. C.; Hon. Joe Holt, suite 409, House of Representatives, Washington, D. C.; Hon. Clyde Doyle, suite 1030, House of Representatives, Washington, D. C.; Hon. Glenard P. Lipscomb, suite 1339, House of Representatives, Washington, D. C.; Hon. Patrick J. Hillings, suite 1508, House of Representatives, Washington, D. C.; Hon. James Roosevelt, suite 325, House of Representatives, Washington, D. C.; Hon. Harry R. Sheppard, suite 258, House of Representatives, Washington, D. C.; Hon. James B. Utt, suite 322, House of Representatives, Washington, D. C.; Hon. D. S. Saund, suite 1223, House of Representatives, Washington, D. C.; Hon. Bob Wilson, suite 114, House of Representatives, Washington, D. C.

West coast (district V) petroleum statistics

[In thousands of barrels daily]

	Crude oil production	Gas-liquids production	Total production	From other United States sources	Imports	Imports-domestic ratio	Total daily supply	Inventory change	Total demand	Ending inventories
						Percent				
Yearly averages:										
1954	975	84	1,059	57	52	5.2	1,168	+13	1,155	127,302
1955	972	84	1,056	63	93	9.6	1,212	−71	1,283	101,415
1956	960	83	1,043	67	179	18.6	1,289	+19	1,270	108,305
1957	931	80	1,011	71	262	28.3	1,344	+98	1,246	144,384
Monthly averages, 1957:										
January	939	85	1,024	67	209	22.3	1,300	−108	1,408	105,024
February	940	85	1,025	81	173	18.5	1,279	−112	1,391	101,861
March	930	80	1,010	76	210	22.6	1,296	+38	1,258	103,024
April	929	79	1,008	79	243	26.2	1,330	+28	1,302	103,848
May	927	78	1,005	64	289	31.2	1,358	+174	1,184	109,264
June	930	78	1,008	67	275	29.6	1,350	+151	1,199	113,793
July	925	77	1,002	69	340	36.8	1,411	+189	1,222	119,648
August	929	78	1,007	72	296	31.9	1,375	+176	1,199	125,098
September	934	78	1,012	75	303	32.4	1,390	+262	1,128	132,935
October	927	81	1,008	60	267	28.8	1,335	+107	1,228	136,245
November	930	84	1,014	69	275	29.7	1,358	+103	1,255	139,342
December	928	83	1,011	66	267	28.8	1,344	+163	1,181	144,384
1958:										
January [1]	922	80	1,002	71	191	20.7	1,264	+35	1,229	145,469
February [1]	886	80	966	71	144	16.3	1,181	−25	1,206	144,769
Mar. 14 [1]	885				152	17.2				

[1] Oil Producers Agency of California.

Source: Bureau of Mines.

Textiles

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. POFF. Mr. Speaker, briefly, I want to cite a few statistics which reflect the plight of the domestic textile industry.

In January 1958, there were 78,000 fewer production workers than in January 1957.

In the New England States, reduction in textile employment in the same period was 52 percent, in the Mid-Atlantic States 38 percent and in the Southern States 12 percent.

Specifically, in Virginia between February 1951 and December 1957, employ-

ment fell from 42,700 to 36,300, a net loss of 6,400.

Since January 1957, the average textile workweek has dropped from 38.8 hours to 38.1 hours.

In 1952, a total of 70 cotton-rayon mills, woolen and worsted mills and dyeing and finishing mills were involved in liquidations affecting 28,200 employees; in 1957, the figures were 58 and 19,255, respectively.

Since 1947, while average hourly earnings have risen only 45 percent, worker productivity has increased from 7.8 linear yards per man-hour to 11.6 linear yards per man-hour, an increase of 50 percent. These figures indicate that wages are not, as some people have said, entirely responsible for the economic problems in the domestic textile industry.

Mr. Speaker, it is a mistake to try to place the blame on labor or management. I am familiar with the moth-eaten arguments that the textile industry overestimated consumer demand and overproduced the market, but the real causes of the problem are more varied and more fundamental. The Government's agricultural cotton and wool programs and the Government's foreign-trade policy must share this part of the blame.

How can we expect American cotton textile producers to compete with their foreign competitors in the raw cotton world market while the price of American raw cotton is inflated with high Government subsidies and the crop volume is curtailed by Government acreage restrictions? In a somewhat different context, the same question applies in the woolen and worsted industry. Finally, applying to all segments of the domestic industry, including synthetics, how can the American producer and the American workingman compete with the foreign producer and the foreign workingman when the foreign wage scale is only one-tenth of the American wage scale?

Fortieth Anniversary of Byelorussian Independence

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. ZABLOCKI. Mr. Speaker, on the occasion of the 40th anniversary of the Byelorussian independence, I wish to join with my colleagues in paying tribute to the spirit of freedom which burns brightly in the hearts of the Byelorussian people.

The Byelorussian National Republic was established as a free and independent nation on March 25, 1918. The new nation quickly established consular and diplomatic relations with her neighbors. Although the period of independence was brief, definite advances were made in the social, economic, and cultural fields. The Republic eagerly demonstrated its desire to take its place amongst the free nations of the world. Unfortunately, the infant Republic was not able to resist for long the advance of the new Russian imperialism; and its independence, for which it had struggled so valiantly, was lost.

On January 1, 1919, the Communists established the Byelorussian Soviet Socialist Republic. After a period of consolidation, the Communists initiated a policy of persecution and annihilation with the intent of eliminating all vestiges of Byelorussian nationalism. This policy went into full effect in 1928.

The extent of the terror, arrests, mass deportations, carnage, and deliberate genocide was incredible. It has been estimated that over 4½ million Byelorussians have been annihilated since the Soviets occupied the country. A determined effort was made to eradicate every bit of Byelorussian national feeling; for it was only through the propagation of Soviet communism and the imposition of Soviet culture that Byelorussia could be completely subjugated.

For 40 years the Byelorussian people have suffered under the totalitarian grip of ruthless Kremlin Communists. However, they have never voluntarily accepted communism, and their desire for freedom has not been extinguished. As long as there is the hope of eventual independence, the spirit of liberty lives on.

Let us, on this 40th anniversary of Byelorussian independence, pay tribute to the devotion to freedom and justice which remains alive in the hearts of the Byelorussian people. May this intense desire for full national independence, and for free exercise of their right to self-determination, be realized in the near future.

Byelorussia's 40th Independence Anniversary

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. ANFUSO. Mr. Speaker, just 40 years ago, on March 25, 1918, the independence of the Byelorussian Democratic Republic was proclaimed in the city of Miensk as a free and independent country. This declaration is now being commemorated each year by Byelorussian people wherever they live.

Unfortunately, the freedom of the Byelorussian people was shortlived. By 1921 Soviet Russia established its domination over this people and its territory, and thus came to an early end the efforts and the aspirations of the Byelorussians. Their struggle for freedom, however, did not cease with the destruction of the Byelorussian Republic. A National Council continues to function in exile through all these years, to encourage the resistance of the people and to keep alive their hopes for freedom.

The Kremlin leaders are always the first to denounce colonialism and to pose as ardent champions of the oppressed and persecuted small nations. At the same time, Moscow has subjugated more small nations than all the colonial powers combined and certainly in more brutal ways. Byelorussia is a case in point. Ruthless suppression of its freedom, liquidation of its national independence, destruction of its culture and religion, the genocidal policies practiced against its people with untold losses of human lives, and severance of all contacts with the Free World and with their kinsmen in America and elsewhere—these are some of the cruel achievements of the Soviet overlords of Byelorussia.

On this 40th anniversary of their independence it is important that the people of America declare their solidarity with the people of Byelorussia. We pledge ourselves not to forget them in their tragic plight, and we pray for their early liberation. We extend our greetings and our wishes that they may live to see the early restoration of their nation to full independence and to a rightful place among the free nations of the world, but in a more peaceful and happier world.

The Right of Political Asylum

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. REECE of Tennessee. Mr. Speaker, ofttimes responsible people, even certain influential editors, exhibit a happy facility for mixing apples and oranges and getting pears. A wonderful example of confusing two unrelated principles have been the references to the entrance of certain Latin American political exiles into this country. It has been contended that if certain individuals, perhaps unpopular in some American quarters, can freely enter this country, there is something wrong with our immigration laws. The case of General Jimenez, of Venezuela, reportedly planning to come to Washington, is cited as indicative of our faulty immigration statute.

Whoever said anything about General Jimenez immigrating to this country? If he is in possession of a valid passport, stamped with a valid American visa, he is free to visit in this country for so long as our Government, in its discretion, permits. He may enjoy the benefits of residence in the United States available to any noncitizen with an American visa, and our immigration laws have no bearing whatever on his status as a visitor.

In fact, General Jimenez may enjoy even greater, not less, privileges in this country than the normal visitor. That he and others similarly situated may enjoy distinctive treatment is due to his being a political exile who probably qualifies for asylum.

The law of asylum is so widely recognized and accepted that its origin, development, and operation are taken for

granted and too little understood. Asylum in practice today is seen in the thousands of daily defections from behind the Iron Curtain to Western Europe, and the United States will not soon forget the Soviet MVD colonel in Tokyo, or the North Korean pilot who dramatically sought American asylum.

THE LAW OF ASYLUM

In this hemisphere, the vicissitudes of Latin American politics and the instability of some governments have given rise to almost constant wanderings, between countries, of politicians fallen from grace of those temporarily ruling at home. Their right to political asylum has never been questioned as it is steeped in precedent and a long accepted postulate of international law. The granting of political asylum should never be viewed as an odious act either on the part of the country granting it or of the party seeking it. God forbid, but the day may come when Americans of a particular political persuasion may have to invoke this right as their only protection. We should be moved to freely bestow this exercise of our sovereign power and to reiterate its inviolability. For this reason, I am persuaded to submit a timely reminder of the existence of the right of political asylum and a discussion of the law of asylum.

EARLY ORIGINS

As a legal term right of asylum has never been accurately defined. In its original sense it was highly descriptive. It was applied to privileged places, devoted to special uses, among which was that of shelter for the fugitive. These places were by positive law or by superstition protected from invasion and in reality they formed sanctuaries. If the fugitive could reach one of them he was safe from pursuit. He had clothed himself with a right to protection which could not be violated. It was the right of asylum.

This right resulted naturally from the conditions under which it arose. The inspiration of ancient criminal law was the principle of vengeance. Whether pronounced by the head of a family, or of a tribe, sitting in judgment upon an injury inflicted on one of its members, or by a priest, as the mouthpiece of an offended deity, the punishment was imposed summarily and generally in the form of a death sentence, as an act of revenge.

The fundamental principle of asylum is to mitigate the harshness of existing law. Sentiments of religion and humanity, as well as of justice, suggested the means of escape from indiscriminate violence. These various motives prompted the institution of places of refuge. From temples of the gods and other places which it was sacrilege to violate, the right of asylum, as an obstacle to violence, was extended to cities, islands and other portions of territory. In Biblical times six cities were esablished as a refuge, both for the children of Israel and for the stranger and for the sojourner among them: that every one that killeth any person unawares may flee thither—Numbers xxxv: 15. The right of asylum existed in Egypt, Greece, Rome, the entire ancient world.

During the Middle Ages the church established the right of asylum as a protection against savage revenge, by decreeing, with the assent of the state, that a criminal, who had reached the church or its immediate neighborhood, might be delivered up only after he had performed ecclesiastical penance, and after the secular judge had promised that sentence of death or maiming would not be inflicted upon him.

The right of asylum was upheld by the popes for centuries. However, they excluded from the privilege serious offenders, such as highway robbers, murderers and those who chose the church or churchyard as the scene of their crimes so as to enjoy immediately the right of asylum. With the close of the Middle Ages and the rising predominance of civil power, state legislation opposed the ecclesiastical right of asylum. Historians are agreed the church's right of sanctuary was a force for the mitigation of the then existing severity of law.

IN ENGLAND

From the earliest known historical period, the right of asylum seems to have existed in England. It has been recognized in Anglo-Saxon, Kentish, and Anglo-Roman laws, and there are references to it in the early English legal writers, Glanvil and Bracton.

Sir Thomas Erskine May pays a fine tribute to the influence of the right of asylum in English history in his Constitutional History of England—1880 edition, volume 2, page 283:

Nothing has served so much to raise, in other states, the estimation of British liberty, as the protection which our laws afford to foreigners. Our earliest history, indeed, discloses many popular jealousies, of strangers settling in this country. But to foreign merchants, special consideration was shown by Magna Carta; and whatever the policy of the state, or the feelings of the people, at later periods, aliens have generally enjoyed the same personal liberty as British subjects, and complete protection from the jealousies and vengeance of foreign powers. It has been a proud distinction for England to afford an inviolable asylum to men of every rank and condition, seeking refuge on her shores from persecution and danger in their own lands. All exiles from their own country, whether they fled from despotism or democracy, whether they were kings discrowned, or humble citizens in danger, have looked to England as their home. Such refugees were safe from the dangers which they had escaped. No solicitation or menace from their own government could disturb their right of asylum, and they were equally free from molestation by the municipal laws of England. The Crown indeed had claimed the right of ordering aliens to withdraw from the realm; but this prerogative had not been exercised since the reign of Elizabeth (viz in 1571, 1574, and 1575). From that period, through civil wars and revolutions, a disputed succession, and treasonable plots against the state, no foreigner had been disturbed. If guilty of crimes, they were punished; but otherwise enjoyed the full protection of the law.

IN THE UNITED STATES

America became an asylum for religious and political refugees: The charter granted by Charles II to Rhode Island illustrates this. It provided leave to settle—

With a full libertie in religious concernment; * * * because some of the people and inhabitants of the same colonie cannot, in their private opinions, conforme to the publique exercise of religion, according to the litturgy, formes and ceremonyes of the Church of England, or take or subscribe the oaths and articles made and established in that behalfe; * * * noe person within the sayd colonye, at any tyme hereafter, shall bee any wise molested, punished, disquieted, or called in question, for any differences in opinione in matters of religion, and doe not actually disturb the civill peace of our sayd colonye. (Poore, Federal and State Constitutions, Colonial Charters, 1877, v. 2: 1596.)

The Declaration of Independence lists as one of the grievances of the colonies against the King, that:

He has endeavored to prevent the population of these states; for that purpose obstructing the laws for naturalization of foreigners; refusing to pass others to encourage their migration hither, and raising the conditions of new appropriations of lands.

Edward Everett, in an address to the New York Historical Society, in 1853, on The Discovery and Colonization of America and Immigration to the United States, said:

Upon the whole, the United States were settled by individuals—the adventurous, resolute, high-spirited and in many cases persecuted men and women, who sought a home and a refuge beyond the sea; and such was the state of Europe in the 17th and 18th centuries, that it furnished a succession of victims of a long series of political and religious disasters and persecutions who found, one after another, a safe and a congenial retreat in some one of the American Colonies. * * * Do we talk of the hardship of relieving destitute foreigners whom the hand of God has guided across the ocean and conducted to our door? Must we learn a lesson of benevolence from the ancient heathen? Let us then learn it * * * I am a man; nothing that is human is foreign to me * * * My tale is told * * * Let me remind you that its first incident is Columbus, begging bread for his child at the gate of a convent. Its last finds you the * * * almoners of this more than imperial charity, providing employment and food for starving nations, and a home for fugitive races.

POLITICAL PRINCIPLE

As one of the political principles of the Nation the right of asylum has repeatedly appeared in platforms of the leading national political parties. In the Democratic Party platform of 1844 it read:

That the liberal principles embodied by Jefferson in the Declaration of Independence and sanctioned in the Constitution, which makes ours the land of liberty and the asylum of the oppressed of every nation, have ever been cardinal principles in the democratic faith; and every attempt to abridge the present privilege of becoming citizens and the owners of soil among us ought to be resisted with the same spirit which swept the alien and sedition laws from our statute book. (K. H. Porter, National Party Platforms, p. 6.)

And the Republican Party platform of 1864, influenced by Lincoln, provided:

Resolved, that foreign immigration, which in the past has added so much to the wealth, development of resources and increase of power to the Nation, the asylum

of the oppressed of all lands, should be fostered and encouraged by a liberal and just policy. (Idem. p. 62.)

And in 1916 the Republican platform read:

We reiterate the unqualified approval of the action taken in 1911 by the President and Congress to secure with Russia, as with other countries, a treaty that will recognize the absolute right of expatriation, and prevent all discrimination of whatever kind between American citizens whether native born or alien, and regardless of race, religion, or previous political allegiance. We renew the pledge to observe this principle and to maintain the right of asylum, which is never to be surrendered or restricted, and we unite in the cherished hope that the war which is now desolating the world, many speedily end with a complete and lasting declaration of brotherhood among the nations of the earth, and the assurance of full equal rights, civil and religious, to all men in every land. (Idem. p. 397.)

JUSTIFICATION OF THE RIGHT OF ASYLUM

Justification of the right of asylum is to be found in a letter of March 22, 1792, by Thomas Jefferson, then Secretary of State:

Most codes extend their definitions of treason to acts not really against one's country. They do not distinguish between acts against the Government and acts against the oppressions of government. The latter are virtues, yet have furnished more victims to the executioner than the former. * * * The unsuccessful strugglers against tyranny have been the chief martyrs of treason laws in all countries. * * * Treasons, then, taking the simulated with the real, are sufficiently punished by exile. (Moore, Digest of International Law, v. 4, sec. 604.)

ASYLUM DEFINED

The term asylum is used to designate the protection which a state grants to a foreign citizen against his own government. In 1950 the Institute of International Law stated the doctrine of asylum in these terms: Asylum is the protection which a state grants on its territory or in some other place under the control of certain of its organs, to a person who comes to seek it—American Journal of International Law, Supplement, volume 45, page 15.

There is a broad distinction between territorial asylum granted within the territorial jurisdiction of a state and extraterritorial asylum granted in legations or on public vessels.

EXTRATERRITORIAL ASYLUM

The granting of extraterritorial asylum was formerly recognized and practiced to a considerable extent but in more recent times it has been discontinued for the most part, except in a limited number of countries. It has never been recognized in the United States, where the supremacy of the local law is rigorously maintained. Attorney General Bradford stated in an opinion dated June 24, 1794, that the house of a foreign minister could not be made an asylum for a guilty citizen, nor a prison for an innocent one; and that, although the minister's house be exempt from the ordinary jurisdiction of the country, yet, in such cases recourse would be had to the interposition of the extraordinary powers of the state—First Opinion Attorney General, page 48.

The United States has strongly disapproved of the principle of extraterritorial asylum as such and has declined to recognize or subscribe to it as a part of international law. The Government's position was stated in an instruction regarding asylum sent to American diplomatic officers in Latin America:

The fundamental principle of legation is that it should yield entire respect to the exclusive jurisdiction of the territorial government in all matters not within the purposes of the mission. The affording of asylum is not within the purposes of a diplomatic mission.

The limited practice of legation asylum, which varies in the few States permitting it according to the nature of the emergency, the attitude of the government, the state of the public mind, the character of the fugitives, the nature of their offenses, and the legation in which asylum is sought, is in derogation of the local jurisdiction. It is but a permissive local custom practiced in a limited number of States where unstable political and social conditions are current.

There is no law of asylum of general application in international law. Hence, where asylum is practiced, it is not a right of the legate State but rather a custom invoked or consented to by the territorial government in times of political instability. While the practice is recognized in most of the Latin American countries, and was the subject of a convention signed at Habana at the Sixth Pan American Conference in 1928, it has never existed in the United States and has never been recognized as a right which could be claimed by refugees or granted by diplomatic mission. The custom is justified on humanitarian grounds, but in practice it is used primarily for the personal protection of conspirators planning a coup d'etat or for the government fearing or experiencing one.

American diplomatic officers will be guided by these considerations and will bear in mind that the Government of the United States cannot countenance the affording of protection to other than uninvited fugitives whose lives are in imminent danger from mob violence; that such protection may continue only so long as such imminent danger continues; that asylum must be refused to persons fleeing from the pursuit of the legitimate agents of the local government, and in case such persons have been admitted they must be either surrendered or dismissed from the embassy or legation (Diplomatic serial 998, October 2, 1930, manuscript, Department of State, file 311,0022/10; Hackworth, Digest of International Law, v. 2, p. 623).

TERRITORIAL ASYLUM

On the other hand, there is no question regarding the competence of a state to grant territorial asylum. This competence stems from one of the oldest concepts of the law of nations, the conception of sovereignty.

Sovereignty in relations between states signifies independence. Independence in regard to a portion of the globe is the right to exercise therein, to the exclusion of any other state, the function of a state. The development of the national organization of states during the last few centuries and, as a corollary, the development of international law, have established this principle of the exclusive competence of the state in regard to its own territory. (Island de Palmas Case (Netherlands/USA, 1928): Scott, Hague Court Reports (1932), p. 83.)

From this doctrine of exclusive competence two notions have derived to support the doctrine of territorial asylum in international law: First. The sovereign state was vested with an unfettered control of immigration, which is equivalent to saying that it has overriding authority to determine the persons that will be admitted into its territory. As emphasized by the Supreme Court in *United States ex rel. Knauff* v. *Shaughnessy* ((1950), 338 U. S. 537, 542):

The exclusion of aliens in a fundamental act of sovereignty.

Second. Inherent in the idea of sovereignty is the well-established doctrine that the jurisdiction of a State over its territory excludes that of any other. Mr. Justice Marshall enunciated this principle in 1812:

The jurisdiction of the Nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. *Schooner Exchange* v. *McFaddon* (7 Cranch 116, 136).

More recently in the celebrated Kasenkina case, the State Department declared:

The Government of the United States cannot permit the exercise within the United States of the police power of any foreign government. (Department of State Bulletin, vol. 19, p. 251, 1948.)

Therefore, to recognize the principle of territorial sovereignty is to assert that a State has an unrestricted competence to grant or to deny asylum. Furthermore, once asylum is granted it becomes absolute.

Asylum necessarily means absolute immunity from the jurisdiction of another State, subject only to the will of the State of asylum, and it must be borne in mind that the right of the State of asylum is sovereign and unlimited, excepting insofar as the State freely imposes limits on itself. * * * [The] State of asylum has a sovereign right to safeguard and protect its sovereignty, even though that may be construed as an injustice to the world; it has a right to decide for itself whether it will deliver the appellant, who sought its sheltering asylum, to a demanding State. (*U. S. ex rel. Donnelly* v. *Mulligan*, 72 F. 2d 220, 223.)

There are, in the statement of the United States Court of Appeals, two propositions whose legal validity has long been established. In the first place, asylum operates as a method whereby the jurisdiction of a State is temporarily suspended in regard to a fugitive escaping its territorial jurisdiction. It creates in fact a temporary immunity from prosecution which cannot be violated as long as the fugitive remains within the territory of the State of refuge. Secondly, it should also be clear that the State of refuge may voluntarily limit its liberty of action by the express acceptance of legal obligations.

POLITICAL OFFENSES

With respect to political offenses states have the widest discretion to grant or to refuse asylum. In the absence of a treaty, states have almost unlimited competence to grant asylum to those prosecuted for political offenses.

Prior to the 19th century extradition of those accused of political offenses was a generally accepted practice. The early treaties were primarily designed to make extradition of political offenders possible.

In many cases, political offenders were extradited in the absence of a treaty provision.

With the rise of constitutionalism and popular government, the right of an individual to rebel against aggression became firmly implanted in the political thought of the age—Cohen, Reason and Law, 1950, page 18. It seemed logical to conclude that if an individual had a moral right to rebel against tyranny, those who failed in the attempt should be given a place of refuge in a foreign land.

Following the enactment by Belgium, October 1, 1833, of the first statutory provision exempting political offenders from extradition, the principle of nonextradition of political offenders was written into nearly all treaties and many local statutes.

To some extent this principle may have had its origin in the fact that the examination of a demand for extradition on political grounds would be tantamount to consideration of the internal affairs of a foreign state. The effect of the principle of nonextradition is to grant asylum to political offenders. By enacting such provisions in treaties states have reciprocally recognized a right to give asylum to political refugees. That right has been safeguarded by the principle that "the nation surrendering is to be the judge of what is, or is not, a political offense" (Morganstern, The Right of Asylum, Brit. Year Book of Int'l Law, 1949, xxvi: 329).

The term "political offense" is used in two different contexts. First, it designates purely political offenses, in which the act or offense is directed against the state. This has no element of an ordinary crime. And second, it applies to relative political offenses, in which a common crime is so connected with a political act that the offense is usually regarded as political.

PURELY POLITICAL OFFENSES

Today, purely political offenses are internationally regarded as acts against the security of the state. Within the scope of this concept are included treason, sedition, armed rebellion, and espionage. These offenses are generally regarded as political because they lack the essential elements of an ordinary crime, such as malice in the technical criminal law sense of this term (Clark, Condert, and Mack, The Nature and Definition of Political Offenses in International Extraction, Proc. Am. Soc. of Int'l Law, 1909: p. 95). The individual offender acts as the agent of a political movement or party.

Purely political offenses injure no private right, only the public rights of the state. A classic statement of this subject was made by a French court in the Giovanni Gatti case, in which the surrender of Gatti was granted on the ground the act charged, viz, attempted homicide by firing repeatedly at a member of a Communist cell, did not constitute a political offense.

Political offenses are those which injure the political organism, which are directed against the constitution of the government and against sovereignty, which trouble the order established by the fundamental laws of the state and disturb the distribution of powers. Acts which aim at overthrowing or modifying the organization of the main organs of the state, or at destroying, weakening, or bringing into disrepute one of these authorities, or at exercising illegitimate pressure on the play of their mechanism or on their general direction of the state, or which aim at changing the social conditions created for individuals by the constitution in one or all of its elements, are also political offenses. In brief, what distinguishes the political crime from the common crime is the fact that the former only affects the political organization of the state, the proper rights of the state, while the latter exclusively affects rights other than those of the state. The fact that the reasons of sentiment which prompted the offender to commit the offense belong to the realm of politics does not itself create a political offense. The offense does not derive its political character from the motive of the offender but from the nature of the rights it injures. The reasons on which nonextradition is based do not permit the taking into account of mere motives for the purpose of attributing to a common crime the character of a political offense. (*In re Giovanni Gatti*, January 13, 1947. Annual Digest Int'l. Law Cases, 1947, pp. 145–146.)

THE RELATIVE POLITICAL OFFENSE

What holds for purely political offenders does not apply to relative or complex political offenses. The problem posed by the relative political offense is complicated py the existence of a common crime connected with the political act. Courts resolve the problem by determining the degree of the connection existing between the common crime and the political act. But the degree of connection required to find the entire act to be political, and therefore unextraditable, depends upon the principles of law of individual countries.

While American and British courts accept the existence of practically any connection between the common and political crime, other countries, especially Switzerland, have insisted on a much more severe test. Swiss practice demands not only that the connection between the two elements of the crime be direct and immediate, but also that the political element should weigh more heavily than the common crime—Swiss Extradition Act, article 10. This is known as the theory of predominance.

Swiss courts have insisted that the means employed in committing a relative political offense must not be out of proportion to the desired aim.

For a common crime to be classed as a predominantly political offense it is not enough that it is capable of realizing or furthering that object. The practice of the court has always required in addition a certain relationship between the objective and the means selected for its realization; a relationship of such nature that the idealistic motives connected with the objective are strong enough to let the injury or threat to private and personal rights appear if not as justified, so at least as excusable. (*Case of Vogt*, Entscheidungen (1924), v. 50 (I), p. 249.)

This is quite different from the British court's opinion in the Castioni case. In refusing the extradition of Castioni whose surrender had been requested by the Swiss Government for the murder of a member of the state council of a Swiss canton, the court held that fugitive criminals are not to be surrendered for extradition crimes, if those crimes were incidental to and formed part of political disturbances. *In re Castioni*, 1 Q. B. (1891) 149, 166.

American cases have followed the same principle.

When the political nature of an uprising has been recognized, the connection of the accused therewith established, and the conduct charged against him regarded as incidental thereto, it has been deemed immaterial whether the act committed was such as might under normal circumstances be looked upon as a common crime, such as murder or arson; whether the accused bore malice toward his victim; whether the individual against whose person or property the act was directed, was a member of the civil or military branch of the government sought to be overthrown. (Hyde, International Law Chiefly as Interpreted and Applied by the United States, 2d ed., v. 2, p. 1023.)

RIGHT OF ASYLUM IN THE INDIVIDUAL

The Universal Declaration of Human Rights adopted by the General Assembly of the United Nations on December 10, 1948, recognizes asylum as a right of the individual. Article 14 of this declaration states:

1. Everyone has the right to seek and to enjoy in other countries asylum from persecution.

2. This right may not be invoked in the case of prosecutions genuinely arising from nonpolitical crimes or from acts contrary to the purposes and principles of the United Nations.

Further, the American Declaration of the Rights and Duties of Man adopted at the Ninth International Conference of American States held in Bogotá in 1948, provides in article 27 that "every person has the right, in case of pursuit not resulting from ordinary crimes, to seek and receive asylum in foreign territory, in accordance with the laws of each country and with international agreements." It is now well established that asylum has emerged in response to the sentiments of peoples who from very remote times have clamored for the establishment of places of refuge for those persecuted for political offenses. It is indeed an incontestable fact that the right of asylum has been claimed with much more intensity and tenacity in areas which have frequently been dominated by the vicissitudes of political convulsions. In the face of present-day human persecution and denial of human rights in their most elementary form in many areas of the world community, the humanitarian purpose of the institution of asylum thus naturally increases in urgency and vitality. In recognition of this fact, the Institute of International Law adopted a resolution in September 1950, formulating suitable rules in the matter of asylum. (For the entire text of this resolution, see 45 American Journal of International Law Supplement 15, (1951).) It seems, therefore, rather foolish and dangerous to divest the doctrine of asylum of its moral content at a time when human rights have become a matter of international concern.

Since the adoption of the Charter of the United Nations in 1945, human rights

and fundamental freedoms have been placed under international guarantee and protection. The charter is very explicit on this matter and leaves no doubt with respect to its intention. It clearly commands the United Nations to promote "respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion"—U. N. Charter, article 1, paragraph 3. The blinding force of the provisions of the charter concerning human rights and fundamental freedoms has been upheld both by judicial authority—*Fujii* v. *State* (217 P. 2d 481, 218 P. 2d 595 (Cal. App. 1950))—and by qualified experts on the subject—Lauterpacht, International Law and Human Rights, chapter 9 (1950); Wright, National Courts and Human Rights—The Fujii Cases, 45th American Journal of International Law, pages 62, 70 (1951). Responsibility for the promotion of human rights has been vested specifically in the General Assembly, and "under the authority of the General Assembly, in the Economic and Social Council"—U. N. Charter, article 60. Thus, in discharging its responsibilities, the General Assembly adopted on December 10, 1948, a Universal Declaration of Human Rights. That declaration guarantees in unmistakable terms the right of asylum from persecution.

In the matter of asylum, the declaration explicitly asserts that "everyone has the right to seek and to enjoy in other countries asylum from persecution," and that "this right may not be invoked in the case of prosecutions genuinely arising from nonpolitical crimes or from acts contrary to the purpose and principles of the United Nations." For the record concerning the discussion of article 14 which deals with the right of asylum, see official records of the third session of the General Assembly, part I, third committee, pages 327–348, 1948. Although the binding character of the declaration as a whole can be questioned on technical grounds, it can at least be asserted that embedded in the declaration is the theory that man has certain inalienable rights that cannot be taken away by the sheer fiat of the state—Lauterpacht, An International Bill of the Rights of Man, page 31, 1945. It is also a recognition of the fact that international law can no longer remain passive with respect to violations of individual rights on either the internal or international level. And finally, it can be reasonably assumed that the United Nations sanctions a person's resort to foreign states in the event that any of the rights mentioned in the declaration should be the object of aggressions from local authorities. These implications are self-evident and need not be discussed further.

From the above exposition, it becomes immediately clear that under present international law, as evidenced by the charter and by the Universal Declaration of Human Rights, the institution of asylum has become a matter of international concern, protected and guaranteed by international instruments of the utmost consequence and significance.

Because of recent changes in government in times of revolution, especially in Latin America, the institution of asylum has become most essential in order to protect vital rights of man. Due to such changes in governments, the question has arisen as to how far should the state go in granting asylum to political refugees who seek asylum from the ruthless persecution of their governments. The countries granting asylum to such political refugees have been criticized for their actions. This criticism is without merit. Today, although asylum cannot be justified on the basis of extraterritorial rights of embassies and legations, nor can it be based on the theory that asylum falls within the purpose of the diplomatic mission, it is readily apparent that asylum can be claimed as a matter of right by the individual seeking it. This right is infused with the fulfillment of a humanitarian mission and should be respected as an act of humanity. (For an excellent discussion of asylum as a part of human rights by the learned commentator Manuel R. Garcia-Mora, see 30 Virginia Law Review 940.)

It is generally agreed that common criminals are not entitled to asylum, a principle which has been held since the time of Grotius (Grotius, De Jure Belli Ac Pacis Libri Tres, §§ III, IV (Kelsey's Transl. 1925)).

But once a determination has been made that the person seeks political rather than criminal refuge, such person, as a part of his human rights, is entitled to asylum. This right exists even though the harboring state may differ with the political philosophy of the refugee.

In the span of the past few years, we have seen the granting of political asylum in the case where the anti-Peronistas fled to Uruguay and other countries during the time Juan Peron was at the helm of the Argentine Government. Then, when Peron came into disfavor he sought refuge in Venezuela and later in the Dominican Republic. Just recently the United States gave refuge to those persons from Cuba who were anti-Batista; but when it was discovered that those persons were actively participating in organizing a military expedition to Cuba, such persons were indicted under our laws with conspiring to violate the neutrality laws of the United States.

Marcos Perez Jimenez, the ousted dictator of Venezuela, has taken refuge in the Dominican Republic. Jimenez, as a political refugee, has properly been allowed to remain in the Dominican Republic, as long as he does not attempt to interfere with the present provisional government of Venezuela. Should Jimenez seek asylum in the United States, such asylum will be granted to him under the same conditions with an admonition that should he violate the neutrality laws of the United States, he would be subject to criminal penalty. This procedure follows the concepts of the granting of political asylum as a human right guaranteed by the fundamental principle of morality founded upon humanitarian grounds.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. KEATING. Mr. Speaker, the word "Greece" calls to mind many things for many people. To the tourist it may recall the warm waters of the Mediterranean, the friendly people, or majestic columns rising toward a cloud-flecked azure sky. To others it may bring forth visions of steaming food, superbly prepared by Greek chefs. To the philosopher it calls up the ghosts of Plato, of Aristotle, the stoics, and the other great philosophers and schools of philosophy that bloomed in the clean intellectual climate that was ancient Greece.

And so it goes, to each, the word "Greece" means something different. Something of personal worth. And that is the glory of this nation, of these people. For they, down through the centuries, have made countless significant contributions to the well-being, both physical and intellectual, of the peoples of the world. No other single nation has done so much to shape the philosophical bases of liberty, of democracy, as this small, mountainous plot of land jutting out into the Mediterranean.

In a direct sense our own political structure was influenced by ideas thousands of years old, ideas that germinated in the minds of Greek philosophers and statesmen many years before the birth of Christ. The concept of federalism, basic to the American system, is to be found in the workings of the Achaian League of ancient Greece and provided much food for thought for men like Washington and Hamilton in the deliberations at Philadelphia.

Today we celebrate the 137th anniversary of Greek independence. It seems strange perhaps to think of these gallant people as slaves. Their whole history is dominated by the concept of liberty. But the fact remains that for nearly four centuries Greece was a nation enslaved. From the middle of the 15th century until 1821 this cradle of democracy, whose great minds had developed the concept of sovereignty, were themselves ruled by outsiders, the agents of the ruthless Ottoman Empire.

For hundreds of years the voice of freedom was stifled, the right of movement severely curtailed. Harsh penalties were inflicted for the most minor of infractions. Yet despite the heavy hand of despotism that hung so long over their heads, the ideas of independence and liberty could not be destroyed. On March 25, 1821, the banner of freedom was unfurled and the tentacles of tyranny thrown off.

In the years that followed, the greatness that is Greece reasserted its influence on the affairs of the world. The surge of Hitler's armies in World War II could not dampen the vigor, the vitality of their love of liberty. These patriots developed guerrilla warfare to a fine art

in the years of the German occupation and did much to weaken the Nazi stranglehold on Fortress Europe. This experience served them well when, at the end of the war, the servants of the Communist conspiracy attempted to slide their own special brand of tyranny in as the Nazis moved out. With material and moral help from the West, but most of all with their own indomitable spirit, the people of Greece crushed these agents of Soviet slavery.

The history of this gallant nation is an inspiration to all freedom-loving peoples everywhere. From the sweeping majesty of the Parthenon to the grim foxholes of modern war, from Athenian democracy to the Olympic games, it stands as a symbol of the everlasting desire of man to be free.

In joining with the people of Greece and their sons and daughters around the world who have themselves done so much to enrich our culture, we express our deep appreciation for the heritage they have given us. May it soon be not only a western heritage, but the heritage of all the peoples of the earth.

Results of Questionnaire to Residents of the Eighth Congressional District of Michigan

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BENTLEY. Mr. Speaker, under leave to extend and revise my remarks, I wish to include the text of a press release issued by my office on March 23, 1958, and which contains the results of the second half of my annual questionnaire sent to residents of Michigan's Eighth Congressional District.

Congressman ALVIN M. BENTLEY, Republican from Michigan, today issued the second of two releases covering the results of his fifth annual questionnaire to residents of the Eighth Congressional District of Michigan. Mr. BENTLEY again called attention to the fact that the average return on his poll had been 17 percent out of a total of 112,000 questionnaires sent.

Following are the results of the second half of the Bentley questionnaire with brief comments:

6

Regarding social security, I favor (one or more):

(a) Lower the retirement age to 60—59.1 percent.

(b) No limit on outside earnings—44.6 percent.

(c) Put benefits on a cost-of-living basis—46.8 percent.

(d) Require at least 20 quarters (5 years) of covered employment to qualify for any payments—39.8 percent.

(e) Don't know—3.2 percent.

If any of these are possible I favor raising the social security tax to a point where income and expenses of the fund are in balance. Yes—61.5 percent. No—12.4 percent.

BENTLEY commented that most groups (including 80 percent of the workers) wanted to lower the retirement age. There was also substantial endorsement for increasing social security taxes to whatever level necessary to keep the fund in balance. This, however, is the first year that a majority vote did not go to removing the earnings limitation.

7

In labor legislation, I am for (one or more):

(a) Public inspection of union pension and welfare funds—74.5 percent.

(b) Antimonopoly legislation for unions as for corporations—51.1 percent.

(c) Secret ballots for strikes and for election of union officers—53.3 percent.

(d) National right-to-work law which bans the union shop—46.3 percent.

(e) No union dues for political purposes—66.2 percent.

(f) Don't know—5.2 percent.

The Michigan Congressman listed votes among workers as follows: (a) 72 percent; (b) 39.1 percent; (c) 53.9 percent; (d) 31.5 percent; (e) 64.3 percent. He added that the following questions among workers were asked last year and the results were: Secret strike ballots—35.3 percent; antimonopoly legislation—31 percent; investigation of funds—55 percent.

8

As regards our national defense, I feel that:

(a) We should spend more for defense—40 percent.

(b) We can make further cuts—10.2 percent.

(c) We should hold present levels of defense spending—39 percent.

(d) Don't know—10.9 percent.

9

I think the President took the right action at Little Rock—70.6 percent.

I think the President went too far at Little Rock—19.5 percent.

Don't know—10 percent.

BENTLEY commented as follows: "All groups endorsed the sending of Federal troops to Little Rock last year by at least 2 to 1." This was rather surprising since last year only 31 percent voted for stronger Federal civil rights legislation.

10

I favor imposing price and wage controls—34.9 percent.

I favor just keeping credit controls—31.4 percent.

I do not want any controls on our economy—20.9 percent.

Don't know—12.8 percent.

The Michigan Congressman pointed out that last year 44 percent voted for price and wage controls. He added that this year professional people and office workers favored credit controls while businessmen were almost evenly divided. More than 42 percent of workers want a return to price and wage controls as compared with 48 percent last year.

Presidential Inability Bill

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. MULTER. Mr. Speaker, I introduced today a bill providing a method for determining Presidential inability.

Under the provisions of my bill, the House of Representatives would initiate the action through a resolution requesting that the Senate take appropriate action to determine whether the President is unable to discharge the powers and duties of his office.

The Chief Justice of the United States would then convene a special session of the Senate to make the determination. They may determine by a two-thirds vote that the Vice President shall act as President during the period of the President's inability.

In the same manner this action may be revoked by the Senate and the powers and duties of the Presidency will then revert to the President.

Benson Backs President's Farm, Food, Fiber Program

EXTENSION OF REMARKS
OF
HON. JACKSON E. BETTS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BETTS. Mr. Speaker, the following article by Secretary Benson appeared in the Toledo Blade of March 2, 1958.

Much of the time, basic solutions to our modern problems are lost in lengthy speeches and extensive arguments. This article is important because it contains a brief and clear statement of the administration's position on some of the highly publicized agricultural problems.

BENSON BACKS PRESIDENT'S FARM, FOOD, FIBER PROGRAM

(By Ezra Taft Benson)

As we approach Congressional action on President Eisenhower's farm, food, and fiber program, certain misleading assertions intrude into public debate of what can and ought to be done for agriculture.

One of these misleading assertions is that the administration intends to junk price supports in toto. Nothing could be further from the truth.

The fact is, as I have repeatedly emphasized, that this administration has never proposed, and does not now propose, to do away with price supports. Price supports should be established at the highest feasible level consistent with orderly marketing and the needs for expanding markets.

Our proposals are for a program to help farmers in their efforts to adjust to changing conditions. Just as they are not using the production tools of 25 years ago, farmers should not be obliged to live with legislative programs tailored to meet conditions imposed first by depression and then by war.

Supports should not be used to create new surpluses once excessive supplies which now depress farm prices are removed from the market through intensive—and costly—export and other programs. That is why the President has recommended removal of the so-called escalator clauses in the farm laws which require that price supports for basic commodities be raised as soon as surpluses are reduced. This creates a production incentive which threatens farmers with new price depressing surpluses.

NEW FARM PROGRAM

In brief, the program recommended to the Congress by the President would give farmers greater freedom to plant, to market, and to meet competition.

To deal with these problems, we need to push forward again, we need to supplement the progress that has been made. That is

the goal of the new farm, food, and fiber program presented to the Congress last month by the President of the United States.

Here is what the program is designed to do:

It will develop bigger markets, thus putting our abundance to good use.

It will allow farmers more freedom to use their productive resources.

It will push forward the necessary long-range conservation effort.

It will help the forgotten segment of agriculture—those people on small, low-income farms.

We have lined up our sights so as to help agriculture recognize the basic economic realities and redirect into sound channels its four basic resources: Its production, its techniques, its land and water, and its people. President Eisenhower spelled this out in his message to Congress in which he proposed an attack on the problem on four fronts.

THERE'S BRIGHT SIDE

There are many bright sides to the agriculture picture.

Income per person on farms last year—including income from all sources—was the highest on record.

The level of living on farms is higher today than ever before. The comforts and facilities formerly enjoyed only by city people are now familiar to rural free delivery. Productivity per man-hour of farm work is up 14 percent over 1953.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The abundant production of American farms has been used to meet the needs of hungry people at home and abroad.

The downtrend in prices has been stopped. Prices received by farmers in January, 1957, were 4 percent above a year ago and 10 percent above 2 years ago.

The building up of surpluses has been reversed. Government investment in surplus farm products owned and under CCC loan has dropped about one-sixth in the past year and a half.

PRESENT PROGRAM SOUND

I believe that further gains will be made possible by the President's farm, food, and fiber program. It is sound and forward-looking.

As he pointed out, economic and technological progress cannot be stopped with legislative blockades.

I have great faith in the future of agriculture in Ohio and elsewhere over this great land of ours.

This is a Nation with a great mission. I believe with all my heart that it was established by the God of heaven to be a beacon to liberty-loving people everywhere. Let us pledge ourselves to preserve in it the full measure of our traditional freedom, that our children—and our children's children in the distant tomorrow—may enjoy the blessings which we enjoy so richly today.

The Panama Canal—Its Control and Jurisdiction

EXTENSION OF REMARKS

OF

HON. CLARK W. THOMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. THOMPSON of Texas. Mr. Speaker, under a previous order of the House, our distinguished colleague the gentleman from Pennsylvania [Mr. FLOOD] will address this body tomorrow on the most timely and gravely important subject of the Panama Canal—its control and jurisdiction.

As you know, he has made an extensive study of Isthmian Canal problems, especially diplomatic and juridical. I am sure that his address will be highly informative, definitely constructive, and delivered in his usual brilliant form.

Since the 1956 Suez Canal crisis, world attention has become more heavily focused on the Panama Canal than ever before in its history. Thus, it is of the highest importance that the Congress, which is the ultimate authority in the determination of policies relating to the Panama Canal, should be fully informed on all the weighty problems connected therewith.

Any day we may be called upon to enact important legislation or to determine Isthmian Canal policies of great moment for the future. I feel confident that our colleague's timely address will prove not only a valuable contribution to the facts involved, but also will suggest wise solutions.

Birthday Greetings to Hon. Herbert H. Lehman

EXTENSION OF REMARKS

OF

HON. ISIDORE DOLLINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. DOLLINGER. Mr. Speaker, Hon. Herbert H. Lehman celebrates his 80th birthday on March 28.

I take great pleasure in extending my congratulations and every good wish to him, that he may enjoy many more years of happiness, good health, and success in all his endeavors. It is most fitting that my colleagues and I should join in sending our regards from the Congress of the United States, where he served so illustriously as a Senator for many years.

The name "Senator Lehman" is synonymous with "great statesman" in the highest sense. His gentility, kindliness, intelligence, and understanding all are mirrored in his countenance; and these qualities all who approach him see, for the poorest receive the same consideration as the richest. He is deeply loved and revered by many thousands of people, and he richly deserves this affection and regard.

His service as Lieutenant Governor and Governor of the State of New York, and in the Senate of the United States was marked by courage, brilliance of mind, and bigness of heart. A man of great wealth, he was nevertheless most mindful and cognizant of the needs of the less fortunate and paved the way for much beneficial legislation in their behalf. He has never missed an opportunity to hold out a helping hand to the needy.

His retirement from the Senate was a great personal loss to us in Washington, but he has by no means retired from what he believes to be his duty to his fellow man. His contributions of his talents, his outstanding capabilities, in behalf of his Nation, State, and community continue, and we are fortunate to have his example before us.

A salute to Senator Lehman on the occasion of his birthday—may it be the happiest ever.

Amendment to the Natural Gas Act, H. R. 8525

EXTENSION OF REMARKS

OF

HON. OREN HARRIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. HARRIS. Mr. Speaker, on February 19, 1958, I received a letter from his Excellency, the Governor of the great State of Michigan, G. Mennen Williams, together with the Lieutenant Governor, with reference to the bill, H. R. 8525, to amend the Natural Gas Act of 1938, expressing their views in opposition and reasons therefor.

I can very well appreciate the interest in this proposed legislation because of its vital importance to the producer of natural gas, to the natural-gas interstate companies who transport it in interstate commerce, the distributor and the consumer.

In my experience, I do not know of any important question that has been so misunderstood and misrepresented. It is quite obvious that the distinguished Governor of Michigan and the Lieutenant Governor of the State are not familiar with the facts and neither have they analyzed the bill as to what it will do, as to the compelling need and as to the effect it would have on the consumer. I can assure you, Mr. Speaker, that this is not intended to be any reflection on these two distinguished public officials for whom I have the highest regard and esteem and who I know are sincere and honest in their opinions.

In view of the misunderstanding and misinformation as to the effect of this legislation, I was constrained to reply to the letter in an effort to present to them the facts and to undertake an explanation as to what this legislation would do, its effect on the consumer and to make clear the need for it in the interest of all the American public.

Under date of March 5, I replied to the Governor and with a personal letter made copies available to every Member of the House. Pursuant to permission granted, I include herewith my letter to my colleagues and the reply to the Governor and Lieutenant Governor because of the public interest.

The letters follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
Washington, D. C.

DEAR COLLEAGUE: Recently I received a a letter from the Honorable G. Mennen Williams, Governor of Michigan, with reference to the natural gas bill, H. R. 8525, which

was placed in the CONGRESSIONAL RECORD. There is so much misunderstanding about the bill and its effects, I felt compelled to reply to the Governor and enclose a copy herewith for your information.

I have attempted in my reply to correct much of the misinformation and misunderstanding about this important matter. I believe that unless the Congress enacts some appropriate legislation, amending the Natural Gas Act, and alleviate the present untenable situation, thousands of people are going to continue to be deprived of this service and our Nation will undoubtedly be faced with serious gas shortages.

As I pointed out in my letter to Governor Williams, his own State is now rationing gas because the supplies are inadequate for all of the families who wish to purchase and utilize this cheap fuel. There are literally hundreds of thousands of people on the waiting lists of the gas distributing companies throughout the United States.

The Federal Power Commission has strongly recommended the bill because it would give them the regulatory tools to work with. No other proposal has been made to the committee to alleviate this problem and to provide a workable plan of regulation. This bill does provide a workable and realistic plan of regulation for independent producers to take the place of the present nonworkable utility-type regulation which was intended to apply only to the interstate pipeline companies, recognized utilities in the industry.

The only issue in this problem is whether or not an independent producer of natural gas can be treated as a public utility, when they are no part of any utility as always recognized in this country. I sincerely trust you will find the time to read the enclosed letter, which may be helpful to you in understanding this problem and the facts.

Sincerely yours,

OREN HARRIS, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
Washington, D. C., March 5, 1958.

Hon. G. MENNEN WILLIAMS,
Governor,
Lansing, Mich.

MY DEAR GOVERNOR WILLIAMS: It is with pleasure that I acknowledge receipt of a joint letter from you and the Lieutenant Governor of your State dated February 19, 1958, with reference to H. R. 8525, a bill to amend the Natural Gas Act affecting producers of natural gas, which I introduced in the House of Representatives. I welcome this opportunity to respond to your letter in order that I can, with certainty, clear up some grave misunderstanding and gross misrepresentations about this proposed legislation.

In the first place, I observe your statement that the gas industry does not intend "to call off its drive for the opportunity to gouge its consumers." I assume full responsibility as a Member of the Congress and as chairman of the important Committee on Interstate and Foreign Commerce, for the introduction of the original bill to provide for adequate regulation of the producers of natural gas under a workable procedure and which would protect the interest of the consumers. The committee amended the original bill, and by its direction I introduced H. R. 8525, the bill to which you refer.

I can assure you this bill was not introduced for the purpose of permitting any gas company to gouge its customers. I introduced the bill without pressure from anybody in the gas industry because I believe it to be in the public interest. The catch phrase "gouge the customers" has been coined, in my opinion, for the express purpose of conveying to the public the idea that there is something sinister about the bill and that any Member who votes for it does so without regard to the public interest.

This is unfortunate because, while I strongly believe that the pros and cons of every bill should be considered, if our Government is to survive legislation must be considered upon its merits and not upon catchy, misleading phrases.

Without any reflection upon you and your high office, I have never, in my experience of 18 years in the Congress, observed as much misinformation published about any bill. It has been said that the bill "frees the pipeline companies from regulation;" that it "frees the producers from regulation;" and that if enacted "it will increase the price of gas to consumers by a billion dollars a year." These are complete distortions and I deny, emphatically, that the bill would bring about such results.

The interstate natural gas pipeline companies will continue to be subject to utility regulations on their transportation business, and on their sales of gas to distributing companies, just as they are now and have been since the Natural Gas Act of 1938.

The producers of natural gas who sell to the interstate pipeline companies will also continue to be subject to Federal regulation. The regulation which we propose in H. R. 8525 will be better for the consumers than those under the present law as interpreted by the Supreme Court, and they are more administratively workable.

Your letter indicates to me that, with the great duties and responsibilities of your office you have not had adequate opportunity of fully studying the provisions of H. R. 8525. This I can understand and fully appreciate, and besides it is a highly technical problem. I therefore ask your indulgence in order that I can explain it to you because I am sure you want to know the facts.

The enactment of this bill in the public interest is necessary because the only plan contained in the Natural Gas Act of 1938 was designed and intended to apply to the utility business of interstate pipeline companies which transport natural gas in interstate commerce from the producing fields to the city gates for distribution. Inasmuch as the Congress excluded from the operation of the act "production and gathering," no regulatory provision was written into the act for those engaged in the production and gathering business. For 16 years the Federal Power Commission construed and administered the act as not to apply to producers or to their sales to interstate pipeline companies. A sharply split decision of the Supreme Court, reversing the Federal Power Commission, has resulted in the Commission being compelled to apply the utility-type regulations contained in the act to producer sales. The commission has characterized these regulations as patently inappropriate.

This bill, H. R. 8525, confirms Federal jurisdiction of producer prices. It implements that jurisdiction by giving the Federal Power Commission a workable system as a substitute for the one that has definitely proved unworkable.

The bill closes completely any regulatory gap between the gas well and the burner tip. Prices by local gas distributing companies will continue to be regulated by local or State regulatory agencies; prices by interstate pipeline companies to distributing companies will continue to be regulated by the Federal Power Commission under the present utility-type form of regulation; and prices paid for gas in the producing fields will also be regulated by the Federal Power Commission under a plan especially designed to fit the needs of a non-utility-type business.

You express much concern about the unemployed in Michigan. I am concerned, as I am sure you are, about the employment situation in all parts of the country. In my opinion the present form of regulation is bringing about unemployment. Since these regulations were put into effect, there has been a decline of 25 percent in the total geophysical, geological, and core drilling work being done in the United States. This reduction has caused the loss of jobs for many; but more important, it has meant a reduction in supplies of a valuable fuel. Moreover, 3,000 less wells were drilled in 1957 than were drilled in 1956. The failure to drill these wells has further increased unemployment, and decreased the availability of needed supplies of gas.

The bill will certainly improve the job situation, and at the same time make more gas available to the millions of families who are not fortunate enough to be able to secure this cheap premium fuel.

I am sure you must be concerned about the decline of exploratory efforts, and the actual reduction in the number of wells drilled because gas which is now being supplied to Michigan is the cheapest fuel for residential use in the city of Detroit. Based on a survey in November 1956, I find that in Detroit the annual gas bill of an average family was only $143.05. This compares with $146.50 for stoker-fired bituminous coal; $205.35 for hand-fired bituminous coal; and $207.65 for No. 2 fuel oil. It is an established fact that gas for hot water heating costs less than one-half of the cost of electrically operated water heaters.

The proposed bill, H. R. 8525, will make available to the people of your State greater quantities of this cheap fuel. I know the people of Michigan need more gas. A report by the Michigan Consolidated Gas Co. shows that in 1956 there was only a 49.7 percent saturation of space heating customers in the area it serves. In fact, I believe the Public Utility Commission of your State held a hearing in 1957 for the purpose of continuing restrictions on additional space heating connections in certain areas of Michigan.

Furthermore, I believe that this bill will go a long way toward slowing down the shift of industries to the gas-producing States, a most important problem of no little concern to you. The evidence before our committee stands uncontradicted that industries are rapidly moving to the producing States where they can secure adequate supplies of cheap gas. Many of these industries are moving from your State. Such moves are bound to create additional unemployment in Michigan. The amount of gas now being used each year by these new industries which have recently moved into the producing States is greater than the total volume of natural gas delivered into your State during the year 1956.

You have also expressed concern that if the bill is enacted into law, prices of natural gas will increase. It is significant that the people who say that prices will increase do not say that prices will not increase if the law remains unchanged. There was a great deal of testimony before our committee that prices will not increase as much under H. R. 8525 as they will under the present utility type of regulation.

Since the Federal Power Commission began its efforts to regulate producer prices on a utility basis, prices have increased, and they will continue to increase under a utility cost formula as long as the costs of labor and material increase, and as long as it is necessary to go deeper into the bowels of the earth to produce gas.

I do not believe that it is possible or in the public interest to regulate gas producer prices under a formula devised for the regulation of a public utility pipeline company. Gas producers have none of the characteristics of a monopolistic public utility and it is wrong in principle to attempt to regulate them as such.

I believe that the system of regulation provided for in H. R. 8525 will mean fewer and less price increases. No producer should be guaranteed a profit on his investment, but this is precisely what the situation is under present utility-type law. I think that producers should not receive any more for their gas than what it will bring on an open market. Consequently, H. R. 8525 includes a provision which will prohibit producers from charging any more for gas than what the Federal Power Commission finds to be the reasonable market price. Under H. R. 8525, the Federal Power Commission will have the final say as to what prices the producers can charge for gas sold in interstate markets.

I believe that the record made at the extended public hearings conclusively shows that less gas will be available during the next 10 or 15 years unless the Natural Gas Act is amended in such a way as to substitute a more workable plan of regulation. Less volume will mean higher prices because the total cost of transportation and distribution must be spread over a smaller quantity. Consequently, not only will prices be lower under the regulation proposed in the bill, but more families will be able to enjoy this clean, cheap fuel.

I call attention to the fact that much of the gas that is now being supplied to consumers in nonproducing States is being purchased under long-term contracts at low prices. Under the present utility-type of regulation, when costs of operation and production increase, these old contracts can be reopened and the prices increased to whatever may be necessary to guarantee the producer a fair rate of return on his investment.

Reopening of these contracts, which I think would be inevitable, and increasing prices to those being approved by the Commission for new contracts under the present utility-type of regulation, would require an additional cost to the consumers of $109 million per year. The bill assures the consumers that this cannot be done even though the increase might be justified on a cost basis because of increased cost of labor, material and operations.

Regulation under utility type cost of service formula is a very expensive experiment, currently costing taxpayers at from two to three million dollars per annum, and costing producers approximately $12 million annually. These costs to producers are now being passed on to the consumers, but H. R. 8525 will prohibit that from being done.

About 50 percent of all gas produced is being sold in unregulated local markets in the producing States. These local markets are beyond the reach of the Federal Government. However, under H. R. 8525, producers who sell their gas in interstate commerce will not receive any more for such gas than is being paid for gas sold in the local markets of the producing States. This provision alone is of great advantage to the consumers of your State because unless H. R. 8525 is passed, the Federal Power Commission must permit higher prices where the costs justify such increases even though the increased price may exceed that being paid for gas in the local markets of the producing States.

Furthermore, if H. R. 8525, or something similar, is not enacted into law, we will experience a monopolistic trend which cannot possibly be prevented. The thousands of producers of natural gas will undoubtedly enter into a procedure of selling the gas in place under ground to a few interstate pipeline companies at a price that cannot be controlled, and when the company offers it for sale to the public the Federal Power Commission would be compelled to approve the price on a cost basis. Such uncontrolled, monopolistic prices would unquestionably be detrimental to the consumers of America.

You say in your letter that "many gas consumers in Michigan have spent considerable sums of money and have shouldered sizable debt in order to convert homes and businesses for the use of gas." The only way to protect these consumers in their investment is to amend the law so that adequate supplies of gas will continue to be available to them at reasonable prices. When shortages develop—and this is inevitable unless H. R. 8525 is enacted—these consumers must convert to other heating equipment, and when they are compelled to do so they not only will incur large expenditures in such conversion, but they will be required to pay higher prices for the fuel used in the new equipment, as is clearly indicated by the figures given above.

I believe that you must conclude that I am as much interested as any one in protecting the consumers. My long and careful study of the problem leads me to believe that a utility type of regulation does not protect the consumers as well as the plan proposed in H. R. 8525. I do not believe that anyone can be charged with gouging the public if he is prohibited by law from receiving for a commodity a price in excess of the reasonable market price as determined by a Federal agency.

You also comment on the expenditure in the producing industry for the promotion of H. R. 8525. I know of no reliable figures of the expenditures by either the opponents or proponents of H. R. 8525. If I were to judge by the comparative pressures on the Congress, I would conclude that the amount of money being expended in opposition to the bill greatly exceeds that being expended in support of the bill.

The bill, however, I repeat, must be judged on its merits and I believe that if it is, the public will conclude that the plan of regulation, as proposed, is much better than the present system which the Federal Power Commission says is administratively unworkable. I think that if H. R. 8525 is defeated, those responsible for its defeat must answer to the public when gas shortages develop and prices increase.

To think in terms of the public interest, to insure adequate protection of consumers, one must not only consider the present but the long-range view for future protection as well. I therefore implore you, Governor, to think on these things in an honest effort to serve our people today and to provide for their best interest tomorrow.

Sincerely yours,

OREN HARRIS,
Member of Congress,
Chairman.

Fortieth Anniversary of Byelorussian Independence

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. RODINO. Mr. Speaker, today marks another great day in the calendar of the struggle for freedom. For it was on March 25, 1918, that the Byelorussian people burdened with the yoke of Red imperialism proclaimed their independence. But this significant event happy as it was in the history of the Byelorussians was not long lasting. The Byelorussian National Republic could not for long resist the strong advances of the new Russian imperialism—and soon the independence which it so valiantly struggled to attain was lost. But the spirit of the Byelorussian people was not crushed. And despite a policy of persecution and annihilation at the hands of the oppressors, these freedom-loving peoples continue to keep alive the flame of liberty.

The Free World admires the bravery and courage of the Byelorussian people. And on this anniversary date I rise to salute them and to join in the hope with my Byelorussian American friends that it will not be long before the stout-hearted people of Byelorussia will again enjoy independence and freedom and attain that ideal of free life within the family of democratic nations.

Address Honoring Charles Haring, Jr., and Morris Bogdanoff

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. DOOLEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD I include a copy of a speech I made at a recent testimonial dinner to honor Charles Haring, Jr., and Morris Bogdanoff, which was tendered in collaboration with certain distinguished friends of the Albert Einstein College of Medicine of Yeshiva University.

Both guests of honor are men of substance who have distinguished themselves by their humanitarian enterprises, their capacity for friendship, and their high sense of community responsibility. It has been my privilege, however, to know only one of these men; namely, Charles Haring, Jr. Affable and able son of a distinguished father, he, like his paternal forebear, is doing much to help make Westchester the splendid community of homes that it is. Mr. Haring is regional vice president of the National Association of Home Builders and the scope of his work with, and impact on, that association cannot be measured by prosaic yardsticks. Mr. Haring's character epitomizes the highest qualities of kindness, understanding, and hospitality. In a highly competitive field his quiet, low-key approach to different problems sets a pattern that other businessmen might well emulate. I have enjoyed his friendship and admired his qualities, and it gives me pleasure to reproduce in the RECORD my remarks on the occasion at which he was fittingly honored:

REMARKS OF HON. EDWIN B. DOOLEY, UNITED STATES CONGRESSMAN, OF WESTCHESTER COUNTY, AT DINNER IN HONOR OF MORRIS BOGDANOFF AND CHARLES F. HARING, JR., MARCH 13, 1958

It is a great pleasure to join with you tonight to honor our friends and neighbors, Charles F. Haring, Jr., and Morris Bogdanoff, for their many activities in behalf of the community. Their contributions to the health and well-being of men and women everywhere, have earned the respect and

affection which are so warmly manifested tonight.

In the project, so dear to their hearts—the Albert Einstein College of Medicine—we see the fruits of private philanthropy and community enterprise. The college of medicine, which bears a great name in science and humanitarian achievement, represents an endeavor of the community to establish an outstanding medical center—the first medical teaching center to be established under Jewish auspices in America. The nonsectarian center of learning has, in a relatively short time, earned a proud place for itself in the world of medical teaching.

This voluntary effort on the part of the community and private philanthropy is an affirmation of our democratic way of life; an expression of concern for the health and welfare of our people, an expression of faith in community responsibility and private initiative in the field of human welfare.

We are on the threshold of a golden era in medicine. At the turn of the century life expectancy was 47 years. In 50 years we have gained over 20 years of life, thanks to advances in medicine, surgical techniques, and antibiotics.

During this same period the death rate has declined from 17.2 per thousand to 9.6. From 1944 through 1949 the appendicitis death rate was cut in half. The maternal death rate decreased 57 percent. The tuberculosis death rate decreased 50 percent. From 1944 to 1951 the pneumonia death rate declined 46 percent.

In 1900 only 722 children out of every 1,000 born lived to be 20 years old. Now it is expected that 950 out of every 1,000 will live to the age of 20. While our country's population has doubled during this period, the number of persons over 65 years of age has quadrupled.

Longer life expectancy has brought new problems. Individuals who have been spared premature death through infectious diseases are susceptible to cancer, heart disease, diabetes, arthritis, and other diseases of advancing age. The diseases of middle and old age have become the Nation's No. 1 health problem.

In this battle science has weapons and resources undreamed of a generation ago—penicillin, vitamins, hormones, and antibiotics to battle disease; high voltage equipment, geiger counters, and radioactive isotopes in the fight against cancer; new surgical techniques to repair and replace damaged organs. Science has conquered smallpox, cholera, typhoid, diphtheria, and other dread diseases of the past. It is now turning its attention to cancer, polio, heart disease, and tuberculosis, the major disease killers of today. Perhaps, out of the Albert Einstein College will come the cure for one of the dread diseases which still plague mankind. In this battle the expansion of educational facilities to train physicians and research scientists has No. 1 priority.

There are not enough general physicians and most of those we have are so busy that they cannot give the patient the time and sympathetic care the old family doctor could give in a home visit.

We need more pediatricians to assure children the optimum health protection that is their due. Our mental and tuberculosis hospitals are critically short of staff. Medical schools have many unfilled faculty positions.

In the expanding field of public health, industrial medicine, and rehabilitation, physician shortages are holding up dynamic programs.

With the possible exception of surgery, there is no specialty in which the supply of physicans meets present needs.

The number of doctors graduated is about equal to the number who die or retire each year. Of the nearly 17,000 qualified students who apply to medical schools each year, approximately 7,000 can be accepted. The proportion of young people who are admitted to medical schools has remained almost constant for the past 20 years, while the proportion who receive a college education has more than quadrupled and the proportion entering engineering has increased sixfold. The establishment of such schools as the Albert Einstein College of Medicine therefore becomes the vital concern of all of us.

In paying tribute to our friends, Charles Haring and Morris Bogdanoff tonight, I am sure we are all aware of the deep significance of the cause for which our guests of honor and their friends are devoted. In joining with them in their efforts on behalf of the Albert Einstein College of Medicine, we are helping to strengthen America.

The health of our people is the Nation's most precious resource. It touches every American family and every American home. Your participation in this effort is, therefore, an investment in the health and welfare of your families, neighbors, and community. We can all take pride in what you have achieved and in the promise of what lies ahead.

Address of the Vice President of the United States, at the All-Congress Dinner of the 1958 National Nuclear Energy Congress at Chicago, Ill., on March 19, 1958

EXTENSION OF REMARKS

OF

HON. PETER FRELINGHUYSEN, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. FRELINGHUYSEN. Mr. Speaker, under leave to extend my remarks I should like to include an address of the Vice President of the United States at the all-congress dinner of the 1958 National Nuclear Energy Congress, Chicago, Ill., March 19, 1958.

As one who believes strongly in the importance of placing our space program under civilian control, I wish to call particular attention to the Vice President's remarks on this subject.

ADDRESS OF THE VICE PRESIDENT OF THE UNITED STATES, AT THE ALL-CONGRESS DINNER OF THE 1958 NATIONAL NUCLEAR ENERGY CONGRESS AT CHICAGO, ILL., ON MARCH 19, 1958

Six months ago on October 4, 1957, the Soviet Union launched its first satellite. This week the United States launched its Vanguard. With the race to outer space temporarily tied, numerically at least, at two each, this would seem to be an appropriate time to put the dramatic events of the past 6 months in perspective.

What are the lessons of the sputnik era for the American people?

First we must acknowledge that some of the initial extreme reactions were not supported by the facts. These conclusions, which some jumped to because of the shock of finding the United States behind in a major new area of progress, will not stand examination:

That the United States is now weaker than the Soviet Union.

That our scientists are inferior.

That our education system is a failure.

Let us recognize at the outset these facts.

The United States with its Free World allies is militarily stronger than any potential aggressor in the world.

United States scientists are the equal in quality of those of any other nation.

Our education system has its weaknesses, but overall it provides probably a better education for more people than is available in any nation in the world today.

Let us turn now to some of our national reactions which were justified and healthy, in view of the challenge which was presented to us.

We have accelerated our ballistic missiles program. We are developing plans to reorganize the Department of Defense so that it can better deal with the problems inherent in the new dimensions of modern warfare. We have stepped up our program for the exploration of outer space. We have recognized the need for training more scientists and for improving our educational system generally.

These reactions were understandable and constructive. They do not need extended discussion before this audience. I suggest that we direct our attention, on the other hand, to some less apparent, but in the long run possibly even more important, lessons we should learn from the dramatic events of the last 6 months.

In increasing, as we should, our emphasis on training more scientists, we must not overlook the importance of making sure that our engineering education and practices keep pace with the increasing opportunities and complexity of modern scientific technology.

We must also recognize that we not only need science education for scientists, we need it for the general public as well. If our national scientific activity is to be maintained at an adequate level, the American people will have to have deeper motivations than a desire for foreseeable practical benefits, however important these may be. The new age requires the achievement on the part of the public generally of a high degree of scientific literacy and the blending of science into our culture and way of life.

Increasingly major national decisions involve scientific and technological decisions. Obtaining adequate support for projects that have apparently military value is relatively easy. But we need a high level of public understanding to develop sound national policies with respect to space science and exploration.

We also need such understanding to provide continued support for the instruments, institutions, and attitudes which will insure sound scientific progress. It is not that we want to make all of our citizens into scientists. What we must try to do is to provide for the nonscientists the insight and understanding with respect to science which we have historically sought to give to all of our citizens in the field of humanities.

One of our major needs is to develop a wider appreciation of the importance of the long-range benefits of basic research. The bad habit of coming forth with huge sums and crash programs only when outside events generate a sense of urgency is dangerously irresponsible. Basic research cannot be carried out on a crash basis.

We must not permit a few successes to soothe our injured pride and lull us again into complacency and a false sense of security.

For the past several months we have seen our scientists wined, dined, and publicized. But the heroes of today are too often forgotten tomorrow.

We Americans are a volatile people when it comes to issues which attract national interest. Seven months ago our primary concern was with inflation. From that issue we soared into outer space, parachuted into recession, and we now seem to be making our way to the summit.

The interest in outer space, as well as in the broader implications of scientific progress, is already beginning to wane. It is the responsibility of every knowledgeable citizen to

keep this interest alive so that we can maintain the national effort upon which our security and continued progress depend.

Let us turn for a moment to our educational system generally. In recognizing its faults, let us not overlook its admirable features. Let us never forget that we have something better to offer than the Communist system of education with its overemphasis on scientific materialism to the exclusion of the humanities.

This is not the time to discuss in detail the needs of American education.

We need more classrooms.

We must improve the salaries, prestige, and support of our teachers.

But, most important, of all, we need to improve the quality as well as the quantity of education.

It is obvious in many schools that we need to put more fiber into our curriculums.

Soft subjects nurture flabby brains.

Students must be challenged to develop the intellectual disciplines that increase their value to the Nation.

We must challenge them with failure as well as success. Whatever the reason for automatic promotion, and there are several given depending on the area problem, this failure to challenge should be eliminated. These are times when the American people must have the stamina and determination to overcome failure and achieve success in the manner that those assigned to the Vanguard project finally worked through to victory.

May I turn now to a very practical question: What type of Government agency should have the primary responsibility in the development of our outer space program?

There can be only one answer. We must not be limited by military needs or military thinking in exploring outer space, just as we are not so limited in developing nuclear energy.

Science is one of the great new frontiers of our time, and as such it provides our people with the opportunities and adventures which come with working at the frontier.

The adventurer along this new frontier is the basic research scientist who reaches into the unknown for the sake of knowledge. He seeks out the universe in which we live, as the adventurer of yesterday sought out new lands. Like the frontiersman of yesterday he explores the unknown for the sake of adventure as much or more than for the sake of gain.

The participants in our space program must be free to scout and explore, not mustered solely to man the frontier forts.

We must be motivated in developing our space program not by fear, but by the positive desire to explore one of the most challenging frontiers science and mankind have ever faced. The best way to insure that the scientist in this field makes the greatest contribution to the national welfare, including our missile program, to keep him free from the requirements of immediate military necessity.

Let us examine now some of the broader implications of man's breakthrough into outer space.

Who will win the military ballistic missiles race? The answer, of course, to this question is that in this race there can ultimately be no winners, only losers. Because it has become so obvious as to be almost trite to observe that ballistic missiles combined with nuclear warheads spell destruction of civilization as we know it.

The greatest lesson of the sputnik era, therefore, is in effect a solemn warning—find the road to peace or be destroyed.

The unqualified dedication of the Government and people of the United States to the cause of peace cannot seriously be questioned by anyone who knows our record in international affairs. But some of our friends, as well as our opponents, have questioned whether our policies are designed to further that objective. Let us examine some of the criticisms that have been made.

Why do we not accept the Soviet proposal for stopping atomic tests?

We can have honest disagreement over such issues as the extent of the danger from nuclear fallout if tests are not controlled, the possibility that secret tests may be able to evade an inspection system, whether testing is necessary for full development of the peaceful uses of atomic energy.

But let us have no illusions on the major issue.

Stopping tests is not in itself going to reduce the danger of war. The types of weapons already in production are adequate to carry out their mission of massive destruction. That is why control of production as well as tests of nuclear weapons, as the United States has proposed, is the only formula which goes to the heart of the problem.

The same considerations are involved in the United States position on disarmament.

There is no question as to our desire to enter into a disarmament agreement. The problem is securing an agreement that is enforcible because an agreement without adequate inspection provisions, which one party might honor and the other might not, would seriously and perhaps fatally increase rather than reduce the risk of war.

The American position on the summit conference fits into the same pattern.

I was asked just recently by a British correspondent, "Why is the United States dragging its feet on the path to the summit"?

Let us see exactly where the responsibility for delay belongs.

The United States, as President Eisenhower so eloquently said in his state of the Union message, is always willing to go an extra mile in attempting to reach agreements which will reduce the risk of war.

A summit conference which failed would increase rather than reduce international tensions. A conference which is not preceded by adequate preparatory discussions is doomed to fail.

The Soviet leaders are blocking the road to the summit by insisting on conditions for a conference which they know and we know will assure its failure. They can prove their dedication to peace by agreeing that preparatory meetings should discuss the substance as well as the form of proposed agenda items.

Only in this way can the summit leaders be assured that they will be spending their time at such a conference in discussing subjects in which an area of agreement is possible, rather than participating in a propaganda exercise which would inevitably increase international tensions.

Let us examine the American record in international affairs as it bears on the sincerity of our devotion to the cause of peace.

Three hundred and seventy-eight thousand five hundred Americans died in World War I, World War II, and Korea. Since World War II we have given $64 billion in military and economic assistance to our allies and to our former enemies. In that same period we have spent $382.2 billion for national defense.

Why this huge expenditure of money and manpower?

Not because of our desire to gain domination over any other peoples or over a square inch of territory belonging to another nation.

It is the Soviet Union, not the United States, that has the blood of Hungary on its hands. Our sole aim in war and peace has been and is to assure the right of all nations to be free from armed aggression and foreign domination.

We recognize that the freedom and independence of others is the best guaranty of the freedom and independence of the United States. We are wholeheartedly supporting every international organization devoted to the cause of peace. Our defense forces are designed for and will be used only to stop aggression, not to launch it.

Our record in the field of atomic power is one of the really exciting chapters in the history of man's quest for world order based on international cooperation and understanding. When we had a monopoly on the atom, every nation on earth knew that we would never use our awesome and unquestioned military superiority for aggression or for international blackmail. We offered to share peaceful benefits of this new source of energy with all other nations. As a result we have agreements with 40 nations for peaceful development of the atom.

Why then is there any question about the devotion of the American people and Government to the cause of peace?

It is a happy but sloppy cliché that our record speaks for itself. Because our record does not speak for itself.

It is cunningly twisted by devious masters in the art of propaganda.

It is warped and distorted to their purposes.

The less sophisticated peoples of the world are not told that we wage peace.

What they are told, only, is:

That we build thermonuclear bombs.

That our planes endanger lives by carrying deterrent weapons, even though that is all that confines Soviet aggression.

That our weapons tests threaten world contamination even though our tests are now primarily designed to remove the dangers of contamination.

Unfortunately, this is what much of the world believes. Even in the advanced countries that comprise western civilization this propaganda terror is having its effect.

What can we do about it?

We cannot use the Communist technique of the measured lie. The problem is to sharpen the truth into a weapon as effective and devastating as the Soviet lie.

Our Government information program must be adequately financed and staffed. But this task cannot be done entirely by government, even though we were to enlarge our information agencies to match those of the Soviet Union.

One of the most effective ways is through expanding person-to-person contact and people-to-people understanding. I speak not only of those exchanges that are arranged and financed by government. Even more effective are the activities abroad of some of the people in this audience—technicians, engineers, scientists, representatives of private industry, and foundations.

As a government and as a people, we must wage peace not only in what we do but in what we say—the exploration of outer space for peaceful rather than military purposes, the development of nuclear power for peace rather than war, airpower for peace, science for peace.

All of these concepts must be reiterated again and again if we are to present to the world a true picture of American objectives in international affairs.

Our military power must be maintained at an adequate level to deter aggression. But here the fact of our power will speak for itself. Let us keep our powder dry, but the less we talk about it, the better.

In that connection, I might parenthetically suggest that, despite our understandable elation over the successful Vanguard launching, we might well practice more restraint in boasting about what our next exploit will be and when we will do it. A big achievement speaks for itself. It does not need a big buildup.

As those attending this conference are acutely aware, man's discovery of nuclear power can prove to be the greatest force for peace in world history.

There is the negative force created by the awful power of nuclear weapons which makes

war less attractive to a potential aggressor as an instrument of policy. But more important in the long run are the positive forces which have been and will be unleashed by the development of nuclear power for peaceful purposes.

We have already harnessed the energies released by the splitting of the atom. Even now there are areas of the world where nuclear powerplants may be the most economical source of power. In a decade or two we hope that literally unlimited power sources will be at our disposal.

Obviously, if we contain, as seems possible, the even greater power of the fusion reaction, the limits of our achievement are beyond calculation. From the physical standpoint, at least, man will be the undisputed master of his universe. We can for the first time in world history wage a winning war on poverty and destitution, on hunger and disease.

In such an age the economic reasons for war will be removed. Because there will be energy enough to produce for the needs of all.

I do not suggest that the nuclear age can or will solve all the problems of mankind. World peace and even industrial peace depend on many factors.

Want and hunger are not the only causes of discord among men. But they rank high among the conditions that cause dissension and war.

If we can bring prosperity to the world, the chances for world peace would be immeasurably enhanced.

On December 2, 1942, from the city of Chicago, Dr. Arthur Compton sent to Doctor Conant the dramatic message that was to signal a new era for man in war and peace, "the Italian navigator has reached the new world."

What kind of a world Enrico Fermi had reached is in our hands to decide.

No group in the world can affect more the outcome of this decision than those gathered in this room tonight because as you develop unlimited power for peace you provide for mankind the means with which he can finally eliminate the cause of war.

Let Us Give Farmers a Chance

EXTENSION OF REMARKS
OF
HON. MELVIN R. LAIRD
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. LAIRD. Mr. Speaker, in Wisconsin I have made every effort to get dairy groups together behind a single dairy program. Only through unity on the part of milk producers and farm organizations can we meet with success for a new dairy program. I have asked the National Dairymen's Association, the Farm Bureau, Farmers Union, Pure Milk Products Cooperative, Wisconsin Council of Agriculture, Wisconsin Cooperative Association, and all farm organizations in Wisconsin to submit to me suggestions for improving the dairy-stabilization legislation which I have introduced.

I want to give the dairy farmers of America an opportunity to vote on the type of dairy program they want. The important and principal point which many people overlook in the so-called Laird self-help dairy stabilization bill is that each individual farmer will have an opportunity to vote in a nationwide referendum before the proposal becomes effective. My bill grants the authority for the Department of Agriculture to conduct such a national referendum on September 8, 1958, to determine whether dairy farmers favor a dairy-stabilization program operated by a Federal Dairy Stabilization Board in accordance with the provisions of the act, or continuation of the present type of price-support program operated by the Secretary. If a majority of producers voting favor the dairy-stabilization program, it would go into effect April 1, 1959.

Farmers themselves should be given an opportunity to decide the type of program they want. I am asking Congress to give dairy farmers this opportunity.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. DINGELL. Mr. Speaker, one of the persistent themes of Soviet propaganda is that in the Soviet Union racial and ethnic groups enjoy perfect freedom to maintain and develop their distinct national cultures within the framework of the Soviet system. This clever propaganda pitch has deceived millions of people, but all informed peoples of the Free World know it is a big hoax. We know that what the Soviets do is the exact opposite of what they say in this as in many other respects.

Not only the nationality groups in the Soviet Union, but even the Soviet satellite countries do not have the freedom to follow their national desires in cultural, artistic, and educational matters. They do not even contemplate, for fear of brutal reprisals by their Kremlin tyrants, doing anything that would arouse the ire of their humorless Communist overlords.

The case of Byelorussians is a case in point. These gifted and genial people, today numbering more than 10 million, have had their ups and downs in their turbulent history. In modern times theirs had been a sad and tragic lot. After enjoying relative peace and prosperity through the Middle Ages and in early modern times, their country was overrun by the Russians in the 17th century and it became part of the Russian Empire. For centuries they strived to maintain their distinct national traits and keen national feeling. They kept alive their sentiment of nationality, the spirit of freedom and independence, and in the First World War, when the Russian Empire was crushed in the Bolshevik Revolution of 1917, they saw their chance to free themselves and proclaimed their independence on March 25, 1918.

That was exactly 40 years ago. Since then, untold number of catastrophic events have not only extinguished their long-cherished and well-deserved national independence, but they have also brought on a series of tragedies to the unfortunate and helpless Byelorussians. Communist Russians drained Byelorussian independence in a blood bath late in 1918 and wrought havoc in that fair and fertile country. They have imposed their rigid and inflexible tyranny over Byelorussians, and have turned the country into a large poor, prison house. Amid this misery and suffering prevailing there, it is encouraging to hear and know that the Byelorussians are carrying on their fight for freedom, and even stage open uprisings against their tyrannical overlords. On the 40th anniversary of the Byelorussian Independence Day we wish them courage and power, and ardently hope that someday and soon they will cast aside the unwanted foreign yoke and regain their freedom.

Harry L. Kelley—"The Parkin Kid"

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. GATHINGS. Mr. Speaker, it is with a deep sense of personal loss to learn of the passing of Harry Leroy Kelley, of Parkin, Ark. The entire world of sport will mourn his passing, for Harry established an outstanding niche in the national pastime game of baseball.

One of my earliest recollections of Harry Kelley was during the time that he played baseball on the Parkin High School team. I played for the neighboring town of Earle on its high school team. Harry started out as a centerfielder at an early age. He was a superb hitter from the beginning. The following year found him pitching for the Parkin High School team. I recall facing him during a game between the two teams and was amazed at the great speed of his fastball. He was a spectacular right-handed pitcher.

Harry spent 21 years in professional baseball, parts of 6 seasons in the majors and 10 seasons with the Memphis, Tenn., Southern Association team, where he began and ended his baseball career. He was known and called by Memphis sportswriters as the "Parkin Kid."

Harry played in the World Series with the pennant-winning American League Washington Senators in his first year in the major leagues. That year, 1925, Harry was a member of the famous pitching squad that featured Walter Johnson "the Big Train" of the staff. Sports fans will remember that Johnson was in a slump during those games in the series, although he pitched a shutout game in the fourth. Harry, a rookie in the majors, participated in the so-called wet series along with Johnson, the hard-hitting Goose Goslin, and other baseball greats.

Kelley was with the Washington Senators again in 1926 and then returned to play with Birmingham, Atlanta, and Memphis in the Southern Association.

But, Harry was brought back to the majors with the Philadelphia Athletics in 1936 when he pitched 36 games for a 15–12 record. Harry stayed with the Athletics through 1937 and a part of 1938 when he was bought by the Senators. After the 1939 season he returned to the Memphis, Tenn., Chickasaws.

It was in the Southern Association and particularly at Memphis that the bare statistics fail to tell the full story. For Harry was the idol of countless youngsters and the joy of southern baseball fans. As a pitcher, as a player, and as a fine man, Harry brought new esteem to the American game of baseball, Kelley elevated the sport and enhanced the game of baseball.

Harry Kelley was a true friend that I will miss greatly. He was genial and likeable. After a long illness, Harry died at his home in Parkin, Ark., where he was born on February 13, 1906. Services are today, and the entire sports world joins with his great host of friends in Arkansas in mourning his loss.

National Sales Week

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. ANFUSO. Mr. Speaker, I am today introducing a concurrent resolution requesting the President to designate a 7-day period during 1958 and to proclaim it as National Sales Week. In his proclamation, the President is to call upon the American people to observe this week with appropriate activities directed toward increasing business sales on a nationwide basis as a means for ending the present recession.

In conjunction with the resolution which I am introducing, I wish to direct the attention of my colleagues in the Congress to the national sales crusade which is being launched simultaneously in April by several thousand businessmen in New York, New Jersey, Connecticut, and elsewhere. These businessmen have organized themselves into a nonprofit organization, headed by Henry Modell, known as National Sales Crusade, Inc. Mr. Modell is chairman of the board of Modell's Chain Shoppers World. Working with him are leaders of distribution, transportation, banking, farming, and others.

The purpose of this group is to stimulate sales throughout the country. Fewer sales means less demand, which means less production in the factories, which means smaller working forces and a continuing rise in unemployment. Increased sales mean jobs, and jobs are the lifeblood of our national economy.

This national sales crusade is intended to spark the buying public to loosen up their pursestrings in the interest of national economic survival. Our national economy stems from the retail counter. The merchants of this great Nation of 173 million consumers will have to sell and sell, promote and promote, advertise and advertise. This is their plan.

Action and not talk is the cure of most of the present business ills. Let the men and women of America realize that now is the time to do something. Paint your house or furniture, repair, renovate, rebuild, read a book, buy flowers, get married, take home a box of candy, buy a toy, send a telegram, take long hikes—good for your health and for the shoe business.

The mounting deposits of individual savings—more than $7 billion in 1957—is an indication that industry has failed badly to create sufficient consumer demand for the products being manufactured. Producers and sellers should accept the challenge by convincing the American consumer to upgrade their eating, clothing, and housing standards.

This National Sales Crusade organization, with offices at 1776 Broadway, New York City, will stress in its advertising "Let's Buy It Now." It believes that the recession must be hit at the merchants counter. Confidence in our economy must be spread countrywide. These businessmen will promote their hard selling formula through chambers of commerce and trade organizations. They have printed an emblem stating "Sales Mean Jobs." This emblem will be circulated throughout the country, calling upon business people to paste them on their store windows.

This is hoped to combat negative thinking which creates fear and business recession. Positive thinking generates confidence and prosperity. It will drive away the advocates of gloom and doom, who tell us only about the 5 million Americans who are unemployed. However, they fail to point out that 62 million are gainfully employed.

A country can talk itself into a depression just as easily as a person can talk himself into a sickness. The people of America have been through these economic cycles before and each time we came out of it much stronger. What we need is greater faith and confidence. We should dedicate ourselves to harder selling and stand steadfast to meet the challenge—showing our Nation's true worth.

Mr. Speaker, I urge the Congress to give prompt consideration to this resolution and in this way strike directly at the roots of the current recession.

The text of the resolution is as follows:

Concurrent resolution requesting the President to proclaim a National Sales Week during 1958

Whereas leading merchants and small-business people throughout the United States are organizing a nonprofit organization to be known as National Sales Crusade, Inc.; and

Whereas the purpose of such organization will be to launch a campaign in order to increase the volume of retail sales on a nationwide basis; and

Whereas the stimulation of consumer buying can be an effective method of combating the present economic recession: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is requested, as soon as practicable after the adoption of this concurrent resolution, to designate such 7-day period during 1958 as he may deem appropriate as National Sales Week and to issue a proclamation calling upon the people of the United States to observe such week with appropriate activities directed toward increasing the volume of retail sales on a nationwide basis.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BOLAND. Mr. Speaker, it has been almost 3,000 years since the ideals of democracy were formulated. These ideals, developed in the city-states of Greece during the Golden Age, have been in large measure the inspiration of modern democratic states, and the sustaining hope of peoples living under totalitarian regimes.

This early Greek democracy waned and the peninsula successively fell victim to the Romans and to the Ottoman Turks. Through the centuries of Ottoman rule, which was at times barbarously cruel, the Greeks longed for the democracy and independence which were so much a part of their heritage.

March 25, 137 years ago, the Greek people declared their independence from the Ottoman Empire. Under the leadership of Archbishop Germanos of Petras they began the 8 years of fighting that ultimately won them the cherished prize of freedom. These were years of trial and sacrifice, yet none failed to play his part, however dangerous it might have been. Many people of other countries were attracted by the ideal for which the Greeks were fighting so desperately. With confidence that men of good will from all over the world were supporting their cause, the Greeks fought on to victory.

Greece has not had an easy time in its years of independence. Repeated wars and natural disasters have plagued these people, but through all their modern history they have retained that spirit of liberty which surrounded their rebirth as a nation.

The United States has always had a great interest in the independence and welfare of Greece. President Monroe and Daniel Webster spoke for America when they encouraged the Greeks in their war with the Ottomans. After the ravages of World War II, the Truman doctrine helped restore economic and political stability. At the same time an American military mission greatly aided the Greeks in their struggle to keep from being swallowed up by the Soviet bloc. In 1952 Greece and Turkey joined NATO, pledging themselves to the mutual defense of the West and of each other.

We join the Greek nation in celebrating its 137th anniversary. It is our hope that the problems Greece still faces may be resolved peacefully, that these bonds of friendship may be strengthened, and

that this day may always be so enjoyed. We do so with the assurance that peace is the objective of all states that share democratic traditions.

Mr. Speaker, I would like to have printed with my remarks a newspaper story from the Springfield (Mass.) Union of March 22 telling of the proclamation issued by Mayor Thomas J. O'Connor, Jr., of Springfield, declaring Greek Independence Day observance in that city, and listing those who participated in the ceremony.

The article follows:

PROCLAIMS DAY GREEKS FREED—MAYOR NOTES ANNIVERSARY OF INDEPENDENCE

The 137th anniversary of Greek Independence Day will be observed Tuesday by residents of Greek descent here.

Mayor O'Connor yesterday signed a proclamation urging everyone to make it a day of rededication to the ideals of true independence and justice for all under God.

A large delegation from the Greek-American community was present in the mayor's office for the proclamation signing. Two young boys, dressed in the uniforms of the Evzones, the Greek Royal Palace Guards, presented the mayor a Greek dish and a flask. The boys were John Piponiis and Stanley Ktorides.

The proclamation read in part:

"Whereas it is a day when our good people are happy to rejoice with their Greek-American fellow citizens, extending cordial congratulations and best wishes to them and to the Greek nation which is a bulwark of democratic self-government in these uncertain times;

"Therefore, I, Thomas J. O'Connor, mayor of Springfield, take great pleasure in proclaiming Tuesday, March 25 as Greek Independence Day."

Present at the signing were:

Rev. Stephen Papadoulias, pastor of St. George Greek Orthodox Memorial Church; Michael P. Pagos, chairman of the church board of directors; Mrs. Grammatike Koufalexis, president of the Philoptohos Society; Mrs. Artemis Katsonis, teacher of the Greek school; Andrew Kakaras, director of the school; Nick Hassiotes, president of Ahepa; Miss Eva Hassiotes, vice president of the Daughters of Penelope; Stavros Stephanides, president of GAPA; Miss Efthemia Anastos, president of Agia Sophia Lodge; John Megas, president of the Hellenic Organization; Miss Katherine Votze, president of the Women's Society of Cretans; Harry Erinakis, president of the Cretans Association; Luke Ahladas, president of the Greek Orthodox Youth Association.

Air National Guard

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks, I wish to say that I have only recently learned that $10.2 million of fiscal year 1958 appropriated funds are not being allocated to the Air National Guard for its facility construction program.

It is my understanding that despite the requests of the Air National Guard the Department of Defense refuses to apportion these funds and instead intends to transfer them, before the end of the fiscal year, to the MATS working capital fund.

Thus, despite the fact that Congress has appropriated funds for a specific purpose, the Department of Defense chooses to divert these funds to another use.

Inasmuch as the executive department apparently intends to thwart the will of Congress by refusing to allow appropriated funds to be employed for the use clearly intended by Congress, I have written the following letter to the Deputy Secretary of Defense, the Honorable Donald A. Quarles:

MARCH 21, 1958.

Hon. DONALD A. QUARLES,
Deputy Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: Since the Appropriations Committee hearing of yesterday I have learned that the Air National Guard has requested apportionment of $10.2 million of appropriated funds for reserve facilities. Of this amount $9.2 million is scheduled to be expended on construction and $1 million on maintenance of equipment contracts.

It is my understanding that the Assistant Secretary of Defense (Comptroller) is not expediting the request for apportionment of these funds and, as a matter of fact, it appears that he does not intend to accede to the request.

Inasmuch as this is 1 year money there is a feeling that he intends to wait until late in the fiscal year when it would be impossible in the time remaining to obligate the funds and then transfer them to the MATS working capital fund.

I hardly think it necessary for me to point out that this type of action, if it were to be taken, would be in direct contravention of the wishes of Congress. This money has been appropriated for one purpose only and that is to provide facilities for the Air National Guard in fiscal year 1958. I think it only fair to tell you that I do not intend to sit idly by and see these funds held up until the Air National Guard can no longer get them obligated and then have them transferred elsewhere where their use was never intended by the Congress. In this connection I should also say that if MATS needs additional appropriations for its working capital fund the Department of Defense should honestly come to Congress with a supplemental appropriation request and ask for the necessary funds.

I trust you will look into this matter at the earliest possible moment and advise me of your findings.

Sincerely,

OVERTON BROOKS,
Member of Congress.

Fortieth Anniversary of the Independence of the Byelorussian National Republic

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. BENTLEY. Mr. Speaker, I wish to call the attention of the House to the fact that Tuesday, March 25, marks the 40th anniversary of independence of the Byelorussian National Republic which was proclaimed on March 25, 1918. In this connection, I have received a letter from Dr. Joseph S. Sazyc, president of the Byelorussian Association, Inc., in Detroit, Mich., which says in part:

Forty years ago as well, the Russian Bolshevists, after seizing political power in the former Russian Empire, invaded with their armies the free Byelorussian Republic, violated the sovereignty of the newly formed state, committed atrocities against the people and forcibly overthrew the freely elected democratic government.

Today as the Communists lift their blood-drenched fists in the salute to the 40th anniversary of their October revolution, the Byelorussians continue to struggle against the Bolshevik oppressors for their independent state and national dignity.

Mr. Speaker, it is well known that the foreign policy of this administration includes the right of free and independent self-determination for all the captive peoples of Eastern Europe now behind the Iron Curtain. With this premise firmly in mind, I believe it is important to call attention to anniversaries such as this in order that the captive peoples may know that our Government and people have not forgotten their enslaved condition but, on the contrary, hope and expect that their day of liberation will come soon. I congratulate the people of Byelorussian extraction in Detroit and throughout the country for their part in observing this memorable date.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. KEATING. Mr. Speaker, in our rightful concern for the freedom and welfare of those nations that have been engulfed by the bloody tide of international communism in the years since World War II, we all too often forget those whose liberties have been suppressed by these same tyrants for a much longer time. Today we celebrate, without the joys that usually fill the hearts of men on such occasions, Byelorussian Independence Day.

The joy, the gladness, are missing for the simple reason the independence itself is missing. The all too brief period of freedom was but a flash of light between the gloom of czarist tyranny and the black Communist oppression.

With the end of World War I, there came to the peoples of Eastern Europe a wonderful hope, the hope that at long last the day had come when they could once again be masters of their own destinies. On March 25, 1918, the Council of the Byelorussian Democratic Republic proclaimed the independence of that nation and the freedom of its peoples, striking off the chains of 125 years of slavery. A new congress guaranteed secret elections, universal adult suffrage, freedom of speech and of the press, and the other essentials of democratic government. To those who had bent so long

under the heavy hand of the czars it was as if a new life had begun.

But the growing might of Lenin's mass murderers grew like an angry cloud on the horizon. Swiftly the storm of despotism broke, sweeping away the hard-won liberties so recently gained.

In the place of democratic self-rule, the police state so typical of Kremlin puppets was established. Systematic and ruthless suppression of all patriotic opposition became the order of life. The church doors were nailed shut or turned into meetinghouses for atheist discussion groups. Newspaper presses were smashed or turned into propaganda vehicles mouthing the bilge that passed for the party line as set down by Moscow. Freedom to congregate became the freedom to attend Communist rallies and applaud these masters of mass murder. Overnight a nation the size of France was turned into one gigantic concentration camp. Overnight 20 million people became slaves to the mad whims of Moscow.

Today there is no peace in Byelorussia. The seething torment of these people has led to periodic uprisings against these inhuman practices. The light of liberty still burns in their hearts. Behind darkened windows they still talk of freedom, talk and think and plan. It is a shining testimonial to the spirit of man, that after 125 years of czarist dictatorship and 40 years of Communist tyranny, the Byelorussian people hold fast to their beliefs, in freedom, in God, and in the dignity of man.

On this, the 40th anniversary of Byelorussian independence, we take renewed strength from the perseverance of these gallant patriots. May their example be a blazing symbol of man's everlasting hatred of slavery and of those for whom the lust for power is all-consuming, a symbol to which all freedom-loving men and women will rally in the battle against despotism. Who can doubt that people such as these must win the ultimate victory?

Flood Insurance

EXTENSION OF REMARKS
OF
HON. WILLARD S. CURTIN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. CURTIN. Mr. Speaker, I wish to call attention to a matter which I believe to be of immediate and primary importance. I refer to flood insurance. You no doubt will remember that the subject became Public Law 1016 of the 84th Congress and which is called the Federal Flood Insurance Act of 1956. Certainly in view of the recent near-flood conditions as a result of February's heavy precipitation, and the heavy runoff as a result of the most recent heavy snowstorm, the subject of flood insurance assumes urgent new significance. Few of us will forget the disastrous flood of 1955, which devastated many sections of our Nation—not just the East—and the appalling loss of life and property which resulted. The scars of this violent twist of nature are still with us and will be for quite a while. A trip through eastern Pennsylvania affords mute testimony to this fact. The thousands of people who were affected directly by the 1955 flood and who, for all we know, may once again be disaster victims, would be the first to speak out in support of flood insurance if they could make their voices heard. Flood insurance is past the stage of being a good thing. It approaches becoming a "must" for a great many persons, not only for families who make their homes along the river, but for many businesses and industries and for the vital arteries of transportation.

There are those who have, perhaps unwittingly, delayed giving this much-needed program to the people. If there are those among us who oppose this protective measure I am sure it is only that they have not been given the information required to understand it fully, from every possible approach. Despite the rather slow start for the flood insurance law and because it is a vital thing for flood-threatened people everywhere, it is only a question of time before it becomes a reality. Of course, such a measure needs support from this body, and so my primary purpose in addressing you is to bring you up to date on the nature of flood insurance and its somewhat stormy career, if you will permit the adjective.

Admittedly, there is very little that we can know, professionally, about floods. What we know we generally read in the newspapers, or hear from the weather bureau, the commentators, the flood forecasting people, or from Army Engineers—people who are close to the situation. And there is little we can do about the weather and some of its more terrifying aspects. But whether we are well acquainted with floods or not, we do have a responsibility to take every possible precaution to minimize the impact of such a happening. We can insure against the economic disaster which is the inevitable result. At least, with flood insurance to back us up, we shall have salvaged something material, so that our physical lives may also be sustained when the waters have subsided.

When flood insurance does become a reality, as surely it must, homeowners and businessmen and farmers will be able to buy protection against the vagaries of nature for the first time in our Nation's history. As of this moment, flood insurance is prohibitive in cost for most persons. It cannot be bought for reasonable rates because private firms cannot afford the heavy risk. Now we have legislation on the books which sets up a cooperative Federal-State-private company insurance plan to be administered by the Federal Flood Indemnity Administration. Last year, however, the program to set up this cooperative insurance program never got off the ground because there were no funds appropriated for it to become active. I believe that this type of stalemate is unrealistic in the light of the needs of our people—and I am referring to the people living in the States wracked by rampaging waters, including floods left by hurricane winds and rain. This is not the time to disregard the threat of another disaster. Rather, this is the time to prepare for it.

As I mentioned briefly earlier, recently we had two heavy precipitations in the East. When the sun finally came out, everyone was relieved, though they had been kept at home for days. Then suddenly, everyone became aware of rising water in the rivers, in the streams. The water was not soaking in—but running off, rushing down streets and into sewers to swell the main arteries that drain the eastern watersheds. It does not take long for floodwaters to gather. It is as if one huge tap were turned on. Once again, in a relatively short time, the people of Eastern States, including my own Commonwealth of Pennsylvania, were faced with the threat of flood. Some very low lying areas were actually flooded, but the loss in property was generally negligible. That fact, however, does not change the complexion of nature, nor long reduce the possibility of damaging water.

So the quirks of nature—as we are experiencing them to a greater degree with each passing year—point up the great urgency for this honorable body to reconsider an insurance program which gives protection and promise—the promise of restoration of our homes and property should disaster strike.

In my initial speech last year on the floor of this House of Representatives, I appealed to my colleagues to restore $14 million of the original appropriation asked—$50 million—so that the program at least could get under way. The insurance program had been stifled on so-called economy grounds. I say it is far from economy to scrap a program before it has had a chance to show what it can do.

I said at that time that we were not asking for charity—only the chance to buy flood insurance, something we could not afford before because it cost too much money. I said too that something must be done to minimize the flood losses to citizens and to relieve the Government of heavy demands for relief of flood victims. I made it quite clear that the worthwhile law which we have passed—a really practical approach to the problem of floods—is completely valueless without the funds to give it life and meaning.

I have explained to you already why it must have life and meaning. For a moment, let me review why it is a good thing for our people.

As a 5-year experimental project, the Federal Flood Indemnity Act authorizes the Federal Flood Indemnity Administration to begin 3 programs:

The first involves direct Government insurance by which FFIA can insure up to specified limits any person or corporation, including State and local governments and their agencies against losses caused by flood damage to property. This one is the only one going into effect immediately.

The second program provides for reinsurance. Under this plan, the FFIA can accept part of all the risks assumed

by public or private insurers writing flood insurance. You will hear more about this program later on, since it is being held in abeyance for the time being until the Government can gain a little experience with the direct insurance program.

The third program provides that a person can buy a promise from FFIA obligating it to guarantee a bank loan or to make direct loans in the future in the event of a flood loss. This program presents so many difficulties that the FFIA has said it would recommend to the Congress that it be repealed.

The buyer of insurance will be protected against financial loss caused by perils related to water damage in a policy which will carry the name of "Federal Flood Indemnity Contract." The Federal Government will assume all the risk on perils specified in the contracts, but they will be sold and serviced by the private insurance industry, and property owners should be able to obtain a contract in their own communities from the same insurance agent or broker who sells them fire or casualty insurance.

The Federal Flood Indemnity Administration is authorized to write a total of $3 billion of insurance, and that amount can be increased by an additional $2 billion with the approval of the President. In order to limit the Government's liability, the act limits the amount of coverage to $250,000 per person or corporation and $10,000 on a dwelling and its contents. Both real and personal property can be covered, subject to dollar and percentage deductibles. The contract will be written for 1 year and will be effective after a reasonable waiting period, say, 30 to 60 days.

The full premium will be payable in advance and it will not be refundable. These last requirements are considered necessary to prevent a rush of business when storm warnings go up and a rush of cancellations after the storms blow over.

Let me reemphasize that these will be Federal Government policies, but they will be sold by the private insurance industry. There will be no creation of a big Federal bureaucracy to get into competition with private business. Technically, there will be an arrangement in that the Federal Flood Indemnity Administration will sign fiduciary agent contracts—that is, holding in trust—with any duly licensed fire and casualty insurance company which will authorize the company to issue Federal Flood Indemnity contracts in the name of the Federal Government. The companies, in turn, will authorize agents, brokers—or their own employees in the case of direct writing companies—to market these contracts.

In the words of President Eisenhower when he signed this legislation:

> This new program is a venture into an untested field of risk protection, and is admittedly experimental. It does not propose putting the Federal Government permanently into the flood insurance business. On the contrary, it provides for the Government to lead the way on a basis that will enable this field of responsibility to be absorbed into our private system in the shortest possible time.

Here, then, in principle and substance, is an act which provides the public with a practical insurance plan. I think it is a very necessary and marketable program. I urge the House to vote the necessary funds to make it available to the American people without further delay.

Lowly Nickel Linked to Colonel Abel's Downfall

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 25, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following: Seventh in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, Committee on Un-American Activities, on the Communist conspiracy in America. These articles recently appeared in the Philadelphia Inquirer:

[From the Philadelphia Inquirer of March 8, 1958]

LOWLY NICKEL LINKED TO COLONEL'S DOWNFALL

(Seventh of eight articles by Representative FRANCES E. WALTER, chairman, Committee on Un-American Activities)

Jimmy Bozart, a 14-year-old newsboy, clattered down the stairs of a Brooklyn apartment house, where he had been collecting from some of his customers, jingling a handful of change. He slipped and grabbed for the handrail. The nickels, dimes, and quarters cascaded to the landing below.

With the cheerful resignation of 14, Jimmy recovered the coins, his mind already on something else, until he picked up one of the 5-cent pieces. It, literally, had split apart in the fall. The youngster noted that a tiny object had been wedged between the halves.

Here was real cloak-and-dagger spy stuff, and when Jimmy displayed his discovery to his father he remarked with satisfaction that, for once, the older man was just as impressed as he was.

"This," Bozart senior ruled, "had better go to the police."

Jimmy agreed, giving the nickel to Patrolman Frank R. Milley, the father of one of his classmates.

Four years later, on August 7, 1957, a seedy, undistinguished man with faded blue eyes and wispy hair was indicted in the United States district court in Brooklyn as one of the most important Soviet spies ever captured in the United States.

The two incidents—Jimmy Bozart's discovery of the split nickel and the arrest of Rudolf Ivanovich Abel, colonel of the KGB, the overseas intelligence arm of the Soviet Union—are connected.

How close the connection is, we don't know. It may be years, if ever, before that information can be safely released. We do know that Patrolman Milley turned the nickel over to the FBI. We know that FBI technicians found the object inside the coin was a microfilm of a card bearing six numbers. And we know that Jimmy Bozart, then preparing to enter college, was alerted last summer to testify, if necessary, at Colonel Abel's trial.

Understandably, the FBI declined to discuss the precise importance of the nickel but indicated that, while it did not lead them directly to the Russian spy, it did help them complete the jigsaw puzzle of the Abel-directed espionage network.

The investigation that led to his arrest and conviction—he was sentenced to 30 years' imprisonment although he could have been executed under the law—was probably typical. Its many ramifications included the tracking down of hundreds of tips, most of them false observation and patient questioning of suspects and the piecing together of thousands of seeming unrelated items.

The extent of Abel's depredations against the United States is suggested by the three coconspirators named with him in the same incident. None was brought to trial, since all are believed to be in Russia. They were Vitali Pavlov, linked with the Canadian spy ring whose breakup in 1946 figured in the arrest of Dr. Klaus Fuchs, Harry Gold and the Rosenbergs; Aleksandr Mikhailovich Korotkov, who was high in the Soviet secret police, and Mikhail Svirin, once a member of the United Nations Secretariat in New York.

Colonel Abel's arrest by agents of the FBI and the United States Immigration and Naturalization Service last July 21 caused hardly a ripple. He was charged with illegal entry of the United States and was placed in an alien detention camp in McAllen, Tex., to await deportation. The stranger-than-fiction story didn't come out until more than 2 weeks later, with his indictment.

He had been living as Martin Collins in Manhattan's little Latham Hotel off Fifth Avenue, but maintained a photographic and artist's studio on the top floor of a building at 252 Fulton Street, Brooklyn. The colonel had done what no writer of spy fiction would permit a character to do—that is, had operated directly across the street from the United States courthouse.

While agents questioned Abel expertly in Texas, others searched the studio, turning up a treasure trove of evidence that convinced them their prisoner was no mere violator of immigration laws.

Neighbors in Fulton Street had known him as Emil R. Goldfus, an unobtrusive but friendly enough man whose profession was photography and whose avocation was painting. He had a genuine talent and, one artist-neighbor predicted, "would have been a very good painter within another 5 years."

He had entered this country in 1948 from Montreal under a phony European passport that bore the name Andrew Kayotis. It was only one of several aliases. Customarily, he carried birth certificates of Martin Collins, born on July 2, 1897, in New York City, and also of Emil R. Goldfus, an actual Manhattan infant who had been born August 2, 1902 (just 1 month after Abel's real birthday, July 2, 1902) and who had lived but 2 months.

Well supplied with cash, he lived modestly, blending easily into the background of shabby hotels and his cluttered studio. He made friends with neighbors, paid his rent on time, dropped into the Music Box Bar for an occasional drink and gratified neighborhood storekeepers by addressing them as "mister."

FBI agents were hardly surprised to discover in his studio the tools of his supposed profession—cameras, lights and other photographic equipment. They did note with interest his powerful shortwave radio receiver, and other gear that was difficult to associate with an innocent photographer.

Altogether, they dredged 120 items out of the Fulton Street studio, ranging from a blowtorch to glasscutters, batteries, hollowed-out nails, pencils, coins, cuff links and earrings, documents, powerful lenses, and movie film. He was equipped to record messages in microdots, a technique that enabled him to condense documents to the

size of a pinhead. The agents refused, of course, to discuss their haul in detail.

Squads of G-men fanned out, following every lead, so far as possible, to its source. One item, for example, was a thank you note from a Fulton Street neighbor. Curious to learn how Abel had earned the neighbor's gratitude, agents heard an explanation that satisfied them but did not help their case. The neighbor had married recently and "Emil Goldfus" considerately had sent a wedding gift. The couple was astounded to learn their well-wisher was Colonel Abel, of Russian intelligence.

Other messages were suspiciously cryptic. One handwritten note was obviously significant.

"I bought a ticket for the next ship, *Queen Elizabeth* for next Thursday, January 31," it read. "Could not come because three men are tailing me."

Another: "In Mexico—signal T pole opposite 191 Chihuahua Street using sides of pole toward roadway Saturday or Sunday, Tuesday, Thursday. Met on Wednesday, Thursday, Friday, 3 p. m., movie Balmora."

Still another: "Aveida Oberon, 3 p. m., display left of entrance. Is this an interesting picture? Yes. Do you wish to see Mr. Brandt? Smokes pipe and has red book in left hand."

Abel's position in the Soviet espionage system was that of a resident chief of an apparatus that may not yet be fully exposed. He served as an executive, directing the work of others. He received his instructions from Moscow by shortwave radio and passed them along to members of his network, sending results to Soviet headquarters through an elaborate system of codes.

Some of the "drops" used by his underlings for the transfer of information were revealed in notes found in his hotel room. They ranged as far off as Mexico. Some were of obvious interest to spies: Quincy, Mass., is the site of an important shipyard and naval air station; New Hyde Park, Long Island, is near a plant producing electronic instruments for the missile program. Agents were mystified, though, by Abel's assignment of a subordinate to Salida, Colo., a small resort town in the heart of the Rocky Mountains.

Messages of various kinds, documentary and photographic, were passed in the numerous containers such as the hollowed-out nails, coins, and jewelry. In some cases, microscopic documents were carried to Western Europe, thence to Russia, by agents. Others may have been dispatched directly to the homeland.

It is doubtful whether any of the basic techniques used by Abel's branch office were unknown to the FBI. But as important to Americans who may nurture any illusions about the seriousness of the Red threat, is the man himself.

At the time of his arrest he was an espionage agent of some 30 years' experience. He was no deluded, pro-Communist American such as Harry Gold or the Rosenbergs, nor one of the heavyhanded minor functionaries attached to the Soviet Embassy who have occasionally exposed themselves by their clumsiness.

He probably was the most formidable foreign agent ever caught by United States counterespionage and there is no reason to believe Moscow does not have many more like him loose in this country. Subjected to the stern training of a professional, he operated so smoothly that the amount of harm he did this Nation may never be established.

An expert photographer and cryptographer, he was also a trained electronics engineer, an accomplished sketcher and artist, well versed in nuclear science.

In addition to his native language he speaks fluent and colloquial English, French, German, and Italian.

Equally mysterious was his subordinate, Reino Hayhanen, who reported to Abel late in 1952. Associated with the KGB since 1939, Hayhanen had done most of his foreign service in Finland. It would be safer not to speculate too much about Hayhanen, who defected from Russia and served as a key witness at Abel's trial.

Characteristically, the Russian Government and its Embassy in Washington studiously ignored Abel's arrest and the colonel, as a professional, accepted his abandonment as the fate to be expected by a trapped spy.

Abel, asked whether he wanted an attorney, did request a United States marshal to contact Abt. The only lawyer of that name in the Manhattan directory is John J. Abt, longtime counsel for United States Communists. In this case, however, Abt decided he was too busy to accept a new client.

Eventually, displaying his familiarity with American legal procedure, Abel appealed for a lawyer through the Brooklyn Bar Association. The organization went out of its way to find him a good one. Its selection was James B. Donovan (he gave his $10,000 fee to charity), who served as wartime counsel for the Office of Strategic Services and who participated in the prosecution of Nazi leaders at Nuremberg.

Even more than Hayhanen's testimony, what probably influenced the jury of 9 men and 3 women was the story of an unexpected witness, M. Sgt. Roy A. Rhodes, who confessed he had betrayed secrets to Russia while working as a mechanic in the American Embassy in Moscow, and last month was sentenced to 5 years.

Returned to the United States in 1953, Rhodes had agreed to continue his activities for Russia in this country. Hayhanen, he said, made contact with him under Abel's orders.

Abel, stony faced and silent, heard his sentence last November 15. Judge Mortimer W. Byers fixed his penalty at 30 years' imprisonment, although he could have imposed a death sentence under the Espionage and Sabotage Act, a general tightening of internal security laws passed by Congress in 1954.

Just 1 day earlier, Russia broke the silence it had maintained since Abel's arrest. A Moscow literary newspaper that mentioned the case didn't discuss the evidence against Colonel Abel nor did it so much as admit the existence of such a man.

It reported merely that the FBI had arrested an artist-photographer named Goldfus and then produced a piece of low-brow crime fiction to convict him. The purpose, Moscow explained, was to get the minds of the American people off the dirty side of the FBI.

Proposals To Improve Our Education

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to call to the attention of my colleagues the statement which I presented before the Subcommittee on Special Education of the House Committee on Education and Labor setting forth my thinking on the present educational program.

Presently, 20 percent of the unemployed today are single men 25 years or younger. This is exactly the age bracket of the juniors, seniors and graduate students in our colleges and universities. There is no question that an easing of the cost burden for further education of these young men and their families would enable more of them to continue their education. This would greatly assist our society in its need for more professional and teaching skills and, at the same time, ease the unemployment problem in this age group.

Some of the proposals for Federal action in bill form which will immediately correct this situation are set out in my statement. The time for action is now, not 2 years from now.

STATEMENT OF CONGRESSMAN THOMAS B. CURTIS BEFORE SUBCOMMITTEE ON SPECIAL EDUCATION OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR

Gentlemen, I appreciate this opportunity to testify before this subcommittee. You have under consideration one of the most important matters facing our society today. You can help our educational system by what you do, but you can also badly damage our educational system by what you do.

You have before you the President's message of January 27, 1958, urging that the Federal Government take a much greater role in the field of education than ever before. You have many specific bills referred to your committee which undertake to accomplish this end in a variety of ways, some conflicting and some compatible with each other. The costs of these various proposals run from a few millions of dollars to many billions of dollars.

I have a real concern for the problems of education and I have followed as closely as I could the problems in all phases of our education today. I have introduced certain bills which are now pending before my own Committee on Ways and Means to alleviate some of the problems confronting us in education today, which are as follows, to wit:

1. H. R. 10804 permits school teachers and administrators to deduct from gross income certain expenses for additional education or training.

2. H. R. 10904 allows a 30-percent credit against the individual income tax for parents and others for amounts paid as tuition or fees to certain public and private institutions of higher education.

H. R. 10835 permits a tax credit for contribution and other expenditures for basic research in science.

There are many provisions in the present tax laws which I sponsored and supported in the past to remove impediments to the growth and stability of our educational system.

I would like to make the following points for your consideration:

1. Our educational system with all its errors is essentially sound and vastly superior to Russia's. We must be careful that we do not imitate Aesop's dog. In carrying its bone it mistook its own reflection in the water for a dog with a bigger bone, and in its desire to gain the bigger bone lost its own in the ensuing splash.

2. The best way for us to move ahead is to concentrate on our own educational system to correct the errors that exist and to strengthen the areas that need attention. We must maintain an attitude of self-criticism. Objective and intelligent self-criticism is a stronger and more permanent incentive than fear. It produces healthier and more permanent results.

3. There is a great danger in resorting to the fear of Russia as a stimulus to improve our educational system. It requires public emphasis on Russia's strong points and public emphasis on our weak points. We are competing with Russia for the minds of people in all the nations of the world.

Building up Russia as a paragon of achievement causes us great danger in this crucial competition. The logical conclusion is that if the system of communism can produce such great results in the important field of education, it must not be the bad system that has been portrayed. Now if Russia has produced this result, then how to handle it is one thing. If it hasn't, that is another. I am satisfied any objective study of the recent emphasis Russia has placed upon education will reveal that she is still considerably behind the United States in achievement. Such an objective study has been made. I cite the book Soviet Professional Manpower, Its Education, Training, and Supply, by Nicholas DeWitt, Russian Research Center, Harvard University. This book was published by the National Science Foundation in the fall of 1955. Furthermore, as Russia improves and broadens her educational system she sows the seeds and nourishes the growth that will help to destroy the godless totalitarian system of government. This system of government is our real enemy and not the Russian people.

4. Before Congress undertakes to extend the Federal Government's authority in the field of education, it is essential that it thoroughly appraise the Federal Government's present role in this important area to determine whether its role is proper and conducive to the growth and stability of the educational system. Regrettably, this appraisal has not been made to any great extent to date. I am hopeful that this subcommittee will undertake it before it takes any further basic action. I am convinced that the greatest damage that is occurring in our educational system today stems from the role of the Federal Government during the past 8 years.

A. Under the guise of a peacetime draft law the Military Establishment has effectively disrupted for the past 8 years the education and training of every youth in America. Even those who have not been drafted have had their plans disrupted by uncertainty. Those who have been drafted include potential teachers, engineers, scientists, and indeed any potential professional man or technician who has had 2 to 3 years taken out of the most crucial periods of their education. Their time has been devoted to largely sitting on their hands in a military uniform. If the military utilized the peacetime draft system for its intended purpose, i. e., acquiring the personnel needed to carry out its functions, it would be an entirely different matter. Unfortunately, the peacetime draft law is being used to carry out the specious, impractical, and rejected philosophy that "every American boy should have military training." I say rejected philosophy because the Congress rejected the Military Establishment's request for universal military training. It was rejected, in part, because the military could never define by curriculum or even in general terms what constituted military training. During the debates on the various bills members of this Committee on Education and Labor raised the point that if the bill really was to be a training bill it should be referred to the Committee on Education rather than to the Committee on Armed Services. Members of your committee warned, and I joined in that warning, that UMT would badly damage our educational system. I charge that the peacetime draft has been perverted in its use to a universal training program and indeed it has badly damaged our educational system and is continuing to do so.

The first step that should be taken by this committee is to examine into this charge to see if it is substantiated. If it is then it should recommend to the Congress what steps must be taken to require the Military Establishment to carry out the intention of the peacetime draft law and not subvert it. Such positive action should bring positive results, to wit: 1. We would improve our educational system particularly in the area of scientists and technicians. 2. We would improve our defense strength because we would be getting our men trained in military science back to the jobs they are trained for and away from education for which they are not trained. 3. We would save billions of dollars that are presently being wasted on inadequate training and usage of personnel.

B. In the 1920's and 1930 the American Legion sponsored a universal military training bill that was based upon an expansion of the high school ROTC program. It had proved quite effective in training men for wars like World War I and to some degree World War II. The basis of this plan was the proper utilization of the educational facilities already existing in the society, rather than an attempted duplication of these facilities in the military.

The need in modern warfare for technical skills, as opposed to short-order military drill skills indicates that we should be utilizing the educational facilities that exist in the society in the field of vocational education, instead of having the Military Establishment duplicate them at the cost of billions of dollars.

We achieve at least three things by following a program based upon utilization of the educational plant already in existence, to wit:

(1) We get better trained technicians.

(2) We get these technicians at one-tenth the cost.

(3) We work with rather than foul up the civilian educational system.

Fortunately, this is not a matter of theory. It is a matter that was proved conclusively in World War II by the Seabee personnel procurement system. To illustrate, the Seabees needed bulldozer operators. They did not take 18-year-old boys with a couple of weeks boot training camp experience and send them for a few months to a bulldozer operating school set up by the Navy. Instead they offered enlistment opportunity with a suitable rating to experienced bulldozer operators in the civilian society and accepted them even though they were fat and 40—if they really knew how to operate a bulldozer. The accomplishments of the Seabees in World War II is fabulous and resulted essentially from this personnel system.

The Seabee formula was abandoned when the war was over. The Navy now operates a bulldozer operators school and takes young men, whether they want to be bulldozer operators or not and sends them to this school for a few months. The results are obvious:

(1) You don't have a very good bulldozer operator.

(2) After the enlistment period is up the man involved may or may not take a civilian job operating a bulldozer, likely not, so the skill is lost (the Reserve program has not been carried out to successfully retain these skills).

(3) The cost to the Navy of running the school is considerable.

(4) The talents of the naval personnel who run the school are taken away from the fields where they could be efficiently utilized.

My second suggestion is that this committee study the operation of the vocational educational training programs of the Military Establishment. This study would disclose how much duplication of bricks and mortar, costly equipment, teaching personnel and student manpower exists. Certainly, this must be evaluated before we follow the suggestions of the administration that we cut back on the indirect entry of the Federal Government into the field of vocational education by cutting out the subsidies granted the States in their vocational educational programs.

C. This committee should review from an educational point of view, the ROTC programs established on the colleges and university campuses of America. One thing I suggest that will be found at one is that interservice rivalry in these programs has been carried to the point that there are triplicate programs in teaching basic fundamentals going on, wasting teaching personnel, equipment, classroom space, etc. Furthermore, this committee on education should study the substantive aspects of the ROTC educational programs. Finally, the committee should examine fiscal aspects of the ROTC programs. I think you will find that the Federal Government has not been bearing its fair share of the cost to our colleges and universities for these programs. Certainly, Federal appropriations to bear the fair share of this cost are in order.

D. This committee should look into the programs of sending our men trained in military science to graduate law schools, business schools, etc. to acquire proficiencies which already exist in sufficient quantity in the civilian society. This is a duplication of costs, a misuse of talents acquired in military science and a failure to utilize the superior skills which are available.

E. I believe this committee should review the educational programs in the service Academies. This is of particular significance today, in that we are calling upon our professional military leaders for so many things which are only indirectly connected with military science. An excellent comprehensive study of the education of our military leaders has recently been made by Profs. John W. Masland and Laurence I. Radway. Their findings are contained in their book Soldiers and Scholars, Military Education and National Policy which was just recently published.

5. I recommend that this committee make a thorough study in the area of scholarship loans. The fiscal subcommittee of the Joint Economic Committee recently conducted a study of the economic effects of our expenditure programs. The areas of education and research and development were subjects of several papers by experts in these fields. One paper contained a table showing the increased earning capacity based upon the amount of education received. There is a direct correlation between the two. This suggests the obvious conclusion that it is worth dollars and cents to the individual to invest time and money in his education. It suggests that on an actual basis we have an area for postponement plans which are fiscally sound.

After this matter had been called to my attention, I contacted several executives in the consumer credit field and asked them whether or not it was possible to set up a sound post payment plan for education on the basis of these statistics. I suggested that if postpayment plans for Florida vacations were now routine, surely postpayment plans for education should be feasible. I found that the CIT Corporation had a postpayment plan for education. It is quite limited in time limits for repayment and it is further restricted to the parents or guardians of the student and does not permit the student himself to set it up. I suggest, however, this is a step in the right direction and should be helpful to this committee as a starting point.

At this point, I want to call attention to the fact that today none of the top students in this country are failing to go to college for lack of scholarship funds. The scholarship funds available fully cover our top students. But we are not taking full advantage of the talents that exist in our society. By way of illustration, at Dartmouth College 30

percent of the student body are on scholarships and all scholarship funds are granted on the basis of need. In a freshman class of 750, the top 200 needy boys will get scholarships on the basis of their academic abilities. However, there will be another 200, not as good in scholarship as the top 200, but better than the last 200 going to make up the class of 750 who will not get scholarships because of lack of scholarship funds. It is the talents of these above average, but not the very top, boys whose talents are not being developed to the fullest.

I believe a loan program is best suited to help these boys. It seems to me this committee, if it is not already planning to do so, should make a study of the economic feasibility of a student loan program and if it is necessary for the Federal Government to stand behind the program to demonstrate its fiscal soundness and to get it going, this should be done. For many reasons, especially educational reasons, this would be vastly superior to any direct Federal scholarship program.

6. An area where Federal funds of a limited amount could presently be spent effectively, and I believe without any complications is in the area of teaching fellowship grants. Here we have the already proven future scientist or professional expert whom we should encourage to continue his education. Yet because of his superiority, he is in demand from the business world. He is at an age when marriage is usual and appropriate. We do not have enough funds to enable enough of these talented young people to pursue a normal existence and continue their studies. I was glad to see in the supplemental appropriations bill additional funds for teaching fellowships.

7. Finally, I want to call attention to H. R. 10456 and H. R. 10464 introduced by Congressman PRICE and Congressman VAN ZANDT and the statements they made on the floor of the House in support of their proposals, page 1572, CONGRESSIONAL RECORD, February 3, 1958. I believe the kind of scholarships which they propose which are planned to start a chain reaction have much to be said for them. I support these bills.

Thank you for giving me this time. I conclude as I started by stating that you have before you one of the most important matters that face our society today. Federal funds can help, but they can also badly damage our basically sound educational system. It requires knowledge and wisdom to choose the proper programs. Only hard work will produce the necessary knowledge. The wisdom can only come from exposing the problems to our society. Time has shown that the best wisdom in any society is the collective wisdom, not that of any small group or segment.

The Biggest Fraud in Our Economic History Is the Fictitious Pricing Now Used in the Sale of Consumer Goods

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mr. THOMPSON of New Jersey. Mr. Speaker, the independent offices appropriation bill for 1959 correctly increases the appropriations for operations of Government in fields which will tend to alleviate unemployment. However, our present economic distress has another factor, the rising cost of living. I find little in this bill which bears directly on the cost of living except an increase of $100,000 for the Securities Exchange Commission to protect buyers of securities from fraud and deception. I find nothing in the bill to afford similar protection to the great mass of consumers.

This Congress can and should provide the same protection against fraud and deception to the housewife, the small-wage earner, and the social-security pensioner. An increased appropriation of $100,000 to the Bureau of Consultation of the Federal Trade Commission will protect people now grievously injured by fraud and deception in the sale of consumer goods.

Purchasers of securities have special problems concerning fraud and deception, but the consumer of necessaries of life has even greater problems avoiding the deception worked on him every day in the marketplace. The biggest fraud in our economic history is the fictitious pricing now generally used in the sale of all consumer goods. And there is every indication the fraud will grow in extent and viciousness as competition increases for the disappearing consumer dollar.

Fictitious and deceptive pricing, the offer of phony bargains, have been encountered in one form or another by every Member of this body who has shopped for food, clothing, appliances, or whatever, within the past year. It is acknowledged by the Better Business Bureaus, the voluntary trade associations, and the Federal Trade Commission as the most prevalent, pernicious, and destructive fraud presently deceiving the consumer.

Deceptive pricing usually offers: $50 value, now only $25, when the actual price of the article offered has never been more than $25; or even worse, $50 value, now only $25, when the actual price of the article offered has never been more than $17.50. It artificially raises the cost of living and deprives the housewife, the small-wage earner, and the social-security pensioner of the real bargains they so eagerly seek and now so sorely need.

We can stop this practice. The Bureau of Consultation of the Federal Trade Commission has developed techniques of enforcement sufficient to stamp out such cheating. Within the last year, in spite of a personnel shortage, it has successfully attacked two closely allied deceptions, bait advertising and preticketing.

The Bureau of Consultation, by use of its trade-practice rules, has defined bait advertising for one industry, and in cooperation with the business community is obtaining enforcement in several industries. Bait is an offer to sell a line of merchandise at a ridiculously low price in order to coax buyers into the advertiser's store. Salesmen then pressure and persuade a prospective buyer to purchase more expensive equipment on display. The bait line can never be found, or has already been sold out before the first buyer arrives in the store.

Preticketing is now prohibited in several industries. The practice was used by manufacturers and packagers, usually under competitive pressure by their retailers. The packager merely inserted a price tag bearing a fictitiously high price in the package containing the manufactured article. The retailer then could point to the fictitiously high price tag as proof that he, the retailer, had reduced prices on this bargain.

But these are only allied to the principal evil, which is fictitious, fraudulent pricing. And that deception must be eliminated if the consumer is to have an even break in the market place.

I have looked through the hearings of our Appropriations Committee, its report on this bill and the bill itself. While I note information regarding the availability of the Federal Trade Commission's Bureau of Consultation, its trade practice rules and advertising-guide procedures to eliminate fraud between the buyer and seller of consumer goods, the bill does not provide funds sufficient to apply these powers for protection of the large mass of consumers. The purchaser of the necessaries of life should receive the same protection we are willing to afford the purchaser of investment securities.

I am deeply concerned that this Congress may allow one of the Federal Government's most vital powers to protect the consumer to be crippled by lack of funds in a year when its use is desperately needed.

I support this bill in other particulars. I contend, however, that the consumers of food, clothing, and other necessaries should have at least another $100,000 worth of the same protection we are willing to give purchasers of investment securities.

Statement of Hon. Florence P. Dwyer, of New Jersey, Before House Ways and Means Committee, in Support of H. R. 11543, To Provide for Temporary Additional Unemployment Compensation

EXTENSION OF REMARKS

OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1958

Mrs. DWYER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include the text of my statement prepared for the House Ways and Means Committee in support of my bill, H. R. 11543, to extend temporarily the duration of unemployment compensation benefits:

Mr. Chairman and members of the committee, the chief question now before this committee seems to be, "Is the rate of exhaustion of unemployment compensation benefits at the present time and in the immediate future of such magnitude as to require emergency action by the Congress?"

Not 3 or 4 months from now, not next year—but now?

In my own view, the answer is "Yes." And this is the reason I introduced the bill, H. R. 11543, which is one of several bills presently being considered by you.

Unless I am badly mistaken, this view is also shared by an impressive number of leading Members of Congress of both parties—including several members of this committee—and by the President of the United States and his Secretary of Labor.

If this view is accepted by the majority of this committee, then the problem becomes, Which proposal now under study, or which amalgam of proposals, promises the most effective and quickest relief of this emergency need?

Again, relief not 3 or 4 months from now, not next year, but relief now?

I respectfully suggest, Mr. Chairman, that H. R. 11543 can assure the required relief now—before unnecessary further suffering is permitted, and before the downward cyclical effect of benefit exhaustion takes full effect and further depresses the economy.

My bill will provide, through Federal-State-agreement, for an additional 13 weeks of benefits for those people whose benefit rights, under their own State system, have been exhausted this year. Payments will be in the amount the family was receiving when the workers benefit rights were exhausted. Similar relief is provided for Korean veterans who have exhausted their unemployment compensation benefits. Unemployed railroad workers will also be given an additional 65 days of benefits if they have exhausted their payment-rights this year. This temporary emergency program would run for a 1-year period. It would be financed solely by the Federal Government either by grants to the State unemployment agency or, where no agreement is in effect in the State, through a Federal agency.

The need for such legislation is clearly evident. As Secretary Mitchell testified on the first day of your hearings, "In January and February of this year, 292,500 workers exhausted their regular benefits. It is estimated that a total of 2.3 million workers will exhaust their benefits in calendar year 1958 despite the fact that the potential duration of benefits is now longer than it ever was."

In my own State of New Jersey, the number of workers exhausting their benefits has reached a weekly average in excess of 2,500 as of the middle of March. At that time, nearly 40,000 unemployed workers had used up completely their eligibility for benefits—approximately one out of every four of the nearly 160,000 claimants for unemployment compensation. The estimated total unemployment as of mid-March in New Jersey was 222,000.

The seriousness of the present unemployment situation is further pointed up by the evidence reported in Tuesday's Washington Post that the administration is actively considering a Federal grant-in-aid program for unemployment assistance for those not receiving insurance benefits. There is no such Federal-aid program at present. And in many States no local program is authorized to assist unemployed who either exhaust their regular unemployment compensation benefits or who were not covered by the system.

In New Jersey, the sharp increase in the number of persons receiving general public assistance, excluding child welfare, old age, disability, and blind cases, indicates the increasing burden on public resources resulting from the rising rate of unemployment compensation exhaustions. As of February 1958, more than 40,000 persons were receiving general public assistance—an increase of 13.9 percent over the preceding month and a rise of 63.9 percent over February 1957.

My bill is substantially the same as the administration's bill except for the fact that it provides that the cost of these supplementary benefits will be borne by the Federal Government in the form of grants, rather than by the States in the form of repayable loans or increased employer tax. The duration of the additional payments will be 13 weeks, instead of 50 percent of the individual's duration under his State program.

In a sense, I believe that this method better carries out the purpose expressed in President Eisenhower's recent message to Congress, which emphasized the plight of the workers and their families who have exhausted their benefits. He stated at that time:

"I believe that these workers and their families should be enabled temporarily to receive weekly benefits for a longer period than is now in effect so that in the current economic situation they and their families can obtain a greater measure of security."

My bill is designed to provide emergency payments of adequate duration, on an equal basis, to the unemployed worker, even though his State may not have conformed to the President's recommendations as to duration of benefits. This, it seems to me, is the only equitable solution. For we should not compound the distress of a worker in a State with benefits of short duration by restricting him to equally short Federal emergency benefits. The 13 weeks of additional benefits in my bill is more realistic, in my view, than variable periods provided by H. R. 11679 which, Secretary Mitchell has estimated, will provide an average of only 7½ weeks of additional benefits.

On the other hand my bill, like the administration bill, retains for the States the important responsibility and prerogative of determining the amount of weekly benefits. Unlike H. R. 11326 and H. R. 11327, the bills of your distinguished chairman and the majority leader, my proposal would not have the effect of increasing benefits, in some cases, in a very haphazard manner. The requirement in the Mills-McCormack bills that the rate of extended benefits will be an amount equal to 50 percent of the individual's average weekly wage (with a limitation that such benefits shall not exceed two-thirds of the average weekly wage earned by employees within the particular State) produces some extremely anomalous situations.

For example, some States with so-called variable duration now provide that short attachment to the labor market, as measured either in earnings or in time, gives only short entitlement to benefits. In many States, a bare attachment to the labor market allows benefits for only 5 or 6 weeks. Progressively longer labor market attachment gives correspondingly longer duration up to the point where what is described as "substantial attachment" provides the maximum duration allowed in the State law. Thus many short-duration claimants, it has been pointed out, would receive more benefits per week than those who were regularly employed and eligible for the State's maximum duration of benefits. As a result, a worker might be eligible for $35 per week for 10 weeks, and then receive $40 to $50 for the next 16 weeks—the period covered by the Mills-McCormack proposal. In contrast, the steady worker would continue to receive only $35 per week for the entire 26 weeks of his State duration and could receive the higher rate only after his unemployment continued beyond the 26 weeks.

It should be made very clear that my proposal is temporary and deals only with an emergency situation. For I am convinced that the States will continue to improve their systems within the traditional patterns toward the goals set forth by President Eisenhower and our Secretary of Labor, James P. Mitchell. These objectives, as you well know, call for an increase in the State's maximum dollar payments to the great majority of unemployed workers so that they will equal at least half of their regular earnings, and for a uniform duration period of 26 weeks. Moreover, I suggest that, for such emergency legislation, a Federal grant is more appropriate than a loan inasmuch as a grant will not mortgage the reserves and tax resources of State plans in the future so as to make the liberalizations which the President has recommended practically impossible of fulfillment.

I believe that my bill combines two very important objectives. It will deal effectively with the emergency unemployment situation which now confronts us. But it does not alter the basic structural relationships of our State-Federal unemployment compensation system so that further cooperative progress can be made. H. R. 11543 does not, in any way, change the standards that the States have set in their laws with respect to weekly benefit amounts, eligibility, or disqualifications. Furthermore, there will not be the possibility of employers bearing the full cost of these emergency payments through increased taxes which, in themselves, may have a depressing effect upon the dynamic nature of our economy.

These are important considerations, I believe, especially at this time and in this emergency situation. Legislation, like several of the bills now before this committee, which would involve such structural changes in the present Federal-State unemployment compensation system would also involve the requirement of implementing legislation by the States.

This will take time, a great deal more time than we can afford to take without also taking interim action extending unemployment benefits.

I will readily concede, Mr. Chairman, that there are serious weaknesses in the existing system—weaknesses recognized by leading economists and Government officials, from the President on down, of both parties. These shortcomings include: insufficient coverage, inadequate benefit levels, too brief a period of eligibility, and arbitrary disqualifications.

Clearly, we require a far more comprehensive and uniform Federal-State unemployment compensation system, with provision for more realistic payments and durations of benefits—both in justice to workingmen and women and as a means of securing greater stability in our national economy.

But, as I have indicated, to correct these inadequacies will require State legislation in addition to the Federal legislation you are considering. This would be true even if all the States' legislatures were presently in session and if there was unanimous agreement about the need for and kind of reform which is needed. Neither of these conditions exists.

By all means, let the Congress begin immediately to review and revise the present unemployment compensation system. But let us not fool ourselves into thinking that such comprehensive action will solve the immediately pressing problem of extending benefits for those unemployed who have exhausted and will shortly exhaust their regular benefits.

There are two distinct and different problems here. Congress must face both of them. But let us not confuse them and thereby fail to meet the emergency need that faces us right now.

Thank you very much for your cooperation and consideration. I commend my bill, H. R. 11543, to your earnest study and to your sense of urgency.

SENATE

WEDNESDAY, MARCH 26, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Father Nicholas T. Stavrakis, St. Nicholas Greek Orthodox Church, Baltimore, Md., offered the following prayer:

Our Heavenly Father, in these days of anxiety and confusion we look to Thee for guidance we so greatly need. Consider our human talents before Thy infallible wisdom, and direct them in the shaping and execution of all policies.

Aid us in our individual and collective efforts to propagate the ideals of our democratic spirit within and without our Nation.

Grant us this day, our Father, Thy heavenly manna in much-needed clear vision, and Thy pillar of fire to guide our footsteps in the paths of righteousness.

Use us, we pray, to shape a better nation, a better world, and a brighter tomorrow.

With Thy benedictions upon us, we shall find true and restful peace in the knowledge of our tasks accomplished and successfully completed in Thy sight. These we seek in Thy heavenly name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 25, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Senate Finance Committee, the Antitrust and Antimonopoly Subcommittee of the Committee on the Judiciary, and the Foreign Relations Committee were authorized to meet during the session of the Senate today.

MILITARY PAY BILL—MEETING OF MILITARY PAY SUBCOMMITTEE DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Military Pay Subcommittee of the Committee on Armed Services may be authorized to meet during the session of the Senate today.

Mr. President, as one of the reasons for the request just made, I announce that there is a substantial and very important problem pending before this subcommittee, namely, the question of raising the pay of those in the military service. We are losing a great many of our military personnel, for whose training a great deal of money has been spent.

On the other hand, members of the subcommittee tell me that many Senators have raised questions about the overall cost involved, and some feel there are so-called undesirable features of the bill.

We are trying to approach this subject with the thoroughness which is characteristic of any subcommittee headed by the Senator from Mississippi [Mr. STENNIS]. I announce to the Senate that there will be some delay in reporting the bill. We do not expect it to be on the calendar before the Easter recess, because it is possible that substantial changes may be made in the bill. So any Members of the Senate who are interested in the so-called Cordiner report, or the military pay bill recommended by the administration, or the Kilday bill, passed by the House yesterday, should know that there are some serious questions involved which must be resolved.

Hearings will be held during sessions of the Senate, as is being done today. However, I do not expect a report from the full committee until after Easter.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, during which Senators may introduce bills and transact other routine business; and in that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

THE ROAD BILL—LEGISLATIVE PROGRAM—ACTION OF REPUBLICAN CONFERENCE ON FARM BILL

Mr. JOHNSON of Texas. Mr. President, I should like to announce that under the unanimous-consent agreement there is a possibility that in connection with the road bill—which I consider a very important antirecession measure—there could be 11 hours of debate on the bill itself and the two principal amendments. However, I do not believe that all that time will be used. I am informed that it is unlikely there will be many other amendments. Therefore, we hope to come to a vote on the bill today. We should like to have the staff and the Members of the Senate be prepared to remain here until a reasonable hour this evening—I would say perhaps as late as even 11 or 11:30 p. m., if that is necessary, to get the bill passed.

Mr. President, I am very proud of my colleagues on both sides of the aisle for joining arm in arm to combat the difficulties which confront many of our fellow men who today find themselves without jobs. This road bill has in it provision for a potential of 520,000 jobs.

It may very well be that we shall have to take additional steps to alleviate further the serious condition which faces the country. I should like to have my colleagues know that the majority policy committee of the Senate and the leadership of the House of Representatives have under constant review certain possible steps. I do not think there is anything to be gained by issuing prophetic statements about what might happen. But we want the country to know that whatever is necessary to be done will be done to keep this recession from becoming any worse.

Mr. President, in this connection I wish to congratulate my colleagues on the other side of the aisle for the vote they reportedly took on yesterday in the Republican conference. I hope all the people of the country will observe that vote. I know it is going to be welcome news to the American farmers that Members of both parties in the Congress are willing to come to their help.

Mr. President, I think the farm issue is one upon which Congress has passed. Leadership is needed on it right now. It is not something "down the road." It is time for everyone to stand up and be counted.

This is not an issue which should be partisan. Republican and Democratic farmers have been suffering alike from the harsh circumstances of recent years. Republicans and Democrats alike should try to do what they can to help solve these difficulties. I should like to commend my colleagues for avoiding the temptation which has arisen all too frequently in recent years. It is the temptation of inaction which results from always being a "friend" of the other fellow.

Mr. President, there are some persons who become friends of the farmers when bills affecting the workingmen are before the Congress. Frequently there subsequently comes a sudden shift of position by the same persons, who then become friends of the workingmen, when bills affecting the farmers are before the Congress. From such shifts, nothing is done to help anyone. I do not believe such shifts promote the prosperity of the United States.

I do not believe one group can be made prosperous at the expense of another group. Instead, I believe that all suffer when one suffers. When farm prices are low, the farmer loses his purchasing power, and cannot buy trucks, tractors, automobiles, and other products of labor. When working men and working women are unemployed, they lose their purchasing power, and then they cannot buy the products of other workingmen or the food and fiber which are produced by the farmers. Likewise, when businessmen suffer, our working men and and our farmers soon discover that both jobs and markets vanish.

The past few years have produced a most dramatic example of this trend. They are years in which farm prices have gone down and down and down and prices paid by consumers living in the cities have gone up and up.

The measure passed by this Congress is no more than an act of simple justice.

It states only that the powers of this Government cannot be used—I repeat, Mr. President, it states only that the powers of this Government cannot be used—to force the farmer's income lower than it was last year. We are not asking for an increase in prices. We are asking only that prices not be forced lower than they already have been forced.

Mr. President, if we do justice to one, we do justice to all.

I should like to commend the distinguished president of the AFL–CIO, the great labor leader, Mr. George Meany, who speaks for millions of the working people of this country, for his statesmanlike stand on the farm bill, as evidenced by his communication to the President yesterday. Mr. Meany urged the President to sign this measure, because I think it is very heartening to the people of the country when those who speak for the workingman and the consumer urge that the farmer get a fair deal.

Mr. JOHNSON of Texas subsequently said: Mr. President, certain letters and telegrams have been sent to the President urging him to sign Senate Joint Resolution 162, the farm bill. I shall read into the RECORD these telegrams.

I yield myself such time on the pending bill as may be necessary.

The following telegram was sent to the President by Mr. George Meany, president, AFL–CIO:

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

On behalf of the American Federation of Labor and Congress of Industrial Organizations, I respectfully urge you to sign Senate Joint Resolution 162 freezing farm price supports at present levels. Simple justice and economic wisdom would be served by this action to prevent further drop in farmers' income.

Farm income has declined about one-third in the last 9 years. Declining farm income is a definite forerunner of a decline of the economy as a whole. Our farmers were in a depression 4 years or more before the great crash of 1929. Any further drop in farmers' income at this time would still further depress our present faltering economy. Until and unless other solutions to farmers' problems are developed, present price supports should not be reduced.

GEORGE MEANY,
President, AFL–CIO.

I shall now read the other telegrams:

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

Respectfully urge you to sign bill freezing farm price supports. As workers in retail industry, our members know from personal experience the importance of maintaining purchasing power of all groups in American economy. Extremely important that income of farm families not drop further. Farm price support bill now before you will maintain farm income at present level.

KENNETH MEIKLEJOHN,
Legislative Representative, Retail, Wholesale & Department Store Union, AFL–CIO.

MARCH 24, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Strongly urge you sign Senate Joint Resolution 162. Additional purchasing power for farmers will help create needed employment. Increasingly dangerous economic recession makes this legislation essential at this time.

J. A. BEIRNE,
President, Communication Workers of America, AFL–CIO.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.:

We urge strongly your support of the bill freezing farm price supports. Further lowering of farmers' income can only result in decrease of consumers' purchasing power. This will clearly have an adverse effect on the economy in general and cause further unemployment.

WILLIAM B. ALLEN,
Washington Representative, United Rubber Workers of America, AFL–CIO.

MARCH 25, 1958.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

Continuous decline in farm income is a serious problem to workers, as it is to farmers. Billions of dollars of purchasing power, which could be used to stem the increasingly serious recession, have been lost because of policies which are forcing farm families into poverty. Stopgap measures are immediately necessary to stop further drops in the already depression-like incomes of farm families. We respectfully urge that you sign Senate Joint Resolution 162.

In fighting this measure, Secretary of Agriculture Benson is using the same technique which he has previously used against labor and about which we have previously complained to you. From 1955 to 1957, Secretary Benson attempted to blame workers' wage gains for farmers' economic plight. Now, he is trying to blame farmers' price supports for high food prices workers must pay. The attempt is to set one group off against the other, to incite one group against the other. We urge that you dramatically show your rejection of this extremely dangerous "divide and conquer" technique by signing the farm price-supports bill.

THOMAS J. LLOYD, *President,*
PATRICK E. GORMAN,
Secretary-Treasurer, Amalgamated Meat Cutters and Butcher Workmen of North America, AFL–CIO.

Mr. President, I ask unanimous consent to have several other messages printed at this point in the RECORD, as soon as they are received from my office.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

We appeal to you to approve Senate Joint Resolution 162, farm price supports. Our farmers need this help and our national economy needs this support.

GEORGE M. HARRISON,
President, Brotherhood of Railway Clerks.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

If we are to achieve an expanding economy which will enable us to assume our proper role of world leadership in the struggle against communism, we must have a firm farm economy. Urge your approval Senate Joint Resolution 162.

A. PHILIP RANDOLPH,
President, Brotherhood of Sleeping Car Porters.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

We ask you to approve Senate Joint Resolution 162. Our people are unemployed and increased purchasing power among farmers will help us.

W. A. FLEETE,
President, Switchmen's Union of North America.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington D. C.:

Farm purchasing power has fallen dangerously and we hope you will sign Senate Joint Resolution 162.

WILLIAM CALVIN,
President, International Brotherhood of Boilermakers and Blacksmiths.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

The Nation's unemployment problem demands a healthy farm economy if we are to recover. Please sign Senate Joint Resolution 162.

ROBERT BYRON,
President, Sheet Metal Workers' International Association.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

I urge you to approve Senate Joint Resolution 162. The fortunes of men working in the cities and men working on the farms are related and farmers need help.

JOHN DUFFY,
Vice President, International Brotherhood of Electrical Workers.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

I hope you will approve Senate Joint Resolution 162. Farm incomes are dangerously low and in need of immediate support.

A. J. BERNHARDT,
President, Brotherhood Railway Carmen of America.

MARCH 26, 1958.

The PRESIDENT,
The White House, Washington, D. C.:

The Nation's unemployment problem requires immediate action on several fronts. We hope you will approve Senate Joint Resolution 162, to firm up farm incomes.

ANTHONY MATZ,
President, International Brotherhood of Firemen and Oilers.

MARCH 26, 1958.

The PRESIDENT,
The White House, Washington, D. C.:

Please sign Senate Joint Resolution 162. Farmers in need of immediate Federal income support.

JAMES P. TAHNEY,
American Railway Supervisor Association.

MARCH 26, 1958.

The PRESIDENT,
The White House, Washington, D. C.:

Our association hopes you will sign Senate Joint Resolution 162. The economic well-being of the Nation's farmers is vital to our ability to produce the goods and services needed in the cold war.

A. E. LYON,
Executive Secretary, Railroad Labor Executives' Association.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Firmed up farm income vital to national recovery. Urge you sign Senate Joint Resolution 162. Farmers need this help.

G. E. LEIGHTY,
President, the Order of Railroad Telegraphers.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Please sign Senate Joint Resolution 162. Shrinking farm income imperils national recovery. Farmers need help.

MICHAEL FOX,
President, Railway Employees' Department, AFL–CIO.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Respectfully urge approval Senate Joint Resolution 162. Long-term decline in farm income dangerous to our national and international security.

E. H. GILBERT,
President, Brotherhood of Locomotive Firemen and Enginemen.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

The demands of survival in the world we live in require a strong farm economy. Respectfully ask your approval of Senate Joint Resolution 162.

GUY BROWN,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Railroad men ask your approval, Senate Joint Resolution 162. Falling farm prices being reflected in weakening of economy in the farm States. This is directly reflected in the economy of workers.

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Hope you will sign Senate Joint Resolution 162. Farm income has dropped rapidly and is not able to sustain its share of needed consumption requirements.

ROY HUGHES,
President, the Order of Railway Conductors and Brakemen.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Please sign Senate Joint Resolution 162. Farmers desperately need price support.

JESSE CLARK,
President, Brotherhood Railroad Signalmen of America.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

We ask you to approve Senate Joint Resolution 162. Unemployment cannot be solved without a revitalized farm economy.

MILTON SCHOCH,
President, Railroad Yardmasters of America.

MARCH 26, 1958.

The PRESIDENT,
The White House,
Washington, D. C.:

Hope you will sign Senate Joint Resolution 162, farm price supports. Farmers without income cannot buy to restore employment.

JOE SPRINGER,
President, American Train Dispatchers Association.

Mr. JOHNSON of Texas. Mr. President, again I wish to congratulate my colleagues on the other side of the aisle for the action they took in their conference yesterday. The majority they registered will, I believe, hearten the farmers in every State of the Union.

Mr. PROXMIRE. Mr. President, I am proud and happy to have the opportunity this morning to rise in the Senate and join the distinguished majority leader in his congratulations to the members of the minority.

Mr. President, the working people of Wisconsin and their elected leaders in union organizations have for a long time supported the position of having adequate price supports for farm products. We have a situation in Wisconsin in which all groups, not only farmers, but business and religious groups, have called upon me as their Senator to do what I can to protect the Wisconsin farmer by voting to keep support prices at the present price level. I have received letters and telegrams from chambers of commerce, Kiwanis clubs, and other organizations which, by and large, represent business people, urging such support.

Mr. President, only 6 more days remain before the scheduled cut in dairy prices is due to go into effect.

I am sure the farmers were as heartened as I was, Mr. President, by the wise and understanding action taken in the Republican policy committee meeting yesterday. According to press reports, a majority of the Republican Senators present voted to recommend to the President of the United States that he sign the joint resolution to require a 1-year moratorium on further reductions in farm prices.

I hope that President Eisenhower will give his earnest and sincere attention to the wise guidance of the distinguished Republican leaders who were among those voting against a veto of this emergency measure. I hope he will take into account their unusual grasp of their States' needs and interests, their sensitive understanding of the importance at this time of avoiding further depression-creating pressures in our economy, their humane appreciation of justice and fairness in our economic life. I hope he will heed the majority vote of the Republican Senate policy committee and sign our farm price "freeze" resolution to help avert further rural disaster.

MORNING BUSINESS

The VICE PRESIDENT. Routine morning business is now in order.

PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from George C. Stiehler, of Brooklyn, N. Y., relating to governmental spending, which was referred to the Committee on Government Operations.

REGULATION OF COMMERCE IN MEAT AND MEAT PRODUCTS—TELEGRAMS AND LETTERS

Mr. THYE. Mr. President, a few days ago we were considering S. 1356, relating to stockyards and meatpackers. At that time, Mr. President, the bill was recommitted to the Committee on Agriculture and Forestry.

Mr. President, I ask unanimous consent that some telegrams and letters I have received relating to the problem of stockyards be printed in the body of the RECORD and referred to the Committee on Agriculture and Forestry, for the information of the committee.

The VICE PRESIDENT. Without objection, the letters and telegrams will be received, printed in the RECORD, and referred to the Committee on Agriculture and Forestry.

The telegrams and letters are as follows:

EDGERTON, MINN., *August 10, 1957.*

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.:

Take close look at bill that will take regulation of meatpackers out of Department of Agriculture and put it under Federal Trade Commission. Trade Commission may not look from farmers point of view. We don't want to lose any advantage the packers may be able to give us.

JOHN L. OLSON.

WORTHINGTON, MINN.

MONTEVIDEO, MINN., *August 10, 1957.*

Senator THYE,
Senate Office Building:

I hear there is a bill coming up which would move the regulation of the meatpackers from the Department of Agriculture to the Federal Trade Commission. I am against this bill because the meatpackers are in close contact with the farm, and I believe that the department responsible for farm and agricultural problems should be the ones to regulate the meatpackers. Also, I am inclined to think that the Federal Trade Commission is apt to favor the consumer in the relation to those of us who produce, market, and produce livestock.

B. E. BONN,
First National Bank.

ST. PAUL, MINN., *August 9, 1957.*

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.:

In regard to S. 1356, transferring jurisdiction over packers from United States Department of Agriculture to Federal Trade Commission, strongly urge you to oppose this bill. Farmers want control in Department of Agriculture.

J. L. MORTON,
President, Minnesota Farm Bureau Federation.

PRESTON, MINN., *August 10, 1957.*

Hon. EDWARD J. THYE,
United States Senator,
Washington, D. C.:

Information has been brought to my attention that there is a bill under consideration whereby the regulation of the meatpacking industry would be taken away from the Department of Agriculture and put under control of the Federal Trade Commission. This seems entirely wrong to me, as I believe

that meatpacking and livestock farming, being so essential to each other, should both be advised and regulated by the same department which is, and should be, the Department of Agriculture. Also the Federal Trade Commission might be inclined to forget about us fellows that are producing and marketing the livestock and look out for the consumer only.

Sincerely,

HILMAN ERICKSON,
Preston, Fillmore County, Minn.

ELMORE, MINN., *August 10, 1957.*
EDWARD J. THYE,
Senator, Washington, D. C.:

Understand a bill to transfer regulation of meatpackers from United States Department of Agriculture to Federal Trade Commission is pending. We feel this may harm rather than help the great livestock industry.

C. W. MEYERS,
Director, Minnesota Swine Producers.

JACKSON, MINN., *August 10, 1957.*
Senator ED J. THYE,
United States Senator,
Washington, D. C.:

I understand there is a bill under consideration which would take regulation of meatpacking out of the Department of Agriculture and put it under Federal Trade Commission. I don't think this is the way to do it because meatpacking is pretty close to the farm and it seems that the agency that looks into farm and agriculture problems ought to be best able to regulate the meatpackers. Although the Federal Trade Commission might look out for the consumers and tend to forget those of us who raise and market livestock.

ELDON H. SUMMERS.

ST. PAUL, MINN., *August 9, 1957.*
Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.:

We believe the interest of the livestock producer is best served by jurisdiction over meatpackers being left under the Department of Agriculture, who supervise and regulate public stockyards. Your vote against transfer to Federal Trades Commission will be appreciated.

A. L. OLSON,
President, St. Paul Union Stockyards Co.

WEST CONCORD, MINN., *August 9, 1957.*
Senator EDWARD J. THYE,
United States Senate Building,
Washington, D. C.:

I understand there is a bill now being considered which would take the regulation of meatpackers away from the Department of Agriculture and put it under the control of the Federal Trade Commission. I don't think this is the correct thing to do because meatpacking is very close to the farm and it seems that the agency looking over farm and agriculture problems should be best equipped to regulate the meatpackers; also the Federal Trade Commission might look out only for the consumer and tend to forget those of us who raise and market the livestock.

SANDEN SENJEM.

FOOD RETAILERS ASSOCIATION,
St. Paul, Minn., August 15, 1957.
Hon. EDWARD THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR: As you can well realize, the recent court decision which removed chainstores who own their own meatpacking plants from the jurisdiction of the FTC has created a very dangerous situation within the food industry.

With the chains responsible to the FTC the competitive situation within our industry has been such that the individual operator has a reasonable opportunity to survive. The Department of Agriculture, to whom such chains are made responsible under the decision, has neither the means nor the interest to restrain the multiple operators from monopolistic practices.

S. 1356 places large chains who own their own meatpacking plants under the regulation of the FTC and restores the competitive balance to our industry.

We urge in the strongest terms that you actively support passage of S. 1356. This is especially important to Minnesota where large chains do not yet dominate the market.

Cordially,

EARL F. ALTNOW,
Executive Secretary.

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D. C., August 16, 1957.
Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The National Milk Producers Federation is interested in and strongly supports legislation designed to confer on the Federal Trade Commission authority to regulate the unfair trade practices of the entire food industry in connection with advertising, wholesaling, and retailing operations of meats and other food items.

In our recent statement presented to the Senate Committee on the Judiciary we pointed out the unfairness and inequity of the present situation. Under existing laws, one part of the food industry—including dairy cooperatives—is subject to the regulation of the Federal Trade Commission. Another part, which owns or has an interest in meatpacking facilities—including large dairy companies—is subject to the regulations of the Department of Agriculture under the Packers and Stockyards Act.

In other words, dairy cooperatives and others under the jurisdiction of the Federal Trade Commission find themselves subject to a degree of regulation not applicable to their packer competitors. We maintain that a double standard has been set up. Justice and fair play demand that this situation must be corrected.

We urge you most earnestly to approve legislation in line with S. 1356, in order to accomplish our objective to have the entire food industry, including dairy cooperatives, meatpackers, and others, subject to the same set of rules and regulations on merchandising trade practices.

Sincerely,

E. M. NORTON,
Secretary.

ST. PAUL, MINN., *August 12, 1957.*
Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.:

Respectfully request you oppose S. 1356 and support Dirksen amendment to that bill to best serve interests of agriculture. Appreciate your consideration.

J. P. KLUG.

MINNEAPOLIS, MINN.

ST. PAUL, MINN., *August 12, 1957.*
Hon. EDWARD THYE,
United States Senate,
Washington, D. C.:

Understand S. 1356 to transfer jurisdiction over meatpackers from Department of Agriculture to Federal Trade Commission is due for vote today. We respectfully request your opposition to S. 1356 and support the Dirksen amendment to that bill.

ARMOUR & CO.,
R. W. ELDRED,
General Manager.

ALBERT LEA, MINN., *August 12, 1957.*
Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

Suggest you oppose bill S. 1356 and support Dirksen amendment to that bill.

W. F. GROOS,
Desota Creamery and Produce of Albert Lea.

ROCHESTER, MINN., *February 18, 1958.*
The Honorable EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: We understand that the packers and stockyards bill, S. 1356, along with Senator YOUNG's amendment, is expected to be called up for debate in the Senate in the near future.

Your support is requested on the passage of this legislation, along with the clarifying amendment. We believe that this will eliminate misleading advertising and discriminatory pricing which is harmful to the dairy industry today.

We appreciate the work which you are performing for the dairy farmers of our State.

Yours very truly,

CHARLES STUBE,
General Manager, Rochester Dairy Cooperative.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Res. 273. Resolution to provide additional funds for the Committee on Post Office and Civil Service;

S. Res. 277. Resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs;

S. Res. 279. Resolution authorising the printing of additional copies of the interim report of the Select Committee on Improper Activities in the Labor or Management Field; and

S. Res. 281. Resolution authorizing the printing of the committee print "Recruitment and Training for the Foreign Service of the United States" as a Senate document.

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2146. A bill for the relief of William F. Peltier (Rept. No. 1419);

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer (Rept. No. 1420); and

H. R. 7508. An act for the relief of Harry J. Madenberg (Rept. No. 1421).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 165. A bill for the relief of Arthur LeRoy Brown (Rept. No. 1422);

S. 400. A bill for the relief of Paul Thury (Rept. No. 1423);

S. 488. A bill for the relief of Eva S. Winder (Rept. No. 1424); and

S. 1879. A bill for the relief of Casey Jimenez (Rept. No. 1425).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 2617. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (Rept. No. 1426).

By Mr. FULBRIGHT, from the Committee on Banking and Currency, without amendment:

S. 3093. A bill to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949 (Rept. No. 1427).

MARGARET C. PRIDE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 282) to pay a gratuity to Margaret C. Pride, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret C. Pride, widow of Andrew J. Pride, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PAYNE (for himself and Mrs. SMITH of Maine):

S. 3561. A bill to amend section 24 of the Federal Reserve Act to exempt real estate loans guaranteed by States from its provisions; to the Committee on Banking and Currency.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG:

S. 3562. A bill to increase temporarily, as part of a general effort to overcome the current economic recession, the amount of insurance benefits payable to individuals under title II of the Social Security Act; and

S. 3563. A bill to provide an 8⅓ percent reduction of individual income taxes for 1958 and to provide immediate tax relief by establishing a 1-month moratorium on the imposition of the withholding tax on wages; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

S. 3564. A bill to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 3565. A bill for the relief of Ellen B. Mueller; and

S. 3566. A bill for the relief of Arthur B. Moore; to the Committee on the Judiciary.

RESOLUTION

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 282) to pay a gratuity to Margaret C. Pride, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HENNINGS, which appears under the heading "Reports of Committees.")

AMENDMENT OF SECTION 24 OF FEDERAL RESERVE ACT, TO EXEMPT CERTAIN REAL ESTATE LOANS

Mr. PAYNE. Mr. President, on behalf of myself and my colleague, the senior Senator from Maine [Mrs. SMITH], I introduce, for appropriate reference, a bill to amend section 24 of the Federal Reserve Act. I ask unanimous consent that a statement I have prepared relating to the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3561) to amend section 24 of the Federal Reserve Act to exempt real estate loans guaranteed by States from its provisions, introduced by Mr. PAYNE (for himself and Mrs. SMITH of Maine), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. PAYNE is as follows:

STATEMENT BY SENATOR PAYNE

Last year the State of Maine set up a special State agency—Maine Industrial Building Authority—to assist in financing industrial development in Maine by guaranteeing mortgage loans made by lending institutions to local nonprofit development corporations. MIBA is empowered to issue its own bonds to meet any obligation arising from loan guarantees. The full faith and credit of the State of Maine are pledged to guarantee repayment of the mortgage loans.

The Maine law permits loans by lending institutions up to 90 percent of the property valuation for periods up to 25 years. Under section 24 of the Federal Reserve Act mortgage loans made by national banks, however, are limited to a maximum of 66⅔ percent of the property valuation for no more than 20 years duration.

National banks are a price source of mortgage funds in Maine. If national banks in the State are to be permitted to participate fully in the MIBA program, section 24 of the Federal Reserve Act will have to be modified. Since the full faith and credit of the State is pledged to guarantee loans under the MIBA program, modification of section 24 of the Federal Reserve Act can be made for this limited class of loans without detriment to the national banks concerned. The proposed amendment has been carefully drafted in consultation with the Office of the Comptroller of the Currency of the United States Department of the Treasury and Mr. Sewall Strout, chairman, legislative committee, Maine Bankers Association.

The proposed amendment is as follows:

"That section 24 of the Federal Reserve Act is amended by inserting before the period at the end of the third sentence a comma and the following: 'and shall not apply to real-estate loans which are 100 percent guaranteed or insured by a State or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, provided that under the terms of the guarantee or insurance agreement the association will be assured of repayment in accordance with the terms of the mortgage'."

EXTENSION OF CIVIL SERVICE RETIREMENT ACT TO CERTAIN TEMPORARY RURAL CARRIERS

Mr. JOHNSTON of South Carolina. Mr. President, temporary rural carriers normally are not covered under the Civil Service Retirement Act.

First, they were excluded from coverage by executive order of the President. Later, they have been excluded by regulation of the Civil Service Commission. However, there was an exception to this practice during the war years, primarily because many temporary carriers served on a continuous basis for long periods of time. Under the regulations in effect at that time, for a temporary carrier to be covered under the retirement act, certain action was required of his supervising postmaster. Because of unfamiliarity with the retirement act, some postmasters failed to take the necessary action with respect to a limited number of temporary carriers. This omission had the effect of depriving some temporary rural carriers of coverage under the retirement act, whereas other temporary carriers acquired coverage.

I introduce for appropriate reference, a bill designed to correct this inequity. The bill does nothing more than make it possible for all such carriers who served during the war years to be treated alike.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3564) to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—AMENDMENTS

Mr. ROBERTSON submitted amendments, intended to be proposed by him, to the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table, and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him on the subject of Education for Peace.

By Mr. PROXMIRE:

Address relative to the rural electrification program, delivered by Senator KEFAUVER at the 22d meeting of the Wisconsin Electric Cooperative, Madison, Wis., on March 24, 1958.

By Mr. POTTER:

Article entitled "Challenges for Nurses Ever Increasing," written by him and published in the Michigan Nurse of February 1958.

By Mr. KNOWLAND:

Article entitled "Seaton Hopes for Early Statehood for Alaska," written by Fred A. Seaton, Secretary of the Interior, and published March 13, 1958.

GREAT LAKES BASIN COMPACT

Mr. PROXMIRE. Mr. President, the capacity of the eight States in the Great Lakes region to deal with the problems and opportunities presented by the opening of the great St. Lawrence Seaway will be enhanced if the Congress consents to the Great Lakes Basin Compact. A subcommittee of the Judiciary Committee, presided over by the Senator from Wyoming [Mr. O'MAHONEY], is holding hearings on the question now.

This morning I shall make a statement in support of the compact before

that subcommittee. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR PROXMIRE

Mr. Chairman, I appreciate the opportunity to appear before this subcommittee of the Judiciary Committee in support of granting the consent and approval of Congress to a Great Lakes Basin Compact.

The Great Lakes States, indeed, the whole Midwest, stand on the threshold of a future of dynamic change that promises to bring immense development. Within a few years the St. Lawrence Seaway will create another seacoast 2,400 miles long, bordered by eight States of the Great Lakes region. In these eight States there are close to 60 million people—approximately 35 percent of the population of the United States. Backed up against them, so that they are a part of the region served directly by the seaway and the Great Lakes, are nine other States with a population of more than 13 million people.

The citizens of these States are the people whose lives will be most directly affected by the new route to the sea. These are the people who plant the grain, who mine the coal and the iron ore. They refine the petroleum products that will flow in an ever-widening river of commerce to the far places of the world. These are the people whose lives will be changed by the magic of low transportation costs for imports from other lands.

Today no man can foresee what vast benefits will flow—to all Americans—because of this great new link with the rest of the world. And no man can foretell what the problems will be. Some of the problems will require national solutions. Many of them will yield best to the initiative and first-hand knowledge of the States whose people are most directly affected by them.

If the Congress permits the States to develop the means to solve their regional problems it will not be pure generosity on our part. The alternative is to solve them here. That means that committees will sit endless hours fretting with local details. I am sure that is not a prospect that appeals to anybody on this committee. So this is a bill of responsible and sensible decentralization.

The time to get ready to solve problems is before they overwhelm us. What is proposed here is that the eight States bordering the Great Lakes should be permitted to enter into a compact so that they may establish an institutionalized way to confer and work out their problems together.

I am sure you know that six of the eight States that will be parties to the compact have already ratified it. The State of New York will ratify it as soon as the legislature, which has passed one ratifying measure, can pass another that satisfied some technical objections raised by Governor Harriman, who strongly favors the idea of a compact. The proposal has the support of the White House and the Departments of State, Justice, Defense, and Interior.

I think that the principle of a Great Lakes Basin Compact has great merit and I hope that your subcommittee recommends that the Congress give its consent.

VILIFICATION OF THE CLERGY MUST STOP

Mr. CURTIS. Mr. President, in the course of the current hearings before the McClellan committee, certain reflections were cast upon the integrity of clergymen by Mr. Emil Mazey, a top officer of the United Automobile Workers.

The Reverend T. Perry Jones, minister, First Methodist Church, Sheboygan, Wis., immediately made several forthright observations in a written reply to a belated attempt at an apology by Mr. Mazey. The communication of the clergyman was addressed in care of the McClellan committee, and I wish to present the words of this respected clergyman to my colleagues of the United States Senate for their consideration.

Mr. President, I ask unanimous consent that the full text of the reply of the Reverend Mr. Jones be printed in the body of the RECORD.

There being no objection, the reply was ordered to be printed in the RECORD, as follows:

DEAR MR. MAZEY: Your telegram of apology for your irresponsible reference to the clergy of Sheboygan County arrived too late to be of any consequence. In fact, it is 2 years too late. The UAW-CIO, through its strike bulletins, and your intemperate statements in public speeches in Sheboygan, vilified the clergy for one reason only.

We were expected to support every word and every technique used by the union. When the clergy turned away from this snide invitation to be spokesman for the union, then we were accused of being spokesmen for the Kohler Co.

Obviously, your greatest insult is to assume that the clergy of Sheboygan County are so lacking in self-respect that they would be stooges for the Kohler Co. or any other group in the community. Whatever faults you may recognize in the Kohler Co., the clergy of this county can assure you that Kohler Co. officials have never tried to influence the churches. We are, Mr. Mazey, as free a group of clergymen as you will find in any part of the country and in spite of your inference, we intend to remain that way.

Had you been as just and honest as you demand others to be, you could have made reference to the many meetings and hours of labor put in by four members of the clergy in an attempt to find an area of usefulness, and to convince the union in its strike techniques that they should be men of integrity.

Because we did not follow the leadership of the union we were castigated for months in the daily strike bulletin and by inference we were accused of cowardice. I do not recall that you came to our defense during this period of intimidation.

It grieves me, Mr. Mazey, that a man of your experience and important office in the union should maliciously poison the minds of labor and alienate the great number of union members from their spiritual leaders.

Sincerely,

T. PERRY JONES,
Minister, First Methodist Church.
SHEBOYGAN, WIS.

Mr. CURTIS. Mr. President, I wish to commend the recent statement of the junior Senator from Wisconsin [Mr. PROXMIRE], whose forthright rebuke of the UAW leadership and whose courageous and unqualified defense of the clergy was made in this body on March 18. The statement, in part, by the Senator from Wisconsin, a distinguished new Member of the Senate, follows:

I deeply regretted it when a top representative of the United Automobile Workers called in question the integrity of the clergy of Sheboygan. I believe this was most unfortunate and unfair, because I know personally many of the leading religious leaders in that community, and I know that they are men of absolute integrity and of deep conviction.

Mr. President, the actions of Mr. Mazey should not be permitted to reflect on the rank-and-file members of the UAW-CIO, who are all decent, hard-working Americans. They are church-goers and have a profound respect for the conscientious and idealistic clergymen who minister to their spiritual needs. Nor should the recent actions of Mr. Walter Reuther, a coleader with Mazey of the UAW-CIO, reflect on the attitudes and intelligence of the membership.

As will be recalled, Mr. Reuther obtained the use of the caucus room of the United States Senate some days ago, and used this location to pour forth a torrent of personal abuse and unrestrained invective directed at the Senator from Arizona [Mr. GOLDWATER]. The same Mr. Reuther then had the effrontery to propose, in a letter to the Senator, that six clergymen judge the moral rightness of their respective actions.

A few days later, I received by mail a copy of the Detroit Free Press, whose editors described Mr. Reuther's letter to Senator GOLDWATER as a "shoddy try for a fast recovery of ground thrown away by the Mazey revelations of UAW philosophy as he understands it."

Mr. President, I ask unanimous consent that the full text of Senator GOLDWATER's reply to Mr. Reuther's letter be printed in the body of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MR. WALTER REUTHER,
President, UAW-CIO,
Detroit, Mich.

DEAR MR. REUTHER: Your letter, an 11-page public relations release, has been received by my office. I note with interest that more attention was given to timing your release for the Sunday editions of the newspapers than was devoted to insuring the delivery of this material to the person to whom it was ostensibly addressed.

In your letter you express some fears that this, your most recent personal attack on me, may be, to use your words, construed as a "public relation gimmick." I believe your fears are well grounded.

Let me make clear to you at once, that issues of grave public importance are presently being weighed by the committee set up by the United States Senate to explore such matters as the UAW-CIO strike against the Kohler Co. Social evils already disclosed by testimony given under oath go far beyond any question of personalities. For you to attempt now to frame the situation in terms of a personal vendetta is, in my opinion, an attempt to obscure the shocking facts disclosed by the present investigation of the strike against Kohler.

The issue is far too important to be viewed in the light of any personal controversy. The people of the United States are now, among other things reviewing your activities and the activities of your fellow officials of the UAW-CIO, through the investigating activities of a committee of the United States Senate. You are not required to defend yourself to me. You are required to explain your methods, aims and activities to the people of the United States, as represented by the present committee.

You are not answerable to me for any crimes you or your officials or hired men may have committed. Nor are you answerable to any group of six clergymen, distinguished as they may be. You are answerable to the peo-

ple of the United States through their representatives in Congress who have granted to you a position of special privilege and exemption from the law which requires in you a degree of self-discipline and social responsibility far beyond that of the average citizen.

Since you profess to be concerned with the problem of social responsibility, I would suggest that you carefully review the sworn testimony of your own people as presented to date before the present committee hearing. Your tolerance of and acquiescence in such activities would be a measure of your sense of social responsibility.

As one example I would direct your attention, particularly, to the case of William Vinson. This husky young man standing over 6 feet tall and weighing some 230 pounds was turned loose on the village of Sheboygan, Wis., apparently without instructions. He says he was there to "build morale."

In his morale-building duties on June 18, 1954, Mr. Vinson visited Zapetto's Tavern in Sheboygan Falls, Wis. At approximately 11:30 p. m., Mr. Willard Van Ouwerkerk, a small, middle aged local resident, entered the tavern with his wife. The sworn testimony of the record is the most reliable source for the brutal, vicious and unprovoked assault by your UAW–CIO representative upon this local citizen:

"Mr. KENNEDY. On or about June 18, 1954, did you visit a tavern, Zapetto's Tavern?

"Mr. VAN OUWERKERK. I did.

"Mr. KENNEDY. In Sheboygan Falls, Wis.?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. That was about 11:45 p. m.?

"Mr. VAN OUWERKERK. If I remember right, yes.

"Mr. KENNEDY. Approximately that time?

"Mr. VAN OUWERKERK. Approximately, yes.

"Mr. KENNEDY. While you were there, was there a conversation with a woman?

"Mr. VAN OUWERKERK. There was.

"Mr. KENNEDY. And did that woman identify herself as Mrs. Robert Burkhart?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. Would you relate to the committee what occurred during that conversation and then what happened?

"Mr. VAN OUWERKERK. She asked me who I was and I told her.

"Mr. KENNEDY. What was Mrs. Burkhart doing at that time?

"Mr. VAN OUWERKERK. I wouldn't know.

"Mr. KENNEDY. Was she just in the tavern?

"Mr. VAN OUWERKERK. I imagine she was.

"Mr. KENNEDY. Where did you see her?

"Mr. VAN OUWERKERK. She came up to us.

"Mr. KENNEDY. You were sitting at the bar, were you?

"Mr. VAN OUWERKERK. I was sitting at the bar with my wife.

"Mr. KENNEDY. And she came up and started talking to you?

"Mr. VAN OUWERKERK. She did.

"Mr. KENNEDY. Continue, please.

"Mr. VAN OUWERKERK. Well, she asked me if I belonged to the union and I said no. Well, she wanted to know why not, and I told her that—well, I just didn't believe in it, that I figured that if the lines were open, I had a family to support, and I thought I was going to support them. So, then we were talking a little while longer. I don't just remember the conversation.

"Mr. KENNEDY. Did she identify herself at that time?

"Mr. VAN OUWERKERK. She did.

"Mr. KENNEDY. Did she know who you were?

"Mr. VAN OUWERKERK. She knew from somebody. I don't know who.

"Mr. KENNEDY. She said you were Willard Van Ouwerkerk?

"Mr. VAN OUWERKERK. That is right. She introduced herself as Mrs. Robert Burkhart.

"Mr. KENNEDY. Continue.

"Mr. VAN OUWERKERK. Well, we talked a little while longer and finally she said, 'Well, I will call somebody.' I don't remember the name. I said, 'No, that wouldn't be necessary.'

"Mr. KENNEDY. Why did she say she would have to call somebody?

"Mr. VAN OUWERKERK. Well, I suppose she wanted somebody else to talk to me. I don't know.

"Mr. KENNEDY. She started to talk to you about not working at the plant?

"Mr. VAN OUWERKERK. She did.

"Mr. KENNEDY. And then she said she was going to get somebody else to talk to you, and she was going to call someone?

"Mr. VAN OUWERKERK. Yes, I told her that wouldn't be necessary because we were leaving.

"Mr. KENNEDY. Was it antagonistic at that time?

"Mr. VAN OUWERKERK. No, I wouldn't say it was.

"Mr. KENNEDY. But you didn't want to get into any kind of an argument?

"Mr. VAN OUWERKERK. I didn't want to get into anything. Then as I got off of the stool, somebody hit me from behind, in the back of the head.

"Mr. KENNEDY. You were struck on the back of the head.

"Mr. VAN OUWERKERK. I was.

"Mr. KENNEDY. And you never saw the person who struck you at all?

"Mr. VAN OUWERKERK. I never saw him.

"Mr. KENNEDY. You were knocked down then?

"Mr. VAN OUWERKERK. I was knocked unconscious. I was on the floor.

"Mr. KENNEDY. You were knocked unconscious?

"Mr. VAN OUWERKERK. I was.

"Mr. KENNEDY. Is that right?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. And when did you regain consciousness?

"Mr. VAN OUWERKERK. I regained consciousness outside.

"Mr. KENNEDY. You regained consciousness outside?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. Afterward, was it related to you as to what happened when you were knocked down to the floor?

"Mr. VAN OUWERKERK. Yes; I heard about it afterward.

"Mr. KENNEDY. What did they tell you as to what happened?

"Mr. VAN OUWERKERK. Well, they told me that this person had worked on me with his feet on my back.

"Mr. KENNEDY. With his what?

"Mr. VAN OUWERKERK. With his feet.

"Mr. KENNEDY. Once you were knocked to the ground from behind, the man then began to kick you; is that right?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. And he kicked you in your ribs?

"Mr. VAN OUWERKERK. My ribs; yes.

"Mr. KENNEDY. And continued to kick you until they pulled him away?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. And finally somebody carried you outside?

"Mr. VAN OUWERKERK. Yes.

"Mr. KENNEDY. When you regained consciousness, did you subsequently go to the hospital?

"Mr. VAN OUWERKERK. Do you mean directly?

"Mr. KENNEDY. Well, directly, you did not go?

"Mr. VAN OUWERKERK. No.

"Mr. KENNEDY. But subsequently you did go to the hospital?

"Mr. VAN OUWERKERK. I did.

"Mr. KENNEDY. The following day?

"Mr. VAN OUWERKERK. This was on a Friday night. I went to the hospital on Sunday.

"Mr. KENNEDY. Did they take X-rays at that time?

"Mr. VAN OUWERKERK. That I ain't sure of. I couldn't answer that.

"Mr. KENNEDY. Well, did they find, anyway, that you had any ribs broken or any broken bones in your body?

"Mr. VAN OUWERKERK. Yes; through X-rays.

"Mr. KENNEDY. Through X-rays?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. How many ribs did you find were broken?

"Mr. VAN OUWERKERKE. It was either three or four.

"Mr. KENNEDY. Three or four of your ribs?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. Were you beaten in any other place?

"Mr. VAN OUWERKERK. Well, I had a punctured lung, and then I contracted pneumonia from that lung.

"Mr. KENNEDY. You contracted pneumonia from that lung?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. How long were you in the hospital?

"Mr. VAN OUWERKERK. I was in there some twenty-odd days. I think it was 22.

"Mr. KENNEDY. So you were knocked down by an unknown assailant and when you were down on the floor, he proceeded to kick you, and you were kicked and knocked unconscious. You were carried outside and ultimately went to the hospital and found that you had three or four broken ribs, had a punctured lung, and ultimately contracted pneumonia; is that right? Was there anything else regarding that?

"Mr. VAN OUWERKERK. In what way?

"Mr. KENNEDY. Well, I mean anything else that happened to you, not that that is not sufficient, but was there anything else regarding this incident?

"Mr. VAN OUWERKERK. No; I wouldn't say so.

"Mr. KENNEDY. Now, subsequently, charges were brought against this man?

"Mr. VAN OUWERKERK. They were.

"Mr. KENNEDY. And that was found to be Mr. William Vinson?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. And he is an international organizer for the UAW?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. He did not come from Sheboygan?

"Mr. VAN OUWERKERK. No.

"Mr. KENNEDY. He was brought in from Detroit?

"Mr. VAN OUWERKERK. The way I understand, he was.

"Mr. KENNEDY. But he had not worked in the plant?

"Mr. VAN OUWERKERK. Not to my knowledge.

"Mr. KENNEDY. And you identified him as an international organizer of the UAW; is that correct?

"Mr. OUWERKERK. Well, I heard he was.

"Mr. KENNEDY. And subsequently there was a trial held and he was found guilty.

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. And the judge sentenced him to 2 years.

"Mr. VAN OUWERKERK. I believe that is right.

"Mr. KENNEDY. That was Judge Schlicting?

"Mr. VAN OUWERKERK. That is right.

"Mr. KENNEDY. Was Judge Schlicting denounced by Mr. Emil Mazey, of the UAW?

"Mr. VAN OUWERKERK. They had a lot of trouble, I don't know what it was.

"Mr. KENNEDY. Did you understand that he was denounced by Mr. Emil Mazey of the UAW?

"Mr. VAN OUWERKERK. I couldn't answer that.

"Mr. KENNEDY. You don't have any personal knowledge of that?

"Mr. VAN OUWERKERK. No; I don't.

"Mr. KENNEDY. I expect we will go into that.

"Mr. VAN OUWERKERK. Yes, sir.

"The CHAIRMAN. Do I understand that after you received this beating from an international representative of the union, that the court was criticized for the decision it rendered?

"Mr. VAN OUWERKERK. To my knowledge it was.

"The CHAIRMAN. Do you know whether any action was ever taken by the international to condemn or to reprimand or to in any way punish Mr. Vinson for his vicious assault upon you?

"Mr. VAN OUWERKERK. No; I don't.

"The CHAIRMAN. Do you know whether Mr. Vinson is still a representative of the international union?

"Mr. VAN OUWERKERK. I wouldn't know.

"The CHAIRMAN. Will we be able to show these facts by the witness?

"Mr. KENNEDY. Regarding the attack by Mr. Vinson?

"The CHAIRMAN. The question arises in my mind: Did the international union condone and approve the action of its international representative in making this assault?

"Mr. KENNEDY. We will have testimony on that.

"The CHAIRMAN. All right. Proceed.

"Mr. KENNEDY. I might read from the Supreme Court in upholding Judge Schlicting, circuit court judge, it states: 'The violence of Mr. Vinson's attack on Mr. Van Ouwerkerk, the continuation of the attack by kicking while Mr. Van Ouwerkerk lay helpless on the floor, the serious injuries which Vinson inflicted, the disproportion in the size and age of two men, which removed fear of personal danger to Vinson from reprisal by Van Ouwerkerk, are matters of evidence which the jury was entitled to consider when reaching a conclusion concerning Vinson's state of mind while he carried on the assault. It is quite impossible to conclude under such circumstances that in so doing, Vinson lacked an intent to hurt Van Ouwerkerk and hurt him badly. Contrary to appellant's contention, the evidence and the inferences from which it was the province of the jury to draw, established beyond a reasonable doubt that the assault was made by Vinson with the intent to inflict great bodily harm on Van Ouwerkerk.' "

The events above are shocking enough but the people of the United States will be even more shocked, I believe, by the assault which followed upon the judicial system of the United States, by top officials of the UAW–CIO.

The UAW–CIO set about to punish the judge who sentenced Mr. Vinson by going into the judge's hometown to destroy the judge both financially and professionally. As a leading member of the committee stated to Mr. Emil Mazey, secretary-treasurer of the UAW–CIO, after hearing the sworn testimony: "* * * you were leading a powerful and rich organization in a demonstration to intimidate courts in this land."

Outraged by this attack upon the very foundations of our social system, the Roman Catholic clergy of Sheboygan, Sheboygan Falls and Kohler Village, Wis., issued the following public protest:

"There comes a time when silence is imprudent, and may even be harmful to a community, such as Sheboygan, and that time is now. A resident of Sheboygan County was attacked and severely injured by another man. The attacker was tried in circuit court and convicted by a jury of assault with intent to do grave bodily harm.

"The judge of the circuit court, F. H. Schlicting, sentenced the convicted man to prison. The attorneys for the convicted man openly in court complimented the judge for his fairness in the conduct of the trial.

"The State supreme court denied the convicted man a stay of execution of the sentence. In the face of all these facts, the secretary-treasurer of the UAW–CIO, Emil Mazey, closing his eyes to the fact that the injured man was in danger of dying, has accused the judge of obvious bias shown against organized labor.

"He even presumed to question whether the judge is qualified to serve as a judge in this community. He has attacked the integrity of a major court in this country, and deserves to be called decisively to task for his insolence.

"Lawlessness is the result in any society or community when law and order are disregarded and flouted. It is the beginning of anarchy. Is the secretary-treasurer advocating either one?"

The names of the clergy who signed the protest are: John J. Carroll, pastor, St. Clements Parish; Robert M. Hoeller, pastor of St. Peter Claver Parish; Anthony J. Knackert, pastor of Holy Name Parish; Louis Koren, pastor of Ss. Cyril and Methodius Parish; Charles J. New, pastor of St. Mary's Parish, Sheboygan Falls; John A. Risch, pastor of St. John Evangelist Parish, Kohler; James J. Shilkas, pastor, Immaculate Conception Parish; William Weishaupl, pastor of St. Dominic's Parish.

The Sheboygan County Ministerial Association, comprising the Protestant ministers of the local area, also protested this ruthless attack upon the foundations of our democratic society by your organization, the UAW–CIO:

"A very grave issue confronts the community. It is not the issue of the strike at Kohler. It is the issue of an attack upon fundamental institutions which undergird our common life.

"Let us again state the facts which underlie the issue. Mr. Emil Mazey of UAW–CIO, has attacked the integrity of the highest judicial authority of this county, and has at the same time announced an action to punish the judge for sentencing a man convicted in open court by a jury of his peers.

"The sentence was within the discretion of the court as determined by law. Further the attorneys for the defendant commended the judge for his fairness in the conduct of the trial. And, finally, the convicted man has a remedy for judicial error in appeal to a higher court.

"But the basic remedy for an attempt to intimidate the court can only be found in the stern indignation of the community. Surely a leader of labor betrays his fellow workers when he seeks to destroy or weaken that judicial power which is the bulwark of all groups against injustice, even by the Government itself. Destroy the structure of our liberties and the first group to suffer will be the worker.

"This is the road to lawlessness and violence.

"As ministers of the church who must be concerned with justice and the rights of every individual, we are under compulsion to speak this word."

The Protestant ministers who signed the protest are as follows: Arno Duchow, Baptist Church, Sheboygan Falls; Wildord H. Evans, First Congregational Church; William Genszler, First United Lutheran Church; John Gerber, Ebenezer Evangelist and Reformed Church; T. Parry Jones, First Methodist Church; Clarence Koehler, Zion Reformed Church; Marvin Lehman, St. Paul's Evangelical and Reformed Church; James Saint, First Presbyterian Church; Henry Vermeer, Hope Reformed Church; Richard Werner, First Baptist Church.

The local bar association, the local medical association, and other responsible bodies also expressed their sense of outrage at this attempt by the UAW–CIO to wreak revenge upon a judge whom the clergy, as well as all other responsible elements of the community, and, in fact, the State supreme court, recognized as having merely carried out his judicial responsibilities.

Your secretary-treasurer, Mr. Emil Mazey, when asked to comment on this rebuke by the clergy had this to say, under oath:

"Mr. MAZEY. It is my opinion that the company influences all of the clergy who signed their name to this particular statement.

"Senator CURTIS. Now, Mr. Mazey——

"Senator MUNDT. Will the gentleman yield?

"Senator CURTIS. I will finish this list and before I go to another one I will yield to you.

"Before we started to go over that list one by one, you made the flat statement that the company controlled some of those clergymen. Is that still your statement?

"Mr. MAZEY. I said that in my opinion the company controlled the clergy of Sheboygan, Sheboygan Falls, and Kohler Village, in my opinion.

"Senator CURTIS. Do you mean by that they are not men of integrity?

"Mr. MAZEY. If they are controlled by the Kohler Co., they couldn't be.

"Senator CURTIS. Which ones are you referring to that could not be men of integrity?

"Mr. MAZEY. I said that in my opinion——

"Senator CURTIS. I know what you said. I am talking about which individuals are you saying are not men of integrity?

"Mr. MAZEY. All of them.

"Senator CURTIS. I will yield to Senator MUNDT.

"The CHAIRMAN. Did the Senator yield?

"Senator MUNDT. Yes.

"The CHAIRMAN. Senator MUNDT.

"Senator MUNDT. I would like to say for the record, so that my silence will not lead to assent of this performance, that in over 17 years of serving on Congressional investigation committees, starting back with the Dies committee when we were dealing with Communists, I have just heard the most shocking statement from a witness I have heard in 17 years.

"When a witness says that there isn't a single man of integrity in the Catholic clergy of Sheboygan, Kohler Village, and Sheboygan Falls, if he does nothing else he certainly wins whatever kind of award should be made to a fellow who says something which is the most shocking statement I think a Congressional committee has ever had to listen to."

The distaste for Mr. Vinson's activities in Wisconsin, so unanimously expressed by local residents, was evidently not shared by the UAW–CIO in view of the money payments made to Mr. Vinson by your union during the 14 months that he spent in prison. It should also be noted that Mr. Vinson's attorney's fees and legal expenses in his criminal trial were paid for with UAW–CIO dues money which you hold as trustee.

It is clearly beyond the bounds of propriety that matters of such importance to the whole Nation should be considered only within the framework of a personal debate between two individuals.

May I remind you that I represent in the United States Senate along with my respected colleague, Senator HAYDEN, the State of Arizona, and my time is devoted to serving the people of my State in Washington. To the extent that certain national problems impinge on the interests of the people of the State of Arizona or are of sufficient national importance to merit attention I must consider them. Your attempts to gain public relations points by vilifying me, or to destroy me politically by sending your paid political operators into my State, are not within the scope of my present attention.

There are published reports that your political action group is coming into my State in an attempt to do me damage with my

people. I know Arizonians, and they do not take well to carpetbagging union leaders from the big eastern cities who come into Arizona to destroy Arizona candidates or to manipulate Arizona elections.

Whether the activities of you and your union, the UAW-CIO—whether the irresponsible exercise of power by you and your officials—constitute an important danger to our democratic institutions has already been answered in the affirmative by distinguished members of the clergy who know the facts. This whole crucial realm of public decision is not, however, the province of any pair of individuals or of any group, no matter how distinguished. Judgment on matters of such importance and of such danger to the institutions of this country can properly be made only by the people of the United States.

Sincerely,

BARRY GOLDWATER.

Mr. CURTIS. Mr. President, there have been many evidences of deep public shock at the disclosure of the attitudes of the leadership of the UAW-CIO toward Roman Catholic and Protestant clergymen. In Detroit, headquarters of Mr. Reuther and Mr. Mazey, the Free Press, a newspaper which prides itself on its independence on all public matters, summed up the situation in clear, unmistakable terms, in an editorial entitled "With Everybody Looking, Mazey Peeled the Veneer Off."

I ask for unanimous consent that a portion of this thoughtful comment from the Detroit Free Press of March 15, 1958, be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Getting back to the premise that a clergyman has no integrity if he refuses to become a mouthpiece for the UAW party line, what are we going to think of political candidates who have UAW support?

It appears to us that the same thing must apply to officeseekers that applies to clergymen so far as the UAW is concerned—and that therefore a candidate who gets UAW help is, through the offices of Mr. Mazey's testimony, advertised as one who will jump when Mr. Mazey whistles at him.

HIGH DAMS ON CLEARWATER RIVER, AND FISH AND GAME VALUES

Mr. NEUBERGER. Mr. President, ever since proposals were first made years ago to blockade Idaho's Clearwater River with high dams, I have urged that any action should await a thorough study of the valuable fishery spawned in this important tributary of the Columbia River system. The Fish and Game Department of the State of Idaho has now completed such a survey, and I am pleased that the report of this State conservation agency vindicates my belief that the Clearwater should not be violated with high dams because of their ruinous effect on migratory fish and big game.

The report of the Idaho Fish and Game Department confirms the belief that Bruces Eddy and Penny Cliff Dams would cause untold damage to wildlife values. The Idaho State department urges that the dams not be built. I ask consent to have printed in the RECORD with my remarks a story from the Lewiston (Idaho) Tribune of March 16, 1958, detailing the results of the Idaho Fish and Game Department study opposing Bruces Eddy and Penny Cliff Dams. It is headed "State Report Against Clearwater Dams Because of Harm to Fish, Wildlife."

There being no objection, the news story was ordered to be printed in the RECORD, as follows:

STATE REPORT AGAINST CLEARWATER DAMS BECAUSE OF HARM TO FISH, WILDLIFE

BOISE.—Idaho Fish and Game Department experts said Saturday that two proposed northern Idaho dams would cause severe fish and wildlife losses and should not be built.

The dams would be at Penny Cliffs on the Middle Fork of the Clearwater and at Bruces Eddy on the North Fork. Congress has not appropriated funds for either of the proposed Army Engineers' structures.

Two teams of biologists from the fish and game department studied wildlife aspects of the proposals, beginning in 1954. One team studied effects on big game and the other looked into effects on fish.

The principal recommendation of both teams was the same: The dams should not be built.

Each team recommended a wide range of protective measures for fish and game in the event that either project is built.

MEASURES ASKED

The fisheries team, Leon Murphy and Ted Keating, recommended that any authorization for either dam should include these things:

1. Facilities for passage of anadromous fish to and from their upstream spawning grounds.

2. Mitigation for losses which might occur at the dam to up or downstream migration.

3. Development of sport fishing in the reservoir by control of undesirable fish species.

4. Adequate and continual flow of water from the dam to the mouth of the Clearwater River.

5. Adequate study funds to accomplish these things.

6. Inclusion of fish and recreation as declared purposes of the dam, with their public access assured.

7. Consultation with fisheries agencies on any aspect of planning of the dam which affect fish life.

The fish team said the dams should not be built because "the steelhead trout fishery contributes so importantly to the economy of the area."

The game team said they should not be built because they would adversely affect big-game populations in the drainage area and surrounding areas.

GAME MEN RECOMMENDED

If either dam is built, the game researchers said, the following things should be done:

1. All land in the area of the project, except that needed in connection with operation of the dam, should be made a wildlife area under management of the State fish and game department.

2. Adjacent winter range lands should be purchased to make up for those inundated by the dam. These lands would also be managed by the fish and game department.

3. The agency or agencies building the dam should provide funds for a study of big game management problems arising from its construction.

The big game study was made by Elmer Norberg, assisted by Elmer Trout.

Ross Leonard, Idaho fish and game director, said the Clearwater drainage supports the Nation's greatest elk herds.

"We are aware that water is the life blood of the West," said Leonard, "but the recreational aspects of these proposals also must be considered."

FISH STUDY DETAILED

The fisheries report established that trout comprise the great majority of the fish caught in the drainage studied. The biologists contended that young steelhead make up a sizable portion of the trout catch. The migratory steelhead run presumably would be damaged by the construction of the proposed dams.

The study included the Clearwater's mainstem and all principal tributaries except the South Fork. Data was gathered through creel census, streamside interviews with fishermen and mailed questionaires.

The estimated total annual catch of fish in the census area was about 133,000. About 25 percent of the fishing done in the North Fork, Middle Fork and the mainstem during the general season occurs outside of the areas checked.

The report places annual fishermen's expenditures in the drainage accessible to anadromous fish at $412,073.

The census showed the tributaries above the sites of the proposed dams were heavy contributors to the total available fishing in the area.

The Lochsa River contributed more than one-third of the annual catch (48,395 in the area penetrated by the Lewis & Clark Highway; 9,433 in a 20-mile stretch accessible by road above and below the Powell Ranger Station). The catch in the Selway River totaled 16,601.

The North Fork produced 36,236 fish in a 69-mile stretch above Bungalow Ranger Station; 6,381 from a 10-mile stretch of the Little North Fork plus 7 miles of the North Fork, above and below the mouth of the Little North Fork.

MOSTLY TROUT

The catch in these tributaries was predominantly trout (up to 98.8 percent). The catch in the Clearwater's mainstem was 56.5 percent trout, 2.5 percent adult steelhead, 12 percent whitefish, and 29 percent smallmouth bass.

"Evidence from age-growth studies and sexual maturation observations indicates most of the small rainbow trout in the Clearwater drainage are of steelhead trout origin," the report states.

"If resident rainbow trout (nonmigratory) existed in large numbers in the North or Middle Fork drainages it seems probable that more of the larger rainbow trout over 10 inches in length would appear in the harvest. Cutthroat trout in these same waters attain lengths of 20 inches and fish over 10 inches long are common.

"Should the wild rainbow trout (juvenile steelhead) be lost to the fisheries of the North and Middle Forks, it would be necessary to plant catchable-size hatchery trout annually in these areas in sufficient numbers to replace, in the creel, the present catch."

The biologists estimated the average annual expenditure of fishermen seeking steelhead—both adult and juvenile—in 1955 and 1956 was $250,000 annually, and saw potential for a tremendous increase in this resource.

THE BILLBOARD AMENDMENT TO THE HIGHWAY BILL

Mr. NEUBERGER. Mr. President, I should like to make a very brief comment, prior to the start of the discussion today, regarding the amendment in the highway bill which deals with billboards. I listened attentatively yesterday to the long debate which occurred on the Senate floor. I was particularly impressed by the very able, vigorous,

and statesmanlike defense of the bill and of the signboard amendment which was made by the distinguished chairman of the Public Roads Subcommittee of the Committee on Public Works, the distinguished Senator from Tennessee [Mr. GORE].

One further matter impressed me most strongly. The opponents of signboard regulation legislation indulged merely in fly specking, in pointing out frivolous and capricious objections to the wording of the amendment. There was little or no discussion of the basic issue or question involved. That question is, Shall the billboard companies be able to plaster a 40,000 mile Interstate Highway System with their signs for private profit and exploitation? It seems to me today we must discuss the fundamental issue, which is whether the United States Government has some equity in assisting the 48 States to protect the scenery along the Interstate System.

NATIONAL EPILEPSY LEAGUE'S TESTIMONIAL DINNER

Mr. THYE. Mr. President, I was privileged to attend a dinner given by the National Epilepsy League at the Washington Club on February 28. On that occasion Robert Hurleigh delivered an address which was most impressive.

Mr. President, I ask unanimous consent that the address be printed in the body of the RECORD, since it is most informative.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT HURLEIGH

RAY HENLE

Ladies and gentlemen, because one of the men to be honored here tonight must, for good and sufficient reason, leave before we get into our program, I should like to take this moment to pay him his due. The multiplicity of appeals with which members of Congressional committees are deluged, has given rise to a new kind of art, that of presenting testimony. And one of the highest practitioners of this art is a man whose outstanding testimony in behalf of the neurological disorders may well stand as a model of that new art, Mr. Ray Henle.

SENATORS HILL AND THYE

In the gyrations of political fortune, two Senators take turns as chairman of the Subcommittee on Appropriations. And while the Democrats may win or lose, the cause of epilepsy never loses. For while each is chairman they unite to aid the overall neurological needs, and thus aid epilepsy. Both have particular backgrounds that help give them a profound understanding of this medical program.

Senator EDWARD THYE gained his through the noteworthy department of neurology at the University of Minnesota when he was Governor of that State.

Senator LISTER HILL gained his through his father, who was a doctor.

SENATOR ALEXANDER WILEY

One of the greatest barriers to normal living for the epileptic are the outmoded laws on the statute books of many States and even in Federal legislation.

State legislators throughout the land are working to up-date these laws in the light of modern medical findings, while here in Washington the National Epilepsy League's champion in efforts to amend the immigration law as it applies to the denial of admission to our shores of epileptics is Senator ALEXANDER WILEY.

Present this evening to accept his citation is his administrative aide, Mr. Julius Cahn.

SENATOR STYLES BRIDGES

With the passing of Senator Robert Taft there arose the imperative need for someone else to act as personal advisor to Mrs. Tankersley. The man who so ably and skillfully filled that void and so often used his tremendous influence in the Senate most successfully on legislation pertaining to the Neurological Institute and other legislative matters was Senator STYLES BRIDGES, of New Hampshire.

REPRESENTATIVE JOHN E. FOGARTY

Perhaps the strongest and most consistent friend the National Epilepsy League has in the House of Representatives is the gentleman from Rhode Island, JOHN E. FOGARTY. So keenly has he felt about our cause that he has many times taken it to the floor of the House. We know we share with him other important health problems, but we wish to assure him we are happy, indeed, to count him as a friend of ours.

MAXWELL RABB

One of the most informed men in the country on the plight of the epileptic, particularly in the area of employment and the right and ability to become self-supporting, and thus a taxpayer instead of a tax eater, is the Secretary of President Eisenhower's Cabinet. For his tireless role in helping to interpret the controlled epileptic to industry, the league must be forever grateful to Maxwell Rabb.

SENATOR WILLIAM KNOWLAND

Every Congressman carries a workload and is subjected to pressures that would amaze their constituents—if they only knew.

Certainly, one of the busiest of the men on Capitol Hill is Senator WILLIAM KNOWLAND. But withal he managed to find time to lend his personality and the prestige of his high office to a most important function of the National Epilepsy League—the annual Little Christmas Town fund-raising campaign.

This is the story of seizures—of a sickness that time forgot.

It goes back to the beginning of mankind, even before the coming of man, for animals, too, have seizures.

It is a story that, in recorded history alone, was 40 centuries a-borning.

Two thousand years before the father brought his convulsive son to Jesus of Nazareth, the Code of Hammarabi dealt with laws regarding the marriage of these people and the validity of their court testimony.

In those ancient times, when all men believed the world to be peopled by unseen spirits, it is not surprising that they saw an epileptic attack as an omen, an evil curse, a spell cast upon the luckless victim.

And so, in these ancient times, the treatment, quite naturally, was exorcism.

Skulls of men who lived before writing show evidence of crude surgery to relieve epilepsy. Trepanning of these skulls indicates efforts of primitive man to release the gods or devils possessing the person with seizures.

The ancient Greeks called it "the holy disease." Martin Luther named it "the demon disease." In Scotland, in the middle ages, the epileptic woman who became pregnant was buried alive.

Only occasionally, the gleam of a scientific mind would shed a little light.

In 450 B. C. Hippocrates made astute observations regarding epilepsy. He considered epilepsy a disease of the brain, due to natural and not supernatural causes.

But all through the ages treatment of epilepsy was ineffective. It was generally believed that people with epilepsy required custodial care, either in prisons or almshouses, and, more recently still, in hospitals or colonies for epileptics.

In fact, not even partially effective treatment for epilepsy was known until 100 years ago. Then, in 1859, it was found quite by accident that the bromides reduced the frequency and violence of seizures. No further advances were made in medical treatment of epilepsy until 1912, when barbiturates were introduced, but they did not come into general use as anticonvulsives until about 1929.

These medicines were, of course, depressants. While they reduced the frequency of seizures in many cases, too often the effective dose was also the toxic dose, so that the person, although possibly seizure-free, was so lethargic he could not hope to lead a normal life.

So, with the first quarter of the 20th century, a time when everyone in this room was already living, we may say that the first chapter in the history of progress in epilepsy was written. In fact, many of its authors are with us tonight.

The first major breakthrough for success in epilepsy occurred after a young medical missionary for the Rockefeller Foundation, working in China, became interested in the problem. Upon his return to the States his interest quickened and he began a long program of activity in Boston, where he was connected with the Harvard Medical School and Children's Hospital.

Truly, it may be said that the modern medical era for epilepsy began at this time under his leadership.

For with his enthusiasm and devotion he attracted brilliant young men around him and together they pondered the causes and treatment of seizures. This man should rightly be called the father of modern attempts to deal with epilepsy. This physician, author, crusader for public understanding of this ancient neurological disorder is William G. Lennox. Most regretfully, he is unable to be with us tonight. Yet, at 74, he is still working tirelessly on another book on epilepsy.

Now real progress was being reported. Developments followed developments in swift succession, as though to say, time had stood still long enough.

One of the most dramatic accomplishments occurred 21 years ago when two young medics codetermined the effectiveness of the first modern anticonvulsive medication.

This new medicine, produced by a major pharmaceutical house, proved to be effective in reducing or even eliminating seizures in many cases and had the great advantage of not being a depressant.

Now people, treated with this medication, their seizures stopped or greatly reduced, found themselves able to carry on normal activities.

Surely, discovery of this medicine must rank in the annals of medical science with the developments of the more widely publicized Salk vaccine.

For this new medicine helped bring more alleviation of suffering than any discovery in the age-old history of the disorder. The young medics are now distinguished neurologists. They are Tracy Putnam and H. Houston Merritt.

Quite understandably, while the attack on the medical front was going forward there began to be highlighted a cruel lag in public understanding of the plight of these people suddenly brought within reach of normal living—only to discover that social and economic barriers still stood to be surmounted.

Clearly there was a need for organized work in these areas.

And now the tempo of our story speeds up. Where we had been talking in terms of centuries, now we can report major developments every few years.

The first successful anticonvulsant was discovered in 1937.

Five years later the first seeds of the lay movement were sown. Many of Dr. Lennox' patients, enthusiastic and grateful for the medical miracle that permitted them to resume, or begin, normal life, wanted to make the same opportunities available to others.

So, in 1942, they formed a not-for-profit voluntary health organization known as the Laymen's League Against Epilepsy. It is in this early group that you find the foundation of the present National Epilepsy League.

The name of the voluntary organization was changed to the American Epilepsy League in 1946, and to the National Epilepsy League in 1950, when the National Association to Control Epilepsy of New York City and the American Epilepsy League of Chicago were merged to form at last a single, overall permanent national organization.

One of the present members of the board of directors of the National Epilepsy League was the second president of the American Epilepsy League, Mrs. Wheaton Kittredge, at that time Mrs. Brooks Potter.

A woman of unusual courage and wisdom, Mrs. Kittredge was one of the first persons willing to tell her story about epilepsy publicly, its handicaps and what the modern treatment of seizures could mean to the person afflicted with this disorder. A great milestone was reached with the publication, in a national magazine, of her signed article, Woman Without Fear.

To understand the degree of courage required to announce publicly that one is an epileptic, we need only pause to try to name a single person with epilepsy in any field of public life in our time who has done the same.

Yet we know they exist, high in government, in sports, in industry, entertainment, and the arts.

And they can protect their secret because of modern medical know-how. One can only speculate, of course, on what the kings, and emperors, and great men of early times with epilepsy would have given for medication obtainable today for little more than the cost of each day's newspaper.

Or what greater gifts could have been bestowed upon the world had the seizures of these men been placed under control by medication.

Look at the roster of some of the world's greats who were epileptic:

There was Mohammed, and Caesar, and Peter the Great, Alexander the Great, Louis XIII of France, Charles V of Spain, Ferdinand of Castile, Archduke Charles of Austria, William III of England. There was Lord Byron, Gustave Flaubert, Swinburne, Paganini, Pascal, Dostoevsky, Berlioz, and Guy de Maupassant; and Swedenborg, Socrates, Cardinal Richelieu, Van Gogh, and Handel.

Such a rollcall must be a source of encouragement to epileptics everywhere, but what greater challenge to overcome their handicap would arise from the knowledge that great people today have won high honor.

But the success stories of these people are lost to us because of the stigma of epilepsy.

At about the same time that Drs. Merritt and Putnam were testing the effectiveness of the first modern anticonvulsant medicine, another of the young men in this group was pursuing a somewhat different line of investigation.

A few years earlier a German psychiatrist had invented a machine to measure electrical discharges of the brain. Medical men, long frustrated by the difficulty of working with that most inaccessible part of the human body, the brain, must liken this development to scientists' present probing of outer space.

And the young physician who applied that machine, called an electroencephalograph, in the diagnosis of epilepsy, is Dr. Frederic Gibbs, now of the University of Illinois Medical School and Consultation Clinic on Epilepsy in Chicago.

His studies helped open up an entirely new avenue of progress in proper and more accurate diagnosis and speedier control of seizures. Happily, this progress has encouraged other medical experts to enter the field and now electroencephalography is almost a medical specialty in itself.

As word of success of modern medical treatment began to spread, one of the most important side developments has been the accumulation of more accurate facts about epilepsy.

For the first time in history it began to be possible to get statistical data on the personality, intelligence, educational, vocational, and social situation of people with epilepsy.

Now the National Epilepsy League was able to understand more fully the effects of the disorder on the lives of its victims.

The league now knew that epilepsy was a major health problem, affecting 1,500,000 people in this country.

It knew that these people came from every geographical area, from both sexes, all economic groups, all intellectual levels. And that it can affect anyone at any age.

As the National Epilepsy League's study of the problem progressed, it became apparent where the real tragedy in epilepsy lay.

Although modern medical treatment was now effective in 4 out of 5 cases, it was available in only 1 out of 5 cases.

Think what it would mean if only 1 in 5 children obtain Salk vaccine, or if there was a cancer control available to only one-fifth of its victims.

The reason why this situation obtains in epilepsy is simply the scarcity of trained physicians and of clinics to provide the treatment.

And then, as though this shortage were not torment enough, still another problem of tragic proportions arose. Thousands of letters poured in to the league office from those who had received treatment that resulted in control of their seizures.

Were these paeans of joy and triumph? No. The league now learned that the psychological, social and economic consequences of being known as an epileptic were—in many respects—more devastating than the seizures.

The writers said:

"I am still shunned by my neighbors."

"My son is denied an opportunity to attend public school."

"I am refused employment I am qualified to hold."

So it was that about a decade ago the National Epilepsy League decided it would work toward solution of the two most basic problems:

1. The tremendous shortage of medical experts and treatment and research facilities necessary to serve 1,500,000 patients with epilepsy.

2. Although effective medical treatment in the majority of cases had been discovered more than a decade earlier, children were still denied their legal rights to an education in the public schools.

With a budget of $25,000 and a staff that consisted of an executive and a clerical force of 1½ persons, the league tackled these huge jobs. What was lacking in manpower and funds was compensated for in large measure by the dedication, insight, and diplomatic skills of the league's national director, Ben Gray. Let me pause here to say that his genius in making that tiny amount of money move mountains and in guiding the league over its first plateau must stand as one of the outstanding feats of voluntary health agency work of our time. So high has been his achievement and so clear the course he has helped to chart that his successor must be forever grateful that Ben Gray went before.

And for the thousands upon thousands of victims of epilepsy who have directly or indirectly come to know his kind of understanding and wisdom, Ben Gray's contribution to the modern era of epilepsy is firmly inscribed.

Now it also became clear that because of the tremendous size and many facets of the problem, only a recognition of the disorder as a major public health problem, with support by tax funds, could result in its solution.

A solution of the medical problems in epilepsy is basic to a solution of all other problems. The league came to the conclusion that a National Health Institute, similar to those established for cancer and heart, with annual appropriations by Congress, was needed.

At this time many bills had been presented in both Houses of Congress proposing the setting up of splinter institutes in the neurological disorders.

There was a bill for the establishment of a National Institute on Cerebral Palsy; one for a National Institute on Muscular Dystrophy; one for a National Institute on Multiple Sclerosis, and so forth.

Year after year, in spite of great effort, the bills never got out of committee.

Then the league's president, Bazy McCormick Tankersley, made it possible for Ben Gray to discuss the problem with Senator Brooks, of Illinois. That was in 1949.

The Senator advised that success of efforts to secure necessary legislation was dependent upon the degree to which the administrator of the Federal agency which would carry out the purposes of the legislation approved the plans.

The then Surgeon General, as Administrator of the United States Public Health Service, was unalterably opposed to the creation of these splinter institutes. Mrs. Tankersley and Mr. Gray agreed with him that any new health institute concerned with epilepsy or any other specific neurological disorder should be one that included all of the more than 200 neurological entities. And the Surgeon General did believe it was important for the Federal Government to support programs of research, teaching, and training in the neurological field.

Then Mrs. Tankersley and Mr. Gray talked with Senator Taft. The Senator said it was his opinion that regardless of the merits of the case, Congress would not support the expenditures of Federal funds on a program designed to provide medical treatment services in epilepsy or other disorders and diseases. He indicated, however, that he and other Members of Congress were rather generally agreed that the use of Federal funds to encourage research, teaching, and training was an important and legitimate use of Federal tax funds.

He felt that legislation designed to achieve this end would receive favorable consideration.

As time went on Senator Taft's guidance and interest was, in a large measure, responsible for our ultimate success. I. Jack Martin, then his administrative assistant, is here tonight so that we may inform him of the league's resolution to place a wreath at the Senator's monument at the Capitol in memory of his service.

The league began to create a climate in which every agency concerned with a neurological disorder could and would work together toward a common goal.

First, the Director of the National Health Council was persuaded to call together representatives of the various voluntary health agencies concerned.

Agreement was reached that a bill would be presented at the next session providing for establishment of a National Institute of Neurological Disorders.

To this end, its most important function was to conduct a program of education with Members of Congress.

Dr. Abe Baker of the American Academy of Neurology was named chairman and Mrs. Tankersley was appointed to head up a steering committee with specific responsibilities for informing Congress and planning the hearings before the Appropriations Committees in the Senate and House.

An expert in the mechanics of this type of activity, which, to the uninitiated, could prove disastrous, was prevailed upon to help. The smoothness and dispatch with which he served at this critical phase was in large part responsible for what came next. The expert—Col. Luke Quinn.

And victory came the next year.

In August 1950 Congress authorized establishment of the National Institute of Neurological Diseases and Blindness, with an appropriation of $1,250,000.

A leading neurologist and administrator was named Director and in 1952 the Institute was activated.

The first direct appropriation was received in 1954 in the amount of $4,380,000.

Now in addition to direct studies carried out in epilepsy, research in neurology is going forward day by day to provide some of the answers to a solution of the treatment problem.

For example, studies in the regeneration of nerve tissue have been supported. If a solution to this problem develops it would mean that people whose epilepsy had resulted from destruction of brain tissue in an accident might look forward to a more successful treatment program.

As a direct result of the teaching and training programs instituted here in Bethesda, chairs of neurology are being established at major medical schools.

Today, both because of scholarships and because of the prospect of research funds, there are more young neurologists going into practice than there are neurologists going out of the field through death and retirement. In time we can look forward to having a sufficient supply of medical personnel not only for a larger research program, but a more complete treatment program in all communities.

Here at Bethesda itself there is employed a complex coordinated approach in which many specialists work together as a team.

The team carrying out the research program is composed of a neurosurgeon, neurologist, electroencephalographer, a psychiatrist, and a biochemist.

And the man responsible for putting all this together, the brilliant and farsighted administrator of the National Institute of Neurological Diseases and Blindness, is Dr. Pearce Bailey.

At the close of the league's first decade of effort, directed toward finding a solution to the problem of research, teaching, and training in behalf of epilepsy, it may be said that they have achieved a great success.

Now what transpired with the other major problem selected for attention—the problem of educable children with epilepsy being denied their legal right to an education in the public schools?

Ten years ago school administrators largely believed that children with epilepsy were not educable and were properly a subject of custodial care in State institutions.

In fact, there was only one city in the United States that had developed a special program for children with epilepsy in its public-school system.

That was the White Special School and the city was Detroit.

One of its early principals was a woman who fought doggedly to prove that the educable child with epilepsy belonged in the public-school system. So well was her work done that today the White Special School, for children with epilepsy, has gone out of business, for all of its students are now attending the regular public schools closest to their homes. Educators in many parts of the country have a new and healthy respect for her theory of education. That former principal is Mrs. Carlotta Teagan.

Because epilepsy affects so many children in the United States and because from a medical standpoint they are just children with a minor health problem that is treatable, the league addressed itself to changing the attitude of the public-school administrators.

In 1948 the president of the International Council on Exceptional Children was Ray Graham, director of special education for the State of Illinois. The problems and unmet needs of children with epilepsy in the public schools were discussed with him in many conferences, and Mr. Graham became convinced of the need to explore the matter further.

The subject of epilepsy was placed on the agenda of the next annual meeting of the International Council on Exceptional Children, Dr. Gibbs accepted the speaking assignment, and from that time forward an excellent working arrangement has flourished between the council and the league.

The league has paid expenses for meetings of a permanent committee on epilepsy within the council and has produced publications developed by the committee. Ben Gray was the first secretary of the committee, which had had a most distinguished group of leaders in the field of special education.

Foremost among those who have served as directors of the committee and who have gone on, determined to focus attention of the people in education on the need for programs discussing the problems of children with epilepsy, were two career Government people. Quickly they grasped the magnitude of the problem and year after year they strived to make it meaningful as they implemented their thoughts with their deeds. Because of them the prospects of an education and eventual self-support for victims of epilepsy is bright, indeed. Their names—Dr. Romaine Mackie, Chief of Special Education for the Federal Office of Education; and Dr. Arthur J. Lesser, Director of the Division of Health Services of the Federal Children's Bureau.

As a result of the committee's activity, the old attitude toward providing educational services for these children has changed in every section of the country, for today school administrators rarely deny their responsibility toward them.

There is a genuine demand arising that the National Epilepsy League and the International Council on Exceptional Children provide specific suggestions as to the necessary special services and programs needed to be supplied by the public schools in helping these children adjust in the classroom.

Evidence of this change are the highly successful summer workshops on epilepsy initiated by the director of special education of, and jointly planned and financed by Syracuse University and the National Epilepsy League. Out of these workshops have come fully informed educators who have returned to their home States equipped to work as consultants within their State office of public instruction.

The man who early foresaw the need of educating the educators on how to handle the problem of epilepsy in their schools is one of the leading special education administrators in the country, for his skills and determination overcame the dread specter of apathy. He is the director of special education at Syracuse University, and his name is Dr. William Cruickshank.

One of the most important extra dividends arising from the work with educators has been the development of interest on the part of the Federal Children's Bureau in planning medical and related services that will make it possible for the public schools to handle the problem of epilepsy.

The educators believe they could handle the problem if necessary medical and related services were available to all of the children who needed these services.

They rightly believed this was not the schools' responsibility but the responsibility of the local communities and the Federal, State, and local public health agencies.

Dr. Lesser agreed, too, and quickly recognized the justice of the need and arranged for Ben Gray and other experts to speak to his staff in Washington, as well as at local and regional meetings of his agency around the country.

The results have been little short of phenomenal.

1. For a number of years now the Federal Children's Bureau has made grants of around $25,000 annually to the Consultation Clinic of the University of Illinois and the Children's Seizure Clinic in Boston.

The purpose of these grants was for the teaching and training of medical and related personnel that could be used by States wishing to provide services for children with epilepsy.

2. The Federal Children's Bureau made a direct grant to the Department of Public Health of the State of Maryland to plan and carry out a pilot program of services for children with epilepsy in that State.

As a result of this program, Maryland has become the first State in which it can be said that every child with epilepsy can obtain modern medical treatment, and every educable child with epilepsy in the State can attend the public schools.

An added dividend from this program has been the accumulation of statistics.

In Maryland today the names, addresses, and diagnoses of more than 1 in 200 children with epilepsy in the total child population are on file.

In one county, where a more intensive program in case finding was conducted, accurate information is known on more than 1 in 100 children who have epilepsy. This has proved most important in testimony before appropriations committees in State legislatures and in the Federal Government.

3. Programs of medical and related services have been inaugurated in 10 States with funds provided by the State and Federal Governments through the Federal Children's Bureau program.

Although Dr. Lesser's office has been doing what it could to encourage more activity on the State level in calling attention to the unmet needs of children with epilepsy, it has been hampered by a lack of citizen interest so necessary in the securing of an appropriation by the State to set a program in motion.

Now a solution to the problem of education for children with epilepsy is well along, firmly based because it is the educators themselves who have made the recommendations, and our program has become their program.

For this portion of the league's activity there is no physical plant and no appropriations of millions of dollars each year to stand as a symbol of progress in the fight against epilepsy. But all over the land children with epilepsy are sweeping aside the centuries-old stigma and are learning and playing side by side with other children, growing up unashamed and useful citizens.

And the nonepileptic child who is learning to live with a child who has seizures will grow up to accept the adult with seizures.

In this way the stigma of epilepsy could disappear in a single generation.

This, then, is a little of the history of epilepsy, and its story is still being written. For most of the authors of the first chapter of the modern era of our subject will continue to fill the pages, while those who come after will find here the shining seed of new growth and new determination to add to this literature of a part of humanity.

COMMENTS OF WAUSAU BRANCH OF AMERICAN ASSOCIATION OF UNIVERSITY WOMEN ON UNITED STATES RELATIONS WITH AFRICA

Mr. WILEY. Mr. President, the other day I was pleased to receive a most interesting evaluation by one of the fine Wisconsin branches of the American Association of University Women.

This particular branch, in Wausau, has an international relations study group which, after very considerable work, has prepared a policy statement, focusing attention on the problems of what has, heretofore, been known as the Dark Continent—Africa. But it is a continent which we had best learn more about, and fast, if we are to help it and help ourselves adequately in this challenging age.

I believe that these grassroots reactions of women who have taken the time to study an important phase of United States foreign policy will bear the interested attention of my colleagues. I do not agree with all the observations made by the group, but I do endorse their keen recognition of the urgency and significance of improved United States relations with an understanding of Africa. Here is a region of great and rising importance on the world scene, a region of ferment and change.

I send, therefore, to the desk the text of the statement from the AAUW branch. I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WAUSAU, WIS., *March 19, 1958.*

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

The Honorable WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

MY DEAR SENATORS: For the past 7 months the international relations study group of the Wausau branch of the American Association of University Women has been studying Africa and its problems.

The group has arrived at several conclusions which it believes the United States might pursue to serve its own best interests and to improve the social and economic position of the great African Continent.

The suggestions which the study group wishes to pass along for your consideration include:

I. Take a new look at Africa and its peoples, not through the eyes of our allies, the French, British, etc., as in the past. We must put ourselves intellectually and emotionally in their place. We can help and give guidance, but not impose our pattern on them.

II. Learn more about Africa. American universities should increase interest and activities in Africa. We need trained people, especially those who can speak the native languages. We should increase the exchange of students and community leaders. A cultural interchange is badly needed.

III. Adopt a creative, constructive, and long-term policy toward Africa.

(a) Extend more economic aid. We believe increased sums should be allocated to technical assistance, and that a greater proportion of the economic aid fund should be directed to the underdeveloped countries of Africa, Asia, and the Middle East.

(b) Expand trade and commercial relations with Africa. It is most important that the Reciprocal Trade Act be extended. If we do not expand trade with these underdeveloped nations, they will be forced to trade with U. S. S. R. dominated countries and the world balance of trade will fall away from our favor.

(c) Strengthen in every reasonable way the role the United Nations can play. The United States should devote far more time to the Trusteeship Council and the Committee on Information for the Non-Self-Governing Territories which deal with the colonial questions. Neither has ever been taken as seriously here as in Asia and Africa. One encouraging aspect of our leadership was our sponsorship of the special projects fund in the 12th session of the General Assembly.

(d) Send more technicians to Africa. We desperately need contact at the grassroots or bulldozer level.

(e) Improve and expand our information program in Africa. We believe, as the United States Advisory Commission recommended in its annual report, that if we are to meet the Communist propaganda challenge and wrest the initiative from them, we must expand our efforts.

IV. Deemphasize the cold war in favor of competitive coexistence.

(a) War has become obsolete in international relations. Intensification of the nuclear arms race in itself offers no hope for freedom and is extremely costly. We should recognize this and apply ourselves to the challenges presented by competitive coexistence. We realize this means the continued existence of both the two great systems of social and political organization.

(b) We should lay our nuclear cards on the table and negotiate with the Russians. This does not mean we should let down our defenses, because armaments are important not just for what can be done with them in time of war, but for the psychological shadows they cast in time of peace.

Finally, we agree wholeheartedly with George Kennan when he said: "Would we not be better off today if we could put our military fixations aside and stake at least a part of our safety on doing the constructive things for which the conditions of our age cry out and for which the stage of our technological progress has fitted us?"

Respectfully yours,
MARY A. FREUND
Mrs. W. J. Freund,
DOROTHY WEST MANSON
Mrs. C. L. Manson,
Cochairmen, International Relations Study Group, Wausau Branch, AAUW.

P. S.—At the regular monthly meeting of AAUW last evening, our committee presented a report on its study of Africa, including the recommendations on foreign policy. Several members and friends also wished to signify their approval of these recommendations, so their signatures are on the attached sheet. Those names marked with an asterisk are members of our international relations committee: *Mrs. T. H. Langford, Mrs. M. E. Gjetson, Barbara Ellen Joy, Clara L. Ruder, Marjorie Camp, *Virginia Hulbert, Mrs. H. P. Gutzesell, *Mrs. Elmer Peterson, *Ethel B. Scheurman, *Dorothea M. Krause, Harriet Steel, Mrs. Marion Winnig, Mrs. Edith Winkelman, *Mrs. Edward Pryzina, Mrs. George Lesch, Mrs. Marie Bannon, *Mrs. Sol Oestreicher, Katherine B. Fisher, Jean Conover, and *Mrs. Thurl Burr.

RESOLUTION OF LAND O' LAKES CREAMERIES AND SPEECH OF SENATOR WILEY IN MADISON ON REA

Mr. WILEY. Mr. President, on Tuesday of this week, it was my pleasure to address the Wisconsin Electric Cooperative, representing 30 rural electric cooperatives of my State.

My theme was The Importance of the St. Lawrence Seaway to Wisconsin Agriculture.

I also addressed myself, however, to the problems of Wisconsin REA's.

Coincidentally enough, I have received a resolution from one of the dairy organizations of my State, commenting on the very type of REA material which I had personally discussed.

I ask unanimous consent that the text of the resolution from the annual meeting of Land O' Lakes Creameries be printed at this point in the body of the RECORD, to be followed by the text of my address in Madison.

There being no objection, the resolution and the address were ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION—RESOLUTION APPROVED AT THE LAND O' LAKES CREAMERIES ANNUAL MEETING, MARCH 14, 1958

1. Whereas there are bills before the Congress to raise interest rates on loans to rural electrification cooperatives; and

2. Whereas the authority of the REA administrator has been limited in approving loans within the Department of Agriculture; and

3. Whereas many dairymen, members of Land O' Lakes, are served by REA-financed cooperatives: It is therefore

Resolved, That Land O' Lakes Creameries, Inc., at its annual meeting on March 14, 1958, requests that—

(a) The interest rates not be raised.

(b) The REA Administrator be given full authority to approve loans, which authority was granted to him in the original REA Act of 1936.

It is therefore

Resolved, That a copy of this resolution be sent to Senators and Representatives of the States in which Land O' Lakes has members, and that a copy be sent to the REA Administrator, Mr. Hamil.

SENATOR WILEY OPPOSES INCREASING INTEREST RATES ON REA'S—URGES SPEEDED UP SEAWAY CONSTRUCTION TO BENEFIT WISCONSIN ECONOMY—OUTLINES 3-POINT ANTI-RECESSION PROGRAM

(Address by Senator WILEY)

I am happy to be with you tonight. It is a real privilege to have the opportunity to address this annual meeting of the Wisconsin Electric Cooperative.

As directors, managers, and delegates of our State's cooperatives, you are indeed to be commended for your fine work in serving our Wisconsin communities.

TOPICS OF DISCUSSION

I greatly appreciate, of course, having the opportunity to discuss with you two programs in which I have a very deep interest: The REA and the St. Lawrence Seaway.

In addition, I should also like to touch briefly upon the farm outlook, the unfortunate rise in unemployment, lags in business and industrial activity, and related issues.

NEED FOR OVERALL OPTIMISTIC OUTLOOK

In these days of challenge and problems, there is an unfortunate—and I believe unhealthy—tendency to look only at the gloomy side of the picture.

All of us, of course, realize that we are faced with problems—serious problems in Wisconsin, in the Nation, and in the world.

Nevertheless, let us remember that we have faced critical times before, and emerged triumphant. To deal effectively with these problems, we need practical and realistic optimism—not defeatist pessimism.

TRIBUTE TO REA

Before I discuss our problems, let me pay well-deserved tribute—as I am always happy to do—to the rural electrification program. Let me also pay tribute to you—each and every one of you—who have shared in bringing the benefits of this wonderful program to rural Wisconsin and America.

You and I know that the REA has magically transformed farm life. The farmer and his family now enjoy most of the comforts and conveniences of modern living available to his urban neighbors.

FINE RECORD OF WISCONSIN CO-OPS

All of us, of course, can be proud of the fine record, and responsible role, of our Wisconsin electric co-ops in bringing service to more and more consumers. For example:

1. The quality of electric service continues to be high.

2. All our electric cooperatives are on schedule in making loan payments, without a single cent of delinquency. In fact, about $2 million have been repaid ahead of time.

3. The availability of electric power in rural areas through electric co-ops is benefiting not only the farmers, but also has encouraged small business activity.

4. In our State—as elsewhere—it should always be emphasized that the electric co-ops have served, and are continuing to serve, "marginal areas" that are not economically attractive to private power companies.

These, of course, are only a few of the outstanding attributes of the REA program.

REA PROGRAM EXPANDING

Nationally, too, this program is making real contributions to rural development and progress.

As you know, it is fortunate that nearly 95 percent of our Nation's farms now have electric service.

Currently, there is a substantial increase in applications for loans for heavier distribution lines and for power generation. Why? So as to fulfill many needs for more power both for farms and nonfarm consumers.

Interestingly, the new nonfarm consumers annually being served by REA-financed electric systems are outnumbering farmers nearly 3 to 1. However, in Wisconsin, this trend is not so rapid; about 1 out of 4 electric co-op members is nonfarm.

Currently, as you know, our 30 electric co-ops are bringing light and power to more than 92,000 consumers.

There is no need, of course, for me to elaborate further on the advantages—including power for light, tools, refrigerators, stoves, and other conveniences—that this program is bringing to our rural people. For you know them as well as I.

However, as a farmer—boy and man—before REA, let me assure you that no one—and I repeat, no one—appreciates more than I the wonderful change which rural electrification has brought to farm living.

THREATS TO REA FROM PROPOSED HIGHER INTEREST RATES

You and I agree, of course, on the merits of the REA. This program, I believe, has a bright future.

However, there are some challenges—perhaps, real threats—on the horizon.

For example, an attempt may be made to tamper with the REA financing program.

As we know, the low 2 percent interest rate has been a real benefit in stimulating REA service.

Currently, however, serious and far-reaching legislation is pending in the Congress that would raise the interest rates from 2 percent to the going rate.

We recognize, of course, that the Federal Government now pays more than 2 percent on money it borrows. Thus, there is some feeling that REA interest ought to be raised to the level paid by the Government.

In reviewing this situation, there are some hard facts to be considered:

1. The farmer is already hard hit, with an income far too low in relation to his high costs of operation. To raise his costs still higher would hardly make sense at the present time.

2. Make no mistake about it, increased interest rates on loans, of course, would inevitably be passed along to farm and nonfarm users.

3. The general economy, as well as the farm economy, is lagging, and antidote measures are now essential. I repeat: antidote measures, helpful, not harmful actions.

In view of these facts, I believe the Congress will not—in fact should not—now increase interest rates on REA loans.

Currently, too, overall interest rates are dropping. This trend should lessen pressures for increased rates on the REA program.

DON'T FORCE REA DEPENDENCE ON PRIVATE MONEY MARKET

You are, no doubt, familiar with the fact that it has been proposed in some quarters that REA should be forced to rely on future borrowing on the private-loan market.

I very definitely do not feel that there is justification at the present time for rigidly forcing REA to turn for its capital requirement to the private-money market. Any such abrupt change in Federal policy would, I believe, judging from the strong evidence now available, slow down REA's remarkable progress toward financial self-sufficiency. It would increase administrative time and expense in carrying out the program. Basically, any such arbitrary change in policy would have the effect of putting a damper on prompt, much-needed investment in REA capital improvements.

The private-money market, as you know, has been tight. And I don't think that the present difficult condition of American agriculture, with milk checks so seriously below what they should be, allows for an alteration in our basic policy toward REA financial needs.

AVOID HARMING THE NATION'S CO-OPS

I want to turn to one other phase of the problem of cooperatives, as such.

You and I observe that, unfortunately, REA and other co-ops are still being attacked on the tax front. "Hit them with taxes," co-op enemies say. Well, the fact is that REA and other co-ops already pay taxes—lots of taxes. Over $500,000 in taxes were paid by Wisconsin's 30 electric co-ops, alone, last year.

Naturally, as a matter of principle, all of us are interested in a fair distribution of the Federal Government's tax burden. But, you and I know that co-ops already pay taxes that corporations and other businesses pay. So we ask: Why saddle cooperatives with still heavier burdens at the present time? Aren't our farm co-ops already laboring under enough difficulties amidst the present decline of our United States economy?

A strong co-op movement is one of the pillars of a revitalized economy—it is an antirecession measure in itself. United States co-ops should be strengthened, rather than weakened.

I, for one, of course, would strongly oppose any efforts that would put so great a financial burden on our co-ops as to destroy their ability to serve their members. And I do not think that the Congress would do any such thing.

ST. LAWRENCE SEAWAY ESSENTIAL TO FARM PROSPERITY

Now, I turn to another subject that is of tremendous importance to the future of our beloved Badger State: the St. Lawrence Seaway.

At completion, this great tradeway will, as you know, bring 2,300 miles of 27-foot deep-sea shipping to our Wisconsin shores.

As a result, our Wisconsin farms and industries will have cheaper routes to more United States and Canadian and world markets. In addition, our businesses and service establishments will also benefit.

Is this really important to our rural economy. Very definitely, yes.

Why?

SPECIAL MEANING OF INCREASED TRADE TO WISCONSIN

As you know, our Wisconsin exports now provide an outlet for a sizable chunk of our State's production. This volume of export is making a substantial contribution to our State.

1. Our export of dairy products—now amounting to $18 million annually—will have better access to more, less expensive to reach markets.

2. Experts indicate the prospect of a 5-cent to 15-cent a bushel saving on grain shipments.

3. Other State-produced products, too, will be provided an improved market, thus benefiting the general economy. The value of a few of these exports is estimated as follows: Paper products, $20 million; automobile exports, $45 million; machinery, $175 million.

There is, of course, a wide variety of other Wisconsin goods exported annually. In fact, perhaps almost as much as one-half of Wisconsin's industries are engaged—directly or indirectly—in foreign trade and can be expected to benefit from the seaway.

4. The completion of the seaway, too, will mean that our Wisconsin ports will serve increasingly as terminal points for commerce to and from our neighboring States to the west and south of us. This will stimulate Wisconsin's economy through requiring expansion of local services to help accommodate the increased trade and commerce.

STRENGTHENING AMERICA'S HEARTLAND

5. The basic effect of the St. Lawrence Seaway is to help facilitate the building up of the Midwest, which is already the heartland of America, in its industrial and commercial strength.

Wisconsin will take one new luster, new prestige, as a sound location for new factories; once the seaway is available. With the seaway will come, therefore, we hope, new jobs in our cities, towns and villages.

Why? Because, as transportation costs for raw and finished materials are lowered, factories based in Wisconsin gain equality with or a competitive advantage over factories located elsewhere in our country.

More jobs spell more income. I need not remind you that Wisconsin needs to develop consumer markets for consumption of its dairy, and other products. Eighty-five percent of Wisconsin's milk, for example, moves to interstate markets. As new jobs are created here in Wisconsin, we will drink still more of our own milk. Standards of living in the whole Midwest will be raised. People will come to drink more milk, eat more cheese, and other healthful nutritional Badger products. All along the seaway route, there will be expanded purchasing power to buy Wisconsin farm products, which might otherwise end up as so-called surpluses in Commodity Credit Corporation warehouses.

WHAT WILL IT TAKE TO CAPITALIZE ON SEAWAY

The seaway, however, is not going to bestow benefits on our economy magically or overnight.

It will take hard work. The ingredients for achieving future benefits from the seaway are four in number:

FIRST OF FOUR STEPS: SPEED CHANNEL WORK

1. We must speed up the rate of engineering work for deepening and improving the Great Lakes channels.

I am, speaking very frankly, deeply concerned about failures to date to step up

completion of the connecting channels to the Upper Lakes States. Until we get these channels beyond Lake Erie deepened to 27 feet depths—instead of the present 25 feet downbound, 21 feet upbound—we will not have in the upper Midwest, full access to deep-sea commerce. Thus, the real benefit of this great program will still be partly denied us.

CURRENT CHANNEL BUDGET TOO SMALL

Unhappily, the funds provided in the 1959 budget under the proposed schedule of expenditures, mean that the completion date will be set back a number of years. This is definitely not in the best interests of Wisconsin or the upper Midwest of the Nation.

As we know, the 1959 budget contains only about $18 million. An additional $5½ million will be allocated from funds provided in supplemental appropriations—bringing the amount to about $23½ million.

However, if the connecting channels are to be deepened by 1962, at an estimated overall cost of about $140 million, more money—approximately $30 million to $35 million annually—will be needed.

The seaway appropriations are now pending before the Appropriations Committee. To provide the needed money, I am requesting the committee to write in additional money to carry forward the construction work at maximum speed.

It would be shortsighted, indeed, to get the seaway along so far, and then dillydally with its completion—to the detriment of Wisconsin and the whole upper midwestern area.

However, in spite of this channel problem—which I believe can and will be favorably resolved—the seaway holds great promise for us, when, as early as 1959, 14 feet will no longer be the controlling depth.

IMPROVE PORTS AND HARBORS

2. We must improve Wisconsin's cities' own port and harbor facilities. A deep-draft seaway, leading to shallow-draft harbors, can hardly mean maximum traffic.

Right now, only 3 of the 13 Wisconsin harbors can accommodate modest-sized seagoing vessels. These three harbors: Ashland, Milwaukee, and Superior, now have channel depths about the same as the seaway.

That is why new improvement work on these and other ports and harbors is essential.

3. A fair rate of tolls on all types of cargoes are essential. I believe that there will, indeed, be an equitable toll system announced by the Seaway Development Corporation.

As you recall, the original Wiley-Dondero law provided for repayment of the construction indebtedness by payment of tolls on traffic.

The task is to set tolls at a level that will encourage maximum traffic through this great waterway, and at the same time contribute to repayment of the construction cost.

PROMOTING AND SELLING THE SEAWAY

4. The fourth challenge is salesmanship and promotion of the seaway. We must acquaint industrialists and other shippers all over the country as to the advantages, in specific economic terms, of the seaway.

Our basic problem is that businesses all over the United States have traditionally developed the pattern of shipping through the eastern and gulf coasts. They are not going to change that pattern easily, overnight, especially for a seaway which operates in but 8 of the 12 months of the year. Therefore we must do an education job in relation to these businesses, pointing out that they can achieve higher profits through lower costs thanks to the eight opportunity-filled months of the seaway season.

The locks of the Sault St. Marie, operating, we should remind everyone, only in the ice-free season, have long moved far more traffic than passes during all 12 months of, say, the Panama Canal.

Phony arguments as to the seaway's alleged limitations simply will not stand up, if we provide the necessary facts.

THE PROBLEM OF 5,250,000 UNEMPLOYED

And now we come to what will be the concluding portion of my remarks.

I want to refer to the economic situation facing our country, generally; and particularly, as it affects the farmers of Wisconsin and the rest of the Nation.

I need not remind you of the 5¼ million American unemployed. Unhappily, this now amounts to over 5 percent of the labor force in Wisconsin. In some communities, the figure goes upward toward 15 percent.

In the future, I believe the seaway will help to provide for increased industrial activity and jobs and to help avoid the recurrence of such dips.

But 15 percent of even 5 percent unemployed today—now presents an acute problem. I need not tell you in detail of the significance of these unemployment percentages in relation to lowered consumption of farm products.

Of course, before proceeding further, let me remind you that we must keep unemployment figures in proper perspective. Never before in peacetime have we, fortunately, had so large a civilian labor force as we have today—well over 67 million people.

Moreover, there are indications that there should be, and will be, a seasonal upturn in our economy.

EVERYONE MUST ACT AGAINST RECESSION

But we can hardly be smug. We cannot count upon luck; we cannot sit back, twiddling our thumbs—waiting and merely hoping. We must act. I mean everyone must act; each within his proper sphere.

That means that we of the Congress must act, as we have already acted, to help cope with the recession; particularly with the farm-price problem.

It means that State governments must act to help cope with conditions inside their respective States. It means that local communities must act. I refer to the need for grassroots development of community action self-help programs so as to mobilize local brains, manpower, and resources.

FOREMOST RESPONSIBILITY OF BUSINESSMEN

And finally, we need most important of all, sound action by United States private enterprise itself. I mean that private businessmen have the greatest responsibility of all to face the future with confidence and faith and not pessimism and despair. They need to invest, to expand and not to retreat in fear.

CONGRESS' SAVING ACTIONS TO BOOST EMPLOYMENT

Now what, specifically, has your Congress done to cope with the recession? A good deal, I am glad to say.

To meet urban problems, we have passed a $1.8 billion emergency housing bill. We are enacting a new river and harbor bill. We are enacting a speedup in the Nation's highway program.

SPEEDING UP REA USE OF APPROVED LOANS

As you know, on the REA front itself, President Eisenhower has urged the Secretary of Agriculture to encourage electric and telephone cooperative borrowers to proceed rapidly with the construction of $740 million worth of projects, for loans that have been approved.

Such sound spending will pump new economic vitality into our economic machine.

DAIRY PARITY ISSUE STILL LOOMS LARGE

In still another action, so far as the farmer, himself, is concerned, we of the Congress have rightly acted to prevent the arbitrary slash in dairy parity supports, which might, otherwise, occur this coming Tuesday, April 1.

The ultimate decision as to the level of dairy parity, as you know, still hangs in the balance.

You are all aware that, if dairy parity unfortunately is slashed to 75 percent, Wisconsin farmers, alone, will lose $43 million to $46 million more per year.

I say that we simply cannot afford to lose that much income.

Far from losing that much income, we should long since have acted to expand dairy income by that much and far more.

So we earnestly hope that the President will not veto the sound bill which would suspend the dairy parity slash.

In any event, the fact is that whatever happens, or does not happen, on April 1 represents but one phase of an overall larger and continuing problem facing Wisconsin agriculture.

FEED STOMACHS, DON'T FILL WAREHOUSES

The paramount job facing the Wisconsin dairymen is to make sure that there is a greatly expanded market for farm products. I mean a market in 173 million people's stomachs, and not in CCC warehouses; a market in people's stomachs, overseas as well.

I know of no farmer who wants to produce for the purpose of filling up warehouses. Our farmers are interested in feeding people. Wisconsin farmers know that they have the greatest products in the world, especially the Nation's first food, milk. Milk is a product, which dollar for dollar, pound for pound, glass for glass, represents the finest possible investment by every American family in its own health.

THE CHALLENGE OF JUNE DAIRY MONTH

Just 2 months away is June Dairy Month. Let us hope that June, 1958, will signalize a greatly increased dairy sales and promotion program.

Let us hope too, that we can speed the development, of sterile, canned, concentrated milk as one means of improving consumption of milk. It is, likewise, a means of increasing the farmer's very own share of the consumer's dollar.

Let us hope, as well, that other scientific research and merchandising research will help to open up new markets for Wisconsin farm products.

CONCLUSION—ACHIEVING THE MIRACLES NOW POSSIBLE

I want to conclude on this firm and sound basis of hope in the future. "The past is but prologue," reads the sign on a Washington building.

So, I have stressed the future needs of Wisconsin's electric cooperatives in serving the expanding needs and wants of the rural population of our State.

Just ahead is atomic energy for the generation of electric juice. Just ahead too, are other scientific miracles waiting us, if we but have the ingenuity, the courage, and the enterprise to develop them.

We Americans are going to snap out of the present slump in which our country finds itself, and we are going to advance to still brighter horizons tomorrow.

The Great Lakes-St. Lawrence Seaway symbolizes that brighter tomorrow. Let us capitalize on it and on all the other fine opportunities which are ours.

EAST FRONT OF THE CAPITOL

Mr. HAYDEN. Mr. President, at my request, there have been printed in the CONGRESSIONAL RECORD two articles relating to the controversy with respect to the reconstruction of the east front of the original Capitol building, which had appeared in the Sunday and Monday editions of the Washington Evening Star.

Two additional articles have since been printed in that newspaper. One,

entitled "East Front Dangerous as Stone Deteriorates," appeared in the Tuesday issue of the Star, and another, under the heading "Four Answers Offered to the East-Front Riddle," is printed today.

I ask unanimous consent that these last two contributions to an understanding of what is involved in the proper preservation of a structure in which all Senators have a deep interest be printed as part of my remarks in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Evening Star of March 25, 1958]

SENSE OR SENTIMENT?—EAST FRONT DANGEROUS AS STONE DETERIORATES

(By George Beveridge)

One of the three reasons for extending the east front of the Capitol is the severe deterioration of the old sandstone facade, with its noble columns and elaborate, historic ornamentation.

The two other reasons are correction of a long-controversial architectural defect and the provision of additional Capitol space—and these are the two on which opponents concentrate their attacks.

The critics, led by a small group within the American Institute of Architects, don't say much about the deterioration. And what they do say is long on speculation and short on facts.

The east front, the critics say, obviously needs repair. But the condition of the front as a valid argument for extension they brush aside with sharp ridicule.

PICTURED AS DANGEROUS

The Architect of the Capitol and private architectural and engineering consultants at work on the expansion project, on the other hand, state flatly that the east front today is dangerous.

At a Senate hearing last month, John F. Harbeson, of Philadelphia, one of the most prominent of the architects who have worked 2 years on the Capitol extension, was asked if the east front really were dangerous.

"Yes, sir; decidedly. I think it is only a question of time until we will have to rope off the front and build a plank walk going in with sufficient thickness to keep people safe."

What are the facts?

To begin with, the extension proponents mean two things when they say "dangerous."

The first involves a number of physical conditions about the building, which they say raise the threat of actual physical danger from parts of the old sandstone facade that may break loose and plummet to the ground.

EVIDENCE OF EROSION

The other involves the steady ruination of the east facade through erosion, crumbling, and splitting of the soft sandstone. All over the front are the evidence of this in gaps, chips, cracks, and crumbled surfaces of the historic sculpture.

It is ironic that both sides of the controversy say they want to preserve the architectural detail which reflects the work of the Capitol's early architects, Thornton, Latrobe, and Bullfinch.

The opponents say this can be done only by leaving the wall where it is. When the present sandstone wall disappears from view, they say, the work of the old masters no longer exists.

Extension advocates, however, insist that erosion, chipping, and spalling of the front is destroying before their eyes the very values they want to preserve. In addition, much of the fine detail of the front already has disappeared beneath countless coats of paint. They contend the only way the original work truly can be preserved is by an identical archaeological reproduction in marble, which will remain forever.

They propose that the new wall be built 32½ feet eastward. This, they say, also permits much of the present old facade to be preserved—for purposes of sentiment—as an interior wall of the building, which would be structurally safe and protected from the ravages of weather.

GAP RECALLS FALL

The danger sign most often cited about the front is a 60-pound piece of sandstone on the Senate side of the wall which fell to the ground in 1934. The gap it left near the central portico is easily seen from the ground.

Another danger sign was spotted several years ago by painters, giving the front one of its regular 4-year coats. They noticed that one of the huge stone "capitals" at the top of the portico column was held in place by loops of cable.

One extension opponent called accounts of these fictitious, and said they were isolated excuses, selected in desperation to prove a danger which they challenge.

The Capitol's consultant architects, however, insist these are facts it would be foolhardy to ignore. They do not contend another 60-pound stone will fall on the heads of Capitol visitors tomorrow or next year. But they do contend that these precedents—and other signs of weaknesses—give them no logical reason to assume that others won't fall. And they say there is little chance of spotting such an occurence in advance, without constant inspection of every stone and ornament.

FEAR HIDDEN DEFECTS

Their main concern, however, is not with obvious defects, easily seen. What they fear most are things they can't see—the hidden threat of dozens of large cracks, bulges, and deterioration buried beneath the paint. These things, they say, are signs of progressive decay which eventually will doom the east front.

The New York engineering firm of Morgan, Proctor, Mueser & Rutledge recently completed a study of east front conditions. They reported numerous through-wall cracks in all parts of the front which they said have a definite continuity for the height of the wall.

The engineer experts said the many cracks had created such structural conditions that if the wall received any sudden shock it was most certain that many parts of the stone would fall.

These are their written conclusions:

"1. All of the exterior walls have a large number of vertical cracks passing through practically their entire surface.

"2. It is certain that the many coats of paint hide a large number of additional smaller cracks.

"3. The separation of individual parts of the stone work by the numerous major cracks has created a condition throughout most of the walls that should they receive a sudden shock or concussion, it is most certain that many parts of the stone would fall.

CAREFUL WATCH URGED

"4. Where movement in stone has occurred in the architrave and lintels (elements of the wall near the roof), very careful watch should be kept and shoring done, if necessary, to prevent stone from falling.

"5. In the portico no stone work above the level of the capitals should be in any way disturbed without complete shoring up of the architrave concourse.

"6. Extremely close watch should be kept on the bowed out north and south sections of the main east wall."

The bowed-out sections refer to a positive bulge which has been discovered near the roofline of the east front. On the side nearest the Senate, the bulge extends outward nearly 5 inches.

In the past, it generally has been thought that this bulge resulted from an explosion within the Capitol in 1898, which caused great interior damage. A careful study of the old records analyzing explosion damage, however, shows no reference at all to the bulge. Does this mean it may not have resulted from the explosion, but may have taken place gradually, over the years since the explosion? The Capitol consultants say they don't know. But they say it is another of the signs which raise serious question about the safety of the present east front—signs about which those who ridicule any danger have no knowledge.

In another investigation, the National Bureau of Standards last year studied 9 cores of east-front sandstone, 2 inches in diameter, which is removed at random from the wall. The Bureau reported considerably less evidence of deterioration than Capitol officials have claimed.

In general, the Bureau concluded that the cores were not deteriorated significantly to a depth of more than half an inch beneath the surface. In view of this, the Bureau suggested the old stone was sufficiently sound to justify further service if about half an inch of the surface were removed, and the new surface painted. That recommendation, and others made by opponents of the extension for repairing the present wall in its present position, will be discussed in an article in this series tomorrow.

The Capitol consultants question some of the Bureau's report, not as to the cores of sandstone studied, but as to applying the findings to the wall as a whole. Wall conditions and the quality of stones, they say, vary too greatly for such generalizations to be made.

The Bureau also reported that frequent painting has proved a mixed blessing and curse to the east front. On the one hand, paint has protected the stone somewhat from weather. On the other, the report said, it has sealed in moisture which seeps into the wall through cracks and defective joints. In cold weather, the moisture freezes and pushes out areas of paint and stone.

MARBLE A REMEDY

The Capitol consultants contend this is a problem which never will be solved with the soft sandstone, and only a marble front would cure. Even marble, however, if placed over the large cracks, might well split in the same places the stone has, they say.

The Bureau report noted that the Capitol sandstone has stood the ravages of time far less well than similar stone on the White House, of similar vintage. One possibility, it said, is that the White House may have been more thoroughly painted, and Bureau studies showed only 11 coats of paint on the Capitol cores.

Capitol historians, however, insist their records indicate that as many as 35 coats of paint have been put on the east front, and that painting was begun as early as 1819 for the specific purpose of halting deterioration.

There is no dearth of past warnings about east front defects. In 1935, testifying before a House committee, Architect of the Capitol David Lynn cited it as a reason for extending the east front and rebuilding it in marble. Mr. Lynn noted a number of defects and added:

"I consider the whole stonework is deteriorating progressively. The ornamental parts—the moldings, balustrades, and cornice—are badly damaged in some places and offer some possible prospect of danger in the not very remote future. For example, a large piece of the cornice at the internal angle of the portico fell about a year ago. If that had been over the steps, it might have been serious."

Other records, dating back to the early days of the 19th century, report complaints of the quality of the walls, and difficulties of maintenance.

MARBLE INTENDED

William Thornton, the architect who drew the original design which was accepted by George Washington as the pattern for the east front, intended that the front be constructed of marble. He was overruled for reasons of economy, however, and the builders turned to the soft Aquia Creek sandstone which even then was being discredited as a lasting, permanent material for classical construction.

The people who want to extend the Capitol today say that, had Mr. Thornton's wishes been met, there might be one less reason now to argue for the extension they say is essential if the east front really is to be preserved.

It is significant that, in their voluminous testimony against the extension, critics have generated little fire against the claim that something has to be done about the east front's deterioration. One charge they have generated is that J. George Stewart, the present Architect of the Capitol, is not an architect.

And that's true. For several years before his appointment in 1954 Mr. Stewart was a politician (a Member of Congress from Delaware and a Congressional employee). But Mr. Stewart also is an engineer, and he made his money from a family construction firm which specialized largely in the virtually lost art of stone masonry.

That early experience, Mr. Stewart says, is one of the things that give him a healthy apprehension about the state of the Capitol today—and a downright distrust of the alternative proposals of some of his "expert" critics.

[From the Evening Star of March 26, 1958]

SENSE OR SENTIMENT?—FOUR ANSWERS OFFERED TO EAST FRONT RIDDLE

(By George Beveridge)

The people who oppose extending the east front of the Capitol have suggested four different approaches to deal with the problem of the front's deterioration.

They are:

Remove the entire sandstone facing and replace it with a marble facade where it stands.

Shave half an inch or so off the present facade—as a National Bureau of Standards report has suggested—and paint the new sandstone surface.

Keep a close watch on the old facade, and periodically replace those stones and ornaments which need replacing.

Leave the front as it is except for regular painting and routine maintenance repairs for safety.

All these ideas have a common goal—the sentimental desire to preserve the Capitol's exterior facade in its original form.

PRACTICALITY CHALLENGED

The experts who want to extend the east front 32½ feet forward—and reproduce in lasting marble the precise details of the old front—contend that none of the above alternatives is practical. Let's look at their reasons.

The most drastic of the alternatives is to reface the wall with marble at its present location. The Capitol's architectural and engineering consultants raise three major points about this. They are:

1. This would require destruction of the entire original sandstone facade of the east front—the very thing which many opponents say they want to avoid in the extension. If the east front is extended and reproduced in marble, on the other hand, a major portion of the original will be retained as an interior wall.

2. This replacement—because of construction problems involved—would cost at least half as much and possibly as much as the complete extension itself, estimated at $10.1 million, with none of the added benefits of increased Capitol space.

QUESTION OF SAFETY

3. Serious questions of structural safety are raised if the exterior wall stones are removed to make way for a new marble face.

The last point, the Capitol consultants say, is the one that worries them most.

The threat to structural safety which they stress was substantiated by James M. Gongwer, of the Washington engineering firm of Gongwer, Kraas & Webb, who investigated the proposal. Mr. Gongwer, from 1940 to 1951, was consulting engineer for the remodeling of the House and Senate Chambers and roof reconstruction on the two wings.

To understand Mr. Gongwer's report, it is necessary to know something about the Capitol's construction. The Capitol, as the consultant experts explain it, was built almost entirely with large stones—set one on top of the other and held in place mainly by their own weight and mass. The builders had no steel beams, no concrete, and not even cement mortar to hold the stones together.

The exterior walls really are composed of two portions—a sandstone exterior face and an interior face of rough stones, both bonded with lime mortar. Between them was placed sand and rubble stone, held together loosely with lime mortar. Some of the wall stones are longer than others—about 12 inches in length—and extend into the loosely poured wall interior, to provide a bond for the 3 wall sections.

BRICK ARCHES INVOLVED

Now, in order to reface the existing east front with marble, Mr. Gongwer said, the exterior stones—containing all the ornamentation of the front—would have to be removed to make way for the new face. On the interior sides of the walls, however, are brick arches which, as part of the original Capitol construction, serve to support the floors and ceilings. And it is these arches which cause the structural problem, because they depend for their strength on the ability of the exterior walls to withstand their stresses.

Mr. Gongwer's report explains the threat this way:

"The stability of these arches depends upon the ability of the walls to resist the thrust imposed upon them by the arches. A slight outward movement of the walls would be sufficient to change the stress distribution in the arches and could conceivably result in serious impairment of their strength, and possibly their loss.

"Since the forces in these structures are indeterminate, one cannot state with certainty what the result would be. It is my opinion, however, that it would be unwise to weaken the walls by the removal of 12 inches of their thickness. The inevitable jarring of the remainder of the wall during the removal of the facing stones would aggravate the condition still more."

CONSULTANTS CITE REPORT

Consulting architects who have worked for the last 2 years on the east front problem stress that they do not contend it would be impossible to put a marble front on the present facade. But they cite the Gongwer report as typical of the problems of expense and danger, which are not known to most opponents of the east front extension—led by a group within the American Institute of Architects.

Douglas Haskell, editor of Architectural Forum magazine, for example, told a Senate committee last month that "only a fool would deliberately move such a wall * * * merely to repair it."

The architectural consultants say there are more reasons than structural difficulty, of course, behind the east front move. But it is comments like Mr. Haskell's which have roused their ire. They note that most proponents of the extension are men who have an intimate knowledge of the Capitol's problems. And most of its critics, they say, have a fleeting visual acquaintance with the building.

In a new report to House Speaker RAYBURN, Chairman of the Commission for the Extension of the Capitol, the consulting architects yesterday estimated that a refacing of the east front in its present location would cost at least $5 million, and that it might easily cost $10.1 million or more, depending on structural problems encountered. The $10.1 million figure is the estimated cost of the entire east front extension project.

STATEMENTS QUALIFIED

In the new report, the architects reduced and qualified flat statements they made at Senate hearings last month that refacing the present front would cost more than the $10.1 million needed to extend it.

Yesterday's report, based on new studies, said a refacing would involve "too many intangibles to permit an accurate (cost) estimate to be made. There are many cracks which extend from parapet to footing and some of them extend completely through the wall. What underpinning, what tie rods and braces, what shoring and needling would be required would only be known as the work progressed."

On the east walls alone, however, the architects said a conservative cost estimate would be $2.5 million. And at least another $2.5 million, they said, would be needed to replace the big central portico, with its columns and pediment.

Against this minimum $5 million refacing cost, the architects said, the actual cost of building the extended east walls and portico would be $4,750,000. But the $10.1 million figure for the project also includes $3.5 million for interior work within the extension and $1,850,000 for related work inside the main Capitol and for a contingency margin.

ALTERNATIVE PROBLEM

The consultants say that just as a refacing of the existing east front presents serious problems, so would the second alternative cited by critics—a piecemeal replacement of isolated wall stones and ornaments as they show signs of needing it.

When, for example, should the replacements be made? the new report asks.

"Should it be necessary for a stone to fall out of place? Pieces have fallen and others may fall at any time. Should ornamental features be permitted to erode to oblivion before they are replaced? If so, what will serve the carver as a model? One of the portico capitals (the huge ornaments above the portico columns) is wired together—should it be replaced now?

"And what of the cornice above these column capitals? There is unquestionably, some sort of dowel or anchor between the capital and cornice and between the capital and column. To remove a capital, these dowels or anchors must be sawed through and the means of anchoring is forever lost. As one capital after another deteriorates and is removed, there will be a series of unanchored columns * * * devoid of any lateral stability, tottering in every gale.

"PROGRESSIVE DETACHMENT

"Perhaps the greatest problem is not in the matter of ornament, but in the simple masonry of the walls. When one outside stone is removed and replaced, there is no way by which the new stone can be anchored to the inner wall. As stone after stone is cut away, there will eventually develop great

areas in which the outside masonry is no real part of the wall, contributing nothing to its strength. In effect there would be ultimately a free-standing wall * * * which we could only hope would be able to support and resist the load against it—a vain hope in view of the vertical cracks now apparent.

"Finally, all of the stones set under the watchful eyes of Thornton, Latrobe and Bullfinch will eventually be replaced and only the design will remain.

"Shall the replacements be of enduring stone or of the same soft sandstone? In any event, the passing years would see the east front as a hodgepodge of new, old and medium-aged stones, some with 3 coats of paint, some with 50; some details sharp, some dull, some gone altogether. Is this to be the future of the Capitol?"

PLAN RIDICULED

A number of critics of the extension proposal have picked up as a good idea, the third alternate approach to deal with the east front—simply to scale half an inch or so of deteriorated sandstone off the old east front.

This suggestion came in a Bureau of Standards report, in an analysis of several cores of sandstone. The report said painting had protected most of the stones' interiors by sealing them off from the weather. Therefore, the report said, the problem of deterioration might be solved simply by cutting away the rotten outside.

This scheme gets the shortest attention from the Capitol's consultants because, they say flatly, it is ridiculous.

It's ridiculous because the Capitol's facade is not flat. It is a continuous maze of elaborate ornamentation, of carved sculpture, and columns, cornices and scrolls. Trim a half inch off some of them and nothing is left. Shave a half inch from the columns and their architectural proportions are gone. The entire, well-loved appearance of the building would be changed. Even the window frames woudn't fit.

The fourth alternative—to do nothing at all with the east front except paint it regularly and practice regular maintenance—is rejected by the consultants with equal vigor.

Capitol Architect J. George Stewart was asked at last month's hearing whether he had enough maintenance money to keep the building in shape. He said the problem wasn't maintenance, but that the east front's condition arises from such basic structural deficiencies that more drastic correction is essential.

CALL FOR PROTECTION

If the east front remains in its present condition, the consultants insist, the areas below either should be roped off to pedestrians or some sort of protective scaffolding put up.

Julian Berla, Washington architect and chairman of a Committee to Preserve the National Capitol, suggested to the Senate committee that deterioration purposely might have been permitted to continue in order to present another argument for east front extension.

It is probably true that if the extension project had never been in the picture, Architects of the Capitol long ago would have proposed some other drastic program to deal with the deteriorating front.

But there is no evidence that any Architect of the Capitol—as Mr. Berla implied—has closed his eyes to anything which could be corrected short of a major overhaul of the entire front. Indeed, as Mr. Stewart and Capitol Architects before him have warned, the real dangers lie not in the defects that are visible today, but in the problems which may crop up as the result of hidden defects tomorrow.

GREEK INDEPENDENCE DAY

Mr. BEALL. Mr. President, yesterday was the 137th anniversary of the independence of Greece, and today our invocation in the Senate was offered by the head of a great Greek Orthodox Church, Father Nicholas Stävräkis. It is with much personal pride that I call attention to the fact that Father Stävräkis is from my own State of Maryland—from St. Nicholas Greek Orthodox Church of Baltimore.

The celebration of independence days are always of great significance. Especially is this true with the celebration of Greek Independence Day.

Greece was the cradle of freedom, and the Greeks were the people who evolved the idea of freedom and gave it a living form. In the long and glorious history of the Greeks there are many important dates, but in their modern history the great date is March 25. On that day in the year 1821, Greeks revolted against their oppressors and proclaimed their national independence.

One hundred and thirty-seven years ago yesterday, a band of bravc Greeks under the leadership of a dauntless archbishop in Päträs unfurled the banner of revolt and proclaimed their national independence. From that day on, for more than 8 years, Greek warriors fought bravely against the forces of the Ottoman Empire. At times, the Greek cause seemed hopelessly lost. Against heavy odds the Greeks held their own, even when they witnessed the butchery of their loved ones. These horrors were enough to rouse the powers of the West. Western powers discarded their neutrality and in 1827 began to help. Final victory came in the naval battle of Nävärino on October 10, 1827.

Personally, I have always been keenly interested in the people of Greece. I like to consider myself one of their warmest sympathizers and sincerest champions.

The people of the United States recognize the great debt of all mankind to the land from whence came our inspiration for independence. We have helped the Greeks financially and with technical assistance and in a military way.

The people of our country have joined with those of Greece in celebrating their day of independence.

ONE HUNDRED EIGHTY-SECOND ANNIVERSARY OF FORMATION OF STATE LEGISLATURE OF SOUTH CAROLINA

Mr. JOHNSTON of South Carolina. Mr. President, this is a proud day in the history of the legislature of my native State of South Carolina. At 4 o'clock in the afternoon of March 26, 1776, our general assembly, or State legislature, was born. This date becomes significant when we recall that it was not until 3 months thereafter that our Nation's Declaration of Independence was declared. It was more than 11 years prior to the adoption of the Constitution of the United States in 1787. Delegates from all the districts in the Colony of South Carolina, having been previously elected, assembled in Charleston on January 11, 1775, and organized a temporary Provincial Congress. On February 1, 1776, these delegates prepared a formal declaration, the essence of which provided that South Carolina "was now and by her own act a free and independent State."

It was on the 26th of March 1776 that John Rutledge was elected president and Henry Laurens vice president of the assembly. The terms "governor" and "lieutenant governor" were shortly thereafter applied to these respective offices. A State Constitution had already been considered and adopted by the delegates. By this formal, legislative act of a free assembly not only was the State legislature created, but also at the same time all allegiance to any domination by an English assembly was renounced.

The members of our State legislature have every reason to be proud on this 182d anniversary. The stress and strain of current problems weigh heavily upon all of us. Yet we do well to pause and reflect upon the experience of the past. The courage with which our forebears met their trials and tribulations, affords us a lamp to light our paths for the future. A knowledge of the history of our legislative growth, of the sacrifices and challenges of those who charted its early development gives us a fuller understanding of our present duty and responsibility. We must at all costs keep our record unsullied and unmarked by the distractions that would thwart our course of plain duty. We shall remember these great events. We shall repeat and dare not forget them. Our children must be taught these lessons.

Who were our pioneers? Henry Laurens, after serving as lieutenant governor, was called to larger responsibilities. He was designated by the Continental Congress as its second president, succeeding John Hancock. Henry Laurens served from 1757 as a representative in the English Commons house assembly in South Carolina, along with Lynch, Pinckney, Gadsden, and others. This experience served him well. These first elected legislators of South Carolina were deeply grounded in constitutional liberty. They loved freedom. They hated tyranny. They were men of eminence, judgment, foresight, and ability. The history of our legislature has been enriched by the touch of genius given to it by such men. John Adams, after only a month's acquaintance with Henry Laurens, said of him in a letter to Mrs. Adams:

> I feel a strong affection for South Carolina for several reasons:
>
> I think them as stanch patriots as any in America; I think them as brave. They are the only people in America who have maintained a post and defended a fort. They sent us a new delegate whom I greatly admire, Mr. Henry Laurens, their lieutenant governor, a gentleman of great fortune, great abilities, modesty and integrity, and great experience, too. If all the States would send us such men, it would be a pleasure to be here.

Great tribute is due the early founders of our legislature. Our legislative system, which they established, affords our people the most nearly perfect means of expressing their will. Sover-

eignty, as we know it, and all sovereign power are vested in our citizens. It is inherent in them. Our legislature constituted by them is empowered to give full and meaningful expression to the sovereign powers of our people. The separate and independent autonomy of the State and its maintenance and preservation as an indestructible unit of our National Government are as great a concern today as they were on the day of their creation. The measure of our duty and responsibility as individuals is no less sacred or important. Through the years our State legislature has maintained with dignity and honor the sacred trust which has been our cherished heritage.

I salute the members of the State Legislature of South Carolina as I remind them of the birthday of the first free legislative assembly in the United States. I may proudly say that the legacy given us has not been treated lightly. We respect the traditions of the past which show us the way for the future.

The accumulated wisdom of our forefathers, the painful sufferings and bitter experiences which were theirs to bear are a constant source of strength and inspiration to all of us who are privileged to follow the high standards they set. The solution of the problems we face today and those which will arise tomorrow is made less difficult by a better appreciation of our inheritance. May the members of our legislature be ever mindful as they have always been, of the great responsibility resting upon them as the duly elected representatives of the people for the expression of the sovereign power of our citizens. Their labors will not be in vain, but will be fruitful in the years to come. Then He, who is the source of all our light, hope, and strength, will be and abide with us in all our worthwhile undertakings.

FEDERAL-AID HIGHWAY ACT OF 1958

Mr. KNOWLAND. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. REVERCOMB in the chair). Is there further morning business? If not, business is concluded; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to suggest the absence of a quorum without the time being taken from either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Robert Newbegin, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Horace H. Smith, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James S. Moose, Jr., of Arkansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan.

Mr. FULBRIGHT. Mr. President, during the period I have served in the Senate, many thousands of executive nominations have been considered. I have supported the great majority of these appointments following the recommendation of the committee which had reviewed the qualifications of the nominee. Even on occasions when I have been less than enthusiastic about particular nominations, I have sometimes gone along with the view that the appointment had to be made and, after all, our best people were not interested in public service.

This afternoon, however, it is a pleasure for me to support an exceptionally well-qualified person who is being named to represent the United States in one of the troubled areas of the world. I refer to James S. Moose, Jr., who has been nominated to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sudan, to succeed Lowell C. Pinkerton, the first American Ambassador to Sudan. In this case, we are not having to swallow mediocrity because Ambassador Moose is an old pro who knows his diplomatic business.

Ambassador Moose is a native of my State, having been born in Morrilton, Ark. He attended the Kentucky Military Institute and was graduated from the University of Missouri in 1922, where he was a member of Phi Beta Kappa.

After graduation from college, he traveled to Mexico and enrolled in the Universidad Nacional de Mexico, and it was here he developed his interest in international affairs. In January 1928, he was appointed a Foreign Service officer. After a tour of duty as vice consul at Salonika, Greece, Mr. Moose was assigned to L'Ecole Nationale des Langues Orientales Vivantes at Paris for special instruction and became one of our first Arabic language officers in the Foreign Service. As evidence of his attainment, at the conclusion of the course, the principal of the school included in his customary progress report his desire to appoint Mr. Moose a member of the faculty.

After this special schooling, Mr. Moose was assigned at Beirut in 1932, with other Near Eastern postings following at Baghdad, Teheran, Jidda and Damascus. In 1942, he opened the American Legation at Jidda and later became Minister Resident, thereby becoming the first American envoy to reside in Saudi Arabia.

He served as Chief of the Division of African Affairs and Deputy Director of the Office of African and Near Eastern Affairs in the Department of State.

In 1952, he was appointed Minister to Syria. When the post was made an embassy, Mr. Moose was elevated to the rank of ambassador and was promoted to the rank of career minister.

Mr. President, I have known Ambassador Moose for many years. He is an erudite and dedicated Foreign Service Officer. He had a goal in life, prepared himself by studying difficult and unusual subjects, and is now succeeding in the fulfillment of that high standard required of our ambassadors.

Mr. President, Ambassador Moose was reared in the central part of my State. He has acquired the ability of speaking, reading, and writing of French, the art of speaking and reading Arabic and Persian, and the reading of both Spanish and Turkish.

Ambassador Moose has a keen and deep understanding of the people of the Arabic world, and the problems they face. And yet, Mr. President, despite the fact that Ambassador Moose has devoted his life serving our country in all parts of the world, he has still maintained close relationship with his native State. On every possible occasion he returns to Arkansas and it is a source of inspiration to our people to learn of his experiences in diplomatic relations throughout the world.

While in Syria, where he served from 1952 to 1957, Ambassador Moose was confronted with one of the most difficult assignments in th Near East. As we all

know, during this period, Syria was going through a chaotic political period which resulted in the overthrow of the Shishakli regime in 1954. Also during this period, there were numerous changes in the Government and an excessive amount of foreign interference in Syrian affairs with the preponderance of such influence working against the United States objectives in Syria.

With his long experience in Near Eastern affairs, his familiarity with Arabic, and his unusual knowledge of the psychology of the peoples of the Near East and of the political trends in the Arab world, Ambassador Moose was extraordinarily competent in assessing and dealing with the most difficult and complex situations prevalent in Syria.

Ambassador Moose has been nominated as this Nation's envoy to the Republic of Sudan, which achieved independence on January 1, 1956. The Sudan covers an area roughly one-third the size of the continental United States and has an estimated population of twelve million. Although industrial development in the Sudan is extremely limited, the Sudanese Government officials have expressed an interest in foreign assistance directed toward their economic development.

To this ambassadorial assignment, James S. Moose brings a rich background of many years' experience and proven ability in dealing with Near Eastern peoples.

He has served in practically all of the Arab capitals at various times and is on friendly terms with political, cultural, and spiritual leaders of the Arabic world. It is my belief these people will profit from their association with Ambassador Moose. They will find him a scholar, well informed, with the ability to understand their problems and to convey an understanding of our way of life. We in Arkansas are proud of Ambassador Moose and of the fulfillment of his aspirations. We know our country will be proud of him as our Ambassador to Sudan. Through this mutual association with the peoples of Sudan, the spiritual, cultural, and educational welfare of the entire world will be greatly enhanced.

It is my hope the Senate will favorably consider the confirmation of the nomination of James S. Moose, Jr., to be Ambassador to the Republic of Sudan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert F. Woodward, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

FEDERAL-AID HIGHWAY ACT OF 1958

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. JOHNSON of Texas. As I understand, the Kerr amendment is the pending question. Is that correct?

The PRESIDING OFFICER. The pending question is the Kerr amendment proposing to strike out a certain section of the bill.

Mr. JOHNSON of Texas. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement, 2 hours of debate are reserved to the proponents, and 2 hours to the opponents. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. I am sure the Senator from Oklahoma, if he is ready, will now allot to himself such time as he may desire.

Mr. KERR. I allot myself 10 minutes at this time.

Mr. President, yesterday there was a good deal of discussion as to whether words mean what they say or mean what the authors of the words would like to have them mean. Statements and repetitions were made by my distinguished friend, the junior Senator from Tennessee [Mr. GORE] about safety and about effectiveness, and he referred especially to subsection 3 of the bill, beginning at line 18 on page 21. He talked about how unsafe signs were. Then he said that subparagraph 3 was only a part of a portion of the standards which had to be prescribed and promulgated by the Secretary of Commerce. The language of the bill provides that the Secretary of Commerce must prescribe rules and standards which will provide for "signs not larger than 500 square inches."

I am placing some signs of that size at the rear of the Chamber. I submit to Senators that they would constitute a safety hazard, not a safety device. I submit that people driving along the highway, if it is the time of day when they are looking for directions to a motel or a service station or a restaurant, or some other facility, will be looking for a sign along the road directing them to the facility of which they are in need or about to be in need. I submit it is utterly ridiculous to prescribe by law that a sign on a highway, calculated to be of service to a traveling citizenship, cannot be larger than 500 square inches. Instead of being a safety factor, it would be a device calculated to result in danger and accident and damage.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. KUCHEL. When the 500-inch amendment was offered in committee, will the Senator tell the Senate whether he voted in favor of the amendment or against it?

Mr. KERR. I voted for it. Now I should like to ask the Senator a question. When the amendment was finally approved by the subcommittee and offered as an amendment to the bill, did the Senator from California vote for it or against it?

Mr. KUCHEL. I voted for it.

Mr. KERR. The Senator is mistaken.

Mr. KUCHEL. I voted for the bill. I voted against the amendment.

Mr. KERR. The Senator voted against the amendment which is now a part of the bill.

Mr. KUCHEL. Yes; and the Senator from Oklahoma voted for the amendment.

Mr. KERR. The Senator from Oklahoma voted for the 500-inch amendment because the Senator from Oklahoma is against the entire amendment. He believes it is a piece of folly. He thinks it is the result of a mistaken concept of the purposes of the act.

Mr. President, I was comforted for many years in the Senate by the feeling that my friend from California, with his eminent ability and capacity, was alined with me and the forces of freedom. One of my great disappointments since I came to the Senate is that my friend from California has become a casualty in the fight for that cause.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Will the Senator replace on the easel the Jo Doakes sign? Is that an actual sign, or has it been made up for illustration purposes?

Mr. KERR. All these signs are samples. I asked that some samples be prepared which would be calculated to present to the traveling public infor-

mation on hotels, motels, restaurants, and so forth.

Mr. CASE of South Dakota. Of course the size of the signs and the shape of the signs were selected by the person who made them. Is that correct?

Mr. KERR. The Senator is correct.

Mr. CASE of South Dakota. Did that person also take care of the spelling of Jo Doake's name?

Mr. KERR. I am unable to answer that question. If there is any error in the spelling, I must take the responsibility for it.

Mr. CASE of South Dakota. I was wondering whether the Jo Doake's garage is being operated by a man or a woman.

Mr. KERR. If there is an error in it, the Senator from Oklahoma must take responsibility for it.

Mr. CASE of South Dakota. I do not want to place any responsibility on the Senator from Oklahoma.

Mr. KERR. I have advised the Senator from South Dakota that I did not prepare the sign. Neither am I acquainted with Jo Doakes. Not being acquainted with Jo Doakes, I would have no more ability to advise anyone as to the sex of Jo Doakes than would the Senator from South Dakota, and perhaps not so much.

Mr. CASE of South Dakota. I thought perhaps the "e" had been misplaced in the name.

Mr. KERR. Where would the Senator place the "e"?

Mr. CASE of South Dakota. I would have put it after "Jo." I would spell the name "J-o-e."

Mr. KERR. I ask unanimous consent that the "e" in "Doakes" be transferred so as to become a part of the name "Jo." The sign would then read "Joe Doaks."

Mr. HUMPHREY. I object. [Laughter.]

The PRESIDING OFFICER (Mr. COTTON in the chair). Objection is heard.

Mr. HUMPHREY. I withdraw my objection.

Mr. KUCHEL. I object.

The PRESIDING OFFICER. Objection is again heard.

Mr. KERR. Another objection was heard, but not the same one.

The PRESIDING OFFICER. The Senator is correct. Another objection is heard.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Arizona.

Mr. GOLDWATER. I may say to my distinguished friend from Oklahoma that I am not able to stay in the Chamber at this time because of another commitment. However, I wish to assure my friend from Oklahoma that all Republicans have not deserted the cause of freedom. I am one Republican who intends to stand with the Senator from Oklahoma on his amendment.

Mr. KERR. I thank the distinguished Senator from Arizona, and I say to him that his statement in this regard is entirely consistent with the very worthy record he has made of standing four-square in protecting what rights the States still have from further encroachment by the Federal Government.

Mr. KUCHEL. Mr. President, will the Senator from Oklahoma yield so that I may ask a question of the Senator from Arizona?

Mr. KERR. Certainly. However, I must warn the Senator from California that he does so at his peril.

Mr. KUCHEL. Perhaps that is why I am a little nervous this morning.

I should like to ask the Senator from Arizona whether he has been correctly quoted to the effect that he intends to offer a national right-to-work amendment which will apply to every State in the American Union. Is that correct?

Mr. GOLDWATER. The Senator is incorrect in that statement. I have not offered a national right-to-work amendment in any sense of the word. I have offered an amendment which would remove the 30-day clause of the Taft-Hartley Act. If the Senator indicates by his question that he wishes to stand with me on that ground, I welcome him.

Mr. KUCHEL. In suggesting that I stand with the Senator from Arizona let me ask whether it is the Senator's belief that Congress should enact legislation to provide for the right to work across the country?

Mr. GOLDWATER. No. I have said on the floor of the Senate that I do not believe in national right-to-work legislation. I believe in voluntary unionism. I believe in the freedom of the workingman to join or not to join a union.

If the Senator from California is trying to read into my suggested amendment a national right-to-work proposal, he is a little far afield.

Before I could answer him further, I would have to ask his permission to drink some of the water his State takes from my State, so that I would have the strength to go forward with a discussion on the matter.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. I yield myself an additional 10 minutes. I will welcome any questions which my good friend the Senator from California wishes to ask me; but, in the future, if he wants to wander aside into fields of exploration unknown to him and foreign to the subject the Senate is considering, I urgently request that he give serious thought to doing it on his own time.

Mr. President, there are a few things about the amendment which I think Senators would be interested to know. To begin with, S. 3414, which is now before the Senate, is, although some of its sponsors seem to be unaware of it, an emergency highway construction bill. It is in the form of a grant.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MARTIN of Pennsylvania. Is it not probably true that if it were not for the unemployment in the Nation at present, Congress would not be considering a highway bill at this time?

Mr. KERR. Mr. President, will the Senator please repeat his question?

Mr. MARTIN of Pennsylvania. If it were not for the unemployment in the United States at present, is it not doubtful that a highway bill would be under consideration at this session of Congress?

Mr. KERR. The Senator from Pennsylvania is eminently correct. If it were not for the critical situation relating to increasing unemployment, certainly the bill would not now be before the Senate; and there is no way to determine definitely that it would have come before the Senate at all this year.

Mr. MARTIN of Pennsylvania. Is it not true that the section to which the Senator from Oklahoma is now referring does not have anything to do with relieving unemployment, but is really a police or a legislative matter, in the form of a directive to the various States?

Mr. KERR. It is a hybrid product, I may say to my friend from Pennsylvania. I would not want to limit myself to saying that either of the terms fully describes it; but all of the terms are applicable; yes.

Mr. MARTIN of Pennsylvania. I thank the Senator from Oklahoma.

Mr. KERR. The bill before the Senate provides for emergency highway construction. The Senator from Tennessee [Mr. GORE] said that, when implemented, it would provide 500,000 jobs. I wish that were correct. I am convinced that it will provide an additional 200,000 jobs, so far as its emergency features for accelerated highway construction are concerned. But while it is stepping up the employment of men on the highways, it will create unemployment in many other businesses now operating in the United States. The tragedy is that the section now under consideration has no connection with the purpose of S. 3414, which, as I said a moment ago, is to provide additional grants of money in aid to the States.

Section 12 seeks to be the instrument to grasp power from the States. The bill provides for a highway construction program; yet it is sought to make it a bill to regulate billboards. It is a bill to speed up the construction of defense highways. If Senators will refer to the Highway Act of 1956, they will find that Congress declared a policy of seeking to erect a system of interstate and defense highways.

The sponsors of section 12 seek to make the highways created by Congress and started by the people as defense highways into a sort of dream world, an esthetic Alice in Wonderland, to conform to a dreamful fancy totally dissociated from the requirements of reality and the purposes of the enactment of the program of building a system of interstate and defense highways.

S. 3414 is a bill to halt and reverse the recession now bedeviling the Nation; to give employment, as was suggested by the Senator from Pennsylvania [Mr. MARTIN], to the hundreds of thousands now unemployed. The proponents of section 12 would make it an instrument to create unemployment. They would make it an instrument to put tens of thousands of people now employed out of work.

S. 3414 is a bill designed to reinforce the opportunities of small business without limit. When we contemplate what will result from the building of all 41,000 miles of interstate and defense highways; when we contemplate the additional opportunities for the reinforcement of existing small businesses and the starting of new ones; we get a great thrill out of a very constructive feature of a road-building program. Yet the sponsors of section 12 would create an instrumentality for the destruction of thousands of small businesses. They would make it a juggernaut of Federal control in a realm or a field where the Federal Government has never yet dared to put its foot.

In 1944 Congress adopted the Randolph amendment, which provided that under no circumstances could Federal funds, appropriated as grants-in-aid to the States for the construction of highways, be used as an instrumentality of coercion and intimidation in the relationship between the Federal Government and the State governments.

The sponsors of section 12 would put the needle—the hypodermic needle—into the States, inoculating them with twilight sleep. While the States were in that twilight zone of semiunconsciousness, the proponents of section 12 would steal from the States the power the States now have to regulate what is to be built along the highways within their boundaries. When the States awakened from the twilight sleep which would be imposed upon them, they would find that the power they had had from the creation of the Union to be the sole regulatory power of what was built along their highways, had been stolen from them by the Federal Government. What would they have received in return? The same thing that Judas Iscariot received for the betrayal of his Master—pieces of silver. For the first time since I have been a Member of this body, an effort is being made to offer the sovereign States pieces of silver in return for their sovereignty. The proponents of section 12 are seeking to empower the Secretary of Commerce to be in the posture of saying to State highway departments, "Come unto me. If you want a little more money, and if you will make with me a contract whereby you will endeavor to surrender the police power and the sovereignty of your State, I will give you, in return, a few million dollars."

Mr. President, I submit that if the Federal Government can buy State sovereignty with reference to the control of the State highways, then the Federal Government can buy State sovereignty with reference to everything else which men now seek to keep within the control of their States.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 more minutes.

Mr. MARTIN of Pennsylvania. Mr. President, at this point will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. MARTIN of Pennsylvania. Would not it be just as reasonable for the Department of Defense to offer certain financial inducements to the National Guard in the various States?

Mr. KERR. The Senator from Pennsylvania is eminently correct. There would be just as much justification to pass a law providing that the Secretary of Defense could make with the adjutant general of a State, a contract by means of which the adjutant general of the State would be empowered to surrender to the Department of Defense, in return for money, the sovereignty of the State with reference to some phase of its own National Guard.

Mr. MARTIN of Pennsylvania. I am trying to point out that this is a dangerous precedent. Regardless of how one may feel about the control of billboard advertising along the Interstate System, this is a dangerous precedent.

Mr. KERR. I thank the Senator from Pennsylvania.

Mr. President, if men wish to control billboards along the highways, let them have the courage to do 1 of 2 things: Either implement a program of purchasing from the owner, of the right along the highway, his property, and thus pay him for it; or pass a law whereby, under the recognized process of eminent domain, an effort would be made to acquire it.

Mr. President, I do not think the Federal Government has the power, nor do I think a State has the power, to implement the principle of eminent domain to acquire an interest in a person's property for an esthetic purpose. I do not think that is contemplated under the law of eminent domain.

But if men have courage, and if they favor the control of areas along a highway, they should approach the matter in the American way, either by exercising the power of sovereignty to obtain control on the basis of paying for it, as adjudicated by a court; or by seeking to purchase it from the owner, on the basis of negotiation and barter, whereby he would be paid for it.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. CASE of South Dakota. I appreciate the courtesy of the Senator from Oklahoma in giving me this opportunity to make this statement at this point in his remarks. I certainly wish to say now, as I said on yesterday, that I do not believe the Federal Government has the right, under eminent domain, to take property for the purpose of preventing the erection of billboards. I believe the Federal Government, with the consent of the State concerned, may acquire rights-of-way for the construction of a highway. I do not believe it has the right of eminent domain, nor do I believe it has the police power to prohibit billboards off the right-of-way of a highway, on the private property of the persons who own the land along the highway. I so stated during the hearings.

In fact, at one point during the hearings, when there was presented the argument that the Federal Government could prohibit the erection of billboards, I challenged the person who was making that statement to cite any Supreme Court decision which would show that the Federal Government had such a police power. The only decision cited, in answer to that challenge, was a Supreme Court decision affecting the District of Columbia. I pointed out at once that that proved the point, inasmuch as Congress has full power to legislate for the District of Columbia, by virtue of the Constitution; but Congress does not have a comparable police power with respect to rights in the States.

Mr. KERR. I thank the distinguished Senator from South Dakota. I could not be in more complete agreement with him.

I do not believe the Federal Government has the power to exercise the right of eminent domain to acquire real estate for the purpose of prohibiting the erection of a billboard on it; nor do I believe that a State has that constitutional power. Furthermore, I do not believe that the sponsors of section 12 believe that either the Federal Government or the State has such power. But what they seek to do by means of section 12 is to seduce the State highway department, for money, in return for pieces of silver, to put a pistol in the hand of the Secretary of Commerce and to let him do, by means of the pistol, what neither the State nor the Federal Government now has the constitutional authority to do.

Mr. HRUSKA. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. HRUSKA. I wish to observe that when the States were included among the governmental bodies which cannot exercise eminent domain in a case such as this, for the purpose of preventing the use of signboards on adjacent property, the denial of that right is based upon the fact that the negative easement involved in that sort of proceeding is not a taking of property within the Constitution and within the laws of the several States pertaining to eminent domain. Am I correct about that?

Mr. KERR. The Senator is eminently correct, and the sponsors of the amendment are aware of it. Many of them are distinguished lawyers. Mr. President, they are trying to legalize between a State highway department, which has no such authority, and a Secretary of Commerce, who has no such authority, a contract between two parties, neither one of whom has any such authority, whereby they will be able to deprive third parties who are citizens of the United States of their private property without compensation.

Mr. President, this is the first time since I have been a Member of the Senate that Senators have seriously tried to deprive American citizens of their property without compensation. It is the first time since I have been a Member of the Senate that Senators have seriously tried to seduce States into bartering their sovereignty in return for pieces of silver.

Mr. HRUSKA. Mr. President, will the Senator from Oklahoma yield further to me?

Mr. KERR. I yield.

Mr. HRUSKA. Is the Senator from Oklahoma aware of a similar instance, whereby an officer of a State highway department has sought to enter into a contract with the Secretary of Commerce, the effect of which would be to nullify and set aside State laws, city zoning ordinances, and so forth, which are applicable in the States?

Mr. KERR. Mr. President, the Senator from Nebraska has described in clear, concise, and accurate words a part of the effort presently being made; and I appreciate his statement. If Government has no respect for the sacred rights of property of individuals, how can Government expect people to abide by the laws? If Government seeks to have a State highway department, without any authority to do so, arm a Cabinet officer in Washington, whose future identity is indeterminable, with a pistol to take property from citizens without compensation, to nullify existing zoning ordinances of cities, municipalities, and local governments, without compensation, but by coercion and force, how can Government expect citizens to have regard for law?

If Government undertakes to arm its agencies with the means to ride roughshod over legally vested interests, depriving citizens of what belongs to them, depriving States of rights which by the Constitution were retained for them, how can Government expect citizens to respect the integrity and the dignity of Government?

I noticed the remarks made by the distinguished Senator from California [Mr. KUCHEL] when he spoke about protecting the rights of California, at the time he was introducing his bill. He said:

> In California, the enactment of legislation dealing with the use of property has always been recognized primarily as a function of local government.

He said further:

> The point I make is that the State government of California under its constitution can exercise—

And I invite the distinguished Senator from California to listen to this——

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. KERR. The distinguished Senator from California said this on the floor the other day——

Mr. KUCHEL. What is the Senator reading?

Mr. KERR. I am reading from page 1547 of the CONGRESSIONAL RECORD of February 3, 1958:

> The point I make is that the State government of California under its constitution can exercise its authority in the field of property use only in the areas of my State which lie outside incorporated cities.

Yet, the Senator from California seeks to provide his State highway department with the ability to give to the Secretary of Commerce a power which under the State of California constitution his State does not have.

I glorified in his defense of the Constitution the other day. I am shocked now to see him sponsoring an amendment which, if valid and enforced, would leave the constitution of the State of California in a shambles.

I remind Senators similar provisions are in the constitutions of many of the States, provisions which would reserve to the States or give to their local communities certain rights of local self-government. Yet, if section 12 shall be enacted, and shall be held to be valid, the Secretary of Commerce will be armed with a pistol to make tatters of State constitutions, to make tatters of local zoning ordinances, to make worthless pieces of paper out of titles to property.

We are talking about a strip of land 660 feet wide along 41,000 miles of highway, or a total of 1,320 feet. If the Secretary of Commerce could induce or seduce highway departments of States into entering into a contract, section 12 would enable him to proscribe and prohibit the use by the owners of that 1,320 feet along 41,000 miles of interstate highways and it would enable him to take from those owners and their descendents at the point of a pistol, without paying them, the rights in perpetuity to make legal and valid use of that property.

The proponents say they are doing that to protect culture. What kind of culture? The culture of the supremacy of a Secretary of Commerce over the rights of the sovereign States, over the property rights of individuals, over municipal ordinances? In heaven's name, what kind of culture is that? I will tell you, Mr. President. It is the kind of culture one can find in Russia. It is the kind of culture Hitler went down the drain for trying to implement in Germany. Local rights and State rights and vested rights would be kicked out the window and flushed down the drain by a Secretary of Commerce armed with a pistol, given him by a State highway department. That is the kind of culture it would be.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. I should like to add to the Senator's very vivid description of the 1,320-foot strip of land in various places of our country, that in addition thereto there is the road itself, consisting of 330 feet, which would be taken from people in the various States of the Union.

Mr. KERR. The Senator is eminently correct; and often that would be done against the will of the people. They would be compelled to sell the property under the right of eminent domain. When the people go before a jury of their peers, seeking to get compensation for a right-of-way, how many times have we heard the attorneys of those seeking to obtain that property by eminent domain say, "Yes, we are taking this property away from this man and his family and children, but consider the fact that we are going to increase the value of the adjacent property. One of the intangible values this man is going to receive is the enhancement of value on that part of the property remaining to him."

That has been the argument ever since eminent domain has been in effect. In this instance it is sought, by contract between a highway commission and a Secretary of Commerce, to arm the Secretary with a pistol with which to nullify consideration in the mind of a jury, when it fixes compensation for a right-of-way, of the fact that the effort is to strip the property owner of one of the rights, one of the assets, one of the elements of value remaining to him in that land which he owns adjacent to the particular right-of-way.

In the name of culture, Mr. President, in the name of esthetics—whatever that is [laughter]—it will be a grave day in this country when we reach such an esthetic pinnacle that men are willing and able to ravish a State constitution, to nullify a local ordinance, and to deprive citizens of their vested rights, without compensation.

Mr. President, I say that if those in charge want the right-of-way, let them buy it. I say that if they want to exercise that police power, let them do it according to the constitution of the State, by a State legislature responsible to the people of the State. I say that if they want to prohibit something being done with a man's property, they should do it in accordance with law and order.

We stand for law and order. No organization in this Nation has a higher reputation for safeguarding the integrity of law and order than has the Senate. Then, in the name of all that is holy, how can we, in the name of esthetics and culture, seek to pass legislation the purpose of which is to wreck State sovereignty, to destroy the ability of a local community operating under the constitution of a State to pass zoning ordinances, and violate and hold for naught property rights of individuals?

This bill does not refer only to rural areas, Mr. President. Nearly 5,000 miles of the highway will go through cities, towns, and municipalities.

Calculate the value of 1,320 feet along 4,500 miles of highway, the rights-of-way through cities and towns. Look at the sign yonder; in size it is 500 square inches. That is what the bill provides can go within 660 feet of either side of an interstate highway, if the Secretary of Commerce says so.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from New Hampshire.

Mr. COTTON. First, I should like to ask the Senator if it is not a fact that there is a provision in the pending bill—placed there, I believe, by an amendment offered in the committee by the Senator from New Hampshire—to aid the States in purchasing from the adjacent landowners, if they choose to sell, the advertising rights. Is that provision not in the bill?

Mr. KERR. Yes.

Mr. COTTON. I take it from what the Senator says—and I am inclined to think I agree with him—he believes that in most of the States of the Union under the State constitutions it would be impossible

and unconstitutional to deprive adjacent landowners of their advertising rights by eminent domain or any process against their will. If that be true, that provision of the bill would be entirely inoperative, and 100 contracts between the Secretary of Commerce and the highway departments of States, or 1,000 contracts, would not enable them to get such advertising rights by eminent domain. Is that not correct?

Mr. KERR. Yes; the Senator is correct.

The Senator from Oklahoma then says, Why in heaven's name should we hold up for weeks, and perhaps months, an emergency highway bill, in order to try to include in it a section which is an utter futility? Why should we take the time of the Senate? Why should we delay the implementation of the emergency program in order to strive to satisfy the esthetic yearnings of some cultured soul who can find expression only in assaulting the sovereign right of States and the sacred rights of its citizens?

The Senator from New Hampshire said that he suggested an amendment which would help in the buying of such rights. I am going to read the language. It is a very important provision of the bill. It is a part of the colossal amount of evidence of the futility of section 12.

Mr. President, it is found on line 24 of page 23:

> Whenever a State shall acquire by purchase or condemnation the right to advertise or regulate advertising in an area adjacent to the right-of-way of a project on the Interstate System for the purpose of implementing this section, the cost of such acquisition shall be considered as a part of the cost of construction of such project and Federal funds may be used to pay the Federal pro rata share of such cost: *Provided*, That reimbursement to the State shall be made only with respect to that portion of such cost which does not exceed 5 percent of the cost of the right-of-way for such project.

Let us imagine 4,500 miles of highway through municipalities. The State and Federal Governments are to spend on that portion, and on the rest of the highway, $5½ billion to buy the rights-of-way.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 5 minutes.

The Senator says the committee adopted a provision to help the States buy the advertising rights. There are rights-of-way 660 feet wide on either side of the highway.

Let us consider the highway through the city of Richmond, or Oklahoma City, or New York City. How much does the Senator think could be accomplished in an endeavor to buy the advertising rights for the 1,320 feet alongside the highway at 5 percent of the cost to buy the right-of-way?

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Nebraska.

Mr. HRUSKA. By a rough calculation, if we assume 5,000 miles of the Interstate Highway System in urban areas—it is in excess of 4,500 miles, and not quite 5,000 miles—and if we assume a cost of acquiring the rights-of-way of $5 billion, that will mean there will be about $50,000 a mile available for the purchase of the advertising rights. Is it the idea of the Senator from Oklahoma that such a sum would be ample for the purpose intended?

Mr. KERR. The Senator from New Hampshire, in his sober moments [laughter]—which are all of them, I must say—in his moments of silent contemplation in his fine office, in that wonderful homespun, philosophical way of his, chuckles to himself and says, "Isn't that a gesture of generosity on the part of the Federal Government, to say, 'Now, if you buy this, we will pay 5 percent. We will pay a part of it, so long as it does not cost more than 5 percent of what it costs to buy the right-of-way.'"

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. COTTON. In reference to the Senator's observation, let me make a comment. I hope the Senator will correct me if I am wrong in my understanding. It is my understanding that in the bill on page 22, lines 17, 18, 19, and 20, there is a provision whereby there can be no question as to purchasing the advertising rights adjacent to the Interstate System passing through the city of Richmond or any other large city.

Land adjacent to the highway in those cities or those municipalities is already exempt from the operation of the act, if the bill is passed. Am I incorrect in my understanding?

Mr. KERR. The Senator is certainly incorrect. The land is exempt from the provisions of the act only in the discretion of the Secretary of Commerce. Where is the city which wants to let its future rest upon that slender reed?

Oh, go home and tell the people in the cities—I do not intend to go home and make a fool of myself trying to tell the people of Oklahoma City—"Have no fear. The Secretary in his discretion may exempt you." The people have had experience in such matters. They have been waked up at night to find out that they have not been exempted by a Federal agency which could have done so within its discretion.

Mr. COTTON. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. COTTON. In the first place, the words indicate the intent of the Congress. In the second place, any Secretary of Commerce who had any discretion at all would know it would be utterly impossible to purchase advertising rights on a highway passing through a huge city for any such sum as 5 percent of the cost. That would be entirely out of the question.

Mr. KERR. I would no more indulge the presumption that the present Secretary of Commerce has such knowledge than the Senator would indulge the presumption that his successor—who will be from our party—will have such knowledge.

Mr. COTTON. The Senator from Oklahoma has referred to the provision regarding reimbursement to the State to the extent of not exceeding 5 percent of the cost of the right-of-way as being a meaningless gesture. In the first place, it does not preclude the State, if the State is interested in controlling or limiting the advertising, from paying more, so long as it does not seek to collect the 90 percent from the Federal Government. Is not that correct?

Mr. KERR. That is correct; and that is one of the evils of the bill.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself 5 more minutes.

We are declaring a policy—a policy to obtain the right to regulate all areas along the highways; and the States are to be seduced by the millions of dollars which will be offered to them to sign these contracts. They will start on the program, and they will then bog down, because they cannot buy such rights. When they try to use their police power, all hell will break loose. Then what will happen? They will say to the Federal Government, "You declared this policy. In your moment of devotion to esthetics and culture, you paid us this money and induced us to sign the contract. We are now in the middle of the stream, bogged down in the quicksand into which you enticed us. Now we want you to help pay for the cost of the program."

When the highway bill was passed in 1956, these were called defense highways. Now they are called parkways of scenic beauty, and esthetic marvels of culture. Under God, what will they be called 2 years from now if we seduce the States into signing these contracts, and they cannot buy the rights for the amounts we propose to give them?

They cannot exercise their police power, because the people will revolt and run them out of the State. Then they will come to the Federal Government.

My friend the Senator from Oregon [Mr. NEUBERGER] and others will say, "We got the States into this difficulty. It will cost $5 billion, but we must honor our policy. We must honor this culture. We must dignify these esthetics. It will cost us a little money, but honor compels us to follow that course." The words used are words of honor which would seek to create an agency of seduction armed with pieces of silver from the Secretary of Commerce.

Let me make one further point with regard to the 5-percent provision. I was a little surprised when the Senator from New Hampshire offered the 5-percent provision. Some bad things have been said here about 5 percenters. It is sought to make a 5 percenter out of the Secretary of Commerce, and to legalize the action. The language is as follows:

> Whenever a State shall acquire by purchase or condemnation the right to advertise—

And so forth. Senators know that the States cannot condemn such a right. Senators know that in no State of the Union can such right be condemned; and every sponsor of the amendment knows that it cannot be condemned. It is a futile gesture, offered to induce me to legalize governmental seduction, to put a pistol in the hands of the Secre-

tary of Commerce, to cut down and shatter States rights, local self-government, and the rights of citizens.

Mr. President, I yield the floor.

Mr. ROBERTSON and Mr. HUMPHREY rose.

The PRESIDING OFFICER. To whom does the Senator from Texas yield time?

Mr. JOHNSON of Texas. I agreed to yield 5 minutes on the bill to the Senator from Minnesota. Does the Senator from Virginia desire to speak?

Mr. ROBERTSON. I should like to take 1 minute.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Virginia [Mr. ROBERTSON].

I send to the desk to have printed and lie on the table 3 amendments, 2 of them dealing with the financing of the interstate roads. They would eliminate all the new money, and return the situation to the 1956 pay-as-you-go basis.

The third amendment would eliminate the new formula for the removal of utility facilities, and return the situation to the 1956 formula, namely, 90 and 10 percent.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. ROBERTSON. Mr. President, I should like to ask the Senator from California [Mr. KUCHEL] and the Senator from Oregon [Mr. NEUBERGER], the sponsors of the language under discussion, one question, for purposes of establishing the legislative intent.

There are four subdivisions of section 12, which will become section 122 of the 1956 act. One of the subdivisions deals with a size limitation to 500 square inches.

Another deals with "signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public."

The specific information would relate to gas and oil, overnight lodging, food, and so forth.

There is some misunderstanding as to the language "not inconsistent with the national policy." As I read the language, and as I understand the intention of the framers, the States would have the right to prescribe signs which they considered adequate. If one is passing such a sign at 60 miles an hour it must be larger than 2 feet if one is to read it; and if it is located immediately adjacent to the turnoff, the driver will have only a few seconds to act. Under subparagraph (4) the State could authorize what it considered to be a suitable sign for the convenience of the traveling public, which is paying the bill for these roads.

I ask the framers of the provision as to the legislative intent. Which subparagraph would control? Would it be subparagraph (3), providing for a 2-foot sign placed within 12 miles of the point to which it applied, or could the States prescribe a sign which they considered adequate at the turnoff point?

Mr. KUCHEL. Mr. President, the able Senator from Oregon [Mr. NEUBERGER] responded in writing to the able Senator from Virginia. I think that response should be made a part of the RECORD.

Let me say, as a cosponsor of the amendment, that in my judgment the language "500 square inches" applies only to subparagraph (3), and does not apply in any fashion to subparagraph (4), under which the States would have all reasonable control to make the decision.

Mr. NEUBERGER. Mr. President, I concur in what the Senator from California has said. We stated, in our separate views, that we felt that way.

The Senator from California has suggested that my letter to the able Senator from Virginia on this particular question be made a part of the RECORD. I ask unanimous consent that it be printed in the RECORD, at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 24, 1958.

Hon. A. WILLIS ROBERTSON,
United States Senate,
Washington, D. C.

DEAR SENATOR ROBERTSON: Thank you very much for your letter of March 21 concerning section 12 of S. 3414, the billboard control amendment to the highway act proposed by Senator THOMAS KUCHEL and me. I very much appreciate the interest in this amendment which has prompted you to write us, and I am more than pleased to answer the question which you have raised in your letter.

The specific point about which you ask is "whether or not a State could get the proposed incentive if it restricts all advertising in accordance with the bill except the size of the signs at the turnoff points."

The answer to your question is "yes."

Your inquiry is a good example of the unfortunate confusion which Senator KUCHEL and I felt was introduced in the bill by the amendment of the third class of permissible signs which was made in the committee. As you may recall from the text given in the separate views which we sent you, the original definitions of the third and fourth class of permissible signs were:

"(3) Signs advertising activities being conducted upon the property on which such signs are located.

"(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public."

In this original draft, the purposes of the two provisions were different. The provision numbered (3) was intended to take account of the reasonable rights of landowners to advertise their own activities on their own land. The provision numbered (4) was—and still is—intended to permit the individual States—in the legislation which they must necessarily adopt to qualify for the benefits of this bill—to include specific authorizations and regulations covering signs of the type about which you ask; that is to say, signs advertising facilities and establishments of specific interest to travelers that might be located at the approaches to the exits, so as to inform motorists in advance about such facilities that may be reached from the exit in question. As you say, this provision does not include any limitation on the size of permissible signs. All that would be required is that the regulations of the State which authorize such signs reasonably comply with respect to the shape, design, lighting, frequency and locations of such signs, with the overall policy standards to be promulgated by the Secretary of Commerce.

We have no doubt that the State highway departments and the Bureau of Public Roads between them could easily work out reasonable standards for such signs which would offer an opportunity to off-highway establishments and facilities, such as motels, hotels, resorts, etc., to let the approaching motorist know of their existence and location before he reaches the exit closest to them.

The manner in which we contemplate the application of this bill is the following: To take advantage of the benefits of section 12, a State would presumably have to have or adopt legislation that would control and regulate billboards along the interstate highways within its borders. (I know that your State government has already been active in developing a billboard control program, although I do not know the details of it so as to comment on its relationship to the proposed incentive plan.) Pursuant to such legislation, the State would then enter into an agreement with the Secretary of Commerce, which would spell out in some detail the segments of the interstate highways in the State to be covered by the national policy, on which the one-half percent bonus would be payable, and also the regulations and standards under which permissible signs of the four identified classes would be erected along the highways. If any State and the Secretary of Commerce failed to reach agreement, of course, the State is wholly free to remain outside of the proposed program.

But, to repeat the specific point about which you ask, a State could qualify for the proposed incentive payments if it made reasonable regulations with respect to the kinds of signs about which you ask, without being limited to the small size specified in the third class as amended. That class, you will note, is not limited to signs in the specific interest of the traveling public, but is rather tied to the notion of activities being conducted at a location within 12 miles of the point at which such signs are located.

We hope that this letter will answer your question to your satisfaction. You will find a complete analysis of section 12 in my speech in the RECORD of today's date, and in my discussion with Senator KUCHEL during this speech. I sincerely hope that you will find it possible to join us in retaining this worthwhile protective measure for our new highways in S. 3414.

With kind regards.

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

Mr. KERR. Mr. President, I should like to answer the question of the Senator from Virginia.

Mr. JOHNSON of Texas. Will the Senator from Oklahoma yield himself some time?

Mr. KERR. I yield myself 2 minutes.

Subparagraph (4) reads as follows:

Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Mr. ROBERTSON. But it has just been stated that that means that standards for the turnoff are different from the standard of the 24-inch sign.

Mr. KERR. Does the Senator take the word of the sponsors, or the language of the bill?

Mr. ROBERTSON. They are supposed to know what the language means.

Mr. KERR. The Senator is indulging a presumption which may lead him into a very bitter disappointment.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes on the bill to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, my remarks in the 5 minutes allotted to me will not be directed toward particular sections and subsections of the bill. They will be directed toward the subject with which the bill is concerned, namely, the recession, and the efforts on the part of the Congress to take active and effective measures to curb and stop the economic decline.

I have listened to the arguments with attention and interest. The highway bill needs to be passed as an effective instrument in the move against the recession.

The first real test of the administration's willingness effectively to use the powers of Government to combat the recession now lies on the President's desk, after having been duly passed by both Houses of Congress.

It is the joint resolution passed by both the Senate and the House to prevent any reductions in farm price supports this year, a resolution which I had the privilege of authoring and sponsoring through the Congress.

If the President vetoes this measure, as has been threatened, it will be a serious blow to American agriculture, an open invitation to further undermining of rural purchasing power, and it will further shake and weaken the confidence we need in our entire economy.

If, on the other hand, the President accepts the judgment of Congress and signs the measure, his action will provide belated but effective and convincing evidence that the Government is determined to protect our economy from further economic deterioration, bolstering confidence of the public in our eventual full recovery from the present dangerous economic decline.

Mr. President, I have noted with satisfaction that even a majority of the President's own minority party in the Senate, in caucus, has voted to urge the President to sign the measure. I also noted that the distinguished Senator from Nebraska [Mr. HRUSKA], according to reports in the press, said that had he been present at the caucus he, too, would have urged this very sound and constructive action.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I should like to advise the Senator what has been called to my attention. I believe the Senator from Minnesota said that a majority of the Senators in the caucus so voted.

Mr. HUMPHREY. That is correct.

Mr. JOHNSON of Texas. Not a majority of the party in the Senate, because there were several absentees.

Mr. HUMPHREY. The Senator is correct. I said a majority of those in attendance at the caucus. I believed the vote was 18 to 14. It was 17 to 14, and if the distinguished Senator from Nebraska had been present, the vote would have been 18 to 14.

Mr. BUSH. Mr. President, will the Senator let me comment at this point?

Mr. HUMPHREY. In a moment I shall be glad to.

Mr. BUSH. I should be glad to yield myself a minute for that purpose.

Mr. HUMPHREY. Mr. President, the action of the Republican caucus is further evidence that Congress feels it imperative to prevent any further decline in rural purchasing power at a time when we are trying to mobilize all the forces of the Nation to combat a recession. I compliment those members of the President's party who took that forthright action. It was a heartening sign for the Nation, and an expression of confidence and encouragement to our farm population.

Mr. President, as the author of the joint resolution, I sent a night letter to the President of the United States, urging him to consider carefully the impact of his pending action on the country's economic conditions. I ask unanimous consent that the message I sent to the President urging him to sign the joint resolution be printed in the RECORD at this point.

There being no objection, the night letter was ordered to be printed in the RECORD, as follows:

THE PRESIDENT,
The White House,
Washington, D. C.:

Whatever differences may exist over agricultural policy, I sincerely urge you to carefully consider the impact on our entire economy of a veto on the legislation enacted by the Congress to prevent further cuts in farm prices this year. As author of the resolution now awaiting your signature, I assure you it was offered in good faith as a hold-the-line effort to protect the farm economy while we in Congress design improved long-range farm legislation.

Your approval of the resolution will do much to restore confidence in rural America. It will signify a determination to use the powers of Government to check the economic decline. On behalf of thousands of farm families in Minnesota—and millions throughout our country—I appeal to you to accept the decision of Congress that a temporary price freeze be invoked on all commodities, including dairy products.

HUBERT H. HUMPHREY,
United States Senator.

Mr. HUMPHREY. Mr. President, I conclude by saying that this is the first effective antirecession measure to come to the President's desk. I feel that every Member of Congress wants to do something to curb the recession. This is not a partisan matter. It is a question of taking care of the interests of the American people. It is an effort to provide some kind of protection and assistance to the American economy.

For example, we have heard the Vice President on several occasions enunciating policies and programs which he believes would be helpful to the economy. In many of those instances I have agreed with the Vice President; in others, I have had some disagreement with him, particularly as to whether we should have a tax reduction. On that question his position has been a little indefinite. However, I wish to compliment the Vice President on his forthright leadership in such fields as foreign policy. While I disagree with him on the matter of interest rates for GI housing—he insisted that those interest rates should be higher than I thought was necessary—he at least proclaimed himself.

Mr. President, I ask that every man stand and be counted. I hope that the Vice President, who has been praised so frequently for his courage and his leadership and his frankness and I may say, for his persuasiveness in the councils of the administration—a persuasiveness which I am sure he possesses—will give us the benefit of his advice and counsel. I say this most respectfully. I hope that his advice and counsel will be to encourage the President's signature on the joint resolution.

However, whatever his advice may be, I believe the American people want to know where the leaders of America stand on this first effective antirecession measure.

I notice that the majority leader, over the weekend, as reported in the Monday morning newspapers, said that he felt the President should sign the joint resolution. Why? Because it is an antirecession measure.

Let me add one further thought: The joint resolution does not provide for higher prices than are in existence at the present time. It is not a special tax concession. It is not a profit-sharing measure. It does not increase someone's profits. At best it is a hold-the-line measure. The least we can expect at this time is a frank statement from those who are our responsible leaders in the Government, in the Senate as well as in the other body, so that the President of the United States may have the benefit of counsel and advice from all sources.

Therefore I appeal to the Vice President of the United States—as he has done in the instance of foreign aid, as he has done in the instance of the summit conferences, as he has done in the instance of the tax policy, and as he has done in the instance of the housing measure, including the interest rates—to say to the President of the United States, in the councils of the White House and the Cabinet, that it would be to the national interest for him to sign the joint resolution. At least I ask the Vice President to give us his views.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

The Chair wishes to address an inquiry to the majority leader, concerning the time taken during the colloquy by the junior Senator from Virginia. Does the Chair correctly understand that that time was yielded by the junior Senator from California?

Mr. KUCHEL. I think it should have been.

The PRESIDING OFFICER. It is so recorded.

Mr. JOHNSON of Texas. I appreciate the generosity of the Senator from California.

The PRESIDING OFFICER. Does the Senator from California yield time?

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. I wonder if the members of the committee who are on the floor would have any objec-

tion to considering taking up by unanimous consent the perfecting amendment which I proposed yesterday to the billboard section, to provide that any segment excluded from the application of the standards under the discretionary clause of the Secretary of Commerce, applicable to municipalities or areas under their control, should not be considered in computing the increase in the Federal share payable on account thereof. Is there any controversy or difference of opinion with respect to that amendment?

Mr. HRUSKA. I think it would require some explanation or a little foundation. This is not exactly the right time to consider the amendment. I think it is illustrative of many other clarifying amendments which should be placed in section 12, if that section is to make any sense and is to be legal or constitutional at all. I think this is not the proper time to consider the amendment.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CASE of South Dakota. May I have another minute?

Mr. KUCHEL. I yield another minute.

Mr. CASE of South Dakota. The matter came up yesterday when the Senator from Ohio [Mr. LAUSCHE] pointed out that a considerable portion of the Interstate Highway System in his State would go through municipally regulated areas. The question was debated at that time, and I thought there was an agreement that the amendment was not intended to exclude the provision making one-half of 1 percent applicable to any areas.

It is a preferential or perfecting amendment, which would be entitled to consideration before the amendment to strike. I thought that if there could be an agreement on my amendment, we might save the hour's time to which the amendment would be entitled under the unanimous consent agreement. However, I shall not press the matter now, but shall confer with the Senator from Nebraska and other Senators to see if some agreement can be reached.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. If a vote is taken on the amendment offered by the Senator from Oklahoma [Mr. KERR] and other Senators, and the amendment is rejected, would it then be in order to offer an amendment such as that to which the Senator from South Dakota has just alluded?

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma to strike out section 12 is a separate amendment. However, the language that is proposed to be stricken out is subject to amendment, and an amendment to it will take precedence over the amendment to strike out.

Mr. KUCHEL. So the amendment of the Senator from South Dakota, were he so minded, could be offered now or at any other time?

Mr. CASE of South Dakota. If the other amendment were rejected.

The PRESIDING OFFICER. Except by unanimous consent, the amendment suggested by the Senator from South Dakota would have to wait until the time on the Kerr amendment has been consumed, or until time was yielded.

Mr. CASE of South Dakota. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. It could be offered before the vote on the Kerr amendment.

Mr. CASE of South Dakota. Yes; at any time before the vote.

The PRESIDING OFFICER. That is correct.

Mr. CASE of South Dakota. The Senator from California had inquired whether, if the amendment offered by the Senator from Oklahoma were defeated, my amendment could then be offered. Of course, I assume it could be offered as an amendment to the bill, but I shall certainly insist upon the right to have it considered ahead of the amendment to strike section 12.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I shall address myself to the charge or claim that the proposal to regulate signboards on the Interstate Highway System will cause unemployment in the United States. To begin with, the Interstate System of 41,000 miles is only about 3 percent of the surfaced roads in the Nation, which total about 1,500,000 miles.

Second, these will be predominantly new roads. How can unemployment be caused by forbidding, regulating, or controlling signboards on roads which, mainly, have not yet been constructed?

There is the further argument that the controlling of signboards will cause unemployment in the restaurant and motel industries along the new roads. That is not consistent with the expert testimony which was received by the Subcommittee on Roads and Highways, presided over by the able Senator from Tennessee [Mr. GORE]. Signboards are not allowed on the great New York State Thruway. The Federal Highway Administrator is Hon. Bertram D. Tallamy, who had charge of the construction of the New York State Thruway. I read from Mr. Tallamy's testimony given before our subcommittee in the spring of 1957:

Senator NEUBERGER. This is the question that I want to ask, after obtaining that information. As you probably know, a great deal of the testimony given to this committee in opposition both to the administration billboard control bill, and my particular billboard control bill, was the claim that roadside business would suffer, whether they were motels, hotels, restaurants, coffee shops, and so on. By roadside, I mean those accessible to the interstate highway.

Have you in your experience in the State of New York had complaints from commercial establishments and facilities near the New York Thruway that their business and income have suffered as a result of the restriction of advertising on the throughway?

Mr. TALLAMY. Not as a result of the lack of advertising on the throughway. I have had complaints from some that they have lost business because of the fact that traffic was taken to the throughway from the existing highway. But I have had a great many more state that their increase in business has been very great because of the throughway.

A little later I said:

Senator NEUBERGER. Thank you very much, Mr. Tallamy.

I want to again repeat one question because there was a little confusion at the start, and I think your answer to this is certainly one of the most important pieces of information that the subcommittee could have.

Again let me ask: You have had no complaints that business has been lost as a result of advertising restrictions along the throughway?

Mr. TALLAMY. I have not.

Senators have risen in the Senate to make random, indiscriminate, and arbitrary charges that the regulation of billboards will cause roadside establishments to lose business, and therefore will cause unemployment in those establishments. Yet Mr. Tallamy, who administered the construction of the great road in the most populous State of the Union, testified before our committee that he had received no such complaints from roadside businesses along the New York State Thruway, or that the businesses had lost clients or trade because of the restrictions on signboards.

The charge was made that section 12 was "Russia" or "Hitler." I regretted hearing that charge made about a very mild amendment—perhaps too mild an amendment. It is very peculiar to me, a relatively new Member of the Senate, that it is complete democracy for the Federal Government to tell a farmer how much corn or cotton he can plant, but that it is "Russia" or "Hitler" to have a State highway department or a State government to work out a mutual agreement to restrict or limit or forbid signs on land along public highways of the Nation.

Concerning the matter of indiscriminate sizes of signboards on the Interstate Highway System, I read one paragraph from the magazine Printer's Ink of February 22, 1957. This is the magazine of the advertising industry:

What are the unique features of outdoor advertising as defined for purposes of the Starch survey? The first characteristic is its massive size. Outdoor advertising is the largest medium in physical dimensions. In addition, outdoor posters are read and seen in a different way from other major mediums. Radio, TV, magazines, and newspapers all go to the people, but people go to the poster board. Therefore, a poster may be seen several times in the course of a 30-day display period, whereas ads in most other mediums get only one viewing. Finally, there is a timeless quality about outdoor advertising. People spend time reading a newspaper or magazine, or in watching TV and listening to the radio, but outdoor posters register their messages while people are going about other business.

Together with the distinguished junior Senator from California and the able Senator from Tennessee, the chairman of the subcommittee, I do not want to deliver over the motorists on 41,000 miles of highways as a totally captive audience for that kind of business.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. CHAVEZ. Mr. President, will the Senator from California yield 3 minutes more to the Senator from Oregon?

Mr. KUCHEL. I yield 3 more minutes to the Senator from Oregon.

Mr. CHAVEZ. Mr. President, no one disagrees with the philosophy of the Senator from Oregon, the Senator from Tennessee, or the Senator from California. But as chairman of the Committee on Public Works, I am so deeply interested in the passage of the road bill that I would hesitate to have it placed in jeopardy by including in it something which does not belong in it. I should like to have a road bill passed during this session of Congress, the sooner the better. However, the information I have received in good faith, is that we will not have a road bill if it is proposed to include something else which should be considered separate and apart and on its merits.

Let me say that I agree in many instances with the ideas of the Senator from Oregon with reference to billboards. But section 12 does not belong in this road bill. If we wish to put people to work, I beg my good friend not to tie section 12 to this bill, or else a road bill will not be passed.

Mr. NEUBERGER. Mr. President, in reply to our very good friend, the chairman of the Senate Committee on Public Works, I should like to say that I know how sincere and conscientious he is in the argument he has voiced to us today.

I wish to say to him very earnestly that, in my opinion, when the Federal Government specifies all the standards regarding these roads—when it specifies what the width shall be, what the curvature shall be, what the maximum grade shall be, what the strength of bridges and culverts shall be—and when the Federal Government is paying 90 percent of the cost, I believe it is pertinent and germane to such a road bill that the Federal Government express in the bill some very mild concern for the roadside scenery and grandeur.

In conclusion, let me say that if the addition of a mild signboard-regulation provision will impel some persons to take action to hold up the entire road bill, that responsibility will be theirs, not that of those of us who believe that good highways should also permit those who travel on them to have some clear views of the glories of the American countryside.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The time yielded to the Senator from Oregon has expired.

Mr. CHAVEZ. Mr. President, will the Senator from California yield 1 more minute, in order that I may make a further statement?

Mr. KUCHEL. Mr. President, I yield 1 additional minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 additional minute.

Mr. CHAVEZ. Mr. President, will the Senator from Oregon yield again to me?

Mr. NEUBERGER. I yield.

Mr. CHAVEZ. Mr. President, there is no question about what the Senator from Oregon has in mind, and personally I respect him for his views.

But, regardless of whether he dreams or whether I dream, the fact remains that the essential purpose of the road bill is to put people to work. That was one of the reasons why the Senate passed the 1956 highway bill.

What is the reason for this road bill? It is to accelerate the 1956 program, for the purpose of putting people to work.

If section 12 is included in the bill, section 12 will put out of work painters, carpenters, metalworkers, and persons in many other groups. Yet my good friend, the Senator from Oregon, also wishes to put people to work.

The PRESIDING OFFICER. The additional time yielded to the Senator from Oregon has expired.

Mr. CHAVEZ. Mr. President, will the Senator from California yield 1 minute to me?

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. CHAVEZ. Mr. President, thus we see that the philosophy of section 12 is entirely contrary to the philosophy of the first part of the bill, which is to put people to work. The purpose of section 12 is entirely contrary to that.

Mr. NEUBERGER. Mr. President, will the Senator from California yield 1 additional minute to me, in order that I may reply very briefly to the last statement made by the Senator from New Mexico?

Mr. KUCHEL. I yield 1 additional minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 additional minute.

Mr. NEUBERGER. I thank the Senator from California.

Mr. President, previously, when I rose to make a 5-minute presentation, I said I did not see how any joblessness could be caused in connection with roads which are yet to be built. In other words, if the roads are to be built so that people can have jobs—jobs building roads, not plastering them with signs—then I have a correct conception of the bill. I regard the purpose of the bill was to put people to work building roads, not putting up signs along the roads.

I am fully in favor of a bill which will put people to work building roads, and our measure will surely do that. I admit that the bill will not put people to work plastering signs along the roads. But that is not the purpose of the bill.

Mr. CHAVEZ. I agree that the purpose is to put people to work on roads. But, by the same token, inasmuch as more than five million of the American people are now out of work, are we, in connection with this bill, going to do something which will put people out of work in almost every other line of endeavor?

The PRESIDING OFFICER. The time yielded to the Senator from Oregon has once more expired.

Mr. NEUBERGER. Mr. President, will the Senator from California yield 1 additional minute to me, in order that I may answer the Senator from New Mexico?

Mr. KUCHEL. Mr. President, I yield 1 additional minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 more minute.

Mr. NEUBERGER. Mr. President, I simply do not understand why the inclusion of the billboard-regulation provision, as sponsored by the Senator from California [Mr. KUCHEL] and myself, would delay the taking of action on this road bill.

Mr. CHAVEZ. It should not delay action on the bill, insofar as the bill itself is concerned. But we are talking about the overall unemployment situation; and there is no question that the inclusion of section 12 will result in unemployment. There is no question whatever of that.

I am not thinking only of roads; I am also thinking of the unemployment situation as a whole.

The PRESIDING OFFICER. The time yielded to the Senator from Oregon has again expired.

Mr. CHAVEZ subsequently said: Mr. President, I ask unanimous consent that at the conclusion of my previous remarks there be printed in the RECORD a total of 62 telegrams and letters I have received opposing the billboard control section, section 12 of the bill.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you drop section 122 of the Gore bill.

DESERT AIR MOTEL,
EBER MCKINLEY.

ALAMOGORDO, N. MEX.

RATON, N. MEX., *March 24, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

The Raton Chamber of Commerce would like to commend you for your opposing vote in the committee action of section 122 of the Senate bill 3414. We hope that you will continue to oppose this bill.

RATON CHAMBER OF COMMERCE.

RATON, N. MEX., *March 25, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

Hope you will continue to work to eliminate section 122 of Gore bill which opposes outdoor advertising. I strongly believe it is impractical and un-American. Suggest the entire bill be checked for other such ill-considered provisions.

NIXONS SPECIALIZED SERVICE,
WILLIAM G. DOTY.

RATON, N. MEX., *March 25, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

Hope you will continue to oppose section 122 of Senate bill 3414, and work toward its defeat. This legislation against outdoor advertising along highways would soon mean the end of our business, having 15 employees, which has thrived in this territory for over 30 years. It is further infringement of

rights of property owners. It is favored by only a minority group and is contrary to the best interests of all business. It would further handicap communities about to be bypassed, many of which expect to cushion the blow by use of roadside advertising.

RATON SIGN CO.,
DON F. PARTRIDGE.

ALBUQUERQUE, N. MEX., *March 22, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate System is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an aesthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

HARRY FORBES.

ALBUQUERQUE, N. MEX., *March 22, 1958.*
Senator DENNIS CHAVEZ,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate System is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an aesthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

D. E. GIBSON III.

ALBUQUERQUE, N. MEX., *March 22, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

We appreciate your opposition to section 122 of Senate bill 3414 and respectfully ask your continued support before the Senate. We do not oppose the purpose of S. 3414 excepting the amendment which provides for a bonus to be paid to the State to cripple our business. We believe that New Mexico is capable of effecting adequate legislation on this matter.

THE LLEWELLYN CO.,
BRUCE A. GERRY.

RATON, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I congratulate you upon the stand you took concerning section 122, Senate bill 3414 recently reported favorably by Senate Public Works Committee. I feel strongly that this is crackpot legislation and I hope you will continue to oppose the same actively in the Senate.

HERBERT B. GERHART.

ALBUQUERQUE, N. MEX., *March 22, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate System is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an esthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

ROY B. RAYMER.

ALBUQUERQUE, N. MEX., *March 22, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate System is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an esthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

HARVEY ATKINS.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

I request you vote section 122 out of the Gore bill.

BROADWAY COURT,
ROSE BUTLER.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

We urge you vote section 122 out of the Gore bill.

CACTUS MOTOR LODGE,
NORM WEGNER.
TUCUMCARI.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

Will you please vote section 122 out of the Gore bill.

EL DON MOTEL,
DAN W. EITZEN.
ALBUQUERQUE.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

I urge you vote section 122 out of the Gore bill.

WESTERN MOTEL,
RUDOLPH BABINS.
SANTA ROSA, N. MEX.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

We urge you drop section 122 from the Gore bill.

THUNDERBIRD LODGE.
GALLUP, N. MEX.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

I urge you vote section 122 out of the Gore bill.

MOTEL STEVENS,
SLICK CHILDRESS.
CARLSBAD.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

I urge you vote down section 122 of the Gore bill.

TAOS MOTOR LODGE,
JACK DENVER.

LAS CRUCES, N. MEX., *March 23, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate:

We urge you drop section 122 from the Gore bill.

PIONEER LODGE,
MARK SELLERS.
CLOVIS N. MEX.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you vote section 122 out of the Gore bill.

DE ANZA MOTOR LODGE,
JACK DILLON.
ALBUQUERQUE.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge section 122 be dropped from the Gore bill.

SEQUOYAH MOTEL.
S. H. KNOTT.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge section 122 be dropped from the Gore bill.

PARADISE MOTEL,
NORMAN NELSON.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge you drop section 122 from the Gore bill.

BEL AIR MOTEL,
ROY BUEBUSH.
DEMING, N. MEX.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge you vote section 122 out of the Gore bill.

MISSION MOTEL,
ERNIE BRUCE.

LAS CRUCES, N. MEX., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge section 122 be dropped from the Gore bill.

CORONADO COURT.
WM. ANGIER.
SANTA FE.

ROSWELL, N. MEX., *March 21, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Am opposed to section 122, Senate bill 3414, States should control this phase. This will severely hurt all sign manufacturers and cause more unemployment.

TESCO NEON SIGNS, INC.,
R. L. TESSIER, Jr., *Vice President.*

ROSWELL, N. MEX., *March 21, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Section 122, Senate bill 3414, not business of Federal Government. Establishment such regulations belongs to individual States.

BERT BALLARD.

ROSWELL, N. MEX., *March 21, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

We oppose section 122, Senate bill 3414, it restricts private enterprise and will contribute to further depressed economy.

Bill Suggs, Dan Chapius, Al Moran, Al Williams, Ed Taylor, Everett Powell, Bill Morrison, Fred Covert, Frances Jones.

ROSWELL, N. MEX., *March 21, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Section 122, Senate bill 3414, bad for national economy, unemployment will result if passed. Please vote no.

FRANK YOUNG, Jr.

CLOVIS, N. MEX.,
March 23, 1958.

Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

The motels, restaurants, service stations, all roadside business in New Mexico ask you and subcommittee honestly consider Senate bill 3414 effect on established business, New Mexico, western stations. When interstate right-of-way moved, impossible travelers find established business. Signs of 500 square inches, section 122, inadequate. Please change your 1957 stand on Neuberger bill. Thousands in New Mexico and Western States isolated. For New Mexico industry.

PIONEER LODGE,
MARK SELLARS.

LAS CRUCES, N. MEX.,
March 23, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you to vote section 122 out of the Gore bill.

BEL AIR MOTEL,
W. J. HEATH.

LAS CRUCES, N. MEX.,
March 23, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you to vote section 122 out of the Gore bill.

ROYAL MOTEL,
CLARENCE MAUS.

ROSWELL.

LAS CRUCES, N. MEX.,
March 23, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you drop section 122 from Gore bill.

GRANDE COURT,
SAM MARSH.

TUCUMCARI.

LAS CRUCES, N. MEX.,
March 23, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you to drop section 122 from the Gore bill.

DOROTHY CROTHY,
DESERT AIRE MOTEL.

LAS CRUCES, N. MEX.,
March 23, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge section 122 be dropped from the Gore bill.

PARK MOTEL,
LORETTA ANDERSON.

CARLSBAD.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge section 122 be dropped from the Gore bill.

AKE COURT,
ROSCOE AKE.

SOCORRO, N. MEX.

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I hope you see fit to strike section 122 from the Gore bill.

VILLA MOTEL,
MERLE EAGAR.

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We request you vote section 122 out of the Gore bill.

DEL PRADO MOTEL,
GEORGE DUSHANKE.

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We request you vote section 122 out of the Gore bill.

EL REY MOTEL,
L. C. MATHEWS.

SANTA FE, N. MEX.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We urge you to drop section 122 from the Gore bill.

TOWER MOTEL,
IRA SMITH.

SANTA ROSA.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge that you vote to drop section 122 of Gore bill.

SANDS MOTEL.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you to vote down section 122 of the Gore bill.

EL TAOSENA,
TERRY MONYHAN.

TAOS.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

I urge you to vote section 122 out of the Gore bill.

EL RIO MOTEL,
C. M. REES.

SOCORRO.

LAS CRUCES, N. MEX., *March 23, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We hope you will vote section 122 out of the Gore bill.

ROYAL MANOR MOTEL,
A. C. BINDEL.

CARLSBAD.

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

At a special, well represented motel meeting here today, we were unanimous in the belief section 122 should be dropped from the Gore bill.

C. E. NEFF,
President, Motor Hotel Association of New Mexico.

ROSWELL, N. MEX., *March 22, 1958.*

Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Section 122, Senate bill 3414, usurps States rights and will do great harm to private enterprise and further economic recession. Fifty persons would be directly affected in Roswell.

ERNEST C. TUCKER,

LAS CRUCES, N. MEX., *March 24, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

We of the New Mexico Restaurant Association hope that you see fit to vote out section 122 of the Gore bill; we feel highway advertising is vital to our business and it's the American way to advertise the way we please; many people will be jobless if this section 122 goes through.

Sincerely,

CHARLES NEFF, Jr.,
President of New Mexico Restaurant Association.

LAS CRUCES, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

Section 122 of the Gore bill will hurt us terribly. Please vote it down.

CASA LINDA MOTEL,
JIM WITHERS.

GALLUP, N. MEX.

GALLUP, N. MEX., *March 19, 1958.*

Senator DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

The Allied Motor Courts Association, with members operating in seven States, want you to know that we protest the passage of billboard bills S. 3414 and 3218 as an invasion of private property and detrimental to the future welfare of the motel industry.

J. H. WITHERS,
Secretary-Treasurer.

GALLUP, N. MEX., *March 19, 1958.*

Senator DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

The 66 Tourist Service Association, consisting of Gallup businessmen engaged in the motel, restaurant, curio, and service station business protest the passage of billboard bills S. 3414 and 3218 as an invasion of private property and detrimental to the future welfare of our business.

J. H. WITHERS,
President.

ALBUQUERQUE, N. MEX., *March 20, 1958.*

Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

We request your careful consideration on Senate bill 3414 especially section 122 having to do with advertising within 660 feet of edge of rights-of-way. There are over 1,200 motels in New Mexico, many of these small operators will be seriously affected if they are deprived of contact with motorists on Interstate System.

GEORGE MILLER,
President, Albuquerque Motor Court Association.

ALBUQUERQUE, N. MEX., *March 22, 1958.*

Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate System is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an esthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

AL J. CHAVES.

ALBUQUERQUE, N. MEX., *March 22, 1958.*

Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Your opposition to the amendment controlling areas adjacent to the Interstate Sys-

tem is appreciated. I believe that the practice of paying the State to cripple any industry is basically unsound. We need better highways, but the expense of acquiring an esthetic view will certainly delay completion. We hope that Senate bill 3414 will pass without section 122.

E. G. WELLS.

ALBUQUERQUE, N. MEX., *March 20, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Monday, March 24, Senate will consider Senate bill 3414. Section 122 prohibits advertising within 660 feet of edge of rights-of-way of Interstate Highway System. Exemptions wholly inadequate. Exemptions permit roadside business signs within 12 miles of location but cannot be over 500 square inches—repeat, 500 square inches. Urgently request your cooperation in defeating section 122 of this bill and leave matter to State controls.

LLOYD P. BLOODWORTH,
Manager, New Mexico Restaurant Association, New Mexico Motor Hotel Association.

GALLUP, N. MEX., *March 20, 1958.*
Senator DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

The Gallup Motel Association want you to know that we protest the passage of billboard bills S. 3414 and S. 3218 as invasion of private property and detrimental to the future welfare of the motel industry.

DINO GONZERLA, *President.*

ROSWELL, N. MEX., *March 18, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Naturally we favor S. 3414, and naturally we believe section 122 is definitely unfair to not only the outdoor advertising industry but also merchants of New Mexico. The tourist trade in this State is a great business potential and outdoor advertising is one of the best mediums to secure this business. Please do whatever is possible to delete section 122 and thereby leave State control of outdoors to the individual States.

W. B. ZACHARIAS,
Pecos Valley Outdoor Advertising Co.

ALBUQUERQUE, N. MEX., *March 18, 1958.*
Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Reference is made to the proposed Senate bill which would eliminate billboard advertising on interstate highways. Your valued support in killing this vicious legislation is respectfully requested. Costs for buying antibillboard easements would be prohibitive. We as owners of an outdoor advertising company, our employees, suppliers of equipment and materials, insurers, the property owners who receive rental for their ground, and the advertisers, do not want this restrictive legislation passed. Those opposing outdoor advertising are truly in the minority. We have an adequate safety law in New Mexico regarding billboard placement. No hazard exists. To satisfy the esthetic objection of some, millions of dollars of investment will be destroyed, and thousands of people deprived of income and thrown out of work. Can we afford this to gratify the desires of a minority and Scripps-Howard? Please refer to our correspondence of February 1957 for further information. We know we can count on your continued vigorous support and effort to kill this legislation, and assure you it will be greatly appreciated.

DALTON CARTER,
New Mexico Sign & Advertising Co.

COVIS, N. MEX., *March 15, 1958.*
Senator DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

We again ask that you oppose the outdoor section of the Gore bill S. 3214 which was passed by the committee. The highway section bill is just fine but the amendment attached to is no good. I expect your help.

RALPH R. JOHNSON,
Hardward Bros. New-Tex Outdoor Advertising Co.

DENVER, COLO., *March 23, 1958.*
Senator DENNIS CHAVEZ, of New Mexico,
Senate Office Building,
Washington, D. C.:

Re: Senate bill 3414.

Please strike section 122 from this bill. Let individual States handle roadside advertising. 3414 proposes to stimulate business and create jobs but section 122 would put many individuals and companies out of jobs.

GLENN D. HOPKINS,
Director, American Motor Hotel Association, Representing New Mexico.

CHICO, CALIF., *March 22, 1958.*
Hon. DENNIS CHAVEZ,
United States Senator,
Senate Office Building,
Washington, D. C.:

Section 122 of Senate bill 3414 not bill to beautify highway system. Makes no attempt to regulate junkyards, used car lots, slaughtering houses, gasoline stations, garbage dumps, grease rendering plants, open-pit mining, meat processing plants, saw mills, lumber yards. Ban billboards and permit above classifications by deliberately omitting from bill prima facie evidence sponsors not so much interested in beautifying highways as attempting to discredit and smear major advertising medium by trying to make billboards nasty word despite fact legal legitimate business. Major advertising medium making substantial contribution to Nation's economy. If 122 becomes law Senate will in effect say to people Congress has no faith in integrity or competence of elected city, county officials to use own police powers in making, enforcing, comprehensive zoning laws. Reflection which Senate knows not fact. Is it intent of sponsors to pass to States matter regulating all commercial activities omitted from bill? If true, why not pass to States matter of zoning billboards, too. How can they say in good conscience city-county officials competent to zone garbage dumps but incompetent to zone billboards?

BUTTE COUNTY MOTEL ASSOCIATION.

WHITE CITY, INC.,
White City, N. Mex., March 18, 1958.
The Honorable DENNIS CHAVEZ,
Senator from New Mexico,
Washington, D. C.

DEAR SENATOR CHAVEZ: Thank you for your favorable vote on committee action of section 122 of Senate bill 3414. This section, as you remember, deals with increased Federal appropriation to the State highway programs that include regulation and restriction of road and highway signs.

As the most recent report from the State Tourist Bureau reveals, the tourist industry is the second largest industry in the State of New Mexico. It can easily become the first with proper publicity and appeal to the Nation's traveling public. Elimination of highway signs would virtually eliminate all tourist industries. Other fields such as entertainment and automobile services would be greatly affected. Highway signs promote off highway travel in New Mexico, induce travelers to take advantage of food, lodging, and car service available in New Mexico, and inform travelers of sights and events that are taking place in our State. The loss of tax revenue from gasoline sales alone would seriously hamper our road building and highway maintenance. In fact, the economic effect upon the State of New Mexico would be drastic.

Furthermore, as we are sure you will agree, State governments as we have in New Mexico are perfectly capable of governing and legislating for their own State, without Federal supervision or directives. State governments will soon become obsolete if this Federal trend of control is continued.

As you are already on record as opposing this section, we urge you to exercise all possible influence to have this section defeated in the Senate. The results of the Senate action will certainly have a permanent influence upon the economy of the State of New Mexico.

Thank you for your many favors and assistance of the past.

Yours truly,

CHARLIE WHITE.

Whereas the Senate Roads Committee has before it, Senate bill 3041 and Senate bill 3218, which if passed will prohibit and control roadside advertising on private land adjacent to the Interstate Highway System and eliminate any billboards within 600 feet of the right-of-way; and

Whereas it is the belief of this organization that the passage of these bills will seriously influence the economy of the tourist trade; will prevent such towns as Grants and other communities from advertising their facilities available to the traveling public and will abolish the right to inform strangers where such services are offered: Therefore, be it

Resolved, That the Grants and Western Valencia County Chamber of Commerce goes on record as opposing these bills and thereby respectfully requests your cooperation in taking the necessary action to defeat the measures and allow signs along the Interstate Highway System.

This resolution adopted at a regular meeting on Wednesday, March 19, 1958, by a majority vote of the members present.

GRANTS AND WESTERN VALENCIA COUNTY CHAMBER OF COMMERCE,
By MARVEL PRESTRIDGE, *Secretary.*

VALENCIA COUNTY,
Bluewater, N. Mex., March 20, 1958.
Senator DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

DEAR SENATOR CHAVEZ: It has been brought to my attention that Senate bill 3041, introduced by Senator BUSH, Republican of Connecticut, and Senate bill 3218, introduced by Senator KUCHEL, Republican of California, are to eliminate billboard advertising along the Interstate Highway System.

Since a large part of the income of New Mexico is derived from the tourist industry, I feel it would be against the best interests of New Mexico to eliminate highway advertising except where it would create a driving hazard such as at an intersection or on a bad curve.

I would like to urge defeat of these bills when they come before you. Anything you can do to defeat them would be appreciated.

Very truly yours,

JANE HYDE COSPER,
Vice Chairwoman.

Mr. CHAVEZ. Mr. President, I also ask unanimous consent that there be printed in the RECORD 7 telegrams from the other side, favoring section 12 of the bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ALBUQUERQUE, N. MEX.,
March 24, 1958.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.:

The members of La Noche Garden Club request that vote for the bill which limits billboards.

Mrs. BERNARD LOWENSTEIN,
President, La Noche Garden Club.

SANTA FE, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

As a citizen of New Mexico I urge you to support Senator NEUBERGER's bill to regulate billboards on new Federal highway system.

A. E. WHITE.

SANTA RITA, N. MEX., *March 24, 1958.*

Hon. DENNIS CHAVEZ,
Senate Building,
Washington, D. C.:

Members of New Mexico Garden Club, Inc., and their thousands of friends are depending on your vote and support for the billboard amendment.

Mrs. HORACE L. BOUNDS,
President.

SANTE FE, N. MEX., *March 22, 1958.*

Hon. DENNIS CHAVEZ,
Washington, D. C.:

We respectfully urge you to use your influence in behalf of legislation intended to keep our new Federal highways free of advertising billboards.

OLD SANTA FE ASSOCIATION,
JOHN G. MEEM, *President.*

SANTA FE, N. MEX., *March 24, 1958.*

Hon. DENNIS CHAVEZ,
Washington, D. C.:

Do hope you favor Senate bill 3218 limiting billboards on Federal highways. Please. Please.

ALLISON VON WEDEL.

ALBUQUERQUE, N. MEX., *March 25, 1958.*

Hon. DENNIS CHAVEZ,
United States Senate Building,
Washington, D. C.:

We the members of Hillcrest Garden Club, Albuquerque, N. Mex., representing a membership of 30 would appreciate your support of section 122 of the highway bill dealing with billboards on interstate highways.

Mrs. THERESA M. HOWARD,
President, Hillcrest Garden Club.

ALBUQUERQUE, N. MEX., *March 25, 1958.*

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.:

Representing 700 Garden Club members we urge your support billboard control bill including section 122.

Mrs. RALPH T. OSBORN, Jr.,
President, Albuquerque Council of Garden Clubs.

Mr. KUCHEL. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 15 minutes.

Mr. KUCHEL. Mr. President, today the Senate is proceeding under a unanimous-consent agreement limiting to 4 hours the debate on the billboard-control amendment. In point of fact, however, the debate began last night, and proceeded for several long hours then.

Yesterday the able Senator from Tennessee [Mr. GORE] made a very excellent and clear presentation of the highway bill which now is before the Senate. His presentation was rather lengthy. I regret that most of my colleagues in the Senate apparently had other things to do, and were not present at that time.

As the able Senator from Tennessee proceeded to the point where he began to comment on the billboard provisions, not very many Senators were present. Suddenly I saw my friend, the Senator from Oklahoma [Mr. KERR], slowly rise from his seat and ask the Senator from Tennessee to yield for a question. The Senator from Tennessee did so. I was sore afraid; I knew full well the excellent ability as a lawyer and the great reputation which my friend, the Senator from Oklahoma, possesses in tremendous degree. I recognized that there was about to begin what perhaps would be a critical and unhappy assault upon proposed legislation which I had been delighted to help fashion.

The Senator from Oklahoma proceeded, and gently asked his questions in well modulated tones. I observed the skill of a fine lawyer with a legalistic scalpel in his hand, questioning, probing, trying to find a weakness if at all possible, in this measure. I continued to be afraid.

Time went by. The Senator from Tennessee fended off the probing, and honestly and forthrightly answered the questions. After a while, I began to be less afraid; it seemed to me that the questions and the answers afforded an opportunity for all who would read the CONGRESSIONAL RECORD to see that all we have done is to try—successfully, by this amendment—honestly and forthrightly to afford protection to the highway system of the United States, to the extent of 41,000 miles as to which the people of the United States, through the Federal Treasury, pay 90 percent of the bill.

Mr. President, on the other hand, today my able friend, the Senator from Oklahoma, and there is no Member of this body for whom I have a fonder regard, has taken a different and far more vigorous approach. Today my friend from Oklahoma stood, not as he did yesterday, in courtesy, in well modulated terms, but rather in stentorian tones, with a blunderbuss in one hand and a shillalagh in the other, and aimed his blows at those of us in the Senate of the United States who had the temerity to try to represent the people's interest. Said the Senator from Oklahoma to the junior Senator from California, "I listened to the Senator from California extol the California constitution and say he wanted to protect it, but he violates it in this bill. He has thrown it out the window; and," said the Senator from Oklahoma, "for a few pieces of silver the Senator from California and the Senator from Oregon would let the State constitutions be broken and would let our State governments be seduced and ravaged and debauched.

I am glad my able friend from Louisiana [Mr. LONG] is present in the Chamber. There is no man in the Senate who does not need to have his credentials in favor of States rights less verified than does my able friend from Louisiana.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KUCHEL. Not yet.

Mr. KERR. For one question?

Mr. KUCHEL. No. I am still a little afraid. [Laughter.]

I have again and again in the Senate seen the able Senator from Louisiana arise and extol, as it is his right and duty, the greatness of the theory of the rights of States, so I am glad we who favor this amendment have a champion of States rights defending our proposal in this debate.

Yesterday I thought, with particular and telling clarity, the Senator from Louisiana asked, What is wrong with the Federal Government's laying down a policy under law by which moneys will be allocated to the States for such high purposes as hospital construction? Is there anyone today in the American Congress who objects to the Federal unemployment compensation statutes, under which, if the States agree to abide by that which the Congress has decreed, Federal moneys are made available to them? What, indeed, is wrong with the present Federal highway legislation, under which, if States agree to abide by Federal standards, they are permitted to receive 90 percent of the cost of constructing an Interstate Highway? The answer is, there is nothing wrong with it, at all.

I think the words which are in the RECORD of last night, iterated by my able friend from Louisiana, demonstrate conclusively the paucity of logic which has been voiced today by my friend from Oklahoma.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend from Louisiana.

Mr. LONG. All this amendment means to me is that if a highway is going to be built for a million dollars, the Federal Government will put up $900,000 and say to the States, "In addition to the $900,000, we will give you an extra $5,000 if you try to keep the highway beautiful." That is all it means to me. The State can either take the extra $5,000 or permit $50,000 worth of signs to be constructed on the highway, which may make it so ugly that nobody will want to drive on it except by necessity.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KUCHEL. I am still a little afraid.

Mr. KERR. But not too much? I remind the Senator that I yielded to him.

Mr. KUCHEL. The Senator from Oklahoma now touches me in a place which I find overwhelms me. With great trepidation, I yield to the able Senator from Oklahoma.

Mr. KERR. The statement made by the distinguished Senator from California has disarmed the Senator from Oklahoma. I want to say to him he is the last man on the floor I would either harm or seek to harm, because of my affection and respect for him. The Senator re-

ferred to the similarity between the Federal Government's participation in the proposal now before the Senate, and that pertaining to local hospitals.

Mr. KUCHEL. Yes.

Mr. KERR. Can the Senator name for the Senator from Oklahoma a single other Federal program of participation in construction, whether it be for hospitals, schools, or whatever it may be, where the facilities on which the Federal Government or the State is to construct the facility makes any approach other than by paying the citizen who owns the property where the facility has been built or is to be built for his property, in accordance with the law and in accordance with the value of the property to be obtained from the citizen?

Mr. KUCHEL. I am frank to give the Senator—and I desire to develop that point in the comments I shall make—the reasons why we are endeavoring to give States an incentive either to purchase advertising easements, or, if they so desire, to exercise their constitutional police powers.

Mr. KERR. And do so without paying for the property?

Mr. KUCHEL. As the Senator well knows, the police power of a State, if it is exercised in a reasonable fashion, constitutes a part of the law of this great Republic.

Mr. KERR. Is the Senator able to point to a hospital which has been built with Federal funds, the location for which was obtained by police power?

Mr. KUCHEL. I cannot.

Mr. KERR. I thank the Senator.

Mr. KUCHEL. Mr. President, earlier this morning my able friend, the Senator from Oklahoma, arranged to have brought into the Senate Chamber some signs, and in referring to them, he denounced the provision of the bill which, with respect to one aspect of the philosophy of the amendment, limits signs to 500 square inches. He was utilizing that feature of the amendment as an argument, as he saw it, for rejecting the entire amendment.

I was puzzled. I asked the Senator about it, because I did not want to rely on a faulty memory. I said, "How did the Senator vote in committee on the 500-square-inch amendment?" The Senator from Oklahoma said, "I voted for it." I was more puzzled then than before, because my able friend had voted for something in committee, and having been on the prevailing side, now used that for which he voted in committee as an argument on the Senate floor against the proposal. The simple truth is that while language must be susceptible to honest interpretation, I say the language in the bill is sufficiently clear as to defy misrepresentation to reasonable minds.

On the point of subparagraph (3), with respect to the 500-square-inch provision, I think the letter which the able Senator from Oregon [Mr. NEUBERGER] placed in the RECORD, and the short colloquy in which we both participated with the Senator from Virginia [Mr. ROBERTSON], make it abundantly clear what the intention is. Beyond that I think a mere reading of subparagraphs (3) and (4) ought to make it clear to Senators what the intention is.

What, in a word, are we trying to do? We live in a Nation, 48 States, which has streets, roads, highways, and thoroughfares embracing millions of miles and extending across the continent.

There is one system which was fashioned in the Congress 2 years ago to provide for a 41,000-mile, high-speed, limited-access Interstate and Defense Highway System, which Congress determined to pay for to the extent of nine-tenths. A portion of that system is in use today. Indeed, some of it was actually being used to the time the bill was passed in 1956.

The amendment, which the committee has approved by a majority vote, prescribes a national policy which the President of the United States has endorsed and which Gov. Adlai Stevenson in principle has endorsed. It is a national policy by which we say, "It is in the interest of the safety of the driving public and it is in the interest of protecting the scenic beauty of the areas traversed by these thoroughfares that the highway system should be protected from indiscriminate outdoor advertising." That is all we say. That is all we honorably seek to do.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KUCHEL. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 3 more minutes.

Mr. KUCHEL. After proclaiming the national policy we except that part of the highway system which does not require additional rights-of-way and which was in being prior to the effective date of the statute in 1956.

We had the problem of home rule to consider. Cities in my State, for example, have a constitutional right under the State constitution to exercise the police power, as they have done, are doing, and will continue to do in the future, and thus the State could not speak for such cities in any agreement to apply a national policy. So in the bill we excepted incorporated cities.

We did something more. We provided that if a State was interested in adhering to an agreement which would be worked out between the Secretary of Commerce and the State itself, we would accept a decision by the State as to what areas constituted industrial or commercial or business areas through which the interstate highway might run, and there the national highway policy would not apply.

Mr. President, we are making an attempt to meet a basic issue and meet it fairly. It seems to me that no one can quarrel with the reasonable terms in which the amendment has been fashioned. I hope most sincerely that the amendment will be adopted overwhelmingly and that the amendment of my able friend from Oklahoma [Mr. KERR] and other Senators will be defeated.

I close by reading into the RECORD a statute dated 1285 A. D. It is the Statute of Winchester, 13 Edward I. It is entitled, "The Breadth of Highways Leading From One Market Town to Another."

And further, it is commanded, that highways leading from one market-town to another shall be enlarged, whereas bushes, woods, or dikes, be so that there be neither dike, tree, nor bush, whereby a man may lurk to do hurt, within two hundred foot of the one side, and two hundred foot on the other side of the way, so that this statute shall not extend unto ashes, nor unto great trees, for which it shall be clearly out of this. (2) And if by default of the lord, that will not abate the dike, underwood, or bushes, in the manner aforesaid, any robberies be done therein, the lord shall be answerable for the felony; and if further be done the lord shall make a fine at the King's pleasure. (3) And if the lord be not able to fell the underwoods, the country shall aid him therein. (4) And the King willeth, that in his demean lands, and woods within his forest and without, the ways shall be enlarged, as before is said. (5) And if perchance a park be taken from the highway, it is requisite that the lord shall set his park the space of two hundred foot from the highways, as before is said, or that he make such a wall, dyke, or hedge, that offenders may not pass, nor return to do evil.

I do not propose that we do evil in the Senate today. I propose we do something good for the people. I ask Senators on both sides of the aisle to defeat the amendment to strike out the incentive legislation for billboard control.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KUCHEL. Mr. President, I yield 10 minutes, or such amount of 10 minutes as he may desire, to the able junior Senator from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. President, it is not my intention to review and rehearse the arguments already made in connection with the provisions of the pending bill which apply to the control of highway advertising. I wish to say, however, that the issue has been rather beclouded this morning by impassioned pleas which go far beyond the commonsense, down-to-earth interpretation of the provisions.

As has already been pointed out, the provisions in the bill relating to billboard advertising are essentially restricted to the portions of the Interstate Highway System which are outside the commercial areas, outside the metropolitan areas, and outside the areas which are within the incorporated towns, where advertising is already permitted and in many cases, if not in most cases, already controlled by local or State regulations.

The provisions of the bill are clearly pointed toward the Interstate System which in part, has been constructed, other parts of which are about to be constructed, or are in the process of being constructed, through the rural areas, in most cases where no highway has heretofore existed. The design and purpose are to preserve and protect the system, into which the Federal Government will be pouring vast sums of money, from indiscriminate, uncontrolled advertising.

Mr. President, I call to the attention of the Senate now what I will explain again briefly when I call up my amendment. I intend to offer an amendment, which will not be in order, of course, until the time has expired or been yielded

back on the amendment of the able Senator from Oklahoma [Mr. KERR] to strike from the bill the provision under discussion. This amendment will make more clear and will further limit the application of the billboard provision of the bill.

The provision on page 22 of the bill as it is now before us reads:

> Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, or which are built on rights-of way.

Mr. President, I invite particular attention to this wording: "wholly acquired before July 1, 1956."

That provision might apply to a portion of the Interstate System where an existing highway has been somewhat widened. It will be my intention to offer an amendment to strike out the words "rights-of-way wholly acquired" and, so as not to leave the matter to the discretion of the Secretary of Commerce, to insert a limitation on the effect of the bill to those parts of the Interstate System in which the rights have been wholly acquired since July 1, 1956. In other words, it would limit the control of advertising under the act to those parts of the Interstate System which are wholly new, built through rural areas where no highway has heretofore existed.

I am unable to ascertain, and the Bureau of Public Roads is unable to inform me as to the exact percentage which this provision would cover. Seventy-two percent of the proposed Interstate System is, in their eyes, new, virgin highway. But some small parts of the system consist of highways which have previously been in use.

I am offering this amendment, first, because I believe in controlling advertising on the new highway system. I supported such a policy last year. I supported it when the highway bill first came before the Senate, and regretted that the provision was stricken out. I supported it in the committee, when we were unable to obtain a majority vote to report it to the Senate; and I am supporting it now.

I believe it will be an effective provision. One advantage of it is that it will mean that no present advertising facilities will be torn down, that no rights of advertising which were in existence before the act went into effect on July 1, 1956, will be harmed, that no one who has his money invested in motels, restaurants, gasoline stations, or any industrial or commercial enterprise, or who has his signs on highways in existence, will be deprived, either by purchase or by exercise of police power, of the advertising rights he now has.

It will mean that at least 65 or 70 percent of the entire Interstate System which is to be constructed through the countryside will, from the very beginning, be under control so far as advertising is concerned. So far as we in the Federal Government can bring it about by national policy, and so far as it can be brought about by paying our share of the purchase price, such highways will be controlled with respect to advertising.

I believe that the adoption of such an amendment would make this a stronger bill, and that there would be a better chance of getting it through the Senate and the other body.

Second, I think it would grant protection against unbridled and unrestrained highway advertising, and accomplish all that is necessary to preserve the beauty of the landscapes of the countryside. I believe such an amendment would make the bill better and more logical.

It would have the added effect of applying only to those parts of the highway where there is no existing advertising facility, which locations are not attractive to advertisers until the highway has made it so. When we build a highway in an entirely new location, where no highway has previously existed, through the countryside, we are not depriving anyone of any rights which he has theretofore had, because there was no reason for advertising when there were no highways.

The Federal Government, which is paying 90 percent of the cost of these highways, is justified in protecting its investment by using every reasonable and legitimate means to limit and control advertising in that area.

Mr. KERR. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. KERR. Does the Senator think the Federal Government now has the power to exercise control whether or not there is a sign in an area which is not a part of the right-of-way on which the highway is built?

Mr. COTTON. I do not; and there is no such provision in the bill.

Mr. KERR. I thank the Senator.

Mr. COTTON. There is no provision by which the Federal Government is attempting to exercise such control.

The bill merely provides, first, that if the State has the right to control advertising, and decides to control it, the State will receive additional aid from the Federal Government; and second, the bill provides that if the State chooses to purchase, in connection with the purchase of the rights-of-way, advertising rights, and pay for them, the Federal Government will pay its share, so long as the advertising rights purchased do not cost in excess of 5 percent of the cost of the rights-of-way.

Mr. KERR. Mr. President, will the Senator further yield?

Mr. COTTON. I yield.

Mr. KERR. Does the highway department in the State of New Hampshire have the authority to prevent the erection of signs on property of private citizens in areas adjacent to, but not a part of, the right-of-way for a highway?

Mr. COTTON. It does not. I doubt whether the highway department of any State has such a right. Whether the legislature has such a right or not is another question.

Mr. KERR. I asked the Senate if the highway department had such a right.

Mr. COTTON. Certainly not; and if the bill is passed, the highway department will not have any more rights than it previously had.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. COTTON. May I have 5 minutes more?

Mr. KUCHEL. I yield 5 minutes more to the Senator from New Hampshire.

Mr. KERR. I ask the Senator if it is not a fact that the bill provides that if a contract is made between the highway department and the Secretary of Commerce, the control is implemented. Is not that the provision of the bill?

Mr. COTTON. I am not sure that I understand the Senator's question.

Mr. KERR. Is it not a provision of the bill that this regulatory program shall be put into effect if the State highway department makes a contract with the Secretary of Commerce permitting it?

Mr. COTTON. If the State highway department made such a contract and carried out the contract, it would be put into effect. But the State highway department cannot carry out such a contract if it has not the authority to do so.

Mr. KERR. Does the bill state that the implementation of the policy is dependent upon the State highway department having such authority?

Mr. COTTON. Anyone with ordinary commonsense, in reading the bill, would know that if the highway department is unable to carry out the provisions of the bill, they will not be carried out.

Mr. KERR. Does the Senator believe that laws should be written so that only those with commonsense can understand them? Or does he think they should be written so that those not blessed with commonsense may understand them?

Mr. COTTON. Those with commonsense should shed light for those not blessed with commonsense.

Mr. KERR. Does the Senator think we should place that burden upon them?

Mr. COTTON. I think it would not be an impossible burden.

Let me say to the Senator, in as plain language as I can, that if I can read English correctly, the bill merely provides that, if a State chooses to regulate advertising, and has the constitutional power to do so, it shall be paid one-half of 1 percent more from the Federal Government; and if it does not choose to exercise that right, and prefers to purchase the right, and does purchase it, the Federal Government will pay 90 percent of the cost. That is all the bill provides.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. COTTON. Certainly.

Mr. KERR. I recognize the Senator's complete knowledge of and familiarity with what is in the bill, and his great ability and understanding. The Senator from Oklahoma does not possess those

qualities in the proportion the Senator from New Hampshire does.

Mr. COTTON. That is not so.

Mr. KERR. As a favor to the Senator from Oklahoma, would the Senator from New Hampshire now show the Senator from Oklahoma where that language is in the bill?

Mr. COTTON. What language?

Mr. KERR. That which provides in effect, that if the State has a right to act, and in the exercise of its constitutional authority it does act, thus and so happens.

Mr. COTTON. The bill does not contain such specific language, because, as a matter of constitutional fact, neither the Senate nor any other body can confer upon the States an unconstitutional privilege. Obviously it is only if the State has the power to act, and does act, that it can proceed under the provisions of the pending bill.

Mr. KERR. Does not the bill authorize the Secretary of Commerce to enter into agreements with State highway departments? Is not that language contained in the bill?

Mr. COTTON. Yes.

Mr. KERR. The Senator from New Hampshire says the highway department does not have the authority and the Secretary of Commerce does not have the authority. The Senator from Oklahoma, therefore, would like to know how the two, contracting together, can create an authority which neither of them possesses.

Mr. COTTON. They cannot. That is a safeguard which should console and comfort the heart of the distinguished Senator from Oklahoma.

The PRESIDING OFFICER (Mr. LONG in the chair). The time of the Senator from New Hampshire has expired.

Mr. COTTON. May I have 2 more minutes?

Mr. KUCHEL. I yield 2 more minutes to the Senator from New Hampshire.

Mr. COTTON. I shall say one more thing in my own time. If the Senator from Oklahoma can get me more time later, I shall use it to answer his questions further.

Mr. KERR. I would not want to encounter the difficulty of securing additional time. I would not want thus to impose on our good friend from California.

Mr. KUCHEL. I have just yielded an additional 2 minutes.

Mr. KERR. For the use of the Senator from New Hampshire.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. What is the official time situation at the moment?

The PRESIDING OFFICER. The Senator from California has 71 minutes remaining. The opposition has 65 minutes remaining.

Mr. COTTON. The Senator from California has 71 minutes remaining, and he gives me only 2 minutes?

Mr. KUCHEL. Three minutes.

Mr. COTTON. I thank the Senator. He has always been the soul of generosity. He leads me to suspect that he is so reluctant to give me more time because he is afraid that what I may say will be a liability to his cause rather than an asset.

Mr. KUCHEL. What I am afraid of is that when the 3 minutes have expired there will be a request for 3 more minutes, as there have been already 2 requests for 5 minutes each.

Mr. COTTON. I wish to add one more thought. It is what I was about to say when the distinguished Senator from Oklahoma interrogated me. A great deal has been said on the floor of the Senate this morning about the rights of the people living adjacent to the proposed Interstate System, and about the value of their advertising rights and such rights being taken from them. The answer to that, first, is that such a right cannot be taken from them unless the State has the right to do so and exercises it, or pays for it.

Another answer which should be borne in mind is that the citizen who is the real sufferer from the construction of the Interstate Highway System is not the citizen who might want at some future date to sell to some corporation the privilege of putting up an advertising sign on his property. Rather, it is the citizen who finds his home shut off without an access to the highway, or with no access, perhaps, for 3 or 4 or 5 miles. To be sure he has been paid, but the highway may run between his farmhouse and his barn.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. KUCHEL. I yield 1 more minute to the Senator from New Hampshire.

Mr. COTTON. They are the people who have already suffered. The matter of advertising is not something which justifies anyone in tearing his hair. It is my hope that my amendment will be adopted. It will narrow the question down to the new, virgin highway where no highway has existed heretofore, where no advertisements have been in existence. In that way we will be able to protect the freedom—there has been said about freedom—of those who will travel on the highways in future years, and who will not become captives of a long line of advertising signs.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Idaho.

Mr. CHURCH. Mr. President, I have received a number of telegrams and letters from persons throughout Idaho favoring the enactment into law of section 12 of the present bill. I ask unanimous consent that these expressions of popular support for the principle of billboard regulation, as embodied in section 12, be printed at this point in the RECORD.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

LEWISTON, IDAHO.

Senator FRANK CHURCH,
Washington, D. C.

DEAR FRANK: After reading Marquis Childs' article in March 22 Tribune, I want to thank you for supporting the anti-billboard amendment of Senator NEUBERGER. I have not talked to a single person in the past 2 days but who approves of your stand and are pleased to be represented by someone who will support such an amendment.

Sincerely,

SHIRLEY F. LYONS.

GRANGEVILLE, IDAHO, *March 22, 1958.*

Hon. FRANK CHURCH,
The Senate, Washington, D. C.

DEAR MR. CHURCH: This is to let you know that we are in favor of no billboards on the transcontinental highway. If all signs could be small and scattered in desert or plains country and be amusing like The Stinker's in southern Idaho, there would not be so much objection; but permitting one opens the way for others and it is enough to have only regular direction and standard highway signs.

Very truly yours,

Mr. and Mrs. E. M. DOWNING.

LEWISTON, IDAHO, *March 23, 1958.*

The Honorable FRANK CHURCH,
United States Senate,
Washington, D. C.

DEAR SIR: The Merri-Tiller Garden Club with a membership of 18 of the Idaho State Federation of Garden Clubs, greatly desire your continued support of a bill prohibiting advertising billboards along the highways.

Very truly yours,

Mrs. H. G. MARSHALL,
President of Merri-Tillers Garden Club, First Assistant Director of Panhandle-Clearwater District.

REUBENS, IDAHO, *March 23, 1958.*

Senator FRANK CHURCH,
Washington, D. C.:

DEAR SIR: As a garden club member and Panhandle-Clearwater district director of Federated Garden Clubs, I would like to add my plea for myself and our garden clubs to keep our highways free of billboards.

We are working to beautify our State and highways, and certainly billboards do not add to the beauty of our State, which we are striving to make a place we can be proud to have people travel through.

We hope you will help us in this matter when this bill is presented.

Thank you.

Sincerely,

Mrs. SAM I. QUINN,
Panhandle-Clearwater District Director.

LEWISTON, IDAHO, *March 24, 1958.*

Senator FRANK CHURCH,
Senate Office Building,
Washington, D. C.:

The Nez Perce County Democratic Women's Organization asks your continued support of the Neuberger and billboard amendment for the national highway bill.

Mrs. GILBERT WILLIAMS,
Chairman, Legislative Committee.

POCATELLO, IDAHO, *March 24, 1958.*

Senator FRANK CHURCH,
Washington, D. C.:

Urge your support of section 12, bill S. 3414, billboard control.

LULU JOHNSON,
Vice President, Idaho Federated Garden Clubs.

IDAHO FALLS, IDAHO, *March 23, 1958.*

Senator CHURCH,
Washington, D. C.:

We urge your support of section 12, Senate bill 3414, billboard control.

Thank you.

Mrs. LAWNIE HOOKER,
District Director, Southeast District, Idaho Federated Garden Clubs.

POCATELLO, IDAHO, *March 24, 1958.*
Senator FRANK CHURCH,
Washington, D. C.:
Urge your support of section 12, bill S. 3414, billboard control.
Mrs. E. R. BUEHLER,
Chairman, Roadside Development, Idaho Federated Garden Clubs.

IDAHO FALLS, IDAHO, *March 23, 1958.*
Senator FRANK CHURCH,
Washington, D. C.:
We urge your support of section 12, Senate bill S. 3414 billboard control. Thank you.
Mrs. GLEN WADSWORTH,
President, Idaho Falls Flower and Garden Club.

WEISER, IDAHO, *March 24, 1958.*
Senator FRANK CHURCH,
United States Senate,
Washington, D. C.:
Vote "yes" on bill S. 3414, control billboards on highway.
Respectfully.
WEISER GARDEN CLUB,
GARDEN CRAFTS GARDENING WORKSHOP.

OROFINO, IDAHO, *March 24, 1958.*
Senator FRANK CHURCH,
Senate Office Building,
Washington, D. C.:
We as a group are opposed to billboards along the highway.
THE SOD BUSTERS GARDEN CLUB.

PAYETTE, IDAHO, *March 24, 1958.*
Hon. FRANK CHURCH,
United States Senator, Senate Office Building, Washington, D. C.:
Vote "yes" for bill S. 3414, control of billboards on new highway.
PAYETTE FLORAL CLUB GREEN GARDEN GALLS.

Mr. KERR. Mr. President, I yield 15 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise in support of the amendment to delete section 12 from the pending bill.

First of all, I wish to say that I am thoroughly in sympathy with the declared objectives of the bill. All of us, I am sure, will subscribe to the idea that it is much better to have scenic beauty and grandeur than things not beautiful and grand. I believe I come by the desire to have scenic beauty and grandeur preserved as honestly as anyone else, because my family and I have always enjoyed the beauty of nature, not only along highways but also in camp, whether in the open or under the shelter of a tent. We have spent many happy weeks and even months in that type of activity.

However, in this instance, as in any other instance, we are entitled to have the legislative objective achieved by a workable plan, a plan which is legal and constitutional, a plan which is acceptable in method and feasible financially, and one which both parties will be able to carry out.

I submit that section 12 does not have any of those qualifications. To put it affirmatively and positively, I say that section 12 does not present a workable plan. It is not legal or constitutional. It is not acceptable in method and it is infeasible financially. Furthermore, it is a plan which will result in agreements being entered into by the States and the Secretary of Commerce which cannot be performed and carried out on the part of the States themselves.

It is interesting to observe the evolution of the proposed legislation. Originally, when this type of legislation was proposed and considered, it involved the concept of direct Federal action. It was very early discarded on that basis, because the General Counsel of the Department of Commerce wrote an opinion which definitely held that the Federal Government does not have the authority to control advertising along the Interstate System. The opinion further stated that the Federal Government may not participate in the acquiring of advertising rights, except in limited instances, under section 2 of the Federal Highway Act of 1940, as amended, where the acquisition of such rights alone would be sufficient for the preservation of natural beauty. The opinion further held that the Secretary of Commerce was not authorized to acquire advertising easements with Federal aid highway funds.

Therefore the concept of having the Federal Government interest itself directly in these efforts was abandoned. It had to be abandoned. When it was found that these powers were not enjoyed by the Department of Commerce, that the Federal Government had no police power in this respect, and that it had no power to control this advertising, a shift in techniques was made, and a new maneuver was resorted to.

In section 12, we witness an effort to resort to indirection to achieve that which cannot be achieved directly. In this proposal, authority is granted to the Secretary of Commerce to "enter into agreements with State highway departments to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State."

What is that national policy to which reference is made in the authorizing language of the bill? If we refer to the language on page 21, lines 6 through 24, we have it before us. I ask unanimous consent that that portion of the bill to which I have just referred be printed at this point in the RECORD.

There being no objection, the portion of the bill was ordered to be printed in the RECORD, as follows:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for:
>
> (1) Directional or other official signs or notices that are required or authorized by law.
>
> (2) Signs advertising the sale or lease of the property upon which they are located.
>
> (3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.
>
> (4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Mr. HRUSKA. Among other things which the national policy embraces is a listing of national standards to be prepared and promulgated by the Secretary of Commerce, which shall provide for four kinds of signs: First, directional or official signs; second, signs advertising the sale or lease of the property upon which they are located; third, signs not larger than 500 square inches advertising activities being conducted at a location not farther than 12 miles from the location of the signs; fourth, signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of section 12, and designed to give information in the specific interest of the traveling public—whatever that means.

The question has arisen in the debate as to whether or not the enumeration of those four types of signs is exclusive, or whether they may be amended or added to.

It had been my understanding, until yesterday afternoon, that those four types of signs were the only signs which could be authorized under the regulations which would be prepared and promulgated by the Secretary of Commerce. But it was submitted yesterday and is now contended, as I understand, by the authors of the bill, that those four types of signs are not exclusive; that they are mandatory; that they have to be in the regulations, but they are not exclusive.

So the Secretary of Commerce can add to the size of the signs. He is not limited to 500 square inches in specifying their size. He may authorize signs as large as 30 by 60 feet, if he so chooses, so far as it is within reason, whatever that means. I shall discuss that in a moment.

I should like to consider the question of the four types of signs first as being exclusive and then, as not being exclusive. First, I wish to consider the alternative of their being exclusive, and that the Secretary of Commerce is bound by them and cannot add anything more to the list. If the four types of signs are exclusive and cannot be departed from, it means that whenever an agreement would be entered into by the Secretary with a State highway department, there would be a setting aside and a nullification of any and all State and local laws and ordinances relating to zoning regulations pertaining to the advertising signs within the area embraced in the agreement, because the agreement, by the language of the bill, must include provisions regarding the regulation of signs in conformity with the standards established in accordance with subsection (a). This includes the four subparagraphs to which I have referred. If it does that, and if those four subparagraphs may not be added to or changed, it means that if there are any signs in the area subject to the agreement signed by the Department, such signs become illegal because they do not comply with the national policy.

It is interesting to observe, as has already been brought out in the debate, that there are about 4,500 miles of Interstate System in urban areas. Virtually every one of those areas has some type of zoning. It said that those areas

are excluded from the operation of the bill. I submit that that is not true. If it were true, simple language to that effect could have been included in the bill, but such language is not in the bill.

There is simply a provision that the Government, in the discretion of the Secretary of Commerce, may exclude those portions, if he sees fit to do so. He does not have to do so. He may choose to do so, or he may choose not to do so. He may consider that the zoning ordinance of a particular city or village is not sufficient for his purpose. He may say, "We will not allow that particular segment of interstate highway to be excluded from the national policy, which is limited to the four types of signs enumerated in the statute." If he does that, then necessarily any sign embraced in that area will remain within the scope of the agreement which was signed.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. KERR. Is it not the Senator's judgment as a lawyer, based upon his very complete and intimate knowledge of the provisions of the bill, that the Secretary of Commerce cannot exercise his discretion, except as provided in lines 16 and 17, page 22, "consistent with the national policy"?

Mr. HRUSKA. That is correct. That provision is written into the bill.

Mr. KERR. That is the purpose of the phrase being put into the bill, is it not?

Mr. HRUSKA. That is exactly correct. He can provide in the agreement exclusions of certain parts of the Interstate Highway System which are located within incorporated villages if it is consistent with the national policy, as declared within the four subparagraphs to which I have referred.

If there is advertising within that area which does not comply with the 4 subparagraphs, and if they cannot be changed, that advertising must be removed, or else the agreement with the State cannot be carried out successfully.

Mr. KERR. In other words, regardless of the amount of discretion the Secretary of Commerce may have as provided in the bill, whatever he does have is limited by the language which requires him to use the discretion so that the result will be consistent with the prescribed national policy.

Mr. HRUSKA. That is what the language of the bill provides.

Mr. KERR. One of the elements of the national policy is that a sign cannot be within 660 feet of either side of the highway and of a size greater than 500 square inches.

Mr. HRUSKA. Yes. I should like to refer to colloquy which occurred at the instance of the Senator from Virginia [Mr. ROBERTSON], who made inquiry as to whether or not subsection 4 is modified by subsection 3.

Mr. KERR. Or otherwise—vice versa.

Mr. HRUSKA. Or otherwise—vice versa. Subsection 4 is plain. It reads:

> Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

There is a reason for including "not inconsistent with the national policy and standards of this section." "This section" means all of section (a). It necessarily must be so. Included in this section is a prohibition of signs larger than 500 square inches.

I suggest that when the authors of the bill say that subsection (4) is not modified or qualified by subsection (3), and if they are in good faith on that score, they will not object to subsection (4) being modified to read:

> Signs erected or maintained pursuant to authorization under State law, and regardless of size, and designed to give information of specific interest to the traveling public.

I would urge that such an amendment be adopted.

It seems to me that would be an excellent test of good faith on the part of those who seek to construe that language as they have indicated here on the floor earlier today.

Mr. KERR. In other words, if they are sincere in their statement that paragraph 4 is not limited by paragraph 3, all they would need to do to evidence good faith in the matter would be to agree to include in paragraph 4 language which would make it clear that it is not subject to the limitation of paragraph 3. Is that correct?

Mr. HRUSKA. That is correct. I submit that that could be achieved simply by inserting the words "regardless of size or proximity to the place advertised." Then we would have clearly in mind that paragraph 3 would not apply to section 4.

With the proposal of such an amendment, I believe we would have an interesting time if consideration were given by the authors of the bill for adoption of that amendment.

If the four paragraphs of subsection (a) are mandatory and exclusive, and if an agreement which is signed is contrary to the present zoning ordinances, and so forth, of a metropolitan area or subdivision, we shall run into the following situation: It will be necessary for the State to purchase the advertising rights which exist within the System. But obviously there would not be sufficient funds with which to do so.

There would be many instances in which the owners would not be willing to part voluntarily with that right, that their property could be used for advertising purposes. And condemnation would not be applicable, because we know that such proceedings are not available for such a purpose when no taking of property is involved; when it is sought to acquire only a negative easement or its equivalent.

Yet the use of the property for such advertising purposes is legal, and such right would have to be disposed of in some way in order for the State to be able to comply with its agreement.

It is difficult for me to envision that the mere signing of an agreement between the State department of highways and the Department of Commerce would interfere with that legal right.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The time yielded to the Senator from Nebraska has expired.

Mr. KERR. I yield 5 additional minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 more minutes.

Mr. HRUSKA. I thank the Senator from Oklahoma.

Mr. CASE of South Dakota. Mr. President, will the Senator from Nebraska yield for a question?

Mr. HRUSKA. I yield for a brief question, inasmuch as my time is limited.

Mr. CASE of South Dakota. Does the Senator from Nebraska propose to offer the amendment he has just suggested?

Mr. HRUSKA. I may do so a little later; yes.

Mr. CASE of South Dakota. I hope the Senator from Nebraska will thus bring up the issue.

Mr. HRUSKA. I may do so a little later, because apparently that would clear up a great deal of the fuzzy thinking regarding the relationship between paragraph (3) and paragraph (4).

Mr. President, it is said that the bill provides that—

> Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial, or which are built on rights-of-way wholly acquired before July 1, 1956.

Again I should like to point out that the exclusion therein stated would be based upon the Secretary's discretion only. That is a very slender reed upon which to depend, as has already been pointed out during the debate.

Now let us consider the view that the enumeration in the four paragraphs of subsection (a) is not exclusive, and that language can be added to or subtracted therefrom.

Mr. President, when we proceed on that assumption, we really get into trouble, because if the national standards prepared and promulgated by the Secretary of Commerce were to contain those 4 provisions and any number of others, then we would run into the field of the delegation of legislative power and the exercise of discretion without providing any proper guideposts, standards, or tests.

The delegation of power is often resorted to in connection with legislation, and it has to be. But in each instance when that is done, there is something tangible by which the person to whom the delegation is made, is governed.

However, that would not be true in this case. For example, if the Secretary of Commerce decided that a sign 30 feet by 60 feet was to be allowed in a certain location, there would be nothing upon which to predicate an appeal to a court, nothing on which to base a charge that the issuance of a license for construction

of such a sign was an abuse of the discretion allowed. There are no standards upon which to predicate an appeal.

If one were to say that such a sign would interfere with a traveler's enjoyment or convenience in traveling along the highway, it might be that that would also be the view of the Secretary of Commerce or the employee under his jurisdiction who makes the decision for him. But, on the contrary, such a sign might be pleasing to someone who traveled down the road; and the court would have no way to tell which of the views to approve. It is an utter impossibility to state anything tangible in connection with an effort to describe the meaning of those words in the minds of all persons.

The most serious aspect of the entire matter is the idea of vesting in the Secretary of Commerce—the present one and those to follow him—the vast, czaristic power which the bill would vest them with. There would be no limitations whatsoever on the power of either; there would be no standards; there would be no guidelines.

Mr. President, now I come to the consideration of a subject——

The PRESIDING OFFICER. The additional time yielded to the Senator from Nebraska has expired.

Mr. KERR. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has 45 minutes remaining.

Mr. KERR. Mr. President, I yield 3 additional minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 additional minutes.

Mr. HRUSKA. I thank the Senator from Oklahoma.

Mr. President, during the debate on the floor of the Senate, the following question was asked: What is wrong with the payment of Federal funds in this instance to States, under the provisions of the bill?

In that connection I should like to make a differentiation between the situation under this bill and the situation in connection with construction of a hospital or a highway. When Federal money is advanced for the construction of a hospital, by way of a grant-in-aid or by way of having the Federal Government make funds available to the State government, the money is used for construction of the hospital—to pay for the bricks, the cement, the mortar, the wood, and the hardware which go into the hospital. But that is not the case in this instance. In this instance, however, the Federal money would be paid if a State entered into an agreement to deprive property owners of certain rights in their property. Under the provisions of the bill, the money would then be available upon the signing of the agreement; and it could be used for any purpose in connection with construction of the highway proper on the right-of-way. It seems to me that is different from the situation in connection with the construction of a hospital or a highway proper or any other facility which would be the subject of a grant-in-aid or of a matching program.

Mr. President, again I suggest that I am in sympathy with the objectives of the bill. But it is my thought that we have the responsibility of seeing to it that these declared objectives are achieved by means which are valid, legal, constitutional, and which constitute a workable plan.

Mr. President, the pending bill will not provide such a plan.

I urge that section 12, which embraces this plan, be stricken from the bill.

Mr. President, I yield the floor.

Mr. KERR. Mr. President, I yield 3 minutes to the distinguished Senator from South Carolina [Mr. THURMOND].

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 3 minutes.

Mr. THURMOND. I thank the Senator from Oklahoma.

Mr. President, no one appreciates more than I the unsurpassed grandeur of the American countryside. I also appreciate the fact that the efforts of the authors of section 12 of the bill under consideration are inspired by a noble purpose and laudable intentions. However, the drafters of the Constitution wisely limited the powers and authority of the Federal Government to the areas vital to the existence of a Central Government, rather than to grant the power to act to the end that a desirable social purpose be accomplished.

This is a matter which should be left to the States to decide, without the influence of economic pressure in the form of a Federal grant.

Those powers reserved to the States in the Constitution have been and are being constantly reduced to a minimum by a gradual erosion process. One of the principal methods used by the Federal Government to erode the rights of the States is by Federal purchase through grants to the States, accompanied by an ever increasing Federal preemption of tax sources. The sugar coating of a grant makes the pill of usurpation no more palatable than were the usurpation accomplished by force. The use of Federal funds in an attempt to entice the States to surrender their rights only emphasizes a prevailing disregard for sound economy and an irresponsibility with the taxpayers' money.

I shall vote for the Kerr amendment to strike section 12 from the highway bill. I urge those who would stand fast for the preservation of the States as sovereign entities rather than subdivisions of the Federal Government to do likewise.

STATE CONTROL ADVERTISING ON FEDERAL-STATE HIGHWAYS

Mr. KERR. Mr. President, I yield 2 minutes to the Senator from Nevada [Mr. MALONE].

The PRESIDING OFFICER. The Senator from Nevada is recognized for 2 minutes.

Mr. MALONE. Mr. President, I want to join the Senator from Oklahoma [Mr. KERR], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Pennsylvania [Mr. MARTIN] in their amendment, submitted on March 24, to S. 3414, on the matter of State control of advertising along Federal highways.

Mr. President, section 12 of the bill (S. 3414) adds a new section 122 to the Federal Aid Highway Act of 1956, the act under which the new National System of Interstate Highways is being constructed. It is my understanding that this section prohibits all outdoor advertising within 660 feet of the right-of-way line along all Federal highways.

This seems to be a very definite barrier against the use of any outdoor advertising, because it would be impossible for anyone using the highways to see any signs constructed beyond the 660 feet restriction as imposed by this section.

Although the Federal Government is contributing a majority of the funds for Federal highway construction, it must be remembered that the States are partners in this venture and are contributing a share of the cost. In regulating the use of outdoor advertising, the land area of the State, its population, and, among other things, those economic factors that are peculiar to the State and confined within its borders must be taken into consideration.

The tourism of my own State of Nevada would not appear to lend itself to the type of restriction provided by section 122, whereas the residents of a highly industrialized community like Detroit, Mich., may feel the provisions of the section are satisfactory and proper. If this is true, then it seems to me that the various State legislatures should be allowed the privilege of determining what kind of controls should exist on outdoor advertising along the highways that pass through their States. This matter of local concern should be legislated closer to the business of the respective States than Washington, D. C., and to my way of thinking, Federal intervention is an infringement of States rights.

I repeat, the outdoor advertising situation differs in the several States—that is, densely populated areas or States may want regulation of outdoor billboard advertising, whereas sparsely populated areas with widely separated communities, like Nevada, may need easily recognized highway guides to restaurants, hotels, motels, service stations, and the like, for the benefit of the tourist or traveler utilizing these modern, fast roadways.

Mr. President, I ask unanimous permission to have included in the RECORD, telegrams and other correspondence I received from residents of my State on this subject.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

RENO, NEV., *March 21, 1958.*

Hon. GEORGE W. MALONE,
Senator from the State of Nevada,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: You will recall that I called you yesterday and spoke to you with regard to section 122 of Senate bill 3414 and advised you I was calling at the request of Heywood Advertising Co. You indicated that you desired I send you a letter with regard to this matter so that you would receive it by Monday, which is the day this matter will probably be voted on by the Senate.

It is my understanding that section 122 provides that all outdoor advertising is pro-

hibited within 660 feet from the right-of-way line along all Federal highways. This would seem to be a very definite prohibition against the use of outdoor advertising along Federal highways because it would be impossible for anyone using the highways to see any signs constructed farther than 660 feet from the right-of-way line. Although the Federal Government is contributing a majority of the funds for Federal highway construction, it must be remembered that some State funds are expended even though in a minor amount. It would seem proper to also remember that the taxpayers who contribute both the Federal and State funds live in all of the several States. These taxpayers, all living in different areas of the country and interested in different endeavors, would probably want different types of restrictions on outdoor advertising than contained in one piece of legislation. The tourism of Nevada would not lend itself to the type of prohibition provided by section 122, whereas the highly industrialized area around Detroit, Mich., may feel the provisions of the aforementioned section proper. If this be true, then it would seem that the various State legislatures should be allowed the privilege of determining what kind of controls should exist upon outdoor advertising along the highways that pass through their States.

This matter of local concern should, therefore, be legislated closer to home than Washington, D. C. Although the State of Nevada has no restrictive legislation on outdoor advertising, this is due to the fact that our unpopulated wide-open spaces lend themselves to the allowance of outdoor advertising. Some of our sister States have seen fit to enact restrictive legislation in one form or another and Nevada may some time come to this. Until it does, however, it would not seem proper for the National Legislature to impose any burdens on the free use of land along Federal roadways.

I sincerely hope that you will see fit to vote against the adoption of section 122 of Senate bill 3414.

Kindest personal regards.

Sincerely yours,

SAMUEL B. FRANCOVICH.
Attorney at Law.

RENO, NEV., *March 20, 1958.*

Hon. GEORGE W. MALONE,
United States Senator, Nevada,
Senate Office Building,
Washington, D. C.:

Am advised that section 122 of S. 3414 comes up for Senate consideration Monday. Since my business is advertising, believe this bill discriminatory and contrary to States rights principle which we in Nevada advocate, as well as a restriction of property rights. Hope you will vote for elimination of section 122 from otherwise good bill.

JACK MYLES.

LAS VEGAS, NEV., *March 20, 1958.*

Senator GEORGE W. MALONE,
Washington, D. C.:

Our company is positively and specifically opposed to enactment of section 122 Senate bill 3414. No Federal control of our Nevada desert for business purpose is worth the inducement. Please confirm your receipt of this wire.

LEIGH ELLSWORTH,
President, Beneficial Agencies.

LAS VEGAS, NEV., *March 20, 1958.*

Senator GEORGE MALONE,
United States Senate,
Washington, D. C.:

Outdoor advertising is a vital media for the automobile dealers. Request you vote against section 122 of Senate bill 3414.

TOD KILL LINCOLN-MERCURY, INC.

RENO, NEV., *March 20, 1958.*

Hon. GEORGE W. MALONE,
United States Senator, Nevada,
Senate Office Building,
Washington, D. C.:

Board of directors of Reno Chamber of Commerce earnestly request that you vote against section 122 of Senate bill 3414 which we believe discriminatory and an infringement of States rights.

WILLIAM BRUSSARD,
General Manager, Reno Chamber of Commerce.

LAS VEGAS, NEV., *March 20, 1958.*

Senator GEORGE W. MALONE,
United States Senator,
Senate Building,
Washington, D. C.:

I am strongly opposed to section 122, Senate bill 3414, and resent Federal pressure to influence State rights in regulating highway signs. State of Nevada can properly handle this matter. Will appreciate your vote against section 122.

ROACH DISTRIBUTING CO.,
JAMES E. COSTELLO.

LAS VEGAS, NEV., *March 23, 1958.*

Senator GEORGE MALONE,
Senate Building,
Washington, D. C.:

We protest section 122 of Senate bill 3414 and solicit your support in defeating it as we feel it would result in widespread unemployment among sign painters and allied trades.

CARL PRUTER,
Business Representative of Sign and Pictorial Painters Local Union, 1844.

LAS VEGAS, NEV., *March 24, 1958.*

Senator GEORGE MALONE,
Washington, D. C.:

Many of your friends and mine join with me to urge you to defeat amended section No. 122 of Senate bill 3414. We consider the amendment to control outdoor advertising along our public highways another step by our National Government to control that which can be best handled by each State through which the national freeways shall run. Not to mention many other reasons that have direct affect on our national business economy.

JACK YOUNG NEON PRODUCTS.

LAS VEGAS, NEV., *March 21, 1958.*

Senator GEORGE W. MALONE,
United States Senator,
Senate Building,
Washington, D. C.:

Will appreciate your vote against section 122, Senate bill 3414. This section would seriously affect tourist industry of southern Nevada. Highway signs can be adequately controlled by State of Nevada without Federal pressure contained in section 122.

BOB GRIFFITH.

RENO, NEV., *March 21, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

In regards to Senate bill 3414 to be voted on March 24. The Nevada State Motor Hotel Association in convention March 3, 1958, passed resolution: "NMHA opposes Federal legislation controlling roadside advertising."

PAUL ARGERES,
Secretary, Nevada Motor Hotel Association.

LAS VEGAS, NEV., *March 21, 1958.*

Senator GEORGE W. MALONE,
United States Senate,
Washington, D. C.:

Senate bill 3414, providing funds for highway construction, is worthy of your support as an aid to employment. Respectfully request, however, that Senator NEUBERGER's amendment, section 122, be eliminated from bill and control of outdoor advertising signs be left in hands of individual States. Such signs, properly controlled, have definite value to many types of business. Their regulation should be on a local rather than national basis.

HORSESHOE CLUB,
JOE W. BROWN.

RENO, NEV., *March 21, 1958.*

Hon. GEORGE MALONE,
United States Senate,
Washington, D. C.

DEAR MOLLIE: I urge you to vote against section 122, bill S. 3414. I feel that it is discriminatory against we in the outdoor advertising business. Bessie joins me in regards to yourself and Ruth.

JAY ELLIS.

RENO, NEV., *March 19, 1958.*

Hon. GEORGE W. MALONE,
United States Senator, Nevada,
Senate Office Building,
Washington, D. C.:

Section 122 of S. 3414, prohibiting outdoor advertising along freeway, would seem another infringement upon States rights. Urge opposition to section 122.

Regards.

OLIVER THOMAS.

RENO, NEV., *March 19, 1958.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Urge you to vote against section 122 of Senate bill 3414, which tends to regulate outdoor advertising on a national basis, as a user of this advertising medium in Nevada. Believe States rights and local zoning should prevail.

LUCE & SONS, INC.,
WM. LUCE.

RENO, NEV., *March 18, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

We urgently request voting against section No. 122 of bill S. 3414, we strongly protest this amendment as it is an infringement of States rights and is discriminatory against outdoor advertising. We believe this should be State and local zoning rather than Federal as we in Nevada depend on our number one business—the tourist.

COSGRIFF SIGN COMPANY OF NEVADA,
WALTER MCDONALD.

LAS VEGAS, NEV., *March 20, 1958.*

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

I am opposed and protest the amendment in section 122 of bill 3414 prohibiting the use of outdoor advertising adjacent to Interstate Highway System. As a businessman and advertiser I contend it is not in the interest of modern business practices to prohibit this useful form of advertising.

ARNOLD CHRISTENSEN,
Clark County Commissioner.

RENO, NEV., *March 18, 1958.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR MOLLY: Understand section 122 of bill S. 3414 relating to elimination of outdoor advertising on all Federal highways will be on Senate floor this coming Monday, I believe it is an infringement on States rights. Each State should be allowed to handle its own zoning. Nevada is a tourist State and I believe would be hurt by this bill. Please advise if I can do anything further.

CHARLES W. MAPES, JR.

RENO, NEV., *March 19, 1958.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

As a user of outdoor advertising for our clients in the State of Nevada, we urge you to vote against section 122 of Senate bill 3414.

DOYLE-MCKENNA ADVERTISING AGENCY,
GENE MCKENNA,
HOWARD DOYLE, JR.

LAS VEGAS, NEV., *March 20, 1958.*

Senator GEORGE W. MALONE,
United States Senator,
Washington, D. C.:

Urge you vote against section 122, Senate bill 3414. We are opposed to misuse of Federal funds to induce State to regulate or prohibit highway signs. State of Nevada is qualified to handle this matter in the best interest of property owners, working people, and the primary industries who depend on signs to invite tourists to this area.

NEVADA OUTDOOR ADVERTISING,
LEO A. ELKINS, *President.*

LAS VEGAS, NEV., *March 20, 1958.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

As a property owner, taxpayer, and long-time resident of Nevada, I sincerely urge you to vote against section 122, Senate bill 3414. Please protect my job as well as jobs of hundreds of fellow workers. Passage of this section 122 will only swell the unemployment rolls.

Respectfully,

Mrs. L. D. WREN.

WHITNEY, NEV., *March 18, 1958.*

MR. GEORGE MALONE,
United States Senate:

As one of our Senators of our great State of Nevada, I wish to ask you a small favor in support of some of us people that make our country what it is. The Senate is voting on bill 3414 March 24, introduced by Senator Gore, which will help a lot of people.

But the amendment No. 122 should not be even included at this time. What right has a few men to take away some of the better things the American people enjoy? It's our livelihood to hundreds of us. We are all anxious to see work and progress, but section 122 in bill 3414 is all out of reason. Advertising should be governed, but it's State, county, and city, not a national law.

I am in favor of bill No. 3414 but I hope you do not vote for the section No. 122 of it. Would like for you to support bill No. 3414 but not section 122.

Thanking you and trusting you will do your utmost to help us small people exist.

Yours truly,

LAVERNE HAWKINS.

RENO, NEV., *March 19, 1958.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR MOLLY: I have had calls from interested people indicating that Senator NEUBERGER's bill, Senate bill 3414, restricting poster advertising along national highways will come up for vote next Monday. There seems to be considerable opposition, which I believe I can understand, to section No. 122 of this bill, and I should like to add my voice—as a highway advertiser—to theirs in opposition to this restriction.

Another angle: It appears that NEUBERGER, representing the Federal Government, is trying to take on another function that should be handled by the States. I hope you are opposed to it.

Regards,

JOHNSON CHEVROLET CO.,
MARSH JOHNSON.

P. S.: Thanks for your wire regarding excise tax legislation. I still think it is a crying shame that these excise taxes are not eliminated immediately.

LAS VEGAS, NEV., *March 21, 1958.*

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.

MY DEAR MOLLY: On Monday, March 24, our United States Senate, we understand, will vote on Senate bill 3414. This bill, introduced by Senator GORE, of Tennessee, provides additional foundation for speed of the Interstate Highway System as an aid to the existing system, etc. This is a worthy purpose and one which will probably receive popular support, however, we note that Senator NEUBERGER, of Oregon, and other opponents of outdoor advertising signs have attached an amendment, section 122, having for its purpose the elimination of outdoor advertising along the Interstate System. It provides an inducement to increase the 90 percent Federal share of the cost of construction by one-half of 1 percent if a State acts to curtail billboards or highway signs within 600 feet of the edge of the right of way. Outdoor or advertising signs for years have been recognized as good mediums by all local and national advertisers, and we feel have a proper place in the business life of the Nation. There are those who would eliminate commercials from radio and television because it is unpleasant to them. However, we do not agree. We believe, MOLLY, that you are well informed of what the opposition to this medium presents, such as prohibiting the view of scenic vivification and so forth, but these boards do not to any degree obstruct view to service stations, garages, and other types of roadside businesses.

We are convinced that this medium helps all businesses and enables advertising men to get their message across to the buying public to create and intice within and motivate the openings of their purse strings, which we need not say to you that this no doubt is good for the economy.

MOLLY, there are hundreds of people working and owning outdoor advertising businesses, skilled workers, officeworkers, maintenance men, who contribute generously of their space to contribute to support the Red Cross, Community Chest, Traffic Safety, Cancer Fund, Heart Fund, etc.

Outdoor advertising helps the resort hotels, the gambling industry, which is the backbone of our State. They have been proven to be an invaluable aid to induce people to come to Las Vegas and southern Nevada.

We are asking you, providing you agree, to vote against section 122, bill 3414. We are opposed to the payment of extra money to any State as an inducement to prevent highway signs and force us out of business. Let the individual States handle all their own necessary billboard regulations.

The time is short and in our busy life here, my only regret is that we did not contact your office sooner. At your convenience, I would appreciate an expression as to how your office feels concerning the above mentioned matter.

Very respectfully yours,

PIONEER DISPLAYS CO., INC.
JOHN DELUCAS, *President.*

LAS VEGAS, NEV., *March 19, 1958.*

Senator GEORGE MALONE,
United States Senate,
Washington, D. C.

DEAR GEORGE: I have recently read that a bill will soon go before the United States Senate for vote which, should it be passed, will provide additional funds for the construction of the Interstate Highway System. This appears to me to be a most worthy purpose.

I do feel, however, that the attached amendment, section No. 122, which provides for the control and even the possible elimination of highway signs along the Interstate System is not justifiable as it now stands since its provisions not only ignore the individual State's ability to control and regulate highway advertising, but also interferes with private business' inherent right to act competitively by not permitting them to advertise their establishments or merchandise to travelers within commercial areas.

We have used outdoor highway advertising for the greater part of the time that we have been in business and find that it is essential not only to our business but also to the community which, through outdoor advertising, is able to show the traveler what that community has available.

I feel strongly also that the individual property along the right-of-way has and should have the right to permit highway signs to be constructed on his property and receive any income available from leases or rent on such signs.

It would be greatly appreciated if you would give your sincere consideration to eliminating the undesirable provisions of section 122 of the Senate bill 3414.

Sincerely yours,

SMITH & CHANDLER, INDIAN TRADERS,
KENNETH N. CHANDLER.

JONES & PURSELL,
Las Vegas, Nev., March 19, 1958.

Hon. GEORGE W. MALONE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR MOLLY: About a year ago I had occasion to write you protesting the inclusion within the Federal highway bill of a clause prohibiting outdoor advertising on property bordering the Interstate Highway System.

I am now advised that the emergency bill now before Congress, Senate bill 3414, contains a provision prohibiting outdoor advertising on property adjacent to the new Federal highway.

I consider this prohibition against advertising to be very detrimental to the interests of several of my clients and to the public at large. As you may well know, many Nevada businesses depend for their patronage almost entirely upon the appeal of outdoor advertising signs. Not only that, but many property owners in these sparsely settled Western States, particularly where the properties are unimproved, depend upon the revenue they receive from outdoor advertising signs to pay the taxes on their property. Without this revenue, in many instances, their properties would become worthless and taxes would be in default. The outdoor advertising business is an established business in America and provides a useful service to our free-enterprise system. Our motels, hotels, liquor and gaming industries rely heavily upon this form of advertising. I earnestly urge that you cast your vote to defeat this rider to Senate bill 3414.

I would like to say, however, with the exception of this rider against advertising, I am highly in favor of the passage of the bill.

Respectfully yours,

ROBERT E. JONES,
Attorney at Law.

ROBINSON HOTEL APARTMENTS,
Las Vegas, Nev., March 20, 1958.

Senator GEORGE W. MALONE,
United States Senator, United States Senate Building, Washington, D. C.

DEAR SENATOR MALONE: As a property owner, I am very much opposed to Federal

pressure and use of Federal funds to influence States rights to regulate signs on private property along interstate highways.

I request you vote against section 122, Senate bill 3414.

Very respectfully yours,

W. S. ROBINSON.

THE MELVIN CO., INC.,
Las Vegas, Nev., March 20, 1958.

Senator GEORGE W. MALONE,
Senate Building, Washington, D. C.

DEAR SENATOR MALONE: I strongly urge your negative vote to section 122 of Senate bill 3414 which comes up for vote on March 24. Passing of this section will cause severe damage to the economy of the major industry of advertising and will hurt bad enough to balance the good that bill 3414 is intended to do in helping the present recession.

Should section 122 be passed, it will be necessary for hundreds of outdoor advertising companies throughout the country to curtail their personnel and even force many small companies out of business.

It will result in the loss of thousands of dollars to major industries who have prepared outdoor campaigns and went to the expense of having their advertising agencies produce such advertising.

It will also further the curtailment of personnel of many advertising agencies throughout the country and severely damage their financial condition.

Having been in the advertising business for 25 years, I am qualified to advise you that the present State and local laws all over the country, and particularly in Nevada, are supposed to prohibit unnecessary advertising signboards.

Further, such regulatory stipulations as planned in this amendment will only lead to illegal posting of signs, which in the advertising industry is called "sniping". Such "sniping" results in far more cluttered up highways than under normal advertising boards being allowed with legal licenses issued by State, county, and city governments under proper laws and ordinances.

I strongly urge both you and Senator BIBLE to cast a negative vote.

With best personal regards.

Very respectfully yours,

JACK MELVIN,
President.

TAYLOR & GUBLER,
Las Vegas, Nev., March 19, 1958.

Senator GEORGE W. MALONE,
Senior Senator from Nevada,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: It is my understanding that Senate bill 3414 introduced by Senator GORE, of Tennessee, for the purpose of providing additional funds for the construction and acceleration of the building of the Interstate Highway System to combat recession and to aid employment, together with an amendment proposed by Senator NEUBERGER, of Oregon, for the purpose of controlling or eliminating outdoor advertising along the Interstate Highway System, such amendment being section 122 of the bill, will be voted on in the United States Senate next Monday, March 24. I am heartily in favor of Senate bill 3414 for the reason that I believe that it will materially assist in accomplishing the objects sought including the facilitation of the construction of the highway system, which I am certain will be of great assistance to the United States economically, militarily and otherwise. I am equally strongly opposed to section 122 for the following reasons:

(a) In my opinion the same is an unnecessary encroachment on the right of the States to govern their domestic affairs; and

(b) It is my opinion that permitting outdoor advertising along the Interstate System will benefit all concerned: (1) the traveling public, by supplying means of information as to desirable lodging, eating and other business establishments, (2) the owners of vacant property along the highway system by providing some means of income with which to help defray taxes and other expenses incident to the ownership of vacant land, and (3) residents and business people, particularly in the State of Nevada, which is so dependent on tourist traffic, by affording them the opportunity to advertise their places of business and to encourage patronage by the traveling public.

In addition, it is my opinion that advertising of this type is essential to the success of roadside businesses which are so integrally a part of our economy. Most of us recognize that there have been abuses in outdoor advertising and resultant detractions from the natural beauty of the countryside. However, it is my feeling that the problem is one for State and county regulation and that prohibiting billboards in other than commercial zones or districts, as is the rule under the county zoning ordinance in Clark County, affords a satisfactory solution.

I shall appreciate very much your giving consideration to the foregoing and in the event you deem proper shall appreciate your vote in favor of Senate bill 3414 and against section 122.

Sincerely yours,

V. GRAY GUBLER,
Attorney at Law.

Mr. MALONE. Mr. President, the cooperation of the States in any Federal program is indispensable.

It is imperative to respect the rights of such States and leave all power possible to the respective legislatures to coordinate the Federal-State interests.

The State control of advertising fitting the area's needs and the taxpayer's wishes into the building program is very important to Federal-State relations.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. KUCHEL. Mr. President, I am prepared to yield 5 minutes to the distinguished senior Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. THYE. Mr. President, I have always had a strong feeling that States should be privileged to govern themselves. I think, however, the national highway system is of great importance, and I believe the bill as reported by the committee safeguards the States' positions, and also gives to the States certain credit if they cooperate with the National Government to keep under proper control certain areas immediately adjacent to the road right-of-way. It is for those reasons that I shall speak briefly on the proposal.

Mr. President, I am in full support of the accelerated construction features of the pending proposal, and I think that this expanded program is something which is needed to bolster our Nation's economy. I do not hesitate to give my unqualified support to the construction features of S. 3414, and there has never been any question in my mind on this count.

Section 12 of this bill, however, has aroused a great deal of public interest, and I am sure that my colleagues have received hundreds of letters and telegrams, as I have, concerning the question of regulating advertising along the Federal Interstate System. This question does not present a clear-cut issue, and it is difficult to say that it can be answered with a simple yes or no.

I should like to point out that I am supporting the bill as amended in committee so as to provide an additional Federal reimbursement to the States for costs of acquiring easements along the Federal Interstate System. I want to emphasize the point that section 12 of this bill does not apply to the regular Federal-aid primary, secondary or urban systems. It applies only to the Federal Interstate System authorized in the Federal Aid Highway Act of 1956.

I wish to present some significant facts regarding section 12. It should be emphasized that the States retain decision as to whether highway advertising will be regulated within their borders on the Interstate System. This regulation is not to be imposed by the Federal Government, according to the provisions of section 12.

A bonus of one-half of 1 percent of the Federal contribution toward the construction costs of the Interstate System will be provided if a State decides to enter into an agreement with the Secretary of Commerce to establish regulation of advertising. Section 12 proposes that these regulations would extend to an area of 660 feet on each side of the right-of-way. The State can be reimbursed by an amount equal to 5 percent of the cost of the easements on this land.

Section 12 does not propose to eliminate all signs along the Interstate System.

First. Official signs authorized or required by law and signs erected according to the provisions of State law designed to give information in the interest of the traveling public would be permitted.

Second. Signs advertising the sale or lease of property upon which they are located will be permitted.

Third. Signs no larger than 500 square inches advertising activities at locations within 12 miles of such a sign would also be permitted.

This last provision would give an opportunity for business concerns such as hotels, motels, and restaurants to inform the traveling public of the services which they have to offer.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. Mr. President, will the Senator yield to me an additional 2 minutes?

Mr. KUCHEL. I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for an additional 2 minutes.

Mr. THYE. Mr. President, the possibility that the regulation of highway advertising would lead to unemployment in the advertising business has caused

me some concern. In this respect, however, it appears to me that the provision for an accelerated construction program on all Federal-aid highways will provide a new market for highway advertising signs in the unrestricted phase of the Federal highway program.

In conclusion, it appears to me that when S. 3414 is considered in its entirety, as reported by the committee, it is worthy of my support. I should like to see some regulation of highway advertising along the control access Federal Interstate System, but I would not support such regulation if I could foresee its working a hardship on businesses serving the traveling public or if it caused undue hardship among those who earn their living in the advertising business. It is my sincere conviction that S. 3414 will not result in such hardships, and will at the same time provide for a reasonable means of preventing unrestricted use of the Interstate System's right-of-way for outdoor advertising.

For the reasons I have given I could not support the amendment of my good friend and distinguished colleague, the Senator from Oklahoma [Mr. KERR], but I do intend to support the bill as reported from the Public Works Committee.

Mr. President, I ask unanimous consent that a few letters and telegrams which I have received be printed in the RECORD at this point in my remarks to illustrate the views of individuals and businessmen in my State of Minnesota with regard to the question of regulating highway advertising.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, will the Senator yield me 1 additional minute?

Mr. KUCHEL. I yield 1 minute to the Senator from Minnesota.

Mr. THYE. Mr. President, some of my very best friends in the business field have opposed any restriction, as will be found in the group of letters and telegrams which I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks.

Equally, Mr. President, there are those who by telegram and letter have supported regulation.

I ask unanimous consent that all the letters and telegrams be printed in the body of the RECORD.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

GORDON ELECTRIC CO.,
Albert Lea, Minn., February 18, 1958.

Hon. EDWARD THYE,
Senate Office Building,
Washington, D. C.

DEAR SIR: In the past several months I have been reading a great deal about the proposed legislation to eliminate advertising of any type along the new interstate highway systems. As a merchant and landowner who would be affected by this legislation, I wish to take this opportunity to ask that you do not pass any legislation that would eliminate outdoor highway advertising.

I know that there are many arguments, both for and against, eliminating outdoor advertising, but it seems to me that the one important basic argument is that the passage of such a bill would be discriminatory against a very important segment of our business world. I for one would certainly object to passing laws which would be harmful to any one part of our economy.

I might add that I personally am not a strong believer in a lot of outdoor advertising and we do very little of this type of advertising ourselves. I do believe that it is a fundamental right of people to choose the methods of advertising which they want to use, and the right of landowners to determine how they should use their property. Any restrictive legislation which would limit these rights would have a negative effect on our economy and would also be another step backward in limitation of our individual freedoms of action.

I respectfully request that you do everything in your power to defeat any proposed legislation to eliminate this type of advertising.

Respectfully yours,

BERT L. GORDON.

ST. PAUL, MINN., *March 25, 1958.*

Hon. EDWARD J. THYE,
Senator From Minnesota, Senate Office Building, Washington, D. C.:

If section 122 is not deleted from Senate bill 3414, many thousands of jobs are in peril not only in our own company but thousands of small-business operators throughout the Nation trying to exist in the outdor advertising business and keep their men employed. This is certainly no time for Congress to consider discriminatory controls that will destroy legitimate American enterprise and place more men on the relief rolls.

With your apparent longstanding interest in small business we must expect that your vote on this question will be cast in their interests and in the retention of jobs for those who, if this bill passes, will be among the already too large lists of unemployed. I strongly urge your vote against this measure and your wholehearted effort to see that it is defeated.

MINNESOTA MINING &
MANUFACTURING CO.,
A. E. EGGERT, *Vice President.*

DULUTH, MINN., *March 18, 1958.*

Hon. EDWARD J. THYE,
Washington, D. C.:

The Duluth Hotel Association recommends the Gore bill, No. S. 3414, but strongly disapproves of Neuberger amendment section 122 as discriminatory to certain businesses requiring billboard advertising.

SPAULDING HOTEL,
C. R. MCLEAN, Jr.

MINNEAPOLIS CENTRAL LABOR UNION,
Minneapolis, Minn., March 18, 1958.

Hon. EDWARD THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The Minneapolis Central Labor Union is strongly opposed to the enactment of a proposed amendment to the Federal-Aid Highway Act known as Senate bill 3414 regulating outdoor advertising.

While the act itself is in the best interest of the entire economy of our Nation, and will go a long way toward halting the recession in which we now find ourselves, the amendment would have just the opposite reaction on our economy.

Therefore, we urge that you do everything within your power to defeat the proposed legislation because of the adverse affect this amendment will have on our membership.

Very truly yours,

WALTER R. CRAMOND, *President.*

CORN BELT DISPLAY,
Fairmont, Minn., March 20, 1958.

Hon. EDWARD J. THYE,
United States Senator from Minnesota,
Senate Office Building,
Washington, D. C.

Hon. SENATOR THYE: Section 122 of Senate bill 3414, which is expected to come before the Senate on March 24, would be a death blow to free enterprise in our State of Minnesota and all other States in the Union. This section will give the Federal Government control of private ownership, and if allowed to pass will be the beginning of the end of our constitutional rights.

All we ask is that these rights be preserved by the defeat of section 122 of Senate bill 3414.

Yours very truly,

RODNEY BRANDT,
KENNETH E. EVANS,
Partners.

VIRGINIA, MINN., *March 20, 1958.*

Senator EDWARD THYE,
Washington, D. C.:

Opposing section 122 Gore bill, a crippling blow to our tourist trade on the Iron Range.

POHAKI LUMBER CO.

ROCHESTER, MINN., *March 18, 1958.*

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

Please oppose section 122 and ask that it be stricken from Senate bill 3414 when it comes before the Senate for vote next week. We vigorously oppose this section only of the bill and are writing in detail by letter today our reasons.

NAEGELE SIGN CO.,
B. W. VOGEL, *Vice President.*

MOORHEAD, MINN., *March 20, 1958.*

EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

Regarding section 122 to the Gore bill (S. 3414) please do not legislate our small business out of business. We feel this bill is vicious, discriminatory and very unfair to so many big and small businesses alike. Polls taken prove that the majority of the public wants highway signs and the loss would be tremendous to many.

Trustingly yours,

HEGLAND SIGN CO.,
ANTON HEGLAND.

MINNEAPOLIS, MINN., *March 24, 1958.*

Hon. Senator ED THYE,
Senate Office Building,
Washington, D. C.:

Representing the Minnesota Federation of Garden Clubs with a membership of 3,000 we urge you to vote in favor of Government billboard control.

FEDERATED GARDEN CLUBS
OF MINNESOTA,
MRS. FRED MULTALER, *President.*

FAIRMOUNT, MINN., *March 21, 1958.*

Senator THYE,
Washington, D. C.

MY DEAR SENATOR THYE: I am thoroughly opposed to billboard advertising on our national highways. Billboards look cheap, they prevent an untrammeled view of the beauties of nature and their being placed on curves prevent drivers from seeing what is coming. I trust you will vote against them.

Yours truly,

MRS. MARCUS E. TREFER.

HASTINGS, MINN., *March 24, 1958.*

Hon. ED THYE,
Senator from Minnesota,
Senate Office Building,
Washington, D. C.:

Urge your support for amendment Senate bill 3414 for billboard control section 12. Consider imperative that control measure accompany speedup legislation for highway building which we are sure you support.

LAWS VALLEY VIEW NURSERIES,
KEN LAWS.

ST. PAUL, MINN., *March 24, 1958.*
Hon. EDWARD THYE,
United States Senate,
Washington, D. C.:
Pleased to hear of the speedy consideration of Senate bill No. 3414. I strongly urge the retention of section 12 of this bill as now written.
Respectfully yours,
J. V. BAILEY NURSERIES,
VINCENT K. BAILEY.

ST. PAUL, MINN., *March 24, 1958.*
Senator EDWARD THYE,
Washington, D. C.:
Keep amendment in highway bill and do not weaken it.
MRS. TRUMAN P. GARDNER,
President, St. Paul Garden Club.

MOUND, MINN., *March 21, 1958.*
Senator EDWARD THYE,
Washington, D. C.:
Appreciate your support of bill to keep billboards off Federal highways.
Mr. and Mrs. DICK GALE.

WAYZATA, MINN., *March 21, 1958.*
Hon. EDWARD J. THYE,
Senate Building,
Washington, D. C.:
Urge you to keep billboard amendment in the highway bill.
MRS. DONALD D. DAVIS,
MRS. STANLEY PARTRIDGE,
MRS. L. B. NEWELL,
MRS. DWIGHT YERXA,
MRS. FRANK PLANT,
MRS. PHILIP WINSTON.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged against either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF ADDITIONAL COPIES OF INTERIM REPORT OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may make a unanimous-consent request, and that the time not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 279.

The PRESIDING OFFICER. The resolution will be stated for the information of the Senate.

The resolution (S. Res. 279) was read, as follows:

Resolved, That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field 2,500 additional copies of the committee's interim report to the Senate pursuant to Senate Resolutions 74 and 221, 85th Congress.

The PRESIDING OFFICER. Is there objection to the unanimous present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCLELLAN. Mr. President, I have consulted with both the majority and the minority leaders. From their viewpoint there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 279) was agreed to.

FEDERAL-AID HIGHWAY ACT OF 1958

The Senate resumed the consideration of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the distinguished junior Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. NEUBERGER. I thank my friend from California.

Mr. President, as discussion of the billboard regulation proposal comes to a climax, I believe certain aspects of the issue might be emphasized and clarified.

We have heard today opponents of the billboard regulation proposal contend that we are involved in a question of States rights. They charge that the measure jointly sponsored by the distinguished Senator from California and me is an invasion of States rights. They say the matter should be left entirely to the States, and the Federal Government should take no interest whatsoever in the problem.

Mr. President, I want to emphasize the particular point that, as a former member of the State legislature of one of the great States of the Pacific Northwest, when I was a member of the Oregon State House of Representatives in 1941, I sponsored the first billboard control measure ever offered in that body. As a member of the Oregon State Senate some 10 years later, I sponsored, jointly with my wife, who was then a member of the Oregon House of Representatives, another billboard control measure. In that particular field we were trying to regulate signboards at the State level.

What did the billboard lobby do then? In the Oregon State capital of Salem the billboard representatives said, "This is an invasion of the rights of municipalities, of counties, and of localities." In other words, Mr. President, the billboard people simply do not want any regulation at all.

In the Congress of the United States they say, "Leave it to the States." In the State capitol of the State of Oregon they said, "Leave it to the counties, and leave it to the municipalities."

Mr. President, the Federal Government is going to pay 90 percent of the cost of these highways. The Federal Government through the Bureau of Public Roads is to specify standards of construction for the highways. It seems to me reasonable and logical—just as logical as that the night shall follow the day, to use a very trite expression—that the Federal Government should take some interest in the protection of the scenery along the roadsides of the 41,000 miles of interstate highways.

Mr. President, I want to stress another fact which must be in the minds of Senators when we vote this afternoon. We are talking about limited access highways. We even had some protest about that when we were considering the original interstate highway bill several years ago, when it was sponsored by the Senator from Tennessee and some of the rest of us. These are limited access roads. No motel can have access to these roads. No restaurant can have access. Not even a farmer who owns land beside the road can drive out on these limited access interstate highways.

It perhaps will be true that some farmer or rancher near these roads will have to drive 8, 10, 12, 20, or even 25 miles to an interchange where he can go through a cloverleaf to the new highways. In other words, no business is going to have access to these roads. Restaurants will not. Hotels will not. Motels will not. The farmer who owns land beside the road will not.

But we are told in the Senate today we should defeat the Kuchel-Neuberger amendment in the bill, so there will be one exception—so there will be one business only which will be permitted to have access to these roads. What business is that Mr President? It is the signboard business. They want access to the roads through visibility.

If we allow signboards along the interstate highways we will be saying, "Motels, restaurants, farms, and ranches cannot have access to these limited access highways, but the billboard business can have access through the huge, massive signs which the motorists will have to see as they drive along the highways."

I want to point out a further fact before I conclude this brief presentation, and that is the fact that the motorists will be delivered over to the signboard industry and to the outdoor advertising industry as a captive audience unless the Kuchel-Neuberger amendment is left in the bill which is presently before us.

When members of the American public buy their morning newspapers they are not compelled to read the advertisements.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. NEUBERGER. Will the Senator from California yield me 1 more minute?

Mr. KUCHEL. I yield 1 more minute to the Senator from Oregon.

Mr. NEUBERGER. When members of the American public buy their weekly or monthly magazines, they are not compelled to read the advertisements. We are not compelled to listen to radio commercials. We can turn our eyes away from television commercials. But when

one is driving over the 41,000 miles of the Interstate System, if he does not look at the signboards on that system he risks death for himself and the other occupants of his car, and everyone else on the highway at that time.

In conclusion, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, some very effective, pertinent, and informed messages which I have received from people in my State and in the State of California who share our desire to protect the roadsides along the Interstate Highway System.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks some very effective newspaper editorials from the Portland (Oreg.) Oregonian, the Denver (Colo.) Post, the Detroit (Mich.) News, the St. Petersburg (Fla.) Times, and the Adirondack (N. Y.) Daily Enterprise.

There being no objection, the communications and editorials were ordered to be printed in the RECORD, as follows:

DOD RANCHO,
SANTA FE, CALIF., *March 24, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

As president of this resort hotel, I am strongly against all road signs not specifically designed for the safety and convenience of the motoring public. Users of the highways should not be treated as a captive audience. Scenery is the chief asset of the tourist industry and the public should be allowed to enjoy it. This corporation is a heavy buyer of legitimate advertising but we do not use billboards because they damage our business. I heartily endorse the fight for proper regulatory legislation.

CLIFFORD C. EWING,
President, La Valencia Hotel Corp. of La Jolla, Calif.

MEDFORD, OREG., *March 19, 1958.*

The SENATE PUBLIC WORKS COMMITTEE,
Washington, D. C.

DEAR SIRS: We came across the plains of western Texas in 1925, where the billboards were used as outhouses. That is the only useful purpose that I have known them to serve.

We no longer need them in that capacity. Please allow us to enjoy unobstructed views of our beautiful scenery.

Tourists long to get away from billboards, and Oregon wants tourists.

Yours very truly,

ETHEL M. THOMPSON
(Mrs. Horace).

PORTLAND, OREG., *March 20, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

At the March 18 meeting of the American Institute of Architects, Oregon Chapter, Inc. (members over 200), a resolution was unanimously passed supporting the proposed amendment, section 122 of Federal-Aid Highway Act of 1956 for billboard control.

ROBERT C. DOUGLAS,
Secretary.

PORTLAND, OREG., *March 19, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senator,
United States Senate,
Washington, D. C.:

All success to you and Senator KUCHEL in your concern for the preservation of one of our most important natural resources, the peace and beauty of our countrysides, as we are entitled to enjoy them from our highways.

Sincerely,

GLENN STANTON,
Fellow of the American Institute of Architects.

CORVALLIS, OREG., *March 25, 1958.*

Senator RICHARD L. NEUBERGER,
Washington, D. C.:

Eighty-five hundred members urge your support of billboard section pending legislation controlling billboard on major highways. This is an important part of our State program.

OREGON FEDERATION GARDEN CLUB,
Mrs. A. O. FLOYD,
President.
Mrs. B. I. BRADER,
Vice President.
MEDFORD, OREG.

PORTLAND, OREG., *March 20, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We know you are doing everything possible to keep billboard amendment in highway bill. We strongly endorse and appreciate your efforts.

Mrs. HEDLEY HILL,
President, Portland Garden Club.

CORVALLIS, OREG., *March 25, 1958.*

Senator RICHARD L. NEUBERGER,
Washington, D. C.:

Santiam District Garden Club members urge your support on billboard legislation opposing billboard on Oregon highways.

Mrs. J. W. SCHEEL,
Santiam District Director, Oregon Federation Garden Club.

MEDFORD, OREG., *March 25, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR MR. NEUBERGER: I represent the 24 garden clubs of Siskiyou District No. 4, of the Oregon Federation of Garden Clubs, Inc., with a membership of over 800. We wish to support legislation controlling advertising along interstate highways.

Mrs. IRA FITZGERALD,
Siskiyou District Director.

PORTLAND, OREG., *March 20, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Congratulations on billboard amendment. Hope for adoption with no further weakening.

Mrs. GEORGE J. BEGGS.

PORTLAND, OREG., *March 21, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Giving our wholehearted support to your billboard legislation.

(Mrs. C. M.) HARRIET B. BISHOP.

PORTLAND, OREG., *March 20, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Billboard control essential to modern freeways. We captive-audience motorists wish to enjoy our beautiful country. Good luck.

LEWIS P. CRUTCHER.

SHERWOOD, OREG., *March 24, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Please accept our thanks your active support, section 12, bill 3414.

MARY ELWERT,
Tualatin Valley Nurseries.

PORTLAND, OREG., *March 24, 1958.*

Senator RICHARD NEUBERGER,
Senate Offices,
Washington, D. C.:

Asking your support on section 12, Senate bill 3414.

JUNAYS GARDEN CENTER.

PORTLAND, OREG., *March 25, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Reference to section 12, bill 3414, to ban billboards on freeways our firm is backing this bill.

KLUPENGER NURSERY,
J. H. KLUPENGER.

PORTLAND, OREG., *March 24, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We urge your support of section 12, Senate bill 3414. Anything you can do to assist in the passage of this bill will be greatly appreciated.

R. V. VAN HEVELINGEN.

TROUTDALE, OREG., *March 24, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We earnestly support section 12, Senate bill 3414, on highway signs. Your effort will be appreciated.

J. FRANK SCHMIDT & SONS.

HILLSBORO, OREG., *March 24, 1958.*

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Commend your stand re billboards. Strongly urge passage section 12, S. 3414.

RICH & SONS NURSERY,
SAM RICH.

PORTLAND, OREG., *March 24, 1958.*

Hon. RICHARD L. NEUBERGER,
Oregon Senator,
Senate Office Building,
Washington, D. C.:

Request your full support section 12, Senate bill 3414.

PACIFIC COAST NURSERY,
MARTIN HOLMASON.

PORTLAND, OREG., *March 24, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We earnestly request your full support of section 12, Senate bill 3414.

PORTLAND WHOLESALE NURSERY CO.

FAIRVIEW, OREG., *March 24, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Urge your support for section 12, Senate bill 3414, to prevent despoiling of natural beauty along our highways.

A. McGILL & SON.

MILTON, OREG., *March 24, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

We urge you to support section 12, Senate bill 3414, and thus preventing the spoiling of the natural beauty along our highways.

MILTON NURSERY CO.

PORTLAND, OREG., *March 24, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

To keep Oregon green we urge your active support of section 12, Senate bill 3414.

DOTY & DOERNER, INC.,
PAUL E. DOTY.

ST. HELENS, OREG., *March 24, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Asking your support on section 12, Senate bill 3414, our opinion is vital to beauty of our highway.

E. P. DERING.

SCAPPOOSE, OREG.

PORTLAND, OREG., *March 24, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

To protect the public's investment in our new modern highway system and to assure that the beauty of these highways are not marred by a polyglot of unsightly signboards. We most emphatically urge that you vote for passage of the billboard control bill.

Mrs. A. O. FLOYD,
Mrs. BERNIE I. BRADER,
Mrs. E. G. TAYLOR,
Mrs. T. R. FETTIS,
Mrs. LYLE BAYNE,
State Officers of the Oregon Federation of Garden Clubs, Inc.

PORTLAND, OREG., *March 24, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

To protect the public's investment in our new modern highway system and to assure that the beauty of these highways are not marred by a polyglot of unsightly signboards, we most emphatically urge that you vote for passage of the billboard control bill, S. 3414.

PORTLAND DISTRICT, THE OREGON FEDERATION OF GARDEN CLUBS,
Mrs. MARVIN R. AMBUHL,
State Roadside Chairman.

SAN FRANCISCO, CALIF., *March 26, 1958.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Please keep up your fight against roadside advertising. It is pernicious form of publicity. The roadside advertising association is essentially a lobby working in all States and with the Federal Government. It is largely backed by Minnesota Mining & Manufacturing Co., of St. Paul, Minn., any costs of the association above, dues is contributed by three thousand. The outdoor advertising association is also very active in lobbying. I hope you can prevent or at least control roadside advertising by your amendment.

WILLIAM SEARIGHT.

TOLEDO, OHIO.

SALEM, OREG., *March 19, 1958.*
Senator RICHARD NEUBERGER,
United States Senate.

DEAR SIR: As a member of a garden club I wish to commend you for your stand against billboards on the public highways and hope you will continue to work against them.

SUE H. VAN CLEVE
Mrs. JOSEPH B. VAN CLEVE.

[From the Portland Oregonian]

BILLBOARD FATE AT HAND

A compromise provision worked out under the bipartisan leadership of Senator RICHARD L. NEUBERGER (Democrat, Oregon) and Senator THOMAS F. KUCHEL (Republican, California), represents the furthest advance Congress has yet made toward establishing a Federal interest in preventing excessive billboard invasion of rural roadsides.

By a narrow margin of 7 to 6, the Senate Public Works Committee has retained the Neuberger-Kuchel billboard control features of the new highway bill. The legislation now goes to the Senate floor, where the billboard section will have heavy opposition. Failure there could be fatal to billboard regulation along much of the projected 41,000 miles of interstate freeway.

The bill would not apply Federal controls. It would merely encourage application of State controls by offering a Federal premium therefor. Without such encouragement it is unlikely that many legislatures will act in 1959 sessions in time to have effect on initial sections of the cross-country network. The United States Senate may thus within the next few days settle the fate of billboard regulation along the Interstate System.

[From the Denver Post of March 20, 1958]

THE FIGHT TO PRESERVE SCENERY

Presumably because they are not interested in scenic grandeur, Senators KERR, of Oklahoma, and HRUSKA, of Nebraska, are bent on amending the United States highways bill to delete what is left of its antibillboard measures. Senators KUCHEL, of California, and NEUBERGER, of Oregon, still are fighting for the compromise billboard regulations that would ban big display posters but permit smaller advertising signs along the 41,000-mile Interstate System.

KUCHEL and NEUBERGER figure that too little regulation is better than none, since passage of even a watered-down billboard ban represents the first successful attempt to establish Federal interest in protecting roadside scenery. That is, unless KERR and HRUSKA, knuckling under to the outdoor advertising lobbyists, manage to kill that token of interest.

How foolish is this giving in to the advertising companies is indicated in Averell Harriman's recent discussion of the subject in The Reporter.

"Banning billboards along the new interstate highways could scarcely be called a heavy blow to the advertising industry," says Harriman. "There are 3,400,000 miles of streets and roads in the Nation, most of which remain open to as many billboards as advertisers are willing to pay for. The Interstate System will add a mere 1.2 percent to the total mileage. Moreover, the small businesses such as motels and restaurants that use billboards to advertise their whereabouts can do so at the exits, which are the only points where travelers can turn off the highways anyway."

The lobbyists hacking away at the Federal bill, as well as those fighting State regulation of sign-placing on the new system, may eventually regret their achievement. In Colorado, one prideful community, Aspen, has found a way to impose more far-reaching and drastic control of billboard blight under existing Colorado law, which is similar to laws of other States.

Working through the city council and the Pitkin County commissioners, Aspenites have attracted national attention as they fought offensive billboards through new county zoning rules. If other Colorado counties now follow the Aspen plan, the result will be billboard regulation in areas far off the interstate network the lobbyists have been trying to take over for advertising. They stand to lose more than they can win.

The new superhighway system will be the world's largest, and it can also be the most beautiful—41,000 miles of new national park. Most of it will be over new rights-of-way, where no previous roads have existed. Colorado, whose scenery is as much an asset as is oil in Oklahoma or corn in Nebraska, has a stake in protecting the national network from the blight of shaving jingles and soft drink art. NEUBERGER and KUCHEL, not KERR and HRUSKA, are thus working in this State's interest.

[From the Detroit News of March 21, 1958]

CURVE AHEAD

Legislation to keep billboards off the interstate highways that are to be 90 percent paid for by the Federal Government has taken a step forward—a very small step but a surprising and welcome one nevertheless.

By a margin of one vote the Senate Committee on Public Works has at last reported favorably a compromise and minimum-control bill. This sets standards to keep the highways from the blight of the hucksters and authorizes each State enacting the appropriate restrictions to receive an additional ½ percent in aid. Cooperating States may also charge off to Washington the cost of acquiring scenic easements—a sort of lease on the view—up to 5 percent of total acquisition costs.

If one thinks of the handful who have a material interest in defacing the countryside, contrasted to the millions who prefer it the way God made it, if one considers the democratic principle that the public has the clear, logical and constitutional right to regulate the use of projects built with public funds, then the victory in the Senate appears to be so modest as to be ludicrous.

What has to be considered, however, is the political reality: that the billboard lobby is well organized, rich, skillful, and tenacious, and that against it stand only the unformulated wishes of perhaps 150 million people. Such an articulate, well-heeled minority is always more impressive to practical politicians, because it seems to care so much while the silent citizen seems to care so little.

In that consideration, moreover, lies a warning. Despite Senate action, the opposing lobby remains immensely, disproportionately powerful. The Senate must still vote. A companion bill must still be pried out of committee in the House and voted there.

Nor would success in each of these steps mark an end. Robert Moses from long personal experience warns against underestimating the billboard gang. Any battle lost in Washington will certainly be fought again among the State legislators, where both the odds and the advantages of the undercover boys may be something like 48 times greater.

MARCH 19, 1958.

JAMES LOEB, JR.,
Publisher, the Adirondack Enterprise,
Saranac Lake, N. Y.:

The Advertising Federation of America, believing that an attack on the rights of one legal medium of advertising soon can be translated into attacks on all other mediums, strongly protests the action of the Senate in attaching the antibillboard section to the Gore accelerated public-roads bill. AFA believes this is another step toward Federal restriction and control of advertising and violates basic constitutional law by a discriminatory usurpation of private property. We respectfully solicit your editorial comment on this vital issue.

ROBERT M. FEEMSTER,
Chairman of the Board, AFA.

[From the Adirondack Enterprise of March 21, 1958]

BILLBOARDS AND US

The advertising federation, referring to wire from the chairman of the board of the Advertising Federation of America, asking us for editorial comment on the vital issue of billboard advertising.

The Advertising Federation, referring to the action of the United States Senate in attaching an antibillboard section to Senator GORE's bill for accelerated public roads construction, wants us to join with it in protest. The AFA calls this action another step toward Federal restriction and control of advertising which violates basic constitutional law by a discriminatory usurpation of private property.

The federation appeals to us on the grounds that an attack on the rights of one legal medium of advertising soon can be translated into attacks on all other mediums.

We agree thoroughly with the Advertising Federation that this is a vital issue. At that point, our agreement stops.

In the first place, we do not feel that an issue of this nature should be decided purely on the basis of the one criterion: What's in it for us? More important than the question of what is good for the advertising business is the matter of what is good for the American people. Indeed, we rather resent being appealed to on this selfish basis.

In a similar way, we receive appeals from certain agencies interested in pay-as-you-go television. We are asked to support that development, not because it is good in itself (which it may well be), but because it is supposed to be good for newspaper advertising as against its television competition. In this case, too, we think the issue too important to be decided only on the basis of whether it is good or bad for newspaper advertising.

In the second place, and so that no one will think that we are being so high and mighty about this issue, we must confess that restrictions on billboard advertising, as far as we can see, would have no adverse effect on newspaper advertising. Indeed, if such restrictions had any effect at all, it would be favorable, on the principle that less of the national advertising dollar would be spent in other mediums.

Nevertheless, we like to think that we can reach an opinion on this issue without regard to the narrow interests of our immediate pocketbooks.

So far as the issue itself is concerned, we offer our enthusiastic support to those Senators who, in the interest of the vast majority of our people, are pushing for some kind of restrictions.

We in the Adirondacks are less bothered by the curse of billboards than many areas, because there are restrictions within the so-called blue line of the Adirondack State Park.

But we travel in other areas and know just how disconcerting and unsightly an overdose of billboards can be. Perhaps we should be against the restrictions on the grounds that, if the rest of the country were covered with billboards, more people would come to the Adirondacks to appreciate the scenery here.

Not only do we favor the restrictions because of the effect they have on America the beautiful, but also for reasons of justice. The advertising space which billboards occupy is created for the advertisers by public funds. The readers of billboard advertising are attracted not by anything the advertisers do, but by what the government does, Federal, State, or local. We do not suggest that all billboard advertising is wrong, or necessarily a desecration of our country. But we do say that the beautiful new highways built by public funds should not be cluttered up with billboards which divert the attention of the driver, mar the scenery, and create long, thin, and endless Coney Islands throughout the land.

Finally, we believe that the Advertising Federation's argument about a discriminatory usurpation of private property is so much hogwash. Are restrictions against building factories in residential areas also usurpations? Is it suggested that all zoning laws are unconstitutional?

Owners of private property have rights. The public has rights, too.

We regret our inability to cooperate with the Advertising Federation on this issue. We think they are wrong, dead wrong.

[From the St. Petersburg Times of March 20, 1958]

PUNY TACTICS AGAINST BILLBOARDS

Congress is acting like timid parents of a delinquent teen-ager, insofar as combating the roadside billboard evil.

Instead of penalizing States which do not control billboard advertising along Federal-State highways, a Senate subcommittee plans to give more money to the good little States which do restrict billboards.

The billboard lobby evidently has the Senators buffaloed. This situation contributes to a serious accident hazard. A survey by the United States Bureau of Public Roads in cooperation with the Minnesota Highways Department indicates that "the greater the number of nonofficial signs at intersections, the higher were the accident rates."

At the last session of Congress, the subcommittee favorably reported an amended version of a bill by Senator RICHARD L. NEUBERGER, Democrat of Oregon, that would reward cooperative States rather than penalize the recalcitrant ones. The subcommittee now has two other bills which differ only slightly.

The Neuberger bill, at least, has a worthy purpose. The main provision would restrict signs to those "determined to be in the interest of the traveling public and which, by reason of their location, frequency, or character, do not impair the safety of travel or interfere with enjoyment of the natural beauty of the area through which the highway passes."

This seems to us a craven and probably ineffectual way to approach the matter of banishing unsightly billboards, but if it is the best Congress is willing to offer, we can only hope that Florida will take advantage of the chance to get the extra Federal road aid.

Mr. NEUBERGER. I thank my friend from California for yielding me time.

Mr. CLARK rose.

Mr. KUCHEL. How much time does the able junior Senator from Pennsylvania desire? I will yield him 5 minutes, and if he needs additional time I shall be glad to yield it to him.

Mr. CLARK. Mr. President, anyone who has listened to this debate about billboards for the past day or so might have thought that the Senate was considering a matter of great constitutional importance, involving the fundamental liberties of the people.

I hope that before the vote my colleagues will read the separate views opposing section 12 of the bill, which appear on pages 56 to 60 of the committee report. To my way of thinking those separate views in opposition to section 12 are the most eloquent arguments in support of the section which we have heard or seen in this debate.

Nothing could be further from the truth than the thought that this is a matter of great constitutional importance, or that high principle is involved in the opposition to section 12. All this modest little section 12 does is to help the States, if they decide that they wish help, to preserve a little scenery from being defiled by a mass of beer, liquor, and other similar kinds of advertisements. That is all it does.

Anyone who takes the dreary drive from Washington to New York over Route 1 or who drives over Route 30, or out west on Route 66, has only to drive over Twogate Pass from Jackson's Hole into Dubois, Wyo., to see the difference.

All this modest little bill does, as I have said, is to make it possible—not to require it, but to make it possible—for the States which desire to do so to prevent some 3 percent of the total mileage of roads with respect to which the Federal Government gives aid from being desecrated by billboard advertising, the way so many of our unprotected highways have already been desecrated.

It accomplishes this purpose through well tested and clearly constitutional methods, one of them being the well-known method of a Federal grant-in-aid. Perhaps the two parallels to the type of grant-in-aid which are most pertinent here are the program for aid to the blind and the program for aid to small cities in creating and constructing sewage disposal plants.

Just as we need to help the blind, so we need to help those who can see to see our scenery; and just as we need to dispose of our sewage by modern methods, so we need to get some of these billboards off the highways, where they obscure our scenery.

Let us consider for a moment who are for the bill. The supporters of the bill include automobile clubs, garden clubs, urban and national planners, the President of the United States, the titular head of the Democratic Party, every private citizen who wants to preserve some part of the beauty of our scenic highways, and the governors of at least two of our most populous States, namely, New York and Pennsylvania.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a telegram which I have received from Hon. George M. Leader, Governor of Pennsylvania, supporting my position with respect to billboard legislation.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., *March 24, 1958.*

Hon. JOSEPH S. CLARK,
Senate Office Building,
Washington, D. C.:

I strongly support your position as to billboard legislation along interstate routes.

GEORGE M. LEADER,
Governor of Pennsylvania.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. CLARK. May I have 2 more minutes?

Mr. KUCHEL. I yield 2 additional minutes to the Senator from Pennsylvania.

Mr. CLARK. Who is against the bill? The outdoor advertising industry, the operators of a few hotels and motels, and, somewhat halfheartedly and quite sheepishly, organized labor, which has been pressed by the Carpenters and Painters Unions.

What are the arguments against the bill? I urge my colleagues to read the minority report, in order to see how unsound the opposition arguments are. I suggest that for intemperate language, purple adjectives, irrelevant and immaterial assertions, supported by no proof and no logic, this report is indeed worth reading.

The opponents talk about States rights, but no State opposes this provision of the bill. The only State officials who appeared before the committee or submitted statements are in support of section 12.

I am a little weary of the dreary repetition of ancient and obsolete arguments in support of States rights which are being made in this case, with the knowledge that many a State legislature will not shake off the control of the billboard lobby until this bill is passed and some inducement is offered to take the step which the overwhelming majority of all the people of every State would like to see, and that is to preserve the scenic beauty of the country from desecration by the billboard lobby.

Yesterday the Senator from California [Mr. KUCHEL] stated the issue in this case very clearly indeed, to my mind. In conclusion I should like to paraphrase what he said.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. CLARK. May I have 1 additional minute?

Mr. KUCHEL. I yield 2 additional minutes to the Senator from Pennsylvania.

Mr. CLARK. Does the Senate of the United States believe that the American people want to use Federal funds to help protect the scenery through which the 41,000 miles of the Federal Interstate System is to be constructed? Or do we wish to stand idly by while the billboard lobby ruins much of that scenery and collects an additional enormous unearned profit from the windfall presented to it by the taxpayers when the Federal highway program was organized?

Mr. President, I hope the Senate will help those States that earnestly desire to call a halt to the further spread of billboarditis by defeating the pending amendment. I thank my friend from California for giving me the time to speak on the subject.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The Senator from California will state it.

Mr. KUCHEL. How much time is available now to each side?

The PRESIDING OFFICER. The Senator from Oklahoma has 37 minutes remaining, and the Senator from California has 45 minutes remaining.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I rise in support of the section of the bill which contemplates the development of a program under which the Interstate Highway System will be protected from the deleterious influence of advertising boards and other devices which distract the attention of the motorist while traveling on the highways.

In Ohio we built a 241-mile turnpike. Ninety percent of the property lying contiguous to the turnpike has, by restrictive covenant, been prohibited from being used for advertising purposes. This morning I spoke with the officials of the turnpike commission. I asked them what difficulty they had encountered in acquiring the restrictive covenants. I was told that in the acquisition of covenants on property contiguous to the turnpike against use for billboard advertising, 90 percent were acquired with practically no difficulty.

The statement was made to me that inasmuch as the turnpike traversed virgin territory and billboards had not already been constructed, to buy the needed property rights created no unreasonable task.

I asked, further, whether the cost entailed in buying those rights was great. I was surprised to learn that a separate item of account was not carried showing what the cost was to buy the billboard rights. I asked why that was not done. The answer was, frankly, that the cost was so negligible that a separate item of expense for the acquisition of those restrictive rights was not developed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. GORE. As I understand, those easements were acquired simultaneously with the acquisition of the rights-of-way themselves, and from the same property owners.

Mr. LAUSCHE. That is correct.

Mr. GORE. If the State of Ohio had deferred such acquisitions until the construction of the highway had brought into being an advertising utility, in which interests may have been vested, would not the cost, in the opinion of the Senator, have been much greater?

Mr. LAUSCHE. In that event, I think the cost practically would have become prohibitive. If these rights are to be acquired, they must be obtained at the time the land is bought from the person through whose property the highway runs. At that time the land is still virgin and free from values created by established billboards. It is for that reason that I believe that in the building of the Interstate System, which it is estimated eventually will cost $40 billion, the billboard problem must be solved at the very beginning.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. KUCHEL. I yield 5 additional minutes to the Senator from Ohio.

Mr. LAUSCHE. I asked further this morning, for information as to the experience of the Ohio Turnpike Commission from the standpoint of public acceptance. The answer was that on no feature of that public service did the compliments and approval exceed that expressed on the fact that the motorist was spared the plaguing and distracting sight of billboards.

I have already said that the length of the Ohio Turnpike is 241 miles. Along 90 percent of it there is not a billboard. The traveler who uses that highway expresses gratitude to those who had the vision to construct a highway free from the distracting billboards which today are to be seen upon so many highways.

I have listened to the debates about the supposed weaknesses of this section of agreement that the State governments will take these property rights by confiscation. They cannot do so. The Constitution of the United States specifically provides that whenever property rights are taken by condemnation, there must be compensation for those rights. I need not relate to my colleagues that even though we sought to do so, we could not, by statutory provision, arrogate or develop rights in State governments which were superior to or tended to contradict the rights of citizens provided by the Constitution of the United States.

I commend the Senator from Tennessee [Mr. GORE], the Senator from California [Mr. KUCHEL] and the Senator from Oregon [Mr. NEUBERGER] for the vigor which they displayed in promoting and developing this section of the bill. My own hopes are deep that it will be adopted. The longer we delay the greater will be the cost. The longer we delay, the more probable will be the inability eventually to solve the problem. The time to act is now. If the bill shall be passed, it will, in my judgment, meet with the approval of the motorists, and will save us from increased costs when what is sought to be done now will have to be done at a later day, as I think will be inevitable.

Mr. BUSH. Mr. President, will the Senator yield? Will the Senator from California yield a couple of extra minutes, so that I may make an observation concerning the remarks of the Senator from Ohio?

Mr. KUCHEL. I yield 5 additional minutes.

Mr. BUSH. I thank the Senator from California.

The Senator from Ohio has very eloquently and concisely expressed the views which I hold concerning the billboard issue. I compliment him upon the splendid presentation of his views. I associate myself completely with what he has said, and also I join in his commendation of Senators, particularly the Senator from Oregon, the Senator from Tennessee, and the Senator from California, who have, so to speak, carried the flag in the committee in the effort to bring about billboard prohibition.

Like the Senator from Ohio, I come from a State which has had for 20 years a parkway without a billboard on it. That parkway has been a matter of pride and satisfaction not only to the people of my State, but it has likewise been equally a matter of satisfaction and pleasure to the hundreds of thousands of people who have traveled through Connecticut, which is the gateway to New England. One could not get the people of Connecticut to loosen up on the billboard prohibition if there were 10

referendums. Every one of them would result in increasing approval of the prohibition of billboards on that beautiful parkway.

One has only to drive from Washington to Baltimore to see the effect of billboard prohibition on the Baltimore-Washington Expressway.

Wherever the billboard prohibition has been put into effect, it has met with public approval, not only from the people within the State, but also from those who come from without the State and travel over the highways.

Mr. LAUSCHE. May I ask the Senator from Connecticut whether by legislation those rights were acquired from the property owners?

Mr. BUSH. That was 20 years ago. I do not recall the details which were involved in the prohibition against billboards. I do not wish to go into that phase of the question now. I simply express my strong approval of the principle, because I believe the bill as the committee has reported it will afford a large measure of protection against the billboard on the Interstate Highway System. I sincerely hope that the committee's action in this respect will be sustained when the amendment comes to a vote.

I thank the Senator from Ohio for yielding to me.

Mr. LAUSCHE. Mr. President, may I have another minute?

Mr. KUCHEL. I yield another minute to the Senator from Ohio.

Mr. LAUSCHE. I think I ought to say that my mail has been overwhelmingly against this program. But obviously it comes from those who have a financial interest in perpetuating billboards along the highways. The mail was artificially generated. A sheaf of letters of the same composition and on the same type of paper, with no difference except the signatures, came to my office, as I suppose similar letters were received in the office of every other Senator. To those who have written the letters, I feel safe in saying that when this program shall have been put into effect, the benefits which will come to them because of the increased safety factors and the preservation of scenic beauty will be greater than whatever losses they might temporarily sustain because of the adoption of the program.

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, I ask unanimous consent that at this time I may suggest the absence of a quorum, without having the time required for the quorum call charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KUCHEL. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

Mr. KERR. Mr. President, I yield 5 minutes to the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. SALTONSTALL. Mr. President, I am opposed to section 12 of the bill in its present form because I believe it may unjustly deprive Massachusetts of the incentive payment of one-half of 1 percent, even though Massachusetts has a comprehensive, satisfactory, and effective system for regulating signs, billboards, and advertising devices along all the highways in the State.

Congress has declared the Federal interest in a National System of Interstate and Defense Highways, and is appropriating great sums of money to assist the States in carrying out this highway program. I share the views expressed by the majority of our Committee on Public Works in believing that there is a proper Federal interest in the development of roadside areas, as well as of the highway itself. I believe, too, that the regulation of the use of roadside areas for billboards, signs, and other advertising devices, as well as for restaurants, gas stations, and other facilities, should lie principally in the jurisdiction of the several States.

Massachusetts has long been in the forefront in discharging its responsibility for the condition of highway and adjacent roadside areas. We have had for 37 years statutes providing for regulation of the erection and maintenance of billboards, signs, and other advertising devices. The Massachusetts regulations have been effectively administered for many years, to the satisfaction of the public, including landowners, highway users, and commercial interests desiring to advertise products and services.

I hope laws for the regulation of advertising along public highways will be passed where there are none now. I am sympathetic with the idea that the Federal Government should help in this direction by creating some incentive for States to do so.

Such an effort is attempted by section 12 of this bill. In its present form, I do not feel that I can support this particular effort, sympathetic as I am to its purpose. The provisions of section 12 are not sufficiently specific. As I read them, and as they are read by the Outdoor Advertising Board of the Massachusetts Department of Public Works, I believe that there would be conflicts with the laws and regulations which Massachusetts has adopted to regulate advertising along our highways, and which have been administered satisfactorily. In some ways the provisions of section 12 may be more restrictive than Massachusetts law, and in some ways they may be less restrictive.

I believe that comprehensive and satisfactory State regulations should be held to satisfy the Federal interest in regulating roadside advertising, so that a State will not be penalized under, but may take advantage of, any cost sharing, incentive program established by the Federal Government.

I would like to support legislation which would provide for the preservation of the beauty of the natural landscape along our Federal-aid highways and for the safety of such highways, but I cannot conscientiously support section 12 as it stands. Accordingly, I strongly urge that whatever form of Federal standards Congress adopts for the control of roadside advertising along the Federal-aid highway system should make provision to honor, without interference, conflict, or penalty, any comprehensive program adopted by a State which has proven effective and satisfactory.

For the reasons which I have briefly stated, I intend to vote against the section, unless it is amended to read very differently from the way it now stands.

The PRESIDING OFFICER. Does the Senator from California desire to yield any time to a Senator?

Mr. KUCHEL. Mr. President, I have no information that any other Senator desires now to avail himself of time in speaking against the amendment offered by the Senator from Oklahoma for himself and other Senators.

Mr. POTTER. Mr. President, will the Senator yield 5 minutes to me so that I may propound questions to the Senator from Oklahoma?

Mr. KERR. Mr. President, I yield 5 minutes to the distinguished Senator from Michigan.

Mr. POTTER. As I understand the language of the provisions of section 12, all that is necessary for it to become effective is the signing of an agreement between the Secretary of Commerce and the appropriate highway official of an individual State. Is that correct?

Mr. KERR. The Senator from Michigan is eminently correct. If he will turn to the bottom of page 21 of the bill, line 25, he will find the following language:

> Agreements. The Secretary of Commerce is authorized to enter into agreements with State highway departments (including such supplementary agreements as may be necessary) to carry out the national policy set forth in subsection (a) of this section with respect to the Interstate System within the State.

Mr. POTTER. Assume that I am the highway commissioner of my State, and the distinguished Senator from Oklahoma is the Secretary of Commerce. We enter into an agreement. If, as the highway commissioner of my State, although I have all good intentions of complying with the agreement, I find I cannot do so, who is to enforce the agreement? What will happen?

Mr. KERR. If I understand the bill, it places the regulatory power in the Secretary of Commerce. Some proponents of section 12 say that it places the regulatory power in the State; but the reason why the Senator from Oklahoma has to repudiate that contention as untenable is that the States already have regulatory power. They do not need any contract with the Secretary of Commerce to give them, as States, power to regulate within their own borders. They now have that power. However,

the Secretary of Commerce does need permission to enable him to become effective in the matter of regulation. So the Senator from Oklahoma is compelled to the conclusion that the grant of right to regulate moves to the Secretary of Commerce.

Mr. POTTER. And the Secretary of Commerce has no police powers to regulate, even if he so desires. Is that correct?

Mr. KERR. He has none whatever.

Mr. POTTER. It seems to me a grave constitutional question could be raised as to whether, by an agreement entered into between the Secretary of Commerce and an official of a State government—in this case it would be the highway commissioner—something could be done which, under normal procedure, would be a proper matter for legislation.

Mr. KERR. The question raised by the Senator from Michigan has been in the mind of the Senator from Oklahoma, namely, how can it be thought possible for the Secretary of Commerce, who admittedly has no power, to make a contract with a State highway department, which admittedly has no power to do so, and by reason of that contract be put into a position whereby acts could be done which neither of the two could properly do?

Mr. POTTER. If the Senator will allow me to propound another question, I refer to page 21 of the bill, under subsection (4), wherein it is stated:

Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Let us assume that in a certain State there is in existence legislation permitting the erection of certain signs which may be of a larger size than allowed by subsection (3).

Mr. KERR. Which is 500 square inches.

Mr. POTTER. Yes. Is it the Senator's contention that the language contained in that section would prohibit the States from having such signs erected?

Mr. KERR. The Senator from Oklahoma is compelled to the conclusion that the provision would prohibit the erection of the signs. If the Senator will read the language, he will see on line 6, page 21, it is stated:

It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for:

One of the things which follows is——

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 5 minutes.

One of the things is:

Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

That being one of the things required, paragraph (4) must be read in the light of that knowledge, and it says:

Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section,

One of the standards is the required limitation that the signs shall not be larger than 500 square inches.

Mr. POTTER. I raise the question, because I believe in the debate yesterday the proponents of the provision claimed that subsection (4) superseded subsection (3), imposing a limitation of 500 square inches on the size of signs. The language of the bill, as I interpret it, is quite to the contrary. The limitation seems to be a part of the national policy which is set forth in the section.

Mr. KERR. Subsection (4) specifically says that the authorization by the States must be consistent with the limitations, one of which is in subsection (3).

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. HRUSKA. It is the intention of the Senator from Nebraska to offer an amendment to clarify the meaning of subsection (4) to conform with the state interpretation of the authors of the bill. The amendment will consist of the insertion of words in the third line, so that the provision will read:

Signs erected or maintained pursuant to authorization in State law, regardless of size, and designed to give information in the specific interest of the traveling public.

Then there will be no doubt about the meaning of the section.

Mr. POTTER. That language would remove the limitation.

Mr. HRUSKA. It would remove the limitation contained in the original subsection.

Mr. POTTER. I thank the Senator from Oklahoma.

Mr. KERR. Mr. President, how much time does the Senator from Oklahoma have remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 27 minutes remaining.

Mr. KERR. I yield 3 minutes to the distinguished senior Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN of Pennsylvania. Mr. President, I shall take very little time.

If section 12 should become law a very damaging precedent, adversely affecting the States, might be established. A great number of my dearest and closest political friends in Pennsylvania have asked me to support legislation which will prevent billboards along the Interstate Highway System. I have not had any communications from those who favor billboards along the Interstate Highway System.

I am a strong believer in the Interstate Highway System. I presume that my great interest in it arose because of my military operations with troops. I took one assignment of 16,000 troops 1,600 miles overland, and that convinced me that what we need in our Nation is a system of interstate and defense highways.

When it comes to the police side of the matter, Mr. President, I think that is entirely a State function. Many States have already enacted laws regulating billboard advertising along the interstate highways and other highways. In the Commonwealth of Pennsylvania we do not have any signs along the original Pennsylvania Turnpike, and that situation has been entirely satisfactory. However, I think such regulation is a matter for Pennsylvania, and not for the Federal Government.

To follow the proper course it will be necessary to use police power to some extent. I do not want the Federal Government to invade Pennsylvania by the use of police power so far as the projected roads are concerned. I think that would be a bad precedent.

For that reason, Mr. President, I am opposing the billboard regulation section of the highway bill.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. KERR. Mr. President, I yield the Senator from Pennsylvania an additional 2 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, we are considering an emergency highway bill. The purpose of the bill is to help take care of unemployment in the Nation. It does not seem to me that anything should be put in the bill which does not refer to the construction of roads. To my mind, that is another reason for opposing the billboard regulation provision.

Mr. President, even if we were considering an original bill for highway construction, as in the case of the Interstate Highway System approved in 1956, I would have to oppose the billboard regulatory provision, because I think all the police power belongs to the various States. I hope that portion of the bill will be stricken.

The PRESIDING OFFICER. The Senator from Oklahoma has 21 minutes remaining. The Senator from California has 29 minutes remaining.

Mr. KERR. I understood the Senator from California desired to take additional time.

The PRESIDING OFFICER. The current time, which is running, is being charged equally to each side.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the distinguished junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I thank the Senator from California, and I assure him that I will not presume to use the entire 5 minutes he has so generously allotted to me.

I am certain that this issue has been fully discussed. I believe that most Members of the Senate know how they expect to vote on the question of whether or not to retain, in the new highway bill, the provision sponsored jointly by the Senator from California [Mr. KUCHEL] and myself, to provide for cooperative agreements with the States to regulate signboards.

Before a vote is taken, I should like to pose a question to each Member of the Senate. The question is this: How does he think his own constituents, aside from those engaged in the outdoor advertising business, feel on the issue upon which the Senate is about to vote?

Consider the population of the State which any Senator happens to represent, whether it be California, Illinois, Florida, Oregon, or any of the other great States of the Union. What does that Senator think is the prevailing opinion of the men and women of the States who will travel along the 41,000 miles of interstate highways, and whose taxes will pay for the construction and maintenance of such roads?

If ever there has been an issue before the Senate on which the division in public opinion was very clear, I think it is this question.

I do not pose as a prophet, because it is said that only the seventh son of a seventh son can prophesy. But I believe that the overwhelming majority of the people of the country, who are also the motorists of the country, favor very strongly and emphatically this proposal to provide for cooperation with the States in regulating signboards and billboards along the interstate highways of the Nation.

I predict that if the Senate today votes to retain this provision in the bill, and then passes the bill—as I am certain the Senate will do—all over the country, in all 48 States, people who value the magnificent countryside will rejoice in what the Senate does.

I thank the Senator from California for yielding me time for this purpose.

The PRESIDING OFFICER. Does the Senator from California [Mr. KNOWLAND] or the Senator from Oklahoma [Mr. KERR] desire to yield additional time?

Mr. KERR. Mr. President, the Senator from Oklahoma is willing to yield back the remainder of his time, if the Senator from California is willing to do likewise.

Mr. KNOWLAND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MORTON in the chair). All remaining time for debate on the Kerr amendment has been yielded back.

Mr. CASE of South Dakota. Mr. President, I desire to call up my perfecting amendment, identified as 3–25–58–B.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 22, at the end of line 24, it is proposed to strike out the period and insert in lieu thereof a colon, and then add the following:

Provided, however, That any such segment excluded from the application of such standards shall not be considered in computing the increase of the Federal share payable on account thereof.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 30 minutes.

Mr. CASE of South Dakota. I hope it will not be necessary to use 30 minutes in discussing the amendment. So far as I know, there is no objection to it. It is intended as a clarifying amendment, to make sure that if a portion of the Interstate System is excluded by the agreement referred to in the language on page 22 of the bill, the portion so excluded from the application of the standards should not be eligible to earn an additional one-half percent of credit in the payment of the cost of the Interstate System. Certainly I do not believe that anyone wishes to pay a bonus for the segment which is excluded from the application of the standards.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. GORE. In the opinion of the junior Senator from Tennessee, the amendment merely states what is the reasonable interpretation of the provisions now before the Senate. I regard the amendment as unnecessary, but I see no harm flowing from it, because it but specifies the intent and the meaning of the provisions. Since doubt has been expressed by some—although I do not share it—I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

Mr. KERR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma desire to speak on the amendment?

Mr. KERR. I do.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma. How much times does he wish to have yielded to him?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Oklahoma such time as he may desire to use.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

Mr. KERR. Mr. President, have I been recognized?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. KERR. The Senator from Oklahoma has been trying to digest the clarifying amendment.

I must say that I have trouble understanding the statement of the Senator from Tennessee, that all the amendment does is to put in the bill what was the meaning of the authors of the bill when it was before the committee. That may well be the case. However, inasmuch as the Senator from Oklahoma is not able to fully understand what the amendment does, he is having a little difficulty in deciding whether the reference of the Senator from Tennessee was to the meaning in his mind or in the minds of the authors of the amendment, and he would therefore like to ask the Senator from South Dakota just what the amendment proposes to do.

Mr. CASE of South Dakota. If the Senator will yield to me, I shall be happy to do so.

Mr. KERR. I yield.

Mr. CASE of South Dakota. Yesterday, during the discussion of the meaning of the language relating to the agreements referred to in the bill, particularly that portion of the bill providing for the exclusion of certain segments of the Interstate System which traverse incorporated municipalities, one Senator brought out the fact that in his State a great deal of the Interstate System would pass through municipalities, which were subject to local regulation. If they are subject to local regulation, and they are excluded from the application of the standards herein proposed——

Mr. KERR. Does the Senator mean standards of highway construction or standards for the regulation of billboards?

Mr. CASE of South Dakota. Standards for the regulation of billboards. The amendment is tied specifically to the sentence which deals with standards for billboards.

Mr. KERR. I understand. The Senator from South Dakota does not believe that the addition of the amendment would change the discretionary power of the Secretary of Commerce to include or exclude, but would merely provide that, in the event of an exclusion, the area so excluded would not be counted or be effective with respect to what the State would receive under the 5 percent provision or the one-half of 1 percent provision. Is that correct?

Mr. CASE of South Dakota. That is correct. The best answer, perhaps, is to read the language. It ties right on to the sentence which deals with the exclusion by the Secretary of Commerce, by adding the words:

Provided, however, That any such segment excluded from the application of such standards shall not be considered in computing the increase of the Federal share payable on account thereof.

Mr. KERR. Mr. President, I have no objection to the amendment, in the light of that explanation. I am impressed with two things, however. First, it shows the general inadvisability of the entire composition of section 12 being added to the emergency highway bill. This is but another bit of the mass of accumulated evidence showing that section 12 is in great need of additional language to make it conform even to the ideas of the sponsors.

The Senator from Oklahoma feels that this illustrates the worthiness of the amendment which he and others are sponsoring, to strike section 12 from the bill, the effect of which would be to permit us to go along with an emergency highway construction program and leave billboard regulatory legislation to come up in a separate bill after members of

the committee and sponsors of the bill have had the time which it is more and more evident will be needed in order to get either understandable language or language which the sponsors themselves desire to have in it.

Mr. CASE of South Dakota. I welcome the support of the Senator from Oklahoma, as a constructive legislator, in support of the amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. GORE. I know of no opposition to the adoption of the amendment suggested by the Senator from South Dakota. I should like to call the attention of the Senate to lines 4, 5, 6, and 7 on page 23 of the bill, which read:

> The Federal share payable on account of any project on the Interstate System within that State provided for by funds authorized under the provisions of section 108 of this act, to which the national policy and the agreement apply, shall be increased by one-half of 1 percent of the total cost thereof.

As the able Senator from South Dakota has said, one Member of the Senate raised some question about the matter. The amendment he proposes will set at rest any doubt as to the meaning of the language.

Mr. CASE of South Dakota. Mr. President, I am prepared to yield back the remainder of my time, and ask for a vote.

Mr. JOHNSON of Texas. Mr. President, I yield back the time remaining to this side.

The PRESIDING OFFICER. All time for debate on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. COTTON. Mr. President, I call up my amendment identified as "3-21-58-B."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 21, line 11, after the words "Interstate System" it is proposed to insert: "constructed upon any part of right-of-way, the entire width of which is acquired subsequent to July 1, 1956."

On page 22, line 23, change the comma to a period and strike out all after the period down to and including the period in line 24.

Mr. COTTON. Mr. President, I yield myself 5 minutes. This is a very simple amendment. It can be very quickly explained, and I doubt that much time need be taken for its consideration.

The amendment would limit the restriction and the regulation of advertising on the Interstate System to those parts of the Interstate System of Highways which are completely new.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield.

Mr. GORE. Will the Senator again state the number of the amendment which he has called up?

Mr. COTTON. It is designated "3-21-58-B."

The bill in its present form provides that the restrictions shall apply to those portions of the Interstate System which are completely new highways, or as to which any part of the right-of-way has been acquired since July 1, 1956.

If the amendment shall be adopted, the provisions of the bill will apply only to new, virgin interstate highways which are constructed where no highways existed previously. These are the reasons for the amendment.

First, a person who had been advertising on any highway before the Interstate System started would not be deprived of his present privileges. We would avoid all the distress, entanglements, difficulties, and complications which would be entailed by requiring the tearing down of the present advertising.

A person who was operating a motor court or a gasoline station, or who had any other form of business being advertised on presently existing highways, would not be affected by the amendment. The amendment would apply only to those parts of the new Interstate System which were entirely new and were located where no highways existed before.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. GORE. The Senator has just said that his amendment would limit the application of this section to the segments of the new Interstate System which would be located in entirely new areas; in other words, in areas and on ground not now a part of a highway.

Mr. COTTON. That is correct.

Mr. GORE. To clarify my understanding of the Senator's amendment, I understand it proposes to strike out, on the bottom of page 22, lines 23 and 24, the words "or which are built on rights-of-way wholly acquired before July 1, 1956."

Mr. COTTON. That is correct.

Mr. GORE. Before discussing the amendment which the Senator from New Hampshire proposes, let me ask, Is it not true that the words at the bottom of page 22 which the Senator proposes to strike out by his amendment relate to the discretion granted to the Secretary of Commerce in reaching agreements with the States to exclude from the agreements those segments of the Interstate Highway on which the rights-of-way were wholly acquired before July 1, 1956?

Mr. COTTON. That is correct.

Mr. GORE. Then the Senator proposes to insert, does he not, on page 21, line 11, after the word "System", the words "constructed upon any part of right-of-way, the entire width of which is acquired subsequent to July 1, 1956."

Mr. COTTON. That is correct.

Mr. GORE. The Senator has said that this language would limit the application of this section to those parts of the Interstate System which will be located in entirely new areas. As the Senator knows, that will constitute about 75 percent of the system.

Mr. COTTON. I do not quite agree with that statement. It is my understanding that about 72 percent of the system includes areas where there have been highways, but where new rights-of-way have been added to widen the roads so as to bring them into the Interstate System. So the figure would be somewhat less than 75 percent.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. COTTON. I yield myself 5 more minutes.

Seventy-five percent of the system would be affected if the amendment were adopted. If the amendment should be adopted, let there be no misunderstanding, those portions of the interstate highway located upon existing rights-of-way, but on which the roads have been widened, where the rights-of-way have not wholly been acquired, but a part of them has been acquired, would not be subject to this provision of the bill.

Mr. GORE. The question I wish to raise is whether the Senator from New Hampshire has taken into consideration the extent to which his amendment would apply to a highway passing through a municipality, although it is not located on a Federal highway right-of-way, but traverses a street.

As I understand the amendment, it is so restrictive that it would exclude the operation of the section proposing to accomplish the regulation of outdoor advertising on the Interstate System to the extent that, if as much as 1 foot of an entire project had previously been a right-of-way for a street or a road, county, State, or Federal, the provision could not operate. Am I misinterpreting the purpose of the amendment?

Mr. COTTON. No; I think the Senator from Tennessee is exactly correct. I shall be glad, after he has completed his statement, to give my reasons for framing the amendment as it reads. But I think the Senator is perfectly correct. I think it would except from the billboard provision any part of the interstate highway that follows the course of a road which previously existed, no matter how small that road might be. It would also except from the provision highways which had only been widened somewhat.

Mr. President, I yield myself 5 more minutes, because I want to go into this subject carefully.

In some States, including New Hampshire, toll highways already built and in operation before the passage of the 1956 act have been taken over. In most of the States, the policy concerning those highways has been determined. Some States control advertising; others, I believe, do not. But on the highways taken over, the amendment would not attempt to impose a new system or attempt to change the existing condition. On the parts of the Interstate Highway System which follow State roads, and which previously existed, where people already have their establishments and their advertising, the billboard provision would not take effect.

While I was unable to determine from the Bureau of Public Roads exactly the proportion of the Interstate System which would be affected if the bill be passed, it would not be 72 or 75 percent; it would be less than that. An educated guess is that 65 percent of the Interstate System would still be covered. Certainly

it would cover the portions of the Interstate System which traverse rural areas and are completely new. It is also true that it might leave, to be operated on by the statute, certain parts of new highways within municipalities. But they would still have operative upon them the restrictions already in the bill.

I call attention to four prime reasons for the amendment.

First, it would not necessitate destruction of already existing advertising.

Second, it would provide an opportunity, under the provisions of the act, to control advertising where it is most necessary that it be controlled, namely, where the Federal Government has invested many millions of dollars in building new highways.

Third, it would reduce the cost of operation of the act, because it would reduce the number of miles of highway covered; and it also would restrict the application of the act more to the sections of the Interstate System in connection with which the cost of obtaining the advertising rights would be less.

Fourth, it carries this principle, which I submit is a very vital one: It would make the bill applicable, in general, only to the parts of the Interstate Highway System where the advertising values would be created entirely by the building of the highway system, and where there were no advertising values before. Therefore, if the new highway were built where no highway had existed before, the owners of the abutting land would not have any valuable advertising rights until the Federal Government had paid 90 percent and the State had paid 10 percent of the cost of constructing the highway which, when put into use, would create the advertising rights.

So, Mr. President, I assert that this amendment will make the operations of the act much simpler. It will minimize the possible hardships which could be created. It will be less costly. It will be in keeping with the principle we really wish to have applied, so the new nationwide system of interstate highways will be controlled. Furthermore, I believe the amendment will strengthen the bill and will make it more readily administered.

Several Senators addressed the Chair.

Mr. COTTON. Mr. President, I yield first to the Senator from Oregon [Mr. NEUBERGER], who has been on his feet for some time. Thereafter I shall yield to the Senator from Tennessee [Mr. GORE].

Mr. NEUBERGER. Mr. President, I may be incorrect, but it seems to me that this amendment would create in the billboard amendment a loophole so big that it would almost be large enough for a diesel locomotive to be driven through it.

I should like to ask the Senator from New Hampshire several questions, if I may.

In the crowded industrial, metropolitan States of the East, is it really possible to obtain a new highway right-of-way without locating it in many instances on previously existing country roads or lanes or other roads?

I agree that in some of the great, wide-open spaces of the Far West—such as Wyoming, Idaho, Oregon, and many parts of California—it would be possible to build a road across the countryside where no right-of-way had previously existed. Certainly that would be possible in remote or primitive areas.

But in the great industrial States of the eastern seaboard, which are crisscrossed with county lanes, country roads, and other roads of various kinds, would not the amendment virtually remove those States from the application of the act?

Mr. COTTON. I do not think so, and I do not think the apprehensions of the Senator from Oregon are very well justified.

It is true that in the very thickly settled areas of the Eastern States, the Interstate System might well follow, very largely, previously existing highways. But that portion of the Interstate Highway System would, as a matter of policy, be excluded from the application of the provisions the Senator from Oregon is supporting.

I live in an eastern State, part of which is fairly heavily populated. I find that a large portion of the Interstate System in my State runs through new territory. I also find that in many of the Eastern States, if the Interstate System were constructed on presently existing roads, the Interstate System would be so crooked that a snake could not follow it, because the existing roads are extremely winding.

It is true that in the environs of Boston, Springfield, New Haven, Newark, and other great cities——

The PRESIDING OFFICER. The time the Senator from New Hampshire has yielded to himself has expired.

Mr. COTTON. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 3 more minutes.

Mr. COTTON. Mr. President, as I was saying, it is true that as regards the environs of various large cities, the Senator from Oregon may be correct.

But it is not my understanding—and I have supported the billboard amendment from the very start—that it is the proclaimed purpose of those who support this provision to try to control advertising in the industrial areas, because the industrial areas are to be specifically excluded at the discretion of the Secretary of Commerce.

Mr. NEUBERGER. Mr. President, I may be incorrect in my understanding of this matter, and I have not consulted either the able Senator from California [Mr. KUCHEL] or the able Senator from Tennessee [Mr. GORE] about it. However, it seems to me that this amendment could create a major breach in the regulation here proposed.

Mr. COTTON. Mr. President, I must interrupt the Senator from Oregon for a moment, to inquire about the time situation.

The PRESIDING OFFICER. A moment ago the Senator from New Hampshire yielded to himself an additional 3 minutes. When they have expired, the Senator from New Hampshire will have used 18 minutes, and he then will have 12 minutes remaining.

Mr. COTTON. Mr. President, I yield again, but briefly, to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, in the case of a portion of the Interstate Highway System which happened to fall on an existing country lane or road, there could be advertising, whereas if in a nearby section the Interstate System did not follow an existing road, there could not be any advertising at all. Would not that lead to a perfectly absurd situation?

Mr. COTTON. I doubt that there would be many serious problems of that kind. It should be borne in mind that the States will not be compelled to control advertising, and it is very unlikely that either the State highway department or the Secretary of Commerce would think it worth while to control advertising on a small section of a road, when there already was advertising on each side of it.

I believe the amendment would result in having advertising controlled along the portions of the Interstate System in the scenic areas of the country—which, as I understand, is the purpose we have in mind.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Hampshire yield briefly to me?

Mr. COTTON. I yield 3 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 3 minutes.

Mr. CASE of South Dakota. Mr. President, it seems to me that there is much to be said for the amendment which has been proposed by the Senator from New Hampshire. In dealing with old rights-of-way, where there already are billboards, certainly the amendment submitted by the Senator from New Hampshire has much to commend it. It avoids the charge of retroactivity and the charge that we would be seeking to confiscate advertising rights already established. The amendment would reduce the probable cost of operation of the bill, I may say, because the advertising rights along a new highway and a new right-of-way would not be regarded as being as valuable as those along a highway where the right had long been recognized and where the advertising was already in existence.

It seems to me that there would be no harm at all in accepting this amendment and taking it to conference. If, in the deliberations which always occur in a conference committee, the instances cited by representatives of the Bureau of Public Roads or by the conferees on the part of the House or by the conferees on the part of the Senate were sufficient to indicate that a further modification should be made, or that there should be included a provision for the application of a new policy with respect to existing roads, certainly that could be worked out in the conference.

However, it seems to me that at this stage of the proceeding it is highly desirable to accept the amendment the Senator from New Hampshire has proposed.

Mr. CARLSON. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. Yes; if I may do so.

Mr. CARLSON. It seems to me that the amendment of the Senator from New Hampshire has much merit in its practical application. We have a toll road in Kansas two-thirds or three-fourths of which has been taken over as a part of the Interstate System. On some portions there are billboards. The highway right-of-way was secured before 1956. If the proposed legislation shall be enacted without the Cotton amendment, the billboards on two-thirds or three-fourths of the highway will have to be removed. It seems to me the proposal has much merit.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Hampshire has 9 minutes remaining. The Senator from Oklahoma has 30 minutes remaining.

Mr. COTTON. I would rather reserve a little time.

Mr. KERR. Mr. President, I yield 5 minutes of my time to the Senator from New Hampshire.

Mr. COTTON. I thank the Senator, and I yield to the Senator from Tennessee.

Mr. GORE. Can the Senator imagine a 20-mile project being found within the Interstate Highway System in his State, or in any State adjoining his State, which would not at some point within the 20 miles traverse, or at least encompass, at least 1 foot of a lane, a country road, a highway, a street, or some form of thoroughfare the right of which was publicly owned?

Mr. COTTON. I shall answer that frank question with equal candor. The Senator from New Hampshire cannot imagine in his State 20 miles of a highway on the Interstate System where that would not be true. It might not be true in the northern part of the State, but, by and large, in the southern part of his State the Senator from New Hampshire cannot imagine 20 miles of an interstate highway which would not at some point cross or run for a distance on another highway.

The Senator from New Hampshire would like to respond to the Senator from Tennessee by saying it is not the understanding of the Senator from New Hampshire that it is the intention of the proponents of the bill to put a ban on advertising. It is the understanding of the Senator from New Hampshire that the purpose is to put reasonable controls and limitations on advertising, with emphasis on a restriction of advertising on new parts of highways to be built throughout the country. What would be the harm or serious danger if for 5 miles, or 3 miles, or even 8 miles, of a 20-mile stretch an interstate highway in the State of New Hampshire, for example, should run along a present highway, and the present signs should remain? The new part of the road would be in virgin territory, and should be clean as a whistle, and should be regulated. What is the harm in that? We are making a great deal of it, are we not?

Mr. GORE. Frankly, since the Senator has asked me, I think the adoption of the amendment he proposes would nullify the entire provision, except perhaps in the Western States, where projects would be located which would not encompass any part of any right-of-way of any kind of thoroughfare whatsoever. I cannot imagine that the Senator could find a 10-mile stretch in any eastern State, unless it be in the northern woods of Maine, to which, perhaps the Interstate Highway System will not extend, which would not cross or encompass at least 1 foot of a public right-of-way. In that event the Senator has just stated his amendment would exclude most of his own State.

Mr. COTTON. Oh, no, I have not said that. The Senator misunderstood me. I would be very glad to invite the Senator from Tennessee to my State and show him where the major portion of the highways of the Interstate System would be built. The major portion would be covered by the pending bill. I do not think there would be any ruination resulting if occasionally an interstate road followed along, for a time, a State highway where signs already existed. I do not agree with the Senator that it would defeat the purpose of the provision.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. KERR. I yield to the Senator from New Hampshire an additional 5 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for an additional 5 minutes.

Mr. GORE. Will the Senator yield further, so that we may clarify the question?

Mr. COTTON. Certainly.

Mr. GORE. In entering into an agreement with a State by the Secretary of Commerce the agreement would apply to projects or segments of a highway. Is that true?

Mr. COTTON. I think there is one element of sharp misunderstanding on the part of the Senator from Tennessee which has just come to my mind. Does the Senator from Tennessee take the position that if Road A crosses an interstate highway at a point, or even crosses it diagonally, so that it runs along it for 200 or 300 yards, and half a mile thereafter Road B crosses the Interstate System, or runs along with it for 200 or 300 yards, advertising would be permitted between those crossings if my amendment were adopted?

Mr. GORE. It would not have to be for 200 or 300 yards; it could be for only 1 foot. Let me read a sentence of the bill as it would be if the Senator's amendment were adopted. I read beginning on line 6, on page 21, of the bill:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System—

Now reading the Senator's amendment—

> constructed upon any part of right-of-way, the entire width of which is acquired subsequent to July 1, 1956.

Reading that language in its entirety, it seems to me the conclusion is inescapable that it is required that the entire width be acquired subsequent to July 1, 1956, to make it subject to this regulation; but if the State owned 1 foot, 1 mile, 1 yard, of the right-of-way before July 1, 1956, then the project could not be subject to this regulation.

Mr. COTTON. The Senator is completely missing my point. He has read at some length, when the time for discussion is limited, the wording of my amendment, with which I am thoroughly familiar. If a road is built along an existing highway, then it is true that even if it overlaps only 1 foot or 2 feet the display of signs is not to be controlled, under my amendment. The Senator talks about intersecting highways. Highways could not be built in the States, except in the great West, where there would not be crossing or bisecting of other highways. If a road crossed a highway, for just a few feet, it would be exempt from control.

Mr. GORE. In other words, the Senator interprets his amendment to mean that if there is a 20-mile segment of a highway, and a half mile here and a half mile there is on a right-of-way previously owned, control can be exercised with respect to all segments of that section except the half mile here and the half mile there?

Mr. COTTON. I certainly do. Under the Cotton amendment, all portions of the Interstate System constructed as entirely new highway would be subject to the provisions of the section. I do not see how anyone could possibly read anything else into the language.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. GORE. In the opinion of the junior Senator from Tennessee, the dangerous area, the area in which it is most desirable and necessary to obtain regulation, is the area of turnoffs and intersections. If the Interstate System is constructed across a State highway, where there is to be a cloverleaf interconnecting with an existing highway, then would it not be true that the entire area of the intersection would be excluded from regulation, for the reason that the right-of-way for the existing road was owned before July 1, 1956?

Mr. COTTON. It is quite possibly true that the portion of the highway which actually crossed the other right-of-way would not be covered if the amendment were adopted.

Let me remind the distinguished Senator from Tennessee that the purpose of the amendment, boiled down to the least common denominator and phrased in plain English, is that every new portion of the interstate highway shall be subject to the provisions of the bill, and that all the old highway, whether it be the entire width or not, where rights already have been created and signs are existing, shall remain unaffected. That is the common-sense approach. Actually, I could take the Senator to the State of New Hampshire and to many other eastern seaboard States and show him miles and miles of the proposed Interstate System which would fall under the control of the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The Senator from Oklahoma has 20 minutes remaining.

Mr. KUCHEL. Mr. President, will the Senator yield 5 minutes to me?

Mr. KERR. I yield 5 minutes to the Senator from California.

Mr. KUCHEL. Mr. President, I hope the Senate will vote down the amendment offered by the Senator from New Hampshire.

Let me see if I can state the proposition in understandable English. Suppose there are three segments of an interstate highway, A, B, and C. Let us assume that A had been completed prior to July 1956; that B was in existence prior to 1956, but required additional rights-of-way to bring it up to the standard prescribed by the Congress and the Bureau of Public Roads; and that C represented brandnew rights-of-way across areas to be developed.

Under the provision which is presently in the bill we do not propose to touch A. In other words, that part of the 41,000-mile system which was in existence prior to July 1956, requires no new right-of-way. Perhaps there are billboards along each side of it now. We turn our backs on that.

We seek, however, to have the Senate approve a national policy on the two remaining types of highways; those where new rights-of-way are required in part, and those where new rights-of-way are required in toto.

From a percentage standpoint, about 75 percent of the 41,000 miles will be brandnew rights-of-way. Those will be completely new. Of the remaining 25 percent, the opinion expressed by the Bureau of Public Roads is that approximately 5 or 7 percent represent highways to which no additions are required, and somewhere between 18 and 20 percent require new rights-of-way.

If we adopt the proposal of the Senator from New Hampshire, even if a State wants to make billboard regulations for such sections of the highway where new rights-of-way are required, the State cannot do so. We would thereby deprive the State of the opportunity to participate in the incentive payment the bill provides.

If we pass it in its present form, the bill says that any State can acquire advertising easements, if that is the way it desires to proceed, and the State will participate in the payment for such easements. Why do we give them an incentive with one hand and take from them with the other hand the right to exercise a policy which would bring them the incentive? I say this sincerely to my friend from New Hampshire. The Senator has helped to have the bill reported to the Senate. We joined together in a majority. I say to the Senator from New Hampshire in complete good faith, I wish he would withdraw his amendment, because I believe the problem can be solved by each State endeavoring for itself to determine whether it will live up to the policy.

Mr. COTTON. If the Senator from California will yield, did he intend to say if my amendment were adopted it would deprive the States of the right to control the other segments of highway? The amendment would take nothing from the States whatsoever.

Mr. KUCHEL. I said that in my opinion, if the amendment of the Senator from New Hampshire were adopted, it would deprive the States of participating in a Federal incentive payment, to the extent of applying the national policy over that part of the Interstate Highway System where new rights-of-way were required.

Mr. COTTON. The States would get payment for those portions of the highway which were controlled, exactly as they would under the bill as now written. It would save the States from getting their noses into a lot of trouble.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, will some Senator yield 1 minute to me?

Mr. KERR. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I should like to ask the author of the amendment if he does not feel the State, in the situation described by the Senator from California, might still be eligible to get help on the purchase of rights, if the State decided to seek to purchase rights where the advertising is in existence?

Mr. COTTON. I think that participating in the purchase of rights would not be affected by the limitation any more than it would be affected by the limitations already in the bill.

Mr. CASE of South Dakota. My reading of the language leads me to believe it is only applicable with respect to the so-called incentive payment, but would not interfere with the State getting help on the purchase cost of easements.

The PRESIDING OFFICER. The time of the Senator has expired.

Does the Senator from Oklahoma desire to yield time?

Mr. KERR. I yield myself 3 minutes.

Mr. President, I am going to accept the amendment of the Senator from New Hampshire. As I understand it, it would exclude from the provisions of section 12 any part of the right-of-way the entire width of which was acquired subsequent to July 1, 1956.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. Who is in charge of the time on the respective sides? If I am not mistaken, I just heard the distinguished Senator from Oklahoma yield himself time to support the Cotton amendment. The Senator from New Hampshire [Mr. COTTON] has been yielding himself time to support the Cotton amendment. Who is in charge of the time for the opponents?

The PRESIDING OFFICER. The majority leader; and the Chair understands that he had turned the responsibility over to the Senator from Oklahoma.

Mr. KERR. Does the Senator from Oregon desire some time?

Mr. NEUBERGER. I am new at parliamentary law; but am I to understand that the time for both sides is controlled by the proponents of the Cotton amendment? I should like to ask for a ruling on that question.

The PRESIDING OFFICER. The time in support of the Cotton amendment is controlled by the sponsor of the amendment, the Senator from New Hampshire. Under the unanimous-consent agreement, time in opposition was to be controlled by the majority leader, should he be opposed to the amendment. If he were not opposed to the amendment, the time would be controlled by the minority leader.

Mr. JOHNSON of Texas. Mr. President, let me say to the distinguished Senator from Oregon that it has been the practice on both sides of the aisle to yield time without regard to whether a Senator supports or opposes an amendment, if the time in opposition is not demanded by an opponent of the amendment. We frequently ask unanimous consent to extend the time on an amendment. If the Senator from Oregon or any other Member of this body desires time, and no time is available, I am prepared to ask unanimous consent that it be made available.

I cannot sit at this desk all day long. Inasmuch as the subject matter was one in which the Senator from Oklahoma was interested, and which he was handling, and inasmuch as he was required to be present in the Chamber anyway, I asked him to handle the time.

This has nothing to do with the merits or demerits of the pending amendment. If the Senator from New Hampshire had some time available, and it should suit his purpose to yield time to the Senator from Oklahoma, he could do so.

Mr. NEUBERGER. I still do not understand. How can the Senator from Oklahoma support the Cotton amendment by yielding himself a portion of the time of the opponents of the amendment?

Mr. JOHNSON of Texas. Frequently Senators opposed to an amendment use time belonging to the other side. That is not unusual. I think it happens in connection with almost every such unanimous-consent request.

If the Senator objects, we can yield back the time in opposition to the Cotton amendment, and then yield the Senator time on the bill. All we want to do is to give every Senator every reasonable opportunity to express his views.

The PRESIDING OFFICER. The Chair states that in this situation the time should have been controlled by the junior Senator from California [Mr. KUCHEL], acting for the minority leader in opposition to the amendment. The Chair did not know the position of the majority leader or of the Senator from Oklahoma with respect to the pending amendment. The Chair erred in recognizing the majority leader and the Senator from Oklahoma, and the Chair regrets it.

Mr. NEUBERGER. I thank the Chair.

Mr. CASE of South Dakota. Mr. President, may I be yielded time to propound a parliamentary inquiry?

Mr. JOHNSON of Texas. In the event there is any objection to yielding time, I ask the Senator from Oklahoma how much time he desires?

Mr. KERR. I should like 5 minutes.

Mr. JOHNSON of Texas. I yield 5 minutes on the bill to the Senator from Oklahoma.

Mr. KERR. I yield to the Senator from South Dakota for 3 minutes.

Mr. CASE of South Dakota. My parliamentary inquiry is based upon one clause in the unanimous-consent agreement:

Provided, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

If it is evident that the majority leader is in favor of the amendment, then it seems to the Senator from South Dakota that the time in opposition would be controlled by the minority leader.

Mr. JOHNSON of Texas. That is true; but we have never had a problem in that connection. The majority leader and the minority leader take whatever time we have and allocate it to Senators in accordance with their positions. But if there is any time available beyond that, we allot it to any Senator who wishes to be heard.

Mr. KERR. Mr. President, the Senator from South Dakota was eminently correct. The Senator from Oklahoma was aware of the situation. He is not surprised at the confusion of the Senator from Oregon [Mr. NEUBERGER]. He does not expect him to understand either what the amendment is about, the effect of it, or who controls the time with reference to a discussion of it.

The fact of the matter is, as the Senator from South Dakota stated, that the minority leader is in control of the time in opposition to the Cotton amendment, for the simple reason that the majority leader favors the amendment. So the Senator from Oregon was entirely out of order as he attempted to silence the Senator from Oklahoma, who was speaking in time which he, acting in the position of the majority leader, had granted himself in which to say a word or two about the Cotton amendment.

In my judgment the Cotton amendment is salutary, but it would not cure the ills of section 12. While the Senator from Oklahoma is in favor of the Cotton amendment, he will be just as much opposed to section 12, if amended by the Cotton amendment, as he is opposed to it in its present form. However, the Senator from Oklahoma is supporting the Cotton amendment.

The PRESIDING OFFICER. The Senator from California [Mr. KUCHEL] has 11 minutes remaining.

Mr. KUCHEL. I understood that the senior Senator from Vermont [Mr. AIKEN] desires some time.

Mr. NEUBERGER. Mr. President, I share the view of the senior Senator from California [Mr. KNOWLAND]. I understood that the Senator from Vermont said he had some views to express on this amendment.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

Mr. BUSH. Mr. President, will the Senator yield so that I may address a question to the distinguished chairman of the subcommittee?

Mr. KUCHEL. I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. I address this question to the distinguished Senator from Tennessee [Mr. GORE] and ask him to look at page 22, line 15 of the bill. I desire to ask his opinion about the meaning of the following language:

Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control.

I ask the Senator whether that language would permit the Secretary of Commerce to recognize the authority of a municipality through which a segment of the Interstate System passes to have its own way on the question of billboard control. I should like to have that question clarified for the RECORD. Is that language designed to give the Secretary the privilege of exempting from the billboard control provisions property within a municipality through which the highway runs?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. Mr. President, may I have 2 minutes additional to clarify this point?

Mr. KUCHEL. I yield 2 minutes additional to the Senator from Connecticut.

Mr. GORE. It is my understanding of the language which the Senator has read that the Secretary of Commerce is authorized to exclude from application of the standards, in any agreement reached with a State, those segments of the Interstate System within incorporated municipalities. The question was raised yesterday that this was a matter in which the Secretary of Commerce could exercise discretion. That I concede. However, the terms of the agreement must be agreed to by the Secretary of Commerce and the State. After conferring with the authors of the committee amendment I have agreed to accept an amendment to be proposed by the distinguished Senator from Ohio [Mr. LAUSCHE], to insert after the word "policy" on line 17—and I am reading from the Senator's amendment—these words: "and upon application of the State."

In other words, it would be clear from that language that if the State applied for the exclusion of such an area, the Secretary would be authorized, in his discretion, to exclude it from application of the standards.

Mr. BUSH. That applies to the billboard section of the bill as well as to the other sections of the bill; does it?

Mr. GORE. This is a part of the billboard section of the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the distinguished senior Senator from Vermont.

Mr. AIKEN. Mr. President, while I recognize the good intentions connected with the Cotton amendment, I am rather apprehensive with respect to its application. I am thinking particularly in terms of my own section of the country. We were told that there would be access roads every 5 or 8 or 10 miles. Those intersections would be over land that was partly acquired prior to 1956.

However, that is not the main point. As the interstate highway progresses through the State, north and south, and east and west, it will cross an existing highway at least every mile or in a large part of the area at least every mile. Sometimes those crossroads are a quarter of a mile apart. Most of that land, having been acquired about 100 years ago, and certainly prior to 1956, would be available for the erection of billboards. The amendment would mean that over a good part of the State there would be a continuous forest of advertising signs. I must say in all fairness that at the present time my State does have a law which controls billboards very satisfactorily. In the event a future legislature should repeal that law, we would find ourselves very much surrounded by billboards in driving through the most attractive State in the Union, if I may say so.

Mr. KUCHEL. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from California has 4 minutes remaining and the Senator from Oklahoma has 9 minutes remaining.

Mr. KUCHEL. Mr. President, I yield 4 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, upon listening to the statement of the junior Senator from New Hampshire as to his intent and as to his understanding of the meaning of the amendment, I reached the conclusion that it is not as far reaching as I had originally thought. It is still, however, a restrictive amendment. If I may have the attention of the junior Senator from New Hampshire, I should like to point out that any section of the highway, any part of which encompassed any part of a right-of-way which a State owned prior to July 1, 1956, could not be regulated under the terms of the agreement. The provision beginning at the bottom of page 23, line 24, which provides for reimbursement of a State for 90 percent of the cost of the acquisition of the right-of-way, could apply, because it can apply without the reaching of an agreement.

Therefore, the effect of the amendment, upon further consideration, would not be as far reaching as the junior Senator from Tennessee had originally thought. It would operate, it would seem to me, as a discrimination against the States. Suppose that the States wanted to exercise the regulation and desired to acquire the advertising easements and proceeded to do so. They could be reimbursed to the extent of 90 percent of the cost of acquiring the easements provided the cost did not exceed 5 percent of the right-of-way cost, but they would be denied the other financial incentive of one-half of 1 percent of the cost of the project.

Does the able Senator agree with that statement?

Mr. COTTON. If, under the existing act, without my amendment, the State controls its advertising, and does not control it in an industrial section, which is excepted in the bill, it does not lose the one-half of 1 percent, does it? It merely means that there is an additional amount of the highway for which the State does not receive the incentive money.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CASE of South Dakota. I welcome the statement of the Senator from Tennessee, because it coincides completely with the observation I made earlier, that the amendment offered by the Senator from New Hampshire does not deprive the State of its right to get a part of the cost of acquiring the rights.

The language at the bottom of page 23 says: "Whenever a State shall acquire."

It does not say whenever a State enters into an agreement. It says: "Whenever a State shall acquire by purchase or condemnation the right to advertise or regulate advertising" it shall be entitled, and so forth.

Mr. GORE. The Senator agrees with my interpretation of the amendment. Is that correct?

Mr. CASE of South Dakota. That is what I suggested earlier.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COTTON. Mr. President, I yield myself 3 minutes, in order to permit the Senator from South Dakota to finish his statement, and then I shall ask him a question.

Mr. CASE of South Dakota. It seems to me that this is the legislative process at its best. Here we are saying, with respect to existing rights, there will not be any confiscation or restrictive acquisition of such rights, but with respect to them, if a State wishes to purchase them, we will help the State purchase them; but with respect to new rights-of-way, we will say to the State, "If you will establish this policy with respect to new rights-of-way, then we give you an additional incentive."

Mr. COTTON. May I ask the Senator if there is anything in the amendment which would prevent the State from receiving its incentive amount if and when it acquired the right to control advertising in accordance with national standards?

Mr. CASE of South Dakota. If a State accepts the incentive payment and applies the policy with respect to new rights-of-way, it would also be entitled to receive a share of the cost of the acquisition. The incentive is for the purpose of establishing a policy with respect to the new rights-of-way. The sharing of the cost would apply to either old or new rights-of-way, but it would not be confiscatory in any sense. It seems to me there is another point that should be mentioned in that connection, and that is with respect to the existing rights-of-way. The cost of that would be somewhat different.

In the case of new rights-of-way, the cost-sharing should not be so great, because the value of the advertising rights on new rights-of-way is not comparable with that on the old rights-of-way.

Mr. COTTON. This amendment has four virtues. First, it would not confiscate or tear down existing billboards. Second, control would be exercised on that portion of the Interstate System where it was most necessary and deserving. Third, it would reduce the cost. Fourth, it would adhere to the principle that advertising should be controlled on the portions of the highway where no advertising value existed before.

The problem has arisen only because the Federal Government has assisted the States to build new roads.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has been consumed. The question is on agreeing to the amendment of the Senator from New Hampshire [Mr. COTTON].

Mr. KUCHEL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. After all time has been yielded back, and in anticipation of a vote, a quorum call may be had without the time for the quorum call being charged to either side.

Mr. JOHNSON of Texas. Mr. President, what is the purpose of the quorum call? Does the Senator from California desire to have a vote?

Mr. KUCHEL. Yes; I desire to suggest the absence of a quorum prior to the vote. I do not have in mind asking for a yea and nay vote, but I have in mind letting the roll be called for a short time.

Mr. COTTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Hampshire will state it.

Mr. COTTON. If there is a quorum call, do I have the right, after the quorum call, to ask for the yeas and nays?

The PRESIDING OFFICER. Certainly. A Senator always has that right.

Mr. KUCHEL. Mr. President, do I understand correctly that the time for the quorum call will not be charged to either side?

The PRESIDING OFFICER. That is correct. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. COTTON].

Mr. KUCHEL. Mr. President, am I within my right to request that a division be had on this vote?

The PRESIDING OFFICER. Yes.

Mr. KUCHEL. I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire. A division has been requested.

On a division, Mr. COTTON's amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LAUSCHE. Mr. President, I offer a perfecting amendment, on page 22, line 15, immediately after the word "significance", and the period to strike out "Any" and insert in lieu thereof "Upon application of the State any."

The PRESIDING OFFICER. Will the Senator from Ohio send his amendment to the desk?

Mr. LAUSCHE. It is being typewritten. I will send it to the desk in a moment.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 30 minutes.

Mr. LAUSCHE. Mr. President, the present language can be construed to mean that the discretionary power of excluding from the mileage that is to be covered by the nonbillboard provision lies only with the Secretary of Commerce.

My amendment makes it clear that the discretionary power shall be exercised by the Secretary of Commerce only when application therefor is made by a State.

The language of the bill now reads:

> Any such agreement may, within the discretion of the Secretary of Commerce, consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System.

This language is susceptible to the interpretation that the discretion lies solely with the Secretary of Commerce, and that the individual States will have nothing to say about it. My amendment contemplates that the discretion of the Secretary of Commerce shall be exercised only when it is applied for by a State.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. GORE. If the amendment offered by the Senator from Ohio is adopted, the Secretary of Commerce would not be granted the discretionary authority unless the State applied for its consideration and exercise.

Mr. LAUSCHE. That is exactly what the amendment contemplates and achieves.

Mr. GORE. With the adoption of the Senator's amendment, where, then, is the argument that the Secretary of Commerce would be authorized to exercise his discretion in a manner prejudicial to the State?

Mr. LAUSCHE. It is that argument I am trying to obviate by the amendment. The sum and substance of the amendment is that both parties would have to concur in the program excluding certain parts of the interstate highways from the billboard provision.

Mr. GORE. Both parties would, of necessity, concur under the provisions of the bill as it is, because an agreement cannot be reached except by at least two parties. But if the amendment offered by the Senator from Ohio shall

be adopted, no such discretion can be exercised as is herein proposed, except upon the application of the States.

Mr. LAUSCHE. That is correct.

Mr. GORE. Then I accept the amendment.

Mr. KERR. Mr. President, I have not even seen the amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KERR. I do not know whether I have the floor.

Mr. O'MAHONEY. I wish to address a question to the Senator from Ohio.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. LAUSCHE. I am glad to yield.

Mr. O'MAHONEY. May I ask the Senator from Ohio to restate his amendment?

Mr. LAUSCHE. On page 22, line 15, after "significance." strike out "Any" and insert in lieu thereof "Upon application of the State any."

Mr. O'MAHONEY. I thank the Senator. Now I wish to ask him an additional question. I respect the constitutional knowledge of the Senator from Ohio.

Mr. LAUSCHE. I may say that it is negligible compared with the richness of the constitutional knowledge of the Senator who is now asking me a question.

Mr. O'MAHONEY. Now we are beginning to legislate. [Laughter.] Or, Mr. President, as is said in the vernacular, now we are beginning to cook on the front burner. [Laughter.]

I should like to direct the attention of the Senator from Ohio to page 21, beginning in line 6. I believe most sincerely that there is involved in this language a clearly unconstitutional delegation of Congressional power. I now read from that part of the committee amendment:

It is hereby declared to be a national policy—

In that connection, I emphasize the phrase "national policy"—

that the erection and maintenance of outdoor-advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary.

Here is a clear declaration that it is a national policy that the erection, maintenance, and display of such advertising signs shall be regulated.

But then the committee amendment says—

Which shall provide for:

(1) Directional or other official signs or notices that are required or authorized by law.

(2) Signs advertising the sale or lease of the property upon which they are located.

(3) Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

Does not the Senator from Ohio agree with me that the effect of this provision is, first, to declare as a national policy that the placing of billboards and signs shall be regulated, but shall be regulated "consistent with national standards" which would be prepared, not by the Congress, but by the Secretary of Commerce; and that the standards so prepared and so promulgated shall provide for the 4 things thereafter specified; but the committee amendment does not say that the standards shall provide only for those 4 things. Therefore, that section of the committee amendment would be construed by any court—and, in that connection, I refer particularly to the words "which shall"—among others—"provide for" as meaning that the Secretary of Commerce could provide for any standards he might please to provide for.

The principle of constitutional law, as I understand it, is that in delegating Congressional power the Congress must itself set up the standards by which the person who is to exercise the power shall be controlled or limited.

But in this case that principle would be reversed; in this instance, the committee amendment would give the Secretary of Commerce the power to set up the standards, and the committee amendment merely specifies that a certain four shall be included.

Mr. LAUSCHE. Mr. President, I believe the case has been correctly stated by the Senator from Wyoming. My understanding is that the minimal requirements which are enumerated in the committee amendment as (1), (2), (3), and (4) are mandatory; they must be included by the Secretary of Commerce in the standards he will establish.

Mr. O'MAHONEY. That is correct. But he may establish others.

Mr. LAUSCHE. Yes; in addition, he may establish standards which are consistent with the policy declared in subsection (a), which states or declares the national policy.

Mr. O'MAHONEY. Yes; and the national policy is that they should be regulated. But the committee amendment does not specify how they should be regulated. The "how" is to be determined by the Secretary of Commerce; he is to be given that power.

Mr. LAUSCHE. No; I think subsection (a) directs the Secretary of Commerce mandatorily to include in the regulations the matters covered in the paragraphs marked (1), (2), (3), and (4).

Mr. O'MAHONEY. I agree completely as to that. But this part of the committee amendment will enable the Secretary of Commerce to go much further.

I have discussed this matter with the very able and distinguished Senator from Tennessee [Mr. GORE]; and when it is proper for me to do so, I shall offer an amendment to strike out the words "provide for," in line 13, and to insert in lieu thereof "include the following four objectives, and none other." In that way there will be a definite limitation on the power which the Congress will have delegated to the Secretary of Commerce.

Mr. President, I thank the Senator from Ohio for yielding to me.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Is the Senator from Oklahoma controlling the time in opposition to the amendment of the Senator from Ohio?

Mr. KERR. I do not know. Has the majority leader stated his position?

Mr. JOHNSON of Texas. Mr. President, let me inquire whether the Senator from Oklahoma is in favor of the amendment of the Senator from Ohio or is opposed to it.

Mr. KERR. I do not know; I am trying to find out what the amendment would do.

The PRESIDING OFFICER. Under the provisions of the unanimous-consent agreement, a Senator who is to control part of the available time must first determine whether he favors or opposes the amendment then pending.

Mr. KERR. Mr. President, I have not yet determined that.

Mr. JOHNSON of Texas. Then, Mr. President, I yield to the Senator from Oklahoma 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes on the bill.

Mr. KERR. Mr. President, in one place the amendment of the distinguished Senator from Ohio would strike out the word "Any." But in another place, the amendment would restore the same word.

I wish to say that I still do not understand the amendment of the Senator from Ohio. However, I can see how it could add to the confusion already existing in the minds of the sponsors of section 12 and already existing by reason of section 12 and by reason of the so-called clarifying and perfecting amendments.

Mr. President, I shall not object to the amendment of the Senator from Ohio, but I certainly am of the opinion that the amendment is far from a perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, let me say that the word "Any" was proposed to be stricken out by my amendment because the word commenced with a capital letter; and my amendment proposes that the word "any" be reinserted because it comes in the middle of the sentence and must be decapitalized.

Mr. KERR. But the copy of the amendment which has been handed to me has a capital letter both for the "A" in the case of the proposal to strike out the word "Any" and in the case of the letter "A" in the word which is proposed to be inserted by means of the amendment.

Will the Senator from Ohio examine the copy I have of the amendment, and then tell me whether I am in error?

You see, Mr. President, on yesterday the Senator from Tennessee [Mr. GORE] told me that the language of the committee amendment did not mean what it says.

Mr. GORE. Oh, Mr. President, just a moment. [Laughter.]

Mr. KERR. Now will the Senator from Ohio tell me whether the letter "A" in his amendment is or is not capitalized?

Mr. LAUSCHE. It is capitalized.

Mr. KERR. And is the copy I hold in my hand a copy of the amendment of the Senator from Ohio?

Mr. LAUSCHE. Yes.

Mr. KERR. Certainly this copy does not show the word "Any" spelled with a small letter "a." [Laughter.]

Mr. LAUSCHE. But the amendment should show the letter "a" uncapitalized.

Let me say that those whom we pay and those whom the Senator from Oklahoma and I hire are responsible for the fact that the letter "a" is shown as a capital letter, instead of a small letter or noncapital letter "a." [Laughter.]

Mr. KERR. Mr. President, those whom we hire—although I know not whom the Senator from Ohio and I hire as "we"—may be responsible for capitalizing the letter "A" on this piece of paper. But the Members of the United States Senate will be responsible for putting it into this bill, if it is put into it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, let me ask the unanimous consent of this august body that the capital letter "A", as typed into the amendment, be changed to a small letter "a."

The PRESIDING OFFICER. The Senator from Ohio has a right to modify or change his own amendment, and it will be modified accordingly.

The question is on agreeing to the modified amendment of the Senator from Ohio [Mr. LAUSCHE]. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. HRUSKA. Mr. President, I call up the amendment which I have at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment proposed by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 21, to strike out lines 21 through 24, after the numeral (4), and insert in lieu thereof the following language:

> Signs erected and maintained pursuant to permission or authorization under State law, regardless of size, and designed to give information in the specific interest of the traveling public.

Mr. HRUSKA. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. HRUSKA. Earlier today a question was asked by the junior Senator from Virginia [Mr. ROBERTSON] as to whether subsection (4) on page 21 of the bill was modified by subsection (3) contained on that page.

Subsection (4) recites and states that "signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section" are among the national standards which will be included in the list of standards set by the Secretary of Commerce.

The preceding section, subsection (3), states: "Signs not larger than 500 square inches." That is about the size of the placard on the easel in the rear of the Chamber.

The question was asked, with regard to subsection (4), if signs would be limited to 500 square inches. The interpretation was stated that subsection (3) did not modify subsection (4).

The purpose of my amendment is to spell that understanding out in no uncertain terms; therefore, I propose insertion of the words "regardless of size" and the elimination of the words "and not inconsistent with the national policy and standards of this section."

It is my hope the authors of the bill who contended for that interpretation will not interpose objection to my clarifying amendment.

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. KUCHEL. Does the able chairman of the subcommittee desire to speak on the amendment?

Mr. GORE. Will the Senator yield 3 minutes to me?

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Is the Senator from California in opposition to the amendment?

Mr. KUCHEL. Yes.

Mr. KERR. Then I am in favor of it.

Mr. KUCHEL. I yield 3 minutes to the able Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 3 minutes.

Mr. GORE. Mr. President, the proposed amendment incorporating the words "regardless of size" would, in effect, prevent the Secretary of Commerce from entering into an agreement providing for regulation of billboards in conformity with the policy herein stated, "to promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways."

If the Senate desires to adopt an amendment which would be inserted in that section of the bill designed to protect the right of local interests to reasonable advertising, and thus make it mandatory that the Secretary must include in the standards, a prohibition against regulation of billboards, regardless of size, then the Senate may as well face the issue; and I yield back the remainder of my time.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GORE. Yes; if I have time.

Mr. HRUSKA. I yield myself five minutes for the purpose of asking a question. I should like to inquire whether the Senator from Tennessee, in his judgment, thinks subsection (4), as it now reads in printed form in the bill, contains any size limitation.

Mr. GORE. Will the Senator restate his question?

Mr. HRUSKA. Does subsection (4) as it is printed in the bill, have inherent in it any limitation on the size of signs which can be displayed?

Mr. GORE. Specified by footage or square inches, no; but it would authorize provision signs of the type described within the criteria of reasonableness, and not inconsistent with the national policy and standards of this section. What are the national policy and standards of this section? They are:

> To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways.

The amendment offered by the Senator from Nebraska would insert therein the words "regardless of size." It would in my opinion, nullify the whole provision.

Mr. HRUSKA. The standards also include the limitation of the size of signs to not more than 500 square inches. Why does the Senator disregard that particular part of the national policy spelled out in the standards? It was stated earlier that subsection (3), which sets some of the standards, limits the size of signs to not larger than 500 square inches. We were told by the author of the bill and the Senator from California that standard does not apply to subsection (4). We were told earlier there was no size limitation in subsection (4). Is that true or is it not?

Mr. GORE. There is no specific size limitation in subparagraph (4) on page 21, but there is this provision:

> Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section.

Mr. HRUSKA. And one of the standards is 500 square inches.

Mr. GORE. May I answer the Senator further?

Mr. HRUSKA. Yes.

Mr. GORE. To the junior Senator from Tennessee that means the standards must include the provisions spelled out or stated in subsection (4), that they shall be consistent with the national policy. The amendment of the Senator from Nebraska would strike that provision and state the standards must provide for signs "regardless of size." The words "regardless of size" remove reasonableness. They remove discretion. They open the gate wide, and state that the Secretary must provide in his standards for the erection of signs "regardless of size." Those are the words of his amendment.

Mr. HRUSKA. That is exactly the wording, except that the signs would have to be approved under authorization of State law and be permitted pursuant to State law. If a State legislature saw fit to act on the matter, I think it would be just a little bit closer to the people of the State than would the Secretary of Commerce, who is not an elected officer. If it is the position of the Senator from Tennessee that he would rather trust to the wisdom of the Secretary of Commerce than rely upon the elected members of the respective

legislative bodies, I should like to be informed on that point.

Mr. GORE. Will the Senator yield?

Mr. HRUSKA. Yes.

Mr. GORE. If the Senator from Nebraska is asking the junior Senator from Tennessee his preference, the junior Senator from Tennessee is glad to state that he seeks reasonable regulation of billboards along the Interstate System, in conformity with the policies and standards herein provided, in preference to the provisions of the Senator's amendment, which would require the Secretary, if he issued standards, to provide for signboards "regardless of size."

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. HRUSKA. I yield.

Mr. CASE of South Dakota. I think the Senator is seeking to achieve a desirable result. It occurs to me that the use of the words "regardless of size" does open the door, and suggests to the States, almost, that the sky is the limit.

Has the Senator considered as an alternative striking out the two words in line 23, "and standards"? I would be obliged, I think objectively, to agree that when the words "and standards" appear in the bill they embrace subsection (3), which prescribes the size and distance for certain signs.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. The Senator from Nebraska did consider that possibility, but unfortunately if we leave in the words about national policy, the national policy as defined on page 21 includes subparagraph (3), which limits the size of the signs of 500 square inches.

Mr. CASE of South Dakota. The Senator from South Dakota does not agree with that interpretation. Of course, the Senator from Nebraska is entitled to his opinion.

I believe the description of signs in terms of inches or feet and distances establishes a precise standard. I think that is a standard.

Mr. HRUSKA. Very well.

Mr. CASE of South Dakota. I think, however, that a policy as described in the words above, where the reference is made to the policy, is different. The language is:

> That the erection and maintenance of outdoor advertising signs, displays, or devices within—
>
> A certain distance of the highway, and so forth—
>
> should be regulated.

I think that is the definition of policy. That is also true of the earlier language:

> To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment.

I think all such language is policy. I think the standards come in primarily in subparagraph (3).

It occurred to me that the purpose which the Senator seeks to achieve, which I believe has some merit, would be accomplished by striking out of subsection (4) the words "and standards," which would still maintain the policy and give some leeway or discretion.

Mr. POTTER. Mr. President, will the Senator yield at that point?

Mr. HRUSKA. I yield.

Mr. POTTER. On page 21, line 6, it is stated as a declaration of national policy:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for.

Then there is listed, as one of the standards, as a part of our national policy, subsection (3), with which the Senator is concerned.

In other words, subsections (1), (2), (3), and (4) are part of our national policy.

Mr. HRUSKA. The Senator is correct.

Mr. POTTER. Even if we eliminate the words "and standards" in subsection (4), subsection (3) remains as a part of the national policy.

Mr. HRUSKA. If the Senator does not mind, since I am on limited time, will the Senators please get time from the opponents of the amendment?

Mr. President, earlier today it was stated in the Chamber by the authors of the bill that subsection (4) does not embrace the proposition of the limitation on the size of signs. The amendment which I have proposed would place that in no uncertain terms, in very understandable English. I submit again it is a meritorious amendment, in view of the interpretation placed on the subsection by the authors of the bill, and it should be adopted.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield to the Senator from Oklahoma.

Mr. KERR. I wish to congratulate the Senator from Nebraska for offering the amendment, because a little while ago, when the junior Senator from Virginia was present in the Chamber, he specifically asked the sponsors of the proposed legislation if subsection (4) were limited by the provisions of subsection (3), and he received the answer that it was not.

Mr. HRUSKA. That is correct.

Mr. KERR. It was stated that the limitation of 500 square inches contained in subsection (3) did not limit the application of subsection (4), which exempted signs erected or maintained pursuant to authorization in State law.

Mr. HRUSKA. That is correct.

Mr. KERR. As I understand the amendment offered by the Senator from Nebraska, the only thing he seeks to accomplish is to make a reality of the interpretation which the sponsors themselves have claimed for the bill. The Senator's amendment would make it clear, so that if a sign is authorized or permitted by State law, it would be exempt from the regulation. That is in accord, as I understand, with the statement of the sponsors of the bill as to what subsection (4) was calculated to accomplish.

Mr. HRUSKA. That is my intention.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, will the Senator yield some time to me?

The PRESIDING OFFICER. Does the Senator from California desire to yield time?

Mr. KUCHEL. Before I do, I wonder if my friend from Nebraska would join in asking for the yeas and nays on this amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. KUCHEL. I now yield 3 minutes to the able Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the point on which I wish to speak is whether subsection (3) is one of the standards. I think when the Senator from Michigan read the language on page 21, when he came to the words "consistent with national standards to be prepared" and so forth, it bothered him a little bit to continue reading. Perhaps I am unfair in suggesting that.

Let me read the sentence with the emphasis which I think is pertinent in the situation:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated, consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for.

Then follows the enumeration of the national standards, or at least 3 or 4 of them.

With all due deference to whoever said subsection (4) was not modified by subsection (3), I think subsection (4) is modified by subsection (3). I think when the words "and standards" appear in subsection (4) they refer back to the standards of subsections (1), (2), and (3), which are the standards which are to be provided by the Secretary by the very language of the bill. I think that subsection (3) is a standard.

If we delete the words "and standards" then we merely have a policy and not precise standards.

Mr. HRUSKA. Therefore, I assume the Senator from South Dakota is supporting my amendment?

Mr. CASE of South Dakota. What is that?

Mr. HRUSKA. Therefore I assume the Senator from South Dakota is supporting my amendment?

Mr. CASE of South Dakota. The Senator would be supporting the amendment if the amendment were to strike out the words "and standards", but the Senator from South Dakota finds it impossible to support the amendment if the Senator wishes to state "regardless of size" because it seems to me the Senator from Nebraska would thereby open the door so wide that the whole provision might become rather meaningless.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I am happy to yield.

Mr. POTTER. The controversy concerns whether the standards mentioned (1), (2), (3), and (4) are part of the national policy. The Senator suggests we could strike out "and standards" and by so doing we would eliminate the question which the Senator from Nebraska has raised. However, in the definition of the national policy there is one sentence, and a part of the national policy is "consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for."

Then there are (1), (2), (3), and (4) subsections. I say that the standards which are listed are parts of the national policy.

Mr. CASE of South Dakota. Mr. President, I think the policy is that signs within a certain distance of the highway should be regulated.

The PRESIDING OFFICER. The time of the Senator has expired. Does the Senator from California desire to yield additional time?

Mr. FLANDERS. Mr. President, will the Senator yield me 2 minutes?

Mr. KUCHEL. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. FLANDERS. I should like to interrogate the Senator from Nebraska. I am a little puzzled by the amendment offered by the Senator, in this regard: Will or will not the amendment permit, under subsection (4), signs of any size whatever to be set up in accordance with State provisions, still allowing the one-half of 1 percent payment?

Mr. HRUSKA. Oh, yes. All the signs which are permitted by subsections (1), (2), (3), and (4) would be permitted, and the States would still qualify for the one-half of 1 percent. That is correct.

Mr. FLANDERS. Even using the Senator's words, without any size limitation?

Mr. HRUSKA. So long as the signs are approved by the State legislatures, or authorized by State law, that would be true. That was the interpretation which was placed upon subsection (4) by the authors of the proposal earlier today. I did not conceive that idea. I would not like to have the authors of the bill get the advantage of subsection (3) not qualifying subsection (4), and at the same time have the courts construe the law the other way around. I do not think the authors should ride 2 horses at the same time, unless there are more than 2 of them involved.

Mr. FLANDERS. I may say to the Senator that I am in the position of the one black crow listening to the other black crow play the tin flute, when he said, "Even if it was good, I wouldn't like it."

This amendment is evidently an entrance for signs of unlimited size, and it would still make the State eligible for the one-half of 1 percent allowance.

Mr. HRUSKA. It is the contention of the authors of the bill that subsection (4) is not limited with respect to size.

Mr. FLANDERS. "Even if it was good, I wouldn't like it."

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield to the Senator from Utah.

Mr. WATKINS. Does not the Senator interpret his amendment to mean that subsection (3) is practically rendered valueless? In other words, the 500 square inches would be out of the picture if the legislature wanted to make it different.

Mr. HRUSKA. That is correct; but there would still be the 12-mile limitation. The sign would have to advertise activities within 12 miles of the location of the sign.

Mr. WATKINS. I should like to see some standards. I favor reasonable regulation of billboards, but I believe that 500 square inches is not a reasonable-sized billboard under the circumstances. For example, in my State there is one highway, a defense interstate highway, which runs from the north end of Utah to the south end of Utah, a distance of nearly 400 miles. It runs near by many small communities. Those communities would have no opportunity whatsoever to tell what they had in the various communities, unless the size of the billboard were increased.

Mr. HRUSKA. And the increase in size of the billboard will be up to the State legislature. I venture to say that the State capitol of Utah is much closer than the office of the Secretary of Commerce.

Mr. WATKINS. I understand that; but it seems to me that what is proposed is totally inconsistent with subsection (3). I do not agree with subsection (3) as now written, but I find difficulty in going along with what the Senator says, because his amendment would eliminate any standard with respect to size. I think there should be some standard with respect to size.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The time of the Senator from Nebraska has expired.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. How much time remains available to each side?

The PRESIDING OFFICER. The Senator from Nebraska has 15 minutes remaining and the Senator from California [Mr. KUCHEL] has 23 minutes.

Mr. KUCHEL. I yield myself 3 minutes.

Mr. President, during the discussion of the amendment offered by the distinguished Senator from Nebraska, allusion has been made to the intention which was expressed by the authors of this amendment with respect to subsections (3) and (4).

Last night the distinguished Senator from Tennessee [Mr. GORE], I believe by actual count, answered 17 times the question as to what the intention was with respect to subsections (3) and (4).

Mr. GORE. Eighteen times.

Mr. KUCHEL. It ought to be very simple. I ask Senators to read subsections (3) and (4) on page 21.

But aside from everything else, how ridiculous it would be now to say that States may legislate on the subject of signs regardless of size. What kind of regulation is that?

What we had in mind was that we would endeavor to indicate to the States that what they did in a reasonable manner would be acceptable to a reasonable Government of the United States. How, now, can anyone justify saying "regardless of size" and writing it into a Federal law which seeks to indicate the incentive basis for State legislation?

Mr. GORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. GORE. If a Secretary of Commerce should be so unwise as to promulgate such standards and so unwise and inconsiderate as to enter into agreements with the States in conformity therewith, the United States Government would be obligated to pay 90 percent of the cost of acquiring such advertising easements, which provision would have no effect whatever, because the signs could be erected regardless of size.

Moreover, the Federal Government would be required to pay one-half of one percent of the cost of the interstate highways throughout the States.

Mr. KUCHEL. The Senator is correct.

Mr. GORE. I join the Senator in asking, How ridiculous can we become?

Mr. KUCHEL. I thank the Senator.

Mr. NEUBERGER. Mr. President, will the Senator yield to me for a question?

Mr. KUCHEL. I yield 2 minutes to the Senator from Oregon.

Mr. NEUBERGER. Is it not the opinion of the Senator from California that if this particular amendment is adopted it will reduce nearly to a nullity the very mild regulation we are attempting to bring about in cooperation with the States?

Mr. KUCHEL. There is no question about it. If we attempt in Congress to legislate in this field by saying to the States, "Regardless of the size of signs which you determine are necessary, we will approve your determination," there will be no regulation whatever. No one should be fooled.

Mr. NEUBERGER. I should like to ask the Senator from California another question.

As is his inalienable right as a citizen and a Member of the Senate, the Senator from Nebraska, if I am not mistaken, all during the consideration of the bill has consistently opposed any regulation or control of signboards. Is not that true, according to the recollection of the Senator from California?

Mr. KUCHEL. I thought there was a time when the Senator from Nebraska was about to come over to our side.

Mr. NEUBERGER. The point I wish to make with respect to the proposal of our good friend from Nebraska is that the proposed amendment to our very mild billboard regulation measure comes from someone who, to my knowledge, has been very adamantly opposed to the entire proposal which has been added to the bill.

Mr. KUCHEL. I do not think there is any way of interpreting this amend-

ment, with the phrase "regardless of size" in it, except as an amendment which would completely destroy our intention.

Mr. NEUBERGER. Would it not be possible, under this amendment, to have the most enormous kind of so-called 24-sheet signs near the interchange, saying "Blatz beer served at tavern around the corner," or "one-half mile away," or virtually any other kind of advertising?

Mr. KUCHEL. There is no question about it. If the Congress were to say "regardless of size," that could be the result. The Federal Government would have no right to sit in judgment as to what was reasonable. A billboard might be as large as the Capitol, and nothing could be done about it.

Mr. NEUBERGER. It seems to me that such a proposal would render the bill a nullity.

Mr. HRUSKA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HRUSKA. How much time remains to the proposer of the amendment?

The PRESIDING OFFICER. The Senator from Nebraska has 15 minutes left.

Mr. REVERCOMB rose.

Mr. HRUSKA. I allow myself 3 minutes, and yield to the Senator from West Virginia for a question.

Mr. REVERCOMB. Mr. President, let me say to my colleague from Nebraska and to other Members of the Senate that I heard with surprise the statement that certain Senators who have discussed the bill have said that there was no relation between subsection (3) and subsection (4). With the greatest deference to any opinion which may be held by them, I very definitely disagree.

I believe the four provisions, which are a statement, to some extent, of the policy spoken of in this section, are related and must be read together. It would seem to me, and it is my understanding of the provision of subsection (3), that there is a limitation of size of 500 square inches, and when subsection (4) is read along with it, the application of the limitation of the size has to be had in any part of the use of the subsections. I believe that to be the intent. If I read them together, that would be the conclusion that I must definitely reach. Therefore, if the amendment of the able Senator from Nebraska is adopted, using the words "regardless of size," it completely negates the limitation placed upon size in subsection (3).

Mr. HRUSKA. If the authors of the bill are willing to say that subsection (3) does qualify subsection (4), I am willing to withdraw my amendment forthwith. However, I would suggest to the Senate that the distinguished Senator from Virginia [Mr. ROBERTSON] is here, and the Senator who answered his query is here. If they would like to repeat their statements, I shall ask the Senate to judge for itself whether my amendment does not put the interpretation of those two subsections together.

Mr. KUCHEL. Mr. President, I yield myself 2 minutes. I stated to the able Senator from Virginia that this part of the bill—and I refer to page 21, subsections (1), (2), (3), and (4)—was drafted so that the wording of the separate subdivisions would constitute an unrelated provision for the regulations which the bill contemplates would be laid down by the Secretary of Commerce, and that each subsection would stand on its own feet and refer to the additional responsibility which the Secretary would have to discharge by enumerating the standards. Under that interpretation it was easy for me to tell the Senator from Virginia that when we read No. (4) it has no relation to No. (3), and that it was to be judged separately and apart. I said that. The able Senator from Oregon gave the same opinion. I believe a reading of the language, and the fact that each one of the subdivisions is separate in paragraph form, would add to that understanding.

Mr. ROBERTSON. The junior Senator from Virginia accepted that explanation of the sponsors of the amendment in the bill, and he feels that the pending amendment goes far beyond that. As pointed out by the Senator from Oregon, it takes off all limitations. It applies not only to the intersections, in which the Senator from Virginia was interested, but everywhere along the line. If the State, by permission or law, puts no limitation on it, there is no limitation.

Mr. KERR. Mr. President, will the Senator from Nebraska yield so that I may ask him a question?

Mr. HRUSKA. I yield.

Mr. KERR. First I wish to congratulate the Senator for presenting his amendment. All it does is to implement what the sponsors of section 12 said was inherent in it. All the Senator from Nebraska is seeking to do is to exempt from regulation signs which are authorized under State law. Is that correct?

Mr. HRUSKA. That is correct. There has been a great deal of lipservice rendered to the idea of States interesting themselves in the regulation of billboards. All the amendment does is to give them that opportunity, pursuant to the interpretation placed upon these sections by the authors of the bill.

Mr. KERR. I wish to congratulate the Senator on the amendment. I hope it will be adopted.

SEVERAL SENATORS. Vote! Vote!

Mr. HRUSKA. Mr. President, I am prepared to yield back the remainder of my time, if the Senator from California is willing to yield back the remainder of his time.

Mr. KUCHEL. I have in mind suggesting the absence of a quorum, and, for the benefit of absent Senators, reserving only 1 or 2 or 3 minutes, so that the opponents and proponents of the amendment may speak very briefly before a vote is had.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from California suggest the absence of a quorum?

Mr. KUCHEL. I should like to ask——

The PRESIDING OFFICER. The time will come out of the Senator's time.

Mr. KUCHEL. I ask unanimous consent that I may suggest the absence of a quorum, with the understanding that the time will not come out of the time allotted to either side.

Mr. KERR. Mr. President, I understood the Senator from Nebraska to agree, if the Senator from California agreed, to yield back the remainder of his time.

The PRESIDING OFFICER. Does the Senator from California yield back the remainder of his time?

Mr. KERR. If the Senator yields back his time, no unanimous consent will be required for the time taken for the rollcall. Am I to understand that the Senator from Nebraska has not yielded back his time, if the Senator from California has not yielded back his time?

The PRESIDING OFFICER. That is correct.

Mr. KERR. I have no objection.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator is suggesting the absence of a quorum.

Mr. KUCHEL. Has my unanimous-consent request been granted that the time be not charged to either side?

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? Without objection, it is so ordered.

The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, before we vote on the amendment, which goes to the very heart of the bill, I wish to make a brief plea to the members of my own party. I have been a Democrat all my life. If I am not mistaken, I am the first Democratic Senator from my State in 40 years.

Our party has been a party of conservation. I urge my fellow Democrats not to let the brand of billboards be put on our political party. I have heard it said, in the name of States rights, that we must not pass the mildest kind of bill to provide for cooperative agreements with the States to regulate signboards. Yet ours is the party which favored, and favored strongly, only recently, a measure which tells every cotton and corn farmer how many acres he can plant on his own land. Still, we are told that it is "Russia" or "Hitler" to pass the mildest kind of bill to regulate signboards along highways for which the Federal Government puts up 90 percent of the cost.

In my opinion, this is an issue which the people across the broad face of the land understand, and understand fully. The women in the garden clubs understand the issue. So do the men in the outdoor clubs and wildlife groups and Audubon societies. So do the scoutmasters and all others who love the

countryside. They understand the issue, and they understand it fully.

In this country the boys and girls in the schools are taught to sing America the Beautiful. I hope that the Democratic Party, which has produced such great conservationists as Franklin D. Roosevelt, and many others in our tradition, will not now let itself become saddled with the harness of the billboard lobby.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, as chairman of the subcommittee, I regard this as a test vote. If the amendment should be adopted, then the Senate will be in the unusual position of authorizing the Secretary of Commerce to enter into agreements with the States, by which the States will be entitled to incentive payments, while directing that the Secretary, if he issues standards to be incorporated in those agreements, must provide for the erection of billboards "regardless of size." That is a quotation from the amendment.

Does the Senate want to place itself in the anomolous position of holding out the possibility of States receiving one-half of 1 percent of the cost of the Interstate Highway System—for doing what? For purchasing advertising easements which would permit the erection of signs regardless of size.

Of what value would be the easement the States would purchase, if there is permitted the erection of signs regardless of size? Yet that is the position the Senate will take if it votes for the amendment. I call this vote a test of whether the Senate wants to bring about reasonable regulation of outdoor advertising on the new system of interstate and defense highways "to promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways."

Two years ago the Senate passed a bill which provided that in order for the States to qualify for 90 percent reimbursement of the cost of the new system of expressways, the States must limit access to those highways. That means that although a man lives beside the highway, although he owns a farm alongside which the highway passes, although he has a business adjacent to it, he is not permitted to enter upon the highway freely. He must proceed 1, 2, 3, or 5 miles to a cloverleaf, to a point of access, where he can enter the stream of traffic under regulated conditions, with safety to himself and the stream of traffic into which he will enter.

How does it happen that we can deny to a farmer who lives beside a public highway the right to use the highway except under regulated conditions, yet be asked to direct the Secretary of Commerce, in the promulgation of standards, to provide for the erection of billboards regardless of size?

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KNOWLAND. I yield 2 more minutes to the Senator from Tennessee.

Mr. GORE. How does it happen that the Senate, which has, in the name of safety and national defense, passed a bill to provide a system of expressways of limited access which denies to a businessman the right to the full use of the highway, but instead requires him to enter the highway under regulated conditions, will not, if it votes for the amendment, require the outdoor advertising industry to be regulated also? Regulated for what? For safety, for the free and rapid flow of traffic, for the same reasons for which we denied the farmers, homeowners, and businessmen the right of free access to the highways.

Yes, I think the Senate should pause, think, and ask itself why it would impose a limitation of access on every person who uses the highways, except possibly the outdoor advertising industry. Is that the position the Senate wants to take? It is not the position which the junior Senator from Tennessee will take.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

SEVERAL SENATORS. Vote! Vote!

Mr. KERR. Mr. President, will the Senator from Nebraska yield 5 minutes to me?

Mr. HRUSKA. I yield 5 minutes to the Senator from Oklahoma.

Mr. KERR. I am greatly amused at the mental agony and physical pain of the sponsors of section 12, now that they are face to face with a provision that does no more than they themselves have said was inherent in the language of section 12.

The Senator from Oregon [Mr. NEUBERGER] was offended and outraged that certain provisions were referred to as being on a par with the action of Hitler and Russia. I am the one who referred to them. I was referring to the proposal to have the Federal Government take from private citizens vested property rights without paying for them.

Mr. President, where else in the civilized world are parliamentary authorities seriously considering such a legislative enactment? One would have to go to Russia or someplace like that to find where the government would wish to take from the private citizens their property rights without paying for them.

Yet the sponsors of this proposed legislation have stated on the floor of the Senate that under this proposal there would be created a situation in which the Federal Government would pay money to the States, in return for action by the States to acquire these rights, either by the right of eminent domain or by means of the police power. I submit that such a procedure would be the procedure which one would find followed only in Russia or in some country like it.

The Senator said that 2 years ago the Senate voted for a bill to limit access roads. He said that measure took from the property owners along the right-of-way the right of access by their customers and prospective purchasers. That is true. Mr. President, do you know why that was done? It was done because under the lashing whip exercised by the great Senator George of Georgia, even the Senator from Tennessee [Mr. GORE], himself, fled in terror from sponsoring this very amendment. This billboard amendment was in that bill, 2 years ago. At that time the Senator from Georgia said, "You shall not do this to the people of my State and not pay them for it."

Here is what the Senator from Tennessee said at that time, 2 years ago:

> Mr. GORE. Few bills of the magnitude of S. 1048 have ever been before the Congress. It may be that the committee has erred in including a provision which is extraneous to highway legislation. The committee was undertaking to facilitate the acquisition of lands by the States.

At that time the proposal was to purchase those rights. But now it is proposed that they be taken from the owners by means of the police power.

Then the Senator from Tennessee said:

> As chairman of the subcommittee, I have conferred with members of the subcommittee, and we are unanimous in our feeling that such a small matter as this should not in any way endanger the bill.

On that occasion, 2 years ago, he was referring to the billboard amendment.

Then the Senator from Tennessee said:

> Therefore, Mr. President, I ask unanimous consent that the junior Senator from Oregon, without losing his right to the floor, may yield to the junior Senator from South Carolina [Mr. THURMOND] to propose an amendment which I believe will be agreed to without objection.

Mr. President, what was the amendment? It was the same one that the Senator from Oklahoma, the Senator from Pennsylvania, the Senator from Nebraska, and the Senator from North Carolina are sponsoring now, namely, to strike the billboard provisions from the highway construction bill.

So, 2 years ago, that language was stricken from the bill. After it was stricken from the bill, the bill was passed. That bill did not permit the property owners along the highway to have the right to have their customers have access to their places of business before they went to the cloverleaf; but the bill did not deprive the property owners of the right to put up signs there, to tell their customers how to reach the cloverleaf and then to reach their places of business.

So 2 years ago, these Senators took steps to provide that the customers would not be able to reach the places of business along the highway without going to the cloverleaf. But then the Senator fled in terror from an amendment which would have deprived the owner of the right to erect a sign to tell the customers how to go to the cloverleaf and then to reach the owner's place of business.

But now, in the name of esthetics, whatever it may be, and however it may be spelled——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The time yielded to the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I ask the Senator from Nebraska to yield 1 more minute to me.

Mr. HRUSKA. I yield 1 additional minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 additional minute.

Mr. KERR. So, Mr. President, now, in the name of culture and esthetics, these Senators are asking the Senate of the United States to adopt the amendment which they, themselves, asked the Senate to strike out, 2 years ago.

Mr. President, the amendment of the Senator from Nebraska provides only that if a billboard is permitted or authorized by State law, it shall not be subject to the police power, the pistol-toting power, and the regulatory power of the Secretary of Commerce.

Mr. President, I think the amendment of the Senator from Nebraska should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HRUSKA].

Mr. CASE of South Dakota. Mr. President, will the Senator from California yield me some time?

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, whenever an amendment is offered by my distinguished friend, the Senator from Nebraska [Mr. HRUSKA], my natural impulse is to favor it. Whenever I hear the able Senator from Oklahoma [Mr. KERR] wave the flag, I always seek an opportunity to get right behind him in the procession and to go down the road with him.

But in this instance I think the Senate should realize what the issue is. The pending amendment would not strike the billboard provision from the committee amendment. Senators who vote for the pending amendment will not be voting to strike the billboard provision from the committee amendment. The vote which soon will be taken will be on the question of agreeing to the amendment of the Senator from Nebraska, which proposes that certain language of the committee amendment be changed.

Let me read the language which would be changed by means of the amendment of the Senator from Nebraska. It is to be found on page 21, following the provisions about permitting the Secretary of Commerce to enter into agreements with the States. I read now from page 21, beginning with line 21:

> (4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public—

Mr. President, under that provision the Secretary of Commerce would have to insure that the agreements would provide for signs "erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public."

The agreement would have to permit such signs. If the States qualified under this provision, they would be entitled to receive an additional one-half of 1 percent of the cost of the projects covered by the agreement.

The Senator from Nebraska proposes to strike out that language, and to insert in lieu thereof a requirement that the agreement with the States permits signs to be erected and maintained pursuant to permission or authorization under State law, regardless of the size of the signs, when designed to give information in the specific interest of the traveling public.

The pending amendment would strike out the requirement that the signs not be inconsistent with the national policy. The amendment would remove that provision; and, by means of the amendment, if a State passed a law which provided for signs, regardless of size, the State could still qualify for the proposed additional payment.

Mr. President, I am not interested in the partisan aspects of this matter, and I am sorry such aspects were raised.

But I am interested in protecting the Treasury of the United States and the so-called trust fund for the construction of highways.

Are States to be entitled to receive an additional one-half of 1 percent as a result of the signing of an agreement which will leave to the States the definition of the policy and will permit them to authorize the erection of signs, regardless of their size? Why should the States be paid anything at all, in that event? Why should there be imposed on the Federal Treasury the burden of paying an additional one-half of 1 percent under such circumstances?

The cost of the program has been estimated variously at from $100 million to $200 millon, or perhaps more. I do not know what the cost will be; in any event it could amount to millions of dollars.

However, if signs, regardless of their size, are to be permitted, why should the States be paid anything? Why should they be paid the one-half of 1 percent under those circumstances? Why should there be such a sharing of the cost of purchasing these rights, if the States are to be permitted to prescribe the standards and if there is not to be a requirement that they shall be consistent with the policy of regulating billboards?

Mr. President, if Senators do not want the billboard section included in the committee amendment, let Senators vote for the amendment which will be called up later on; I refer to the amendment to strike out that entire section of the committee amendment.

But Senators who favor striking from the committee amendment the entire billboard section should not vote for an amendment which provides that the States shall be paid an additional one-half of 1 percent of $37 million, or whatever the cost may be, but does not provide standards which the States must meet or comply with, and permits the States to pass laws permitting the erection of signs, regardless of their size.

Mr. President, why should Senators vote for an amendment which would require that the States be paid something for nothing?

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. HRUSKA. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 minutes.

Mr. HRUSKA. I should like to reiterate the reason for the amendment being proposed by the Senator from Nebraska is the construction placed on the bill by the authors thereof, as declared a little earlier today.

On page 21 of the bill, subsection (3) provides a limitation of 500 square inches on the size of signs.

It was said earlier today that the limitation of 500 square inches provided in subsection (3) does not apply to subsection (4), notwithstanding the use, in section (4), of the language, "Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section."

The effect of that interpretation of the language is that subsection (4) has no limitation as to the size of signs.

All I want to do is simply say that in so many words. I cannot understand all the agitation about the deep implications of the language I have proposed, when all I am trying to do is put in precise and clear language what the authors of the bill themselves say is provided by the bill now.

I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from California yield back the time remaining to him?

Mr. KNOWLAND. I am prepared to yield back the time remaining to me, and I do so.

The PRESIDING OFFICER. All time on the amendment of the Senator from Nebraska has been yielded back. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HRUSKA]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Martin, Iowa
Allott	Fulbright	Martin, Pa.
Anderson	Goldwater	McClellan
Barrett	Gore	McNamara
Beall	Green	Morse
Bennett	Hayden	Morton
Bible	Hennings	Mundt
Bricker	Hickenlooper	Murray
Bush	Hill	Neuberger
Butler	Hoblitzell	O'Mahoney
Byrd	Holland	Pastore
Carlson	Hruska	Payne
Carroll	Ives	Potter
Case, N. J.	Jackson	Proxmire
Case, S. Dak.	Javits	Purtell
Chavez	Johnson, Tex.	Revercomb
Church	Johnston, S. C.	Robertson
Clark	Kefauver	Russell
Cooper	Kennedy	Saltonstall
Cotton	Kerr	Schoeppel
Curtis	Knowland	Scott
Dirksen	Kuchel	Smathers
Douglas	Langer	Smith, Maine
Dworshak	Lausche	Smith, N. J.
Eastland	Magnuson	Sparkman
Ervin	Malone	Stennis
Flanders	Mansfield	Symington

Talmadge	Watkins	Yarborough
Thurmond	Wiley	Young
Thye	Williams	

Mr. MANSFIELD. I announce that the Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference as a delegate to the conference from the Senate.

The Senators from Louisiana [Mr. ELLENDER and Mr. LONG] are officially absent attending the burial services of the late Congressman George P. Long.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HRUSKA]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the role.

Mr. MANSFIELD. I announce that the Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference as a delegate to the conference from the Senate.

The Senators from Louisiana [Mr. ELLENDER and Mr. LONG] are officially absent attending the burial services of the late Congressman George P. Long.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "yea" and the Senator from Louisiana [Mr. LONG] would vote "nay."

The Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Indiana would vote "yea."

The Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Indiana would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting the Senator from Indiana would vote "yea" and the Senator from Oklahoma would vote "nay."

The Senator from Indiana [Mr. JENNER] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 31, nays 58, as follows:

YEAS—31

Bennett	Holland	Russell
Butler	Hruska	Schoeppel
Chavez	Johnson, Tex.	Scott
Curtis	Johnston, S. C.	Sparkman
Dirksen	Kerr	Stennis
Eastland	Malone	Talmadge
Ervin	Martin, Iowa	Thurmond
Frear	Martin, Pa.	Yarborough
Goldwater	McClellan	Young
Hickenlooper	Mundt	
Hill	Potter	

NAYS—58

Aiken	Fulbright	Murray
Allott	Gore	Neuberger
Anderson	Green	O'Mahoney
Barrett	Hayden	Pastore
Beall	Hennings	Payne
Bible	Hoblitzell	Proxmire
Bricker	Ives	Purtell
Bush	Jackson	Revercomb
Byrd	Javits	Robertson
Carlson	Kefauver	Saltonstall
Carroll	Kennedy	Smathers
Case, N. J.	Knowland	Smith, Maine
Case, S. Dak.	Kuchel	Smith, N. J.
Church	Langer	Symington
Clark	Lausche	Thye
Cooper	Magnuson	Watkins
Cotton	Mansfield	Wiley
Douglas	McNamara	Williams
Dworshak	Morse	
Flanders	Morton	

NOT VOTING—7

Bridges	Humphrey	Monroney
Capehart	Jenner	
Ellender	Long	

So Mr. HRUSKA's amendment was rejected.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the senior Senator from California [Mr. KNOWLAND] to lay on the table the motion of the junior Senator from California [Mr. KUCHEL].

The motion to lay on the table was agreed to.

Mr. O'MAHONEY. Mr. President, I send forward an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 21, line 13, it is proposed to strike out the words "provide for" and to insert the words "include only the following four types of signs and no signs advertising illegal activities."

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. The Senator from Wyoming is recognized. How much time does the Senator allot himself?

Mr. O'MAHONEY. I shall allot myself 10 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. O'MAHONEY. The purpose of the amendment is to eliminate a clearly unconstitutional provision of the bill.

It is recognized that when Congress delegates away its power to regulate any activity within its jurisdiction, Congress must set forth the standards which are to guide the person writing the regulations.

The amendment proposed by the committee conveys to the Secretary of Commerce the power to make regulations—the power and the discretion to provide what the regulations shall be.

Mr. JOHNSON of Texas. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order, so that the Senator from Wyoming can be heard.

Mr. O'MAHONEY. I thank the Senator.

The amendment as reported by the committee provides only four classes of standards which are mandatory upon the Secretary. Otherwise, there is no limitation upon what the Secretary may do. It is perfectly simple to realize this is true by reading the language.

Mr. President, it may not be important to Members of Congress whether we delegate our power, but I think it is important for Members of the Senate to give attention while a matter of such great importance is being presented. It is no wonder that Congress is losing its power, when Members do not take the time to pay attention to proposals which are being made.

This is a serious argument. Let me read to the Senate the language beginning in line 6 on page 21:

> It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated—

And so forth. Regulated how?

Mr. STENNIS. Mr. President, may we have order? Will the Chair request those carrying on conversations and milling about please to retire?

The PRESIDING OFFICER. The Senate will be in order. Attachés who are at the rear and sides of the Chamber will please retire from the Chamber in order that Senators may hear the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I ask that this time shall not be assessed against my 10 minutes.

The PRESIDING OFFICER. The time taken by the Chair will not be assessed against the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, here is language declaring that a national policy should be adopted for the regulation of billboard signs, but it does not say how that policy is to be formed, until we reach the next phrase, which reads as follows:

> Consistent with national standards—

That sounds good, and it is fine; but who is to determine those standards?—

> to be prepared and promulgated by the Secretary—

Here is a plain, clear, lucid, delegation to the Secretary of Commerce of the Congressional power to regulate signs.

The sentence continues—

> to be prepared and promulgated by the Secretary, which shall provide for—

Then follow four distinct categories. If this language had been prepared in such form as to say "which shall provide for only" the four categories, that would be

a limitation upon the discretion of the Secretary. But the word "only" is not there. The Secretary may allow any other kind of category which he deems it proper to allow.

The amendment which I propose is simply an amendment which would strike out "provide for" and insert in lieu thereof "include only the following four types of signs, and no signs advertising illegal activities".

Under the language which the committee has reported, it would be perfectly possible for the Secretary to authorize the use of signs advertising illegal businesses. There is no question whatever about it.

What I ask the Senator in charge of the bill to do is to accept this amendment, which merely declares the policy of Congress to regulate for itself, and to establish the fixed standards which must guide the Secretary.

I say to the Senator from Tennessee, without the slightest reservation, that if the committee amendment goes into the bill without some such change as I am proposing, the billboard advertisers whom it is desired to control will break it down in the first test case in the Federal courts.

Mr. GORE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Tennessee.

Mr. GORE. The able Senator from Wyoming possesses far more knowledge of constitutional law than is in the possession of the junior Senator from Tennessee. Even so, I venture to suggest that the provision to which the Senator has addressed his remarks is on all fours with a provision of the Highway Act of 1956.

Mr. O'MAHONEY. The Senator is now saying to me what he said in our private discussion this afternoon. He is citing the engineering standards which have been established. I think there is no real relationship between the two, and I say to the Senator in all sincerity, in all candor, and in all earnestness, that the wise thing for him to do now is to accept this amendment and take it to conference. I have no doubt that there will be available in the conference constitutional advice far better than my own, which will prevail upon the Senator to accept the amendment and write it into the law.

Mr. GORE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Of course.

Mr. GORE. The Federal Aid Highway Act of 1956 provides, in subsection (1) of section 108:

> The geometric and construction standards to be adopted for the Interstate System shall be those approved by the Secretary of Commerce, in cooperation with the State highway departments.

The pending provision would authorize the Secretary of Commerce not to regulate, but to enter into agreements with States, under which agreements the States themselves would undertake to regulate.

Mr. O'MAHONEY. Oh, the Senator does not mean that. The language in the bill makes it clear that the State laws must be in accordance with the policy and the standards of this section.

Mr. GORE. For what purpose?

Mr. O'MAHONEY. I say again to the Senator that this is a question much bigger than billboards. This is the question of the right of Congress to write the laws of the Nation.

We complain about judge-made laws. We complain about the delegation of power to the Executive. The bill would vest in the Secretary of Commerce and the underlings appointed, under civil service or otherwise, power to take over the entire administration of the law.

We should not surrender our own power. If we pretend to be the leaders of the Free World, we should be striving to preserve government by the people; and when the people's representatives give up government by the people, when they undertake to delegate away their power without writing definite and complete standards which they themselves impose, there is no question as to what will happen.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. Certainly.

Mr. GORE. With great deference and respect for the ability, knowledge, and erudition of the distinguished Senator from Wyoming, I submit that it is my opinion that the provision constitutes a reasonable delegation of power by Congressional enactment, with specific directions that the standards to be promulgated shall provide for—

> (1) Directional or other official signs or notices that are required or authorized by law.
>
> (2) Signs advertising the sale or lease of the property upon which they are located.

And the types of signs described in subparagraphs (3) and (4).

Mr. O'MAHONEY. Mr. President, will the Senator permit me to interrupt him?

Mr. GORE. Certainly.

Mr. O'MAHONEY. It is idle for the Senator from Tennessee and for the Senator from Wyoming to argue this matter back and forth now. Senators are not listening or paying attention to the discussion. The Senator from Tennessee and I are talking for our own enjoyment.

Mr. GORE. Several Senators are listening.

Mr. O'MAHONEY. Several Senators may be listening, but I hear conversations going on all around us.

Mr. GORE. I believe some of the conversations may be the conversations of attachés of Senators, rather than of Senators.

Mr. O'MAHONEY. What I am asking the Senator to do——

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I yield myself 2 more minutes. What I am in all sincerity asking the Senator to do is to take the amendment to conference and give it consideration there, where it can be considered with the aid of constitutional lawyers.

Mr. GORE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. GORE. I say in all candor that, so far as I am concerned, I would have no objection to the amendment. However, the subcommittee desired, as I understand the action of the subcommittee, to provide for standards to be promulgated by the Secretary of Commerce which would allow, under certain conditions consistent with the national policy herein outlined, certain outdoor advertising. The adoption of the Senator's amendment would make the bill somewhat more restrictive than it is at present. I am sure the Senator from Wyoming will agree that if his amendment is adopted, the standards——

Mr. O'MAHONEY. The Senator is proving my argument. All he is saying is that the discretion of the Secretary of Commerce under the committee amendment is so broad that it is broader than he knows.

Mr. GORE. That is not exactly what the junior Senator from Tennessee is saying. If the Senator will permit me to proceed for a moment.

Mr. O'MAHONEY. I am happy to do so.

Mr. GORE. I was undertaking to say that the Senator's amendment would restrict the standards so as to limit signs to the types described in subparagraphs (1), (2), (3), and (4) on page 21; is that correct?

Mr. O'MAHONEY. That is a confession by the Senator from Tennessee that the standards have not been set forth to guide the Secretary. That is precisely what I am saying.

Mr. GORE. Whether it is a confession or not, is that correct?

Mr. O'MAHONEY. Of course it is correct.

Mr. GORE. Then the adoption of the amendment would mean that the standards which are to be the subject of agreements could not provide for commercial advertisements other than of the types and under the conditions described in subparagraphs (1), (2), (3), and (4). If the Senate desires to take such action, I certainly shall not object, but I cannot, on behalf of the subcommittee, accept the amendment, because I believe it was the intent of the subcommittee that, wherever signs could be erected so as not to impair the safety of the traffic, or mar the beauty of the landscape, or obstruct the view of some historic point, and so as to be consistent with national policy, the standards should make provision for them, under appropriate regulations. Although I am not inclined sincerely and strenuously to resist the Senator's amendment from personal conviction, I nevertheless am not in a position to accept it as chairman of the subcommittee.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Mr. President, how much do I have remaining?

The PRESIDING OFFICER. The time the Senator has allotted to himself has again expired.

Mr. O'MAHONEY. How much time is remaining?

The PRESIDING OFFICER. The Senator from Wyoming has 18 minutes remaining.

Mr. O'MAHONEY. I yield 5 minutes.

Mr. LAUSCHE. Mr. President, will the Senator allow me merely to ask a question?

Mr. O'MAHONEY. Certainly. I yield myself 5 minutes for that purpose.

Mr. LAUSCHE. It seems to me that the Senator from Wyoming wishes sincerely to have a bill which will withstand constitutional challenge. Is that correct?

Mr. O'MAHONEY. Which will stand up in court; yes.

Mr. LAUSCHE. I should like to ask the Senator from Tennessee where, in the section dealing with billboards, is there a limitation upon the extent to which the Secretary of Commerce may go in prescribing the standards?

Mr. GORE. The Senator will find them on page 20, in lines 23, 24, and 25, and on page 21, in the first line. The objective of the standards must be "to promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways." That is the policy upon which the regulation of commercial advertising or outdoor advertising would be based.

The committee sought to make specific provision for directional signs, for official signs, for signs advertising the sale of property erected on the property for sale, and for the advertisement of business being conducted in the general area of the signs. I submit to the able Senator that in my opinion that is a reasonable delineation and description of the authority here sought to be delegated. The distinguished junior Senator from Wyoming disagrees with that point of view. He contends that it is not sufficiently delineated to meet the constitutional test of delegation of authority. It is my opinion that it does. However, I must say that it is with humility that I match my judgment against the wonderful ability, experience, and training of the distinguished junior Senator from Wyoming.

Mr. LAUSCHE. It is my understanding that the position of the Senator from Tennessee is that the provisions in subparagraphs 1, 2, 3, and 4 must be mandatorily included within the standards.

Mr. GORE. The standards must provide for subsections 1, 2, 3, and 4.

Mr. LAUSCHE. Beyond that there is a discretionary power vested in the Secretary of Commerce to adopt such standards as he may deem proper, provided he stays within the limitation set forth in lines 23, 24, and 25 on page 20, and in line 1 on page 21. That limitation is that no standards shall be adopted unless they "promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and protect the public investment in the National System of Interstate and Defense Highways."

Mr. GORE. I believe that is correct.

Mr. LAUSCHE. The Senator believes that that limitation is adequate to circumscribe the Secretary of Commerce and keep him within a ceiling and a floor, and thus comply with the constitutional inhibition against Congress delegating legislative power to the executive branch. Is that correct?

Mr. GORE. That is my opinion; and I have cited the precedent of the Highway Act of 1956, which likewise delegates authority for the promulgation of standards with which the States must comply in order to qualify for Federal aid in the construction of the Interstate System.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. The Senator knows how deeply interested I am in the success of his efforts to retain section (12) in the bill.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator from Wyoming has expired.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. The time is controlled by the Senator from Wyoming.

Mr. CLARK. The Senator from Tennessee has some time in opposition, I believe.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Tennessee.

Mr. GORE. I yield.

Mr. CLARK. I hope it will be possible, on the floor, to make an arrangement which will satisfy the Senator from Wyoming and the Senator from Tennessee, even though that is not always a very satisfactory way to operate. I am concerned about the point raised by the Senator from Wyoming. I call this to the attention of the Senator from Tennessee—by asking him to look at page 21, lines 11 and 12—"should be regulated, consistent with national standards to be prepared and promulgated by the Secretary."

I fear, as does the Senator from Wyoming, that when we tell the Secretary of Commerce to prepare national standards, we are delegating power which may be unconstitutional. That phrase limits the national standards and gives the Secretary the right to prepare and promulgate the national standards.

While I cannot say I am entirely in accord with the language proposed by the Senator from Wyoming, because I have not had an opportunity to study it carefully, I think it might be the part of wisdom to accept the amendment and take it to conference, where the whole matter can be worked out better.

The amendment, in my opinion, strengthens the bill. I know the Senator wants to see the bill strengthened. So do I. I suggest that the Senator from Tennessee accept the amendment of the Senator from Wyoming in the interest of getting a bill which will not be subject to any constitutional objection whatever.

Mr. GORE. I appreciate the suggestion of the Senator from Pennsylvania. I yield to the Senator from California.

Mr. KUCHEL. I have listened with great interest to the colloquy. I agree with the comments the Senator from Tennessee [Mr. GORE] has made. It seems to me that it would be in the interest of drafting a better bill to have the Senator from Tennessee and also the Senator from Oregon consider accepting the amendment, which, as I understand, restricts the promulgation of rules by the Secretary of Commerce to the four enumerated paragraphs which are set forth on page 21, plus a recognition of the proposal to eliminate signs which advertise illegal businesses. To that extent, I suggest that the Senator from Tennessee accept the amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I may say finally, and then I shall desist, that there should also be an escape clause which would protect those of us who want to give all possible flexibility to the States. Nothing the Secretary of Commerce would do pursuant to the amendment of the Senator from Wyoming could be effective unless the State agreed.

So we are not really providing a stiffer and more arbitrary power, but are prescribing the standards, because the States will have to agree to them; otherwise nothing will happen. That is a helpful escape clause, which may persuade the Senator from Tennessee of the desirability of accepting the amendment.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. NEUBERGER. I wish to ask the Senator from California, who is my cosponsor, and the chairman of the subcommittee a question about the amendment.

I know it is submitted in the best of faith by the able Senator from Wyoming, whom all of us recognize and respect as a great authority on the constitutional aspects of any legal question. I know that the Senator from Wyoming is most eager to assist in developing a bill which will stand any court test to which it might be subjected.

One question I wish to ask the Senator from California and the Senator from Tennessee is this——

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KUCHEL. I yield 5 more minutes to the Senator from Tennessee, who I understand has yielded to the Senator from Oregon.

Mr. GORE. I yield to the Senator from Oregon.

Mr. NEUBERGER. I regard the opinions of my colleagues in this respect—indeed, in all respects—as being far more authoritative than mine. Is it their opinion that the proposal might put the Secretary of Commerce in too much of a straitjacket regarding the rules which he promulgates, or do they think it still will leave sufficient latitude to him so that, within reasonable administrative limits he can set forth logical rules for the protection of the roadside? That is the main question in my mind. I want my cosponsor and the chairman of the subcommittee to answer the question, because I believe it is pertinent.

Mr. KUCHEL. If the Senator from Tennessee will permit me to answer, I think, based on my own limited experience as a lawyer, that implicit in the bill as the Senator from Oregon and I drafted it is the theory that the Secretary of Commerce in promulgating rules and regulations must be guided by the rule of reason. His discharge of his responsibilities under the national policy which is set forth would have to be in a reasonable fashion.

To the extent, however, that the Senator from Wyoming, in his proposal, recognizes the four specific fields in which regulation must be made, and, recognizing them, ties the Secretary of Commerce down to regulation in those four fields exclusively, he has, if not fettered, at least restricted the Secretary's area for regulation.

But I must say that in enumerating the four sections, the Senator from Oregon and I endeavored, with the help of the Bureau of Public Roads, to indicate the four important fields in which regulation could be met.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. O'MAHONEY. If the conferees believe there should be more than four categories, I will have no objection. All I want is to have Congress, not the Secretary, declare what the categories are.

Mr. GORE. As chairman of the subcommittee, I find myself in a somewhat anomalous position. The subcommittee has taken a position. I have been told that all members of the subcommittee who are readily available, including the chairman of the full committee, the ranking Democrat on the committee, the ranking minority member of the committee, and all other members of the subcommittee available on the floor, save one, approve of accepting the amendment. The two coauthors of the provision suggest the acceptance of the amendment.

I suppose under those terms, because one member of the committee objects, I am hardly at liberty to accept it. I suggest that the Senate vote.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CARROLL. I invite the Senator's attention to the great service rendered by the Senator from Wyoming by offering his amendment. By the wording of the bill itself, by the standards set forth on page 21, subsection (a), the committee itself may have placed a limitation by referring to four categories of signs. It may be considered advisable to extend or broaden the categories. I think they ought to be broadened. That is why I think a service has been rendered by the Senator from Wyoming.

If this bill goes to conference, I would not wish to be bound by it, because I think there is a more serious question involved than that sought to be covered by the amendment. I know the junior Senator from Oregon made a statement concerning it this morning concerning the broad purposes of this bill. The language on line 5, page 22, provides that any such agreement shall include provisions for the regulation and control of the four categories of signs. I think that provision should be broadened and not restricted but may be unintentionally restricted in the bill.

In line 9, the language reads, "may include, among other things, provisions for preservation of natural beauty, prevention of erosion, landscaping, reforestation," and so forth.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. O'MAHONEY. I yield 3 minutes to the Senator from Colorado.

Mr. GORE. Does the Senator from Colorado recommend that the amendment to be taken to conference?

Mr. CARROLL. I suggest that the Senator from Tennessee take the amendment to conference. The Senator from Wyoming, has rendered a splendid service, and we have the debate in the RECORD. I do not want to tie the hands of the committee. There may be difficulty in the conference with the House, but at least I think it is necessary to broaden the standards to protect what the Senator from Tennessee and the Senator from Oregon really want as standards in the bill. That is what I understand the Senator from Wyoming has been trying to do.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield, in order that I may ask a question of the Senator from Wyoming?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. GORE. I yield.

Mr. LAUSCHE. The Senator from Tennessee said that lines 23 to 25, on page 20, and line 1 on page 21 provide definite limitations on the discretionary power of the Secretary of Commerce to adopt and promulgate rules and regulations. Will the Senator from Wyoming state his opinion of that statement by the Senator from Tennessee?

Mr. O'MAHONEY. Mr. President, one can interpret language only after reading it.

Beginning in line 23, on page 20, the committee amendment now reads as follows:

(a) National policy: To promote the safety, convenience, and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment in the National System of Interstate and Defense Highways, it is hereby declared to be in the public interest to encourage and assist the States to control the use of and to improve areas adjacent to the Interstate System by controlling the erection and mainenance of outdoor advertising signs, displays, and devices adjacent to that system.

That is merely a declaration that it is in the public interest to control the erection and maintenance of signs. Of course it is a limitation, but it is merely a declaration that it is in the interest of the public to promote safety, and so forth, by controlling the erection and maintenance of outdoor advertising signs.

The PRESIDING OFFICER. The time the Senator from Wyoming has yielded to himself has expired.

Mr. O'MAHONEY. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 2 additional minutes.

Mr. O'MAHONEY. Then we find the following:

It is hereby declared to be a national policy that the erection and maintenance of outdoor advertising signs, displays, or devices within 660 feet of the edge of the right-of-way and visible from the main-traveled way of all portions of the Interstate System should be regulated.

That is merely a restatement of the first sentence.

Then, following the word "regulated," there is a comma; and then, as the Senator from Pennsylvania has already pointed out, there appears the word "consistent." Consistent with what, Mr. President? "Consistent with"—and now I read further from page 21—"national standards to be prepared and promulgated by the Secretary."

I say that under the Constitution the Congress must provide the standards.

So I ask that the amendment be accepted. Then let the House pass on it as it may please; and thereafter let the conference committee handle it.

Mr. GORE. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. Yes; indeed.

Mr. GORE. Still another member of the committee has indicated his willingness to accept the amendment. Under the circumstances, I believe I would be reasonably entitled to exercise the discretion of accepting the amendment and subsequently taking it to conference; and I shall do so.

Mr. O'MAHONEY. I thank the Senator from Tennessee.

The PRESIDING OFFICER. The Chair is informed that the amendment must be voted on by the Senate.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Senator from Tennessee may be permitted to accept the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I yield back the remainder of the time under my control.

Mr. WATKINS. Mr. President, I submit the following amendment:

On page 21, in line 18, strike out "500" and insert in lieu thereof "3,000."

As thus amended, paragraph (3), on page 21, would read as follows:

(3) Signs not larger than 3,000 square inches advertising activities being conducted at a location within twelve miles of the point at which such signs are located.

Mr. President, I submit that amendment for the very practical reason——

The PRESIDING OFFICER. How much time does the Senator from Utah yield to himself?

Mr. WATKINS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. WATKINS. Mr. President, there is displayed in the rear of the Chamber a sample of a sign 500 square inches in size. It is apparent that the distance of that sample from the desks of Senators is nowhere near the distance that signs along the right-of-way would be located from passing motorists. Under the circumstances, a sign so small would constitute a definite traffic hazard, if motorists driving their automobiles at 60 miles an hour were to attempt to read a sign of that size. In fact, even at a speed of 30 miles an hour, it would be hazardous for a motorist to attempt to read a sign of that size. In short, such a sign would be both dangerous and useless. Even though a sign of that size might carry an advertisement to the effect that a motel was located a certain number of miles away, the average motorist would either be unable to read the sign, or else he would have to slow down so much, in order to be able to read it, that a traffic hazard would be created.

Mr. President, we must keep in mind that the Interstate Highway System will in many cases traverse territory made up of many small communities. In my State, United States Route 91, an interstate highway, traverses the full length of the State of Utah, from north to south, a distance of nearly 400 miles. There are only 2 or 3 cities of any size along that highway. All the people living in those towns would be bypassed by the Interstate System. They would like to be able to erect signboards of sufficient size to advertise the facilities located within the 12-mile zone, in order that those who travel on the road would be able to read the signs.

I believe there should be regulation of billboards along the highways; I do not favor unrestricted placing of billboards, and I do not believe that a reasonable restriction would take away the rights of the property owners without due process of law.

But in providing or imposing these limitations with respect to billboards, we are much in the same position as the one the cities and towns and country districts were in when they imposed zoning ordinances. However, those ordinances have been upheld by the Supreme Court of the United States.

But if we are to be reasonable and practical, I believe this amendment should be adopted.

Those of us who have had experience in driving automobiles on such highways—and who has not had that experience?—know that we cannot rely, as has been stated, on having places for the erection of billboards provided at the interchanges. Even if such places were provided, parking spaces would be required in order that motorists might stop long enough to read the billboards. Thus, a great deal more land would be required or else the traffic at those points would be greatly slowed down and jammed up. In other words, such an arrangement would not be practical or workable.

But, Mr. President, this amendment will be practical and workable, and it will make for far better feeling by the people of the small towns.

I have talked to the people of my State. I know that some of them want an unrestricted right to erect and maintain billboards of any kind along these highways. I am not in accord with those views. Instead, I believe there should be regulations; but I believe the regulations should be reasonable and sensible.

I believe that this amendment will remove much of the objection that has been raised to the proposal of the subcommittee—in other words, if the requirement is changed from 500 square inches to 3,000 square inches. Three thousand square inches would permit the erection of a sign approximately 30 inches high and 100 inches long. That would not be very much of a billboard, but it would be definitely better than the one now displayed in the rear of the Senate Chamber. This amendment would not permit the erection or maintenance of the very large billboards which have been objected to so strongly by the proponents of the billboard provisions.

Mr. President, I hope the subcommittee will accept this amendment.

I wish to say that I desire to support the bill; but I am in the same position that a large number of the other Members of the Senate are in, namely, we are faced with the objection of citizens who do not wish to have any billboards at all erected along the highways. Yet in our States there are many citizens who want no restrictions imposed in regard to the erection and maintenance of billboards.

The committee claims that the committee amendment constitutes a mild bill to regulate the erection and maintenance of billboards.

Mr. GORE. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. GORE. Mr. President, I am sure the Senator from Utah is aware that the chairman of a subcommittee——

The PRESIDING OFFICER. The time the Senator from Utah has yielded to himself has expired.

Mr. WATKINS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 additional minutes.

Mr. GORE. Mr. President, I am sure the Senator from Utah is aware that the chairman of a subcommittee is in a very real sense the servant of the subcommittee. Unless a poll were taken of the members of the subcommittee, and unless the poll indicated their acceptance of the amendment, I would not be in a position to accept it.

Mr. WATKINS. Let me ask how the Senator from Tennessee personally feels about the amendment.

Mr. GORE. Frankly, I see no necessity either for the 500 figure, or for the 3,000 figure which the Senator from Utah now proposes.

It is my view that subparagraph (4) is sufficient to accomplish the purposes the able Senator from Utah has in mind.

I agree that the Senator from Oklahoma has demonstrated the futility and uselessness, at such distances, of signs of the size of the one now displayed in the rear of the Senate Chamber.

I am not sure a sign 4 feet by 6 feet would be very much better. It is my sincere belief that subparagraph (4) will permit local interests adequately to advertise their facilities, property, and wares, and that neither the 500-square-inch figure nor the 3,000-square-inch figure, which he suggests, is necessary.

Mr. WATKINS. Does the Senator feel we ought to strike out subsection (3)? What is its purpose?

Mr. GORE. I voted against including that subsection in the bill. I think the Senator from Oklahoma has demonstrated its lack of utility. It has no utility. It has no utility for traffic going 75 miles an hour. When a sign is only 500 inches square and is 200 feet away, it is utterly indiscernible.

Mr. WATKINS. I agree that it is utterly indiscernible, but if the sign were six times larger—and that is what my proposal would mean in effect—one might possibly read it and the sign might be of some service. The way the language is now, it is useless. If the Senator is not going to accept the amendment, he ought to strike out subsection (3).

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. WATKINS. Yes.

Mr. NEUBERGER. I want to remind the Senator, as I am sure he knows, the Senator from California and the Senator from Oregon opposed subsection (3). I know the Senator from Utah is one of the most conscientious Members of this body. I would like to make an alternative proposal, although I am not authorized to do so by any of my colleagues. What would he think of authorizing signs up to 3,000 square inches, but cutting the distance down to 6 miles, which would at least greatly diminish the number of signs along the right-of-way of the highways?

Mr. WATKINS. I have had some experience with traveling on limited access highways. When one travels with his family, and is trying to decide where he will stop, if he is going 60 miles an hour, he does not have much time to make a decision. If the distance were cut down to 6 miles, it would not give anyone time to decide whether to stop at a certain town or the next one. I think the small communities are entitled to some consideration. I feel very strongly about it.

I generally support the policies of the bill. I want to see an accelerated program. I supported the Highway Act of 1956. I think it was a good act. I think we have to use a little common sense in connection with the provisions. Personally, I would like to see in the bill an amendment which would fix the standards somewhat, but not to the point where the signs would be absolutely useless. I feel the provision now in the bill is a useless one. I refer to the particular subsection relating to the size of billboards along the roadway.

The PRESIDING OFFICER. The additional time of the Senator from Utah has expired.

Mr. WATKINS. I yield myself 5 additional minutes.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. KUCHEL. The able Senator from Utah has described his interest in sponsoring the amendment as one to help other reasonable and sensible regulatory legislation by the States.

Mr. WATKINS. We are prescribing standards. Language in the bill must mean something. There is a need for some limitation. At least it should be pointed out to the States what they have to do if they are to get the extra percentage of funds.

Mr. KUCHEL. The Senator opposed an amendment which was offered to subsection (4), which would have provided that States could have billboards erected along the roads regardless of size.

Mr. WATKINS. That amendment in effect would have left us without any regulation as to billboards.

Mr. KUCHEL. I agree with the Senator. The Senator from Utah having voted against that amendment, we still have subsection (4).

Mr. WATKINS. Which seems to be inconsistent with subsection (3).

Mr. KUCHEL. While I have told the Senator privately, and while I have said publicly, what the intention was on the part of the authors, I respect the Senator's apprehension. Is there anything the Senator can suggest as an amendment to subsection (4) which would, to his mind, unequivocally give to the States, on a reasonable basis, the right to authorize signs in the interest of the traveling public?

Mr. WATKINS. I do not see how that can be done without practically adopting the language proposed by the Senator from Nebraska [Mr. HRUSKA], and I voted against that amendment, because I want some regulation.

Mr. KUCHEL. Does the Senator believe that by specifically giving to the States the right to regulate, without regard to size, it is impossible for us to lay down a guideline which provides for smaller signs?

Mr. WATKINS. I remember the colloquy on the point very well. I think the point was well taken. The admission had been made earlier that subsection (4) was not limited in any way by subsection (3). Yet, when one reads the language, the colloquy that subsequently occurred demonstrated clearly to my mind that the provision was limited by subsection (3). If that is the fact, I think it is ridiculous.

Mr. KUCHEL. That is not the fact in my opinion, although it apparently is the fact in the opinion of the Senator from Utah.

Mr. WATKINS. I did not want to throw a monkey wrench into the machinery, but I am forced to come to that conclusion. My logic may not be very sound, but that is the way it occurs to me. I have had to use whatever thinking powers I have had to get along over the years. I think most persons would interpret that section as one that placed a limitation on State legislatures. If it can be construed in that way, we ought to change it, because it is nonsensical as it appears in the bill.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from Oregon.

Mr. NEUBERGER. I know the Senator from Utah is concerned about roadside businesses that cater to the traveling public.

Mr. WATKINS. There are interchanges on the limited-access highways. One cannot go into towns on the side of the highways without first coming to an interchange. The interchanges are very limited. Before a tourist reaches an interchange, he would like to know what the town he is coming to has to offer, and perhaps he would like to have a line on what kind of motel or restaurant or other services are there—not merely a service station, but perhaps a garage where his car can be repaired.

Mr. NEUBERGER. Mr. Bertram Tallamy apparently is a very able highway administrator. He was appointed by President Eisenhower. I should like to remind my good friend from Utah that during the testimony last year on this general policy——

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. NEUBERGER. May we have 1 more minute?

Mr. WATKINS. Can the Senator get some time from the other side? I should like to have a few minutes for rebuttal.

Mr. NEUBERGER. Will the Senator from California yield me 2 minutes?

Mr. KUCHEL. I yield 2 minutes to the Senator from Oregon.

Mr. KERR. Mr. President, I was about to propound a parliamentary inquiry as to who had control of the time.

Mr. KUCHEL. I shall oppose this amendment, too.

Mr. KERR. Then the Senator from California has control of the time in opposition.

Mr. KUCHEL. I yield 2 minutes to the Senator from Oregon.

Mr. WATKINS. I think as the amendment is now worded it is utter nonsense. It is completely ridiculous. We have two interpretations of what subsection (4) means. With that kind of record before any court, or an official who had to write regulations, I think we would have trouble.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. KUCHEL. Is it not true that those who disagree with the language used by the authors agree at least with the intention?

Mr. WATKINS. When the language is brought to the attention of Senators, it seems to me they would try to make the language conform with the intention.

Mr. KUCHEL. It does.

Mr. WATKINS. It seems to be contradictory.

Mr. KUCHEL. Is it not true that the Senator understands the intention of the junior Senator from California in the words uttered to describe what the authors of the bill intended? The Senator from Utah agrees with the intention, does he not?

Mr. WATKINS. I am in support of the intention, and that is exactly what I am trying to have made clear.

Mr. KUCHEL. That is where the difference of opinion takes place, since the authors say the language does accomplish the intention. The intention of all is the same.

Mr. WATKINS. Let me ask the Senator: Does subsection (3) place any restriction whatever on subsection (4)?

Mr. KUCHEL. No, sir. In my opinion, in the opinion of the Senator from Oregon, who coauthored it, and in the opinion of the chairman of the Subcommittee on Public Roads, it does not.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CASE of South Dakota. Simply to keep the record straight, I do not agree with that. I think subsection (4) is modified by subsection (3).

Mr. WATKINS. That is my judgment, after listening to the debate.

Mr. CASE of South Dakota. Mr. President, will the Senator yield further?

Mr. WATKINS. We are speaking on somebody else's time.

Mr. CASE of South Dakota. The language which appears between lines 6 and 13 sets forth the policy that advertising should be regulated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield two more minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Senator.

The language reads, "should be regulated consistent with national standards to be prepared and promulgated by the Secretary, which shall provide for."

Then there are listed four items. Instead of the words "provide for" we might as well use the word "include." Then the language would read, "consistent with national standards to be prepared and promulgated by the Secretary, which shall include."

And then list the subsections (1), (2), and (3).

Therefore, in subsection (4), when there is a reference to standards, it would be a reference to the things preceding, which must be included in the agreement.

Mr. WATKINS, Mr. KERR, and Mr. KUCHEL addressed the Chair.

Mr. CASE of South Dakota. I yield first to the Senator from Utah.

Mr. WATKINS. The rule I have always followed is to take into consideration all the matters which have gone before.

Mr. CASE of South Dakota. I think the national standards are enumerated.

Mr. KERR. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Oklahoma.

Mr. KERR. The Senator was present in the Chamber a while ago——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield the Senator 2 more minutes.

Mr. KERR. The Senator from South Dakota was present when the Senator from Wyoming [Mr. O'MAHONEY] offered an amendment which further fortified the position the Senator from Utah takes and the Senator from South Dakota takes. The language has now been amended to include the amendment of the Senator from Wyoming.

Mr. CASE of South Dakota. Mr. President, I now yield to the Senator from California.

Mr. KUCHEL. I wish to ask the Senator from South Dakota if, when he offered in the committee the amendment to provide an area of 500 square inches, he intended that provision to be applied to subsection (4)?

Mr. CASE of South Dakota. I do not know that now I could go back and honestly say that I had subsection (4) in mind before offering the provision of subsection (3).

I believe, however, that a reasonable construction shows that subsection (3) is one of the standards which must be included.

Let me say further that personally I think 500 square inches is too small. I think there have been argumnts presented to indicate that the selection of 500 inches was arbitrary. Somebody suggested 300 square inches, and I thought that was too small an area. Five hundred square inches may not be the proper size. I personally think that 3,000 square inches is too large.

If some reasonable figure could be devised, I think it would be desirable to take the question to conference.

After all, subsection (3) deals only with businesses and activities conducted at a location within 12 miles of the point where the sign is located. We were seeking to make it possible for a small town, which might otherwise be bypassed, a small town where there was a motel or something else on the route, perhaps 5 or 6 or even 12 miles away, to be able to say somewhere along the interstate highway, "Here we are over this way. Don't forget us." Or, when a tourist traveled by one town, to have a sign say, "Here we are down the road 12 miles." That is what we tried to do.

Mr. KUCHEL. On the point of intention, I think we can make a record which will demonstrate to everyone what was intended, so that everyone can recognize the intention.

Did the Senator from South Dakota intend, in offering the amendment providing 500 square inches, to make it apply to subsections (1) or (2)?

Mr. CASE of South Dakota. It was intended to apply in particular to the activities I have mentioned.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield the Senator 2 more minutes.

Mr. CASE of South Dakota. To the advertising activities which are conducted within 12 miles of the point at which such signs are located. I was thinking primarily of those things, I believe.

Mr. KUCHEL. I am sure the Senator was, when he offered the amendment, and I am sure the committee adopted the amendment with no desire or intention to make the 500-square-inch restriction apply to subsections (1), (2), or (4).

Thus, regardless of what anyone might argue with respect to the verbiage, I think it can be contended pretty generally in any court in the land what the intention was when the Senate acted.

Mr. WATKINS. Why do we not make it so clear as to render it unnecessary to go to court for an interpretation?

Mr. CASE of South Dakota. The practical thing seems to be to agree upon what space would allow a reasonable identification of the activities by those driving on the highway.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. As I understand the situation, it seems to be clear that at least the proponents of the amended bill did not have any intention to hold the size down to 500 square inches.

Mr. KUCHEL. If I may interrupt, I would say that is true with respect to the one subsection. Does the Senator disagree with that?

Mr. WATKINS. If that stands alone, what does it mean?

Mr. KUCHEL. It means what it says.

Mr. WATKINS. It must be interpreted in the light of the whole section and in the light of the whole bill, as a matter of fact. If we have something so indefinite as that, which can cause so much argument now among those who should understand the law—at least, they have been admitted to the practice of law—what will happen when it gets into the hands of someone who is not a lawyer who is trying to write a regulation? We ought to clear it up now.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. Mr. President, I was talking on somebody else's time. I yield myself 2 minutes more.

We ought to clear it up now, when we have the opportunity. Nobody has argued that the sign over at the side of the Chamber, of 500 square inches, is sufficient. One might as well have a sign the size of a postage stamp, as that.

Mr. NEUBERGER. May I make a suggestion to the distinguished Senator from Utah and the distinguished Senator from South Dakota? It seems to me there is something of a valid point in the fact that a sign of 500 square inches is extremely small for the purpose of being seen as one goes by in a modern automobile on a high-speed express highway. What I am afraid of, when we are considering the distance of 12 miles, is that in many States—particularly in the Eastern States, but even in some western States such as California and Washington—we will have a constant picket fence of signs, because the 12 miles between towns will overlap and overlap.

Mr. WATKINS. We will have many little pickets which will not mean anything. We will see a continuous string of them. The question will be asked, "Is that a picket fence or a bunch of billboards?"

Mr. NEUBERGER. I am not authorized to speak for anybody else, but what would my good friends think of a little larger sign with some limitation as to the number of signs?

Mr. CASE of South Dakota. For any single activity?

Mr. NEUBERGER. At least to a certain extent.

Mr. WATKINS. I would accept the amendment and take it to conference, and then let the conferees write a better provision.

Mr. NEUBERGER. Let me complete my thought. Somebody may have a motel or a restaurant or a wayside business. He may undertake to put up a whole "Burma Shave" row of signs to advertise his one place.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NEUBERGER. Will the Senator yield me an additional minute or two?

Mr. KUCHEL. I yield 2 additional minutes to the Senator from Oregon.

Mr. NEUBERGER. I cannot speak for the able Senator from California or the able Senator from Tennessee. What would the Senator think of modifying the provision with respect to the size of the sign, but restricting the number of signs any one establishment could put up, so that some person would not undertake to have a "Burma Shave" row of pickets?

Mr. WATKINS. I would accept anything of that kind, but I think a sign should be large enough to convey some kind of a message, rather than to have a whole string of small signs for miles and miles in an effort to say something. Size will determine whether the advertiser is to have 1 sign to do the job, or a string of them—perhaps 50—to tell the story.

Mr. GORE. The sign would have an area of 3,000 square inches.

Mr. WATKINS. It would be less than 30 inches wide.

Mr. GORE. It could be a sign 2 feet wide and 10 feet long, advertising an activity being conducted within 12 miles of the sign. Would it not be possible, then, to have a sign 2 feet wide and 10 feet long, showing, in large letters, the name "Colgate," and, in smaller letters, "for sale 10 miles east"?

Mr. WATKINS. How about motels, restaurants, and garages, which would be of great interest to the traveler?

Mr. GORE. When the Senator talked with me I gave him my candid opinion that the entire subparagraph (3) ought to be out of the bill, because, in my opinion, subparagraph (4) would adequately take care of the privileges which the subcommittee wished to preserve for the local interest. I join the Senator thoroughly and wholeheartedly in wishing to preserve such privileges, but I doubt whether his amendment would do it, or whether subparagraph (3) would do it.

Mr. CASE of South Dakota. Mr. President, will the Senator from California yield me 2 minutes?

Mr. KUCHEL. I yield 2 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. Personally, I think "activities," properly interpreted, would mean something which is manufactured or produced, or an operation which is carried on within the prescribed distance. I do not think the "Colgate" illustration would be applica-

ble, unless Colgate had a plant within the 12 miles, which would be an activity. I believe that a drugstore or a motel would be an activity, but I do not believe general advertising of a product would be an activity.

I was about to suggest that possibly we could start the subsection with "not to exceed 4 signs," whatever the size might be, "advertising an activity being conducted at a location within 12 miles of the point at which such signs are located."

That might be something to work on.

Mr. WATKINS. Would the Senator not allow an advertiser to place the four signs together, but require him to string them out?

Mr. CASE of South Dakota. He would not want to put them together. He would put 2 down the road east of him and 2 down the road west of him.

Mr. WATKINS. If the small sign does not tell the story, he would rather have it all in one sign which would tell something.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WATKINS. Mr. President, I yield 5 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I am glad the distinguished Senator from Utah has offered his amendment, because it helps to point up the extremely fuzzy nature of this particular section of the bill.

I wish to speak very briefly as to what we are talking about. We are not talking about signs along the road itself, but signs off the right-of-way, and between the edge of the right-of-way and a point 660 feet farther back, away from the road. We are talking in all, about a strip of land a quarter of a mile wide, plus the width of the right-of-way.

It seems to me that, considering the 4 subsections to which reference has been made, only 1 of them is reasonably specific, and that is the second—

(2) Signs advertising the sale or lease of the property upon which they are located.

There is no effort to limit the size of such a sign. So far as this provision of the bill is concerned, the sign could be of any size whatever which the owner of the property wished to use. As to these signs, we are talking about signs on a strip of land one-eighth of a mile wide on each side of the highway.

Mr. CASE of South Dakota. The signs would not be together.

Mr. HOLLAND. We are talking, in all, about 2 strips of land which, together, comprise a width of 1,320 feet, or a quarter of a mile, plus the width of the right of way which lies between them.

The first subsection reads as follows:

1. Directional or other official signs or notices that are required or authorized by law.

I do not know what the law in other States is, but the law in my State with reference to directional signs has to do with signs placed at the side of the road, on the right-of-way, not 100 or 125 feet or more from the place where a motorist is driving.

I have just talked with the head of the road department staff in my State, and he tells me that the minimum width of the right-of-way for Interstate System projects is 250 feet outside of cities. We are not talking in this section about directional or other official signs or notices required by law to be shown outside the right-of-way. I do not know anything about any such signs. Under the law in my State, subsection 1 would mean absolutely nothing; and I suspect it would mean absolutely nothing under the laws of any other State.

The third category is:

3. Signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

Such a sign would be just about the size of the top of a Senator's desk. These desks are about 20 by 25 inches. The Senator from Utah is exactly correct in stating that a person driving at a customary speed on an interstate highway, with the signs required to be back of the edge of the right-of-way 100 feet or more away from him, could not any more distinguish any useful message on a sign of that size than he could count fence posts as he traveled along at that distance. This provision points up to me the complete absurdity of this whole section of the bill.

The fourth category is even worse:

4. Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

I make two references to that language. First, what is the size limit? The Senate has just turned down a helpful amendment which would have placed a size limitation by adopting the meaning of the State law as to size. So there is in this bill no size limitation whatsoever under subsection (4), which means that, after all, we are delegating to someone, not the writers of the bill, the duty of saying what is to be the size of the signs which shall be permitted, unless, indeed, there is to be no limitation of size whatever.

The legislative record will show that we have turned down, by a record vote of the Senate, a provision which sought to regulate the sizes in accordance with established State laws.

I believe that the last point which I have to make shows up the most absurd provision in the entire section. The closing words of category No. 4 are:

Signs * * * designed to give information in the specific interest of the traveling public.

Who is to determine what signs are designed to give information in the specific interest of the traveling public? Who is to determine what the traveling public wishes to know? Who is to be the censor? Who is to determine what the traveling public shall be allowed to see?

It seems to me that all four of these subsections, except only No. 2, are just as fuzzy as it is possible to make legislative language.

And subsection (2), I believe, is completely unacceptable from the standpoint of the authors of the bill, if they have any desire to keep down the size of signs.

Subsection (2) provides that the owner of land, if he desires to sell or lease it, may erect a sign as large as he wishes on the land, indicating to the traveling public, in such a way that they cannot possibly miss it, that he wishes to sell or lease the land.

I think I know what my distinguished friends are trying to do by this bill. I participated in a successful effort to do the same thing on the State level under the laws of Florida in 1941, when I happened to be Governor of that State. A proposed law was carefully drafted in cooperation with the garden clubs of the State. It was passed by the legislature and approved by the Governor. That law is still operative. It has never been amended. It is a success. Unfortunately, its operation would be sadly impeded by the law proposed here.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator yield me 1 additional minute?

Mr. WATKINS. I yield 1 additional minute to the Senator from Florida.

Mr. HOLLAND. I find myself in exactly the same position as the distinguished Senator from Massachusetts, who finds that, if we should enact the proposed legislation, we would be passing a law which would interfere with the operation of a law of his State which has existed for 37 years—a time-tested and thoroughly acceptable law of his own State in this field.

So far as I am concerned, I would certainly be doing that same thing with reference to a Florida law passed in 1941, and not amended since that time, which was worked out around a table with three very distinguished ladies from the garden clubs of our State representing their membership throughout the State. I cannot and will not participate in disrupting the useful operations under that law.

Mr. KUCHEL. Mr. President, I yield myself 2 minutes. I wonder whether the Senator from Utah would consider this type of sentence as an amendment to subsection (3). I suggest for his consideration a new sentence at the end of subsection (3) as it is presently in the bill, the sentence to read like this:

The provision in this subsection respecting the size of signs shall not apply to the signs provided for in subsections (1), (2), or (4).

Mr. WATKINS. What is the purpose of having subsection (3) in the bill at all? The Senator's amendment would completely disregard the provisions of that subsection.

Mr. KUCHEL. The Senator from South Dakota [Mr. CASE] was the author of that amendment in committee. I opposed it. I was overridden. It is in the bill now. I am trying to get a bill passed. At least if the Senator would consider a sentence which would make it crystal clear that the 500-inch provision would not control the right of a State to

exercise any reasonable judgment under subsection (4), I believe it might satisfy some Senators.

Mr. WATKINS. It would allow any size sign. The limitation of the 500 square inches would not mean anything. I do not follow the logic of insisting in one breath that the subsection stay in the bill and then in the next breath say that the subsection be eliminated.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KUCHEL. I yield 2 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, actually, the Senator from South Dakota was not promoting subsection (3). I believe that language was proposed in lieu of the description contained in the original billboard proposal. The proposal in the draft of the bill suggested by the Senator from California and the Senator from Oregon originally read as follows:

3. Signs advertising activities being conducted upon the property upon which such signs are located.

The junior Senator from South Dakota thought it was too limited and that it would do no good to the town or the motel which was being bypassed. I thought the sign would have to be immediately adjacent to the right-of-way to be of any benefit. The Senator from South Dakota was seeking to make it applicable to activities which were within 12 miles of where the sign was located, to take care of bypassed communities or motels.

Mr. WATKINS. I believe the Senator's objective was a worthy one. I disagree with the number of square inches allowed. I think it was wise to place some kind of limitation on the size of the signs which would bind State legislatures which wanted to take the extra money from the United States in the building of the highways. I think it is wise to prescribe some kind of limitation.

Mr. CASE of South Dakota. The reason for entirely eliminating subsection (3) and leaving only subsection (4), I assume, would be to permit signs within a reasonable distance of the highway, only in the interest of the traveling public, and not necessarily in the interest of activities which had been bypassed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Does the Senator from Utah have additional time remaining?

The PRESIDING OFFICER. The Senator from Utah has 5 minutes and the Senator from California has 15 minutes.

Mr. KERR. Will the Senator yield to me?

Mr. WATKINS. I should like to reserve my time in order to answer some further questions later.

Mr. KERR. I should like to ask the Senator a question. Will the Senator from California yield me 3 minutes?

Mr. KUCHEL. I yield 3 minutes to the Senator from Oklahoma.

Mr. KERR. The Senator from Utah is offering an amendment limiting the size to 3,000 square inches. That would be a sign of about 3 by 7 feet.

Mr. CASE of South Dakota. It would be larger than that.

Mr. WATKINS. It would be 30 by 100 inches.

Mr. KERR. Thirty inches is less than 3 feet. I said about 3 by 7 feet.

Mr. WATKINS. We will not argue the arithmetic of it.

Mr. KERR. I wanted the Senator to realize how small 3,000 square inches would be.

Mr. WATKINS. I wanted to make it 5,000 square inches.

Mr. KERR. Three thousand square inches would allow for 14 letters, each one 12 inches high, and that is all.

Mr. WATKINS. I am not prepared to analyze the Senator's figures. I know that it is at least six times as large as the sign the Senator has displayed in the Chamber.

Mr. KERR. I believe the Senator is going in the right direction. I heard him speak about reducing it below 3,000 inches.

Mr. WATKINS. I am not in favor of that.

Mr. KERR. I merely wanted him to know that if it is 3,000 square inches in size, the sign would permit only 14 letters, each one of which would be 12 inches high.

Mr. WATKINS. A sign 30 inches wide and 100 inches high, or vice versa, would be of some use. I would not put up a sign like the one the Senator from Oklahoma has displayed in the Chamber.

Mr. KERR. I would not put one up like that either. I brought it to the Senate floor only to show the ridiculousness of the provision in subsection (3).

Mr. WATKINS. The Senator has rendered a service, because no one had objected to subsection (3). I believe there should be some limitation placed on the size of the signs. Let us make it a reasonable one. If 3,000 square inches is not a reasonable one, the conferees can work out a reasonable one. I should like to see some limitation written into the bill.

Mr. ALLOTT. Mr. President, will the Senator yield me 1 minute?

Mr. WATKINS. I have only a few minutes remaining. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Utah has 5 minutes remaining.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Colorado.

Mr. ALLOTT. Mr President, I feel I must express myself on this subject. I favor some limitation on the size of the signs. I speak from practical experience. I have driven an average of between 30,000 and 35,000 miles a year for the past 15 years. As I look at the sign displayed in the Chamber, which is supposed to be a sign 500 square inches, I must say that to try to read such a sign while traveling at 60 miles an hour will create a very great traffic hazard. I support the proposal of the Senator from Utah, which I believe is wholly reasonable. I believe a sign of the size proposed by the Senator from Utah will cause far fewer traffic fatalities among people who try to read signs while driving along a highway. The sign displayed by the Senator from Oklahoma is too small to do any good.

Mr. WATKINS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Utah has 5 minutes remaining. The Senator from California has 11 minutes remaining.

Mr. WATKINS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time may not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER. Does the Senator from California object?

Mr. KUCHEL. No; I have no objection.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WATKINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WATKINS. Mr. President, I yield myself 2 minutes. I have had some discussion with the committee members who are supporting the bill. I am willing to amend my amendment so as to make it read "signs not larger than 24 square feet," instead of "3,000 square inches."

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. WATKINS. I am ready to vote.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. WATKINS. I ask for the yeas and nays on the amendment, unless it will be accepted. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

Mr. KUCHEL. Mr. President, I ask for a division.

Mr. WATKINS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah. A division has been requested.

On a division, the amendment of Mr. WATKINS was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. CASE of South Dakota. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 21, line 18, it is proposed to strike out "not larger than 500 square inches."

Mr. CASE of South Dakota. I trust the amendment will be agreed to. It restores the language to the form in which it was offered in the committee by the Senator from California and the Senator

from Oregon. I have in my hand a mimeographed copy of the amendment.

The PRESIDING OFFICER. The Senator from South Dakota has 30 minutes.

Mr. CASE of South Dakota. I yield myself 5 minutes. I had hoped that the Senators who were sponsoring the bill would have recognized the situation and would have accepted the amendment offered by the Senator from Utah. Now I ask them to accept the language which they offered in committee.

I propose to strike out of the language the size limitation, which was placed in the bill in committee, and I am reverting to the original language which the Senators offered in the committee. I hope they will accept it.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KUCHEL. I suggest that the chairman of the subcommittee, the distinguished Senator from Tennessee, consider what the Senator from South Dakota has just suggested. It seems to me to be an excellent amendment. I urge him to accept it.

Mr. CASE of South Dakota. The amendment will limit the signs to advertising activities being conducted within a distance of 12 miles, which is the language that was offered in committee by the sponsors of the original bill.

I am certain that it is not desired to discriminate against motels or communities which are a few miles away from a highway, and to limit the advertising only to those who are immediately on the new highway.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. Will the Senator read the language that will then appear in this bill, if it is so amended?

Mr. CASE of South Dakota. Subsection (3), page 21, line 18, would then read:

> Signs advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

We did have a limitation on the size of the signs. But if the sponsors of the general section do not want a limitation on the size of the signs, let us return to the open-end matter as to size, which they proposed in the original language.

Mr. President, I reserve the remainder of the time available to me.

Mr. KUCHEL. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. I should like to ask the able Senator from South Dakota whether he interprets his amendment to mean that under the regulations which the Secretary of Commerce would adopt and in the agreement between the State and the Federal Government, the actual size of such signs under paragraph (3) would be pursuant to State law and in accordance with the agreement.

Mr. CASE of South Dakota. I would think so—and consistent with the policy and the standards declared.

Mr. KUCHEL. I thank the Senator from South Dakota.

Mr. NEUBERGER. Mr. President, I should like to ask a question.

Mr. KUCHEL. I yield 2 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. NEUBERGER. Mr. President, when the Senator from South Dakota presented his amendment—perhaps I did not correctly understand what he said, because of the confusion which then existed on the floor—I understood him to say it was in the form in which the Senator from California and the Senator from Oregon originally presented it.

Mr. CASE of South Dakota. Mr. President, I modified that by a subsequent statement. I pointed out that it was in the form in which those Senators presented it, insofar as the limitation on size was concerned, but that I would preserve the right of businesses which were bypassed and were off the right-of-way to have the same right as those which happened to be immediately on the right-of-way.

Mr. NEUBERGER. In other words, the Senator from South Dakota would add a provision that businesses within a distance of 12 miles would have the privilege of having signs erected along the Interstate Highway System; is that correct?

Mr. CASE of South Dakota. Yes, because I believe that when a motorist who travels on the Interstate System reaches one town, he should be able to determine what facilities are available in the next town, about 12 miles, or 10 minutes, away.

Mr. NEUBERGER. I am not as familiar with road construction as is the Senator from South Dakota; I often marvel at his vast knowledge of the subject. But is it not true that on the Interstate System there are very few stretches where interchanges or cloverleafs or turnoffs are more than, let us say, 24 miles apart? I am thinking of the Interstate System which already has been constructed and the standards which have been established by the Bureau of Public Roads and by my own State. If my memory of the conditions in my own State is accurate, I know of very few stretches, if any, in Oregon—which is a State of vast distances—where the cloverleafs or interchanges are more than 24 miles apart, if they are actually that far apart.

Mr. CASE of South Dakota. I think most of them are closer together than that.

Mr. NEUBERGER. Then this amendment would mean that any establishment located within 12 miles of the Interstate System would have that right; is that correct?

Mr. CASE of South Dakota. I think that if a motel or a community is bypassed, it should have the right to advertise, by means of a sign, that its location is "just over the hill" or "down the road" just a few miles, or something of that sort. That is what we are endeavoring to provide for.

I thought the Senator from Utah offered a reasonable amendment. But apparently those who are interested in having the bill enacted into law wanted to deprive the communities which are off the highways of an opportunity equal to that of those that happen to be located directly on the highways. The injustice occurs particularly when the route is changed, and when some are bypassed as a result of the selection of the new route.

Mr. NEUBERGER. Again, I certainly cannot speak for my cosponsor or for the Senator from Tennessee. But I believe this amendment opens a very large loophole for the construction of signs.

Mr. President, the Senator from Vermont [Mr. AIKEN] has just called my attention to something which the Senator from South Dakota and I have discussed earlier.

The PRESIDING OFFICER. The time yielded to the Senator from Oregon has expired.

Mr. KUCHEL. Mr. President, I yield 2 additional minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 additional minutes.

Mr. NEUBERGER. I thank the Senator from California.

Mr. President, I should like to call to the attention of the Senator from South Dakota something I was discussing a moment ago in private with the distinguished Senator from Vermont [Mr. AIKEN], namely, the possibility that this entire situation would open the way to very extensive brand advertising, although I recognize that the amendment reads, in part, "activities being conducted at a location within 12 miles of the point at which such signs are located."

Yet I also realize that an "activity" could be the sale of a certain kind or brand of beer, gasoline, toothpaste, or liquor at such a point; and I realize that, under those circumstances, the name of the brand might be advertised on the signs in letters very much larger—in fact, virtually unlimited in size—than the letters used to advertise or describe the location of the particular establishment.

Mr. CASE of South Dakota. Mr. President, first, let me say that the word "activities" did not originate with me; it was in the original language.

The PRESIDING OFFICER. The additional time yielded to the Senator from Oregon has expired.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes; and I intend to modify my amendment.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, I modify my amendment, as follows:

On page 21, strike out lines 18, 19, and 20, as they appear in the committee amendment, and insert in lieu thereof:

> (3) Signs erected or maintained pursuant to authorization in State laws and not inconsistent with the national policy and standards of this section, advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

Mr. GORE. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. GORE. Then this amendment would preserve, for persons who engage in activities in the vicinity of the location of such signs the right to erect signs "not inconsistent with national policy and standards of this section," and "maintained pursuant to authorization in State law", would it?

Mr. CASE of South Dakota. That is correct.

Mr. GORE. I accept the amendment.

The PRESIDING OFFICER. Will the Senator from South Dakota send the modified amendment to the desk?

Mr. CASE of South Dakota. Yes.

Mr. President, I ask for a vote on the amendment; and I yield back the remainder of the time at my disposal.

Mr. KERR. Let me ask whether the junior Senator from California [Mr. KUCHEL] is in favor of the amendment.

Mr. KNOWLAND. I so understand.

Mr. KERR. Then I do not think the junior Senator from California can yield back the remainder of the time available to the opposition to the amendment.

The PRESIDING OFFICER. The Chair is informed that the junior Senator from California [Mr. KUCHEL] was controlling the time.

Mr. KERR. The Senator from Oklahoma wishes to have an opportunity to see the amendment before the vote is taken.

The PRESIDING OFFICER. Such a request by the Senator from Oklahoma is in order.

Mr. CASE of South Dakota. Mr. President, I hand to the clerk the amendment, in the following language:

Signs erected or maintained pursuant to authorization or permitted under State law and not inconsistent with the national policy and standards of this section, advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

Mr. KERR. I yield back all time remaining to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from South Dakota [Mr. CASE].

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma to strike out section 12, beginning on line 19, page 20.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER The Senator will state it.

Mr. KNOWLAND. Has all time on the amendment of the Senator from Oklahoma expired?

The PRESIDING OFFICER. All time on the amendment of the Senator from Oklahoma has expired.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. KNOWLAND. On the bill itself.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I yield 5 minutes on the bill to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HICKENLOOPER. Mr. President, I do not believe I shall take the entire 5 minutes which have been yielded to me, but I merely wish to state my position on the general motion of the Senator from Oklahoma to strike the section referring to billboards. I have no brief for or against billboards, but I have a brief for what I believe to be the responsibilities of the States in connection with these matters.

I have an objection to the Federal Government attempting to coerce the States into doing certain things on which they otherwise might exercise their own individual judgment.

With special reference to billboards, I advert to a statement which I think is contained in the printed hearings, a very distinguished professor at Iowa State College, a professor of psychology and director of the driving laboratory of the Industrial Science Research Institute of Iowa University, made an intensive study for the State of Iowa, some 2 or 3 years ago, of the psychological impact of billboards, and other things of that kind, along the highways of our State, and other places.

As a result of the study, which was impartial, the conclusion was reached that abstractions of one kind or another along the highway contributed to safety rather than to accidents.

I have a letter from Mr. Lauer under date of March 17, 1958, addressed to me, which I shall read for the information of Senators. He states:

DEAR SENATOR HICKENLOOPER: We are enclosing a short article on a subject in which many of your constituents have an interest.

The clearing of roadsides back 660 feet on each side would have a deleterious effect upon safe travel, besides being discriminatory.

We hope you will vote against section 122 of the control amendment. We do not feel this amendment is germane to the purpose of S. 3414.

Very sincerely yours,

A. R. LAUER,
Professor of Psychology,
Director, Driving Laboratory,
Industrial Science Research Institute.

In order to have the record complete, Mr. President, I ask unanimous consent to have an article written by Dr. Lauer, entitled "A Favorable Case for Highway Advertising Signs" or "Helping Them To See Better," printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HELPING THEM TO SEE BETTER

(By A. R. Lauer, Ph. D., Iowa State College)

During the past year there has been an upswing in accidents which apparently are due to persons overdriving their manipulative and seeing ability. Every optometrist should try to warn patients that speeds are dangerous and we hope this short description may call attention to some things which they have probably overlooked.

SOME FALLACIOUS REASONING

Several years ago it was generally believed that the driver must fixate his eyes in the middle of the highway in order to drive safely. As more is known about seeing and driving behavior, it becomes obvious that the driver must scan the surroundings in order to pick up the danger spots around him. There is a decided difference between efficient use of the eyes and ordinary "rubber necking" as one moves along the highway.

Any student of reading realizes that the eyes must scan the page and pick out the phrases, with as few fixations as possible, as he goes along the page. No student of reading has ever proposed that the learner fixate his eyes in the middle of the page and attempt to read. Eye movements are necessary to normal alertness and a reasonable level of attention.

Every practitioner should call his patients' attention to the fact that it is not only necessary to have good vision but to use his eyes efficiently. It is possible that some good vision training might aid materially in helping motorists to scan the countryside, and to pick out the danger points as they come along. Some aspects of highway construction and side features are considered here which aid the motorist in seeing more efficiently and in staying out of accidents.

The myth that advertising signs cause accidents has been fairly well exploded. Several studies have been carried out, and none of them have shown any valid evidence against highway signs (see attached references). In fact, one study in Michigan, which was an outdoor study along route U. S. 24 and M. 58, showed that a slightly beneficial relationship existed between safe driving and the presence of highway signs. A laboratory study at Iowa State College has confirmed this. The two studies, of different nature, originated by different people and carried out under different auspices, were so remarkably coincident with respect to results that it is safe to say there is a slightly beneficial effect of signs along the highway, although the relationship was low. By proper choice of locations and placing of signs, they could be made a major safety factor in safe driving.

This beneficial effect could be greatly improved if certain practices were followed by cooperative arrangements between highway departments, turnpike commissions, and outdoor advertising agencies. Here are a few of the reasons why advertising signs along the highway are an advantage to drivers and are an aid to safe motoring.

THEY KEEP THE DRIVER AWAKE

It has been shown in a number of ways that an alert driver is more likely to stay out of trouble than the driver who is drowsy and bored by a simple performance, such as manipulating a motor vehicle under normal conditions. The ease of driving a modern automobile does not help the situation. When an emergency arises, there is such a radical change from the very simple type of operation to a very complex one, unless the driver is quite alert. Unless the driver is mentally active he may suffer from what

some have designated as highway hypnosis. It is really a state of semilethargy from which the operator is unable to rouse himself quickly enough. This must be considered in terms of split seconds at times in response to new situations which arise. If the level of alertness is kept high, the operator will be in much better shape to respond correctly and avoid an accident.

In some studies of night driving, it was shown by Roper and others, that one can respond to a dummy thrown on the highway twice as quickly if he has had some forewarning that the object would be presented during the trip. Anyone who has had charge of a musical group, such as a symphony orchestra, a band or a choir, knows there must be a warning signal, such as tapping on the music stand, to alert the group for the attack. Otherwise the entrances are slow and uncertain. A conductor uses his baton to indicate cues to the less alert performers in his organization during a performance. In a similar way, safe driving in traffic implies a high degree of alertness at all times. The use of the word attention by the military, in starting any formation activity, is traditional.

There is ample experimental evidence, on basic theoretical grounds, for the conclusion that the alert driver is more likely to do a better job and have fewer accidents than the driver who is less alert. Drunkenness, sleepiness, excessive fatigue, disturbances within the automobile, preoccupation, sudden diversion of the attention by moving objects, such as a deer jumping into the path of the car, are potentially dangerous.

WHAT DOES THE DRIVER SEE?

There is very little evidence that diversions caused by stationary objects, outside the automobile, increase hazards. In fact, there is evidence to the contrary.

It has been pointed out that there are more accidents in the Western States, where there are fewer things to see outside the car, than in the Eastern States, where there are numerous stimuli. Even scenic grandeur becomes monotonous after a time.

Accidents in the rural areas are increasing; whereas the accidents in the urban areas are being controlled to some extent. Accidents at night are much more frequent per mile of driving than accidents in daylight. It would be supposed that in daylight, when one could see more things, that the dangers would be greater if nonmoving visible objects outside the car are sources of hazard. The reverse is true.

CUES FOR MOTORISTS

Everyone remembers when it was customary, in certain parts of the United States, for certain advertisements to be placed on large signboards at the end of long stretches of road ending in a curve. This type of installation was good, and no one has ever registered a complaint, to the knowledge of the writer, on this practice. At least no one seems to have ever run into such a sign.

On the other hand, there are many places in the country today where curves are guarded at the end by a large sign. No hazards are introduced. Conversely, in one location to the writer's knowledge, there have been 22 persons killed in several different crashes at the end of a long curve where there was a tree poorly marked by a small arrow 1 foot long. No one has presented any evidence of a driver running directly into a large sign placed across the roadway so as to be seen at sufficient distance to warn of an approaching curve.

If reflectorized signs were used at the end of such curves, it would be much better than even the painted or poster sign at night. Reflectorization stands out brilliantly in the headlight beam, and it will warn a driver several thousand feet in advance of the curve coming up. Most accidents on curves occur because of insufficient warning. Thus speed is highly associated with accidents on curves. Studies have shown that curves at the end of long tangent sections are more dangerous.

WHERE SHOULD THE EYES BE DIRECTED?

It must be remembered that the motorist is bound to look around and scan the landscape adjacent to the highway. If he sees trees, wild animals, domestic animals, farmhouses, etc., those will occupy a certain proportion of his attention. If he keeps his eyes fixed in the middle of the road all the time, he will become drowsy, cannot stay awake, and will be less alert. He must scan the area ahead, as a radar beam scans the sky, for every plane or object that may require his further attention. Good vision aids in this respect.

These fundamental principles in the use of the eyes are so elementary that any parent or grandparent need only observe the small infants in his family to realize that it is not human nature to fixate the eyes for a long time on 1 object or in 1 direction.

This is one of the basic reasons why motion pictures and television have held such a long reign and have worked themselves into the very core of our entertainment world. One looks at the film but the scene is constantly changing. A wide screen is better because the eyes have more latitude of movement. If the scene remains relatively inactive over 15 seconds the story will become boring, and the telecast, motion picture, play, or whatever the nature of entertainment, will be characterized as dull by the audience. Gone are the days of the magic lantern. Our eyes demand movement in keeping with the 20th century developments and activity.

SUMMARY

We must conclude, therefore, that the case for advertising signs along the highway is strongly favorable, and it could be made much more so by beautifying the designs and surroundings of the locations where such signs are placed. It is likely that some very novel and attractive modernistic creations will appear along our superhighways during the next decade. Close cooperation with highway departments is needed.

Signs well placed along the highway make driving on highways safer since they serve as objects of stimulation and cues to road characteristics. Reflectorized signs are particularly effective at night for guarding curves.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that an excerpt from page 2 of the Driving Laboratory News of Iowa State College, Ames, Iowa, March 6, 1957, be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

(c) An interesting set of installations close (within 15 degrees to the side) to the roadside to avoid remote landscape rubbernecking by motorists. This should include the expected manmade installations of business, residences, display and advertising signs, route markers, landscaping and planting along with the natural scenery indigenous to the locale. Novelty and change should be the keynote from the standpoint of driving safety. The passing motorist must have proper stimulation to keep him on the alert all the time.

(d) Proper design for sight distance and scientific banking to make curves safe.

(e) Large-lettered signs and advance warning signals.

Mr. HICKENLOOPER. Mr. President, I ask that immediately following there be printed in the RECORD an article written by William Bancroft Mellor, reprinted from the November 1954 issue of Pageant magazine, entitled "Posters May Be Lifesavers."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Pageant magazine of November 1954]

STOP, LOOK, AND LISTEN BEFORE YOU DAMN THOSE HIGHWAY BILLBOARDS

(By William Bancroft Mellor)

A midwestern psychology professor has just come up with some scientific findings about safe driving that are pretty sure to annoy just about everybody—with the possible exception of the people who make roadside billboards and those who use them for advertising.

For the results of his long and carefully controlled tests fly right in the face of the widely held popular belief that billboard signs lining our highways not only are unsightly blots on our natural scenic beauties but also are safety hazards.

The study, made at Iowa State College, shows that highway advertising signs actually result in more efficient and safer operation of automobiles. The test was conducted by Dr. A. R. Lauer, psychology professor and director of the driving laboratory in the Industrial Science Research Institute.

Using scientific testing devices, he and his associates sent 480 motorists over a stiff driving course during a period of 10 months. Here are their findings:

By keeping motorists' eyes constantly on the move, roadside stimuli help to prevent the highway hypnosis which is becoming an increasingly important factor in motor vehicle accidents.

The test drivers, most of whom were male students of Iowa State, were more alert, got into fewer accident situations, and made faster time on highways lined with billboards than on unadorned ones.

The drivers on the highways with billboards saw just about as much of the landscape as those on roads with no distractions.

"Every motorist who has used one of our new high speed turnpikes," Dr. Lauer claims, "has at one time or another found himself becoming drowsy—lulled to sleep by the very features which were intended to promote safety; the long, straight stretches of road, the lack of opposing streams of traffic, and the vast reaches of monotonous landscape, unbroken by any familiar, manmade stimuli.

"With nothing to draw his gaze from the highway, he concentrates on that long ribbon of concrete or macadam until he has literally hypnotized himself. There you have an accident in the making. Give him something to draw his attention away from the road from time to time, however, and he remains alert. He is a better driver."

Dr. Lauer conducted his billboard tests with a gadget called a "drivometer," a device similar to those used by state highway departments and automobile clubs for determining drivers' reactions under simulated driving conditions.

"It wouldn't have been practical," he said, "to send our 'guinea pigs' out on actual highways, for in real life an accident situation presents itself only about once in each 3,000 hours of driving, on the average. By using the drivometer, with its simulated highways, we were able to compress into months driving experience which would have taken years of actual travel."

The drivometer consisted of an automobile driver's seat equipped with full-sized operating controls. In front of it was a box containing an endless belt—the simulated highway—flanked by scale models of houses, churches, schools, animals, shrubs, trees, and other objects normally seen along a country road. A miniature automobile, running along this "highway," was controlled by the steering wheel.

The test drivers were required to keep the miniature car on the right side of the road, comply with all traffic signals as in ordinary driving, and complete the trip in the shortest possible time. Their efficiency was recorded by an electric counter.

Thirty of the drivers were used as a control group, and drove only over a highway plastered with billboards. Other drivers were rotated over three different types of highways: one with no billboards, one with advertising signs placed on both sides of the road at angles varying from 0° to 30° from the line of vision straight ahead, and a third with signs placed at angles of 15° to 45°.

Their composite mean scores for the three types of highway were: 71.98 on roads with no billboards; 78.70 on those with signs at angles from 15° to 45°, and 80.00 on highways with signs varying in angle from 0° to 30°.

The Lauer study inevitably will have two results: it will draw fire from the groups of nature lovers who have been arguing for years that billboards are safety menaces, and it will be carefully scrutinized, in the light of our annual toll of 38,000 motor vehicle fatalities, by highway officials and safety experts. You may hate billboards from an esthetic viewpoint, but you may owe your life to one.

Mr. HICKENLOOPER. Mr. President, as I say, I hold no special brief for any particular medium of advertising, but I do have objection to what I believe to be congressional coercion in connection with inducements to States to do certain things they otherwise might or might not do.

Therefore, I support the proposition that the bill is for the purpose of building highways, not for controlling the esthetics of the situation which should be left to the States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. With the inclusion of these articles I have mentioned in the RECORD, and the expression of my reasons for voting as I do, I yield the floor.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative when his name was called.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Is the vote on the amendment offered by the Senator from Oklahoma and other Senators to eliminate and strike out the so-called billboard incentive amendment?

The PRESIDING OFFICER. The Senator from California is correct.

The yea and nay vote will proceed.

The legislative clerk resumed and concluded the call of the bill.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I further announce that if present and voting, the Senator from Oklahoma [Mr. MONRONEY] would vote "nay."

On this vote the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "yea" and the Senator from Louisiana [Mr. LONG] would vote "nay."

On this vote the Senator from Minnesota [Mr. HUMPHREY] has a pair with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Minnesota [Mr. HUMPHREY] would vote "nay" and the Senator from Indiana [Mr. JENNER] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is detained on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Indiana [Mr. CAPEHART] would vote "yea" and the Senator from New Hampshire [Mr. BRIDGES] would vote "nay."

The Senator from Indiana [Mr. JENNER] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 41, nays 47, as follows:

YEAS—41

Barrett	Hill	Murray
Bennett	Holland	Potter
Bible	Hruska	Russell
Butler	Johnson, Tex.	Saltonstall
Carlson	Johnston, S. C.	Schoeppel
Chavez	Kerr	Scott
Curtis	Langer	Sparkman
Dirksen	Malone	Stennis
Dworshak	Mansfield	Talmadge
Eastland	Martin, Iowa	Thurmond
Ervin	Martin, Pa.	Williams
Frear	McClellan	Yarborough
Goldwater	McNamara	Young
Hickenlooper	Mundt	

NAYS—47

Aiken	Gore	Neuberger
Allott	Green	O'Mahoney
Anderson	Hayden	Pastore
Beall	Hennings	Payne
Bricker	Hoblitzell	Proxmire
Bush	Ives	Purtell
Byrd	Jackson	Revercomb
Carroll	Javits	Robertson
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Church	Knowland	Smith, N. J.
Clark	Kuchel	Symington
Cooper	Lausche	Thye
Cotton	Magnuson	Watkins
Douglas	Morse	Wiley
Fulbright	Morton	

NOT VOTING—8

Bridges	Flanders	Long
Capehart	Humphrey	Monroney
Ellender	Jenner	

So Mr. KERR's amendment was rejected.

Mr. KUCHEL. Mr. President, I move that the vote by which the Kerr amendment was rejected be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended. The bill is open to further amendment.

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment to the so-called utility section. The amendment is technical.

It is amendment No. 3 on the mimeographed sheet of amendments which I have distributed to all Senators. So far as I know, there is no objection to it.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, at the end of line 14, it is proposed to strike out the period, insert a semicolon, and the following: *"Provided further*, That Federal funds shall not be reimbursed to any State under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State";

On page 20, lines 16 and 17, strike out the words: "covered by formal project agreements executed by the Secretary" and insert in lieu thereof: "for which Federal funds are obligated"; and on line 18, after the word Act and before the period, insert: "for work including relocation of utility facilities."

The PRESIDING OFFICER. Does the Senator wish to have his amendments considered en bloc?

Mr. CASE of South Dakota. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. I yield myself 5 minutes. I hope I may have the attention of the chairman of the subcommittee. The amendments are really technical amendments, and were suggested by the counsel for the Bureau of Public Roads. The purpose is to make the language in the bill conform to existing law with respect to payments where State laws or State contracts might be violated. The main provision is in the present law.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Tennessee.

Mr. GORE. I asked my staff to get in touch with the Bureau of Roads for their legal and technical advice with respect to the amendment. It is as the able Senator from South Dakota has stated; the amendments are technical, but make the provision administratively more feasible. I accept the amendments.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. I notice that the bill provides:

Whenever a State under State law is required to pay for all or any part of the cost of relocation of utility facilities necessitated by the construction of a project on any of the Federal-aid highway systems, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on

the projects, not to exceed 70 percent of such cost which the State is obligated to pay.

Does the amendment change the 70 percent provision?

Mr. CASE of South Dakota. It does not. The amendment does not go to the 70 percent. It does not go to the merits of the utility section at all. At the end of the paragraph the amendment would provide that Federal funds shall not be reimbursed to any State when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

That provision is contained in the present law. It should have been included in the language of the bill when it was written. I do not know why it was not included. Counsel for the Bureau of Roads believes it ought to be included. I cannot see how anyone would wish a payment to be made to a State if it violated a law of the State or if it violated a contract between a utility and the State.

Mr. WATKINS. The principal objection in my State to the 70 percent provision is that our State law requires it to pay it all. If the State pays for it all, it can be reimbursed for only 70 percent of the Federal contribution the State might receive under the law as it now is.

Mr. CASE of South Dakota. The Senator's objection would go to the paragraph in the bill as a whole, not to the amendment. The Senator may be opposed to the provision in the bill, but so far as my perfecting amendment is concerned, I cannot see that he would have any objection to it.

Mr. WATKINS. Does the Senator know whether another amendment will take care of this matter?

Mr. CASE of South Dakota. Yes, there will be an amendment offered, I believe, to strike out the entire section, and that is when the Senator would wish to speak, I believe, and probably support the amendment to strike that section of the bill. The Senator from Nebraska [Mr. HRUSKA], I believe, is prepared to offer such an amendment, which would strike the entire section from the bill.

Mr. WATKINS. I would not object to the section in the bill, provided it would make the payment on the same basis that the Federal Government now contributes to the States under the regular highway provision.

Mr. CASE of South Dakota. The Senator is talking against the entire paragraph, not against the perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from South Dakota [Mr. CASE].

The amendments were agreed to en bloc.

Mr. MANSFIELD. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, in lines 11 through 13, it is proposed to strike out "the sum of $36,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961," and insert in lieu thereof "the additional sum of $10,000,000 for the fiscal year ending June 30, 1959, and the sum of $36,000,000 for each of the fiscal years ending June 30, 1960 and June 30, 1961."

On page 12, lines 14 through 16, it is proposed to strike out "the sum of $34,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961," and insert in lieu thereof "the additional sum of $13,000,000 for the fiscal year ending June 30, 1959, and the sum of $34,000,000 for each of the fiscal years ending June 30, 1960 and June 30, 1961."

On page 13, line 4, after "years ending" it is proposed to insert "June 30, 1959."

On page 13, lines 9 through 11, it is proposed to strike out *"Provided further,* That the apportionment heretofore made by the Secretary of Commerce for the fiscal year ending June 30, 1959, is hereby approved."

On page 16, lines 7 through 9, it is proposed to strike out "the sum of $4,000,000 for the fiscal year ending June 30, 1960, and a like sum for the fiscal year ending June 30, 1961," and insert in lieu thereof "the additional sum of $2,000,000 for the fiscal year ending June 30, 1959, and the sum of $4,000,000 for each of the fiscal years ending June 30, 1960 and June 30, 1961."

The PRESIDING OFFICER. The Senator from Montana is recognized for 30 minutes. Does he desire that his amendments be considered en bloc?

Mr. MANSFIELD. I do.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. MANSFIELD. I yield myself as much time, within the limitation, as I may need.

Mr. President, I have offered the amendments to S. 3414 on behalf of myself and Senators ALLOTT, ANDERSON, BARRETT, BENNETT, DWORSHAK, GOLDWATER, MORSE, MURRAY, JACKSON, NEUBERGER, MAGNUSON, CHURCH, O'MAHONEY, WATKINS, LANGER, THYE, CARROLL. The amendments would authorize additional funds for forest highways, forest development roads and trails, and public land highways for fiscal year 1959.

One of the prime objectives of S. 3414 is to make available additional funds in 1959. We are completely in accord with this purpose, and the bill as reported by the Senate Public Works Committee provides for the authorization of additional appropriations for these 3 types of roads for fiscal years 1960 and 1961, but not for 1959. Our amendment corrects this oversight.

We have purposefully omitted from our amendment park roads and Indian roads because we were advised that there are substantial funds—$20 million for park roads and $10 million for Indian roads—which are available and unobligated. This is not the case for forest highways, forest development roads, and public land roads. There is a small balance in the forest development road fund, but it could readily be obligated in the next few months.

The amendment will make available sufficient funds in the next year to get started many road projects which many States would not be able to start under normal circumstances. These road programs will provide employment where it is so badly needed.

FOREST HIGHWAY FUNDS

The Bureau of Public Roads has a $1.3 billion backlog of work on forest highways. It is apparent that the additional $10 million proposed in this amendment can be readily spent.

About 80 percent of the forest highways are a part of the Federal-aid primary and secondary system. The proposed legislation now being considered by the Senate proposes a 31-percent speedup for the ABC roads for 1959 by adding $400 million. The amendment proposes a 30-percent increase for forest highways in order that they can keep pace with the accelerated ABC program.

About 85 percent of the national forest system is in the 20 Western States and Alaska. About 85 percent of the funds are allocated to these States. Unless we add the forest highway money, the Western States will lag behind in the forest highway program.

FOREST HIGHWAY FORMULA

We also propose in our amendment to revert to the language adopted by the Subcommittee on Roads. This language assumes that pending the completion of a detailed study called for in section 3 (b) of S. 3414, the same percentage of the total authorization will be distributed to the several States as has been distributed for the last 30 years. As the bill was reported from the committee, it applies the 30-year formula to 1960 and 1961 but excepts 1959. We respectfully point out that 20 of the 42 States that receive forest highway funds will face a cutback in 1959.

Of the 12 Western States, 8 will suffer substantial reductions, while 4 will gain. However, the gains of the 4 States largely offset the losses of the 8. The States which are the most vitally affected all face critical problems of unemployment. In my own State, officials have advised me that Montana will be hard pressed to match funds under the ABC and interstate programs. We believe that equity requires the consistent application of the time-honored percentage for the distribution of funds pending the receipt of the further recommendations of the Secretary of Commerce as called for in S. 3414.

FOREST DEVELOPMENT ROADS AND TRAILS

The Forest Service needs about 400,000 miles of forest roads ultimately to develop the 180 million acres in the national forests for full public use and enjoyment. Most of these roads are unsurfaced or gravel, with heavy-duty bridges and culverts to accommodate heavy log trucks and recreational use. The Forest Service has a tremendous amount of roadwork surveyed and planned. There is no doubt in my mind that the additional funds proposed in the amendment can be put to immediate and effective use.

I am sure that I need point out the great value of this program to the economic welfare of the lumber industry in the Northwest, which at present is suffering from a severe recession.

We must have adequate and sufficient forest roads and trails to meet heavy demands for timber and to allow the orderly marketing of it.

Among all the various types of road projects, the forest roads assure the highest ratio of employment to money expended. In addition, they constitute about the only road program which is really geared to get into the timber areas to relieve the critical unemployment that exists. The $13 million increase will enable progress in this direction.

PUBLIC LAND HIGHWAYS

This amendment also proposes an increase of $2 million in the funds for public land highways. As the distinguished senior Senator from Idaho [Mr. DWORSHAK] pointed out to the Senate Committee on Public Works during his testimony, there are 180 million acres of public domain lands in the Western States. In certain instances roads are needed which cannot, for one reason or another, be provided under any of the other regular programs. The proposed $2 million increase will provide that the level of funds authorized for 1959 will be the same as those authorized for fiscal years 1960 and 1961.

Mr. President, some States will have difficulty in taking immediate advantage of an accelerated interstate and ABC programs, but all of them can take better and more immediate advantage of the forest highway and public land highway programs. I urge that the amendment be adopted as submitted.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CARROLL. Both the junior Senator from Montana and the senior Senator from Colorado are to be commended for offering the amendment. The amendment affects a number of States: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Maine, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, North Dakota, Pennsylvania, South Dakota, Vermont, and Wyoming, and the Commonwealth of Puerto Rico.

Is it not true that the new formula, established without consultation with State authorities or with Congress, caused a serious setback in the fiscal 1959 appropriations of a great many States?

Mr. MANSFIELD. The Senator is correct.

Mr. CARROLL. I think it is important to state some of the figures.

For example, California lost $194,000; Arizona, $148,000; Colorado, $313,000; Idaho, $172,000; Montana, $143,000; Wyoming, $158,000. I have rounded the figures.

I ask the Senator from Montana if the purpose of the amendment is not only to reestablish for 1960 and 1961 the formula previously used, but also to enable those States which suffered from the new formula to continue to build highways.

Mr. MANSFIELD. The Senator is absolutely correct.

I now yield the remainder of my time to the senior Senator from Colorado, who is a cosponsor of the bill.

Mr. ALLOTT. I thank the Senator from Montana.

Mr. President, I am pleased to be a cosponsor of this amendment to provide additional funds for forest highways, forest development roads and trails, and public land highways for fiscal year 1959. The adoption of this amendment will provide substantial additional amounts for these roads during the summer of 1958 when construction can be undertaken.

For some time I have been giving thought to some of the tangible ways we might dedicate legislative efforts to commemorate appropriately the 100th anniversary of the birth of Teddy Roosevelt. This, I believe, is one way we can fulfill that obligation. Teddy Roosevelt was a man of action. Any honors we propose for him should be in the spirit of his great role in American history. If I could name this amendment to the Highway Act—supposing it could be given a popular title—I would suggest calling it the Teddy Roosevelt amendment.

As those of us from the West know so well, it was President Theodore Roosevelt, aided by Gifford Pinchot, who transformed the forest reserves into national forests. Wise use based upon the principle of the greatest good to the greatest number was the cornerstone of Teddy Roosevelt's conservation philosophy. The foresight and wisdom of Roosevelt insured that this great 180-million-acre Federal domain would serve all of our people for generations to come. The soil, water, timber, grass, and scenery would assure Americans a full measure of the economic and spiritual benefits needed to promote a healthy Nation. Certainly roads are a basic and integral part of our forest development, essential to the people's use and enjoyment. What better way can we honor this great man than to continue the work he began in our national forests.

The forest highway system, which extends through the 40 States with national forests, has needs which total more than $1 billion. Road development is required equally for timber access and recreational use. The Forest Service needs 400,000 miles of road to develop ultimately the resources of our national forests.

I may say that in some places these roads actually are identical with the Interstate Highway System.

We are suggesting a very modest amendment in relation to these staggering needs. We would make $10 million more available for forest highways and $13 million available for forest development roads and trails for 1959, so that each program would stand at $40 million for this year. We would also add $2 million for public land highways, raising this program to $4 million.

There is no denying that our economy nationally is sagging at the present time. This increase is one positive and meaningful action to counteract that tendency. These three programs are unique in that practically no funds are held in budget reserves, as is the case with park and Indian roads. Under the provisions of the Federal Highway Act, the money can be carried forward if the sum of the efforts being undertaken government-wide is sufficient to change the economic outlook. Therefore, I view this proposal as providing the President with another antirecession device; and I believe that we in the Congress should do no less than this.

Mr. President, I close my remarks with this observation: The Public Works Committee has moved rapidly to bring before us a bill which has strong bipartisan support. It has worked hard to achieve two goals. The bill will insure that the long-range program will go forward while we deal with the immediate questions before us. When we reflect on the complexities of the highway problems confronting the Nation, the general excellence of the bill warrants our warmest congratulations to this committee.

We who have advanced this amendment have done so in order to assist in providing a well-rounded bill.

Senate bill 3414 will provide $400 million additional for the ABC roads. The increases we suggest are in keeping with the objective, and will insure that our forest roads will go forward at the same rate as our primary road systems.

We can achieve these great immediate purposes, and at the same time can continue to build a practical monument to the wisdom and foresight of Teddy Roosevelt, who was such a paramount figure in the development of our mighty national forest system.

Mr. WATKINS. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I am glad to yield to the distinguished Senator from Utah.

Mr. WATKINS. Mr. President, in my State a number of roads in the national forests were built by the CCC camps, during the depression. Of course, they were only dirt roads; none of them was hard surfaced. Furthermore, they were rather narrow roads, and in some cases were rather dangerous for use by automobiles.

Since that time, people still have tried to use those roads; but for quite a number of miles the roads should be made wider, in order to be safer for use by the people who travel in the forests.

Does the Senator from Colorado have such roads in his own State?

Mr. ALLOTT. Yes; there are many in Colorado; and I think the condition the Senator from Utah has described is common to many of the areas of the West, where the great bulk of the public are kept from large areas of the national forests because of the state of disrepair of the roads the Senator from Utah has described.

Mr. WATKINS. I assume that in all the Rocky Mountain States—certainly it is true of Utah, and I assume it is also true of Colorado, and to some extent of Idaho—there are many areas where timber which in the past was not considered marketable, now is in demand, and it is necessary to build roads in order to permit the timber to be reached. Is that true generally in the Western States?

Mr. ALLOTT. It is true in Colorado, at least. I cannot speak for the other Western States. However, to judge from the statements which were made by other Senators in the committee, I believe that condition is general throughout the Western States.

Mr. WATKINS. Furthermore, in northeastern Utah, in the area of the Flaming Gorge reclamation dam, there is a vast forest through which the people of Utah have to travel in order to reach the Flaming Gorge area. Of course it is necessary to have additional forest roads built there, in order to permit that timber to be reached, and to permit the area of the dam to be reached, and in the future to permit the people to pass through that forest into Colorado and Wyoming.

Mr. ALLOTT. Mr. President, I thank the Senator from Utah for his statement, and I am very happy that he has seen fit to join in sponsoring the amendment.

Mr. DWORSHAK. Mr. President, will the Senator from Colorado yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ALLOTT. I am happy to yield to the Senator from Idaho.

Mr. DWORSHAK. Mr. President, I am a cosponsor of the amendment, which I believe is important to the public-lands States.

I also believe we should recognize the sympathetic understanding which has been displayed by the distinguished chairman of the Roads Subcommittee of the Committee on Public Roads, the Senator from Tennessee [Mr. GORE]. He has indicated that he understands the problems of the public-lands States, where there are approximately 180 million acres of public domain and another 180 million acres of forest lands that are owned by the Federal Government.

With the greatly accelerated program of highway construction provided by this bill, it would be a discrimination against the public-land States if additional funds were not made available to enable those States to maintain the same relative increased construction of highways which will be initiated throughout the entire country.

I think the additional funds made available for the forest highways and for the forest development roads and trails will return a great profit to the Federal Government, by virtue of making accessible those overripe stands of timber, which can be salvaged and utilized and marketed by the Government.

I feel confident that under the circumstances which we face in connection with this accelerated program, the chairman of the Subcommittee on Roads will accept this amendment, because it will overcome the lag of 1 year—the fiscal year 1959. Although I think the Roads Subcommittee gave very liberal and generous consideration to the authorization of additional funds for the forest highways and the highways on the public lands in fiscal years 1960 and 1961, at the same time, through an oversight, the fiscal year 1959 was not included as one for which additional funds would be authorized.

The pending amendment corrects that discrimination, and makes some additional funds available now, instead of in the fiscal years 1960 and 1961.

Mr. BARRETT. Mr. President, will the Senator from Colorado yield 5 minutes to me?

Mr. ALLOTT. I am happy to yield 5 minutes to the Senator from Wyoming.

Mr. BARRETT. Mr. President, as a cosponsor of this amendment I desire to join my colleagues in commending the committee, and particularly the chairman of the subcommittee, the distinguished Senator from Tennessee [Mr. GORE], for bringing in this splendid provision for forest highways. To my way of thinking the construction of forest highways will help materially in relieving unemployment and at the same time will provide a much needed public improvement.

I wish to associate myself with the remarks which have been made by my distinguished colleague, the senior Senator from Idaho [Mr. DWORSHAK].

Our forest highways are an integral part of our complex highways system and in nearly all cases the forest highways are connecting links in our Federal-aid system. The forest highways are the forgotten roads of our entire system and in fact are bottlenecks in the western road system. Throughout the West we find that the primary system has been improved and is in first-class condition. But when we come to the forest reserves of the West, we find that the forest highways are antiquated and outmoded and generally speaking in a dangerous condition.

I appreciate the fact that the committee acceded to our request to increase funds for forest highways for the years 1960 and 1961 and I hope that the chairman of the committee will accept the amendment which has been proposed by the distinguished junior Senator from Montana [Mr. MANSFIELD], to increase by $10 million the funds authorized for this fiscal year. I am glad to be a cosponsor of such amendment.

Mr. CHURCH. Mr. President——

Mr. ALLOTT. Mr. President, I am happy to yield 3 minutes to the junior Senator from Idaho [Mr. CHURCH].

Mr. CHURCH. I thank the Senator from Colorado.

Mr. President, I have only a very brief statement to make in support of the pending amendment.

No one need emphasize the importance of forest-highway roads or public-lands roads to the States of the West in which so large a percentage of the land is owned and controlled by the Government.

I desire to state here, tonight, that I am pleased to be a cosponsor of this amendment, because it provides for the same kind of proportionate treatment for the fiscal year 1959 that the pending bill now provides for the Interstate Highway System and for the ABC roads. In the interest of that fair treatment, we ought not to overlook accelerating the program for construction of forest access roads and public lands roads. We ask for no special treatment in this amendment. We ask only that these roads, which are so important to the economy of the West, be given the same treatment for accelerated construction work as the bill gives to the ABC roads and the interstate roads. This, therefore, seems to be a good amendment. I am happy to join as a cosponsor of it with my distinguished colleague from Idaho and other Senators from Western States, whose States are so directly affected.

Mr. WATKINS. Mr. President, will the Senator yield 1 minute to me?

Mr. ALLOTT. I yield 1 minute to the Senator from Utah.

Mr. WATKINS. I have already mentioned forest roads in the Intermountain States which need additional money spent on them. I desire to address my attention to roads on public lands which are for the most part controlled by the Interior Department. In my State more than 70 percent of the land is owned by or is under the control of the United States Government. It places a heavy burden on us if we also have to construct highways for State use across lands entirely owned by the Government, unless we get a large contribution in addition to what we ordinarily would get.

A number of years ago a law was enacted providing for Government participation of 100 percent for the construction of interstate highways which cross Government lands.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. May I have an additional minute?

Mr. ALLOTT. I yield 1 additional minute to the Senator from Utah.

Mr. WATKINS. I am particularly calling attention to that situation because the building of the Glen Canyon dam has required a very costly highway to be built over public land. We have had some help, for which we are grateful, but we would like to have additional help in order to complete the construction of the road.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield the remainder of my time to the Senator from Montana.

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. MANSFIELD. I yield to the Senator from Oregon [Mr. NEUBERGER].

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I prepared explaining the forest-road aspects of the bill as it came from the committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

The committee has given full and fair consideration to a relatively small but important section of the road program—the part affecting public lands. Two classes of roads are of particular significance in my State and I want to discuss them for just a moment. The 1950 act provided $17,500,000 for forest-development roads and trails. In the 1952 act, the Senate proposed to raise the authorization to $22,500,000 and the House agreed. In 1954 the Senate proposed to increase the authorization to $25 million

and it was compromised at $24 million. In 1956 the House raised the authorization to $27 million and bipartisan floor action in the Senate provided a like amount, so no conference was necessary. This year the House has raised the authorization to $28,500,000 while the Senate has provided $34 million a year for 1960 and 1961.

The forest-highway program has proceeded in much the same way. In the 1952 act the House would have set the authorization at $22 million while the Senate suggested $25 million. The authorization was set at $22,500,000, very near the House figure. In the 1954 act, the authorization stayed at the House figure of $22,500,000, although the Senate suggested $25 million. In the 1956 act the House set their figure at $25 million while the Senate, as a result of bipartisan floor action, set the figure at $33,750,000. This was compromised at $30 million.

This year the House has not suggested an increase, while the Senate has before it a bill which will provide $36 million. The action over the year on the part of the Congress is most significant, because each year the executive branch has not recommended increases, despite the growing need for these highways. It has consistently opposed increased authorizations, while with bipartisan unanimity the Congress has suggested and provided increases.

This year the Budget Bureau recommended that authorizations not even be made and that the Congress turn over to it the responsibility for setting program levels. The Public Works Committees of both Houses have declined to turn this authority over to the executive branch.

In December of 1957 the Senate Public Works Committee, under the able leadership of the chairman of the Road Subcommittee, the Senator from Tennessee [Mr. GORE], held extensive field hearings on forest roads throughout the West. Six hundred and twenty pages of testimony were taken on forest-road problems. These hearings showed tremendous interest in providing an adequate system of service roads to develop our national forest resources.

Forest development roads are badly needed. On 193 of the national forest working circles, less than 70 percent of the allowable cut is being marketed, while on another 64 between 70 and 90 percent of the cut is being sold. On 50 working circles, lack of roads is the major cause of this situation. In each and every national forest area a complete system of service roads is needed in order to realize the full benefits for the public. A few years ago the allowable cut for the national forests was 9 billion board-feet. Today it is set at 10 billion board-feet. The Forest Service estimates that by the year 2000 it will be 20 billion feet. This can only be realized if we provide all the tools for effective management.

The record of cutting on the Forest Service lands justifies our doing this. In 1935, only 1 billion board feet of timber was cut which was valued at $2,200,000. By 1945 the cut had climbed to 3.3 billion board feet valued at $13 million. In 1953 the 5 billion mark was passed and revenue rose to $70 million, and in 1956 the 7 billion board foot mark was reached with revenues at $100 million. While price rises and inflation have been factors, there has been a 7-fold increase in timber cut since 1935.

Nineteen hundred and thirty-five was not a peak year in national lumber production. Only 20 billion board feet, about 60 percent of the production of the twenties, was obtained due to the effect of the depression. However, while national lumber production has slowly climbed back to the 37 billion board-foot level, national forest timber cuts have constantly climbed so that it now represents one-fifth of the timber we use annually.

In addition to providing substantial funds to accelerate construction of timber access roads, the committee has called upon the Department of Agriculture to speed completion of its long-range road program in order to present it to the Congress.

The bill before us also provides for a study by the Secretary of Commerce in cooperation with the States covering the forest highway program. Last November the Secretary of Commerce, without consulting the States, revised a 35-year-old formula for the distribution of forest highway funds. The committee bill proposes to accept the 1959 apportionment as a "fait accompli," while requiring for 1960 and 1961 that the Secretary of Commerce apportion the funds using the same percentage for each State that was used in fiscal year 1958. The Congress will then consider the recommendations for a new formula to be made by the Secretary of Commerce by 1960.

I am particularly pleased that the committee unanimously decided to emphasize to the Department of Commerce that we expect there to be full and complete cooperation with the States on this program.

Mr. NEUBERGER. Mr. President, I believe the distinguished chairman of the Subcommittee on Public Roads is owed a great debt by every single Member of the Senate, as well as the residents of the public-lands States from the Continental Divide westward.

There have been few instances in recent times that I know of when a Senator from a State on the Atlantic seaboard has come to the western part of the country, during the Christmas season, away from his family and closest friends, in order to hold hearings in some of the great centers of the West and Northwest, so he could build a record to familiarize himself and members of his committee with problems which are immediately germane and local to our States, with respect to road construction in national forests and the public domain.

I am certain I speak for all my colleagues from the 11 Western States when I say to the distinguished junior Senator from Tennessee we are deeply and profoundly grateful to him. I am proud to have been his companion during our Pacific Northwest hearings. Beneficial legislation has resulted.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am very pleased to yield to the Senator from Montana.

Mr. MANSFIELD. I should like to join my distinguished colleague, the junior Senator from Oregon, in taking this opportunity to pay tribute to our distinguished and hard-working colleague, the junior Senator from Tennessee [Mr. GORE]. We both know that he came to our part of the country and held hearings in Idaho and Montana, specifically at Lewiston, Idaho, and Missoula, Mont. He knows as much as anyone outside our area, with the possible exception of the distinguished Senator from Oregon, about the Lewis and Clark Highway, the Lolo Pass, and the difficulties which we faced in establishing a transcontinental highway through that area. On behalf of the people of the State of Montana I desire to say that we are indebted to the distinguished Senator from Tennessee for the great support and the tremendous strength he has exhibited in our behalf, and he will never be forgotten by the people of the Northwest who have benefited so greatly because of his personal interest and his understanding, and his great breadth of vision.

Mr. NEUBERGER. I thank the Senator from Montana for his observation. Before I yield to the junior Senator from Colorado [Mr. CARROLL], I should like to add to the list of geographic areas where hearings were held, I believe the able Senator from Tennessee presided over hearings at Albuquerque, N. Mex.; Portland, Oreg.; and Seattle, Wash.; to show how universally he covered our Western States.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. CARROLL. I wish to associate myself with the remarks of the distinguished Senator from Oregon and the distinguished Senator from Montana. The bill is of vital importance to Colorado, and we are grateful to the junior Senator from Tennessee not only because of this particular amendment, but because of the wonderful work he performed in behalf of our State by his efforts in furtherance of an adequate Federal road program. For years the State of Colorado and the State of Utah have sought to participate in an East-West transmountain link in the Interstate Road System. Although Colorado and Utah received the transmountain mileage designation of 547 miles last fall, that mileage was not scheduled to have funds apportioned to it until the rest of the Interstate Road System was completed years in the future. This bill now, for the first time, permits the new Colorado-Utah link to qualify for funds. This is due largely to the work of the junior Senator from Oregon, the masterful leadership of the junior Senator from Tennessee, and to the work of the other members of the Public Works Committee.

Mr. NEUBERGER. Particularly the junior Senator from Tennessee, because I am only a relatively new Member of the Senate. It is my opinion that a Senator rarely deserves great credit for work he does for his own State or in his own State. That is the bread and butter of American politics, and we all know it. But when a Senator goes 3,000 miles across the country, shows a genuine interest in the problems of that area, spends the Christmas season there, expends a lot of time and energy there, when the weather is not so good, and devotes himself to problems of other States, that is showing a genuine interest, and we appreciate it.

Mr. CARROLL. I may say that is one of the reasons why the people of Colorado, the West, and the Rocky Mountain region will be glad to have the junior Senator from Tennessee come and visit with them and speak to them on March 29, this coming Saturday, will be not only to tell them about the issues before us here in Washington, but about their interstate and ABC road systems.

Mr. NEUBERGER. The people of Colorado could not listen to a better speaker than the junior Senator from Tennessee.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I was delighted that it was possible for the junior Senator from Tennessee to go to Oregon, because I wanted someone who did not live in New Mexico, Arizona, or California to go there. I was only too glad to insist that the Public Works Committee request the chairman of the Subcommittee on Roads to go to the State of Oregon and see the beautiful forests in that State.

Mr. NEUBERGER. None of this would have been possible without the leadership of the distinguished Senator from New Mexico, the chairman of the committee.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LANGER. As one of the cosponsors of the amendment, I am delighted at the prospect of its adoption. I only regret it does not provide funds for the construction of roads to mines. There are many mines containing valuable strategic minerals which it is impossible to reach unless roads are built to them over public lands.

Mr. NEUBERGER. I may say to my friend from North Dakota the bill which was reported by the able Senator from Tennessee, as amended by the proposal of the Senator from Montana, the Senator from Colorado, and cosponsored by others of us, will provide access to mines, sawmills, logging camps, and all activities on the public lands which belong to the United States.

Mr. LANGER. I am delighted that the bill is to be amended.

Mr. THYE. Mr. President, I have time on this side.

The PRESIDING OFFICER. The Senator from Oregon has the floor and has 1 minute remaining.

Mr. NEUBERGER. Mr. President, I should like to ask the Senator from Minnesota to give me 2 or 3 minutes of time. Then I shall yield the floor and the Senator can make remarks in his own right, if that is agreeable.

Mr. THYE. I believe the time on the other side is exhausted.

Mr. NEUBERGER. That is my understanding.

Mr. THYE. I will yield 2 minutes of time from this side to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the Senator who is responsible for all this. Perhaps we can get additional time, after the Senator has made his remarks.

Mr. GORE. Mr. President, I am very, very grateful to the distinguished chairman of the full committee, the able and fine senior Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Montana [Mr. MANSFIELD], the junior Senator from Colorado [Mr. CARROLL], the senior Senator from Idaho [Mr. DWORSHAK], the senior Senator from Wyoming [Mr. BARRETT], and the senior Senator from Colorado [Mr. ALLOTT] for their very generous and kind remarks.

Knowledge is power. The true purpose of committee hearings is the acquisition of knowledge upon which to act. Knowledge of problems creates the power to value them. The power to accomplish good is available to a man in very few places equal to the floor of the United States Senate. If I have been a part of some good accomplishment for the great western part of the United States then I have been a part of making America stronger. When America is made stronger my own native State and the people therein are helped.

I have great difficulty delineating between what is good for America and what is good for Tennessee. It seems to me that what is good for the Northwest in bringing about development, conservation, and progress, which makes America stronger and more prosperous, is good for Tennessee.

In that connection, the amendment presented by the able junior Senator from Montana and those who have cosponsored the amendment seeks to do for the roads relating to forests the same thing which the committee has recommended that the Congress do for the primary, secondary, and urban highways.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, I yield an additional 2 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for an additional 2 minutes.

Mr. GORE. The committee may have been remiss in not recommending a step-up in fiscal year 1959 funds for the forest roads, the same as we recommended for the primary, secondary, and urban roads. The amendment proposes to do no more and no less than that. I think it has added appeal from the fact that the States in the Northwest are in an area of the highest unemployment in the Nation. Is that not true?

Mr. NEUBERGER. Unfortunately, it is true.

Mr. GORE. In view of those facts, Mr. President, there is no basic and logical reason on which I can oppose the amendment. I am not authorized by the committee to accept it. I suggest the Senate vote on it, and vote for it.

Mr. NEUBERGER. I thank the Senator from Tennessee.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. CHURCH. I wish to associate myself very, very briefly with the remarks made with reference to the distinguished Senator from Tennessee. I would only add, since the Senator from Tennessee has spoken, he has given added evidence of the fact that he is not only a very great Senator from the State of Tennessee, but he is a great Senator of the United States of whom all of us can be proud.

Mr. GORE. I thank the Senator.

Mr. NEUBERGER. Of that fact there has never been any doubt, and I am glad to have the Senator from Idaho enunciate it.

Mr. President, I was going to make an additional statement about the bearing of the amendment on the forest roads and the forest access roads in my own State. In view of the fact that the distinguished chairman of the subcommittee has accepted the amendment sponsored by the Senator from Montana and the Senator from Colorado, and cosponsored by others of us, it seems to me further talk would be redundant, and I therefore ask unanimous consent to have the statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER, AS COSPONSOR OF MANSFIELD-ALLOTT AMENDMENT

S. 3414 provides a $400 million increase for ABC roads for 1959, about a 40 percent increase, but no 1959 increase for forest highways or forest development roads and trails. This amendment would provide $10 million additional for forest highways (25-percent increase) and $13 million for forest development roads and trails (33-percent increase).

It would apply the 1958 formula to all the forest highway funds for 1959. If adopted Oregon would get $5,510,000 in 1959, compared to $4,306,115 at the $30 million level with the new formula. If the new formula was applied to $40 million, Oregon would get $5,740,000.

Despite the fact that 35 percent of all the timber cut from the national forests (2.8 billion feet) comes from the Northwest, only 42 miles of new timber access roads costing $1.7 million were constructed in the Pacific Northwest last year. One thousand one hundred and forty miles were constructed by timber purchasers at a cost of $20.3 million.

The supervisor of the Umpqua National Forest reports that the slump in the lumber market has and will reduce road construction by timber purchasers.

Oregon is one of the highest States in unemployment. Unless we counteract the cut in economic activities with Government construction of timber access roads, the aggravated unemployment in the lumber industry will be worsened.

The construction of forest roads gets the construction into areas hard hit by unemployment. In the Pacific Northwest alone, 8,205 miles of timber access roads are needed at an estimated cost of $133 million for just the next 5 years.

Mr. THYE. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD some remarks I was going to make relative to forest highways, as well as tables indicating the amounts for each State and Alaska under the present funds, and the schedule under the amendment, if adopted.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

FOREST HIGHWAYS

In order to advise the Senate of the effect this amendment would have on the apportionment already made I had a computation prepared which covers the 20 States and Alaska which receive 95 percent of the forest highway funds.

Each State listed would receive an increase over the funds they are now scheduled to receive. This amendment would enable the forest highway program to proceed in accord with the speedup in the primary and secondary advance scheduled in S. 3414.

	Present funds at $30,000,000 authorization	Schedule under amendment at $40,000,000 authorization
Arizona	$1,540,000	$2,251,000
Arkansas	483,000	543,000
California	4,102,000	5,728,000
Colorado	1,842,000	2,872,000
Florida	188,000	232,000
Idaho	2,883,000	4,072,000
Michigan	370,000	420,000
Minnesota	380,000	553,000
Missouri	185,000	204,000
Montana	2,248,000	3,188,000
Nevada	649,000	717,000
New Mexico	145,000	1,602,000
North Carolina	195,000	246,000
Oregon	4,306,000	5,510,000
South Dakota	168,000	313,000
Utah	1,027,000	1,328,000
Virginia	214,000	260,000
Washington	2,498,000	2,780,000
Wisconsin	212,000	223,000
Wyoming	1,121,000	1,706,000
Alaska	2,652,000	3,486,000
Total	28,408,000	38,243,000

Mr. THYE. Mr. President, I am a cosponsor of the amendment and I have always been in favor of forest highways. They serve many useful purposes.

First, of course, forest highways give added protection against fire. They permit access to the area very readily by vehicles.

Another good feature of the forest highways is the access they provide to persons who cut timber, since the Government lets contracts for the cutting of timber. The access roads make it possible for small bidders to participate and make bids. That is an advantage.

Reforestation and proper management of the forests become more possible with proper access to the forest areas.

For those reasons, among others, I join as a cosponsor of the amendment.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. THYE. Mr. President, I know of no Senator on this side who wishes to speak on the amendment. Therefore, I yield back the time remaining to me.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD] for himself and other Senators.

The amendment was agreed to.

Mr. HRUSKA. Mr. President, I call up an amendment at the desk, pertaining to section 11, identified as 3-24-58-C, offered by the Senator from Oklahoma [Mr. KERR] and by me.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 20 it is proposed to strike out lines 3 through 14, inclusive, and insert in lieu thereof the following:

(a) Availability of Federal funds for reimbursement to States: Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project, but not to exceed 80 percent of the cost of the relocation: *Provided*, That Federal funds shall not be apportioned to the States under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 30 minutes. How much times does the Senator yield to himself?

Mr. HRUSKA. I yield myself 10 minutes, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Let there be order in the Chamber.

Mr. HRUSKA. Mr. President, the amendment proposes to strike section 11 of the bill, pertaining to the reimbursement for cost of relocating of utility facilities in the construction of Federal-aid highways.

I should like to invite the attention of Senators to the fact that the section which presently obtains is found on page 46 in column 1 of the committee report. The substitute language in the bill, which consists of section 11a, is found in the second column.

Mr. President, I ask unanimous consent that the text of both sections be printed in the RECORD at this point.

There being no objection, the texts of the sections were ordered to be printed in the RECORD, as follows:

PUBLIC LAW 627, 84TH CONGRESS

SEC. 111. Relocation of utility facilities.

(a) Availability of Federal funds for reimbursement to States: Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project: *Provided*, That Federal funds shall not be apportioned to the States under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

SUBSTITUTE LANGUAGE IN BILL AS REPORTED

SECTION 11A

"(a) Availability of Federal funds for reimbursement to States. Whenever a State under State law is required to pay for all or any part of the cost of relocation of utility facilities necessitated by the construction of a project on any of the Federal-aid highway systems, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project not to exceed 70 percent of such cost which the State is obligated to pay: *Provided*, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds."

(b) This section shall apply only with respect to Federal-aid highway projects covered by formal project agreements executed by the Secretary subsequent to the date of enactment of this act.

Mr. HRUSKA. Under the terms of the statute as it now exists, whenever the State shall pay for the cost of relocating utility facilities there is reimbursement in the same proportion as the reimbursement for the entire project. The principal change in section 11 of the bill is that the State must be required under a State law to pay for that relocation before such reimbursement is in order.

Mr. President, it is my information and understanding that in the present situation, if section 11 of the bill is made effective, the reimbursability of costs for relocating utilities will be destroyed insofar as most of the States are concerned. For that reason it is considered that a good deal of hardship will be visited upon the various communities where such reimbursement is called for.

Section 111 of the present Federal Highway Act was adopted after a great deal of consideration. In the separate views opposing section 11, beginning on page 52 of the report, is detailed the well-processed and well-seasoned legislative activity that was undertaken, and which transpired before the present section was adopted.

There were hearings as far back as 1952. There were additional hearings in the 83d Congress. There was a study by the Department of Commerce, which was directed by the 83d Congress, and which is the subject of a House report, House Document No. 127 of the first session of the 84th Congress.

There were further hearings in the 84th Congress before section 111 was adopted. It was the clear intent not only of the drafters of the legislation, but also of the conference committee, that the reimbursement should be made in accordance by the same procedures that were in effect pursuant to the practices and procedures of the Bureau of Public Roads. Section 111, as it is now effective, simply put into statutory form what the practice of the Bureau of Public Roads was prior to that time.

The principal difference between the two sections at issue is a substantial one. The fact is that in many of the States reimbursement for the cost of relocating utilities had grown up as a matter of practice. There were negotiations between the State highway departments and the utilities which resulted in arriving at a figure which was considered satisfactory to both sides. After such an agreement had been reached, it was the practice of the Bureau of Public Roads to look into the situation, check it, and allow reimbursement for the costs involved.

Mr. BARRETT. Mr. President, will the Senator yield to me?

Mr. HRUSKA. I yield to the Senator from Wyoming.

Mr. BARRETT. I should like to ask the distinguished Senator from Nebraska how the committee distinguished be-

tween States in which the highway commissions are required by law to pay for the relocation of utilities and States in which the highway commission decides, as a matter of fairness and equity, to pay for the relocation.

Mr. HRUSKA. I do not know that the majority of the committee distinguished on that basis.

The reason assigned by the majority of the committee for proposing the amendment which is found in section 11 is briefly this: Since 1956, when the present Highway Act was passed, approximately 17 or 18 States changed their laws so that they could qualify for reimbursement for the cost of relocating utilities. It was said by the majority of the committee that the costs involved in such reimbursement reached a much higher figure than the committee originally contemplated; and because of the amount of such costs, and not because of any lack of equity, it was said that the arrangement should be changed so as to limit the number of States which would be eligible to receive reimbursement. That is the tenor of the argument, but there was no distinction in the committee on the basis of States which voluntarily reimbursed such costs and those which did not.

Mr. BARRETT. The committee recommends an amendment to the bill which would require so much to be paid out of Federal funds in instances in which the State law requires reimbursement for relocation.

Mr. HRUSKA. That is correct. Under the committee amendment there must be a law affirmatively obligating the State to pay. That is not true in a number of States where, as I explained a little while ago, a practice has grown up under which, if the construction of a highway interferes with utilities, equitable claims of utilities occupying the right-of-way, are recognized. The principal difference lies in that basis.

Mr. BARRETT. I thank the Senator.

Mr. HRUSKA. By way of illustrating how this provision would affect particular localities, I invite the attention of Senators to the situation in Omaha, Nebr., my home city. We have there a metropolitan utilities district, which is a municipal corporation. It owns, and has owned since approximately 1913, the water and gas systems. We also have the Omaha Power District, a publicly owned municipal corporation. It is estimated—and I have here the breakdown of the estimates—that the relocation of the water and gas mains there will cost approximately $1.5 million. The costs of relocating the public power facilities will approximate $1,100,000.

It is submitted that if section 11 is enacted into law, under present legislation, those utilities will not qualify for reimbursement, which would involve an injustice and an inequity, because the cost of relocation of the utilities is as much a part of the cost of the project as is the cost of cement, steel rods, and the right-of-way.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. HRUSKA. I am glad to yield to the Senator from Virginia.

Mr. ROBERTSON. Is it not a fact that the agencies, both Federal and State, which regulate utilities allow them a fixed return on their invested capital after their necessary expenditures?

Mr. HRUSKA. That is correct.

Mr. ROBERTSON. And, if we arbitrarily impose a new burden on them to relocate their facilities, all they have to do is to charge it to their operating expenses and pass it on to their customers, because they can get their 6 percent, or whatever the local regulatory body allows. We cannot force them to assume a new burden which would put them below their authorized return. So the assumption that we can change 10 percent to 30 percent is quite fallacious, because we cannot make the utilities assume the cost. They may pay it originally, but they can add it to the cost of doing business, and pass the cost on to their customers.

Mr. HRUSKA. The Senator is correct, because the cost is borne by the users of the utilities.

The situation which will result if this section is enacted is this: In those communities which are traversed by the Interstate System, the users of the utilities will pay the bill for relocation. In cities which do not have the Interstate System passing through their communities, the users of the utilities escape scot free; yet they are close enough to the Interstate System to get the full benefit of it. That is not fair.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. HRUSKA. I yield.

Mr. ROBERTSON. Virginia originally changed her law, so that now the proposed change in the 90–10 ratio will throw a new burden on the State of Virginia with respect to relocating utilities. The Senator from Virginia has an amendment at the desk, which he will offer as a substitute for the amendment offered by the Senator from Nebraska. The amendment of the Senator from Virginia merely strikes out section 11. If that were done, we would revert to the law we have had for many years, providing the 90–10 percent ratio. The House of Representatives has just passed a highway bill. The bill passed by the House does not contain such a provision as is contained in the pending Senate bill. There is no necessity for our jumping in at this time and changing a formula which has been in use for a long time, and which, after much discussion, was included in the Interstate Highway Act of 1956.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HRUSKA. I shall yield in a moment. I can save the Senator from Virginia the trouble of offering his amendment by modifying my amendment to conform to what he would like to accomplish. Mr. President, I modify my amendment by striking, on page 2, in line 1, the last two words and the words in line 2 up to the colon. The words to be stricken out would be "but not to exceed 80 per centum of the cost of the relocation:". The effect of that would be to restore to its full effect the present section 11, without impairment.

Mr. ROBERTSON. When the Senator from Virginia is recognized, he will offer the amendment he has at the desk. It will be a complete substitute for the amendment now offered by the Senator from Nebraska.

Mr. HRUSKA. Very well.

Mr. ROBERTSON. It will strike out section 11, and revert to the present law, with the 90–10 ratio.

Mr. HRUSKA. That would be the effect of my amendment, as modified.

The PRESIDING OFFICER. Does the Senator from Nebraska modify his amendment accordingly?

Mr. HRUSKA. I do.

Mr. WATKINS and Mr. ROBERTSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield? If so, to whom does he yield?

Mr. HRUSKA. I yield first to the Senator from Utah.

Mr. WATKINS. What is the situation with respect to States where the Federal contribution on primary and secondary highways is on the basis of 74–26 percent?

Mr. ROBERTSON. The section that would be left in the bill would merely restore the provisions of the present law that applies in any State.

Mr. WATKINS. I could go along with that, but I wanted to be sure.

Mr. ROBERTSON. That is what it does. All that it is necessary to do is to strike out section 11. That eliminates the change the bill proposes to make and leaves the present law as it is.

Mr. HRUSKA. In answer to the Senator from Utah, I should like to say that the language in the present section provides that Federal funds may be used to reimburse States for such cost in the same proportion as Federal funds are expended on the project.

Mr. WATKINS. That is what I want to know. The first sentence in the bill at page 20, line 3, reads:

> Whenever a State under State law is required to pay for all or any part of the cost of relocation of utility facilities necessitated by the construction of a project on any Federal-aid highway systems, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project.

Would not that language take care of it?

Mr. HRUSKA. No; it would not.

Mr. WATKINS. Why not?

Mr. HRUSKA. Because, if the Senator is reading from the bill, the language provides "whenever a State under State law is required to pay."

Mr. WATKINS. The Senator would include States which are not required to pay. Is that correct?

Mr. HRUSKA. States which are not required by affirmative statutory and mandatory action to pay. That is the distinction. It is quite an important distinction, because there are several States which will not qualify under section 11 as proposed in the bill, but who do qualify under the present statute.

Mr. WATKINS. It would take care of States in which the law requires that

they pay all the cost, or which pay something, although not required to do so by law.

Mr. HRUSKA. That is correct.

Mr. YARBOROUGH. Mr. President, I should like to call attention to my amendment on this subject, which, so far as city-owned or publicly owned utilities and cooperatively owned utilities are concerned, would reenact the 1956 law. It was brought out in committee hearings that the Federal Government is being milked as a result of the 1956 law. As a result of the 1956 law, measures were introduced in 40 State legislatures to permit the uncontrolled reimbursement of utilities for the cost of moving their lines. Sixteen States passed such law. It was one of the biggest giveaways that I know of.

I call the attention of the Senate to the fact that if the utility owns land and the land is taken for highway purposes, the land is condemned, and the utility is paid 100 cents on the dollar, even in the absence of any law. We are dealing, in this amendment, with the cost of moving the utility's pipes, and poles, and lines, if they are out on the State highways, not the cost of their land or their poles. If any of the property is taken, which includes lines, and poles, or pipes, or anything else, the utility is reimbursed 100 percent. My amendment has been printed.

Mr. HRUSKA. I would prefer it if the Senator would submit his amendment on his own time, instead of debating it on my time.

Mr. YARBOROUGH. I thank the Senator from Nebraska for giving me the opportunity to call the attention of the Senate to my amendment.

Mr. HRUSKA. I should like to address myself to the points raised by the Senator from Texas, but I shall do so after I have yielded to the Senator from Minnesota, who has been on his feet for some time.

Mr. THYE. I should like to ask the Senator why the committee has proposed the change set forth in section 11. Why does the committee propose to change the present law?

Mr. HRUSKA. I suppose I should defer to the majority of the committee to speak for themselves, but the way I understand it is that a number of States amended their laws in order to avail themselves of the statutory form found in the present section calling for a reimbursement of the cost of relocating utilities.

The committee said, "We are paying much more for the cost of reimbursement for relocating of utilities than we anticipated when we put that section in the statute back in 1956." Therefore, in order to stem that tide, it decided to adopt an amendment which will cut down the amount that is being paid out for that purpose. That is about the sum and substance of it as I see it.

Mr. THYE. Minnesota, of course, through its legislature, complies with the 10-percent contribution. In other words the Federal Government pays 90 percent and the State pays 10 percent. If the proposed change is made in the act then the State will not be qualified to enjoy its authorized 10-percent participation.

Mr. HRUSKA. Yes.

Mr. THYE. That poses a problem for the State of Minnesota, and I am sure it poses the same kind of problem for other States. Therefore, the States should be forewarned before we enact such a change, because the States would not have sufficient funds, nor would they have the right legally under existing laws, to comply with the revision which would be made in the law if we amend that section now.

Mr. HRUSKA. Yes; it would cause some delay, I am sure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. HRUSKA. I yield.

Mr. ROBERTSON. Mr. President, I call up my substitute for the pending amendment.

The PRESIDING OFFICER. A substitute is not in order at this time. It is not in order until all time for debate on the pending amendment has either been consumed or yielded back. Three hours of debate have been allowed on the pending amendment.

Mr. ROBERTSON. Can any change be made in the pending amendment?

Mr. HRUSKA. The change has already been made.

The PRESIDING OFFICER. After the time allowed on the pending amendment has been yielded back or consumed, an amendment to the pending amendment, or a substitute for it, may be offered.

Mr. ROBERTSON. The Senator from Virginia gives notice that he will offer a substitute to strike out section 11, so as to return us to the present law. It is a very simple proposal.

Mr. HRUSKA. If the Senator will withhold his request, that is the exact effect of my amendment as already changed. I have changed the proposed amendment so as to strike out the words which make it different from the present section 111. Therefore, if my amendment shall prevail, it will mean that section 111 will be reinstated intact, just as it is.

Mr. ROBERTSON. I am interested in the objective, not in the way it is reached, so I shall gladly support the changed amendment. I do not object to the change.

Mr. HRUSKA. I am sorry I had to do it in the involved way in which I did, but I have a cosponsor of the amendment. The cosponsor was not present when I considered the deletion of the 80 percent clause. He later appeared and consented to the change made.

Mr. ROBERTSON. The Senator from Virginia has one other suggestion to make. As the situation now stands, the amendment of the Senator from Nebraska can be adopted, and I suggest that we have a vote.

Mr. HRUSKA. That is perfectly agreeable to me. I yield the floor for the time being.

Mr. COOPER. Mr. President, will the Senator yield? I wish to ask him some questions.

Mr. HRUSKA. I yield.

Mr. COOPER. I have received from municipalities in Kentucky a number of communications on this question. Simply for enlightenment, I wish to address some questions to the Senator from Nebraska.

Mr. HRUSKA. Certainly.

Mr. COOPER. First, let us assume that it becomes necessary for a State to take the property of a utility company by condemnation proceedings or by contract. Suppose it becomes necessary, if not in fee, to condemn, acquire, and compensate for an easement which the company may have. The State would pay that cost, would it not?

Mr. HRUSKA. It would.

Mr. COOPER. The original Highway Act of 1956 provided that the State would be reimbursed, in such a case, to the extent of 90 percent of the cost it was required to pay.

Mr. HRUSKA. That is correct.

Mr. COOPER. The proposed change would reduce that amount to 70 percent.

Mr. HRUSKA. No, not under the amendment of the Senator from Nebraska.

Mr. COOPER. Not under the Senator's amendment?

Mr. HRUSKA. Under the bill.

Mr. COOPER. The committee amendment would reduce the reimbursement from 90 percent to 70 percent?

Mr. HRUSKA. In that particular type of proceeding, yes.

Mr. COOPER. Are there any other cases? What other types of cases could be considered?

Mr. HRUSKA. The proceeding which the Senator from Kentucky described, as I understood it, was a condemnation proceeding in order to establish the cost. The condemnation proceeding was pursuant to a statute of the State of Kentucky, the effect of which was to obligate the State to pay the amount involved.

Mr. COOPER. That is correct. Whether by condemnation or by purchase in fee, it is the duty of the State to acquire the property and to compensate for the easement, in order to fulfill the purposes of the act.

Mr. HRUSKA. The circumstances which the Senator described would qualify the State to receive reimbursement under either the committee amendment or the present statute. The State would be qualified under either method.

Mr. COOPER. What would the Senator's amendment do?

Mr. HRUSKA. My amendment would strike out what is proposed in the bill and would permit the present statute to remain as it is now.

Mr. COOPER. I thank the Senator from Nebraska. Will the Senator yield sufficient time for me to ask unanimous consent to have printed at this point in the RECORD two communications I have received on this subject?

Mr. HRUSKA. I yield for that purpose.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram and a resolution I have received concerning this matter.

There being no objection, the telegram and resolution were ordered to be printed in the RECORD, as follows:

LOUISVILLE, KY., *March 21, 1958.*

Hon. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.:

It has been reported to this organization that the Public Works Committee of the Senate will send to the Senate, an amendment to section 11 of S. 3414. This amendment will seriously invalidate the comprehensive studies made over a period of 5 years resulting in the Highway Act of 1956. It would make inoperative many existing enabling acts now functioning in many States. It would also place utility reimbursement in a different category than other construction expenses which would inevitably reflect in subscriber rates. The Kentucky Telephone Association is composed of telephone companies and REA affiliates in the State of Kentucky, and each and all of us respectfully solicit your opposition to this amendment.

P. H. MCCRORY,
Vice President,
Kentucky Telephone Association.

Commissioners' Resolution R-69-58

Resolution opposing Senate bill 3414 in the Congress of the United States of America and directing that this resolution be spread upon the minutes of the proceedings of the Board of Commissioners of the City of Covington, Ky., and directing that copies of this resolution be forwarded to the President and Vice President of the United States and among certain Members of the United States Congress

Whereas the problem of payment of the cost of public utility relocations incident to highway improvements has become increasingly serious to municipalities in recent years because of the accelerated highway improvement programs of the State and Federal Governments; and

Whereas there is currently reimbursement by the Federal Government to public utilities of 90 percent of the cost of such relocations made at the direction of the highway commissions; and

Whereas Senate bill 3414 has been introduced in the United States Senate which provides for a reduction of reimbursement to public utilities to 70 percent of the cost of public utility relocations; and

Whereas the passage of said bill in the Congress of the United States would work a serious financial hardship upon the city of Covington, a municipal corporation of the second class of the Commonwealth of Kentucky in the operation of its waterworks department, and upon other municipalities throughout the Nation similarly situated: Now, therefore, be it

Resolved by the Board of Commissioners of the City of Covington, Kenton County, Ky.—

SECTION 1

That all Members of the Senate and all Members of the House of Representatives of the Congress of the United States be, and they hereby are, solicited and urged to oppose and defeat Senate bill S. 3414 now pending in the Senate of the United States Congress.

SECTION 2

That this resolution be spread upon the minutes of the proceedings of the Board of Commissioners of the City of Covington, Ky., and that copies be made with the signature of the mayor affixed thereto and the seal of the city imprinted thereon, and that said copies be sent to: Hon. Dwight D. Eisenhower, President of the United States; Hon. Richard Nixon, Vice President of the United States; Hon. John Sherman Cooper, United States Senate; Hon. Thruston B. Morton, United States Senate; Hon. Noble J. Gregory, United States House of Representatives; Hon. J. M. Robinson, Jr., United States House of Representatives; Hon. Frank L. Chelf, United States House of Representatives; Hon. Brent Spence, United States House of Representatives; Hon. John C. Watts, United States House of Representatives; Hon. Carl D. Perkins, United States House of Representatives; Hon. Eugene Siler, United States House of Representatives; Hon. William H. Natcher, United States House of Representatives.

SECTION 3

This resolution shall be in full force and effect when passed, published, and recorded according to law.

HARRY W. SCHNEIDER,
Mayor.

Attest:

FRANK A. GILLESPIE,
City Clerk.

The PRESIDING OFFICER. The time of the Senator from Nebraska has again expired.

Mr. HRUSKA. I yield myself 5 additional minutes.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. BARRETT. Under the provision in the committee amendment, there must be a State law requiring that the cost of the relocation of the utilities, necessitated by the construction of a project, be paid by the State.

Mr. HRUSKA. That is correct.

Mr. BARRETT. That is not required under the 1956 act, is it?

Mr. HRUSKA. No; it is not.

Mr. BARRETT. Consequently, as the bill now stands, unless a State has a statute requiring payment, the State will not be reimbursed under the committee amendment.

Mr. HRUSKA. That is correct.

Mr. BARRETT. But it will be reimbursed under the amendment offered by the Senator from Nebraska?

Mr. HRUSKA. That is correct.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. WATKINS. As I understand the amendment provides that States which have laws requiring reimbursement will be taken care of.

Mr. HRUSKA. That is correct.

Mr. WATKINS. The States which operate under contract, or otherwise, but which do not have laws requiring them to pay in full, but which do actually pay, will be taken care of.

Mr. HRUSKA. Yes. It has been a practice of many years' standing in some States, whenever there has been a relocation of utilities by reason of construction, to negotiate or contract to pay the cost of relocation, making due allowance for depreciation, betterments, and so on. It has been a matter of negotiation and agreement. It is done by negotiation under equitable principles and on an equitable basis. That is the basis that has been recognized by the Bureau of Public Roads for years. It has been done for years under Federal matching funds for Federal highway construction.

Mr. WATKINS. There cannot be any doubt in the State of Utah, where the law requires the State to compensate fully for the relocation of the utilities on the highways, that, if the Senator's amendment is adopted and the provision in the bill is not adopted, the State will be compensated for the moneys it pays out for the relocation of utilities on the same basis as the contribution it now makes under the 1956 Highway Act with respect to interstate and national defense highways and all the other highways as to which the United States makes a contribution.

Mr. HRUSKA. There can be no doubt whatsoever.

Mr. WATKINS. That is the full intent of the amendment?

Mr. HRUSKA. Heretofore the State of Utah has been reimbursed consistently, has it not?

Mr. WATKINS. That is correct.

Mr. HRUSKA. Under the law as it now stands, the State would be reimbursed if the amendment which the Senator from Nebraska has proposed should be adopted.

Mr. WATKINS. But if the bill as drawn with section 111 included becomes effective, Utah will get only 70 percent of the contributions it usually gets from the Federal Government.

Mr. HRUSKA. Instead of 90 percent, or 95 percent in the case of public lands roads.

Mr. WATKINS. That is correct. Also, on primary and secondary highways, the State gets 74 percent. Under the bill, they would get 74 percent of the contributions they have to make for the payment of the relocation of utilities.

Mr. HRUSKA. That is correct.

Mr. WATKINS. I wanted to make that clear because I am in favor of the Senator's amendment to strike out the whole provision and leave the law as it is.

Mr. HRUSKA. That would be the effect of the amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. CASE of South Dakota. Would the Senator's amendment require the Federal Government to pay even in cases where the State is not required to pay?

Mr. HRUSKA. Oh, yes. Under the present law, reimbursement is had where the State shall pay. Under the proposed amendment, there would have to be a law affirmatively requiring the State to pay. There is a difference, because under the practice of many States—and it has been in effect for years——

Mr. CASE of South Dakota. It has not been a law; it has been a practice?

Mr. HRUSKA. Yes. Some States make adjustments on equitable principles, as they are supposed to do, when they interfere with the property rights of anyone in the construction of a road.

Mr. CASE of South Dakota. Would the Senator from Nebraska object to adding to the amendment the language of the proviso in the text of the bill as reported, which is:

Provided, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such costs from its own funds.

Mr. HRUSKA. Yes, I would object, because it would interfere with and upset the language of the present statute, which, as I explained, was carefully

drawn. All of these showings were made. The present provision has been in effect and is now in its third year. There would seem to be no necessity for the language proposed by the Senator from South Dakota.

Mr. CASE of South Dakota. The reason for the language is that it was suggested to the committee that in some States the utilities were saying to the State highway commission, "If you get 90 cents of the dollar from the Federal Government, we will see that you do not have to pay the other 10 percent."

Mr. HRUSKA. Yes; I am familiar with that argument; but there is nothing in the record which indicates that that transpired in any State. If there is, it has escaped my attention.

Mr. CASE of South Dakota. It was stated to the members of the committee by representatives of the Bureau of Public Roads that that is the fact.

In order to explain the background of this matter, I do not wish to use the time available to the Senator from Nebraska.

However, I do not believe it is correct to say that this situation developed just because of the cost involved. In 1956, I took the lead in having placed in the act a utility-repayment provision. But it is my feeling that that provision is now being abused, and that it is being applied differently from the way intended when the Senate passed the bill in 1955.

In 1955, the Senate passed the bill which was incorporated into the 1956 act. However, the language finally incorporated into the act was not the language which was approved by the Senate. The language presently in the law is that which was proposed by the House committee, and which in conference was accepted, after the conferees found trouble in applying the 2 percent overall cost limitation which was provided by the original Senate language.

Mr. WATKINS. Mr. President——

Mr. HRUSKA. I yield to the Senator from Utah.

Mr. WATKINS. Is it not a fact that a State would be guilty of bad faith and dishonesty if it obtained from the United States Government money with which to repay the State for money it was supposed to have paid, if it had not actually paid such money?

Mr. HRUSKA. That is correct.

Mr. WATKINS. I have never known of a case in which a State had been guilty of fraud in connection with the program.

Mr. HRUSKA. That is correct.

Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. HRUSKA. How much of the time under my control has been consumed?

The PRESIDING OFFICER. The Senator from Nebraska has consumed 35 minutes of the time under his control.

Mr. HRUSKA. Mr. President, for the time being, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. ERVIN] controls the time in opposition to the amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator from North Carolina yield 5 minutes to me?

Mr. ERVIN. Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, the background of this provision of the bill, as reported to the Senate, is as follows: The Secretary of Commerce and the Administrator of the Bureau of Public Roads brought to the attention of the committee the situation which developed following enactment of the 1956 act.

The provisions reported in the bill, follow the recommendations of the Bureau of Public Roads and the recommendations of the Secretary of Commerce, Mr. Weeks, and the recommendations of Mr. Tallamy, the Administrator of the Bureau of Public Roads.

In order to be specific on this point, I shall read the testimony given by Mr. Weeks to the committee. I read now from the hearings, beginning in the middle of page 5:

> In connection with the general subject of utilities, I would like to briefly discuss the use of Federal funds for reimbursement of the States for the cost of relocating utility facilities. Under the Constitutions of the United States and the States, when private property is taken for a public use, just compensation must be paid to the owner. Many utilities are located upon real property owned by the utilities, and in which the public has no right or title. When such property is taken for highway or other public purposes the utilities should and must be justly compensated. Federal-aid funds are available for participation in the cost of highway rights-of-way, and when it becomes necessary to acquire property for this purpose from utilities, Federal-aid funds participate to the same extent as if the property were owned by a private individual. In cases where the cost of relocating utility facilities is found to be a proper measure of just compensation for property rights taken for the right-of-way of a Federal-aid highway, Federal-aid funds can and should participate in such costs.
>
> I do not believe, however, that Federal-aid funds should participate in the cost of relocating utility facilities where no vested property right is taken, and the utility is not entitled to compensation under constitutional provisions. A great many utility facilities occupy the rights-of-way of public highways by permission of the States.

At this point I wish to say that, personally, I do not follow the Secretary wholly on that point. Certainly it is true that in many instances utilities municipally owned, privately owned, or owned by cooperatives such as the REA's, occupy highway rights-of-way by sufference, or perhaps in some instances by invitation. In any event, they are there.

The rerouting of a highway or the changing of a highway may in some instances create very burdensome costs, costs beyond the ability of a small utility to finance, if it had to pay for them; and in the case of Electric Administration cooperatives, perhaps it would create a cost burden which they could neither finance nor pass on to their customers without impairing the feasibility of the projects on which they had received loans from the REA's.

So I felt that something should be done for them. That was why, in 1955 and 1956, I supported the idea of writing into law a provision which would permit some reimbursement to be made to them.

But at the time we felt that there should be some automatic check on the matter, so the Federal Government would not be called upon to pay exorbitant costs which the State themselves did not recognize or were not willing to share in paying. We felt that if the States were to share in the payment of the reimbursement costs, that would automatically police or check against abuse.

However, we have found that some abuses have developed.

There is this difference between the language which was in the bill as passed by the Senate and the language of the conference report of 2 years ago——

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. CASE of South Dakota. Mr. President, will the Senator from North Carolina yield additional time to me?

Mr. ERVIN. Yes. Will 5 minutes suffice the Senator from South Dakota?

Mr. CASE of South Dakota. Perhaps the Senator from North Carolina will yield an additional 10 minutes to me.

Mr. ERVIN. Perhaps the Senator from South Dakota will be willing to have me yield 5 minutes to him at this time, as the first installment. [Laughter.]

Mr. CASE of South Dakota. Very well.

Mr. ERVIN. Then, Mr. President, I yield 5 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 additional minutes.

Mr. CASE of South Dakota. Mr. President, when the bill was passed by the Senate, there were two limitations: first, a percentage limitation—1 or 2 percent—on the project. In the conference it was said it would be difficult to determine how the 2-percent limitation would apply; in other words, the construction of a project might require more than 1 year. The Bureau of Public Roads representatives said it would be difficult to administer such a ceiling.

Consequently, we next talked about a 50-percent limitation.

Thereafter, in the conference, without examining carefully the House provision on this matter, it was said—as such things sometimes occur in conference; and the conference was a long one; it lasted for several days—"Well, we will yield to the House." But, in yielding to the House language, that was done only with the idea that the States would say, "We will do this on the Interstate System, where Uncle Sam will be liable for 90 percent and we shall be liable for only 10 percent; but we will not do it when the States have to pay 50 percent."

Now I resume reading the testimony given before the committee by the Secretary of Commerce, Mr. Weeks:

Ordinarily, the utilities contributed nothing to the cost of acquiring the rights-of-way, paid nothing for the privilege of installing and maintaining their facilities thereon, and acquired no vested property interest in the rights-of-way. The occupancy of highway rights-of-way by public utilities is usually subject to the condition that the facilities do not interfere with public travel, and prior to the enactment of the Federal-Aid Highway Act of 1956, the great majority of States required the utilities to bear the cost of relocating their facilities when such relocation was necessary to permit improvement of the highway.

That is to say, Mr. President, the great majority of the States have said, "You are occupying a public right-of-way. We provide a service here. You can occupy the right-of-way; that is a concession to you. But if we have to change the road, you will pay your relocation costs."

But after the 1956 act was passed, a change came about; and that is described in the next part of the testimony given by the Secretary of Commerce, Mr. Weeks, before the committee. I now read it, as follows:

Since the enactment of the Federal-Aid Highway Act of 1956, which increased the Federal share of the cost of constructing the Interstate System to 90 percent, and up to 95 percent in public lands States, and expressly authorized the use of Federal-aid funds for reimbursement of the cost of relocating utility facilities, a significant reaction has occurred in many State legislatures. During 1956 and 1957, legislation which would provide for payment by the State of the cost of relocating public utility facilities was considered by the legislative assemblies of 40 States. Such legislation was given favorable consideration in 22 States, but was vetoed in 6 States, so that the legislation became law in 16 States. Under these 16 enactments, only 1 State will pay the cost of relocating utility facilities on all State-maintained highways. Five of the enactments relate to all Federal-aid projects and 10 relate to the projects on the Interstate System only, where the Federal share of the cost is at least 90 percent.

In other words, the experience was that although the legislatures of 40 States considered it, the legislatures of only 16 States passed legislation which was approved and became law; and out of those 16, the legislatures of only 10 States applied it to the Interstate System.

They said, "If Uncle Sam will pay 90 cents on the dollar, this is a good idea, this is a good principle, but we do not see any justice in a proposal that requires us to take care of the utilities on the primary system of roads. We do not see any justice in it in the case of the secondary roads, because there the States will have to pay 50 percent. But we see justice and equity in it only if Uncle Sam is willing to pay maybe 90 or 95 cents on the dollar. It is okay if Uncle Sam will pay the bill for 90 or 95 cents on the dollar. We are not taking action on the secondary roads."

I thought some of the greatest justice would be done in dealing with secondary roads, which, in many cases, affect municipalities or electrification co-ops, where small businesses would have to bear increased costs.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ERVIN. I yield 6 additional minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Florida.

Mr. HOLLAND. I hope the distinguished Senator will state for the RECORD that this program applies only in cases where public utilities have no legal right to reimbursement. Where public utilities have such rights, a State has always had to pay them as a condition to make the change which was involved.

Mr. CASE of South Dakota. That is correct. In the first part of the Secretary's statement he pointed out that when utilities had a right or a title, the States, or the persons, whichever was paying for the road, had the obligation to reimburse.

Mr. HOLLAND. The States interested in this matter decided that, whatever Federal action was taken, so far as they were concerned they did not feel it was necessary for them to pay, out of their gasoline tax funds or road construction funds, for expenses incurred by utilities which were not legally chargeable against the States. Therefore, there was some justice and reason to the contention of the States that they should not go further than to meet the terms of the Interstate System contribution to which the Senator has referred, that being the only change in the system that was enacted by the 1956 law. Is that not correct?

Mr. CASE of South Dakota. I should think it was contemplated, I certainly contemplated, and so stated during the hearings that if the States recognized the equity of taking care of one utility, they would have to take care of a utility whether it happened to be on the Interstate System or on the secondary system.

I should like to read the concluding paragraph of the Secretary's statement, wherein he said:

This drastic change in existing practices was not contemplated when the Federal-Aid Highway Act of 1956 was enacted. The amount of funds authorized by the Federal-Aid Highway Act of 1956 was not determined upon the basis of assuming the general obligation to pay the cost of relocating utility facilities within the highway rights-of-way. If Federal-aid funds continue to be available to reimburse the States for the cost of relocating utility facilities, Federal expenditures for that purpose will increase substantially, with the result that correspondingly less will be available for the construction of highways. We also are now considering the preparation of draft legislation on this subject.

I asked Mr. Tallamy at one point to furnish us with some estimate of what the additional cost would be for the Federal Government under the way the States were handling it. We did not get a figure on that alone. He said it was estimated 3 percent would be added to the cost of the system by reason of this, plus a requirement in the 1956 act that local needs should be considered in the development of the Interstate System. That has been interpreted to mean service roads. So the cost on the utility system alone was not segregated.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. BUSH. Is the Senator saying that the substitute language in the bill as reported meets the views expressed in the testimony of Secretary Weeks?

Mr. CASE of South Dakota. It moves in that direction. I think we would have to say the Secretary's recommendation would probably have been more in favor of a 50-percent limitation, or at least the requirement that there should be some showing that the States actually paid their share of it out of their own funds. I consider that the proviso which I read to the Senator from Nebraska embodies the Secretary's recommendation—that is, the testimony of the Secretary and the representative of the Bureau of Public Roads that it should not be possible for a utility to go to a State and say, "Do not worry about 10 percent. Go ahead and nick Uncle Sam for 90 percent, and we want either cash or a check, or we will bill you for the other 10 percent."

There was a feeling in the committee that there should be a showing that the State had paid its proportionate share of the cost of relocating utilities. That was important, because it would be evidence of the fact that the State was watching the operation and was not agreeing to an exorbitant bill for the relocation of utilities.

Mr. WILEY. Mr. President, will the Senator read the proposal again?

Mr. CASE of South Dakota. The proposal I should like to see added to the language——

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ERVIN. I yield to the Senator from South Dakota 10 additional minutes.

Mr. CASE of South Dakota. The Senator from North Carolina is becoming very liberal. I hope I will not use that much time.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. CARROLL. Do I correctly understand that the Senator from South Dakota has an amendment to the proposal of the Senator from Nebraska to modify the language of his amendment?

Mr. CASE of South Dakota. The language which the Senator from South Dakota is seeking to defend is the language contained in the bill. The Senator from Nebraska has offered an amendment which would, in effect, nullify the language in the bill.

Mr. CARROLL. Do I correctly understand from the able Senator's presentation that the cost contemplated might approximate 3 percent?

Mr. CASE of South Dakota. I think that is more than it would actually cost,

because 3 percent was the figure Mr. Tallamy gave as embracing the utility relocation costs, and also other costs, principally the building of service roads along the Interstate System. But that the cost would run into millions of dollars was equally evident.

Mr. CARROLL. Does the Senator's amendment protect rural electric and telephone co-ops? I am especially concerned with protecting the small rural co-ops.

Mr. CASE of South Dakota. The rural co-ops I think would be largely taken care of by the provision that if a State was required to pay, the cost for it would apply to the right-of-way which affect the co-ops, because they are largely on the secondary roads or on the primary roads. Very few co-op lines are found on the so-called Interstate System of highways.

Mr. CARROLL. For example, I have had several calls from small rural electric co-ops in Colorado which bear out conclusively the presentation made by the Senator from South Dakota. They have advised me that they have neither the working capital nor the financial base to sustain a violent change in their programs such as is brought about by radical relocation of their facilities. I want to be sure that these co-ops are given adequate protection under this bill and are not placed in a position where they could be financially ruined by an order to extensively relocate their powerlines.

Mr. CASE of South Dakota. The two principal changes which are effected by the amendment offered by the Senator from Nebraska are these:

First, the language reported by the Senate Committee on Public Works in the bill places a ceiling of 70 percent on the share of the cost which would fall on the Federal Government. The amendment offered by the Senator from Nebraska would lift that 70-percent ceiling and permit the Federal Government to pay 90 percent, or up to 95 percent, of the cost in the public-lands States.

Mr. CARROLL. Which is similar to the old law.

Mr. CASE of South Dakota. Similar to the present law, which has been in operation.

Mr. HRUSKA. It is identical. If the Senator will yield, my amendment will simply let the present statute stay as it is.

Mr. CASE of South Dakota. Yes. I am trying to make clear the two differences between the amendment and the language of the bill.

Mr. CARROLL. Yes.

Mr. CASE of South Dakota. First, the amendment of the Senator from Nebraska would permit the Federal Government to be charged with 90 to 95 percent of the cost of utilities' relocation, whereas the language reported by the committee would place a ceiling of 70 percent upon that.

The second thing is that the amendment offered by the Senator from Nebraska does not make any requirement that the State shall have shown that it was paying the other part of the cost itself. The proviso which is in the bill reported by the Senate Committee on Public Works reads:

Provided, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds.

Mr. CARROLL and Mr. THYE addressed the Chair.

Mr. CASE of South Dakota. I will yield in a moment. I should like to make a connected statement.

My objection to the amendment offered by the Senator from Nebraska is based as much on the latter point as on the first. I wish I could feel that we had a guaranty the State was checking the cost on the utility relocations and not getting exorbitant bills or unfair bills. I should like to feel that the State was not entering into some sort of an agreement whereby the State could say to the utility, "We will pass a law agreeing to recognize this, if the load can be thrown upon the Federal Government."

I should like to see in the law some provision which will insure that the State shall keep an eagle eye upon the expenditures, which comes only when the State, out of the State's own funds, pays the other share of the cost. There is no such guaranty under the present situation.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. In a moment.

The members of the committee were told that at least in a couple of States the suggestion was made to the State highway commission, "Go ahead and bill the Federal Government for it. We will forget the 10 percent."

The very fact that 40 States considered such proposed legislation, that only 22 States passed it, and that in 6 of those 22 States the bill was vetoed, would indicate that in 24 States they looked at this matter and said, "We do not want to make it a legal responsibility of the States to pay a portion of the cost, nor do we want to accept the responsibility of policing the operation to be sure that this is a sound program, that the costs are reasonable, and that the proper costs will be assessed against utility relocations."

Mr. President, I feel that is a defect in the amendment offered by the Senator from Nebraska. I think I can say that with good grace, because the original utility repayment provision in the act of 1956 was one which I proposed in the committee. I felt that something ought to be done, so that the burden of utility-relocation costs should not fall upon municipalities, should not fall upon small utilities, and should not fall upon the REA co-ops which did not have a proper base on which to distribute the unusual burden of large amounts.

I think we ought to provide in the law some safeguard so that Uncle Sam will not be made a "sucker" in connection with the operation of the law.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Colorado.

Mr. CARROLL. Is that safeguard in the bill which is now pending before this body?

Mr. CASE of South Dakota. It is in the bill in the proviso which I have read, and is as follows:

Provided, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds.

Mr. CARROLL. To what extent must the State pay? What percentage is involved?

Mr. CASE of South Dakota. Whatever would be applicable within the 70-percent ceiling. It would be in the same proportion that the funds are used on the project, with a ceiling of 70 percent.

If the Senator from Nebraska would add to his amendment the proviso I have suggested, then the proportion would be in the same proportion paid on all the systems, even to the 90 percent, but at least we would have the policeman clause, the requirement that the State pay its share out of its own funds, not handling it through some sort of an extrajurisdictional device.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. CASE of South Dakota. I yield.

Mr. CARROLL. Can the Senator think of any valid reason why we should change the provision the committee has recommended in the bill now before us?

Mr. CASE of South Dakota. Not with respect to the proviso. I think the argument with respect to whether the ceiling should be 70 percent or 90 percent is a matter of policy for the Congress to determine. If one wants to take the position that the share should be paid in the same proportion that the costs are paid for building a particular highway, that is a matter for determination. I think a checkrein is needed.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CARROLL. Mr. President, may the Senator from South Dakota have 1 or 2 minutes more, so that I may ask a question or two?

The PRESIDING OFFICER. Does the Senator from North Carolina yield further time?

Mr. ERVIN. Does the Senator wish to propound an interrogatory to the Senator from South Dakota?

Mr. CARROLL. The Senator from Colorado wishes to propound such an interrogatory.

Mr. ERVIN. I am glad to yield to the Senator from South Dakota 4 minutes for that purpose.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 4 additional minutes.

Mr. CARROLL. I thank the distinguished Senator from North Carolina.

In effect, then, the committee has set up a standard, by saying to the State that a greater safeguard is provided if

we permit a percentage of 70 percent rather than 90 or 95 percent. Is that not the substance of it?

Mr. CASE of South Dakota. The 70 percent does provide a limitation. However, within the 70 percent the primary roads, secondary roads and urban roads could all be taken care of. The relocations could all be taken care of, because they are, generally speaking, on a 50–50 basis, except in the public land States, and in the public land States most of them would be taken care of. I think there are a few public-land States which get a little better split than the 70–30, but the provision would take care of most of the public-land States.

Mr. CARROLL. I am indebeted to the distinguished Senator from South Dakota for his very clear presentation. My next question is: Do we have any idea what will be the cost if we should restore the language of the present statute? What will be the cost of the program if we permit the various giant private utilities to move, in a sense, scot free to relocate their facilities?

Mr. CASE of South Dakota. Mr. President, I wish I could answer that question. I cannot. One reason I cannot is that although I posed the question to the representative of the Bureau of Public Roads I was told the Bureau could not give a firm answer because until the exact location of the Interstate System was determined they could not be definite as to the road relocations, so it would be difficult to give a figure.

For instance, suppose the Interstate System should go through a city or the suburban part of a city. Whether the interstate highway goes on street A or on street B may make a great deal of difference as to the cost of the utility relocation. One reason I think the police clause should be in the law is that if there is no police authority involved and if the States can largely escape any sharing in the cost then they may take the interstate highway on a route through the city where the greatest relocation cost will occur. The highway might go down street A, where the cost might be $3 million, whereas if it went down street B the cost might be only $1 million. But if the Federal Government is to put up practically all the money, they may take street A, with the $3 million cost, rather than street B, which they would be inclined to choose if they had to put up a part of the cost.

Mr. CARROLL. I was impressed by the Senator's statement with respect to the possible cost of 3 percent. We spent many hours debating a cost of one-half of 1 percent of the total interstate road costs with respect to billboards. Now we are debating 3 percent of what?

Mr. CASE of South Dakota. Three percent of the estimated cost of the Interstate System. Under the estimate submitted by the Bureau of Public Roads last year, the estimated cost was $37 billion. I think that is too high, because contracts are being let for something less than that. I think the Senator could use a figure of more than $30 billion as the cost of the Interstate System, and be conservative.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. May I have 1 more minute?

Mr. ERVIN. I will yield 1 more minute to the Senator from Colorado.

Mr. CARROLL. I appreciate the indulgence of the distinguished Senator from North Carolina.

I have tried to make a quick calculation as to what 3 percent of $30 billion would be. I have become lost in the maze of these large sums. It would be almost $1 billion. That is what we are talking about in connection with the pending amendment. A little while ago we spent hours debating a percentage of one-half of 1 percent, which would be a sixth of a billion dollars.

Mr. President, have the yeas and nays been ordered on the pending amendment?

The PRESIDING OFFICER. They have not.

Mr. CARROLL. I ask for the yeas and nays on the Hruska amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ERVIN. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

Mr. YARBOROUGH. Mr. President, I know that Senators have been receiving requests from the small cities of the country for some method of reimbursement. Many of them say frankly that they will be unable to meet the cost of being on this great Interstate Highway System unless they are reimbursed for the cost of moving municipally owned public utility systems.

It will not be necessray to vote for the pending amendment and give away millions of dollars to those not entitled to it in order to afford the cities such reimbursement. I have an amendment, which has been on the table since last evening, by which we would grant to the municipalities and cooperatively owned utilities the same rate of payment that was granted all utilities under the 1956 act, and retain in section (b) the same grant that the committee has reported with respect to those States which are required to pay for the movement of facilities of privately owned corporations.

I commend the distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from South Dakota [Mr. CASE] for the fine work they have done on this highway bill. A little later I shall offer an amendment by which the cities and cooperatives can be given the privilege of full reimbursement, without the private utilities of the country reaching their hands into the pockets of the taxpayers.

On Friday last, this august body turned down an appeal to raise the personal income tax exemption by $200, from $600 a person a year to $800 per person per year. A little later it voted to give $124 million to the richest insurance companies in the land.

In the midst of the recession we are voting money for those who need it least, and we are denying aid to the people who need it worst. The private utilities are not going broke. They have governmental status. They can charge a rate under which they can exist. If they are fortunate enough to be where the great Interstate Highway System is going, there will be an increase in population, in industry, and wealth, so that they will more than make back the cost of the moving of their pipes and lines.

We are not dealing with land taken away from utility companies. We are talking about the cost of moving their facilities off a State-owned, nationally owned, or county-owned highway, where they have their utilities on public land. Where there is a State highway 100 feet wide and a super highway 300 feet wide comes along, if the utility companies own land outside the 100-foot right-of-way, the State right-of-way, the utilities will be paid in full for it. Under the condemnation laws, if the value of their lands includes the cost of moving poles, lines, and pipes they will be reimbursed in full the cost of movement, because the condemnation laws provide they will be reimbursed in full if their land is taken, including the cost of moving facilities, and they will be reimbursed fully, without changing the bill as it now stands. The amendment offered by the Senator from Nebraska pays fully for movement off of State lands.

I appeal to the Senate to let us have an opportunity to vote for the cities and the cooperatives. Let us retain the fine work which the committee has done with respect to private utilities.

The committee has found that since the 1956 act was passed, in 40 States private utilities have come forward with bills, which have been passed in a number of instances. They turn the States into transmission agencies to reach into the Federal Treasury, for what? Not for the States, but for the private utilities. Thank God, a large number of American States in which such proposals were made turned them down. They were turned down by a majority of the States. The States of New York and Washington considered the proposals and adopted laws which limited reimbursement to municipally owned utilities. The States of Washington and New York have adopted the very provisions which we propose in section (a) of the amendment which will come up later.

Mr. President, I yield back the remainder of my time.

Mr. ERVIN. Mr. President, I yield 15 minutes to the distinguished senior Senator from Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I oppose this 1958 highway bill (S. 3414) for three principal reasons, as follows:

First. It would destroy the pay-as-you-go policy for Federal highway aid, established by the Highway Act of 1956, which set up the road trust fund to assure that special taxes on highway users would be used for highway construction.

Second. In Virginia, and I presume in many other States, it would destroy the flexibility of State highway programs, and deprive primary, secondary, and

county systems which are certainly no less important then the so-called Federal Interstate System, which in Virginia is only 2 percent of the total road mileage.

Third. Over the 4-fiscal-year period 1959–62 this bill would reduce the ratio of highway construction to Federal funds for the ABC regular Federal aid primary, secondary, and urban systems.

This statement to this point clearly states my position as an advocate of continuing construction of good roads under sound programs.

This has been my position for more than 30 years. It has been the Virginia policy for nearly that long. The Virginia system of highways is indisputable evidence of the wisdom in this policy.

My first principal objection to this bill is that it would destroy the solvency of the Federal highway trust fund which 2 years ago was established as one of the most forward steps in the history of Federal participation in highway system development.

When Congress enacted the Federal-Aid Highway Act of 1956, it did three things, among others:

It increased taxes on highway users to pay for roads.

It segregated the revenue from highway user taxes into a highway trust fund to be used exclusively for Federal-State highway construction.

It limited the amount to be apportioned among the States to the sum estimated to be available in the trust fund for the fiscal year in question.

The purpose of these three actions was to establish a Federal pay-as-you-build highway construction system. This policy was advocated and urged by the present administration through former Secretary of the Treasury Humphrey and Secretary of Commerce Weeks.

From years of experience I knew this was a sound proposal—one that would get the best system of highways, keep it abreast of the needs, and accomplish the objective at minimum expense to users and to State and Federal Governments.

At the personal invitation of Secretary Weeks and Secretary Humphrey, I joined sponsorship of this Federal policy. Now, 2 years later, Secretary Humphrey has left the Cabinet, and Secretary Weeks and the administration have reversed their position.

But, my position is unchanged. I am still opposed to crash spending highway programs. Those who know highway construction best, know the utter waste they entail.

The teeth of the trust fund were in section 209 (g) of the 1956 act. Section 9 of pending bill suspends that 1956 provision and knocks the teeth out of the trust fund for fiscal years 1959 and 1960.

The effect will be deficit financing of Federal highway construction. The deficit in the coming fiscal year 1959 is undetermined. Bureau of Public Roads officials have estimated it from zero to more than $300 million. But they definitely estimate a deficit in fiscal year 1960 of $1.5 billion, and say it may run as high as $1.7 billion under this bill.

Under provisions remaining in the 1956 act, deficits must be repaid from the trust fund.

Under these conditions it is obvious that at the end of 2 years the trust fund will be approaching insolvency, insofar as sound financing of future highway construction is concerned.

This bill dooms the vital provisions of the highway trust fund under the guise of a 2-year suspension.

The second principal reason why I oppose this bill is the undue emphasis on the so-called Federal Interstate System, at the expense of our State primary, secondary, urban, and county road programs.

The official position of the State of Virginia, as stated by the Honorable F. A. Davis, State highway commissioner, is that we prefer the provisions of the Federal-Aid Highway Act of 1956 to those embodied in S. 3414. The destructiveness of the overemphasis on the Federal Interstate System is documented in the official communication from Mr. Davis, which is being made a part of this RECORD.

It suffices for me to say that under this bill, Virginia would be required to spend 13.3 percent of its State highway revenue on less than 2 percent of the highway mileage in its system.

Without detracting from the desirability of the Interstate System, I submit this would be an unreasonable distortion of its importance.

Virginia, and other States, will be indeed fortunate if Federal highway legislation does not force them to increase their State taxes to match Federal funds financed through deficit spending in Washington.

My third principal reason for opposing this bill is that over the period of fiscal years 1959–62 it would reduce the ratio of highway construction to Federal dollars spent on the regular Federal-aid primary, secondary, and urban systems.

This develops through a complicated procedure in the bill, but by the combination of reductions in the matching formula for 1959 and reduced program in 1961 and 1962, the loss in highway construction totals $459 million.

If there is any doubt about this calculation, it may be said for the record it was checked Tuesday, March 25, by Mr. F. C. Turner, Deputy Commissioner of the Bureau of Public Roads.

I ask unanimous consent to have printed in the RECORD at this point a tabular presentation of how the loss occurs.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

ABC HIGHWAY PROGRAM UNDER S. 3414

Federal highway trust fund expenditure authorizations and State matching requirements for primary, secondary, and urban systems (ABC program), fiscal years 1958–62 (projected)

[In millions]

	ABC program under existing law, fiscal year 1958	ABC program under existing law and S. 3414 proposals, fiscal year 1959	ABC program under proposals in S. 3414		ABC program projected at 1960–61 level for fiscal year 1962	Total, ABC program, fiscal years 1958 to 1962, inclusive	Loss to ABC highway construction program under provisions of sec. 2 of S. 3414
			Fiscal year 1960	Fiscal year 1961			
1. Sec. 1 of the bill would authorize expenditures for the regular ABC program for fiscal years 1960 and 1961. The bill would continue matching requirements for the States on the basis of the existing formula of 50 percent Federal and 50 percent State funds. Figures in the opposite columns represent actual ABC program funds for fiscal years 1958 and 1959, proposals under S. 3414 for fiscal years 1960 and 1961, and fiscal year 1962 projection:							
Federal	$850	$875	$900	$900.0	$900.0	$4,425	
State	850	875	900	900.0	900.0	4,425	
Total	1,700	1,750	1,800	1,800.0	1,800.0	8,850	
2. Sec. 2 (a) of the bill would provide additional appropriation from the highway trust fund of $400,000,000 for fiscal year 1959. The bill would further provide in sec. 2 (d) that the Federal share of the program financed under this new authority would be 70 percent and the State share 30 percent (instead of the existing 50–50 formula). The figures in the opposite columns represent the level of the regular ABC program together with the program expansion proposed under this $400,000,000 additional 1959 authority:							
Federal	850	1,275	900	900.0	900.0	4,325	
State	850	1,046	900	900.0	900.0	4,596	$229
Total	1,700	2,321	1,800	1,800.0	1,800.0	9,421	229

ABC HIGHWAY PROGRAM UNDER S. 3414

Federal highway trust fund expenditure authorizations and State matching requirements for primary, secondary, and urban systems (ABC program), fiscal years 1958–62 (projected)—Continued

[In millions]

	ABC program under existing law, fiscal year 1958	ABC program under existing law and S. 3414 proposals, fiscal year 1959	ABC program under proposals in S. 3414		ABC program projected at 1960–61 level for fiscal year 1962	Total, ABC program, fiscal years 1958 to 1962, inclusive	Loss to ABC highway construction program under provisions of sec. 2 of S. 3414
			Fiscal year 1960	Fiscal year 1961			
3. Sec. 2 (c) of the bill would provide further that expenditure of $115,000,000 be authorized in fiscal year 1959 from the Federal highway trust fund in the form of advances to the States to meet their 30-percent matching requirement for the allocations under the proposed $400,000,000 additional 1959 authorization. Federal advances may equal ⅔ of the 30-percent State matching requirement, having the effect of increasing the Federal share to a maximum of 90 percent. Provision would be made in sec. 2 (f) for "reimbursement" of such advances from State allocations of Federal funds in fiscal years 1961 and 1962. The figures in the opposite columns represent the levels of the regular ABC program together with the effect of the Federal advances in fiscal year 1959 and their "reimbursement" in 1961 and 1962:							
Federal	$850	$1,390	$900	$842.5	$842.5	$4,825	
State	850	931	900	842.5	842.5	4,366	$459
Total	1,700	2,321	1,800	1,685.0	1,685.0	9,191	459

Mr. BYRD. Mr. President, there are numerous other objectionable features in this bill but, in summary, those I have mentioned would:

First, destroy the solvency of the pay-as-you-build highway trust fund method of assuring use of highway taxes for road construction;

Second, work hardships on my own State, and I suspect others, by impeding the discharge of its responsibilities to its own citizens, requiring disproportionate expenditures on the Federal Interstate System and perhaps leading to increased State taxes;

And third, reduce the ratio of highway construction to expenditure of Federal road funds.

These three provisions, separately or collectively, are sufficient in my judgment to make this a bad bill. I want this record to show the reasons why I am against it, and for these reasons I shall vote against it.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is the Senator from Nebraska prepared to yield back the remainder of his time, and is the Senator from North Carolina also prepared to yield back the remainder of his time?

Mr. HRUSKA. I yield back the remainder of my time.

Mr. ERVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Case, N. J.	Fulbright
Allott	Case, S. Dak.	Goldwater
Anderson	Church	Gore
Barrett	Clark	Green
Beall	Cooper	Hayden
Bennett	Cotton	Hennings
Bible	Curtis	Hickenlooper
Bricker	Douglas	Hill
Bush	Dworshak	Hoblitzell
Butler	Eastland	Holland
Byrd	Ervin	Hruska
Carlson	Flanders	Ives
Carroll	Frear	Jackson
Javits	McNamara	Scott
Johnson, Tex.	Morse	Smathers
Johnston, S. C.	Morton	Smith, Maine
Kefauver	Mundt	Sparkman
Kennedy	Murray	Stennis
Kerr	Neuberger	Symington
Knowland	Pastore	Talmadge
Kuchel	Payne	Thurmond
Langer	Potter	Thye
Lausche	Proxmire	Watkins
Magnuson	Purtell	Wiley
Malone	Revercomb	Williams
Mansfield	Robertson	Yarborough
Martin, Iowa	Russell	Young
Martin, Pa.	Saltonstall	
McClellan	Schoeppel	

The PRESIDING OFFICER. A quorum is present.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CASE of South Dakota. Mr. President, has all time expired?

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. KNOWLAND. I yield 5 minutes on the bill to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, Senators may not want to have a yea-and-nay vote on this issue; but the action on this particular amendment probably will draw more attention than any other vote we have had, except the vote on the billboard amendment.

The American Automobile Association, the Secretary of Commerce, and the Administrator of Public Roads all say that some change should be made in the present law.

The debate is too long to review here, but the two issues are these:

The amendment offered by the Senator from Nebraska would revert to the language of the present act, which lets the Federal Government in for paying the share of the utility costs in relocating up to 90 or 95 percent. The language proposed by the Committee on Public Works places a ceiling of 70 percent on that amount. So the question can be answered simply as a matter of dollars and cents.

But in my estimation the most important provision of the language proposed by the committee was a proviso which would require evidence to be presented to the Secretary of Commerce that the State was paying its share of the cost out of its own funds.

If there is not some check rein like that, the evidence suggests that the relocations are more expensive, because a utility can say to a State highway commission, "Go ahead and put the new road where the utility relocation will require a new distribution system. Uncle Sam will pay 90 percent of the cost. So what difference will it make? We will either forget the 10 percent or will not cash your check, or whatever it may be."

Mr. President, the Senator from Nebraska has just indicated to me that he will be willing to include that proviso in his amendment. In that case, I have nothing further to say.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. HRUSKA. As the offerer of the amendment, I am willing to accept the proviso as an amendment to my amendment.

The PRESIDING OFFICER. The Senator from Nebraska has a right to modify his amendment.

The question now comes on the amendment, as modified. All time on the amendment has expired.

Mr. KNOWLAND. Mr. President, I yield 5 minutes on the bill to the Senator from Tennessee.

Mr. CARROLL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. CARROLL. I shoud like to know the status of the an.endment before the Senate. As I understand it, the original amendment was offered by the Senator from Nebraska. Then it was proposed to be amended by the Senator from South Dakota. I should like to know the status of the amendment at this time.

The PRESIDING OFFICER. The amendment at present consists of a return, in substance, to the act of 1956, with the proviso which was included in

the bill reported by the committee, and which the clerk will read.

The legislative clerk read as follows:

Provided, That such reimbursement shall be made only after evidence satisfactory to him shall have been presented to the Secretary substantiating the fact that the State has paid such cost from its own funds.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield for a question.

Mr. CARROLL. Only a few Senators were on the floor during the recent discussion of the amendment offered by the Senator from Nebraska. In the very crucial argument made by the Senator from South Dakota, it was estimated that the cost of the amendment to the program would approximate 3 percent, and that a very quick estimate of the amount would be approximately $1 billion.

The Senate has spent many hours yesterday and today discussing the billboard amendment which involved one-half of 1 percent.

Now I ask this question of the distinguished Senator from South Dakota, who made so brilliant a presentation: By virtue of the acceptance of his amendment as a modification of the pending amendment, how much of a reduction would be made in the possible cost under this measure?

Mr. CASE of South Dakota. Mr. President——

Mr. GORE. Mr. President, I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. First of all, possibly I did not make myself clear when I discussed the 3 percent. I thought I said that the 3 percent cost estimate by Mr. Tallamy embraced not only the utility-relocation costs, but also the added costs by virtue of the 1956 act which required that consideration be given to the local needs and requirements, which would include the so-called service roads alongside the interstate roads, and that a substantial portion of the 3 percent should not be charged to the utility item, but should be charged to the service roads.

Mr. Tallamy was not able to give us a firm figure for the utility-relocation costs, because, first of all, they do not know just where the roads will go in suburban areas, where the utility-relocation costs would be the greatest.

But by this means there would be a check on such costs, so that the States would not agree to a relocation which would throw the greatest cost on the Federal Government, if the States themselves had to pay their proportionate share of the cost.

I thought that matter was even more important than the percentage figure which might be used for the ceiling.

Mr. CARROLL. Would the Senator from South Dakota not say that even with his amendment or the modification which provides for that safeguard, that the pending amendment would cost the highway program hundreds of millions of dollars?

Mr. CASE of South Dakota. No, I do not know that I would say that. Of course, I think the cost will be greater if there is a 90-percent ceiling, instead of a 70-percent ceiling. Of course the cost will be higher if the Federal Government pays 90 precent in some instances, rather than 70 percent. But I am not able to say what the difference in dollars would be. However, it would cost more.

Mr. CARROLL. I thank the Senator from Tennessee for yielding.

Mr. GORE. Mr. President, the colloquy between the junior Senator from Colorado [Mr. CARROLL] and the junior Senator from South Dakota [Mr. CASE] has obviated the necessity which I felt to make some remarks.

It was agreed that the junior Senator from South Dakota would wage the fight and would represent the committee on this issue. I support him fully. He has done a brilliant job. I congratulate both him and the Senator from Nebraska [Mr. HRUSKA] for having come closer to agreement on this matter.

The PRESIDING OFFICER. The time yielded to the Senator from Tennessee has expired.

Mr. KNOWLAND. Mr. President, I yield 2 more minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 additional minutes.

Mr. GORE. I thank the Senator from California.

Mr. President, had this proviso not remained in the bill, there would have been permitted a continuation of a practice by certain States that has bordered upon a sharp practice, by means of which an arrangement between the States and the utilities has operated in such a way that the State funds were not paid out, yet the Federal Government was forced so to pay.

The bill as reported by the committee recommends and provides that, as a prerequisite for the reimbursement of a State by the Federal Government, there shall be a certification that the State has lawfully made the payment, and thereby is entitled to the reimbursement.

That is now provided for in the amendment; and I see no serious objection to the amendment.

The PRESIDING OFFICER. The additional time yielded to the Senator from Tennessee has expired.

The question is on agreeing to the Hruska-Kerr amendment, as modified. All time on the amendment has expired.

Mr. RUSSELL. Mr. President, will the Senator from California yield to me 1 minute on the bill?

Mr. KNOWLAND. Mr. President, I yield 1 minute on the bill to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 1 minute.

Mr. RUSSELL. I should like to ask the Senator from Tennessee just what proportion of the Federal funds will be expended for this purpose, under the pending amendment, as modified.

Mr. GORE. Does the Senator from Georgia inquire as to what percentage of Federal funds?

Mr. RUSSELL. Yes. The bill as reported by the committee provided that 70 percent would be paid by the Federal Government. As I understand the pending amendment, as modified, provides that 90 percent shall be paid by the Federal Government.

Mr. GORE. The amendment proposed that the percentage be increased from 70 to 80 percent. If the amendment has been modified in this respect, I am not so advised.

Well, Mr. President, I have just been advised that while I was out of the Chamber, the amendment was modified so as to provide for the arrangement under the present law, namely, 90 percent Federal and 10 percent State, on the Interstate System. In other words, the pending amendment, as now modified, provides for the present law, with the addition of the requirement that before a State shall be entitled to reimbursement it must certify to the Federal Government that it, the State, has actually made the expenditure, thereby entitling it to the reimbursement.

Mr. RUSSELL. But does the Senator from Tennessee not think that the amount a State would have to pay would have quite a good deal to do with the certification? Why is the Senator from Tennessee abandoning the provision approved by the committee, namely, that 70 percent of the cost is sufficient to be paid from Federal sources?

Mr. GORE. The committee submitted a similar provision to the Senate 2 years ago, after long and diligent study.

Mr. RUSSELL. We have had some little experience with this program since the long and diligent study, to which the Senator has referred, was made by the committee.

The PRESIDING OFFICER. The time yielded to the Senator from Georgia has expired.

Mr. KNOWLAND. Mr. President, I yield 2 additional minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 2 additional minutes.

Mr. RUSSELL. Mr. President, I repeat my question.

Mr. GORE. I agree that we have had considerable experience with the program since then.

This amendment, as modified, is not a happy solution; it is a compromise arrangement.

Mr. RUSSELL. I do not see that a compromise is provided for if a return is made to the 90 percent. It seems to me that it would be well to have the figure remain at 70 percent, and certainly not 80 percent or 90 percent, so that the States would have an equitable interest in getting a settlement of these costs.

Mr. CARROLL. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. If I have time in which to yield, I yield. I am speaking by sufferance.

Mr. CARROLL. The Senator from Georgia has put his finger on the nub of the question. It has been said that the question is now one of State certification. What certification, Mr. President? The certification of 90 percent, not 70 percent.

There was a debate on this matter when the Senator was not on the floor. At that time we discussed and debated

the cost. The cost was estimated to be almost $1 billion.

The committee brought forward, in its wisdom, the 70-percent figure.

Now, however, an effort is being made to disregard the committee's recommendation and to revert to the old law.

I agree completely with the Senator from Georgia that the 70 percent should be preserved.

Mr. President, on the question of agreeing to the amendment as now modified, I ask for the yeas and nays.

The PRESIDING OFFICER. All time on the amendment has expired.

The yeas and nays have been requested on the question of agreeing to the Hruska-Kerr amendment, as modified. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Mundt
Allott	Hayden	Murray
Anderson	Hennings	Neuberger
Barrett	Hickenlooper	Pastore
Beall	Hill	Payne
Bennett	Hoblitzell	Potter
Bible	Holland	Proxmire
Bricker	Hruska	Purtell
Bush	Ives	Revercomb
Butler	Jackson	Robertson
Byrd	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Church	Kerr	Smith, Maine
Clark	Knowland	Sparkman
Cooper	Kuchel	Stennis
Cotton	Langer	Symington
Curtis	Lausche	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Thye
Eastland	Mansfield	Watkins
Ervin	Martin, Iowa	Wiley
Flanders	Martin, Pa.	Williams
Frear	McClellan	Yarborough
Fulbright	McNamara	Young
Goldwater	Morse	
Gore	Morton	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HRUSKA], cosponsored by the Senator from Oklahoma [Mr. KERR], as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senators from Louisiana [Mr. ELLENDER and Mr. LONG] are absent on official business attending the funeral of the late Congressman George Long, of Louisiana.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference in Europe as a representative of the Senate.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

If present and voting, the Senators from Indiana [Mr. CAPEHART and Mr. JENNER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The Senator from Illinois [Mr. DIRKSEN] is detained on official business.

The result was announced—yeas 47, nays 38, as follows:

YEAS—47

Allott	Hayden	Mundt
Anderson	Hickenlooper	Murray
Barrett	Hoblitzell	Potter
Beall	Holland	Revercomb
Bennett	Hruska	Robertson
Bible	Ives	Saltonstall
Bricker	Johnson, Tex.	Schoeppel
Butler	Johnston, S. C.	Scott
Byrd	Kerr	Smathers
Carlson	Knowland	Talmadge
Case, N. J.	Kuchel	Thurmond
Curtis	Malone	Thye
Dworshak	Mansfield	Watkins
Ervin	Martin, Iowa	Williams
Frear	Martin, Pa.	Young
Goldwater	McClellan	

NAYS—38

Aiken	Green	Neuberger
Bush	Hennings	Pastore
Carroll	Hill	Payne
Case, S. Dak.	Jackson	Proxmire
Church	Javits	Purtell
Clark	Kefauver	Russell
Cooper	Kennedy	Smith, Maine
Cotton	Langer	Sparkman
Douglas	Lausche	Stennis
Eastland	Magnuson	Symington
Flanders	McNamara	Wiley
Fulbright	Morse	Yarborough
Gore	Morton	

NOT VOTING—11

Bridges	Ellender	Monroney
Capehart	Humphrey	O'Mahoney
Chavez	Jenner	Smith, N. J.
Dirksen	Long	

So the modified amendment, offered by Mr. HRUSKA for himself and Mr. KERR, was agreed to.

Mr. HRUSKA. Mr. President, I move that the vote by which the amendment, as modified, was agreed to, be reconsidered.

Mr. SALTONSTALL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts to lay on the table the motion of the Senator from Nebraska.

The motion to lay on the table was agreed to.

Mr. ROBERTSON. Mr. President, I call up my two amendments which are at the desk and I ask unanimous consent that the amendments be considered together.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. One of the amendments, Mr. President, deals with section 7. The other amendment deals with section 9. The two amendments together will cut about $2 billion from the bill affecting the provision for an accelerated program for the interstate highway. They are important amendments with separate purposes. I do not wish to discuss them very long.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Virginia for the information of the Senate.

The LEGISLATIVE CLERK. On page 17, beginning with line 13, it is proposed to strike out down to and including line 21 on page 18.

On page 19, beginning with line 8, strike out all down to and including line 17.

The PRESIDING OFFICER. By unanimous consent, the amendments are being considered en bloc. The Senator from Virginia is recognized for 30 minutes.

Mr. LANGER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERTSON. Mr. President, during the administration of Governor Byrd of Virginia, Virginians adopted a pay-as-you-go plan to finance the State highways. I think I can say with all due modesty that Virginia now has a system of highways, encompassing 45,000 miles, which compares favorably with the highway system of any other State in the Union, and we do not owe 1 cent of bonded indebtedness on those roads.

Throughout my public career I have taken a great interest in highway construction and good roads. A good highway program was a major plank in my platform when I was elected to the State senate in 1915.

I was a sponsor of a resolution to create a State highway system. The senior Senator from Virginia and the junior Senator from Virginia both served on the commission to lay out a highway system in Virginia. We both sponsored a resolution to adopt the report. We both backed the bill to create a highway department. We both fought a proposal to burden the highway department with bond issues. We finally secured, when the senior Senator from Virginia was governor, the enactment of legislation to finance the highway program by a gasoline tax.

Based upon that experience over the years, the senior Senator from Virginia in 1956—anticipating that some people might be impatient with regard to the 41,000-mile, superduper, 6-lane highway system, might consider that it was not proceeding fast enough, and might feel that the Treasury should be called upon to issue bonds, and thus borrow a vast sum of money—offered an amendment providing that the program should be adopted on a pay-as-you-go basis, and that provision was written into the law.

We now have before us a bill which says, "For 2 years let us borrow $2 billion and speed up the program. Let us rush into it, although we are not prepared."

I will be frank about it. Virginia cannot meet the requirements of the program. Some 12 States have said they can. How many of the 48 States cannot meet the requirements of the program I do not know, but Virginia is not the poorest State. We have no bonded indebtedness. We have not gone overboard and committed our revenues for

interest on bonds. However, we cannot meet the requirements of the program, and I am sure some other States cannot do so.

I feel, Mr. President, that it would be prudent, it would be more efficient, and it would be better for the highway system in the long run, to follow the course I have suggested. Why should we rush to appropriate an extra $2 billion for the program now, and then make the appropriation that much less 2 years later? What are we going to accomplish by that? In 2 years all the States will be more organized to push the program. The States are not yet equipped for it.

Is this type of program going to afford relief? Of course not. Not a State could let a contract before next year.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I have read the amendments offered by the Senator. If the amendments are adopted, will they not really cut out the whole acceleration program?

Mr. ROBERTSON. That is correct.

Mr. SALTONSTALL. In that event, we might as well pass no bill at all.

Mr. ROBERTSON. Oh, the Senator has not read the bill.

Mr. SALTONSTALL. I have read the Senator's amendments.

Mr. ROBERTSON. The bill contains all of the regular highway aid. The forest roads are covered. The park roads are in the bill. The bill now contains the "sugar plum" that our western friends put in it a while ago. My amendments would not touch any of those items.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ROBERTSON. We have for consideration all that was in the House bill. Does the Senator think the House did not pass a highway bill? The House passed a bill, but the House did not put any of this program in. The House did not put in the super-duper $2 billion program. The House bill is in the Senate now.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Will the Senator please suspend. Let the Senate be in order.

Mr. REVERCOMB. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from West Virginia?

Mr. ROBERTSON. I yield.

Mr. REVERCOMB. As I understand, the Senator's two amendments are joined and are considered as one. Do the amendments delete not only the speed-up money for the interstate highways, but also the money for what we call the ABC roads? Do the amendments affect the $400 million for the ABC roads?

Mr. ROBERTSON. The amendments do not touch the $400 million. That sum is for other highways. The amendments do not touch the new 70–30 formula. The amendments only seek to delete from the bill the accelerated financing for the interstate roads.

There is $800 million eliminated from section 7, and the allocation in section 9 is also eliminated. The two together, I believe the Senator from Tennessee will agree, will total approximately $1.8 billion, or about $900 million a year. The committee report in one place says $1.7 billion, but I believe the Senator from Tennessee stated he thought it would be about $1.8 billion for 2 years, or about $900 million a year.

So I say that at least $1,800,000,000 is what would be eliminated from the bill.

This is a simple matter. It involves a great deal of money, but the proposal is very simple. If we wish to continue with a program at a level which the States can meet, we should do so. This is not a program to relieve automobile workers and steelworkers in the next few months, because it will be next year before the program is under contract. We can vote for these two amendments and we shall be back on the pay-as-you-go plan, as contemplated in 1956.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of my time, provided the Senator from Virginia will do likewise.

Mr. ROBERTSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Virginia [Mr. ROBERTSON]. (Putting the question.) The Chair is in doubt, and requests a division.

On a division Mr. ROBERTSON's amendments were rejected.

Mr. JOHNSON of Texas. Mr. President, I am about to yield to the Senator from Montana [Mr. MANSFIELD] for the purpose of offering an amendment, and then I shall ask the Senate to remain in session for the purpose of hearing any Senators who may desire to express their views, and who cannot be present tomorrow. Then I shall move that the Senate adjourn until 12 o'clock noon tomorrow. I express the hope that tomorrow we may consider the various amendments which have been proposed, and have a yea-and-nay vote on final passage some time late tomorrow. I want all Senators to be on notice as to the schedule.

Mr. MANSFIELD. Mr. President, on behalf of the senior Senator from Montana [Mr. MURRAY] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 24, between lines 9 and 10, it is proposed to insert a new section, as follows:

SEC. 13. Temporary moratorium on matching requirements.

(a) Notwithstanding any other provision of this act or any other law, no State matching funds shall be required with respect to—

(1) Not in excess of $20 million granted to any State under the provisions of the Federal-Aid Road Act, approved July 11, 1916, and acts amendatory thereof and supplementary thereto, for projects on the Interstate System, or

(2) Not in excess of $15 million granted to any State under the provisions of such acts for projects on the primary and secondary Federal-aid systems and extensions of such systems within urban areas,

for which formal agreements are entered into with the Secretary of Commerce within 1 year after the date of enactment of this act.

Mr. BUSH. Mr. President, I have grave reservations regarding S. 3414, the proposed Federal-Aid Highway Act of 1958, which is now before the Senate.

Considered as a whole, the bill carries the threat of contributing to a dangerous runaway inflation which the Nation may face next year and in succeeding years.

In our zeal to combat the current recession and the unemployment it has caused, with which we are all so greatly concerned, this Congress, in my judgment, is moving too fast and too far. We will regret it in the not-too-distant future.

Consider the outlook for the coming fiscal year. We already face the prospect of a Federal cash deficit of $5 billion. Proposals have been made for a tax cut which would increase the deficit by at least $5 billion more. We must increase defense spending over the levels of the past year by at least $1 billion, perhaps more. Other proposed increases in Federal spending could amount to an additional $4 or 5 billion. Before we know it, we may face a deficit next year of more than $15 billion. The inflationary potential of such an enormous Federal deficit is frightening. It is a direct threat to the security of many millions of Americans—the beneficiaries of pension funds, the holders of life-insurance policies, those with savings accounts and United States savings bonds; and all others whose accumulated thrift is repayable in dollars.

This bill contains certain emergency provisions intended to accelerate highway construction in the current calendar year and thus combat the recession and unemployment.

I agree that in periods of recession accelerated spending on highways and other public works can contribute to an upturn in the economy. However, I doubt that the emergency provisions of the bill will create as many jobs as its sponsors claim for it, and that the jobs will be created in time to have much effect upon unemployment and business conditions in the months immediately ahead—the critical period in our anti-recession efforts.

Nevertheless, I would support certain emergency features of the bill, together with provisions to encourage State regulation of billboards on the 41,000-mile Interstate System, if they could be considered by themselves.

These provisions, however, are presented in a bill which goes far beyond the present emergency. It proposes to add about $1.3 billion to an already enormous highway program authorized by the Federal-Aid Highway Act of 1956.

In my judgment, it assigns a wrong priority to Federal spending in the years ahead, years in which we face increasing competition from the Soviet Union in education as well as in military power and science and technology.

I would prefer that a higher priority be given at this time to education, and, specifically, to school construction which represents a far more urgent national need than making bigger a highway program which already is the largest public works undertaking begun by any nation in history. In my judgment, funds spent on accelerating school construction programs through the Nation would have more effect in creating jobs and would serve a greater national interest than adding new Federal dollars to the highway program.

In these critical times, we should be spending as a Nation—at all levels of government—as much money for the character building which education can provide as we spend for road building.

Mr. President, we should not act hastily on a long-range highway program at this time. The legislation we are considering now should be limited to that necessary to assist in the creation of jobs which can be made available in the months immediately ahead. A comprehensive highway bill, which should include provisions for equitable reimbursement to States for toll and free highways contributed to the Interstate System, can be considered at a later date. When we know whether a tax cut is necessary as an antirecession measure, and when we know the volume of increased Federal spending on other programs, we will be able to act more intelligently in determining the future of the highway program.

For these reasons, Mr. President, I should like to go on record as opposing the bill as reported from the committee.

Mr. MORSE. Mr. President, I should like to have the attention for 3 or 4 minutes of the very able chairman of the Subcommittee on Roads, the Senator from Tennessee [Mr. GORE].

First I wish to compliment the chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], and the chairman of the Roads Subcommittee, the Senator from Tennessee [Mr. GORE], and each member of the committee on both sides of the aisle for the fine, forward-looking expanded highway program they have reported to the Senate.

The $400 million proposed to speed up the construction of ABC roads is a most commendable and proper step to fight the recession with a real weapon.

Regardless of what the economic situation may be at any given time, this is a needed program. Thousands of people are killed by our outmoded highways.

The foresight of the Senator from Tennessee, who sparked this drive for a vastly improved highway system, deserves recognition in the four corners of our Nation. His effort and the efforts of all members of the committee to keep the Interstate program on schedule and to step it up by $200 million is a second example of real leadership.

The committee has taken wise and considerate action with respect to roads on our public lands. Park roads, forest highways, timber access roads, Indian roads, and public land highways have all received well-deserved increases. I do not want to make a speech on timber access roads. I do not think this is necessary. The Senate has provided a substantial increase for 1959 as well as for 1960 and 1961, and, in my judgment, it shows that the counsel of the Senators from the Pacific Northwest has been heeded. I think that the presence of my colleagues, DICK NEUBERGER and FRANK CHURCH on the committee has been helpful in assuring that our great natural resources will be protected and developed.

TIMBER ACCESS ROADS

As one Senator from the State of Oregon, I wish to thank both my colleague [Mr. NEUBERGER] and the Senator from Idaho [Mr. CHURCH] on behalf of the people of the Pacific Northwest for the great assistance they have rendered in the fight this year for appropriations for timber access roads. The committee has made public hearings on timber access roads permissive rather than mandatory.

I wish to ask a few questions of the Senator from Tennessee at this point. First I should like to have him know that all over the State of Oregon on many platforms, since he held his hearings last fall, when he brought his subcommittee to the State of Oregon and conducted his investigations into our highway programs, particularly our forest and timber access roads, I have expressed to the Senator from Tennessee the thanks of the people of Oregon for his statesmanship. Here on the floor of the Senate tonight I wish to say that I do not know of anything in recent years that has done more to clarify thinking in the State of Oregon and to impress upon the people of the State the importance to sound timber management of adequate forest and timber access roads than the hearings which the Senator from Tennessee conducted last fall. Although I have thanked him privately, I now wish publicly, on the floor of the Senate, to thank him not only in behalf of the people of my State, and the people of the Pacific Northwest, but, in essence, for the people of the whole country, for the work he did by the hearings he conducted last fall.

Mr. GORE. I thank my able friend for his exceedingly generous remarks. It was my privilege to conduct hearings in the State of Oregon and in other northwestern States. The result of the hearings was the building of a record and the acquisition of knowledge upon which the committee was able to act with benefit to the whole Nation.

Mr. MORSE. With the patience and indulgence of the Senator from Tennessee, I should like to ask him a few questions.

Is it the understanding of the Senator from Tennessee that the Forest Service will hold appropriate hearings on its overall timber-sale program, including its access-road plans, and that, if anyone requests a hearing on a specific project, a hearing will be held?

Mr. GORE. Yes, indeed.

Mr. MORSE. I want the Senator to know that I am asking these questions because I believe it is important that we make this legislative history tonight. There is always the possibility, and in a bill so broad as this one there is always the probability that subsequently on some matter there may be litigation. I believe that the courts are deserving of the cooperation I am seeking to extend to them on the floor of the Senate tonight by building this legislative record as to the Congressional intent.

Is it also the understanding of the Senator from Tennessee that substantial sums will be saved by this revision?

Mr. GORE. Yes.

Mr. MORSE. Is it also correct that manpower will be released from paper work so that more roads will be built for the taxpayer's dollar?

Mr. GORE. I believe that is correct.

Mr. MORSE. I also note in the committee report, on page 21, that the committee will call on the Department of Agriculture to submit a long-range timber access road program and a résumé of legislative needs as soon as possible.

Will the Senator from Tennessee say that, in view of the recession, it would be desirable to have that report within 60 days in order that we might proceed on a sound basis if the recession should call for more action?

Mr. GORE. It will be desirable to have the report as expeditiously as possible. As the able Senator from Oregon knows, the Northwestern States are suffering the highest rate of unemployment of any States in the Nation.

I hope that this fact alone, plus the need for economic stimulation nationally, will result in the expedition of the report.

Mr. MORSE. I think that is a very satisfactory answer. In my judgment, in view of the recession which confronts us, a period of 60 days should not be considered unreasonable or excessive.

Mr. GORE. I agree.

Mr. MORSE. Is it also the view of the Senator from Tennessee that the Secretary of Agriculture should make immediate and full use of the contract authority he has for forest development roads and trails?

Mr. GORE. To the extent that the contracts can be put under effectual and efficient expenditure, yes.

Mr. MORSE. Am I correct in my understanding that the Senator from Tennessee means to make clear by his discussion of the matter that the Secretary of Agriculture will be requested to submit facts by a certain date?

Mr. GORE. I will direct the staff of the committee now to so communicate with the Secretary.

Mr. MORSE. The committee report requests the Department of Agriculture to use the right of eminent domain when it cannot get to timber which needs immediate harvesting in order to prevent loss. Does the Senator from Tennessee intend that the right of eminent domain shall be applied only to farmers and small landowners, or does he think it should be applied to everyone equally?

Mr. GORE. I think that question must answer itself. I should like to comment, however, that at our hearings there was some reluctance on the part of persons and companies who were beneficiaries of contractual relationships with the Government and beneficiaries of federally constructed roads to give rights-of-way to the Government.

I think eminent domain must be exercised if it becomes necessary, and that it should be no respecter of persons.

Mr. MORSE. Does the Senator from Tennessee share my view that when a large timber company does not want to let the Government cross its land to Government timber, the Government then, in behalf of the people of the country, who are the owners of the timber, should move with deliberate speed to make certain that access is obtained across the holdings of such large timber company?

Mr. GORE. The Government must have access to its property. It should not countenance any unreasonable and undue hindrance.

The Senator from Oregon would be the first to recognize, proclaim, and defend the principle that property cannot be taken from anyone without due process. But in the instance of a beneficiary of access paid for by the Government, I think there is a special moral obligation to grant over private property access to Government property.

Mr. MORSE. The Senator's answer is completely satisfactory. I have raised the question because, over the years, I have received a good many complaints from people in Oregon that some operators who have large tracts of land, behind which is located Government land, are very reluctant to negotiate any right-of-way agreements, and use every dilatory tactic they can in order to postpone the day when the Government will exercise its legal rights. Of course, the longer the Government land can be kept bottled up, the more it is to the advantage of the private owners, in some circumstances.

I wanted to raise this point tonight because of the excellent work which has been done on the highway bill. I think the machinery and procedures are now available to enable the Government to go ahead and do a better job, scientifically, of farming the forests belonging to all the people of the Nation.

But there is the problem sometimes of getting access to the forests over the holdings of large and powerful companies, and I wanted the record to show that it is recognized by the Senator from Tennessee that the Government does have, as the Senator has just put it, the moral obligation to make certain that Government interests are protected by eminent domain, if necessary, against the big fellows as well as against the little fellows.

Mr. GORE. If the Government shows a determination to exercise the power and right of eminent domain, it may not be necessary to use it.

Mr. MORSE. Usually when the Government makes it clear that it intends to do so, it can negotiate a right-of-way in most instances.

Does not the Senator from Tennessee feel that when the Government wants to put an access road across a farm or a ranch of 40 or 160 acres, it should be very considerate because of the effect the road might have on the small owner? Therefore, would the Senator say that where a large timber company is involved, a Government timber access road could not be said to depreciate or hurt the property, such as in the case of a small operator, but that in the case of a large holding, very often it would enhance the value of the large holding?

Mr. GORE. The question is a little difficult to answer. I am sure that in the vast expanse of territory, under various circumstances, there would be instances in which both the small and the large holdings might be helped by Government right-of-way construction. Generally speaking, the Government should exercise the greatest prudence and caution in the use of the power of eminent domain.

Mr. MORSE. I am glad the Senator made that statement. I share his view. I want the RECORD to be very clear concerning the position of the senior Senator from Oregon in the matter. I think that when the Government is dealing with small pieces of property, it should certainly exercise the right of eminent domain; but every effort should be made to locate the road so that it will do a minimum of damage, so far as devaluating the land of the small operator is concerned.

In the case of a large holder, I think, likewise, that the Government has a moral duty to locate the road so that it will do the least amount of damage to the operator, as well.

We should seek, however, under the policies which are established by the bill, to place the roads in positions where they will best serve the economic interests of the taxpayers as a whole, and will, at the same time, do the least amount of damage, commensurate with the public good, to the property of the landowners.

Mr. GORE. I agree thoroughly with the view of the Senator that in the exercise of governmental rights in this regard, as in others, not only must the Government proceed with a determination to preserve the rights of the Government itself, but must also deal justly with its citizens.

Mr. MORSE. I close my questioning of the Senator from Tennessee and also my comments with this observation: Once again I commend the Senator from Tennessee [Mr. GORE] for the great work he has done on the bill. It was not so long ago—a year or so ago—that I stood in the Senate and commended the Senator from Tennessee for another great job of legislation which he did in connection with the first Gore bill. I think he has duplicated his efforts in connection with the bill now before the Senate and has made a record that will redound to his great credit.

Furthermore, I think he has been very fair and very wise in his acceptance of various amendments offered from time to time with respect to forest roads, amendments which have served to strengthen the bill. The amendments also have served to organize great support behind the bill.

I compliment the Senator also because the bill is a partial recession-cure bill. I do not know of any piece of proposed legislation considered by the Committee on Public Works which will make itself felt more quickly as a recession check than will the road bill. I think, if for no other reason, the bill is worthy of the overwhelming support of the Senate.

I sincerely hope, and I now make a plea to the President, that President Eisenhower will make certain that he, too, will give support to the bill and will accept it as a measure which Congress thinks the emergency calls for by way of the accelerating provisions it contains.

I think this is an opportunity for the administration to demonstrate to the people of the Nation that the leaders of both parties can transcend partisanship when a question of an emergency confronts the national welfare. When people are hungry, out of work, and disturbed, legislation of this type is needed. I am appreciative that the Senate has such leadership as that given by the Senator from Tennessee in connection with a bill such as this. I join in the hope that the bill will receive expeditious consideration.

ORDER FOR ADJOURNMENT TO NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNFAIR PRACTICES IN THE MEATPACKING INDUSTRY

Mr. KEFAUVER. Mr. President, by unanimous consent, the Senate has referred S. 1356 to the Committees on Agriculture and Judiciary, with instructions that the bill be reported back with recommendations no later than Monday, April 21, 1958. I understand that Senator O'MAHONEY and Senator WATKINS, the sponsors of this bill which was reported from the Judiciary Committee, consented to this agreement in fairness to Members of the Senate who were not present but who wished to be heard on this bill, and also for the reason that the original Packers and Stockyards Act of 1921 was reported out by the Senate Committee on Agriculture and Forestry. I feel confident that when the members of these two committees have had an opportunity to consider this measure in greater detail, the members of the Agriculture Committee will be satisfied that S. 1356 with the Young-Carroll amendment will restore effective antitrust enforcement to the meatpacking industry, and will not diminish but will broaden the jurisdiction of the Department of Agriculture over those transactions which it is best equipped to regulate.

I point out to the members of the Agriculture and Forestry Committee that the bill initially reported from the Senate Agriculture and Forestry Committee, and which eventually was enacted into law as the Packers and Stockyards Act of 1921, entrusted the Federal Trade Commission and not the Department of Agriculture with responsibility for enforcement of the act. In subsequent action on the floor of the Senate and in conference, the lobbyists for the large meatpackers were successful in obtain-

ing provisions in the bill which transferred jurisdiction for the enforcement of the act to the Department of Agriculture. In 1921 the Agriculture Committee was willing to permit the Federal Trade Commission to have complete jurisdiction over all matters embraced in the Packers and Stockyards Act. This included transactions covered by title III of the act relating to purchase and sale of livestock at stockyards. S. 1356 with the Young-Carroll amendment does not propose to clothe the Federal Trade Commission with anything like this broad authority. It would simply charge the Federal Trade Commission with responsibility for proceeding against the unfair trade practices of meatpackers in their various merchandising activities. The bill would leave with the Secretary of Agriculture jurisdiction over the multifarious activities relating to transactions in livestock. Moreover, as noted, the Young-Carroll amendment would broaden the Department of Agriculture's jurisdiction.

Objection has been made to S. 1356 by various farm organizations on the ground that the interest of the grower is not understood by the Federal Trade Commission. They argue that the Federal Trade Commission is consumer oriented and that only the Department of Agriculture can deal properly with the problems of the farmer. In just this manner the meatpackers who opposed this bill have deliberately obscured the issues and have attempted to mislead the various farm groups concerning the meaning and the effect of this bill. The bill introduced by Senators O'MAHONEY and WATKINS, and as modified by the Young-Carroll amendment which has been accepted by the sponsors, now divides jurisdiction between Agriculture and FTC in a way which should meet the objections of all farm groups to this bill. The Department of Agriculture has demonstrated its awareness of the problems of the farmer and the rancher in getting their products to the market place. Recognizing the competence of the Department of Agriculture in this area, the Young-Carroll amendment makes clear that all transactions in the live animal will remain under the supervision of the Department of Agriculture. This amendment specifically charges the Department of Agriculture with all responsibility over livestock transactions at country buying points and at auction yards. Furthermore, it broadens the authority of the Secretary of Agriculture under title III of the Packers and Stockyards Act by extending his jurisdiction to all stockyards, irrespective of size. On the other hand, after the live animal has been slaughtered and enters into the various forms in which it moves into the market place for sale to the consumer, the responsibility for preventing restrictive and abusive trade practices would be upon the Federal Trade Commission. For over 40 years the Federal Trade Commission has proved that it is specially qualified to protect the public interest at the wholesaling and retailing level. The problems faced in the wholesaling and retailing of meat and meat food products are no different than those which exist in the vast variety of commodities over which the Commission is now effectively exercising supervision.

Senator O'MAHONEY and Senator WATKINS have already pointed out that the record of the hearings on this bill conclusively demonstrates the failure of the Agriculture Department in regulating merchandising activities of the meatpackers. The Department of Agriculture has neither the experience, the personnel, or the know-how to cope with the problems of discriminatory pricing, false and misleading advertising, market sharing, mergers and acquisitions, and other monopolistic practices.

In the enforcement of the Federal Trade Commission, the Clayton and Robinson-Patman Acts, the Commission has developed a well-defined method of proceeding, and from the complaints filed over the years has evolved a comprehensive body of meaningful law. All persons subject to the provisions of these laws have ample precedent to determine what their rights are in specific cases. On the other hand, the unfair trade-practice provisions of the Packers and Stockyards Act are in very broad, vague, and uncertain language. Since Agriculture has not seen fit to enforce this act, there are no litigated cases which afford parties any aid in determining the meaning of the provisions of title II of the Packers and Stockyards Act. Persons subject to the act have no reliable definition of what is prohibited and what is permitted. They have no way to ascertain their rights. Nor has the enforcing agency any well-defined standards to aid it in instituting proceedings under the act.

The crucial issue in this bill is who shall have jurisdiction to police the merchandising activities of meatpackers. S. 1356 places this responsibility squarely upon the Federal Trade Commission and leaves not the slightest doubt as to the agency who shall enforce, the statutes which shall apply, the meaning of such statutes, and the persons and companies subject to such statutes. The amendment sponsored by the junior Senator from Illinois [Mr. DIRKSEN] adopts the position sponsored by the American Meat Institute, the lobbyist for the big meatpackers. While this amendment concedes certain obvious weaknesses in the Packers and Stockyards Act, and thereby acknowledges the failure of the Department of Agriculture over the years to enforce the act against meatpackers, this amendment perpetuates the basic mistake of permitting meatpackers to take refuge under the protective umbrella of Department of Agriculture nonenforcement.

The history of the regulated industries has shown that the industry being regulated has frequently taken over or dominated the regulating agencies. There are many reasons why these agencies have not been able to maintain their independence. In the case of the Department of Agriculture, it is particularly difficult if not impossible to achieve independence in regulating meatpackers because other operational functions of the Department are dependent upon the cooperation and assistance of meatpackers. For example, the Department is dependent upon accurate information from meatpackers which is incorporated in the market news service furnished daily by the Department to farmers and ranchers. In the animal disease eradication program of the Department, the experience developed in packer laboratories is often correlated with departmental work in ascertaining the existence and extent of contagious diseases of livestock.

A prosecuting function, more than any other, requires complete independence. The dilemma confronting the Department of Agriculture is obvious. On the one hand it must determine whether it shall publicly attack certain practices of the meatpackers, while at the same time it is earnestly imploring these same packers to furnish assistance for other departmental programs.

We can achieve this independence only by the enactment of S. 1356. This bill makes the Federal Trade Commission, an agency insulated from packer influence, the protector of the public against unfair and monopolistic trade practices in the meatpacking industry.

PENSIONS FOR VETERANS OF WORLD WAR I WHO ARE OVER 65 YEARS OF AGE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which I have received from the Centennial Legion of the Historic Military Commands, Inc., of the Thirteen Original States.

There being no objection the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE NATIONAL EXECUTIVE COMMITTEE OF THE CENTENNIAL LEGION OF HISTORIC MILITARY COMMANDS OF THE THIRTEEN ORIGINAL STATES, THE 1ST DAY OF MARCH 1958, IN NEW YORK CITY, N. Y.

Whereas there is now pending in Congress Senate bill 3153, introduced by Senator LANGER, and H. R. 9714, introduced by Mrs. ROGERS of Massachusetts; and

Whereas the passage of this bill will eliminate the confusion, redtape, and cost of administration, of the present law and regulations by the Veterans' Administration as it pertains to World War I veterans who have reached their 65th birthday; and

Whereas this bill now before the Congress would grant pensions to veterans over 65 years of age who are unemployable and meet income and service requirements; and

Whereas as far as equity, justice, and previous Government policy regarding veterans of other wars are concerned, it must be remembered that World War I veterans were given no consideration when separated from service and faced two depressions at a time when they were attempting to establish themselves in civilian life; and

Whereas the plight of many of these World War I veterans today is very serious, and the passage of this act would guarantee to them the security that they preserved for their Nation in time of war; and

Whereas the passage of this legislation would entail no financial burden upon the increased economy of this Nation, and would render justice to those veterans who are in dire need: Now, therefore, be it

Resolved by the National Executive Committee of the Centennial Legion of Historic

Military Commands, Inc., of the Thirteen Original States, meeting on the 1st day of March 1958, in New York City, N. Y., That we vigorously support the passage of Senate bill 3153 and H. R. 9714; and be it further

Resolved, That a copy of this resolution be forwarded to the United States Senate, to the Honorable WILLIAM LANGER, of North Dakota, and to the House of Representatives, to the Honorable Mrs. EDITH NOURSE ROGERS of Massachusetts.

Submitted March 3, 1958.

ALBERT E. HERRMANN,
Colonel, OGP, Legislative Chairman and National Director, CLHMC.

Approved:

Capt. AUGUSTUS J. MIGELL,
National Commander, CLHMC.

THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to have published in the RECORD a resolution which I have received from the Land O' Lakes Creameries.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION

1. Whereas there are bills before the Congress to raise interest rates on loans to rural electrification cooperatives; and

2. Whereas the authority of the REA administrator has been limited in approving loans within the Department of Agriculture; and

3. Whereas many dairymen, members of Land O' Lakes, are served by REA-financed cooperatives,

It is resolved, therefore, That Land O' Lakes Creameries, Inc., at its annual meeting on March 14, 1958, requests that (a) the interest rates not be raised; (b) the REA Administrator be given full authority to approve loans, which authority was granted to him in the original REA Act of 1936: It is therefore

Resolved, That a copy of this resolution be sent to Senators and Representatives of the States in which Land O' Lakes has members, and that a copy be sent to the REA Administrator, Mr. Hamil.

(This resolution was approved at the Land O' Lakes Creameries annual meeting, March 14, 1958.)

Mr. LANGER. Mr. President, Mr. Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association, which is composed of over 900 rural electric cooperatives, delivered a speech to the 16th annual meeting of the members of the association at Dallas, Tex., which I have read carefully and which I believe every Senator could read with a great deal of profit.

I ask unanimous consent that his speech and a letter from Mr. Ellis addressed to me be inserted in the body of the RECORD.

There being no objection, the letter and speech were ordered to be printed in the RECORD, as follows:

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D. C., February 25, 1958.

The Honorable WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR BILL: As we said in our February 14 NRECA statement for the press, we hope that rural America and all America will join the National Rural Electric Cooperative Association in congratulating you for all the splendid work you are doing—particularly for introducing legislation designed to require the Internal Revenue Service and the Federal Power Commission to obey the law.

Isn't it fitting that the Internal Revenue Service decision was received at the close of the nationally observed Advertising Week, as proclaimed by the Advertising Federation of America, whose slogan, you know, is: "America is a better America, thanks to advertising."

Surely, we have always worked for a better America, and such progress as yours gives us new incentive to continue our fight. Now, we do see the end of the "propaganda racket," and the beginning of the end of the "big lie technique."

I am enclosing a copy of my speech for our 16th annual national meeting which set a record for NRECA, and even for Texas, with its 6,478 registrations—6,478 enthusiastic supporters of rural electrification and NRECA banded together for continued progress through collective action.

On behalf of NRECA I congratulate you, and send a most cordial invitation to visit our new headquarters at 2000 Florida Avenue; and, I send my thanks with kind personal regards.

Sincerely,

CLYDE T. ELLIS,
General Manager.

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington D. C., February 14, 1958.

RURAL ELECTRIC LEADER PREDICTS END IN SIGHT FOR BIG LIE TECHNIQUE

The beginning of the end of the "big lie technique" was predicted today by Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association, commenting on yesterday's Internal Revenue Service decision which held that America's electric light and power companies cannot deduct as expenses before income taxes money used in propaganda advertising.

"Rural America and all America should congratulate the Congress of the United States upon the great victory which it has achieved in prevailing upon the Internal Revenue Department to put a brake on what a Federal court has called the big lie technique which threatens to destroy all American enterprise," Ellis said, when notified that the decision had been received by the Senate Antimonopoly Subcommittee chairman, ESTES KEFAUVER.

Accusing the "profit power companies" of pouring millions of dollars into propaganda advertising designed to destroy the rural electrification program and the Federal wholesale power program of the United States, Ellis said, "We have long believed that the law prohibits the power trust from charging such expenses as operating costs. But this law has been ignored and thus the rate payers have been forced to help pay the bill."

The rate payers, Ellis stated, include the rural electric cooperatives of the United States, more than half of which purchase their wholesale requirements from the power companies. "The rural electric cooperatives paid the power companies last year approximately $70 million for wholesale power," he said. "They therefore were required to help pay the cost of the big lie technique propaganda campaign against themselves."

A recent Federal court judgment held that certain railroads and an advertising firm had conspired to use what the court specifically called the "technique of the big lie" designed to destroy the goodwill of the trucking industry, force truck transportation costs up to the public and thus destroy the long-haul trucking business. Opinion, *Noer Motor Freight, Inc., et al. v. Eastern Railroad Presidents Conference, et al.* (U. S. District Court for the Eastern District of Pennsylvania).

"We hope that rural America and all America will join the National Rural Electric Cooperative Association in congratulating Senator KEFAUVER and his committee and the Chudoff committee of the House, for their studies and investigations of this propaganda racket," Ellis said. "We should also congratulate Senator WILLIAM LANGER of North Dakota, and Congressman LESTER JOHNSON, of Wisconsin, for introducing this year bills designed to require the Internal Revenue Service and the Federal Power Commission to obey the law. The Federal Power Commission has yet to be heard from."

INTRODUCTION TO OUTER SPACE

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD a statement issued at the White House today by the President of the United States in connection with the study of space science and technology, together with a document labeled "Introduction to Outer Space: An Explanatory Statement Prepared by the President's Science Advisory Committee."

This is a matter of interest not only to the Members of Congress but also to the American public as a whole.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

In connection with a study of space science and technology made at my request, the President's Science Advisory Committee, of which Dr. James R. Killian is Chairman, has prepared a brief Introduction to Outer Space for the nontechnical reader. This is not science fiction. This is a sober, realistic presentation prepared by leading scientists.

I have found this statement so informative and interesting that I wish to share it with all the people of America and indeed with the people of the earth. I hope that it can be widely disseminated by all news mediums for it clarifies many aspects of space and space technology in a way which can be helpful to all people as the United States proceeds with its peaceful program in space science and exploration. Every person has the opportunity to share through understanding in the adventures which lie ahead.

This statement of the Science Advisory Committee makes clear the opportunities which a developing space technology can provide to extend man's knowledge of the earth, the solar system, and the universe. These opportunities reinforce my conviction that we and other nations have a great responsibility to promote the peaceful use of space and to utilize the new knowledge obtainable from space science and technology for the benefit of all mankind.

INTRODUCTION TO OUTER SPACE

(An explanatory statement prepared by the President's Science Advisory Committee)

What are the principal reasons for undertaking a national space program? What can we expect to gain from space science and exploration? What are the scientific laws and facts and the technological means which it would be helpful to know and understand in reaching sound policy decisions for a United States space program and its management by the Federal Government? This statement seeks to provide brief and introductory answers to these questions.

It is useful to distinguish among four factors which give importance, urgency, and inevitability to the advancement of space technology.

The first of these factors is the compelling urge of man to explore and to discover, the thrust of curiosity that leads men to try to go where no one has gone before. Most of the surface of the earth has now been explored and men now turn to the exploration of outer space as their next objective.

Second, there is the defense objective for the development of space technology. We wish to be sure that space is not used to endanger our security. If space is to be used for military purposes, we must be prepared to use space to defend ourselves.

Third, there is the factor of national prestige. To be strong and bold in space technology will enhance the prestige of the United States among the peoples of the world and create added confidence in our scientific, technological, industrial, and military strength.

Fourth, space technology affords new opportunities for scientific observation and experiment which will add to our knowledge and understanding of the earth, the solar system, and the universe.

The determination of what our space program should be must take into consideration all four of these objectives. While this statement deals mainly with the use of space for scientific inquiry, we fully recognize the importance of the other three objectives.

In fact it has been the military quest for ultra long-range rockets that has provided man with new machinery so powerful that it can readily put satellites in orbit, and, before long, send instruments out to explore the moon and nearby planets. In this way, what was at first a purely military enterprise has opened up an exciting era of exploration that few men, even a decade ago, dreamed would come in this century.

WHY SATELLITES STAY UP

The basic laws governing satellites and space flight are fascinating in their own right. And while they have been well known to scientists ever since Newton, they may still seem a little puzzling and unreal to many of us. Our children, however, will understand them quite well.

We all know that the harder you throw a stone the farther it will travel before falling to earth. If you could imagine your strength so fantastically multiplied that you could throw a stone at a speed of 15,000 miles per hour, it would travel a great distance. It would, in fact, easily cross the Atlantic Ocean before the earth's gravity pulled it down. Now imagine being able to throw the stone just a little faster, say about 18,000 miles per hour, what would happen then?

The stone would again cross the ocean, but this time it would travel much farther than it did before. It would travel so far that it would overshoot the earth, so to speak, and keep falling until it was back where it started. Since in this imaginary example there is no atmospheric resistance to slow the stone down, it would still be traveling at its original speed, 18,000 miles per hour, when it had got back to its starting point. So around the earth it goes again. From the stone's point of view, it is continuously falling, except that its very slight downward arc exactly matches the curvature of the earth, and so it stays aloft—or as the scientist would say, "in orbit"—indefinitely.

Since the earth has an atmosphere, of course, neither stones nor satellites can be sent whizzing around the earth at tree-top level. Satellites must first be lifted beyond the reach of atmospheric resistance. It is absence of atmospheric resistance plus speed that makes the satellite possible. It may seem odd that weight or mass has nothing to do with a satellite's orbit. If a feather were released from a 10-ton satellite, the two would stay together, following the same path in the airless void. There is, however, a slight vestige of atmosphere even a few hundred miles above the earth, and its resistance will cause the feather to spiral inward toward the earth sooner than the satellite. It is atmospheric resistance, however slight, that has set limits on the life of all satellites launched to date. Beyond a few hundred miles the remaining trace of atmosphere fades away so rapidly that tomorrow's satellites should stay aloft thousands of years, and, perhaps, indefinitely. The higher the satellite, incidentally, the less speed it needs to stay in orbit once it gets there (thus, the moon's speed is only a little more than 2,000 miles per hour), but to launch a satellite toward a more distant orbit requires a higher initial speed and greater expenditure of energy.

THE THRUST INTO SPACE

Rocket engineers rate rockets not in horsepower, but in thrust. Thrust is just another name for push, and it is expressed in pounds of force. The rocket gets its thrust or push by exhausting material backward. It is this thrust that lifts the rocket off the earth and accelerates it, making it move faster and faster.

As everyone knows, it is more difficult to accelerate an automobile than a baby carriage. To place satellites weighing 1,000 to 2,000 pounds in orbit requires a first-stage rocket, engine, or engines, having a thrust in the neighborhood of 200,000 to 400,000 pounds. Rocket engines able to supply this thrust have been under development for some time. For launching a satellite, or other space vehicle, the rocket engineer divides his rockets into 2, 3, or more stages, which can be dropped one after the other in flight, thus reducing the total weight that must be accelerated to the final velocity desired. (In other words, it is a great waste of energy to lift one huge fuel tank into orbit when the tank can be divided into smaller tanks—each packaged in its own stage with its own rocket motor—that can be left behind as they become empty.)

To launch some of the present satellites has required rockets weighing up to 1,000 times the weight of the satellite itself. But it will be possible to reduce takeoff weights until they are only 50 to 100 times that of the satellite. The rocket's high ratio of gross weight to payload follows from a fundamental limitation in the exhaust velocities that can be achieved by chemical propellants.

If we want to send up not a satellite but a device that will reach the moon, we need a larger rocket relative to its payload in order that the final stage can be accelerated to about 25,000 miles per hour. This speed, called the "escape velocity," is the speed with which a projectile must be thrown to escape altogether from the gravitational pull of the earth. If a rocket fired at the moon is to use as little fuel as possible, it must attain the escape velocity very near the beginning of its trip. After this peak speed is reached, the rocket will be gradually slowed down by the earth's pull, but it will still move fast enough to reach the moon in 2 or 3 days.

THE MOON AS A GOAL

Moon exploration will involve three distinct levels of difficulty. The first would be a simple shot at the moon, ending either in a "hard" landing or a circling of the moon. Next in difficulty would be a "soft" landing. And most difficult of all would be a "soft" landing followed by a safe return to earth.

The payload for a simple moon shot might be a small instrument carrier similar to a satellite. For the more difficult "soft" landing, the carrier would have to include, as part of its payload, a "retro-rocket" (a decelerating rocket) to provide braking action, since the moon has no atmosphere that could serve as a cushion.

To carry out the most difficult feat, a round trip to the moon, will require that the initial payload include not only "retro-rockets" but rockets to take off again from the moon. Equipment will also be required aboard to get the payload through the atmosphere and safely back to earth. To land a man on the moon and get him home safely again will require a very big rocket engine indeed—one with a thrust in the neighborhood of 1 or 2 million pounds. While nuclear power may prove superior to chemical fuels in engines of multi-million-pound thrust, even the atom will provide no shortcut to space exploration.

Sending a small instrument carrier to Mars, although not requiring much more initial propulsion than a simple moon shot, would take a much longer travel time (8 months or more), and the problems of navigation and final guidance are formidable.

A MESSAGE FROM MARS

Fortunately, the exploration of the moon and nearby planets need not be held up for lack of rocket engines big enough to send men and instrument carriers out into space and home again. Much that scientists wish to learn from satellites and space voyages into the solar system can be gathered by instruments and transmitted back to earth. This transmission, it turns out, is relatively easy with today's rugged and tiny electronic equipment.

For example, a transmitter with a power of just 1 or 2 watts can easily radio information from the moon to the earth. And messages from Mars, on the average some 50 million to 100 million miles away at the time the rocket would arrive, can be transmitted to earth with less power than that used by most commercial broadcasting stations. In some ways, indeed, it appears that it will be easier to send a clear radio message between Mars and earth than between New York and Tokyo.

This all leads up to an important point about space exploration. The cost of transporting men and material through space will be extremely high, but the cost and difficulty of sending information through space will be comparatively low.

WILL THE RESULTS JUSTIFY THE COSTS?

Since the rocket powerplants for space exploration are already in existence or being developed for military need, the cost of additional scientific research, using these rockets, need not be exorbitant. Still, the cost will not be small, either. This raises an important question that scientists and the general public (which will pay the bill) both must face: Since there are still so many unanswered scientific questions and problems all around us on earth, why should we start asking new questions and seeking out new problems in space? How can the results possibly justify the cost?

Scientific research, of course, has never been amenable to rigorous cost accounting in advance. Nor, for that matter, has exploration of any sort. But if we have learned one lesson, it is that research and exploration have a remarkable way of paying off—quite apart from the fact that they demonstrate that man is alive and insatiably curious. And we all feel richer for knowing what explorers and scientists have learned about the universe in which we live.

It is in these terms that we must measure the value of launching satellites and sending rockets into space. These ventures may have practical utility, some of which will be noted later. But the scientific questions come first.

THE VIEW FROM A SATELLITE

Here are some of the things that scientists say can be done with the new satellites and other space mechanisms. A satellite in orbit can do three things: (1) It can sample the strange new environment through which it moves; (2) it can look down and see the earth as it has never been seen before; and (3) it can look out into the universe and record information that can never reach the

earth's surface because of the intervening atmosphere.

The satellite's immediate environment at the edge of space is empty only by earthly standards. Actually, "empty" space is rich in energy, radiation, and fast-moving particles of great variety. Here we will be exploring the active medium, a kind of electrified plasma, dominated by the sun, through which our earth moves. Scientists have indirect evidence that there are vast systems of magnetic fields and electric currents that are connected somehow with the outward flow of charged material from the sun. These fields and currents the satellites will be able to measure for the first time. Also for the first time, the satellites will give us a detailed three-dimensional picture of the earth's gravity and its magnetic field.

Physicists are anxious to run one crucial and fairly simple gravity experiment as soon as possible. This experiment will test an important prediction made by Einstein's General Theory of Relativity, namely, that a clock will run faster as the gravitational field around it is reduced. If one of the fantastically accurate clocks, using atomic frequencies, were placed in a satellite and should run faster than its counterpart on earth, another of Einstein's great and daring predictions would be confirmed. (This is not the same as the prediction that any moving clock will appear to a stationary observer to lose time—a prediction that physicists already regard as well confirmed.)

There are also some special questions about cosmic rays which can be settled only by detecting the rays before they shatter themselves against the earth's atmosphere. And, of course, animals carried in satellites will begin to answer the question: What is the effect of weightlessness on physiological and psychological functions? (Gravity is not felt inside a satellite because the earth's pull is precisely balanced by centrifugal force. This is just another way of saying that bodies inside a satellite behave exactly as they would inside a freely falling elevator.)

The satellite that will turn its attention downward holds great promise for meteorology and the eventual improvement of weather forecasting. Present weather stations on land and sea can keep only about 10 percent of the atmosphere under surveillance. Two or three weather satellites could make a cloud inventory of the whole globe every few hours. From this inventory meteorologists believe they could spot large storms (including hurricanes) in their early stages and chart their direction of movement with much more accuracy than at present. Other instruments in the satellites will measure for the first time how much solar energy is falling upon the earth's atmosphere and how much is reflected and radiated back into space by clouds, oceans, the continents, and by the great polar icefields.

It is not generally appreciated that the earth has to send back into space, over the long run, exactly as much heat energy as it receives from the sun. If this were not so the earth would either heat up or cool off. But there is an excess of income over outgo in the tropical regions, and an excess of outgo over income in the polar regions. This imbalance has to be continuously rectified by the activity of the earth's atmosphere which we call weather.

By looking at the atmosphere from the outside, satellites will provide the first real accounting of the energy imbalances, and their consequent tensions, all around the globe. With the insight gained from such studies, meteorologists hope they may improve long-range forecasting of world weather trends.

Finally, there are the satellites that will look not just around or down, but out into space. Carrying ordinary telescopes as well as special instruments for recording X-rays, ultraviolet, and other radiations, these satellites cannot fail to reveal new sights forever hidden from observers who are bound to the earth. What these sights will be, no one can tell. But scientists know that a large part of all stellar radiation lies in the ultraviolet region of the spectrum, and this is totally blocked by the earth's atmosphere. Also blocked are other very long wavelengths of "light" of the kind usually referred to as radio waves. Some of these get through the so-called radio window in the atmosphere and can be detected by radio telescopes, but scientists would like a look at the still longer waves that cannot penetrate to earth.

Even those light signals that now reach the earth can be recorded with brilliant new clarity by satellite telescopes. All existing photographs of the moon and nearby planets are smeared by the same turbulence of the atmosphere that makes the stars twinkle. Up above the atmosphere the twinkling will stop and we should be able to see for the first time what Mars really looks like. And we shall want a really sharp view before launching the first rocket to Mars.

A CLOSEUP OF THE MOON

While these satellite observations are in progress, other rockets will be striking out for the moon with other kinds of instruments. Photographs of the back or hidden side of the moon may prove quite unexciting, or they may reveal some spectacular new feature now unguessed. Of greater scientific interest is the question whether or not the moon has a magnetic field. Since no one knows for sure why the earth has such a field, the presence or absence of one on the moon should throw some light on the mystery.

But what scientists would most like to learn from a close-up study of the moon is something of its origin and history. Was it originally molten? Does it now have a fluid core, similar to the earth's? And just what is the nature of the lunar surface? The answer to these and many other questions should shed light, directly or indirectly, on the origin and history of the earth and the surrounding solar system.

While the moon is believed to be devoid of life, even the simplest and most primitive, this cannot be taken for granted. Some scientists have suggested that small particles with the properties of life—germs or spores—could exist in space and could have drifted on to the moon. If we are to test this intriguing hypothesis we must be careful not to contaminate the moon's surface, in the biological sense, beforehand. There are strong scientific reasons, too, for avoiding radioactive contamination of the moon until its naturally acquired radioactivity can be measured.

AND ON TO MARS

The nearest planets to earth are Mars and Venus. We know quite enough about Mars to suspect that it may support some form of life. To land instrument carriers on Mars and Venus will be easier, in one respect, than achieving a "soft" landing on the moon. The reason is that both planets have atmospheres that can be used to cushion the final approach. These atmospheres might also be used to support balloons equipped to carry out both meteorological soundings and a general photo survey of surface features. The Venusian atmosphere, of course, consists of what appears to be a dense layer of clouds so that its surface has never been seen at all from earth.

Remotely controlled scientific expeditions to the moon and nearby planets could absorb the energies of scientists for many decades. Since man is such an adventurous creature, there will undoubtedly come a time when he can no longer resist going out and seeing for himself. It would be foolish to try to predict today just when this moment will arrive. It might not arrive in this century, or it might come within 1 or 2 decades. So much will depend on how rapidly we want to expand and accelerate our program. According to one rough estimate it might require a total investment of about a couple of billion dollars, spent over a number of years to equip ourselves to land a man on the moon and to return him safely to earth.

THE SATELLITE RADIO NETWORK

Meanwhile, back at earth, satellites will be entering into the everyday affairs of men. Not only will they be aiding the meteorologists, but they could surely—and rather quickly—be pressed into service for expanding worldwide communications, including intercontinental television.

At present all transoceanic communication is by cable (which is costly to install) or by shortwave radio (which is easily disrupted by solar storms). Television cannot practically be beamed more than a few hundred miles because the wavelengths needed to carry it will not bend around the earth and will not bounce off the region of the atmosphere known as the ionosphere. To solve this knotty problem, satellites may be the thing, for they can serve as high-flying radio relay stations. Several suitably equipped and properly spaced satellites would be able to receive TV signals from any point on the globe and to relay them directly—or perhaps via a second satellite—to any other point. Powered with solar batteries, these relay stations in space should be able to keep working for many years.

MILITARY APPLICATIONS OF SPACE TECHNOLOGY

The development of military rockets has provided the technological base for space exploration. It will probably continue to do so, because of the commanding military importance of the ballistic missile. The subject of ballistic missiles lies outside our present discussion. We ask instead, putting missiles aside, what other military applications of space technology can we see ahead?

There are important, foreseeable, military uses for space vehicles. These lie, broadly speaking, in the fields of communication and reconnaissance. To this we could add meteorology, for the possible advances in meteorological science which have already been described would have military implications. The use of satellites for radio relay links has also been described, and it does not take much imagination to foresee uses of such techniques in long-range military operations.

The reconnaissance capabilities of a satellite are due, of course, to its position high above the earth and the fact that its orbit carries it in a predictable way over much of the globe. Its disadvantage is its necessarily great distance, 200 miles or more, from the surface. A highly magnifying camera or telescope is needed to picture the earth's surface in even moderate detail. To the human eye, from 200 miles away, a football stadium would be a barely distinguishable speck. A telescopic camera can do a good deal better, depending on its size and complexity. It is certainly feasible to obtain reconnaissance information with a fairly elaborate instrument, information which could be relayed back to the earth by radio.

Much has been written about space as a future theater of war, raising such suggestions as satellite bombers, military bases on the moon, and so on. For the most part, even the more sober proposals do not hold up well on close examination or appear to be achievable at an early date. Granted that they will become technologically possible, most of these schemes, nevertheless, appear to be clumsy and ineffective ways of doing a job. Take one example, the satellite as a bomb carrier. A satellite cannot simply drop a bomb. An object released from a satellite doesn't fall. So there is no special advantage in being over the target. Indeed, the only way to drop a bomb directly down from a

satellite is to carry out aboard the satellite a rocket launching of the magnitude required for an intercontinental missile. A better scheme is to give the weapon to be launched from the satellite a small push, after which it will spiral in gradually. But that means launching it from a moving platform halfway around the world, with every disadvantage compared to a missile base on the ground. In short, the earth would appear to be, after all, the best weapons carrier.

This is only one example; each idea has to be judged on its own merits. There may well be important military applications for space vehicles which we cannot now foresee, and developments in space technology which open up quite novel possibilities. The history of science and technology reminds us sharply of the limitations of our vision. Our road to future strength is the achievement of scientific insight and technical skill by vigorous participation in these new explorations. In this setting, our appropriate military strength will grow naturally and surely.

A SPACE TIMETABLE

Thus we see that satellites and space vehicles can carry out a great variety of scientific missions, and a number of military ones as well.

Indeed, the scientific opportunities are so numerous and so inviting that scientists from many countries will certainly want to participate. Perhaps the International Geophysical Year will suggest a model for the international exploration of space in the years and decades to come.

The timetable on the following page suggests the approximate order in which some of the scientific and technical objectives mentioned in this review may be attained.

The timetable is not broken down into years, since there is yet too much uncertainty about the scale of the effort that will be made. The timetable simply lists various types of space investigations and goals under three broad headings: Early, Later, Still Later.

SCIENTIFIC OBJECTIVES

Early

1. Physics.
2. Geophysics.
3. Meteorology.
4. Minimal moon contact.
5. Experimental communications.
6. Space physiology.

Later

1. Astronomy.
2. Extensive communications.
3. Biology.
4. Scientific lunar investigation.
5. Minimal planetary contact.
6. Human flight in orbit.

Still later

1. Automated lunar exploration.
2. Automated planetary exploration.
3. Human lunar exploration and return.

And much later still

Human planetary exploration.

In conclusion, we venture two observations. Research in outer space affords new opportunities in science, but it does not diminish the importance of science on earth. Many of the secrets of the universe will be fathomed in laboratories on earth, and the progress of our science and technology and the welfare of the Nation require that our regular scientific programs go forward without loss of pace, in fact at an increased pace. It would not be in the national interest to exploit space science at the cost of weakening our efforts in other scientific endeavors. This need not happen if we plan our national program for space science and technology as part of a balanced national effort in all science and technology.

Our second observation is prompted by technical considerations. For the present, the rocketry and other equipment used in space technology must usually be employed at the very limit of its capacity. This means that failures of equipment and uncertainties of schedule are to be expected. It therefore appears wise to be cautious and modest in our predictions and pronouncements about future space activities—and quietly bold in our execution.

Dr. James R. Killian, Jr., Chairman; Dr. Robert F. Bacher; Dr. William O. Baker; Dr. Lloyd V. Berkner; Dr. Hans A. Bethe; Dr. Detlev W. Bronk; Dr. James H. Doolittle; Dr. James B. Fisk; Dr. Caryl P. Haskins; Dr. George B. Kistiakowsky; Dr. Edwin H. Land; Dr. Edward M. Purcell; Dr. Isidor I. Rabi; Dr. H. P. Robertson; Dr. Paul A. Weiss; Dr. Jerome B. Wiesner; Dr. Herbert York; Dr. Jerrold R. Zacharias.

VOTING RECORDS OF THE SENATORS FROM OREGON

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the Oregonian of March 25, 1958, and a letter with an enclosure entitled "A Look at the Record," sent to me by Mr. C. Gerard Davidson, national committeeman, Democratic National Committee of Oregon, under date of March 15, 1958. This material deals with the voting records of the two Democratic Senators from Oregon since they have served together in the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEUBERGER ATTEMPTS TO SEVER ALLIANCE WITH MORSE

(By A. Robert Smith)

WASHINGTON.—Senator RICHARD L. NEUBERGER, midway through his first 6-year term in the United States Senate, is trying to make a sharp change in his political tactics.

NEUBERGER has concluded, in effect, that Oregon cannot afford to have two gadfly Senators. He is making a bold effort to draw away from the tactical alliance he had with Senator WAYNE MORSE the past 3 years.

When he and MORSE differ in their views or approach, NEUBERGER is more anxious to have this difference widely known in Oregon than to attempt a show of surface party unity. He wants no longer to be thought of in the public mind as the junior half of the "Morseberger" team.

As a political figure, NEUBERGER is seeking to become an independent personality, unlimited by associations with Senator MORSE, whose enemies and critics he does not wish always to share.

OLD FIRE EXPLORED

The old NEUBERGER was a Senator cast from the same mold that produced Richard L. Neuberger, nationally famous magazine writer and biting critic of the less-than-perfect in the political status quo. If he usually stuck his colorful adverbial barbs into the hide of the GOP elephant, he was not adverse to letting fly at the donkey of his own party when it nibbled outside the pastures of liberalism.

By virtue of experience as a writer and State senator, he was equipped from the day he took office in the United States Senate to draft and deliver pungent essays in the Senate Chamber on the manners, morals, and policies of those in command of the Washington political arena. His targets ranged far up and down the domestic scale, from alleged trapping of squirrels on the White House lawn (so they wouldn't dig up Ike's practice putting green), to policies on major questions of public concern.

The old NEUBERGER was first of all a critic, least of all a candidate for acceptance into the club-like United States Senate where freshmen are, by tradition, expected to respect their elders' judgment in silence.

The new NEUBERGER is a Senator determined to get things done for Oregon, to win friends and influence people in the right places in order to achieve legislative ends, to disavow partisanship when a more conciliatory attitude toward Republicans is apt to win votes for a cause he holds dear.

One could say that NEUBERGER is attempting to move from the ivory tower of the critic to the forge of political action where public laws are hammered out of compromises by men willing to give and take.

ARIZONA LETTER CITED

This shift began months ago but has become pronounced the last few weeks. It has, it appears, been fostered by a combination of circumstances: a growing discontent with some of MORSE's gadfly tactics; and the legislative problems, such as the Klamath Indian mess, which demand constructive solutions by Congress.

The Morse-Neuberger political honeymoon ended last summer when the two Senators fell to writing uncomplimentary letters to one another about their differences on the civil rights bill and MORSE's comparison of President Eisenhower with Dave Beck.

Two recent votes illustrate NEUBERGER's new approach. He was instrumental in the Senate's passage of the administration's postal rate increase bill, and he opposed the Democratic proposal for a hefty tax cut. MORSE was on the other side both times.

NEUBERGER said he thought he would be a hypocrite if he continued to advocate projects which require Federal spending, such as dams, highways, access roads, and school aid, and also voted for lower postal rates or cuts in tax revenue needed to finance Federal programs. MORSE replied by saying he had never heard a more absurd non sequitur in his 13 years in the Senate.

As evidence that his attitude may not be so absurd, NEUBERGER cites a letter he received from Senator CARL HAYDEN, Democrat of Arizona, dean of the Senate and chairman of the Appropriations Committee. Said HAYDEN:

"By voting to cut down the postal deficit, you were actively assisting me to provide more Federal funds for dams, locks, transmission lines, redredging, and other needed public works in the State of Oregon. Federal funds, first or last, have to come from the taxpayers of this country. When we must divert such funds to cover postal deficits, it means less money for public improvements in such regions as the Pacific Northwest. I want to thank you for your courage in not flinching from the question of a 5-cent postal rate."

NEUBERGER has had HAYDEN's letter mimeographed for distribution.

Probably the most crucial case in point of NEUBERGER's new tack is over the Klamath Indian problem. As sponsor of a bill for outright Federal purchase of the reservation, he expressed disappointment in January when the Interior Department came up with a bill to give private industry first call on the timber, as long as sustained-yield management was observed. But as the Klamath hearings he personally conducted droned on, it became apparent to NEUBERGER that it would be tough to get any bill enacted. So he decided to back the administration's bill in hopes of getting more GOP support. In his current newsletter, NEUBERGER sums it up:

"Candidly, I doubt if this measure is quite as good as my own bill for outright Federal purchase of the timber and marsh of the vast reservation. Yet I believe it will fulfill the mission of preventing a disastrous termination, which could have broken Oregon's lumber market wide apart by dumping 4 billion feet of choice pine timber into

sales channels during less than 2 years. Had I insisted upon my bill for a straight Federal taking of the reservation, there probably would have been a bitter partisan fight. * * * It seemed to me that I had to put aside pride of authorship and political partisanship, in order to prevent a result that could be ruinous to southeastern Oregon."

SOME STANDS FAVORED

NEUBERGER doesn't wish to persuade MORSE to depart from the role of the gadfly, only to draw apart from that role himself.

"Senator MORSE serves a very useful role in taking out after the administration for all its faults," observed NEUBERGER. "He doesn't need too much assistance from me in that."

As for himself, said NEUBERGER, "When the administration is willing to go halfway, I think I've got to go halfway—and in some cases, like the Klamath Indians, more than halfway."

NEUBERGER has already been criticized by some Oregon Democrats for his new approach of modernization toward Republicans, but he avers: "This is one of the things we have to do if we are going to get things done."

Some have asked why he doesn't go all the way and become a Republican. Asked if it's possible he might do a reverse-WAYNE MORSE, he replied:

FOUR GAINS CITED

"I've been a Democrat since I was 21. I think the Democratic Party is heading in the right direction because it has the interests of all the people at heart. I can't conceive of any circumstances that would change that. On the other hand, I don't think everything the Republicans propose is bad. This administration is going to be in office for another 3 years and within the limits of partisan differences I think I should try to work with it for the best interests of our State."

Under his new "get things done" approach, NEUBERGER tallies these things done:

1. Interior Committee approval of his Fort Clatsop national monument bill.

2. Public Works Committee approval of increased authorizations for forest highway and timber access roads, plus agreement to an antibillboard clause.

3. Indian subcommittee approval of the Klamath bill.

4. Approval in principle by National Institutes of Health of a $1,250,000 medical research grant for Oregon.

Probably because he was in such a minority as a Democrat in an overwhelmingly Republican State legislature, NEUBERGER as a State senator followed the gadfly technique. As a member of the majority party in Congress, NEUBERGER now bears a heavier responsibility for affecting legislative action. Yet so long as Republicans control the administration and nearly match the Democrats in Congressional strength, legislative action is hardly possible without some measure of GOP support.

Like most folks who seek to make a personal change in behavior, Senator NEUBERGER will likely find that the old man dies hard. But this new approach to lawmaking is his expressed aspiration as he heads into the homestretch of his senatorial term and a probable bid for reelection in 1960.

DEMOCRATIC NATIONAL COMMITTEE OF OREGON,
Portland, Oreg., March 19, 1958.

DEAR COUNTY CHAIRMAN: Providing we do not fall victim to over-confidence, November 1958 will mark the greatest Democratic victory since 1936. This is the attitude of national committeemen and women representing every section of the United States. It is also the opinion of reporters and newsmen, long experienced in detecting political trends.

The Republicans are without issues, without decent voting records, without leadership; and, November will see them without office.

Because of their lack of issues, the Republican press has, across the Nation, attempted to foster fights and strife between fellow Democrats. The Oregonian's I'll-hold-your-coat-while-you-fight attitude toward Senators MORSE and NEUBERGER is typical. Senators MORSE and NEUBERGER have voted differently. They are honest men of conviction and we Democrats expect them to differ. But how often? The Oregonian would have you believe they are on opposite sides of every vote. What are the facts?

Look at the record. The only real record is that of the rollcall votes. On rollcall votes, on which they both answered, throughout the entire 84th Congress, Senators MORSE and NEUBERGER voted together 89.9 percent of the time.

With a voting record of 89.9 percent agreement, Senators MORSE and NEUBERGER are very near the top of the list of those voting in agreement.

Don't allow the Republican press to divide your coworkers. We have nationally recognized, competent, and able representation in Senators MORSE and NEUBERGER. They are statesmen. They stand united on fundamental issues and with our help they will lead a united Democratic Party to victory this fall.

Sincerely yours,

C. GIRARD DAVIDSON,
National Committeeman.

A LOOK AT THE RECORD

During the 84th Congress, on rollcall votes on which they both answered, Senators WAYNE MORSE and RICHARD NEUBERGER voted together 89.9 percent of the time.

In each Congress, hundreds of bills are acted upon. In many instances, conscientious and able Congressmen may agree completely on an objective, yet differ on procedure; might agree totally on the merits of a bill, yet differ on legal or constitutional approaches.

In spite of the opportunities for honest differences of opinion, our two Oregon Senators stood shoulder-to-shoulder on virtually every major issue. The following resumé is to provide an idea of the number of bills considered by the United States Senate and to show the opportunities for disagreement.

Of all these measures listed (representing a share of the most vital votes cast during 1957) Senators MORSE and NEUBERGER voted identically.

Fiscal deficiency appropriation bill, H. R. 4294.

Senate version of President's Mideast doctrine, Senate Joint Resolution 19.

United Nations emergency force amendment, Senate Joint Resolution 19.

Morse amendment to Mideast doctrine, Senate Joint Resolution 19.

Financial Institutions Act of 1957, S. 1451.

Amendment fiscal deficiency for strategic material, H. R. 4294.

Cumulative voting amendment to financial institutions, S. 1451.

Antimerger provision, financial institutions, S. 1451.

Extension of corporate income taxes, H. R. 4090.

Amendment to retain flood control, river and harbors, S. 497.

Passage of flood control, rivers and harbors bill, S. 497.

Confirmation of Brigadier General Zwicker.

Extension of Agriculture Trade Development Act, S. 1314.

Commercial corn acreage program, S. 1771.

Deficiency appropriation, House Joint Resolution 310.

Confirmation Scott McLeod as Ambassador to Ireland.

Protocol International Convention Northwest Atlantic Fisheries.

Passage Department of State and Justice appropriation, H. R. 6871.

Supplemental appropriation strategic minerals, H. R. 7221.

Passage third supplemental appropriations bill, H. R. 7221.

Gore amendment housing bill of 1957, H. R. 6659.

Bricker amendment housing bill of 1957, H. R. 6659.

Morse amendment to increase public housing, H. R. 6659.

Bush amendment re college housing bill, H. R. 6659.

Bennett slum clearance amendment housing bill, H. R. 6659.

Passage public housing bill of 1957, H. R. 6659.

Department of Commerce appropriation bill, H. R. 6700.

Sockeye Salmon Convention protocol.

Morse amendment to increase Washington, D. C., budget, H. R. 6500.

Morse amendment to increase funds for District of Columbia teachers, H. R. 6500.

Independent offices appropriations, H. R. 6070.

Department of Health, Education, and Welfare appropriation, H. R. 6287.

Amendment to retain conservation reserves, H. R. 7441.

Passage agriculture appropriation bill, H. R. 7441.

Statute of International Atomic Energy Agency.

Ratification International Atomic Energy Treaty.

Hells Canyon Dam bill, S. 555.

Department of Interior appropriation bill, H. R. 5189.

Senate resolution recalling U. N. regarding Hungary, House Concurrent Resolution 204.

Ratification Austrian Bond Treaty.

Motion to consider civil rights bill, H. R. 6127.

Department of Defense appropriations bill.

Amendment to strike martial rights 1866 civil rights, H. R. 6127.

Amendment to modify part III civil rights bill, H. R. 6127.

Amendment to modify part III, 14th amendment civil rights bill, H. R. 6127.

Amendment providing jury trial civil rights bill, H. R. 6127.

Amendment to ease Senate rules regarding debate, H. R. 6127.

Treaty of Commerce and Friendship with Korea.

Convention promotion Inter-American Cultural Relations.

Resolution providing Taxation Convention with Austria.

Amendment of International Sugar Control Agreement.

Authorize TVA to finance new power facilities, S. 1869.

Establish payments on TVA capital, S. 1869.

TVA appropriations bill, S. 1869.

Public works appropriations Army Engineers, H. R. 8090.

Washington, D. C., Government proposal, H. R. 6517.

Retirement benefits for civil-service employees, H. R. 6517.

Passage civil service benefits bill, H. R. 6517.

Government guarantee private loans to air carriers, S. 2229.

Authorization FPC to license New York State Power Authority, H. R. 8643.

Nomination Jerome Kuykendall, FPC.

Nomination Don Paarlberg Assistant Secretary Agriculture.

AEC atomic energy for peaceful and military uses, S. 2674.

Hickenlooper amendment to reduce AEC appropriation, S. 2674.

Hickenlooper amendment to delete AEC rights, S. 2674.

Revision immigration and naturalization laws, S. 2792.

Ratification International Atomic Energy Agency.

Restrict use of FBI files, S. 2377.

Amendment to permit Government use of wire recordings, S. 2377.

Mutual security appropriation bill, H. R. 9302.

Postal pay increase bill, H. R. 2474.

Federal employees salary increase bill, H. R. 2462.

NOTE.—The A. F. of L.-CIO report on Congressional action shows Senators MORSE and NEUBERGER voted identically on 90 percent of the issues chosen by that organization as the most important coming before the 84th Congress.

A BILL OF RIGHTS FOR THE WORKING MEN AND WOMEN OF AMERICA

Mr. KNOWLAND. Mr. President, on January 23 I introduced proposed legislation which represents a bill of rights for the working men and women throughout the Nation, who, at the present time are or may become members of the Nation's unions.

The proposed legislation provides for the election of union officials by secret ballot with protection against illegally conducted elections; for the recall of union officials who misuse their positions of trust and responsibility; the control by union members over the conditions, terms and duration of strikes; restrictions against arbitrary use of trustees to control local unions; the regulation of welfare and pension programs, and the preventing of conspiracy between management and union officials, against the interest of the union member.

I am pleased to report that this bill, S. 3068, now pending in the Senate Labor and Public Welfare Committee, is receiving substantial support among rank and file members of organized unions. I am advised that the permanent subcommittee on labor legislation of the Senate Committee on Labor and Public Welfare has commenced hearing this month on proposed legislation dealing with this subject matter including a number of other bills now pending before the committee.

Since the introduction of S. 3068, I have received a number of communications from interested citizens in California and elsewhere who have requested that an additional protection be included in this bill which will make it possible for all employees if they should so desire to become members of the union which represents them under law as their collective bargaining representative. After a careful study of this subject and an investigation into the membership restrictions of certain unions, it is my belief that the Nation's existing labor statutes are deficient in this important field of union membership.

In accordance with these views I am submitting an amendment to S. 3068 to prohibit existing discriminations against employees who desire to participate in union activities.

Mr. President, the American way of life, guided by our constitutional form of Government and court decisions relating thereto, is fundamentally opposed to discrimination among our citizens based on age, race, religion, sex or color.

The Labor-Management Relations Act, as amended, specifically provides that those unions approved by the majority of members in a unit for collective bargaining purposes have the exclusive privilege of representing all the employees. I believe that fundamental justice requires that the union organization in such cases should permit all employees it represents to become members of their organization if they should so desire.

The amendment which I have submitted specifically provides that under these conditions all employees of the collective bargaining unit shall be permitted to membership in the union organization on the same terms and conditions and with the same rights and privileges enjoyed by those already members of the union.

I have included a provision that nothing in the amendment shall prevent a labor organization from denying union membership to individuals who are members of the Communist Party or who believe in or teach the forceful or illegal overthrow of the United States Government.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD the text of the amendment which I have submitted.

The PRESIDING OFFICER. The amendment will be received and printed, and, without objection, it will also be printed in the RECORD.

The amendment submitted by Mr. KNOWLAND is as follows: On page 22, between lines 7 and 8, it is proposed to insert the following:

(b) Subsection (a) of section 9 of such act is amended by adding the following new sentences at the end thereof: "No labor organization which does not admit to membership all of the employees it seeks to represent in a unit appropriate for that purpose, on the same terms and conditions generally and uniformly applicable to and with the same rights and privileges generally and uniformly accorded to all the members thereof, shall be a representative of any employees in such unit for the purpose of collective bargaining within the meaning of this section. Nothing in the foregoing sentence shall be construed to prevent a labor organization from denying membership to any person on the ground that such person is a member of the Communist Party or that he believes in, or is a member of an organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods."

On page 22, line 8, strike out "(b)" and insert in lieu thereof "(c)."

On page 23, line 9, strike out "(c)" and insert in lieu thereof "(d)."

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RESOLUTION OF GENERAL ASSEMBLY OF GEORGIA

Mr. TALMADGE. Mr. President, on behalf of myself and my colleague, the distinguished senior Senator from Georgia [Mr. RUSSELL], I present, for appropriate reference, a resolution adopted by the General Assembly of the State of Georgia on the question of the investigation of the Forest Service. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the counties of Rabun, Habersham, White, Union, Fannin, Gilmer, Dawson, Lumpkin, Towns, and Murray are located in the Chattahoochee National Forest which is under the control and supervision of the United States Forest Service, a unit of the United States Department of Agriculture; and

Whereas in said counties there are some of the largest lumber mills of this State, and in most of these counties such mills are the principal industry; said mills being dependent almost entirely on national forest timber; and

Whereas by reason of the quality of timber, marked for cutting, the unnecessary costly requirements of logging roads to be constructed by the mills, excessive K. V. charges, and the high prices of timber on the stump, all being determined and fixed by the said Forest Service, the lumber mills cannot afford to bid on such timber; and

Whereas the Forest Service has advertised small and large lots of timber in north Georgia during the past 12 months for which there were no bidders resulting in a waste of marking and advertising costs as well as a reduction in revenues to county school and road funds; and

Whereas because of such policies followed by the United States Forest Service, the established lumber industry in these north Georgia counties is forced to curtail operations and some are going out of business; and

Whereas in one county in this area, lumber mills operating national forest timber produced approximately $2,500,000 worth of lumber products out of 26 million feet of lumber during 1957, and the payroll of these mills amounted to approximately $1,600,000; and

Whereas if these policies of the United States Forest Service are not investigated and relief given to the lumber industry, the unemployment and loss of payrolls will make ghost communities throughout north Georgia: Now, therefore, be it

Resolved by the General Assembly of Georgia, That the Congress of the United States is respectfully urged to investigate the policies and actions of the United States Forest Service as described herein and obtain every possible relief for the lumber industry in this area; be it further

Resolved as aforesaid, That copies of this resolution be mailed to the Members of the United States Senate and the House of Representatives from Georgia; Hon. Ezra Taft Benson, Secretary of Agriculture; and Hon. Marvin Griffin, Governor of Georgia.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

Ray M. Gidney, of Ohio, to be Comptroller of the Currency.

ADDITIONAL BILL INTRODUCED

Mr. BUTLER, by unanimous consent, introduced a bill (S. 3567) to prohibit the transfer of machineguns to minors, which was read twice by its title, and referred to the Committee on the Judiciary.

REGULATION OF CERTAIN INTERNAL AFFAIRS OF LABOR ORGANIZATIONS—AMENDMENT

Mr. KNOWLAND submitted an amendment, intended to be proposed by him to the bill (S. 3068) to regulate certain internal affairs of labor organizations by providing processes and procedures for insuring democratic control of such organizations by the rank-and-file membership thereof, which was referred to the Committee on Labor and Public Welfare, and ordered to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—AMENDMENT

Mr. MANSFIELD (for himself and Mr. MURRAY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, which was ordered to be printed.

CHANGE OF REFERENCE

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (S. 3511) to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and near Mars Bluff, Florence County, S. C., on March 11, 1958, that the bill be referred to the Committee on the Judiciary.

S. 3511 relates to the removal of a $1,000 limitation on the amount of claims that may be settled by the Secretary of the Air Force on account of the unfortunate accidental release of a bomb from an aircraft over Florence County, S. C., earlier this month. The subject matter of the bill is one over which the Committee on the Judiciary has exercised jurisdiction, and I believe other similar bills are now receiving consideration there.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate now stand adjourned.

The motion was agreed to; and (at 11 o'clock p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, March 27, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 26 (legislative day of March 17), 1958:

Edwin D. Steel, Jr., of Delaware, to be United States district judge for the district of Delaware vice Paul C. Leahy, retired.

The following-named persons to the positions indicated:

William T. Plummer, of Alaska, to be United States attorney for division No. 3, district of Alaska, for a term of 4 years. (Reappointment.)

Harlington Wood, Jr., of Illinois, to be United States attorney for the southern district of Illinois, for a term of 4 years, vice John B. Stoddart, Jr., resigned.

Daniel H. Jenkins, of Pennsylvania, to be United States attorney for the middle district of Pennsylvania, for a term of 4 years, vice J. Julius Levy, resigned.

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

PUBLIC HEALTH SERVICE

I. FOR APPOINTMENT

To be senior assistant surgeons

Pindaros R. Vagelos	Charles G. Lewallen
John C. Ballar III	Paul J. Schmidt
Martha Vaughan	Leonard Laster
Edwin L. Child	Frederick A. Fox
George H. Longenbaugh	Phillip E. Morgan
Melvin A. Nimer	Peter J. T. Beeton
Robert C. Colvin	Robert I. Fraser
Nathan J. Clifford	Stanley Graber
William E. Morton	Franklin T. Evans
William W. Lee	Bernard J. Collopy
William J. Maier	Jean R. L. Herdt
Robert E. Streicher	Bernard W. Agranoff
George W. Gaffney	Milton Alter
Walter E. Williamson, Jr.	William P. Thompson
James E. Wesley	Johnny Fruge
Morton L. Kurland	Ned Feder
Charles L. Donaldson	Paul H. Blachly
Gerhard H. Hoffman	Hugo C. Pribor
Donald A. Nagel	Arnold L. Nielsen
James W. Ruddell	George G. Glenner
Ralph Ten Have	Walter G. Dukstein
John P. McGowan	Daniel C. Beittel
Marvin W. Rosenzweig	Guy E. Faget
William L. Lages	R. Gerald Suskind
Eugene Braunwald	Robert W. Welger
James E. Darnell, Jr.	James H. Shindel
William F. Ossenfort, Jr.	Robert Collier
Clarence G. Wheeler	George G. Browning
Joseph L. Rauh	Jack Cooper
Edward J. Leonard	Leo J. Castiglioni
Frank J. Nuckols	Lewis R. Thompson, Jr.
George M. Northrup	Robert S. Turner
John R. McDonough	Roy D. Hoke
	Floyd L. Templeton
	Gero Diels

To be assistant surgeons

Paul P. Carbone	Ray L. Zeigler
Donald C. Loos	Marvin Rowe
Jack P. Clark	Dean F. Tirador
Richard L. Pentecost	Norbert L. Dugan, Jr.
Arthur B. Sundberg	Vernon O. Larson
James D. Bremner	

To be senior assistant dental surgeons

Thomas H. McQueen	Ernest C. Leatherwood, Jr.
William E. Willoughby	
Charles W. Switzer	Robert A. Kennedy

To be assistant dental surgeons

Edward M. Campbell
John F. Dyar
Clement K. Schmitt

To be senior assistant sanitary engineers

David G. Stephan	Francis L. Nelson
Hugh H. Connolly	Ian K. Burgess

To be assistant sanitary engineers

Donald J. Baumgartner
Richard Anderson
Paul A. Kenline

To be senior assistant pharmacists

Peter L. Bogarosh
Kenneth E. Hanson

To be senior assistant scientists

Harry T. Miles, Jr.	Maxwell J. Wilcomb, Jr.
Norman A. Clarke	
Antonio H. Romano	

To be assistant scientist

Norman Cliff

To be senior assistant nurse officers

Rudolph P. Zalesak
Elizabeth A. Zacha
Florence M. Seidler

CONFIRMATIONS

Executive nominations confirmed by the Senate March 26 (legislative day of March 17), 1958:

DIPLOMATIC AND FOREIGN SERVICE

Robert Newbegin, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras.

Horace H. Smith, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

James S. Moose, Jr., of Arkansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan.

Robert F. Woodward, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 26, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Corinthians 16: 13: *Watch ye, stand fast in the faith, quit you like men, be strong.*

O Thou God of all might and majesty, may we go through the hours of this day with a strong and steadfast faith in Thy guiding and gracious presence.

We confess penitently that our finite minds and hearts are tempted frequently to surrender to the spirit of discouragement and defeatism.

Grant that we may accept Thy divine leading with courage and confidence, assured that when we follow Thee we shall not walk in darkness but have the light of life.

Hear us in the name of our blessed Lord who proclaimed himself to be the light of the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

ANNIVERSARY OF THE BIRTH OF JONAH KUHIO KALANIANAOLE

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, today, March 26, is a legal holiday in Hawaii, commemorating the anniversary of the birth of Jonah Kuhio Kalanianaole, prince of the realm in the days of the kingdom, political prisoner and exile in the time of the republic, Delegate from Hawaii to the Congress of the United States during 19 years of Hawaii's 57 as an integral part of the United States.

Jonah Kuhio Kalanianaole is honored by the commemoration of his birth because he was an American whose dedi-

cation and devotion to the ideals and principles of our Founding Fathers are amply demonstrated by his continuing efforts to improve the political and economic institutions by which the people of his beloved Hawaii lived.

Delegate Kalanianaole was an honor and a credit to this House, to the people of Hawaii, and to the Polynesian who has made the major contribution in the development of the "man of the Pacific"—whose peculiar value to the United States is becoming increasingly apparent.

The people of Hawaii ask you to join them—by wearing the orchids provided — transportation, courtesy of United Airlines—in observing the anniversary of one of Hawaii's greatest sons who served with distinction for the best part of 10 terms in this House.

COMMITTEE ON PUBLIC WORKS

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERSONAL EXPLANATION

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to have the RECORD show that had I been present I would have voted "yea" on the bill H. R. 11470.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. SPENCE] I ask unanimous consent that the Committee on Banking and Currency may sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, we learned a lot of wisdom from the fables to which wise teachers directed our attention in childhood. More is the pity that so many of us easily forget the wisdom in some of these parables, and recall them only as fairy tales. In this day when so many seem convinced that government has the ability, and even the responsibility, to alter economic laws—to provide for our well-being—two such tales spring to mind.

It is hard to tell which holds for us, in our maturity, the most profound lesson.

Have any of us forgotten the story of the ridiculous rooster who became convinced that it was his loud crowing that commanded the sun to rise each morning?

Perhaps more pertinent to today's problems, and we might all relax and laugh with one another once again over it, is the fable of the monkey whose duty it was to divide the cheese between the cats. To balance the scales, if you remember, he nibbled, first from one cheese and then from the other until all the cheese had been eaten—and the cats had none. Can any government do better than that monkey?

THE IMPROVEMENT IN THE POSITION OF AGRICULTURE

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, the farm situation is on the mend. It is climbing steadily out of the postwar depths into which it was plunged by extending emergency programs beyond their practical usefulness, and beyond the time when they were of real help to farmers.

Income per person on farms last year was the highest on record. It was up 2 percent over 1951, the previous high year and, if you recall, a war year; 1957 was a year of peace.

Farm assets as of January 1 stood at $188 billion. That was an alltime high.

Farmers have less than $11 in debts for each $100 of assets. Back in 1940, before we felt the effects of wartime inflation, the ratio was $19 for each $100.

Farm ownership is also at a record high. Only 1 in 3 farms has a mortgage.

Contrary to what you may have heard, the family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations. That is about what it was 30 years ago, though now it takes more capital and in some cases more land to make up a family-style farm.

And this must not be overlooked when we consider the overall condition of the people of American agriculture—the level of living on farms is the highest in history.

Last year our Tennessee farmers received higher cash receipts from cattle, hogs, and corn. However, these increases only partly offset a substantial decline in cotton. I might remind you that cattle and hogs operate in a free market, without any kind of production restraints or marketing quotas. Cotton has had the full treatment of all these dubious benefits.

In Tennessee we are grateful to Secretary Benson for the wise and courageous leadership he has given to basically improve the position of agriculture.

INDEPENDENT OFFICES APPROPRIATION BILL, 1959

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 11574, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

Mr. THOMAS. Mr. Chairman, I yield to the gentleman from California [Mr. DOYLE] such time as he may desire.

Mr. DOYLE. Mr. Chairman, although I was excused from attendance on the floor last week on account of necessarily going to Boston as a member of a subcommittee of the Committee on Un-American Activities, I do wish to have the RECORD show how I would have voted on the five rollcalls that occurred last week during my necessary absence.

On rollcall 22, if I had been present, I would have voted "yea"; on rollcall 23, "yea"; on rollcall 25, "yea"; on rollcall 27, "nay"; and on rollcall 28, "yea."

I thank the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, may I say to our colleagues that we on the Independent Offices Subcommittee are glad to come to you and submit this bill, which is the result of several long weeks of hard study on our part. We hope you will agree with us. We think we have a good bill.

As far as I am concerned, there are just no finer folks than we have on this subcommittee. We get along beautifully, and we work well together. Whatever difficulties we have we try to iron out before we get here.

This bill, I think by and large, is a good bill. May I point out that there are 2 or 3 things I want to call to your attention. One relates to the Veterans' Administration. We went $8,365,000 above the budget in regard to inpatient care.

In that regard, we have a new administrator, Mr. Sumner Whittier, a young gentleman from Massachusetts. We think he is going to be one of the best administrators the VA has ever had. We are all impressed with him. We wish him well. I believe he will cooperate with the Members here and give the veterans an outstanding job.

In another item we put in a little money above the budget for them to get busy and renovate some of the old buildings that should have been brought up

to date several years ago. It does not save any money to postpone repair and maintenance on these Federal buildings.

In another item, we put in around $177 million for 66 multipurpose buildings. We did it because we think these buildings ought to be built. For another reason, it is cheaper by almost three-quarters of a dollar for every dollar spent for their construction to do it by direct appropriation instead of lease-purchase. For the same building, the same square footage, it would otherwise cost you about $1.60 or $1.65.

We have had a lot of questions about buildings used exclusively for post offices. They are not included in this bill. We have been asked why not. It is because the Post Office Department handles that. But may I respectfully say that I do not think the Post Office Department ought to be in the construction business? They were set up to deliver the mails—period. It is a fine organization, regardless of what you may think of Mr. Summerfield or his politics. Whether you agree or do not agree, he certainly is an outstanding man. He works at the job. But I do not think he ought to be in the construction business. When you set up a duplicate construction agency you are adding cost upon cost. For over 100 years the Public Building Service has been doing the construction work for Federal office buildings and post offices, and it ought to be there. So, let us get rid of lease-purchase, and that is what we have done.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. WALTER. In many jurisdictions throughout the United States the facilities for the judiciary are woefully lacking.

Mr. THOMAS. I agree with the gentleman.

Mr. WALTER. We find judges with their chambers in office buildings at a great distance from the courts themselves, which, of course, causes inconvenience not only to the judges, but to the litigants who must go to them for orders and other court business. I wonder whether or not the gentleman's committee in its wisdom has given consideration to the additions to Federal court facilities.

Mr. THOMAS. I will say to our beloved friend, the gentleman from Pennsylvania, the legislative committee has the jurisdiction of approving such matters. Our committee does not attempt to write out the projects. That comes within the jurisdicion of the Committee on Public Works. But, may I say to the gentleman that in this bill there are a good many courthouse buildings.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. BURLESON. Will the gentleman explain the criteria used by the committee in approving the sum of $177,255,000 for the construction of 66 Federal buildings as found on pages 3 and 4 of the report accompanying this bill?

As I understand the action of the committee, you have approved these 66 buildings in about 28 States under a 1926 authorization. The 66 buildings are a part of 146 projects approved under the now expired lease purchase law.

Now, if the committee uses the approval of projects under the expired law as a criterion for appropriations for construction, 80 buildings will have priority ahead of the needs of other communities where the need is very great.

I have in my district a town, Dublin, Texas, where the Federal Government has bought and owns lots for a post office building. By reason of the Government owning the lots and because the proposition of private capital not being attracted, no consideration under lease purchase has been given. Now it seems to me that this community will be penalized by reason of the Government owning the property in the town.

Mr. Chairman, I understand that official estimates indicate it requires $10 billion to build even the minimum buildings needed but it seems to me the committee has somewhat discriminated in selecting the projects herein provided. In addition, must those places where the need is so great, wait until these remaining 80 projects receive appropriation? It seems to me that these selections, by reason of having been approved under the so-called Lease Purchase Law, now expired, is not particularly logical or fair. It does not follow that the need is any greater or as great, in the locations of these projects, as many others but they simply happened to have been included in a plan which was never contemplated until the past few days as a qualification for providing construction funds.

Mr. Chairman, I hope my good friend and distinguished colleague from Texas [Mr. THOMAS], or someone on his committee, will discuss this proposition in clear detail.

Let me say further Mr. Chairman, that I congratulate my colleagues who are fortunate enough to have one of these projects in their congressional district but I would like to have my day in court to present the needs which are near desperate in my district.

I urge that the criteria, which I understand is used in these selections, be broadened beyond those projects approved under the old lease-purchase plan, to give consideration to other pressing needs.

Mr. THOMAS. May I explain to my colleague, the gentleman from Texas [Mr. BURLESON] that he and certainly no Member of this body or any other body should be penalized or be hurt in his home district for any reason with reference to this, and certainly not for reasons of not having a post office in this bill or bills to follow. I realize, and this subcommittee realizes, that we have not had a post office construction program or any Federal office building construction program in this country since 1938. The projects under the jurisdiction of this committee are those which we call multi-purpose buildings, and they have been authorized and approved before they get to our subcommittee. They must be authorized and approved by the House Committee on Public Works before they come to us. Mr. JONES, of Alabama, who heads that particular subcommittee is going to take some time and he is going into it. We do hope that committee authorizes under direct appropriation and not under lease-purchase, some post office buildings, and if they send them to the Subcommittee on Independent Offices, I give you my word we will get our subcommittee together real quick and my guess and hope is that they will put some money in a bill for your buildings.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. DAVIS of Georgia. Yesterday the Committee on Rules granted the rule to bring House bill H. R. 607 to the floor. That is a bill which would provide a 10-percent increase in the annuity of retired civil-service employees. The other body has already passed Senate bill, S. 72. On page 4, there is a proviso in this bill which is coming up now beginning on line 12 and ending on line 23, the effect of which would be to nullify the proposed increase.

Mr. THOMAS. If I may interrupt my colleague, may I say "No, this does not nullify anything." That is not the intention and it will not do that. Whatever your distinguished committee brings to this House in the way of an increase in annuities, and I speak for this group now, you come to the Committee on Appropriations and we are going to give you the money.

Mr. DAVIS of Georgia. I thank the gentleman.

Mr. THOMAS. All this language does is this: It says that whenever a legislative committee increases annuities, before they go into effect we must supply the money. Is there anything wrong with that? Here is this committee saying that whenever you increase them, what ever it is, come to the committee and we are going to give you the money.

Mr. DAVIS of Georgia. I thank the gentleman for that assurance.

Mr. GROSS. Will the gentleman yield?

Mr. THOMAS. I yield.

Mr. GROSS. I am glad to hear the gentleman bespeak his respect for the legislative committees. I only wish he had not inserted legislation in this appropriation bill. If no one else does, I intend to offer an amendment to strike it out. Why did not the gentleman yesterday, when the military pay bill was before the House, which increased retirements, offer the same proposal to the military pay bill?

Mr. THOMAS. Of course, that does not come out of this fund. If it came out of this fund, the chances are we would have.

The very able and distinguished chairman of the Civil Service Committee is supporting this provision. What else could we have done than to go to that committee and ask the chairman to support that legislation, and he did?

Does that answer my friend?

Mr. GROSS. No, it does not.

Mr. THOMAS. It answers it, but the gentleman is not satisfied.

Mr. GROSS. I certainly am not satisfied.

Mr. LOSER. Will the gentleman yield for a couple of questions?

Mr. THOMAS. I yield.

Mr. LOSER. I observe on page 12, lines 2, 3, 4, 5, and 6, certain language. My question is: Does not the language on page 12 to which I have just referred keep in full force and effect the lease-purchase agreements with reference to post offices?

Mr. THOMAS. It does.

Mr. LOSER. Then may I ask the chairman if lease-purchase contracts cost three-quarters of a dollar more than direct appropriations, why would it not be the better part of judgment to strike out that language?

Mr. THOMAS. A fine question, and it deserves an answer. This subcommittee is not going to encroach on the jurisdiction of any other subcommittee. Another subcommittee put in the Post Office Department appropriation bill $3 million for lease purchase.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The gentleman has consumed 10 minutes.

Mr. VURSELL. Mr. Chairman, I yield 20 minutes to the gentleman from North Carolina [Mr. JONAS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. JONAS. I yield.

Mrs. ROGERS of Massachusetts. I was delighted to hear the chairman of the Appropriations Committee speak favorably of the new Administrator of the Veterans' Affairs. We are very proud of him. I know how anxious he is to do a job for the veterans.

Mr. THOMAS. And I think he is going to do a good job.

Mr. JONAS. Mr. Chairman, at the outset I wish to express my appreciation for the opportunity of serving with the members of this subcommittee. It is quite an experience to serve on the committee under the leadership of the distinguished and able gentleman from Texas [Mr. THOMAS] who is in charge of the bill today. He is a past master of diplomacy, and presides over the committee with a very, very fine touch. He is a warm personal friend of mine, and I pay this tribute to him today because it is well deserved. The privilege of working with the other members of the majority side has been one that I have greatly enjoyed, and I should also say the same thing with respect to my colleagues on my own side of the aisle.

There is some language in the report which purports to speak for the committee, but for which the committee is not actually responsible. The committee never had any opportunity to consider or discuss the report before it was filed. All of the credit for the language and for the comments in the report should go to the chairman of our subcommittee. There are some things stated in the report with which I do not agree. I am not taking any exceptions to the language used, because I understand how majority control works; but I do want to disclaim any responsibility for it.

There is one program financed by this bill in which I have a direct interest and it is noncontroversial. I would like to take a few minutes of the time allotted me to report to the membership and for the record some of the accomplishments of the General Services Administration during the last 5 years in bringing under control the vast motor-vehicle fleet which is being operated by the United States Government.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Tennessee.

Mr. EVINS. Mr. Chairman, I should like to compliment the gentleman for this area of activity in which he has been most effective. The gentleman is responsible for consolidating the motor pool activity. He has looked into the cost of the operation of vehicles in the Government and has made a very signal contribution in that regard.

Mr. JONAS. I thank the gentleman very much for his kind words. It is true I have been actively interested in this field for the last 5 years and that is the reason I am taking this time today to make a sort of report to the membership.

Public Law 766, 83d Congress, of which I had the privilege of being the author—authorized the Administrator of General Services Administration to establish and operate interagency motor pools. The vehicles in these pools are financed through the general supply fund on a reimbursable basis.

By the end of 1957, 22 motor pools were in operation. By the end of 1958, 18 additional pools will have been established, bringing up to 40 the number of major cities in the United States in which motor pools are operating. Sixteen additional pools are programed for 1959. If all goes according to plan, we will have, by the end of 1959, 56 motor pools operating in as many cities in the United States.

By this motor pool operation, GSA has, through 1957, removed 547 motor vehicles from the Government's motor fleet. An additional 781 vehicles have been eliminated from the 22 locations where motor pools are in operation. The motor vehicles inventory will be further reduced progressively as additional pools are established.

The opportunity to save money in a substantial amount through better management of the Government's motor fleet should be obvious by mere recital of the fact that the Federal Government today owns and operates 214,243 commercial vehicles, excluding military troop training and tactical vehicles. Of this total, 104,270 vehicles are operated by civilian agencies of the Government, 109,973 by the Department of Defense.

A breakdown of the 214,243 commercial vehicles discloses that 38,103 of them are automobiles; 14,039 are station wagons, ambulances, and buses; and 162,101 are trucks. It is interesting to note that in 1953 the comparable total was approximately 260,000 vehicles, so that during the last 5 years we have reduced the Government's motor vehicle fleet by some 46,000.

The cost of operating this great fleet of motor vehicles is breathtaking. Maintenance and operating costs alone for fiscal 1957 were $178 million.

This vast fleet of motor vehicles consumed 195,429,949 gallons of gasoline in 1957, at a cost of approximately $48 million.

The bill which I introduced in the 83d Congress, and which became law during the 2d session of that Congress, was designed to develop some economies in the management of this vast motor fleet. Results to date, as reported to our subcommittee by the Motor Vehicles Management Section of GSA, indicate that the operation has been successful from the standpoint of effecting savings. I would like to cite three areas in which these savings occur:

First. The reductions in our motor fleet inventory, to which reference has heretofore been made, result in substantial savings to the taxpayers. The following table indicates the extent of these savings at the end of each year indicated in fleet reductions only:

1955	$365,000
1956	590,000
1957	664,000
1958	914,000
1959	1,164,000

Second. Savings are also accomplished by the gradual reductions in cost per mile of vehicles operated. This is made possible by keeping the vehicles in use and not in storage. Where motor pools are not in operation, frequently vehicles are used only occasionally but have to be available, stored and ready for use when needed. But in cities where the pools function, one vehicle can be used by a number of different agencies, and this makes for a more efficient operation and reduces the total cost per mile of use.

The following table lists the savings that have been accomplished per year through reduction in cost per mile of motor vehicle use:

1955	$9,600
1956	226,000
1957	839,000
1958	1,800,000
1959	2,400,000

Third. The third area in which savings are accomplished is referred to by GSA as fringe benefits. These include reduction in number of force account repair shops whenever the work can be performed more cheaply by commercial shops, eliminating parts supply facilities and by developing improved and modern safety programs which result in better care of equipment and fewer accidents. The following table indicates the savings per year in this area:

1955	$146,400
1956	483,500
1957	497,000
1958	456,000
1959	436,000

The total of these three specific items of savings by the motor pool operation are summarized as follows:

1955	$521,000
1956	1,300,000
1957	2,000,000
1958	3,170,000
1959	4,000,000

The original goal of the legislation was to effect an annual savings to the taxpayers of at least $5 million per year. Based upon results obtained to date, it is apparent that this goal will be attained by 1960.

The cost of operating these pools is nominal in comparison with the substantial savings. Annual costs are less than $200,000 a year—$194,500 to be exact. The program is run by the total personnel of 18.

A $5 million annual savings is small in these days when we are forced to think in terms of billions. But, in my opinion, $5 million a year is well worth saving. If we could save $5 million a year here, there and yonder, the cumulative effect would ultimately be very beneficial to the hard-pressed American taxpayers. I should like to pay my compliments to the small group of men in GSA who are in charge of this program and are making it work at a substantial saving to the American taxpayers.

Mr. Chairman, I would like now to turn to another subject that I do not believe is controversial either but which I am sure will be of interest to the Members. We handle in this subcommittee the appropriation for the National Science Foundation, an agency created by the Congress in 1950. The initial appropriation was $450,000 and it is in this bill today for $115 million, which indicates the tremendous increase in the amount of Government support given to science and education through the National Science Foundation during the last few years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I am glad to yield to the gentleman.

Mr. GROSS. Mr. Chairman, approximately a year ago I called the attention of the House to the fact that the British had entered into a contract with the Russians to build in Russia the biggest tire factory outside of the United States. Now I learn that the Department of Commerce has agreed to export—apparently the British do not know all of the ins and outs of building the kind of a tire factory the Russians want—the Department of Commerce of the United States has agreed to permit the export of technical data and expert individuals to aid in the construction of this plant. In other words, it is agreed to supply United States know-how for the construction of a huge tire plant in Russia.

Nothing in my book is more strategic than rubber. Armies move today on rubber. They have to move on rubber. And here we find the United States Government today joining in the construction of a tire plant that will increase, I am told, tire production in Russia approximately 30 percent. I wonder who is doing what to whom and why?

Mr. JONAS. I thank the gentleman. Now, Mr. Chairman and members of the Committee, I wish to bring to your attention some very interesting and encouraging testimony given to our subcommittee by some of the eminent scientists who appeared in support of the budget request for the National Science Foundation. But first let us consider a little background material.

Last fall when Russia launched Sputnik No. 1, a wave of pessimism swept over our country. Politicians rushed to the microphones and to the mimeograph machines to vie with each other in lamenting the alleged deplorable quality of scientific knowledge and progress in this country. Many commentators, columnists, and editors joined in the chorus in an apparent effort to convince the American people that we were lagging far behind Russia in the field of science.

All of this dark and foreboding talk almost resulted in scaring the people to death. Scores of impracticable plans were proposed to help "backward" America catch up with "brilliant" Russia in science.

We do not hear much of that kind of talk today. Explorer and Vanguard of course had a great deal to do with the change of sentiment. But I also think that when the first embarrassment over sputnik wore off, and when the people had time to take a second and calmer look at the facts, they realized that we have not suddenly lost our scientific potential and that perhaps our educational system, with its traditional liberties and freedoms, should not be scrapped after all or supplanted by the regimented system education employed in the Soviet Union. I am not alarmed over the fact that Russia is turning out X number more scientists than the United States. They have more people than we; they have more territory; they have more of many things. But I do not believe they have better brains.

I do not personally believe it would be worth while for our country to get into a race with Russia to see who can turn out more of anything. I would like to see our emphasis placed on quality instead of quantity.

I am quite sure we can improve the quality of our educational system, and I am all for that, but I do not believe the answer to the problem of how to do it lies in converting our public school system, which has traditionally been recognized as a local and community responsibility, to a Russian-type educational system which is supported and controlled by the central government.

The decision in the subcommittee to recommend $115 million this year was unanimous. We are all interested in stimulating basic research and are also interested in improving the quality of our educational system from the elementary through the college and graduate school levels. I cannot speak for the other members of the committee but my own view is that we should be very careful not to let our enthusiasm for the support of science and education force or entice us into the position of allowing the Federal Government to dominate or control education in this country.

During our hearings on the National Science Foundation budget requests, the subcommittee had the privilege of hearing Dr. D. W. Bronk, chairman of the National Science Board, president of the National Academy of Sciences, and president of the Rockefeller Institute for Medical Research. Dr. Bronk gave the subcommittee some very encouraging comments concerning the quality of scientific knowledge and ability in this country. For the benefit of the Members who may or may not have an opportunity to read all of the testimony produced in the hearings, and for the record, I should like to quote a few of the statements made by Dr. Bronk. These will be found beginning on page 228 of part I of the hearings, and from that page I quote the following statements of Dr. Bronk:

> I do not for a moment think that we are behind in all fields of science. I am sure that the Russians have people who are more competent than some of our scientists in some fields. That always has been so. Back in the twenties and thirties that was so in the field of neurophysiology and psychology. They had the great Pavlov. Every person looked up to him. There have been great mathematicians, but having said that I know perfectly well that we have a great many scientists in this country of great distinction.

And then after making some other comments along this same line, Dr. Bronk made this statement:

> I am not prepared to say we are in a terrible state.

I should like to call your attention to some testimony given by Dr. Donald H. McLaughlin, president of Homestake Mining Co. for the last 13 years but prior to that an eminent scientist and educator. His testimony will be found on page 232 of part I of the hearings, but I would like to quote the following brief excerpts from that testimony:

> In the mining industry our usual procedure when we have a great new property and a great new ore deposit is to build a pilot mill. We do not go in and spend millions lightly without putting up a small mill to know how it runs. * * * Since I have been out of science and have been trying to run a company, I am rather concerned, too, that when money is spent, that money will be spent most wisely. I think there is grave danger now in our present anxieties and concern and great desire to stimulate progress in science, that we may spend money unwisely. As serious a problem as the Russian sputnik is, inflation, and money spent unwisely, will increase the deficit and lead to inflation, which is just as great a danger to this country.

And Dr. A. A. Potter, dean emeritus of engineering, Purdue University, also a member of the National Science Board, gave the committee some encouraging testimony on the subject of our accomplishments in the world of science. He said that a few years ago he invited 100 mechanical engineers, 100 civil engineers, and 100 electrical engineers to compile a list of the 100 greatest inventions since 1776. He stated that he filled in the

name of the inventor, the country of his birth or citizenship, and prepared an article based upon that study which was published by the American Society of Chemical Engineers under the title "Pride of America." Dean Potter furnished the committee with a copy of his article and it will be found on page 233 of the hearings, and is followed on page 236 by a list of 75 major United States inventions between 1793 and 1930—inventions that revolutionized the world.

I cannot take the time to read the list of 75 inventions but I would like to read into the RECORD as a part of my remarks the opening paragraphs of Dr. Potter's article:

The industrial progress of this country and the high standards of living of our people have usually been attributed to the abundance of our natural resources. Few, however, realize that the Americans, to a greater degree than any other people in the world, are responsible for most of the epoch-making inventions of the past century. Has any person in any other country given as great an impetus to mechanized agriculture as did Cyrus Hall McCormick in 1833, when he invented the reaper? Have any contributions equaled the pioneer inventions in the field of communication which were made by four Americans, Samuel F. B. Morse (first practical telegraph, 1832), Cyrus W. Field (first transatlantic cable, 1858), Thomas A. Edison (first quadruplex telegraph, 1874), and Alexander Graham Bell (first practical telephone, 1876)? In radio the names of Fessenden, Lee de Forest, Alexanderson, Armstrong, and Jenkins are a credit to our land. From the invention of the *Clermont* of Fulton in 1811 to the patent for the airplane by Wright in 1903 Americans have been major contributors to the field of transportation. Among these are Vail (the electric locomotive, 1851), Westinghouse (the air brake, 1869), Sprague (the trolley car, 1882), Duryea and Haynes (the first practical automobiles, 1885), and Sperry (the gyrocompass, 1905). Among American inventions are also included many new manufacturing processes, such as vulcanizing rubber, cracking gasoline, welding, and the manufacture of calcium carbide, aluminum, and plastics. The sewing machine, typewriter, talking machine, camera for films and plates, adding machine, and many other devices which contribute to human comfort and effectiveness, are also the creations of American men of genius. The accompanying table lists 75 United States of America inventions between 1793 and 1930, an incomplete picture, but indicative of the contributions of American inventive genius during the past century.

Many of the great inventions by Americans were made by people between the ages of 21 and 40. Westinghouse invented the air brake when he was only 21, McCormick the harvester at the age of 22, Howe the sewing machine at 27, Colt the revolver at 28, Eli Whitney the cotton gin at 29, and Wilbur Wright the airplane at the age of 36. These youthful inventors of our young country and many others like them, whose creative genius has been responsible for converting our natural resources into great industries, are the true "pride of America."

INVENTIONS EXTEND GAINFUL EMPLOYMENT

Economic security for the people of this country was achieved in a large measure by inventions which have definitely extended gainful employment. Only 1 in 6 inventions has as its primary purpose the saving of labor; the other five-sixths of all inventions create employment, increase wages, increase wealth, decrease drudgery, improve working conditions, improve quality of product, and reduce the cost of goods. Even in 1940 14 million persons in this country were earning their livings in the manufacture, sale, and distribution of patented goods, and this number is much greater at present.

The testimony of Dr. Potter stimulated Dr. Roger Adams, research professor of the department of chemistry and chemical engineering at the University of Illinois, into compiling a list of important discoveries of science in our country in the last 10 years, which list he also furnished the subcommittee, and it appears on pages 237 and 238 of part I of the hearings. It is a most impressive list and completely demolishes any contention that we are slipping backward in the field of science. I commend that list to you.

I say with Dean Potter, and with the other scientists who testified before the committee, that we have every reason to be proud of the accomplishments of our citizens in the world of science. And I would point out that these accomplishments have been attained under our free-enterprise system, which has always rewarded initiative, ambition, resourcefulness, and foresight, and also under our traditional educational system which has been free from regimentation, control, and domination of the Central Government.

I know not how others may feel about it, but as for me I favor holding on to the things that have been found to be good. I favor adhering to the principles that have made this country great and will keep it great if we do not make the mistake of trading them off for a mess of pottage.

Mr. THOMAS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, once again the Independent Offices Subcommittee of the House Appropriations Committee brings its bill to the floor. Ours is a bill which represents one of the most interesting and challenging assignments in Congress, because it covers such a broad variety of governmental activities.

When one considers the vast amount in appropriations requested; namely, $6 billion, and the number and difference in the kinds of agencies represented, the fact that there was almost complete unanimity in our committee is quite remarkable. We have all the regulatory agencies such as Federal Power Commission. We have the Civil Service Commission. We have the General Services Administration with its many tentacles. We have the Housing and Home Finance Agency, that ever-burgeoning organization. We have the National Advisory Committee for Aeronautics, that very vital group which is so essential today as we stand on the threshold of the space age. The Selective Service System, the Renegotiation Board, the Veterans' Administration. All of these, presenting a myriad of different duties and responsibilities come to us with their problems and with their requests for funds. With all this, the differences in opinion among the committee are relatively minor.

In great measure, I think this real lack of controversy is attributable to the splendid caliber of the other members of our subcommittee, with whom it has been a distinct pleasure to work. Certainly, there is no more able, charming, or engaging person in this House than the genial gentleman from Texas, ALBERT THOMAS. He combines with his fine personal, friendly traits a mind of the highest intellectual quality and a spirit of conscientiousness which drives him to spend hour upon hour, day and night, poring over and analyzing the very intricate and detailed charts, figures, and tables which comprise appropriation justifications. This bill is the product of his capable touch. None of the other members of our subcommittee begin to possess the skill, the experience, or the knowledge of the gentleman from Texas. He is in a class by himself.

It was a pleasure, too, to work with the distinguished gentleman from Tennessee [Mr. EVINS], and the distinguished gentleman from Massachusetts [Mr. BOLAND], both thoroughly competent and conscientious Members whose wise counsel contributed greatly in fashioning the bill which is before you today.

On the minority side, our good friends CHARLES VURSELL, of Illinois; HAROLD OSTERTAG, of New York; and CHARLES JONAS, of North Carolina, worked hard, long, and capably during the many tiring hours of listening to witnesses and of committee deliberations. Theirs, too, was a vital part in assembling this measure.

It may be that there will be one major controversy over the decision of the committee to terminate the lease-purchase program which was passed some years ago by the Congress in a moment of weakness. It sounded good at the time. We are going to avoid direct appropriations and cut down the size of the budget, but the bill was a pig in a poke, for the taxpayers would have to pay twice as much for their properties under the lease-purchase program as they would under direct appropriation. If this program was an example of the administration's economy in government—of Republican fiscal responsibility— I want no part of it and I am sure the American people want no part of it.

The Chairman of our subcommittee asked the General Services Administration to hold up entering into contract pending further action by the Congress. Did it do so? It did not. It has already entered into two contracts and I noticed an item in this morning's paper that it proposes to enter into many more.

And let's take a look at one of the contracts it entered into. A communicable diseases building in Atlanta, Ga. Listen to the figures on that building and then decide for yourself whether you want to vote to continue the lease-purchase program or to sustain the committee in terminating the program and providing for construction under direct appropriation. This is a comparison of what the cost on the communicable diseases project would be under direct appropriation and under lease purchase as prepared by the General Accounting Offices.

SCHEDULE B.—*Estimated funds required for acquisition of communicable disease center project in Atlanta, Ga., under lease-purchase program and by direct appropriation*

	Project acquired by—		Additional funds required under lease-purchase program
	Direct appropriation	4.97 percent lease-purchase contract	
Construction costs:			
Amount of construction contract	$8,790,000	$8,790,000	
Provision for contingencies	439,500	439,500	
Estimated interest during construction		432,210	$432,210
Total estimated construction costs	9,229,500	9,661,710	432,210
Interest on purchase contract		7,267,265	7,267,265
Total payments under purchase contract		16,928,975	
Other costs payable by direct appropriation:			
Real estate taxes on buildings for 25 years		6,126,625	6,126,625
Design and other project costs	267,000	267,000	
Estimated funds required, exclusive of interest on appropriated funds	9,496,500	23,322,600	13,826,100
Interest at 3 percent on appropriated funds required to make foregoing payments	4,137,600	4,928,903	791,303
Total estimated funds required	13,634,100	28,251,503	14,617,403

I think the building should have been built under direct appropriations rather than under lease purchase. Let me show you why. Under the direct appropriation method, the construction cost for this project would have been $9,229,500. Under the lease-purchase arrangement, the construction cost would have been $9,661,710. But, then, when you add the funds for interest and you add the funds for taxes to this building, under the lease purchase, this is the comparison of cost: Whereas under direct appropriations you have costs of $9,496,500 for the direct appropriation method of construction, under lease purchase the cost of that building would be $23,322,600. The question comes to your mind, yes, but the Government will have to borrow money under direct appropriations and the cost of this borrowing should be added. That is true. Adding the cost of borrowing to the direct appropriation we add another $4,137,000. But, in addition, the Government has to borrow money under lease purchase also. It has to borrow money to pay the interest that it would have to pay under the lease-purchase form, and the interest cost under this contract would have been $4,928,000. So that actually the total amount of construction cost under direct appropriations for constructing this project in Atlanta, Ga., by direct appropriations would be $13,634,100 and under lease purchase it would be $28,251,503 or approximately $14,500,000 more than it would cost under direct appropriations.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS. With respect to the last item of $4,948,903 which is included as an estimate for interest, that would only apply in the event that we engage in deficit financing for the next 25 years; is that not so?

Mr. YATES. I do not know why deficit financing enters into this. This is the amount of borrowing that the United States Government would have to undertake in order to pay the interest under the lease-purchase contract over the life of the lease-purchase contract.

Mr. JONAS. I understand, but approximately $5 million involved is included as an estimated amount that we will have to borrow over 25 years to pay the interest payments. If we do not have to borrow the money to do that, if we live within our means, within a balanced budget, that item would not have to be included.

Mr. YATES. If the gentleman wants to delete the item under lease-purchase cost, then I think we should also eliminate the interest item under the direct appropriation form, which is approximately $4,100,000. If you eliminate one you must eliminate the other as well.

Mr. JONAS. I am not trying to eliminate anything. I am trying to see if we understand each other with respect to this item of $5 million.

Mr. YATES. With respect to this item of $5 million, I cannot see at this time why we should speak in terms of eliminating it, because it is an actual foreseeable cost. This schedule of accounts was not prepared by me nor by the committee. It was prepared by the General Accounting Office under what it believed to be a conservative presentation of a schedule of costs under both methods.

Mr. JONAS. But it would not have to be paid if we make the installment payments from year to year out of revenue.

Mr. YATES. If the action of the administration this year is any indication as to our future financing we will have to pay probably a greater sum in interest.

Mr. JONAS. This bill is certainly a help in that direction, because it is in excess of a half billion dollars over what the administration asked.

Mr. YATES. It is in excess, because the administration made its estimates of Government operations much too low. It knew it was presenting an unrealistic level and that its Congress would of necessity exceed its estimates.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. EVINS. I wanted to emphasize and to suggest that the figures which the gentleman gave are the figures of the General Accounting Office. And that the Comptroller General has indicated that the lease-purchase cost of these projects would be from 65 to 70 percent more than by direct appropriations.

Mr. YATES. I thank the gentleman.

So much for the lease-purchase program. There will be more to say on it later, I am sure.

When the bill was in committee, I reserved on two appropriations because I thought that the agencies should have more funds. One was the National Science Foundation which is our bellwether in scientific advances in education and in basic research, received a cut of $25 million from its budgetary request.

I first thought I would confine myself to two items in this bill. One was the appropriation for the National Advisory Committee on Aeronautics and the other was the appropriation for the National Science Foundation. The National Science Foundation, which is our bellwether to scientific advance and basic research, had received a cut of $25 million from the amount which had been recommended by the Bureau of the Budget. But this does not tell the whole story, because this agency received an additional $75 million over what it had received last year. It had received $107 million for extension of its old existing programs and approximately $8 million for undertaking new programs. I favor the expansion of the agency. I think it is one of the most important we have in the Government today. It has a fine governing board, it has a fine staff, and it has an excellent program. All the members of the committee have been satisfied with the work of this agency up to date.

Our committee had no intention of placing a halter on this agency's activities; $75 million is a significant increase in its activities, and we have the feeling that this was just about as much as this new infant agency—it is only 7 years old—just about as much as this growing agency could digest at this particular time. Perhaps the other body will take another look at it.

With respect to the National Advisory Committee on Aeronautics, I have no objection to what the subcommittee did. That was to limit the amount of new personnel to 500. I do not think we ought to place a limitation on the employment of scientific personnel by the National Advisory Committee on Aeronautics. The feeling in our committee was to the effect that it has 8,000 people now, and that this is enough.

I do not see anything magic in the figure 8,000; as a matter of fact, I would vote more money. I believe many people would feel more secure if we had 16,000 qualified people handling the affairs of the National Advisory Committee for Aeronautics, because this is the agency which goes hand in hand with the Air Force and the other branches of our Defense Department in maintaining our strength at this time.

A few months ago without one dissenting vote in this House we passed an appropriation for the Department of Defense of $1,300,000,000. Why we should think in terms of holding this agency back, this agency which is as important

as the Air Force in keeping us on the threshold of scientific advance, I do not know.

I hope the other body takes another look at this limitation.

The committee takes pride in its appropriation for the medical program of the Veterans' Administration. Once again we have the fine hand of the Bureau of the Budget trying to cut down on medical care for our veterans. Our committee refused to go along. We increased by $3,365,000 the appropriation for inpatient care and we added $5 million for the care of neuropsychiatric veterans. This was $8,365,000 more than the budget estimate. The committee also allowed the sum of $10,344,000 for medical research and $1 million for prosthetic appliances. These were the full budget requests.

The action of the Bureau of the Budget in eliminating the Veterans' Administration request for extra funds for neuropsychiatric patients is difficult to comprehend. It is a cold and heartless superimposition of budgetary requirements over human needs. I invite your attention to our hearings commencing on page 578, where I questioned Dr. Middleton, the Medical Director of the Veterans' Administration, and asked him about the need for the funds. Dr. Middleton said:

My medical opinion is that this rate—

Referring to the rate of recovery—

would be accelerated appreciably.

Mr. YATES. Appreciably?

Dr. MIDDLETON. Yes, sir.

Mr. EVINS. The doctor referred to these boys in the back wards, the men in the forgotten wards. Do you think that those boys—those veterans—with more attention and money and care could be rehabilitated and restored to the community, or restored sooner?

Dr. MIDDLETON. I know it.

Mr. EVINS. You know it?

Dr. MIDDLETON. Yes, sir.

Mr. EVINS. In other words, the Budget Bureau is becoming an expert on the care you give patients?

Dr. MIDDLETON. No, they are not.

Mr. YATES. Did you make the same representation to the Bureau of the Budget that you have just made to us?

Dr. MIDDLETON. I did, emphatically.

Mr. YATES. You did emphatically?

Dr. MIDDLETON. I did emphatically.

Sixty percent of the Veterans' Administration patients are mental health patients. The committee hopes that with the appropriation of the additional funds, the rate of rehabilitation of many of the veterans will be increased and that many will be enabled to return to their loved ones much sooner.

Mr. Chairman, some mention should be made, too, of the way in which this administration takes care of its own. Take a look at pages 338 and 340 of the hearings and read about how Hanna Coal & Ore Corp. entered the nickel field with contracts for mining, smelting, and sales. Extracts of the contracts appear on page 340.

And then read the hearings following on page 341 about the Freeport Sulphur Contract and the fact that the Office of Defense Mobilization overruled the recommendation of Administrator Floete in entering into a contract with Bethlehem Steel Co., but established requirements under which Freeport Sulphur Co. became the only company that could qualify. Under the contract the Government committed itself 271 million pounds of nickel at a price of 74 cents a pound—in other words, to take all the nickel that Freeport could not sell on the open market, thereby assuring complete disposal of Freeport's production until 1965.

The only justification for such contracts in the past has been the pressure of war and the need for expansion. No such reasons were present at the time this contract was entered into; the Government met its long-term stockpile obectives for nickel.

Take a look at the hearings on page 31, where I stated to Administrator Floete:

They—the Government—could have gotten that through a Government loan or Government guaranty without an incentive-type contract, which would have been cheaper for the Government, wouldn't it?

And Mr. Floete replied:

We recommended it.

On page 12 Mr. Floete states that he thought the deal with Bethlehem was a good deal and he recommended it by letter to the Office of Defense Mobilization, but it was turned down on a policy basis:

That the Government would not loan money for that purpose nor guarantee such a loan.

Again on page 13 I asked Mr. Floete: "So you entered into a contract which was more expensive to the Government, did you not?" to which Mr. Floete replied:

We didn't like it as well as the other but we had only one person to deal with, Freeport.

And now the Government is committed to buy all of Freeport's output—271 million pounds for the next 6 years.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. SEELY-BROWN. Before the gentleman goes too far in another subject, I wonder if he would mind returning for a moment to his comments about the National Science Foundation. I am sure the gentleman and all of us are in agreement that we need to increase activities in this field. Does the gentleman feel that the funds recommended by the Bureau of the Budget and the funds contained in this appropriation will enable them to carry out the work of the National Science Foundation in the way we wish them to?

Mr. YATES. I do. When Dr. Waterman appeared before our committee he said there was included in his request $107 million to carry on existing programs and another $1 million for supplemental work. The National Science Foundation's request has been recommended in full and its programs will be carried on in an expanded way.

Mr. SEELY-BROWN. There will be no curtailment of their program?

Mr. YATES. No.

Mr. BOLAND. Mr. Chairman, if the gentlemen will yield, I think the gentleman from Connecticut will be interested in knowing that there has been an increase from $9 million last year to $30 million this year.

Mr. YATES. Finally, Mr. Chairman, I should like to talk about the Federal Power Commission and the Natural Gas Act. The Natural Gas Act of 1938 provided for regulation of the natural gas companies. This includes regulation of natural gas producers who sell their gas in interstate commerce at wholesale rates. The purpose of the act was to protect consumers from exorbitant charges, and the Federal Power Commission was given the duty to administer the act and to carry out the purpose of assuring just and reasonable rates for the natural gas companies.

Believing as I do in the necessity of the act and in its purposes in protecting the consumers against extortionist rates, certainly I would favor an adequate appropriation. Ordinarily I would object to the reduction of $385,000 in the budget estimate for the Commission; but, after listening to the testimony of the Chairman of the Federal Power Commission, I will not try to restore the funds. Why? Because I believe the Federal Power Commission is opposed to enforcing the Natural Gas Act. It does not even try. Its efforts are not even half-hearted.

When I asked Mr. Kuykendall, Chairman of the Commission, whether he had enough money, he said:

Even if you give us all the money we wanted, we couldn't hire enough qualified people.

I interrupted. I asked him how much money he needed to carry out the purposes of the act. On page 892, I said:

If the Congress grants you this amount of money, the Commission will then have all the funds it needs to carry out its functions as well as it can?

And Mr. Kuykendall replied:

Yes; I think so. Our work still won't be carried out satisfactorily. I mean I would like to get all caught up in the fiscal year, but we cannot do it. It is obvious.

And then I asked:

Why can't you?

Mr. Kuykendall replied:

Because we cannot get enough people competent to do the work.

Is this the attitude of a Commission anxious to carry out its legal responsibilities? Of course not. The Commission just does not want the responsibility. It favors passage of the Natural Gas Act which would relieve the Commission of having to regulate the natural gas industry.

It has been said that the present Natural Gas Act is unworkable for the regulation of the natural gas industry. Mr. Chairman, I submit that it has not been given a fair test. Only a Commission whose members are interested in seeking to carry out the purposes of the act can give it a fair test. This Commission does not want to regulate the natural gas industry. It wants to kill the Natural Gas Act. For that reason I will not try to restore the funds deleted by the committee from the Commission's budget request.

The fault clearly lies at the doorstep of this administration. It is about time that the consumers of the country realize that this administration, too, favors passage of the Harris-O'Hara bill, passage of which will destroy effective regulation of the natural gas industry. The actions of the Commission are merely a reflection of the administration's views and we shall not get a commission anxious to protect the public interest until we get a change of heart on the part of the administration or a change of administration.

Mr. Speaker, I include in my remarks two important articles which deal with the work of the subcommittee, one from Aviation Week for February 3, 1958, entitled "NACA, The Logical Space Agency"; the other from the American Legion magazine for December 1957 dealing with the research program for the VA entitled "Medical Research on a Mammoth Scale":

[From Aviation Week of February 3, 1958]

NACA, THE LOGICAL SPACE AGENCY

(By Robert Hotz)

Too often in recent history, the solution to acute national problems has been sought in the creation of complex new organizations that add to the Federal payroll and bureaucracy but do little about the problems they were created to solve. Often, an economical and effective solution lies close at hand, but is so simple the top-level officials hesitate to even consider it. The current debate over how many and what kinds of organizations the Federal Government needs to organize and guide research and exploration of space appears to be a case in point.

There is no lack of complex plans to tackle our space-age problems. In the midst of this furor it is finally becoming clear that there is in existence an extremely competent organization capable of spearheading this work—the National Advisory Committee for Aeronautics established by the President in 1915 with the directive to "supervise and direct the scientific study of the problems of flight with a view toward their practical solution."

Credit for first calling attention to this simple but effective solution, we believe, belongs to Gen. Orval Cook, president of the Aircraft Industries Association, who told the Institute of Aeronautical Sciences in Washington on January 14:

"One of the things that has most puzzled me during this furor and clamor for Government reorganization so that we can catch up with the Russians has been the fact that NACA has apparently been largely overlooked. Yet here is a Government agency reporting directly to the President which has as its basic charter 'the scientific study of the problems of flight with a view toward their practical solution.'

"For more than 40 years NACA has dedicated itself to this task with outstanding success. The NACA has some of the finest aeronautical laboratories in the world—its facilities alone being worth more than $300 million, and an operating staff of some 7,600 people of whom more than 2,000 have professional degrees.

"For more than 10 years it has been conducting research and studies in scientific fields leading to man's conquest of space. In fact early in 1952, months before the first manned flight at Mach 2, NACA studies were launched into the problem of manned flight beyond the atmosphere and their solution. By 1954, NACA research teams were able to propose construction of a research vehicle for this purpose and in December 1955, in cooperation with the Navy and Air Force, a contract for this craft (North American X-15) was let. This vehicle is expected to be test flown within the next 12 months or so.

"NACA also pioneered in research that will pay off in manned boost-glide rockets flying at fantastic speeds and with a new concept that will enable our ballistic missiles to withstand sun-hot temperatures during reentry into the atmosphere.

"At the same time these projects were under way, the NACA has been investigating almost every element in the propulsion spectrum. Research is being conducted in propulsion by ion jets, photon jets, plasma jets, by nuclear rockets, and by solar power. Much more than mere theory is involved—practical experimentation is being conducted and detailed performance parameters are being developed. All of this research is directed toward one goal—flight, manned and unmanned, at incredible speeds through and beyond the earth's atmosphere. All of this vital basic research information is being funneled to the military services and the aviation industry to assist them in development of vehicles to translate this research into reality.

"If, as so many people are advocating, we need a governmental agency to take the responsibility for accelerating our efforts in space travel, I suggest we look to an existing organization such as the NACA to provide this direction."

We heartily endorse General Cook's suggestion and strongly urge members of Congress concerned with this problem, Defense Secretary McElroy and the public—which will eventually have to pay the bills—to carefully consider this relatively simple but effective solution of a most acute national problem.

There are several additional considerations, in addition to those cited by General Cook, that make the NACA role as the spearhead of our national space research and development effort extremely attractive.

First, it has, through 40 years of experience, established an extremely effective working relationship with all of the other basic organizations concerned with this problem—the military services, the scientific fraternity and the industrial complexes. Through its main and subcommittee structure, it provides adequate voice for all of these elements in determining a national policy.

Second, the caliber of its leadership evokes universal respect from the other agencies through which it works. There is no better man in the Nation today than James Harold Doolittle, NACA chairman, to serve as a link between the military, scientific, and industrial communities because he has had outstandingly successful careers in all three areas. The scientific leadership of Dr. Hugh L. Dryden, director of NACA, is based on a combination of solid scientific achievement and quiet but effective administrative ability, all too rare in scientific circles.

Third, NACA has proven its ability in the past to contribute significantly to urgent national technical problems. It developed the laminar flow wing in time to permit the P-51 Mustang to escort heavy bombers to any German target at the critical phase of World War II. Its high speed research aircraft program was an outstanding postwar example of joint work with the military and industry to produce maximum progress in minimum time and launch our military aircraft into the supersonic age a significant jump ahead of all competitors. Its work in ballistic missiles has also solved key bottlenecks in time to be useful in operational weapons.

Fourth, NACA has shown extraordinary ingenuity in devising new research tools required for tackling the unknown. The transonic wind tunnel, rocket powered models, gas dynamic facilities and multistage research rockets are a few examples of this ability which is absolutely essential in probing new frontiers fruitfully.

It is a major technical fallacy to consider aeronautics as a field that extends to the limits of the earth's atmosphere and astronautics as something that begins where the atmosphere ends. Both are integral parts of the same overall scientific problem. Any successful efforts in making the useful plunge into outer space must be based on the foundation of knowledge already accumulated on flight through the atmosphere from sea level to its outer fringes. Any space vehicle must also successfully pass through the envelope of atmosphere both on its outward and return journeys.

There is a strong case to be made for charging NACA with the job of spearheading our national advance into space with a minimum of time and new money required to achieve the strong possibility of maximum progress. If NACA gets the job, our jump into space will be catapulted from a solid launching pad.

[From American Legion Magazine of December 1957]

MEDICAL RESEARCH ON A MAMMOTH SCALE

(By Tom Mahoney)

Forty rabbits are smoking a pack of cigarettes daily at the Veterans' Administration hospital in Dallas. What happens to them may add to our knowledge of the connection, if any, of smoking and cancer. In 41 hospitals, ranging from Brockton, Mass., to Los Angeles, physicians are making a cooperative study of the tranquilizing drugs, chlorpromazine and promazine, as compared to phenobarbital and placebos on 1,000 neuropsychiatric patients. Using a new total body radioactivity counter, the first in any hospital, Boston researchers study blood circulation, digestion and other bodily functions with the aid of radioisotopes.

These are just a few of the 5,251 projects now being pursued under the Veterans' Administration's $10 million a year medical research program. While designed primarily to meet the present and future medical needs of veterans, the result will benefit all Americans and, indirectly, mankind in general. This already has been demonstrated in the fields of tuberculosis, mental illness, and atomic medicine.

Seventy-four leading medical schools cooperate in the program, and it has attracted to the VA hospitals many research-minded physicians and surgeons of first rank because of the opportunities to pursue their special interests. The VA education and training program, which includes residencies and has included clinical investigators since last year, is an important factor in graduate training of physicians and has been especially successful in qualifying general practitioners as badly needed psychiatrists. Deans of the medical schools and other medical leaders serve on VA advisory committees.

Actually much more is involved in the program than the $10 million figure indicates. Except for a few administrators and trainees, the salaries of all 4,600 full-time medical doctors in the program are paid out of the regular hospital and outpatient budget of the Veterans' Administration. In addition, support for some projects is received from the National Cancer Institute, the American Cancer Society, Atomic Energy Commission, Damon Runyon Memorial Fund for Cancer Research, and other organizations. Pharmaceutical companies also help by furnishing free great quantities of new drugs, often specially packaged.

Still the amount involved is less than 2 percent of the whole VA medical and hospital budget and is not large in comparison with some other research budgets. The American Cyanamid Co. in 1956, for example, spent $22 million. Standard Oil of New Jersey spends $35 million. The Depart-

ment of Agriculture has spent comparable amounts researching farm pests.

But the program is the greatest in the world as far as the number and variety of patients, records, modern equipment, and general resources are concerned. While the average hospital has fleeting contact with a few thousand or maybe only a few hundred patients a year, the average daily number of VA patients is more than 112,000. They suffer from nearly every ailment known to man. There are dozens of cases of maladies so rare that doctors never see them in ordinary practice. The rolls even show a few cases of service-connected leprosy contracted during duty in the Philippines.

On most patients there are medical records dating back to enlistment. Moreover, for certain statistical studies researchers can draw on the records of the more than 22 million veterans now listed in the Government files. These include, for example, 22,000 pairs of identical twins, favorite subjects for genetic study today by many investigators.

When patients die in VA hospitals, their families usually consent to an autopsy in the hope that something may be learned that will help another veteran. The autopsy rate has increased since 1946, when it was 34 percent of all deaths in VA hospitals, to 72 percent during fiscal year 1957, when 22,156 autopsies were performed. At many VA hospitals the rate is 85 percent or higher. Autopsy findings benefit mankind in general, and medical men consider a hospital's percentage of autopsies an important clue to its standing as a research center.

The varied locations of the 173 VA hospitals—ranging from Seattle and Walla Walla, Wash., to Coral Gables, Fla., and San Juan, P. R.—make possible research on diseases peculiar to many regions and climates. The San Juan hospital, affiliated with the University of Puerto Rico, and the New Orleans hospital, associated with Tulane and Louisiana State, investigate tropical diseases. At San Juan, for example, Dr. R. Rodriguez-Molina and others are studying schistosomiasis, a serious snail-borne disease which certain immigrants are bringing to New York.

This vast program is the direct result of a chain of events started by the American Legion's famous resolution No. 528, calling for reorganization of VA medical service, adopted at the national convention in Milwaukee in 1941. At that time the VA research budget was $10,000 or less a year. There was a single researcher who produced statistical studies on subjects like the number of veterans gassed in World War I who developed tuberculosis. Many VA hospitals were located in out-of-the-way places, had no connections with medical schools, and civil-service limitations kept salaries of VA physicians low.

If the medical needs of the veterans of another war were to be met, Watson B. Miller, director of the Legion National Rehabilitation Commission 1923–41, and other Legion leaders recognized all this had to be changed.

Legion National Commander Lynn Stambaugh and later national commanders urged reforms both to Congress and the VA. The advantages of locating hospitals in medical centers, of affiliating them with medical schools, and of research were spelled out by a Legion medical advisory board headed originally by Dr. Leonard G. Rowntree, of Philadelphia, and including Drs. Charles W. Mayo and Waltman Walters, of the Mayo Clinic. In Washington T. O. Kraabel, who became director of the National Rehabilitation Commission in 1941, Dr. Hyman D. Shapiro, the senior medical consultant, and others of the permanent Legion staff pressed for these measures at countless hearings and conferences.

Most were achieved and the medical research program was born when President Truman appointed Gen. Omar N. Bradley VA Administrator in 1945 and he brought with him as the first VA Chief Medical Director, Maj. Gen. Paul R. Hawley, who had been chief surgeon in the European theater. General Bradley's successors, Carl Raymond Gray, Jr., and Harvey V. Higley, and General Hawley's successors, Dr. Paul B. Magnuson, / dm. Joel T. Boone, and Dr. William S. Middleton, all have enlarged the medical research program. Projects have increased from 100 to 5,251. Appropriations have grown from $1,393,697 in 1947, to $5,700,000 in 1956, and $10 million in 1957. VA researchers now contribute more than 900 articles every year to scientific journals.

Dr. Middleton, now Chief Medical Director, is "a doctor's doctor." He often makes the rounds of the wards at Mount Alto, the Washington VA hospital, and is a frequent contributor to medical journals. He was previously dean for 20 years of the University of Wisconsin Medical School. He served overseas in both wars and is a member of the William B. Cairns, Victory No. 57 Post of the American Legion in Madison.

Except during service as president of the American College of Physicians, Dr. Middleton has been connected with VA in some capacity ever since he became a consultant in 1922. He was a member of the consultant group named by General Hawley and was a member of the VA advisory committee on education when named Chief Medical Director in 1954. The first major increases in the VA research budget have come under him.

He believes the encouragement and motivation of patients is as important as treatment of their physical ills. "The life stream of VA medicine," he often says "is research and education." He considers research and education the only insurance against mediocre medicine.

Assistant Chief Medical Director for Research and Education is Dr. John D. Barnwell, who for its first decade headed VA's research in tuberculosis, a disease from which he suffered himself as a young man. He was for years a professor at the University of Michigan Medical School. Directly in charge of the VA education program, which has 2,500 doctors in graduate training, is Dr. John C. Nunemaker, formerly chief of medicine at a VA hospital, and a veteran of war service in the Middle East. Immediately in charge of the medical research program is Dr. Martin M. Cummings, who came to the central office from a research post at a VA hospital. He is coauthor of a book on diagnostic and experimental methods in tuberculosis.

Dr. W. Edward Chamberlain heads the atomic medicine program as special assistant to Dr. Middleton and also is Associate Director of the VA research service. Dr. Chamberlain was professor of radiology at Temple University and director of its hospital's department of radiology for 17 years until joining the VA this year as successor to Dr. George M. Lyon who launched the radioisotope study program in 1947.

Drs. Magnuson, Middleton and Barnwell were all students at the University of Pennsylvania and did their first research in the surgical laboratories of Dr. Ted Sweet. This won election to Sigma Xi for the first two and the local Mary Ellis Bell Medal for the last. Such is the influence of research teaching upon succeeding generations—a succession of purpose and know-how that Drs. Nunemaker, Cummings, and Chamberlain are trying to perpetuate throughout the VA.

In addition to heavy administrative duties, Dr. Cummings is personally interested in finding the cause of sarcoidosis, a mysterious disease which simulates tuberculosis. As maps on his office wall show all cases of it originating in pine tree areas, he believes something from these trees, possibly pine pollen, is responsible. Five VA hospitals in pine areas are studying it.

Study of the chemotherapy of tuberculosis is the oldest VA cooperative medical research project. A writer in the Journal of the American Medical Association has termed this outstanding * * * a noteworthy accomplishment unsurpassed the world over. Led by Dr. Barnwell, his successor, Dr. W. B. Tucker, and the late Dr. Arthur Walker, this has involved the testing of nine new drugs and combinations of them with 27,000 patients in 60 hospitals in probably the most extensive clinical field trials in the history of medical research. Army, Navy, and Air Force hospitals cooperated.

Initial studies in 1946–49 showed tubercle bacilli became resistant to streptomycin. Trials in 1949–51 showed streptomycin in combination with PAS (para-aminosalicylic acid) better than either drug alone. Beginning in 1952 isoniazid was tested in combination with streptomycin and PAS, the latter combination giving better results than any so far. Since 1954 viomycin, terramycin, pyrazinamide, cycloserine and streptovaricin have been tested with varying results.

The reasonable safety of all these drugs had been established before being given to VA patients. "The VA is not, and should not be, in a position to make the first clinical trial of a new drug," explains Dr. Barnwell. "Once a new drug has been tried, however, and has been shown to have some promise of effectiveness without undue toxicity, the VA is peculiarly, and perhaps uniquely, fitted to conduct a large-scale investigation of its effectiveness and the best regimen for its administration." In his book on tuberculosis, Dr. Saul Solomon says VA clinicians are "of the highest caliber."

Success of the program has speeded treatment, reduced the number of patients, and saved $38 million. The death rate after 8 months of treatment has dropped from 5 percent in 1946 to 1 percent at present. Results have been given to the world in the transactions of the annual conferences, coordinated by Dr. Edward Dunner, which are attended by authorities on tuberculosis from all over the world. Dr. Barnwell received the Trudeau Medal for 1950.

A recent study at the Baltimore VA hospital showed rabbits can be given tuberculosis by placing them in air circulated from the rooms of tuberculosis patients. When the contaminated air was sterilized by ultraviolet lamps, the rabbits did not develop the disease. Use of such lamps will reduce further the chances of VA employees contracting tuberculosis from patients. A similar study to determine whether ultraviolet light protects against the Asiatic influenza virus is under way at the Livermore, Calif., VA hospital.

Eight VA hospitals are studying effects of tranquilizing drugs on tuberculosis patients who also are psychotic. Studies of three fungus diseases which affect the lungs similarly to tuberculosis were started in several hospitals in 1957. These are histoplasmosis, coccidiodomycosis, and blastomycosis. They apparently are caused by inhaling fungi from contaminated soil, and the VA has more than 500 cases.

Isoniazid, the tuberculosis drug, at one time appeared promising in multiple sclerosis, but a cooperative study by several VA hospitals showed this to be sadly untrue. But this interested VA researchers in the baffling malady. They are studying the records of 2,000 veterans with it. As it is rare in the tropics, geography may be a factor.

The current total of 5,251 VA research projects is an increase of 1,200 over the previous fiscal year. Of the total, 1,533 are studies related to the problems of aging. In this classification are 300 studies of cancer, 429 studies of heart and blood-pressure problems, 573 studies of lung maladies, and

231 other geriatric studies. There are currently 1,068 projects in mental and nervous diseases, 1,995 studies of general medical and surgical problems, 560 studies using radioisotopes, and 95 dental-research projects.

As care of 60,833 neuropsychiatric patients in VA hospitals cost more than $238 million in 1957 and some 16,000 veterans with such disorders are awaiting admission, studies in this field have a high priority. The National Science Foundation reports more than half of all Government research projects in mental health is now entrusted to the VA. Dr. Jesse F. Casey is Director of its Phychiatry and Neurology Service. Dr. Ivan F. Bennett is chief of its research program which currently has a budget of $1,238,000.

The 41-hospital study of the tranquilizing drugs has been mentioned. All forms and combinations of therapy, however, are being studied. Already, a combination of drug and group therapy largely has replaced electric shock, insulin shock, and hydrotherapy in VA hospitals. The lobotomy operation, surgery of the brain, as a treatment for schizophrenia, is less used following a seven-hospital study.

Use of the new tranquilizing drugs in the treatment of neuropsychiatric patients has increased the discharge rate of these patients 40 percent in 3 years.

Development of a chemical test for schizophrenia is the goal of one of the most fascinating current research projects. Most promising is the ceruloplasmin test using a dye which changes color in the bloodstream of schizophrenics. It is an outgrowth of the work of Dr. Robert G. Heath, at Tulane, who found that taraxein, a protein substance extracted from the blood of schizophrenics, and injected into monkeys and convict volunteers caused them to develop symptoms of the condition.

This suggests that schizophrenia, the most serious of mental diseases, despite its variety, may be a single chemical-caused disease entity. Such a test would be of tremendous value not only in diagnosing the disease but in determining when a patient is cured of it. This work is in progress at VA hospitals in Bedford and Brockton, Mass.; Topeka, Kans.; Omaha, Nebr.; Coatesville and Pittsburgh, Pa.; Hines, Ill.; and Gulfport, Miss.

At the same time, VA research also pursues the psychiatric approach. A study of schizophrenic patients of two nationalities in New York by Dr. Marvin K. Opler, for example, was published recently by the Scientific American. He reported that "Each * * * bears the imprint of the underlying family experience and pattern of stress. This sort of research cannot fail to improve our understanding and treatment of schizophrenic disorders, particularly if it is supplemented by studies of the organic or physiological effects accompanying each type of personality imbalance."

Many projects have the aim of giving more freedom and a more normal life to psychiatric patients past the acute stage to speed their recovery and discharge. "In other words," says Dr. Casey, "we are trying to make the mental hospital a therapeutic community that will prepare recovering patients for the life they will lead outside the hospital."

A motivation unit, directed by Dr. W. R. Coutant, staff psychiatrist, is the heart of a pilot program in this direction under way at the VA hospital in St. Cloud, Minn. It involves a ward with 80 patients selected from the entire hospital, and a foster home program under which 55 patients live outside the hosiptal on a trial basis. Only about 10 percent of those in foster homes have had to return to the hospital, and in 2 years since the motivation unit was established the number of discharges has risen from less than 300 to 600 a year.

This is also true of several other VA hospitals. Dr. Earl P. Brannon, manager of the neuropsychiatric hospital at Coatesville, Pa., for example, reports that some patients who have spent more than 10 years in hospitals, fighting severe mental illness, now are back on their feet, again supporting families and doing well at their jobs.

One of the VA's greatest contributions to the country's medical resources is the now 5-year-old career residency program for recruiting general practitioners into psychiatry. This is another Legion-stimulated program. In effect, the VA makes up the difference in pay for an experienced practitioner while he is qualifying in this much-needed specialty. This allows a practitioner with 6 years' experience to earn $9,000 a year instead of around $3,600. In return, he agrees to serve a minimum of 2 years in a VA hospital where his services are most needed upon completion of his training.

"Thousands of mentally ill veterans are receiving high quality psychiatric care today because of this program," says Mike Gorman, executive director of the National Committee Against Mental Illness and author of Every Other Bed, a 1956 book which terms mental illness "America's No. 1 health problem."

So excellent is VA work in this field that its doctors frequently are offered higher paying posts in State and private institutions. Dr. Stewart T. Ginsberg, for example, resigned as chief of the VA central office psychiatry division last May to become commissioner of Mental Health for the State of Indiana.

This is a problem to some degree in many VA departments. While salaries of VA physicians now are much higher than before World War II, increases have not kept pace with the rising earnings of physicians in private practice. Nor can VA physicians earn by sparetime practice or teaching. In 1955 the average VA physician earned slightly more than $11,000, while figures of Medical Economics, a medical publication, showed average earnings of more than $18,000 for physicians in private practice. A Legion-backed effort to raise VA professional salaries failed in the last session of Congress.

The opportunities and variety of the research program, however, attract many high-caliber investigators to the hospitals. Merely to list in the most abbreviated form all of the current VA medical research projects requires a 946-page Government document. This is literally an order of battle against all the unknowns of medicine and surgery.

Five blind veterans regained their sight last year with corneal transplants from an eye bank at the Hines, Ill., VA hospital. Many projects are directed toward the future day when there may be banks of other parts of the human body which can be utilized as needed. At the Houston, Tex., VA hospital Dr. George L. Jordan, Jr., recently successfully transplanted four parathyroid glands of a stillborn baby to a 36-year-old veteran. In a rare operation at the Cleveland VA hospital a veteran's protid duct was changed to conduct saliva to his eye instead of his mouth to keep his eye from drying to blindness.

At the West Haven, Conn., VA hospital surgeons have successfully used synthetic materials such as nylon, dacron, and orlon for correcting defects in major blood vessels. They also are exploring the freezing of whole blood as a method of storage and have been able to transplant white blood cells from other animals to grow in animals previously unable to grow their own. At the Nashville, Tenn., VA hospital surgeons discovered a principle which is basic to heart-lung devices and, utilizing it, developed a simple pump-oxygenator which makes possible bloodless surgery on the heart by rapidly providing oxygen to blood of the entire body without action of either the heart or the lungs. They also have developed a simple plastic device for insertion into the heart to substitute for damaged or useless heart valves.

Ten hospitals are making a collective study of high blood pressure to determine which type of patient responds to drug therapy and which, under various circumstances, is the drug of choice. Sixteen hospitals are studying special diets and anticoagulant therapy in patients who have had heart attacks or strokes.

A minute instrument for measuring the blood pressure in the veins has been perfected at the Durham, N. C., VA hospital as an aid in the study of cardiovascular disorders. Investigators at this hospital are preserving large arteries in solution and have found them to remain viable for many months. Artery banks for use in the repair of damaged vessels are becoming an important reality.

At the VA hospital, Hines, Ill., an electrocardiograph using transistors has been devised which is as small as the usual instrument for measuring blood pressure and can be carried as conveniently. They also have developed a portable cardiac monitor which warns the surgeons when heart action becomes abnormal during an operation. At the New York VA hospital, Dr. John T. Farrar conceived a device of capsule size, since perfected by the Radio Corporation of America, which will broadcast the pressure changes in the intestinal tract electronically. It is the world's smallest FM radio broadcasting station; the signal travels 1 foot. This will enable physicians to localize lesions and identify disease processes without disturbing the patient.

At the VA hospital in Ann Arbor, Mich., surgeons have successfully used irradiated bone grafts taken from normal animals for the repair of defects in bone structure of other animals. This may make it possible to develop bone banks for clinical use in treating fractures and other diseases of the bone. VA researchers have transplanted teeth buds in animals.

A study of the psychology of suicide is being conducted by Drs. Edwin S. Shneidman and Norman L. Farberow, of the Los Angeles VA hospital. They are studying suicide notes, case histories, and other data on suicides and attempted suicides in the Los Angeles area for the last decade with the hope of evolving clues for the prevention of self-destruction. Some of their work has been published in a 1957 book, Clues to Suicide.

The VA naturally has a large part in the current national program to solve the mystery of cancer. Questionnaires on the subject of smoking were sent out to holders of United States Government Life Insurance. In cooperation with the National Cancer Institute, American Cancer Society, and other organizations, 29 VA hospitals are participating in cooperative studies of chemotherapy of selected types of cancer. Among chemicals being tested are thiotepa, TEM, nitrogen mustard, radiophosphorus, and radiogold. Under VA leadership the use of radioactive iodine for treatment of certain thyroid cancers has become routine.

At the Bronx, N. Y., VA hospital, Dr. Ludwik Gross may have achieved a significant breakthrough in cancer research by discovering that certain forms of leukemia and cancer in experimental animals are produced by a virus which is transmitted from parent to offspring. He also has demonstrated that leukemia can be produced experimentally by total body radiation, showing that the dormant virus causing the leukemia can be stimulated into activity by extensive exposure to X-ray. His work has been supported in part by the Damon Runyon memorial fund.

What about those cigarette-smoking rabbits in the Dallas VA hospitals? The United States Public Health Service is sharing part of the cost of this 5-year project which is in

charge of Dr. Robert H. Holland. He explains rabbits react to certain lung conditions more like humans than do rats, mice, or other laboratory animals. The rabbits are X-rayed every 6 months, and after death their lungs and respiratory tracts are examined and the findings filed.

The rabbits spend 3 out of each 24 hours in plastic "smoking boxes" designed by Dr. Holland and R. A. Huffhines, a Dallas electronics expert. When a rabbit is placed in a box, a lighted cigarette is set 2 centimeters from its nose. The animals gets fresh air at all times, but when electric timing devices and solenoid switches close an aperture the rabbits also get a puff of smoke. "Most of the rabbits," says Dr. Holland, "seem to enjoy smoking."

Mr. VURSELL. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, at the outset I want to join my colleague, the gentleman from North Carolina [Mr. JONAS] who serves with me as a minority member of the committee, in paying tribute to our distinguished chairman, the gentleman from Texas [Mr. THOMAS]. I am sure that you are all aware of the great devotion our chairman gives to the work of this committee and I say without fear of contradiction that the gentleman from Texas [Mr. THOMAS] is better informed as to the functions and operations of the agencies coming under the independent offices appropriation than anyone else in the Congress of the United States. He does a magnificent job of guiding the work of this committee and it is a pleasure to serve under him and with him. But I do want to take this opportunity to join with the gentleman from North Carolina [Mr. JONAS] in disavowing any knowledge as to the language in the report; like others, I did not participate in writing it or the opportunity of reviewing it before being printed. I too, disagree with some of the language in this report, although I think it is fair to say by and large everything in the bill and the action of the committee was more or less unanimous with the exception of 2 or possibly 3 major items.

Much has been said about a number of activities covered under the independent offices appropriation bill. I should like to call your attention to the fact that this bill carries an appropriation of about $6½ billion and it covers the financing of some 16 independent agencies. I believe you should know that. This bill is about $1,159,000,000 more than a similar bill of last year and it is $627 million more than the budget request or the budget estimate.

May I call your attention to where the major increases appear in this bill. First, and foremost, there is included in this $589 million a contribution to the civil service retirement fund although not included in the budget request. I repeat, this $589 million was not requested or approved by the budget.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Wisconsin.

Mr. WITHROW. I have here a report for 1956. I am very much interested in this matter. In that report I find that the interest has been going up all of the time, with the exception of 1955 when it was $234 million plus. In 1956 it was $211 million plus, notwithstanding the fact that the balance was almost $500 million more than in 1956. There was a substantial reduction in interest.

Mr. OSTERTAG. May I say to the gentleman that interest is being paid on the money borrowed from the fund by the Federal Government. That is paid out of appropriations for such purposes and I believe the interest figure for this year amounts to $214 million. This amount is paid directly to the fund.

Mr. WITHROW. I know, but I cannot understand why there should be less interest when there is $500 million more of a balance in the fund.

Mr. OSTERTAG. I am not sure I understand the gentleman's point.

Mr. WITHROW. All right. For fiscal 1955 the fund earned $230 million plus. There was a balance at that time of $6,193,000,000. For fiscal 1956 it fell off to $211 million, notwithstanding the fact that there was a balance of $6,708,000,000, almost $500 million more.

Mr. OSTERTAG. I think I can say this to the gentleman, that whatever money is borrowed from the fund, the Government pays interest; in other words, interest is going into the fund each year. It would depend on how much the obligation is for interest that determines the amount to be paid.

Mr. WITHROW. Then the possible difference is due to the fact that all of this balance was not used by the Federal Government, or less of the balance, rather?

Mr. OSTERTAG. There is $7.5 billion in the fund right now.

May I point out that the substantial increase in this budget of $627 million is due principally to committee action in adding of $589 million for the Civil Service retirement fund, $177 million to finance construction of buildings by direct appropriations which is a transfer of the projects under the lease-purchase method, $25 million for repair of buildings. And, I might point out to you that there is no controversy over that question. I think we are all agreed that the added $25 million is a reasonable amount to maintain and repair and put into proper order the Government buildings throughout the country, $18 million additional funds was added for sites, and $8.3 million for inpatient care of veteran patients and $10 million more for VA hospital construction. In all, there are increases totaling some $825 million as made by the committee, while at the same time we reduced or cut the budget in major points such as this:

First, the general supply fund was reduced $15 million; strategic and critical materials under GSA was cut $70 million; National Science Foundation, $25 million; National Advisory Committee for Aeronautics $5.6 million; veterans' compensation was reduced some $32 million, veterans' readjustment benefit $17 million, or a total of about $165 million was cut or reduced from the budget request by the committee.

Now, what are some of these major items and what are some of the particular problems that we might discuss at this point? First of all, civil defense. The committee provided $38 million for civil defense, which is $1 million less than the amount appropriated in 1958, but it is also $3.5 million less than the budget request for this year. There is a reduction of $1 million in operating expenses. However, I would like to call your attention to the fact that $18 million was approved for emergency supplies which goes with the inventory of some $219 million worth of emergency supplies for civil defense, including $12 million for reworking stored blood plasma.

The disaster relief fund was not disturbed in any way. By that I mean no moneys have been added to the disaster relief fund and no request was made for additional funds. You might be interested to know that the disaster relief fund has a balance of about $18 million as we go into the next fiscal year.

Perhaps I should say a word in regard to the Veterans' Administration appropriation because, as you well know, that appropriation including veterans' benefits amounts to the bulk of this appropriation bill. As a matter of fact, the total appropriation for the Veterans' Administration amounts to $4.932 billion out of the total of $6.5 billion provided in this bill. And I should like to pause to pay tribute to the new Administrator. Sumner Whittier, of Massachusetts, was recently appointed by the Preseident as the Administrator of Veterans' Administration, and I am confident that he is going to do an outstanding job. He is well aware of the veterans' problems. He is a veteran himself. I am sure he is going to serve in this important post with distinction and credit to himself, to the veteran, and to the Federal Government.

In connection with the veterans' appropriation I might point out that this budget represents a $266 million increase over that in 1958. You might be interested to note that $715 million is appropriated for inpatient care which is $8 million over the budget request and $13½ million more than the appropriation made last year. This will provide, and I am sure we are all agreed it is desirable and necessary, additional beds for our veterans and more particularly improved care for mental patients.

With reference to veteran compensation and pensions, $3.2 billion is provided in this bill. Out of a total of $6½ billion for some 16 independent agencies over $3 billion is provided and made available for compensation and pensions. There is a reduction of $32 million in compensation and pensions from the budget request but I do want to point out that we must meet this obligation with funds no matter what the amount may be.

This is a statutory obligation and whatever the benefits amount to during the year we must pay them. It is just a matter of estimating the amount that will be spent.

Mr. Chairman, as we go into the next fiscal year it is estimated there will be somewhere between $15 million and $25 million in carryover funds. In readjustment benefits $700 million is appropriated with a reduction of $17.9 million.

As you know, this money is made available for the trainee program and because of the fact that there will be a drop in number from 540,000 to 460,000 in the number of Korean veterans eligible to this training, this cut in the budget seems to be a reasonable estimate. You will be interested to know that the committee has added $10 million for hospital construction. That means we are putting that much more into construction and repair even though there is $144 million in unobligated carryover funds.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentlewoman.

Mrs. ROGERS of Massachusetts. I understand there is a cut in the amount for compensation and benefits in this bill. Every year they have not allowed enough for those benefits and have had to come back for more money.

Mr. OSTERTAG. As I explained, and I am sure the gentlewoman from Massachusetts will remember, I pointed out that there is a reduction of $32 million. But there will be a carryover of from $15 million to $25 million plus the $3.2 billion in new money which is being made available in this bill.

So the $32 million is a small amount compared with the overall amount, and whatever is required will and must be made available. We must make that available by virtue of law. It is just a matter of estimating the amount the VA will actually use.

Mrs. ROGERS of Massachusetts. Almost every year the Veterans' Administration does not have enough money to pay its bills and compensation.

Mr. OSTERTAG. And always supplemental appropriations have made up the difference.

Mrs. ROGERS of Massachusetts. Yes, but it is a very bad habit.

Mr. OSTERTAG. Now, referring to the question of the civil service retirement fund, I should like to call attention to this particular fact: First of all, there is $7½ billion in the retirement fund today. Not only this bill but every appropriation bill we pass carries with it direct contributions to the retirement fund for all of the employees covered within the specific appropriation bill, so that when all of the appropriation bills have been passed this year some $624 million will have been appropriated by the Federal Government as its share to meet the retirement benefits of those covered.

In addition, the employees themselves will have contributed about $624 million. The direct appropriation of $624 million plus the employees' contribution of $624 million, plus the $214 million which will be paid into the fund for interest, means that approximately $1,500,000,000 will be paid into the retirement fund this year.

In connection with that, it might well be asked how much will be drawn, how much in the form of benefits will be paid. According to the Civil Service Commission, and the figures I have at hand, approximately $802 million, will be drawn in benefits or in pensions. Consequently, if you reduce the contribution that is going into the fund this year of $1,500,000,000 by subtracting $802 million you will have a balance this year of $660 million. In other words, upward to $700 million more will be paid into the retirement fund than will be drawn out during this year. This amount would be over and above the $589 million provided in this bill.

The Civil Service Commission has also informed us that the fund will grow to more than $13 billion between now and 1972. At that point I think it is fair to say that disbursements will begin to exceed the income. So if we appropriate this $589 million we are just adding that much more to the fund to be borrowed again by the Government. By raising this budget $600 million for this purpose we are without a doubt throwing this budget out of balance. And bear in mind that this particular bill is making available over $600 million more than the budget requested.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Illinois.

Mr. MASON. This amount you are proposing to put into the fund this year is what we have kept out of the fund in past years, and is due the fund because the Congress has not paid its share. Is that the reason?

Mr. OSTERTAG. You could put it that way, yes.

Mr. MASON. I want to know. That is the way I have been told, that that is the reason.

Mr. OSTERTAG. I would say this, that much more than the $589 million might be appropriated to the fund in order to make it actuarially sound and have the money in the till to meet all ultimate obligations. On the other hand, the fund is just as sound as the Federal Government itself.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

May I call attention of the House to page 5 of the committee report. There is an item there that the General Services Administration called about this morning. It called our attention to a typographical error they had made in preparing a list. The last item on that list is Dallas, Tex., and it has $15,137,000 in that column. It ought to be $22,040,000. We ask that the report be corrected in conformity with the figures of the General Services Administration.

Mr. Chairman, I yield 15 minutes to our beloved friend from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I want to associate myself with the statements of the majority of the Committee on Appropriations which has urged you to accept the independent offices appropriations bill of 1959 as reported by the full Committee on Appropriations.

Let me begin by commending the distinguished gentleman from Texas [Mr. THOMAS], the able chairman of our Subcommittee on Independent Offices Appropriations, for the excellent statement he has made in presenting the committee's recommendations. I want also to commend our chairman for his very able leadership of our subcommittee in conducting hearings on this bill. He is, as we all realize—not only genial—but able and always eminently fair to everyone.

It has been a genuine pleasure to be associated with ALBERT THOMAS on this subcommittee. It has also been a pleasure to work with the distinguished gentleman from Illinois [Mr. VURSELL], the ranking minority member, and all the other members of the subcommittee, my colleagues Congressmen YATES, BOLAND, OSTERTAG, and JONAS.

Our subcommittee has devoted many weeks to hearings on the fund needs of these agencies and given thorough consideration to the appropriation requests of the 17 agencies composing the category of our bureaus and commissions referred to as our independent agencies. The bill, as reported, represents the best judgment of the subcommittee, based on a very complete review of the recommendations submitted in the budget. The hearings comprise two volumes of some 1,335 pages of testimony and exhibits.

It reflects the committee's concern that these important agencies should have all the funds they need to discharge their duties efficiently; but it also reflects the realization that the taxpayers' money in these critical times must be employed in such a way that the most important problems and objectives of our Government are met first.

The bill, although one of our bigger appropriations bills, is nevertheless a good one.

The committee has made reductions in many items, and the total of such reductions is in excess of $200 million.

Appropriations recommended in the bill total $6,549,920,900, which is an increase over the budget estimates of $627,577,400. These increases are largely represented by increased contributions to the retirement fund of the Civil Service Commission, the Veterans' Administration, and to accelerate the post-office construction program of the General Services Administration.

I shall certainly not attempt to discuss many of the items in the pending bill—there are so many agencies involved and the various agencies have numerous programs. I believe there are some 18 boards, bureaus, commissions, and independent agencies that come before our subcommittee each year for their annual budget review and fund needs. Among these agencies are included the Civil Service Commission, the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, the Federal Power Commission, the Federal Communications Commission, the Civil Aeronautics Administration, the National Science Foundation, the Veterans' Administration, the General Accounting Office, and the General Services Administration, among others.

These agencies are all arms of the Congress and have vital and important roles to play in carrying out the mandates of the Congress and in serving the public interest.

During the limited time allowed to me, I want to direct my remarks to the

programs of three agencies, in which we are all particularly interested at this time.

First, the National Science Foundation.

We all recognize the importance of the National Science Foundation at this time. This agency is tremendously important in endeavoring to reawaken America in the rocket and missile age, the space age, age of science in which we live and in carrying forward various programs of scholarships, fellowships, grants, to colleges and universities for advancing basic science and scientific research generally. The fund needs of this agency have been increasing annually, and we will all recall that specifically the President in his state of the Union message this year, singled out the National Science Foundation and called for a doubling of the national budget for the National Science Foundation. The President rightly was reflecting the public concern for our lack in science, and particularly made apparent, following the launching of the Soviet satellites in October of last year. I wish that our system of Congressional review of budgets were such that all the Members of the House and all the Members of the Congress could have heard testimony before our committee this year from the various distinguished and outstanding scientists and educators who composed the Board of Directors of the National Science Foundation. The testimony was most enlightening, and in fact, awakening of our needs.

Mr. Chairman, I am, with the indulgence of the Members, going to attempt to review briefly some of the statements of a few of the educators and scientists who came before our committee.

Dr. Bronk, the principal official of the National Science Board called for acceleration of our efforts in the field of education and science and while pointing out that America has some great scientists and that we have made great advancements in science, nevertheless, he recognizes our need for acceleration and for a new self-analysis—for the setting of our own goals and for maturity rather than our Nation waiting to be driven and to be awakened by the activities and programs of other countries. Dr. Bronk testified:

I do not for a moment think that we are behind in all fields of science; I am sure that the Russians have people who are more competent than some of our scientists in some fields. Back in the twenties and thirties that was so in the field of neurophysiology—they had the great Pavlov; every person looked up to him. They have had great mathematicians, but, having said that, I know perfectly well that we have a great many scientists in this country of great distinction.

Dr. Bronk pointed out the number of Nobel prizewinners awarded to America in the past 20 years as evidence of our significant advances in science. He points out that a number of these were Americans. Others have come to our country from other countries. They chose America instead of Russia. Dr. Bronk called for a tremendous improvement and for a continual need for improvement in science and education by individuals, educators, institutions, and our Nation. Certainly the Rockefeller Foundation and the National Research Council have made numerous grants and financial contributions to fellowships in the advancement of science, but the work of the National Science Foundation has stimulated American thinking and American action in the field of science. The Government's role of leadership is both important and significant.

Dr. Gould, another Board member, gave credit to the work of our colleges and private scientific research institutions, but also stressed the need for the Government to participate and for the Government to lead. One of the greatest students of American democracy has pointed out that the crucial test of our democracy will be in its recognition of the superior individual. Dr. Gould told the committee that we should educate all of our citizens to their capacity—whatever capacity an individual can stand. He pointed out that the percentage of our population who have the competence to become great physicists and mathematicians is relatively small. We have to do a better job of recognizing those people who do have competence and encouraging them, and this, he said, should begin in the secondary school level.

A brilliant young man might want to be a scientist but if he arrives at college and does not have a good background in physics and mathematics, it is frequently too late and time is wasted. Dr. Gould likewise pointed out while there is great need for urgency and acceleration, he stated that our problems will not be solved by crash programs. We have a long, tough road ahead of us, but he added, "I have the impression that the pendulum is swinging." I think we are taking a more realistic attitude toward education—we are beginning to focus upon the ends of education as important, one of which is discipline, something which has been left out and which is now needed. The educators and scientists stressed the importance of intensified training in the grade schools and high school level. We are told that we must improve our teacher-training programs in the elementary level and to improve these programs all the way through the higher level of education so that our students will be better educated and broadened when they start university work.

Dr. Adams, another Board member, in commenting upon the Russians' educational system, stated that there are 428,000 freshmen in colleges this year in the Soviet Union and that every one of these 428,000 spent more than 1 month in taking examinations in various subjects and were extensively screened before being admitted to college. After they are admitted to the universities, they seldom fail—they have very, very few drop-outs because they are carefully screened. Not only are the science and mathematic courses stressed but there are thousands of more Russians studying English than there are Americans studying the Russian language. Their training is intensive, 6 days a week, 60 to 65 hours.

Pointing out that a National Science Academy has been proposed for our country, it was the opinion of Dr. Adams and others that what is needed is not a new academy but intensive and concentration courses provided at our numerous colleges and universities throughout the country. We only have a limited number of science teachers and if an academy were to be established, the instructors and staff would, of necessity, have to be taken away from our present universities. In calling for full appropriations for the work of the Science Foundation, Dr. Adams and others pointed to the long road, the big job ahead, and said that not only in the field of physics and mathematics but in other areas of science we must take every step and do everything that we can do to intensify and accelerate our educational programs.

Another witness before our subcommittee testified:

What we need is a new look because science has moved so fast in the last few years that the children need to know more when they get to college than ever before. We have to do something about new courses, new ways of teaching, new curriculums of every kind in elementary schools and high schools—that means an enormous amount of experimentation, trying out new methods, what can the children learn more quickly, and are the methods we are using today the best. Can't these children who see so much television at home and know so much about science when they arrive at school go faster than our second, third, and fourth grades let them go? There is an awful lot of work to be done to see how each group of children can be brought along—that means somebody has to study new methods and the Foundation has a very strong program on that.

Dr. McLaughlin, a noted American scientist, commended the National Science Foundation as an excellent pilot mill. He particularly stressed the importance of teacher-training programs and the teacher-training institutions fostered and sponsored by the Foundation.

Concerning fellowship and scholarship grants provided by the Foundation, I feel that it should be pointed out that the testimony discloses that at the present time only about 19 percent of the requests received can be accommodated. The budget of the Foundation for this year, the present fiscal year, permits the agency to support only 19 percent of their request in this field. The bill before the committee would supply funds for only about 40 percent of their request. The goal of the NSF is to be able to supply 75 percent of this request for scholarships and fellowships.

The long-range objective of the Foundation is to help our country get ahead in this very important field of developing scientists and in broadening and increasing education in our own country. I feel that the increase in funds provided at this time is adequate and as much as the Foundation can reasonably and efficiently use at present.

Mr. Chairman, the overall budget for the Veterans' Administration for next year is $5,922,343,500. This is a large sum of money, but we all recognize that the Veterans' Administration is one of the largest service agencies of our Government. It should also be pointed out

that the budget for the VA has been cut and reduced from year to year for the past several years. The budget for all VA programs, immediately after the war, was in excess of $9 billion. It has been cut from 9 to 8, 7, 6, 5 and now to a level of about $5 billion.

There are two items of particular interest in the VA budget which has been previously mentioned. First, the item for inpatient care. For 1958 the VA had $79 million for providing medical care and service to the disabled veterans in our numerous veterans hospitals. For next year, 1959, the VA requested of the Bureau of the Budget $87,298,000, and this item was cut by $15,700,000. In other words, they had $79 million in 1958, for 1959 they ask $87,298,000 and the Bureau of the Budget cut $15,700,000 from their request for inpatient care for veteran needs. The testimony on this item before the committee is very voluminous. A number of hospitals or beds would have to be eliminated should the budget cuts stand. We were told that the VA needs an additional $5 million for inpatient care of veterans in general medical and surgical and tuberculosis hospitals, and an additional $6½ million to care for NP or mental patients. The committee in its wisdom has restored these funds. I am sure the Members of the Congress and the country do not wish the Veterans' Administration to provide second class medical care for the veterans of this Nation.

Dr. Middleton, chief medical officer, under questioning admitted that the cutbacks in the VA budget were directed by the Bureau of the Budget. I asked Dr. Middleton whether or not in his opinion it would be fair to say that there has been a slowdown in the inpatient care program and his answer was "Yes." He called for a higher level of financial support for our mentally disabled veterans, veterans in our NP hospitals equal to that of our general medical and surgical hospitals.

There is a direct relation between the amount of money spent for the care of these patients and the rate of recovery and their return to society as rehabilitated citizens. I quote from page 572 of the hearings, giving Dr. Middleton's testimony:

> The time has arrived when, if we were going forward instead of backward, we would have to have staffing that would bring patients from the back wards, that is forgotten patients who were in some of the wards, the burned out patients. This term "burned out," gentlemen, is anathema to many. I think in modern days when a physician says there is no longer hope for a mental patient, he is losing sight of the advances that have been made. The number of patients who have made satisfactory improvement for return to society, resocialized, rehabilitated, is advancing steadily.

At another point Dr. Middleton pointed out that we have 16,000 veterans on the waiting list for admission to NP hospitals. While it is true that the number of TB patients are declining, the number of NP patients are increasing.

At page 578 the following testimony appears:

> Mr. EVINS. Doctor, you referred to those patients in the back wards—the men in the forgotten wards. Do you think those veterans with more attention, care and money could be rehabilitated or restored to society? or restored sooner?
>
> Dr. MIDDLETON. I know it.
>
> Mr. EVINS. You know it?
>
> Dr. MIDDLETON. Yes, sir.

I am sure that the Budget Bureau is not a expert on the type and kind of medical care that should be provided the veterans of this Nation. I prefer to take the testimony and expert knowledge of our medical officers of the VA and I am sure that the Congress wants to do everything possible to see that these medically disabled veterans are given the proper care and attention and rehabilitated and restored to society.

I think, Mr. Chairman, that members of the American Legion and Veterans of Foreign Wars who appeared before our Committee best expressed the sentiments of the Congress and the people of this country when they strongly protested against what these men term the "dollar worshiping" concept of the Budget Bureau as contrasted with the "humanitarian" concept of veterans medical care authorized by the Congress.

I trust that any amendment offered to reduce this item for medical care will be resoundingly defeated.

The second item in the VA budget which was drastically cut by the Budget Bureau was the item for hospital construction and the hospital modernization program.

Last year the Congress appropriated $44,500,000 for this purpose. For 1959, the VA requested of the Bureau of the Budget $44,528,000. However, the Budget Bureau cut this item by $35,383,000 or an 80 percent cut. The Budget Bureau recommended only $9,145,000 for some construction and modernization of a $2 billion investment in the veterans hospitals of this country. Of course, it has been pointed out or will be pointed out that there was a carryover of some $50 million of funds of prior years; however, the VA feels, and I believe the country feels, that at this time the Nation should take a long step in the direction of building such hospital requirements as the Nation needs and also in improving and modernizing our hospitals, many of which are outmoded and in need of modernization and repair. The level of the construction program as approved by the Budget Bureau, even with the carryover, would be $15 million less than the amount available for construction in 1958.

I am sure that we are all aware that some of these veteran construction projects have been approved for too many years and postponed long enough. Instead of $9,045,000 recommended by the Bureau of the Budget, its testimony indicates that the Veterans' Administration could use $192,121,000 to complete the approved projects.

The $10 million added to the bill above the budget is intended for the completion of the construction of two hospitals in the Veterans' Administration construction and renovation program; namely, hospitals in Nashville, Tenn., and Jackson, Miss. Funds have previously been appropriated for these projects, but increased costs due to materials, labor, and site location have necessitated an increased appropriation to complete these two hospitals.

As pointed out in the committee report, the committee will expect the VA to proceed with more speed and dispatch in its hospital construction and renovation program. I repeat, it seems that now is the correct time to take a long step forward in abating the frustrating delays the VA has encountered in carrying out its construction program.

I personally have deep resentment when the Bureau of the Budget can circumvent the will of Congress, not only with respect to items of medical care and hospitals for the veterans of this Nation, but other actions of Congress as well.

The committee is recommending $19,145,000 for funding additional hospital construction and repair in 1959. This is $10 million in excess of the budget estimates, but $23,355,000 less than the appropriation for this purpose for this year. This amount will not take care of all of the approved projects and all of the needs, but the amount carried in the bill certainly should be approved. It will help speed the hospital construction program—long delayed—and serve to provide better facilities for veteran needs—while at the same time provide employment and a stimulus to our economy at a time when our Nation can well afford to make these expenditures.

The third item—big item—in the bill on which I wish to speak briefly is the money carried in this bill for direct appropriation or construction of post offices or Federal buildings by the General Services Administration.

A great deal has already been said—or will be said about the inefficiency or lack of progress of the so-called lease-purchase program. I for one do not think that it has succeeded as the Congress intended. I believe that Administrator Floete of the General Services Administration, Public Buildings Commissioner McConihe, and members of their staffs have endeavored to do a good job and to render a real service in this field. However, as we all know, the GSA has been handicapped by a multiplicity of redtape with which this program has become involved. In addition, the Bureau of the Budget has failed to approve projects that are needed and have approved others that were not perhaps as meritorious as some that the Members of Congress might prefer.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The gentleman just made reference to construction of public building projects by direct appropriation. On page 2 of the report it is pointed out that $177,255,000 is to be used in the construction of 66 public buildings. Further along in the paragraph reference is made to 14 other authorized projects outside of the District of Columbia which the Administrator said cannot be placed under construction in 1959 even if funds were appropriated. On page 5 is a list of those 14 projects. My question has reference to one at Denver, Colo., involving a court-

house costing $17,390,000. Is it true that the Administrator of the General Services Administration will be given $18 million for the purchase of sites and to draw plans for that building?

Mr. EVINS. I may say to the gentleman it was the wish and intention of the committee that ample funds be provided in the bill for construction of all these projects. The $38 million appropriation to which the gentleman refers is for acquisition of sites and for plans for the 14 additional projects which the GSA said they were not prepared at present to start constructing. So the answer to the gentleman's question is "Yes."

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. EVINS. There is only one building built by the GSA under this lease-purchase program at Rock Island, Ill. There are three others under construction, one in Kansas City, Kans., one at Council Bluffs, Iowa, and one other construction. There are three under way in a period of some 4 or 5 years. I believe the Congress has felt this program has not been effective, therefore they did not renew the program or extend the legislation, but since the projects have advanced as they have the Committee on Appropriations approved the money for the completion of the 66 projects carried in this bill. I think that the Budget Bureau has been responsible for a crippling delay in its action and at this time when there is need for employment, when there is need for efficiency in Government, the program should go forward.

Although, as we know, the Lease-Purchase Act was not renewed by the Congress, I trust that these projects will be built under one of these plans promptly. There is some urgency to get these buildings constructed. There has been only one building constructed to date—only one post office and Federal building—built under the lease-purchase plan. There are three other projects approved and under construction, namely, Kansas City, Kans., Council Bluffs, Iowa, and Albuquerque, N. Mex.—besides the one that has been built and completed at Rock Island, Ill. As the plan has operated—cumbersome and with redtape, we have not actually leased any buildings, but only leased the money to build these very limited few buildings and the Government has been paying rent on that money which would increase the total cost of the building to the taxpayers from 65 to 70 percent.

Mr. Chairman, let me review how the present so-called lease-purchase program actually works. First, the Post Office Department and the General Services Administration do the entire job of planning the buildings. Secondly, when the Post Office Department approves construction of a specific post office and the GSA has the estimate of the cost, the GSA invites bids for financing the cost of the public building—I repeat, the bids are for financing the cost. Bids are received largely from insurance companies and the rates of interest proposed have been so high that many bids have been rejected. Until recent months, all interest rates have been in excess of 4¾ percent or more. The latest bids received in the past 2 weeks were about 4½ percent. The GSA then invites bids for construction and awards such bids as are acceptable. The GSA also supervises the construction and will be responsible for the construction. Mr. Chairman, the only thing the investor does is to loan the money. The Government, through the GSA, does everything else just exactly as it would do if the building were constructed with appropriated funds. There are two principal differences—under lease-purchase we have to pay at least a 1-percent point more for the money to build the building and, secondly, the Government must pay local taxes for a period of from 10 to 25 years. There is a fiction that the Government owns the building. The Government does not own the building or acquire the title to it until after a period of from 10 to 25 years—a 10-year period for amortization of small projects and 25 years for the amortization of higher cost public buildings. By direct appropriations, the money could be borrowed at the going rate of interest for Government bonds from 3 to 3½ percent—and possibly even less—thus, a saving of 25 percent in interest cost plus taxes. As the buildings would be Federal property, they would not be subject to Federal taxes—thus, representing a further savings.

Besides the increased cost under the lease-purchase, I think the Congress and the country are disappointed with the redtape and delays involved. Because of the delays and because of the inabilities for this program to move forward and to provide the modern and needed and essential post office facilities which are required, the committee has recommended in this bill a total of $177,225,000 for the construction of 66 public buildings by direct appropriations. These projects have been approved by the Public Works Committees of the Congress. At pages 1258–1259 and 1260, volume II of the hearings, will be found a statement of the Comptroller General and inclusive of the record of the full report of the analysis of the cost of the construction of these 96 projects under the lease-purchase plan and by direct appropriation. The GAO study relates to the 96 projects approved by GSA. However, as indicated the committee is recommending funds only for 66 projects. Projects in the District of Columbia have been deferred and other projects are not advanced far enough to proceed with construction at this time. However, the GAO study with respect to the 96 projects is applicable to all projects which have been approved to date—the same principal of increased cost applies to the 66 projects for which funds are recommended in this bill.

In brief, the total cost of the 96 projects, according to the GAO would be $1,772,555,000 at a 4½-percent interest rate and a total of $1,842,442,000 at a 5-percent interest rate charge. By contrast, by direct appropriation the total cost of the 96 projects will be reduced by $762,562,000 and it would be $692,675,000 under the 4½-percent interest rate contracts. In other words, it will cost the taxpayers 70 percent more to build these buildings under the lease-purchase plan. This includes the payments of taxes over the 10 to 25 year period which would represent a cost of $251,682,000.

In other words, Mr. Chairman, the additional cost on a 5-percent interest charge would be $762 million plus. In other words, these 96 projects will cost the American taxpayer in excess of three-quarter billion dollars more if constructed under the lease-purchase plan than by direct appropriation.

The committee accordingly, very wisely and in the interest of economy, has directed that these approved projects be built by direct appropriation and the money is carried in this bill. I repeat, that these projects which have been long delayed and are much needed for efficiency of the Post Office Department should now go forward. This is the time when there is a recognized need for the providing of employment and the work will assist in our declining economy.

In conclusion, I want to ask the pardon of the committee for my trespassing upon so much of your time, but I felt that with this big bill there are three programs of special appeal and especial importance at this time; namely, the program of the National Science Foundation, Veterans' Administration, and the General Services Administration, worthy of some further detailed discussion.

Mr. Chairman this is a good bill—it is a well-considered bill, and I urge its adoption.

Mr. VURSELL. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, we in northern Ohio feel that there has been unpardonable delay in the construction of the two VA hospitals authorized by the Congress ten or more years ago.

May I call the attention of the House to a statement on page 16 of the committee's report on H. R. 11574:

> The committee cannot understand why it is taking so long to make any progress with the hospital renovation program. It certainly has not been due to lack of funds. The unobligated balance of construction funds at the present time is $144 million. It will be $105 million at the beginning of fiscal year 1959. The committee will expect an increased number of projects to proceed into construction without delay and will review the situation further next year.

There are two proposed VA hospitals in northern Ohio in which I have had a deep interest over a period of years. One is a 1,000-bed neuropsychiatric hospital to be constructed at Brecksville, Ohio; the other is an 800-bed general medical and surgical hospital at Wade Park in Cleveland.

The Brecksville neuropsychiatric hospital was authorized by Congress in the 1948 new hospital program and funds were appropriated in 1953. The Wade Park hospital was also authorized in 1948, but no money was forthcoming until 1956 when $1,056,786 was appropriated for plans, technical services, and so forth. Neither of these two hospitals have progressed very much. The VA recently informed me that plans for the neuropsychiatric hospital will not be completed until October and that bids for construction will not be let until some time after that. On the other hand, the VA does not plan to request construction money

for the Wade Park hospital until next year.

Cleveland has responsibility for 715,000 veterans in northern Ohio. Something over 1,900 veterans in that area are awaiting admittance to the neuropsychiatric hospital, and the Wade Park hospital is to replace a VA hospital which is old and the constant repairs costly.

I urge the committee to follow through and do everything possible to get these urgently needed hospitals under construction.

Mr. BALDWIN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from California.

Mr. BALDWIN. I would like to join the gentlewoman in her remarks and to express likewise the thought that there should be steps taken by the Veterans' Administration to speed up this hospital construction program.

Mr. VURSELL. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, when we brought out this bill to the House a year ago, the independent offices appropriation bill, we were rather optimistic because we had defeated a piece of legislation that should never have been passed. It carried $50 million in that bill and ultimately would have cost the Government 10 times $50 million and put us into the indemnity insurance business with a sure loss probably running to $5 billion. The most optimistic report I can give you today is that the defeat was so sound there was no request for funds to implement the legislation in this budget. Today our report cannot be quite as optimistic as it was a year ago because a year ago we also came in with a substantial reduction of millions of dollars under the budget.

Our report today is not too optimistic. While in most of the hundreds of items we were able to make some reductions, which total $200,042,600, which is a considerable amount; however appropriations recommended in the bill as a whole show an increase over the budget request of $627,577,400, or $1,159,988,100 over 1958 appropriations.

The total recommended in the bill is $6,549,920,900. Several large items written into the bill are responsible for increasing the amount over the budget request.

The largest item is $589 million to the civil-service retirement fund. One new item is $177,255,000 to finance construction of 66 public building projects by direct appropriations rather than to continue them under the lease-purchase contract method.

Since some Members have placed great emphasis on the necessity of this bill providing for an increase to the civil-service retirement fund of $589 million, and have referred to the fund as in a bankrupt condition, I want to meet that charge with facts which I believe will prove to the Members of the House that such statements are not justified by the facts.

My first witness is the Director of the Bureau of the Budget, and at this point may I read to you a statement which I received from Mr. Stans, the Director:

STATEMENT ON CIVIL SERVICE RETIREMENT FUND RECEIVED FROM BUREAU OF THE BUDGET

This proposal to appropriate $589 million to the civil-service retirement fund would increase Federal budget expenditures unnecessarily in what appears to be an attempt to convert a perfectly good actuarial and cost-accounting estimate relating to one or two aspects of financing the retirement system into added appropriations which will either increase the public debt or add to the burden placed on today's taxpayers.

This proposed $589 million appropriation is unnecessary, because we are already appropriating funds for retirement purposes to the agencies, and as interest on the public debt, which funds find their way into the retirement fund. We are including about $650 million in 1959 appropriations to the agencies which will be paid over by them as their contributions to the retirement fund. And we are including about $214 million in the appropriation for interest on the public debt, as the amount to be paid upon the approximately $7.5 billion balance in the fund, and this amount will in turn become interest income to the retirement fund. Thus we are already appropriating about $864 million to the retirement fund over and above the approximately $650 million which the employees will pay, as their retirement deductions. Since it is estimated that disbursements from the fund in 1959 will be paid at the rate of about $802 million. This means that the fund in that year will receive income of about $722 million over its disbursements.

This condition of an excess of receipts over disbursements, will continue, it is estimated, until about 1972, 14 years, and by that time the fund will be about double what it is today, or about $13 billion.

It is obviously desirable that the Civil Service Commission keep accurate accounts, and report annually its estimates of income and expenditures, and of future requirements based on various assumptions. However, these abstract estimates should not be converted into added appropriations.

To imply that because it is not fully funded, the retirement fund is being somehow mismanaged and that it is bankrupt is to call into question the full faith and credit of the United States Government. The Retirement Act promises to make certain payments under specified conditions, and regardless of the size of the balance in the retirement fund at any particular time, these benefits will be paid because the promise to do so is backed by the full faith and credit of the Government. There are no conditions attached. It is a perfectly open and straightforward obligation.

While these are very strong reasons for full funding of private pension plans, these reasons do not apply in the case of the Civil Service Retirement System. The most important reason for full funding of private plans is to assure employees that they will receive the benefits they have earned even though the employer may go out of business. We have never thought it necessary to make provisions for the Federal Government going out of business.

FACTS ABOUT CIVIL SERVICE RETIREMENT FUND

Let me summarize this factual statement from the Bureau of the Budget, which summary will clearly show that the $589 million added to this bill is not necessary to the solvency of the fund; can only increase the Federal debt, and serve no worthy purpose.

For the fiscal year 1959 there are three automatic sources of income going into the fund without the additional appropriation of $589 million proposed, as follows: $650 million from the employees; $650 million from the agencies of the Government matching employees' funds; $214 million was appropriated in the Treasury bill to pay the interest on the $7,500,000,000 cash fund balance.

This makes a total of $1,514,000,000 income to the retirement fund in 1959, and makes unnecessary the additional $589 million proposed in the bill.

Disbursements from the fund in 1959 are estimated at $802 million which show that the fund will gain in 1959 over and above the amounts paid out—$712 million—again proving no necessity of adding another $589 million.

DO THESE FACTS INDICATE THE RETIREMENT FUND IS BANKRUPT?

The Members on both sides of the of the House are and should be concerned about the present day economic condition. Many Members are thinking of appropriating additional funds to expand public works construction or to reduce taxes—those things that will directly affect and benefit the citizens of this country.

This proposed appropriation of $589 million to the retirement fund will create an increase in the public debt. It is merely a bookkeeping transaction, and will not contribute 1 red cent toward relief to the present day economic condition.

This fund is not only sound actuarially for at least 14 years to come, but it has the full faith and credit of the Government as an assurance that all retirement benefits will be paid. Someone has said that the fund is bankrupt. Of course, that is a mistaken idea. This fund can only be bankrupted in the future by the Congress, managing the fiscal affairs of our Government in connection with the executive department in such a way that we will bankrupt the Government.

This extra appropriation with other billions and billions that might be unwisely appropriated could be the steps taken that would bankrupt the Government and thus bankrupt the fund.

We who are trying to stop the unnecessary increase of the national debt by asking the Congress not to put this unnecessary increase of over a half billion dollars on the national debt at this time, are, in fact, the ones who are trying to protect this fund for the future of those in Government interested in the retirement fund.

GENERAL SERVICES ADMINISTRATION

Some other substantial increases were for repairs and improvements of federally owned buildings—$10 million over the budget, which we thought were justified, and will save money in the long run.

Sites and expenses, public building projects—$18 million. By changing to direct appropriations rather than to continue lease-purchase construction of public buildings, and with increases we found necessary over the budget estimate, the total increase for General Services amounts to $121,517,900, notwithstanding a reduction in strategic and critical materials of $70 million, and other substantial reductions.

At this point may I say Mr. Floete deserves high praise for the leadership and energy he has demonstrated as Administrator of GSA. He and his staff have done an excellent job.

HOUSING AND HOME FINANCE AGENCY

Since I shall direct some criticism with reference to some programs under the Housing and Home Finance Agency, whose Administrator is Albert Cole, known and highly respected by all the Members of Congress, I do want to say that I do not believe the President could have selected anyone for this difficult job who could have rendered a better service of administration than does Al Cole. Mr. Cole and the present administration inherited this giant arm of bureaucracy, which had been built up and had become a policy of the Federal Government for several years before Mr. Cole was named Administrator. I know and most of you know that Mr. Cole has greatly improved and tightened up this farflung organization.

His associates, including Mr. Slusser at the head of Public Housing, are doing the best they can, and have made great improvement in the administration of the act for which the Congress is solely responsible.

And I want to pay special tribute to Mr. Norman Mason for the excellent management he has given to FHA.

URBAN RENEWAL

In this rather large agency was carried an item of capital grants for slum clearance and urban renewal of $50 million.

This appropriation finances two-thirds of the loss incurred by a local community in acquiring and clearing land for an urban renewal project.

The contract authorization at the present time for such grants, which will be given away to the large and smaller cities—$1,350,000,000, and legislation has been introduced to increase the authorization to $2,650,000,000 by fiscal year 1963. Thus, the total of $2,650,000,000 will be contracted for in the future and come before this committee and the Members of Congress for approval if the law is continued in effect, and I fear it will be.

These huge amounts are being spent and will continue to be spent to do a facelifting and slum-clearance job, building up such cities as New York, Philadelphia, Pittsburgh, Chicago, and some smaller cities—all of this money to build up these cities at the expense of all of the taxpayers in the Nation—from every Congressional District in the United States.

I cannot bring myself to believe that all of our farmers, our little-business men, and our laboring men and women should be taxed as they are being taxed for these huge gifts in building up the urban and city districts. I cannot quite understand how the Members of this Congress can justify laying this tax on the citizens of their Districts who never derive any benefit whatsoever from it.

PUBLIC HOUSING ADMINISTRATION

There is another item in this bill for $107,500,000 for annual contributions, payments on 401,214 low-rent public-housing units. The bill also includes $11,800,000 for administrative expenses of the Public Housing Administration, making a total of $119,300,000. This singularly large sum carried in this bill is only a pittance of the billions of dollars that over the years have been appropriated in the building of low-rent public-housing units—practically all of them in the large cities of the Nation.

These grants, gifts, or subsidies, whatever you want to call them, are first collected in taxes from the people of the entire Nation to build new and modern small housing units, mostly in great apartment buildings in the cities where the people who occupy them are charged a rental of about one-third less than normal rents, and this one-third rental is paid for them from the taxes of all the people throughout the United States.

Here are some startling figures which I feel should be called to the attention of the Members of Congress, taken from information I received from the Public Housing Section of the Housing and Home Finance Agency yesterday. This is the backlog or work ahead which has been contracted:

Ninety thousand units are under annual contributions, on which construction has not been started but will be built.

Fifteen thousand five hundred are under contract.

Sixty-seven thousand one hundred were authorized in 1956 to be placed under contract.

This makes a total of 172,600 that are authorized, with 15,500 under contract.

This does not include 376,000 which have been under management for several years, and it is fair to say that several thousand of the last lot were wartime units built several years ago.

I think it should startle you to learn that the Government, through its 40-year contract of subsidizing this public housing, to be occupied by people who pay only about two-thirds of the normal rental, when all of these units are completed will have a clear loss of over $5 billion of the taxpayers' money. When you combine this with a loss of $1,350,000,000, when the urban renewal contracts now entered into are finished, the total loss to the Government would be something over $6,350,000,000.

I bring this painful information to the attention of the Members of Congress in the hope that sometime, somehow we can stop the urban renewal and the public housing programs.

FEDERAL HOUSING ADMINISTRATION

I have a report today from the FHA section of the Housing Administration, which has been doing a wonderful job over the past number of years in promoting free enterprise housing, that the applications for insurance for smaller homes, from $10,000 to $13,000, are about 70 percent higher than this same time last year, and that is certainly good news.

Furthermore, it is the opinion of Mr. Norman Mason, the head of that section, as expressed to me, that there will be built 1,100,000 FHA financed homes this year, which far exceeds the new building last year.

VETERANS' ADMINISTRATION

First, I want to pay my compliments and express my appreciation to Mr. Whittier of the Veterans' Administration, who I am sure has impressed all the members of the committee as an able and dedicated administrator in the interest of all of the veterans.

The committee recommended $4,932,210,000, which is $35,342,000 below the amount recommended last year for 1958; however, the committee increased several items above the amounts requested in the budget—for inpatient care, the committee provided $715,465,000 for eligible veterans in VA and other hospitals. That is $8,365,000 more than the budget estimate, and $13,465,000 more than the current year.

During the hearings it became evident that the budget estimate was inadequate for the number of beds that would be required, and also would not provide the type of care for neuropsychiatric patients the VA considered desirable. The committee has, therefore, added $5,000,000 over the budget estimate for improved medical care for mental patients, and $3,365,000 for care of additional patients.

The bill provides for treatment of 140,800 beneficiaries instead of 139,042 as proposed in the budget estimate.

OUTPATIENT CARE

The bill contains $75 million for this item, which is a reduction under the budget request of $798,000. The reduction is predicated on a smaller workload for next year.

COMPENSATION AND BENEFITS

The bill includes $3,200,000,000 for payment of compensation and benefits to veterans in 1959. The amount provided is a reduction of $32 million in the budget estimate, and is still $373,750,000 more than was appropriated in 1958.

The above reduction was made in view of the fact that a carryover of funds from 1958 currently estimated it from $15 million to $25 million.

READJUSTMENT BENEFITS

The bill provides $700 million for this item, which is $17,960,000 less than the budget estimate. More than $600 million of this appropriation is for training Korean conflict veterans, and the number of trainees is expected to drop from 540,000 to 460,000 next year.

I shall not go farther, because I have talked at great length; more than I feel I should, other than to say that we have done the best we could with this bill. We have taken care of the veterans in very good shape. There have been some things the committee has reported with which I do not fully agree, and there has been some language in criticism of some people, with which I do not agree. But, of course, those small things do not amount to much when you talk about the fine good that comes from a group of men working in the interest of our Government, such a group as we have on this particular committee.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. Briefly.

Mr. JONAS. Is it not true that the only way it can be said that this fund

is insolvent or bankrupt is in the event all the beneficiaries should apply at one time for payment and then there would not be enough money in the so-called trust fund to pay them?

Mr. VURSELL. That is true.

Mr. JONAS. But the fund itself is no more bankrupt than the Federal Government; is not that true?

Mr. VURSELL. I fear not nearly as bankrupt as the Federal Government.

Mr. JONAS. As a matter of fact, the Federal Government has used all of the money, and the trust fund merely has the I O U's of the Government as its only assets; is not that true?

Mr. VURSELL. That is quite correct.

Mr. JONAS. If we continue to pour money into the fund the Government will continue to spend that money and put additional I O U's in there. Eventually when paying time comes we will have to tax the people twice to take up the I O U's after having taxed them to provide the money to put into the fund, is not that true?

Mr. VURSELL. It would be a losing operation for the taxpayer and a greater expense.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. VURSELL. I will be glad to yield to the gentleman from New York.

Mr. TABER. The way things are going, the disbursements could not get up to the amount of money in the fund prior to 1972.

Mr. VURSELL. That is quite correct.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. YATES. Does the gentleman recall the testimony of the Civil Service Commission before our committee——

Mr. VURSELL. I will anticipate the gentleman's question.

Mr. YATES. Let me ask the question.

Mr. VURSELL. I do not yield further. I know quite well the budget did not request these funds. It took a great deal of questioning to get them to say they were interested in any way whatever.

Mr. YATES. With respect to the point the gentleman made, the Civil Service Commission requested funds for the appropriation. On page 550 of the hearings Mr. Irons testified that if this contribution is not included in 1992 the Federal Government will have to make direct appropriations to meet the claims of the claimants of $1.5 to $2 billions per year.

Mr. VURSELL. I am perfectly willing to admit that. It took a good deal of urging to get Mr. Irons to make that statement, which is a factual statement. It is not 1992, however.

Mr. YATES. Nineteen hundred and ninety-two is the statement in the hearings.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from North Carolina.

Mr. JONAS. Making direct appropriations is exactly the way we handle retirement funds for the military personnel, is that not true? We do not set up any trust fund out of which we pay retirees of the military service. We do that by direct appropriation each year.

Mr. VURSELL. And we take care of hundreds of millions and billions of dollars for the veterans. We are interested in the veterans. We are interested equally in those who expect to benefit from the civil service retirement fund.

Now I want to talk for a minute or two about the Housing and Home Finance Agency, and at this point may I compliment Mr. Cole on the ability and energy he has demonstrated as Administrator. He and his staff have done an excellent job.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Texas.

Mr. THOMAS. May I join my distinguished colleague from Illinois in his remarks about Mr. Cole. He is a fine man and a hard worker. He is a fine citizen and we think he is doing a good job.

Mr. VURSELL. And we think we have a fine chairman of this committee, a most gracious chairman, although we disagree occasionally as good citizens do. But we like to work with the chairman. We all know that he is rendering a great service to his country.

Mr. THOMAS. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. BOLAND] such time as he may require.

Mr. BOLAND. Mr. Chairman, like other members on the Independent Offices Subcommittee on Appropriations, I wish to express my appreciation to the chairman for the manner in which he has handled this committee; to the ranking minority member and to his two colleagues, the gentleman from New York, and the gentleman from North Carolina, and my own colleagues, the gentleman from Illinois and the gentleman from Tennessee, for the efforts they have expended in bringing to this floor this appropriation bill.

One of the very pleasant tasks of this Congress is to serve on this committee. I know of no committee or subcommittee of the full Committee on Appropriations that enjoys its work as much or spends any more time on it than do the members who serve on this particular committee. When the chairman opened debate on this bill he indicated that other members of the committee knew as much about the various agencies as he does, but in saying this he is selling himself short. There are few members who work as hard, there is none who knows as much about the 17 agencies with which this bill deals, as does the gentleman from Texas [Mr. THOMAS].

All of the agencies provided for by this subcommittee have their particular uses to the Government; all 17 are important, and all 17 have been treated very generously and very carefully by this subcommittee. One or more of the agencies provided for in this bill deal with the hopes, aspirations, and faith, I think, that the people have in this Nation of ours; and I believe one or two of them deal specifically with the future salvation and future security and stability of this Nation. One of those is the National Science Foundation.

Under the basic law the National Science Foundation is authorized and directed to develop and to encourage the pursuit of a national policy for the promotion of basic research and education in the sciences. I think the bill which this committee brings to this floor carries out that policy; as a matter of fact, as the gentleman from North Carolina pointed out in his opening, when the National Science Foundation came into being its first appropriation was $225,000. In this bill this year we make provision for the appropriation of $115 million. I think this indicates pretty clearly that the members of this committee, that the Bureau of the Budget, that the administration, that Members of Congress recognize the real race that we are in with some of our adversaries, and that by this appropriation we are attempting to take care of dealing effectively with an adequate science policy.

We are doing in our time what the founders of this Nation did in their time. Let me read a very interesting article which appeared in the New York Times of this morning entitled "Will We Do the Job in Science?"

The article reads as follows:

We Americans have been drawing comfort for years from a plausible proposition:

Freedom is the lifeblood of science. Therefore, as the largest free nation on earth we produced the most and the best in science.

Then Russia—which only yesterday was packing off to Siberia any scientist who upheld natural law against Lenin dogma—shot a missile through our complacency; she beat us into space by 4 months. She served notice that she was ahead of us in certain critical areas of rocket development. She unveiled an education system for scientists and engineers that turns them out much faster than we do.

On the threshold of a space age in which the side that is strongest in science will inherit the earth—or what is left of it—she sent us searching frantically for the proofs of a proposition we had taken for granted—in fact, for the answers to three questions:

Has our system failed us?

Have we failed our system?

In either case, what can we do?

We can thank sputnik for putting the question so plainly. For the challenge had been there all along.

With or without sputnik—with or without Russia—we would still have had to solve the giant problems raised by the massive eruptions of human forces and natural forces in our time.

We would still have had to find a way to harness the energies of the atom to the task of bringing technology, food, and freedom to the hungry three-quarters of the world's people—or been engulfed as these awakening millions reached out for the tools, or the weapons.

We would still have had to discover new sources of energy, in the world around us, in the sun or the stars, or see the conventional reservoirs of fuel dry up.

We would still have had to find the credentials of space-age scientific leadership for which we are searching now, or surrender that leadership.

Sputnik only added the exclamation point to the challenge, and set a deadline for decision.

It wasn't the system that failed us—the proofs are plentiful.

The founders of America did far more than establish a climate for the study of science. They set up the means by which the findings

of science could be put to practical use for the benefit of everyone.

They opened the way for whole industries to blossom from the seed of a single scientific discovery—and for those industries to reseed themselves and reseed science itself with profits plowed into research, into foundations and educational endowments. There's no reason now to doubt the resiliency of a system that could bring into being the miracles of aviation and automation and electronics that are the trademarks of modern America—and at the same time could produce more than half of the Nobel prize winners in physics, chemistry, medicine, and physiology between World War II and 1957.

A system that has pioneered the fission and fusion of atoms and at the same time conquered half a dozen of the world's deadliest plagues and plotted the final conquest of polio, malaria, cancer, arthritis, and heart disease, gives reasonable assurance of doing any job asked of it in the future.

But it's hardly necessary to labor that point—Khrushchev, himself, has driven it home. He has cut his physical scientists loose from the restraints of Communist dogma, and given them a degree of freedom that would have brought cries of treason from his predecessors. He did this by invoking an even more fundamental Communist axiom—that the end justifies the means, even if they are freedom's own means. He has borrowed another page from freedom's book in broadening the base of his scientific manpower through expanding education. An informed people has long been considered the nemesis of any dictatorship. Khrushchev is willing to take his chances.

We can stop worrying about whether freedom can do the job in science—and start asking ourselves in what respects we have begun to fail freedom. The answer is easy; the cure is not.

Until sputnik, we weren't facing up to the space age—we were backing into it.

Secure—as we imagined—behind our H-bombs and our unmatched industrial power, we ignored a fact that Russia grasped early and clearly:

Progress in weapons and progress in technology—basic requirements for survival in the age we have just entered—both depend upon the scientist in the laboratory, unlocking new secrets of nature.

Russia has not only emancipated her scientists—she has made them princes of the realm, enjoying salaries and status reserved for her top-rung aristocracy. And she has assured a satisfactory flow of reinforcements.

In America we have been going the other way.

As the original proprietors of the incentive system we devised incentives for just about every talent under the sun—from playing a good game of football to recalling Henry VIII's third wife's middle name. But an American scientist engaged in fundamental research has had to scratch to find any token of appreciation. (Nobel, after all, was a Swede.)

A recent study among high school students established an image of the American scientist as a combination of Svengali and the absent-minded professor. Another study among American adults developed that only 10 percent of those interviewed could call to mind the names of even two American scientists.

That we are still ahead in science—that we still have better facilities and greater aggregate scientific competence than Russia—is a tribute to the farsighted programs of the universities, industry and the foundations, and to the scientists themselves and their dedication to their own ideals.

But our margin of superiority is dwindling—and it will disappear unless we move swiftly to bring science into a condition to fulfill its mission in tomorrow's world.

The Federal Government has a responsibility here—to make sure that enough basic research is conducted to meet the minimum needs of national security. It is moving to meet this need, by stepping up the research, scholarship, and teaching-support programs of the National Science Foundation.

But the American people—not Government—control the incentives, the climate, and the training facilities that will finally determine whether we shall have enough science in time, or too little, too late.

They must know their own absolute dependency upon science in the space age—not that science, alone, can make freedom secure, but that the Free World cannot survive without that steady flow of scientific discovery that produces new weapons, new technology, new instruments and methods to wage peace.

If this life-and-death dependency upon science is understood, the American people will provide—readily and eagerly—the means for their scientists to do their job.

These are their needs:

Respect and status in keeping with their service. One measure of that status—though by no means the only one—is financial reward, and until now many scientists have had to leave the schools and university laboratories and go out into private industry to get it.

Freedom—to work alone in a laboratory, or to pool ideas and findings, and attack a complicated problem in worldwide concert, as was necessary to split the first atom. Military secrecy can never be thrown to the winds, but secrecy that forecloses a vital new weapon or a revolutionary instrument for peace is a costly self-indulgence in the space-age struggle.

An ample supply of new blood—which can come only by giving prospective young scientists the tough, challenging courses that will whet their minds, the laboratory equipment to train them, and the teachers to inspire them.

These are modest requests for a group of Americans who are prepared to provide, in return, the instruments for a better life for all of us, for security in the space age, and for accelerated progress toward the kind of peace we all seek. Our scientists are ready to prove—if the American people will join them in the effort—that the vigorous practice of freedom is the ultimate weapon.

What this bill before us does is to make sure that enough basic research is conducted to meet the minimum needs of national security and is moving to meet this need by stepping up the research scholarships, and teaching support programs of this National Science Foundation.

This committee provides for the three great programs of this foundation:

First, grants to universities for basic research.

Second, fellowships to continue predoctoral and postdoctoral studies.

Third, institutes for training science and mathematics teachers.

I think the $115 million we have provided in this bill, despite the fact that it is a $25 million reduction in the request, is sufficient to run this agency. This is an increase of $75 million. It seems almost inconceivable that this agency can use any more than this at this time. One of the other agencies under this bill is the National Advisory Committee for Aeronautics. The work of the National Advisory Committee for Aeronautics is to advance technology relating to aircraft, missiles, and in these days, of satellites and space craft itself. This is a tremendously wonderful and magnificent agency.

This is the agency that developed the area rule which enabled our planes to break the sound barrier by the simple process of revamping the fuselage on an airplane. This is the agency that developed the blunt nose cone that is able to break out into outer space and come back to the earth again without burning out. This is a great agency. This is the agency that ought to be put in charge of the entire space program, for this agency is composed both of civilian and military men. This is the agency that by its basic research will do more for the Nation in the space years that lie ahead.

What is this committee doing for the National Advisory Committee for Aeronautics? The first appropriation for this agency was back in 1949 and the total appropriation was around $38 million. In this bill today we make an appropriation for the National Advisory Committee for Aeronautics of $78 million, double the amount which was expended in 1949. So I say that the committee, the Bureau of the Budget and the administration are doing their part in making sure that this agency has sufficient money with which to operate and that our developments in space will be sufficient to keep up with any of our adversaries anywhere on earth.

One of the other agencies with which we deal and with which the committee is primarily concerned is the Veterans' Administration. I wish to express my best wishes to the new Administrator, Mr. Sumner G. Whittier, who is from my home State of Massachusetts. He was formerly a Member of the House of Representatives and was also a Member of the State senate, as well as having been Lieutenant Governor of the State. He has a tremendous job for it means that he supervises the expenditure of some $4,932,000,000. The expenditure of this kind of money requires a man with some intelligence and ability and faith in the veterans and faith in his Government. It also requires one who has a sense of humor. Mr. Whittier has it. So when the chairman of this committee, the ranking minority member and all of the other members of the committee join in wishing him well, I, too, join in that wish. I know that he can do a good job. I know he wants to do a good job, not only for the veterans but for the Nation itself.

In this bill here we added $5 million for medical research in medical institutions. The Veterans' Administration requested of the budget $6,500,000 and that request was denied. This committee, impressed with the manner in which Dr. Middleton is running the medical research program, put back $5 million. This will permit a modest advance in psychiatric treatment techniques by increasing the ratio of employees to patients. Improving treatment programs for the mentally ill is not an easy goal to achieve. It requires ceaseless effort, for no other area of medicine has such a historical lag to overcome. The effects of the tranquilizing drugs have created an urgent need for social stimulation of the patients and their families and application of treatment activities to large

groups. More can be done in this direction with more staff. Additional staff will also permit a broader use of other drugs. The addition of $5 million to the medical research program of the Veterans' Administration, the NP program, will do precisely this. I think it is a good expenditure of money, I think it will pay dividends in the future, and I trust, Mr. Chairman, that when the Committee comes to vote on this bill it will accept the recommendations of the Independent Offices Subcommittee of the Appropriations Committee for the fiscal year 1959.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, before I discuss the items contained in the appropriation bill, I think it is necessary to make some brief observations of the history of the various building acts so that we will understand fully the proposition before the Committee today.

The first modern day authorization for the construction of Federal buildings was contained in the act of 1913. That envisioned a comprehensive construction program to take care of the housing needs of the various agencies of Government located throughout the 48 States and the Territories. Immediately after the passage of that act World War I came along and it was suspended; we did not have any building program in effect under that act. Again, in 1926, we revived the hope of a building program and the act of 1926 was passed, and all the construction that took place subsequent to that date was either by amendments to the 1926 act or in provisions contained in appropriation items during the thirties, for the construction of Federal buildings. In the latter part of the thirties we passed an act authorizing site acquisition for future construction of Federal buildings. World War II intervened, and we renewed the act in 1949. Later that program, by Executive order, was suspended due to the Korean war. Then in 1954 we passed the so-called Lease-Purchase Act which, we were hopeful, would fill the need of a construction program.

Now, today I am here in support of the proposition sponsored by the Committee on Appropriations which will definitely, for all time to come, I hope, get rid of the lease-purchase law and the authorization contained in that law. Last year the act expired, after almost 4 years of ineffective effort. Let me say that I have no complaint to lodge against Mr. Floete, who made an attempt to administer the Lease-Purchase Act, nor of the Post Office Department Facilities Chief, Mr. Kieb, and his administration. I think the failure of the act lies with the act itself, for it certainly has been a "Rube Goldberg" arrangement of the worst variety:

The reason I want to see the Lease-Purchase Act killed is, first, that from the time the act has been in effect it has proven conclusively that there would not or could not be any large scale building constructed under it. One hundred and forty-six buildings have been authorized for construction. But, Mr. Chairman, only one building has been completed since July of 1954, and that is at Rock Island, Ill. Now, if from 1954 to the present there has been no faulty administration and if there has been a conscientious desire on the part of the Administrators to carry out a building program, then this is ample evidence that the act will not work.

I do not know of any greater authority to rely upon than the Administrator himself, Mr. Floete, for in his testimony to be found on page 7 of the House Report No. 894 filed by the Committee on Public Works on July 29, 1957, accompanying the resolution for the continuation of a program of direct appropriations, we find this in the committee hearing in a colloquy between Mr. THOMAS and Mr. Floete, as follows:

Mr. THOMAS. Mr. Administrator, did you ask for any direct appropriations on your public buildings program?

Mr. FLOETE. Yes, sir.

Mr. THOMAS. How much?

Mr. FLOETE. We asked for $335 million to finance the balance of 1957 and all of 1958 which would include all of these projects that have been approved.

Mr. Floete is directing his reply to the projects that had been approved under lease-purchase or Public Law 519 of the 83d Congress. Here is the next question:

Mr. THOMAS. On what theory did you ask for money for a direct building program?

Mr. FLOETE. Well, primarily because the present program was apparently not operating.

Mr. THOMAS. It was just not workable; is that right? That is, when you were advised it might be well to hold all matters in abeyance, relative to your program?

Mr. FLOETE. For the reasons I have stated.

This is an admission of the Administrator himself. The second reason we want to see an abatement of this program, is its overall cost. When we held hearings on the progress of Public Law 519 in the Committee on Public Works last year we asked the General Accounting Office to prepare an analysis of the estimated cost factors involved in the 146 projects that had been authorized since Public Law 519 was enacted. Let me read you part of their analysis.

Of the 146 projects, if direct appropriation was used the cost would be $714,616,000. Under the lease-purchase arrangement, on the assumption that the interest on the money for these projects would be at 4 percent, the amount would be $1,357,614,000. That is almost twice the entire cost of the direct appropriation.

Of the $1,357,614,000 under lease-purchase for 146 projects, $273,583,000 would be paid on taxes on Federal buildings constructed in various localities in this country. In other words, the Federal Government would assume all the obligations of the ad valorem tax and there would be an accumulation of such items throughout the country. For example, in the city of New York, on one project under lease-purchase whose construction cost would be $93,925,000 over 25 years the local taxes would add an additional $52,916,000 to the cost.

This is a departure from every known policy of the Federal Government in construction of projects for public use; to have the Federal Goverment pay local taxes for the purpose of servicing these people.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman.

Mr. BURLESON. As I understood the Chairman this morning, the committee has taken these 66 projects, with the exception of those in the District of Columbia, and has approved an appropriation of $177,255,000 for their construction, using as a criterion for their selection the fact that they had been approved under the so-called lease-purchase agreement. As I understand it further, their action is based on an authorization passed in 1926. Am I correct thus far?

Mr. JONES of Alabama. Let me answer the question in the sequence in which it should properly be answered. The language in the bill is based upon the authorization of the 1926 act, which is the basic law for Federal building construction. The identities of the projects were taken from the 1954 act, Public Law 519, due to the fact that these were projects on which prospectuses had been approved by the Public Works Committee. The Appropriations Committee thus had sufficient information to make appropriations for specific sites throughout the country.

Mr. BURLESON. The gentleman has said there is a total of 146 projects approved under the lease-purchasing plan.

Mr. JONES of Alabama. That is correct.

Mr. BURLESON. The 66 projects included in this bill are taken from the 146; is that correct?

Mr. JONES of Alabama. The answer is "Yes." I want to say at this point, Mr. Chairman, that no man has devoted more time and effort toward working out a sound, economical building program than the gentleman from Texas. The gentleman has contributed his time and has made valuable observations to the Committee on Public Works on the projects in his own Congressional District as well as the needs in the entire country.

Mr. BURLESON. As to the remaining 80 of the 146, does that mean those projects will continue their priority, and that the committee will then appropriate money for the construction of those buildings?

Mr. JONES of Alabama. I cannot answer that because I am not a member of the Appropriations Committee.

Mr. BURLESON. Let me put it this way very briefly: Will these remaining projects hold the same status as the 66 projects?

Mr. JONES of Alabama. I cannot speak for the Appropriations Committee. I know it would be the intention of the Subcommittee on Public Buildings and Grounds to continue this status.

Let me point out one more item of interest before I conclude: There is not a single project that has been contracted for by the General Services Administration where the interest rate is less than 4.74. In other words, the basic

rate will be almost a 5-percent interest rate. Thus the total cost of these 146 projects will be approximately $1,465,000,000, or twice as much as the cost under direct appropriations.

Mr. Chairman, the lease-purchase scheme is the most indefensible waste of funds in the history of Government construction. If the program actually had resulted in the construction of the projects heretofore approved, it would have cost the taxpayers of the country hundreds of millions of dollars in excess of the amount that would have been necessary to construct the same buildings by direct appropriations.

This bill must pass. Lease-purchase must end.

Mr. VURSELL. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, I am most happy, although I am not a member of the Appropriations Committee, to follow my distinguished colleague the gentleman from Alabama [Mr. JONES], who is also a member of the Public Works Committee.

I first want to pay my respects to the distinguished gentleman from Texas [Mr. THOMAS] whom we all love, and who, as well as the ranking minority member, the gentleman from New York [Mr. TABER], on the Appropriations Committee, works hard to bring good legislation to the floor of the House. I recognize they have had a difficult job to do, and that it is impossible for them to satisfy everyone.

The gentleman from Alabama, my distinguished colleague on the Public Works Committee and who is chairman of the subcommittee, and his colleagues on his side of the aisle had a great deal to do with the defeat of the lease-purchase legislation. I am most happy to follow him and to give some replies to some questions I think he left not fully answered. I am sure he does not want to leave any erroneous statements in the RECORD, and I would submit to him the question of the rates of interest. I have them here for anyone to see, and I shall not take the time to read them all. They range from 4 percent and 4.38 percent clear on down the line. I can see one that is at 5 percent, and that is at Burlington, Iowa. There is the Rock Island at 4 percent, and Albuquerque, and all the rest of them down the line. I am sure he will correct his figures to concur with the RECORD. I want to discuss with you some facts about the lease-purchase bill. Those on the other side of the aisle must take the blame and they cannot deny it because it was a straight party line vote in the Committee on Public Works when they voted, and used proxies to do so, to let expire the Lease-Purchase Act which stopped public building construction which has been in effect for approximately 4 years. I have read with interest Mr. Floete's testimony, and I sometimes wonder if we need to look any further for the reason of nonactivity of the program than to the Administrator himself. I suggest that we carefully scrutinize the activities of the Administrator.

Now I would like to call attention to the requests for $177 million by direct appropriations. My distinguished colleague from Alabama would lead you to believe that it costs lots more money to build by lease-purchase than by direct authorizations. If we did not have to borrow any money—if we, the Federal Government, had more money than we knew what to do with—and if we did not have to borrow money and sell bonds, I would go along with a certain portion of the statement of the gentleman from Alabama. But, remember one thing. We have an indebtedness of $275 billion. The first thing we have to do in order to get the money to take care of this appropriation is to borrow money from the people who have money back in our respective districts. They forgot to add that interest to their costs of direct appropriations. Then, let us take a look at another consideration in this matter. Under the Lease-Purchase Act, whenever we entered into a contract in the area of my distinguished friend, the gentleman from West Virginia, that contract covered a period of 25 to 30 years. Did we pay taxes? We paid taxes to the local community until the expiration of that contract. What happens under the direct appropriation? The minute the contract is signed for the construction of the building, and we moved the first spadeful of dirt, no more taxes are paid to that local community. So, is it fair to charge off the taxes on one side and not to charge off the taxes on the other? My friends, you can take testimony and we will give you plenty of it that the actual difference between the lease-purchase method and direct appropriations is approximately 1.6 percent. If you are going to take into consideration the interest we have to pay on the borrowed money and the taxes we pay under the lease-purchase plan to the local communities, you will have a variance of 1.6 percent.

We have not constructed a Federal building outside the District of Columbia since 1938 under direct appropriation, and I agree with my friend, the gentleman from Alabama, that owing to the Korean war and to the administrator, Mr. Floete, and some others, that this program has been delayed because of the interest rate. I am sure my friend, the gentleman from Alabama, will admit that fact. Interest rate has had a lot of bearing on this matter. But, now what do we have? The distinguished Committee on Public Works decided to turn down the Senate bill, and the Senate bill was a continuation of the Lease-Purchase Act that had approximately 350 to 400 projects which were in the process of examination, survey, contracting, advertising and contract letting. Those were projects that were being considered by the various agencies. Take into consideration that there are approximately 400 projects. Go back 35 years and find out how many projects have been constructed under direct appropriations. None since 1938 and the record will so show. Some of my friends here in the committee are listening very attentively to the distinguished gentleman from Texas and to the distinguished gentleman from Alabama. First, go back to the report of the Committee on Public Works, No. 894. If you have a project in your district, it is listed there. Go to those two gentlemen and ask them if your project is going to be included in their $177 million direct appropriation; if it is not, ask them why. It will be, if it is in the list under lease-purchase. Plans are drawn and contracts ready to let. That is the thing to ask them. Ask them if it is not in that list. If it is not, when will your project which we have O. K.'d be taken care of and who is going to determine whether or not it is in the list?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. JONES of Alabama. If the gentleman is propounding a question to me as to whether or not these other projects will be constructed, I cannot answer him except to say that under public law they can be authorized in the future, and the only obligation to see that they are considered is to have the Post Office Department, General Services Administration, submit a prospectus to the Appropriations Committee setting out the need and the cost of the project.

Mr. McGREGOR. Then they come under a direct appropriation; is that not correct?

Mr. JONES of Alabama. That is absolutely true.

Mr. McGREGOR. Which law has not given us a single new project since 1938.

Mr. JONES of Alabama. It has given us 66 under this bill.

Mr. McGREGOR. That is the bill before us for consideration, but it is unusual that they come in and ask reappropriation of a public works job. I am not an attorney, but I called this to the attention of the gentleman from Alabama [Mr. JONES] one of the best attorneys in this House. I listened to him refer to a law of 1926 just a minute ago. He is going to give a direct appropriation for projects authorized by a law that is now nonexistent. I hope he will look that up and see whether or not he can bring in a direct appropriation for projects under a lease-purchase law that no longer exists.

Mr. JONES of Alabama. Will the gentleman yield further?

Mr. McGREGOR. Yes, I yield.

Mr. JONES of Alabama. I would not only refer the gentleman to the decisions of the General Services Administration, Post Office Department, but to the statement of the gentleman from Ohio, which he made in July last year before this House under a special order. I just bring it forward now. The gentleman on July 19 in addressing the House had this to say:

> If the gentleman from Alabama or anyone else wants to introduce a bill to construct a post office in their community and the committee sees fit to authorize and the Congress sees fit to authorize and the Appropriations Committee sees fit to appropriate, that can become the law immediately, because the old basic law still exists.

Mr. McGREGOR. And that is a private law. That is a bill that you yourself are recommending for your own projects. I certainly will back that up, but it does not refer to general authorization.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VURSELL. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McGREGOR. I will back that up because you are giving special authorization when this Congress passes that particular project, but here you are going along under direct appropriation and picking up 60 or 70 projects that have been authorized under a law that has now expired.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I cannot yield any further.

But please go to those men who ask $177 million, ask them why they did not want lease-purchase. Why they did not want private capital to come back into the local communities. There is a method on foot, where some men, a group, want to spend as much money as we possibly can spend by direct appropriation, with the result that we will again have to come before the Congress and ask for an increase in the debt limitation. You people who vote for this $177 million direct appropriation today, who vote for the direct appropriation for FNMA and for Civil Service, you will be over that $275 billion debt limit in a few days, and they will say, "We will have to increase the debt limitation." Here is a chance to cut $177 million and go back to the old law and let your local bankers at home take the contracts. Let your local community get their taxes. They will be glad to do that. Which is better, to give the local people their taxes back and get buildings constructed that are badly needed?

I yield to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Is the gentleman aware of the efforts made under the lease-purchase program to get local bankers at home to finance the setup? My information is that they have not been able to get any; and I direct the gentleman's attention to the situation in Denver, Colo.

Mr. McGREGOR. I do not know anything about the gentleman's district, but I do know of 2 projects last week that had 5 bidders on them; they were not in my district. I have no projects in my district, but I do know that some of you Members have very meritorious projects.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from New York.

Mr. TABER. Contracts have already been executed on a large block of projects which I would read for the information of the committee if I had time. There are 16. Denver is not one of them. There are 20 more that are advertised and another 5 that will be advertised.

Mr. McGREGOR. In closing, may I just say one thing: Keep in mind that with lease-purchase contracts your local people get taxes and they provide some aid toward reducing unemployment where such a situation exists. If the buildings are to be built under direct appropriations it is going to be a long time before they are constructed. Records show not a single Federal building outside District of Columbia has been constructed by direct appropriation since 1938.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I would like to have the attention of the gentleman from Ohio [Mr. McGREGOR] for a moment. The gentleman states that those who are advocating this direct appropriation plan or to do away with the lease-purchase contracts advocate it and vote for it because they want to raise the debt limit. I would like to inform my colleague that that is not true. I intend to vote for the bill and I intend to vote for it for the reason that I would like to have a post-office building in my district, a building that is badly needed. This is the third time it has been authorized since 1940. In fact, funds were set aside for it in 1940. The present building is 63 years old, it is inadequate, it is obsolete, it is in bad condition, and the Post Office Department is leasing other space to accommodate their needs. It is located in the city of Martinsburg, W. Va.

I tell the gentleman that I am going to vote for this bill not because I want to increase the public debt but because I feel Martinsburg should have an adequate Federal building.

Mr. JONAS. Mr. Chairman, if the gentleman will yield, what is the name of the place?

Mr. STAGGERS. Martinsburg, W. Va. It was authorized in 1940 and at that time funds were appropriated, but the Second World War broke out and the funds were set aside.

It was authorized again in 1949, but then the Korean war came along and again the funds were set aside.

It was authorized again in 1954 by the Public Works Committee of the House and it was supposed to be constructed under the Lease-Purchase Act, but here it is 1958 and the contract has not been let.

Mr. McGREGOR. I might say that the Committee on Public Works O. K.'d it.

Mr. STAGGERS. The committee O. K.'d it and I appreciate that, but I still say we need the post office building. Present facilities are woefully inadequate. Receipts at the Martinsburg post office are the fourth highest in the State of West Virginia, and for each of the last 5 or 6 years they have increased 100 percent.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. What is the gentleman's observation?

Mr. JONAS. I just wanted to say that there are a number of cities in West Virginia included on the GSA list as just about ready for construction.

Mr. STAGGERS. This is not one of them.

I would just like to say again that while I shall vote for the bill I shall vote for it not because I want to raise the public debt but because I want a post office. I believe the evidence is overwhelming that under the provisions of this bill, the buildings will be constructed more rapidly and at a great saving to the taxpayers. Talk of raising the debt limit is pure subterfuge in order to kill the bill.

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, I congratulate the Appropriations Committee for replacing newfangled lease-purchase financing with time-tested direct appropriations.

This is one of the most sensible actions this Congress has taken in 2 years.

If this act becomes law, the Congress will save the American taxpayers at least $500 million on public buildings.

The new Federal building at Marshfield, Mo., can be built without excuses, delays, and redtape; and for $100,000 less cost.

By junking the lease-purchase financing theory, we are getting back to time-tested fundamentals—reasonable interest rates and contract construction by competitive bidding.

Lease-purchase financing works well for industry; but Government's experience with it has been a fruitless fiasco.

The General Services Administration has advertised for bids on many projects, but in 3½ years the financiers, contractors, and Government have reached agreement on the very complicated contracts of lease-purchase financing on only one project.

Many contractors have thrown up their hands in disgust at the redtape involved in lease-purchase financing.

Now, we can get on with necessary construction without all these unnecessary obstacles and wasteful complications.

We are going to build the buildings and pay for them, not on the installment plan at high interest rates but by direct appropriation.

This is what we have been fighting for. It has been a long, hard battle. If we pass this bill today it will be a great victory for common sense and fiscal soundness.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I rise in support of the appropriation bill now under consideration, and wish to address myself to the plans for including funds to construct 66 public buildings projects previously authorized under the lease-purchase program.

One of these building projects is planned for the town of Abingdon in the Ninth Congressional District of Virginia. The site is available to the Government, since the old building is to be demolished; architectural work and plans have been completed for several months; the occupants of the old building, including the western district of Virginia Federal court and the Post Office Department, have been relocated in temporary quarters since 1956; and the need for construction increases each day.

But despite repeated efforts of the General Services Administration to begin construction, the necessary con-

tracts have not yet been awarded under lease-purchase arrangements.

Efforts to secure the construction of the Abingdon building cover the terms of my two predecessors in Congress. When the lease-purchase program was approved in the 83d Congress, General Services Administration agreed to plan the structure as one of these projects. When I came to Congress in 1955, it appeared that the plans would fall through because of disagreements over the space, cost, and so forth. This was settled through conferences with GSA and many interested parties. I solicited the support of the House and Senate Public Works Committees in securing the final approval of the revised prospectus in mid-1955.

Architectural contracts were awarded in the fall of 1955, and the building's designs and plans announced early in 1956. Because of a controversy over the building's design—it did not harmonize with general architecture in the town of Abingdon—a delay resulted while the building's exterior was redesigned by the architects. This was again worked out with General Services Administration to the satisfaction of the local citizens.

The Government sought financing and construction bids on the project in late 1956. This bid invitation was not successful. The bids were rejected in early 1957, and soon after that suspension of the lease-purchase program was announced by GSA. It was not possible to secure private financing under the existing money market.

During the remainder of 1957, I periodically urged GSA to again seek financing and construction bids under the authority granted before the expiration of the Lease-Purchase Act.

In October of last year, the 4-percent interest limitation, which had been the real culprit in the lack of financing bids, was removed and bids sought under a new procedure. An acceptable bid was received and announced by GSA in January of this year.

Following the receipt of a financing bid, at a 4.78-percent interest rate, GSA called for construction bids. Four have been received and are under consideration today. I am informed by GSA that it is unlikely approval will be given for any of these bids because they exceed the reasonable increase in construction costs to be allowed, supposedly, for the authorized lease-purchase projects.

The situation in Abingdon has been very inconvenient since the old building was closed in 1956. The Post Office Department operates in temporary quarters, which are not adequate and which cost the Government considerable monthly rent. The western district Federal court has been forced to use local and State courtrooms in Abingdon and nearby towns, creating an additional burden on such facilities. It is not practical to renovate and reopen the old building.

Mr. Chairman, this is a brief history of one Federal building project under lease-purchase, which, as indicated in the subcommittee's report, is a most expensive way to secure this construction when compared with a direct appropriation.

My constituents in Abingdon have been patient. We have cooperated in every way to make this building a reality. The prospects for construction under lease-purchase are extremely doubtful, to say the least.

Because of the desperate need, we have not debated the merits of lease-purchase as compared with a direct appropriation; we have been interested in getting this building started under any reasonable program. However, I believe we have given lease-purchase a fair trial, and it has not succeeded. We should now provide these funds by direct appropriation so that contracts can be awarded and construction initiated.

Construction of the Abingdon building, in addition to giving the needed facilities for several Federal agencies, will serve as an impetus to the economy of the area.

I, therefore, recommend the passage of this bill providing funds for construction of the authorized lease-purchase projects, including $580,000 for the Abingdon Federal building.

I might say we tried the local banking interests and other financial interests located in the general area in which this was to be built.

Mr. VURSELL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I should like to ask a member of the committee, perhaps the chairman of the subcommittee, a question or two concerning this bill. Is there any money in the bill for the construction of a building in New York City for the United Nations?

Mr. THOMAS. No.

Mr. GROSS. That went out?

Mr. THOMAS. Yes.

Mr. GROSS. I am glad to hear the gentleman say so. On page 2 of the bill $350,000 is provided for the screening of citizens employed by the United Nations. Is that a diminution of previous appropriations for this purpose?

Mr. THOMAS. I do not know, I will say to the gentleman. It is hard to tell. It depends on the employment and we in the committee do not control the employment.

Mr. GROSS. I understand that.

Mr. THOMAS. I join in the gentleman's hope. I know what he has in mind.

Mr. GROSS. Let me ask the gentleman this question: Was there any evidence before the gentleman's committee, and I do not find anything in the hearings to that effect, indicating that there are any Communists from this country in the United Nations Organization?

Mr. THOMAS. They have been pretty good now since this program has been in effect. We think it has been worth the money on that basis. Incidentally, this appropriation is a little lower each year. You are right on that.

Mr. GROSS. Now that several additional countries have been taken into the United Nations, is there any chance that someday we might be reimbursed for this screening process?

Mr. THOMAS. I hope so, but my friend's guess on that is just as good as mine.

Mr. GROSS. On page 37 of the bill there is the following language: "Limitation on Administrative Expenses, Federal Facilities Corporation." That is a new one on me. Would the chairman of the subcommittee tell me what the Federal Facilities Corporation is?

Mr. THOMAS. I will say to my friend from Iowa that it is not a new one. You know, we set up some rubber plants and a few other items, and that is the crowd that is liquidating them. It is called the Federal Facilities Corporation. It has been over in the Treasury, and they transferred it over to General Services Administration. It is gradually going down.

Mr. GROSS. I hope it goes out of existence before this administration decides to provide some more help to build tire plants in Communist Russia.

Mr. THOMAS. For my friend's information, I think we will put them out of business this year.

Mr. GROSS. On page 44 of the bill you apparently provide under "Corporation—General Provision," 1 personnel officer to each 135 employees; is that correct?

Mr. THOMAS. Yes. And most of them have lived within the limitation. For a while it was 1 to 115. We gradually got it down, and no one has complained about it.

Mr. GROSS. Does not the gentleman think that 1 personnel officer can handle more than 135 employees?

Mr. THOMAS. You know, we do not like to disagree with our friend from Iowa. You may have a point there. We thought we were doing pretty good when we got down to 135. Maybe you are right. Would you suggest we lower it next year?

Mr. GROSS. I would like to get it up so that each personnel manager would be handling a good many more than 135. That is my point. I think we should have fewer personnel people.

Mr. THOMAS. I do, too, and we are gradually hammering them down. I am speaking the other way around. We are up in the figure rather than lower.

Mr. GROSS. I am glad to hear that.

Mr. THOMAS. You are right. This has been in effect for 3 years, and they have not complained about it too much. The first year they complained bitterly, but the second year the complaint was less audible.

Mr. GROSS. Next year try to boost them up a little bit.

Mr. THOMAS. Do you recommend that figure be raised to 150?

Mr. GROSS. I think it could be made 200 without trouble. And do one thing more: help us put a stop to this business of hiring outside consultants to come in and handle personnel matters. We have got them falling all over themselves in Government.

Mr. THOMAS. The gentleman can rest assured we will do the best we can.

Mr. GROSS. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Chairman, I understand that an amendment will be offered later to change the language on page 9 of the bill. So as to avoid repetition and save the time of the House, I shall withhold my remarks until that time. If such an amendment is offered, I shall at that time attempt to explain the savings which the Congress can achieve by substituting construction by direct appropriation, as is proposed in the bill, for the relatively wasteful lease-purchase system.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. TEAGUE] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Chairman, I wish to compliment the Independent Offices Appropriations Subcommittee, headed by my distinguished colleague, the gentleman from Texas, for the work it has done on the bill we have before us.

As chairman of the Veterans' Affairs Committee, I have been particularly interested in that portion of the bill which relates to the Veterans' Administration. In my opinion, the entitlement to hospital and medical care is one of the most important benefits available to our war veterans, and I have been particularly concerned with that portion of the bill which deals with the Veterans' Administration's hospital and medical program.

I have noted that the subcommittee has restored the cut in the intended beneficiaries which was imposed by the the administration. As I understand the budget proposed to the Congress by the administration, it was based on an average of 139,042 beneficiaries. This represented quite a reduction from the beneficiary level in last year's budget. Last year, a budget was provided for an average of 140,630 beneficiaries. In reducing the number of intended beneficiaries, the administration cut from the Veterans' Administration budget $10½ million. The subcommittee has restored the average number of beneficiaries to 140,800, which is slightly higher than the level of last year. The subcommittee has also restored $3.6 million of the funds cut by the administration for inpatient care. An additional $5 million has been provided for improvement of care of mental patients. This additional $8.6 million restored by the subcommittee will help the Veterans' Administration to meet the expense of caring for the beneficiaries which have been added by the committee, but I am afraid that it is not sufficient. It appears to me that if 1,758 beneficiaries are to be added by the bill, that the full amount of funds necessary for their care, $10½ million, should be provided. I hope that this matter can receive further consideration in the Senate.

The Independent Offices Appropriations Subcommittee and the House Committee on Veterans' Affairs have worked together for several years in developing a long-range replacement, modernization, and repair program for the old Veterans' Administration hospitals. The program agreed on extends over a period of about 8 years and will require appropriations at a level of about $50 million each year. The Veterans' Administration requested $43,374,000 for this purpose and this was cut to $9,145,000. The committee has restored $10 million of the administration cut, which will help a good deal. I am afraid, however, that if more of the cut for replacement, modernization, and repair is not restored, that this vital program will lag. The Veterans' Administration hospital plant facilities are valued at $2½ billion and it is imperative that a proper maintenance program be carried on if this investment is to be protected. I am placing in the record a chart showing the details of the proposed replacement, modernization, and repair program, the cuts in the President's budget, and the amounts of the reduction involved:

	Original request	President's budget	Reduction
Replacement program:			
Jackson, Miss. (additional construction cost)	$3,647,000	0	$3,647,000
Nashville, Tenn. (additional construction cost)	5,362,000	0	3,362,000
Long Beach, Calif. (phase 2, technical services)	1,035,000	$1,035,000	0
Coral Gables, Fla. (site)	500,000	250,000	250,000
Coral Gables, Fla. (technical services)	1,335,000	1,335,000	0
Memphis, Tenn. (technical services)	2,270,000	2,270,000	0
Total	12,149,000	4,890,000	7,259,000
Modernization, improvements, and repairs:			
Major ($300,000 and over)	$27,585,000	$1,980,000	$25,605,000
Special project, Oteen, N. C. (technical services)	1,365,000	0	1,365,000
Minor	3,000,000	3,000,000	0
Total	31,950,000	4,980,000	26,970,000
Total program	44,099,000	9,870,000	34,229,000
Application of prior-year savings	−725,000	−725,000	0
Appropriation request	43,374,000	9,145,000	34,229,000

I would like to call attention to a matter which I consider to be the most serious problem confronting the Veterans' Administration hospital and medical program. I have obtained a report from the Veterans' Administration which states that on December 31, 1957, there were 4,974 beds in Veterans' Administration hospitals not being used. These beds are designated as not required to meet current operating plans. As I understand it, these are beds which the Bureau of the Budget will not permit Veterans' Administration to operate. Since Veterans' Administration has no discretion in placing these beds in operation because of the administration's directive, there are no funds in the budget for reopening these beds. It seems to me that it is poor business indeed for the Federal Government to construct hospital facilities at costs exceeding $10,000 per bed and then remove these beds from use by veterans, when there are waiting lists all over the country of eligible veterans seeking admission to hospitals. I am inserting in the RECORD at this point the chart showing the number of vacant beds in Veterans' Administration hospitals and the various hospitals where such beds are located:

Unavailable beds in VA hospitals, as of Dec. 31, 1957

Reason for unavailable beds	Total	Type of bed				
		Tuberculosis	Psychiatric		Neurological	General medical and surgical
			Psychotic	Other		
1. Total unavailable beds	7,308	1,904	980	96	199	4,129
TB hospitals	1,356	1,356				
NP hospitals	666		477		76	113
G. M. & S. hospitals	5,286	548	503	96	123	4,016
2. Beds in process of activation	299	59	200			40
TB hospitals						
NP hospitals	85		85			
G. M. & S. hospitals	214	59	115			40
3. Construction or maintenance	1,018		155			863
TB hospitals						
NP hospitals	164		155			9
G.M. & S. hospitals	854					854
4. Difficult to recruit required personnel	732		391	96	147	118
TB hospitals						
NP hospitals	135		66		50	19
G.M. & S. hospitals	617		325	96	97	99
5. Type of bed not required to meet current operating plan	4,974	1,843	29		32	3,050
TB hospitals	1,354	1,354				
NP hospitals	101				26	75
G. M. & S. hospitals	3,519	489	29		26	2,975

Unavailable beds in VA hospitals, as of Dec. 31, 1957—Continued

Reason for unavailable beds	Total	Type of bed				
		Tuberculosis	Psychiatric		Neurological	General medical and surgical
			Psychotic	Other		
6. Other reasons [1]	265	2	205			58
TB hospitals	2	2				
NP hospitals	181		171			10
G. M. & S. hospitals	82		34			48

[1] Includes beds unavailable for patient care because (1) the space is required to quarter personnel (adequate housing is not available in the vicinity); (2) temporarily being used for research activities or special equipment for an individual patient's care; (3) substandard and not suitable for patient care; or (4) used to quarter member-employees.

Source: Controller, Department of Medicine and Surgery, Reports and Statistics Service, Veterans' Administration, Jan. 23, 1958.

Unavailable beds in VA hospitals as of Dec. 31, 1957

BEDS IN THE PROCESS OF ACTIVATION

TB hospitals	[1]
NP hospitals	85
Jefferson Bks., Mo	43
Salisbury, N. C	42
G. M. & S. hospitals	214
Houston, Tex	155
Lincoln, Nebr	30
Minneapolis, Minn	10
West Haven, Conn	19

CONSTRUCTION OR MAINTENANCE

TB hospitals	[1]
NP hospitals	164
Berry Point, Md	155
Tuskegee, Ala	9
G. M. & S. hospitals	854
Bronx, N. Y	68
Buffalo, N. Y	41
Dallas, Tex	388
Long Beach, Calif	220
Los Angeles, Calif	86
San Francisco, Calif	51

DIFFICULT TO RECRUIT REQUIRED PERSONNEL

TB hospitals	[1]
NP hospitals	135
Jefferson Bks, Mo	66
Montrose, N. Y	19
Salisbury, N. C	50
G. M. & S. hospitals	617
Ann Arbor, Mich	102
Cleveland, Ohio	56
Hines, Ill	107
Jackson, Miss	70
Kansas City, Mo	10
Memphis, Tenn	170
Minot, N. Dak	14
Muskogee, Okla	35
Pittsburgh, Pa	32
Poplar Bluff, Mo	21

Type of bed not required to meet current operating plan

TB hospitals	1,354
Batavia, N. Y	25
Brecksville, Ohio	46
Castle Point, N. Y	156
Excelsior Springs, Mo	26
Livermore, Calif	64
Madison, Wis	28
Memphis, Tenn	50
Oteen, N. C	933
Outwood, Ky	26

[1] None.

Type of bed not required to meet current operating plan—Continued

NP hospitals	101
Murfreesboro, Tenn	22
Topeka, Kans	79
G. M. & S. hospitals	3,519
Alexandria, La	435
Aspinwall, Pa	75
Bath, N. Y	20
Birmingham, Ala	29
Cincinnati, Ohio	14
Clarksburg, W. Va	16
Cleveland, Ohio	111
Columbia, S. C	10
Dayton, Ohio	269
Dearborn, Mich	33
Dublin, Ga	24
Erie, Pa	12
Fargo, N. Dak	28
Fayetteville, N. C	26
Fort Harrison, Mont	63
Hines, Ill	863
Jackson, Miss	126
McKinney, Tex	557
Memphis, Tenn	365
Minot, N. Dak	59
Omaha, Nebr	26
Richmond, Va	54
Shreveport, La	6
Vancouver, Wash	74
Wadsworth, Kans	136
West Haven, Conn	88

OTHER REASONS

TB hospitals: San Fernando, Calif	2
NP hospitals	181
Montrose, N. Y	171
Sepulveda, Calif	10
G. M. & S. hospitals	82
Bronx, N. Y	3
Fort Thomas, Ky	45
Kecoughtan, Va	34

Mr. Chairman, I would like to call to the attention of every Member of the House the following facts regarding the budget under consideration for the Veterans' Administration for fiscal year 1959.

The Committee on Veterans' Affairs held hearings on veterans' housing, and on March 12 officials from the Veterans Administration informed the committee that they had made no plans or request in the budget for additional personnel to handle an increase in activity in the veterans' home loan program if Congress took action to stimulate the veterans' housing program during fiscal year 1959. They further testified that the budget for the loan guaranty operations was based on the Veterans' Administration making only 55,000 guaranteed loans during fiscal year 1959. Personnel to handle this workload was estimated at 1,750 at a total cost of $11,039,642.

I requested the Veterans' Administration to furnish the committee with an estimate of the additional personnel that would be required in the event Congress passed legislation to stimulate veterans' housing. I feel confident that the President will favorably consider the emergency housing bill, S. 3418, and believe that the House must act now while their appropriation is under consideration to provide the Veterans' Administration with sufficient funds to handle an increase in the activities of the veterans' home loan program.

If no action is taken and the budget is approved based on only 55,000 loans, it will defeat the purpose of the emergency housing bill as builders, lenders, and veterans will be unable to have their applications processed through the Veterans' Administration due to the lack of personnel.

I have been informed by the Veterans' Administration that they have sufficient funds on hand to handle an increase in activities for the remaining part of fiscal year 1958.

In addition to the increase in the activities of the guaranteed loans, the emergency housing legislation extended the Veterans' Administration direct Loan program and appropriates $150 million for each of the 2 years of this extension. It is estimated that the Veterans' Administration will make 350,000 guaranteed or direct loans during fiscal year 1959, which will require an increase in personnel in the loan guaranty division from 1,750 to 2,645, or an additional 895 employees. The cost of the additional employees will be $5,643,870.

In view of the foregoing, I urge action at this time to increase the estimated Veterans' Administration budget for fiscal year 1959 in the amount of $5,643,870, this amount to be earmarked for loan guaranty operations.

Mr. VURSELL. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, namely:

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] A quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names.

[Roll No. 31]

Albert	Barrett	Clark
Allen, Calif.	Bolton	Colmer
Andersen, H. Carl	Broomfield	Cooley
Barden	Buckley	Davis, Tenn.
Baring	Burdick	Dies
	Chiperfield	Diggs

Dorn, S. C.	Kitchin	St. George
Engle	Magnuson	Scott, Pa.
Gordon	Morrison	Sieminski
Grant	Moulder	Taylor
Gwinn	Passman	Teague, Tex.
Hébert	Powell	Thompson, La.
Holifield	Radwan	Willis
James	Rains	
Kean	Rivers	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill, H. R. 11574, and finding itself without a quorum, he had directed the roll to be called, when 391 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INVESTIGATION OF UNITED STATES CITIZENS FOR EMPLOYMENT BY INTERNATIONAL ORGANIZATIONS

For expenses necessary to carry out the provisions of Executive Order No. 10422 of January 9, 1953, as amended, prescribing procedures for making available to the Secretary General of the United Nations, and the executive heads of other international organizations, certain information concerning United States citizens employed, or being considered for employment by such organizations, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $350,000: *Provided*, That this appropriation shall be available for advances or reimbursements to the applicable appropriations or funds of the Civil Service Commission and the Federal Bureau of Investigation for expenses incurred by such agencies under said Executive order: *Provided further*, That members of the International Organizations Employees Loyalty Board may be paid actual transportation expenses, and per diem in lieu of subsistence authorized by the Travel Expense Act of 1949, as amended, while traveling on official business away from their homes or regular places of business, including periods while en route to and from and at the place where their services are to be performed: *Provided further*, That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word. I take this time to talk about the proposed neurosychiatric hospital for my home State of Florida to be located in Gainesville, Fla. Each year since I have been in Congress I have attempted, so far unsuccessfully, to get action on this proposed hospital. I should like to review the history of this fight in some detail because I think this proposed hospital is most deserving, and in fact, is in a category by itself.

Resolution 190, adopted by the Federal Board of Hospitalization on October 3, 1945, and approved by the President on October 16, 1945, included the first recommendation regarding the construction of a 1,000-bed neuropsychiatric hospital at Gainesville, Fla. This resolution stated that the authority permitted only tentative selection of a site but that the Veterans' Administration was to submit to the Federal Board of Hospitalization for consideration and recommendation to the President a request for authorization to proceed with acquisition of the present Gainesville site. This authorization was granted through Resolution 259, adopted by the Federal Board of Hospitalization on August 15, 1946, and approved by the President on August 26, 1946.

Funds were provided by Public Law 49, Public Law 269, Public Law 419, and Public Law 334, 79th Congress, for the construction of 76 new hospitals, and the Gainesville hospital was included in this group. A memorandum dated August 2, 1946, from the Director, Bureau of the Budget, to the President listed the 76 new hospitals for which the Veterans' Administration was authorized to initiate construction and to expend funds for the liquidation of the obligations in connection therewith. The proposed new hospital for Gainesville was included among the 23 new hospitals eliminated in the cutback authorized later by President Truman. Before the cutback had been authorized, however, the architectural and engineering firm of Bail, Horton & Associates, of Fort Myers, Fla., completed the design of a VA hospital in Gainesville, Fla., under the direction of the VA neuropsychiatric design section of the Jacksonville District Office, Corps of Engineers, United States Army, and was about to invite construction bids and award a construction contract when President Truman suspended the construction of the 23 hospitals, including the one at Gainesville. It should be pointed out that total Federal and local expenditures before the cutback was authorized amounted to nearly a million dollars. The site was acquired, the sewage system was laid out, and as stated, the complete architectural designs had been drawn. There is thus an investment of $1 million that has been made and may I emphasize that this investment was made in good faith on the part of the community of Gainesville, Fla., which gladly in cooperation with Alachua County, carried out all of its obligations in connection with the acquisition of the land site and other details.

In June 1949, the Joint Committee of the House and Senate on Veterans' Affairs conducted hearings on each of the suspended hospitals and the committee unanimously included the Gainesville Hospital among 14 of the suspended projects on which immediate construction was recommended. Unfortunately, the pressure of other matters prevented this recommendation from coming before the House and Senate for action. Subsequent attempts to persuade President Truman to rescind the suspension of the Gainesville neuropsychiatric hospital were unsuccessful.

In the fall of 1952, the Florida delegation, under the coordination of Congressman BENNETT, who at that time represented the district which includes Gainesville, Fla., with interested citizens from Florida, appeared before General Gray to ask him as Administrator of Veterans' Affairs, to remove the Gainesville, Fla., neuropsychiatric hospital from his list of excess sites that he had declared surplus to the General Services Administration. General Gray agreed to do this.

On October 20, 1953, I appeared with many interested citizens from Florida and members of the Florida delegation before the Veterans Administration officials, and before representatives of the Director of the Bureau of the Budget, to ask that funds for building the hospital be included in the 1955 budget. Mr. Higley, at that time the Administrator of Veterans Affairs, and Admiral Boone, the Chief Medical Director, were both present at this conference. This effort was unsuccessful.

In February 1954 the VA declared all of the former sites that were still remaining and which had been acquired under Resolution No. 190, adopted by the Federal Board of Hospitalization on October 3, 1945, to which I have previously referred, as excess to their needs. This included the Gainesville site, and it should be stressed that there were 16 altogether. The Florida delegation joined with me in a letter to Administrator Higley protesting the declaration of the Gainesville site as excess. Despite this protest, the Administrator of Veterans' Affairs declared the Gainesville site and the other 15 sites throughout the country as excess.

On March 2, 1954, I appeared before the Subcommittee on Appropriations for Independent Offices of the House, whose chairman was the Honorable John Phillips. It was my information that this particular subcommittee had suggested to the Administrator of Veterans' Affairs that he declare all of these hospital sites excess. The subcommittee gave me a good hearing, and seemed sympathetic with our problem in Florida, but no action was taken.

On March 3, 1954, I appeared before the House Committee on Veterans' Affairs and requested that committee to write both Mr. Higley, the VA Administrator, and to the Director of the General Services Administration, where the authority to dispose of the Gainesville site resided, to ask both Departments to do nothing at all about the disposition of the Gainesville, Fla., site until our Veterans' Affairs Committee had looked into the hospital program. Later the committee unanimously passed a resolution to that effect.

On March 15, 16, and 19, 1954, the Subcommittee on Hospitals of the House Committee on Veterans' Affairs held hearings concerning the disposition of all of the 16 hospital sites that had been declared surplus. Each hospital site was considered objectively. Some of the sites were in critical defense areas; others were no longer needed because of varying reasons. The hearings brought out the inescapable fact that the Gainesville, Fla., neuropsychiatric site was the only one of the 16 that presented a different problem from all of the others because of the big neuropsychiatric waiting list of non-service-connected veterans in Florida, because of the lim-

ited number of hospital beds for service-connected veterans in Florida, and the rapid increase of Florida's population.

On the recommendation of the Hospital Subcommittee, the full Committee on Veterans' Affairs on March 24, 1954, passed a resolution which specified, among other things—

Therefore be it

Resolved, That the Administrator of Veterans' Affairs be requested to reserve the hospital site at Gainesville, Fla., for 5 years from the date of approval of this resolution, and that no further action be taken by the Veterans' Administration to dispose of this site prior to the expiration of this 5-year period; and be it further

Resolved, That the Administrator of General Services Administration, be requested to return to the custody and control of the Veterans' Administration said site at Gainesville, Fla.; and be it further

Resolved, That the Committee on Veterans' Affairs interposes no objection to the disposal of the remaining 15 sites in accordance with existing law.

On April 10, 1954, the VA Administrator requested General Services Administration to return custody and control of the Gainesville, Fla., site to the Veterans' Administration.

On May 20, 1954, the General Services Administration, Surplus Real Property Branch, returned custody and control of the Veterans' Administration hospital site at Gainesville, Fla., to the Veterans' Administration.

On January 10, 1955, I reintroduced legislation in the 84th Congress to provide for a Veterans Administration neuropsychiatric hospital of 1,000 beds at Gainesville, Fla.—H. R. 1820. Both Senators HOLLAND and SMATHERS of Florida, introduced identical bills in the Senate at that time.

On February 28, 1955, the Florida delegation at a luncheon meeting unanimously approved the proposed neuropsychiatric hospital for Gainesville.

On March 1, 1955, the Subcommittee on Hospitals of the House Committee on Veterans' Affairs, gave me a lengthy hearing on my bill, H. R. 1820. On May 23, 1955, the Honorable OLIN E. TEAGUE, chairman of the House Committee on Veterans' Affairs, inspected the proposed neuropsychiatric site at Gainesville. On November 5, 1955, the late Honorable George S. Long, chairman of the Hospital Subcommittee of the House Committee on Veterans' Affairs, and committee member, the Honorable JAMES A. HALEY, visited the proposed site of the neuropsychiatric hospital at Gainesville, and the University of Florida's health center, located nearby.

On April 18, 1956, the Hospital Subcommittee of the Committee on Veterans' Affairs reported H. R. 1820, but no subsequent action was taken by the House.

On June 21, 1956, Senators HOLLAND and SMATHERS, of Florida, along with myself and many citizens of Florida, the Honorable BRYAN DORN, of South Carolina, a member of the House Committee on Veterans' Affairs and ranking majority member of that distinguished committee, met with Mr. Higley the Administrator of Veterans Affairs, and other VA officials, and requested that they ask the Bureau of the Budget to build the neuropsychiatric hospital at Gainesville, Fla. We received a sympathetic hearing, but obviously the Bureau of the Budget did not include funds for the hospital in fiscal 1957.

On January 5, 1957, I introduced my bill, H. R. 1958, to provide for a Veterans' Administration neuropsychiatric hospital of 1,000 beds at Gainesville, Fla. I have constantly talked with members of the great House Committee on Veterans' Affairs, members of the Appropriations Committee dealing with independent offices, and just several weeks ago I had a conference with the present Administrator of Veterans Affairs, the Honorable Sumner Whittier, about this project. Mr. Chairman, the great veterans' organizations of Florida, the Florida Congressional delegation, State, county, and local officials of Florida, have all enthusiastically recommended this needed neuropsychiatric hospital at Gainesville, Fla. I believe it is a moral obligation resting upon Congress to provide funds to go ahead to build this hospital. Florida is in a very unique position as far as geography is concerned. We are a great peninsula, bounded by water on three sides, and we find that due to the relatively few hospital beds in Florida, many of our veterans are travelling from 500 to 1,000 miles to secure hospitalization. The latest information that I have is that more than 1,000 of our veterans with service-connected mental disabilities are in hospitals outside of the State. My file is filled with letters from parents of these boys expressing the hope that Florida can have its own neuropsychiatric hospital because it is impossible for them on account of great distances to visit their sons. We, who are familiar with the problems of mental disease know that visits by loved ones are one of the most important elements in the recovery of a patient. Mr. Chairman, the total VA hospital beds in General Medical and Services in Florida as of 1957 were 1,320. The total neuropsychiatric beds were 107. This, for a veterans population well over 500,000. And mind you, this number is increasing very rapidly each year. In fact, in June of 1946 there were only 250,000 year-round veterans in Florida, and we had approximately the same number of hospital beds to care for them that we must now utilize in caring for over twice that number. In 1957 the ratio of veterans per bed in VA hospitals, as far as the national average is concerned, was 183 to 1, but in Florida it was 388 to 1. The ratio of veterans per neuropsychiatric beds in VA hospitals as far as the national average was concerned was 396 to 1, but in Florida it was 3,862 to 1. In other words, the neuropsychiatric veterans in Florida receive approximately one-tenth of the consideration that the veterans throughout the Nation recieve.

It is as fair and logical, Mr. Chairman, to ask a veteran suffering from a neuropsychiatric illness to go from Chicago to New York for treatment as it is to ask one of our veterans in the southern part of Florida to go from that distance to one of the hospitals in another State.

I want to quote from an address by the Honorable Harvey V. Higley, Administrator of Veterans Affairs, before the 39th Annual Convention of the American Legion, Atlantic City, N. J., September 17, 1957:

At present, all service-connected cases are cared for immediately, but we do have 22,000 nonservice-connected veterans on our waiting list, of whom 17,000 are suffering from mental illness. Congress has never said that the VA should hospitalize the nonservice-connected. Rather, it has said that if VA has a bed available, and if the veteran cannot pay for hospitalization elsewhere, then and only then is he to be hospitalized by the VA.

As a result, there are some who have concluded that since VA already is caring for all the service-connected, and since any new beds would be for the care of the nonservice-connected, no new hospitals should be built. Exempt from this thinking, however, are the two new 1,000-bed mental hospitals to be built under VA's post-World War II construction program, and the six 500-bed hospitals to be built under our replacement program.

So long as a definite policy is lacking, requests for new and additional beds will receive little if any consideration.

I suggested more than a year ago that we settle on a level of 125,000 beds * * * a plateau from which we could work upward or downward, as necessary. So far, I have had but little success in selling it.

Realistically, how would this plan work, in all probability?

Well, if our load of tuberculosis cases continues to decline, we perhaps can close down 3,906 TB beds during the next 3 years. These beds are not located where they could be used for the mentally ill or for general medical and surgical patients.

Just for argument's sake, if nonservice-connected veterans are to be cared for, I want to call your attention to most difficult situations developing in Florida, southern Texas, and southern California * * * because of tremendous increases in population.

For many reasons * * * including large waiting lists and increasingly heavy veterans population * * * we should plan a 1,000-bed mental hospital in Gainesville, Fla. We believe we could staff such a hospital in Florida, contrary to our situation elsewhere.

In other words, Mr. Chairman, the Administrator of Veterans Affairs, wanted this hospital in September of 1957, and I have every reason to believe that our present Administrator, the Honorable Sumner Whittier, wants this hospital. Gainesville, Fla., where the proposed hospital would be built, is located near a great medical school. I can well understand the reasons why new Veterans Administration hospitals should be built near medical schools. One reason the medical school is located at Gainesville, Fla., is because the citizens were told that the location of the school there would enhance the possibilities of getting a VA hospital.

Mr. Chairman, it is my feeling that everyone wants this hospital about which I am talking but the Bureau of the Budget. I am going to urge the Bureau of the Budget again to include the money for building this hospital in the budget for fiscal 1959. I am going to plead with the House Committee on Veterans' Affairs to continue their efforts to help with this needed project—and I want at this time to pay tribute to the members of that great committee for their interest and for their help. I am going to

appear again before this great Subcommittee on Appropriations to ask for this money to build the Gainesville neuropsychiatric hospital.

Mr. Chairman, this is, it seems to me, a project—let me repeat again—in a class by itself. In the first place, it is the only one of the existing hospital sites authorized by President Truman, and later deleted from the list of needed projects. All of the other sites have been put to other uses. The proposed site for the hospital at Gainesville, Fla., is not in a sensitive defense area, and yet it is completely convenient for the major population areas of Florida. In fact, the hospital site is not far from the exact geographical center of the State of Florida. On the basis of objectivity, the Veterans Administration has stated that they want to build this hospital. The number of hospital beds in Florida is scandalously below the number of hospital beds provided for veterans in other States of the Union. I recognize that it is impossible to build a hospital in every locality, and yet from the standpoint of transportation and overall costs, surely it does not make sense to continue making the veterans of Florida, one of the most rapidly growing States in the Union, go a thousand miles or more for hospital treatment. The people of Florida, the veterans' organizations, want this hospital, and I intend to do everything in the world I can to continue fighting for this institution. I shall be most grateful for the cooperation of my colleagues as I continue this effort.

Mr. BYRD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BYRD. Mr. Chairman, my remarks are directed to page 11 of the bill and I wish to state my support of the appropriation of $177,255,000 which the committee has included for financing construction of 66 public-building projects by direct appropriation. All projects have been approved by the Public Works Committees and among these projects are six in West Virginia. The six West Virginia projects are located at Charleston, Huntington, Martinsburg, Parkersburg, Ronceverte, and Mount Hope.

I supported the Public Buildings Purchase Contract Act of 1954, but it has been over 3½ years since that legislation was enacted and only one building has been built. I believe, therefore, that in order to expedite the construction of these needed buildings it is necessary that the Congress provide for such construction by the direct-appropriations method, and that is what H. R. 11574 does. The Charleston project is located in my Congressional District. A new Federal building is to be constructed in the State capital, and it is anticipated that this building will house the Federal family of agencies and, at the same time, provide suitable facilities for the functioning of the Federal court. The building which is presently being used is greatly outdated and many of the Federal agencies are scattered through the city in various rental areas. There has been a growing need for years for a Federal building to provide office space for a courtroom and the Federal agencies.

The merit claimed for the lease-purchase program was that it would channel private investments into the Federal building plans. The GSA Administrator, Franklin Floete, has admitted that private funds have not become available for the needed buildings. It seems clear that some other method must be adopted if buildings are to be erected in the near future to accommodate the growing needs for such buildings throughout the country. Moreover, had the plan proved to be a success, the buildings would have cost the taxpayers much more, and at a time when the taxpayers are yearning for economy in government. In fact, we are told in the committee report that the General Accounting Office prepared an analysis of the comparable costs of constructing buildings by direct appropriation and lease-purchase. The study indicates that it costs at least $1.64 under lease-purchase to buy the same amount of building as $1 does by direct appropriation. The lease purchase cost of the 66 projects would amount to $348,435,950, whereas the direct appropriation cost will be $177,255,000. The lease-purchase cost of the Charleston project alone would be $7,187,090, whereas the direct appropriation cost would be $3,670,000—a saving of $3,517,090. The total cost of the 6 West Virginia projects under the lease-purchase program would be $21,578,980, whereas the direct appropriations cost would be $11,897,000, a saving to the taxpayers of $9,681,980.

It is my understanding that the General Services Administration may yet proceed to let the contracts for the 6 West Virginia projects under the lease-purchase program until June 30 of this year. If, however, by July 1, no contracts have been let, the projects would be constructed by the appropriations included in the bill which we are now discussing.

Mr. Chairman, my main interest is to get the buildings built, whatever the method. The passage of this bill seems to insure the construction of these needed Federal buildings, if not by lease-purchase then certainly by direct appropriations.

The Clerk read as follows:

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the liability of the United States, created by the act approved May 22, 1920, and acts amendatory thereof (5 U. S. C., ch. 30), $589 million, which amount shall be placed to the credit of the civil-service retirement and disability fund: *Provided*, That no part of the appropriations herein made and no part of the moneys now or hereafter contained in the civil-service retirement and disability fund shall be applied toward the payment of any increase in annuity benefits or any new annuity benefits under the act approved May 22, 1920, and acts amendatory thereof (5 U. S. C., ch. 30) which may be authorized by amendment to said acts after the enactment of this act until and unless an appropriation is made to such fund in an amount estimated by the Civil Service Commission to be sufficient to prevent an immediate increase in the unfunded accrued liability of said fund.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 4, strike out line 6 and all that follows down to the word "no" in line 13 on page 4, and capitalize the letter "N" in the word "no."

Mr. TABER. Mr. Chairman, I offer this amendment to strike out an appropriation of $589 million which was not budgeted.

The situation is this: At the present time there is an annual intake of money into this retirement fund amounting to $605 million paid by the Government employees and another item of $605 million paid by the Government. In addition to that there is $214 million which is paid by the Government as interest upon $7.5 billion which is in the fund now and loaned to the Government.

Now, there has been a lot of talk about there being a shortage of funds.

This shows that they are taking in now twice as much as they are paying out. Frankly, I do not believe they are going to have a shortage when they get through. There have been a few times when a smaller sum than the regular contribution was appropriated. There has been a few times when there was more appropriated. Last year there was quite an item and on top of that in every single appropriation bill there is an item for this purpose. So it seems to me that with the present situation of the country we should not get into the idea of appropriating $589 million out of the Treasury for the purpose of putting more money into this fund. It is not bankrupt. It is guaranteed by the Government, and if the Government is good—and I believe it is—there is no shortage and there is no situation that requires this action. The trouble with it is that we have already run an enormous number of bills over the budget estimates and we are getting to the point where it is going to be necessary, if we have a few more items like this, to have another extension of the debt limit. I do not want to see another extension of the debt limit and I do not believe you want to see another extension of the debt limit before this Congress adjourns.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. OSTERTAG. Is it not true that the interest that will be paid into the fund this year, plus the employees' contribution of $650 million plus the direct appropriation of $650 million that is being made will total about $1.5 billion as the amount to go into the fund this year; and that deducting the payments that will be made it will leave $700 million in the fund this year over and above the $802 million paid out in benefits?

Mr. TABER. In the neighborhood of $750 million.

Mr. OSTERTAG. And if you add the $589 million that is in the bill, that will amount to $1,200,000,000 that will go into the fund.

Mr. TABER. Almost $1.5 billion.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JONAS. Is it not true that this fund is no more bankrupt than the Government of the United States is bankrupt?

Mr. TABER. That is exactly correct.

Mr. JONAS. When they speak of it as being bankrupt they might just as well say that the Federal Government is bankrupt, because the full faith and credit of the Government is behind this obligation, just as it is behind the obligation to pay veterans' pensions and retirement pay for retired members of the military service.

Mr. TABER. That is correct. Mr. Chairman, I hope this amendment will be adopted.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, as the gentleman from New York [Mr. TABER] has so ably said, we are confronted here today with voting on an appropriation which was added by the committee in the amount of $589 million. It was not requested by the budget and was not in the budget as it was submitted to the Congress. This means that we are adding $589 million to the budget this year, and I doubt that it is a good time to be raising the budget unnecessarily.

What does this appropriation do? It seems to me that in view of the fact each appropriation bill carries with it an appropriate amount to cover the Federal contribution which is in excess of $650 million, and that the employees of the Federal Government are likewise contributing over $650 million annually, coupled with the interest on the money borrowed by the Federal Government from the fund which amounts to over $214 million, over $1,500,000,000 will have been paid into the fund this next year.

It is interesting to note that this fund, which now totals $7.5 billion, will reach the total sum of $13 billion by 1972. It will not be until 1972 that the disbursements will exceed the income. Therefore there is no need at this time to add the $589 million to this bill. I hope the amendment offered by the gentleman from New York [Mr. TABER] will prevail.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

As the Members know, the House Post Office and Civil Service Committee, of which I have the honor of being chairman, has charge of all retirement legislation in the House and I am intensely interested in the solvency of this retirement fund. For several years I have been deeply concerned about the condition of this fund. During the past 10 years the amount of the insolvency of this fund has risen over $10 billion. In 1953, the fund was insolvent to the tune of $9,912,000,000. In 1954, the fund was insolvent to the tune of $10,583,000,000. In 1955, the fund was insolvent to the tune of $11,971,000,000.

In 1956, the fund was insolvent to the tune of $13,838,000,000.

In 1957, last year, the insolvency had grown to $17,937,000,000.

The Board of Actuaries which has charge of this fund, of which Mr. George S. Buck is chairman, says that on June 30, 1958, this year, the insolvency of the fund will be $19,360,000,000. Why is this fund becoming more and more insolvent? It is because the Congress for the last several years has liberalized this fund four different times, increasing the benefits to the annuitants without making contributions to take care of the additional costs. The Board of Actuaries says it will take a 19.31-percent appropriation a year of the total payroll to take care of the costs. Right now the Government contributes 6½ percent and the employees contribute 6½ percent. There is 6.31 percent which is not taken care of each year, therefore, the insolvency continues to grow each year. It is not right or proper to continue this insolvency. Our former colleague Hon. Robert Ramspeck, when he was Chairman of the Civil Service Commission, appeared before our Committee on Post Office and Civil Service on many occasions and told us how concerned he was about the condition of this fund. He said Congress should put this fund in order. I appeal to you to let us go ahead and appropriate this money. Let us get started toward wiping out the insolvency of this fund. It cannot be done unless the Congress appropriates the extra percentage which is 6.31 percent of the total payroll in addition to the contributions of the Government and the employees of 6½ percent each year.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. REES of Kansas. The employees during their employment in the Government have taken care of their share of the obligations; have they not?

Mr. MURRAY. That is correct, sir.

Mr. REES of Kansas. And the fault is on the part of the Congress in its failure to make this contribution; and there is more to be done if the legislation is approved.

Mr. MURRAY. The gentleman is entirely correct.

Mr. REES of Kansas. And this $500 million, or whatever it is, is only a part of what the Congress owes the Government, that is the fund; is that not correct?

Mr. MURRAY. Yes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. HALLECK. I would like to understand the point that has just been made. Do I understand correctly that what the gentleman from Kansas has reference to is the action of the Congress in voting for proposals that bring about a heavier drain on the fund?

Mr. REES of Kansas. That is correct.

Mr. HALLECK. But the gentleman did not mean to say that the Congress was voting for its own personal advantage; is that correct?

Mr. REES of Kansas. That is correct.

Mr. HALLECK. I wanted to be sure about that. I would like to pose this question to the gentleman from Tennessee who is an able and conscientious legislator. May I say I am in support of this amendment. I dislike to find myself in disagreement with the gentleman, but it strikes me that if we indicate by this sort of action that instead of handling this fund the way we ought to that from time to time we will just vote funds out of the General Treasury to supplement the fund, then in truth and in fact the fund which should not exist.

Mr. REES of Kansas. I would say to the gentleman that there is no invitation attached to it at all. It is just our failure now to carry on and to go ahead and make appropriations after we agreed to do it.

Mr. HALLECK. Well, I understand that, but let me ask the gentleman this question. Do you not break down the resistance that otherwise is found here if you indicate a willingness to go ahead year after year and put money into the fund out of the General Treasury?

Mr. REES of Kansas. We have broken that resistance a long time ago. This is just making it worse.

Mr. HALLECK. That may be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. GROSS. Would not the gentleman from Tennessee agree with me that we ought to appropriate each year for the normal cost plus the interest on this fund?

Mr. MURRAY. The gentleman is entirely correct.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, let us get clear in our minds what this fund is. This is the fund to pay the retirement benefits of all Federal employees. It is important that its integrity be preserved. Let me read to the House the question and answer of the gentleman from Illinois [Mr. VURSELL] and Mr. Irons. Mr. Irons is in charge of this fund for the Civil Service Commission. Before I do that I want to point out—take note—that the gentleman from Tennessee, the chairman of the Civil Service Committee, is opposed to this amendment. He is in favor of the appropriation. The gentleman from Kansas, the ranking member of the Committee on Civil Service, is opposed to this amendment. He is in favor of the appropriation. The gentleman from Iowa [Mr. GROSS] is opposed to this amendment. He is in favor of this appropriation. They know how important this fund is. Let me read to you what the gentleman from Illinois [Mr. VURSELL] asked and what the answer was. I read from page 547 of the hearings:

Mr. VURSELL. That was in 1956. Now there has been some argument, when it was before the committee previously, that it probably would not be a good economic move to continue to pay the $525 million that we once paid and skipped. I presume if there was

any argument now, we would go into the fact that the fund is paying off at the present time.

And this is what will happen if this amendment is adopted:

Now how long will it continue, if we don't pay anything into the fund, before the fund is insolvent to take care of the debt of the retirees and their dependents?

How long will it continue if we did not pay anything into the fund?

That is what will happen if this amendment is adopted.

How long will it continue before the fund is insolvent to take care of the retirees and their dependents?

And this is what Mr. Irons said:

The income to the fund from employees and from the agencies is more than adequate to take care of the disbursement from the fund for the calendar year. Our actuarial estimate is that if we keep on with our present method of taking 6½ percent from the employee's pay and matching 6½ percent from the Government, and adding to it the interest, at the rate our retirements are taking place, that this fund will grow from its present $7½ billion to a little over $13 billion, and ultimately—and by "ultimately," I mean about 1992 or 1993—the fund will be exhausted unless additional appropriations are made, unless the interest rate is raised, or unless the employees' contributions are increased, or unless fewer retirements than we expect take place.

This means that the fund will be exhausted by 1992, leaving a great many Federal employees to seek new retirement benefits from direct appropriations.

I asked Mr. Irons the vital question. I asked him, "What happens at the time the fund is exhausted? What will occur when the fund becomes exhausted in 1992? How do those who are under retirement get their benefits?"

He said, "We will have to get a direct appropriation at that time." I said, "How much will it be?" He said, "It will be between one-half and two billion dollars a year of annual appropriations."

Can you imagine the Congress at that time, faced with an exhausted fund and having to appropriate $2 billion annually to take care of the retirement benefits from this fund? Will the Congress do so? It is always reticent in appropriating such a large sum.

The only thing that this appropriation of $589 million does is to keep the fund current at the deficit level of $18 billion. It does not lessen the deficit. If you do not appropriate this money, the deficit goes up from $18 billion to $18½ billion. Is it fiscal responsibility to let this lay? If the argument of the gentleman from New York is sound, that this is an obligation of the United States, why is it necessary for Federal employees to make any contributions? Why not say the whole fund is the obligation of the United States and it is not necessary to make any contribution? Obviously, the argument is not sound.

I ask that the amendment be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I yield to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, this is a very real and serious problem. I serve on the subcommittee handling retirement legislation on the legislative committee. We are faced with some very real and practical problems, as I see it. The other body has already passed legislation to increase the retirements for those who are presently on the rolls. We have coming before us next week legislation approved by our committee to do that very same thing. These are the simple facts: Those who are on the retirement rolls, including ourselves, are placed there on as nearly an actuarial basis as we possibly can be. However, the Congress has from time to time increased the annuities for those who have already retired, over and above that which they have actually earned during the time they have been serving the Government. As a matter of fact, we have today approximately 10,000 people on the retirement rolls who are drawing more money under retirement than they received in salary when they were working for the Federal Government.

In view of that fact it is apparent that something has to be done.

I say to you, that next week we are going to be faced with some amendments here that are going to be very serious. We have those on retirement rolls who have retired after a certain number of years in the Government who are working full time in other occupations, yet while they are working full time in other occupations their annuities are being increased. Some who have been retired from the rolls and worked full time now draw social security also.

I say to you that we have to be very cautious and any increase for retirees who are presently on the rolls should be on the basis of need. No responsible person I am sure would want any faithful servant of the United States Government to be in need. I certainly am in favor of the bill that is soon to be reported out of our committee, but if we increase the amount of the retirement for those who are presently on the retirement rolls over and above what they have actually earned we have to make some kind of provision some place to pay it, because if we do not we are going to be faced with a very serious problem in the future.

This amendment is one that is going to have to be decided either now or some years later and we must decide as to the propriety of facing it now or in future years. I just want to call your attention to the fact that this matter will be on the floor for consideration next week, and we had better take a hard look in a thoughtful way, certainly making no unwise decisions, so that we do not place the fund in jeopardy in future years. We are custodians of this fund. This fund does not belong to the citizens of the United States, it does not belong to the Members of Congress, it belongs to the employees, and we as trustees of the fund had better not look at it from the political point of view but as good custodians and trustees for over 2 million employees and 300,000 presently on the retirement rolls.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. CORBETT. Would it not be just as logical to eliminate payment by the employees into the fund as to eliminate the payment by the Government into the fund?

Mr. CEDERBERG. I am not sure I follow the gentleman's reasoning, but I do not see how the fund can be solvent if we refuse to pay into the fund.

The CHAIRMAN. The gentleman from Illinois [Mr. VURSELL] is recognized.

Mr. VURSELL. Mr. Chairman, the trouble with this whole matter is irresponsibility. Four or five times in almost as many years you have played politics with these annuities; you have raised them, and raised them, and you want the Federal Government to be sure that the annuities are paid.

I have taken this matter up with the Bureau of the Budget, Mr. Stans, and have a long statement here from him. I wish to read 1 or 2 paragraphs from his statement:

To imply that because it is not fully funded, the retirement fund is being somehow mismanaged and that it is bankrupt is to call into question the full faith and credit of the United States Government. The Retirement Act promises to make certain payments under specified conditions, and regardless of the size of the balance in the retirement fund at any particular time, these benefits will be paid because the promise to do so is backed by the full faith and credit of the Government. There are no conditions attached. It is a perfectly open and straightforward obligation.

While there are very strong reasons for full funding of private pension plans, these reasons do not apply in the case of the Civil Service Retirement System. The most important reason for full funding of private plans is to assure employees that they will receive the benefits they have earned even though the employer may go out of business. We have never thought it necessary to make provisions for the Federal Government going out of business.

There is no use letting your hearts bleed in this matter; it can be corrected in the legislation that is coming up; it can be corrected, and it should have been corrected prior to this time.

Here is the situation: You have $650 million going into this fund paid by the Federal Government for the fiscal year 1959; you have $650 million going into the fund paid by those who are working for the Government. You have $214 million going into the fund from the Treasury of the United States as interest on the $7.5 billion. In other words, we have $1,547 million going into this fund in 1959 and we pay out only $712 million.

Does that look like the fund is bankrupt? Is the fund as near bankrupt as the Federal Government that we are trying to make pay an extra $589 million in this particular bill?

Members on both sides of the aisle should be concerned about the present economic condition of the country. You talk about it but what are you going to do about it? Many Members are thinking of appropriating additional funds, billions of dollars, to make jobs for people. The Bureau of the Budget, yes, the Civil Service Commission, feels that this fund is perfectly safe in its present

condition notwithstanding what the gentleman from Illinois has said.

The facts are that they go to work and say that this would not reduce by 1 cent any benefits, but it would add additional cost to the Government to appropriate this $589 million.

Mr. Chairman, this fund is no sounder than the Government. If you want to bankrupt the Government you can bankrupt the Government, you can bankrupt the fund, but you cannot ever bankrupt the fund unless you bankrupt the Government. Adding this extra appropriation of $589 million is a step in the direction of bankrupting the Government.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, may I say to the gentleman from Michigan [Mr. CEDERBERG] he made a very intelligent and telling argument and I congratulate him.

Mr. Chairman, I just want to talk a little common horsesense with my colleagues for about 5 minutes. I want to talk about fiscal responsibility, and that is our job here. This fund is insolvent, and no one has denied it. We have had the best actuaries in the country we could get, and they testified that this fund now, not 3 years from now but now, is $19 billion insolvent. Every month each civil-service employee has 6½ percent taken out of his pay, yet the fund is $19 billion short. In the last 5 years this fund has increased its insolvency by $10 billion. That is in only 5 years. There is only $8.2 billion in the fund now.

We talk about the fact the fund will be exhausted in 12, 15, or 17 years from now. I am going to talk sense to you. We have depleted it by $10 billion in the last 5 years. There is nothing partisan about this thing; we are all in the same boat on both sides of the aisle.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Not now. The gentleman does not question that statement, does he?

Mr. TABER. I would like to have the gentleman tell how it ever became that way.

Mr. THOMAS. I am not being partisan. Who knows but what in the next 5 or 6 years the fund may go into bankruptcy to the tune of another $10 billion? Then where will the civil-service employees be?

Mr. Chairman, are we not ducking our responsibility when we fail to put in this $589 million? That is not the committee's figure. The present Chairman of the Civil Service Commission was one of our colleagues, a very capable man and he served here in the House with us. I refer to Mr. Ellsworth.

He asked the Bureau of the Budget for this $589 million. Whom did he follow as Chairman of the Commission? Another fine man, Chairman Philip Young, who resigned about a year ago and is now our Ambassador to Luxembourg. He asked the Bureau of the Budget for about $541 million.

Now, the Bureau of the Budget in denying those funds is crippling the solvency of this fund, gentlemen, and we are denying that great principle of fiscal responsibility when we do not come up with this money. There cannot be much argument about it, gentlemen. If we put it in, that is not going to reduce that $19 billion deficit figure. Do not misunderstand me. No, it will not reduce it $589 million; it will just keep it from going up. This thing is going to skyrocket and skyrocket and we will wake up in another 10 or 12 years and there will not be a dime in the fund. We will then have to appropriate money by the billions if we do not appropriate for the fund now. Oh, what a temptation it will be then to say "Let us rub it out and start all over."

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to commend the gentleman for speaking about fiscal responsibility. That is fine, but the thing bothering me is that if the Congress is ready to enact legislation taking money out of the general fund and putting it into this particular fund, then it is an open invitation to further bankruptcy.

Mr. THOMAS. How are you ever going to put it on an even keel without taking it out of the general fund? It cannot be done in any other way.

Mr. Chairman, we are only doing the right and honorable thing.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. TABER. Is it not true that half of it should be charged to the employees?

Mr. THOMAS. The Federal Government has not done its job. Let us do our job. Here is the time to do it now.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 47, noes 128.

So the amendment was rejected.

Mr. HYDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE: On page 4, line 12, after the word "fund" strike out the colon and strike out the remainder of line 12 and all of lines 13 through 23, and insert a period.

Mr. HYDE. Mr. Chairman, I fear that if the language which my amendment seeks to delete stays in the bill it will be rather like a Mickey Finn served at the supper table, the effect of which will be to knock out the participants before they have had a chance to sup.

The language which my amendment seeks to delete provides that no part of this particular money that you are now appropriating can be used to pay any increase in the retirement fund unless another appropriation is made in such an amount sufficient to prevent any increase in the unfunded accrued liability of the fund.

I know that this language was offered with good intent and I have no more desire than anyone else to see any increase in the unfunded liability of this fund. However, I am afraid the gentlemen who drafted this proviso have overlooked a possible effect. Bear in mind that the chairman of the committee said earlier today that we need have no fear of this; that when the retirement bill which is due to be heard next week is passed, their committee will be ready, willing, and able to appropriate enough money to meet that increase. But under the language of this proviso, should it happen that the unfunded accrued liability increases for any reason—for any reason at all; suppose there is more of a demand on the fund than has been anticipated—you are liable to cause an increase in that unfunded liability. So no matter how much the committee attempts to meet the obligation of this retirement bill which will be before us next week, the Treasury and the Civil Service Commission might well find themselves in the position of not being able to pay whatever increase in retirement is provided for in the bill next week.

Mr. Chairman, I ask the members of the committee whether or not next week you want to vote for a provisional increase; that is, an increase provided nothing happens in the future that will cause an increase in the unfunded accrued liability.

Mr. Chairman, you have just listened to a debate in which it is estimated that this unfunded accrued liability might increase—oh, up to billions of dollars in the next few years. If that occurs and you have this provision in the bill, you may not be able to pay any increase in retirement which you expect to pass next week. I am sure that you do not want to say to the thousands of retired Government employees, "Oh, we are going to give it to you with this hand, but if you reach for it we are going to slap it out." That is the effect of this proviso.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Chairman, I should like to commend the gentleman for submitting this amendment to the House at this time. As I understand it, this proviso would sabotage the right of the present retired employees to receive any increase in their retirement annuities. It is evident from the action already taken by the other body and from the action already taken by the Committee on the Post Office and Civil Service that we are moving toward such a bill to provide an increase, at least recognize the increase in the cost of living that these retired employees have already encountered. This proviso would just jeopardize their right to receive any additional compensation whatsoever.

Mr. HYDE. Mr. Chairman, I will say to the gentleman that I am afraid that that is so. I know it is not the intention of the committee. I know the committee intends to appropriate enough money to meet any increase in cost which we might vote next week.

However, the language of this proviso is such that it has a hidden trap in it

which may well prevent the payment of any increase in retirements made by this bill which we expect to act on next week.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes, with 5 minutes reserved to the gentleman from Tennessee [Mr. MURRAY] and 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of this amendment because I believe the language which is now contained in this appropriation bill is improper and unnecessary, and would be somewhat damaging to legislation pending to benefit retired Federal employees.

It is improper, of course, because it is legislation on an appropriation bill. If the Appropriations Committee has sufficient time and is better qualified to act on legislation affecting post office and civil service matters, then it would be in the interest of economy and efficiency to abandon the proper legislative committee.

It is not necessary because in pending legislation the Post Office and Civil Service Committee has provided language that would require that these funds be appropriated or the law itself would expire. Public Law 555 back in the 82d Congress provided for a temporary increase for annuitants, but if the Appropriations Committee did not provide the appropriations within a 1 year's period that legislation would expire.

In Public Law 854 in the 84th Congress passed in 1956 we provided that matching funds be placed in this retirement fund by the agencies every year, and that the Civil Service Commission submit an estimate to the Bureau of the Budget as to what the cost would be, if any, of keeping those funds actuarially sound.

I appreciate the concern which has been expressed about the actuarial soundness of the retirement funds, but that has already been pretty well debated. I do not think any of us is too much worried about those funds becoming bankrupt. If there is some deficiency, and there is some when you consider it on an actuarial basis, it is because Congress in the past did not comply with its obligation to put a fair amount of money into those funds.

Alarming headlines appear in the daily papers alleging that the United States civil service retirement and disability fund is in precarious condition. The press reports are based upon statements made by two Members of Congress before the House Rules Committee on March 24. As a matter of fact, the fund is a long, long way from being in a precarious condition. The fund has successfully operated for over 37 years. It started in 1920 from zero and today has a balance in excess of $7,800,000,000 invested in Government securities.

The statements indicating the fund is in a precarious condition are based upon an unrealistic technical actuarial assumption and computation showing an actuarial deficiency, or so-called unfunded liability, at the present time of $19 billion. This unfunded liability does not in itself establish that the fund is in a precarious condition. Many other factors must be taken into consideration, such as the assured future income of the fund. In 1921 the unfunded liability was 22 times the assets in the fund; in 1940 the ratio was 5 to 1 and today it is about 2½ to 1. Because of the efficient management of the fund by Congress, this decided financial improvement was accomplished. An extremely important action of Congress to improve the financial condition of the fund was the passage of Public Law 854 of the 84th Congress, increasing the salary deductions of employees from 6 to 6½ percent and making it mandatory that the Government annually match the contributions of the employees. This produced a fixed income to the fund of 13 percent of the payroll or about $1,300,000,000 per year. Additional assured annual income results from the interest on the balance of $7,800,000,000 invested in Government bonds. This income varies from year to year. In 1957 it amounted to $220 million.

That the income of the fund far exceeds the disbursements is established by the last annual report of the Civil Service Commission covering the fiscal year 1957, which shows income from contributions and interest amounting to $1,391,000,000. All disbursements for this period covering annuities to retired employees and their survivors plus refunds and death claims amounted to $594 million. The excess of receipts over disbursements of $797 million in that year increased the balance in the fund from $6,708,000,000 to $7,512,000,000. At the close of this fiscal year, June 30, 1958, the excess of receipts over disbursements will be about $800 million, and it will bring the new balance in the fund to about $8,300,000,000.

Does this big annual increase in the assets of the fund indicate a precarious condition at this time?

If it is not a precarious condition at present when will it be in such a condition?

To determine that answer we must estimate the future income and the future disbursements of the fund. As a basis of such an estimate, we have the financial statements for the past 37 years. It is not difficult to estimate the receipts and disbursements for the next 37 years based upon assured income and probable expenses. As no one can predict the increase or decrease in employees during the next 37 years it is fair to base such an estimate on the assumption that the present payroll will remain fairly constant, and that the fund will earn 3 percent interest on the yearly balance. On that basis the fund will steadily increase. The estimate indicates that it will grow during the next 37 years to about $15 billion.

The statement that the fund is in precarious condition is based upon the unrealistic assumption of actuaries that tomorrow or on a certain day all civil-service employees will either retire, die, or resign and withdraw from the fund their contributions. Of course, such a situation would develop only if our Government does not continue to exist. I prefer to believe that our Government will exist into perpetuity.

I challenge anyone to produce evidence that this fund will be unable to meet in full all of its obligations on the due date in all future years. I specify estimates based upon actual receipts and disbursements, not on technical actuarial assumptions based upon a dream that our Government will end tomorrow or at the end of this year, or on some other future date, and then have to pay all the obligations of the fund at once. Such a dream may be made by actuaries, but not by experienced businessmen who realize that when the annual receipts of a business exceed the annual disbursements that the business is sound. For 37 years the receipts of this fund have exceeded the disbursements, and guided by able Members of Congress they will continue to do so. For 37 years a fallacy has existed on the Hill and in the Government that this fund is not financially sound. It is time we killed that fallacy.

It is damaging to pending legislation because on Monday I believe we will be considering H. R. 607, to provide another increase for retired employees. One hundred and sixty Members of this body were interested enough and concerned enough about the plight of retired employees to introduce legislation providing for an increase. Here before we even have a chance to consider that legislation which is embraced in H. R. 607, which is coming up pretty shortly, we are prohibiting these employees from receiving the increase unless further action is taken by the Committee on Appropriations.

We do have in that legislation, in that pending legislation, language which would do almost what the language in the appropriation bill would do. It states in part:

> That such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the Civil Service Commission of such annuities or increases in annuities for such fiscal year.

That is the language embraced in the bill, H. R. 607, which we will be considering Monday. If this language in this appropriation bill is necessary, then let us offer that to the bill when it comes up Monday and at that time we will discuss the entire subject.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, this language is put into this bill only for the purpose of improving the soundness of the retirement fund. There is no effort on the part of any member of the Independent Offices Subcommittee to sabotage that or jeopardize the employees' rights, or any particular bill which might increase their annuities. The effort on the part of the members of this committee to preserve the soundness of that fund is the only reason why this proviso is in this bill. A week ago the other body

passed a bill for retired annuitants that will cost some $85 million. As to the bill which the House will consider next week, I do not know what the cost will be, but whatever it might be, I think there ought to be a willingness on the part of those who are anxious to increase the retirement of those annuitants who are on the retired rolls to stand up and have the guts and vote the amount for it. That is all we want. I am one of those who has introduced a bill increasing annuities for retired Federal civil-service workers. They deserve this increase and have waited a long time for it. When we do increase the annuities, I am sure and know that this committee will come back with a supplemental and we will give the money that is necessary to meet that obligation.

I repeat, this proviso is for the purpose of not sabotaging the retirement fund or of prejudicing those who might benefit hereafter from the fund. It is only for the purpose of preserving it. I think the membership here ought to realize that and those who are in favor of this amendment ought to realize it, too. This committee worked long and hard on this bill. It spent many hours considering the solvency and the insolvency of the retirement fund. This is the way to preserve and protect the fund; and this is the way to do it.

I hope the amendment is defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I rise in support of the amendment. I respectfully direct the attention of the committee to the fact that on March 5 of this year during the debate on the bill, H. R. 8002, a very eloquent statement was made by a member of the Committee on Appropriations in defense of the prerogatives of the Committee on Appropriations. I recall to your attention the fact that at the time I raised the question as to whether there would be the same eloquence and the same earnestness in behalf of some other committee when the legislative prerogatives of that committee were being challenged on some subsequent occasion by the Committee on Appropriations. I think this is an appropriate time to call your attention to the fact that this is precisely what is transpiring here. There is a suggestion here in the statement of the gentleman who preceded me that there is an apparent lack—and I am quoting his words—of guts on the part of the House to match new obligations with the funds to meet those obligations. I again direct the attention of the committee to the provision in section 4 of the bill, H. R. 607, which is coming before the House shortly, which specifically provides, and this has been voted out of our legislative committee where this matter ought to originate and from which it ought to emanate:

> Any annuities or increases in annuities provided by the preceding section in this act—

And that calls for increases—

> shall be paid from the Civil Service retirement and disability fund and such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost.

The intent of the legislative committee is clear, as comprehended in this bill, H. R. 607. There will be an opportunity to act on the recommendation of the proper committee to take care of this provision.

I urge the adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment. I do not see how any Member of this body can complain about this provision which provides for the highest sense of fiscal responsibility. The language merely means that, before there is any further increase in annuity benefits, there must first be an appropriation made to the retirement fund to cover the increased cost of such benefits and to prevent an immediate increase in the unfunded accrued liability of the fund.

Why has the tremendous deficit in the retirement fund happened over the past 10 years? It is because the Congress has liberalized this fund four different times during that period. Those four different amendments to the retirement fund cost millions and millions of dollars, and yet the Congress made no provision for taking care of the additional cost provided by those amendments. It is high time that Congress displayed some sense of financial responsibility about this fund. Everybody will admit that the fund is in terrible condition. It is insolvent. Its insolvency is growing, and if you continue to liberalize the fund in the future and do not provide additional appropriations to take care of the new liberalized features, naturally the deficit in the fund will continue to grow. I do not see how you can object to this provision, which merely means that if Congress feels that this retirement system should be liberalized in the amount of $200 million in additional benefits, first Congress should vote an appropriation of $200 million to take care of this amount.

Mr. Chairman, it is high time that we get this fund in proper financial order or we are in real serious trouble.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I do not yield.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, within the next few days this House will by an overwhelming vote agree to authorize the expenditure of somewhere between $60 and $100 million for additional retirement benefits for former employees in Government, and dependents of former employees. That money will be in addition to the amount they receive as contributors to the retirement fund.

The legislation provides that all people employed in Government and retired prior to October 1, 1956, will be entitled to additional payments as provided in the bill. The cost of the bill approved by the House committee, I am advised will cost approximately $60 million the first year. A companion bill approved by the other body will cost nearly $100 million the first year.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I shall be pleased to yield.

Mr. HYDE. I have full sympathy for the purpose expressed by the gentleman from Kansas, also the gentleman from Tennessee. My fear is that when you say in this proviso that none of this increase can be paid unless the appropriation is made, to prevent an immediate increase in the unfunded accrued liability fund, should there be an increase in the accrued liability of such fund even if you appropriate the money, should that increase occur because of some miscalculation of the number of beneficiaries or for some other reason, then the Government may be in the position of not being able to pay the increase even though you have appropriated the money. That is my objection to this proviso. It contains language an interpretation of which may kill any increase in retirement benefits. I am in sympathy with keeping the fund solvent, but under this language if for any reason at all there is an increase in the accrued liability these payments cannot be made. We have been told here time and time again that it is going to increase untold millions of dollars. Should it increase, you are not going to be able to pay any more annuities.

Mr. REES of Kansas. It is my contention the appropriation for the retirement fund in this bill is intended to apply on present and past obligation to the retirement fund.

I further contend this House should immediately appropriate the additional amount necessary to completely take care of the additional obligation created when the House votes to make additional payments to those who retired prior to October 1, 1936, and the survivors of those who are deceased.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I believe we have gotten ourselves into a controversy here and gotten our emotions stirred up a bit when there really is not any important problem. I was very pleased to hear the gentleman from Kansas say that he thought that next week or in the very near future we would be authorizing $60 million to $85 million for retired Federal employees. If there are any real victims of inflation who deserve this increase they are those people who will be covered in benefits.

We have gotten all excited about the fact that there is going to be some proviso in the law requiring an appropriation of money. I submit it is as easy as this: The bill S. 607 or H. R. 607, as the case may be, that will be before us, does, as the gentleman from Michigan [Mr. JOHANSEN], said, provide that if the money is not forthcoming from the Appropriations Committee and the Congress that the benefits cannot be paid the following year. The gentleman from Massachusetts wondered if we had the guts to stand up and be counted. For

me it is the job of the House Civil Service Committee to pass the authorizing legislation; it is for the Appropriations Committee to bring before us the proper appropriation.

We all showed here on the last amendment, we who supported it, that we are seriously concerned about the solvency of the fund. The people who are opposed to this amendment are just as concerned as the people who would like to say that it does not matter what the will of the Congress is, that what matters is the will of the subcommittee on appropriations. I believe that in a contest between two jurisdictions, the legislative committee and the Congress, we should not allow any portion of the whole to build a trap both legally and otherwise which will withhold from deserving people, so labeled by the vote of Congress and the signature of the President, withhold from them the benefits we feel they are entitled to.

I believe this amendment should be passed without question.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized.

Mr. GROSS. Mr. Chairman, this is legislation on an appropriation bill. That is the first argument in favor of the amendment and against the proposal in the bill. The Appropriations Committee has gone far out of its way to write legislation in this bill.

As one member of the House Committee on the Post Office and Civil Service, I am jealous of the prerogatives of that committee. The House has just spoken, by a substantial margin, and said that the retirement fund should be contributed to annually by the Federal Government. That is, the annual payments, based on cost and interest, should be paid each and every year by the Federal Government.

There is no need for this legislation in this appropriation bill. The House has spoken and the House committee in reporting a bill to you next week will speak on that score again. Why do you not leave this matter to the proper legislative committee?

What you are inviting, I may say to the chairman of the subcommittee of the Committee on Appropriations, is language in the bill that will come to the House next week, and other bills from other committees, providing that, notwithstanding the provisions of any other act passed by the House of Representatives, that a certain procedure will be followed. We can take care of you in that fashion. I do not think you want it that way, I am sure I do not want it that way.

I appeal to you to stop bringing in legislation on appropriation bills and going to the Rules Committee and getting points of order waived on appropriation bills.

Mr. Chairman, I support the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, there is not the slightest intention on the part of any member of this subcommittee on either side of the aisle to circumvent the jurisdiction of the great legislative committee. We consulted its very able chairman and asked his permission. He went to the Rules Committee with us and advocated this rule. I am not jealous of anybody's prerogatives, and no one on this committee is; but, Mr. Chairman, we are jealous of this fund that is $19 billion in the red.

My very able and lovable friend from Iowa makes an argument that really is not in keeping with the great service he renders. In the last 5 or 6 years this fund has gone in the red by some $10 billion. By whose action? By his action, by my action, by your action. He serves on that great committee and that great committee has not done anything to protect this fund. It is the job of this subcommittee to handle the dollars and cents involved, and that is all we are doing.

My very good friend from Maryland says the language has a joker in it. There is nothing wrong with the language because the very able Civil Service Commission wrote the language, the same people who are going to administer it. Do not worry about that language.

Mr. Chairman, when that great committee, of which my friend from Iowa is a member, comes in tomorrow or the next day with an authorization bill, we are going to supply the money just like we do for any other legislative program. All we are asking your great committee to do is to follow the procedure of this House. When the armed services want any money, how do they get it? They go to the Committee on Armed Services, and they authorize it, and then they go to the Committee on Appropriations. When the farmers want money, what do they do? They go to the Committee on Agriculture and it is authorized, and then they go to the Committee on Appropriations. Now, when you want money, why should you not do the same thing?

When you do that, we are not going to say that we are going to slow you down. That is not the purpose of this language. We tell you now—and I do not believe any member of the subcommittee will deny it—that when you come in next week we will give you the money. All we are asking you to do is to follow the regular appropriating procedure of this House. When you do that you will not have in the next 10 years another $10 billion deficit that you and I and all the rest of us have created.

Mr. Chairman, this amendment ought to be voted down. You would be making a mistake if you do not do it, and I say that in all sincerity, and I humbly ask you to vote "no" on this. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HYDE].

The question was taken; and on a division (demanded by Mr. HYDE) there were—ayes, 52, noes 83.

So the amendment was rejected.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131), not to exceed $700 for newspapers, services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and not to exceed $251,250 for expenses of travel, $5,950,000: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to speak on this question, but I sought this time to ask for some information and I shall direct my question to the gentleman from Texas [Mr. THOMAS]. I am very friendly to this legislation and I will support it, but not being a member of the committee that has it under consideration, I would like to have an answer to this question. The Government employees have had taken out of their checks ever since the beginning of this program whatever they owed to the fund. Now, the question I want to ask is this: Has the Federal Government matched that money dollar for dollar into that fund as the law requires?

Mr. THOMAS. No.

Mr. CHRISTOPHER. Have they paid the interest on the money that the Federal employees have paid into that fund every year.

Mr. THOMAS. No.

Mr. CHRISTOPHER. Then, if the Federal Government should, at one lick, pay into the fund the money they are obligated to pay into the fund, plus the interest they owe on the money that the Federal employees have paid into that fund, would that fund then be solvent?

Mr. THOMAS. Yes.

Mr. CHRISTOPHER. That is all.

The Clerk read as follows:

SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

For expenses necessary in connection with construction of approved public buildings projects not otherwise provided for, including preparation of drawings and specifications, by contract or otherwise; acquisition of sites, including soil investigations and tests; not to exceed $200,000 for expenses of travel; administrative expenses; and for preliminary planning of public buildings projects; $38 million, to remain available until expended, and not to exceed $500,000 of this amount shall be available for construction of small public buildings projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341): *Provided*, That any unexpended balances of funds heretofore appropriated to the General Services Administration for sites and expenses or sites and planning shall be available for the purposes hereinabove set forth and may be consolidated with this appropriation: *Provided further*, That no part of such funds shall be used during the current fiscal year for preparation of drawings and specifications, acquisition of sites, design, planning, construction, or in any other manner for or in connection with proposed Federal office building No. 7 on square 167 in the District of Columbia (project No. 3–DC–05, General Services Administration prospectus submitted July 13, 1956).

Mr. McINTIRE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have taken the floor to direct a question to the chairman of the subcommittee. Mr. Chairman, in the appropriation bill for the fiscal year 1958 there were funds appropriated, in fact $195,000, for a customhouse at Madawaska, Maine, in which there was set aside $5,000 for site. In examining this matter it has developed that the money available for site is not adequate. I ask if in the provisions on page 10, Sites and Expenses, Public Buildings Projects, it would be possible that from this fund there would be drawn sufficient money to make up any deficit which might exist by virtue of the additional cost for site in connection with this project which is already approved?

Mr. THOMAS. Mr. Chairman, let me say to my friend—and I want to be perfectly frank about it—I do not know, but if I had to guess right now, I do not think it would because that was an especially appropriated fund last year. It was covered as a specific appropriation item in the appropriation bill last year. May I suggest to my friend that we all want to help him. He works hard and is in a difficult position now through no fault of his own. The gentleman has some high-priced land there. He has a factory in his town. Land is a little bit scarce. They tell me they do not have quite as much in the gentleman's country as they have down in my country.

Mr. McINTIRE. I might say it is quite important to set up a customhouse at the end of the bridge. There is the problem of relocating a railroad if we get the site at the appropriate location.

Mr. THOMAS. Mr. Chairman, may I suggest to my friend that when he goes back home, he get hold of both parties, the railroad and the factory, and see if he can get some heads together and drive a good, hard bargain. Then I suggest he get hold of the gentleman from New York [Mr. TABER]. Then we will all get together and see if we can help him. I do not think the gentleman from New York is going to throw anything away and if the gentleman will do that, we will all see if we can help him work out something.

Mr. McINTIRE. Mr. Chairman, I thank the gentleman very kindly.

The Clerk read as follows:

CONSTRUCTION, PUBLIC BUILDINGS PROJECTS

For construction of public buildings projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $177,255,000, to remain available until expended, of which amount not to exceed $700,000 shall be available for site and construction costs for the project at Milledgeville, Ga.

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: On page 11, line 19, strike out "$177,255,000" and insert "$187,255,000."

Mr. ROGERS of Colorado. Mr. Chairman, this amendment is offered for the purpose of the construction of a postal terminal annex at Denver, Colo. The General Services Administration, pursuant to the authority given to them more than 8 years ago, acquired a site near the Union Station at Denver, Colo., for the purpose of constructing a Denver terminal annex. The necessity for this building has been proven time and time again.

After the purchase was made by the General Services Administration of this site, the Committee on Post Office and Civil Service visited Denver, Colo., and had an opportunity to observe the workings of the postal employees. They found that many of them were out in the street in the dead of winter separating the mails. We have, some 3 or 4 blocks from the Union Station, an old building formerly used as a banana warehouse whose working facilities are such that if it were under State supervision it would be condemned as a fire trap. When the lease-purchase legislation was approved the application of the Denver Post Office was put down No. 2 on the list and was submitted to the respective committees of the respective Houses and approved.

The Post Office Department pursuant to the authority given them had plans and specifications prepared for the construction of this building and issued an invitation for bids, but the only bids they received would cost the Government approximately $15 billion under that program.

I am asking in this amendment that you approve sufficient funds for a project the necessity and need for which has been established time and time again by every committee in the Congress and every executive department that has ever looked into the matter. If the appropriation of a sufficient sum to construct this terminal annex is adopted, then you will save the Government lots of money. You will save it in rent, you will save it in operations. The plans by the Post Office Department have already been drawn, the architects have submitted their plans, and all they have to do is to proceed with the construction of this building on the site the Government has owned for more than 8 years. After the Government has spent a large sum of money in the acquisition of this site and nothing has happened during that period of time, now is the time for you to take action, give us sufficient funds, and proceed with the construction of the terminal annex. I ask your favorable consideration and vote in favor of this amendment.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes, the committee to have the remaining 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, we all love our friend from Colorado. He is putting the committee in the awkward position of opposing a very worthy project. There is no question about it, but again I point out to you the reason we are going to have to ask you to vote against this amendment.

There is not a single building in this list which is exclusively a post office. There are dozens all over the country that should be built. I am suffering too. I have one in my town that was built to accommodate 125,000 people. but now the town has 900,000 people in it. We have owned the land for 9 years too, but I am in no worse shape than dozens of you.

Frankly, I speak the committee's sentiment, and I know I speak my own, when I say that the Post Office Department has no business being in the construction business. The Post Office Department was set up to carry the mail, and it does a fine job of it. Now to set up a duplicating construction agency, as it is under the present setup, is compounding the cost of construction and slowing it down. On the other hand, you have a fine agency, the Public Buildings Service in GSA, which for over 100 years has built post offices and all the other Federal office buildings.

All of this construction should be placed where it belongs. So far as I am concerned, and I think I am speaking for the committee, if the jurisdiction is given to the General Services Administration, we will get busy and supply the funds and build these post offices that ought to be built. That would not take away from the Post Office Department the jurisdiction to contract for service stations and little buildings out in the neighborhood sections of the community. I am talking about the post offices in the county-seat towns. As far as I am concerned, I have no objection to the amendment of the gentleman from Colorado [Mr. ROGERS], but I do not think it is treating everybody else fairly who wants to have a post office, to put one in this bill, because there is not a single, exclusively post-office building in this entire lot. This committee did not have jurisdiction. That is the reason they are not in the bill.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. ALGER. I have been quite in sympathy with this bill right on through, and I joined my colleagues on that side a moment ago. Now, I am quite shocked here to find in this report, and I direct this question to the distinguished gentleman. What is this "fighting the depression"? On the first page of the report, there is this language: "fighting the depression."

Will the gentleman tell me what that is?

Mr. THOMAS. I beg the gentleman's pardon.

Mr. ALGER. Is this a bill to fight a depression or do I misread this report?

Mr. THOMAS. Certainly, it is not going to aggravate the depression or make it worse.

Mr. ALGER. What depression are we talking about?

Mr. THOMAS. Have you not heard?

Mr. ALGER. No.

Mr. THOMAS. Well, you go back home and you will no doubt find that you have about 30,000 or 40,000 people unemployed.

Mr. ALGER. I have just been back home, let me say to the gentleman, and may I say further that the level of income for the month of February——

Mr. THOMAS. Then your town is different from the rest of the towns in the United States.

Mr. ALGER. Then I am proud of that. But, I merely asked the question to get an answer.

Mr. THOMAS. I beg the gentleman's pardon. I will give the gentleman an answer if he will repeat his question.

Mr. ALGER. The report says "fighting the depression."

Mr. THOMAS. Why, of course.

Mr. ALGER. What depression?

Mr. THOMAS. Do you realize there are 5,200,000 unemployed people in the country?

Mr. ALGER. That is 7.6 percent of the total working force. There are 62 million employed.

Mr. YATES. The President of the United States in a press interview himself used the word "depression."

Mr. THOMAS. Let us not kid each other. We are all in the same boat together. You have unemployment in your town and I have unemployment in my town. We have a serious problem confronting us in my judgment in this country when we have 5 million or 3 million or 4 million people unemployed. I hope I am wrong, but it would not be too surprising if when the figures come out there will be 5½ million unemployed for the month of March. Of course, in that kind of a situation, we are in some kind of serious economic trouble. Everybody knows that. I want to be serious about this.

Mr. ALGER. Is that a depression? I would like to ask the gentleman.

Mr. THOMAS. In my book, yes—in your book, no.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HOFFMAN. About this statement in last night's Star regarding the high deposits in the banks here. What would you say that means?

Mr. THOMAS. The District of Columbia has one of the highest per capita incomes of any city in the world so they are a little better off than the people in my town or your town. They are in pretty good shape here. Gentlemen, I ask you to vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ROGERS].

The amendment was rejected.

Mr. HEMPHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had intended to offer at this section of the bill an amendment to provide for a post office in my own district. Because, since 1939, we have been promised a post office at Fort Mill, S. C., and the General Services Administration has made a survey in which it has been determined that we need that post office. The Post Office Department has promised the building and we are awaiting its beginning. I am going to vote for the 66 projects which are already in this bill in the hope of helping stop recession. But it occurs to me that if some of us are hurt, all of us are hurt, and maybe there should be some justification here or somewhere for those whose post offices have been approved but not constructed.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield.

Mr. JONES of Alabama. I would like to explain to the gentleman from South Carolina the reason why the language was used in the case of Milledgeville, Ga. It was the only project in the entire 146 that exceeded the cost of the prospectus submitted to the Committee on Public Works. So the language is remedial in that it is changing that figure to $700,000 in keeping with the request of the Post Office Department and the General Services Administration.

Mr. HEMPHILL. I thank the gentleman for his explanation. I was not questioning the fact that it was in the legislation. I said I was going to vote for it because I want to support the endeavor of any Member here who is attempting to help his own district, as long as the Nation does not suffer.

It occurs to me that some of us have been needing help since 1939, and I have the records to prove it, and we might need a little help in this bill. I say it is time we took some observation as to what the rest of us need. I hope the committee will do that.

Mr. Chairman, I would like to give the committee a few facts regarding the Fort Mill Post Office, long a necessity, long neglected.

In 1939 a site was purchased for a handsome and spacious new building, and the Post Office Department gave the citizens and customers every reason to expect relief from the crowded situation then existing. At that time Fort Mill's population was only 2,500 and the office served an estimated 4,800 people. At that time it was a third-class office with annual receipts of less than $10,000.

Today the population is 4,000 plus, and the office serves an estimated 8,000, the office is second class and for 1956 its receipts were approximately $28,000. 1957 figures are not immediately available, but are probably higher. Then, can we so reason that the office is needed now, far more than in 1939, in fact the need is three times as great.

The Fort Mill Post Office moved into its present building in 1920, 37 years ago. Sufficient rent has not been offered to improve or expand. The overall floor space is approximately 1,350 square feet, of which 350 square feet is utilized for lobby, leaving only 1,000 square feet of working space for a postmaster, his assistant, two clerks, two city mail carriers, two rural mail carriers, and a parcel post delivery man. In rush seasons additional personnel are required.

We desperately need the new Fort Mill Post Office. I regret this committee did not see fit to include post offices in its appropriation.

An entire area would benefit from the construction of this post office. New construction means construction jobs, money flowing in the community, the town would be benefited and beautified.

The Post Office Department has promised us this new building. I hope and pray their promises materialize. I have brought our need to the attention of the department by letter, by telephone, and otherwise. I now call the attention of the Members of Congress to our situation.

Let me give the Congress a few facts about the fine city of Fort Mill, and vicinity:

GOVERNMENT

City is governed by mayor and six aldermen. Tax levy is 42 mills. Assessed valuation for taxes—$1,804,600. Twenty five miles of paved streets are in use. Modern sewerage system. Abundance of water. Efficient volunteer fire department with three modern trucks.

INDUSTRY

Two large plants of the Springs Cotton Mills employing 2,300 persons with an annual payroll of $6 million. Value of manufactured product, $33 million annually. Plants are run 6 days a week. They are being constantly expanded. Fort Mill also is the home of the big new executive office building and pilot plant of the Springs Mills, employing some 300 clerical workers and technicians. Building was erected in 1953 at cost of $3 million. In addition to the Springs interest there are other smaller industries.

SCHOOLS

Fort Mill has 2 new and modern high schools, 3 elementary schools, 2 gymnasiums, and a beautiful 3,000-seat stadium, representing an investment in excess of $3 million.

CHURCHES

There are six churches within the corporate limits with a total membership of more than 3,000. One church is ready to occupy a new building and other churches have just completed additions costing more than $200,000.

RECREATION

Fort Mill's recreation facilities are unsurpassed. Beautiful 9-hole golf course, soon to be expanded to 18-hole course; swimming pool, bowling alley, large clubhouse, etc. Tennis courts and other facilities soon to be constructed.

OTHER FACTS

The city is served by the Charlotte-Augusta division of the Southern Railway, Greyhound Bus Lines, Queen City Bus Lines and Carolina Stages. A new dial telephone system with 1,500 telephones. A National Guard heavy weapons company with its own spacious armory, one bank with weekly clearings of about $175,000. A weekly newspaper. Principal farm products are cotton, peaches, grain, and dairying.

Also located within 3 miles of Fort Mill is the large electric power producing dam of the Duke Power Co.

Mr. Chairman and Members of the House, I ask your consideration, your sympathy, and your help for this fine community in my district.

The CHAIRMAN. The Clerk will read.

Mr. LOSER. Mr. Chairman, a point of order. Line 23, on page 11, and lines 1 to 6 on page 12 have not been read. I have an amendment to that section.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PAYMENTS, PUBLIC BUILDINGS PURCHASE CONTRACTS

For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), $310,900: *Provided*, That hereafter no part of any funds in this or any other act shall be used for payment for sites, planning or construction of any buildings by lease-purchase contracts except buildings used solely for post office purposes.

Mr. JONAS. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. JONAS: On page 12, line 5, after the word "except", insert: "(1) contracts entered into prior to July 1, 1958, and (2)".

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. LOSER. Mr. Chairman, a point of order. That amendment follows in the bill subsequent to my amendment.

The CHAIRMAN. The gentleman from Tennessee may offer his amendment after the present amendment is disposed of.

The gentleman from North Carolina is recognized.

Mr. JONAS. Mr. Chairman, the meaning of the proviso that begins on line 2 and ends on line 6, page 12, of the bill is somewhat ambiguous in the light of the immediately preceding provision of the bill to which it is appended.

The preceding provision beginning on line 24, page 11, and ending on line 2, page 12, provides $310,900 to meet payments due in 1959 under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), prior to the effective date of the bill. Yet the proviso provides that after the effective date of the bill no funds appropriated thereby or by any other act shall be used for payments for sites, planning, or construction.

The amendment will make it clear that the proviso does not bar the use of appropriated funds for administrative and other expenses, including site acquisition, design costs, and construction supervision, necessary for the performance of contracts entered into prior to July 1, 1958, thus removing any ambiguity in this regard.

Mr. Chairman, I think it would be a mistake for us to completely discontinue the lease-purchase program right at this point. We have been trying to get the program under way for the last 3 years. As a matter of fact, strenuous efforts have been made on the part of the General Services Administration to get the necessary financing to effectuate lease-purchase contracts. They admit that there has been delays but the principal reason for the delay has been the unrealistic interest rate limitation that was originally placed on the program. As soon as that interest limitation was raised, contracts began to approach the stage of being signed, and as of this moment there are 15 contracts for construction of lease-purchase buildings already signed by the government and construction can begin on them tomorrow if this committee does not kill the program today.

Then there are another 15 projects on which financing bids already have been received and construction contracts are awaiting signature. I say to the members of the committee that if you want to get these projects started immediately, you ought to adopt my amendment. If you want to stop the lease-purchase program after July 1, 1958, that is one thing, but do not undo all of the work that the General Services Administration has completed, and on which it has expended money in an effort to get these contracts ready for execution, right at the time when the program is beginning to roll.

I, of course, would be the last person to stand here and contend that you can build buildings under lease-purchase arrangements for less money than you can under direct appropriations; but you cannot build a house for less money on the installment plan than you can by paying cash. You cannot buy an automobile on the installment plan without paying a whole lot more for it than you would pay if you had the money in your pocket to plank down in cash to the dealer.

I got these figures this morning, and was surprised to learn that on an FHA-insured loan for a house, a 25-year loan of $10,000, the borrower will pay back $18,710.93 during that 25-year period, an increase of 80 percent over the amount he would have to pay for it if he had the money in the bank.

Go downtown and offer to buy an automobile and you can get a good one for $2,768 if you have the money; but if you have to finance it over a period of 36 months it will cost you $3,320.04.

I do not legislate on the basis of newspaper editorials, and I know that the members of this committee do not do that either, but I would like to read briefly from editorial comments in newspapers published in Washington and Kansas City.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. JONAS was allowed to proceed for 3 additional minutes.)

Mr. JONAS. I read the following from the Washington Post of a day or two ago:

As for the method of financing Government buildings, we doubt that lease-purchase ever had a fair trial. The interest rate was set too low during the program's official lifetime to attract private capital. Since the 4-percent ceiling was lifted—in connection with the clean-up of the projects which had Congressional committee and Budget Bureau approval before the law lapsed—that capital has been forthcoming, and the interest rates on recent contracts have been dropping steadily.

To be sure, buying a building on time costs more than buying for cash. But direct appropriations, so long as the Government is in debt and faces further deficits, also means borrowing. Before Congress approves total abandonment of lease-purchase, it ought to determine whether that method is more expensive than appropriation financing. We suspect there would be little difference. And lease-purchase would have the advantage of making possible a more orderly, sustained, and economical building program—if Congress would leave it alone.

There is a difference in cost under direct appropriations and under lease-purchase, and the difference involves just two items—the difference between what the financing costs and what the Government has to pay for the money it borrows. Usually that difference is about 1½ or 1¾ percent. The only other difference is the matter of taxes we pay under lease-purchase to the local communities; and there is, goodness knows, enough criticism now of the Federal Government absorbing so much of the tax potential of the cities and local communities that they have difficulty financing local operations. I do not believe the amount of taxes we will pay local cities and counties under lease-purchase contracts is money that is absolutely lost. I do not think we ought to consider it as necessarily adding to the cost to the American people of this program.

May I read also just one brief comment from the Kansas City Star of March 22, 1958, which struck me as pertinent. I quote:

It strikes us that there are several definite advantages to lease-purchase. It spreads out the cost to the taxpayer over a period of years. In this time of recession, private capital could be used to pump some needed construction funds into the economy and raise some necessary buildings. To do as much by direct appropriation would put a great burden on the public pocketbook.

A building constructed under lease-purchase remains on local-tax rolls during the period that the Government is paying off the cost. That is a definite help to local and State governments that are also hard-pressed for cash.

I would say, Mr. Chairman, that in my judgment, and it is only the judgment of one member of this committee, we will be making a mistake if we vote to kill this program right when it is beginning to roll. It does seem to me that we should allow the contracts to go forward that have already been signed as well as those in process of execution. That is all my amendment does and I therefore urge its adoption.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the entire paragraph close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Florida [Mr. CRAMER].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, we now come in an indirect manner to the crux

of the matter with regard to lease-purchase that has been discussed many times on the floor of the House and many times in the Committee on Public Works. There are obviously many who disagree with the majority of the Public Works and Appropriations Committees in regard to it and in regard to deciding this important issue as an amendment on an appropriation bill rather than by direct and clear action on lease-purchase out of the Public Works Committee.

Mr. Chairman, if the pending amendment is not agreed to, lease-purchase is dead, that is all there is to it. It is the death knell of lease-purchase if the pending amendment is not approved. All we are asking by this amendment is to continue until July the authorization for the General Services Administration to go ahead with these ready-to-go projects on which millions of dollars have been expended in working the projects out, permitting them to go ahead and use this second arm, so to speak, lease-purchase, as a method of building much-needed Federal buildings. The first arm, direct appropriations, that has been in existence for many years, has not been used since 1938 as a matter of fact. I am happy to see that finally we are doing a little something with the first arm by direct appropriations, but we cannot afford in my opinion to do all the public building needed today—in the billions—by direct appropriations and lease-purchase, as the second arm is essential not only this year but in the future, unless we are to spend ourselves into bankruptcy. These 66 buildings are a drop in the bucket. These 66 projects are a drop in the bucket to what has to be done. If economy ever returns as the vogue, if fiscal responsibility in balancing the budget in future years—it apparently being out the window this year under the same majority leadership that clasped it so zealously to its bosom last year; then we'll rue the day we cut off our second arm—lease-purchase. We will return to the hiatus of no construction which has been the rule since 1938 under direct appropriations.

I cannot believe, with the status of our economy being in our minds this year, with unemployment care programs being pushed on all fronts, that we are going to vote funds, not effective until July 1, for these 66 projects while at the same time not letting us go ahead now with more job opportunities through lease-purchase to make projects available for additional jobs now, until July 1, and thus later to go ahead with those buildings after July 1 with direct appropriations. The Jonas amendment presents a complete construction stoppage between now and July 1 and certainly makes for more jobs and for orderly continuation of a needed Federal building program.

The 271 additional projects which you will find in the minority report on S. 2261, that have not been authorized, cannot be provided without lease-purchase extension under the simplified method used to authorize the 66 we are now considering.

With regard to these 271 projects not yet authorized, to give you an example, there are three of them in the State of Florida—Jacksonville, Gainesville, and Tampa—that cannot be authorized if this amendment is not approved as a start and if lease-purchase extension is not approved by this Congress in the future—except through full individual bill procedure that has been discarded since 1938.

These 271 projects, I say to the gentlemen seated on the floor, involve most every locality in the United States. These 271 projects, if lease-purchase is not continued, cannot possibly be authorized in the future, because you will have to go through the Public Works Committee and Congress itself for individual building authorization, which has never been done since 1938. There has been no program for building since 1938, and we now have a program where they can be built, and there is no use cutting off this second arm at this time which is much needed and which will be needed much more in the future if Congress ever comes back to the idea of no more deficit spending. Anyway, the program is too big to be handled by one method—by direct appropriations and cumbersome individual authorizations.

Now, this question of comparable cost has been dragged across the debate ever since it started, and I read from the report of what is the comparable cost. And, I have never seen such loaded, one-sided figures in my life as were set out in the report between lease-purchase and direct appropriations. As it reported on page 4 of the committee report, it shows that the cost is $177,255,000 under direct appropriations and more than twice that under lease-purchase, which is a complete distortion—in that the comparison is not properly and fairly analyzed. The comparable and analyzed difference between lease-purchase and direct appropriations is 1.6 percent. One and six-tenth percent is the difference if you take into consideration the taxes that are to be paid to the local communities, if you realize you have to borrow to deficit finance through the Government at 3 percent and if you properly amortize interest payments on the lease-purchase. Now, some people say that they do not believe in paying taxes to the local community. Well, I say to you that payment of taxes to the local community is a policy set down by the United States Congress in the lease-purchase bill itself, and there were amendments proposed to that bill which our Public Works Committee has failed to bring to the floor. The committee apparently does not want to make the program workable. If the Congress wanted to do away with local taxes, they should have done so by amendments to the lease-purchase bill itself sometime ago.

Mr. Chairman, I hope this amendment is passed and that we can go forward now with construction which is needed to bolster employment and to provide orderly development of needed Federal buildings, rather than completely killing the lease-purchase program and all construction under any method until July 1.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, certainly, the gentleman who has just preceded me should be very happy about the lease-purchase proposition for the beautiful brochure sent around here by the Post Office Department showing a building which was built under lease-purchase, I believe, in St. Petersburg, Fla., in his district.

All I wanted to do in the limited time was to point out the additional cost between lease-purchase and direct appropriation. Of course, construction costs are the same; sites and planning are the same, but the interest-cost factor is in direct appropriations, and under a 4½-percent rate the increased cost would be $446,736,000. Add to that $504,345,000 for taxes, and you have an increased cost under the 4½-percent rate of $692,675,000. If you go up one-half percentage point, adding the interest and the taxes, the increased cost under the 5-percent rate would be $762,562,000. I, for one, want to say that I voted for the lease-purchase bill, but I am for direct appropriations. I have been for getting some of these projects built and underway under some plan. In addition, there is involved a great deal of redtape and a lot of waste of time, and we do not seem to get the job done. So, I think the direct appropriation is the way to get the job done.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The figures estimated under lease-purchase, were they submitted by the members of the committee?

Mr. EVINS. No. The figures I have read are the figures of the Comptroller General of the United States, and he shows that the increased cost under the former is approximately 70 percent.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, the gentleman from Florida [Mr. CRAMER] said that he never saw such distortion as appears in the report of the committee with respect to the comparison of costs between the direct appropriation method and lease purchase. The committee did not prepare the information and it is not distorted. That statement was prepared by the General Accounting Office. This House will vouch for the credibility of the GAO.

We asked the General Accounting Office to prepare a fair presentation of what the financing would be with respect to each of the methods, and this is what was presented by the General Accounting Office. It is accurate.

The question that is presented to the House now is how much of a bonus do you want to pay for not breaking through the debt ceiling. Is it worth the difference in cost that is shown to exist by the GAO figures? Of course not. If you are economy minded, you cannot possibly vote for this amendment.

The argument has been made that if you vote for this particular provision in the bill you are going to have to in-

crease the debt ceiling again. It is worth something to hold the ceiling. Is it worth 10 percent? Is it worth 20 percent not to have to increase the debt ceiling? Certainly, it is not worth the cost of lease purchase when you have to pay twice as much.

The lease-purchase plan is nothing more than a bankers' bonus plan. It will pay additional interest to the bankers and mortgage people of the country in order to construct under this type of program. Under direct appropriations the amount that is saved is very significant.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. SCHERER. Under a direct appropriation will we not have to pay interest to the bankers, because we are going to have to borrow more money to build these projects?

Mr. YATES. Just as under any Federal debt; but under lease-purchase you are going to have to borrow at a higher rate of interest than under direct appropriations.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD.]

Mr. COAD. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Texas [Mr. WRIGHT].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Texas [Mr. WRIGHT].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, just a few minutes ago this House voted to pay $500 million into a retirement fund in order that we might be completely open and above board from the standpoint of fiscal responsibility. I think we have such an opportunity now to reaffirm our belief in fiscal responsibility and further an opportunity to save the equivalent of that $500 million which we have pledged to that fund.

The figures on page 4 and page 5 of the committee report which is available to the Members are extremely revealing in this regard. Those figures were not the figures of the members of the Committee on Appropriations. They are figures furnished to that committee and to the House Committee on Public Works by the Comptroller General of the United States. Those figures reveal that on these 66 projects, which are ready for construction this year and on the additional 14 projects which will be ready in the ensuing year some $500 million can be saved to the taxpayers of the United States by building these under direct appropriation rather than under the lease-purchase program.

The gentlemen on my left have said that the difference is only 1.6 percent. That is a misleading figure. What the gentlemen assume when they say that is that we would have to pay out of borrowings of the National Treasury if we build these projects by direct appropriation but that we would not have to pay out of the borrowings of the National Treasury if we built them under lease-purchase. That is an erroneous assumption. If we assume direct appropriations will come out of Treasury borrowings, we would have to assume also that annual payments to retire lease-purchase obligations likewise would come out of Treasury borrowings. In addition to paying the interest to Government bondholders, we would be obliged to pay to the financiers who privately financed these buildings under lease-purchase. Under lease-purchase we would be paying interest on the money we borrowed for the purpose of paying interest to those private financiers from whom we had borrowed money to put up the buildings. In other words, if we are to assume deficit financing, there would be double interest under lease-purchase.

Surely the gentleman from Ohio [Mr. MCGREGOR] and the gentleman from Florida [Mr. CRAMER] did not mean to leave the impression that there would be only 1.6 percent difference in the total project costs as between direct appropriations and lease-purchase. What I am sure they meant to convey is that there would be this much difference in the rate of interest we would pay. Even if we should accept that figure, 1.6 percent compounded annually on the unpaid balance of $714 million worth of buildings for 25 to 30 years amounts to a substantial figure in its own right.

These are the figures of the General Accounting Office, which was asked by the Public Works Committee of the House to prepare a study for us contrasting and comparing the cost to the taxpayers of the United States under these two systems. These figures include not only the general purpose buildings constructed under GSA, which are affected by this appropriation bill, but also the exclusive post office construction, which is not involved here. Yet the same principle applies. If appropriations are financed out of current revenues without borrowing, the General Accounting Office reported to us that the difference in all the approved projects would be $750 million; in other words, it would cost the taxpayers that much more to build them under lease-purchase.

Then we asked the General Accounting Office to assume that we were going to have to pay for these out of the borrowings under our national debt, and to make a comparison in that regard. They said that assuming that these projects are financed out of borrowings at 3 percent with the amortization out of current revenues, the difference would be $764 million. So even with that assumption it would cost $764 million more for the taxpayers to have the benefit of these buildings built out of lease-purchase than it would cost to have the same buildings built out of direct appropriations.

So that is the question. It is just as simple as it can be. Do we want to spend twice as much for the same buildings? Do we want to pretend that we are not paying for these buildings, that we will not have to pay for them? Do we want to shove off to a future generation the responsibility for paying, and pay $2 for every dollar's worth of building we are constructing?

That is the question for us to solve here today. There could not be a better time. We cannot solve it any sooner. I think this affords an opportunity on these projects for us to save some $500 million on these 80 general-purpose buildings concerned in this particular appropriation, and I think the House will welcome that opportunity.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I should like to ask my friend from Texas if it has ever been contended to the committees of Congress by either Mr. Floete of the General Services Administration or the Post Office Department that they could be built for less money under lease-purchase?

Mr. WRIGHT. No such responsible official has ever made such a contention.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. SCHERER. Did the General Accounting Office in the figures you are talking about show what portion of the cost under lease-purchase was attributable to those taxes?

Mr. WRIGHT. Yes; it did. In one instance of one public building in New York the construction cost of the building they said was $59 million, and over the 25-year period of amortization, they estimated that the Federal Government would probably be paying $53 million in local taxes. This is another hidden cost which accrues under lease-purchase.

The General Services Administration further stated it was going around trying to get local agreements to forego taxes. The gentleman was in the committee room at the same time I was and heard all the testimony. I believe he knows it is going to cost just about twice as much if we build them under lease-purchase as if we build them under direct appropriation.

Mr. SCHERER. Could we not amend the lease-purchase law by taking local taxes off?

Mr. WRIGHT. That is a hypothetical question. If the gentleman wants to offer an amendment to that effect we can debate it at that time. We faced this same fundamental problem in the highway program and the House solved it. We voted then to build highways on a pay-as-we-go basis rather than by a more expensive bonding proposal. Let us face it again today and face it with the same frankness and the same result.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I wish I had more time to debate this important issue of lease-purchase versus direct appropriation because as a member of the important House Committee on Public Works it was my pleasure to examine the prospectuses on the Federal buildings referred to in this bill, and to also work and vote for their authorizations. All of these projects are badly needed. It was the intention of our committee that these buildings be built as quickly as possible. We all know that lease-purchase has been slow and costly. This bill will save millions of dollars of taxpayers' money and will guarantee immediate construction of the listed projects without having to advertise for finance bids. I am amazed at my Republican friends who are trying to kill a direct appropriation, that will give us these needed Federal buildings immediately. One of the items contained in the bill will provide us a new combination Federal building for Benton, Ill., in my district. At the present time we have no facilities to hold Federal court without driving many miles. This is an undue hardship upon an already hard pressed people. We have over 25,000 unemployed people in my district and I need not tell you what great benefit we would receive from the work provided in the construction of this $827,000 building plus the great long-term use of it. Let us assure these communities today that we mean business by defeating all crippling amendments and passing this money bill. In closing I want to congratulate my good friends on this Appropriations Committee for their great work in bringing out this bill, particularly, its great chairman, the distinguished gentleman from Texas [Mr. THOMAS].

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, the question here is not whether we are going to build these 66 buildings or not build them. The question may not be whether we pay cash for them or buy them on credit. But let me ask you, if we are going to buy them on credit, do you think it is better to pay 3 percent interest or 5 percent interest? If we are going to build these buildings, do you want to build them the most economical way or do you want to build them the most expensive way?

The Comptroller General of the United States told our Committee on Public Works in answer to a question that I asked, and I quote him I think almost exactly, because I want to be exact in the quotation:

> This is the most expensive way to devise to build a public building, the lease-purchase program.

There are 66 projects authorized. I congratulate this committee for building them by direct appropriation, the most economical way yet devised. Even if we have to borrow the money at the Government bond rate, let us go ahead and face up to it and do it the right way. Let us not waste money by paying 5 percent when we can build them for 3 percent.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Missouri. I yield.

Mr. CRAMER. Would you tell me how you are going to build these 271 that are going to be authorized in the future, like the 66, when and if lease-purchase dies? Since the 66 projects we are now considering were authorized under the Lease-Purchase Act, how are the 271 projects going to be authorized, if they are not approved prior to the expiration of the Lease-Purchase Act.

Mr. BROWN of Missouri. I would say to the gentleman that if the Congress in its wisdom has imposed a limit on debt, on Government bond borrowings, how can you circumvent that debt limit wisely and in good conscience by borrowing money at 4.7 percent and 5 percent under a rose which by any other name still stinks—and that is lease-purchase?

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. LOSER].

Mr. LOSER. Mr. Chairman, may I have my amendment read? It is an entirely different amendment. May it be read for information only?

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read as follows:

> Amendment offered by Mr. LOSER, of Tennessee: On page 12, line 2, after the figure "$310,900" strike out all the language thereafter through line 6.

Mr. LOSER. Mr. Chairman, this is an entirely different amendment from the amendment that has been discussed by the Members who have preceded me. I am asking unanimous consent for an additional 5 minutes to discuss my amendment—and not the amendment offered by, I believe, the gentleman from North Carolina.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. TABER. Mr. Chairman, since the time has been fixed limiting debate that cannot be done.

The CHAIRMAN. Does the gentleman from New York object?

Mr. TABER. Under the regular order of business, an objection is not necessary, but I would object if I have to.

The CHAIRMAN. The gentleman from Tennessee has asked unanimous consent that he be permitted to proceed for an additional 5 minutes. Is there objection?

Mr. THOMAS. Mr. Chairman, the time has been fixed. The hour is late and I will have to insist that the regular order be followed.

The CHAIRMAN. Does the gentleman from Texas object?

Mr. THOMAS. I do, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LOSER. I yield.

Mr. JONAS. The gentleman can offer his amendment after my amendment is voted on.

Mr. LOSER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LOSER. Mr. Chairman, may I offer my amendment after the amendment of the gentleman from North Carolina has been voted upon?

The CHAIRMAN. The gentleman may do so, but there will be no time for debate on it.

Mr. LOSER. There will be no time to speak on the amendment?

The CHAIRMAN. That is correct.

Mr. LOSER. Mr. Chairman, I regret exceedingly that the very courteous and very genteel gentleman from Texas has objected to a little extension of time to enable me to discuss this amendment. Everyone who has spoken, with two or three exceptions, has assaulted lease-purchase. Everybody wants to get rid of lease-purchase. I say, to the Members of this body, strike out the language according to my amendment on page 12, lines 2, 3, 4, 5, and 6. Then, if that is stricken, if lease-purchase is the law now, it will remain the law. It is strictly amazing to me, I say to the members of the committee, that they have overlooked completely the language found on line 5, page 12; and listen to this:

> No part of the funds appropriated in this bill may be used for purchasing sites, planning, or construction of any buildings by lease-purchase contracts except buildings used solely for post-office purposes.

So, in the future, any multipurpose bill for a public building that comes here will go to the Public Works Committee. Any bill exclusively for a post office goes to the Post Office Committee. If you want to revive lease-purchase, vote for this amendment. Then, if the Public Works Committee wants to approve a project for a post office, any Member of the House will have an opportunity to go before the Appropriations Committee and make his appeal for a direct appropriation, or he can go to the Post Office Department and appeal for a recommendation on lease-purchase. But, under this bill, lease-purchase is destroyed except solely for post-office purposes.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. LOSER] has expired.

Mr. LOSER. Mr. Chairman, I ask unanimous consent to address the House an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LOSER. I heard the distinguished chairman of this subcommittee this morning say that under lease-purchase it costs 75 percent more than it does under direct appropriation to construct a public building. In other words, there is a post office in Houston, Tex., and one in Dallas, Tex., solely a post office building, that under lease-purchase, according to the committee report, will cost five or six million dollars more than it will under direct appropriation. Notwithstanding that fact, we find this most obnoxious provision in this bill on page 12, that destroys lease-purchase. In other words, there are

dozens and dozens of post offices that have been approved by the Public Works Committee that will be cut off completely unless this language is removed from this bill.

I am satisfied that this distinguished committee, headed by my good friend from Texas [Mr. THOMAS], will agree—he has already said so—that lease-purchase is bad and it ought to be destroyed, and it will be destroyed if it is not in force now. Some seem to think it is now effective. If so, a vote for this amendment will keep it in full force and effect. If it is already dead, the provisions of this bill will revive it for post office purposes exclusively. So I ask the Members to vote for this amendment. I am going to support the bill. It will enable you and you and you to go before the Appropriations Committee and make a reasonable request for an appropriation for the construction of a post office in your district. If this language remains in the bill, I say to you that you will not get an appropriation out of the Appropriations Committee, unless it comes through the Post Office Department. So I say that this amendment ought to be voted. This language should be stricken from the bill. Everybody seems to agree, except 2 or 3 Members, that this costs 75 percent more. Why not do what is right?

The gentleman from Texas [Mr. THOMAS], says that we ought to get rid of it. We all want to have post offices where they are needed. Under lease-purchase I say to the Members that they have taken bids on a little post office in my district three different times. Every time they have been rejected as being unsatisfactory. The interest rate is not sufficient to justify private enterprise to go into the contracting business under this lease-purchase.

There is nothing wrong with this amendment. It does not affect your bill in any way. All it does is give the Members of this House an opportunity to try to go before the Appropriations Committee and allow the construction of a post office under a direct appropriation. If this language remains in the bill, I want to warn you, and I know what I am talking about—I defy any member of the committee, including the very generous and the very fine and courteous chairman—to dispute it, if this language stays in the bill, no post offices, no building used exclusively for post office purposes, will be constructed unless the Post Office Department recommends it. The Appropriations Committee, as I understand, will not consider the construction of a solely post office building under a direct appropriation. Is not that right, Mr. Chairman?

Mr. THOMAS. I did not quite understand my friend.

Mr. LOSER. I thought the gentleman understood me.

Mr. THOMAS. No; I said I did not. Straighten me out.

Mr. LOSER. I will restate it.

Mr. THOMAS. The gentleman used a lot of language here. I want to cooperate.

Mr. LOSER. I know the gentleman does; the gentleman is just so kind and generous I could love him for it.

Mr. THOMAS. Ask the question now and I will try to answer it.

Mr. LOSER. I asked the gentleman whether the language on page 12, line 2, beginning with "Provided"——

Mr. THOMAS. I am familiar with the language.

Mr. LOSER. Very well; if that language remains in the bill construction work for exclusively post office purposes will continue to come through the Post Office Committee rather than Public Works.

Mr. THOMAS. That is the law today, and this language does not change existing law one iota.

Mr. LOSER. All right. Then the chairman says that the law is as I have stated. It will not hurt anything. Let us strike it out.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise in support of the Jonas amendment. First of all, permit me to remind the committee what this amendment seeks to do. It makes available and workable the program currently under way until the law as provided in this becomes effective. Actually if we pass this bill today with the language that is now in it and it becomes law on April 1, not a dollar can be spent for direct construction until July 1.

What the Jonas amendment seeks to do is to provide that those contracts that have been financed, those projects for which there are contracts under way may proceed in an orderly fashion until the 1st of July when the direct appropriation and the direct construction program will take over. The Jonas amendment does not do away with the provision for direct construction and substitute lease purchase for it; it merely provides for the continuation of the lease-purchase authority until such time as this bill becomes a law, which is July 1, 1958.

I do not share the thinking and the belief that the lease-purchase program in any way provides for double interest. You cannot pay interest on the same money twice at the same time, and there seems to be considerable misunderstanding about the difference in cost as between lease-purchase and direct construction. Actually there is no difference in cost of construction whichever way it is done; the difference lies in the cost of interest and taxes. There will be an interest cost whichever way this program is carried out. Perhaps 1½ percent higher under the lease-purchase system. As to taxes, of course that is a decided difference. But we must remember that these taxes are being paid to local government and there is considerable justification for that.

The Jonas amendment is not only desirable, it is necessary for an orderly transfer of this program and I hope it will prevail.

The CHAIRMAN. The gentleman from Missouri [Mr. CURTIS] is recognized for 2 minutes.

Mr. CURTIS of Missouri. Mr. Chairman, of course this cannot be discussed in 2 minutes. I am very sorry the time was limited because this is a very serious matter; it involves half a billion dollars.

The main thing to which I wish to call attention is that this idea of lease-purchase is not something the Government originated; it is a method that came from private enterprise where it has worked successfully for many years and is used by various businesses as an alternative method of contracting for and constructing a building themselves. It has been found that in certain instances it is economical; in other instances it is not. Whether it should be used depends on many factors. The advantage of building yourself has been pointed out by the opponents of the amendment in a very one-sided action. The advantages of having a building erected by a specialist in that field and leasing it from him on a purchase basis has its economic advantages; and, of course, an intelligent person looks at all factors to see what the comparative costs are. The statement in this committee's report in regard to costs is economic nonsense. It does not mean anything. There have been no details of the two programs brought out so that anyone can get value from it by comparison. The trouble is trying to debate this in an appropriation bill. If you want to kill lease-purchase do it directly in the committee that has charge of the matter so that we can debate the matter intelligently. Do not do it in this manner.

I do hope the House will support the Jonas amendment and then proceed in an orderly fashion to consider what is to be done with lease-purchase.

Mr. Chairman, under privilege of revising and extending my remarks, I wish to comment further with respect to the statement in the committee report, pages 3, 4, 5, which sets out alleged costs of direct appropriations and lease-purchase. Because I was confined to 2 minutes to discuss this matter I had to speak in generalities instead of details, which I dislike. I commented that the aforementioned statement cited at pages 3, 4, and 5 which attempts to compare direct appropriations cost with lease-purchase cost was economic nonsense. Indeed it is. The figures used do not indicate the number of years lease-purchase covers. The figures do not show whether cost of maintenance and repair, taxes, and so forth, are included in the lease figures. Under the direct-appropriation formula, of course, the Government being the immediate owner, bears all these costs over the period covered by the lease-purchase agreement. The item of interest for capital investment is not allocated; indeed, without the time factor included, no one can possibly determine the item or any other item for that matter. Many other important factors are undisclosed.

In other words, the two columns of figures standing side by side, unexplained, mean little or nothing. I emphasize that the technique of lease-purchase was not dreamed up by the Federal

Government. It was taken from private enterprise where it was found to be economically sound and valuable. Big business as well as small business resort to lease-purchase from time to time instead of building themselves for a variety of good, sound, economic reasons. In each case the costs of individual construction is compared with the cost of lease-purchase and many economic facts are evaluated prior to the proper election of method. This evaluation is absolutely essential. It is impossible to even attempt such an evaluation based on the incomplete data contained in the committee report.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to transfer my time to the gentleman from New York [Mr. TABER].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the committee came in here with a report in which there appears the following statement:

> The amount recommended over the Budget estimate in a few items are for the main purpose of fighting the depression and lessening the insolvency of the civil service retirement fund.

They are fighting a depression, but they want to take this language that is in here, on page 12 in the proviso, so that there will be a high interest between the time the bill becomes law and the first of July. Is that building up your construction work so that you can take advantage of whatever there is in employment and help people out who are out of employment, or is it kind of aiming the other way? If I was thinking about it I would figure it was the other way around.

We have had this lease-purchase proposition on the books. What happened? Already the General Services Administration has provided contracts for the construction of 15 of these buildings, beginning at the top of their list and running down 15 numbers through Durham, N. H. They will be able by the middle of May to provide contracts for the construction of 20 more and those are all on a good deal better basis than you have from what they quoted the General Accounting Office as saying. I will be perfectly frank with you. The General Accounting Office made a rather serious mistake in their figuring of what things would cost. In other words, they showed that there was a lot of interest to be charged against the Government on the lease-purchase contracts but no interest on the direct contracts. You all know that they would be paying the 3 percent interest just the same. The way they get those enormous figures for the difference in the two methods of doing business is by leaving out the interest that the Government has to pay anyway when it is running a deficit, and it sure is at this time and it is going to this year. If this is the spending program that the Committee on Appropriations has brought in so far, we will continue all next year to be running at a deficit. I think the only way we can get by with this is to adopt the Jonas amendment. Even that will give the committee what it is asking for, except that it bridges over the hiatus between the enactment of this bill and the 1st of July. Now let us vote for it.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I might make one observation that I do not think has been made, and that is this. With the Nation in debt $275 billion, having to borrow money to construct buildings now as compared with the lease-purchase plan, on which you pay interest for 25 years, is quite a problem, but with the amount of indebtedness we have and with no prospect of that indebtedness being reduced, it is most likely that we will be paying interest on the present appropriation in perpetuity. So, that is one phase of Federal indebtedness we ought to weigh carefully. I know that the provision in this law takes care of the project in my own hometown of Huntington. But we have been working on this project for 12 years. We contributed to the purchase of the site and looked longingly for direct appropriations to start construction. And now under the lease-purchase method we are ready to let the contract at a price of about $650,000 cheaper than was estimated. This provision in the Jonas amendment will allow that project to be let to contract, and let us go along with the construction; otherwise, according to the terms of this bill, the construction would be postponed until 1959. The Government has already spent about half a million on this one project alone because it has been juggled so much. Now, this contract can be let for $600,000 less than the amount originally estimated to cost. Why not let the Jonas amendment be adopted and thereby let this project be built, together with other projects of like kind, and go along with immediate construction. The various Federal agencies occupying unsuitable rental quarters need this building now. If this amendment is adopted, the General Services Administration will award a contract, start construction, and relieve unemployment. What better way to ward off a crisis?

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, I would like to ask a question of the distinguished gentleman from Texas, the chairman of the subcommittee handling this bill. Am I correct in remembering that the President a few weeks ago stated that he was going to have a program of $2 billion for building post offices in America?

Mr. THOMAS. I will say to the gentleman from Tennessee I think I remember seeing something in the papers about that. That is about all I know.

Mr. BASS of Tennessee. If the President had intended to carry out such a program when he announced it, would not your committee have been the logical place through which to request the funds to carry out that program?

Mr. THOMAS. If he is going to seek funds for a construction program, he certainly would go to the Committee on Appropriations. As far as I know, he has not done that.

Mr. BASS of Tennessee. You cannot build them with promises. Newspaper stories will not build post offices, and that is all we have had, Mr. Chairman, is a newspaper story about the President telling the American people "I am going to build $2 billion worth of post offices." I get telegrams and letters from my constituents asking me about this, and about the only thing I can do is write back that the President did not absolutely intend to do it in the first place, because the President has not asked the Congress for the authority or the money with which to carry on such a program. And, I hope that if the President remembers he made such a promise, if he was aware that he was making it, and if he intended to carry out his promise, that he will request the Congress before we adjourn for the money to build post offices that are needed in my district and the other districts in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman, briefly.

Mr. JENSEN. Mr. Chairman, I notice that most of the post offices that are under appropriation in this bill are quite large post offices.

Mr. THOMAS. These are only multipurpose buildings in this bill, none of them are solely post offices.

Mr. JENSEN. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, let us see if we can clarify the situation. My very good friend from North Carolina, whom I greatly admire, has offered an amendment. What does his amendment do? His amendment really extends lease-purchase indefinitely. Let us see what the amendment offered by my friend from Tennessee does. That strikes out all the language and, of course, that extends it too. So there is no difference between the two and they both ought to be voted down.

Why do I say they both ought to be voted down? I have heard some very funny statements here, and they have come from some very fine, very good, patriotic, intelligent men. The very idea of saying that the General Accounting Office is guilty of economic nonsense. I have heard a lot of things said about many agencies, but nothing like that.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman.

Mr. CURTIS of Missouri. I was not talking about the General Accounting Office. I was talking about these figures that were put in there in that way, with no explanation.

Mr. THOMAS. Those figures are the figures of the General Accounting Office.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Mr. Chairman, I do not want to get mixed up in any argument with my friend from New York, either.

Mr. TABER. Mr. Chairman, I was merely going to suggest that we have the Jonas amendment read.

Mr. THOMAS. Mr. Chairman, the General Accounting Office is not making any mistakes. They find that $1 of direct appropriations will equal about $1.65 or $1.70 under lease-purchase. My friend from New York seldom is mistaken, but it is entirely probable and possible that that $1 will be $2 under lease-purchase. The Government has to borrow the money in both instances.

The General Accounting Office did not make any mistake. Do we want to substitute our judgment for the judgment of the best auditors of the country?

I am going to defend our friend, Mr. Floete, the Administrator of the General Services Administration. You can let him down if you want to, but I am going to defend him. He says, "I went to the Bureau of the Budget and I asked them this year for $400 million for direct appropriations." He tried hard to get that money because he knew the construction was needed. That is better than twice the amount we put in this bill. "Why, Mr. Floete, did you ask them for $400 million?" He said, "I am too much of a Scotchman; I do not want to throw away the taxpayers' money."

He does not want to throw away 70 cents on every dollar. But that is what you are doing. Let us be honest with ourselves and everybody else. That is what you are doing and you know it—70 cents on every dollar. Mr. Floete says, "I do not want to do it, and I asked the Budget for direct appropriations." It is not Mr. Floete's fault. This is a high authority; and the word came out only about 10 days ago to my friends over there as to what to do. And you know I am telling you the truth—about 10 days ago. Lease-purchase has been on the books for 3½ years—it even expired last July 22. Yet the word came out last week to get busy and put lease-purchase back on the books.

Mr. Chairman, we cannot afford to throw away this money. Both of these amendments ought to be voted down.

Mr. O'HARA of Illinois. Mr. Chairman, while the committee has increased by $75 million the appropriation for the National Science Foundation, and for that it is certainly to be commended, there will be disappointment with many of my constituents, and in that disappointment I share, that the committee did not allow the full $140 million budget request. In the district that I have the honor to represent there is a keen realization of the tremendous importance of basic science and of the dependence of our future progress in vital areas on the National Science Foundation. No agency in the entire history of our country has in comparable time made such a large contribution to knowledge indispensable to the finding of the path into the tomorrow. It would be nothing short of a tragedy if to any extent whatever the great work of the National Science Foundation should be hampered, or prevented from reaching the apex of its possibility, by lack of money. In the reservoirs of basic science rests the future of our country. That, it seems to me, should be the guide to our consideration of the appropriation we should make for the National Science Foundation.

I am hopeful that the other body will restore at least the budget figure of $140 million. It was most reassuring to learn from the remarks of my distinguished colleague from Illinois [Mr. YATES], a member of the committee, that there was the likelihood of such eventuality, some boost of the House figure, anyway. The gentleman from Illinois has given stout support to the Foundation from the first, indeed is one of its strongest champions, and in the event of disagreement he of course will be one of the House conferees.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONAS].

Mr. TABER. Mr. Chairman, I ask unanimous consent that the Jonas amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Jonas amendment was again reported.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. JONAS) there were—ayes 106, noes 115.

Mr. JONAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JONAS and Mr. THOMAS.

The Committee again divided, and the tellers reported that there were—ayes 123, noes 130.

So the amendment was rejected.

Mr. LOSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOSER, of Tennessee: On page 12, line 2, after the figure "$310,900" strike out all the language thereafter through line 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

The Clerk read as follows:

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

For necessary expenses of personal property management and related activities as authorized by law and not otherwise provided for; including not to exceed $300 for the purchase of newspapers and periodicals; and not to exceed $85,700 for expenses of travel; $3,360,000: *Provided*, That to exceed $1,865,000 of any funds received during the current or preceding fiscal year for deposit under section 204 (a) of the Federal Property and Administrative Services Act of 1949, as amended, and not otherwise disposed of by law, shall be deposited to the credit of this appropriation and shall be available for necessary expenses in carrying out the functions of the General Services Administration under the said act, with respect to the utilization and disposal of excess and surplus personal property, including not to exceed $145,000 for expenses of travel.

EXPENSES, SUPPLY DISTRIBUTION

For expenses, not otherwise provided, necessary for operation of the stores depot system and other procurement services, including contractual services incident to receiving, handling, and shipping warehouse items; not to exceed $250 for purchase of newspapers and periodicals; and not to exceed $120,000 for expenses of travel; $18,165,000.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING, THURSDAY, MARCH 27

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 161 OF THE REVISED STATUTES

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 514, Rept. No. 1571) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2767) to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INTERSTATE COMMERCE COMMISSION

Mr. BOLLING, from the Committee on Rules (on behalf of Mr. MADDEN), reported the following privileged resolution (H. Res. 515, Rept. No. 1572) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5124) to authorize the Interstate Commerce Commission to prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of

power or train brakes. After general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EIGHTH OLYMPIC WINTER GAMES

Mr. BOLLING, from the Committee on Rules (on behalf of Mr. O'NEILL), reported the following privileged resolution (H. Res. 516, Rept. No. 1573), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HELP THE UNEMPLOYED FIRST

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, in a complex economy such as ours there is no one single solution for an economic decline.

Even if we had the wisdom to know all the answers we could not put them to work simultaneously.

It is obvious that one remedy must come before all the others, and that one is the necessity of helping those who have no jobs.

The quickest way of doing this is to extend the duration of unemployment insurance for those whose benefits have dried up.

Some of these people have no reserves to draw on.

They are not getting 1 cent of income.

There are no job openings for them.

Their unemployment insurance checks have stopped.

These people are in distress. They are worried. They need help.

The President and the Congress are considering various other measures which, even if they are approved, will take time to be of practical benefit to those who are presently unemployed.

What are the unemployed going to do in the meantime?

One bill which deserves our immediate approval would extend unemployment benefits for 16 weeks.

By the end of that period other measures to reverse the downward trend should be taking effect.

The extension of jobless payments is imperative. The fact that the House took only 1 minute to push through the $1,850,000,000 housing bill as the first antirecession measure, is proof that the Congress can move just as fast to extend unemployment compensation on an emergency basis if it wants to.

In the State of Michigan 5,577 workers exhausted their benefits in December, 9,000 in January, and 10,500 in February. These figures will pyramid rapidly unless relief is provided soon.

As of March 22 there were 252,272 persons out of work in New England, according to continuing claims for unemployment compensation. When we consider that only two-thirds of the Nation's workers are covered by this program, the number of unemployed must be considerably higher than the statistics indicate.

Extended benefits would prevent a loss of purchasing power and would thus help to hold the line against a further shrinkage of consumer spending.

Many of us believe that the Federal Government should finance benefits for an additional 16 weeks, by outright grants and as a shot-in-the-arm injection to relieve the distress of unemployment.

There are those who have different opinions as to details, but no one questions the need of taking some action on this problem.

The unemployed look to us for assistance.

UPHOLD THE WILL OF CONGRESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I would like to call the attention of the House to a bill identical to one of the gentleman from Louisiana, Congressman HÉBERT, which I have introduced today that would prohibit the expenditure of appropriated money for any but the purpose for which the appropriation was made. It would also prohibit withholding or impoundment of appropriated funds. I have introduced this measure because of my great concern for what I see to be a dangerous slurring of the lines of separation of power—a basic of the constitutionally established operation of Government.

Efficient machinery exists for the authorization and appropriation of money for Federal operations, in the process of which the executive branch is given its necessary hearing for the justification and explanation of its requests. This machinery was designed to make available to Congress the opportunity it needs to inform itself for action, and to allow it to perform its function as watchdog over the nonelective branch of Government. The two representative bodies discharge this responsibility in full conformity with the constitutional directives under which they operate. But the protections that the Constitution has provided are more and more being dodged by the executive branch through the practice of withholding appropriated funds. In some cases, moneys which have been specifically appropriated for one purpose in practice might actually be spent for another. This would depend upon the decision—not of Congress, where the decision properly lies, but the agency head, who is then in the position of spending Federal funds in a manner that might be contrary to the will of Congress, and so, of the people.

This is a practice that smacks of a despotism that abrogates the safeguards of the checks and balances system and touches the very roots of the democratic principle. These are strong words. But even though some may claim that no really profound damage has been done or would likely to be done, I believe that they are not too strong.

The structure of government is not an accident of chance. It was planned with infinite wisdom and care; with the reason that was born of revolt against despotism however benevolent, and against a concept of government of men rather than of law. To me, the fact that practically speaking the degree of damage might be slight is just as much beside the point as it would be to say to a man who was deprived of the right of freedom of speech that nobody would have listened to him anyway.

In my mind there could only be one justifiable reason for executive expenditure for an item other than that for which the appropriation was intended. That would be only if a new method or material was discovered that would be less expensive than the one originally approved, but which would be used for the same purpose. I would have no objection to an amendment to these bills that would give the executive branch the right to come to Congress to justify any change in the use of appropriated funds on the basis that the change would represent a saving to the Government.

Mr. Speaker, I believe that this measure will fill a longstanding need. Its passage will restore to Congress the guaranty that its prerogatives will not be usurped and will prevent any future arbitrary, uncontrolled executive spending.

STATEHOOD FOR ALASKA

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I rise today in a spirit of optimism. It appears that the people of Alaska will again have their day in court, as you stated they would have on August 1, 1957, when the statehood bill was set

over for consideration by this session of the 85th Congress.

Statehood bills for Alaska have been repeatedly presented to the floor of the House. I find that the Alaska bill has passed the House on only one occasion, that being when H. R. 331 passed the House on March 3, 1950. However, my feeling of optimism today is generated by the fact that the Eisenhower administration, which once expressed some reservation on the admission of Alaska into the Union, has also categorically stated that it favors the immediate admission of Alaska as a State. That announcement was first made to our committee on March 11, 1957, when a statement of Secretary of the Interior Fred A. Seaton was presented to us. Secretary Seaton's statement was completely in accord with the statements made by President Eisenhower in his budget messages of 1957 and 1958. Also, I have been reminded that on August 1, 1957, our distinguished Speaker announced that he was "for the admission of Alaska as a State into the Union."

The Eisenhower administration in the past did have reservations regarding the admission of Alaska because of the activities of the Department of Defense in northern Alaska. Gen. Nathan Twining, Chairman of the Joint Chiefs of Staff, testified in March of 1957 that in his opinion, in his official capacity, "the time is right for Alaska to become a State."

So, gentlemen, it is easy to see why I feel optimistic. The President is for the admission of Alaska into the Union. His Secretary of the Interior has stated that admission of Alaska is a matter of simple justice. Our Speaker is for the admission of Alaska and has stated that it is not a partisan issue and that he did not intend to treat it as such. The platforms of each of our two great political parties have long pledged to support statehood for Alaska. And it is particularly important to note that the latest survey conducted by the American Institute of Public Opinion, of which Mr. George Gallup is the director, showed that the American public favors admitting Alaska by a margin of 12 to 1.

We owe it to the courageous and loyal Americans who have made Alaska their home to act swiftly upon this legislation pending before us. The citizens of Alaska have converted what was once thought to be a barren Arctic wasteland into a thriving economic community. The stability of that community is vital today to the defense of our country.

In a statement to our committee, Secretary Seaton said:

> Alaska became part of this country 90 years ago. Its institutions and its economy are characteristically American. The people of Alaska have a vigor and self-reliance such as we ascribe to the men and women of our western frontier a few decades back. Alaskans have courageously attacked the natural obstacles of their Territory's climate and terrain; they have built houses with modern conveniences, cities with modern facilities. To many thousands of Americans Alaska is home. It is for them a place to live, not a place to exploit and leave.

Mr. Speaker, when my State was admitted into the Union in 1912 it is estimated that we had 216,639 citizens. Wyoming had 62,555 when it was admitted, Nevada only 40,000. The now great State of California had only 92,597. Colorado is estimated to have had 150,000 in 1876 when it was admitted. Mr. Speaker, it is significant that in the 17 Western States only 2 had a larger population on the date of their admission than Alaska has today. In fact, the State with the largest area in our Union today, the Lone Star State of Texas, had 212,592 people in 1850, 5 years after its admission in 1845.

Mr. Speaker, I am confident that statehood for Alaska will bring about a population increase for that area, comparable to that enjoyed by the States I have already mentioned after their admission into the Union. There is no reason why this area under the American flag cannot be as densely populated as other areas located in a similar geographic position such as the Scandinavian countries, where approximately 23 million people occupy an area of approximately two-thirds the total area of Alaska.

The dictionary states that optimism is the doctrine that the universe is constantly tending toward a better state. The admission of Alaska by this Congress will show to the world our continued application of the fundamental principles of this great democracy. I am confident that the word optimism is appropriate to use in this instance. Disposed as I am to look upon the brighter side of this issue I feel that the opportunity is close at hand when the world will be able to watch democracy at work.

TRUMAN AND MISSILE RESEARCH FUNDS

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Speaker, Drew Pearson makes five confessions in his syndicated column for today. He should make a sixth confession admitting that he still didn't get his facts straight.

His first confession is that he was wrong when he said Secretary of Defense Louis Johnson did not cancel the 1946 Convair contract for development of the intercontinental ballistics missile. He says the Army Chief of Staff, General Eisenhower, ordered the cancellation.

Here are the facts:

President and Commander in Chief Harry Truman by direct order and against Eisenhower's advice impounded all long-range missile research funds.

Let us look at the record for Mr. Pearson.

On page 247 of the 1948 hearings before the House Military Appropriation Subcommittee, General Richards testified:

> The President (Truman) said we should cut down on the estimate for the research program of the Army Air Forces to the extent of $75 million. Now, the Air Forces did not want to cut down on that research and development program.

On page 186, part 11, of the hearings before the same committee on the 1949 budget, the same subject came up again and General Craigie put into the testimony:

> The result of impounding $75 million of fiscal year 1947 research and development funds is reflected in the following tabulation. Guided missiles, $17 million, long-range supersonic types entirely eliminated.

Now let us go back to the 1948 hearings and there on February 19, 1947, page 78, General Eisenhower voiced his personal protest, saying:

> In the field of guided missiles, electronics, and supersonic aircraft, we have no more than scratched the surface of possibilities which we must explore in order to keep abreast of the rest of the world. Neglect to do so could bring our country to ruin and defeat in an appallingly few hours.

Having published Pearson's misleading confession, I wonder if those who publish his column will do the honorable thing of setting the record straight and also asking, with reason, that the columnist get his facts straight.

Truman killed off the ICBM and not General Eisenhower, but when Eisenhower himself became Commander in Chief and President of the United States, he jet-propelled the missile program to make up for the 5 years of Truman's lost time.

WHOSE RESPONSIBILITY IS THE DELAY IN ROAD CONSTRUCTION AT A TIME WHEN CONGRESS AND THE PRESIDENT ARE TRYING TO IMPROVE THE EMPLOYMENT SITUATION?

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Florida.

There was no objection.

Mr. CRAMER. Mr. Speaker, I insert at this time in the RECORD a progress report on Construction of the Interstate System which became law June 29, 1956—some 21 months ago—which I think clearly indicated that many States are dragging their feet on getting this much-needed program off the ground. Many States have used less than 50 percent of the money made available in that 21-month period, the average being used being, nationwide, only slightly in excess of 50 percent.

When there is such a hue and cry for more jobs throughout the country, with a few exceptions as to more fortunate localities, it seems that the States would set up programs to accelerate their programs for road construction in order to minimize the effect of unemployment—particularly in those States hardest hit at this time. But it is noticeable that in many States in which layoffs are occurring today there is substantial Federal matching money—at 90 percent of the cost of the project—lying idly in the trust fund—awaiting a requisition from the States.

A study of the following tables will indicate that many of the Governors and their State road boards who are calling

most vociferously for further Federal assistance in these months of unusual unemployment trends are not making full use of the largest public works program in the history of the world. I think it incumbent on the States that are not doing so to speed up its letting of contracts and as a result put men to work now.

Under section 6 of the basic highway act, applicable to this Interstate System, the States can even borrow from the Federal Government to meet the costs of the program if State funds are not immediately available. Under these circumstances, and in view of the fact that no request made under section 6 has recently been denied by the Bureau of Public Roads, it is incomprehensible why some States have not set up programs to go ahead while making full use of Federal funds—particularly in view of the demands being made at present from many of the States that have used less than 50 percent of their road money—for new programs of Federal assistance to meet the present unemployment situation. I insert the following tables with explanations, in order that the Members of this House can have the latest information as to what is being done in their respective States under this available program.

This is the official table of the Department of Commerce issued February 28 which shows the lag in the program in many States:

EXPLANATION OF TABLES

The 41,000-mile National System of Interstate and Defense Highways is a connected network of controlled-access superhighways which will span the Nation and connect at border points with highways in Canada and Mexico. This Interstate System will link 90 percent of all cities of 50,000 population or more, and will serve 20 percent of the total motor-vehicle travel. The Federal-Aid Highway Act of 1956 authorized a long-range program for completion of the system through the cooperative efforts of the State highway departments and the United States Bureau of Public Roads.

TABLE 1. STATUS OF THE PROGRAM

Table 1 shows the status of the Federal-aid program for the Interstate System on the date indicated, and includes all actions taken since passage of the Federal-Aid Highway Act of 1956 on June 29, 1956. It should be understood that data in this table represents the program status at a point of time. Progress of work from month to month results in "moves" across the table, for example, a project that had been advertised for bids during the month will now be in the "construction contracts" columns but at the end of last month it was in the "programed only" columns.

An explanation of the table column heads follows:

Unprogramed balance: Federal-aid highway funds authorized by the Congress are apportioned among the States according to formulas prescribed by law. Each State's share now available but not yet committed to projects in any way is shown as unprogramed balance.

Programed only: Funds committed for specific projects in a program which defines the location, general nature, and estimated cost of each project.

Preliminary engineering and right-of-way authorized (July 1, 1956, to date): Funds previously programed and now committed for use or already spent for preliminary engineering (surveys, plans, etc.) and/or acquisition of right-of-way, needed for construction projects.

Construction contracts authorized (July 1, 1956, to date): Funds previously programed and now committed for construction work; includes contracts advertised but not yet awarded, contracts awarded but not yet under way, contracts under way, and contracts completed.

Total programed: The total of all commitments, including all columns to the left in the table except unprogramed balance.

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

TABLE 1.—*Status of the program as of Feb. 28, 1958*

[Thousands of dollars]

State	Unprogramed balance	Programed only			Authorized July 1, 1956, to date					Total programed		
					Preliminary engineering and right-of-way		Construction contracts					
		Total cost	Federal funds	Miles	Total cost	Federal funds	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles
Alabama	32,055	36,340	32,571	110.3	18,840	16,945	17,785	16,017	69.6	72,965	65,533	179.9
Arizona	7,683	21,245	19,912	91.9	9,757	9,205	18,758	17,569	121.4	49,760	46,686	213.3
Arkansas	9,644	29,083	26,171	48.0	24,009	20,970	17,775	14,811	44.9	70,867	61,952	92.9
California	23,017	5,363	4,913	.3	351,093	94,785	161,748	146,626	156.9	518,204	246,324	157.2
Colorado	23,876	9,124	8,331	26.3	10,595	9,603	28,428	24,697	137.7	48,147	42,631	164.0
Connecticut	24,948	292	263	----------	5,037	4,523	22,329	18,380	15.5	27,658	23,166	15.5
Delaware	20,758	7,710	6,875	2.1	5,134	3,458	530	477	(1)	13,374	10,810	2.1
Florida	4,507	47,100	42,390	32.8	18,185	16,310	22,216	18,857	18.4	87,501	77,596	51.2
Georgia	6,881	81,394	72,023	66.1	22,046	19,605	19,221	16,081	42.4	122,661	107,709	108.5
Idaho	29,803	12,244	11,300	39.8	5,116	4,713	5,867	4,490	26.1	23,227	20,503	65.9
Illinois	15,558	44,842	40,084	22.1	68,112	60,933	125,609	104,958	56.2	238,563	205,975	78.3
Indiana	66,700	34,300	29,814	50.2	22,580	19,438	4,091	3,336	4.9	60,980	52,588	55.1
Iowa	26,637	33,773	30,119	82.2	12,770	11,054	41,039	34,466	163.5	87,582	75,639	245.7
Kansas	21,178	18,357	16,521	75.4	18,011	16,143	34,589	31,112	146.4	70,937	63,776	221.8
Kentucky	43,148	17,614	15,853	11.2	32,658	27,548	5,480	4,932	13.6	55,752	48,333	24.8
Louisiana	9,586	38,985	35,038	40.5	21,994	19,261	18,612	15,991	14.4	79,591	70,290	54.9
Maine	18,887	9,356	8,178	10.3	4,185	3,749	10,202	8,506	7.9	23,743	20,433	18.2
Maryland	6,153	1,827	1,554	----------	14,005	12,212	41,712	37,482	32.3	57,544	51,248	32.3
Massachusetts	17,215	37,373	33,480	9.5	20,049	17,865	38,577	33,718	14.6	95,999	85,063	24.1
Michigan	39,347	60,217	54,196	85.5	22,705	20,097	64,925	56,947	77.1	147,847	131,240	162.6
Minnesota	39,511	7,402	6,772	9.8	40,960	44,374	20,642	18,047	40.5	78,004	69,193	50.3
Mississippi	4,232	29,978	26,880	86.8	11,220	9,087	41,520	36,675	110.2	82,718	72,642	197.0
Missouri	19,514	25,263	22,806	7.8	46,571	37,727	52,193	47,029	67.9	124,027	107,562	75.7
Montana	51,357	4,549	4,076	20.3	14,712	13,264	4,132	3,660	47.1	23,393	21,000	67.4
Nebraska	46,094	3,558	3,209	2.3	20,203	18,023	6,737	5,115	11.3	30,498	26,407	13.6
Nevada	22,623	9,200	8,740	23.8	15,223	14,425	5,537	5,112	10.4	29,900	28,277	34.2
New Hampshire	15,942	1,150	1,035	2.0	3,658	3,121	13,852	11,335	16.8	18,660	15,491	18.8
New Jersey	56,963	9,747	8,785	4.0	22,512	19,443	27,154	24,266	16.2	59,413	52,494	20.2
New Mexico	5,479	7,362	6,816	11.5	8,234	7,623	40,026	37,263	145.0	55,622	51,702	156.5
New York	63,913	30,287	27,112	20.1	90,644	79,684	210,228	165,518	71.2	331,159	272,314	91.3
North Carolina	44,449	35,943	32,271	141.9	14,727	12,852	40,509	34,588	245.9	91,179	79,711	387.8
North Dakota	14,134	16,357	14,683	83.6	5,793	5,128	22,884	20,679	142.0	45,034	40,490	225.6
Ohio	1,601	1,501	1,351	----------	60,184	54,042	167,410	146,492	142.2	229,095	201,885	142.2
Oklahoma	10,723	39,919	35,809	122.8	12,452	11,201	34,765	29,528	120.4	87,136	76,548	243.2
Oregon	23,452	4,087	3,749	11.5	9,046	8,317	30,588	27,983	125.6	43,721	40,049	137.1
Pennsylvania	73,199	62,867	56,356	39.0	38,136	34,267	111,484	95,883	104.8	212,487	186,506	143.8
Rhode Island	5,018	8,721	7,849	9.6	8,302	7,299	10,551	9,495	8.1	27,574	24,643	17.7
South Carolina	12,725	41,969	37,780	106.4	6,677	5,840	12,273	9,904	68.0	60,919	53,524	174.4
South Dakota	1,060	48,711	44,418	96.9	5,021	4,578	8,306	6,637	34.9	62,038	55,633	131.8
Tennessee	20,775	50,336	44,961	28.4	33,694	27,639	15,674	13,773	28.8	99,704	86,373	57.2
Texas	26,480	111,231	99,956	223.3	24,451	22,003	137,479	122,779	442.4	273,161	244,738	665.7
Utah	4,356	26,552	25,202	58.6	11,946	11,335	5,120	4,826	15.0	43,618	41,363	73.6
Vermont	1,265	19,550	17,595	10.3	9,025	7,859	6,351	4,827	7.8	34,926	30,281	18.1
Virginia	10,876	35,590	32,068	31.1	24,624	21,777	37,972	33,344	52.0	98,186	87,189	83.1
Washington	25,837	11,671	10,661	33.3	17,363	15,725	29,575	25,931	101.0	58,609	52,317	134.3
West Virginia	28,592	28,640	24,966	32.6	7,319	6,061	----------	----------	----------	35,959	31,027	32.6
Wisconsin	69,789	13,890	10,784	79.6	19,725	17,010	18,710	15,817	53.5	52,325	43,611	133.1
Wyoming	5,364	13,489	12,551	40.4	3,870	3,575	30,474	27,972	125.4	47,833	44,098	165.8
District of Columbia	11,923	3,240	2,968	(1)	9,312	8,278	9,203	8,264	.5	21,755	19,510	.5
Total	1,164,827	1,249,299	1,121,855	2,142.2	1,311,494	930,983	1,850,822	1,602,235	3,518.7	4,411,615	3,664,073	5,660.9

[1] Less than 0.05 of a mile.

Source: U. S. Department of Commerce, Bureau of Public Roads.

TABLE 1–A. ACTIVE AND COMPLETED PROGRAM

Table 1–A differs significantly from table 1 in one respect: Table 1 represents only those actions taken since July 1, 1956, while table 1–A includes work authorized prior to that date as well.

Table 1–A thus shows, as of the indicated date, all Interstate System construction work now under way, and all construction completed on the system from July 1, 1956, to date. All of these projects, of course, have previously been through the program, advertised for bids, and award of contract steps.

In both tables, some of the mileage indicated as under way or completed provides only part of the total improvement: for example, grading contracts, which will subsequently be followed by paving contracts.

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

TABLE 1–A.—*Active and completed construction as of Feb. 28, 1958*

[Thousands of dollars]

State	Construction under way [1]			Construction completed, July 1, 1956, to date [1]		
	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles
Alabama	12,817	10,763	49.9	3,450	2,541	17.1
Arizona	10,426	9,780	71.4	2,998	2,325	46.8
Arkansas	6,263	5,000	18.5	1,432	859	4.0
California	113,554	100,781	122.9	35,350	22,198	37.9
Colorado	22,800	20,036	101.2	8,677	6,504	62.8
Connecticut	20,653	17,019	15.0	1,064	598	5.7
Delaware	530	477	(2)			
Florida	20,920	17,181	14.4	3,291	1,832	3.7
Georgia	12,109	8,639	23.0			
Idaho	4,408	3,402	14.5	1,110	765	8.5
Illinois	68,747	55,953	30.6	24,876	15,037	64.0
Indiana				4,060	2,442	4.5
Iowa	18,677	14,830	73.7	1,760	1,584	10.9
Kansas	15,732	13,747	61.2	8,522	5,402	61.8
Kentucky	5,387	4,849	13.6	4,396	2,733	2.7
Louisiana				590	295	4.1
Maine	5,058	4,331	4.7	3,794	2,273	8.3
Maryland	30,876	26,982	23.3	3,243	2,016	2.5
Massachusetts	33,363	27,950	13.5	20	15	
Michigan	45,923	39,094	55.6	20,396	14,405	65.8
Minnesota	19,358	16,870	33.0	4,227	2,647	71.6
Mississippi	22,543	19,555	58.8	2,148	1,228	27.6
Missouri	31,704	28,508	32.2	20,230	14,322	51.8
Montana	1,819	1,621	25.9	2,196	1,527	29.6
Nebraska	6,010	4,679	11.2			
Nevada	5,034	4,675	10.4	1,723	1,494	5.5
New Hampshire	8,930	7,251	9.5	1,872	1,501	2.1
New Jersey	20,003	17,842	11.9	2,143	1,464	3.4
New Mexico	22,924	21,329	87.3	14,715	13,368	63.5
New York	174,513	128,911	47.6	12,362	6,144	15.1
North Carolina	33,929	28,702	200.9	6,437	3,805	59.3
North Dakota	6,175	5,038	28.2	4,512	3,687	54.3
Ohio	114,647	98,004	98.4	13,750	8,473	31.6
Oklahoma	23,247	19,534	74.5	8,156	5,267	15.6
Oregon	14,798	13,664	66.4	11,761	9,695	56.8
Pennsylvania	97,722	84,229	73.8	18,433	11,060	27.9
Rhode Island	10,150	8,234	8.4	1,088	787	.2
South Carolina	11,971	9,415	69.4	1,176	758	12.5
South Dakota	6,292	5,336	27.6	5,033	3,236	97.3
Tennessee	4,154	3,413	7.1	27	16	
Texas	98,510	87,396	322.6	37,021	26,799	245.1
Utah	674	606	.1	3,388	2,644	12.8
Vermont	6,351	4,827	7.8			
Virginia	28,762	24,003	48.9	1,379	762	16.7
Washington	20,021	17,749	69.0	10,948	8,544	35.4
West Virginia						
Wisconsin	10,289	8,593	27.4	1,626	885	3.4
Wyoming	27,874	25,738	102.9	4,629	3,245	42.7
District of Columbia	7,040	6,406	.2			
Total	1,283,195	1,083,602	2,268.4	320,718	217,185	1,393.9

[1] Includes projects authorized prior to July 1, 1956.
[2] Less than 0.05 of a mile.

Source: U. S. Department of Commerce, Bureau of Public Roads.

Mr. Speaker, I am not very pleased to have to note that the State of Florida at this time is within the national average of construction contracts let. In programing of construction at this time we have more to look forward to and there remains a considerable unprogramed balance that will meet such economic problems that may exist. Under table 1 only $17,181,000 is presently being used for construction under way, and the paltry sum of $1,832,000 of Federal funds has been spent on completed construction; and Florida has construction contracts left of only $18,887,000 in Federal funds, during the 21 months' period in which $82,103,000 has been available for programing; indeed a small percentage usage of available funds. There is no doubt of the impact of this money on the State of Florida and I feel that our officials should push the program to bring about further prompt commitments at this particular time. That is the obligation of each State and particularly those who have the more serious problems of unemployment. This is a program to effectively provide the highways that we need today—not tomorrow—and this is a program that will not add ineffectively to the cost of government today but will be an expenditure from funds already available. I am sure that the State of Florida will see the advantages of such an opportunity to help itself as is presented today. I am sure that this program will meet a great many of our needs. I, for one, will urge the most prompt planning and completion of this program for the good of all America.

BUTTERFLY ORCHIDS FROM HAWAII

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to thank the Delegate from Hawaii for the beautiful lei and for the beautiful butterfly orchids sent to all Members. I think we are all enjoying this tremendously and I know they have proved very decorative here on the floor today.

MONTEREY INSTITUTE OF FOREIGN STUDIES

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, President Eisenhower, in his 1958 education message to Congress, said:

> Knowledge of foreign languages is particularly important today in the light of America's responsibility of leadership in the Free World. And yet the American people generally are deficient in foreign languages. • • • It is important to our national security that such deficiencies be promptly overcome.

The Monterey Institute of Foreign Studies, Monterey Peninsula, Calif., was founded several years ago with just these objectives in mind. This remarkable school was based on a new idea for teaching Americans about other countries.

A civilization—

They say—

> cannot be thoroughly apprehended, in all its important ramifications, without a knowledge of the language which is an expression of its spirit. Similarly, a language cannot be mastered without knowledge of the civilization which molded its form. Hence, the study of both should be combined. Moreover, civilizations should be studied as interrelated and as separate comparative units. This holds good for all their manifestations, but two forms, the spiritual and the political, control all the rest.

The institute has set up an intensive course of study based on these principles. All the classes and school life is conducted in the framework of the traditions and the language of the country being studied. All classes are small, being limited to 10 students apiece, so that close personal attention can be given to each student. Study is required not only in the language itself, but also in the culture, politics, literature, art, and religion of the country concerned. The institute pays close attention to its students after they have graduated, as well as during their course of study, giving them any needed assistance and guidance in furthering their education and careers.

At the present time, the institute is offering studies in Russian, French, German, Italian, and Spanish, with plans to expand the field of studies to include

Asia. Classes are held in the cloisters of the famous Mission of San Carlos Borromeo, in Carmel, Calif., founded by Padre Junipero Serra in 1776. However, the administration and policy of the school are completely nonsectarian. Its board of trustees and board of advisers include many well-known educators and California citizens.

I feel that it is of great importance to call attention to the Monterey Institute of Foreign Studies as an example of what we, as Americans, can do, and are doing, to increase our understanding and means of effective communication with the people of the world.

AWARD OF HONORARY DEGREE OF DOCTOR OF LAWS TO THE HONORABLE ANTONI N. SADLAK

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, our distinguished colleague, the Honorable ANTONI N. SADLAK, was honored by the awarding of the honorary degree of doctor of laws at Georgetown University here in Washington yesterday, March 25. I am sure that the host of friends and admirers of Congressman SADLACK join in their congratulations to him on this occasion. No one in public life deserves this honor, conferred by his alma mater, more than he.

Mr. Speaker, at this time I am pleased indeed to read the citation of award.

The president and directors of Georgetown College, to all who shall view this document, greetings and peace in the Lord.

The true touchstone of a man's character, the unerring measure of his integrity and worth, is discovered in the threefold relationship governing all human life: in the fulfillment of his obligations toward the Creator; in the consistent agreement of his actions with his own accepted principles; and in the uprightness of his dealings with his fellow men, and the consequent influence he exerts among them. Of these, the first two qualities are indiscernible in themselves, but their validity is amply tested and illustrated in the latter. Thus, for example, the matter has been succinctly phrased by the Bard in his oft-quoted line: "To thine own self be true, thou canst not then be false to any man."

Our academic convocation today with deep pleasure honors an alumnus whose character and integrity are well illustrated by this norm. The high regard he enjoys among his fellow citizens is indisputably attested by his reelection, six successive times, to the Congress of the United States, not as the spokesman of a single district, but as the Representative at Large of the whole State—a singular political achievement in his native Connecticut. Time does not permit even a brief review of his record in the House, in support of measures salutary for his State and for the Nation; let stand as a single example his efforts for promotion of a sound policy of expanded foreign trade. Of more recent interest, however, is his cosponsorship of a bill calling for a 5-year program of study and revision of our total taxation structure. Deeply imbued with faith and confidence in our system of individual initiative, and in the justice of incentive rewards for individual endeavor, he has vigorously advocated a fairer distribution of the burdens of both personal and corporate taxation; to the end that the necessary imposts represent rather the mutual cooperation of Government and people toward a common goal, than the punitive price of successful and prosperous industriousness.

"Exemplary in his private life as in his public career, he served with distinction as a naval officer in the late war; and as a good citizen, has lent his name and his active interest to many humanitarian and progressive enterprises. Not least among these, his alma mater gratefully records his consistently loyal and generous support of her endeavors.

With pride and pleasure, then, Georgetown hails an outstanding graduate, who learned in her halls not only the principles of law, but the deeper principles of justice and of high regard for his fellow men. As a mark of her admiring approval, in virtue of her Federal charter from the Government of the United States, Georgetown University creates and proclaims the Honorable ANTONI NICHOLAS SADLAK, doctor of laws, honoris causa.

In testimony whereof we have issued these, our formal letters patent on this annual celebration of Founder's Day, the 25th of March, 1958, of Georgetown College the 169th year.

EDWARD B. BUNN, S. J.,
President.
JOSEPH A. SELLINGER, S. J.,
Secretary.

LET'S STOP INTERVENING IN CUBA

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, last week the gentleman from New York [Mr. POWELL] brought a grave matter to the attention of the House when he published on page 4948 of the RECORD a list of arms said to have been sent to the Cuban Government from the United States in the last 2 years. The gentleman does not say if these armaments were purchased by the Cuban Government or sent by the United States under our mutual security agreement with Cuba. In any case, he has done a service in opening up the question of United States policy at this critical juncture in Cuban affairs.

I trust a review of Cuban events on the floor of Congress will not bring outcries of "intervention." I am concerned with American-Cuban relations. I ask only that we examine with great care the effects of our Cuban policy—or lack of policy—upon United States prestige among the Cuban people, in Latin America, and indeed, as my esteemed senior colleague has pointed out in the Senate, in Asia as well.

Briefly, the Cuban crisis and our involvement is this. In 1952, several months before scheduled presidential elections, General Batista seized power by a bloodless coup from the constitutionally elected president, Dr. Prío. United States relations with Cuba under Dr. Prío had been cordial, and President Truman awarded Dr. Prío the Legion of Merit for his cooperation. In 1954 Batista won an election in which he was the only candidate.

Batista's disruption of constitutional procedures rankled in some sectors of the population. On December 2, 1956, a young lawyer named Fidel Castro landed a small invading force in eastern Cuba. Presently holed up in the Sierra Maestra, with forces estimated at 1,000, Castro initiates guerrilla forays which cannot unseat Batista in Habana but which have become the bane of Batista's existence. Castro's revolt symbolizes to many Cubans their unquenchable urge for a just and merciful government under law.

Last year, in Congress, our beloved and distinguished colleague from Illinois [Mr. O'HARA], whose enthusiasm for freedom and democracy led him to join the battle for Cuban independence, gave a wonderful description of the Cuban spirit that goes a long way to explain the character of the present Cuban revolt. Mr. O'HARA declared:

Wherever the seeds of freedom are planted the very soil in which they are deposited takes on the hues of a rare radiance. Strange indeed if the soil of Cuba should not, in a very much magnified measure, be fertile for the growth of the seeds of freedom because for many, many long years, when the odds opposing were terrifying, the sons and daughters of Cuba held firmly and uncompromisingly to their ideals of government for, of, and by the people with reverence for God and respect for the dignity of man.

Batista has tried to give the impression that the revolt against his regime is confined to Castro's forces in Oriente Province. Yet the Associated Press reports from Havana that about 50,000 students struck to protest what they called "a reign of terror." According to the report:

Classrooms were empty from the easternmost Oriente, stronghold of Fidel Castro's rebels, to westernmost Pinar del Rio.

Last month more than 40 religious and professional groups, whose names sound like a roster of Who's-Who Among Respectable Organizations, signed a public statement denouncing Batista's latest farce, an attempt to hold elections on June 1.

With Oriente Province in a state of siege and many of Batista's opponents in exile, it was apparent that Batista was trying to foist his candidate on the electorate. Signers of the statement, declaring the government's preparations to be the most scandalous fraud in the electoral history of Cuba, included the National Bar Association, the National Medical Association, the national associations of architects, public accountants and engineers, the Teachers Association of Havana Province, the Association of Newsmen of Havana, the young men's and young women's federations of Cuban Catholic Action, the Knights of Columbus, the Supreme Council of 33d Degree Masons, the Cuban Council of Protestant Churches, and the board of governors of the Lions Club.

A year ago in June, taking General Batista at his word that he genuinely desired free elections and hoping to stop further bloodshed, I wrote to him respectfully suggesting that he could invite the United Nations or the Organization of American States for help in conducting elections. If his party had then won at the polls, in elections supervised by a respected and disinterested international organization, none

could have protested the results. For this suggestion of a peaceful solution to avoid what promised to be a tragic bloodbath, I was accused of intervention and awarded with a din of vituperation from Batista's controlled press.

Almost a year has transpired since then and the situation in Cuba has steadily deteriorated. In the words of Macbeth, "Blood will have blood." Rebel terrorism generates government reprisals, government reprisals bring rebel revenge. In this process both rebels and government forces have perpetrated unspeakable deeds that outrage decency.

Bloodletting and horror have congealed the determination of both Castro and Batista to fight on to uncompromising victory. Caught in the crossfire is the mass of Cuban people. All they ask is to pursue their daily lives in peace and freedom. Can we help them? Will we help them? How?

In these circumstances, United States armaments are being used by the Batista government to maintain power, in violation of our solemn mutual assistance agreement.

This is not a base rumor, spread by those opposed to Batista to compromise his position with the United States. Nor is it a Communist-inspired rumor, intended to heap discredit upon the United States for its help to dictators. Indeed, although it may serve both these purposes, it is not rumor at all. Dick Rubottom, the able and conscientious Assistant Secretary of State for Inter-American Affairs, testifying before the Senate Foreign Relations Committee on March 5 replied to questioning as follows:

Senator MORSE. Would you say in the case of Cuba our military aid strengthens the retention of that dictatorial form of government?

Mr. RUBOTTOM. Senator, the Cuban Government is certainly using the military equipment at its disposal to beat back armed insurrection which, as you know, started I think in November of 1956.

Furthermore, in a letter to me dated January 14 from William B. Macomber, Jr., Assistant Secretary of State, the following is stated:

Cuba has received arms from the United States as grant aid, which arms, pursuant to section 105 (b) (4) of the Mutual Security Act of 1954, as amended, may be used only in the implementation of defense plans agreed upon by the United States and Cuba, under which Cuba participates in missions important to the defense of the Western Hemisphere. This condition is also included in the Mutual Defense Assistance Agreement with Cuba of March 1952 which covers grant and military assistance. Article 2 of that agreement provides that this equipment will be used only for the purposes for which supplied unless the prior consent of the United States has been obtained.

Thus it follows, if Batista is using the military equipment at his disposal to beat back armed insurrection, and if both section 105 (b) (4) of the Mutual Security Act and the Mutual Assistance Agreement with Cuba specify that United States equipment cannot be used for such purposes, clearly the intent of Congress is being breached brazenly and General Batista is violating the terms of his agreement.

Americans along with many others were profoundly shocked by the French attack on the Tunisian village of Sakiet-Sidi-Youssef. We especially deplored the use of seven United States Corsair fighter planes which had been donated to France for NATO purposes only. Although the attack was French, and a breach of France's treaty obligations with the United States, the United States is reaping harvest of resentment almost as bitter as if we had participated in the bombing of that helpless village. That it would take much effort to repair the psychological damage to our moral position in North Africa, the Arab world, and beyond, was immediately recognized by Congress and the press. In the light of our horrified and immediate response to the Tunisian case, how can we explain our reticence to denounce with equal vigor Batista's misuse of United States military equipment?

The casualties at the crushing of the Cienfuegos uprising in September numbered 600, with some 60 deaths. Batista used United States mutual assistance military equipment to crush that combined revolt of rebel, naval, and civilian forces. It has been used on other occasions in the civil strife in Cuba. And still we send more. Is it any wonder that many of the decent Cuban people protest our contributions to the bloodletting in their country?

I am convinced that the United States, foresworn from intervention in Latin America, in fact has intervened in the Cuban affair, albeit unintentionally. The fact is that we do maintain military missions in Cuba and that we do send Batista military supplies. The fact is that the Department of Justice, in zealous pursuit of its duty, ordered the arrest and detention of Dr. Prío Socarrás and others for violating our neutrality laws in conspiring on United States soil to overthrow the Batista regime. If we aid Batista and cut off aid to the rebels, we in effect are intervening in Cuban affairs. And we are, as surely as in the case of Sakiet-Sidi-Youssef, identifying the United States with the oppressor.

Mr. Rubottom in his testimony before the Senate Foreign Relations Committee alleged that, and I quote:

Our military aid * * * has made little difference as far as [Batista's] position is concerned.

Be that as it may, the continued flow from the United States of lethal weapons to Batista only serves to identify us with his unpopular regime.

If, as also alleged, Batista can buy weapons elsewhere anyway, I say let him try. At least we will have the satisfaction of not being a party, on any side, to the deplorable fratricide in Cuba.

Speaking of identifying the United States with the oppressor, you may be appalled, as I was, to learn of another case in Cuba. Several months after the massacre at Cienfuegos, Gen. Truman Landon decorated Col. Carlos Tabernilla y Palmero, chief of the Cuban Army Air Force, with the Legion of Merit. Tabernilla's citation reads for "exceptionally meritorious conduct in the furtherance of amicable relationships between the Cuban Army Air Force and the United States Air Force." Colonel Tabernilla is the officer who conducted the air raids on Cienfuegos. Such disregard for the sensitivities of the Cuban people, I am satisfied, was not intentional, but rather evidence of the urgent need for the State and Defense Departments to maintain better liaison.

With some $774 millions in private United States investments in Cuba, with about one-third of our needed sugar coming from Cuba, with Cuba purchasing some $610 million worth of United States exports, and with some 4,500 Americans resident in Cuba, we cannot view the Cuban situation with indifference. A prolonged civil war will make capital shy of investing in Cuba, to the detriment of Cuba's economic progress as well as to the United States investor. It will dislocate our two-way trade, so essential to the well-being of both participants. But over and above economic and strategic considerations, the needless loss of life is grievous to contemplate.

Of course, the solution for the crisis in Cuba must be a Cuban solution. But we should seek by every legitimate means to avert the threatening holocaust.

There are certain steps we can take. We can halt armaments shipments to Batista. By doing so we announce to our Cuban friends, of all factions, that we will not be a party to bloodshed. By this means we will also broadcast to the rest of Latin America, Africa, and Asia that it is not the United States which is helping to keep an unpopular dictator in power. We may have stopped arms shipments from what I hear unofficially. If so, we should make this fact public.

Secondly, we should withdraw our military missions from Cuba. Presently, we have 11 servicemen in the Army mission, 11 in the Air Force mission, and 9 in the naval mission. With popular feeling against the Cuban armed forces running so high, it is pointless to go on with a business-as-usual attitude. Moreover, the designers of the agreements which provide for Army, Navy, and Air Force missions, in their wisdom, stipulated that either party may cancel the said agreements in case of hostilities, whether foreign or domestic. It is completely in accord with the agreements for us to withdraw our military missions until such time as tranquillity returns to the island republic.

Withdrawal of military aid and military missions would put an end to the frequent accusations that the United States supports one faction against another. Withdrawal would leave the Cubans with no one but themselves to blame.

On the positive side, we should use every peaceful means at our disposal to promote a settlement in Cuba. It now appears that Cuban partisanship, made intemperate by the blood which has already been shed, desperately needs in impartial mediating influence. The majority of the Cuban people passionately wish an end to terrorism and a peaceful settlement at the ballot box. They can look to the United Nations or to the OAS for help. The idea of U. N.

help is not original. United Nations observers watched elections in Greece in 1947. A U. N. commission supervised the 1948 elections in the Republic of Korea. U. N. observers also were on hand to observe plebiscites in French and British Togoland. Here in the Western Hemisphere, Costa Rican elections went smoothly this year under the gaze of U. N. observers, with no recriminations possible at the conclusions of the elections.

I have taken these matters up with the State Department. On March 12, 1958, I received a letter from Assistant Secretary Macomber of the State Department. In part, it said:

In the circumstances presently existing in Cuba, I do not believe that the United States Government should take the lead in proposing international supervision or observation of the forthcoming elections since this would constitute interference in an internal matter of concern to the Government of Cuba and the Cuban people.

* * * * *

The Department has been studying the matter of the request for information on arms shipments to Cuba which you included in two recent letters. You will recall that, in my letter of January 27, I stated that the information you had previously requested was classified as confidential but that the question would be reviewed to see whether any details on shipments could be made available for your use. As a result of this review, the Department has concluded that the information is of such a nature that it should not be disseminated outside the executive branch at this time. I regret, therefore, that I am unable to provide you the information you desire. I can assure you, however, that the amounts of military equipment furnished on a grant basis are, in the opinion of the responsible United States military authorities, the minimum required to permit Cuba to carry out its hemispheric defense obligations and that the volume of sales of equipment which have been made is very modest.

Since March 12 the situation in Cuba has deteriorated. Civil liberties are gone again. Violence has increased and more violence is on its way for shortly after the first of April.

The State Department, understandably has been promoting a peaceful and just transference of power from Batista. No such transference now appears probable or possible. It is time we faced that fact and acted accordingly.

We can and should cut off arms shipments to Batista and withdraw our military missions. We alone should not seek to mediate, but we can join with other nations to help the men, women, and children of Cuba, the people in the deadly crossfire, by calling in the United Nations and the Organization of American States for their highest duty; namely, to bring human rights and peace where tyranny, torture, fear, and death now prevail.

[From the Chicago Daily Tribune of March 21, 1958]

BATISTA TO FIGHT

(By Jules Dubois)

HABANA, CUBA, March 20.—President Batista has told his friends that he does not intend to fall as other Latin American dictators, such as Juan Peron, of Argentina, have gone out. He has said he will fight to the finish.

Thus the number of dead and wounded here in the weeks to come may swamp the daily toll of a dozen or more than is recorded throughout the island.

Many Cubans will blame our State Department and the Ambassador, Earl E. T. Smith, for the situation. Our Embassy and State Department are in the doghouse with the Cuban people again.

PEOPLE ASSAIL UNITED STATES

Cuban public opinion, although throttled by the most severe censorship ever exercised by Batista, is outspoken against the United States. The people, from the leaders of the civic, religious, professional, and social institutions who demanded Batista resign, to the students, accuse the United States of pursuing a policy to support a dictator and lose the friendship of a nation.

Smith is being branded as worse than his predecessor, Arthur Gardner. Yet when he first arrived he was a hero to the Cuban people and managed to erase the animosity that had been engendered by Gardner.

POLICY CHANGE SEEN

The reason for the change of mind in Cuba appears to be a change of policy by the State Department since last August, when Smith's blunt statement after police brutality at Santiago de Cuba, a statement backed by Secretary of State Dulles, almost toppled Batista.

Cubans, more than 90 percent of whom are trying to oust Batista, insist that the latter is being retained in office by the United States. When it is explained to them that the policy of our State Department is one of correctness and neutrality in this civil war, they reply: "Yes; we know. You Americans are very correct and very neutral on the side of Batista."

A DENIAL BY SMITH

Smith has contributed to this thinking by attempting to persuade political and civic leaders here that the only solution to Cuba's crisis is a presidential election and not the overthrow of Batista by force. Smith has told this reporter that those are his instructions from Washington.

He denies that he is the architect of the policy to try to keep Batista in office until he can surrender the government gracefully to an elected successor. Batista is backing former Premier Andres Rivero Aguero for the presidency.

Cubans who talk to Smith immediately transmit their views to friends and these spread like wildfire and in the most exaggerated and inaccurate versions.

NONINTERVENTION POLICY

The policy of our State Department is one of nonintervention in the internal affairs of Cuba. The Cubans who talked to Smith say that they did not ask him to intervene, but told him that a really correct and really neutral attitude by our State Department and Embassy here can avoid the almost certain blood bath and destruction of Cuban and American property that will result when the rebels launch their final drive to try to oust Batista.

Opponents of Batista insist that Smith has been captured by Batista's friends and business associates just as Gardner had been.

They add that he has accepted the Batista propaganda that Fidel Castro and his top rebel leaders are Communists. Batista has been shouting this line to the world ever since Castro landed here from Mexico in December 1956.

YANK MEETS LEADERS

When Smith learned that the civic institutions headed by Dr. Raul De Velasco, president of the Cuban Medical Association, were going to demand Batista's resignation, he called for a meeting with the latter. It was held at his residence last Saturday.

Smith pleaded with Velasco not to close the door to Batista and to enable the latter to settle the crisis through elections. Velasco says he replied that his was a fallacious policy with the entire nation in arms against Batista and that the only solution was for the latter to go.

Velasco informed the heads of the civic, religious, professional, and social groups of Smith's point of view. Their answer was to issue their historic demand Sunday night that Batista resign.

Batista financed the registration of the Dr. Carlos Marquez Sterling party and other opposition parties. The majority of the people here, from the youth to the elders, insist they will continue the insurrection until they oust Batista or die in the process.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PANAMA CANAL ZONE: CONSTITUTIONAL DOMAIN OF THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, for a number of years I have been privileged to serve on the Committee on Appropriations with assignments to subcommittees for the Department of Defense, the Department of Commerce, and related agencies. The last includes the Panama Canal Company and the Canal Zone Government.

Thus, in the course of my duties, our subcommittee has encountered various problems relating to the Panama Canal and interoceanic canals generally, both in Washington and during visitations on the Isthmus and in other areas of the world. To their study I have devoted much time and effort, and have made a number of statements to the House as well as to its legislative and appropriation committees expressing some very definite views on significant phases of the Panama Canal question.

Since my first association with this subject, I have noted that ever present in the Isthmian setup are the relations between the United States and the Republic of Panama. Though these in the main have been satisfactory, I have also observed that special situations affecting the welfare of the Panama Canal enterprise periodically arise and that, accordingly, they require repeated clarification.

A recent incident in Panama, because of its grave implications, emphasizes that the Congress and the Nation should be informed further with respect to current hazards for this vital outpost of the United States.

What I say here today, I wish to assure our friends in Panama and in all Latin America, will be spoken with the utmost sincerity, good will, and affectionate esteem. I certainly would not advocate any policy except one of the fullest measure of justice and generosity for Panama; and I feel that not only have we been just in our Panamanian relations, but as hereafter shown, most generous, indeed.

However, I do believe that the time has come when extreme and radical demands for the surrender by the United States of all its power and jurisdiction in and about the Panama Canal require a frank expression of views by those in authority in the United States. To this end I venture now to address myself and request that there be no interruptions or questions propounded until I conclude.

CRISES AT SUEZ INTERACT AT PANAMA

Mr. Speaker, the American isthmus is the crossroads of the Americas, and as such has long been a topic for extended debate in the Congress. The statesmen who preceded us here and who early in this century evolved the foundations of our interoceanic canal policies, have long since passed from the scene. Nevertheless, the great monuments of their endeavors in the form of the completed canal at Panama and the treaties under which it was constructed and has been subsequently maintained and operated still remain—with the exception that certain of the treaty provisions have been generously liberalized in behalf of Panama.

The Panama Canal is not the only great interoceanic waterway; the other is the Suez. Discerning students and writers on canals have long recognized the sympathetic relationship between these two mighty interocean links and their mutual variances and influence—an interaction dramatically brought into focus by the nationalization, on July 26, 1956, of the Suez Canal by Egypt.

This drastic action at Suez was followed by voluminous propaganda aimed at wresting ownership and control of the Panama Canal from the United States and transferring its jurisdiction to some international or other authority.

Much of that uproar came from Soviet Russia and its satellites, but some came from persons who occupy high office or position in the United States. The latter, wittingly or unwittingly, have fostered what has been a long-term Communist design that dates back to the critical days of the Russian revolution in November 1917.

At that time one of the subjects discussed by the Red guard with John Reed was the internationalization of the Panama Canal. John Reed, as you doubtless know, was a notorious American Communist reporter who covered that great political upheaval and, on his death in 1920, was "canonized" by the Soviets and buried with high Soviet honors in Red Square by the Kremlin wall. And that, Mr. Speaker, was more than 40 years ago—see John Reed, Ten Days That Shook the World, Modern Library, 1935, page 235.

Regardless of its origin, or the good intentions of some who have supported this sinister aim, their demands conform to the well-known pattern of penetration and subversion featuring the tactics of the international communistic conspiracy. This clamor reached alarming proportions by early 1957 and had to be combated.

EXPOSURES SERVED TO HALT ADVERSE PROPAGANDA

In an address to the House on May 29, 1957, following my last visit to the isthmus, I discussed at considerable length the juridical basis of United States ownership and control of the Panama Canal, and its diplomatic history since opening to traffic.

Previous to my address, Representative BROOKS HAYS, of Arkansas, on May 24, spoke to the House on the same theme and included a panel discussion, by recognized authorities, of the diplomatic angles of the Suez and Panama Canal problems, and their basic differences.

These two addresses, together by their clarifications, served to halt for a time the 1957 adverse propaganda campaign against the United States on this subject, especially in Panama.

Even though the Isthmian uproar subsided, it was realized that under present world conditions the calm could not last indefinitely, for the Suez affair had made too strong an impact on the radical elements in Panama and elsewhere, with a renewal of the Communist "hue and cry" for the abrogation of United States ownership and control of the Panama Canal. The only questions were when and in what form would it next arise.

PROPAGANDA IN PANAMA REVIVED

In an historical sense it did not take long. On December 16, 1957, before the Second Congress of Students in the City of Panama, Republic of Panama, Dr. Ernesto Castillero, Vice Minister of Foreign Relations of the Republic of Panama, in the principal address on that occasion, and in line with Communist declarations and policy, attacked the juridical basis of the United States sovereign control over the Canal Zone and its ownership of the Panama Canal. This he did in spite of the negotiation of the Eisenhower-Remon Treaty of 1955 now being implemented.

Featured by gross distortions and omissions, as well as nonfactual statements, the principal features of his address merit listing with brief comment. These are:

First. Assertion that Panama is the "titular sovereign" of the Canal Zone just as Egypt is over the Suez Canal—a gross misstatement of the facts.

Second. Claim that under the 1936 treaty both countries have a "joint and vital interest" in the conduct of the enterprise—a statement erroneously implying joint sovereignty.

Third. Statement that the doctrine of the Suez Canal has analogies applicable at Panama and that this allegation has "impressed strongly world opinion because of the clear warning it involves"—an implied threat against the United States.

Fourth. Declaration that Panama is not receiving the benefits to which, as a partner with the United States in the canal enterprise, it is entitled—a nonfactual statement as Panama, under the treaties, is not a partner but a beneficiary.

Fifth. Assertion that, without going into "legalistic discussions or interpretations of previous treaties," Panama should receive half the gross income of the canal enterprise—a wholly absurd and unjustifiable claim that ignores realities.

Promptly accepted by the university student congress and backed by Aquilino Boyd, Panama's Minister of Foreign Relations, Dr. Castillero's proposals formed the basis of a resolution by that body and were published in the press of the world.

Creating a new wave of propaganda, immediately seized on, reiterated, and augmented by Communist agencies everywhere, this campaign is directed toward the total liquidation of United States sovereignty and control of the Panama Canal.

In this special connection, it is well to note that the proverbial practice of Communist forces is to spearhead subversion in the Free World by means of student bodies. As evidence of such procedures, I have in my possession a picture taken on January 26, 1958, at the University of Panama. Mounted in large letters above the name sign of that institution, which is visited by thousands of tourists en route to various parts of the world, is the inscription, "el canal es nuestro"—the canal is ours.

Do not these extremists and radicals in Panama realize that the high economic standards they now enjoy are primarily due to the canal and the beneficent policy of the United States toward Panama? Do they wish to kill the goose that lays the golden egg? Are they trying to cause selection of a site outside Panama for a new canal to take care of ever-growing trans-Isthmian shipping? Do they wish to destroy the best interests of their own country?

These and other searching questions that could be presented suggest that these elements should engage in extensive self-examination before embarking on their present hazardous course. It is indeed surprising, Mr. Speaker, that such troublemakers did not wait until the United States had expended vast sums on modernization of the existing canal and then agitate for taking over a far more valuable project.

ISTHMIAN AGITATIONS WIN WIDE PRESS COVERAGE

In order that accounts of these latest outcrys and demands in Panama may be readily available to the Congress, our people, and others concerned, I include to be inserted at the end of my remarks, and commend for careful examination, a selection of clippings from United States, and Latin-American newspapers.

ISTHMIAN HISTORY WELL DOCUMENTED

What is the significance of this incident of December last when high government officials of the Republic of Panama undertook to lead in a movement designed to upset the juridical basis for the Panama Canal enterprise and the equitable relations between the two countries, as well as to ignore and disregard recent treaty provisions? To answer these questions adequately it is essential to know the diplomatic history of the Republic of Panama as well as that of the Panama Canal, the construction of which was undertaken by the United States as a mandate of civilization.

These subjects, as shown by an excellent documentation on the Isthmian

Canal policy of the United States, prepared by the gentleman from Texas, Representative CLARK W. THOMPSON, and published in the CONGRESSIONAL RECORD of March 23, 1955, have been recorded in authoritative writings and addresses listed therein. These and many other statements published in later issues of the RECORD are commended for perusal, especially by those concerned with the diplomatic features of the canal subject.

The situation at Panama has now become acute, and demands our prompt attention. In the light of ascertainable facts the statements by these radical elements indeed constitute pure jingoism and impossible demands. Their rantings do a great disservice both to Panama and the United States and must be met forthrightly before the present crisis worsens.

PANAMA CANAL—RESULT OF LONG-RANGE POLICY OF THE UNITED STATES

Because of the importance of the juridical base for the Panama Canal enterprise, in grasping the essentials of the current situation, I shall emphasize again what I said to the House on May 29, 1957.

The legal foundation of our interoceanic waterway consists of three key treaties:

First. The Hay-Pauncefote Treaty of 1901 between Great Britain and the United States, which facilitated its construction and adopted the main points in the Convention of Constantinople of 1888 as rules for its operation, regulation, and management.

Second. The Hay-Bunau-Varilla Treaty of November 18, 1903, between the Republic of Panama and the United States. On the part of Panama, this treaty granted to the United States in perpetuity the use, occupation, and control of the Canal Zone for the construction, maintenance, operation, sanitation, and protection of the Panama Canal as if the United States were sovereign of the territory, and most significantly, to the entire exclusion of the exercise by the Republic of Panama, of any such sovereign rights, power, or authority. On the part of the United States, the main point was that it guaranteed the independence of the Republic of Panama, which had just seceded from Colombia and whose existence as a separate nation, as will be discussed later, absolutely depended on the United States recognition and success of the canal enterprise.

Third. The Thomson-Urritia Treaty of April 6, 1914, proclaimed March 30, 1922, between the United States and the Republic of Colombia, the sovereign of the isthmus prior to the Panama revolution of November 3, 1903. That treaty aimed at removal of all the misunderstandings growing out of the political events in Panama in November 1903, restoration of the cordial friendship that had previously existed between Colombia and the United States, and definition and regulation of their rights and interests with respect to the Panama Canal.

The negotiation of these treaties, it should be stressed, was not accidental, but the result of long-range interoceanic canal policies of the United States developed over many years. Not only have the requirements of these treaties been carefully followed throughout the history of the canal enterprise but, in addition, the treaties are now mentioned in Public Law 841, 81st Congress, approved September 26, 1950, popularly known as the Thompson Act. This law specifies that the levy of tolls is subject to their provisions.

COLOMBIA'S INTEREST PROTECTED BY TREATY

Because of the importance of the Thomson-Urritia Treaty, and the fact that it is not as well understood as it should be, I shall summarize its principal provisions.

In article I, Colombia recognizes the title to the Panama Canal and Panama Railroad as "now vested entirely and absolutely in the United States of America, without any encumbrances or indemnities whatever." Furthermore, this article states that Colombia shall enjoy certain rights with respect to the canal, which include:

First. Transit through the canal of Colombian troops, materials of war, and ships of war, without paying any charges to the United States.

Second. Exemption from any charge or duty on the products of the soil and industry of Colombia passing through the canal, as well as Colombian mails, other than those to which the products and mails of the United States may be subject.

Third. Exemption of Colombian citizens crossing the Canal Zone from every toll, tax, or duty to which the citizens of the United States are not subject.

Fourth. Use of the Panama Railroad or any other railroad substituted therefor, in event of interruption of canal traffic, for the transport of troops, materials of war, products and mails of Colombia, paying only the same charges and duties as are imposed for such transport for the United States. In addition, officers, agents, and employees of the Colombian Government are entitled to passage on the railroad under the same terms as those of the United States.

Fifth. Transport by the Panama Railroad of Colombian coal, petroleum, and sea salt, in event of interruption of canal traffic, free of charge except actual cost of handling and transportation not to exceed one-half the charges levied on similar products of the United States.

In article II, the United States agreed to pay Colombia the sum of $25 million, which was done.

By article III, Colombia recognized Panama as an independent nation with boundaries as derived from the Colombian law of June 9, 1855, and agreed to conclude with Panama a treaty of peace and friendship to bring about regular diplomatic relations between the two countries. All this was accomplished, together with a treaty agreement between the two countries as to a boundary line.

While Panama was not a party to this treaty, yet she gave it her grateful moral acquiescence because of the supremely important benefits she derived therefrom.

Thus, it is clear that Colombia not only has substantial rights with respect to the Panama Canal, but also a treaty interest in the continued operation of the Panama Railroad, which is binding on the United States. Therefore, the abandonment of the railroad would constitute a violation of such treaty interest—a fact that hitherto has been overlooked, or ignored.

PEAK OF UNITED STATES ISTHMIAN INFLUENCE, 1903–35

The Hay-Bunau-Varilla Treaty of 1903, covering the cession by Panama of the Canal Zone to the United States and providing for the construction of the Panama Canal, was negotiated pursuant to the Spooner Act of June 28, 1902, which authorized acquisition and perpetual control of the Canal Zone to construct the Panama Canal and its perpetual maintenance, operation, sanitation, and protection, exclusively by the United States.

From the legislative and diplomatic history of that era, it is abundantly clear that the purpose of both the United States and Panama was to establish and maintain complete sovereignty over the Canal Zone by the United States, not only to assure the construction and proper operation of the canal in perpetuity as was provided in the Spooner Act and the 1903 treaty, but also—and mark this well—to give absolute guaranty that Colombia would never be able to reassert successfully its sovereignty over the Canal Zone, the Panama Canal, the Panama Railroad, or the Republic of Panama. Moreover, as previously stated, Colombia, by the treaty proclaimed in 1922, fully recognized and accepted these conditions.

By such important and significant facts the vast differences between the Suez and Panama Canals are strikingly shown. The fledgling Panama Government of 1903, intensely desirous of securing both life and freedom, found them in these treaty stipulations. Except for the Caesarean operation known in history as the Panama Revolution, out of which the independence of Panama resulted, and provisions of the Hay-Bunau-Varilla Treaty, the Republic of Panama could never have survived; in fact, could never have been created. Besides, the United States would never have undertaken construction of the Panama Canal in a region then justly described as "the pesthole of the world" and long characterized as a land of endemic revolution that had repeatedly required the presence of naval vessels to maintain freedom of Isthmian transit.

These points were fully understood at that time by both Panamanian and American leaders. They realized that political stability was imperative for the success of the Canal enterprise—its construction, and subsequent maintenance, operation, sanitation, and protection. They also recognized that such stability could be obtained only by vesting complete and exclusive sovereignty in the United States.

The great North American statesmen who developed our Isthmian policies included such eminent leaders as President Theodore Roosevelt, John Hay, John

Bassett Moore, Admiral John G. Walker, William Howard Taft, and Elihu Root. President Roosevelt always viewed the Panama Canal as the greatest accomplishment of his administration, and comparable in importance to the Louisiana Purchase. In essence, the results of their vision and efforts remained unimpaired until 1939—a period now recognized as the peak of United States influence on the Isthmus.

TREATY POWER UNDERMINES UNITED STATES AUTHORITY

With the passing of the years after opening the Panama Canal to traffic on August 15, 1914, increasing demands on the part of the Republic of Panama for revision of major provisions in the treaty structure developed. Not until 1936, however, was the first important step made with the signing of the Hull-Alfaro Treaty, which, because of opposition in the Senate, was not proclaimed until July 27, 1939, just prior to the start of World War II.

The Hull-Alfaro Treaty—unlike the 1903 Canal Treaty—was negotiated without authorization or direction of the Congress. As understood by realistic observers at the time, it marked a weakening of the dike in the diplomatic setup of the Panama Canal, but without impairment of the fundamental principle of United States sovereignty over the Canal Zone and the canal.

To better understand its important provisions, it should be noted that in the 1936 treaty Panamanian leaders sought the abrogation of the guaranty provision of the 1903 treaty because they felt that their country's independence was secure following the 1922 treaty between the United States and Colombia by which Colombia had recognized Panama as an independent nation, and believed that the elimination of the guaranty in the 1903 treaty, which they came to regard as Panama's "Platt Amendment," would add to their country's prestige.

While nowise abridging the sovereign authority of the United States over the Canal Zone and canal, the 1936 treaty did surrender important rights and privileges of the United States granted by the 1903 treaty, as for instance, the right of eminent domain for canal purposes within the Republic of Panama, all without any consideration except that of token character. It raised the canal annuity to Panama from $250,000 to $430,000 to compensate for reduction of the value of the gold dollar.

The crippling of the accessory powers of the United States, however, did not stop here. After prolonged secret negotiations started in 1953, the process was advanced much further in the Eisenhower-Remon Treaty proclaimed August 26, 1955, also negotiated without the authorization of the Congress.

This treaty gave away additional and most valuable rights and properties of the United States, also with little more than nominal consideration. It further increased the canal annuity from $430,000 to $1,930,000. The costs involved in these benefits to Panama will have to be borne either by transit tolls or taxes paid by American citizens, and may well jeopardize proposals for the amortization of the Panama Canal investment.

Certainly, the 1955 treaty was negotiated following long deliberations with the purpose and belief that the provisions would be accepted and relied on by both the United States and Panama for many years to come. Yet, the ink was hardly dry on that document before radical elements in Panama, echoing insistent Communist propaganda, have been, and are making the unrealistic and impossible demands to which I have now called attention.

To illustrate, it is well to note that the demand is being made that the United States pay to Panama one-half the gross revenue derived from the canal enterprise. These revenues during the last fiscal year were $50,774,000, but the net income was only $3,821,456, of which the present annuity to Panama of $1,930,000 is more than half. There is no wonder that the President of Panama promptly characterized this demand as unrealistic.

PANAMA RAILROAD LIQUIDATION NARROWLY AVERTED

Among the most unhappy features of the 1955 Canal Treaty was the surrender to Panama by the United States of valuable Panama Railroad property in the cities of Panama and Colon, including the terminal freight yards and passenger stations worth many millions, but excepting tracks in Colon required by switching for the Cristobal piers. Not only that, the treaty even contemplated abandonment of the railroad itself, which had been acquired by the United States pursuant to both law and treaty, with adequate compensation. Moreover, this move was made with complete disregard of the treaty rights of Colombia as to the railroad.

Apprised of the situation, Congressional leaders intervened. Under the able direction of the distinguished Chairman of the Committee on Merchant Marine and Fisheries, Representative HERBERT C. BONNER of North Carolina, pursuant to House Resolution 118, 84th Congress, that committee conducted an independent inquiry into the railroad situation and submitted recommendations reversing those of the supervisory executive agency of the United States, the directorate of the Panama Canal Company, to liquidate the railroad. An account of this inquiry will be found in House Report No. 2974, 84th Congress. The resulting reversal, by the Congress, of the decision of the directorate, and the continuance of the railroad, was fully justified; as has also been the subsequent operation of the railroad.

The wise action of the Congress in these premises, however, was too late to save the tremendously important and valuable terminal facilities of this historic and strategic rail line.

Where does this leave us? Now, because there is no provision for replacement, we are going to have a trans-isthmian railroad without its originally designed and adequate terminal stations and yards. Unless Panama sells back these facilities to us—of course, at a tremendous price—new ones may well have to be constructed at our own expense.

Can you imagine, Mr. Speaker, anything more absurd, or more ominous for the future proper conduct of our Isthmian policies? With all the capable men of broad experience in this Nation available, as was well illustrated by the railroad inquiry, why can they not be used in such situations to protect the legitimate interests of the United States and those of Panama and Colombia as well?

To say the least, our Department of State was asleep at the switch.

CANAL ZONE IS CONSTITUTIONAL TERRITORY OF THE UNITED STATES

The main lesson to be derived from the sustained surrenders of our Isthmian rights and prerogatives, all necessary for the proper maintenance, operation, sanitation, and protection of the canal, extends beyond the limits of the Canal Zone and reaches into the very foundation of our constitutional form of Government.

As previously set forth, the acquisition of the Canal Zone and Panama Railroad was accomplished pursuant to the Spooner Act of 1902 and the 1903 Canal Treaty, with adequate compensation accorded. The Panama Canal was constructed and has been subsequently managed pursuant to laws enacted by the Congress. Thus, the full force of our Government system is implied in the evolution of our basic Isthmian Canal policies.

Long recognized by some of our great statesmen as part of the "coast line of the United States," the Panama Canal has deeper significance of far-reaching character.

The Panama Canal Zone, Mr. Speaker, is not an occupied territory, as was once erroneously reported to the United Nations by our Department of State—see Senate hearings on interlocking subversion in Government departments, part 19, March 25, 1954, page 1364. Instead, it is a portion of the constitutionally acquired territory of the United States.

Of course, if for any reason the United States should wholly abandon the canal enterprise, it would not likely wish to retain any interest or sovereignty over the Canal Zone. In such case, Panama could doubtless repossess the zone area without objection. Hence, from a practical, realistic standpoint, what purpose can these continued demands for recognition of Panama's "titular sovereignty" serve except that of creating unjustifiable friction between the United States and Panama?

Unfortunately, the surrenders culminating in the treaty arrangements still being implemented—though they have not abrogated or subtracted from our rights of sovereignty—have violated the clear intentions of the Congress and represent a threat to our national power. Certainly, the time has come when every Member of the Congress should realize what has happened: That, in large measure, we have given away our bargaining power in dealing with the Republic of Panama in regard to one of our most vital national possessions.

As has been clearly shown by numerous press and individual reports from the isthmus, the instant situation is acute.

Its proper resolution will require statesmanship of the highest order on the part of both the United States and Panama. This statesmanship, it is respectfully urged, should recognize the basic elements that enter the isthmian problem and not ignore them.

At this point, Mr. Speaker, I wish to emphasize that this tragic policy of appeasement and giveaway did not originate with the present administration, but was inherited. This fact, however, should not prevent this administration, or any that follows, from taking proper action to safeguard our national interests now and in the future. This, I would respectfully submit, will be best for ourselves, best for Panama, and best for the world at large.

ISTHMIAN HISTORY MUST BE RESTATED

What is the explanation for this strange course of events. Many could be advanced, but of them the most telling is the gross ignorance of isthmian history that has developed since acquisition of the Canal Zone in 1904 and the starting construction.

New generations, both in the United States and Panama, have simply gotten away from historical facts that underlie our isthmian policies. Nor do they realize that the Republic of Panama grew out of the canal enterprise and not the canal project out of Panama.

When pondering these somber thoughts we must concentrate on how to restore just and realistic thinking. In my opinion, we shall never regain our bargaining power with Panama until there is a complete, fearless, and widespread restatement of some cold, hard facts of history and a reappraisal of them. This is the only way whereby we can produce men on both sides of the bargaining table who can fairly evaluate the respective rights, obligations, and responsibilities involved.

Meanwhile, our colleges and universities and writers of this hemisphere should delve into the subject from available sources and spread the story of the great waterway, of which the creation of the Republic of Panama was but a single, though important episode. In this, Mr. Speaker, the press can render a great service, and again I invite attention to the documentation on Isthmian Canal policy prepared by Representative THOMPSON of Texas to be found in the RECORD of March 23, 1955.

NO SUEZ AT PANAMA

The December 16 incident was no ordinary matter. Fostered by radical elements, some high up in the Government of Panama, and conforming to the program of the international Communist conspiracy, it seems aimed at lining up the nations of Latin America in support of Panama as was done among the Arab nations in support of Egypt. In that light, it represents an issue that the great countries of this hemisphere and their leaders must eventually face, for they well know what the results would be should such a movement ever materialize.

The combined exercises of United States Armed Forces in the isthmian area, April 21–27, 1957, which were observed by the representatives of 20 countries of this hemisphere, eloquently served to emphasize that no Suez crisis will be premitted on the American isthmus.

With this feeling, I have every reason to believe that our friends to the south will wholeheartedly join. Surely every consideration for their own self-preservation at this critical time of penetration and subversion requires such a commonsense attitude.

NATIONALISTIC AGITATION AT PANAMA INVOLVES SERIOUS DANGERS

Mr. Speaker, notwithstanding the headlines of the press, the United States has many friends among the people of Panama. To them I would suggest that demands emanating from their midst for nationalization of the Panama Canal or confiscation of its receipts, instead of making a case for Panama, are actually spreading the fires for internationalization—the long-range Communist dream.

Such internationalization both Panama and the United States would oppose. However, if brought about, how would Panama fare when subordinated to an international body as compared to the benefits derived from the country that fostered its birth? The answer is obvious.

A further point concerning the current agitation at Panama with its increased demands is the effect it must have on the Congress and the people of the United States to give fuller consideration to the subject of an alternate isthmian canal. This, as a matter of fact, is now being studied under the direction of the Committee on Merchant Marine and Fisheries.

Another observation about the situation at Panama concerns its relations with Colombia. If Panama, by sustained diplomatic maneuvering, can seriously weaken the treaty structure and secure abrogation by the United States of its key provisions, Colombia can do likewise. Then, because of the absence of any guaranty of Panamanian independence, what would be the outcome?

This would depend on what policy the United States might adopt, which no one can foresee. Certainly, our Nation cannot afford to accept grave responsibilities in the absence of adequate authority. To state the matter candidly, Panama, through securing abrogation by the United States of its guaranty of Panamanian independence, has succeeded in removing the greatest legal barrier to its eventual reabsorption by Colombia.

Also, may I ask, because of the abrogation of treaty provisions guaranteeing the independence of Panama, what would be the result if the United States should surrender all its power and authority as to the Panama Canal and Canal Zone? Would revolutionary practices immediately spring up in Panama as they did before United States occupation of the Canal Zone? And would Colombia reassert her former sovereignty? In the light of history, what is the answer? How the Communist world would revel in such a situation and how they would strive to exploit it.

Certainly the Panama Canal problem is so complex in character and so far reaching in its ramifications and consequences that it behooves all those in authority in the United States and Panama to think through every question presented before reaching conclusions and making decisions. This, in recent years, has not been done.

CONGRESS SHOULD ACT NOW

In view of all the elements that enter into the present isthmian picture, the American people pose some telling questions: Why has our Department of State pursued its purblind policy of extreme concession and appeasement in dealing with canal crises over a period of many years? Why does it remain silent now, thus giving color to the radical demands of the extremists in Panama? Why does it not take a vigorous stand for the legitimate rights of our country, the exercise of which—I repeat—is best not only for the United States, Panama, and Latin America, but also for the entire world, and especially the maritime nations with vessels that transit the canal and have to pay tolls?

The more the Department of State procrastinates, the more important it is for the Congress, which is the ultimate authority, to make its own declarations of policy in the premises, to state clearly that there will be no further changes in the basic canal treaty, and that it is not going to stand for further liquidations of United States power and authority in and about the Panama Canal. Every legal and moral consideration, and the necessities for stability, demands that this be done.

To these ends, I urge prompt passage of House Concurrent Resolution 205 of the present Congress, the text of which follows:

Whereas there is now being strongly urged in certain quarters of the world the surrender, by the United States, without reimbursement of the Panama Canal, to the United Nations or to some other international organization for the ownership and operation of the canal; and

Whereas the United States, at the expense of its taxpayers and under, and fully relying on, treaty agreements, constructed the canal, and since its completion, at large expenditure, has maintained and operated it and provided for its protection and defense; and

Whereas the United States, following the construction of the canal, has since maintained, operated, and protected it in strict conformity with treaty requirements and agreements, and has thus made it free, without restriction or qualification, for the shipping of the entire world; and, in consequence of which, with respect to the canal and the Canal Zone, every just and equitable consideration favors the continuance of the United States in the exercise of all the rights and authority by treaty provided, and in the discharge of the duties by treaty imposed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) it is the sense and judgment of the Congress of the United States should not, in any wise, surrender to any government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States, but, as well, of all nations

and peoples—that all the powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

[From the Panama (Republic of Panama) Star and Herald of December 17, 1957]

PANAMA OFFICIAL FORESEES 50–50 ARRANGEMENT WITH UNITED STATES OVER CANAL

A new arrangement between Panama and the United States under which the two countries would share the income of the Panama Canal is foreseen by Panama's Vice Minister of Foreign Relations, Ernest Castillero.

Speaking before a student congress yesterday, Dr. Castillero said the enforcement of the Remón-Eisenhower treaty is proving that "that treaty is far from being the ideal solution" of the differences between the two countries.

Castillero, a student leader in his university days, delivered the principal address at the adjournment session of the II Special Congress of Students.

He devoted a large part of his address to a review of the achievements of the student movement since 1943, when it came to the fore in Panama's national life. The closing portion was devoted to foreign affairs, and specifically to the Panama-United States relations.

He said, in part:

"In November 1956, on the occasion of the United Nations General Assembly's debate on the Suez Canal crisis, the Foreign Minister certified before the entire world that the Panama Canal is built on Panamanian territory, that Panama is the titular sovereign of the Panama Canal Zone, just as Egypt is over the Suez Canal, and that it has granted to the United States of America only the rights, power, and authority necessary for the specific purposes of the maintenance, sanitation, operation, and protection of the canal, an enterprise in which as stipulated in the treaty of 1936, both countries have a joint and vital interest. Likewise, he set forth there, for enforcement at a future time which is not foreseeable now, the doctrine that the Suez Canal has analogies of various types with the Panama Canal, a statement which while rejected by the United States, has impressed strongly the world's opinion because of the clear warning it involves.

"In these circumstances, there is special significance to the complaint, supported daily by new facts, that our country is not receiving the benefits to which we in fairness are entitled as partners, with the United States, in the canal enterprise.

"Inasmuch as the enforcement of the Remón-Eisenhower treaty is showing that that treaty is far from being the ideal solution for these differences, it would not be strange if strength should be gained by a trend of opinion which maintains that Panama must arrive at an arrangement with the United States to receive half the income of the canal, without going into legalistic discussions or interpretations of previous treaties."

The Remón-Eisenhower treaty was signed in 1955.

[From the Panama (Republic of Panama) Star and Herald of December 19, 1957]

PROPOSAL ON CANAL SAID "UNREALISTIC"

President Ernesto de la Guardia, Jr., feels that the idea of a 50–50 split of the Panama Canal's income with the United States is "not too realistic."

He indicated that since operating expenses and tolls are determined by the United States, Panama then would run the risk of getting nothing if the canal operations failed to show a profit.

Vice Minister of Foreign Affairs Ernesto Castillero, addressing a student meeting suggested such an arrangement for the future, saying that the present treaty is far from being the ideal solution to Panama-United States differences over the waterway. He referred to a split not of profits, but of income.

The presidential press office authorized the following statement in behalf of President de la Guardia.

"The idea, in my opinion, is not too realistic, inasmuch as operating expenses of the canal being established in the Canal Zone and tolls being fixed by the Congress of the United States, we would run the risk that the operation of the waterway would leave nothing.

"Even now we are striving for better salaries for Panamanian employees in the Canal Zone and it cannot escape anyone that a salary increase is an additional expenditure that would necessarily affect the earnings from the canal traffic."

After Vice Minister Castillero's address, the National Student Congress approved a resolution calling on the President and the Foreign Minister to undertake negotiations with the United States for sharing the canal's income.

In Washington some State Department officials appeared surprised at Castillero's statement, pointing out that a new treaty increasing the canal annuity from $430,000 to $1,930,000 was worked out in 1955.

[From the Panama (Republic of Panama) American of December 23, 1957]

REPUBLIC OF PANAMA STUDENTS WANT CANAL NATIONALIZED

The Panama Students Federation (FEP) made it clear today that the nationalization of the Panama Canal is the ultimate aim of Panama students and the people.

A communique issued by FEP President Andres E. Castillo and Press Secretary Humberto A. Brugiati said negotiations aimed at getting Panama a 50 percent share of the revenues derived from Panama Canal tolls is only their immediate aim.

The communique further stated that the FEP would continue to fight for a revision of existing Panama-United States treaties until "our glorious national emblem flies with all its sovereign majesty over the Panama Canal."

Today's communique was the aftermath of a resolution approved by an FEP congress, asking the President and the Foreign Minister to negotiate a 50–50 division of Panama Canal income.

The resolution was presented and approved immediately after a closing address by Deputy Foreign Minister Ernesto Castillero, a former student leader, who said he would not be surprised if a trend toward negotiating a 50 percent share in Canal profits should gain force.

The idea was later branded as unrealistic by a spokesman for President Ernesto de la Guardia, Jr.

[From the Washington Evening Star of December 30, 1957]

PANAMA RAISES OUTCRY FOR BIGGER TOLL SHARE

(By Marshall Bannell)

PANAMA CITY, PANAMA, December 30.—An outcry has again started in Panama for an increase in the annual income received by the Republic from the United States for use of the Panama Canal area.

At present Panama receives $1,930,000 per year from the United States. This is more than double the amount paid annually 2 years ago and was agreed upon in a treaty signed by President Eisenhower and the then President of Panama, Jose Antonio Remon.

This increase in payments has not prevented further demands, however. Deputy Foreign Minister Ernesto Castillero recently, in a speech before a university student congress, demanded that the United States pay Panama 50 percent of the gross income from Panama Canal tolls. His proposal was promptly drafted into a resolution and passed by the student organization.

Canal tolls bring in well over $50 million per year and this would mean that, under Mr. Castillero's proposal, Panama would collect more than $25 million. There was no suggestion by the Deputy Foreign Minister that Panama should foot any of the canal expenses nor finance the present defense organization by the United States Air Force, Army, and Navy.

Panamanian officials complain that the Republic receives less than 4 percent of the total income from Canal tolls. The United States's answer, however, is that while gross income from Canal tolls was $88,677,449 in 1956 (highest in peacetime history), the net income after paying operating expenses was $4,179,464. And, they add, there were no charges made for the large defense forces maintained in the Canal Zone by the United States military services. The latter costs are classified information.

Even Panama's conservative President, Ernesto de La Guardia, agrees that a 50–50 split of the gross income from the Panama Canal is unrealistic and has said so publicly. But his words have not stilled nationalistic elements in Panama.

What concerns many serious-minded Panamanians and United States officials is that Panama, to use their own words, "may be cutting its own throat" through the continual nationalistic blasts at the United States.

They point out that early in December 1957 a subcommittee of the House Merchant Marine Committee, headed by Representative LEONOR SULLIVAN, Democrat, of Missouri, visited Panama and held public hearings in connection with the Panama Canal operations. One of the things they learned was that the Panama Canal is fast reaching its capacity and that either the present canal will have to be expanded or a new, sea-level canal constructed. Either will be a multi-billion-dollar project.

No report will be made by the subcommittee until next spring. However, the members took time to visit several sites that have been proposed for the construction of a new sea-level canal. Their interest centered, according to Representative JOHN J. ALLEN, Republican, of California, on a route through Nicaragua. The United States holds perpetual rights to construct a canal through that country if and when a new one is needed.

So far, Gov. W. E. Potter, who heads the Panama Canal Company, the wholly United States Government-owned organization that operates the Panama Canal, has made no public comment on the clamor here for increased income for the Republic of Panama from the canal.

But many observers forecast that when the board of directors of the Panama Canal Company meet here late in January, the issue may be brought up and a statement issued. However, observers here point out that any change in the present status of payments to Panama for the use of the 10-mile-wide, 40-mile-long strip of land will have to be approved by the United States Congress.

[From the Washington Daily News of January 6, 1958]

NEW PANAMA CANAL NATIONALIZATION DRIVE ON

(By Edward Tomlinson)

The Government and the public in this country should get ready for an all-out hemisphere-wide campaign for nationalization of the Panama Canal.

High United States officials here in Washington don't like to talk about it. But the

idea has been snowballing in the minds of Panamanian politicians and nationalists ever since Abdel Nasser took Suez and got away with it.

PLAN FIGHT

Now, the university students, who always have spearheaded anti-United States sentiments in the Isthmian Republic, have organized to fight until "our glorious flag flies in triumph over the Canal Zone."

The students have received the tacit blessing of the Panamanian foreign ministry, as well as outstanding leaders of the country including the majority of living former presidents.

Efforts to wrest complete control of the vital waterway from the Yankees is nothing new, of course. Back in the 1930's an organization for the internationalization of the canal flourished. The leaders of the movement said the big ditch should belong to all nations. It was abandoned after the Roosevelt administration agreed to a number of revisions of the treaty in favor of Panama in 1936.

Another wave of nationalism swept the country after World War II, and anti-United States demonstrations became so violent that our military forces abandoned all wartime bases throughout the Republic. In 1954 widespread demands for more treaty revisions were made.

As a result, in 1955, we upped the annuity from $450,000 to $1,930,000, turned over vast amounts of Canal Zone property to the government of Panama and made many other concessions in addition.

Leaders of the campaign bluntly say that ultimate nationalization does not preclude demands for more and more treaty revisions in the meantime. Among immediate additional demands already being whooped up, is an equal division of canal revenues.

DIVISION NOTE

Note they want the revenues divided equally, not just the income. Nothing is said in the new propaganda about taking out expenses and other huge costs of operating, maintaining and protecting the colossal enterprise. The 1957 annuity amounts to more than half of the net income of $3,821,456.

Let no one think this campaign can be shrugged off, because Panama is a tiny, weak country. Egypt also is a tiny weak country. But backed by the whole Arab world in its Suez venture, it became a formidable power to be reckoned with. The Panamanians count on tremendous support from other Latin American nations.

[From the Christian Science Monitor of January 18, 1958]

PANAMA FACTION BIDS FOR CANAL REVENUE

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—What amounts to a national campaign for a 50–50 share in the gross revenue of the Panama Canal is being conducted by powerful groups in Panama.

The drive criticizes the United States for never having given Panama a fair share in the enterprise in which they claim they are partners.

The campaign, well financed and skillfully directed, gets prominent attention in newspapers here.

It is causing difficulties to Panama's capable President de la Guardia who is endeavoring to improve the already harmonious relations with the United States.

Observers see two major reasons behind this campaign. First, a few rich individuals and politicians are afraid that in a period of political calm like the present the scrupulous De la Guardia administration might investigate their private empires and take away some of their privileges.

ANTI-UNITED STATES AGITATION

Their aim is to use the press and radio to so stir up the people that they will agitate against the United States, demanding concessions impossible of attainment. This puts pressure on the President to comply with the demands of the Panama people. Thus, this reasoning goes, Senor de la Guardia has not the time to investigate activities of the instigators of this stratagem.

Also, this same pressure for impossible demands against Washington may tend to damage the President's good contacts with the United States Government.

Rumblings in the press, quoting utterances of ambitious officials, would seem to indicate that Panama ardently wants either nationalization or internationalization of the Panama Canal.

Neither is correct. The last possibility just does not exist. There never will be internationalization of the great waterway if Panama can prevent it, this correspondent has been assured. Local sentiment is summed up in a statement in a local paper which said that Panama does not need more people eating at its table.

Briefly, every dollar coming in would be welcomed, but no sharing of any largesse is contemplated.

LACK NEEDED KNOW-HOW

And what about nationalization? There is no doubt that Panamanians would welcome eagerly the canal's income and the flattering sense of possession of such a valuable property. But, individually and nationally, they shudder at the thought of trying to operate it. They do not have the know-how. Neither do they want the responsibility.

So all the hullabaloo about internationalization or nationalization is seen to be solely for political or economic reasons—either to hamper the present administration in Panama or to pressure the United States into more handout benefits to this country which claims partnership status in the Panama Canal.

Setting off current agitation in Panama was a statement made to a university student group by Dr. Ernesto Castillero P., Deputy Minister of Foreign Relations. He said Panamanians should aspire to a 50–50 share of the revenue of the Panama Canal.

It appears that either Dr. Castillero made the statement for applause value or because he had been asked to include it in his talk. Certainly, it became clear he had not given it much thought because when asked if he referred to the gross or the net revenue of the Panama Canal, he did not know. Finally, he said he was referring to the gross ($50,774,000 for the last fiscal year).

PLAYED UP IN PRESS

The Castillero statement was headlined in the press, some papers playing up the idea of getting more money from the United States, which currently pays $1,930,000 to Panama as an annuity as well as millions of dollars in salaries to Panamanian workers and more millions in purchases from Panama.

Immediately, Senor de la Guardia pointed out that such a suggestion was unreal. A businessman, the President knew that giving away half the gross revenue of the canal would not leave funds for the necessary salaries and expenses. While the President considered the proposal analytically, many of the people in the street considered it emotionally in terms of getting something for nothing.

Almost immediately, however, the Minister of Foreign Relations, young, attractive Aquilino Boyd, announced he backed Dr. Castillero's statement.

This sassing the President is understandable only because Senor Boyd is young, impetuous, and aspires to be President himself in 1960. This was his bid for the nationalistic vote in the future elections.

POLITICAL WEAPON

It is recalled that Senor Boyd also participated in the university roundtable conference on interoceanic canals last spring in Panama City. Reportedly, this conference was organized to embarrass the United States by having foreign nations declare its treatment of Panama "unfair." The conference backfired and was a fiasco.

A recent article typical of certain anti-United States statements says the Foreign Minister and Deputy Foreign Minister reflected the "just and legitimate aspirations" of the Panamanian people. The writer added that these two officials have said publicly what the people of Panama have been thinking for years.

The article ends with incendiary statement that, although the author is anti-Communist, he would be ready to organize and head a Communist Party here if by so doing Panama would get justice for its claims.

[From the Americas Daily, Miami Springs, Fla., of January 1, 1958]

UNITED STATES NOT CONCERNED ABOUT PROPOSAL OF PANAMA'S STUDENTS

WASHINGTON, December 31.—United States officials have refused to comment on the proposal of the National Student Congress of Panama that Panama be given half of the gross revenue from the Canal Zone.

Officials pointed out that the United States and Panama renegotiated their treaty in 1955 and both sides appeared to be satisfied with the provisions. Under the revised treaty Panama's annual share of the net profits of the canal was set at $1,930,000.

Under the proposed plan Panama's share during the fiscal year 1957 would have been $25,387,249.

A spokesman for President Ernesto de la Guardia, Jr., described the proposal is "unrealistic." He said that since the Canal Zone Government establishes the costs of operation and the United States Congress sets the transit tolls, "we could be faced with a situation whereby the operation of the canal produced nothing."

The spokesman pointed out that Panama was seeking better wages for Panama citizens working in the Canal Zone.

[From the Americas Daily, Miami Springs, Fla., of January 29, 1958]

PANAMA TIRED OF TREATMENT AS JUNIOR PARTNER, ARIAS DECLARES—UNITED STATES-PANAMA WORKERS SHOULD GET SAME PAY

NEW ORLEANS, January 28.—A former Panama President said his nation is tired of being treated like a junior partner in the Panama Canal project.

Ricardo H. Arias, now Panama's Ambassador to the United States, said "Panama has not gotten the benefit it should have from the canal." He was here today to address the Mississippi Valley World Trade Conference.

After all, it is a partnership arrangement; we provided the land, and the United States the knowhow to dig the canal. But Panamanian workers, toiling side by side with workers from the United States, doing identical jobs, got less money than those from the United States," said Arias.

Arias said he hoped Congress would equalize the pay of United States and Panamanian workers in the Canal Zone. Such a bill passed the Senate last year, but died in the House.

Arias said an equalization of pay help quash the feeling among Panamanian students that the canal should be nationalized. He said he did not think talk of nationalization would hurt the bill's chances in Congress.

"You cannot tell a man doing the same job as the next fellow that he's going to get less pay," Arias said. "Panama is tired of being treated like a junior partner."

Arias served as President of Panama until 1956. He said he doubted the United States

would dig a canal through Nicaragua because of dissatisfaction with the Panama situation.

[From the Scripps-Howard newspapers]

PANAMA STEPS UP DRIVE TO TAKE OVER THE CANAL

(By Edward Tomlinson)

PANAMA CITY, February.—Nationalist politicians and the press are calling for "equal partnership in the operation of the Panama Canal," while several well-organized groups are demanding outright nationalization.

Newspaper editorials, columns and special articles flail away at Uncle Sam for "humiliating treatment" of Panama. El Dia refers to the "United States dominated canal" as "that imperialistic enterprise."

University students, always the tools or dupes of political agitators, rant against "North American desecration of our national integrity." A huge banner on the university grounds facing the main highway leading from the airport proclaims that "The canal is ours."

Significantly this catch phrase is much like the Brazilian Communist slogan, "The oil is ours," aimed at United States oil companies operating in Brazil.

Canal treaty revisions made by the Eisenhower administration in 1955 have brought numerous financial and economic benefits to Panama. The yearly payment was raised from $450,000 to $1,930,000. We returned to Panama $25 million worth of real estate in Colon and Panama City. Panamanian citizens working in the Canal Zone are now required to trade in Panamanian stores instead of the zone commissaries. But the newspaper La Nacion still calls it "the fraudulent treaty."

A columnist in the same paper says January 25, the anniversary of the signing of the document, "should be declared a day of national mourning."

Many of the newspapers do not even acknowledge the legality of the Panama Canal Company, the United States Government agency that operates the waterway. An editorial page column in La Estrella, the most important newspaper in the country, calls on the Government of Panama not to deal with the company on the grounds that "it is not a juridical body."

The Panama Government officially is behind this campaign. The Under Secretary of Foreign Affairs, Ernesto Casillero, has called for a 50–50 sharing of the canal revenue. Not the profits, mind you. The present annuity already amounts to more than half the annual net profits. He wants half the gross revenue, and no sharing of the expenses of operation.

The campaign is being stepped up to enlist the sympathy and support of other Latin-American countries. The University of Panama is staging an international seminar of hemisphere economists to consider the scope of the treaty.

Some newspapers go so far as to suggest that Panama should reestablish diplomatic and trade relations with Moscow. Says one columnist: "If Panama should resume diplomatic and trade ties with Russia, we would get sputniks, tractors and machinery. Along with every machine would come a Russian technician, and every technician would be a Communist."

In short, "If the Yankees won't turn the canal over to us, let's go Communist."

PANAMANIAN JINGOISTS IGNORE FACTS OF HISTORY

Mr. Speaker, the extreme lamentations in the various outcrys from the isthmus cannot remain unchallenged. All the world should know that Panama emerged as a sovereign nation under the protection of the United States, and that under this sponsorship it has grown and prospered, as was clearly foreseen by the founding fathers of that republic.

In the field of international relations it has been signally honored. Its statesmen have been members of important international commissions. Its flag now flies on hundreds of merchant vessels in various waters of the world.

Under these circumstances, Mr. Speaker, it is high time to ask if the reckless demagogs and jingoists of Panama are going to cast down the ladder whereby their country rose to independence and eminence, or will the better judgment of its more thoughtful citizens, who are mindful of historic facts, prevail?

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain material.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

BRISTOL BAY, ALASKA

The SPEAKER. Under previous order of the House, the Delegate from Alaska [Mr. BARTLETT] is recognized for 60 minutes.

Mr. BARTLETT. Mr. Speaker, the residents of Bristol Bay, Alaska, are victims of a grim tragedy. The people of this strategic area depend upon salmon for food, for income, for the foundation of their wholesome, resourceful, self-reliant way of life. During the past 10 years, they have seen the quantity and value of the red salmon yield decline approximately 50 percent. Three times, the President of the United States has declared Bristol Bay a disaster area.

Bristol Bay today is a sombre scene of disillusionment and frustration. Its residents, with characteristic respect for law and foresighted concern for the future, have dutifully observed governmental restrictions designed to promote the cause of conservation. Aware that the great salmon resource of Alaska was developed by the conservation practices of their fathers, and grateful to their forebears for this marvelous legacy, the people of Bristol Bay have willingly sacrificed so that future generations of producers and consumers might enjoy the benefits of Alaska red salmon. The decline of the red salmon yield is not a consequence of indifference to conservation on the part of the people of Alaska. Those who depend directly upon red salmon for their very way of life struggle valiantly to retain a heritage received from their forebears. All credit to them for doing so.

Unfortunately, the effects of the reduced salmon yield are evident not only in the saddened faces of the people of Bristol Bay. The stomachs of little children reveal the consequences of the decline. Reports of malnutrition have reached me from doctors in Alaska, who emphasize the health problem that exists among the fishing people of Alaska who struggle gallantly but sometimes unsuccessfully against the horror of starvation.

Mr. Speaker, a principal cause of the decline of the red salmon yield is no mystery. Modern science has afforded proof that Japanese capture of Alaska-spawned salmon on the high seas of the North Pacific is a basic factor in the creation of this critical situation. In its report accompanying House Resolution 451, the Committee on Merchant Marine and Fisheries said this:

> In the last few years, takings of salmon by Japanese fishermen in the North Pacific have risen from 2½ million fish per year to 60 million, a large number of which are believed to be of American origin, the taking of which will seriously affect future Alaskan salmon runs. United States fishermen are prohibited from catching salmon on the high seas.
>
> The scientific evidence to support these views is available to those charged with affording protection to the American fisheries on an international level.

We know that the Japanese fish on the west side of the provisional line, 175th meridian west longitude, under terms of the North Pacific Fisheries Treaty of 1952. They operate in season, 7 days a week. They use gill nets. They boast of having harvested during a 10-day period in June 1957 over 5 million red, or Sockeye, salmon.

We know that at 180°, where Japanese boats operate, 4 out of every 5 salmon are of Alaska origin. East of 180°, but still within the area wherein Japanese fishermen harvest, 9 out of 10 salmon are of Alaska origin.

This knowledge of the travels of America-spawned salmon has been achieved through careful study of parasites, scale rings, fin bones, and blood counts. Analysis of these factors has distinguished the American salmon from his Asian cousin. Scientific tagging operations have proved that America-spawned salmon travel west of the provisional line which the Treaty of 1952 tentatively established as the hypothetical limit of their salt-water journey. The line of 175th meridian west longitude is not sacred. It has no properties of magic. The protocol to the treaty of 1952 provided that it was established as provisional, and subject to confirmation or readjustment. The basic principle of the treaty was an agreement by Canada and Japan "to abstain from fishing" for salmon "originating in the rivers of the United States of America." In return, the United States agreed "to continue to carry out necessary conservation measures." I believe that readjustment of the provisional line is long overdue, and that failure of Japan to agree to readjustment is a shortsighted unwillingness to promote the objective of the treaty—the conservation of fishery resources for future generations. Indeed, the preamble to the treaty states that it is in the "common interest of mankind" to insure the maximum sustained productivity of the fishery resources of the North Pacific Ocean.

As spring is upon us, the days lengthen and the sun warms the earth and the spirit of man. But this year, Mr. Speaker, I see in the warmth of spring a cold shadow that threatens the way of life of over 7,000 Alaskans and perhaps countless other Americans. It is the shadow cast by the boats of Japanese fishermen, who even now prepare to

enter the North Pacific for another frolic among Alaska-spawned salmon. But this may well be the last season when our Japanese neighbors will be able to exploit a resource developed by virtue of the industry and sacrifice of American citizens, for scientists have asserted that another season's activity by the Japanese in harvesting the America-spawned sockeye may cause the extinction of the resource. Donald L. McKernan, Director of the Bureau of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior, said only recently:

> Japan's high seas fishing policy threatens to exterminate the rich Bristol Bay salmon stocks of Alaska. * * * It is obvious from scientific evidence that a major part of this year's salmon run to Bristol Bay was intercepted by a foreign power on the high seas.

Cannot the commonsense, good will, and enlightened self-interest of Japan be invoked to prevent the destruction of Alaska sockeye salmon? Is a season's catch of Alaska salmon on the high seas worth the extinction forever of a great legacy? Would not Japan, and all the world, benefit by immediate action to save the Alaska salmon?

Mr. Speaker, the problem of Japanese capture of salmon of North American origin is not novel; what is novel is the urgently critical situation that now exists as a result of such Japanese activity and the fact that it is carried on contrary to the spirit of the Treaty of 1952. As long ago as 1937, our State Department protested Japanese fishing of America-spawned salmon, pointing out that "but for consistent adherence to a policy of conservation, the Alaska salmon fisheries unquestionably would not have reached anything like their present state of development." The State Department's protest of 1937 pointed out that the Alaska salmon resource was developed by the sacrifice of American fishermen. The protest went on to say:

> Because of such sacrifices, and the part that American citizens have played in bearing the cost of conserving and perpetuating the salmon resources, it is the strong conviction and thus far unchallenged view on the part of millions of American citizens on the Pacific Coast interested in the salmon industry and on the part of the American public generally that there has been established a superior interest and claim in the salmon resources of Alaska.
>
> It must be taken as a sound principle of justice that an industry such as described which has been built up by the nationals of one country cannot in fairness be left to be destroyed by the nationals of other countries.

That protest against Japan's fishing of America-spawned salmon was written 20 years ago. During the interim, we have fought and won a war against Japan. Thereafter, we negotiated with the Japanese on the basis of mutual respect, and together with Canada, three sovereign nations signed the treaty of 1952. Under that treaty, Japan accepted the principle of abstention and we covenanted to continue our conservation practices.

We have kept our covenants under the treaty. Americans do no salmon fishing in the international waters of the Pacific Ocean. Americans do not harvest immature fish, as the Japanese have been doing. In 1957, Americans in the area of Bristol Bay, Alaska, dependent as they are upon fishing, harvested fish only on an average of about 2¼ days per week during the peak of the fishery, which occurs from June 25 to July 25. At least 20 percent of the salmon caught by American fishermen in 1957 bore skin marks indicating that they had escaped from the small-mesh Japanese nets.

I believe we can take pride in our respect for our covenants and our proven attitude of friendliness. Our position stands out in shining contrast to the Russian position regarding fishing in the north Pacific. The Soviet Union bullyingly and bluntly informed the Japanese that Japanese nationals would not fish beyond the so-called Bulganin line, drawn solely by the Russians themselves, for their own convenience. Let the Soviet Union conduct itself in such a manner. American standards are higher. We have built a position of world leadership largely upon our willingness to go halfway with other sovereign nations, and I believe that we should always maintain that cooperative attitude.

However, I disbelieve the paradoxical contention that our position of world leadership forces paralysis of our efforts to protect a heritage of our people. Such a contention insults our diplomatic service. I believe that our negotiators in the State Department are forceful, sincere, and persuasive enough to protect American citizens in a rightful cause, without creating the impression that the United States, like the Soviet Union, is indifferent to the welfare of the Japanese people.

There is no inherent contradiction in a firm policy on behalf of Alaska's salmon heritage, expressed by a call to the Japanese Government to adhere to the spirit of the treaty of 1952, and friendly relations with the Japanese people. Our desire for peace does not require that we abandon a great God-given resource. As a constituent of mine at Bristol Bay stated, there is a difference between a foreign policy that is peaceful and a foreign policy that is pusillanimous.

Consider the advantages to Japan if we do nothing, and sit idly by while Japan ravages the America-spawned salmon once again. Our Japanese friends will harvest another season's bounty. In 1959, however, there may be nothing left, for them or for us.

Consider, on the other hand, the advantages to America and the world if the Japanese follow the principle of abstention in 1958 and thereafter. A way of life is preserved; a valuable resource is safeguarded for future generations; the people of Bristol Bay live on in self-reliant prosperity.

I think the equities of this situation are apparent, and that our National Government, "instituted among men" in order "to secure life, liberty, and the pursuit of happiness," has a clear moral obligation to the people of Bristol Bay to spare no diplomatic effort to prevent the extinction of sockeye salmon, a resource developed largely by the simple sacrifice of American nationals.

Mr. Speaker, the obligations of the United States, as leader of the free world, are complex. But they are not contradictory. Skilled diplomacy and clear insight into the goals of negotiation will light a path down which the United States can tread, always faithful to these obligations:

First. The obligation of the United States to those Americans of the past who have passed on a great legacy in our Nation's salmon resource.

Second. The obligation of the United States to those Americans who harvest and produce, for the world's benefit, the salmon of Alaska origin.

Third. The obligation of the United States to the people of the world. Our first obligation is to perform acts of peace. Our second obligation is to preserve natural resources upon which a crowded planet depends for sustenance. Forty years from now, this globe will be inhabited by over 4 billion people. Present problems of providing food for the world's population will seem negligible in the face of the demands of such numbers. Today, we mourn those instances in which our ancestors were careless with precious resources of the soil. Tomorrow, our descendants may mourn our carelessness or indifference regarding the precious resources of the sea.

Thus far, Mr. Speaker, I have outlined the urgency of the problem. I have indicated the extent of Japanese activity, and I have said that the United States should urge the Japanese to desist from further capture of Alaska-spawned salmon and that we do so without timidity.

We should do so with conviction that our cause is just. It is just from the standpoint of the treaty, whose underlying principle is abstention. It is just from the standpoint of our citizens and the food requirements of the world.

We should do so with a spirit of friendliness. We are sensible of the fact that Japan faces extraordinary economic difficulties.

They were outlined only last Thursday by one of Alaska's leading editors and publishers. Not long ago, Mr. Robert B. Atwood, editor and publisher of the Anchorage, Alaska, Daily Times, was in Tokyo with a group of editors during an around-the-world tour. While there Mr. Atwood examined into the Alaska fishing situation from the Japanese viewpoint and in his March 20 editorial wrote:

> From the Alaska point of view the problems are simple to solve. But when they are tossed into a hopper full of world problems, the simplicity is lost and a solution is difficult to find.
>
> Alaskans want the Japanese to quit catching Alaska-spawned salmon. There is evidence that the Japanese fishermen are picking up these salmon before they have a chance to get back to the spawning streams. This leaves the Alaskans with less fish to catch.
>
> Alaskans also complain that the Japanese invade the American markets with their fishery products, especially canned salmon and crab, and undersell the same Alaska products. The Japanese operations are conducted at less cost, making it possible for the product to be sold at a lower price.
>
> * * * * *
>
> The overall problem stems from the fact that Japan is the backbone of democracy and the free world in the Far East. She

is the strongest ally of the Western Nations in Asia and has tremendous potentials for further strengthening the position of the free world in the battle against international communism. Japan at present is anti-Communist. Russia has been a traditional hostile force and the people have no desire to joint the Communist bloc.

We appreciate Japan's cooperation in the struggle against communism. We know that the Japanese population, crowded into a small land area, is hard put to it to make a living. We know that the United States has given assistance generously for the sake of the island people and in self-interest. We know that the Japanese depend upon their fishing for sustenance in a way few other people do anywhere on this globe. If something is taken away, there must be a replacement. Our country should join with the Japanese Government in finding that replacement, of one kind or another, for the red salmon. We could offer scientific assistance to help the Japanese compensate for the loss of the coming season's America salmon catch. We could make available whatever surplus produce or capital is required to assist Japan in attaining a way of life that does not depend upon reaping what others have sown.

As I have sought to point out, this is not simple trade competition. This is not a proposition of a cheap Japanese product displacing an American product, produced at higher wages by American workmen with higher living standards. This is something quite different. I want to emphasize just as strongly as I can that it is certainly to the interest of the Japanese themselves, as well as imperative to the American interest and most especially to the Alaska interest, that this Japanese high-seas fishing of Alaska stocks be suspended, and promptly. If it continues, it will not only mean that this resource which must have been in being almost since time began will not longer be available to Alaskans. It will mean that it will not be available to anyone. It will not be available because it will have been destroyed by man. It will have been destroyed by Japanese fishermen. That is the basis upon which we must now proceed. This is an emergency. Action must be taken now, not later. Later will probably be too late.

Mr. Speaker, the Japanese people, by suspending now the harvest of salmon of American origin, would find the American people cooperative, helpful, and generous in joint efforts to realize the legitimate economic ambitions of Japan. But the Japanese might well consider the attitude of the American people after Japanese fishing on the high seas has totally depleted the salmon resource, leaving nothing but a barren curse upon the peoples of both countries.

Now what has America tried to do to protect salmon which, but for their capture on the high seas, would occupy American streams at birth and death?

As I have noted, the treaty established an abstention line, which was merely provisional and which science has since proved to be inadequate to accomplish the purposes of the treaty. The protocol to the treaty contains detailed procedures for changing the abstention line in accordance with scientific information.

The protocol directs the International North Pacific Fisheries Commission, established under the treaty, to determine, as expeditiously as practicable, if salmon of Asiatic and North American origin intermingle in the North Pacific Ocean, and to "conduct suitable studies" in accordance with which relocation or confirmation of the provisional line would be recommended in order to "best divide salmon of Asiatic origin and salmon of United States of America origin, from which certain contracting parties have agreed to abstain." Failure of the Commission to recommend unanimously the confirmation or relocation of the provisional line was a contingency which the protocol foresaw. In that event, the contracting parties would refer their differences "to a special committee of scientists consisting of three competent and distinterested persons, no one of whom shall be a national of a contracting party, selected by mutual agreement of all parties for the determination of this matter."

The provisional nature of the abstention line is self-evident, then. The parties agreed to definite procedures for the reevaluation of the line, and for its relocation, if necessary to conserve the resource.

Mr. Speaker, the Commission held its last annual meeting in November 1957. At that time, the American section came forward with detailed scientific evidence proving that red salmon of American origin are found in substantial numbers as far as 15° west of the provisional line which the treaty established. The American section made two proposals. It called for the establishment of a special committee to carry out the directives of the protocol by making suitable studies on the basis of which a new line could be established which would best divide the salmon of the two continents. Recognizing the urgent nature of the problem, the American section also proposed a temporary zone in which all fishing would be suspended until the special committee could complete its studies and submit a report.

What was the attiude of the Japanese section to these very sensible proposals? The Japanese agreed to the establishment of a special committee, but with the provision that no action be taken upon the committee's recommendations until after the 1958 fishing season. And the Japanese refused to even consider the subject of a temporary cessation zone. That is the dreary record of Japanese disregard of the objectives of the treaty.

In view of the gravity and immediacy of the problem, and the attitude of Japan, it appears that our remedies under the treaty have been exhausted, for the Commission meets next in November 1958, too late to protect the salmon of American origin during the coming summer season.

Many good minds and hearts have addressed themselves to this problem, Mr. Speaker. From some has come the suggestion that the United States abrogate the treaty of 1952. Moral justification for the abrogation is based forcefully upon the contention that the Japanese have frustrated the purposes of the treaty and have violated its spirit.

But it is well, I think, to turn our thoughts to the practical effects of abrogation, and to recall that in the absence of the treaty, Japanese fishermen would be free to roam throughout the entire North Pacific. The principles of international law, regarding freedom of the seas, under which we live today were devised in a society which was not oriented towards conservation, as we are, and which had little scientific knowledge of the fact that certain fish roam far at sea from the fresh-water streams in the continent of their birth. Some of our principles of international law, then, lag far behind modern knowledge of the travels of marine life and our ability to chart such journeys. Indeed, the purpose of the treaty was to fill the gaps that lie between principles of international law and the conditions and needs of the modern world. The problem is that the treaty filled the gaps only partially because the provisional line drawn was inadequate, and because the methods of amending the provisional line are too cumbersome in this time of emergency.

Abrogation, then, would give us only the privilege of ending the conservation practices which we pledged by treaty to continue. That, I think, would be a policy of despair. It would enroll America as a coexecutioner with Japan of a great natural resource. And abrogation would permit Japanese boats the privilege—admittedly limited in value since America-spawned fish travel so far to the west—of wandering east of the provisional line.

Under our constitutional doctrine of separation of powers, the responsibility for negotiations with a foreign nation lies with the President. Our role, as legislators is necessarliy limited. But we can, and we have, called the attention of the Department of State to the concern which the American people feel. Each House has adopted a resolution expressing the interest of the American people and supporting direct negotiations with Japan through diplomatic channels. I endorsed the resolution introduced in this House by the gentleman from Washington [Mr. TOLLEFSON], which was adopted. I took satisfaction in the approval given by the Senate to Senate Resolution 263, introduced by the Senator from Rhode Island and based upon representations of the problem made by the Senators from Washington and Oregon. And I am sure that the Congress will want to give careful consideration to legislative proposals regarding the import for sale of salmon captured on the high seas, in order to determine whether such legislation would accomplish a useful purpose and be consistent with the national interest.

The Congress has urged firm action by our diplomats who bear a great trust and a great duty to those who depend upon red salmon for their way of life. I understand that direct negotiations are now in progress. I pray they will bear fruit before this fateful summer.

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent to revise and extend

my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

JONAH KUHIO KALANIANAOLE

The SPEAKER. Under previous order of the House, the Delegate from Hawaii [Mr. BURNS] is recognized for 60 minutes.

Mr. BURNS of Hawaii. Mr. Speaker, to Hawaii and its peoples the date of March 26 will ever hold a special and tender significance: it is the anniversary of the birth of Prince Jonah Kuhio Kalanianaole, one of the most appealing figures in the saga of Hawaii. Born to the purple in 1871, the prince proved, in his more mature years, to be an inspiring champion of American concepts of democracy.

Kalanianaole was born on Kauai, a direct descendant of the last independent ruler of that island. He was a son of High Chief David Kahalepouli Piikoi and the Princess Kinoiki Kekaulike. While still in his teens, the youth was created a prince of the realm by King Kalakaua, his cousin and uncle.

After attending both public and private schools in Honolulu, the prince became a student at St. Matthew's College in San Mateo, Calif. He concluded his formal education by taking a business course at the Royal Agricultural College in England.

Forced by ill health to return to Hawaii, Kalanianaole served under the monarchy as a minor official in the office of the minister of the interior and in the customs service. When the revolution staged by the "haoles"—whites—erupted, Kuhio supported his cousin, Queen Liliuokalani. Shortly after the Republic of Hawaii was established, the unreconstructed prince was arrested, convicted, and imprisoned for conspiring to effect a royalist uprising. In 1896, following his release, he married Elizabeth Kahanu Kaauwai, daughter of a chief of Kauai. Three years later the couple, despairing of a future in their beloved islands, left for an extended tour abroad. At first the prince determined to make his exile permanent, but after 2 years of traveling, hunting, and observing the Boer War, he decided to accept unreservedly the new order in Hawaii.

Returning to the Islands in 1901, Kalanianaole immediately assumed an active part in public affairs. He joined the Home Rule Party, but his affiliation was not a happy one. Disgusted by the bigoted racial views and undemocratic practices of the organization, the prince, now an ardent advocate of the American way, renounced his association and, in 1902, joined the Republican Party. The same year he was named that party's candidate for Territorial Delegate to the Federal Congress. Victorious in his first campaign, Kuhio, with his uniquely devoted following, was never to know defeat at the polls; he served as Hawaii's nonvoting representative continuously from 1903 until his death in 1922.

Known affectionately to his constituents and colleagues alike as "Prince Kuhio" or "Prince Cupid," the affable, able, and untiring Delegate won the hearts of all with whom he had contact. Assigned to the Committees on Agriculture, Coinage, Weights, and Measures, Military Affairs, and Territories, Kuhio rendered significant services to his people. In 1919 he introduced the first of a long series of bills to accord statehood to Hawaii. The crowning legislative achievement of his career was his successful sponsoring of the Hawaiian Homes Commission Act.

Aware of the tendency of his people—those of original Hawaiian blood strains—to congregate in urban centers, where, as a result of crowded tenement conditions, the race was fighting a losing battle for survival, the Delegate in 1920 introduced a bill to modify the public land section of the organic act. The measure was finally approved by the President on July 9, 1921. Under its provisions the Hawaiians and part Hawaiians were to be given the opportunity to leave congested urban areas and settle on the land as homesteaders. It was hoped that in time a relatively prosperous class of independent citizen farmers would develop.

Approximately 200,000 acres of Government land, comprising specified undeveloped areas, excluding sugarcane lands, were made available. The land so far utilized is divided into homestead lots of varying dimensions, each leased for 99 years at a nominal rental to those persons whose blood is at least one-half Hawaiian. Every homesteader is granted a loan to permit him to build a house or work a farm. The whole project is controlled by a commission—Kuhio was the first member appointed—and is financed, essentially, by a revolving fund of $2 million accumulated from rentals of public lands and water licenses.

The first settlement under the plan was established on the island of Molokai; operations since have been gradually extended to other islands. By the end of 1946 more than 4,000 Hawaiians were living in homestead communities. Approximately one-fifth of these latter-day pioneers were situated on Molokai; the remainder were scattered among residential homestead sites on Hawaii and Oahu.

Although the rehabilitation project has not as yet fully justified the hopes of Kalanianaole and other founders, the plan has produced tangible benefits. The act prevented Hawaiian settlers from speculating with their land or disposing of it. Many small residential and subsistence homesteads, moreover, have been set up in the environs of the cities and towns where many of the native Hawaiians are employed.

In the 35 years since passage of the act only about 10 percent of the eligible families have been placed on the land. Most of these are on house lots not within the original purpose of the Hawaiian Homes Commission. Where the original purpose has been tried the results have been uniformly excellent. The hopes of Delegate Kalanianaole have been fully realized. Some 160,000 acres remain to be disposed among six or seven thousand eligible families. Failure of the act to date to meet the fullest hopes of its author must be laid squarely at the door of the Territorial executive—a Presidential appointee.

Delegate Jonah Kuhio Kalanianaole materially contributed to the establishment of the limited measure of first government presently existing during his first two terms in the Congress. Hawaii's people today have no more in the way of home rule on the local level than was obtained by Delegate Kalanianaole's efforts during his first two terms.

As a result of his formal complaint against the executive department—the appointed governor made in October 1911, an opportunity was afforded to the citizens of Hawaii to obtain the ownership to land as individuals by the application of the homestead provisions of the organic act enacted by Congress. These provisions had not been effectuated by a Territorial administration prior to this complaint. Though he made a major accomplishment in each of these endeavors toward giving the people of Hawaii economic and political advantages so badly needed and so long overdue, Delegate Kalanianaole's actions did not open a permanent door in this direction. His trailblazing and endeavors merely marked a trail which the Territorial administrations of succeeding years have almost obliterated.

On January 7, 1922, the prime mover of Hawaiian rehabilitation and the instigator of economic and political liberation for all the people regardless of race was called to his fathers. Despite his express desire to have his passing marked only by a simple ceremony, the grief-stricken peoples of Hawaii refused to have it so. The pomp and pageantry incident to his funeral has never been surpassed in all the annals of Hawaii. He was revered not only as a man of the purest motives, but also as the last titular prince of his line. Hawaiian and haole alike acknowledge that he, through his example and influence, was the paramount factor in reconciling the Hawaiians to the loss of their independence, and in converting them to a passionate Americanism. Truly, he was "Ke Alii Makaainana"—A prince of the people.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. KRUEGER, indefinitely, on account of official business.

Mr. BARING, for an indefinite period, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. IKARD, for 1 hour, on Monday next.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. BYRD, for 1 hour on Tuesday next and 1 hour on Wednesday next.

Mr. ADDONIZIO (at the request of Mr. MCCORMACK), for 15 minutes, on Thursday, March 27.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DOYLE and to include extraneous matters.

Mr. BOLAND and to include an article as part of his remarks today.

Mr. PORTER and to include extraneous matter, notwithstanding it will exceed 2 pages of the RECORD and is estimated by the Public Printer to cost $243.

Mr. YATES to revise and extend the remarks he made in the Committee of the Whole and include related matter.

Mr. ROOSEVELT.

Mr. UTT and include a speech by Secretary Seaton.

To the following Members (at the request of Mr. MCCORMACK) and to include extraneous matter:

Mr. FEIGHAN.

Mr. MULTER in two instances.

Mr. FABRSTEIN.

Mr. PRESTON.

Mr. DENT.

Mr. FLOOD.

To the following Members (at the request of Mr. THOMSON of Wyoming) and to include extraneous matter:

Mr. MARTIN.

Mr. HILLINGS.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 10881. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; and

H. R. 11086. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history.

ADJOURNMENT

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 21 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, March 27, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1753. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a proposal to make available for obligation now 50 percent of the amounts estimated in the 1959 budget for the procurement of supplies, materials, and equipment for the various civilian agencies of the executive branch (H. Doc. No. 359), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DURHAM: Committee on Armed Services. H. R. 7645. A bill to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin; with amendment (Rept. No. 1567). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 8071. A bill to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co. in exchange for other lands and easements of said company; with amendment (Rept. No. 1568). Referred to the Committee of the Whole House on the State of the Union.

Mr. VAN ZANDT: Committee on Armed Services. H. R. 9281. A bill to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes; without amendment (Rept. No. 1569). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 9738. A bill to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing 5.39 acres, more or less; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 514. Resolution providing for the consideration of H. R. 2767, a bill to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records; without amendment (Rept. No. 1571). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 515. Resolution providing for the consideration of H. R. 5124, a bill to authorize the Interstate Commerce Commission to prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of power or train brakes; without amendment (Rept. No. 1572). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 516. Resolution providing for the consideration S. 3262, an act to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes; without amendment (Rept. No. 1573). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DURHAM: Committee on Armed Services. H. R. 9362. A bill to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars; with amendment (Rept. No. 1566). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. CHURCH:

H. R. 11657. A bill to amend the Railroad Retirement Act of 1937 to eliminate the requirement that a husband or widower have been dependent upon his wife in order to qualify for a spouse's or widower's annuity on the basis of her wage record; to the Committee on Interstate and Foreign Commerce.

H. R. 11658. A bill to amend title II of the Social Security Act to eliminate the requirement that a husband or widower have been dependent upon his wife in order to qualify for husband's or widower's insurance benefits on the basis of her wage record, and for other purposes; to the Committee on Ways and Means.

By Mr. DELLAY:

H. R. 11659. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. HOFFMAN:

H. R. 11660. A bill to exempt certain employers from the tax imposed for 1958 under the Federal Unemployment Tax Act if such employers were not subject to such tax for 1957; to the Committee on Ways and Means.

By Mr. MCCARTHY:

H. R. 11661. A bill to reduce the manufacturers excise tax on self-contained air-conditioning units; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 11662. A bill to provide for the grading of meat and for informing the ultimate user of such grade; to the Committee on Agriculture.

By Mr. SIKES:

H. R. 11663. A bill to amend the act of September 2, 1957, to provide that benefits under that act will be payable on account of certain advancements in rank occurring prior to July 1, 1932; to the Committee on the Judiciary.

By Mr. UDALL:

H. R. 11664. A bill to amend the laws relating to the execution of contracts with Indian tribes; to the Committee on Interior and Insular Affairs.

By Mr. BYRNE of Illinois:

H. R. 11665. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mrs. GRANAHAN:

H. R. 11666. A bill to establish certain requirements with respect to the employment of barbers and beauticians in or under the executive branch of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. HOLT:

H. R. 11667. A bill to provide a program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. MCCORMACK:

H. R. 11668. A bill to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MCDONOUGH:

H. R. 11669. A bill to exempt from the Federal income tax income received by individuals who have reached age 65 if their adjusted gross income does not exceed $3,500 in the case of married couples or $2,000 in the case of single individuals; and to increase all personal income tax exemptions from $600 to $800; to the Committee on Ways and Means.

By Mr. MACDONALD:

H. R. 11670. A bill to authorize the construction of a nuclear-powered icebreaking vessel for operation by the United States Coast Guard, and for other purposes; to the

Committee on Merchant Marine and Fisheries.

By Mr. WAINWRIGHT:

H. R. 11671. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

By Mr. WILLIAMS of New York:

H. R. 11672. A bill to amend the Mutual Security Act of 1954 to prevent unfair competition to domestic industries from surpluses sold by receiving countries; to the Committee on Foreign Affairs.

H. R. 11673. A bill to amend the Mutual Security Act of 1954 to prevent unfair competition to domestic industry from importation of firearms; to the Committee on Foreign Affairs.

By Mr. CURTIS of Missouri:

H. R. 11674. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. FALLON:

H. R. 11675. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, and the act approved June 29, 1956 (70 Stat. 374), to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. GAVIN:

H. R. 11676. A bill to amend Public Law 654, 84th Congress, in order to provide an expanded conservation program for wildlife through maximum use of Commodity Credit Corporation surplus feed grains; to the Committee on Banking and Currency.

By Mrs. HARDEN:

H. R. 11677. A bill to establish certain requirements with respect to the employment of barbers and beauticians in or under the executive branch of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL:

H. R. 11678. A bill to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs; to the Committee on Ways and Means.

By Mr. REED:

H. R. 11679. A bill to provide for temporary additional unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 11680. A bill to amend the Servicemen's and Veterans' Survivor Benefits Act; to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H. R. 11681. A bill to reduce income taxes, to increase personal exemptions from $600 to $700, to provide relief for small business, to repeal the taxes on the transportation of property, to reduce the taxes on the transportation of persons, on communications, on automobiles, on automotive parts and accessories, and on radio and television sets, and for other purposes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 11682. A bill to prohibit the withholding or impoundment of appropriations; to the Committee on Government Operations.

By Mr. BLATNIK:

H. Con. Res. 302. Concurrent resolution to provide for printing of proceedings in connection with the unveiling of the Maria L. Sanford statue; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JAMES:

H. R. 11683. A bill for the relief of Rosa Maria Montenegro; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 11684. A bill for the relief of Mrs. Yen Fu; to the Committee on the Judiciary.

By Mr. MACK of Illinois:

H. R. 11685. A bill for the relief of America Sanchez de Chen; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 11686. A bill for the relief of Nora Kaleth Campanella; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

496. By Mr. HORAN: Petition of Mrs. F. W. Henke and other residents of Davenport and Harrington, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television broadcasts; to the Committee on Interstate and Foreign Commerce.

497. Also, petition of Rev. F. R. Schneider and 33 citizens of Davenport and Harrington, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television broadcasts; to the Committee on Interstate and Foreign Commerce.

498. By Mr. NIMTZ: Petition of Melvin L. Moore and 25 other citizens of South Bend, Ind., urging the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

499. Also, petition of Mrs. Edward E. Perkins and 21 other citizens of South Bend, Ind., urging the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

500. By the SPEAKER: Petition of Herbert C. Holdridge, Washington, D. C., for criminal action against the agents of the private corporation of the Federal Reserve bank and its collaborationists; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Education for Peace More Powerful Even Than Atoms for Peace

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, March 26, 1958

Mr. WILEY. Mr. President, last Thursday, it was my pleasure to deliver an address on the theme of what I call Education for Peace.

My audience was a distinguished assembly of citizens interested in what is to be a greatly enlarged experimental school, known as the Daycroft School in Stamford, Conn.

My purpose was, and is, to show that constructive educational experimentation should go on universally—both at home and abroad. We should use education as a mighty force for the purpose of encouraging international understanding and good will.

PROPOSED SCHOOLS IN MOSCOW

I made one particular suggestion in the course of this address.

It was that one or more educational institutions in the United States consider the possibility of submitting plans to the Soviet Government, leading toward the possible establishment of one or more experimental American schools inside Russia, itself, for Russian youngsters.

Such schools in Moscow and/or other Russian centers could represent the very best in the American educational process, as regards curriculum, teaching methods, new teaching facilities and instruments, and in overall approach.

FOUR TYPES OF PROBLEMS

Naturally, I recognize realistically that any such proposal would be very difficult of accomplishment. Four questions should be mentioned at the very outset.

First, the Soviet Government would have to be convinced of the fact that an experimental American primary, secondary, or higher school was intended, as it genuinely would be, for progress in education; not for hostile propaganda or subversion.

A second point we would have to remember is this: Some people might think, in view of all the criticism of United States education itself, that we have nothing to offer to Russia, or anyone else.

The fact of the matter is, however, that there is a great deal in American education of which we may be proud. There are many experimental schools, like Daycroft, in the United States which are pioneering in new curriculums, new methods of teaching, new facilities. They are using closed circuit television. They are using open circuit educational TV stations. They are using electronic classrooms with tape recording private booths.

MUCH AMERICAN EDUCATION ABROAD TODAY

A third question which comes up is as to any precedent for such schools.

The answer is that more and more young Americans are already studying abroad, especially in summer and in late college years. More and more American universities are making cooperative arrangements with universities abroad. There are many American schools abroad now; largely for the education of American personnel, stationed overseas.

RUSSIA HAS TRADITION OF USING FOREIGN PERSONNEL

A fourth question which comes up is as to any precedent in Russian experience, itself, for such a school.

The fact is that there is an old and long tradition of friendly relationships between Russian educational development and educational influences from outside Russia.

When the Russian Academy of Sciences was established back in 1725, and upon the founding of Moscow University in 1755, teachers, professors, and scientists from abroad—especially from Germany, France, and Switzerland—were invited by the Russians to participate in the building up of academic programs.

This tradition persisted for almost 200 years. Early in the 19th century, the Russian Government sponsored study trips to Europe for young teachers trained in the Russian Pedagogical Institute at St. Petersburg.

Of course, with the advent of the Communist revolution, in 1917, the tradition of friendly contact was interrupted.

The Soviet Union later resumed cultural exchanges with foreign countries, but it did so as primarily an instrument for the spread of international communism.

NEW UNITED STATES-U. S. S. R. AGREEMENT

Now the United States and the U. S. S. R. have signed a precedent-making East-West cultural agreement.

It remains to be seen whether the letter and the spirit of the agreement will be carried out as we, for one, earnestly hope it will be.

Here, in education, is presented a marvelous opportunity for fulfilling the great objective of friendship and exchange.

Finally, let me note that in the course of my remarks before the Daycroft Foundation, I pointed out that we do not approach this subject of American schools in Moscow from a standpoint of attitude of superiority.

It is not as if we presume that we know it all about education. It is not as if Russia were in the relatively primitive condition that she was in the days of the czars when she felt she had so much to learn from western advances.

But the fact is that a sound example of American goodwill in schools in Russia might become, in effect, a radiating center of understanding and student friendship.

I send to the desk now the text of my Daycroft address and ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am privileged and honored to join with you in this fine occasion.

It is always an inspiration to join with builders when a new edifice is to be begun.

Tonight, we have assembled to help build not simply an inspired edifice of glass and steel and stone. It is not simply a 10-story tower, marvelously conceived from an educational and architectural standpoint.

For the new physical plant at Daycroft will be all this, and more.

What you will be helping to construct is an edifice of the spirit, where man discovers more of himself and the world about him.

From this lighthouse, literally and figuratively, will, we trust, emanate a beacon of understanding. It will be a beacon to a brighter tomorrow—a beacon through the darkness, wherewith man can remove that which obscures his vision.

The poet Dante has written, "Give light, and the people will find the way."

And it was another great spirit, Goethe, who on his deathbed had left this mortal world with the plea, "More light."

Tonight, we assemble to seek more light so that we may illuminate the path ahead in this age of space, this age of the atom, this age of the jet.

BOTH PUBLIC OFFICIALS AND PRIVATE CITIZENS MUST ACT

It is fitting that the board of trustees announces this evening the plans for the new and enlarged Daycroft School.

For this action indicates that Americans in private life are sensing the awesome challenge which confronts them. It is the challenge to match our progress in the physical realm by progress in the educational and in the spiritual.

It is well and good to remember that we, in public life, we who are privileged to serve in the legislative or executive branches of government, must come to grips with the hard-core problems of our times. We must meet head-on the military, political, social, economic, and moral problems of this age, at home and abroad.

We members, for example, of the Outer Space Committee of the Senate, and our House counterpart, must outline policies which will assure American leadership in the race for outer space.

We members of the Senate Foreign Relations Committee and our House counterpart must advance United States mutual security policies which will assure American leadership and partnership with the Free World.

But despite all the work which we, in public life may do, we might fall short of our goal without your help. We need leadership from you, in private life—you businessmen, you educators, you leaders in the world of communications, in advertising, public relations, the professions, and all the other diverse fields represented here tonight. Unless you take the initiative, side by side with your public servants—searching, seeking to open the door to the wonder world of tomorrow, then, we may not succeed.

WE DARE NOT PASS THE BUCK

To pass the buck in this age is to pass up a golden opportunity.

This is a golden age. But the age of the intercontinental missile is also an age of universal peril.

Never before has it been more important that you and I, that every American put his hand and his heart to the constructive tasks which he, in his own role, can fulfill.

No American can afford today to say, "Let George do it." No American can pass the buck or the blame to anyone else. Each must contribute to the wisdom, the good will and the faith necessary to find the solution to the greatest of all world problems—the maintenance of the peace, the avoidance of world war III, the preservation of civilization.

We must see to it that we never have to use the terrible weapons of destruction that the physicists and chemists have brought into being.

Who will see to it? You and I must see to it. Every official—and every citizen—in Washington and in Hartford and in Albany and Harrisburg and Boston must see to it.

Every man must put his shoulder to his own wheel.

The Congress cannot expect the President to do the Congress' work for peace, nor vice versa.

The educator cannot pass the buck to the parent, nor the parent to the educator.

The executive who has been successful in private business cannot pass the buck to the scholar, nor can the latter fail to fulfill his practical responsibilities.

THINKING CAN TURN FLANK OF HISTORY

Every man and woman must think through the challenge which he or she, as an individual citizen of the United States of America, faces.

It is the process of thinking itself which will provide the answers to the great problems of our time.

It was a wise man who has said: "Beware of a thinker. He may turn the flank of history."

It was Des Cartes who said: "I think. Therefore, I am."

It was a more modern-day leader of French letters who said: "I revolt. Therefore, I am."

He meant the revolt against any tyranny over the mind of man.

THE AGE OF DISCOVERY

The Communists have long since sensed that the 20th century is a century of revolution.

It embraces the revolution of colonialism against imperialism, the revolution of the darker races against the heretofore supreme white race.

It is a revolution of the underprivileged against those who had ignored their responsibilities to the homeless, the jobless, the rootless.

But the 20th century is also the age of exploration.

Man has reached greater heights and plumbed greater physical depths; man has discovered more within this century than perhaps in all the 19 centuries of the Christian era which have gone before.

But man's discoveries have unfortunately still been largely in the physical fields, the material fields.

Man has discovered laws and forces which had been awaiting his unlocking all these centuries. The laws and the forces have existed since the dawn of time, but man has heretofore been blind to them.

The forces of electricity and of atomic power have always existed.

The laws by which man could escape his own planet and literally reach for the stars have always existed. But only now has man been able to find the key to these laws.

REDISCOVER THE SPIRITUAL LAWS

It is for us, however, now to discover, or rather to rediscover, particularly the spiritual laws which had been understood in Biblical times, but which man himself had for so long forgotten.

It is by these spiritual laws or forces that man can achieve the happiness, the fulfillment, the beauty, the harmony, the health which are his.

They are the laws by which the all-knowing, all-powerful, all-seeing Creator, God, guides this universe for good.

A SCHOOL TO BREAK THROUGH OLD BARRIERS

Where else but in a school can this very process of discovery and rediscovery, of exploration, and of thinking be nourished and fostered?

We need new "breakthroughs" in American education as much as we need "breakthroughs" in individual sciences.

Here in Connecticut, Daycroft can be and will be a "breakthrough" school—cracking the barriers of outmoded concepts and techniques.

Within the classrooms, the laboratories, the library of Daycroft, students will be discovering the laws of nature, and through spiritual understanding, the good, the spiritual forces that we are now largely unaware of.

Daycroft, or any similar nobly conceived institution can be a revolutionary force, in the finest sense of that term. I mean a force like other great historical innovations—the first kindergarten in America, a force like the first adult education school, or any of

the other great "firsts" on the American educational scene.

THE CRUCIAL QUESTIONS, "WHY?" "WHY NOT?"

The key to improved education is, of course, bold, thinking leadership. The thinking leader is the man or woman who asks and answers the questions: "Why?" and "Why not?"

If you will look back at all the great discoveries of history, you will find that the inventors, the experimenters, instead of accepting the existing order of things, asked "Why?" and "Why not?"

If something better can be found, why accept outmoded concepts?

If students can be taught better by tape recordings or filmstrips or closed circuit television, why not? If students can grow more with new-type textbooks, with new concepts of discipline and self-discipline, with new systems of school grades and school credits and school curriculums, why not?

That does not mean that there should be change for change's sake. But it does mean that thinking leadership must not be slaves to the educational practices of the past. We must use the very best which the past has to offer, but it is not necessarily the final word.

A RACE BETWEEN EDUCATION AND CATASTROPHE

The famous author, Mr. H. G. Wells, with his keen sense of prophecy, once said "Civilization is a race between education and catastrophe."

Never has this been truer than today.

Each day's news confirms that we must either educate ourselves to higher levels of thinking, or, possibly, fall victim to the very instruments of destruction which we are creating.

In too many places, the assumption is that the differences between the United States and the U. S. S. R. will be solved one way or the other in the immediate future. That may not be the case.

The world has already lived with one generation of aggressive communism.

We may find that we will have to live one, two, three, or many more, generations with communism. In other words, we must be vigilant for the present, but we must be vigilant as well for the long pull.

So, we must turn our thoughts toward preparing, not simply this generation, but the next generation, and generations beyond, for East-West competition.

ATOMS, SCIENCE, NOW EDUCATION FOR PEACE

I am going to be very specific.

In 1953, President Eisenhower delivered his history-making atoms-for-peace speech before the United Nations General Assembly.

This year, he has presented the dramatic concept of science for peace.

This evening, I submit to you that what this world needs is education for peace.

The schools of the United States, and the schools of every other nation of the world, should dedicate themselves to this greatest of all tasks: educating tomorrow's generations for the preservation of civilization.

Education for peace can be more powerful even than atoms for peace.

Why?

Because the mind—the brain of man—is even more powerful than the atom.

But I refer to far more than the material gray matter. I refer to the immortal spirit, the spark of the divine, which is within each of us. Demosthenes phrased it this wise: "What we have in us of the image of God is the love of truth and justice."

But now, let's get down to further cases.

ESTABLISHING AMERICAN SCHOOLS IN MOSCOW

As much as a new beacon of American education is needed here in Connecticut, or anywhere else in the United States, such a beacon is needed even more in one particular place.

I refer to Moscow in the Union of Soviet Socialist Republics.

And so, I should like to propose tonight that several American educational institutions—at primary, secondary, and higher levels—consider the concept of establishing, with the consent of the Soviet Government, experimental branch centers in Moscow, and possibly in other leading Soviet cities.

I should like to see American educational institutions develop plans for submittal to the Government of the Soviet Union whereby the best in the American teaching process would be made available, if only as pilot projects, inside the U. S. S. R.

Already there are many American schools abroad. These schools are attended by youngsters of American diplomatic, economic, and military personnel. Often these schools are flooded with applications from foreign students as well. Many are admitted to the limit of capacity.

In addition, United States universities are beginning to establish branches abroad.

What I am proposing are United States educational lighthouses inside the U. S. S. R.

But let me make this point clear.

COMPETITIVE COEXISTENCE INSIDE MOSCOW

My aim is not propaganda, for it would be neither feasible nor desirable that this concept or the whole idea of education for peace be used as a propaganda tool.

My aim is simply to send word to the Soviet teaching profession, to Soviet intellectuals, Soviet students, that educators and interested laymen in the United States would like respectfully to explore the possibility of establishing centers of experimental learning for Russian students inside the U. S. S. R.

Such schools would not be intended for use against the Soviet system, against Soviet education, the Soviet Government, or the Soviet way of life.

Rather, their purpose would be to demonstrate in action that the United States is interested in friendly, productive relations with the present and future generations of Russia.

Let there be a model of competitive coexistence of educational ideas right inside Moscow.

IN THE EAST-WEST "THAW," THERE IS HOPE

If this idea seems impractical; if you think it would run into a stone wall of Soviet opposition, let me say this: We must leave no stone unturned to try to reach the minds and the hearts of the Russian people.

We must do so by the living example of good deeds, inspired deeds, selfless deeds.

Let the word spread to the four corners of the Soviet Union that the people of the United States, as friends and neighbors in this air age, are thinking of the well-being of Russian youngsters, as we would like them to think of the well-being of children elsewhere.

We have just signed a United States-U. S. S. R. cultural exchange agreement. Perhaps, in the present warmer climate, in the present "thaw," this proposal, which in Stalin's era would have been doomed, might have a chance.

I propose that we seek to establish such educational branch centers, as equals and not in a spirit of condescension, a spirit of haughty superiority.

Soviet education has proven its technical laurels; Russian inventors and scientists have won too many honors for Americans to think that we have a monopoly on intellectual brilliance.

Rather, I make this proposal because we, too, are groping for new truths; we are experimenting, we are applying the trial-and-error process.

But there is more than this to Education for Peace. We need to exchange more teachers and scholars. We need to develop the fuller potentialities of UNESCO—the United Nations Educational, Scientific, and Cultural Organization.

And here, at home, at Daycroft and elsewhere, we need to strengthen our own United States schools.

THE MISSION OF DAYCROFT

The students of Daycroft will, in this, the greatest age of all time for thinkers, master the one technique which we must all have—the capacity to think.

I mean to think clearly; to rid the mind of the fog of intolerance, the fog of fear, envy, jealousy, which confuses and confounds; and thus to leave the mind free to discover, to adventure, to discriminate, to create, to contemplate, to consecrate.

Yes, this Nation needs thinkers—clear, exploratory thinkers, and sound men of action.

We need such thinkers in every walk of life. We need them in government, in military science, in business, in labor, in the professions, in education.

THE CENTRIFUGAL AND CENTRIPETAL FORCES

We need boys and girls, men and women, who will sense the need for unifying action.

You know that great physicists now seek a unified field theory—a theory which will explain all the physical laws of the universe.

But even more, we need to halt the disintegration process on this globe.

In physics, there are, as you know, the centrifugal force which flies from the center out, and the centripetal which whirls inward toward the center.

What we need is to unite men, just as the Kremlin seeks to divide them.

Look about you, and see all the divisive forces at work.

DIVISIVE FORCES AT WORK

North Africa is in flames. France is racked with dissension. There is civil war in Indonesia, guerrilla warfare in Cyprus, inflation in South America. Yes, there is recession in the United States, Canada, and elsewhere.

There is maldistribution of wealth in many countries. There are territorial disputes between India and Pakistan and Afghanistan. There is feuding between the two new Arab Federations and between the Arab world and their neighbor in the Holy Land.

In my own State, there is a strike which has dragged on for 4 bitter years. In the South, there is racial tension. In the North, there are diverse urban pressures.

These are the centrifugal influences at work, tearing apart.

SOVIET DISINTEGRATIVE TECHNIQUE

Everywhere in the globe, we behold the Soviet Union aggravating such centrifugal forces.

Since the end of World War II, Russia has both centralized its own empire and sought to disintegrate the Free World. Its regime of 200 million has been expanded by conquest and subversion, to 900 million, including the 600 million slaves of Red China.

Meanwhile, Soviet agitators, propagandists, saboteurs, salesmen, are at work, especially among the 1 billion people in the Asian-African-Middle East world.

Everywhere the Red technique is to penetrate, undermine, and tear apart existing government, labor organizations, businesses, religion, military forces, and other institutions.

UNIFYING NATO, SEATO, OAS

What alternative do we have but to counter these disintegrators with unifiers to counter the destroyers with the builders?

The U. N. must be made more effective, for example, by establishing a permanent International Police Force, such as now patrols the Holy Land.

NATO must be revitalized.

SEATO must be made more fruitful in works.

The Organization of American States must be made still more meaningful in deeds.

Everywhere, there must be developed a greater unity of spirit in these and other organizations.

There should be a United States of Free Europe.

There should be a common market in Latin America; beginning, perhaps in Central America.

Why not?

But how can we achieve all this?

By better understanding. And that means better education, of course.

THE NEED FOR THE INTELLECTUAL

What we need is a rebirth of the human spirit which will explore beyond the present horizons.

We need new thinkers who will turn the flank of history. The man in a mental rut will never get this country out of a perpetual stalemate with the Soviet Union. The man in the mental rut will never solve the problem, in the economic field, of cyclical boom and bust or any of the other American problems—racial, political, social, or otherwise.

I am confident that we will be able to develop more of that type of thinking which is so essential to open up the new world, which is waiting to be discovered.

CHALLENGING CONFORMITY

Columbus was such a thinker. He sailed over uncharted seas. He challenged the old order concept of a flat earth—which, to that time, had been universally held as a dogmatic belief.

Herbert Spencer spoke of the period, several centuries ago when there was uniformity of belief.

He said, "Scientifically all men believed in the teaching of Aristotle. Religiously, all men were Roman Catholics. Politically, all men believed in a monarchy. Then, a new world opened up to humanity when it was discovered that in all things—religious, political, and scientific—every man was to be his own philosopher and, if need be, his own priest."

Our forebears were nonconformists. They boldly opened up a new world—literally and figuratively. They divided political power—for the first time—into three branches of government.

When I look out of my window in the Senate Office Building in Washington, I can see a monument dedicated to a man who challenged the old order. He met a whole series of crises at the birth of this country which, in many senses, were as difficult as ours.

But in the time of Washington, there were thinker-doers like himself who proved more than adequate to their task.

They included many men of letters.

INTELLECTUALS AMONG FOUNDING FATHERS

Let us never forget that, included among the greatest of the Founding Fathers were indeed—so-called intellectuals, so-called eggheads.

The well-educated Jeffersons, the Madisons, and others were just as essential—or more so, as the unlettered minutemen who shouldered their rifles at Concord and Lexington.

And likewise, when I look through the window of my Washington office, I can see a memorial to a man who was a thinker-doer, virtually without formal education.

The Great Emancipator did not have closed-circuit television to educate him. He had candle-light by which to pour over the Bible and his other few books.

But self-taught, moulded by the adversities of life, the man of Salem and Springfield emerged perhaps to the highest stature which any single American in our history has ever attained. He was a thinker, and he was a doer.

WHAT THE SAM SMITHS AND TOM JONESES CAN DO

And so we see the need for the men of every sort of intellectual attainment. We see the need for men and women, too, who may never have statues built in their honor, but who will help make it possible for true leaders to serve this country's destiny.

For the average American, the garden-variety American, the Sam Smith's and Tom Jones', who make up most of the 173 million of us, have just as important a role, as the leaders of thought and action.

Napoleon said that every "soldier carries a marshal's baton in his rucksack." Every citizen carries with him the future of his country.

Every citizen must learn to think and to do—to the extent that he can in his own particular field.

ADDING TO THE ONE ANGLO-UNITED STATES SCHOOL IN MOSCOW

There is a job to be done in Stamford, a job in Washington, and a job in Moscow.

There, in the capital of Russia, today, is but one Anglo-American school—for the youngsters of parents in the British and American Embassies.

Who knows if education for peace may one day enable American schools to be established there, along the very lines which you are pioneering tonight.

CONCLUSION

It has been a great privilege and pleasure to be with you tonight.

I am sure that your efforts will reach fruition.

I am sure that you will build here an edifice of which you, yourselves, will be proud, and in which your loved ones may take great pride.

But more important than the physical plant that you will be building are the intangible values to which you are contributing.

You will be building men and women—explorers, achievers of breakthroughs. You will be enabling youngsters to grow to their greatest potentialities.

So, let this beacon shine forth from the lighthouse.

Statehood for Alaska

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 26, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD an article written by Mr. Fred A. Seaton, Secretary of the Interior, relative to his hopes for early statehood for Alaska.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEATON HOPES FOR EARLY STATEHOOD FOR ALASKA

(By Fred A. Seaton, Secretary of the Interior)

WASHINGTON.—The Eisenhower administration is wholeheartedly supporting proposals that Congress during its present session grant statehood to the Territories of Alaska and Hawaii. I very much hope we can marshal sufficient bipartisan support in Congress to achieve this objective.

Although the battle for statehood for Alaska and Hawaii has been going on for many years, it appears that prospects for success are brighter now than ever before. There is increased public understanding in the United States of the facts concerning the two Territories, and a consequent increased public demand that both be admitted to statehood.

While the decision is one solely within the power of Congress to make, I hope the statehood bills will be kept separate so that each of the Territories can be judged on its own merits by Members of Congress.

This year, the Congressional leadership apparently believes the case of Alaska should be considered first. While I have no objection to that, I do believe it is both desirable and fair that the leadership give public assurance that Hawaiian statehood will be brought up for a vote in both Houses immediately following consideration of the Alaska bill.

Fear that Alaska would not be considered was one of the considerations which prompted the Senate to vote to join the 2 bills in 1954. That action tolled the death knell for any hope for statehood in that session of Congress.

HISTORY MAY REPEAT

To combine the bills in this session would probably have the same undesirable effect. Yet, it is understandable that unless the friends of Hawaiian statehood are assured of consideration for their bill soon after Alaska history may repeat itself.

In this year's budget message the President again voiced his complete support for statehood for both Territories. In action consistent with the President's request and the platforms of both major political parties, the Department of the Interior has done everything it can to further the cause of statehood for both Alaska and Hawaii. Statehood for either, I firmly believe, should be a nonpartisan subject. Partisanship in this area of debate serves no good purpose; it can only cloud the real issues and hinder constructive efforts to deal with them.

REGARDLESS OF PARTY

Simple justice demands that both Territories be admitted to the Union now.

As for myself, I haven't the slightest concern about who, or which political party, may get credit for Hawaiian or Alaskan statehood. Whether Republicans or Democrats, the people of both Territories are Americans, and they are entitled to full citizenship. I know of nothing in the Constitution of the United States which gives preference to one political party or the other, or, more importantly, sets up political party affiliations as a test of fitness for statehood.

My travels in Alaska as Secretary of the Interior have strengthened by earlier view, expressed as a Member of the United States Senate in 1952, that Alaska is ready for admission to the Union, and that the majority of its people earnestly want statehood at the earliest possible moment.

TIME FOR ACTION

The arguments for admission of Hawaii are equally persuasive; the objections are equally timeworn.

This is the year to end the long frustration of the hopes of the people of the two Territories. Both Alaska and Hawaii are more than able to pay their way as full-fledged members of the Union. As never before, we have reason to expect they will soon be able to do so, as the 49th and 50th American States.

Unemployment Compensation

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1958

Mr. DENT. Mr. Speaker, I would like to call to the attention of the House that the time has come for an all-out support for increasing unemployment insurance benefits and the extension of the duration and the coverage of same. Thousands upon thousands of unemployed workers in Pennsylvania and other States have already exhausted their benefit rights under existing law. Many more thousands daily face the same prospect. Countless others unemployed in this and other States are without unemployment insurance protection, casting them upon the State and the community for any relief from their economic distress. Remedy of this situation by State legislatures is virtually impossible until after January 1959. Congressional action is urgently needed now. I urge that you support a flat increase in duration rather than the establishment of one uniform period for all States. Likewise, I urge your support for a unilateral Federal increase above benefit levels rather than establishment of a fixed amount for all States.

Time is running out for action on this serious situation. I believe that the citizens at home ought to have before them a schedule of the different weekly benefits, duration of benefits, assessments against payrolls and other pertinent information in order that a decision when it is made is based upon the true economics of the situation rather than upon a desire to win public political support. I would like to read and present a few of the weekly benefits from the following table for the information of the citizens at home.

Unemployment insurance under State laws, Jan. 1, 1958

State or Territory	Average weekly benefit paid for total unemployment, January–June 1957	Maximum weekly benefit	Average weekly wages in covered employment, 1956	Maximum weekly benefit as a percentage of average weekly wages		Duration of benefits	Percentage of claimants who exhausted benefits, July 1956–June 1957	Average employer tax rate, 1957 (percent of taxable payrolls)	Concurrent supplementary unemployment benefits allowed
				1957	1939				
United States	$28		$81				22	1.3	
Alabama	20	$28	65	43	57	11.7–20	36	1.1	Yes.
Alaska	37	$45 to $70	138	33	41	15–26	15	2.7	No issue.
Arizona	26	$30	81	37	61	10–26	20	1.3	Yes.
Arkansas	20	$26	55	47	95	10–18	33	1.1	Yes.
California	29	$40	90	45	50	15–26	13	1.4	Yes.
Colorado	28	$35	80	44	62	10–26	21	.5	Yes.
Connecticut	30	$40 to $60	86	47	56	8.6–26	23	1.2	Yes.
Delaware	31	$35	90	39	58	11–26	25	.8	Yes.
Washington, D. C.	26	$30	77	39	59	11.5–26	35	.7	Yes.
Florida	21	$30	67	45	81	5–16	42	.7	Yes.
Georgia	22	$30	63	48	87	20	33	1.2	Yes.
Hawaii	25	$35	62	57	85	20	19	1.0	No issue.
Idaho	28	$40	73	55	82	10–26	25	1.3	No issue.
Illinois	29	$30 to $45	90	33	56	10–26	20	1.0	Yes.
Indiana	26	$33	85	39	58	5.6–20	38	1.0	No.
Iowa	26	$30	74	41	67	6.7–24	35	.5	Yes.
Kansas	27	$34	76	45	66	8.4–20	27	1.0	Yes.
Kentucky	24	$32	71	45	69	26	26	2.0	Yes.
Louisiana	22	$25	72	35	90	10–20	38	1.4	Yes.
Maine	20	$33	66	50	74	26	16	1.6	No issue.
Maryland	27	$35 to $43	74	47	65	26	17	1.0	Yes.
Massachusetts	30	$35 and up	75	47	57	7.1–26	20	1.6	Yes.
Michigan	34	$30 to $55	97	31	53	9.5–26	26	2.0	Yes.
Minnesota	25	$38	79	48	62	18–26	20	1.0	Yes.
Mississippi	20	$30	55	54	97	20	24	1.7	Yes.
Missouri	22	$33	78	42	61	12.5–26	20	1.0	Yes.
Montana	25	$32	75	43	60	22	20	1.3	Yes.
Nebraska	25	$32	70	45	66	9–20	35	.9	Yes.
Nevada	32	$37.50 to $57.50	86	44	57	10–26	21	2.0	No issue.
New Hampshire	23	$32	67	48	70	26	13	1.6	No issue.
New Jersey	32	$35	87	40	55	13–26	26	1.7	Yes.
New Mexico	25	$30	74	41	73	12–24	22	1.2	No issue.
New York	30	$36	89	41	51	26	11	1.7	Yes.
North Carolina	18	$32	60	54	89	26	18	1.4	No.
North Dakota	27	$26 to $35	68	38	69	20	21	1.4	Yes.
Ohio	32	$33 to $39	89	37	54	9.2–26	16	.7	No.
Oklahoma	25	$28	76	37	61	6.7–26	41	1.0	Yes.
Oregon	31	$40	84	48	53	12.9–26	19	1.4	Yes.
Pennsylvania	28	$35	78	45	60	30	17	1.5	Yes.
Rhode Island	27	$30	70	43	70	7.9–26	30	2.7	Yes.
South Carolina	21	$26	58	45	99	10–22	35	1.1	No issue.
South Dakota	23	$28	67	42	69	5.7–20	38	.9	No issue.
Tennessee	21	$30	66	45	78	22	33	1.7	Yes.
Texas	23	$28	75	37	65	8–24	38	.7	Yes.
Utah	29	50 percent	74	50	70	15–26	19	1.3	Yes.
Vermont	23	$28	68	41	66	26	17	1.3	Yes.
Virginia	21	$28	66	42	74	8–18	31	.5	No.
Washington	30	$35	84	42	57	12–26	20	2.3	Yes.
West Virginia	22	$30	82	37	59	24	13	1.0	Yes.
Wisconsin	30	$38	83	46	55	10–26½	40	1.1	Yes.
Wyoming	29	55 percent to 55 percent plus $6...	74	55	78	12–26	27	1.1	Yes.

You will note that most of the plans call for a specific duration period either percentagewise or a fixed number. Personally I believe that the sound method of approach would be that Congress use a base with a minimum duration schedule sufficient to carry over the serious period immediately ahead. My suggestion would be a minimum of 40 to 45 weeks with a minimum payment to be no less than two-thirds of the average weekly earnings with a minimum of $25 under any conditions. However, all States would be compelled to reach an equalization in payroll assessment before being permitted to assess the general public in a general tax for this purpose. If you will note the schedule immediately preceding this paragraph you will note that some States have a payroll tax as low as five-tenths of 1 percent while other States hit the maximum of 2.7 percent. I believe it would be eminently unfair to the industry in the higher payroll tax States to be forced through general taxation to pay for States in the lower brackets.

In order to aid recovery I would further suggest that H. R. 10974, which I sponsored early in this session to increase social-security benefits, reduce age limits, and open the road for retirement of older workers, be favorably considered.

Coupled with an amended liberalized unemployment compensation bill, this social-security bill will start the first real move toward the solution of the problem of the aged worker in America. For too long, we have discussed, studied, investigated, made reports, but have failed to put into effect concrete action to alleviate the situation. I think this Congress has a moral duty to immediately set to work in the fields I have just covered.

The Grave Situation of the American Plywood Industry

EXTENSION OF REMARKS
OF
HON. PRINCE H. PRESTON
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. PRESTON. Mr. Speaker, the following statement, which I made to the House Committee on Ways and Means, contains some statistics showing the grave situation the American plywood industry finds itself in due to Japanese imports. These figures should interest all Members of the House who believe in affording some measure of protection so badly needed by American industries being adversely affected by reciprocal trade agreements:

Mr. Chairman and members of the committee, I feel it a privilege as well as a grave responsibility to appear before this committee to discuss the problems of one of the important enterprises within my district in relation to our foreign trade policy. Concerned as we all are with the maintenance of a strong economy, it is incumbent upon us to consider well the impact of our international trade programs upon domestic industries that have served this country well for generations.

The industry to which I refer is the hardwood-plywood industry, manufacturing veneers for use in home construction, furniture, millwork, and many other commercial and industrial purposes. The hardwood-plywood industry has suffered serious economic reverses owing to the present administration of our foreign trade policy, to the extent that in the foreseeable future this industry will cease to operate in domestic production unless decisive remediable action is taken.

To document the damage done by foreign competition, may I cite a few statistics which will illustrate the problem. The use of hardwood plywood in the United States has skyrocketed from 869 million square feet in 1951 to 1,630 million square feet in 1957, for an increase of 87 percent. In spite of this favorable market, domestic industry shipments registered an actual decline of 3 percent comparing the years 1951 and 1957. On the other hand, imported hardwood plywood, chiefly from Japan, has risen from 64 million square feet in 1951 to 850 million square feet in 1957, for a staggering increase of 1,200 percent. To put it another way, in 1951 domestic producers accounted for 93 percent of the market in 1951 and now account for only 48 percent. In 1951, Japan provided only 1 percent of the domestic consumption, but in 1957 provided 42 percent of domestic consumption. Perhaps an even better indicator is the marked reduction in profits by domestic producers during the same time period: from 12.26 percent in 1950 to 5.75 percent in 1955 to 2.4 percent in 1957.

The reason for this radical alteration in the domestic market is simple and clear: Unreasonably low prices based on low-wage labor in Japan. While the average unit labor cost in the United States is $38.50 per 1,000 square feet, the average unit labor cost in Japan is $4.17 per 1,000 square feet. On this basis Japanese imports have seriously disrupted domestic industry and, through continuing expansion, threaten to drive the domestic producers out of production entirely. Operating through a cartel, Japanese plywood exporters have increased plant capacity 400 percent since 1951 and continue to expand, virtually threatening to dump this increased output on the American market unless some restrictive agreement or legislation is written to prevent this flood of cheap plywood products from entering the United States.

Frankly, I do not have much faith in agreements dependent entirely upon the good will of the foreign governments or even on the judgment of administrative agencies of our own Government. In this regard, I fear that the Congress has been excessively willing to abdicate its primary responsibilities in this field. Japan agreed in 1955 to restrict its exports to the United States and violated that agreement by exceeding its own quota in every year following. After the industry applied for relief under the escape clause in September 1954, the Tariff Commission in 1955 denied relief in spite of the fact that the industry qualified under every section of the statute. Owing to the timing of the decision, one cannot help feeling that the domestic industry was sacrificed to prevent embarrassment to the State Department in the negotiation of general trade agreements. Furthermore, the President has frankly stated that he opposes import restrictions on industrial products.

There are two suggestions I would like to make regarding protection of the hardwood-plywood industry and other industries similarly situated. A simple increase of the duties on plywood would not solve the problem even if they were to rise to 100 percent since the Japanese prices are so low. Such increases would have the collateral effect of eliminating all other foreign producers from our markets. The only reasonable approach, therefore, is the application of an import quota designed to allow the domestic industry to maintain a fair share of the market. It should be noted that such quotas are in effect already in relation to some products which threaten American industry, and an application of such a quota to hardwood plywood would constitute only an extension of this practice.

In the long run, it is my confirmed opinion that adequate recognition of the needs of domestic industry will not be obtained until the Congress rescinds its almost complete delegation of authority to the executive branch to negotiate trade agreements. At the very least, Congress should exercise a veto over trade agreements in order that American business receive fair consideration. It is anomalous that Congress should evidence its concern for small business by many legislative measures while allowing the executive branch to enter into agreements which effectively curtail the operations of small business.

May I express my gratitude for the opportunity to appear before your committee today. I am certain that the Ways and Means Committee and the Congress will recognize the plight of the hardwood-plywood industry and other industries having like difficulties, and will take action to ameliorate their condition.

Fortieth Anniversary of the Declaration of Independence of Byelorussia

EXTENSION OF REMARKS
OF
HON. JOSEPH W. MARTIN, JR.
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. MARTIN. Mr. Speaker, this date marks the 40th anniversary of the declaration of independence of Byelorussia.

Like many of its eastern European neighbors, this nation which proudly proclaimed its independence 40 years ago, is held captive by Soviet Russia. Its people are not free, as they would be, if they were governed by their own will and desires.

But the observance of this anniversary serves a useful purpose. It points out the fact that here is a people, one of numerous small nations which would throw off the yoke of Soviet despotism if they could.

The love of freedom and democracy still lives in the hearts of the men and women of Byelorussia. On this anniversary of their declaration of independence, it is appropriate for us to let them know that we in free America are thinking of them, that they have our sympathetic understanding and our moral support in their aspirations to be free. If they keep up their faith and courage, as I am sure they will, their dreams will yet be realized.

Deceit, Deception, and Duplicity in the Rural Electrification Program

EXTENSION OF REMARKS
OF
HON. WILLIAM E. PROXMIRE
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Wednesday, March 26, 1958

Mr. PROXMIRE. Mr. President, this week one of the best and truest friends of rural electrification and the farmers of America delivered a great speech in the capital city of Wisconsin.

The senior Senator from Tennessee [Mr. KEFAUVER] is no stranger to Wisconsin. Twice he has been the overwhelming choice of the people of Wisconsin for the Democratic nomination for President of the United States. He has visited us many times, and his fine record of service to the people of all the United States—the farmers, the small-business men, the working people in mine, mill, and shop—has gone ahead of him. The people of Wisconsin love Senator KEFAUVER. I only regret that I was unable to be with him personally on his latest visit.

In his address Monday, which was delivered to the 22d annual meeting of the Wisconsin Electric Cooperative, the senior Senator from Tennessee reviewed the dangers that confront the REA cooperatives in this period of economic recession, efforts to raise interest rates, and curtailment of programs to conserve and develop our natural resources in the interest of all Americans.

Mr. President, I ask unanimous consent to have this address by the distinguished Senator from Tennessee printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

DECEIT, DECEPTION, AND DUPLICITY

(Speech by Senator ESTES KEFAUVER, Democrat of Tennessee, delivered at the 22d annual meeting of the Wisconsin Electric Cooperative, Madison, Wis., Monday, March 24)

I have very pleasant memories of the great State of Wisconsin. I have been here

many times. And every time I have come I have received a warm and friendly welcome.

I have enjoyed serving in the Senate with BILL PROXMIRE. I want to thank you for sending him to Washington. The REA program has no better friend than Senator PROXMIRE. He is working tirelessly for the benefit of all the farmers, and REA is one of the topics which he is most familiar and concerning which he is most effective.

I served on the Judiciary Committee with Wisconsin's senior Senator, ALEXANDER WILEY. Although we are of different parties, I want to pay tribute to him as a supporter of REA.

It is good to be with Gaylor Nelson. He is a man who is really devoted to this State and the progressive principles for which it stands. Gaylord Nelson tirelessly serves the cause of good government. I am always grateful for the work he did in the last two Demorcatic conventions—I am proud to have a friend like Gaylord Nelson.

In particular I am glad to be here at this meeting of the Wisconsin Electric Cooperative. Since I come from the Tennessee Valley, I have always been interested in the progress that rural electrification has made in Wisconsin.

Many of the people in this audience were pioneers in the REA movement. Their achievements have been of benefit not only to the farm families of Wisconsin, they have contributed to the development of the rural electric cooperative movement all over the United States.

Your programs here, the rural electrification and Federal power programs have done more perhaps to raise the status of farm families from that of second-class to first-class citizenship than any other programs for the benefit of the farmer. I thank you for what you have done for the program in the past. I thank you for the honor of letting me be here with you today.

The REA was one of the most successful programs launched by the New Deal. It has helped to revolutionize life on the American farm. It is so popular with the farmers and those who depend on farmers that no one dares attack the REA directly. Yet it has been attacked before. It is being attacked now.

I suppose that the most direct and brazen attack on REA came in the period of the 1948 presidential election. The resentment of the friends and supporters of REA contributed much to what happened in that election. The farm people of this whole great area turned the tide of 1948.

Since then it has not been prudent for politicians to attack the REA program directly. They do it by subterfuge. Their weapons are deceit—deception—and duplicity.

One thing you must not forget. That is that the Eisenhower administration is implacably against public power in all its aspects. It has been from the first day it took office. It is today.

You must not forget that only the election of a Democratic Congress in 1954—in the midterm of President Eisenhower's first term as President—prevented the piecemeal destruction of the whole public power system.

There were plans to tear the TVA apart. There were plans to turn it in whole or part over to the private utilities.

There were plans to turn the sale of power from the great projects of the West over to the private companies.

There were plans, as you know, to strangle REA cooperatives through high interest rates and tight money.

The administration would have been back at the job this year if the American people had not sensed the danger and carried the Democrats back to power in the Congress in 1956.

But the administration's purpose has not changed one iota.

The revelations about the Dixon-Yates contract set the Eisenhower administration back on its heels. I am glad that I had the opportunity to help drag out into the light some of the facts about that Dixon-Yates contract. I am glad that the deceit—deception—and duplicity which were then revealed brought such a protest from the American people—including, I am glad to say, a great many Republicans—that the dismemberment of the TVA was stopped in its tracks.

The Eisenhower administration seems to think that the public has forgotten about Dixon-Yates by now. It is back at its job of trying to cut the throats of the REA cooperatives.

Back in 1952 General Eisenhower, who was then a candidate for the first time said that "we will support REA programs."

Again in 1956 the President said, "We will continue to strengthen such long-established, indispensable programs as rural electrification and rural telephone service."

And what did President Eisenhower say to you in a wire sent to your great annual meeting in Dallas this year?

He said, "Rural electrification ranks high among the programs helping to make rural America a better place in which to live and work. Members of the REA-financed electric systems, serving as partners with the Federal Government, have contributed much to the strength of their communities across the land."

But at the very same time that message was being read at Dallas, the administration in Washington was drafting legislative proposals which eventually would have eliminated the rural electrification programs we know today.

Your protest about the so-called insured loan fund was finally heard at the White House. It was decided that it could never get through Congress in that form. So the administration tried again. This time it came up with what it calls a revolving fund which sounds nice but which in this case would not be a fund nor would it revolve.

This was calculated to be a very shrewd move. Many people have known for a long time that some REA supporters have in the past advocated a revolving fund to finance the REA program.

Now personally I see nothing wrong with the current way in which the REA program is financed.

I see nothing wrong with the interest rate now being charged to you. You are not being subsidized, countrary to what some of the private power companies have been telling the American people.

What the Eisenhower administration offers you now is something which would apply the good name of revolving funds to a method of financing which would let REA cooperatives soon revolve themselves into the hands of people who would like to hamstring or destroy the present program.

It purports to be a program which would encourage private participation in financing the loan programs. Here again we have the familiar theme of the Eisenhower administration. Whatever it proposes in whatever field seems to end up benefitting the mortgage bankers. The same kind of mortgage bankers who were caught redhanded in the Dixon-Yates mess.

The plan sets up a so-called loan insurance scheme. You still would have to hunt for your money but in case you defaulted the banker would still get his money.

The Secretary of Agriculture would subordinate your present mortgage in order to give the mortgage banker a higher lien on new money advanced.

The Secretary could sell your mortgage—and he could sell it to enemies of the REA program if he wanted to.

The plan provides no leniency. If you fall behind you would be foreclosed.

No refinancing methods are provided. Once stuck with a high interest you would stay stuck with a high interest rate even if cheaper money became available.

The REA administrator to all intents and purposes would be abolished—he isn't even mentioned in the proposed administration legislation. The Secretary of Agriculture—who is Ezra Taft Benson—would take charge of the new plan—with the Secretary of the Treasury standing by his shoulder controling financing and rates.

The plan is rigid. It is stacked in favor of the mortgage bankers instead of the cooperatives. It could lead to bankruptcy of cooperatives, take over of your properties by private utilities, and higher rates for your members.

And I had better say right here that this Eisenhower administration plan is never goin to get through Congress controlled by Democrats. But it shows unmistakably where the heart of the Eisenhower administration really lies—no matter what it says to the contrary.

In no instance when the interests of the people and the interests of the private power companies have clashed has the Eisenhower administration ever decided with the people.

Let us translate this into individual terms and see what all this really means.

Most of you people assembled here are farmers or at least for a goodly portion of your lives you were engaged in farming activities. In 1952, farm income in the United States was $15.1 billion and personal interest income was $12.3 billion. Personal interest income has now risen, from $12.3 billion, which to say the least is quite a bit of money for such a small number of people that receive interest income—to $19.5 billion, which is a 58½-percent increase. At the same time, the farm income has dropped from $15 billion to $12 billion.

Lest anyone be taken in by a recent Department of Agriculture release which showed that per capita farm income rose to a record high last year of $993, let me make this observation.

First of all it is true that per capita farm income had reached an estimated high of $993.

But the interesting point is how this came about.

In my estimation it came about because the farmers of America, have been "Bensonized." Last year some 2 million persons left our Nation's farms due to the administration-Benson farm policies.

So you can see it would be quite possible, as is fact in this case, for per capita farm income to rise while total farm income is falling; all we have to do is make sure enough people leave the farms.

And now the administration wishes to add insult to injury. They are not content in consistently lowering your standard of living but now they want to take your member owned rural electric cooperatives away from you.

We have grown too complacent. We have assumed that by some act of God everything would be all right, and that the rural electric cooperatives and all they stand for—indeed all such people's programs—would grow and prosper without constant or increased cultivation, hard work, and diligence.

As the record of the past 5 years so amply points out, this is a false assumption. It is axiomatic that monopoly interests must destroy all opposition and competition, or else themselves be destroyed. I need not tell you that you are competing against one of the most formidable monopolies that has ever existed in this Nation—the private power monopoly. The weight of power is on their side for they have helped elect the party of monopoly to office.

Your enemies, their pad for lackeys and elected officials, are ruthless. They will stop

at nothing—they will stoop to any depths—to defeat you. They will, as they are doing, spread their fraudulent propaganda through our education systems, and they will, as they have and are doing, by State legislators, State commissioners, and Federal legislators.

And what can we do about it? My answer is take the offensive. And in so doing keep this thought uppermost in mind. The rural electric cooperatives are creatures of politics. You will live and prosper or die as the result of political action. This plan of action I offer you is not novel or unique, but I do suggest that perhaps we should exert a little more effort along these lines.

Certainly you have taken the offensive in many instances, and I would like, in a moment, to mention two of them. But you must be relentless in your actions. Not only must you take the offensive at every opportunity but you must create your opportunities. Pursue your wishes, desires, and aspirations until you have achieved them, for only in this way can you hope to succeed.

In both these specific instances I am going to mention, where you have taken the offensive, I would like to pay tribute to the local rural electric cooperatives, the various statewide associations, and your National Rural Electric Cooperative Association.

At this point, I would like to pause a moment and pay specific tribute to your national association. Your national association is the most influential nationwide association supporting not only the REA program but the Federal power program; and for their forceful and positive stand, all of America owes your national association and you who support it a debt of gratitude. I am not being overcomplimentary when I say were it not for your national the progress made to date in bringing electrification to rural America and providing the multipurpose development of our water resources would have been severely hampered, curtailed and slowed down. In many instances your national organization has fought the private power monopoly interests to a standstill, and in many other noteworthy instances, your national and you have triumphed over the monopoly hordes that pervade our economy. And in fighting the defensive battle over the last 5 years, the value of your national cannot be overestimated.

Turning now to specifics, the first recent victory for the people I would like to discuss with you is the tax amortization victory. As you know, after a long, hard fight, legislation was finally passed last year which sharply curtails the industries that can participate in this subsidy giveaway, and excluded, by definition, is the private power monopoly. And, further, in August 1959, the entire program will be terminated.

After a long series of fights, after long years of appealing to and informing the public of this subsidy, and after an extensive hearing involving the Idaho Power Co. and their tax amortization certificates, in which White House pressures, and many other instances of nefarious dealings were brought to light, this long-awaited legislation was finally passed.

But the job in this area is not nearly done. We have only scratched the surface. For the almost $5 billion subsidy accruing to the private power companies, and being paid for by the ratepayers and taxpayers, has not been taken away from them. Legislation and State utility commissions are still needed. And this is why I say that we must take the offensive and pursue it to the end. Favorable rulings must still be obtained from most of the State utility commissions.

I am happy to say that in the progressive State of Wisconsin such a ruling has already been obtained. But our efforts should not be relaxed until the several utility commissions throughout the United States forces all private power companies to cease charging the ratepayers for capital expansion.

And so too in the case of liberalized depreciation. As a result of the amendment passed to the Internal Revenue Code of 1954, section 167, a subsidy is accruing to the private power companies which over the next twenty-odd years will amount to some $18 billion. This is some six times the amount which has been loaned to the rural electric cooperatives and which will be repaid to the Federal Government with interest.

I was happy to observe that progressive Wisconsin continues to be progressive. For in this instance, too, the Wisconsin State Utility Commission has disallowed this subsidy, but again similar rulings must be obtained in every State of the Union.

You should support and push through to final victory the bills that have already been introduced in the Congress to take away these subsidies from the private power companies.

And when you have achieved a favorable ruling from all State utility commissions on rapid tax amortizations and liberalized depreciation and when the Congressional bills that have been introduced have been signed into law eliminating these subsidies on the Federal level, then you can say in this one area the job has been successfully consummated.

And the other instance I would like to mention involves the ruthless and fraudulent propaganda advertising campaign that the private power companies have been waging over the years against the rural electrification and Federal power program. As we all know, these campaigns are being paid for by you and me—the ratepayers. For many years the rural electric systems have attempted to defend themselves against this propaganda by pleading and requesting the Congress and the affected State utility commissions to disallow such expenditures. We are not attempting to curtail freedom of speech, but merely attempting to provide the means whereby these private power companies would have to pay for this fraudulent advertising out of their own net income or profits.

For the past 12 months or more I personally have been corresponding with the Commissioner of Internal Revenue, Mr. Russell C. Harrington, asking him for a ruling on political propaganda such as that sponsored by America's Independent Electric Light and Power Companies. I have consistently charged that such ads were false and misleading. And finally our constant hammering and persistent agitation bore fruit. For after an investigation by the field directors of the Internal Revenue Service into this matter, it has been held that contributions paid for by the participating companies in the ECAP program did not constitute allowable deductions for Federal income-tax purposes.

But again I say we have finished only half the job.

For unless the State utility commissions rule that such advertising must come out of the participating companies' profits, the rate payer will still end up footing the bill.

I must pause again to compliment the progressive State of Wisconsin for your public service commission has recently ruled that such propaganda advertising, which is used to influence the public opinion or used against public ownership of electric facilities, is not just and reasonable for inclusion in the operating expenses and utilities.

I say again, not until every commission has ruled, as your commission has, can we say the job in this area is complete.

The job the rural electrics have cut out for themselves is a formidable one. Unless you continue to fight relentlessly for your program we will soon know of the rural electrification program only by resorting to the history books.

You must keep one thought uppermost in mind. You are creatures of politics, as I mentioned a moment ago, and unless you make sure on the local, State, and national level that those people are elected to office who will uphold your rights to engage in supplying low-cost electricity to the rural areas of America, you may soon find the rural electrification program a passing phenomenon on the American scene.

Before I close I would like to mention one important and overwhelming fact to you. As you know, I am sure, we are rapidly becoming a nation characterized by city, industrial, and modern suburbia living. Much of the sentiment attached to the rural electrification program is rapidly waning, not due to any disinterest on the part of those personally connected with the program, but due to the fact that agriculture no longer occupies the potent political, economic, and social position it once occupied. A new generation has grow up since 1935.

It is imperative that we take cognizance of this matter. We must inform those who are not familiar with our program of its great social benefits and of its proven economic feasibility. For unless they are made aware of these facts they may soon be electing members to offices who are opposed to all that your program stands for.

My suggested solution to this problem is not a simple one, but one which must be undertaken and consummated if the rural electrification and Federal power program is to survive. We must go into the cities and join up with peoples' groups. We must work with organized labor. We must work with other urban and industrial groups, for only by working together on mutual problems can we hope to gain support for the programs we here hold so dear to our hearts.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1958

Mr. MULTER. Mr. Speaker, yesterday was the 137th anniversary of Greek independence. On March 25, 1821, the Archbishop of Patros unfurled the national flag of Greece and the war of independence against Ottoman rule began. Fighting against great odds, the revolutionaries were ultimately successful. In 1827 Greece elected Demetrios Capodistrias as President, and in 1832 obtained recognition of her complete independence.

This is, of course, only one of many great events in the history of Greece. One of the basic sources of our western culture is ancient Greece. Our philosophy, art, architecture, political ideas, and language owe much to the greatness of the ancient Greeks.

It is against the background of these noble people that we must judge our present policies. I have in mind particularly our shamefully unfair immigration policy. The Greek quotas are discriminatory, and inasmuch as Americans of Greek origin are known to be exemplary citizens these policies are unwise.

This anniversary of Greek independence is an occasion for rededicating ourselves to continuing friendship with the Greek nation. On many occasions

in the past the United States and Greece have fought together for freedom and independence. We were allies in both World Wars and in the Korean war. The encroachment of communism in Greece was successfully halted by the Truman doctrine. It is through such friendship and assistance that the great western tradition of freedom continues to survive. Let us ever be mindful of the continuing contribution of the Greek people to this great tradition.

Comradeship Is Fatal

EXTENSION OF REMARKS
OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the last in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, Committee on Un-American Activities, on the Communist conspiracy aimed at the United States. This series by Mr. WALTER recently appeared in the Philadelphia Inquirer:

COMRADESHIP IS FATAL

(Last of eight articles by Representative FRANCIS E. WALTER, chairman, Committee on Un-American Activities)

COMRADESHIP VEILS HANDCLASP OF DEATH

Present-day leaders of the international Communist empire, in the course of their careers of murder and terror, have deliberately destroyed more men, women, and children than populate the Eastern United States. Despite the long history of Soviet treachery and deceit which lies in full view of the civilized world, we find ourselves being subjected once more to the sweet persuasion which seeks to lead us into comradeship with men whose real intents are best observed in their broken promises and lust for power.

In recent months the emphasis has been on coexistence and disarmament conferences. Now the demand is for a summit meeting at which President Eisenhower and the heads of the governments of the Free World would sit down with the bosses of the Iron Curtain countries to end the cold war.

We may well wonder what new and bitter hoax awaits us. The plausibility of Nikita Khrushchev and his colleagues, coupled with the eager willingness of many quarters of the Free World to believe them, appear to have rebutted common sense and our own experience.

Who are these Communist leaders with whom our representatives would meet at the summit? The Committee on Un-American Activities has examined their careers searchingly. We believe a study of these men will demonstrate beyond doubt the character of communism's masters and the hopelessness of attempting to negotiate with them as if they were men of good faith. Here they are:

Nikita Khrushchev: As First Secretary of the Communist Party of the Soviet Union, Khrushchev 2 years ago denounced the dead Josef Stalin as a vicious murderer and terrorist. A few years earlier, Khrushchev was hailed as the faithful disciple and companion-in-arms of Comrade Stalin.

Khrushchev's rise to power in the party coincided with the notorious purges of the mid-1930's. He actually played a leading role in the mass terror of that period. Stalin sent him to the Ukraine to carry out the party purge there. He is, as a result, one of the most hated men in the Soviet Ukraine today.

In carrying out his assignment, he was as systematic as he was ruthless. He openly boasted that "we have destroyed a considerable number of enemies, though not all."

A salient feature of his record is his relentless onslaught against independent farmers. His rise to power was accompanied by the betrayal and the physical destruction of his closest associates. At the helm of the party, he lost no time in undermining and finally ousting Georgi Malenkov and Vyacheslav M. Molotov, his political rivals in the collective leadership, and in establishing himself in Stalin's fashion as the master of the Soviet.

Khrushchev is the sworn enemy of the democratic form of government. He reviles the United States as being devoid of political freedom and economic stability and ruled by a handful of greedy capitalists who enslave the working people.

His fanatical belief in the superiority of the Communist system leaves no doubt in his mind that, whether there be peace or war, the ultimate communization of the world is certain.

To obtain this objective, Khrushchev displays versatility and flexibility in selecting the device he considers most effective and promising at the moment: Nuclear blackmail, subversion, propaganda, interference in the domestic affairs of other states, or exploitation of anticolonial and nationalist feelings in Asia and Africa. All these expedients serve the single-minded goal of Soviet aggrandizement and of accelerating the march of communism.

Nikolai A. Bulganin: The Premier of the Soviet Union is a familiar figure, whose mild manner, well-groomed appearance, and carefully barbered goatee has reminded casual observers of a professor or a German bandmaster.

It is well to remember, however, that Bulganin began his career as an efficient officer of the Cheka, the initial version of the Soviet Secret Police. It was the main instrument of the Red terror, waged by the new Bolshevik rulers againt real and imaginary opponents of the Communist regime.

As one observer noted, "a complete lack of principles, a thoroughgoing ruthlessness, a constant readiness to be a scoundrel brought Bulganin promotion to Moscow."

Bulganin played a conspicuous role in plotting against freedom in Poland and Czechoslovakia. In the summer of 1944, Bulganin was instrumental in the decision to refuse military assistance to the Polish patriots in Warsaw, who had risen in arms against the Nazis.

Rude to subordinates, he tolerates neither criticism nor opposition. In spite of his recurrent protestations of belief in peaceful coexistence between the United States and the U. S. S. R., Bulganin remains an implacable foe of American democracy, which he accuses of predatory and aggressive designs.

Like other Kremlin chiefs, Bulganin is bent on the disruption of the Western alliance as the initial step toward the destruction of the American way of life. Both during and after the Stalin regime, he took a leading part in plotting Communist strategy against the Marshall plan and the North Atlantic Treaty Organization.

Walter Ulbricht: Exerting practically unlimited power as head of the Communist Party in East Germany, Walter Ulbricht also holds the title of First Deputy Premier in that Soviet puppet government. He represents a dangerous and relentless enemy of America and all it stands for.

A founder of the German Communist Party in 1918, he managed to survive Hitler, the purges under Stalin, the postwar executions of East European leaders, and Khrushchev's anti-Stalinist campaign.

His hour of triumph came in April 1945, while Berlin was in flames and the battle for the city was raging. Ulbricht was flown in from Moscow to set up the German civilian government.

There are few fields of life in East Germany in which Ulbricht has not imposed subservience to the Soviet Union. He has ordered servile imitations of Russia in the fields of science, linguistics, and education, the theater, architecture, and sports. He has made the organization of the East German state a miniature replica of the Soviet Union.

The magnitude of discontent with his regime became evident with the revolt of East Berlin in June 1953. Ulbricht suppressed it ruthlessly with Soviet armed power.

His prosovietism is surpassed only by his anti-Americanism. He has distorted history to paint America as the villain on the world stage. Regardless of talk of peace and peaceful coexistence, Ulbricht's goal remains unchanged: the communization of all of Germany as a decisive step toward the communization of the whole world.

Janos Kadar: Communist Party head in Hungary and, until recently, Premier of that country, Janos Kadar is a Communist quisling for the Kremlin and a master of the doublecross.

He is a man of ambition but no integrity; of a personal drive but no character; of natural political skill but devoid of high intelligence. So loyal is he to communism that after 32 months of imprisonment and torture under one Red regime, he became the willing servant of the Kremlin in the reconquest of Hungary in November 1956.

In November 1956, when Hungary attempted to throw off the Soviet yoke, Kadar set up a Soviet puppet government and invited Russian tanks into Budapest. Some 32,000 persons were killed and parts of the capital reduced to rubble in smashing Hungary's bid for freedom. At the height of the counterrevolution, Kadar justified the brutal treatment of his countrymen:

"A tiger cannot be tamed by bait. It can be tamed and forced to peace only by beating it to death."

Wladyslaw Gomulka: First Secretary of the Communist Party in Poland, has managed, by making a few concessions to workers, peasants, and the Catholic Church, to head off a Polish repetition of events in Hungary.

But while his road to socialism may differ slightly from the Russian road, it is still communistic. Gomulka has made that point abundantly clear.

He denies being a national Communist, a term he calls an American invention. As proof, he notes that his program includes the main aims of every Communist Party.

(1) Seizure of power by Communists; (2) establishment of a Communist dictatorship; (3) nationalization of industry, and (4) the promotion of international communism in foreign affairs.

His present power dates to 1956, when he staged a comeback after falling into disfavor in 1948. Stubborn, relentless, he is fanatically devoted to communism, although it has brought his country insoluble problems. He is struggling with opponents within his own party; whether he will survive as Poland's leader, only time will tell.

Mao Tze-tung: Chairman of the People's Republic of China, less than a year ago he announced a new freedom for Communist China:

"Let a hundred flowers bloom and let a hundred schools of thought contend," he suggested generously. Some Chinese took him seriously—and faced a new wave of terror.

It was Mao who proclaimed the People's Republic in October 1949. The fiction of China's disassociation from Russia was shat-

tered with his signing of the Sino-Soviet Friendship Pact in 1950 in Moscow.

He never makes a speech in which he does not pay tribute to the U. S. S. R. At Stalin's order, Mao sent vast Chinese armies to fight Americans who were resisting Communist aggression in Korea.

To crush resistance at home, Mao ordered what he called mass shock, in which 12,000,000 Chinese—according to Communist figures—were wiped out.

He has conducted a hate-America campaign for years and still refuses to account for American soldiers missing in the Korean war. As part of his drive, he has endorsed defiance of the United Nations, atrocities against prisoners of war, violation of the Korean truce, and subversion throughout Southeast Asia.

Chou En-lai: Premier and, until recently, Foreign Minister of Communist China, Chou appears affable in his personal relations. In this he resembles his boss, Mao Tze-tung. His past has been that of a fanatic and dedicated Communist and the basic pattern of his policy—a combination of force and deceit—has been evident for years.

In foreign policy, where Mao has given him a relatively free hand, Chou has operated with the same combination. His record in Korea is particularly sordid.

Defying the United Nations, which branded Red China as an aggressor, Communist China fought against the American and U. N. armies for nearly 3 years. When communism lost the war, Chou became one of the instigators of the false accusation that the United States had used bacteriological warfare in Korea.

Under the armistice terms, Red China promised to return captured prisoners of war; instead, Chou used them in an insidious game to barter American lives for United States concessions. His promise not to increase armaments in North Korea was violated almost from the beginning of the truce.

Lately, he has switched again to deceit. At the Afro-Asia Conference in Bandung, Chou made a dramatic offer to negotiate a peaceful settlement of the Formosa question with the United States. But it soon developed that the only basis on which he would negotiate was the immediate surrender of the island to the Communists.

There we have some of the leaders with whom we are asked to negotiate a peace. We must remember we are not dealing with partners but with adversaries dedicated to accomplish our destruction with every ruse and subterfuge which they have used successfully in enslaving almost half the world.

Fortieth Anniversary of Independence of Byelorussian Democratic Republic

EXTENSION OF REMARKS
OF
HON. LEONARD FARBSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. FARBSTEIN. Mr. Speaker, March 25 marks the 40th anniversary of the proclamation of independence of the Byelorussian Democratic Republic, and under leave to extend my remarks, I extend the following greeting to the people of Byelorussia and their kinsmen in their continued fight for freedom from the yoke of Communist tyranny and oppression:

Every American, faithful to our tradition of freedom for all peoples, will sympathize with the aspirations of the Byelorussian people to achieve independence and self-government. Their cultural and historical contributions have greatly benefited the world. I join with other freedom loving peoples the world over in wishing you a return to full independence and sovereignty.

Challenges for Nurses Ever Increasing

EXTENSION OF REMARKS
OF
HON. CHARLES E. POTTER
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES
Wednesday, March 26, 1958

Mr. POTTER. Mr. President, in our current rush to train people for trades and professions directly allied with the conquest of outer space and the maintenance of an adequate defense position, we sometimes forget the faithful, trained people who carry on day after day in promoting the health and social welfare of the American people.

Recently, I expressed my genuine sentiments on this subject as it relates to the nurses of the world, of the United States, and of the State of Michigan. My remarks were carried in the February issue of the Michigan Nurse in the form of an article entitled "Challenges for Nurses Ever Increasing." The publication is regularly issued by the Michigan State Nurses Association.

I ask unanimous consent to have the article printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHALLENGES FOR NURSES EVER INCREASING

(By Senator CHARLES E. POTTER, Michigan)

During these opening days of the Congressional session, every lawmaker is preoccupied with defense and the challenges facing the United States in the space age. Two schools of thought seem to be emerging, one an attitude of hysterical urgency and the other a giant ladle of soothing syrup, heavily dependent on the old platitudes about America's invincibility.

Personally, I subscribe to neither. I do not recommend that the United States be penny wise and defense foolish. I do not recommend that we hastily pour out billions for the military. I do not recommend for a moment that we be complacent.

Of course, one cannot help but question the warnings of mortal peril when he sees with his own eyes our mighty B-52's and our atomic submarines and when he listens to expert testimony on the power of our Strategic Air Command. But neither for a moment should one swallow the hogwash distributed in some quarters that because America never lost a war, she never will.

So I am advocating a new school, one which I consider highly sensible and highly patriotic. It is the "act now and act fast" school. The survival of our Nation in the space age depends, in my opinion, on the acceptance of this view as the path which patriotism must take.

In answering the call to strengthen our Nation's resources in the battle against communism, it seems to me that all citizens should direct attention to the nursing front, a vital part of national security in peace and in war. It is just as important to increase the number, capability, and flexibility of our nursing battalions as it is to build our Military Establishment.

In the end, of course, the Nation controlling outer space will control the world, but to achieve that at the expense of our democratic traditions, or to achieve it by sacrificing the peaceful objectives of science, nursing, and medicine, would be to abandon all that we have fought for and cherished in the past.

On the peace front new drugs, new medicine, and peaceful uses of the atom are revolutionizing the medical and nursing professions.

The new drugs prolong life and open new vistas of healing. We find ourselves, therefore, with a new group of semi-patients—living longer, but dependent upon other human beings to keep them in good physical and mental health. Serving this portion of the population is one of the new challenges to the nursing profession.

The tensions of modern living have increased the number of mental and nervous ailments at the very time new methods of relieving them alter the entire pattern of treatment by nurses and doctors. Tranquillizers alone have brought about major innovations.

On the disaster front—when war, emergency or tragedy strike—the nurses move to the front and center of the stage. Nothing can substitute for their services and abilities. Today, in the age of the atom and hydrogen bombs, the challenge to the nursing profession is greater than ever.

As science pentetrates farther into outer space, a whole new set of health and nursing problems will confront mankind. What happens to a man mentally and physically in a craft rocketing through space? How is he affected by cosmic radiation, extremes of heat and cold, extreme outward pressures? Will leukemia and cancer attack him more virulently under any of these circumstances? What will be the psychological affects on man of weightlessness and loneliness?

These are challenges for science, for medicine and for the nursing profession. I can think of no higher patriotic duty for the nurses of the Free World than to move in and face them.

To begin with, all public health and community nursing services must expand as defense and other emergency communities are built up. Accident prevention and treatment become prime necessities. The nurse must be in a position to cope with new mental states as well as new physical diseases.

The nurse must work to recruit new members of the profession. Today in the United States we have 259 nurses per 100,000 persons. For minimum good care that figure should read 300. Michigan, I regret to say, is below the average, with less than 200 nurses per 100,000 people—a ratio we must work to build up. As the nursing profession works to add to its numbers, all patriotic citizens must join in the same cause.

Yes, the challenges to citizenship and patriotism in the space age are many. But if I had to single out one segment of our people who could be counted on to respond and respond nobly, I should not hesitate for a moment. It would be, of course, that brave and dedicated person—the nurse.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. ROOSEVELT. Mr. Speaker, Byelorussians, or the White Russians, have lived in their historic homeland in

northeastern Europe for at least 1,000 years, perhaps a great deal longer. Long before Russians had formed their independent state, Byelorussians had a sovereign state of their own. They enjoyed an independent existence during most of the Middle Ages and early in modern times. Early in the 17th century Byelorussia was overpowered by the invading Russians, and their country was annexed to the czar's empire.

Thus for almost 300 years, Byelorussia ceased to be a separate state. It became part and parcel of the Russian empire, and the government of the czars did their best to eradicate all vestiges of Byelorussian nationality among its inhabitants. Fortunately the czarist overlords were not successful in their attempt. By devious means Byelorussians contrived and succeeded in keeping alive their national spirit for liberty and freedom. And in the First World War when the czarist regime collapsed, Byelorussians seized upon the opportunity and proclaimed their independence on March 25, 1918.

That epoch-making event in the Byelorussian history became a landmark, and to this day it is being celebrated by all liberty-loving Byelorussians as their national holiday. Even though the independence proclaimed 40 years ago did not even last a year, the undying hope it engendered still lives in the hearts of Byelorussians. They dream of a day when the detested Communist regime will be overthrown and they can once again breath the fresh air of freedom. I am glad to join those stouthearted Byelorussians in the celebration of their independence day, and add my hopes for the attainment of their national goal.

Joseph Scott, Citizen

EXTENSION OF REMARKS
OF
HON. PATRICK J. HILLINGS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. HILLINGS. Mr. Speaker, a rich chapter in the history of Los Angeles has been completed with the death of Joseph Scott.

It would be difficult to say whether the growth of this great city paralleled the life of Joseph Scott or vice versa. Probably to say both would better serve the truth, for he arrived there when it was a pueblo of 60,000 persons in 1893 and from then on engaged in almost every conceivable activity that has been associated with the growth of this western metropolis.

If any man has lived a more full and vigorous and useful 90 years than Joseph Scott, I have yet to hear of him.

As a citizen, as a devoted father of 11 children, as a lawyer, as a churchman and as a leader of causes for good, Joseph Scott excelled. Joseph Scott never ducked a fight, nor did he ever shirk a duty or responsibility. His energy, his ability and his capacity for work were tremendous.

A native of England born of an Irish mother, he arrived in this country as countless thousands of other immigrants before and since, penniless and friendless. But his driving ambition and his boundless industry wrote an American success story for him.

A devout Catholic, Joseph Scott was one of the lay leaders of his church in the United States and his church paid him high honor. He was active always in politics up to the very time of his death. In 1928, he nominated Herbert Hoover for the Presidency at the 1928 Republican National Convention.

His contributions to his community, to his State and to his Nation were countless, and they constitute now a rich part of our American heritage.

Life is gone for Joseph Scott. But his work for good against evil will live long after him.

United States Policy Toward the Communist Empire

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. FEIGHAN. Mr. Speaker, for some time close observers of the Soviet Union and the Russian Communist empire have seriously questioned whether our Government has a positive and winning policy toward the Soviet Union. The tremendous opportunities afforded us for a political counteroffensive against Moscow by the captive status of the non-Russian nations both in the European and Asiatic sectors of the Soviet Union have in no way been taken advantage of by our Government. Yet this could mean the difference between war and peace, victory and defeat, in our struggle against Russian Communist imperialism. I am convinced that a well-thought-out policy toward the U. S. S. R., with prime emphasis given to the captive non-Russian nations in that primary empire of Moscow, would go a long way in preventing a hot war and in assuring victory for the free world in the cold war.

The fourth program of the Georgetown University series considers in part this very problem. It was my privilege to participate in this final forum along with the Honorable Charles J. Kersten, of Wisconsin, author of the famous Kersten amendment to the Mutual Security Act, and Mr. John E. Means of the Georgetown University faculty. In reading the script of this program it will be observed that agreement was reached that the policy of peaceful liberation goes beyond the containment program. The peaceful liberation policy calls for a political offensive directed at the heartland of the Communist empire, especially the Soviet Union itself. Despite the administration's espousal of this policy, it unfortunately has not yet implemented it.

Mr. Speaker, I am confident that in time we shall recognize the fact that our most potent weapons for victory in the cold war, our best means to avert a hot war, are available to us, for our asking, within the Russian Communist empire itself. It will require not only knowledge but also courage and political art to make use of these weapons which the captive non-Russian nations, from the Danube to the Pacific, provide us. We desperately need a United States policy toward the Communist empire.

Performing a valuable public service, the Georgetown University Forum made possible the expression of this need in the fourth program of a series. Its directors, Rev. Francis Heyden, S. J., and Rev. Daniel E. Power, S. J., deserve the highest commendations for the public service they have performed in the planning and producing of this series of television and radio programs.

Under leave obtained, I insert in the RECORD this fourth program entitled "United States Policy Toward the Communist Empire":

Mr. WALKER. United States Policy Toward the Communist Empire is the topic for the 582d consecutive broadcast of the Georgetown University Radio Forum. Today's participants are the Honorable MICHAEL A. FEIGHAN, Congressman from Ohio and member of the House Judiciary Committee; the Honorable Charles J. Kersten, former Congressman from Wisconsin and author of the famous Kersten amendment to the Mutual Security Act; Mr. John E. Means, Department of Government, Georgetown University.

United States Policy Toward the Communist Empire is the final program in a series of four. On the basis of these preceding subjects this final program will be devoted to an examination of United States foreign policy toward the U. S. S. R. The discussions will consider certain fundamental questions: Has the United States an adequate policy in relation to the Soviet Union; has the announced policy of peaceful liberation with regard to all the captive nations in the Russian Communist empire been implemented; is the Allen Dulles notion of freedom by evolution and Soviet education a very end of the containment policy? The recent proposals made by Mr. George F. Kennan and the recent campaign for the removal of Secretary of State Dulles will also be considered. Our leading question today: Has the United States an adequate policy in relation to the Soviet Union? Congressman Kersten, I wonder if you would care to comment on this question?

NEED FOR IMPLEMENTED LIBERATION POLICY

Mr. KERSTEN. Well, Mr. Walker, I believe we do not have an adequate policy toward the Communist empire. We are continuing to follow a policy of containment under another name, that is, the policy of evolution or some such phrase. We have never implemented a policy of liberation, a policy of peaceful liberation. When this policy was first announced, back in 1952, it was immediately attacked by the Russian Communists, and the whole left-wing group throughout the world began to attack it as an irresponsible policy, as a warmongering policy, when actually the policy of containment is the real war policy that is driving us toward an ultimate war, and we see some of the fruits of that today.

Mr. WALKER. Mr. Means, I believe you are in favor of the policy of containment. I wish you would state your position at this time concerning that.

Mr. MEANS. I agree with Mr. Kersten that we do not have an adequate foreign policy at this time. I think the reason is that the policy of containment, which was our foreign policy from 1947 to 1952, has not been pur-

sued with conviction. After 1952 and the successes of the policy of containment we had a complete corruption of the policy of containment by the so-called liberationist movement. The policy of liberation, as I see it, is, should we indiscriminately encourage revolt and commit ourselves to a specific arrangement without any clarity as to the consequences.

I think the policy of containment, on the other hand, is a policy which takes into account the realities of international political life. It seeks to rise above the emotional indignations of the policy of liberation, and, to me, it represents the physical strength, armaments, determination, and solidarity with the other free nations of the world.

Mr. FEIGHAN. I believe that we do not have any definite or adequate policy against the Communist empire. In the first instance, we wait until the Russians make some kind of a move and then we frantically, perhaps sometimes through fear, try to react. I think that is the trouble with our present policy and the root of the evil of the disturbed situation in the world today.

Mr. WALKER. Gentlemen, throwing the discussion open, what do you feel is the solution to this situation?

Mr. KERSTEN. I would like to comment, Mr. Walker, on the remark made here by Mr. Means with regard to the containment policy and its successes. I believe the containment policy has resulted in tremendous disasters since the end of World War II. It has resulted in the acquiescence, in the enslavement of the non-Russian nations of the Soviet Union and the satellite nations of Eastern Europe and China. That has been the score of the policy of containment.

On this question of containment, I think we have to make a vital, basic distinction right here and now. Containment has always meant, as I understood it, to permit the Russian Communist Party to maintain the hold over these nations. I advocate a policy of peaceful liberation, which means the ultimate freedom of these nations. Such a policy includes certainly the containment of the Communist advances. But it goes beyond the policy of containment and it seeks ways and means to cause the political defeat of the Russian Communist policy.

I would like to ask Mr. Means whether he is for or against the ultimate freedom of the captive nations. If he is for the freedom of the captive nations, then he must be in favor of a policy of liberation.

Mr. MEANS. I am in favor of the freedom of the countries behind the Iron Curtain.

Mr. KERSTEN. Then I think you would adopt our thesis, a policy of liberation; isn't that so, Mr. Means?

Mr. MEANS. First of all, I would like to ask you, Mr. Kerston, what do you mean by "peaceful liberation?"

ESSENTIAL MEANING OF LIBERATION POLICY

Mr. KERSTEN. I mean by a policy of peaceful liberation to use all means short of war to cause the political defeat of the Communist Party. The great error in the policy of containment is that it believes—designed and based upon the idea that by containing them, doing nothing however to interfere with them internally—they will eventually change, evolve, peacefully change into something decent. In my opinion, you have to decide whether or not the Communist Party, the Russian Communist Party can ever change or evolve into something decent or whether it has to be defeated politically from within.

Mr. MEANS. First of all, getting back to the liberation of the Baltic States, the policy of containment is as solicitous of the Baltic countries as other protagonists of liberation. But I think containment tries to refrain from confusing the issues of the fight for personal freedom, personal liberties, constitutional guaranties with the fight for national liberation. The two are not necessarily the same. I think in this fight for national freedom, national liberation the Communists have joined in wholeheartedly. I would like to say also the policy of containment is an active policy, it is an organic policy, it is a flexible policy. It has been a success. The short range goal of containment, of course, is to hold the political line. I think it has been successful in this respect. We have smashed the Berlin blockade. The Truman doctrine has been a success.

Mr. FEIGHAN. I hope that you are not confusing the Truman doctrine with any policy of containment. The Truman policy was a vigorous offensive politically, and also militarily, designed not to contain anything but to drive the Russian Communists out of Greece and Turkey.

Mr. MEANS. As I remember the address that Mr. Truman made to Congress, he said that we are now announcing a policy, announcing a policy of holding the line against communism, which is precisely what the policy of containment seeks to postulate. And to continue, the successes of the policy of containment, I think the efforts of Western European integration, the rearmament of the free world, I think the air bases which have been built up in Britain and in the Mediterranean, and also Japan has been rearmed and is now holding its own against the Communist influence——

Mr. KERSTEN. I notice, Mr. Means, that the high priest of containment, Mr. George Kennan, in today's papers was violently attacked by former Secretary Acheson. Now, Mr. Kennan is the author of the policy, as he set out first in his famous Mr. X article in Foreign Affairs in July 1947. We now find this high theoretician of containment actually advocating the withdrawal of troops from Europe and withdrawal of military strength. It seems to me that containment is in a box. It has proved to be unsuccessful following World War II. It is proving to be unsuccessful today. The tragic error, the basic error of containment or evolution is to permit the Russian Communist Party to be undisturbed in its control, in its decimation of the nations and cultures behind the Iron Curtain. We have to take a stand on that. Are we in favor of the freedom of those nations or do we want to permit them to remain in Communist hands until we can convert the incontrovertible Communists?

Mr. MEANS. To get back to the first point that you have mentioned, that Mr. Kennan was attacked by Dean Acheson, if I interpret Mr. Acheson's remarks correctly he did not attack Mr. Kennan's policy of containment. He attacked Mr. Kennan's recent series of lectures over the BBC, which have little to do with the active policy of containment. I also believe that concerning Mr. Kennan, I am not an apologist for Mr. Kennan and I have not read this series of lectures over the BBC, but I think any statesman who seeks to advance the national interest in the face of rapidly changing circumstances has no other guide but that of expediency. I think he must be willing to temporarily abandon a long-range policy in order to seize a short-range gain, if such be the true course of expediency. On the other hand, he must not be overly shortsighted in analyzing the expedient or else he runs the danger of doing permanent injury to the national interest in the pursuit of the expedient. I think this is what Mr. Kennan might be guilty of doing.

OUR MORAL COMMITMENT TO THE CAPTIVE NATIONS

Mr. FEIGHAN. You previously mentioned about the administration's policy to maintain the freedom of the Baltic States. I recall that in October 1953 Secretary of State Dulles appeared before the Kersten Committee in which he unequivocally gave a commitment that he would not permit the enslavement of the Baltic nations to remain. Now I understand that last October a Mr. Marks, who is the first secretary of the American Embassy in Moscow, was permitted to go to Riga, Latvia, and he came back and gave great praise for the tremendous strides that have been made in Latvia. I wonder if this is a change from the previous policy of massive retaliation to just trying to fight little local wars. I also wonder, since we do not recognize Red China, will not send any diplomats to Red China, is this a change in the policy which would agree to the retention of the status quo, namely, the enslavement by the Russians of all their empire?

Mr. MEANS. As I understand this——

Mr. FEIGHAN. And I do think the Secretary of State should answer that. I think the people are entitled to know.

Mr. MEANS. As I understand this, I think if there is a change in policy on behalf of the administration. I think it is because it has seen the frustration, it has experienced the frustration of trying to follow a guideless policy.

Mr. KERSTEN. Do you think, Mr. Means, that we have ever tried to adopt a policy of liberation; and, if so, what have we done? I can think of a number of things we should have done but we have never done.

Mr. MEANS. I think we have tried to follow the policy of liberation in a negative type of way by not doing anything positively and by trying to disassociate ourselves with the policy of containment. We have given the impression to the peoples behind the Iron Curtain that we are following a policy of liberation, and that it shall be our purpose to try to relieve——

Mr. KERSTEN. The mere giving of the impression, of course, is not the actual implementation of the policy. That is what I am advocating. I am advocating a policy of peaceful liberation, using all means short of war to defeat the Russian Communist hold on the Communist empire. Are you in favor of the freedom of these people, of these captive nations, or aren't you? That is the simple question.

Mr. MEANS. Of course, I am.

Mr. KERSTEN. If you are in favor of it, then you are in favor of the policy of liberation, it seems to me.

Mr. MEANS. I am not in favor of a policy of liberation as now being expressed, because to me it means confusing ourselves with grandiose, unrealistic, and even meaningless phrases.

Mr. KERSTEN. Let's get away from words and let's take a few concrete actions. Would you, for example, favor any of these. I will say that I favor the withdrawal of diplomatic recognition to the Communist Party governments, I favor an all-out attack upon the Communist Party throughout the world; I favor the driving of a wedge, or rather, the recognition of the conflict there is between the Russian Communist Party and the enslaved nations. Today the great error of most world statesmen is the identifying of the Russian Communist Party with the peoples of those nations. In that area a real war is going on. It is going on between the Russian Communist Party and those nations. The Russian Communist Party is destroying those nations. That is a hot war. When we try to coexist and negotiate with this Russian Communist Party, whether it is a Mr. Gomulka, who just came from Moscow, or whether it is a Mr. Tito, who also deals and identifies himself with the policy of Moscow, when we cooperate with these Communists we are cooperating, in my opinion, with the destruction of the nations and cultures behind the Iron Curtain.

Mr. MEANS. First of all, I think we have to consider the realities of international political life. I can see absolutely no purpose being gained by withdrawing recognition from the countries behind the Iron Curtain. In order to know something about them, we have to have contact with them.

Mr. FEIGHAN. Our contact is with the Communists, not with the peoples.

Mr. MEANS. I think you have to take into consideration who runs the country, who is in charge of the political processes of the country, the Communist Party or the mass of the people.

Mr. FEIGHAN. We know they are not representative of the will of the people.

Mr. MEANS. I wonder who is actually representative of the will of the people. Could you say that a group of emigrés represent the mass of the people behind the iron curtain?

Mr. FEIGHAN. I think the mass of people themselves represent themselves, those who are behind the iron curtain countries. You take Gomulka, you take Kadar, you take Tito, they were all superimposed upon the people. And they are the Communists—

Mr. MEANS. Yes. But my point is that we have to deal with political entities.

Mr. KERSTEN. Mr. Means, if the Communists took over the United States of America and killed 10 or 15 or 20 million Americans and established slavery here, and any one of us survived, would we want any country in the world to deal with an American Communist enslaver of our Nation?

Mr. MEANS. That isn't the point.

Mr. KERSTEN. That is exactly the point. That is exactly what is happening in those other countries.

Mr. MEANS. You are speaking of a probability; I am speaking of what is here and now.

Mr. KERSTEN. Here and now is the Russian Communist Party conquest of these enslaved nations. That is a reality. We have taken the unreal position of identifying that Russian Communist Party with those nations, and we are seeking to negotiate with it. That is where our first basic misstep has been taken. We should adopt a policy of not only stopping this negotiating with these enslavers, but also of helping these people to cause its political defeat at its Moscow base. This we have not done. This I advocate that we start doing in order that we can look forward to sometime when the true basis of peace can be established.

COLD WAR DEMANDS POLITICAL OFFENSIVE

Mr. FEIGHAN. I agree with you on that. We are now really in a war, with the military being somewhat quiet but the political war is going on. That is the war which the Russians have been successful in, and that is the war that we have to fight, a political war in order to bring liberation to the people. We can't bring liberation to people if we are just going to have a policy of reacting to whatever the Russians do.

Mr. MEANS. Speaking of the policy of containment, and also the word "enslavement" has been mentioned here several times, I think it is unfortunate that inasmuch as in 1953 in his message to Congress the President, in speaking of the enslaved nations of the world, seems to equate acquiescence of the United States policy under Mr. Truman with the policy of enslavement and containment. That is not the purpose of containment——

Mr. FEIGHAN. Excuse me. There is no policy of recognition of the status quo by President Truman.

Mr. MEANS. No. The policy of containment does not advocate the policy of the status quo. It goes beyond that. It seeks to build up in the countries on the periphery of the Soviet Union economic, social, and military stability so that they themselves will be able to fight the Communists, so they will not become victims of communism but rather the bulwarks of communism.

Mr. FEIGHAN. Don't you think the uprising in East Germany in June 1953 and the Polish revolt at Poznan in June of 1956 and the Hungarian freedom-fighters revolution of October 1956 indicate clearly that the people want their freedom, their national sovereignty, and they want to get rid of the Russian domination? I call it slavery.

Mr. MEANS. I think the riots and the uprisings in Hungary and in East Germany and even in Poland are indicative of the false impression that liberation has given. Liberation, to me, means the advocation of premature uprisings, and this is what I think those uprisings were.

Mr. KERSTEN. It seems to me it is quite clear we have done nothing to implement a policy of liberation. We have done a lot of talking, but unfortunately the same policy planners who established this containment idea following World War II hamstrung the administration under President Truman and I think they are doing the same thing under President Eisenhower. I think under both administrations—this is not a party quarrel, this is a basic difference in philosophy—some of these policy planners think you can change the Russian Communists, you can convert them some way or other; just contain them for a while and they will get good. This is impossible. It has proved to be bankrupt. These policy planners are the ones who should be attacked these days, not the military. They have been the victims of the false policies of the policy planners behind the scenes of both administrations.

Mr. FEIGHAN. I might add that the implementation by the administration of this so-called policy of peaceful liberation is in the results of the uprisings in Germany and in Hungary. In East Germany what did we do? We gave them surplus butter. In the case of the Polish uprising the Department of State has been desperately trying to bolster the Communist regime in Warsaw with foreign-aid help. In the case of Hungary, the most significant thing that we did after the Hungarians had driven the Russians from their soil and the reorganized Red army hesitated on the Russian border for 4 days, during this period we sent a message to the Kremlin through that dictator Tito that our Government didn't favor hostile governments on the borders of the Soviet Union. This was a signal to the Red army to return to Hungary with the assurance that the United States would do nothing about it. That is about the sum and substance of what the present policy amounts to.

UKRAINIAN DEFECTIONS IN HUNGARY

Mr. KERSTEN. Congressman Feighan, I think I could point out to you that during the Hungarian uprising not only did the Hungarian army shift en masse to the side of the freedom fighters, they were the freedom fighters to a large extent, but a number of Ukrainian divisions defected from the Red army. This was a wonderful opportunity for the President at that time, as the leading soldier statesman in the world, to appeal to the armies behind the Iron Curtain to turn their guns against the Communist Party. This is one thing that could have been done. It was not done because it would have been an act—another experience I could cite is the existence of the Iron Curtain itself. With the Rockefeller group in 1955 I sought to promote a real offensive for the tearing down of the Iron Curtain, but these same policy planners were against it and they stopped it. This was a positive act. This is the type of thing that should be done. There are a number of other things that could be done.

Mr. FEIGHAN. I agree with you. In addition, we should have recognized the then government of Hungary or at least call, as I requested the President to do, an emergency meeting of the United Nations to send a mission in there.

Mr. KERSTEN. Whenever you try to defeat the Communist Party politically, you find a number of people in the U. N. section of the State Department and other echelons of the State Department, these holdover policy planners who are neither Democrat nor Republican, who will not do anything to embarrass the Communist Party in the U. N. or elsewhere or in any world forum.

Mr. MEANS. The words "political offensive" have been kicked around several times by both of you gentlemen——

Mr. KERSTEN. It has been kicked around in words but it has not been implemented.

Mr. MEANS. I want to ask you, what do you mean by "political offensive"?

Mr. KERSTEN. There are a number of things that should be done. Diplomatic recognition should be withdrawn from Communist Party governments. We should not be fooled by this idea of national communism. We should do what we can to have the Iron Curtain torn down. We should appeal to the armed forces behind the Iron Curtain. There have been a number of indications that there are great potentialities there. We should call the Russian Communists for what they are. They are the world enslavers today. They are the real warmongers, and the policy planners won't permit that kind of thing to be said about them.

Mr. FEIGHAN. Another thing we could do, as President Eisenhower recommended here in Washington before the Advertising Council several years ago, is to create an economic bloc of the free nations of the world. He was very much praised for that, but these policy planners just put the kibosh on that at once.

Mr. MEANS. The policy of containment, as I understand the policy of containment, seeks to do just what Congressman Kersten has advocated.

Mr. KERSTEN. You mean the liberation of these nations?

Mr. MEANS. The policy of containment and the policy of liberation should not be taken as alternatives to each other. I think a policy of liberation is a natural extension of a policy of containment.

Mr. KERSTEN. Then we are in agreement. I think we should certainly contain the Communist Party, but we should go beyond that. We should defeat the Communist Party behind the Iron Curtain.

Mr. MEANS. Of course. But I think——

THE POLICY-PLANNING BLOC IN UNITED STATES POLICY

Mr. KERSTEN. This is what the policy of containment has stopped us from doing since the end of World War II. The policy planners are responsible for it. They are the real culprits in our Nation today, and they are bringing an all-out war upon the American people.

Mr. MEANS. I think the policy of liberation——

Mr. KERSTEN. By permitting the consolidation of Communist Party power.

Mr. MEANS. The policy of liberation, I think, conceives of the overthrow of the Communist governments in terms of time. Time, to me, in this quarrel seems to be of the essence.

Mr. FEIGHAN. May I interrupt there?

Mr. KERSTEN. It cannot be an eternity.

Mr. FEIGHAN. Don't you feel that the uprisings, particularly in October 1956 in Hungary, show that the people are not waiting for this period of political evolution which is envisaged in about 50 or 100 years, that the people want to be free and out from under their slavery of the Russian Communists? We have no policy except to build up the military. We do not strike at the real heart of the problem; that is, a political offensive. Instead, we just stay in and when the Russians do something, then we react. We have no positive leadership.

Mr. MEANS. I agree there is no positive leadership. However, I do not think it is the fault of the policy of containment. I think it is because the policy of containment has not been pursued with convictions.

Mr. FEIGHAN. The policy of containment has caused the defeat and enslavement of 16 nations since the end of World War II. And how can you possibly say that it has

succeeded or ever would succeed. We need a policy of liberation that looks toward the ultimate freedom of these captive nations.

Mr. MEANS. I can't conceive of the policy of containment, as you say, has been the defeat of these nations. The policy of containment was not implemented until 1947, and since then only one country, if I recall correctly, and that is Czechoslovakia, has been actually——

Mr. KERSTEN. What about China? That is not an inconsiderable part of the world.

Mr. FEIGHAN. What about North Vietnam?

Mr. KERSTEN. What about North Korea?

Mr. MEANS. The policy of containment is strictly oriented to Western Europe. That has always been the policy——

Mr. KERSTEN. No.

Mr. MEANS. Always been the philosophy of containment.

Mr. KERSTEN. The policy of containment was actually put into practice in Korea. We were not permitted to defeat the Reds in Korea. The containers, the State Department policy planning containers, were the ones that were the cause of the first major defeat of the United States arms in American history.

Mr. MEANS. How would that then jibe with your policy of political defeat? Now you are speaking of Korea as a military defeat.

Mr. KERSTEN. There we had a situation in Korea that had to be resolved. The war was started, and having been started it should have been pursued to victory, but it wasn't. We should defeat the Communists politically, and they can be defeated politically.

Mr. FEIGHAN. One way in which I would seek to defeat the Russians politically is to agree to meet with them, but set up the agenda so that, all right, No. 1, we will discuss the failure of the Russians to agree to the Yalta Pact; have free and unfettered elections under U. N. supervision and not let the Russians say, "We will deal about this and we will deal about that." I think that if we have a political offensive directed to the people, that will bring liberation eventually.

Mr. WALKER. Thank you, gentlemen. This program has been presented in the interest of public education by Georgetown University. Your moderator, Weldon Walker.

Address by Secretary of the Interior Fred A. Seaton Before the Commonwealth Club of California

---

EXTENSION OF REMARKS
OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1958

Mr. UTT. Mr. Speaker, under leave to extend my remarks, I insert the following address by Secretary of the Interior Fred A. Seaton before the Commonwealth Club of California, San Francisco, Calif., on March 21, 1958, concerning the power development of the Trinity River division of the Central Valley project:

ADDRESS BY SECRETARY OF THE INTERIOR FRED A. SEATON, BEFORE THE COMMONWEALTH CLUB OF CALIFORNIA, SAN FRANCISCO, CALIF., MARCH 21, 1958

My principal purpose in appearing here today is to emphasize some relevant facts about the administration's proposal for the power development of the Trinity River division of the Central Valley project. Last month Congressman CLAIR ENGLE of your own State, chairman of the House Committee on Interior and Insular Affairs, appeared before this same forum and strenuously attacked that proposal.

The administration believes that the Trinity waterpower resources should be developed jointly, with the Pacific Gas & Electric Co. building the powerplants and transmission facilities and paying for the use of the falling water for 50 years.

The opponents of this plan want the Federal Government to undertake the entire development by itself.

Those are the alternatives.

As is often the case with waterpower matters which get into the political arena, a great deal of heat has already been generated—far more than the amount of power which will ever be produced, no matter what the construction decision is.

Your previous speaker on this subject tried to create the impression that the proposal for joint development of Trinity is a sinister and revolutionary invention created by the present administration on its own motion—a giveaway to private interests designed to alter the entire tradition of water resource development in the West.

Is that a fact?

The answer is a flat "No."

In the first place, the Department of the Interior submitted its proposal in response to a specific directive from the 84th Congress in 1955—a Congress controlled, incidentally, by the opposition party. By many Congressmen who supported the Trinity authorization, this directive was considered an assurance that the power development would take place under a teamwork plan.

Second, in the selection of a partner in the development, the Federal Government, in accordance with a half-century tradition, gave preference to local public power organizations in California. When none came forward, the Department recommended a proposal negotiated with the Pacific Gas & Electric Co.

Third, joint development is of ancient and honorable ancestry, with advocates for more than a half century in both political parties. Leasing of power privileges in Federal reclamation projects to public and private agencies was authorized in reclamation law as long ago as 1906. This authority was reenacted in 1939 during the administration of President Franklin D. Roosevelt.

Prior to 1953 the Federal Government entered into at least 26 agreements for hydroelectric development with non-Federal organizations, public and private.

Let me cite you just two of those cases.

The Bureau of Reclamation of the Department of the Interior made a contract with the California-Oregon Power Co. for the building of a dam and powerplant on the Link River in Oregon. When do you suppose this contract was made? In 1917, during the administration of Woodrow Wilson.

The Corps of Army Engineers entered into a contract for the installation of a powerplant at the Narrows Dam on the Yuba River in California. When? In 1941, during the Presidency of Franklin D. Roosevelt. And who do you suppose the partner was? None other than the Pacific Gas & Electric Co.

So you see that sometimes even a good politician can become a totally inaccurate and hysterical historian.

Now let's get down to details on Trinity.

The advantages of the administration's teamwork plan are clear. They have been pointed out many times.

1. The teamwork proposal would reduce the demand for Federal appropriations by $60 million.

2. The teamwork proposal, at the end of 50 years, would put $175,524,000 more into the Central Valley project account than the all-Federal plan. To equal this $175,524,000 under all-Federal development, it would be necessary to increase the firm power rates for all Central Valley customers by 20 percent.

Some opponents of the teamwork proposal seem quite happy to lose this $175 million—or have Californians lose it—for the sake of all-Federal development. Well, these politicians may not care about $175 million, particularly when it belongs to someone else, but I'm sure the people of California care about it, particularly when they remember what it may be used for in this instance: to help bring water—badly needed water—to the homes and farms and industries of their State.

Such a program will require the investment of an astronomical amount of money.

For example, 4 additional units in the Central Valley project, now being planned by the Bureau of Reclamation, would require more than $1¼ billion. The Yolo-Zamora unit will require nearly $3 million. The Folsom south unit, over $42 million. And that isn't all: the Auburn unit will require nearly $140 million; and for the East Side division—complete with 13 major reservoirs, 5 powerplants, and hundreds of miles of conveyance conduits—we will need a whopping $1,100,000,000.

Given such gigantic costs for water resource development, doesn't it make sense to look to all possible funding sources and thus have the greatest possible surplus in the Central Valley project account? That's exactly what the administration concludes. That's why it's for joint development.

Now let's look at the alternative plan. "Let the Federal Government build all the Trinity facilities," its advocates say. "Let the Government produce power at a cost of more than 8 mills, put this in a package with the entire Central Valley project's power, and sell it for less than 5 mills."

That's simply another way of saying that power users throughout the entire system can and should pay for the loss.

During the House hearings on this subject, the chairman of the full committee—your previous speaker—had some fun by accusing me of trying to bamboozle him and his associates. Later he relented a bit and softened his charge of bamboozling to hornswoggling. I'm grateful we gained at least that much ground with him.

As long as we are on the subject of bamboozling and hornswoggling, I want to point out that when it is claimed that 8-mill power can be sold for 5 mills with no loss to anybody, there must be a bamboozling bookkeeper in the house. Sure, either by bamboozling or hornswoggling you can change the price tag. But you can't turn 8-mill power into 5-mill power no matter what you do. And you can't restore the millions of dollars lost by any such oratorical hanky-panky.

Confronted by this simple and incontrovertible fact, certain opponents of the administration's plan have tried to obscure it by letting fly a volley of suggestions, some of them strange indeed.

Here's one: "Mr. Secretary," they say, "why don't you raise power rates in the Central Valley project by 20 percent? Then, even under all-Federal development, you would still have that $175 million." Well, if they believe such a project-wide rate increase is equitable and fair, why doesn't one of them—Congressman CLAIR ENGLE, for example— introduce legislation in the Congress to bring it about? For myself, I believe such an increase would be a plain injustice; I don't believe in penalizing the many to favor the few.

A second suggestion is that the proposed contract require the company's payments to fluctuate automatically in accordance with fluctuations in power production costs.

Well, no mortal man—not even a politician—has ever been given sight to pierce the veil of the future, to know for certain that Central Valley power costs will go up rather than down. With, for example, a major breakthrough in either the fission or the fusion process, or in some other process for

producing power, the Central Valley project surplus might well be cut by an automatic escalation provision.

The present contract at least assures that the Central Valley project surplus will increase, not decrease.

As Secretary of the Interior, I must advocate to the Congress that the United States accept no less.

Let me point out right here that the bills before Congress, drafted in the Department, require that the final arrangements with the company be no less favorable than those in the company's proposal. As I told a committee of the Congress recently, I shall make every effort to get even better terms if Congress approves joint development.

Now, another maneuver.

The administration's proposal would continue two existing contracts providing for Pacific Gas & Electric to wheel and firm up power produced at Federal dams.

These two contracts have been criticized by the General Accounting Office for being too generous to Pacific Gas & Electric, and that fact gives no end of delight to enemies of the new administration plan, who cheerfully forget some important facts in the record.

These two contracts in question are not an invention of the present administration. We inherited them. They were negotiated and signed in 1951, and I must admit that it is intriguing to hear my predecessor, the Honorable Oscar Chapman, and his Commissioner of Reclamation, Mike Strauss, criticized by members of their own party for giving away too much to a private power company. Such charges I just cannot believe. It is much more likely, I am convinced, that the General Accounting Office judgment simply reflects a difference of professional opinion between its technicians and those on the career staff of the Bureau of Reclamation.

Now what is the Department's stand?

In every way possible we shall endeavor to have the two existing contracts improved before they are incorporated in the final contract with the company. In fact, the drafts now pending already contain important new concessions by Pacific Gas & Electric not included in the contracts of 1951. If, in addition, the Congress should by legislative directive insist upon periodic renegotiation of the existing contracts, I should certainly have no objection, even though the firming contract already provides a means whereby the Federal Government can at any time unilaterally change its rates.

Surely, however, no one can seriously argue that the existing contracts should be canceled. To deprive the Government of access to the Pacific Gas & Electric transmission lines and to take from it the firming power which Pacific Gas & Electric now provides would have only one result: To force the Federal Government to build its own transmission lines and its own steam generating facilities. You can imagine the waste, the duplication, the inefficiency, and the quite proper Congressional opposition to such an undertaking—one which might well be the first step toward forcing a Valley-type authority on the State of California.

Probably the most important distraction in the whole debate is the systematic attempt to cast doubt on the accuracy of the Government's computations.

Here some of the oppositions are shooting with a rifle and not a shotgun. The Bureau of Reclamation figures, they say, are all wrong, but only on the Trinity generating facilities. All the other figures—on the Trinity Dam, the Clear Creek Tunnel, the Whiskeytown Dam—those figures, produced by the same Bureau engineers, are unimpeachable. In fact, as Congressman JOHN SAYLOR, of Pennsylvania, pointed out during the hearings, Congressman ENGLE uses them all the time in support of the Trinity project as a whole, apparently with no awareness of any inconsistency.

It has been alleged, for example, that recapturing the generating facilities at the end of 50 years could cost the Government more than the original investment, $55 million. The Pacific Gas & Electric Co. has agreed to set a $10 million ceiling on the recapture cost. Ten million dollars is greater than $55 million only in Wonderland.

It has been alleged that if the Pacific Gas & Electric Co. builds the Trinity powerhouses, the Federal Government will have to spend additional millions at the San Luis project for off-peak pumping facilities.

The truth is that, according to the Bureau of Reclamation career experts, these facilities should be constructed no matter who builds the Trinity powerhouses.

Finally, it has been alleged that joint development will increase costs during the 50 years to Federal agencies and other preference customers by $275 million. The career technical experts in the Bureau of Reclamation again disagree. The cost, they say, is not $275 million but $139 million; the difference is due primarily to a difference in estimates of the future flow of water available for generating power.

The Department's lower figure is based on a conservative estimate of streamflows by Bureau of Reclamation engineers. But remember this: the same estimate is the one which the Department has used to arrive at its Central Valley project surplus figure of $175 million. If the Bureau technicians were to use the more liberal streamflow estimate, this surplus figure would be greater still.

You can't have the one high figure without the other.

Now, with your permission, I'd like to turn from the statistics to the intent behind them.

In a country with free speech, anybody has a right to discuss national water and power policies. No one would deny the existence of that right. It is essential to wise policy-making and wise administration. But nothing good is to be gained by irresponsible and groundless attacks on the competence and intelligence of career people in Government agencies—people whose sole job it is, from one administration to the next, to make technical computations with a high level of accuracy and not to establish policy.

Upon the calculations and judgment of such career technicians depend the plans not only for the Trinity power facilities but for all future additions to the whole Trinity division; the whole Central Valley project; and indeed, the entire structure of Bureau of Reclamation projects in 17 States. Let me assure you I shall continue to combat any irresponsible attack on their intelligence, competence, and honesty. To scuttle public confidence in them is to do irreparable damage to future Federal-State reclamation development in California and throughout the West from here to Texas.

In the Trinity debate, that method of attack should come to an end.

Instead, if the opponents of teamwork are unalterably opposed to anything but all-Federal development—and its inevitable corollary, Federal monopoly—let them say so and plainly.

If the opponents of teamwork believe that Federal power development—below-cost power development—is more important than water development, let them say so and plainly.

If the oponents of teamwork believe that now is the time to start California on the road toward a Valley authority, let them say so and plainly.

If the opponents of teamwork are willing to sacrifice $175 million in the Central Valley project account plus $83 million in Federal taxes, plus municipal and State taxes merely to try to prove that only the Federal Government can do a job right, let them say so and plainly.

And let them do another thing: let them join with the advocates of the pending proposal in getting it out of the House committee and bringing it to a vote in the current session of the Congress.

It's time now to resolve this issue and get on with the next stage of the job.

They Don't Grow Douglas-Fir in Japan

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. PORTER. Mr. Speaker, there has recently been a widespread campaign of massive misinformation on the plywood import situation, not only here in the Congress but across the Nation and especially in the Pacific Northwest where the people are suffering a severe depression and are especially inclined to grab at economic straws.

The instigators of this campaign appear to be a few big manufacturers of hardwood plywood—and I emphasize the word "hardwood." Their hardwood plywood production is mostly located in the eastern part of the United States. However, these same firms also engage in the manufacture of softwood plywood and their mills for this purpose are, of course, mostly located in the Pacific Northwest. By confusing the issue these firms, through their highly paid lobbyists and public-relations people, have actually managed to talk some otherwise level-headed Pacific Northwest newspaper editors, labor executives, and even Members of Congress into believing that the importation of Japanese hardwood plywood has had a terrible impact on the market for Douglas fir softwood plywood.

On March 24, the gentleman from Washington [Mr. MACK] told the House that—

> The present heavy imports of Japanese plywood are depriving about 8,000 Pacific Northwest and southern plywood-plant workers and the loggers who supply them raw materials of employment.

The fact of the matter is that absolutely no softwood plywood is imported into this country from Japan and only a very, very small amount of hardwood plywood is produced in the Pacific Northwest. The impact, if any, on the softwood plywood industry of Japanese hardwood plywood imports is so small as to be unnoticeable.

Yet, responsible officials of some of the largest firms in the country are on record to the contrary. One of them, Vice President J. L. Buckley, of the Georgia Pacific Corp., a huge combine, has decided to attack me personally on the subject following my public refutation of some of his loaded statistics.

The following is the text of Mr. Buckley's first letter to me on the subject of plywood imports, dated March 7, 1958:

> DEAR MR. PORTER: Confirming our conversation of yesterday, I am attaching hereto

the recommendations of forest products committee of the Portland Chamber of Commerce concerning importation of plywood. As you will note from this strongly worded resolution, which is the combined opinion of some 25 members of the forest products industry in Oregon, it very strongly advocates a lid being placed on importation of plywood.

The latest report from the Department of Commerce on plywood imports for the year 1957 shows the following:

Year:	Feet
Total plywood imports:	
1951	74,000,000
1956	706,000,000
1957	847,000,000
Imports from Japan:	
1951	13,000,000
1956	527,000,000
1957	680,000,000

Imports from Japan increased 29½ percent in 1957 over 1956 during the period when the so-called voluntary quota imposed by the Japanese manufacturers was in effect.

It is significant that importation of Japanese plywood has risen from 13 million feet in 1951 to 680 million feet in 1957. There is every indication that additional capacity is now being installed in Japan so that this upward trend will continue. We are very concerned that with the tremendous advantage Japan has over American manufacturers due to their lower wage scale, they will be able to capture as much of the American market as they wish to. What is now a serious menace will, in a very few years, be a catastrophe for the American plywood industry.

As I told you, I believe you could do your constituents and the Oregon plywood industry a great favor if you would call this to the attention of the Congress on the floor at some early date.

We have a whole file of information on the subject, and I will be glad to forward you additional data if you so wish, but I believe the above resolution and the statistics speak for themselves.

It was a great pleasure to meet you and I hope you will call on me at any time and I, in turn, hope to keep in touch with you.

Sincerely yours,
GEORGIA PACIFIC CORP.,
JAMES L. BUCKLEY,
Vice President.

Some time before I was contacted by Mr. Buckley I had initiated an investigation of plywood imports with my own resources and at the same time I requested an up-to-date statement of the situation from the professional analysts in international trade available to the Legislative Reference Service of the Library of Congress. Our results were quite positive and I proceeded to say so when I was interviewed on the subject by the able Washington correspondent for several daily papers in Oregon, Mr. A. Robert Smith.

Following is the text of the plywood article written by Mr. Smith, which appeared in the Portland Oregonian, the Salem Statesman, the Eugene Register-Guard and the Medford Mail-Tribune:

WASHINGTON.—Underconsumption of plywood at home, and not Japanese plywood imports, is the chief cause of the slump in the softwood-plywood industry in Oregon and Washington, most members of the Oregon Congressional delegation have concluded.

The five Democratic members of the delegation sought authoritative information on the subject several weeks ago when they received a complaint from the Josephine County Democratic Central Committee. The Grants Pass group complained of Japanese plywood imports and urged adoption of trade restrictions by the United States.

Representatives WALTER NORBLAD, Republican of Oregon, and RUSSELL V. MACK, Republican of Washington, recently went to the White House to urge Sherman Adams, the President's assistant, to look into the possibility of imposing a quota on plywood imports from Japan. Both Congressmen are sponsors of legislation to restrict importation of Japanese hardwood plywood to no more than 15 percent of domestic consumption of hardwood plywood. The legislation does not cover softwood plywood.

The Library of Congress, at the request of Representative CHARLES O. PORTER, made a study of the plywood situation which revealed that for the first 11 months of 1957, plywood imports from Japan totaled 783 million square feet of which 99.6 percent was hardwood plywood and 0.4 percent was softwood plywood.

"Imports therefore had a negligible effect on the fall in domestic prices (of softwood plywood)," the analysis stated. It explained the fall in prices as due to the decline in housing starts the last 2 years, after the plywood industry had expanded productive capacity during the postwar housing boom.

"Many people in the Pacific Northwest, even some of those closely connected with the plywood industry, do not know that Japan has already set up a voluntary export quota on hardwood plywood shipped to the United States," said Congressman PORTER. "The quota is 400 million square feet a year, a considerable reduction from the amount shipped to this country from Japan last year. There is every reason to believe that Japan would be sensible enough to establish a similar quota for softwood plywood should the necessity arise—but the plain fact is that, at this time, imports of softwood plywood to the United States from all countries is not enough to have any noticeable effect on plywood production in the Pacific Northwest."

The Oregon Democrats consquently rejected the plea of the Grants Pass party organization. The only other complaint against the Japanese received by PORTER's office was from James L. Buckley, vice president, Georgia-Pacific Corp., Augusta, Ga., who enclosed a resolution he said was passed by the Portland Chamber of Commerce's forest products committee calling for "restraints" against Japanese plywood imports. Harold B. Say, Washington representative of the Portland chamber, said he had heard of no recent complaints about plywood imports.

Hardwood plywood imports compete with hardwood plywood produced domestically in the Southern States. PORTER's office surmised that Georgia-Pacific was making a plea in behalf of its southern operations, not those in the Northwest.

Congressman NORBLAD said he had no complaints this year from plywood producers.

"But I had lots of them last year, and I assume they still feel the same way," NORBLAD explained.

Asked why he sought to restrict hardwood plywood imports, NORBLAD said he thought it was competitive with softwood plywood in a general way, "just like codfish is competitive with salmon in that people who eat one may not the other."

PORTER argued that "there is virtually no competition between softwood and hardwood plywoods, since the two products are used for completely different purposes except in a few instances involving quantities of the product so small that the net effect on the market is negligible."

The Library of Congress report said softwood plywood is chiefly used in subroofing, subflooring, and concrete forms. Hardwood plywood, whether from Japan or the United States, sells at a price well above softwood plywood and is used for wall paneling and for veneers on doors.

Senator HENRY M. JACKSON, Democrat, of Washington, said his office received pleas in behalf of hardwood plywood imports from a Tacoma firm which makes doors which have a core of domestic softwood plywood and a skin of imported hardwood plywood.

In the absence of any showing that Japanese plywood is hurting Oregon mills, the Oregon Democrats are opposing any tariff restrictions. They point out that Japan is a big customer of American goods, much of it from Oregon, notably wheat and lumber. They argue that if the United States doesn't allow Japan to sell its products here, American producers won't be able to sell in Japan.

The United States-Japan Trade Council reported that Japan buys about twice as much as she sells in the United States. Last year Japan bought $1,219,000,000 in American goods and sold $625 million in Japanese goods here.

The National Lumber Manufacturers Association reported that in 1956 Japan bought about one-tenth of the Douglas-fir lumber exported from the United States, or 28,160,000 board feet.

The Department of Agriculture reported that "the United States exports 40 to 50 million bushels of wheat to Japan annually—over 50 percent of Japan's total wheat imports. In 1956, 9 percent of United States wheat exports went to Japan."

This column appeared in the March 17 edition of the Portland Oregonian. It was read by Mr. Buckley and prompted him to send me a copy along with an unnecessarily insulting letter, dated March 21, which I quote in its entirety as follows:

DEAR MR. PORTER: I was quite surprised to read the article in the Oregonian March 17, 1958, attached, as it would appear that the information which I attempted to leave with you on my personal visit March 6, and my subsequent letter of March 7, concerning the seriousness of imported Japanese plywood to the Northwest plywood industry, was either misunderstood or ignored.

There is obviously no point in prolonging this discussion with one whose mind is obviously closed. However, for the sake of the record, I would like to straighten out your office on two points:

1. The plea that we are making is on behalf of our own and other Northwest plywood producers, as well as southern plywood operators.

2. My address is Portland, Oreg., and not Augusta, Ga., as my card and letterhead indicated.

Please send me a copy of the Library of Congress study.

J. L. BUCKLEY,
Vice President.

I had the pleasure of instructing Mr. Buckley in my letter to him of March 24, as follows, with copies to his company president and to the chairman of the board of directors:

DEAR MR. BUCKLEY: I have in hand your rather impertinent letter of March 21, in which you allege that my mind is obviously closed to your arguments as presented personally and in your letter of March 7. For the sake of the same record you mention, I would like to state that my mind is not closed on this or any other subject.

Your information on the effect of the importation of Japanese plywood on the Pacific Northwest softwood plywood industry was neither misunderstood nor ignored. Quite the contrary. I investigated your points thoroughly and I subsequently understood your statements as a plea for relief on the part of a company which is engaged in the manufacture of hardwood plywood. The

information which you provided was quite obviously slanted to make it appear to apply to softwood plywood, but the facts failed to sustain your argument.

It is interesting to note that nowhere in your letter of March 7 is the word "hardwood" used. The letter refers only to "imported Japanese plywood." You fail to allow for the fact that no softwood plywood is imported into the United States from Japan and that virtually no hardwood plywood is produced in the State of Oregon, none in my district as far as I can determine.

I do not intend to go into the merits of legislation affecting the importation into this country of hardwood plywood. It is, fortunately, not my problem. My research indicates that competition between the two species is negligible.

As for the other point in your letter of March 7, regarding the fact that the able Washington correspondent for the Portland Oregonian and other Oregon dailies listed your address as Augusta, Ga., rather than Portland, Oreg., I am looking at the letterhead on which you wrote your letter of March 7. It is not the same as the letterhead you used for your letter of March 21. The only addresses given on your letter of March 7 are: "in reply address Post Office Box 1350, Savannah, Ga." and "Georgia-Pacific Plywood Co., Georgia-Pacific Paper Co., Southern Finance Building, Augusta, Ga." It was from this letterhead that Mr. A. Robert Smith, a fine and accurate reporter, got the address which he used in his story.

The statements which I made to Mr. Smith and which were quoted in the Portland Oregonian of March 17 outline quite well what my investigation indicates. I stand behind the statements completely. However, my mind is not closed to further discussion despite the sharpness of your criticism.

On March 12 the New York Times published a story regarding the annual report of the Georgia-Pacific Co., showing that the firm's gross sales for 1957 were up to $147,649,000, an increase of 21.7 percent over 1956. The report also showed income up to $8,532,000, an increase of 14.8 percent over 1956. The New York Times story quoted the president of your company, Mr. R. B. Pamplin, and the chairman of the board, Mr. O. R. Cheatham, as saying that these increases in sales and income were achieved despite "generally unsatisfactory market conditions and depressed prices in certain segments of the forest products industry due to overproduction." The segment of the industry referred to is obviously the softwood plywood segment and the reason for the so-called overproduction is quite obviously the reason given in the 1956 annual report of the Georgia-Pacific Co.: "The decline in housing starts."

Importation of Japanese hardwood plywood is not mentioned, to my knowledge, in either report. I certainly agree with Mr. Pamplin and Mr. Cheatham that the present unsatisfactory market conditions in the softwood plywood industry are the results of overproduction, though I prefer to regard it as underconsumption because of too few housing starts, brought about in turn by ill-conceived tight-money policies on the part of the Republican administration.

If you have further information regarding the impact of the importation of Japanese hardwood plywood on the Pacific Northwest softwood plywood market I would be happy to study it and I would be pleased also to discuss the matter again with you in person.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

(Enclose: Copy of report on softwood plywood industry.)

(Copies to Mr. R. B. Pamplin, Mr. O. R. Cheatham, Mr. A. Robert Smith.)

Mr. Speaker, it is time for this type of economic hoax to stop. With the Pacific Northwest already bending under the repeated fiscal blows of the Eisenhower administration, this is no time for special interest groups to be playing grim semantic games with the people I represent. It is utterly amazing to me that some of my friends on the other side of the aisle, even some of those from the Pacific Northwest, have been misled by the propaganda of these monster corporations into making inaccurate statements on the floor of the House to the effect that thousands of Pacific Northwest plywood workers have been thrown out of work because of Japanese plywood imports. The facts prove otherwise.

In his usual light-hearted manner, my friend Fletcher Knebel said in his widely read column Potomac Fever the other day that—

> Unemployment appears to have increased in almost every line of work except the one where little men run around the stores marking up prices.

That's a good description of what is happening in Oregon, where unemployment has been a greater problem than in any other State. Yet, the prices of life's daily necessities, especially food, continue to rise.

The cruelest blow of all comes when big-money groups like the Hardwood Plywood Association attempt to make pawns of these distressed people in their financial chess games.

Mr. Speaker, they do not grow Douglas fir in Japan and the Japanese are not exporting any softwood plywood to the United States. All this irresponsible talk about the Japanese importing Soviet softwood timber for the purpose of manufacturing plywood for re-export to the United States is without any basis in fact.

I hope that no member of the distinguished House Committee on Ways and Means will be misled by such ridiculous statements. It certainly is true that many of the people I represent are unemployed—but none of them owes this distressing state of affairs to the importation of Japanese plywood.

Tax Reform Statement by New York Democratic Congressional Delegation

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. MULTER. Mr. Speaker, on March 24, 1958, the New York Democratic congressional delegation issued the following statement. Because of its timeliness, I commend it to the attention of our colleagues:

We believe that tax reform is long overdue. It was necessary during normal economic periods to remove inequities in the law. During this recessionary period it is not only a wise policy, it is required to restore health to the economy.

We urge immediate relief in several areas.

1. A tax cut must be given to the individual taxpayer. Whether by additional exemption, reduction of the rate or waiver of a portion or all of the withholding tax is unimportant. The tax relief must be granted on the widest base possible to the greatest number of taxpayers. That will be a real impetus to our economy.

2. Tax relief for small business should be enacted immediately. Small business failures hit a 20-year high in 1957. They will continue to lose out in their competition with big business if we delay.

3. Small business firms should be permitted a tax allowance for reinvestment so that they may retain a portion of their earnings for necessary growth and expansion.

4. The benefits of the alternative methods of depreciation should be extended to purchasers of used property. There is no reason to limit this benefit to purchasers of new equipment.

5. As an aid to small business firms, corporations should be granted an election to be taxed as partnerships.

6. In order to provide added equity financing to small businesses, the "minimum accumulated earnings credit" should be increased.

7. Equal opportunity should be extended to all taxpayers who wish to provide for their own retirement. The Keogh-Jenkins bill will remove discrimination from the present law.

All of the above measures have been thoroughly studied by Congress. They are sound and necessary. We wholeheartedly support them and urge all our colleagues regardless of party affiliation to work for their immediate enactment. These tax adjustments are needed not only to equalize opportunity, but also to serve as an immediate stimulant toward economic recovery.

Memo by Hon. Clyde Doyle, of California, on House Un-American Activities Subcommittee Public Hearings Recently Held at Boston, Mass.

EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 26, 1958

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I insert for the information of all the Members of Congress and any other readers, the following texts growing out of the week's work in Boston, Mass., recently of a subcommittee of the House Un-American Activities Committee. We were there in public hearings from Monday to Friday, inclusive.

The letter hereinafter set forth is typical of several I have received and I know, in addition to those which have come to me, our committee office has likewise received quite a few:

CANTON, MASS.

Hon. CLYDE DOYLE,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Through the splendid public service of radio station WBZ, Boston, which rebroadcast your entire House Un-American Activities hearings here last week, I was able to follow the splendid work your committee is doing. I had some insight into the problem as a member of Army in-

telligence during World War II, and as a county officer of the American Legion, am proud to know we are highly unpopular with the Communists, also that the Legion is strongly supporting your efforts.

I wrote my fellow Legionnaire DICK WIGGLESWORTH today, asking him to support H. R. 9937 as you requested. Please express my appreciation too, of the dignified way the hearings were conducted, and the patient way your members handled those frustrating witnesses.

Sincerely,

THOMAS E. ABELY.

The editorial by the Boston Traveler for Friday, March 21, 1958, herein set forth is typical of editorials made concerning our subcommittee's work:

STRENGTH AT THE CORE

Anybody who's inclined to underrate the strength of the Communist Party in America had better change his opinion.

Testimony given in Boston this week before the House Committee on Un-American Activities has included mighty good evidence that the Reds are far from finished.

Stronger than ever before, is the way the vicious movement is described by Armando Penha, who spent 8 years in the Commie ranks as an FBI counterspy.

This is what FBI Director J. Edgar Hoover has been saying all along. And certainly nobody, including most of the Reds themselves, knows more about what's going on in the party huddles than he does.

The fact that the Communists have pared their ranks does not mean that they've grown weaker. On the contrary, by dropping inept members they have trimmed down to a hard core of dedicated workers. They can work more effectively now than when they were handicapped by weaklings.

Hoover's recent book, Masters of Deceit, points a warning of this situation. And men like Penha, who know what they're talking about, can back him up.

Meanwhile, though, it's gratifying to know that we have a hard core of Americans working undercover in the Commie ranks. The Reds know these agents are around, but they don't know who they are. So much the better for us, to have the Communists biting their fingernails, wondering which men to trust.

Let's keep them bothered and bewildered.

Also, the editorial in the Boston Pilot for March 22, 1958, is also typical and significant. By the way, the Pilot was established by the second bishop of Boston in 1829.

SPOTLIGHT ON THE LEFT

The House Committee on Un-American Activities is now holding hearings in Boston and something like 40 witnesses will be heard before the local appearance of the committee is ended. Along with the old familiar names that have been mentioned for years we have added now a new batch of characters who, in the considered view of the committee, have some connection, present or past, with the Communist operation in America.

Many sophisticated Americans are likely to take the work of the committee lightly; they cannot bring themselves to believe that the Communist conspiracy in the United States is a serious one. It is acknowledged (it pretty much has to be) that we did have a time when a rather impressive section of our intellectuals in America were flirting with Marxism and its implications; further, it must be admitted that some became persuaded Communists, many became sympathizers, and positions of importance in Government, science, education, and communications were infiltrated for espionage and other reasons. Even when all this is allowed, however, many have the feeling that that is all in the past now and the few hard-shell Communists remaining are not significant in the life and thought of our country.

This has a reasonable flavor about it and one of its appeals is that it takes a sort of comfortable, unworried view of our national security. Unfortunately it is not nearly as rational as it appears and if used as a basis for action it can be so unrealistic as to be dangerous. It is true, we may be sure, that there are many less people of Marxist sympathy in Government than formerly, and it is also true that there are many less Communists in the country than in earlier times. People have also learned for the most part not to confuse genuine liberals, even if working for unpopular causes, with Reds or their sympathizers. All of this is gain. It does not however remove the core menace of communism in America.

If the Communist apparatus is pruned at the present time the parent tree is not for that reason less vigorous; the precise opposite may be true. When the peripheral appurtenances are removed the strength may be better conserved in the hard core that remains. This is not to say that its present danger is greater than formerly, it probably is less; it does suggest that its potential danger is still immense and made the more so because people consider it insignificant.

This is the message of the House Committee on Un-American Activities and this explains why it works to expose locally those still involved in the Communist conspiracy and those giving it even clandestine support. Care should be taken always, of course, to protect the reputations of the innocent and to show consideration to those who, once involved, have truly abandoned past connections and sympathies. The committee in its local appearance has shown its concern in this regard and has conducted itself with dignity.

An advertisement intended to welcome the committee to Boston carried, among several others, a text from the executive secretary of the American Civil Liberties Union stating that "The House Committee on Un-American activities ought never to have come into existence, and ought to be abolished." This is almost the only thing that cannot be properly offered against the committee. People can complain, if they choose, about its policy, its practice, its personnel or whatever; they cannot complain about its existence. Congress requires and must have information and assistance in planning its laws on national security and it must provide this through a committee working in this vital area. When it does its congressional duty in justice and dignity it deserves and should receive the respect of all our citizens.

And, Mr. Speaker, since my return from the Boston subcommittee assignment I have been asked by several Members of the House as to what sort of a closing statement I made on behalf of the committee at the close of the hearings. Hence, on account of such expressed interest I am including herewith my remarks publicly made in the court room for the information of all who are especially interested in the work of our House Un-American Activities Committee in connection with our public hearings:

STATEMENT READ PUBLICLY BY ACTING SUBCOMMITTEE CHAIRMAN CLYDE DOYLE, CALIFORNIA, AT CLOSE OF HOUSE UN-AMERICAN ACTIVITIES SUBCOMMITTEE PUBLIC HEARINGS AT BOSTON, MASS., ON MARCH 21, 1958

Mr. DOYLE. Now, I have made just a few notes here which I will refer to in my brief statement on behalf of the committee.

First, I wish to call your attention to the fact which has not yet been emphasized in these hearings, that this subcommittee here in Boston these four days is a subcommittee of a committee of nine. This House Un-American Activities Committee is not a special committee. It is a standing committee of the House of Representatives. It has been a standing regularly qualified committee approved unanimously by the House of Representatives on many occasions ever since 1946. I will not take time to read the charter. It is here. It was adopted in 1946 and under that charter we are here, duly qualified and following our legal requirements.

I wish further to say this: that because of the thoroughness of the staff investigations and cooperation with the FBI agents, this committee knew in advance that on account of lack of time here in Boston these hearings would be necessarily brief. We could not possibly cover the extent of the Communist operations in this New England area. But we believe we had knowledge, and now we have more knowledge from all reliable sources, of a considerable extensive Communist Party subversive activities in the New England area, amounting to several hundred identified members in the Communist Party in the New England area. If we had time, therefore, we could call up to around 300 identified Communists in this area, your neighbors. To do so would have taken weeks of hearings, instead of just a few days. Furthermore it would require assignment of our capable staff to this area, whereas they have obligations in other areas also.

But in the few days that we have been here, we believe we have had a fair sampling of several phases of Communist subversive operations, especially in this area.

What then has been accomplished, in our judgment, as a result of these hearings? These are some of the objectives of accomplishment.

In the first place, we have seen repetition here in the Boston, New England area, of a pattern of Communist activities and techniques which verifies and confirms the very same pattern of secret and habitually deceitful and subversive activities and tactics throughout our Nation.

We also have brought forth reliable evidence proving that there is in this highly sensitive and important industrial area a Communist Party activity which should be paid more attention by the public officials, both municipal and statewide, in cooperation with the Federal officials. I respectfully make that suggestion.

More specifically, there has been developed here new and convincing evidence regarding the existing loopholes in the Foreign Agents Registration Act, and other existing legislation, designed to identify and stem the flood of Communist propaganda that is daily reaching the source of our Nation from Soviet Russia, and from other people, specifically doing it in cooperation with the Soviet Communist control of the Soviet Republic in this cold war.

And we wish to emphasize that this Communist subversive activity right here in the New England area and throughout our Nation is part of the cold war. It is not chickenfeed; it is not just merely propaganda. It is part of the cold war. There are no bullets being fired, but it is war nevertheless.

There has also been revealed further reliable factual Communist underground strategy and tactics penetrating entirely legitimate and loyal organizations, church groups, labor groups, youth groups, schools, lodges, and public offices.

It has also been revealed further definite information respecting efforts of the Communist Party and conspiracy to penetrate certain vital industries by way of colonizing

by Communists, many of whom hold high educational degrees in education, bachelors of science and engineers; and yet fulfilling their Communist Party dedication, they take menial jobs, at far less salaries in sensitive industry in order to carry out Communist Party directives, than they could earn at the profession for which they are especially equipped and trained.

We will take back to Washington for consideration by the Congress all the factual material here gained in connection with our study and consideration for the enactment of legislation.

There is, however, a collateral result, which is very valuable and continuing, as a result of these hearings, which I believe will have a salutary and important effect to this entire geographical area. This should be a daily reminder for you folks who have the pleasure, privilege and inspiration of living in this area of the continuous Communist Party subversive threat, both day and night, not merely as a philosophical concept, but as a menacing dynamic force of intrigue and subversion, operating as part of the Soviet cold war against the American way of life, which was, in fact, born right here within a mile of this building, if you will recall.

We wish to thank the two former FBI agents.

I wish to say just a word. As I have sat here these 4 days, now and then I have noticed when the FBI was mentioned a sort of a sneer, and I mean a sneer, on the face of, thank God, very few in the courtroom. But I have noticed it. You have noticed it. And, of course, the citizen that sneers at the FBI sneers at the constitutional government in the United States.

We wish to thank, therefore, these two American citizens who gave up commensurate income and went to work for the FBI at a mere pittance in order to serve their country. We thank them for their helpfulness to us.

Now, before concluding, I would like to express the appreciation of our committee to our staff, our professional staff. It is no picnic that they have to come into an area and work day and night to try to get factual, reliable information. It is a hard, unpleasant task, and the committee appreciates the thoroughness with which our staff in this area have done their job. They always do it that way.

Then, too, we wish to thank the Federal judges, Francis Ford, the distinguished Federal judge who occupies this courtroom and courteously turned it over to us. We thank United States Marshal Ralph Gray, and all his most capable and thoughtful and helpful deputies. We thank, of course, Capt. Daniel Murphy, the department of public safety, of this great Commonwealth and his very able staff, for helping with our staff and with these hearings.

And then, too, I want to thank the listeners in the courtroom again who have been most courteous these 4 days, and we appreciate it very much.

Finally, I must not overlook, on behalf of the committee, the caretakers of this building, the janitors, the elevator operators, and all these men and women who have gone out of their way to, even after hours and other times, to make it convenient for us and our staff. We notice those things as American Congressmen. We notice those little things. They are very important.

And finally, I would like to express our unanimous and very cordial and sincere thanks to all members of the press, of the radio, and television profession and fraternity. We noticed the thoroughness and the accuracy and the very constructive way in which you have reported and shown these hearings. As a matter of fact, we might put you all on our staff as a part of our educational department. We thank you very much for your consideration to us.

We want to thank, too, the large number of people who have written to us or who have sent us orally their expressions of appreciation for what the United States Congress is trying to do in this difficult field.

Have you anything else, Mr. ARENS?

Mr. ARENS. No; thank you, Mr. Chairman.

Mr. DOYLE. On behalf of the Congress, then, I thank you, and the United States Congress wishes you all well.

(Whereupon, at 11:58 a. m., Friday, March 21, 1958, the subcommittee adjourned, subject to the call of the Chair.)